

Public Review Draft

# Countywide Service Review



JUNE 2005

PREPARED FOR:  
**Local Agency Formation Commission  
of Santa Cruz County**  
701 Ocean Street, Room 318-D  
Santa Cruz, California 95060



PREPARED BY:  
**Dudek & Associates, Inc.**  
605 Third Street  
Encinitas, California 92024



## TABLE OF CONTENTS

Section 1	Executive Summary
Section 2	Water Service
Section 3	Wastewater Service
Section 4	Street and Highway Services
Section 5	Flood Control Services
Section 6	Solid Waste Services
Section 7	Fire Protection
Section 8	Police Protection
Section 9	Recreation and Parks
Section 10	Other Services
	Pajaro Valley Public Cemetery District
	County Service Area 3: Aptos Seascap
	County Service Area 53: Mosquito Abatement and Vector Control
	Santa Cruz Port District
	Reclamation District 2049
	Santa Cruz County Resource Conservation District

## **1. EXECUTIVE SUMMARY**

---

**Overview**

**Service Review Purpose**

**Service Review Process**

**City Maps**

## 1.0 EXECUTIVE SUMMARY

### Overview

The Local Government Organization Act of 2000 governs city and special district boundary changes and reorganizations, and charges the Local Agency Formation Commission (LAFCO) in each county to perform studies and make reorganization decisions that promote efficient public services. For FY 2004-2005, Santa Cruz agencies had a cumulative budget exceeding \$240 million for the services addressed in this report, yielding an annual per capita expenditure of \$925 for the 260,240 residents of Santa Cruz County.

The Countywide Service Review is a comprehensive overview of public services within Santa Cruz County and includes the four cities and over 80 special districts providing municipal-type services such as water, fire protection, and police protection within the County. The report addresses the public services being provided by the agencies subject to LAFCO's boundary regulation under state law. Therefore, this report does not evaluate services such as schools, planning and building regulation, consumer affairs, courts, detention, libraries, health services, and human services.

The report is structured by service type with all of the agencies providing a particular service addressed in the respective chapter. The last chapter includes services that are not included elsewhere in the report. Each of the chapters includes maps of the agencies' current boundaries and summary profiles. Maps of the four cities are found at the end of this section. The agencies and the services reviewed are as follows:

Santa Cruz LAFCO Countywide Service Review	Water Service	Wastewater Services	Street and Highway Services	Flood Control Services	Solid Waste Services	Fire Protection	Police Protection	Recreation and Park Services	Other Services
<b>Cities</b>									
City of Capitola			•	•			•	•	
City of Santa Cruz	•	•	•	•	•	•	•	•	
City of Scotts Valley		•	•	•	•		•	•	
City of Watsonville	•	•	•	•	•	•	•	•	
<b>Special Districts</b>									
Central Water District	•								
Davenport County Sanitation District	•	•							
Lompico County Water District	•								
Pajaro Valley Water Management Agency	•								



Santa Cruz LAFCO Countywide Service Review	Water Service	Wastewater Services	Street and Highway Services	Flood Control Services	Solid Waste Services	Fire Protection	Police Protection	Recreation and Park Services	Other Services
San Lorenzo Valley Water District	•	•							
Scotts Valley Water District	•								
Soquel Creek Water District	•								
Freedom County Sanitation District		•							
Santa Cruz County Sanitation District		•							
Salsipuedes Sanitary District		•							
CSA 2 – Place de Mer		•							
CSA 5 – Sand Dollar Beach and Canon del Sol		•							
CSA 7 – Boulder Creek Country Club		•							
CSA 10 – Rolling Woods		•							
CSA 12 – Wastewater Management		•							
CSA 20 – Trestle Beach		•							
CSA 57 – Graham Hill Road		•		•					
CSA 9 – County Hwy Safety Svc. Area			•						
CSA 9 Zone A – Residential Street Lighting			•						
CSA 9D Zone 1 – Road Maintenance / North County			•						
CSA 9D Zone 2 – Road Maintenance / Central County			•						
CSA 9D Zone 3 – Road Maintenance / South County			•						
CSA 9E – Streetscape (Live Oak/Soquel Redev. Area)			•						
CSA 13 – Hutchinson Road			•						
CSA 13A – Oak Flat			•						
CSA 15 – Huckleberry Woods			•						
CSA 16 – Robak Drive			•						
CSA 17 – Empire Acres			•						
CSA 18 – Whitehouse Canyon			•						
CSA 21 – Westdale Drive			•						
CSA 22 – Kelly Hill Road			•						
CSA 23 – Old Ranch Road			•						
CSA 24 – Pineridge Road			•						
CSA 25 – Viewpoint Road			•						
CSA 26 – Hidden Valley			•						
CSA 28 – Lomond Terrace			•						
CSA 30 – Glenwood Acres			•						
CSA 32 – View Circle			•						
CSA 33 – Redwood Drive			•						

Santa Cruz LAFCO Countywide Service Review	Water Service	Wastewater Services	Street and Highway Services	Flood Control Services	Solid Waste Services	Fire Protection	Police Protection	Recreation and Park Services	Other Services
CSA 34 – Larsen Road			•						
CSA 35 – Country Estates			•						
CSA 36 – Forest Glen			•						
CSA 37 – Roberts Road			•						
CSA 39 – Reed Street			•						
CSA 40 – Ralston Way			•						
CSA 41 – Loma Prieta Drive			•						
CSA 42 – Sunlit Lane			•						
CSA 43 – Bonito-Encino			•						
CSA 44 – Sunbeam Woods			•						
CSA 46 – Pinecrest Drive			•						
CSA 47 – Braemoor Drive			•						
CSA 50 – The Vineyard			•						
CSA 51 – Hopkins Gulch			•						
CSA 52 – Upper Pleasant Valley			•						
CSA 55 – Riverdale Park			•						
CSA 56 – Felton Grove			•						
CSA 58 – Ridge Drive			•						
CSA 59 – McGaffigan Mill Road			•						
Santa Cruz County Flood Control & Water Conservation District – Zones 5, 6, 7, 7A and 8				•					
Pajaro Storm Drain Maintenance District				•					
CSA 9C – Solid Waste					•				
CSA 4 – Pajaro Dunes						•			
CSA 48 – County Fire Protection						•			
Aptos/La Selva Fire Protection District						•			
Ben Lomond Fire Protection District						•			
Boulder Creek Fire Protection District						•			
Branciforte Fire Protection District						•			
Central Fire Protection District						•			
Felton Fire Protection District						•			
Pajaro Valley Fire Protection District						•			
Scotts Valley Fire Protection District						•			
Zayante Fire Protection District						•			
CSA 38 – County Sheriff							•		
CSA 11 – Recreation and Parks								•	

Santa Cruz LAFCO Countywide Service Review	Water Service	Wastewater Services	Street and Highway Services	Flood Control Services	Solid Waste Services	Fire Protection	Police Protection	Recreation and Park Services	Other Services
Alba Recreation and Park District								•	
Boulder Creek Recreation and Park District								•	
La Selva Beach Recreation and Park District								•	
Opal Cliffs Recreation and Park District								•	
Pajaro Valley Public Cemetery District									•
CSA 3 – Aptos Seascapes									•
CSA 53 – Mosquito Abatement									•
Santa Cruz Port District									•
Reclamation District 2049									•
Santa Cruz County Resource Conservation District									•

### Service Review Purpose

LAFCO has boundary authority over special districts and cities, but does not have authority over private entities. In accordance with Government Code §56425, LAFCO must conduct service reviews prior to or in conjunction with the mandated five-year schedule for updating Spheres of Influence (SOIs) for the agencies under its jurisdiction. The service review report must include an analysis of the issues and written determinations for each of the following:

- Growth and population projections for the affected area;
- Infrastructure needs or deficiencies;
- Financing constraints and opportunities;
- Cost avoidance opportunities;
- Opportunities for rate restructuring;
- Opportunities for shared facilities;
- Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance.

This Countywide Service Review will be available for use by LAFCO, the County, cities, special districts and the public to better understand how public services are provided within Santa Cruz County. The Service Review will be used by LAFCO to update the spheres of individual agencies (cities and special

districts) including expansions or reductions in the sphere of influence (SOI) boundaries or creation of new SOIs.

Although the service review report includes a discussion of various alternative government structures for efficient service provision, LAFCO is NOT required to initiate any boundary changes based on service reviews. LAFCO, other local agencies (including cities, special districts, and the County) or the public may subsequently use the service review together with additional research and analysis, where necessary, to pursue changes in jurisdictional boundaries.

LAFCO may also use the information in this service review in reviewing future proposals, and other entities as well as the public may use this report as a foundation for further study and analysis of issues relating to services within this county.

### **A Note on the Tenor of This Report**

People familiar with local government in Santa Cruz County and throughout the State of California know the huge budget issues that are challenging the ability of local governments to maintain the traditional level of services to which residents are accustomed. Libraries hours are being curtailed, roads are deteriorating, police patrols are being cut back. This report presents an overview of local services and focuses on governmental re-structuring options within LAFCO's purview. These options include city and special district annexations, detachments, consolidations, formations, dissolutions, and transfers of service. The draft determinations at the end of each section of the report are not meant to gloss over the budget problems that most local governments are experiencing, but rather to identify governmental re-structuring options for the public, the agencies, and LAFCO to consider.

### **Service Review Process**

A collaborative approach has been used throughout the preparation of the Countywide Service Review. The input of the public agencies is valuable, and opportunities were provided for their involvement. At the outset, Santa Cruz LAFCO formed a Technical Advisory Committee (TAC) to provide guidance on the process. The TAC includes members from a number of the agencies, representing a range of agency types and services. The TAC helped to design the survey questionnaire that was sent to all agencies at the beginning of the project and reviewed the first administrative draft of the report. The TAC will also provide guidance on prioritizing the issues to be reviewed in more depth in the second phase of the Service Review.

The agencies were asked to complete a service review questionnaire and provide supporting data for use in the analysis. The data was collected and forwarded to the consulting team for review; follow-up discussions were conducted where clarification and additional information were needed. Agencies were provided an opportunity to review the administrative draft following the TAC's initial review. Changes and comments were incorporated as appropriate in preparation for release of the Public Review Draft.

LAFCO will hold a public hearing on the Public Review Draft at its August 3, 2005 meeting. LAFCO encourages agencies and interested members of the public to submit written comments in advance of the hearing, and to attend and summarize their main observations orally at the hearing. After the hearing, LAFCO will revise the draft determinations as needed, and subsequently adopt them.

Phase 2 of the study will consist of a more detailed analysis of a small number of issues. The Technical Advisory Committee and the LAFCO Executive Officer will prioritize and recommend a small number of issues to be addressed in Phase 2. LAFCO will consider those recommendations at its August 3 meeting, and adopt a list of the Phase 2 issues. The consultant will prepare the Phase 2 study and submit it for hearing and acceptance by LAFCO before the end of the year. For the issues studied in Phase 2, the Phase 2 study will allow LAFCO to make more informed, and possibly revised determinations, addressing the future governmental structure options that look promising to promote accountable, efficient local governmental services in the future.

### **Additional Maps and Review Process Information**

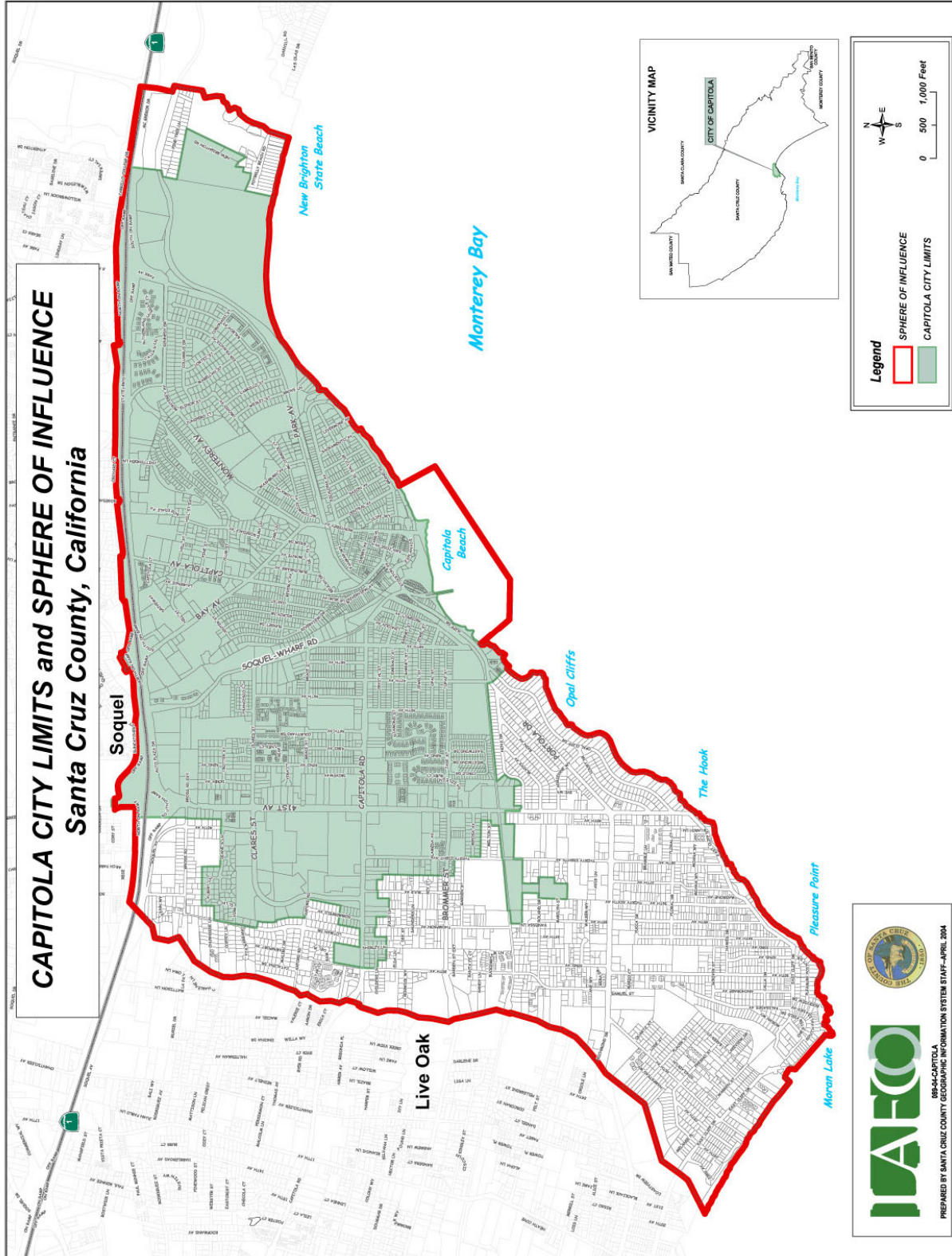
Additional background documents, such as the maps for the road maintenance county service areas, are available through the LAFCO web page for the Countywide Service Review:

<http://santacruzlafco.org/CSR.html>

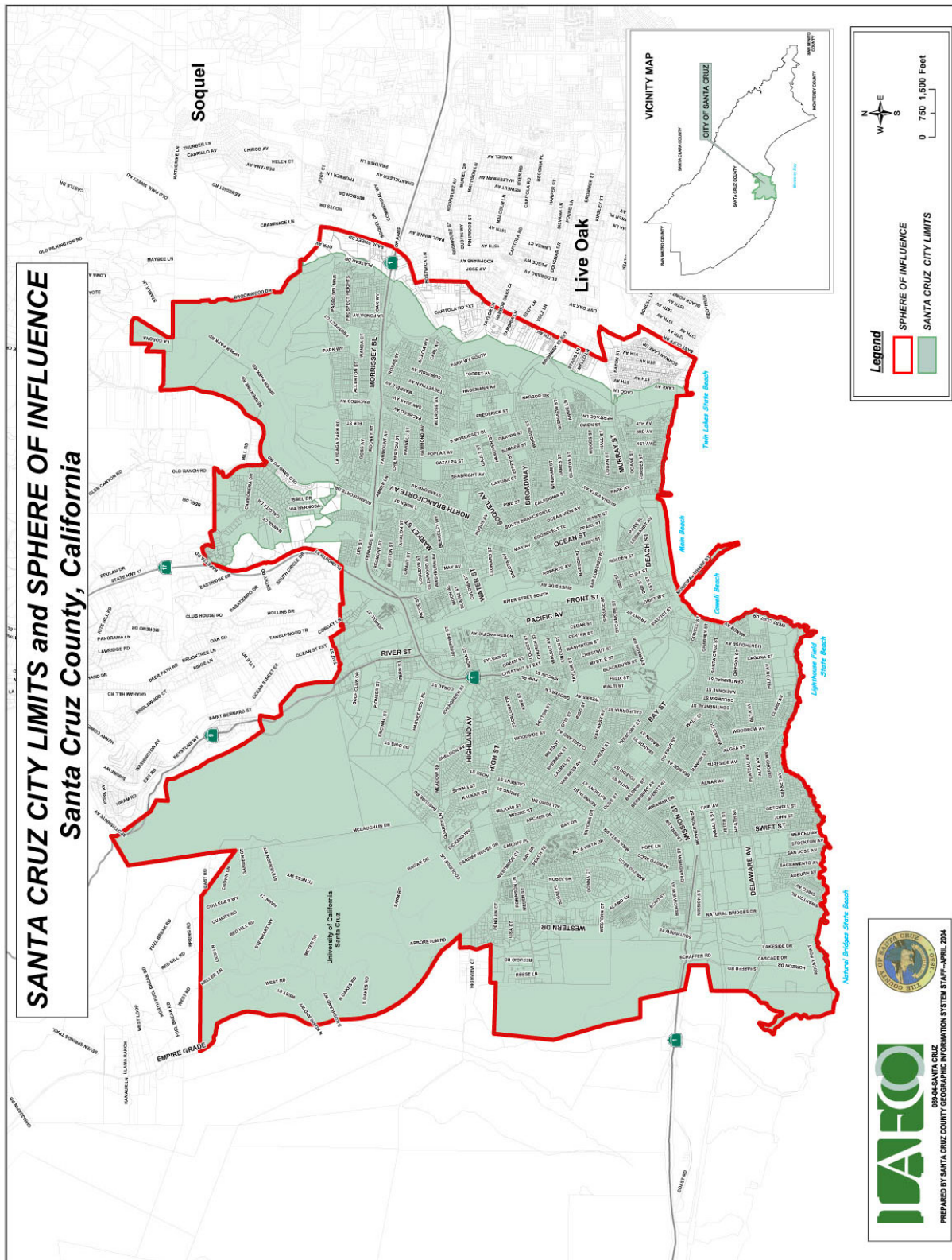
and from the LAFCO office:

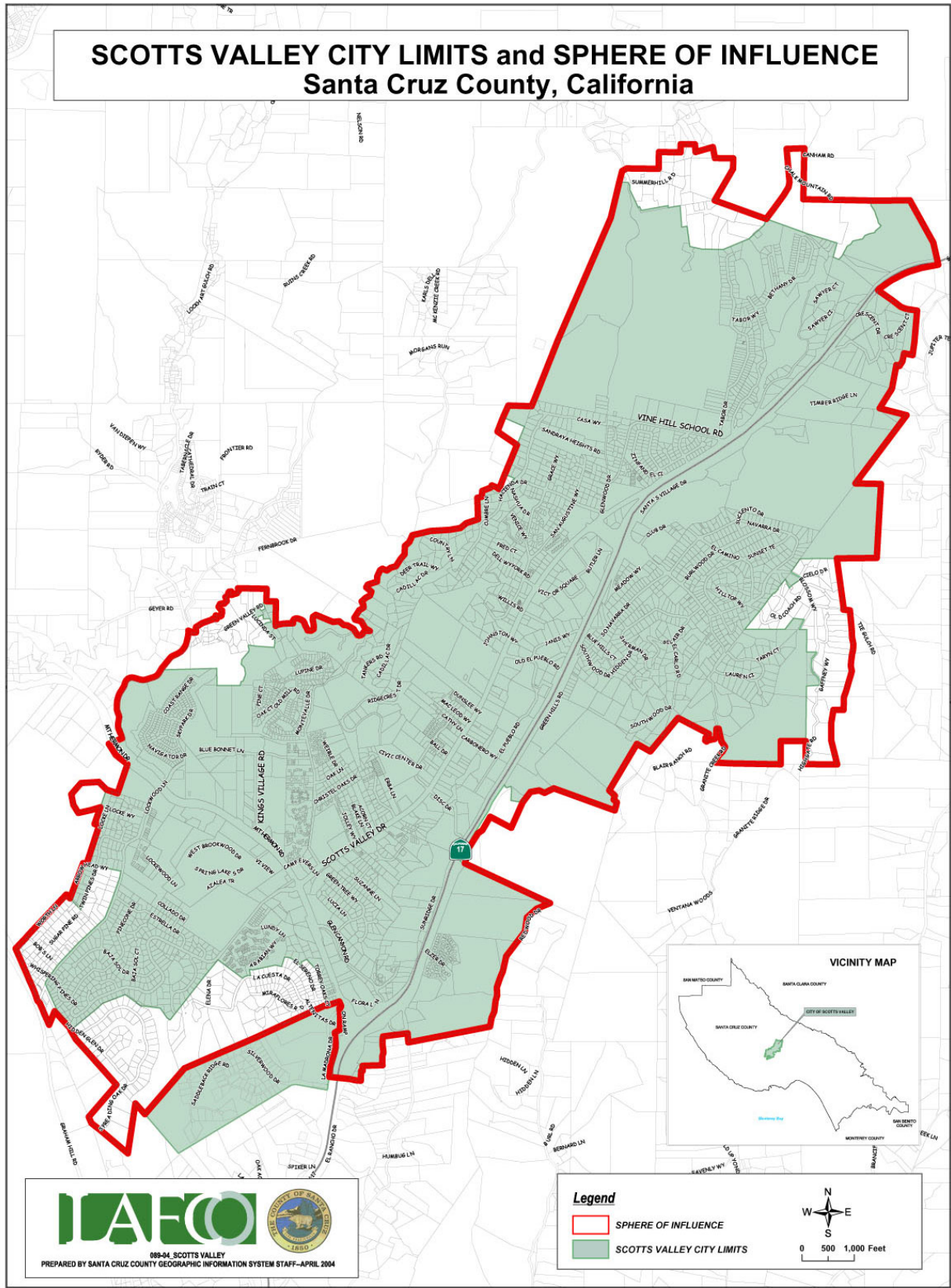
County Governmental Center  
701 Ocean Street, Room 318-D  
Santa Cruz, CA 95060  
(831) 454-2055.

These two sources will also have status information about this document's public review and adoption process at LAFCO as well as Phase 2 study later in the year.

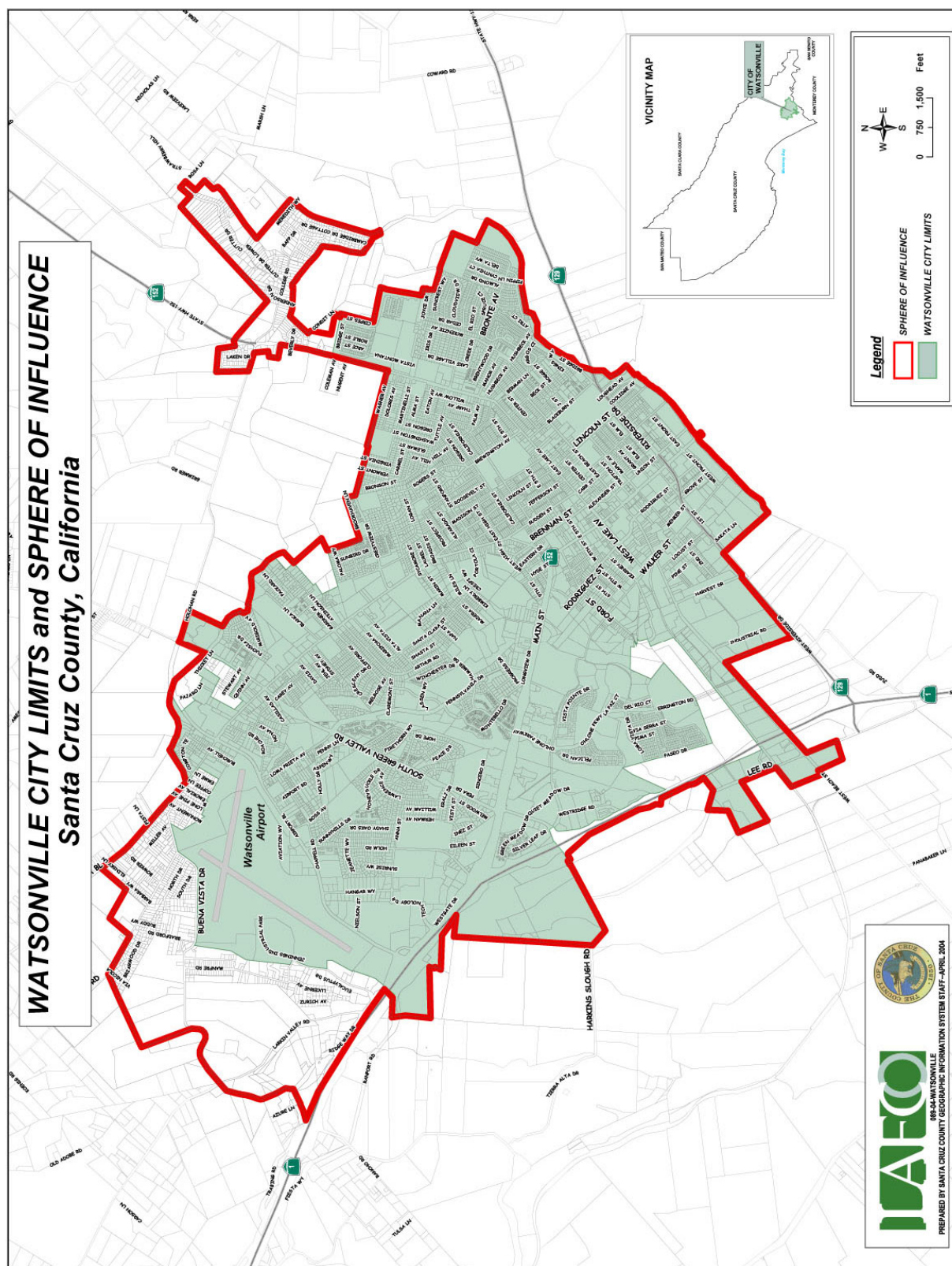












## **2. WATER SERVICES**

---

**City of Santa Cruz**

**City of Watsonville**

**Central Water District**

**Davenport County Sanitation District**

**Lompico County Water District**

**Pajaro Valley Water Management Agency**

**San Lorenzo Valley Water District**

**Scotts Valley Water District**

**Soquel Creek Water District**

**San Lorenzo Valley Water District**

## 2.0 WATER SERVICE

### Agency Overview

Water service within Santa Cruz County is provided by nine public agencies as well as private investor-owned water utilities, mutual water companies and individual and shared wells and springs. Groundwater provides 55-60% of public water agency supply in Santa Cruz County, with the remainder coming from local surface water sources. With the exception of a small volume obtained through surface diversions, the non-agency water users (agriculture and rural residences and businesses) rely on groundwater. No water is currently imported into the County except for a small amount transferred into the Summit area from Santa Clara County. There is a project underway to bring Central Valley Project water into the Pajaro Valley. Santa Cruz County's groundwater resources vary across the regions of the County (north, central and south) with each area having unique characteristics and issues. Water resource management and water supply have become critical issues for most of the agencies as the groundwater has been over-pumped for a number of years in some areas, surface water supply is limited and in most cases must support habitat, and the aquifers are at risk for seawater intrusion or contamination from MTBE and other hazardous wastes. Although the water agencies are independent, they share the same water resources and are facing similar constraints and resource management issues. The public agencies included in this section and the water services provided are as follows:

**Table 2.1 – Water Service Agencies**

Santa Cruz LAFCO Countywide Service Review	Retail Domestic Potable Water	Wholesale Water	Water Treatment	Recycled Water	Agricultural Water	Groundwater Replenishment	Water Conservation Programs
<b>Cities</b>							
City of Santa Cruz	•	•	•		•		•
City of Watsonville	•	•	•				•
<b>Special Districts</b>							
Central Water District	•		•		•		•
Davenport County Sanitation District	•		•				
Lompico County Water District	•		•				•
Pajaro Valley Water Management Agency					•	•	•
San Lorenzo Valley Water District	•		•				•
Scotts Valley Water District	•		•	•			•
Soquel Creek Water District	•		•				•

In addition to the agencies listed above, the County of Santa Cruz provides some conservation programs and is evaluating the potential for groundwater recharge, through the Santa Cruz County Flood Control and Water Conservation District. County Service Area (CSA) 54 – Summit West was formed to acquire the assets of a private water company and then transfer them to a mutual benefit corporation. This was completed in 2001. CSA 54 is not providing any services, but continues in existence while a State loan is being paid off. CSA 54 is also exploring the possible formation of a public water agency that would become the wholesale water provider to the mutual water companies in the Redwood Estates area of Santa Clara and the Summit area of Santa Cruz County that receive wholesale water from the Montevina pipeline.

### **Mutual Water Companies and Private Investor-Owned Water Utilities**

There are a number of mutual water companies and private investor-owned water utilities providing service within the County. These entities range in size from a few connections to serving an entire community and are an important component in the overall provision of water service in the County; however they are not within LAFCO's regulatory purview. It is estimated that small users outside the jurisdiction of the larger agencies comprise at least 25% of the non-agricultural water use within the County.<sup>1</sup>

The Santa Cruz County Environmental Health Division regulates water treatment and adequacy of supply for new connections to water mutuals with fewer than 200 connections. Boundaries and rates of private investor-owned water companies, such as California-American Water Company in Felton and the Big Basin Water Company in Boulder Creek are regulated by the California Public Utilities Commission (CPUC). It should be noted that the CPUC grants requests for service extensions primarily based on water supply and infrastructure considerations and not on the land use policies of the agencies with local jurisdiction or LAFCO policy.

Water systems are classified and regulated differently based on the number of connections. Per records of the County Environmental Health Division, there are 140 public water systems with 5 or more connections in the County (including the nine agencies addressed in this review). The systems that serve fewer than 5 connections are not regulated and a complete, accurate record is not available. All public water systems (including mutual water companies and investor-owned utilities) that serve five or more connections are subject to the regulations of the State Department of Health Services for water quality and quantity. The State Department of Health Services delegates oversight of the small and medium-sized systems (5 to 200 connections) within Santa Cruz County to the Environmental Health Division of the County Health Services Agency.

Smaller water mutuals, privately operated systems, and individual well owners typically do not have the facilities to treat groundwater other than disinfection at the wellhead. When the water quantity or quality of these systems is impacted, they often seek the assistance of a larger public or private provider in the

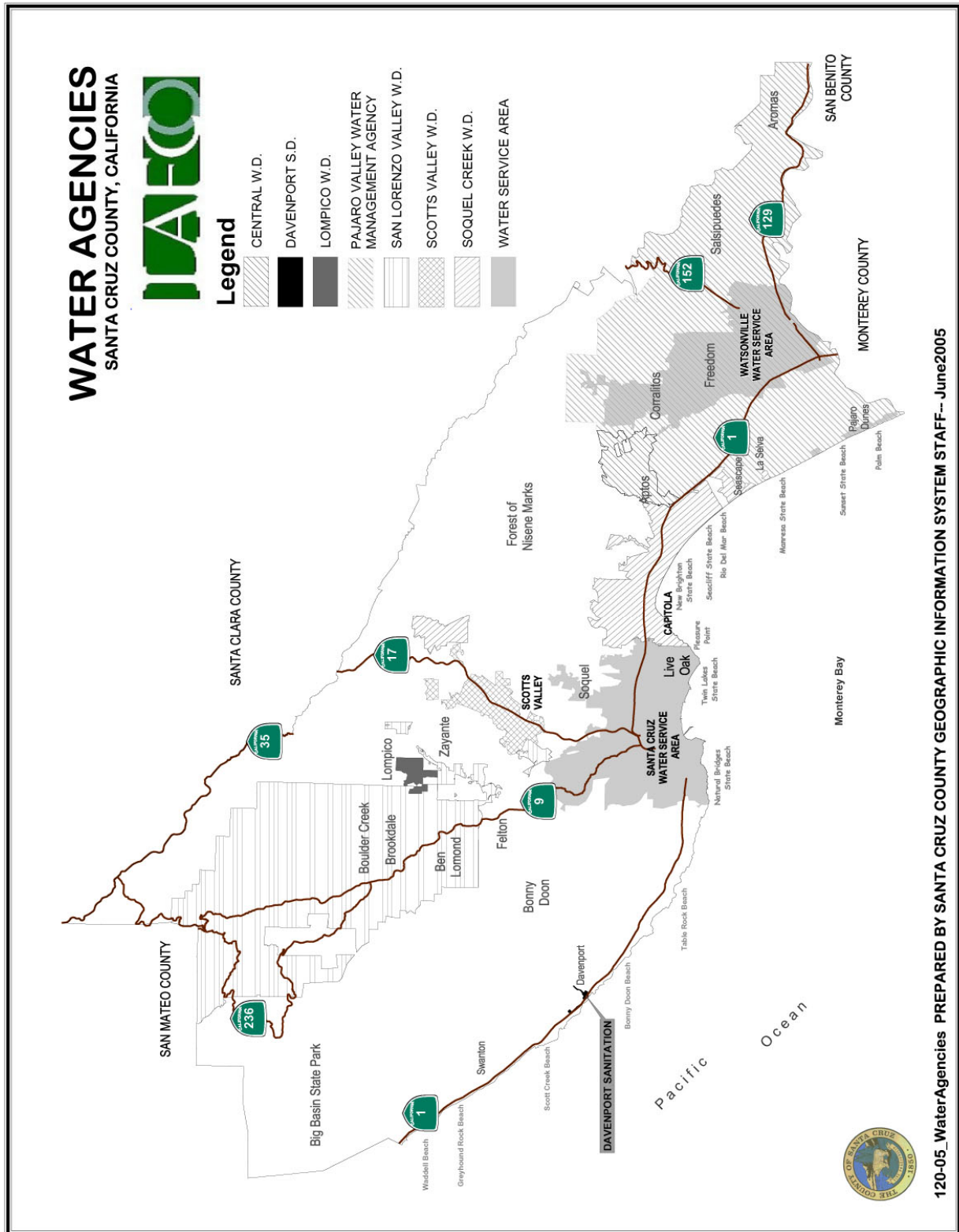
---

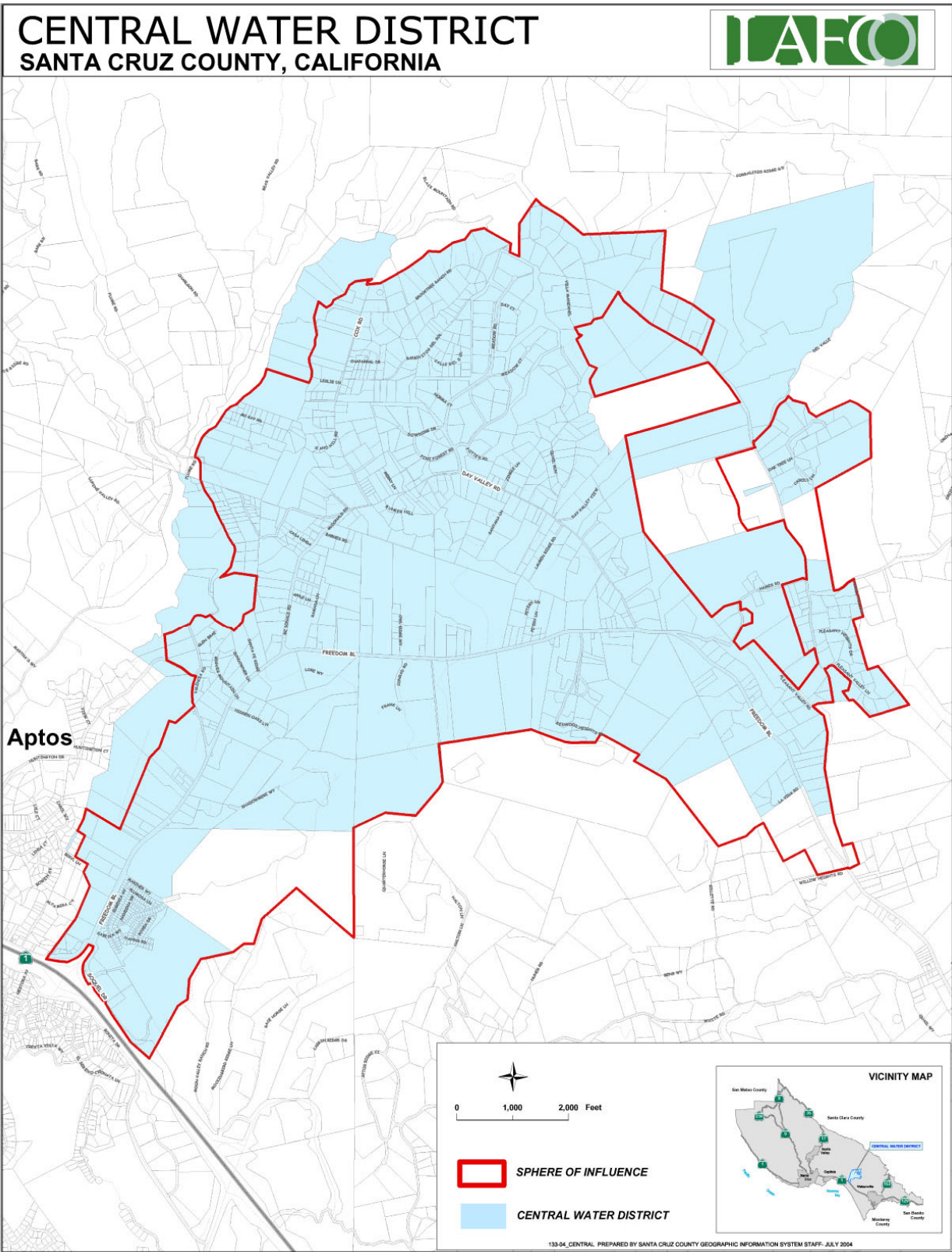
<sup>1</sup> County of Santa Cruz Health Services Agency, Environmental Health Division. Letter to the Santa Cruz County Board of Supervisors dated February 24, 2004 regarding Strategy for County Water Resources Programs.

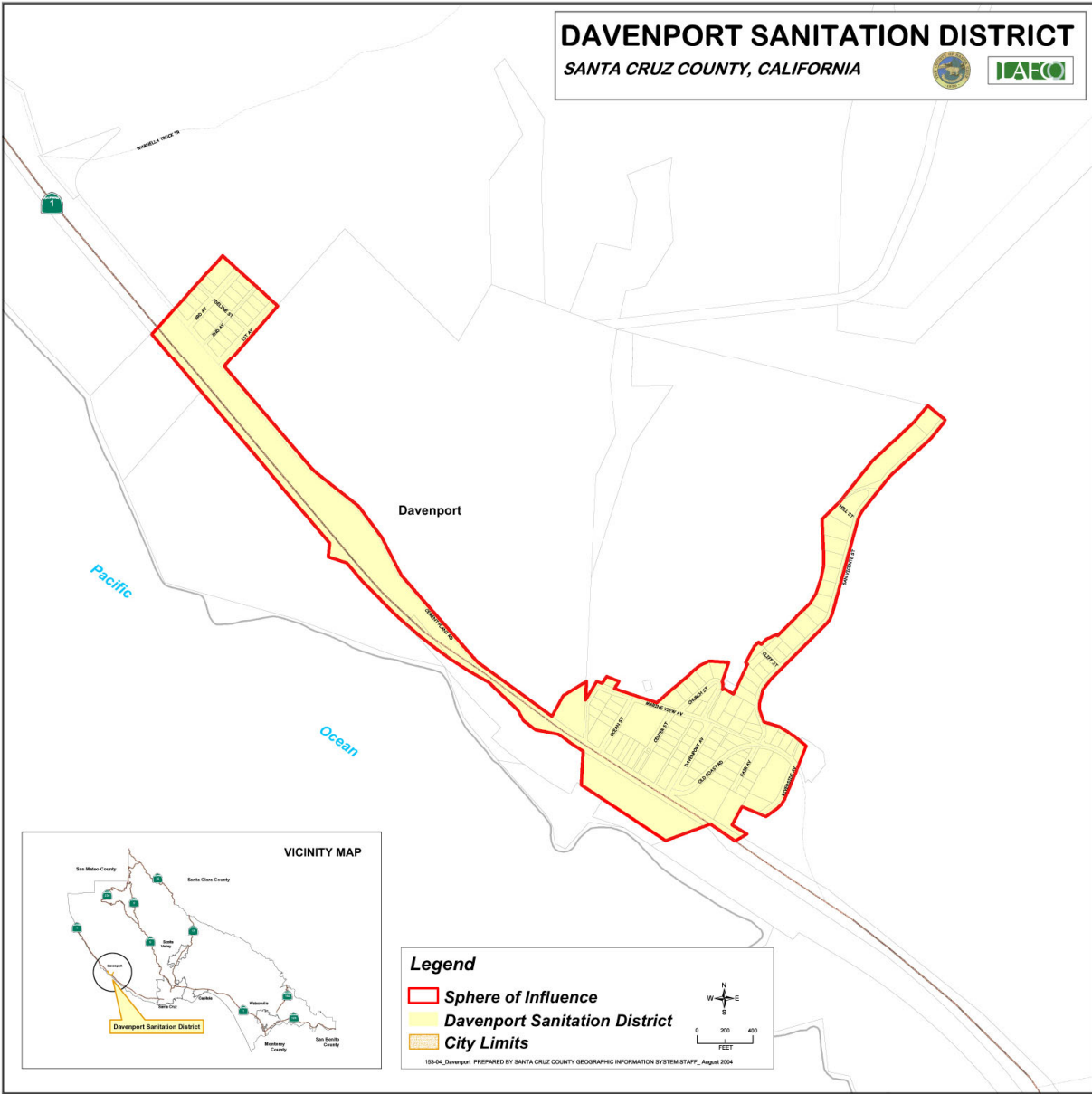


area that could extend service. The State Department of Health Services is not in favor of point-of-use treatment systems, and is encouraging small water systems to merge with larger providers. There is also a major push by the State to merge small water systems, due to increasing regulations and the sheer administrative cost and effort to monitor them. As this trend continues, there will likely be increasingly more requests for service from the public agencies. Two current examples are the Rolling Woods Mutual Water Company system within the City of Santa Cruz service area and the Mañana Woods Mutual Water Company adjacent to the service areas of the San Lorenzo Valley Water District and the Scotts Valley Water District.

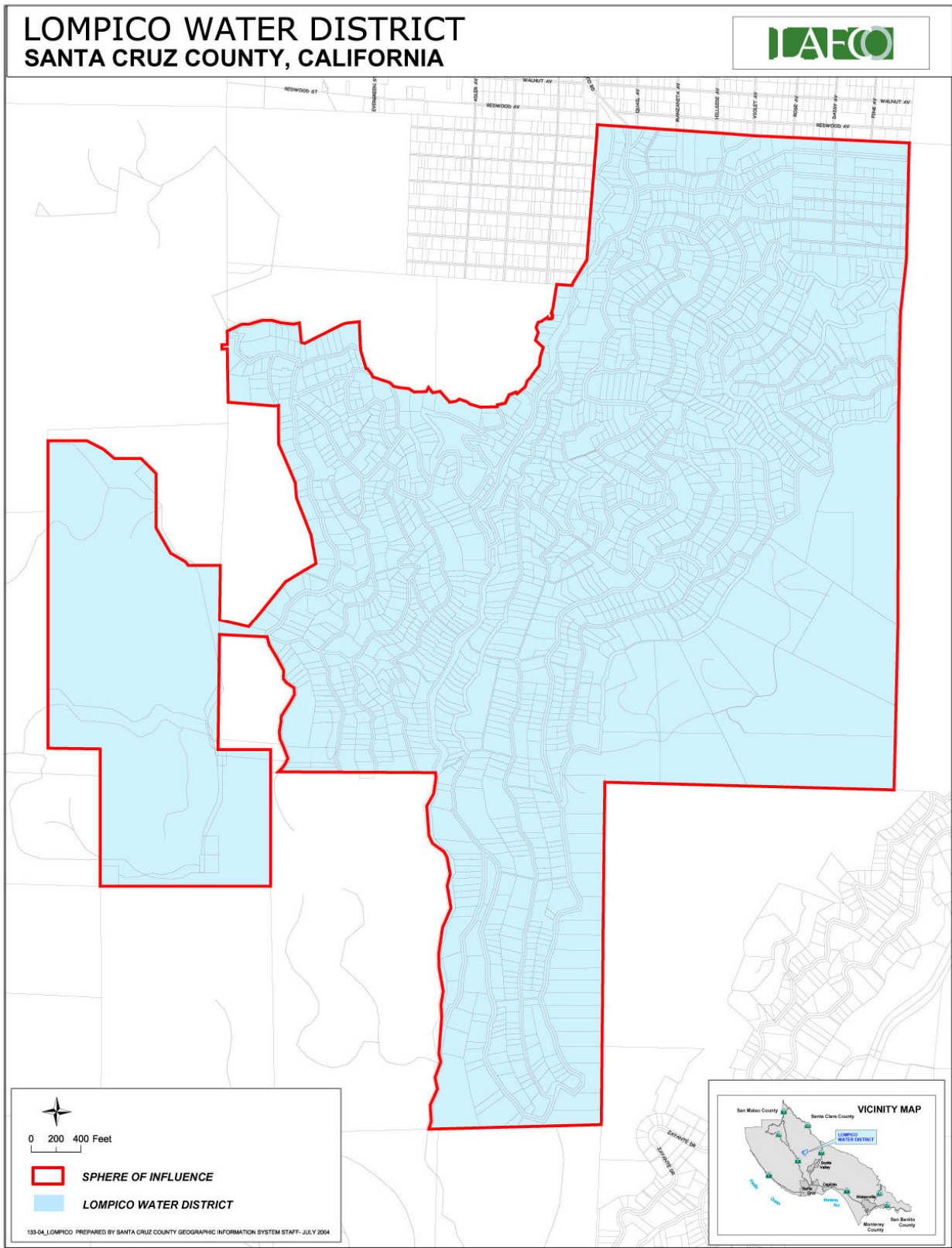
Maps depicting the service areas of the water agencies follow. Maps of the two cities are included in *Section 1 – Executive Summary*.

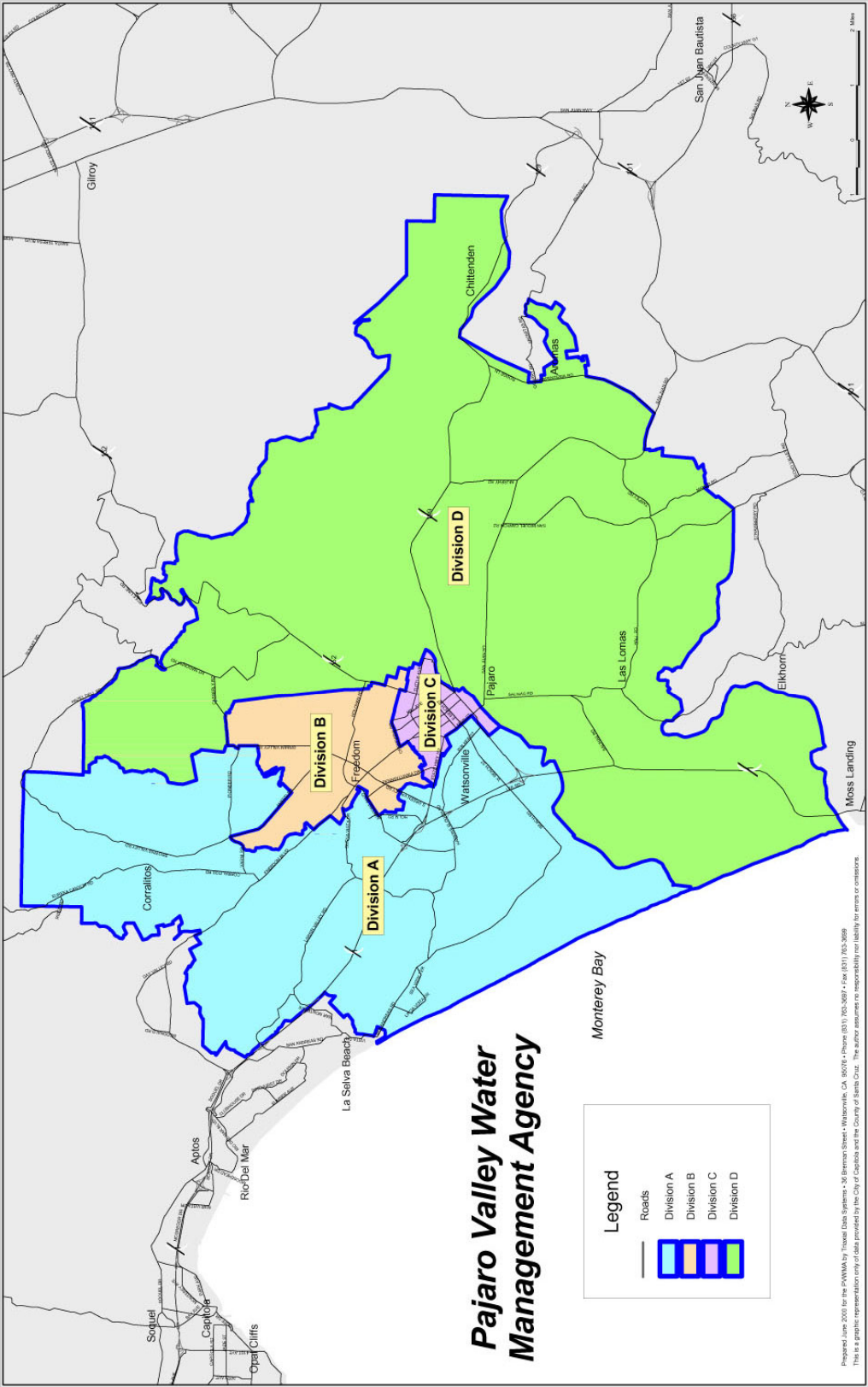




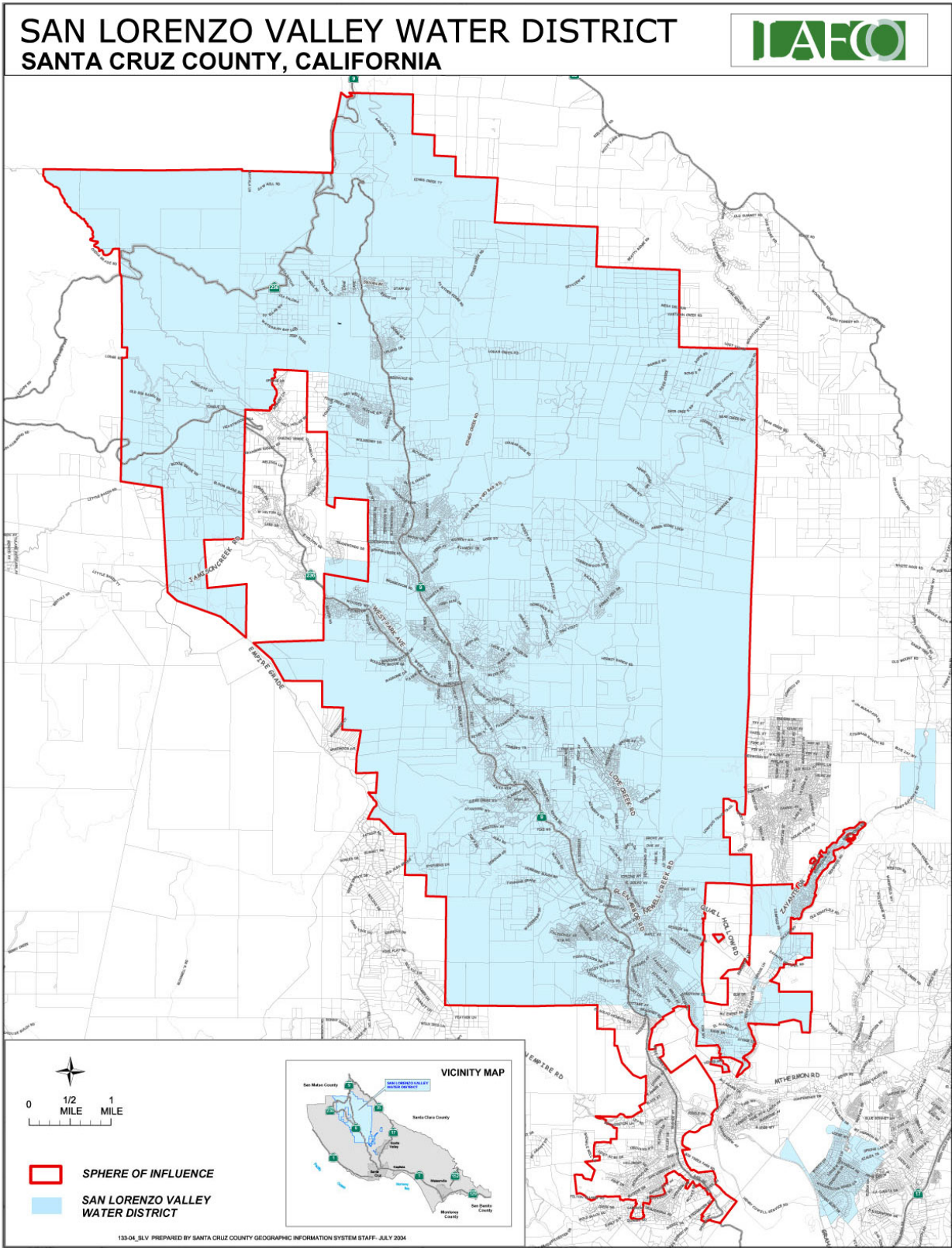


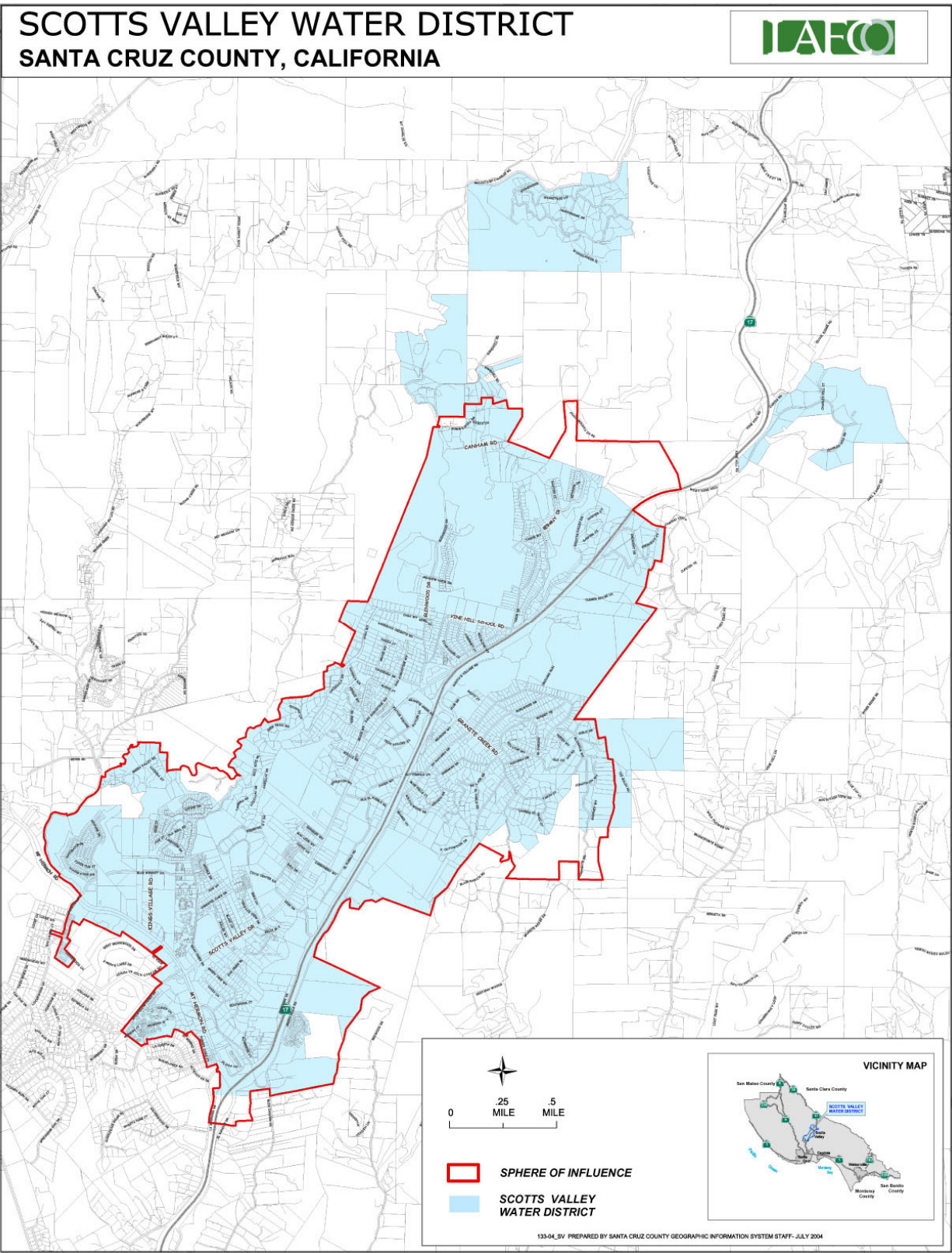




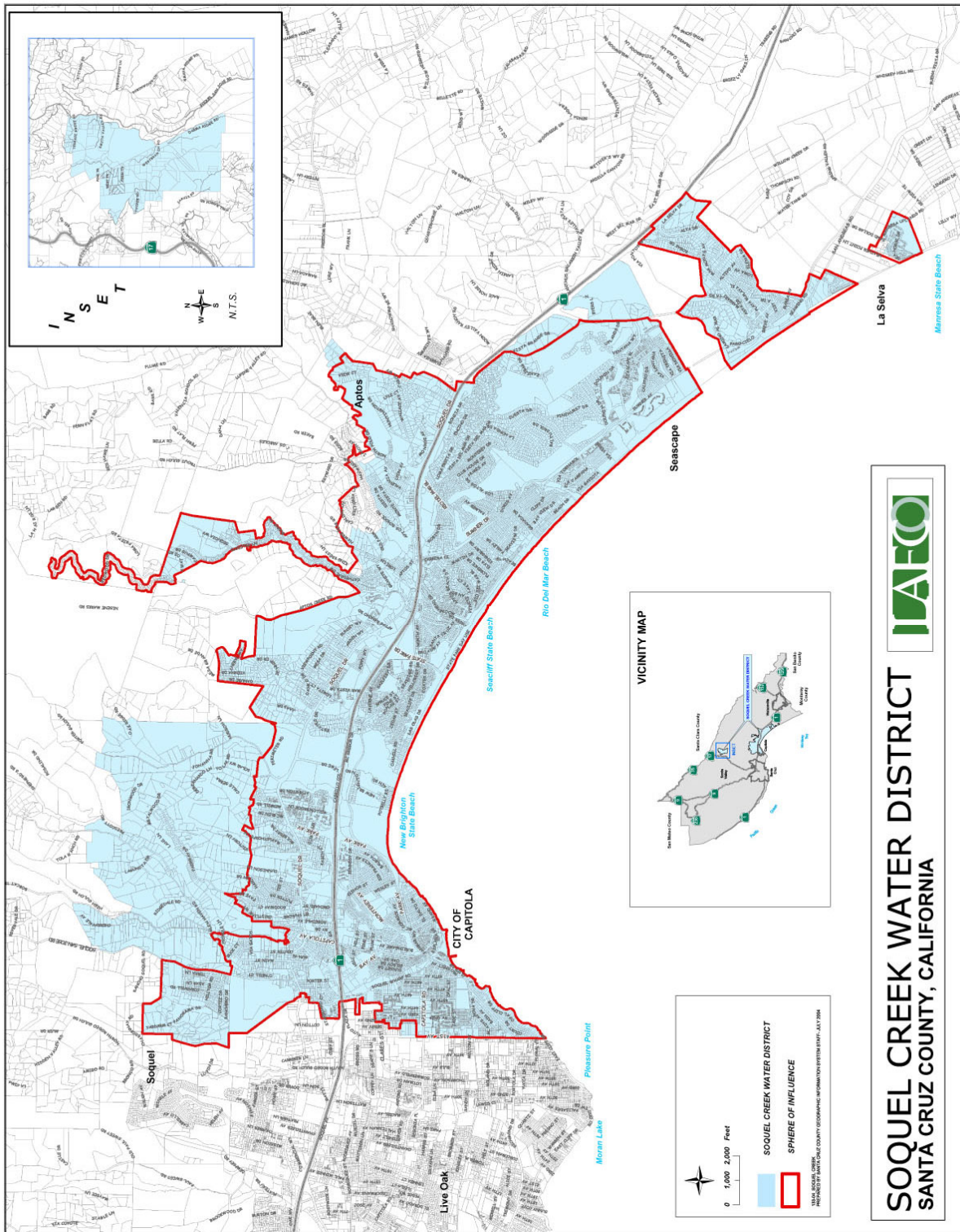












## 2.1 Growth and Population

Santa Cruz County is projected to have slow to moderate growth over the next twenty-five years, with the highest rate of growth occurring in Watsonville. The projections for each jurisdiction are as follows:

**Table 2.2**  
**Population Estimates**

Public Agency	2005	2010	2015	2020	2025	2030	Annual Growth Rate
City of Capitola	10,869	10,978	11,041	11,104	11,120	11,136	0.1%
City of Santa Cruz	56,953	57,768	58,846	59,924	61,956	63,987	0.5%
City of Scotts Valley	13,182	13,667	13,864	14,062	14,169	14,275	0.3%
City of Watsonville	52,716	56,779	61,126	65,473	67,946	70,418	1.3%
Santa Cruz County (unincorporated)	133,824	136,167	139,150	142,132	143,582	145,031	0.3%

Source: AMBAG 2004 Projections

Growth, even though slow to moderate, is a concern with the County's limited water resources and areas with a history of groundwater overuse. Several of the agencies have adopted plans and policies to address growth and land use and the potential impacts to water demand. In 2004 the City of Santa Cruz completed a report entitled *Adequacy of the City Water Supply System to Support Future Development* which finds that, "Three of the City's four major sources of water supply are presently being utilized at maximum capacity for a significant portion of the year. Even under normal water supply conditions, there is no additional water available from these sources to support future growth." The Soquel Creek Water District adopted a water demand offset policy in 2003 requiring applicants for new water service to offset 1.2 times the amount of water the new development is projected to use to ensure there is a zero impact on the District's water supply. The University of California, Santa Cruz is in the process of preparing an EIR on its 2005 Long Range Development Plan in which water service and the adequacy of water supply will be addressed. In 2002 the Pajaro Valley Water Management Agency revised its Basin Management Plan, including a recommended alternative to develop supplemental supplies and manage the groundwater in the Pajaro Valley.

Land use policy significantly impacts water resources and service. In preparing their master plans, water agencies utilize city and county general plans to project future demands. In preparing their general plans, cities and the county perform environmental review on the impacts caused by increased water demands projected from planned increases in population. Government Code §65401 also requires all departments, special districts, and school districts that wholly or partially serve a city or county to submit their capital improvement programs annually to the city or county, which shall coordinate the various plans and review the capital improvement plans for consistency with the general plan.

State law also requires that water supply availability be considered in reviewing proposals for large developments; however a number of the development applications submitted to the planning agencies within Santa Cruz County fall under the 500-unit size threshold established by SB 610 and SB 221.

Development outside urban service areas typically requires the use of individual or shared wells which are tapping the same groundwater resources as the public water agencies. Properties that are next to streams or creeks may have riparian water rights. Due to overuse, groundwater along the coast is at risk for seawater intrusion. One example in the county where water availability and land use policies are expressly interconnected is in unincorporated suburban and rural residential areas around the City of Watsonville where the City only serves new development that meets certain requirements established by the City for density and affordable housing.

The Cities of Santa Cruz and Watsonville and the Soquel Creek, Scotts Valley and San Lorenzo Water Districts are all required to have Urban Water Management Plans. The existing plans were prepared in 2000/2001 and are being revised in 2005 per State law. In addition, several studies have been completed or are underway that involve more in-depth analysis on water supply within the groundwater basins. It is likely that with this additional information the agencies' supply and demand projections will change.

The following table summarizes the status of the agencies' water planning documents:

**Table 2.3**  
**Water Planning Documents**

Agency	Water System Master Plan	Urban Water Management Plan	Urban Water Mgmt Plan Required	Capital Improvement Program, Stand Alone	Capital Improvement Program Integrated with Other departments	Integrated Regional Water Management Plan (Prop. 50)
City of Santa Cruz	No	2001	Yes		2004	
City of Watsonville	No	2000	Yes		2004	Under Prep.- Pajaro River Watershed
Central Water District	No	NA	No	2004		Under Prep. County
Davenport County Sanitation District	No	NA	No		2005	Under Prep.- County
Lompico County Water District		NA	No			Under Prep.- County
Pajaro Valley Water Management Agency	2002	NA	No	2002		Under Prep.- Pajaro River Watershed
San Lorenzo Valley Water District	1986	1995	Yes	1997		Under Prep. County
Scotts Valley Water District	1992	2001, 2005 Under Prep.	Yes	2004		Under Prep.- County
Soquel Creek Water District	1996	2001	Yes	2004		Under Prep.- County

The Central Water District is concerned about a potential growth trend within its service area. Because of the location and soil conditions, the County has designated the majority of the area within the District's boundaries as a Primary Recharge Area, limiting future parcel size to a ten-acre minimum. In a letter to

the County Board of Supervisors dated August 5, 2004, the District noted six recent proposed or completed developments and potential regulatory changes that could affect water supply and increase demand, and could impact the District's ability to provide adequate service. One of the concerns is studies being conducted by County staff to expand groundwater recharge protection policies. This could result in a reduction of the ten-acre minimum parcel size in currently designated primary groundwater recharge areas.

## **2.2 Infrastructure Needs and Deficiencies**

The water system infrastructure consists of supply, treatment, and distribution facilities. Santa Cruz County relies on groundwater from three resources – Santa Margarita Groundwater Basin and the Soquel-Aptos and Pajaro areas – as well as surface water from creeks and the San Lorenzo River. The agencies are facing a number of constraints, including limited water supply and aging infrastructure. Treatment requirements vary; groundwater may only require disinfection and treatment at the wellhead, while some surface supplies require more extensive treatment at a treatment plant. In the older areas of the County, such as the North Coast, some of the infrastructure is over 100 years old. Wells have a useful life period depending on the construction and water resource and must be relocated at the end of that period for continued production.

On a regional level, the County is working with the water agencies and the Resource Conservation District on the preparation of an Integrated Regional Water Management Plan (IRWMP) for northern and central Santa Cruz County. A separate IRWMP is being prepared for the Pajaro Watershed jointly by the Pajaro Valley Water Management Agency, San Benito County Water District, and Santa Clara Valley Water District, in collaboration with the City of Watsonville, Santa Cruz County Flood Control and Water Conservation District, Aromas Water District, Action Pajaro Valley, Nature Conservancy, Resource Conservation District, and others. The IRWMPs, required in the State's latest round of Proposition 50 funding, will consider a highly integrated approach to water resource management and water quality enhancement.

### **Surface Water Sources**

There are a number of surface water sources in the County that provide a significant portion of the County's water supply. Surface water is subject to water rights that carry priorities; pre-1914 appropriative rights are the most senior and carry the least restrictions. With the increasing focus on environmental concerns, a number of surface water sources are required to maintain minimum downstream flows for habitat. Water rights are generally subordinated to the minimum flow requirements established by the US Fish and Wildlife Service which has jurisdiction over all state and federally listed species and their respective habitats or the California Department of Fish and Game which has jurisdiction over all water course channels.

In a letter to the County Board of Supervisors dated February 24, 2005 the Environmental Health Division of the County's Health Services Agency identified water rights as a priority for the agency and would like to expand its efforts in "representing the interests of both county water users and environmental concerns in brokering water rights issues to update or expand permit conditions to better



address instream flow needs and needs of water agencies.” In the agency comments for this service review, it was noted that no agency is overseeing water diversions on Soquel Creek. Water rights in Soquel Creek have been adjudicated, but no Watermaster has been appointed to enforce the terms of the adjudication. When water rights and actual diversion are a concern, the State has established the role of a Watermaster to oversee adjudication and ensure compliance. Per California Water Code §4000 et seq., a Watermaster service area may be established and a Watermaster appointed upon written request of the owners or governing bodies of at least 15% of the means of diversion lawfully entitled to directly divert water from the streams or other sources in a service area. The State Department of Water Resources frequently serves as the Watermaster but may appoint a local agency to serve as Deputy Watermaster. Administrative costs are borne by the water rights holders, but this may be cost-effective if water diversions are exceeding the allowable limits and impacting downstream water users and recharge efforts.

Due to existing water rights, streams throughout the County are subject to direct diversions by individual water users, and the County notes that these diversions have not been quantified. Groundwater overdraft probably further diminishes stream flow in the Pajaro River and San Lorenzo River watersheds. Furthermore, development in the watersheds has increased runoff and channel erosion and decreased groundwater recharge in the sandy watersheds of Arana Gulch, Valencia Creek, Bean Creek, Zayante Creek, Newell Creek and Carbonera Creek.

In the south county, the Pajaro Valley Water Management Agency, in cooperation with the Santa Cruz County Department of Public Works, has completed the Harkins Slough project that pumps water through the County’s pump station from the slough during periods of high flow and stores it in the groundwater basin for later use on crops. The current water rights permit limits diversions from the slough to 800 acre-feet per year. The Agency is preparing an application to the State Water Resources Control Board to expand this diversion limit to 2,000 acre-feet per year. Long-term average diversions are projected at 1,100 acre-feet per year.

The surface sources that provide supply are as follows:

**Table 2.4**  
**2003 Surface Water Use**  
**(In Acre-feet/Year)**

Surface Water Sources	Agency	Diversion Calendar Year 2003	% of Total Supply 2003
North Coast: Liddell Spring, Laguna Creek, Reggiardo Creek, and Majors Creek	City of Santa Cruz	3,302	28%
Loch Lomond Reservoir	City of Santa Cruz San Lorenzo Valley WD	2,296 0	19% 0%
San Lorenzo River	City of Santa Cruz	5,886	50%
Foreman Creek, Peavine Creek, Clear Creek, Harmon Creek ( <i>tributaries to San Lorenzo River</i> )	San Lorenzo Valley WD	940	44%
Corralitos Creek / Brown's Valley Creek	City of Watsonville	844	11%
Mill Creek, San Vicente Creek	Davenport County Sanitation District	56	100%
Lompico Creek	Lompico County Water District	27	31%
Harkins Slough	Pajaro Valley Water Management Agency	735 Nov 03–May 04	100%

### Groundwater Basins

Groundwater is the predominant source of water in Santa Cruz County. The three regions rely on the following aquifers: Santa Margarita Sandstone, Lompico Sandstone, Butano Sandstone, Purisima Formation, Aromas Red Sands, and Pajaro Valley alluvium. Each of the aquifers has sub-units and water supply varies geographically due to hydrogeologic conditions. Groundwater levels are also influenced by seasonal recharge and the cumulative effects of near and distant wells, and recent and past pumping. The following summarizes the groundwater resources and recent use:

**Table 2.5**  
**Agency -2003 Use of Groundwater Water Sources**  
(in acre-feet per year)

	Santa Margarita Sandstone	Santa Margarita		Soquel-Aptos		Pajaro
		Lompico Sandstone	Butano Sandstone	Purisima Formation	Aromas Red Sands	Aromas Red Sands
San Lorenzo Valley Water District	310	870				
Lompico County Water District	61					
Scotts Valley Water District	31	1,500	500			
City of Santa Cruz				1,200		
Soquel Creek Water District				3,566	2,220	
Central Water District				55	581	
City of Watsonville						6,791
Total Agency Use	402	2,370	500	4,821	2,801	6,791
Overall Estimated Use				6,700	3,600	56,500
<b>Current Sustainable Yield (est.)</b>				<b>6,230</b>		<b>24,000</b>

Based upon PVWMA meter data for its jurisdictional area, actual totals for the last three years are: 54,200 acre-feet in 2002, 56,500 acre-feet in 2003, and 58,700 acre-feet in 2004.

Abandoned and improperly destroyed private wells pose an additional threat to water quality as they become conduits for contamination. One of the priorities for the County Water Resources staff is to implement a comprehensive abandoned well destruction program, although this has been placed on hold pending the identification of additional funding.

### ***Santa Margarita Groundwater Basin***

The Santa Margarita Basin extends up into the northern portion of the County and overlies subunits of the Santa Margarita Sandstone, Monterey Formation, Lompico Sandstone and Butano Sandstone aquifers. This basin provides supply for the Scotts Valley Water District, the Lompico County Water District and the San Lorenzo Valley Water District. The SLVWD's Quail Hollow well field extracts from the Santa Margarita Sandstone and the Olympia and Pasatiempo well fields extract from the Lompico Sandstone. Until the recent cessation of Hanson Aggregates' operations, the Pasatiempo sub-unit of the Lompico Sandstone Aquifer also supplied Hanson Aggregates. The Pasatiempo sub-unit also supplies the Mount Hermon Association water system. It is estimated that extractions from this sub-unit may exceed recharge rates by 500-600 acre-feet per year.<sup>2</sup>

<sup>2</sup> Source: Pasatiempo Subunit-Lompico Sandstone Aquifer Preliminary Quantitative Assessment by William Ellis, 1995. Note that Todd Engineers, on behalf of the SVWD, estimated that total pumping from the Santa Margarita was below sustainable yield as recently as 2002-03. This is one of the reasons the state granted AB 3030 funds to

Groundwater contamination is a concern for the Scotts Valley Water District, particularly in the Camp Evers area of Scotts Valley due to petroleum contamination. The water supply wells for Mañana Woods Mutual Water Company have been impacted by fuel leaks from nearby gas stations and two of the SVWD production wells are threatened by the leak along Mt. Hermon Road. A local wellhead water treatment facility has been installed by several oil companies to treat and remove petroleum contaminants from the ground supply source. Other contamination problems include Scotts Valley Dry Cleaners, (PCE); Watkins-Johnson, (PCE & TCE), and Scotts Valley Drive (chlorobenzene).

County Water Resources staff has conceptually developed a conjunctive use project that would be located in the lower San Lorenzo Valley. The project would utilize local surface water sources to recharge the groundwater aquifers, possibly through the two sand quarries in the area that are no longer used.

In July 2004 the Scotts Valley Water District received an AB303 grant from DWR to update the Santa Margarita Groundwater Basin Model. The project was awarded \$225,000 in State funding which is being used to update data in the model, upgrade software, provide training to all interested parties, identify locations for replacement wells and better determine safe yields. The project will update and redefine the groundwater hydrogeology basin-wide in the greater Scotts Valley area, including the SLVWD's South System and the Pasatiempo sub-unit. It will also include a complete re-evaluation and update of the hydrogeological conceptual model and structural geology of the Santa Margarita Basin. The project is under the direction of a Technical Advisory Committee made up of staff from the SVWD, San Lorenzo Valley Water District and the County Water Resources Staff.

### ***Soquel-Aptos Groundwater Use Area***

The Soquel-Aptos Groundwater Use Area extends from the westerly outcrop of the Purisima Formation in the vicinity of Branciforte Creek to the southeastern limits of the Soquel Creek Water District and Central Water District's service area, and from the Zayante Fault to Monterey Bay. The portion of the Soquel-Aptos Groundwater Use Area from Rio Del Mar to the southeastern boundary overlies the Aromas Red Sands aquifer. Groundwater management in this area is performed under a Joint Exercise of Powers Agreement between the Soquel Creek Water District and Central Water District consistent with provisions of AB 3030.

Seawater intrusion is a concern throughout the coastal area of the Soquel-Aptos groundwater basin as overpumping has reduced the effectiveness of the natural freshwater barrier. No municipal supply production wells have been impacted yet, but there is significant potential if pumping patterns continue as they have in the past. Soquel Creek Water District (SqCWD) overlies most of the coastal area and is the largest single groundwater producer within the Soquel-Aptos area. The District is therefore most at risk to be impacted by seawater intrusion. SqCWD has implemented a conservation program and is conducting studies on conjunctive use projects that will provide up to 2,000 acre-feet per year of

---

SVWD to complete a review and reassessment of sustainable yield, under the direction of a multi-agency Technical Advisory Committee.

supplemental supply. The combined benefit of these programs would enable the SqCWD to reduce its reliance on groundwater and thereby be able to restore and maintain adequate coastal groundwater levels throughout its service area. Based on recent hydrogeological studies of the Soquel-Aptos Groundwater Use Area, the sustainable groundwater yield for SqCWD is estimated to be no more than 4,800 acre-feet per year (3,000 acre-feet from the Purisima and 1,800 acre-feet from the Aromas Red Sands.)

The Purisima Formation supplies the Beltz Wells system operated by City of Santa Cruz, two of the four service areas of the Soquel Creek Water District, a portion of the Central Water District and number of private users in the mid-county. The Purisima Formation has been over-pumped by approximately 600 acre-feet per year, which has resulted in groundwater levels below sea level and reverse gradients along portions of the coast, which induce landward movement of the freshwater/seawater interface. A report prepared for the Soquel Creek Water District in 2004 estimates that groundwater production within the Purisima aquifer by all production wells is 6,700 acre-feet per year, which exceeds the sustainable yield by an estimated 600 acre-feet per year. The Soquel Creek Water District uses up to 3,800 acre-feet per year from this source, which is not fully sustainable. SqCWD has targeted 3,000 acre-feet per year as the sustainable yield from the current configuration of its Purisima wells. Private and non-district wells extract a significant amount of water from the aquifer, although accurate pumping figures are not available since the majority of private wells (estimated to account for approximately one-third of the pumping) are unmetered. If coastal groundwater levels do not rise to satisfactory levels or if other pumpers increase their production, the sustainable yield for the District will be lower.<sup>3</sup>

Within the Aromas Red Sands portion of the Soquel-Aptos Groundwater Use Area, there is a naturally occurring wedge-shaped body of saltwater beneath the aquifer in the area of Seascap and La Selva Beach. Beginning in the early 1990's, there was a progressive degradation of groundwater quality at two of the coastal monitoring wells used to monitor this wedge. The condition occurred even though Soquel Creek Water District had decreased pumping and groundwater levels were relatively high. The apparent cause was depressed groundwater levels in the Pajaro Valley. In April 2004, when increasing chloride levels at two of its coastal monitoring wells again indicated inland migration of the seawater wedge, Soquel Creek Water District adopted a multi-faceted operations plan to reduce pumping from wells in that vicinity. SqCWD needs to reduce its Aromas Red Sands production by approximately 400 acre-feet per year from 2003 levels in order to achieve its sustainable yield target of 1,800 acre-feet per year from this source.

Both the Soquel Creek Water District and the City of Santa Cruz operate municipal wells in the same layers of the Purisima Formation and, together, they impact the overall water budget. Similarly, large private pumpers in the Seascap/La Selva area directly impact the portion of the Aromas Red Sands aquifer that underlies Soquel Creek Water District, a situation which must be considered in terms of the cumulative impacts of overdraft conditions in the portion of the aquifer extending through the Pajaro Valley. SqCWD's 2004 Groundwater Assessment of Alternative Conjunctive Use Scenarios report

---

<sup>3</sup> Source: Groundwater Assessment of Alternative Conjunctive Use Scenarios by Nicholas M. Johnson, et al, September 2004



concludes that a “collaborative institutional mechanism is needed to operate the basin for optimal yield and minimal impact.”

The Soquel Creek Water District is focusing on two regional collaboration alternatives for its conjunctive use project that would provide the 2,000 acre-feet per year needed to meet sustainable yield objectives and projected demand at build-out:

1. A Regional Desalination Facility with the City of Santa Cruz is being considered as one means to develop a supplemental source of supply. It would consist of a 2.5 million gallon per day (MGD) ocean water desalination plant located in the City of Santa Cruz. (the plant would be expandable to 4.5 MGD or 5,000 acre-feet per year). The Soquel Creek Water District would provide some of the capital financing for the project in exchange for capacity rights to the plant. The City’s primary water supply needs are for short-term demand during drought while the District’s needs are for a long-term supplemental supply, so the two agencies could utilize the water during different periods.
2. The Soquel Creek Water District is also exploring a conjunctive use alternative in collaboration with the Pajaro Valley Water Management Agency and the City of Watsonville. Under this option, the District would purchase up to 2,000 acre-feet per year to augment the PVMWA imported supply. The water would be conveyed to the PVMWA through the planned pipeline and banked in the Pajaro Valley groundwater basin. Soquel Creek Water District would provide funding for capital costs to construct new groundwater pumping and conveyance facilities that would interconnect the City of Watsonville’s water distribution system with SqCWD’s system. Alternatives for direct agricultural use of SqCWD’s imported supply will be explored in-lieu of groundwater banking. This option includes potential expansion of the coastal distribution system to serve an additional 500 acres of agriculture located northwest of the termination of the planned PVWMA coastal distribution system up to SqCWD’s southeastern boundary; this area has an estimated demand of 1,000 acre-feet per year.

As discussed earlier, a majority of the area within the Central Water District is considered Primary Recharge Area. The Aptos high school expansion project includes an adjacent stormwater detention basin that will provide some recharge to the Aromas aquifer. The Soquel Creek Water District, Central Water District and Santa Cruz County Environmental Health Services have initiated discussions with other agencies to identify collaborative projects that could enhance recharge in the northwestern portion of the Aromas Red Sands. Likewise, the Soquel Creek Water District and County Environmental Health Services are evaluating options to enhance natural recharge of the productive layers of the Purisima Formation at outcrops located within the Soquel Creek and Arana Gulch Watersheds.

***Pajaro Groundwater Use Area***

The Pajaro groundwater use area extends from the southeastern limits of the Soquel Creek and Central Water Districts' service areas down through the Pajaro Valley into Monterey and San Benito Counties. Water is pumped from several aquifers, including an alluvial aquifer and the underlying Aromas Red Sands and Purisima aquifers. The City of Watsonville and agricultural wells in the Pajaro Valley rely on the Aromas Red Sands as a supply source. The Pajaro Valley Water Management Agency (PVWMA) was formed to manage the groundwater resources within its jurisdictional area.

Groundwater overdraft and seawater intrusion problems in the Pajaro Valley area were first documented in a state report in the early 1950's. Existing well data maintained by the US Geological Survey and the PVWMA indicate that these problems have continued worsen, with expanding areas of depressed groundwater levels and groundwater elevations regularly below sea level across much of the groundwater basin. High chloride levels caused by seawater intrusion have led to abandonment of a number of coastal wells. An additional, different groundwater problem is high concentrations of nitrates in some shallow wells, especially in inland areas where rapid groundwater recharge occurs.

The PVWMA prepared a Basin Management Plan in the early 1990's and a Revised Basin Management Plan in 2002 to determine the recommended alternative for supplemental supply development and groundwater management. Per the Plan, current groundwater pumping is estimated at 69,000 acre-feet per year (metered pumping was measured at 58,700 acre-feet in 2004). Of this total, current urban water use is estimated at 12,200 acre-feet per year. This figure is projected to increase by 32% to approximately 16,100 acre-feet per year by 2040. Cropping patterns are trending towards more water-intensive crops such as strawberries and raspberries, but there is also a trend toward improved irrigation technologies. Savings due to new technologies are expected to approximately offset increases in water demand due to continuing crop conversion trends.

Groundwater modeling for the Revised Basin Management Plan indicates that the sustainable yield of the groundwater basin under current conditions is 24,000 acre-feet per year. This has been estimated to double when coastal groundwater levels are sufficient to provide protection from seawater intrusion. The recommended alternatives for the Pajaro Valley include eliminating agricultural pumping in coastal areas and replacing this supply with water originating in other areas.

Recharge is provided from recharge areas located mostly in the hills of Corralitos, along San Andreas Road, and in inland areas of Monterey and San Benito Counties; through surface water sources such as the Pajaro River between Aromas and Murphy's Crossing; and from percolation from agricultural irrigation in the areas suitable for recharge.

The PVWMA Basin Management Plan's recommended alternative identifies several supplemental supplies to be blended and delivered through a Coastal Distribution System to coastal farmlands subject to seawater intrusion. Supplemental supplies to meet existing needs include imported water (13,400 acre-feet per year), recycled water to be developed jointly with the City of Watsonville (4,000 acre-feet per

year--half for blending from groundwater or imported water), and the Harkins Slough Project (1,100 acre-feet as long-term average). Capital facilities are anticipated to consist of a pipeline to connect to existing Central Valley Project facilities serving Santa Clara and San Benito Counties, recycling capability at the City's existing wastewater treatment plant, the Harkins Slough project, and the Coastal Distribution System ultimately serving approximately 9,000 acres. The Plan also includes peaking wells inland of the Coastal Distribution System that would tie into the import pipeline to supplement supply sources during peak irrigation periods and during droughts. In this conjunctive use approach, increased inland pumping in dry years would be offset by additional imported water in normal and wet years for recharge or direct use in the inland areas.

The PVWMA expects implementation of the Revised Basin Management Plan to address the problems caused by current levels of groundwater pumping within its jurisdictional area. In addition, the Basin Management Plan envisions that some limited expansion of supplemental supplies is possible to offset new demand consistent with planned growth (i.e. additional urban demand of up to approximately 4,000 acre-feet per year by 2040). This project expansion would be constructed only as new development is approved by land use authorities, and the costs of expansion would be paid fully through impact fees levied on the development.

### **Recycled Water**

Recycled water is currently available through the Scotts Valley Water District and at the Boulder Creek Country Club (County Service Area 7). The Davenport County Sanitation District provides treated wastewater to the CEMEX plant in Davenport for use in its cooling towers. In 2003, the Scotts Valley Water District sold 19 acre-feet for irrigation use; demand has increased to an estimated 123 acre-feet per year in mid-2005. The Scotts Valley Water District projects that supply will eventually reach 400 acre-feet per year (by 2020). The low usage volume in 2003 is due to delayed hook-ups rather than supply limitation, largely driven by the intensity of DHS requirements. Recycled water requires a separate distribution system and, in areas with existing potable landscape systems, it may not be cost effective yet.

The joint Watsonville/Pajaro Valley Water Management Agency recycled water project is scheduled to be operational in 2007. Construction plans include an upgrade to provide tertiary treatment capability at the City's wastewater treatment plant and expansion of the Coastal Distribution System to extend service to additional areas of seawater intrusion impact within the groundwater basin. Beginning in 2007, the anticipated delivery capability of the Coastal Distribution System will be approximately 7,000 acre-feet per year, consisting of a blend of recycled water (4,000 acre-feet per year) plus Harkins Slough project yield and inland well water (combined 3,000 acre-feet per year).

Recycled water is also discussed in *Section 3 – Wastewater Services*.

### **Balancing Demand and Supply**

The following table summarizes the potable demand and supply, both current and projected, as reported by the agencies. It is interesting to note that despite the critical water supply conditions throughout the County, only one agency reports a deficit in year 2020.

**Table 2.6**  
**Potable Supply and Demand Summary**  
 (Acre-feet/Year)

Agency	Existing Supply	Existing Demand	Difference	Projected Supply 2020	Projected Demand 2020	Difference
City of Santa Cruz	13,328	13,328	0	15,826	15,826	0
City of Watsonville	7,635	7,077	558	9,326	8,881	445
Central Water District	636	625	11	736	703	33
Davenport County Sanitation District	56	56	0	NP	NP	
Lompico County Water District	88	88	0	90	90	0
Pajaro Valley Water Management Agency	NA	NA	NA	NA	NA	NA
San Lorenzo Valley Water District	2,125	1,820	305	2,210	1,915	295
Scotts Valley Water District	2,031	2,031	0	1,868	1,868	0
Soquel Creek Water District	5,786	5,786	0	4,800	5,430	(630)
<b>TOTAL</b>	<b>31,685</b>	<b>30,811</b>	<b>874</b>	<b>34,856</b>	<b>34,713</b>	<b>143</b>

*Note: Watsonville's surplus is based upon pumping, treatment, and storage, not necessarily "safe yield" of the PV aquifer.*

### System Infrastructure

The following table summarizes the water system infrastructure of the agencies:

**Table 2.7**  
**Domestic Water Infrastructure Summary**

Agency	Total No. of Connections	No. of Wells	Treatment Capacity	No. of Pump Stations	Miles of Pipeline	No. of Interties
City of Santa Cruz	23,724	3	2 mgd	17	292	2
City of Watsonville	13,542	12	2.5 mgd	14	150	0
Central Water District	842	5	NA	4	15	2
Davenport County Sanitation District	114	0	.05 mgd	0	3.5	0
Lompico County Water District	498	4	0.4 mgd	4	24	0
Pajaro Valley Water Management Agency	NA	NA	NA	NA	NA	NA
San Lorenzo Valley Water District	5,805	6	1.8 mgd	24	125	2
Scotts Valley Water District	3,700	16	3.4 mgd	9	55	1
Soquel Creek Water District	13,570	16	7.6 mgd	11	138	4

### City of Santa Cruz

The City of Santa Cruz water system serves a 30 square mile area that extends from the agricultural lands west of the City to 41<sup>st</sup> Avenue in the City of Capitola. The service area includes the developed portion of UC Santa Cruz campus, Live Oak, Pasatiempo, and some other unincorporated areas surrounding the City. The City serves 23,724 connections of which 88% are residential. The City has four primary water sources: North Coast creeks, San Lorenzo River, Loch Lomond Reservoir, and the Beltz wells in the Live Oak area. Surface diversion from Liddell Spring, Laguna Creek, Reggiardo Creek, and Majors Creek in the North Coast area provides approximately 25% of the City's raw water supply. The City has pre-1914 appropriative rights for these creeks and has purchased all downstream water rights so that the full natural

flow of each creek may be diverted. The City has rights to divert up to 12.2 cubic-feet-per-second (CFS) year-round from the San Lorenzo River at the Tait Street Diversion and adjacent wells. During periods of high flow, water from the Felton Diversion Dam on the San Lorenzo River is pumped up to the Loch Lomond Reservoir for storage. After fish flow requirements are met, the City has rights to divert 7.8 CFS during September, and 20 CFS from October to May, to an annual maximum of 2,998 acre-feet (977 million gallons). The Loch Lomond Reservoir was constructed in 1960 and collects water from the Newell Creek Watershed. The City and the San Lorenzo Valley Water District both have rights to the water stored in the reservoir; the City's annual limit is 3,198 acre-feet (1.042 billion gallons). The Beltz well system consists of three wells and a treatment facility in Live Oak in the southeast portion of the City water service area; the current set of wells is less than five years old. According to the *Adequacy of Supply* report mentioned earlier, the City estimates that the existing water system is currently operating at about 93% of capacity. The Water Department places a major emphasis on conservation and notes that it has one of the lowest residential per capita uses in the state. The closure of the Texas Instruments facility and cumulative effect of water conservation programs and indoor plumbing codes has decreased demand and offset several years' worth of increased demand from new development.

In addition to domestic demand, the City supplies approximately 300 acre-feet of water per year for agricultural use. Recycled water is not available within the service area, so potable water is used.

One of the challenges the City faces is a lack of adequate water supply during periods of drought. Because the City is primarily supplied by surface water, it has surplus water in wet years and is seriously impacted during periods of drought. The City notes that it would only be able to service approximately half of the of the normal dry season demand during a two-year drought. Along with conservation and use curtailment, the City's Integrated Resources Water Management Plan identifies seawater desalination as the only feasible alternative to provide backup supply. The City is in the process of preparing an EIR for the Plan, and based on the outcome, will determine the impacts of going forward with a desalination facility. In July 2004, the City Council directed the Water Department staff to report annually on the status and availability of remaining supply. In addition, the City's Water and Planning staff will change the focus of environmental review projects to more comprehensively reflect their impact on remaining water supply.

Except for the water produced by the Beltz wells, all raw water is treated at the Graham Hill Water Treatment Plant and stored at the Bay Street Reservoir prior to distribution. The City has a total storage capacity of 138 acre-feet (45 million gallons), or 4.5 times average day demand. The City's water system has two emergency interties with the Soquel Creek Water District, albeit the capacity of the current connections limits the assistance the agencies could provide to each other in the event of a major emergency. Unaccounted annual water loss is estimated at less than 4%.<sup>4</sup> There is one mutual water

---

<sup>4</sup> Unaccounted for water loss includes all water used for line flushing, fire suppression and system leaks, etc. There is no single standard terminology, or commonly accepted definitions or methodology for undertaking water audits. This term generally means something different to each agency; therefore each agency undertakes water audits in a unique manner. This explains the wide variations between the agencies in response to "unaccounted annual water loss". For example, some agencies may consider unaccounted water as all "non-revenue or unbilled" water; i.e. total



company adjacent to the City's service area in the Rollingwoods area, which is in the process of requesting service from the City and rebuilding their distribution system.

Infrastructure replacement is one of the challenges noted by the City. Portions of the City's system are aged, with some of the facilities in the North Coast area greater than 100 years old. The City's 2001 Urban Water Management Plan notes that there is a lack of system redundancy, which requires the three major sources to be in continuous production during the dry season. As noted above, the system is operating near capacity. The proposed CIP for 2005-2007 includes \$28 million in water system projects, including \$5 million for the design of new water supply facilities. Other projects include rehabilitation and upgrades for transmission mains, treatment and storage facilities. Approximately \$7.7 million is proposed for rehabilitation of the North Coast system.

### **City of Watsonville**

The City of Watsonville provides domestic water services in much of the Pajaro Valley that lies within Santa Cruz County, from Pajaro Dunes to Corralitos. Some new developments that lie outside the city limits also will be served if they meet the City's minimum density requirements and include affordable housing. The City serves a total of 13,542 connections, of which 85% are residential. The majority of the City's water supply is obtained from the Aromas Red Sands aquifer with the balance coming from surface water.

The City has a storage capacity of 11.6 million gallons, or 1.7 times average day demand. Unaccounted water loss is approximately 7% and there are no interties with other systems.

The City's 2004-2005 Capital Improvement Program includes water main replacements and other rehabilitation and infrastructure upgrade projects. The Water Division's stated goals and objectives for FY 2003-2005 include constructing the new Vista Montana water supply well and pump station on East Lake Avenue, upgrading the communications between the City's Supervisory Control and Data Acquisition (SCADA) system master and remote sites, constructing new fish screens on surface water intakes to comply with State regulations, and design and construction for a new filter plant to replace an existing slow sand filter plant.

### **Central Water District**

The Central Water District has a five-square-mile service area in the rural area of Aptos. The District serves 842 connections, all of which are residential with the exception of seven commercial and 16 for irrigation and public facilities. Approximately 5% of the water demand is for agricultural use; the water

---

input volume from source water produced less total output volume of water sold (billed units). Other agencies will assign known, calculated, or estimated components to account for a portion of "non-revenue" water. For example, some agencies will calculate the total volume of water associated with system flushing, fire suppression, known leakage, billing adjustments, meter/data inaccuracies, etc. to assess and account for a portion of "non-revenue water." The total volume for "non-revenue" water is reduced by these types of components and the remaining balance is called "Unaccounted Water Loss."

supplied is all potable. The District has two intertie connections with the Soquel Creek Water District for line flushing and limited assistance during emergencies. The District relies on groundwater from the Aromas Red Sands and Purisima aquifers for supply. The District has a storage capacity of 1.217 million gallons, or 2.3 times average day demand. The District has five wells, all rated as good to excellent. Unaccounted water loss is 7.7%.

The District notes that one of its achievements has been the orderly growth of the District's production and distribution system. The Capital Improvement Plan has a ten-year planning timeframe. The CIP currently has \$434,000 in projects and is 46% funded. Budgeted improvements for FY 2004-2005 include \$40,000 for the SCADA system and \$32,000 for improvements to the Day Valley line.

**Davenport County Sanitation District**

The Davenport County Sanitation District serves 114 water connections in the Oldtown, Newtown and San Vicente areas of Davenport. The District relies on surface water diverted from Mill Creek and San Vicente Creek for supply. CEMEX, a large cement plant in the area, needs a potable supply in addition to the recycled water it receives from the District; however the District is not able to meet the demand due to limitations on the system's capacity, stream turbidity problems, and water supply. The District and CEMEX are considering a joint application for grant funding to upgrade the District's existing treatment plant to meet new water treatment standards.

The District is managed by the County Department of Public Works and infrastructure needs are addressed through the County's budgeting process. The District has a storage capacity of 150,000 gallons, equivalent to 3.0 times average day demand. Unaccounted water loss is approximately 6%.

The District's FY 2004-2005 budget includes partial funding for rehabilitation of the water filtration system, upgrades to the water plant infrastructure, and water tank repairs. The District has minimal capital reserves for future infrastructure needs.

**Lompico County Water District**

The Lompico County Water District serves the Lompico community near Felton. The District's service area encompasses two square miles and all 498 connections are for residential service; the community is considered built-out. Water supply is obtained from the Santa Margarita and Monterey aquifers as well as Lompico Creek. The District notes that they have four wells, all in good condition. The District has no emergency interties with other systems. Unaccounted for water loss is approximately 5%.

No specific information was provided on planned capital improvements or infrastructure needs. However the District notes that its facilities are maintained through an aggressive maintenance program.

**Pajaro Valley Water Management Agency**

The Pajaro Valley Water Management Agency was formed in 1984 after a special act of the Legislature and a vote of the people. It has groundwater management authority in the Pajaro Valley, including portions of Monterey and San Benito Counties. The Agency is authorized to construct, maintain,

improve, operate, and repair necessary works for the protection of groundwater and for any reclamation and replenishment of such water within its statutory boundaries. This authority includes importation of water, but only for agricultural purposes (with the one exception that imported water may be provided for other uses to Aromas Water District in San Benito and Monterey Counties).

As set forth in the Revised Basin Management Plan, the Agency's infrastructure components are the Coastal Distribution System; the Harkins Slough diversion, percolation, and recovery system; the recycling project in partnership with the City of Watsonville; inland wells to provide conjunctive use capability and peaking supplies; and a proposed imported water pipeline. The Coastal Distribution System delivers blended supplemental water supplies to agricultural parcels along the coast where groundwater pumping must be eliminated in order to prevent seawater intrusion into the aquifer. When complete, the system will have approximately 30 miles of pipeline delivering water to over 200 parcels. The Harkins Slough Project and part of the Coastal Distribution System are constructed and operational. The recycling project is in design, with construction scheduled to start in 2006 and operations to begin in 2007. The imported water project is now scheduled to be constructed and come on-line after the recycling project is complete. This phased implementation schedule is consistent with a \$23.1 million Groundwater Recharge Construction (Proposition 13) grant recently awarded to the PVWMA by the California Department of Water Resources.

**San Lorenzo Valley Water District**

The San Lorenzo Valley Water District serves a 58 square mile area in the mountains of northern Santa Cruz County. The District provides water service to the communities of Boulder Creek, Brookdale, Ben Lomond, Zayante and portions of Scotts Valley. The District has two separate service areas with independent systems and sources of supply. The northern area serves the unincorporated area of the San Lorenzo Valley north of Felton, including Zayante. The southern area serves the southwesterly portion of the City of Scotts Valley and the surrounding unincorporated area along Lockewood Lane and in Hidden Glen. Water supply in the northern area is obtained from the Santa Margarita Sandstone and Lompico Sandstone aquifers as well as surface water from tributaries to the San Lorenzo River. Water supply in the southern area is obtained from the Lompico Sandstone aquifer. The District serves 5,805 connections of which 97% are residential.

The San Lorenzo Valley Water District's current Water Master Plan is in need of updating because it does not incorporate improvements and alterations to the system which have been completed since its adoption in 1986. The District should be encouraged to undertake and complete an update of the Water Master Plan along with the required 2005 update to the Urban Water Management Plan. The process of updating the plans would enable the District to develop valuable supply and demand projections as well as evaluate reliability and demand management measures.

The District has six wells and notes that they are in good condition; five of the six wells have been replaced since 1990. The District has 31 storage tanks with a combined capacity of 7.5 million gallons. Storage capacity is equivalent to 3.9 times average day demand. The District has two emergency interties

– one with the Big Basin Water Company and one with the Scotts Valley Water District. When the total volume of “non-revenue water” is adjusted for other components such as system flushing, etc., unaccounted water loss is approximately 9%.

The District’s Capital Improvement Program was prepared in 1997. A number of projects have been funded for FY 2004-2005 including \$712,000 for acquisition of a new administration building, \$80,000 for the meter replacement program, \$220,000 for the Kings Creek Road Project, and \$40,000 for the Quail Well EIR.

### **Scotts Valley Water District**

The Scotts Valley Water District service area encompasses a six square mile area that includes the City of Scotts Valley and unincorporated areas to the north. The District currently serves 3,700 connections, of which 93% are residential. The District is projecting build-out in 2020 in its 2000 Urban Water Management Plan. Water supply is obtained from three water-bearing formations within the Santa Margarita Groundwater Basin: the Santa Margarita Sandstone, the Lompico and the Butano. The District has an emergency intertie with the San Lorenzo Valley Water District and plans to increase the size of the connection to enhance mutual aid opportunities in the future. Storage capacity is equivalent to 2.25 times average day demand.

In FY 2003-2004 the District delivered approximately 19 acre-feet of recycled water. Several new major recycled water accounts have been established subsequently, increasing recycled water distribution and allowing the District to reduce groundwater pumping. The first phase of reduced pumping occurred in the Camp Evers sub-area of the Santa Margarita Groundwater Basin. The challenges to expand recycled water use primarily are a function of the cost to install the system; however the current infrastructure potentially supplies a large percentage of the major landscaping customers within the District.

The District uses a five- year timeframe for its Capital Improvement Program. The current program through 2009 includes \$4.6 million in projects; however none of it is funded pending the outcome of a current rate study and financial planning effort. The District’s Water Master Plan was prepared in 1992 and is in need of updating because it does not incorporate improvements and alterations to the system which have been completed since its adoption. Recently, several problems have been identified with the large well meters, which have caused some production data to be overstated.

### **Soquel Creek Water District**

The Soquel Creek Water District serves a portion of the City of Capitola as well as the unincorporated areas of Soquel, Aptos, Seacliff, Rio Del Mar, Seascape, La Selva Beach, and Canon del Sol. The District’s service area encompasses 14 square miles including seven miles of coastline. As of December 31, 2003, the District served 13,570 connections with 94% residential.

The District is entirely dependent on groundwater from two aquifers and currently receives 62% of its water supply from the Purisima Formation and 38% from the Aromas Red Sands aquifer. This is expected to decrease to 55% and 33% respectively by 2020 with the remaining 12% coming from other than



groundwater sources. The District has developed a comprehensive groundwater level monitoring and management program and is working in cooperation with other agencies responsible for groundwater resources within the aquifers underlying the District.

The District is evaluating conjunctive use alternatives to develop a supplemental supply. The major impetus behind this effort is the focus on restoring and maintaining the coastal groundwater levels to provide a barrier against seawater intrusion. The District estimates that it needs an additional 2,000 acre-feet per year to protect the groundwater basin from seawater intrusion and to meet estimated demand at build-out (estimated at year 2050) of the existing General Plans for the County and the City of Capitola.

The District is preparing an EIR that focuses on two regional conjunctive use options. In 2003 the basin status and future demand projections were re-evaluated in order to update the District's Integrated Resources Plan which addresses the anticipated needs through year 2050, with groundwater pumping occurring at sustainable levels. After significant study and public input, the District has determined that the two conjunctive use alternatives that it will further consider are the Regional Desalination facility with the City of Santa Cruz and a Water Import/Groundwater Banking project with the Pajaro Valley Water Management Agency. Other alternatives were eliminated from further consideration at this time, such as the Soquel Creek Off-Stream Diversion project, which, in comparison with the two regional alternatives, appeared to have more uncertainties and disadvantages. In the event neither regional conjunctive use option can be developed in a timely manner, the Soquel Creek Off-Stream Diversion would be reconsidered, as it is the only viable local conjunctive use project available to the District. The District is also considering parcel-based alternatives such as enhanced groundwater recharge and satellite recycled water facilities that would be located on-site of large properties such as golf courses, parks and schools and produce water for irrigation uses. The cumulative potential benefit from these projects would not eliminate the need for a conjunctive use project of the scale being considered in the EIR.

The District is divided into four separate service areas with only limited transmission capability between service areas. The District has a total of sixteen active production wells located throughout the District; the conditions of the wells range from good to poor with three of the wells over 40 years old and nearing the end of their useful life. Nine wells are approximately 20 years old. The District can meet maximum day demand with all wells operational; however, in two of the service areas, it currently falls short of the capacity to meet maximum day demand without the largest producing well. The District is pursuing new and replacement wells in those areas. After litigation prevented the last two attempts to construct new wells in the Purisima Formation, the District is preparing an Environmental Impact Report for its Well Master Plan to evaluate the individual and cumulative impacts of wells located on sites selected to address issues of system reliability and distribution of pumping consistent with groundwater management objectives. The District provides iron and manganese removal at seven treatment plants serving the wells pumping from the Purisima Formation. The District is in the process of adding an arsenic removal system to one of the treatment plants to remove trace levels of arsenic from the Aptos Creek and T-Hopkins wells, even though the water currently produced meets established drinking water standards.

The District has four emergency interties with the City of Santa Cruz and the Central Water District, but, as noted above, these are insufficient to provide substantial benefit during a major emergency. The District has 18 storage tanks with a combined capacity of 7.535 million gallons, or 1.5 times average day demand. Annual water loss is estimated at 7% to 8%.

The District's Capital Improvement Program includes \$4.2 million in projects, all of which are currently funded through operating revenues on a pay-as-you-go basis. Major projects include rehabilitation of the Aptos Junior High Well, arsenic removal, recoating two storage tanks, providing seismic protection for storage tanks, and water main replacements for Stance/Fairway Drive, La Selva Beach (Phase I) and a portion of Soquel Drive.

The District notes the following challenges it will face in the next five years:

- Successfully developing a supplemental water supply;
- Completing new and replacement wells in Service Areas 1, 2 and 3 to maintain system reliability and improve distribution of pumping for groundwater management;
- Achieving conservation goals; and
- Continuing program of replacing undersized and/or leaking mains and storage tank maintenance in light of revenue needs for supplemental supply and replacement well priorities.

## 2.3 Financing Constraints and Opportunities

Water agencies are primarily funded through water sales and service charges, augmentation charges, connection fees, property tax revenue and grants. Some agencies use a pay as you go approach, building reserves to meet future capital needs, while other agencies use long-term debt as a means to finance infrastructure improvements.

### City of Santa Cruz

The City of Santa Cruz accounts for its water utility as an enterprise activity, relying on service charges for funding. The following summarizes the City's Water Fund:

**City of Santa Cruz – Water Fund**

Finances	FY 02-03 Actual	FY 03-04 Est. Actual	FY 04-05 Proposed
<b>Sources</b>			
Charges for Services	\$15,117,062	\$14,008,522	\$18,798,762
Licenses and Permits	\$10,480	\$980	\$980
Intergovernmental	\$362,083	\$20,000	\$20,000
Misc. Revenue	\$1,252,882	\$940,228	\$734,900
Other Financing Sources	\$25,000	\$315,887	\$17,006,123
<b>Total Sources</b>	<b>\$16,767,507</b>	<b>\$15,285,617</b>	<b>\$36,560,765</b>
<b>Uses</b>			
Operating	\$12,686,624	\$12,418,528	\$12,944,243
Debt Service	\$202,766	\$202,737	\$981,747
Capital Projects	\$15,164,357	\$18,379,128	\$27,389,350
Interfund Transfers Out	\$140,501	\$179,631	
<b>Total Uses</b>	<b>\$28,194,248</b>	<b>\$31,180,024</b>	<b>\$41,344,790</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$11,426,741)</b>	<b>(\$15,894,407)</b>	<b>(\$4,784,025)</b>
<b>Fund Balance, end of year</b>	<b>\$12,447,501</b>	<b>\$6,887,845</b>	<b>\$2,103,820</b>

As of June 30, 2003 the City has an outstanding loan from the State of California for the construction of a water main north of the City. The loan bears an interest rate of 2.973% and matures in 2016. The outstanding balance at June 30, 2003 was \$968,728. The proposed budget for FY 2004-2005 includes two new loans totaling \$17 million for the Bay Street Reservoir Transmission Main and the North Coast System Rehabilitation Project, which will increase debt service requirements.

**City of Watsonville**

The City of Watsonville accounts for its water utility as an enterprise activity. The following summarizes the City's Water Fund:

**City of Watsonville – Water Fund**

<b>Finances</b>	<b>FY 02-03 Projected</b>	<b>FY 03-04 Budget</b>	<b>FY 04-05 Budget</b>
<b>Revenue</b>			
Water Sales	\$6,120,400	\$5,810,000	\$5,890,000
Construction Deposits	\$165,200	\$80,000	\$80,000
Water Use Reduction Fees/Water Reserve	\$350,200	\$200,000	\$200,000
Other Revenues	\$82,800	\$75,000	\$10,075,000
Interest	\$309,600	\$250,000	\$250,000
<b>Total Revenue</b>	<b>\$7,028,200</b>	<b>\$6,415,000</b>	<b>\$16,495,000</b>
<b>Expenditures</b>			
Operating	\$4,315,014	\$5,574,988	\$5,694,677
Debt Service	\$728,234	\$732,256	\$730,246
Capital Outlay	\$3,182,500	\$3,163,667	\$17,883,000
<b>Total Expenditures</b>	<b>\$8,225,748</b>	<b>\$9,470,911</b>	<b>\$24,307,923</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$1,197,548)</b>	<b>(\$3,055,911)</b>	<b>(\$7,812,923)</b>
<b>Fund Balance, end of year</b>	<b>\$13,289,580</b>	<b>\$10,233,669</b>	<b>\$2,420,746</b>

The City was awarded grant funding of \$10,015,000 in FY 2004-2005 for its Water Recycling Facilities at the Wastewater Treatment Plant (included in Other Revenues above). The balance in the City's Water Fund is reserved entirely for capital needs.

Watsonville uses a biennial budget process with the current budget covering the period of FY 2003-2005. The mid-year budget cycle revisions that affect the Water Fund include cost increases for workers compensation, some staff adjustments, and the addition of a \$500,000 contribution from the Water Fund to the Watsonville Civic Center Project for the City's water utility portion of the project.

In 1998 the City issued \$8,300,000 in Water Revenue Refunding Bonds with interest rates ranging from 4.25% to 5.0%. Proceeds were used to retire an earlier issue that had higher rates. Annual debt service is approximately \$730,000. The bonds mature in 2016.

**Central Water District**

The Central Water District is funded by water sales, connection fees and property tax revenue. The County Auditor-Controller performs the accounting functions for the District. The following summarizes the District's finances:

**Central Water District**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>
<b>Revenue</b>			
Water Sales	\$452,482	\$468,685	\$400,500
Connection Fees	\$23,308	\$29,135	\$18,000
Other Revenues	\$6,892	\$7,618	\$7,000
Interest	\$8,307	\$7,156	\$6,000
Property Tax	\$61,006	\$64,760	\$39,500
<b>Total Revenue</b>	<b>\$551,995</b>	<b>\$577,354</b>	<b>\$471,000</b>
<b>Expenditures</b>			
Salaries & Employee Benefits	\$222,750	\$234,196	\$268,000
Services and Supplies	\$174,425	\$119,315	\$521,700
Other Charges	\$1,121	\$1,154	\$1,500
Fixed Assets	\$11,046		\$72,000
Contingencies			\$4,000
<b>Total Expenditures</b>	<b>\$409,342</b>	<b>\$354,665</b>	<b>\$867,200</b>
<b>Net Surplus/(Deficit)</b>	<b>\$142,653</b>	<b>\$222,689</b>	<b>(\$396,200)</b>
<b>Fund Balance, end of year</b>	<b>\$1,795,194</b>	<b>\$1,829,082</b>	

*Index 681410, 681420, 681430*

The District's property tax revenue will be reduced by \$52,447 in FY 2004-2005 due to the required ERAF III adjustment; this is partially reflected in the budget above.

The District instituted connection fees early on to fund capital improvements and now uses a pay-as-you-go approach. The District has no long-term debt.



**Davenport County Sanitation District**

The Davenport County Sanitation District provides both water and wastewater services and is funded through service charges and property tax revenue. CEMEX pays 46% of the overall service charges. The following summarizes the District's finances:

**Davenport County Sanitation District**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>
<b>Revenue</b>			
Sewer Service Charges	\$136,631	\$161,005	\$184,759
Water Service Charges	\$96,181	\$130,082	\$159,562
Connection Fees	\$6,450		\$6,000
Other Revenues	\$6,524	\$9,224	\$25,000
Interest	\$2,044	\$1,458	\$1,500
Property Tax	\$16,221	\$17,109	\$10,591
<b>Total Revenue</b>	<b>\$264,052</b>	<b>\$318,878</b>	<b>\$387,412</b>
<b>Expenditures</b>			
Services	\$238,522	\$291,857	\$316,050
Debt Service	\$25,402	\$25,402	\$25,404
Capital Outlay	\$12,298	\$2,158	\$176,343
<b>Total Expenditures</b>	<b>\$276,223</b>	<b>\$319,418</b>	<b>\$517,797</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$12,171)</b>	<b>(\$540)</b>	<b>(\$130,385)</b>
<b>Fund Balance, end of year</b>	<b>\$106,462</b>	<b>\$147,130</b>	

*Index 625125*

The District's property tax revenues will be reduced by \$15,017 in FY 2004-2005 due to the required ERAF III adjustment. The District noted that one of the challenges it faces is to obtain adequate funding for facility upgrades and collection system replacement.

The District has three outstanding sewer loans used to finance infrastructure improvements. The loans were obtained in 1983, 1995 and 2001 for a total of \$712,238 with interest rates ranging from 2.5% to 2.75%. The debts will be paid in full by 2022. The combined outstanding balance at June 30, 2004 was \$521,105.

**Lompico County Water District**

The Lompico County Water District is funded through service charges and property tax revenue. The following summarizes the District's finances:

**Lompico County Water District**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Budget</b>	<b>FY 04-05 Budget</b>
<b>Revenue</b>			
Water Sales, Service Charges	\$338,044	\$319,300	\$318,300
Other Revenues		\$1,000	\$1,000
Interest	\$3,384	\$1,000	\$1,000
Property Tax	\$101,587	\$40,000	\$42,700
<b>Total Revenue</b>	<b>\$443,015</b>	<b>\$361,300</b>	<b>\$363,000</b>
<b>Expenditures</b>			
Operating Expenses	\$488,389		
Interest	\$42,449		
Other Non-Operating Expenses			
<b>Total Expenditures</b>	<b>\$530,838</b>	<b>\$361,300</b>	<b>\$345,900</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$87,823)</b>	<b>0</b>	<b>\$17,100</b>
<b>Fund Balance, end of year</b>	<b>\$234,551</b>		

The District's property tax revenue will be decreased by \$39,905 for FY 2004-2005 for the ERAF III adjustment. This is not reflected in the budget above. A portion of the District's property tax is directed to special accounts managed by the County Auditor-Controller for debt service.

The District has used long-term debt to finance its infrastructure. In 1964 the District issued \$1.5 million in General Obligation bonds to finance the original system. The bonds mature in 2018 and bear an interest rate of 5%. The District also has a loan from the State Department of Water Resources that was used to finance construction of a water treatment plant. The loan matures in 2017 and bears an interest rate of 3.0815%. The principal balance due at June 30, 2003 was \$750,000 and \$127,131 respectively. The District's average annual debt service through 2007 is approximately \$84,000.

### Pajaro Valley Water Management Agency

The Pajaro Valley Water Management Agency is funded through assessments and groundwater augmentation charges (or groundwater pumping charges) as well as grants. The following summarizes the Agency's finances:

#### Pajaro Valley Water Management Agency

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Assessment Income	\$339,269	\$340,814	\$373,000
Augmentation Charges	\$4,423,603	\$6,377,403	\$8,242,000
Interest	\$493,837	\$267,707	\$278,350
Grant Income	\$21,796	\$38,499	\$3,500,000
Other Revenue	\$23,325	\$38,725	\$11,250
Financing Proceeds	\$11,197,369	\$4,514,671	\$5,500,000
<b>Total Revenue</b>	<b>\$16,499,199</b>	<b>\$11,577,819</b>	<b>\$17,904,600</b>
<b>Expenditures</b>			
Personnel	\$928,641	\$1,050,145	\$1,437,005
Operations and Maintenance	\$1,226,517	\$1,685,774	\$1,237,820
Capital Outlay	\$5,818,769	\$9,553,950	\$15,181,000
Debt Service	\$1,821,967	\$2,286,352	\$2,398,000
<b>Total Expenditures</b>	<b>\$9,795,864</b>	<b>\$14,576,221</b>	<b>\$20,253,825</b>
<b>Net Surplus/(Deficit)</b>	<b>\$6,703,305</b>	<b>(\$2,998,402)</b>	<b>(\$2,349,225)</b>
<b>Fund Balance, end of year</b>	<b>\$17,297,578</b>	<b>\$14,299,176</b>	<b>\$11,949,951</b>

As of June 30, 2003 the Agency had three long-term debt obligations. A note to the Monterey Bay Bank is secured by the Agency office building and carries an interest rate of 8.65%. The loan will be paid in full in 2023. Another note to the State Water Resources Control Board matures in 2022 and has an interest rate of 2.7%. The proceeds were used to pay some of the construction costs associated with the Harkins Slough project. The combined balance of the two loans at June 30, 2003 was \$11,249,663. In 1999 the Agency issued Certificates of Participation in the amount of \$19,725,000. The certificates have a current interest rate of 4.0% which will increase to 5.75% towards the end of the term. Average annual debt service for all long-term debt through 2008 is \$2,183,937.

The District has reserves designated for the following purposes: Operating and Maintenance (\$1.4 million), Rate Stabilization (\$2 million), Repair and Replacement (\$1.8 million), and Long Term Debt (\$2.4 million).

**San Lorenzo Valley Water District**

The San Lorenzo Valley Water District is funded through water sales and fees, service charges and property tax revenue. The District provides wastewater services to the Bear Creek Estates community; the following summarizes the financial history of the District related to its water service:

**San Lorenzo Valley Water District – Water Fund**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Estimated</b>	<b>FY 04-05 Budget</b>
<b>Revenue</b>			
Water Fees /Meter Sales	\$3,025,624	\$3,145,000	\$3,105,000
Other Revenue	\$68,735	\$48,700	\$53,050
Property Taxes	\$337,659	\$344,000	\$206,000
Restricted Special Revenue	\$1,440,536	\$647,000	\$1,727,400
Interest		\$12,500	\$9,000
<b>Total Revenue</b>	<b>\$4,872,554</b>	<b>\$4,197,200</b>	<b>\$5,100,450</b>
<b>Expenditures</b>			
Personnel	\$1,746,555	\$1,842,465	\$1,880,710
Materials and Services	\$975,645	\$873,370	\$883,560
Capital Outlay	\$1,249,897	\$458,000	\$1,455,050
Debt Service	\$716,896	\$673,170	\$679,350
<b>Total Expenditures</b>	<b>\$4,688,993</b>	<b>\$3,847,005</b>	<b>\$4,898,670</b>
<b>Net Surplus/(Deficit)</b>	<b>\$183,561</b>	<b>\$350,195</b>	<b>\$201,780</b>
<b>Fund Balance, end of year</b>	<b>\$3,884,321</b>		

The District's property tax revenue will be reduced by \$312,905 in FY 2004-2005 due to the ERAF III transfer. This is only partially reflected in the budget above.

In September 2000, the District sold approximately 1,340 acres of District-owned property north of Boulder Creek for \$10.9 million. The District has invested the proceeds from the sale of this property, and receives additional revenue from investment earnings associated therewith.

The Capital Outlay budget for FY 2004-2005 includes \$712,000 for the acquisition of a new district administrative building as well as system infrastructure improvements.

The District has several long-term debts associated with its water system, including Special Assessment Bonds for the North Boulder Creek Assessment District payable by the County Tax Collector through assessments on the property tax rolls. The District also has an interest-bearing lease, three notes payable, and Certificates of Participation issued in 1998 for the Water System Improvement Project. Total long

term debt at June 30, 2003 was approximately \$7.1 million. Average annual debt service through June 2008 is approximately \$382,000.

### Scotts Valley Water District

The Scotts Valley Water District is funded through water sales and service charges as well as property tax revenue. The following summarizes the District's finances:

Scotts Valley Water District			
Finances	FY 02-03 Actual	FY 03-04 Actual*	FY 04-05 Budget
<b>Revenue</b>			
Water Sales	\$2,783,083	\$3,137,768	\$3,184,164
Services Charges and Other Revenue	\$106,849	\$422,002	\$292,000
Non-operating Revenue	\$76,312	\$881,245	\$52,000
Property Tax	\$487,854	\$501,698	\$301,019
<b>Total Revenue</b>	<b>\$3,454,098</b>	<b>\$4,942,713</b>	<b>\$3,829,183</b>
<b>Expenditures</b>			
Net Operating Expenses	\$2,709,075	\$2,782,078	\$3,297,286
Non Operating Expenses	\$877,787	\$853,600	\$996,000
Contingencies			
<b>Total Expenditures</b>	<b>\$3,586,862.00</b>	<b>\$3,635,678</b>	<b>\$4,293,286</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$132,764)</b>	<b>\$1,307,035</b>	<b>(\$464,103)</b>
<b>Reserves, end of year</b>	<b>\$2,856,443</b>	<b>\$4,163,478</b>	<b>\$3,829,183</b>

*\*FY 2003-04 included reimbursement for system improvements received from the Glenwood development; these were recorded as non-operating revenue.*

The District's property tax revenue will be reduced by \$343,448 in FY 2004-2005 due to the ERAF III transfer.

The District has long-term debt associated with the potable water system as well as the recycled water treatment and distribution system.

During FY 2003-2004 the District delivered 28 acre-feet of recycled water which generated revenues of \$1,224 but cost the District approximately \$133,217 in operating costs as well as amortization costs of \$112,000. During FY 2004-2005, the District continued to pursue customers and signed a contract to supply recycled water to the Spring Lakes Mobile Home Parks, which will use the water to maintain water levels in its lakes. The recycled water system accounts for over half of the District's debt service requirements. The District's potable water customers are subsidizing the recycled water program as in-lieu recharge of the aquifer.



### Soquel Creek Water District

The Soquel Creek Water District is funded mainly through water sales and service charges. The following summarizes the District's finances:

Soquel Creek Water District			
Finances	FY 02-03 Actual	FY 03-04 Budget	FY 04-05 Budget
<b>Revenue</b>			
Water Sales	\$4,669,824	\$4,976,400	\$5,323,300
Services Charges and Other Revenue	\$2,248,227	\$2,060,400	\$2,195,600
Non-operating Revenue	\$187,930	\$122,400	\$76,400
<b>Total Revenue</b>	<b>\$7,105,981</b>	<b>\$7,159,200</b>	<b>\$7,595,300</b>
<b>Expenditures</b>			
Net Operating Expenses	\$5,712,900	\$4,789,000	\$5,222,500
Non Operating Expenses	\$652,955	\$1,166,000	\$962,165
<b>Total Expenditures</b>	<b>\$6,365,855</b>	<b>\$5,955,000</b>	<b>\$6,184,665</b>
<b>Net Surplus/(Deficit)</b>	<b>\$740,126</b>	<b>\$1,204,200</b>	<b>\$1,410,635</b>
<b>Reserves, end of year</b>	<b>\$4,020,000</b>	<b>\$3,372,000</b>	

The District has designated reserves of \$150,000 for rate stabilization and \$340,000 as an operating contingency.

In 2004 the District issued a Revenue Bond for \$9,035,000 in order to retire its 1994 Revenue Bond. The refinance includes a reduction in principal of \$640,000. The principal balance on the new Revenue Bond at June 30, 2004 was \$8,365,000. Debt service for FY 2004-2005 and 2005-2006 is approximately \$960,000 per year; this decreases to an average of \$745,665 through FY 2010-2011. The refinancing saves the District approximately \$204,000 annually in debt service. The District has earned bond ratings of A+ from Standard & Poor's and A2 from Moody's Investor Service, a notable achievement for an agency of this size.

The District indicates that its participation in either of the two regional supplemental supply projects under consideration will involve joint-funding.

## 2.4 Cost Avoidance Opportunities

The water agencies all pursue cost control opportunities to some degree, through a combination of water resource management, conservation programs, shared facilities and maintenance programs. Demand management and conservation are very cost-effective tools to reduce or prolong the need for developing additional sources of water supply. In that regard, the County, the Cities of Santa Cruz and Capitola, and the Soquel Creek Water District have all adopted water conservation ordinances that require homes to be

retrofitted with water conserving devices at the time they are sold, with the City of Santa Cruz inspecting to ensure compliance.

### **City of Santa Cruz**

The City of Santa Cruz Water Department is controlling costs through its aggressive conservation programs, annual water main replacement and system repair program, and shared staff. Santa Cruz Municipal Utilities, a separate department, provides customer service for the water utility as well as refuse, recycling, greenwaste, and sanitary sewer.

The Water Department maximizes water supply from the North Coast as it has higher quality and requires less treatment and therefore is a more cost-efficient resource than the other water sources.

### **City of Watsonville**

The City of Watsonville is controlling water costs through its conservation programs to manage demand as well as its system maintenance and improvement program. The City is also developing a recycled water treatment facility to provide additional supply for agricultural use along the coast.

### **Central Water District**

The Central Water District controls costs by using off-peak pumping year-round at reduced energy costs. The District also limits outsourcing of professional services. An emphasis on safety has resulted in only one worker's compensation claim in over 50 years of operations, which favorably affects insurance rates.

One of the challenges the District faces over the next several years is controlling costs brought about by the new trench standards and fees established by the Santa Cruz County Public Works Department.

### **Davenport County Sanitation District**

The County Public Works Department is controlling costs for the Davenport County Sanitation District through its operations, staff assignments, and scheduled maintenance programs.

### **Lompico County Water District**

The Lompico County Water District is controlling costs through its system maintenance program. The District also participates in the County Sheriff's work release/community service program, which provides the District with approximately 1,000 labor hours per year at no cost.

### **Pajaro Valley Water Management Agency**

The Pajaro Valley Water Management Agency is controlling costs through the use of the Revised Basin Management Plan to set priorities and goals and guide the Agency's activities. The Agency is collaborating with the City of Watsonville, Soquel Creek Water District, Santa Clara Valley Water District, San Benito County Water District, and other organizations in order to leverage resources for implementation of the Plan.

The Agency's Water Conservation Program is comprehensive and includes both agricultural and urban conservation projects, such as demonstration projects, mobile laboratory irrigation evaluations, farm water conservation plans, data analysis and report preparation, educational seminars and outreach, and grant preparation. The program was funded at \$182,000 in FY 2002-2003, excluding staff and administrative costs.

**San Lorenzo Valley Water District**

The San Lorenzo Valley Water District is controlling costs by utilizing an automated SCADA system to monitor for off-peaking pumping at reduced energy costs, whenever applicable, implementation of a conservation program, and maximizing the use of surface water sources which are less energy intensive than groundwater sources.

**Scotts Valley Water District**

The Scotts Valley Water District is seeking to connect additional recycled water customers in order to lower unit costs.

**Soquel Creek Water District**

The Soquel Creek Water District is controlling costs through its proactive approach to addressing seawater intrusion and developing conjunctive use options. The District is collaborating with other agencies on regional planning in order to ensure the most reliable and cost-effective solutions for a long-term water supply within the District.

The District is controlling operational costs in several ways including the adoption of a long term financing plan, minimizing debt costs through a pay-as-you-go capital improvement plan, saving power costs by utilizing a SCADA system to pump during off-peak times, actively seeking grant funding, and soliciting competitive bids for major projects and services.

The District has strengthened its policies on water conservation to reduce demand and minimize related operational costs. The District meets and exceeds the California Urban Water Council's established "Best Management Practices" for conservation programs. Examples of the more innovative conservation measures adopted by the District are: 1) the Water Demand Offset program that requires applicants for new services to create 120% of their projected demand in water savings through retrofitting existing development; and 2) *Water Use Efficiency Requirements for New Development*, which require indoor and outdoor water conservation devices and features in all new development (including single-family homes) within the jurisdiction of the District as a condition for obtaining water service.

**2.5 Management Efficiencies**

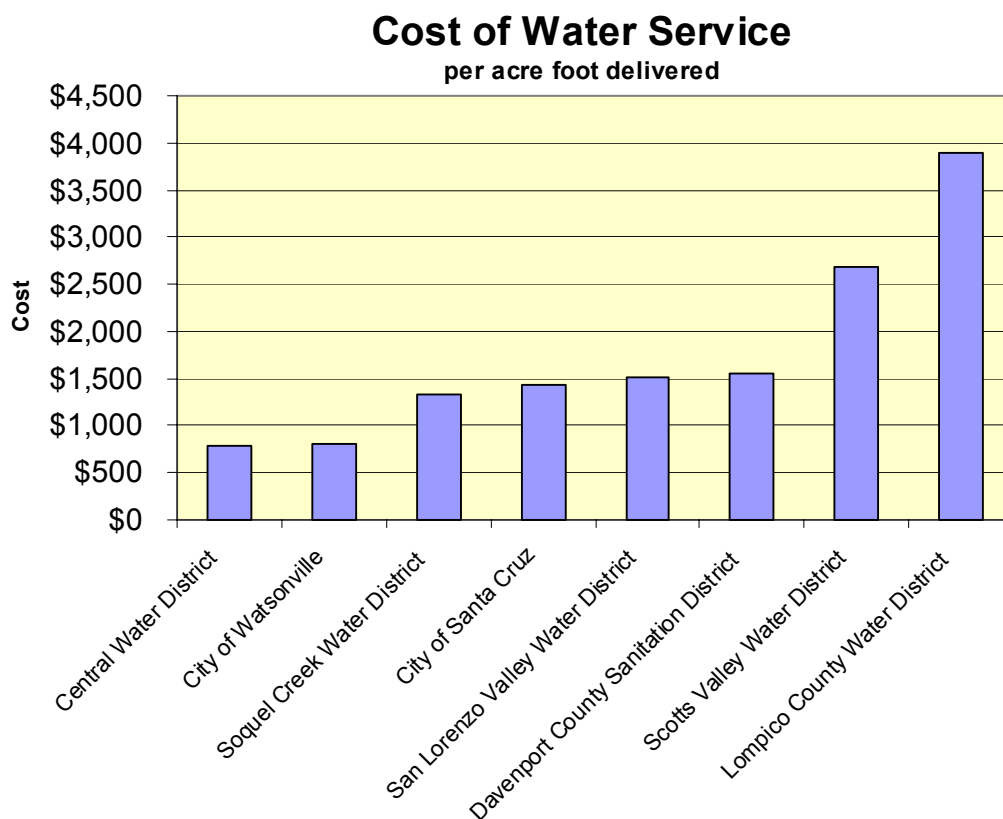
Management efficiencies are gained through staffing, service levels and size of the system. Larger systems are able to achieve greater economies of scale than smaller systems. Water quality conditions are also important factor as treatment increases costs and potentially staffing needs. The agencies reported the following staff levels:

**Table 2.9**  
**Staffing Levels of Retail Water Agencies**

Agency	# of Full Time Equivalent Staff	# of Connections per Staff	# of Certified Treatment Plant Operators	# of Certified Distribution Operators
City of Santa Cruz	86	276		
City of Watsonville	23.6	564	4	6
Central Water District	3	281	1	2
Davenport County Sanitation District	1	114		
Lompico County Water District	3	166	1	1
Pajaro Valley Water Management Agency	13	NA	NA	NA
San Lorenzo Valley Water District	22	264	8	9
Scotts Valley Water District	14	246	9	11
Soquel Creek Water District	36	377	11*	2

*\*The State requirements for treatment plant and distribution certification have changed. Re-certification must be completed by December 2006. Under the new regulations, most SqCWD treatment plant operators will change to certified distribution operators.*

Although cost is an important factor when evaluating service, it is not always a clear indicator of efficiency. Costs can vary greatly depending on service area differences, service levels, type of system, elevation changes, etc. Economies of scale are a factor for agencies that have water treatment facilities. The water agencies reported the following costs per acre-foot of delivered water:



## **MANAGEMENT EFFICIENCIES**

### **City of Santa Cruz**

The City of Santa Cruz Water Department is composed of the following sections: Municipal Utilities/Customer Service, Water Administration, Water Engineering, Water Conservation, Water Resources Management, Water Production, Water Quality Lab, Water Distribution and Water Recreation (for the Loch Lomond Recreation area).

The City of Santa Cruz Water Department has undertaken a Habitat Conservation Plan for water diversions on the coastal streams and the San Lorenzo River, all of which contain species listed as threatened or endangered. Santa Cruz is the first city in the state to prepare this type of Habitat Conservation Plan.

### **City of Watsonville**

The City of Watsonville's water utility is managed by the Public Works Department. The management goals and objectives identified for 2003-2005 include the following:

- Perform a security related vulnerability assessment of system, implement necessary corrections and establish emergency procedures;
- Increase interdepartmental cooperation and staff sharing; and
- Complete the conversion of the maintenance records system merging with the Wastewater Division's system.

### **Central Water District**

The Central Water District actively promotes employee longevity which has resulted in minimum staffing requirements.

### **Davenport County Sanitation District**

The Davenport County Sanitation District is managed by the County Department of Public Works. One of the challenges the County faces is attracting and retaining qualified treatment plant operators for the facilities it manages.

### **Lompico County Water District**

The Lompico County Water District is achieving management efficiencies through limited staff. As mentioned earlier the District participates in the County Sheriff's work release/community service program.

### **Pajaro Valley Water Management Agency**

The Pajaro Valley Water Management Agency is achieving management efficiencies through its staffing and resource allocation procedures. Additional staff positions are authorized as projects are initiated.

### **San Lorenzo Valley Water District**

The San Lorenzo Valley Water District is achieving management efficiency through staff assignments and proper resource allocation between the two service areas.



### **Scotts Valley Water District**

The Scotts Valley Water District is achieving management efficiency through staffing and water planning efforts. The District recently revised its Well Ordinance as recommended in the Annual Groundwater Management Plan update.

### **Soquel Creek Water District**

The Soquel Creek Water District is achieving management efficiency through the use of its Water Facilities Master Plan that prioritizes and schedules infrastructure needs. In addition, the District notes that staff longevity and expertise coupled with low staff turnover are one of the District's achievements. The District has been aggressive in utilizing technology to achieve efficiencies, such as: GIS; electronic data management and specialized software for programs such as financial accounting and billing, groundwater monitoring, conservation, cross-connection control and records management. The District also uses a web page and email to efficiently communicate with and educate the public.

## **2.6 Opportunities for Shared Facilities**

The water agencies in Santa Cruz County face similar water resource and service issues and as a result they work collaboratively and share resources in a number of ways. Most of the systems have interties with adjacent systems to provide emergency service.

One opportunity may be more regional collaboration involving all water users within a groundwater basin. The County notes in its February 2005 report to the Board of Supervisors that the Scotts Valley, Soquel Creek and Central Water Districts, and the Pajaro Valley Water Management Agency have initiated groundwater management programs, but these currently do not encompass the entire groundwater basin and do not involve all users in those areas.

The following shared facilities and efforts were noted:

- The City of Santa Cruz and the San Lorenzo Valley Water District share the Loch Lomond Reservoir. Loch Lomond is owned and operated by the City of Santa Cruz. The San Lorenzo Valley Water District has a contractual right to purchase a small allotment (approximately 300 AF/YR) of the total supply.
- The Scotts Valley Water District distributes the recycled water produced by the City of Scotts Valley.
- The agencies serving the south (City of Watsonville), north and central county are collaborating on an Integrated Regional Water Management Plan which will further address opportunities for collaboration and conjunctive use. In addition, PVWMA and the City of Watsonville are collaborating with the Santa Clara Valley Water District, San Benito County Water District, and other organizations on an Integrated Regional Water Management Plan for the Pajaro River Watershed.
- The City of Santa Cruz and UC Santa Cruz will share the cost for new water sources and improvements to the delivery system proportionate to the additional capacity attributed to on-

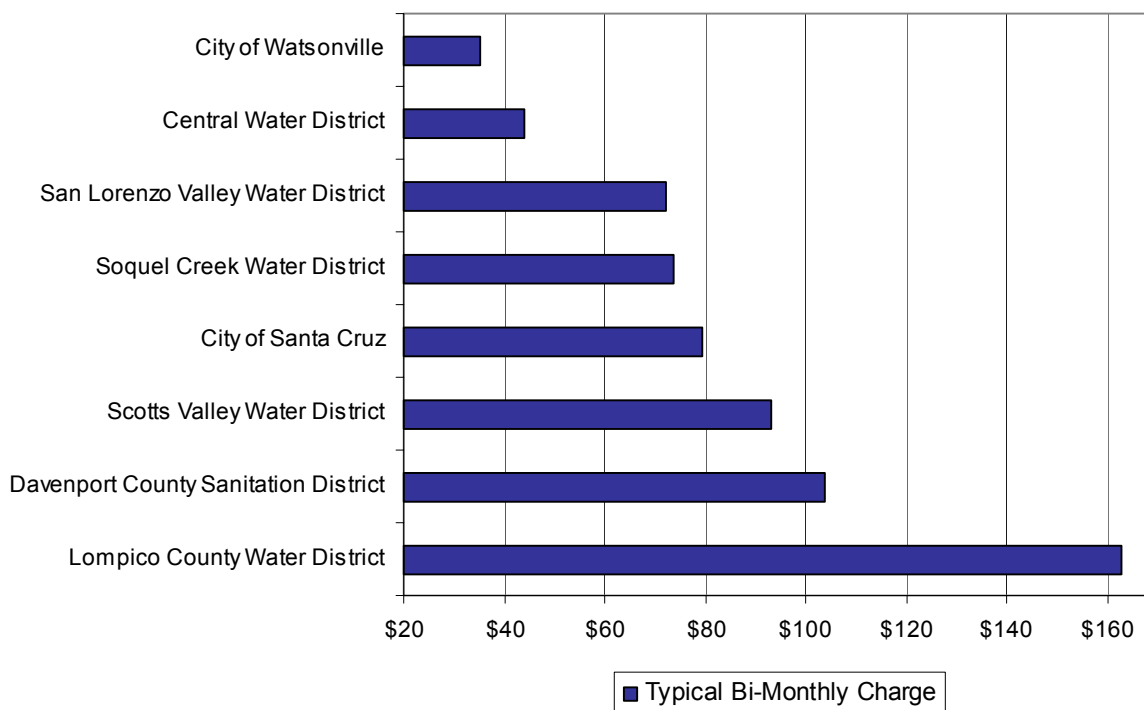
campus needs, per the mitigation measures stipulated in the 1988 Long Range Development Plan EIR.

- The Soquel Creek Water District and the Pajaro Valley Water Management Agency entered into a non-binding agreement in 2001 to work collaboratively toward developing a supplemental water supply project for the District that would yield approximately 2,000 acre-feet per year.
- The Soquel Creek Water District and the Central Water District entered into a JPA in 1996 for a Joint Groundwater Management Plan.
- The Soquel Creek Water District and Central Water District have begun discussions with the City of Santa Cruz and the County with an intention to expand and enhance the groundwater management program to encompass the entire Soquel-Aptos Groundwater Basin.
- The Davenport County Sanitation District rents equipment with special districts managed by the County Department of Public Works and utilizes other services provided through the County. Sanitation owns equipment and rents equipment out to the CSAs.
- The County, the City of Scotts Valley, the San Lorenzo Valley Water District, the Lompico Water District and the Scotts Valley Water District all participate in the Santa Margarita Groundwater Basin Advisory Committee.
- The Pajaro Valley Water Management Agency and the City of Watsonville are participating in a joint project for the development of a recycled water treatment plant and distribution system as part of the implementation of the Revised Basin Management Plan.
- The Pajaro Valley Water Management Agency is signatory to a number of MOU's with other federal and regional water agencies, including the US Bureau of Reclamation, San Benito County Water District, Santa Clara Valley Water District, Monterey County Water Resources Agency and the Monterey Peninsula Water Management District.

## 2.7 Opportunities for Rate Restructuring

Water rates include a meter charge (or readiness to serve charge) as well as a usage charge. Most agencies are using a tiered rate structure to promote conservation. Current water rates are as follows:

**Bi-Monthly Residential Charge for Average Santa Cruz County Customer**  
(5/8 x 3/4" meter and 20 CCF usage)



Microclimate, lifestyles, and pricing all affect usage. For instance, Lompico customers, located in small houses in the redwoods, with small gardens and landscaped areas, use less water than the 20 ccf bi-monthly average for the county. Therefore, the average customer in Lompico will have a bill less than amount shown on the chart. Similarly, the average Scotts Valley customer will have a higher bill than shown on the chart.

### City of Santa Cruz

The City of Santa Cruz uses a five-tiered rate structure for single family and duplex residential accounts; all other accounts are charged a flat quantity rate at the second tier cost. Customers outside city boundaries pay a higher rate and accounts that require additional pumping are assessed an elevation surcharge to cover the energy costs. Rates were increased in January 2005; in the prior two years rates have increased 25% and it is expected they will increase an additional 35% in the next two years.

### City of Watsonville

The City of Watsonville uses a two-tiered rate structure for residential use and a flat rate for commercial accounts. Customers also pay a surcharge based on usage for the Pajaro Valley Water Management Agency. Water rates have increased 4.8% over the past three years and were increased on July 1, 2004.

**Central Water District**

The Central Water District uses a two-tiered rate structure. Rates have not increased in the past two years but are projected to increase \$4 per connection in the near future to offset the reduction in property tax revenue due to ERAF III.

**Davenport County Sanitation District**

The Davenport County Sanitation District charges a flat rate for water service. Rates are reviewed annually; in the past two years rates have increased 64% and it is expected that they will increase another 60% in the next two years to ensure adequate funding is available for necessary operations and maintenance costs as well as for repair of the water tank and upgrades to the water treatment facility.

**Lompico County Water District**

The Lompico County Water District uses a tiered rate structure. The District is currently reviewing its water rates; there have been no rate increases in the past two years.

**Pajaro Valley Water Management Agency**

The Pajaro Valley Water Management Agency charges a groundwater augmentation charge for groundwater pumping. All water wells within the Agency's boundaries are required to be registered, including new, existing, inactive, abandoned and destroyed wells and all wells producing at least 10 acre-feet per year must be metered. The augmentation charge is based on usage. For unmetered wells, the Agency has established estimated annual water demand based on type of land use or crop and the property owners are billed accordingly. The Revised Basin Management Plan includes a differentiated flat rate structure with one rate for users that pump groundwater and a higher rate for users that receive delivered water; recipients of delivered project water will pay the incremental cost of constructing, operating and maintaining the Coastal Distribution System. All water users, including recipients of delivered project water, pay a proportionate share of all remaining costs associated with the recommended alternative in the Plan. The current rate is \$160 per acre-foot. Gradual rate increases are expected in order to cover the costs for the implementation of the recommended alternative in the Plan.

The augmentation charge has been challenged in court. In *Scurich et al. v. PVMWA*, agency opponents filed a reverse validation action in Santa Cruz County Superior Court to test the Agency's 2002 augmentation charge ordinance. The Agency prevailed on a statute of limitations ruling, without trying the substantive issues. The Court of Appeal upheld in part and reversed in part in May 2004, remanding back to Superior Court for resolution of one remaining issue. In July 2003 the Agency filed a validation action with the Superior Court to verify the legality of its 2003 augmentation charge ordinance. A judgment was entered in July 2004 in the Agency's favor. The Superior Court's decision is now pending in the Court of Appeal.

### **San Lorenzo Valley Water District**

The San Lorenzo Valley Water District uses a five-tiered rate structure. Basic meter charges have increased 1% annually and this is expected to continue. The most recent rate increase went into effect on January 15, 2005.

### **Scotts Valley Water District**

The Scotts Valley Water District uses a six-tiered rate structure. Water usage rates have decreased about 1% over the past two years. This is due, at least in part, to the advent of the recycled water program. Another major contributing factor is the new conservation program. Additional decreases are anticipated in the near future.

The District completed a rate study in February 2005 and is completing a financial planning study as the District needs to increase revenues to meet the terms of the bonds issued to finance the recycled water plant. The required revenue to expense ratio is 1.2 and the current ratio is projected to be 0.98. A rate increase of approximately 15% was implemented on February 11, 2005 to correct this situation.

### **Soquel Creek Water District**

The Soquel Creek Water District uses a two-tiered rate structure for residential customers. Rates were increased effective January 1, 2005 by approximately 13%, including lowering the second tier threshold from 50 units to 35 units (bi-monthly) for single-family residential customers with 5/8-inch meters. Rate increases over the past two years have been approximately 9%. The District performs a rate study each autumn before considering rate changes. As a long-term tool in rate setting, the District completed a Finance Plan in 2004 that suggests double-digit rate increases in the 10% - 13% range over the next several years.

## **2.8 Government Structure Options**

Almost all of the water agencies identified areas for LAFCO to consider in the next sphere review, including areas that are being served outside agency boundaries.

### **North and Central County**

The Davenport County Sanitation District was formed and operates in accordance with Health and Safety Code §4700 et seq. The District is geographically isolated and no other public service providers are nearby. One option would be privatization of services, although this would require public support and a private company willing to provide the service. CEMEX which operates the cement plant in Davenport pays 46% of the service charges and has a significant interest in the District's operations.

The Rolling Woods Mutual Water Company lies within the boundaries of the water service area of the City of Santa Cruz. The Company has requested service, and the City is conducting environmental review in order to consider forwarding the request to LAFCO. LAFCO should be apprised of these situations and others involving mutual water companies, including the nature of the request and the agency's response. .



The San Lorenzo Valley Water District, Lompico County Water District and Scotts Valley Water District were formed and operate in accordance with California Water Code §30000 et seq. Their service areas are adjacent and they draw from the same groundwater resources of the Santa Margarita Groundwater Basin. One option that LAFCO might consider is evaluating the water purveyors in the San Lorenzo Valley including the mutual water companies and the Big Basin Water Company as the condition of the Santa Margarita Sandstone and Lompico Sandstone aquifers is a concern. Greater levels of cooperation and groundwater analysis may be warranted, particularly due to the potential for conjunctive use and the areas that would benefit from that capital investment.

The Soquel Creek Water District was formed and operates in accordance with California Water Code §30000 et seq. The Glenwood area is currently within the boundaries of the Soquel Creek Water District, which allows residents to vote in District elections even though they are not served by the District and there are no plans to serve the area in the future. In 2000, LAFCO denied the District's application to detach a total of 189 parcels in the Glenwood basin area on the west branch of Soquel Creek based upon protests that the District might construct a reservoir in the area that would impact the community. All potential surface water projects involving Soquel Creek have been tabled in lieu of the two potential regional options involving either desalination or import water. Once the District certifies its conjunctive use water supply program EIR, the District and LAFCO may want to re-evaluate a potential detachment. The Central Water District was formed and operates in accordance with California Water Code §30000 et seq. The District serves a rural community. There could be a functional consolidation between the Soquel Creek Water District and the Central Water District; however this may not be politically acceptable to the Boards and constituents of the two districts.

### **South County**

The Pajaro Valley Water Management Agency was formed by a special act of the State Legislature in 1984 (Pajaro Valley Water Management Agency Act). The Agency generally overlies the topographic, hydrologic and geographic boundaries of the Pajaro Valley groundwater basin, including areas in Monterey and San Benito Counties. The Agency is authorized to perform all necessary acts to acquire, plan, construct, maintain, improve, operate, and repair necessary works for the protection of groundwater and for any reclamation and replenishment of such water within its statutory boundaries. No other government structure options were identified.

In the Canon del Sol area, the Pajaro Valley Water Management Agency and the Soquel Creek Water District have overlapping jurisdiction. There is a concern that Soquel Creek customers, who receive water from outside PVWMA's jurisdiction, could potentially be charged for PVWMA services for which they receive no benefit. Conversely, there may be more area of the Soquel Creek Water District that overlies the Pajaro Valley aquifer and should be considered for annexation by the PVWMA if they are using Aromas Red Sands groundwater and are benefiting from the Agency's programs. The coastal agricultural area between Seascapes and La Selva Beach is outside of the boundaries of both the Soquel Creek Water District and the Pajaro Valley Water Management Agency. If a governmental structure option can be identified that doesn't threaten the continuing agricultural uses of these parcels, identifying

a groundwater management entity for the area between Seascape and La Selva Beach would eliminate a discontinuity in the groundwater management system.

Watsonville is providing water service to areas outside city boundaries and outside the urban service area based on the City's criteria for minimum density and affordable housing. Applications for extension of service are provided to LAFCO for consideration as required. The City should be encouraged to review its policies on this issue in cooperation with LAFCO to ensure that they are pursuing similar goals and there is no conflict with the goals of the Pajaro Valley Water Management Agency.

## **2.9 Local Accountability and Governance**

Water services provided by the Cities of Santa Cruz and Watsonville are addressed by the respective City Councils during regular council meetings. The cities also provide information on their websites regarding water services and conservation programs.

The City of Santa Cruz has a seven-member Water Commission which advises the City Council on all matters related to water policy and the maintenance and management of the City's water system. Commissioners are appointed by the City Council. The Commission meets monthly in the City Council Chambers on the first Monday of each month at 7:00 P.M. Information on the Commission, agendas and minutes can be found on the Commission's website ([www.ci.santa-cruz.ca.us/wt/wc/wc.html](http://www.ci.santa-cruz.ca.us/wt/wc/wc.html)).

### **Central Water District**

The Central Water District is an independent special district governed by a five member Board of Directors elected at large by voters within the District. In the November 2004 election two incumbents ran uncontested. The current Board is as follows:

Board Member	Title	Term of Office	Compensation
Jean Thomas	President	2008	\$75 per month
Kenneth Mabie	Vice President	2008	\$75 per month
George Jurickovich	Director	2006	\$75 per month
James Washington	Director	2006	\$75 per month
Vacant		2006	\$75 per month

The Board meets the third Tuesday of each month at 7:30 PM at the District office at 400 Cox Road in Aptos. Public notice is provided through posting and hand delivery. The District does not have a website.

### **Davenport County Sanitation District**

The Davenport County Sanitation District is a dependent special district governed by the County Board of Supervisors. County Supervisors receive no additional compensation for these responsibilities. The County has established procedures for public notice of meetings and Board actions.

### **Lompico County Water District**

The Lompico County Water District is an independent special district governed by a five member Board of Directors elected at large by voters within the District. In the past the Board members were all serving concurrent terms; this was rectified in the November 2004 election. All of the incumbents ran uncontested and two were appointed to short terms so that the Directors now serve staggered terms. The current Board is as follows:

Board Member	Title	Term of Office	Compensation
Diana Troxell	President	2008	None
Sean Wharton	Vice President	2008	None
Jane Wyckoff	Director	2008	None
Chris Kilgus	Director	2006	None
Fred Stevens	Director	2006	None

The Board of Directors meets the third Tuesday of each month at 7:00 PM at the District's office in Felton. Public notice is provided through posting in four locations within the District. The District does not have a website. As a part of community outreach and involvement, the District has organized and conducted an annual volunteer cleanup for Lompico Creek for the past 16 years.

### **Pajaro Valley Water Management Agency**

The Pajaro Valley Water Management Agency is an independent special district governed by a seven member Board of Directors. The Agency is divided into four districts or divisions. Four of the Directors are elected by voters within the districts. The remaining three Directors are appointed by the Board of Supervisors for Santa Cruz and Monterey Counties and the City of Watsonville. Appointed Directors serve two-year terms and must derive at least 51% of their net income from agriculture. In the November 2004 election two incumbents ran unopposed. The current Board is as follows:

Board Member	Title	Term of Office	Compensation
Frank Capurro	Board Chair	2006 – appointed	\$100 per meeting up to 5 per month
Rosemarie Imazio	Vice Chair	2006 – appointed	\$100 per meeting up to 5 per month
Anthony Gallino	Director	2006 – appointed	\$100 per meeting up to 5 per month
John Eiskamp	Director	2008	\$100 per meeting up to 5 per month
Michael Dobler	Director	2008	\$100 per meeting up to 5 per month
Gwen Carroll	Director	2006	\$100 per meeting up to 5 per month
Ralph Miljanich	Director	2006	\$100 per meeting up to 5 per month

The Board of Directors meets the first and third Wednesday of each month at 1:30 PM and 7PM, respectively at the Watsonville City Council Chambers. Public notice is provided through posting, email, fax, mass mailing, website and newspaper advertisement. The Agency provides information on its activities, plans and meetings on its website ([www.pvwma.dst.ca.us](http://www.pvwma.dst.ca.us)).

### **San Lorenzo Valley Water District**

The San Lorenzo Valley Water District is an independent special district governed by a five member Board of Directors elected at large by the voters in the District. In the last election five candidates ran for two open seats; both incumbents were re-elected. The current Board is as follows:

Board Member	Title	Term of Office	Compensation
Terry Vierra	President	2006	\$100/Mtg
David Ross	Director	2008	\$100/Mtg
James Rapoza	Director	2006	\$100/Mtg
James Nelson	Director	2008	\$100/Mtg
Larry Prather	Director	2006	\$100/Mtg

The Board of Directors meets the first and third Thursday of each month at 7:30 PM at the District's Operations offices. Public notice is provided through posting at the District's office, an email list, and the District's website. The Board of Director's Meeting agenda packets are available at the District Administration Office, local libraries and the District's website. The District provides information on District activities, services, conservation programs, and Board actions on its website ([www.slvwd.com](http://www.slvwd.com)).

### **Scotts Valley Water District**

The Scotts Valley Water District is an independent special district governed by a five member Board of Directors elected at large by the voters in the District. In the November 2004 election three incumbents ran unopposed. The current Board is as follows:

Board Member	Title	Term of Office	Compensation
Roger Kern	Board President	2006	\$100/Regular Bd Mtg
David Hodgin	Vice President	2006	\$100/Regular Bd Mtg
Paul Watkins	Director	2008	\$100/Regular Bd Mtg
Bill Kassis	Director	2006	\$100/Regular Bd Mtg
Margo Hober	Director	2008	\$100/Regular Bd Mtg

The Board of Directors meets the second Thursday of each month at 7:00 PM at the District's offices. Public notice is provided through posting at the District's office, legal ads, and email. The District provides information on the District's services and conservation on its website ([www.svwd.org](http://www.svwd.org)).

**Soquel Creek Water District**

The Soquel Valley Water District is an independent special district governed by a five-member Board of Directors elected at large by the voters in the District. In the November 2004 election two incumbents ran unopposed. The current Board is as follows:

Board Member	Title	Term of Office	Compensation
Bruce Daniels	Board President	2008	\$130/Regular Bd Mtg.*
Dr. Thomas LaHue	Vice President	2008	\$150/Regular Bd Mtg.*
Daniel F. Kriege	Director	2006	\$150/Regular Bd Mtg.*
John Beebe	Director	2006	\$150/Regular Bd Mtg.*
Dr. Bruce Jaffe	Director	2006	\$150/Regular Bd Mtg.*

*\*Directors receive a per diem of ½ the regular board meeting compensation amount for authorized attendance at other meetings within the County and a per diem equal to the regular board meeting amount for authorized attendance at meetings outside Santa Cruz County.*

The Board of Directors meets the first and third Tuesday of each month at 7:00 PM at the District's offices. Public notice is provided through posting at the District's office, website, and email or regular mail on request. Information on the District's activities, meetings, conservation, and supplemental supply/conjunctive use research is included on its website ([www.soquelcreekwater.org](http://www.soquelcreekwater.org)).

Results of a customer survey in April 2004 included a 66% excellent or good rating on overall District performance.

– DETERMINATIONS BY AGENCY –

– City of Santa Cruz–

**1) Population and Growth**

The City of Santa Cruz Water provides water service to a 30 square mile area that encompasses agricultural land to the east of the City, the developed portion of UC Santa Cruz, the Live Oak area and the western edge of Capitola. Population within the City of Santa Cruz is expected to increase at an annual rate of 0.5% per AMBAG 2004 projections.

Three of the City's four main water sources are currently utilized at capacity for most of the year and there is no additional water available from these sources to support future growth.

**2) Infrastructure Needs and Deficiencies**

The City of Santa Cruz obtains its water supply from four main sources: the North Coast area, San Lorenzo River, the Beltz wells in the Live Oak area and the Loch Lomond Reservoir.

Approximately 25% of the City's raw water comes from the North Coast area; the system is aged and undergoing a multi-phase rehabilitation program.

The Santa Cruz Water System is operating at approximately 93% of capacity. The system has little to no redundancy which requires that all components operate continuously during dry months.

The City has identified seawater desalination as a feasible option for an alternative backup water supply. This option will be evaluated more fully in the Programmatic EIR for the City's Integrated Water Plan.

Infrastructure and facility needs are addressed through the City Water Department planning and budgeting process. The City's Capital Improvement Program includes water projects for improvements, renovation and rehabilitation to the water infrastructure. The Program is adopted annually and funded based on revenue and need.

**3) Financing Constraints and Opportunities**

The City of Santa Cruz operates its water utility as an enterprise activity; service charges and other revenues fully cover the cost of operations.

The City has long term debt associated with the water system and has taken on new debt to fund a water main project from the Bay Street Reservoir and for construction of the first phase of the North Coast rehabilitation project.



**4) Cost Avoidance Opportunities**

The City of Santa Cruz is controlling water costs through conservation programs and demand management measures as well as maximizing water supply from the North Coast area that requires less treatment.

**5) Management Efficiencies**

The City of Santa Cruz is achieving management efficiencies for its water utility through an organizational structure that includes several sections based on areas of responsibility and tasks.

In 2004 the City completed a report entitled *Adequacy of the City Water Supply System to Support Future Development* in order to address remaining capacity, development and the City's approach to environmental review projects. The City will be tracking and reporting on the impact of each proposed development's impact on water supply and remaining capacity.

**6) Shared Facilities**

The City of Santa Cruz Water Department shares services with other City utilities through the Santa Cruz Municipal Utilities department for customer service, meter reading, etc.

The City is collaborating with other agencies on water planning for the northern and central portion of Santa Cruz County.

**7) Rate Restructuring**

The City of Santa Cruz reviews water rates annually and has adopted a multi-tiered rate structure for residential accounts to promote water conservation.

**8) Government Structure Options**

The City of Santa Cruz provides water services within the City, surrounding unincorporated area and a portion of Capitola. The Rolling Woods Mutual Water Company is adjacent to the City's water service area and has requested service. The City has declined the request due to concern over adequate supply. LAFCO should be apprised of these situations, including the nature of the request and the City's response.

**9) Local Accountability and Governance**

Water services are addressed by the Santa Cruz City Council during regular meetings. Public notice is provided for all meetings. Information on the Water Department and conservation programs are provided on the City's website.

The City of Santa Cruz Water Commission serves in an advisory role to provide guidance to the City Council on water policy and management and maintenance of the City's water system.

**– City of Watsonville –**

**1) Population and Growth**

Population within the City of Watsonville is expected to reach 70,418 by 2030 with an annual growth rate of 1.3%. Urban water demand is expected to increase 32% by the year 2040.

**2) Infrastructure Needs and Deficiencies**

The City of Watsonville provides domestic water service within the city and surrounding unincorporated area to the urban service line. The City also provides service to developments outside the urban service area that meet the City's criteria for minimum density and affordable housing.

The City's main source of supply is the Aromas Red Sands aquifer, supplemented by surface water from the Corralitos Creek and Brown's Valley Creek.

Infrastructure and facility needs are addressed through the City Department of Public Works planning and budgeting process. The City's Capital Improvement Program includes renovation, rehabilitation, and new construction projects. The Water Fund balance is entirely designated for capital needs.

**3) Financing Constraints and Opportunities**

The City of Watsonville operates its water utility as an enterprise activity; service charges and other revenues fully cover the cost of providing service and capital needs.

The City issued a Water Revenue Refunding Bond in 1998. The bond will mature in 2016; annual debt service is approximately \$730,000 and is paid out of the revenues from water services.

**4) Cost Avoidance Opportunities**

The City of Watsonville is controlling water service costs through scheduled maintenance and conservation programs to reduce demand. Watsonville currently has the lowest residential water rates in the county.

The City is developing a recycled water treatment facility that will provide up to 4,000 acre-feet annually for agricultural use. This will increase the sustainable yield of the Pajaro Groundwater Basin and protect the City's primary water source.

**5) Management Efficiencies**

The City of Watsonville Public Works Department is achieving management efficiency through its organizational structure. The Water Division has 23.6 full time staff, including 4 certified water treatment plant operators and 5 certified water distribution operators.

**6) Shared Facilities**

The City of Watsonville is partnering with the Pajaro Valley Water Management Agency on the recycled water facility. The City is also collaborating with other regional agencies to address the water resource issues in the Pajaro Valley.

**7) Rate Restructuring**

The City of Watsonville uses a tiered rate structure for residential water services. Commercial accounts are charged a flat usage rate. All accounts are assessed a surcharge based on usage for the Pajaro Valley Water Management Agency.

Rates are reviewed and adjusted annually.

**8) Government Structure Options**

The City of Watsonville provides domestic water service within the incorporated area of the City and portions of the surrounding unincorporated area. The City may want to review its policies on this issue in cooperation with LAFCO to ensure that they are pursuing similar goals and there is no conflict with the goals of the Pajaro Valley Water Management Agency.

**9) Local Accountability and Governance**

The City's water utility is addressed by the Watsonville City Council during regular meetings. Information on the Public Works Department and water services are provided on the City's website.

**– Central Water District–**

**1) Population and Growth**

The Central Water District serves the eastern rural area of Aptos. Annual growth within the unincorporated area of the County is projected to be 0.3% per AMBAG 2004 projections. The District is concerned about a possible trend towards growth and increased density within its service area due to recent development approvals and possible changes to regulations regarding minimum parcel size.

**2) Infrastructure Needs and Deficiencies**

The Central Water District obtains its potable water supply from the Aromas Red Sands and Purisima aquifers. A majority of the area within the District's boundaries is designated as Prime Groundwater Recharge Area.

The District serves approximately 842 connections, including 49 for fire.

The District plans for capital improvements through its budgeting process; improvements are implemented as funding is available.

**3) *Financing Constraints and Opportunities***

The Central Water District is funded by water sales and connection fees as well as property tax revenue.

The District uses a pay-as-you-go approach and has no long-term debt.

**4) *Cost Avoidance Opportunities***

The Central Water District is controlling costs by using off-peak pumping year round and limited outside professional services.

**5) *Management Efficiencies***

The Central Water District is achieving management efficiencies through its staffing and water resource planning efforts. The District has one certified Water Treatment System operator and 2 certified water distribution operators.

**6) *Shared Facilities***

The Central Water District is collaborating with the Soquel Creek Water District on groundwater management within the Soquel-Aptos Basin, which overlies most of the productive Purisima Formation and a portion of the Aromas Red Sands aquifers.

**7) *Rate Restructuring***

The Central Water District uses a tiered rate structure. Rates are expected to increase \$4 per connection to offset the ERAF III property tax revenue transfer.

**8) *Government Structure Options***

The Central Water District has identified some areas for LAFCO to consider for annexation. This study identified no governmental structure options that would improve the efficiency and accountability of the district. In its next sphere of influence review, the District and LAFCO should review the boundary of the district to assure that the sphere is consistent with the current service area.

**9) *Local Accountability and Governance***

The Central Water District is an independent special district governed by a five-member Board of Directors. District meetings are open and accessible to the public. The District does not have a website.

**– Davenport County Sanitation District–**

**1) *Population and Growth***

The Davenport County Sanitation District serves an estimated population of 245 within the Davenport community. Little to no growth is projected over the next twenty years.

**2) Infrastructure Needs and Deficiencies**

The Davenport County Sanitation District obtains its water supply from Mill Creek and San Vicente Creek via an intake structure owned and operated by CEMEX.

The Davenport County Sanitation District provides both water and wastewater services, including treated wastewater for the CEMEX cement plant. The plant needs potable water, which the District is not able to supply due to limitations on the system's capacity. Upgrades to its water treatment facility are pending.

The District performs regular maintenance on the system and has minimal reserves for capital needs. The District will be challenged to have adequate funding for system renovations and improvements in the future.

**3) Financing Constraints and Opportunities**

The Davenport County Sanitation District is funded through service charges and property tax revenue. The District has minimal reserves for capital needs.

CEMEX pays a significant portion of the service charges pursuant to an agreement with the District (46% in FY 2004-2005).

**4) Cost Avoidance Opportunities**

The Davenport County Sanitation District is controlling costs through the management and operations provided by the County Department of Public Works, including sharing staff and equipment as needed.

**5) Management Efficiencies**

The Davenport County Sanitation District is achieving management efficiency through the management provided by the County Department of Public Works.

**6) Shared Facilities**

The Davenport County Sanitation District rents equipment with special districts managed by the County Department of Public Works and utilizes other services provided through the County. Sanitation owns equipment and rents equipment out to the CSAs.

**7) Rate Restructuring**

The Davenport County Sanitation District rate structure is reviewed annually. Water rates have increased 64% over the past two years and are expected to increase another 60% in the next two years.

**8) Government Structure Options**

The Davenport County Sanitation District is a dependent special district operating in accordance with Health and Safety Code §4700 et seq. The District is geographically isolated and no other public service providers are nearby. Privatization of services is an option, although this would require public support and a private company willing to provide the service.

**9) Local Accountability and Governance**

The Davenport County Sanitation District is governed by the County Board of Supervisors and addressed during the Board's regular meetings. Public notice is provided for all meetings through posted notice, email, newspaper notice and website. The County Department of Public Works has information on the District on its website.

**– Lompico County Water District–**

**1) Population and Growth**

The Lompico County Water District serves an estimated population of 1,500 in the unincorporated Lompico community near Zayante. The District's service area is residential and the community is considered built-out.

**2) Infrastructure Needs and Deficiencies**

The Lompico County Water District receives its water supply from the Santa Margarita Sandstone aquifer as well as Lompico Creek.

**3) Financing Constraints and Opportunities**

The Lompico County Water District is funded through water sales and service charges as well as property tax revenue.

The District has limited reserves to use for large extra-ordinary expenses or capital needs.

**4) Cost Avoidance Opportunities**

The Lompico County Water District is controlling costs by participating in the Sheriff's work release/community service program that provides 1,000 hours of labor annually at no cost.

**5) Management Efficiencies**

The Lompico County Water District is achieving management efficiency through limited staffing; the District has one certified treatment plant/distribution system operator and one staff with certification pending.

**6) Shared Facilities**

The Lompico County Water District is participating in the Santa Margarita Groundwater Basin Advisory Committee.

**7) Rate Restructuring**

The Lompico County Water District uses a tiered rate structure and is currently reviewing its rates.

### **8) Government Structure Options**

The Lompico County Water District is an independent special district operating in accordance with California Water Code §30000 et seq. The District has strong community support. LAFCO should consider conducting a more in-depth analysis of the water providers in the Santa Margarita Groundwater Basin, including the mutual water companies and private water purveyors.

### **9) Local Accountability and Governance**

The Lompico County Water District is governed by a five-member Board of Directors. Public notice is provided for meetings. The District does not have a website.

## **– Pajaro Valley Water Management Agency–**

### **1) Population and Growth**

The Pajaro Valley Water Management Agency boundaries generally correspond to the topographic, hydrologic and geologic boundaries of the Pajaro Valley groundwater basin. The Agency's service area extends into Monterey and San Benito Counties. Including the City of Watsonville, this area of Santa Cruz County is projected to have the highest rate of growth per AMBAG 2004 projections.

Approximately 30,000 acres or 38 per cent of the Agency's service area is in irrigated agricultural land use. Agricultural water demands may or may not exceed urban use demands on a per-acre basis, depending on crop type, urban density, and other factors.

### **2) Infrastructure Needs and Deficiencies**

The Pajaro Valley Water Management Agency is responsible for groundwater management and is authorized to construct, maintain, improve, operate, and repair necessary works for the protection of groundwater and for any reclamation and replenishment of such water within its statutory boundaries.

The Agency is constructing facilities consistent with the 2002 Revised Basin Management Plan: the Coastal Distribution System which delivers water to those areas where coastal pumping is at risk to seawater intrusion; the Harkins Slough project which diverts water into a recharge basin for storage and recovery; the recycled water project in partnership with the City of Watsonville; inland wells for meeting peak irrigation demands and conjunctive use objectives; and the pipeline which will bring imported water into Pajaro Valley from the Central Valley Project.

### **3) Financing Constraints and Opportunities**

The Pajaro Valley Water Management Agency is primarily funded through assessments, groundwater augmentation (or groundwater pumping) charges, and grants.

The Agency has designated reserves for operations, rate stabilization, repair and long term debt.

The Agency finances its capital improvements through loans, Certificates of Participation and Revenue Bonds.



**4) Cost Avoidance Opportunities**

The Pajaro Valley Water Management Agency is controlling costs through the water resource planning and implementation of the Revised Basin Management Plan. The Plan identifies the recommended alternative and associated project elements to be implemented.

**5) Management Efficiencies**

The Pajaro Valley Water Management Agency is achieving management efficiency through its staffing and project implementation approach. Additional staff positions are authorized as projects begin construction or come on line.

**6) Shared Facilities**

The Pajaro Valley Water Management Agency is collaborating with numerous local, regional and federal water agencies to implement the Revised Basin Management Plan. Locally the Agency is working with the City of Watsonville and the Soquel Creek Water District. The Agency is a partner with the City of Watsonville in implementing the recycled water project, and it is constructing the distribution system that will deliver this water to coastal farmers. The Agency is also working closely with Santa Clara Valley Water District and San Benito County Water District on imported water options, and with Monterey County Water Resources Agency on water management issues in the area of overlapping jurisdiction in North Monterey County.

**7) Rate Restructuring**

The Pajaro Valley Water Management Agency charges a management fee, or assessment, as well as augmentation charges. The augmentation charges are based on metered and estimated use. Rate increases are planned to coincide with the construction costs for the projects identified in the Revised Basin Management Plan.

**8) Government Structure Options**

The Pajaro Valley Water Management Agency was formed by a special act of the State Legislature in 1984 (Pajaro Valley Water Management Agency Act). The Agency is authorized to perform all necessary acts to acquire, plan, construct, maintain, improve, operate, and repair necessary works for the protection of groundwater and for any reclamation and replenishment of such water within its statutory boundaries. No other government structure options were identified.

**9) Local Accountability and Governance**

The Pajaro Valley Water Management Agency is governed by a seven-member Board of Directors. Four directors are elected by voters within each of the Agency's four districts and three are appointed by the Board of Supervisors for Monterey and Santa Cruz Counties and the City of Watsonville. The Agency provides information on its website regarding the Agency's services, projects and activities.

**– San Lorenzo Valley Water District–**

**1) Population and Growth**

The San Lorenzo Valley Water District provides water service to the communities of Boulder Creek, Brookdale, Ben Lomond, Zayante and portions of Scotts Valley. Growth within the unincorporated area of the County is expected to be 0.3% per AMBAG 2004 projections.

**2) Infrastructure Needs and Deficiencies**

The San Lorenzo Valley Water District's water supply is obtained from the Santa Margarita Groundwater Basin and surface water.

The District has a Capital improvement Program which identifies projects for improvements, replacement and a new administrative building. Projects are implemented as funding is available.

**3) Financing Constraints and Opportunities**

The San Lorenzo Valley Water District water utility is funded through water fees, service charges and property tax revenues.

The District has long-term debt associated with its system infrastructure.

The District uses a pay-as-you-go approach to fund capital projects.

**4) Cost Avoidance Opportunities**

The San Lorenzo Valley Water District is avoiding costs by utilizing a SCADA system to monitor for off-peak pumping at reduced energy costs, whenever applicable, implementation of a conservation program, and maximizing the use of surface water sources which are less energy intensive than groundwater sources.

**5) Management Efficiencies**

The San Lorenzo Valley Water District is achieving management efficiencies through the District's operations and staff assignments; staff and equipment maintain both the water and wastewater systems.

**6) Shared Facilities**

The San Lorenzo Valley Water District water utility is sharing facilities, staff and resources with the District's wastewater utility.

**7) Rate Restructuring**

The San Lorenzo Valley Water District uses a multi-tiered rate system. Basic meter charge rates are adjusted annually.

**8) Government Structure Options**

The San Lorenzo Valley Water District is providing water service to the areas of Boulder Creek, Brookdale, Ben Lomond and portions of Felton and Scotts Valley and wastewater service to the Bear Creek Estates subdivision in Boulder Creek. LAFCO should consider conducting a more in-depth analysis of the water providers that rely on the Santa Margarita Groundwater Basin, including the mutual water companies and private water purveyors.

**9) Local Accountability and Governance**

The San Lorenzo Valley Water District is governed by a Board of Directors elected at large by the voters in the District. Meetings are open and accessible to the public and public notice is provided through a variety of means. The District maintains a website which contains information on the District's operations, rates and conservation.

**– Scotts Valley Water District–**

**1) Population and Growth**

The Scotts Valley Water District serves a six square mile area that encompasses most of the City of Scotts Valley and some unincorporated areas to the north. The District used a projected build-out year of 2020 for its water resource planning, as presented in its Year 2000 Urban Water Management Plan (UWMP). The population within Scotts Valley is expected to increase 0.3% annually per AMBAG 2004 projections.

The UWMP is updated every five years. The District is in the process of reassessing its water resource planning this year. The first step in this process is updating base information. The District has obtained an AB303 grant to update its groundwater model and verify sustainable yield estimates for the various sub areas within the Santa Margarita Groundwater Basin. Once the model is completed, the UWMP process will move forward, balancing sustainable yield, actual recycled water use (and supply), projected demand reductions from enhanced conservation and projected area growth to determine the adequacy of water resource supplies.

**2) Infrastructure Needs and Deficiencies**

The Scotts Valley Water District obtains its potable water supply from the Santa Margarita Groundwater Basin and tertiary-treated recycled water from the City of Scotts Valley Wastewater Treatment Facility. The District currently uses recycled water as in-lieu groundwater recharge. Part of the District's UWMP will be to determine the adequacy of this approach and the need for additional water supply options such as direct recharge within certain sub-areas of the groundwater basin.

As of December 31, 2004, the District serves 3,700 connections, including 93 outside District boundaries. The District also serves 17 recycled water customers.

**3) Financing Constraints and Opportunities**

The Scotts Valley Water District is funded by water sales and service charges as well as property tax revenue.

The District has long-term debt associated with the potable water treatment and distribution system as well as the recycled water treatment and distribution system.

The District's revenue to expense ratio was estimated at 0.98 as of December 31, 2004 by the District's financial consultant; however the terms of the bonds agreement require it to be 1.2. The District evaluated options to restore the ratio, and implemented a rate increase that became effective on February 11, 2005.

The District's current Capital Improvement Plan for 2004-2009 is unfunded pending the outcome of the rate study and financial planning effort.

**4) Cost Avoidance Opportunities**

The Scotts Valley Water District is controlling water demands by transferring customers to recycled water, conservation programs and demand management measures. However, such water supply management practices have an undesirable impact on revenues. The new rate model will allow the District to review rates periodically to maintain a healthy financial balance while reducing demands on the limited sole source aquifer in the area.

**5) Management Efficiencies**

The Scotts Valley Water District is achieving management efficiencies through its staffing and water resource planning efforts.

The District recently updated its Well Ordinance.

**6) Shared Facilities**

The Scotts Valley Water District is collaborating with other agencies on groundwater management for the Santa Margarita Groundwater Basin. The District is also participating in the County's Integrated Regional Water Management Planning effort.

**7) Rate Restructuring**

The Scotts Valley Water District uses a tiered rate structure. The District's recent rate increase added a sixth tier and increased the steepness of the tiers to further encourage conservation.

**8) Government Structure Options**

The Scotts Valley Water District has identified a number of areas where the District's boundaries should be cleaned up, including detachments and annexations. In its next sphere of influence review, the District and LAFCO should review the boundary of the district to assure that the sphere is consistent with the current service area. Following that sphere review, the District and LAFCO may then consider whether to pursue a reorganization that annexes and detaches properties.

LAFCO should consider conducting a more in-depth analysis of the water providers in the Santa Margarita Groundwater Basin, including the mutual water companies and private water purveyors.

**9) Local Accountability and Governance**

The Scotts Valley Water District is an independent special district governed by a five-member Board of Directors. District meetings are open and accessible to the public. The District maintains a website that contains information on the District's operations, services and conservation.

**– Soquel Creek Water District–**

**1) Population and Growth**

The Soquel Creek Water District serves a 14 square mile area from 41<sup>st</sup> Avenue in Capitola down to Canon del Sol with the exception of an agricultural area located between Seascap and La Selva Beach. The southern portion of the district has a significant non-resident population with vacation homes. The population within the City of Capitola is expected to increase at a rate of 0.3% annually and within the unincorporated County areas at a rate of 0.3%. The District has used the City of Capitola and the County General Plans to determine internal growth projections based on infill and has used the year 2050 for estimated build-out.

**2) Infrastructure Needs and Deficiencies**

The Soquel Creek Water District is entirely dependent on groundwater for its supply, extracting from the Purisima Formation and Aromas Red Sands aquifers.

The District is divided into four service areas with limited capability to transfer water between areas.

The aquifers are at risk for seawater intrusion as a result of coastal pumping and overdrafting that has reduced groundwater levels.

The District is considering two conjunctive use projects to supplement groundwater supply by up to 2,000 acre-feet per year: 1) the City of Santa Cruz Desalination facility and 2) enhancing the implementation of the Pajaro Valley Basin Management Plan through additional water import and groundwater banking.

Infrastructure and facility needs are addressed through the District's Master Plan and budgeting process. The Capital Improvement Program includes water projects for improvements, renovation and rehabilitation to the water infrastructure.

**3) Financing Constraints and Opportunities**

The Soquel Creek Water District operates as an enterprise activity; water rates, service charges and other revenues fully cover the cost of operations and capital needs.

The District has reserves for operating contingencies. Revenues are sufficient to provide funding for the current pay-as-you-go capital improvement program. Implementing either of the conjunctive use alternatives will require a significant capital investment by the District and most likely will involve debt financing. .

The District has one outstanding Revenue Bond that was issued in 2004 to refund the previous 1994 issue. The 2004/05 debt coverage ratio was 2.47.

**4) Cost Avoidance Opportunities**

The District's cost avoidance efforts include a long term financing plan, pay-as-you-go capital improvement program to minimize debt costs, refunding debt to benefit from lower interest rates using an automated control system to pump during off-peak times and save on power costs, actively seeking grant funding, and soliciting competitive bids for major projects and services.

**5) Management Efficiencies**

The Soquel Creek Water District is achieving management efficiencies through its organization structure, following the best management practices as established by the California Urban Water Conservation Council and use of computer technology.

The District utilizes its Water Master Plan, Urban Water Management Plan, Annual Budget, Long Term Finance Plan, AB 3030 Groundwater Management Plan and a Capital Improvements Program as management tools. In addition, the District commissions hydrogeological studies to improve the understanding of the groundwater basin and assess current groundwater conditions.

**6) Shared Facilities**

The Soquel Creek Water District shares information with other water agencies, including the data from the District's coastal monitoring wells.

The District is collaborating with other water agencies to potentially develop a regional water supply project, partnering either with the City of Santa Cruz on a shared desalination plant or the City of Watsonville and the Pajaro Valley Water Management Agency on facilities associated with water import/groundwater banking.

**7) Rate Restructuring**

The Soquel Creek Water District reviews water rates annually and has adopted a two-tiered rate structure to promote water conservation. A Connection Fee Study has been performed annually and the resultant fees are based on the appropriate cost for buy-in to the District's system.

**8) Government Structure Options**

The Soquel Creek Water District has identified a number of areas where the District's boundaries should be cleaned up, including detachments and annexations. This study identified no governmental structure

options that would improve the efficiency and accountability of the district. In its next sphere of influence review, the District and LAFCO should review the northern boundary of the district to assure that the sphere is consistent with the current service area and the County's Urban Services Line. Following that sphere review, the District and LAFCO may then consider whether to pursue a reorganization that annexes and detaches properties to bring the District's boundary into the maximum conformity possible with the District's current service area and the County's Urban Services Line. The District knows of existing services outside the District's boundary (located in the Park Wilshire & Mesa Grande Road area and Heather Pointe below La Selva Beach) which should be considered in this reorganization in order to enable these customers to participate in District elections.

### **9) Local Accountability and Governance**

The Soquel Creek Water District is an independent special district governed by a five-member Board of Directors. District meetings are open and accessible to the public. The District maintains a website that contains a significant amount of information on the District's operations, services, conservation and current studies on water supply issues.

### **– Summit Area –**

#### **Description of the Water Supply Situation**

The Summit area is located on both sides of Highway 17 in Santa Cruz and Santa Clara counties. The mountain residential area is served by a series of mutual water companies:

	Current Connections	Total Obligated Connections
Santa Clara County		
Redwood MWC	374	383
Brush MWC	21	31
Gillette MWC	5	5
Oakmont MWC	26	28
Santa Clara Total	426	447
Santa Cruz County		
Villa del Monte MWC	113	136
Big Redwood Park MWC	65	70
Summit West MWC	139	164
(County Service Area 54)		
Ridge MWC	72	76
Stagecoach MWC	10	11
Santa Cruz Total	399	457
Two-County Total	825	904

In addition, there are approximately 140 potential customers in five water systems that are not currently connected to the Montevina system.



These systems rely partially or totally on the Montevina pipeline for their water supply. The Montevina pipeline was constructed after the 1989 Loma Prieta earthquake using a State Safe Drinking Water loan and State and Federal earthquake recovery grants. The San Jose Water Company has agreed to sell up to 320 gallons per minute to the Montevina users. The point of supply is near the Lexington Reservoir, and the water is pumped uphill in the Montevina line, which has two branches. The Redwood Mutual Water Company in the Santa Clara County community of Redwood Estates operates the Montevina line, and is obligated by a 1995 settlement agreement with the State Department of Water Resources and Office of Emergency Services to attempt to negotiate transfer of the Montevina line to a public agency for the benefit of the residents of both counties. The agreement also specifies that any transfer of the pipeline be subject to the approval of the Federal Emergency Management Agency and three State agencies. The intent of the agreement is to allow the Redwood Estates Mutual Water Company to be the lead in expeditiously bringing in a new water supply following the 1989 earthquake, while assuring that over the long term all the users of the pipeline will share in operating and governing the pipeline.

### **1) Cost Avoidance Opportunities and Management Efficiencies**

A two-county water wholesale agency in the Summit could also lead to other opportunities for cost control and management efficiencies such the mutuals contracting with a single operator to run the retail water systems.

### **Government Structure Options**

In 2004, the Redwood Mutual Water Company applied to Santa Clara LAFCO to form a community services district and transfer water, park, and road maintenance functions to the new community services district. On November 9, 2004, all the mutual water companies in Santa Cruz County that utilize or are eligible for Montevina water sent a letter to Santa Clara LAFCO supporting the formation of a new district that would provide wholesale water in both counties. This could be accomplished through one district with two service zones—the entire district for wholesale water, and Redwood Estates for road maintenance and park functions. Alternately, two districts could be formed—one for wholesale water, and another for the road, park, and related local services in Redwood Estates. The Santa Cruz mutuals stated their interest to meet with all concerned parties to discuss the alternatives. On November 24, 2004, Santa Cruz LAFCO sent Santa Clara LAFCO a letter encouraging a careful evaluation of alternatives in setting up a public agency in the Summit area. Santa Clara LAFCO has asked the Redwood Mutual Water Company to hire a governmental consultant to evaluate these alternatives. Santa Cruz LAFCO should continue to work with the mutuals in each county and Santa Clara LAFCO to find the best governmental structure option for the water systems in the Summit.

### **Local Accountability and Governance**

The Summit area would benefit from the local accountability and governance that would come with a public agency operating the wholesale Montevina line, and being governed by a board that represents customers in both counties. This district should also be structured in a manner that emphasizes meeting the needs of existing residents and minimizes environmental impacts from new development.

## Agency Profiles

City of Santa Cruz (Water Department)			
Contact:	Bill Kocher, Water Department Director		
Mailing Address:	809 Center Street, Room 102, Santa Cruz, CA 95060		
Site Address:			
Phone Number:	(831) 420-5200		
Fax Number:	(831) 420-5011		
Email/Website	<a href="mailto:citywtad@ci.santa-cruz.ca.us">citywtad@ci.santa-cruz.ca.us</a> ; <a href="http://www.ci.santa-cruz.ca.us">www.ci.santa-cruz.ca.us</a>		
Types of Services:	Wholesale/retail water, treatment, conservation		
Population Served:	90,000 (55,633 within city limits)		
Size of Service Area (sq miles):	30 sq miles (also serves part of Capitola and unincorporated area)		
Staff and Infrastructure			
Staff: FTE	86		
Number of Connections	Residential: 20,892 Commercial: 1,893 Mfg/Industrial: 939		
Potable Demand	13,028 AF/Yr		
Storage Capacity	45 million gallons		
Water Sources	Purissima Aquifer / surface water		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$36,560,765	\$41,394,790	\$6,887,845

City of Watsonville (Water Utility)			
Contact:	David A. Koch, Director of Public Works		
Mailing Address:	250 Main Street, Watsonville, CA 95076		
Phone Number:	(831) 768-3100		
Fax Number:	(831) 761-0736		
Email/Website	dkoch@ci.watsonville.ca.us		
Types of Services:	Wholesale/retail water, treatment, conservation		
Population Served:	62,000		
Size of Service Area (sq miles):	20.6 sq miles		
Staff and Infrastructure			
Staff: FTE	23.6		
Number of Connections	Residential: 11,474   Commercial: 1,293   Mfg/Industrial: 32		
Potable Demand	7,077 AF/Yr		
Storage Capacity	11.6 million gallons		
Water Sources	Aromas Red Sands Aquifer / surface water		
Financial Information			
Operations Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$16,495,000	\$24,304,923	\$10,233,669

Davenport County Sanitation District (Water Service)			
Contact:	Tom Bolich, Director of Public Works		
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060		
Site Address:	Same		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2835		
Email/Website	<a href="mailto:susann.roqberg@co.santa-cruz.ca.us">susann.roqberg@co.santa-cruz.ca.us</a>		
Types of Services:	Retail, water treatment		
Population Served:	245		
Size of Service Area (sq miles):	0.1 sq mile		
Staff and Infrastructure			
Staff: FTE	1		
Number of Connections	Residential: 98   Commercial: 16		
Potable Demand	56 AF/Yr		
Storage Capacity	0.15 million gallons		
Water Sources	Mill Creek and San Vicente Creek		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$387,412	\$517,797	\$147,130

Central Water District			
Contact:	Clark Wales, District Manager		
Mailing Address:	PO Box 1869, Aptos, CA 95001-1869		
Site Address:	Same		
Phone Number:	(831) 688-2767		
Fax Number:	(831) 688-2774		
Email/Website	cenwtr@pacbell.net		
Types of Services:	Retail water, treatment, agricultural water, water replenishment, conservation		
Population Served:	2,750		
Size of Service Area (sq miles):	5 sq miles		
Staff and Infrastructure			
Staff: FTE	3		
Number of Connections	Residential: 770 Commercial: 7 Mfg/Ind/Irrig/Public: 16		
Potable Demand	597 AF/Yr		
Storage Capacity	1.217 million gallons		
Water Sources	Aromas Red Sands and Purisima Aquifers		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$471,000	\$867,200	\$1,829,082

Lompico County Water District			
Contact:	Michael Eggleston, General Manager		
Mailing Address:	11255 Lompico Road, Felton, CA 95018		
Site Address:	Same		
Phone Number:	(831) 335-5200		
Fax Number:	(831) 335-4627		
Email/Website	lompicowater@earthlink.net		
Types of Services:	Retail water, treatment		
Population Served:	1,500		
Size of Service Area (sq miles):	2 sq miles		
Staff and Infrastructure			
Staff: FTE	3		
Number of Connections	Residential: 498		
Potable Demand	88 AF/Yr		
Storage Capacity	0.49 million gallons		
Water Sources	Santa Margarita and Monterey Aquifers, Lompico Creek		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$363,000	\$345,900	

Pajaro Valley Water Management Agency			
Contact:	Charles McNiesh, General Manager		
Mailing Address:	36 Brennan Street, Watsonville, CA 95076		
Site Address:	Same		
Phone Number:	(831) 722-9292		
Fax Number:	(831) 722-3139		
Email/Website	<a href="mailto:mcniesh@pvwma.dst.ca.us">mcniesh@pvwma.dst.ca.us</a> ; <a href="http://www.pvwma.dst.ca.us">www.pvwma.dst.ca.us</a>		
Types of Services:	Recycled water, agricultural water, water replenishment, conservation		
Population Served:	83,000		
Size of Service Area (sq miles):	124.38 sq miles		
Staff and Infrastructure			
Staff: FTE	13		
Number of Connections	30 agricultural turnouts for non-potable, agricultural use		
Potable Demand	NA		
Storage Capacity	NA		
Water Sources	Alluvium/Aromas / Purisima		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$17,904,600	\$20,253,825	\$11,949,951

San Lorenzo Valley Water District			
Contact:	James Mueller, District Manager		
Mailing Address:	13060 Highway 9, Boulder Creek, CA 95006		
Site Address:	Same		
Phone Number:	(831) 430-4625		
Fax Number:	(831) 338-7986		
Email/Website	<a href="mailto:jmueller@slvwd.com">jmueller@slvwd.com</a> ; <a href="http://www.slvwd.com">www.slvwd.com</a>		
Types of Services:	Retail water, treatment		
Population Served:	21,850		
Size of Service Area (sq miles):	58 sq miles		
Staff and Infrastructure			
Staff: FTE	22		
Number of Connections	Residential: 5,640   Commercial: 165		
Potable Demand	1,820 AF/Yr		
Storage Capacity	7.5 million gallons		
Water Sources	Santa Margarita sandstone, Lompico sandstone		
Financial Information			
Water Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$5,100,450	\$4,898,670	

Scotts Valley Water District			
Contact:	Bill O'Brien, Acting General Manager		
Mailing Address:	PO Box 660006, Scotts Valley, CA 95066		
Site Address:	Same		
Phone Number:	(831) 438-2363		
Fax Number:	(831) 438-6235		
Email/Website	<a href="mailto:wobrien@svwd.org">wobrien@svwd.org</a> <a href="http://www.svwd.org">www.svwd.org</a>		
Types of Services:	Retail water, treatment, recycled water, water replenishment, conservation		
Population Served:	11,400		
Size of Service Area (sq miles):	6 sq miles		
Staff and Infrastructure			
Staff: FTE	14		
Number of Connections	Residential: 3,433   Commercial: 209   Mfg/Industrial: 58   Recycled: 17		
Potable Demand	2,031 AF/Yr		
Storage Capacity	4 million gallons		
Water Sources	Santa Margarita sandstone, Lompico formation		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$3,829,183	\$4,293,286	\$4,163,478

Soquel Creek Water District			
Contact:	Laura D. Brown, General Manager		
Mailing Address:	PO Box 158, Soquel, CA 95073-0158		
Site Address:	5180 Soquel Drive, Soquel, CA 95073		
Phone Number:	(831) 475-8500		
Fax Number:	(831) 475-4291		
Email/Website	<a href="mailto:laurab@soquelcreekwater.org">laurab@soquelcreekwater.org</a> ; <a href="http://www.soquelcreekwater.org">www.soquelcreekwater.org</a>		
Types of Services:	Retail water production and distribution, water treatment, conservation, groundwater management		
Population Served:	46,000		
Size of Service Area (sq miles):	14 sq miles		
Staff and Infrastructure			
Staff: FTE	36		
Number of Connections	As of 5/31/05: Residential: 12,816 All Others 2,006		
Potable Demand	±5500 AF/Yr		
Storage Capacity	7.535 million gallons		
Water Sources	Purissima Formation and Aromas Red Sands		
Financial Information			
Water Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$7,595,300	\$6,184,665	\$3,372,000

### **3. WASTEWATER SERVICES**

---

**City of Santa Cruz**

**City of Scotts Valley**

**City of Watsonville**

**County of Santa Cruz – CSA 38**

**Davenport County Sanitation District**

**Freedom County Sanitation District**

**Santa Cruz County Sanitation District**

**Salsipuedes Sanitary District**

**CSA 2 – Place de Mer**

**CSA 5 – Sand Dollar Beach and Canon del Sol**

**CSA 7 – Boulder Creek Country Club**

**CSA 10 – Rolling Woods**

**CSA 12 – Wastewater Management**

**CSA 20 – Trestle Beach**

**CSA 57 – Graham Hill Road/Woods Cove**

**San Lorenzo Valley Water District**



### 3.0 WASTEWATER SERVICES

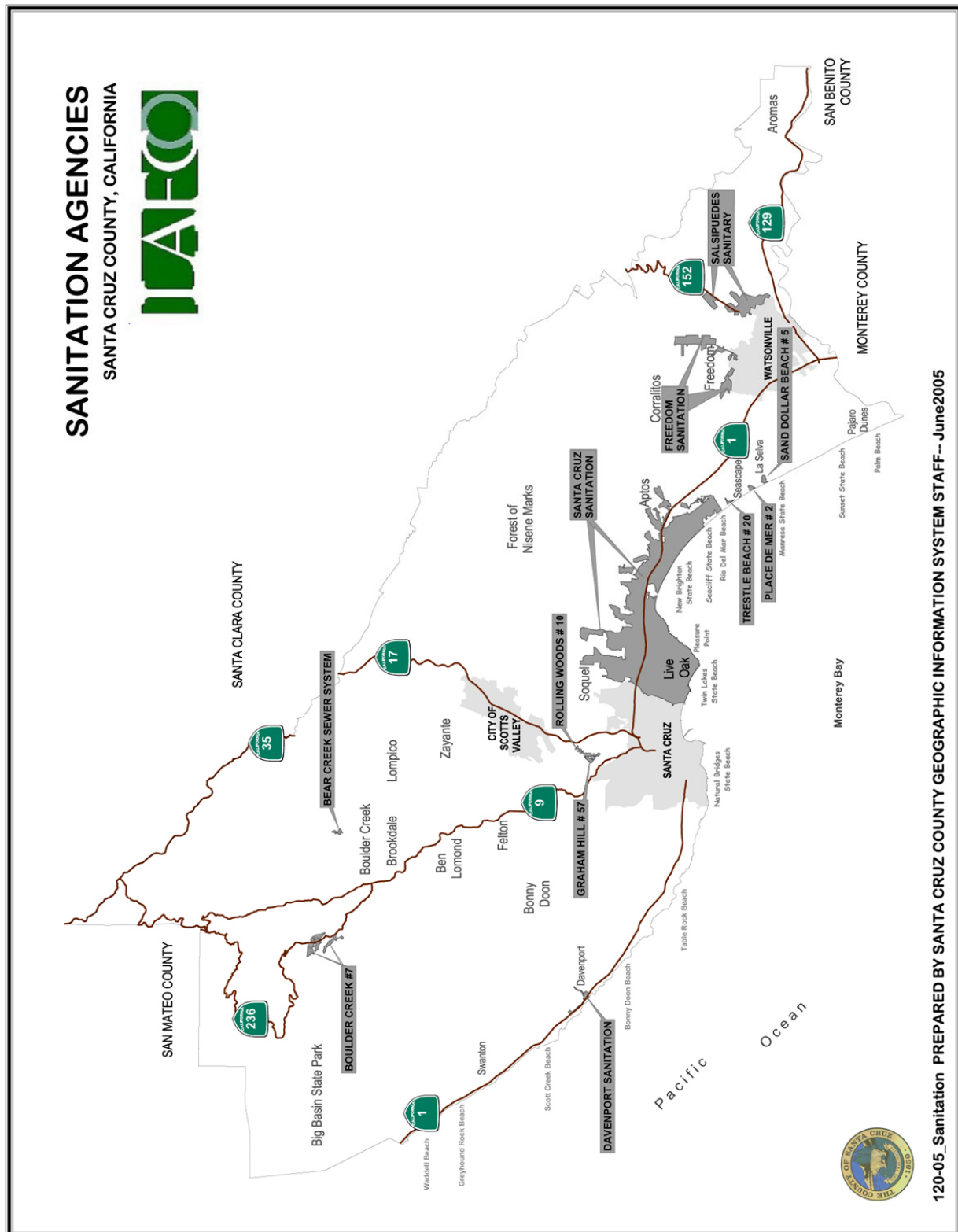
#### Agency Overview

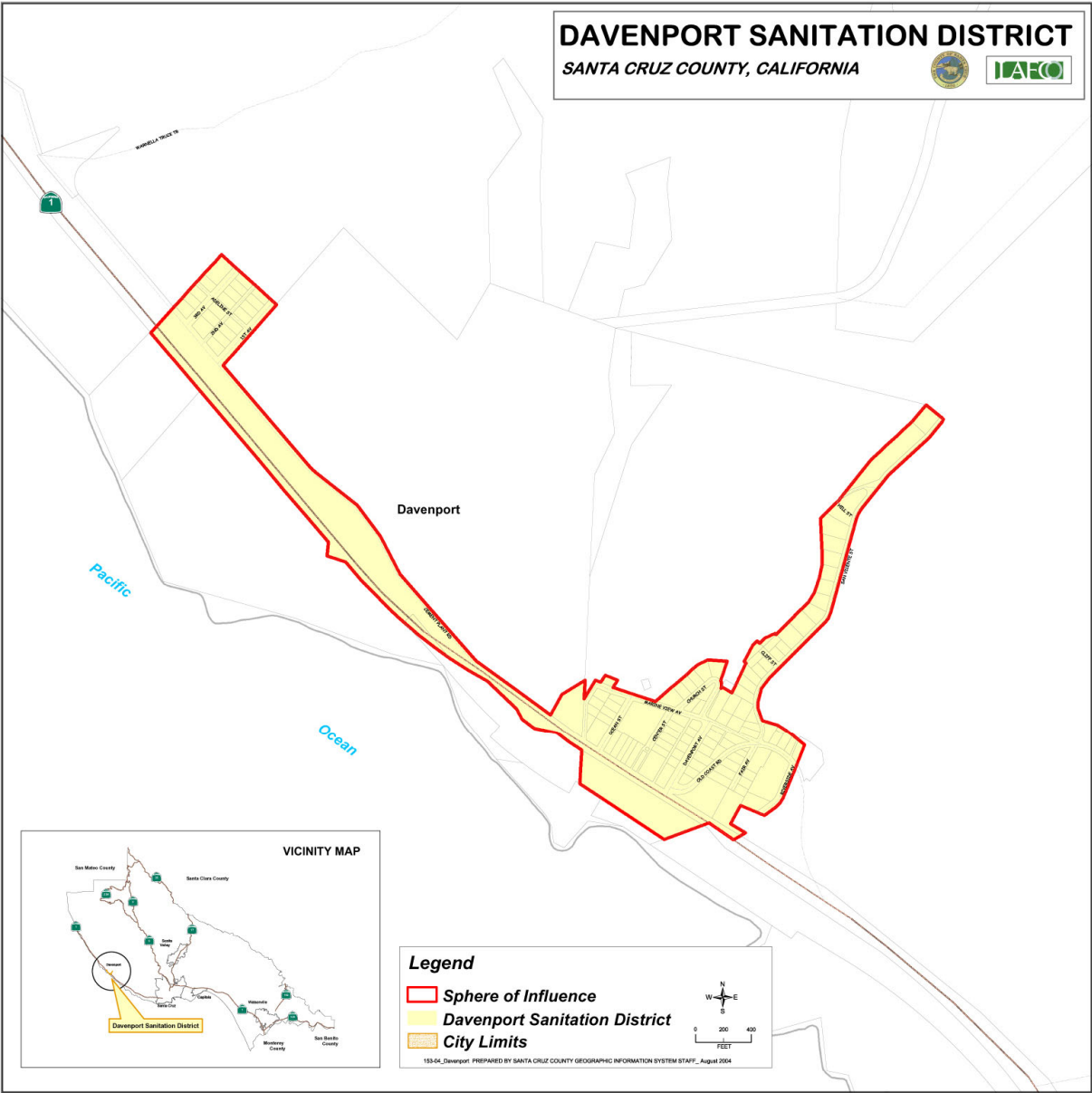
Wastewater services within Santa Cruz County are provided by three of the cities and 12 special districts as shown in Table 3.1 below. Facilities range from individual or small community septic systems to local wastewater collection systems and regional treatment plants. Wastewater systems are closely regulated both for health and environmental concerns. The Regional Water Quality Control Board regulates operations and discharges from sewage systems. The State Department of Health Services regulates use of recycled water. The County's Environmental Health Division is implementing the San Lorenzo Valley Wastewater Management Plan as required by the Regional Water Quality Control Board; the Board is requiring that effluent nitrogen levels be reduced by 50% within the San Lorenzo Valley Watershed.

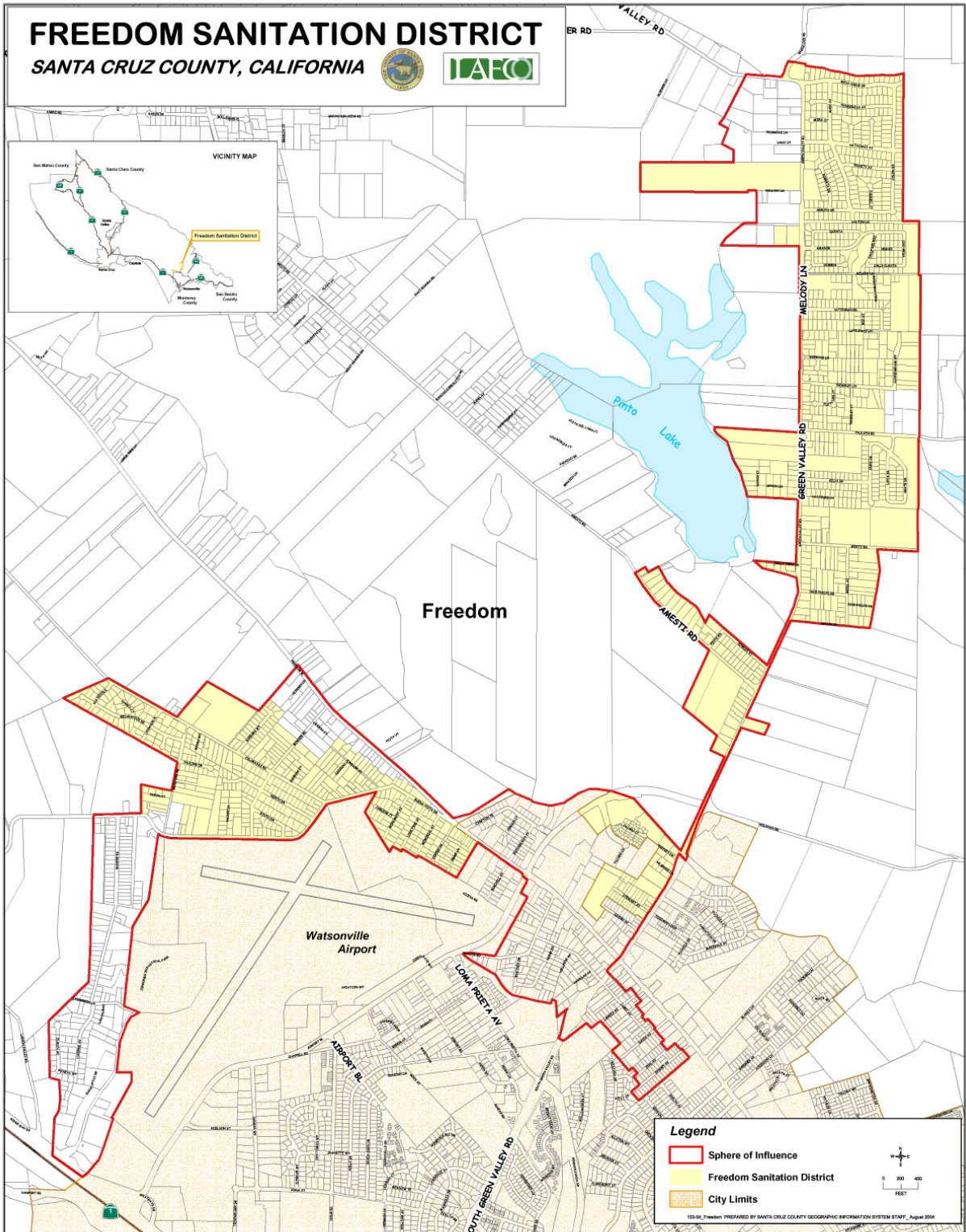
**Table 3.1 – Wastewater Service Agencies**

Santa Cruz LAFCO Countywide Service Review				
	Sanitary Sewer Collection	Sanitary Sewer Treatment	Recycled Water	Septic System Monitoring/Maint.
<b>Cities</b>				
City of Santa Cruz	•	•	•	
City of Scotts Valley	•	•	•	
City of Watsonville	•	•		
<b>Special Districts</b>				
Davenport County Sanitation District	•	•	•	
Freedom County Sanitation District	•			
Santa Cruz County Sanitation District	•			
Salsipuedes Sanitary District	•			
CSA 2 – Place de Mer	•			•
CSA 5 – Sand Dollar Beach and Canon del Sol	•	•		
CSA 7 – Boulder Creek Country Club	•	•	•	•
CSA 10 – Rolling Woods	•	•		
CSA 12 – Wastewater Management		•		•
CSA 20 – Trestle Beach	•	•		
CSA 57 – Graham Hill Road/Woods Cove	•			
San Lorenzo Valley Water District	•	•		

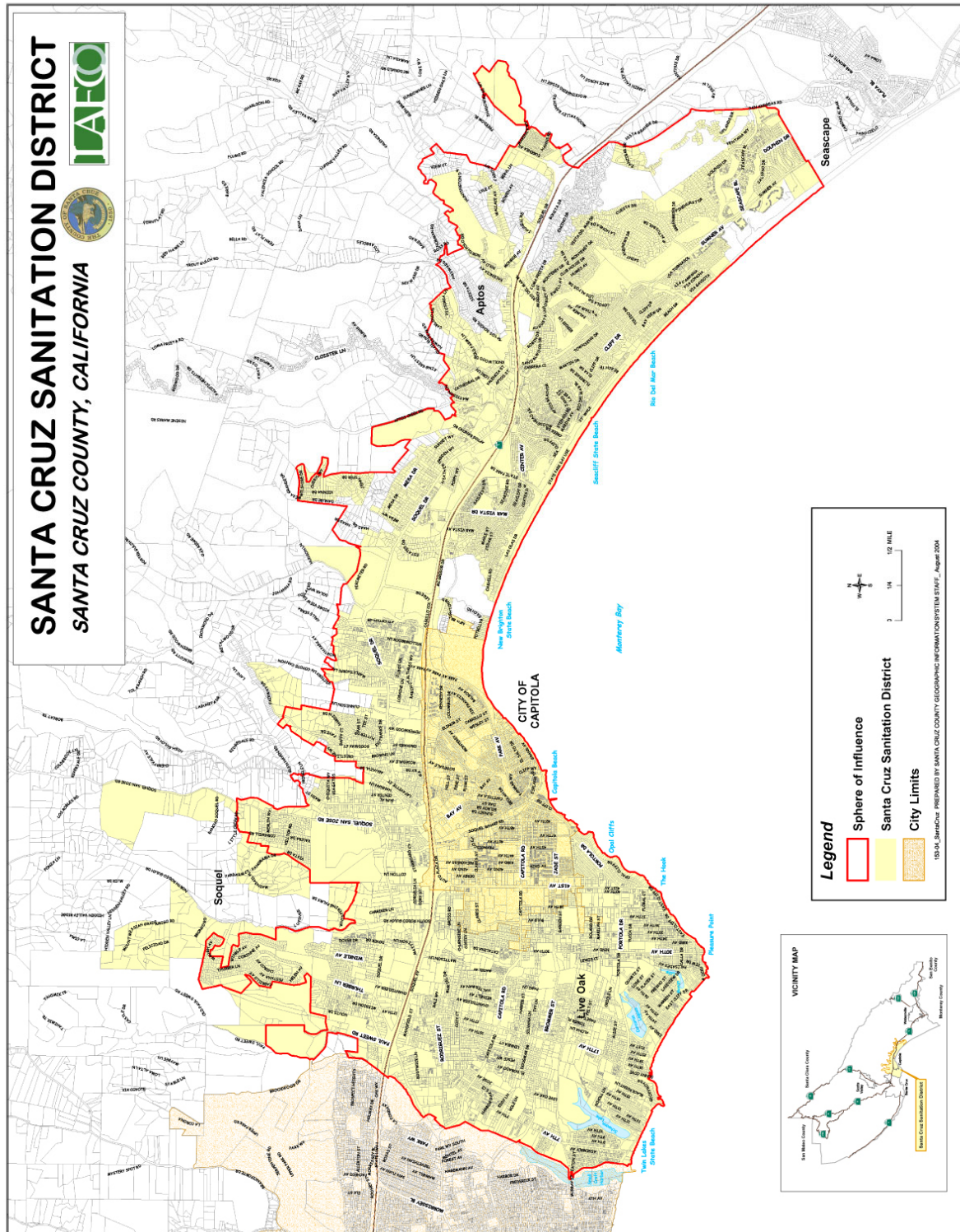
An overall County map showing the wastewater agencies and individual agency maps follow. Maps of the three cities are included in *Section 1 – Executive Summary*.

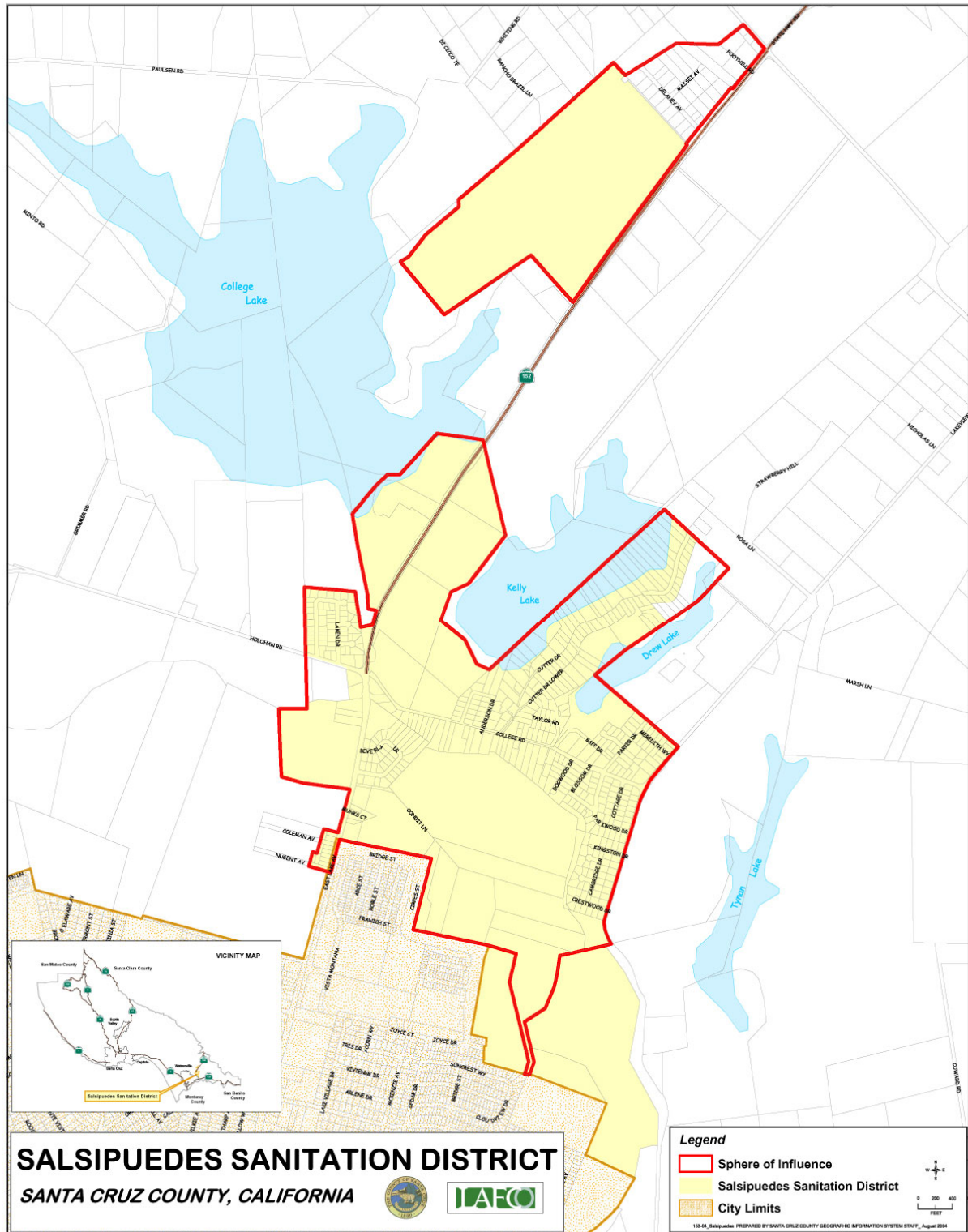


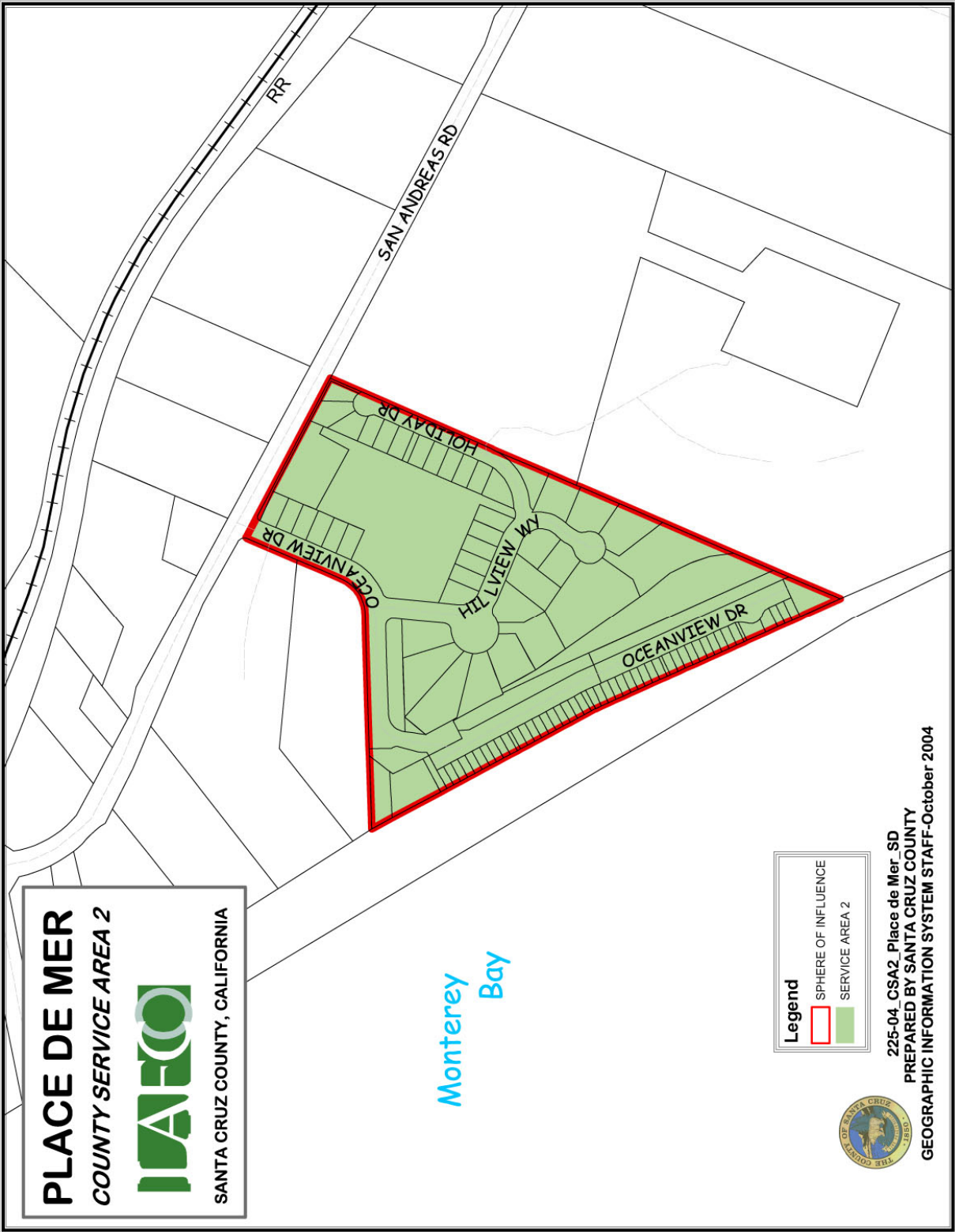






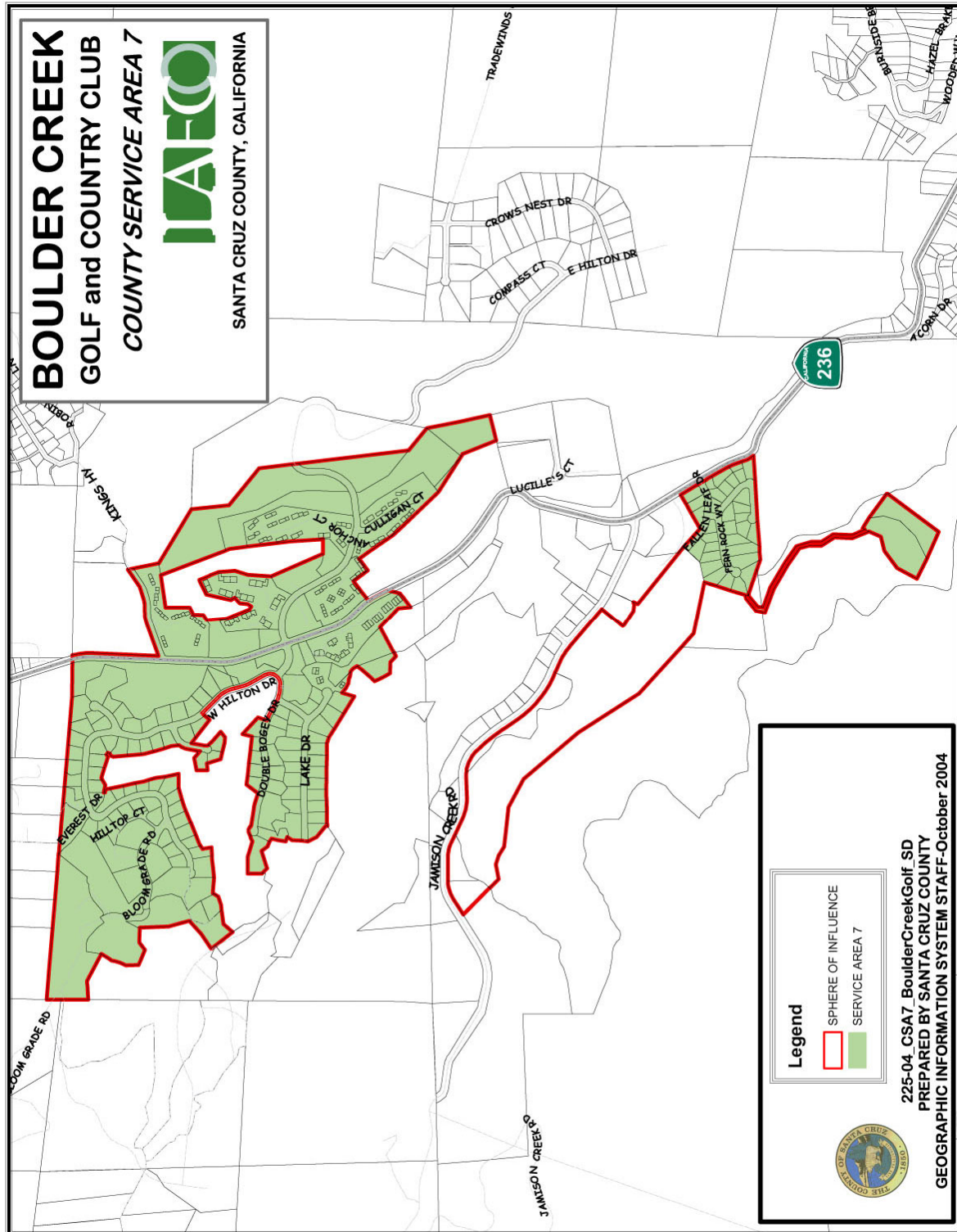


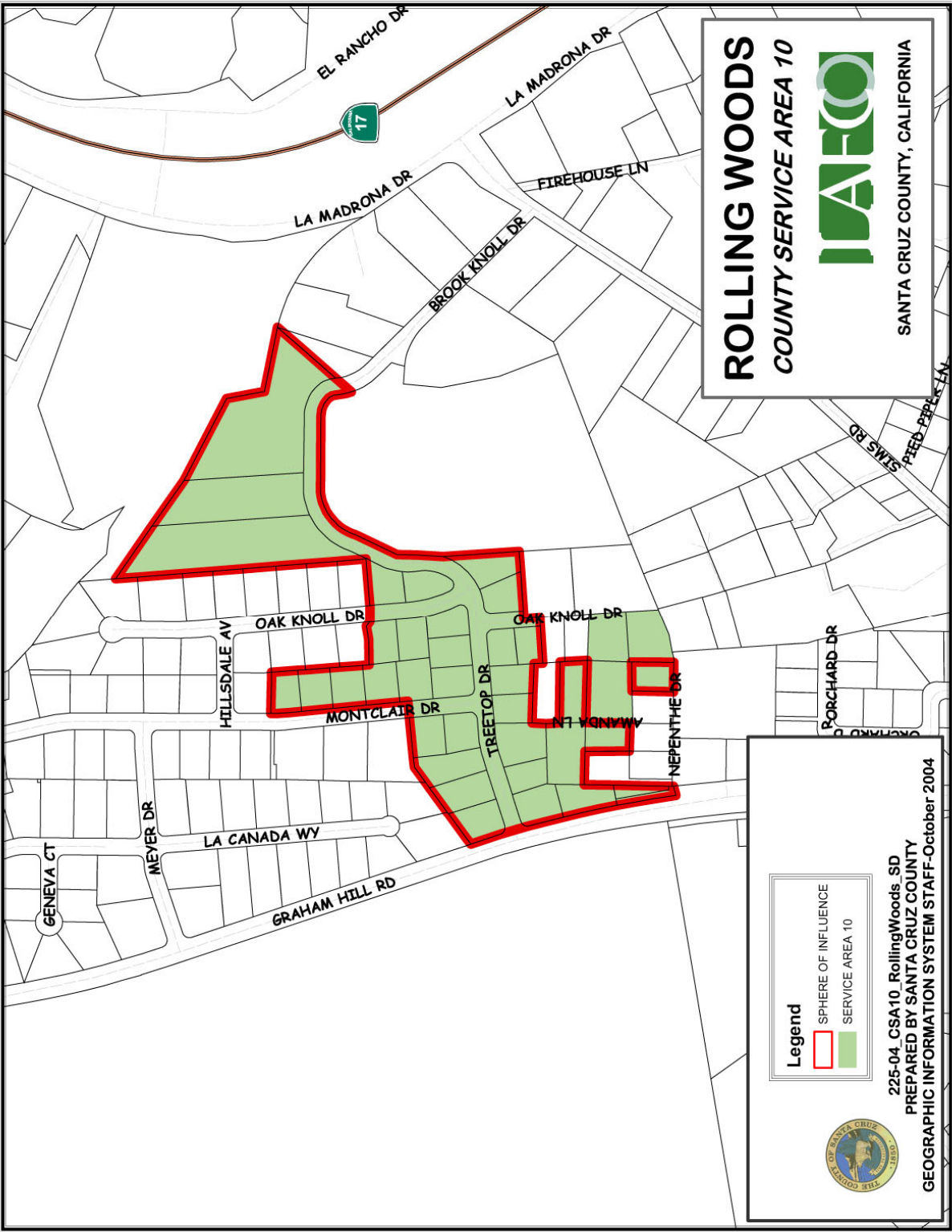


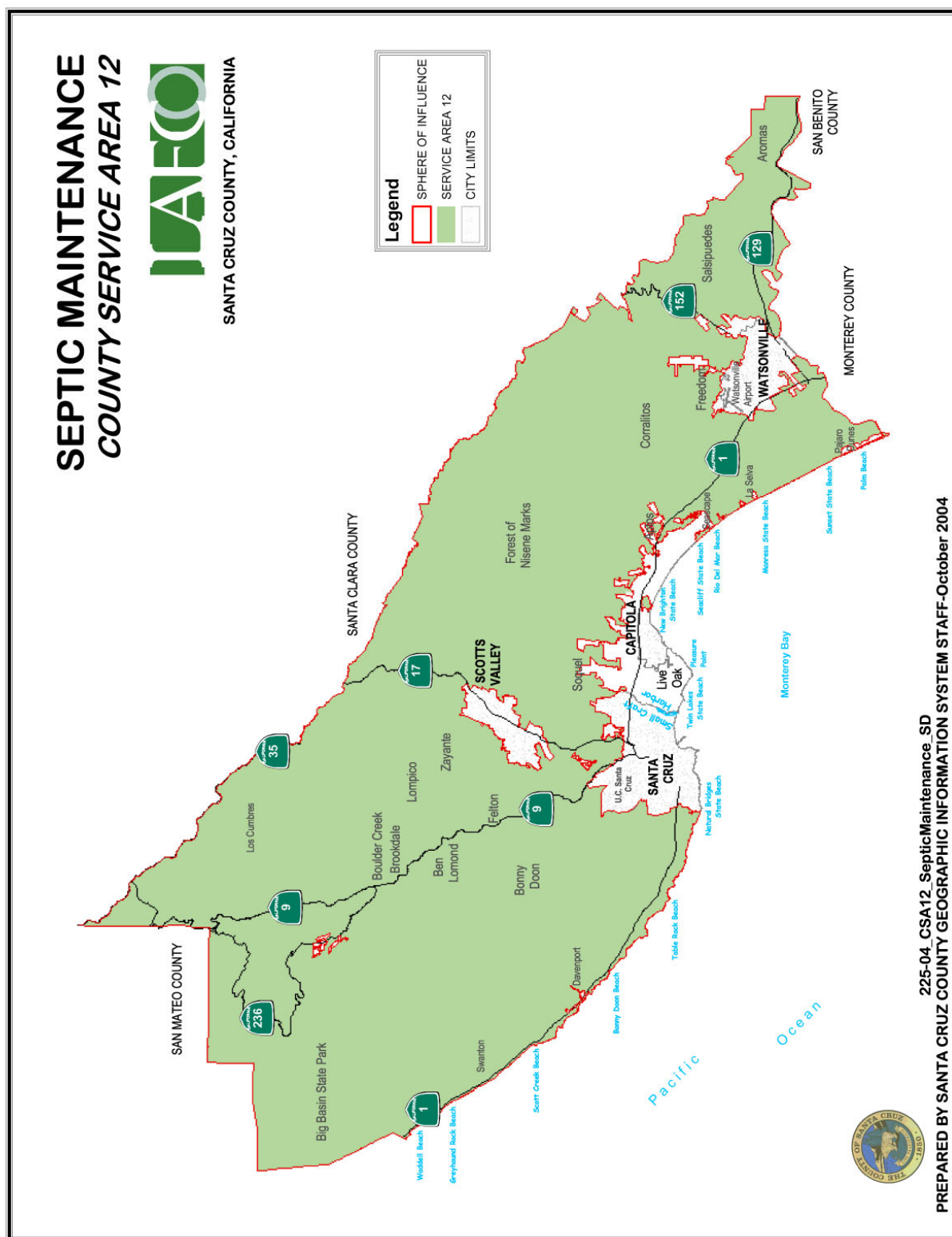




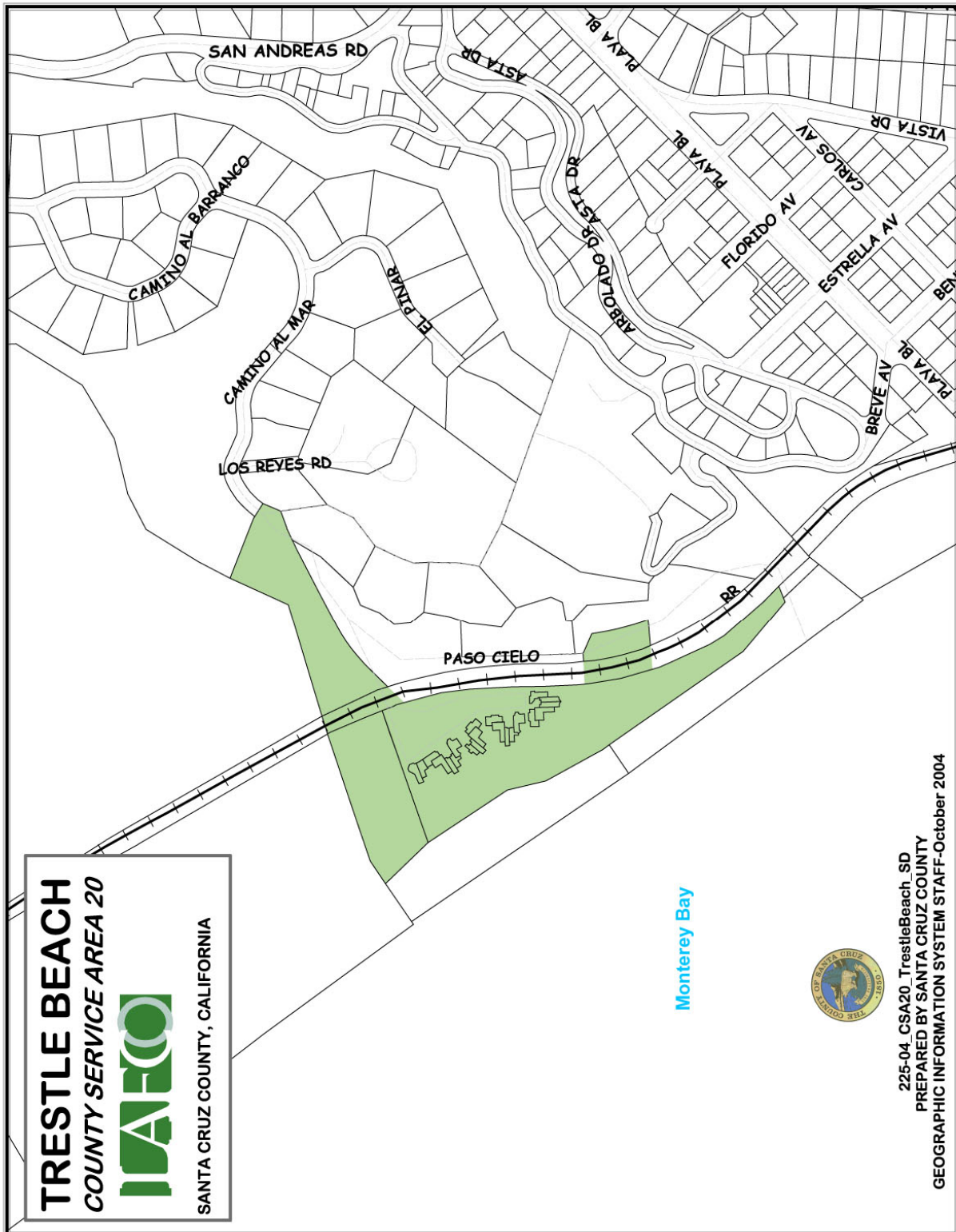


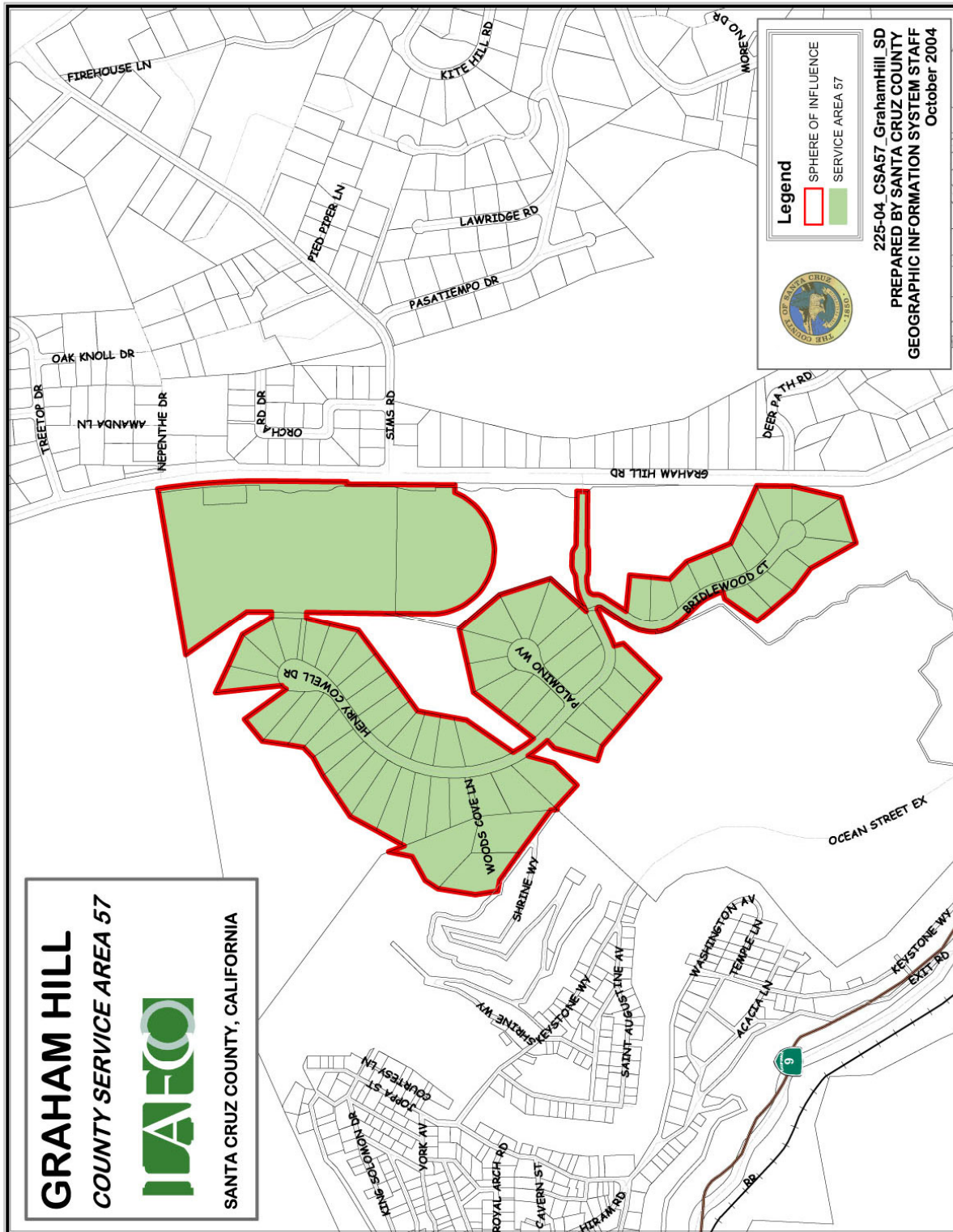




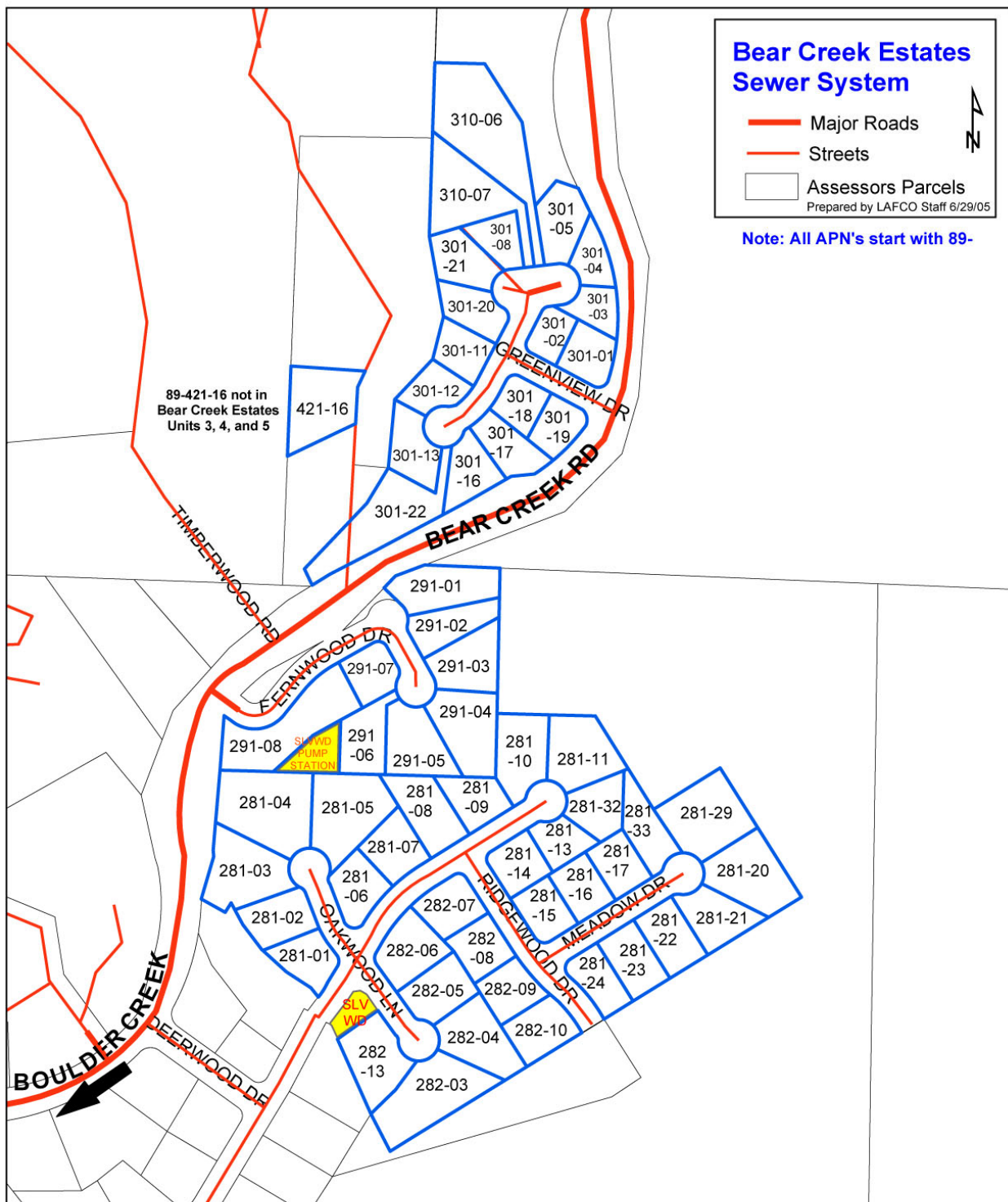








San Lorenzo Valley Water District  
Wastewater Service Area



### 3.1 Growth and Population

Santa Cruz County is projected to have slow to moderate growth over the next twenty-five years, with the highest rate of growth occurring in Watsonville. The projections for each jurisdiction are as follows:

**Table 3.2**  
**Population Estimates**

Public Agency	2005	2010	2015	2020	2025	2030	Annual Growth Rate
City of Capitola	10,869	10,978	11,041	11,104	11,120	11,136	0.1%
City of Santa Cruz	56,953	57,768	58,846	59,924	61,956	63,987	0.5%
City of Scotts Valley	13,182	13,667	13,864	14,062	14,169	14,275	0.3%
City of Watsonville	52,716	56,779	61,126	65,473	67,946	70,418	1.3%
Santa Cruz County (unincorporated)	133,824	136,167	139,150	142,132	143,582	145,031	0.3%

*Source: AMBAG 2004 Projections*

Only Graham Hill Road CSA 57 (Woods Cove) noted potential for future growth; the population is expected to reach 120 by 2015. CSA 12 will also have some growth as it serves unincorporated area countywide. The service areas of the other CSAs are at or near build-out.

Most future development will be served by public wastewater systems with some exception in rural unincorporated areas with large parcels. Septic system regulations are becomingly increasingly restrictive and water quality/watershed issues are an important determining factor for the type of wastewater system allowed. County ordinance and Government Code §54352 state that a local agency which acquires, constructs, or improves a sewer system may require that all buildings inhabited or used by humans and in which any sewage is produced to be connected with the sewer system if they are within 200-feet of the system.

Population growth will continue to affect the agencies providing wastewater services as they upgrade systems to comply with regulatory changes and maintain service levels. In general, County Service Areas, small package treatment plants, and their effluent disposal systems are not an efficient method of providing wastewater service for the rural areas of the county. All future dense developments should be limited to an urban area and only be served by connections to existing wastewater facilities.



### 3.2 Infrastructure Needs and Deficiencies

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 are factors in determining the type of system used and 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. Four treatment plants are currently producing recycled water, and the City of Watsonville expects its recycled system to be operable in 2007. The following table summarizes the wastewater infrastructure within Santa Cruz County:

**Table 3.3**  
**Wastewater Infrastructure Summary**

Agency	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
City of Santa Cruz	Collection/Treatment/ Recycled Water	Secondary	15,000	23	208.0
City of Scotts Valley	Collection/Treatment/ Recycled Water	Tertiary	3,922	8	5.0
City of Watsonville	Collection/Treatment	Secondary	13,214	12	150.0
Davenport County Sanitation District	Collection/Treatment/ Recycled Water	Tertiary	89	3	3.2
Freedom County Sanitation District	Collection	NA	1,687	8	25.0
Santa Cruz County Sanitation District	Collection	NA	31,000+	34	198.0
Salsipuedes Sanitary District	Collection	NA	507	2	7.0
CSA 2 – Place de Mer	Septic	NA	112	2	0.4
CSA 5 – Sand Dollar Beach / Canon del Sol	Pkg. Treatment	Secondary	181	4	1.2
CSA 7 – Boulder Creek Country Club	Collection/Treatment/ Recycled Water	Tertiary	263	5	4.0
CSA 10 – Rolling Woods	Collection/Treatment	Secondary	30	1	0.5
CSA 12 – Wastewater Management	Septic Maintenance	NA	NA	NA	NA
CSA 20 – Trestle Beach	Collection/Treatment	Secondary	21	1	0.3
CSA 57 – Graham Hill (Woods Cove)	Collection	NA	7	1	NA
San Lorenzo Valley Water District	Septic	NA	54	2	1.2

Wastewater systems are generally constructed with a design capacity that will meet the service area needs at build-out. Wastewater treatment facilities are permitted for a certain capacity based on the design and related infrastructure. The wastewater treatment facilities in Santa Cruz County serve small communities as well as regional areas. The permitted capacity and projected annual flow are as follows:

**Table 3.4**  
**Treatment Capacity and Flow Projections**  
(million gallons per day)

Treatment Facility / Areas Served	Permitted Capacity	2003-2004 Actual	2010	2015	2020	Avg. Annual Increase
City of Santa Cruz Wastewater Treatment Facility City of Santa Cruz City of Capitola Live Oak Soquel Aptos CSA 57 – Graham Hill UC Santa Cruz	17.00	10	10.25	10.5	10.78	0.5%
Scotts Valley Wastewater Treatment Plant City of Scotts Valley	1.5	0.92	0.92	0.93	0.95	0.2%
Watsonville Wastewater Treatment Facility City of Watsonville Salspuedes Sanitary District Freedom County Sanitation District Pajaro County San. Dist. (Monterey)	12.10	7.58	9.39	9.58	10.12	2%
Davenport County Sanitation District	0.05	0.04	0.04	0.04	0.04	0%
CSA 5 – Sand Dollar Beach / Canon del Sol	0.05	0.021	0.021	0.021	0.021	0%
CSA 7 – Boulder Creek Country Club	0.125	0.04	0.04	0.04	0.04	0%
CSA 10 – Rolling Woods	0.013	0.007	0.007	0.007	0.007	0%
CSA 20 – Trestle Beach	0.01	0.002	0.002	0.002	0.002	0%
San Lorenzo Valley Water District	0.0165	0.013	0.013	0.013	0.013	0%

Wastewater that is treated to a tertiary (third) level may be reused for landscape and industrial purposes. The State Department of Health Services establishes water quality standards and treatment reliability criteria for water recycling under Title 22, Chapter 4, of the California Code of Regulations. Water reuse applications that have a high potential for the public to come in contact with the reclaimed water require disinfected tertiary treatment. Recycled water is available through the following agencies:

**Table 3.5**  
**Recycled Water Infrastructure Summary**

Agency	Area Available	No. of Connections	Current Demand (AF/Yr)
City of Santa Cruz	Only for reuse at Wastewater Treatment Facility (not treated to tertiary level)	1	150
City of Scotts Valley	Distributed by Scotts Valley Water District	17	122.8 (est.)
Davenport County Sanitation District	Landscape irrigation, cooling towers at cement plant	2	25
CSA 7 – Boulder Creek Country Club	Boulder Creek Golf Course	1	Currently not hooked up due to mechanical upgrades needed

### **City of Santa Cruz**

The City of Santa Cruz wastewater collection system serves approximately 15,000 connections. The treatment facility located on California Street serves the City as well as the Santa Cruz County Sanitation District, CSA 57 and UC Santa Cruz. Approximately 50% of the wastewater treated at the plant is generated within the City. The effluent is treated to a secondary level and disposed of through a deep ocean outfall constructed in 1980 and shared with the City of Scotts Valley. Approximately 150 acre-feet per year of treated water is retained for use at the treatment plant.

The collection system includes 23 lift stations with a total capacity of 10.6 million gallons per day. In FY 2003-2004 the City reported total sewage spills of 80,000 gallons. One of the challenges the City faces is reducing the number of sewage spills caused by line blockage in sewer mains and private laterals.

The City does not have a Wastewater Master Plan but addresses infrastructure needs during the annual budgeting process. The City's proposed 2005-2007 Capital Improvement Program includes a number of projects for the wastewater system. In addition to rehabilitation and replacement projects, the CIP includes a number of projects where closed circuit TV will be used to identify problem areas and improve maintenance and repairs. The CIP also includes funding for replacing worn and obsolete equipment, and improving automation at the wastewater treatment plant. The CIP is reviewed and adopted annually.

### **City of Scotts Valley**

The City of Scotts Valley provides wastewater services to 3,922 connections including 30 that are outside the City's boundary. City crews spend an average of one to two days per week performing maintenance on the sewer lines. The City reported sewage spills of 500 gallons in 2004 and 2005.

The City has eight lift stations, all with backup pumps and alarm systems that automatically notify personnel in case of a power outage or high-level conditions. The Sunset Terrace Station, which serves ten residences in the Sunset Terrace area, was re-built in 2005. The Bethany Station was renovated in 2002, including repairing and increasing the size of the wet-well, relocating valves to above-ground locations, permanent installation of an emergency generator, new pumps, and a motor control panel.

All of the lift stations are inspected three times per week to ensure proper operation and flow throughput. Five stations are equipped with permanent emergency generators and are tested on emergency power each week to ensure the generators are operational. The other three stations do not require permanent on-site emergency power due to limited flows. City staff has adequate time to respond to alarm conditions and provide portable generator power if needed.

The Scotts Valley Wastewater Treatment Plant, located on Lundy Lane, has a permitted capacity of 1.5 million gallons per day and treats water to secondary and tertiary levels. Secondarily treated effluent that is not used for recycled water is transmitted via a main to Santa Cruz and discharged to the ocean through the outfall shared with the City of Santa Cruz. In 2002 the City completed the installation and

programming of a Supervisory Control and Data Acquisition (SCADA) system for the wastewater treatment plant. The system continuously monitors the plant's processes and notifies staff of any alarm conditions. The system is also equipped with a dialer system to notify on-call staff during off-duty hours.

Recycled water was first produced in 2002 and used in the City's landscape medians. In the initial year 250,000 gallons (0.8 acre-feet) were produced and in 2004 the City produced 11.5 million gallons for reuse. The City notes that one of the challenges it faces is to meet the rapidly increasing demand for recycled water. The City reports that in 2002, 86.4% of the nitrogen entering the system as part of the raw sewage was removed through tertiary treatment, far exceeding the 50% removal called for in the San Lorenzo Wastewater Management Plan and the City's water recycling permit. The City's FY 2004-2005 budget notes that Water Utilities expenses for park maintenance were reduced by \$15,000 from the prior year due to the planned use of recycled water at Siltanen and MacDorsa Parks.

Scotts Valley uses a five year planning cycle for its Capital Improvement Program. The proposed CIP for FY 2004-2009 identifies four wastewater projects, including a \$2.2 million sludge stabilization and disposal facility scheduled for FY 2009-2010. Current sludge disposal requirements are expected to become more restrictive, requiring the need for aerobic or anaerobic digesters. Other projects include the reconstruction of the Carbonera Creek Pump Station, the installation of a new automated cleaning system on the treatment plant clarifiers, and completing the sewer line replacement on King's Village Road to handle increased usage in the area.

Scotts Valley plans to apply for a new NPDES discharge permit in September 2006, and the City expects that the permit renewal process and new permit conditions will create certain changes. The Regional Board has indicated that new testing methods and electronic reporting will be required in the new permit.

### **City of Watsonville**

Watsonville provides wastewater collection services within the City's boundaries. The City's treatment facility located on Panabaker Lane treats wastewater from the City as well as from the Salsipuedes Sanitary District, the Freedom County Sanitation District, and the Pajaro County Sanitary District located in northern Monterey County. Wastewater is treated to an advanced secondary level; the tertiary treatment process is currently under design and the City expects that recycled water will be available in mid 2007. Treated effluent is discharged through an ocean outfall over a mile offshore.

The City's wastewater system has 12 lift stations with a combined capacity of 2.4 million gallons per day. The City reported sewage spills of 2,300 gallons in 2003. The Wastewater Division's stated goals and objectives for FY 2004-2005 include upgrading the Harkins Slough, Oakridge and Westgate sewer pump stations and connecting the sanitary sewer laterals to the new sanitary sewer mains installed on Clifford Avenue and Arthur Road.

Watsonville expects to complete its Wastewater Master Plan by the end of 2005. The City's 2004-2005 Capital Improvement Program includes multiple projects related to the wastewater system, including

construction of water recycling facilities, sewer pipe replacement, sewer video and smoke testing, annual repair of collection facilities and piping and equipment painting to prevent corrosion.

### **Davenport County Sanitation District**

The Davenport County Sanitation District serves 89 connections in the Davenport community in northern Santa Cruz County. The District provides collection and treatment services as well as recycled water. Twenty-five acre feet of recycled water were produced in FY 2003-2004 for use in landscape irrigation and the cooling towers at the nearby CEMEX cement plant. If the plant were to close, the District would have to develop another way to dispose of its effluent.

The District is managed by the County Department of Public Works, and infrastructure needs are addressed through the County's budgeting process. The District has installed an alarm system to monitor critical treatment plant operations and maintains standby generators for use during power failures. The District's FY 2004-2005 budget includes funding for routine maintenance and equipment/electrical housing upgrades. The District has minimal capital reserves for future infrastructure needs.

### **Freedom County Sanitation District**

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. Wastewater is treated at the Watsonville Wastewater Treatment Plant. Sewage spills in 2003 and 2004 totaled 475 gallons.

The District has identified approximately \$1.61 million in capital improvements, including small pump station improvements and line rehabilitation, improvements for inflow/infiltration and the control panel, and replacement of the Green Valley Pump Station and the Calabasas Road Sewer Line. The FY 2004-2005 budget also includes \$972,198 in reserves for future capital needs.

### **Santa Cruz County Sanitation District**

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 that 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 District has treatment capacity rights of 8 million gallons per day at the City of Santa Cruz Wastewater Treatment Plant. The agreement between the District and the City stipulates that the District shall pay 8/17 (47%) of the project costs for treatment modifications, and operational and maintenance costs are split in proportion to the total flow, Biological Oxygen Demand (BOD) and Suspended Solids (SS) actually discharged by each agency.

The District reported total sewage spills of 60,045 gallons in FY 2003-2004. The District has approximately \$9 million in reserves for future capital projects.

### **Salsipuedes Sanitary District**

The Salsipuedes Sanitary District provides wastewater collection services for 507 connections within an unincorporated area northeast of Watsonville. Treatment is provided by the Watsonville Wastewater Treatment Plant. The District has two lift stations and seven miles of sewer pipeline. The last sewage spill was in November 2003 when fifteen gallons spilled.

The County Public Works Department had been providing maintenance of the District's sewer mains and pump stations since 1970, but has recently given notice that it will no longer provide this service as of June 30, 2005. Under the County's contract maintenance program, the sewer main was being flushed every 90-days as well as annually and was inspected by closed-circuit television to determine if repairs were needed. Weekly maintenance was performed on the lift stations. The County notes that maintenance needs have increased due to the age of the District's facilities and the limited capital replacement program.

The County flushed two to three small portions of the District's sewer main every ninety days. The annual flushing included the entire District. The District has entered into an agreement, effective July 1, 2005, with a private firm for maintenance of the sewer main. The District contracts with a private firm for televising of its sewer main. Weekly maintenance of the lift stations is done by Sanitary District staff. In the District's opinion, maintenance needs have not increased. The District further maintains that its capital replacement program is more than adequate for the size of the District, while keeping its residential sewer service charges the lowest in the County at \$12 per month.

The District is in the process of developing a Capital Improvement Program and has designated \$450,000 in reserves for future capital needs. The District completed a Sewer Repair Project in the first half of 2004 at a cost of \$104,768. The FY 2004-2005 budget includes \$18,725 for equipment.

### **County Service Areas – CSAs 2, 5, 7, 10, 12, 57**

There are six County Service Areas (CSAs) within Santa Cruz County that provide wastewater services:

- CSA 2 serves the Place de Mer subdivision which encompasses 0.02 square miles; the subdivision is built out. The wastewater system is a community septic system.
- CSA 5 serves the Sand Dollar Beach and Canon Del Sol subdivisions with a total estimated population of 450; the area is considered built-out. The wastewater system consists of two on-site interconnected package treatment plants that provide secondary treatment.
- CSA 7 serves the Boulder Creek Country Club on Highway 236; the service area encompasses 0.3 square miles and has an estimated population of 640. The area is essentially built-out. The wastewater system is a full treatment plant offering secondary and tertiary treatment with primary disposal via a community leach field and some recycled water used seasonally on the golf course.

CSA 7 reported sewage spills totaling 27,208 gallons in FY 2003-2004, primarily due to an aging force main.

- CSA 10 serves the Rolling Woods subdivision which encompasses 0.26 square miles with a population of 75; only three parcels are vacant. The wastewater system provides on-site treatment to a secondary level. CSA 10's treatment plant achieved a 50% reduction in nitrogen even though it is not designed for nitrogen removal.
- CSA 20 serves the Trestle Beach subdivision near La Selva Beach which encompasses 0.02 square miles and has a population of 50; the subdivision is built-out. The wastewater system provides on-site treatment to a secondary level.
- CSA 57 serves the Woods Cove subdivision off Graham Hill Road; the service area encompasses 0.1 square miles and has a current population of 14. The area is expected to reach 120 by 2015. Wastewater generated in CSA 57 is treated at the City of Santa Cruz Wastewater Treatment Plant.

CSA 12 provides funding for septic management services in the unincorporated areas of the County not served by sewer systems. The CSA funds capacity at the Watsonville and Santa Cruz Wastewater Treatment Plants for disposal of septic tank sludge, operation and maintenance of the Santa Cruz Septage Disposal Facility, annual inspections and monitoring of nonstandard systems, and computerized tracking of septic system performance. A separate zone, Zone A, has been established to provide financing for the implementation of the San Lorenzo Watershed Management Plan. Implementation is required by the Regional Water Quality Control Board as a condition for allowing the continued use of septic systems in the watershed. Enhanced services in Zone A include regular inspections of septic systems, promotion of septic system upgrades and maintenance, property owner education, water quality monitoring, and development of alternative wastewater disposal methods where septic systems are not suitable.

The County does not have a Capital Improvement Program for the CSAs but addresses infrastructure needs during the budgeting process. Infrastructure improvements are implemented as funding is available or as regulations dictate.

### **San Lorenzo Valley Water District**

The San Lorenzo Valley Water District provides wastewater collection and treatment services for 54 connections in portions of the Bear Creek Estates residential subdivision. The District's wastewater system has two (2) lift stations and a treatment capacity of 16,500 gallons per day. In 2005 the District completed a system upgrade to comply with the orders of the Regional Water Quality Control Board to reduce effluent nitrogen levels by 50% prior to disposal in a subsurface soil absorption system. The new improvements consist of two-stage trickling filters.

### **3.3 Financing Constraints and Opportunities**

Wastewater services are primarily funded through sewer service charges and connection fees. Some agencies maintain reserves adequate to meet capital needs, while other agencies use long-term debt as a means to finance infrastructure improvements.

**City of Santa Cruz**

The City of Santa Cruz accounts for its wastewater system as an enterprise activity, primarily relying on service charges for funding. The following summarizes the City's Wastewater Fund:

**City of Santa Cruz – Wastewater Fund**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Est. Actual</b>	<b>FY 04-05 Proposed</b>
<b>Revenue</b>			
Intergovernmental	\$1,958,495	\$1,325,230	\$258,500
Charges for Services	\$11,461,188	\$11,932,419	\$12,430,398
Misc. Revenue	\$845,202	\$649,598	\$622,800
Transfer from Reserves			\$10,000
Other Financing Sources	\$7,440	\$1,062,616	\$1,103,787
<b>Total Revenue</b>	<b>\$14,272,325</b>	<b>\$14,969,863</b>	<b>\$14,425,485</b>
<b>Expenditures</b>			
Operating	\$9,415,409	\$9,648,568	\$9,709,039
Debt Service	\$3,987,377	\$3,869,385	\$3,855,471
Capital Outlay	\$1,421,658	\$4,318,965	\$1,588,000
Transfers Out	\$12,335		\$23,325
<b>Total Expenditures</b>	<b>\$14,836,779</b>	<b>\$18,021,852</b>	<b>\$15,750,835</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$564,454)</b>	<b>(\$3,051,989)</b>	<b>(\$750,350)</b>
<b>Fund Balance, end of year</b>	<b>\$8,325,709</b>	<b>\$5,273,720</b>	<b>\$4,523,370</b>

The City has several long-term debts related to its wastewater infrastructure. In 1994 the City issued a Sewer Revenue Bond of \$5,660,000. Annual installments are \$105,000 to \$380,000 through November 2023 with interest rates ranging from 5.0% to 5.7%. Annual debt service is paid from revenues of the City's sewer system. The outstanding balance at June 30, 2003 was \$4,955,000. The City also has a note payable to the State of California for the construction of secondary treatment improvements at the treatment facility. Annual payments are set at \$3,427,009 and include interest of 2.8%. The debt will be paid off in August 2018. The outstanding balance at June 30, 2003 was \$43,481,200.

As part of the approval for the secondary treatment improvements at the wastewater treatment plant, the City was required to mitigate the impacts to the adjacent Neary Lagoon. The City has budgeted \$741,429 through FY 2004-2005 from Wastewater Revenue for capital improvements to the Neary Lagoon Park. The improvements are based on the Neary Lagoon Management Plan.



**City of Scotts Valley**

The City of Scotts Valley accounts for its wastewater services through secondary-level treatment as an enterprise activity. The tertiary treatment plant is accounted for through a Special Revenue Fund with full reimbursement from the Scotts Valley Water District, the recycled water retailer. In addition to the Wastewater Operations Fund and the Tertiary Treatment Plant fund, the City also has established a Wastewater Equipment Replacement Reserve funded through sewer service charges and a Wastewater Capital Reserve Fund funded through development impact fees. The following summarizes the City's Wastewater funds:

**City of Scotts Valley – Wastewater Funds**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Projected</b>	<b>FY 04-05 Proposed</b>
<b>Wastewater Operations Fund (Fund 10)</b>			
<b>Revenue</b>			
Sewer Service Fees	\$1,589,444	\$1,600,000	\$1,600,000
Wastewater Discharge Permits	\$4,333		
Penalties for Delinquencies	\$3,652	\$5,000	\$3,000
Investment Earnings	\$41,356	\$35,000	\$35,000
<b>Total Revenue</b>	<b>\$1,683,785</b>	<b>\$1,640,000</b>	<b>\$1,638,000</b>
<b>Expenditures</b>			
Salaries and Benefits	\$658,395	\$664,245	\$660,065
Services and Supplies	\$613,917	\$597,046	\$604,020
Fixed Assets	\$4,842	\$69,280	\$15,000
Other*	\$197,370	\$191,580	\$191,580
<b>Total Expenditures</b>	<b>\$1,474,524</b>	<b>\$1,522,151</b>	<b>\$1,470,665</b>
<b>Net Surplus/(Deficit)</b>	<b>\$209,261</b>	<b>\$117,849</b>	<b>\$167,335</b>
<b>Fund Balance, end of year</b>	<b>\$1,792,694</b>	<b>\$1,685,000</b>	<b>\$1,623,132</b>
<b>Tertiary Treatment Plant (Fund 11)</b>			
<b>Revenue: from SVWD</b>	<b>\$85,537</b>	<b>\$73,250</b>	<b>\$87,600</b>
Transfers In			\$29,203
<b>Expenditures</b>			
Salaries and Benefits	\$5,104	\$14,418	\$15,978
Services and Supplies	\$80,433	\$75,250	\$90,325
Fixed Assets		\$8,000	\$10,500
<b>Total Expenditures</b>	<b>\$85,537</b>	<b>\$97,668</b>	<b>\$116,803</b>
<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Projected</b>	<b>FY 04-05 Proposed</b>
<b>Wastewater Capital Reserve (Fund 12)</b>			
Impact Fees and Investment Earnings	\$236,234	\$127,600	\$65,100
Expenditures	\$300,979	\$90,000	\$87,500
<b>Fund Balance, end of year</b>	<b>\$1,700,196</b>	<b>\$1,726,000</b>	<b>\$1,703,600</b>

**City of Scotts Valley – Wastewater Funds (cont'd)**

<b>Wastewater Equipment Replacement Reserve (Fund 14)</b>			
Investment Earnings	\$61,811	\$50,000	\$45,000
Expenditures	\$167,888	\$129,000	\$493,500
<b>Fund Balance, end of year</b>	<b>\$3,045,44</b>	<b>\$3,155,000</b>	<b>\$2,906,500</b>

*\*Other Expenditures include cost allocation for the City, and debt service on the Outfall Agreement*

The City has established two special assessment districts for wastewater services for the North Scotts Valley Sewer/Water Supply and Wastewater Expansion. The revenue is used to pay for the debt associated with the improvements.

The City restricts reserves within the Capital Reserve and Equipment Replacement Funds to fund the projects identified in the Capital Improvement Plan.

In 1980 the City entered into an agreement with the City of Santa Cruz for the City's share of the costs for the Sewer Outfall project. Per the agreement, the City makes annual payments of \$11,580 including 5% interest. The outstanding balance at June 30, 2003 was \$63,535; the note will be paid in full in 2010.

**City of Watsonville**

The City of Watsonville accounts for its wastewater services as an enterprise activity. The following summarizes the City's Sewer Fund:

**City of Watsonville – Sewer Fund**

<b>Finances</b>	<b>FY 02-03 Projected</b>	<b>FY 03-04 Budget</b>	<b>FY 04-05 Budget</b>
<b>Revenue</b>			
Charges for Services	\$6,855,329	\$6,322,464	\$5,529,300
Other Revenues	\$629,929	\$478,164	\$10,503,804
Interest	\$331,200	\$250,000	\$250,000
<b>Total Revenue</b>	<b>\$7,816,458</b>	<b>\$7,050,628</b>	<b>\$16,283,104</b>
<b>Expenditures</b>			
Operating	\$3,796,549	\$4,658,700	\$5,006,960
Debt Service	\$762,474	\$777,474	\$775,261
Capital Outlay	\$4,061,500	\$4,036,067	\$10,952,400
<b>Total Expenditures</b>	<b>\$4,823,974</b>	<b>\$9,472,241</b>	<b>\$16,734,621</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$804,065)</b>	<b>(\$2,421,613)</b>	<b>(\$451,517)</b>
<b>Fund Balance, end of year</b>	<b>\$14,961,096</b>	<b>\$12,539,483</b>	<b>\$12,287,450</b>

The City was awarded grant funding of \$10,015,000 in FY 2004-2005 for its Water Recycling Facilities at the Wastewater Treatment Plant. The balance in the City's Sewer Fund is reserved entirely for capital needs.

The mid-year budget cycle revisions for wastewater include cost increases for workers compensation, some staff adjustments, and the addition of a \$500,000 contribution from the Sewer Fund to the Watsonville Civic Center Project for the City's sewer utility portion of the project.

In 1998 the City issued \$8,625,000 in Sewer Revenue Refunding Bonds. Annual debt service is approximately \$760,000. The bonds mature in May 2016.

**Davenport County Sanitation District**

The Davenport County Sanitation District provides both water and wastewater services with funding provided through service charges and the District's share of the property tax. CEMEX pays 46% of the service charges. The following summarizes the District's finances:

**Davenport County Sanitation District**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>
<b>Revenue</b>			
Sewer Service Charges	\$136,631	\$161,005	\$184,759
Water Service Charges	\$96,181	\$130,082	\$159,562
Connection Fees	\$6,450	0	\$6,000
Other Revenues	\$6,524	\$9,224	\$25,000
Interest	\$2,044	\$1,458	\$1,500
Property Tax	\$16,221	\$17,109	\$10,591
<b>Total Revenue</b>	<b>\$264,052</b>	<b>\$318,878</b>	<b>\$387,412</b>
<b>Expenditures</b>			
Services	\$238,522	\$291,857	\$316,050
Debt Service	\$25,402	\$25,402	\$25,404
Capital Outlay	\$12,298	\$2,158	\$176,343
<b>Total Expenditures</b>	<b>\$276,223</b>	<b>\$319,418</b>	<b>\$517,797</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$12,171)</b>	<b>(\$540)</b>	<b>(\$130,385)</b>
<b>Fund Balance, end of year</b>	<b>\$106,462</b>	<b>\$147,130</b>	

*Index 625125*

The District's FY 2004-2005 budget includes a reduction of \$15,017 in property taxes due to the required ERAF III adjustment. The District noted that one of the challenges it faces is to obtain adequate funding for facility upgrades and collection system replacement.

The District has three outstanding sewer loans used to finance infrastructure improvements. The loans were obtained in 1983, 1995 and 2001 for a total of \$712,238 with interest rates ranging from 2.5% to 2.75%. The debts will be paid in full by 2022. The combined outstanding balance at June 30, 2004 was \$521,105.

### Freedom County Sanitation District

The Freedom County Sanitation District is funded through service charges and connection fees. The following summarizes the District's finances:

**Freedom County Sanitation District**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Sewer Service Charges	\$337,541	\$495,323	\$548,557
Connection Fees	\$142,600	\$91,800	
Interest	\$59,092	\$41,117	\$33,000
<b>Total Revenue</b>	<b>\$539,232</b>	<b>\$628,240</b>	<b>\$581,557</b>
<b>Expenditures</b>			
Services	\$395,725	\$386,267	\$594,994
Capital Outlay	\$79,847	\$415,530	\$2,342,968
Contingencies			\$422,958
<b>Total Expenditures</b>	<b>\$475,571</b>	<b>\$801,797</b>	<b>\$3,360,920</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$63,661)</b>	<b>(\$173,557)</b>	<b>(\$2,779,363)</b>
<b>Fund Balance, end of year</b>	<b>\$2,592,761</b>	<b>\$2,075,020</b>	

*Index 625130 and 625140*

The District finances all capital improvements out of reserves and currently has no long-term debt. The District notes that it will be challenged to fund needed capital improvements and to maintain service levels with reduced funding due to the detachment of portions of the District annexing to the City of Watsonville. It is expected that this trend will continue as Watsonville grows.

**Santa Cruz County Sanitation District**

The Santa Cruz County Sanitation District is funded through service charges, connection fees and interest. The District uses several funds to account for its operations and capital programs. The following summarizes the District's finances:

<b>Santa Cruz County Sanitation District</b>			
<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>
<b>Revenue</b>			
Sewer Service Charges	\$14,989,077	\$15,783,158	\$16,620,000
Connection Fees	\$344,243	\$496,771	\$400,000
Other Revenues	(\$3,632)	\$354,178	
Interest	\$647,894	\$402,068	\$400,000
<b>Total Revenue</b>	<b>\$15,977,582</b>	<b>\$17,036,175</b>	<b>\$17,420,000</b>
<b>Expenditures</b>			
Services	\$11,351,745	\$11,232,394	\$13,987,731
Debt Service	\$901,650	\$2,518,562	\$2,518,939
Fixed Assets	\$7,151,395	\$4,820,628	\$25,703,658*
Contingencies			\$650,000
<b>Total Expenditures</b>	<b>\$19,404,790</b>	<b>\$18,571,584</b>	<b>\$42,860,328</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$3,427,208)</b>	<b>(\$1,535,409)</b>	<b>(\$25,440,328)</b>
<b>Fund Balance, end of year</b>	<b>\$23,155,880</b>	<b>\$21,883,160</b>	

*Index: 136401, 136403, 136409, 625175, 625176, 625195, 625205, 625210*

*\*Includes appropriations for reserves*

The Santa Cruz County Sanitation District had total long-term debt outstanding of \$30,465,741 as of June 30, 2004, including Revenue Bonds, Limited Obligation Improvement Bonds, Certificates of Participation and loans. During FY 2003-2004 \$1,401,243 of debt was retired and there were no additions. The interest rates range from 2.8% to 8%; the furthest maturity date is 2019.

The District maintains significant long-term financing reserves for capital needs and finances capital improvements through reserves and debt.

### Salsipuedes Sanitary District

The Salsipuedes Sanitary District is funded through service charges, connections fees, and the District's share of the property tax. The County Auditor-Controller performs the accounting functions for the District. The following summarizes the District's finances:

#### Salsipuedes Sanitary District

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Sewer Service Charges and Inspection Fees	\$92,863	\$95,069	\$98,225
Connection Fees	\$19,455	\$6,250	\$10,000
Property Tax	\$11,859	\$13,019	\$13,154
Other Revenues	\$23,846	\$5,862	\$162
Interest	\$17,332	\$9,584	\$10,300
<b>Total Revenue</b>	<b>\$165,356</b>	<b>\$129,783</b>	<b>\$131,841</b>
<b>Expenditures</b>			
Salaries & Benefits	\$44,621	\$38,449	\$38,895
Services & Supplies	\$282,585	\$233,234	\$304,866
Equipment	\$559	\$142	\$1,000
Contingencies / Other Exp.	\$292	\$640	\$1,332
<b>Total Expenditures</b>	<b>\$328,057</b>	<b>\$272,465</b>	<b>\$356,252</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$162,701)</b>	<b>(\$142,682)</b>	<b>(\$224,411)</b>
<b>Fund Balance, end of year</b>	<b>\$818,768</b>	<b>\$676,086</b>	

Index 684410

Although the District's FY 2004-2005 budget does not reflect it, the District's property tax revenue will be reduced by \$11,184 in FY 2004-2005 due to the required ERAF III reduction.

The District has no long-term debt; capital improvements and equipment are financed through reserves. The District has restricted \$450,000 to be used for this purpose.

**County Service Areas – CSAs 2, 5, 7, 10, 12, 57**

The County accounts for the CSAs as enterprise activities. The following summarizes their financial history:

**County Service Area 2 – Place De Mer**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Sewer Service Charges	\$46,427	\$54,153	\$67,746
Property Tax	(\$16)		
Interest	\$445	\$509	\$500
<b>Total Revenue</b>	<b>\$46,856</b>	<b>\$54,662</b>	<b>\$68,246</b>
<b>Expenditures</b>			
DPW Services	\$37,198	\$28,262	\$56,017
Buildings and Improvements	\$17,297	\$2,166	\$30,173
Contingencies			\$656
<b>Total Expenditures</b>	<b>\$54,494</b>	<b>\$30,428</b>	<b>\$86,846</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$7,638)</b>	<b>\$24,234</b>	<b>(\$18,600)</b>
<b>Fund Balance, end of year</b> (unreserved, undesignated)	<b>\$44,590</b>	<b>\$14,405</b>	

Index 625143

**County Service Area 5 – Sand Dollar / Canon del Sol**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Sewer Service Charges	\$137,457	\$161,504	\$183,547
Other Revenue		\$495	
Interest	\$2,759	\$2,154	\$1,100
<b>Total Revenue</b>	<b>\$140,216</b>	<b>\$164,153</b>	<b>\$184,647</b>
<b>Expenditures</b>			
DPW Services	\$155,230	\$126,287	\$195,601
Buildings and Improvements	\$18,679		\$74,000
Contingencies			\$1,140
<b>Total Expenditures</b>	<b>\$173,909</b>	<b>\$126,287</b>	<b>\$270,741</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$33,693)</b>	<b>\$37,866</b>	<b>(\$86,094)</b>
<b>Fund Balance, end of year</b> (unreserved, undesignated)	<b>\$178,747</b>	<b>\$161,845</b>	

Index 628200



**County Service Area 7 – Boulder Creek Country Club**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Sewer Service Charges	\$222,766	\$225,296	\$311,276
Other Revenue	\$16,302		
Interest	\$800	\$13	
<b>Total Revenue</b>	<b>\$239,868</b>	<b>\$225,309</b>	<b>\$311,276</b>
<b>Expenditures</b>			
DPW Services	\$264,849	\$255,741	\$284,890
Buildings and Improvements	\$3,680		\$21,308
<b>Total Expenditures</b>	<b>\$268,530</b>	<b>\$255,741</b>	<b>\$306,198</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$28,529)</b>	<b>(\$30,432)</b>	<b>\$5,078</b>
<b>Fund Balance, end of year</b> (unreserved, undesignated)	<b>\$32,234</b>	<b>(\$5,078)</b>	

Index 625105

**County Service Area 10 – Rolling Woods**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Sewer Service Charges	\$39,671	\$46,537	\$53,445
Other Revenue	\$4,468		
Interest	(\$110)	(\$69)	
<b>Total Revenue</b>	<b>\$44,029</b>	<b>\$46,468</b>	<b>\$53,445</b>
<b>Expenditures</b>			
DPW Services	\$50,545	\$35,680	\$45,986
Buildings and Improvements			\$6,750
Contingencies			\$636
<b>Total Expenditures</b>	<b>\$50,545</b>	<b>\$35,680</b>	<b>\$53,372</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$6,516)</b>	<b>\$10,788</b>	<b>\$73</b>
<b>Fund Balance, end of year</b> (unreserved, undesignated)	<b>(\$10,862)</b>	<b>(\$73)</b>	

Index 628170

County Service Area 12 –Septic Maintenance

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Sanitary Services	\$324,257	\$307,147	\$350,000
Operating Permits – Sewage		\$5,419	
Inspection Fees	\$432,521	\$449,554	\$405,000
Other Revenue – State Loan Repayments			\$468,500
Interest	\$24,749	\$17,386	\$15,000
<b>Total Revenue</b>	<b>\$781,940</b>	<b>\$779,506</b>	<b>\$1,238,500</b>
<b>Expenditures</b>			
Services and Supplies	\$650,565	\$763,183	\$1,862,781
Contingencies			\$119,201
<b>Total Expenditures</b>	<b>\$650,565</b>	<b>\$763,183</b>	<b>\$2,010,482</b>
<b>Net Surplus/(Deficit)</b>	<b>\$131,374</b>	<b>\$16,323</b>	<b>(\$771,982)</b>
<b>Fund Balance, end of year</b> (unreserved, undesignated)	<b>\$1,019,527</b>	<b>\$789,761</b>	

Index 133607, 133608, 133609

County Service Area 20 – Trestle Beach

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Sewer Service Charge	\$25,988	\$33,893	\$62,017
Other Revenue		\$2,190	
Interest	(\$15)	\$41	
<b>Total Revenue</b>	<b>\$25,973</b>	<b>\$36,124</b>	<b>\$62,017</b>
<b>Expenditures</b>			
DPW Services	\$30,121	\$24,744	\$34,950
Buildings and Improvements			\$30,937
<b>Total Expenditures</b>	<b>\$30,121</b>	<b>\$24,744</b>	<b>\$65,887</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$4,148)</b>	<b>\$11,380</b>	<b>(\$3,870)</b>
<b>Fund Balance, end of year</b> (unreserved, undesignated)	<b>(\$986)</b>	<b>\$10,393</b>	

Index 625230

County Service Area 57 – Graham Hill (Woods Cove)

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue</b>			
Sewer Service Charge		\$3,505	\$8,826
Drainage Charges	\$24,948	\$26,195	\$26,196
Interest	\$922	\$844	\$900
<b>Total Revenue</b>	<b>\$25,870</b>	<b>\$30,544</b>	<b>\$35,922</b>
<b>Expenditures</b>			
DPW Services	\$6,774	\$6,867	\$32,437
Buildings and Improvements			\$60,581
Contingencies			\$13,479
<b>Total Expenditures</b>	<b>\$6,774</b>	<b>\$6,867</b>	<b>\$106,497</b>
<b>Net Surplus/(Deficit)</b>	<b>\$19,097</b>	<b>\$23,678</b>	<b>(\$70,575)</b>
<b>Fund Balance, end of year</b> (unreserved, undesignated)	<b>\$57,740</b>	<b>\$81,417</b>	

Index 625141

San Lorenzo Valley Water District

The San Lorenzo Valley Water District operates its wastewater system as an enterprise activity. The following summarizes the financial history of the District's Sewer Fund:

San Lorenzo Valley Water District – Sewer Fund

Finances	FY 02-03 Actual	FY 03-04 Estimated	FY 04-05 Budget
<b>Revenue</b>			
Sewer Service Charge	\$44,515	\$46,100	\$46,100
Other Revenue	\$1,466		\$150,000
<b>Total Revenue</b>	<b>\$45,981</b>	<b>\$46,100</b>	<b>\$196,100</b>
<b>Expenditures</b>			
Salaries & Benefits	\$9,583	\$6,980	\$10,810
Services and Supplies	\$53,345	\$24,365	\$30,770
Capital Outlay	\$14,599	\$39,000	\$150,000
Interest	\$377		
<b>Total Expenditures</b>	<b>\$77,904</b>	<b>\$70,345</b>	<b>\$191,580</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$31,923)</b>	<b>(\$24,245)</b>	<b>\$4,520</b>
<b>Fund Balance, end of year</b> (unreserved, undesignated)	<b>\$1,860</b>		

As of June 30, 2003 the District had no long-term debt associated with its Wastewater system; the District's budget for FY 2004-2005 includes a loan of \$150,000 from the Water Fund to the Sewer Fund to fund required treatment system improvements. The Water Fund loan will be amortized over a term of ten (10) years and repaid from wastewater service fees or a property -related charge.

### **3.4 Cost Avoidance Opportunities**

The wastewater agencies all pursue cost control measures, through shared facilities as well as maintenance programs.

#### **City of Santa Cruz**

The City of Santa Cruz Public Works Department has an ongoing program to identify and target sewer lines impacted by high stormwater infiltration and inflow. The program includes a public education component. The Department conducts televised inspections of contractor/developer installed lines prior to acceptance by the City.

#### **City of Scotts Valley**

The City of Scotts Valley is controlling costs for its wastewater operations through scheduled maintenance and inspections of the system pipelines and lift stations. In addition, the automated control system described earlier allows for operational efficiency of the wastewater treatment plant.

#### **City of Watsonville**

The City of Watsonville is controlling costs for its wastewater operations through its maintenance and monitoring program as well as source control efforts. Source control ensures that highly toxic pollutants and hazardous wastes do not enter the sewer system from industrial or commercial discharge. The City also plans to continue the wastewater collection system smoke testing video inspection program to identify illegal cross-connections to the system in order to reduce stormwater infiltration and inflow.

#### **County Sanitation Districts**

The County Public Works Department is controlling costs for the three County Sanitation Districts (Davenport, Freedom, and Santa Cruz County) through its operations, staff assignments, and scheduled maintenance programs. Santa Cruz and Freedom County Sanitation Districts have a very ambitious stormwater inflow/infiltration reduction program that has already significantly reduced wet weather peak flows. All three districts also conduct televised inspections of both old and new sewer lines.

#### **Salsipuedes Sanitary District**

The Salsipuedes Sanitary District is working to reduce the amount of grease entering the sewer system through letters, public outreach and service announcements. An annual letter is sent to all District residents advising them of the proper disposal methods for grease. In addition, the District performs unannounced inspections of commercial and institutional grease traps to ensure they are maintained and in compliance.

### County Service Areas

The County is controlling costs for the CSAs through the use of appropriate technologies, management and maintenance of the wastewater systems. The facilities range from individual septic systems to full service onsite water treatment facilities. The type of facility is based on community needs, environmental conditions and regulations, and the goals of the community.

### San Lorenzo Valley Water District

The San Lorenzo Valley Water District is controlling costs related to system improvements. In order to select the most cost effective treatment alternative for upgrading the Bear Creek Estates Wastewater Treatment system, the District conducted an engineering study that considered three alternatives. The study evaluated the relative merits of each alternative as well as costs, which enabled the District to select the most suitable alternative for the residents' consideration. In addition, the District has installed a utility-tied solar photovoltaic system to reduce associated energy costs.

### 3.5 Management Efficiencies

The type of wastewater system and the degree to which it is integrated with other facilities has an impact on management efficiencies. The agencies reported the following staff levels:

**Table 3.6**  
**Staffing Levels**

Agency	# of Full Time Equivalent Staff	# of Certified System Operators
City of Santa Cruz	50.25	NP
City of Scotts Valley	7	7
City of Watsonville	22.6	7
Davenport County Sanitation District	1	10*
Freedom County Sanitation District	8	NA
Santa Cruz County Sanitation District	52	NA
Salsipuedes Sanitary District	0.5	NA
CSA 2 – Place de Mer	1	NA
CSA 5 – Sand Dollar Beach / Canon del Sol	2	10*
CSA 7 – Boulder Creek Country Club	1	10*
CSA 10 – Rolling Woods	1	10*
CSA 12 – Wastewater Management	1	10*
CSA 20 – Trestle Beach	1	10*
CSA 57 – Graham Hill	1	NA
San Lorenzo Valley Water District	0.1	1

*\*The 10 operators rotate between the County-operated treatment plants.*

*NA – Not Applicable, NP – Not Provided*

Although cost is an important factor when evaluating service, it is not always a clear indicator of efficiency. Costs can vary greatly depending on service area differences, service levels, type of system,

etc. Economies of scale are significant as the operations and maintenance costs for wastewater treatment systems can be costly. The systems operated by the County Department of Public Works are able to share staff, equipment and resources. The wastewater agencies reported the following costs per million gallons:

**Table 3.7**  
**Wastewater Cost of Service**  
(per million gallons)

Agency	Cost
City of Santa Cruz (includes City collection and City & County flow)	\$2,571
City of Scotts Valley	\$4,544
City of Watsonville	\$1,679
Davenport County Sanitation District	\$12,983
Freedom County Sanitation District	\$5,386
Santa Cruz County Sanitation District	\$13,180
Salsipuedes Sanitary District	Unknown
CSA 2 – Place de Mer	\$8,879
CSA 5 – Sand Dollar Beach / Canon del Sol	\$25,741
CSA 7 – Boulder Creek Country Club	\$21,647
CSA 10 – Rolling Woods	\$21,169
CSA 12 – Wastewater Management	NA
CSA 20 – Trestle Beach	\$111,484
CSA 57 – Graham Hill	Unknown
San Lorenzo Valley Water District	\$8,850

## **MANAGEMENT EFFICIENCIES**

### **City of Santa Cruz**

One of the challenges the City faces is keeping the cost of service at a competitive rate. The City updated its Sewer System Ordinance in 2002 to ensure that the code supported the City's policies and the regulatory requirements for water quality and wastewater systems.

### **City of Scotts Valley**

The City of Scotts Valley Public Works Department manages the wastewater collection and treatment facilities. The Department maintains strict oversight of the annual budget and five-year Capital Improvement Program. The City accounts for the costs associated with the tertiary treatment process through a separate fund, which ensures accurate cost allocations so that the City has full cost recovery for this service.

In recognition of management and services provided, the City's wastewater treatment plant received the State Plant of the Year award in 2004 from the California Water Environment Association (CWEA). The plant had previously been awarded Small Plant of the Year honors and Overall Plant of the Year from the Monterey Bay Section of CWEA.

In order to avoid spills and system inefficiencies, the City has installed a number of alert systems to notify staff in the event of system malfunctions.

### **City of Watsonville**

The City of Watsonville Public Works Department manages the wastewater system through several divisions: Wastewater Treatment Facility, Stormwater and Wastewater Collections, Laboratory, Facilities Maintenance, Operations and Source Control. The City is able to gain efficiencies through this structure through staff assignments and resource allocation. The stormwater and wastewater collection systems contain similar infrastructure and have similar maintenance requirements, and efficiency is increased by having both systems maintained by one division. The Wastewater Treatment Division is responsible for the treatment plant and has seven Certified Wastewater System operators on staff. Source Control works with industries and businesses to prevent toxic and hazardous wastes from entering the sewer system. The laboratory is State-accredited and is responsible for monitoring the treated water for compliance with State and Federal regulations. The lab also monitors the ocean water and industrial wastewater discharge.

The City's wastewater goals and objectives identified for 2003-2005 include the following:

- Continued development and implementation of biosolids management, disposal and contingency plans to maintain cost-effective disposal/reuse projects;
- Evaluation of alternative methods for sludge de-watering to reduce biosolids mass and disposal costs; and
- Continued employee development and training so that all Wastewater Treatment Division staff maintains certification through the California Water Environment Association and/or the Regional Water Quality Control Board.

### **County Sanitation Districts**

The three County Sanitation Districts are achieving management efficiencies through the management provided by the County Department of Public Works. The County regularly monitors the systems to identify inflow/infiltration and system capacity issues and has assimilated information into one location for pump and pipeline operations as well as planning and design of replacement pipelines. The Freedom and Santa Cruz County Sanitation Districts note that they will be implementing changes to meet new regulation requirements such as the EPA Capacity, Management, Operation and Maintenance (CMOM) requirements.

The Districts offer an Educational/Outreach Program and Green Business Program which educate and encourage the sewer system users to properly dispose of chemicals and other substances that should not enter the sewer system. The Santa Cruz County Sanitation District developed a multi-county Green Business Program to meet the requirements of the Regional Water Quality Control Board.

One of the challenges the County faces is attracting and retaining qualified treatment plant operators for the facilities it manages.



The Santa Cruz County Sanitation District has acquired a new software program to improve inventory and operations management.

### **Salsipuedes Sanitary District**

In 1970 the Salsipuedes Sanitary District and the County Public Works Department entered into a management and maintenance agreement whereby the County would assist the District by utilizing the Department of Public Works staff and equipment for the issuance of permits, engineering and sewer system maintenance. As mentioned earlier, the maintenance needs for the District have increased due to system age and minimal capital replacement projects. The County's response time is greater than hour for emergencies due to the distance, and the County has decided to terminate the agreement with the District effective June 30, 2005. It is unknown how the District will address this change as it has only one part-time manager on staff.

### **County Service Areas – 2, 5, 7, 10, 12, 20, 57**

The County Service Areas are achieving management efficiency through the management provided by the County. Staff and equipment are assigned to maintenance and inspection tasks for each of the CSAs and are available to respond to emergencies as needed. The outlying location of most of these service areas presents a challenge, since the staff is primarily centered in Live Oak. This results in substantial travel time expenses and some emergency response delays.

For those CSAs with treatment facilities, an alarm system has been installed to monitor critical treatment plant operations and a standby generator has been obtained for use during power failures.

The County notes that one of the challenges it faces in the next five years is continuing to attract and retain qualified treatment plant operators to operate these systems.

Some service levels have changed and some efficiency has been gained in the past few years. The County's June 30, 2004 financial statement notes the following:

- CSA 7 (Boulder Creek Country Club) had decreased labor costs and plant improvements in the prior year;
- CSA 12 (Septic Maintenance) had increased labor and technology costs, and disposal fees; and
- CSA 2 (Place de Mer) and CSA 5 (Sand Dollar/Canon del Sol) had a decrease in service levels.

### **San Lorenzo Valley Water District**

The San Lorenzo Valley Water District is achieving management efficiency through the management approach and staff allocations of the District. Only one-tenth of one full-time position is allocated to wastewater.

### 3.6 Opportunities for Shared Facilities

There are a number of opportunities for the agencies to share facilities due to the nature of the services provided, regional treatment facilities, and County management for a number of the agencies.

- The City of Santa Cruz operates a regional treatment plant that also serves the Santa Cruz County Sanitation District and CSA 57 (Graham Hill/Woods Cove).
- The City of Watsonville provides treatment for the Salsipuedes Sanitary District, the Freedom County Sanitation District and the Pajaro County Sanitation District in Monterey County.
- The City of Santa Cruz and the City of Scotts Valley share the deep-water outfall facility.
- The County Sanitation Districts share equipment and maintenance services through the County Public Works Department as do the County Service Areas.
- The San Lorenzo Valley Water District shares staff, equipment and District resources between its water and wastewater operations.

### 3.7 Opportunities for Rate Restructuring

Wastewater service rates include flat residential rates with commercial and institutional accounts charged a base rate plus quantity charge. The following table summarizes the current wastewater rates:

**Table 3.8**  
**Wastewater Rate Structure**

Agency	2004-2005 Wastewater Rates (monthly)	% Increase in Past 2 Years
City of Santa Cruz	Single Family - \$28.50 Multifamily - \$23.10 Low Water Users - \$16.40	6% 4% 3%
City of Scotts Valley	\$25.15	None
City of Watsonville	\$16.66	3%
Davenport County Sanitation District	\$69.57	20%
Freedom County Sanitation District	\$27.93	57%
Santa Cruz County Sanitation District	\$44.02	9%
Salsipuedes Sanitary District	\$12.00	None
CSA 2 – Place de Mer	\$69.39	53%
CSA 5 – Sand Dollar Beach / Canon del Sol	Single Family - \$104.16 Condominiums - \$66.93	37% 29%
CSA 7 – Boulder Creek Country Club	\$147.00	73%
CSA 10 – Rolling Woods	\$149.96	42%
CSA 12 – Wastewater Management	\$6.90 Zone A (San Lorenzo Valley). \$18.54	None
CSA 20 – Trestle Beach	\$248.58	42%
CSA 57 – Graham Hill	\$73.55	1%
San Lorenzo Valley Water District (Bear Creek Estates)	\$70.00	None

A comparison of single-family residence rates follows.

# Wastewater Services

Monthly Single-Family Sewer Rates 2004-2005



**City of Santa Cruz**

Residential wastewater rates are set at a monthly flat fee based on dwelling type; low water users pay a lower rate. Commercial and institutional rates include a flat fee plus a quantity charge. Business accounts have four classifications: High Strength, Medium Strength, Low Strength and Hotel/Motel. The strength is based on the Biological Oxygen Demand (BOD) and Suspended Solids (SS) in the sewage. Higher BOD and SS require more treatment and therefore have a higher cost. Rates are adjusted annually and annual rate increases through 2006 have been established at the following levels: single family residential 6%, multifamily 4%, low water users 3%. Business and industrial rates will increase from 9% to 13% annually.

**City of Scotts Valley**

The City of Scotts Valley has not increased its wastewater rates since 1995 and no rate increases are anticipated. Revenue has been adequate to meet the operational and capital needs of the wastewater system.

**City of Watsonville**

The City of Watsonville's wastewater rates are adjusted annually by the increase in the Consumer Price Index. The rate for FY 2004-2005 included a 2.7% increase over the prior year. Residential accounts pay a flat monthly fee. Commercial accounts pay a minimum monthly charge as well as a quantity charge based on the type of business (bakeries, eating and food preparation establishments pay the highest rate). Industrial accounts are charged based on quantity and on the Biological Oxygen Demand (BOD) and Suspended Solids (SS) in the sewage.

**County Sanitation Districts**

The Davenport County Sanitation District charges a flat rate. Rates are reviewed annually; in the past two years rates have increased 20% and it is expected that they will increase 10% in the next two years.

The Freedom County Sanitation District rates have increased 57% in the past two years and are expected to increase another 10% in the next two years.

The Santa Cruz County Sanitation District reviews its rates annually and rate increases are approved by the District's Board of Directors through a public process. Rates were increased 9% over the past two years and are expected to increase another 6 to 8% in the next two years. Sewer service charges for commercial customers are based on volume, Biochemical Oxygen Demand (BOD) and Suspended Solids (SS).

**Salsipuedes Sanitary District**

The Salsipuedes Sanitary District charges a flat monthly rate. There has been no increase in the past two years and none is expected.

**County Service Areas**

Most of the County Service Areas have increased rates in the past two years, and most are expecting a 10% rate increase over the next two years. The rate structure for each CSA is evaluated annually during the budgeting process. The Public Works Department staff consults with the user groups and recommends changes based on available financing and projected maintenance needs as well as capital reserve goals.

**San Lorenzo Valley Water District**

The San Lorenzo Valley Water District charges a flat bi-monthly rate for wastewater services. The rates will be increased in order to pay for the improvements to the system, either through the service fee, a property related charge or formation of an assessment district.

**3.8 Government Structure Options****Cities**

The cities are providing wastewater services in accordance with their policies and General Plans, and wastewater collection and treatment services are not extended outside the Urban Service Area boundaries.

**County Sanitation Districts**

The County Sanitation Districts were formed and operate in accordance with Health and Safety Code §4700 et seq. The Davenport County Sanitation District is geographically isolated and no other public service providers are nearby. One option would be privatization of services, although this would require public support and a private company willing to provide the service. CEMEX, which operates the cement plant in Davenport, contributes 46% of the service charge revenue and has a significant interest in the District's operations.

In the Mid-County, 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 sewerred 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.

The Freedom County Sanitation District is providing service to three parcels outside the District's boundaries. LAFCO should consider adjusting the District's boundaries to clear this issue up.

Watsonville has been annexing portions of the Freedom County District and there is a concern that a small island of collection lines and pump stations will remain with minimal funding and high service charges, a situation that would not be in the best interest of the residents. The City of Watsonville is preparing a Wastewater Master Plan which is expected to be completed at the end of 2005. The Plan will provide direction and identify infrastructure needs for the City's entire system over the next twenty years. LAFCO should consider designating this as a special study area to determine the most efficient way to provide services. (This study should also include the Salsipuedes Sanitary District.) In the meantime, LAFCO should consider adopting a zero sphere for the Freedom County Sanitation District if a suitable operations agreement can be structured to continue service to the portions of the district outside the city's boundaries and sphere of influence.

### **Salsipuedes Sanitary District**

The Salsipuedes Sanitary District was formed in 1965 pursuant to the Sanitary District Act of 1923 (Health and Safety Code §6400 et seq.). With the cancellation of the agreement with the County and the limited staff resources of the District, there may be benefit to:

- Annexing all or part of the district to the City of Watsonville
- Contracting with a nearby agency or private service provider to maintain the system
- Consolidating the Salsipuedes Sanitary District and the Freedom County Sanitation District in an effort to maintain some economies of scale in sewer systems outside the City of Watsonville.

Disadvantages include loss of local control; however it should be noted that with stricter regulations and environmental issues, it is essential that the District's system is operated and maintained by staff with the resources to address issues immediately. The issues are similar to those of the Freedom County Sanitation District. LAFCO should consider this area for a special study to determine the most cost-effective, efficient means to provide wastewater services for the residents.

### **County Service Areas**

There are parcels located outside of the CSA 7 (Boulder Creek Country Club) boundaries that have failing septic systems; the owners have expressed interest in connecting to the sewer system. The County should provide LAFCO with a list of the parcels for consideration when updating the CSA's sphere of influence.

There may be benefits to consolidating CSAs 10 and 57 (Rolling Woods and Graham Hill/Woods Cove) as they are in proximity to each other and provide similar services. Another option would be to create one CSA that includes CSA 10 (Rolling Woods) and Pasatiempo and possibly CSA 57 (Graham Hill). The County is currently preparing an engineering report on the most feasible manner of sewerage the Pasatiempo area in order to reduce nitrate levels in groundwater and surface water.

Alternatives to the current government structure for the local CSAs are limited given their relatively small size and the services provided. In general CSAs can be reorganized as independent agencies, consolidated with other CSAs, merged with cities or dissolved. For the CSAs, the residents have either elected or been required to provide enhanced wastewater services due to water quality conditions. If a CSA chose to reorganize as an independent agency, it would be required to provide its own management, and maintenance and operations costs would undoubtedly increase. The CSAs would also lose any efficiencies created by having one organization, i.e. Santa Cruz County, manage all the CSAs.

This study identified no other agencies that would be appropriate successor agencies for the CSAs.

### **San Lorenzo Valley Water District**

The San Lorenzo Valley Water District was formed pursuant to the County Water District Law (Water Code §30000 et seq.) and as such it is authorized to provide wastewater services. The Bear Creek Estates could elect to privatize services or become a County Service Area. However, the District is also providing water service to the area and there are economies and efficiencies gained from having the District provide both services.

### **3.9 Local Accountability and Governance**

Wastewater services provided by the cities are addressed by the respective City Councils during regular council meetings. The cities also provide information on their websites regarding wastewater services and their treatment plants and all offer tours of the treatment facilities.

As an additional measure of local accountability, the City of Santa Cruz Public Works Commission serves in an advisory role to provide guidance to the City Council on public works issues and capital improvement projects, including wastewater. Commissioners are appointed by the City Council.

Watsonville has included programs for public education in its annual goals and objectives for wastewater.

The Davenport and Freedom County Sanitation Districts are dependent special districts governed by the County Board of Supervisors as are the County Service Areas. County Supervisors receive no additional compensation for these responsibilities. Santa Cruz County staff from the Public Works Department manages the wastewater services for each of the CSAs with the exception of CSA 12. CSA 12 is managed by County Health Services Environmental Health Division. The County has established procedures and protocols for public notice of meetings and Board actions.



**Santa Cruz County Sanitation District**

The Santa Cruz County Sanitation District is a dependent special district governed by a three member Board of Directors appointed by the County Board of Supervisors. The Board consists of the Mayor of Capitola (or his or her council representative) and the County Supervisors representing the 1<sup>st</sup> and 2<sup>nd</sup> Districts. The current Board is as follows:

Board Member	Title	Term of Office	Compensation
Stephanie Harlan	Board Chairman / Mayor of Capitola	2006	\$100/meeting
Jan Beautz	Director / County Supervisor District 1	2009	\$100/meeting
Ellen Pirie	Director / County Supervisor District 2	2009	\$100/meeting

The Board meets the first and third Thursday of the month at 4:45 PM at 2750 Lode Street in Live Oak. Public notice is provided through the newspaper and mass mailing.

**Salsipuedes Sanitary District**

The 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:

Board Member	Title	Term of Office	Compensation
Robert M. Silva	Board President	2008	\$150 per mtg.
Lisa Costello	Director	2008	\$100 per mtg.
Michael Larkin	Director	2006	\$100 per mtg.
Robert Wilt	Director	2008	\$100 per mtg.
Carlton Watkins	Director	2006	\$100 per mtg.

The Board of Directors meets the first Wednesday of each month at 7:00 PM at the District's offices. Public noticed is provided through posting.

**San Lorenzo Valley Water District**

The San Lorenzo Valley Water District is an independent special district governed by a five member Board of Directors elected at large by the voters in the District. In the last election five candidates ran for two open seats; both incumbents were re-elected. The current Board is as follows:

Board Member	Title	Term of Office	Compensation
David Ross	Director	2008	\$100/meeting
Terry Vierra	President	2006	\$100/meeting
James Rapoza	Director	2006	\$100/meeting
James Nelson	Vice President	2008	\$100/meeting
Larry Prather	Director	2006	\$100/meeting

The Board of Directors meets the first and third Thursday of each month at 7:30 PM at the District's offices. Public notice is provided through posting at the District's office and libraries, an email list-serve, website, and local newspaper. The District provides some information on the wastewater system on its website ([www.slvwd.com](http://www.slvwd.com)).

**– DETERMINATIONS BY AGENCY –**

**– City of Santa Cruz–**

**1) Population and Growth**

Population within the City of Santa Cruz is expected to reach 63,987 by 2030 with an annual growth rate of 0.5%. Growth will result in continued demand for wastewater services.

The City's Sewer System Ordinance authorizes mandatory sewer connection and declares other means of sewage disposal to be a nuisance; any new development will require connection to the wastewater system.

**2) Infrastructure Needs and Deficiencies**

The City of Santa Cruz wastewater system includes a citywide collection system and a regional wastewater treatment facility that also serves the Santa Cruz County Sanitation District, UC Santa Cruz and County Service Area 57 (Graham Hill/Woods Cove).

Infrastructure and facility needs are addressed through the City Department of Public Works planning and budgeting process. The City's Capital Improvement Program includes renovations to the wastewater collection system and the wastewater treatment facility. The Program is adopted annually and funded based on revenue and need.

**3) Financing Constraints and Opportunities**

The City of Santa Cruz operates its wastewater utility as an enterprise activity; service charges and other revenues fully cover the cost of operations.

The City has long-term debt associated with the wastewater system. The City has restricted reserves to cover future bond payments as required by the terms of the agreements.

### **4) Cost Avoidance Opportunities**

The City of Santa Cruz is controlling wastewater costs by actively monitoring and maintaining the collection and main lines through videotaped camera inspections. The Public Works Department has a program to identify and target sewer lines impacted by high stormwater infiltration and inflow.

The City apportions the cost of operating the Santa Cruz Wastewater Treatment Facility with the Santa Cruz County Sanitation District based on flow volume.

### **5) Management Efficiencies**

The City of Santa Cruz is achieving management efficiencies for its wastewater systems through an organizational structure that includes two divisions: Wastewater Mains and Wastewater Treatment Facility. The Wastewater Mains Division also maintains the flood control infrastructure within the City.

The City revised its Sewer System Ordinance in 2002 to ensure that regulations supported the City's policies and the regulatory requirements for water quality and wastewater systems.

### **6) Shared Facilities**

The City of Santa Cruz shares its facilities by providing wastewater treatment services for the Santa Cruz County Sanitation District, UC Santa Cruz and County Service Area 57 (Graham Hill/Woods Cove).

The City shares the ocean outfall with the City of Scotts Valley.

### **7) Rate Restructuring**

The City of Santa Cruz reviews wastewater rates annually; yearly increases are planned through FY 2006.

The City's wastewater rate structure for businesses is based on the constituents in the sewage and the level of treatment required; businesses generating sewage that requires more treatment pay higher rates.

### **8) Government Structure Options**

The City of Santa Cruz provides wastewater collection services within the City and treatment services for the City, the Santa Cruz County Sanitation District and CSA 57.

The Santa Cruz County Sanitation District is providing service to three connections within the City of Santa Cruz and outside the District's boundaries (Harbor High, Santa Cruz Port, and a satellite medical center) served by the City.

**9) Local Accountability and Governance**

Wastewater services are addressed by the Santa Cruz City Council during regular meetings. Public notice is provided for all meetings. Information on the Public Works Department and wastewater services are provided on the City's website.

The City of Santa Cruz Public Works Commission serves in an advisory role to provide guidance to the City Council on public works issues and capital improvement projects, including wastewater.

**– City of Scotts Valley–**

**1) Population and Growth**

Population within the City of Scotts Valley is expected to reach 14,275 by 2030 with an annual growth rate of 0.3%. Growth will result in continued demand for wastewater services and recycled water.

**2) Infrastructure Needs and Deficiencies**

The City of Scotts Valley wastewater collection and treatment facilities serve the incorporated area of the City and 30 connections outside city boundaries in Pasatiempo Pines and Manana Woods.

The City produces recycled water at its wastewater treatment plant; the recycled water is distributed by the Scotts Valley Water District.

Infrastructure and facility needs are addressed through the City's Department of Public Works planning and budgeting process. The City's Capital Improvement Program includes reconstruction and installation of new equipment to improve wastewater operations.

**3) Financing Constraints and Opportunities**

The City of Scotts Valley operates its wastewater utility as an enterprise activity; service charges and other revenues cover the cost of operations.

The City uses several funds to account for revenue to be used for capital improvements, such as the Wastewater Equipment Replacement Reserve funded through sewer service charges and a Wastewater Capital Reserve Fund funded through development impact fees.

**4) Cost Avoidance Opportunities**

The City of Scotts Valley is controlling wastewater costs by scheduled monitoring and maintenance of the system pipelines and lift stations and the use of a telemetric monitoring and control system at the treatment plant.

**5) Management Efficiencies**

The City of Scotts Valley Wastewater Treatment Plant received the 2004 State Plant of the Year award from the California Water Environment Association.

**6) Shared Facilities**

The City of Scotts Valley shares the ocean outfall with the City of Santa Cruz.

The City of Scotts Valley operates the tertiary treatment plant and produces recycled water for the Scotts Valley Water District.

**7) Rate Restructuring**

The City of Scotts Valley charges a flat rate for wastewater services. Rates have not increased since 1995, and revenue has been adequate for operational and capital needs.

**8) Government Structure Options**

The City of Scotts Valley provides wastewater collection and treatment services for approximately 30 customers in the unincorporated Pasatiempo Pines and Manana Woods areas adjacent to the City. No other government structure options were identified.

**9) Local Accountability and Governance**

Wastewater services are addressed by the Scotts Valley City Council during regular meetings. Public notice is provided for all meetings. Information on the Public Works Department and wastewater services are provided on the City's website.

**– City of Watsonville –**

**1) Population and Growth**

Population within the City of Watsonville is expected to reach 70,418 by 2030 with an annual growth rate of 1.3%. Growth within the City and surrounding unincorporated area will result in continued demand for wastewater services.

**2) Infrastructure Needs and Deficiencies**

The City of Watsonville provides wastewater collection services for the City. The Treatment Plant serves the City, the Salsipuedes Sanitary District, the Freedom County Sanitation District, and the Pajaro County Sanitation District in Monterey County.

The City is in the process of constructing tertiary treatment facilities, and recycled water is expected to be available by mid 2007.

Infrastructure and facility needs are addressed through the City Department of Public Works planning and budgeting process. The City's Capital Improvement Program includes testing, renovation, rehabilitation, and new construction projects. The Sewer Fund balance is entirely designated for capital needs.

**3) *Financing Constraints and Opportunities***

The City of Watsonville operates its wastewater utility as an enterprise activity; service charges and other revenues fully cover the cost of providing service and capital needs.

The City issued a Sewer Revenue Refunding Bond in 1998. The bond will mature in 2016; annual debt service is approximately \$760,000 and is paid out of the revenues from sewer services.

**4) *Cost Avoidance Opportunities***

The City of Watsonville is controlling wastewater costs through scheduled maintenance and system monitoring. The City also performs testing to identify illegal cross connections and to identify and correct areas where stormwater is entering the sewer system.

**5) *Management Efficiencies***

The City of Watsonville Public Works Department is achieving management efficiency through its organizational structure. The Collections Division is responsible for both stormwater and sewer collection systems.

**6) *Shared Facilities***

The City of Watsonville provides wastewater treatment services for the Salsipuedes Sanitary District, the Freedom County Sanitation District and the Pajaro County Sanitation District (Monterey County).

**7) *Rate Restructuring***

The City of Watsonville charges a flat rate for residential wastewater services. Commercial accounts are charged a base rate plus quantity charge based on the type of wastewater generated. Industrial accounts are charged based on the quantity of wastewater generated and the treatment level needed.

Rates are adjusted annually based on changes in the Consumer Price Index.

**8) *Government Structure Options***

The City of Watsonville provides wastewater collection and treatment services within the incorporated area of the City and provides treatment services for agencies serving unincorporated area. Watsonville has been annexing portions of the Freedom County Sanitation District which may eventually leave a small island of collection lines and pump stations. LAFCO should consider designating the area north of the City as a special study area to determine the most efficient way to provide wastewater collection services. Also, the City of Watsonville should consider any request by the Salsipuedes Sanitary District to provide maintenance services to the district.

**9) *Local Accountability and Governance***

Wastewater services are addressed by the Watsonville City Council during regular meetings. Public notice is provided for all meetings. Information on the Public Works Department and wastewater services

are provided on the City's website. The Public Works Department includes programs for public education in its annual goals and objectives and offers tours of the Wastewater Treatment Plant.

**– Davenport County Sanitation District–**

**1) *Population and Growth***

The Davenport County Sanitation District serves an estimated population of 200 within the Davenport community. Little to no growth is projected over the next twenty years.

**2) *Infrastructure Needs and Deficiencies***

The Davenport County Sanitation District provides both water and wastewater services, including recycled water for the CEMEX cement plant.

The District performs regular maintenance on the system and has reserves for capital needs. The District will be challenged to have adequate funding for collection system replacement projects and facilities upgrades in the future.

**3) *Financing Constraints and Opportunities***

The Davenport County Sanitation District is funded through service charges and the District's share of the property tax. The District maintains reserves for capital needs.

CEMEX contributes a significant portion of the service charge revenue (46% in FY 2004-2005).

**4) *Cost Avoidance Opportunities***

The Davenport County Sanitation District is controlling costs through the management and operations provided by the County Department of Public Works, including sharing staff and equipment as needed.

**5) *Management Efficiencies***

The Davenport County Sanitation District is achieving management efficiency through the management provided by the County Department of Public Works.

**6) *Shared Facilities***

The Davenport County Sanitation District shares equipment with the Santa Cruz County Sanitation District as well as the other services provided through the County.

**7) *Rate Restructuring***

The Davenport County Sanitation District rate structure is reviewed annually. Rates have increased 20% over the past two years and are expected to increase another 10% in the next two years.



**8) Government Structure Options**

The Davenport County Sanitation District is a dependent special district operating in accordance with Health and Safety Code §4700 et seq. The District is geographically isolated and no other public service providers are nearby. Privatization of services is an option, although this would require public support and a private company willing to provide the service.

**9) Local Accountability and Governance**

The Davenport County Sanitation District is governed by the County Board of Supervisors and addressed during the Board's regular meetings. Public notice is provided for all meetings through posted notice, email, newspaper notice and website. The County Department of Public Works has information on the District on its website.

**– Freedom County Sanitation District–**

**1) Population and Growth**

The Freedom County Sanitation District serves an estimated population of 5,040 in the Buena Vista, Calabasas, and Green Valley areas adjacent to the City of Watsonville. Watsonville is projected to have the highest growth rate in the County at 1.3% per year. The City is preparing a general plan update, specific plan, sphere of influence amendment, and environmental impact report for significant new residential growth in the Buena Vista and Calabasas areas.

**2) Infrastructure Needs and Deficiencies**

The Freedom County Sanitation District provides wastewater collection services; treatment is provided through the Watsonville Wastewater Treatment Plant.

The District has budgeted for approximately \$1.6 million in capital projects in FY 2004-2005 including pump station and sewer line replacements.

**3) Financing Constraints and Opportunities**

The Freedom County Sanitation District is primarily funded through sewer service charges. The District maintains reserves for capital needs.

District funding will be reduced in the future as areas are detached from the District and annexed to the City of Watsonville.

**4) Cost Avoidance Opportunities**

The Freedom County Sanitation District is controlling costs through the management and operations provided by the County Department of Public Works, including sharing staff and equipment as needed.

**5) Management Efficiencies**

The Freedom County Sanitation District is achieving management efficiency through the management provided by the County Department of Public Works.

**6) Shared Facilities**

The Freedom County Sanitation District shares equipment with the Santa Cruz County Sanitation District as well as the other services provided through the County.

**7) Rate Restructuring**

The Freedom County Sanitation District rate structure is reviewed annually in the context of operations and capital needs. Rates have increased 57% over the past two years and are expected to increase another 10% in the next two years.

**8) Government Structure Options**

The Freedom County Sanitation District is a dependent special district operating in accordance with Health and Safety Code §4700 et seq. Watsonville has been annexing portions of the District which may eventually leave a small island of collection lines and pump stations. LAFCO should consider designating the area north of Watsonville as a special study area to determine the most efficient way to provide wastewater collection services.

LAFCO should consider adopting a zero sphere for the Freedom County Sanitation District if an acceptable governance and maintenance structure can be designed for the Green Valley corridor area not included in the City's sphere of influence.

**9) Local Accountability and Governance**

The Freedom County Sanitation District is governed by the County Board of Supervisors and addressed during the Board's regular meetings. Public notice is provided for all meetings through posted notice, email, newspaper notice and website. The County Department of Public Works has information on the District on its website.

**– Santa Cruz County Sanitation District–**

**1) Population and Growth**

The Santa Cruz County Sanitation District serves an estimated population of 83,000 in the City of Capitola and surrounding communities of Aptos, Soquel and Live Oak. Capitola is projected to have an annual growth rate of 0.1% and the unincorporated areas 0.3%.

**2) Infrastructure Needs and Deficiencies**

The Santa Cruz County Sanitation District provides wastewater collection services; treatment is provided through the City of Santa Cruz Wastewater Treatment Plant.

The District has budgeted for approximately \$25.7 million in capital projects in FY 2004-2005.

**3) *Financing Constraints and Opportunities***

The Santa Cruz County Sanitation District is primarily funded through sewer service charges. The District maintains reserves for capital needs.

The District has \$30,465,741 in long-term debt as June 30, 2004, including Revenue Bonds, Limited Obligation Improvement Bonds, Certificates of Participation, and loans payable. Average annual debt service through 2009 is \$2,626,605.

**4) *Cost Avoidance Opportunities***

The Santa Cruz County Sanitation District is controlling costs through the management and operations provided by the County Department of Public Works, including sharing staff and equipment as needed.

**5) *Management Efficiencies***

The Santa Cruz County Sanitation District is achieving management efficiency through the management provided by the County Department of Public Works.

**6) *Shared Facilities***

The Santa Cruz County Sanitation District shares equipment with the Davenport and Freedom County Sanitation Districts and the various County Service Areas through a cost management/rental process.

**7) *Rate Restructuring***

The Santa Cruz County Sanitation District rate structure is reviewed annually with respect to operational and capital needs. Rates have increased 9% over the past two years and are expected to increase another 6 to 8 % in the next two years.

**8) *Government Structure Options***

The Santa Cruz County Sanitation District is a dependent special district operating in accordance with Health and Safety Code §4700 et seq. This study identified no governmental structure options that would improve the efficiency and accountability of the district. In its next sphere of influence review, the District and LAFCO should review the northern boundary of the district in the foothills of the Santa Cruz Mountains to assure that the sphere is consistent with the current service area and the County's Urban Services Line.

Following that sphere review, the District and LAFCO may then consider whether to pursue a reorganization that annexes and detaches properties to bring the District's northern boundary into the maximum conformity possible with the County's Urban Services Line.

**9) Local Accountability and Governance**

The Santa Cruz County Sanitation District is governed by a three-member Board of Directors appointed by the County Board of Supervisors. The Board consists of the Mayor of Capitola (or his or her council representative) and the County Supervisors representing the 1<sup>st</sup> and 2<sup>nd</sup> Districts. The Board meetings are open and accessible to the public. Public notice is provided through the newspaper and mass mailing for public hearings. The County Department of Public Works has information on the District on its website.

**– Salsipuedes Sanitary District–**

**1) Population and Growth**

The Salsipuedes Sanitary District serves an unincorporated area northeast of Watsonville. The Association of Monterey Bay Area Governments projects Watsonville to have the highest growth rate in the County at 1.3% per year; unincorporated areas average 0.3% annually.

**2) Infrastructure Needs and Deficiencies**

The Salsipuedes Sanitary District provides wastewater collection services; treatment is provided through the City of Watsonville Wastewater Treatment Plant.

The District is in the process of developing a Capital Improvement Program. A sewer line replacement project was completed in 2004.

**3) Financing Constraints and Opportunities**

The Salsipuedes Sanitary District is funded through service charges and property tax. The District has designated \$450,000 in reserves for capital needs.

**4) Cost Avoidance Opportunities**

The Salsipuedes Sanitary District is controlling costs through implementing a public education and inspection program to limit the amount of grease entering the sewer system in order to reduce blockages and maintain capacity in the system lines.

**5) Management Efficiencies**

The Salsipuedes Sanitary District employs one part-time manager.

The District's agreement with the County to provide permitting, engineering and maintenance services terminated as of June 30, 2005 per the County's request. The District has entered into an agreement with a private firm effective July 1, 2005 for maintenance of the sewer main.

**6) Shared Facilities**

The Salsipuedes Sanitary District shares treatment facilities through the services provided by the City of Watsonville.

**7) Rate Restructuring**

The Salsipuedes Sanitary District charges a flat monthly rate; rates have not increased in the past two years. The District's rate is the lowest in the County at \$12 per month per residence.

**8) Government Structure Options**

The Salsipuedes Sanitary District was formed in 1965 pursuant to the Sanitary District Act of 1923 (Health and Safety Code §6400 et seq.). The District is currently serving parcels outside its Sphere of Influence.

LAFCO should consider designating the area north of Watsonville as a special study area to determine the most efficient way to provide wastewater collection services in the area served by the City of Watsonville, Freedom County Sanitation District and Salsipuedes Sanitary District.

Depending on the District's strategy to maintain and operate its system after the services with the County are terminated, LAFCO should consider adopting a zero sphere for the District.

**9) Local Accountability and Governance**

The Salsipuedes Sanitary District is governed by a five-member Board of Directors. The Board meetings are open and accessible to the public. Public notice is provided through posting.

**– County Service Areas 2, 5, 7, 10, 12, 20, 57–**

**1) Population and Growth**

The CSAs serve unincorporated areas that are not served by other public wastewater systems. The population within the unincorporated area of the County is expected to reach 145,031 by 2030 with an average annual growth rate of 0.3%.

**2) Infrastructure Needs and Deficiencies**

The wastewater infrastructure of the County Service Areas ranges from community septic systems to collection systems and onsite treatment plants.

The County addresses the needs of each CSA through the planning and budgeting process. Infrastructure improvements are made as funding is available.

**3) Financing Constraints and Opportunities**

The County Service Areas are funded through assessments and service charges. The CSAs maintain reserves for future capital needs.

County Service Area 5 (Sand Dollar/Cañon del Sol) includes a special assessment district that has a loan payable with an outstanding balance of \$84,232 at June 30, 2004. Annual debt service is approximately \$15,000; the debt will be retired in 2008.

County Service Area 12 (Septic Maintenance) has entered into a contract with the State Water Resources Control Board to provide low-interest loans to assist property owners in upgrading on-site sewage treatment systems in the San Lorenzo River Watershed. The program is expected to provide for \$2.2 million in loans over five years, with repayment over a twenty-year period.

#### **4) Cost Avoidance Opportunities**

The County Service Areas are controlling costs through shared management, staff and resources provided by the County, including the Public Works Department and the County Health Services - Environmental Health Division.

#### **5) Management Efficiencies**

The County Service Areas are achieving management efficiencies through the management provided by the County and the appropriate allocation of staff and equipment based on the maintenance and operational needs of each CSA.

#### **6) Shared Facilities**

The County Service Areas share staff and equipment with the other CSAs and the Santa Cruz and Freedom County Sanitation Districts.

#### **7) Rate Restructuring**

Rates are reviewed annually for each of the County Service Areas during the budgeting process. Most rates have increased over the past two years and are expected to increase another 10% in the next two years.

#### **8) Government Structure Options**

County Service Areas 2, 5, 7, 10, 20, and 57 serve local communities; CSA 12 (Septic Maintenance) serves all unincorporated areas not served by other public wastewater systems. Some government structure options were identified:

- There are parcels adjacent to CSA 7 (Boulder Creek Country Club) with failed septic systems that may benefit from an extension of sewer service;
- There may be economies of scale or efficiencies gained by consolidating CSA 10 (Rolling Woods) and CSA 57 (Graham Hill/Woods Cove); and/or allowing annexations of surrounding properties to CSA 10; and
- The County is planning to provide sewer service in the Pasatiempo area and is considering creating a new CSA that would incorporate CSA 10 and Pasatiempo.

**9) Local Accountability and Governance**

The County Service Areas are dependent special districts governed by the County Board of Supervisors. The County has procedures in place to ensure that local accountability and governance standards are met.

**– San Lorenzo Valley Water District–**

**1) Population and Growth**

The San Lorenzo Valley Water District provides wastewater service to the Bear Creek Estates subdivision. There are 64 developed parcels and approximately 5 vacant parcels. Growth will occur as the parcels are developed.

**2) Infrastructure Needs and Deficiencies**

The San Lorenzo Valley Water District's wastewater system includes collection and a community septic system.

The District has upgraded the treatment system to comply with the regulations of the Regional Water Quality Control Board to reduce nitrogen in effluent by 50% within the San Lorenzo Valley Watershed.

**3) Financing Constraints and Opportunities**

The San Lorenzo Valley Water District operates its wastewater utility as an enterprise activity, funded through service charges.

**4) Cost Avoidance Opportunities**

The San Lorenzo Valley Water District is avoiding costs through studies to identify the most effective, cost efficient alternative to upgrade the wastewater system and the installation of a solar energy system.

**5) Management Efficiencies**

The San Lorenzo Valley Water District is achieving management efficiencies through the District's operations and staff assignments; staff and equipment maintain both the water and wastewater systems.

**6) Shared Facilities**

The San Lorenzo Valley Water District wastewater utility is sharing facilities, staff and resources with the District's water utility.

**7) Rate Restructuring**

The San Lorenzo Valley Water District charges a flat bi-monthly rate for wastewater service. The cost to property owners will increase due to the system upgrades, either through a rate increase, assessments or creation of an assessment district.

**8) Government Structure Options**

The San Lorenzo Valley Water District is providing water and wastewater service to a portion of the Bear Creek Estates subdivision. The service is efficient, and no benefits may accrue from a change to a County Service Area or privatization.

**9) Local Accountability and Governance**

The San Lorenzo Valley Water District is governed by a Board of Directors elected at large by the voters in the District. Meetings are open and accessible to the public and public notice is provided through a variety of means. The District maintains a website which contains information on the District's operations and the wastewater system.



## Agency Profiles

City of Santa Cruz (Wastewater Services)			
Contact:	Mark Dettle, Public Works Director		
Mailing Address:	809 Center Street, Room 201, Santa Cruz, CA 95060		
Site Address:			
Phone Number:	(831) 420-5160		
Fax Number:	(831) 420-5011		
Email/Website	<a href="mailto:citypw@ci.santa-cruz.ca.us">citypw@ci.santa-cruz.ca.us</a>		
Types of Services:	Wastewater collection, treatment, recycled water, septic system monitoring/maintenance		
Population Served:	55,633		
Size of Service Area (sq miles):	12 sq miles for collection / City Treatment Plant also serves Santa Cruz County Sanitation District (Live Oak, Soquel, Capitola, Aptos)		
Staff and Infrastructure			
Staff: FTE	50.25		
Miles of pipeline (lateral and main)	208		
Treatment Plant Capacity	17 million gallons per day		
Volume of Sewage Spills	80,000 gallons – FY 03-04		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$14,425,485	\$15,750,835	\$5,273,720

City of Scotts Valley (Wastewater Services)			
Contact:	Scott Hamby, Wastewater Environmental Program Manager		
Mailing Address:	One Civic Center Drive, Scotts Valley, CA 95066		
Site Address:	700 Lundy Lane, Scotts Valley, CA 95066		
Phone Number:	(831) 438-0732		
Fax Number:	(831) 438-7218		
Email/Website	shamby@scottsvalley.org		
Types of Services:	Wastewater collection, treatment, recycled water		
Population Served:	11,598		
Size of Service Area (sq miles):	4.5 sq miles		
Staff and Infrastructure			
Staff: FTE	7		
Miles of pipeline (lateral and main)	5		
Treatment Plant Capacity	1.5 million gallons per day		
Volume of Sewage Spills	3,400 gallons – 2003 and 2004		
Financial Information			
Operations Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$1,638,000	\$1,470,665	\$1,685,000

City of Watsonville (Wastewater Services)			
Contact:	David A. Koch, Director of Public Works		
Mailing Address:	250 Main Street, Watsonville, CA 95076		
Phone Number:	(831) 768-3100		
Fax Number:	(831) 761-0736		
Email/Website	dkoch@ci.watsonville.ca.us		
Types of Services:	Wastewater collection, treatment		
Population Served:	52,716		
Size of Service Area (sq miles):	6.59 sq miles for collection / City Treatment Plant also serves Salsipuedes Sanitary District, Freedom County Sanitation District, Pajaro County Sanitation District in Monterey County		
Staff and Infrastructure			
Staff: FTE	22.6		
Miles of pipeline (lateral and main)	150		
Treatment Plant Capacity	12.1 million gallons per day		
Volume of Sewage Spills	2,300 gallons – 2003		
Financial Information			
Operations Budget: (FY 2004-2005)	Revenues	Expenses*	Fund Balance (June 30, 2004)
	\$16,283,104	\$16,734,621	\$12,539,483
* Includes stormwater collection services			

Davenport County Sanitation District			
Contact:	Tom Bolich, Director of Public Works		
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060		
Site Address:	Same		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2835		
Email/Website	<a href="mailto:susann.rogberg@co.santa-cruz.ca.us">susann.rogberg@co.santa-cruz.ca.us</a>		
Types of Services:	Wastewater collection, treatment, recycled water		
Population Served:	200		
Size of Service Area (sq miles):	0.1 sq mile		
Staff and Infrastructure			
Staff: FTE	1		
Miles of pipeline (lateral and main)	3.2		
Treatment Plant Capacity	0.050 million gallons per day		
Volume of Sewage Spills	none		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$387,412	\$517,797	\$147,130

Freedom County Sanitation District			
Contact:	Tom Bolich, Director of Public Works		
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060		
Site Address:	Same		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2835		
Email/Website	<a href="mailto:susann.rogberg@co.santa-cruz.ca.us">susann.rogberg@co.santa-cruz.ca.us</a>		
Types of Services:	Wastewater collection / Treatment provided by City of Watsonville		
Population Served:	5,040		
Size of Service Area (sq miles):	0.838 sq miles		
Staff and Infrastructure			
Staff: FTE	8		
Miles of pipeline (lateral and main)	25		
Volume of Sewage Spills	475 gallons (2003-2004)		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$581,557	\$3,360,920	\$2,075,020

Santa Cruz County Sanitation District			
Contact:	Tom Bolich, Director of Public Works		
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060		
Site Address:	Same		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2835		
Email/Website	<a href="mailto:susann.rogberg@co.santa-cruz.ca.us">susann.rogberg@co.santa-cruz.ca.us</a>		
Types of Services:	Wastewater collection / Treatment provided by City of Santa Cruz		
Population Served:	83,000+		
Size of Service Area (sq miles):	13.22 sq miles (Capitola, Live Oak, Soquel, Aptos)		
Staff and Infrastructure			
Staff: FTE	52		
Miles of pipeline (lateral and main)	198		
Volume of Sewage Spills	60,045 gallons (2003-2004)		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$17,420,000	\$45,860,328	\$21,883,160

Salsipuedes Sanitary District			
Contact:	Joanne Turnquist, Secretary/Manager		
Mailing Address:	739 East Lake Avenue, Ste. 2, Watsonville, CA 95076		
Site Address:	Same		
Phone Number:	(831) 722-7760		
Fax Number:	(831) 722-7487		
Email/Website	<a href="mailto:salsan@sbcglobal.net">salsan@sbcglobal.net</a>		
Types of Services:	Wastewater collection / Treatment provided by City of Watsonville		
Population Served:	Unknown		
Size of Service Area (sq miles):	7 sq miles		
Staff and Infrastructure			
Staff: FTE	0.5		
Miles of pipeline (lateral and main)	7		
Volume of Sewage Spills	15 gallons – 2003		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$131,841	\$356,252	\$676,086

County Service Areas 2, 5, 7, 10, 20, 57			
Contact:	Tom Bolich, Director of Public Works		
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060		
Site Address:	Same		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2835		
Email/Website	<a href="mailto:susann.rogberg@co.santa-cruz.ca.us">susann.rogberg@co.santa-cruz.ca.us</a>		
Types of Services:	Wastewater collection, treatment, septic system monitoring		
Population Served:	Varies		
Size of Service Area (sq miles):	Varies		
Staff and Infrastructure			
Staff: FTE	7		
Miles of pipeline (lateral and main)	6.4		
Volume of Sewage Spills	27,208 FY 2003-2004 (CSA 7)		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
CSA 2 Place de Mer	\$68,246	\$86,846	\$14,405
CSA 5 Sand Dollar/Canon del Sol	\$184,647	\$270,741	\$161,845
CSA 7 Boulder Creek Country Club	\$311,276	\$306,198	(\$5,078)
CSA 10 Rolling Woods	\$53,445	\$53,372	(\$73)
CSA 20 Trestle Beach	\$62,017	\$65,887	\$10,393
CSA 57 Graham Hill	\$35,922	\$106,497	\$81,417

County Service Area 12 – Wastewater Management			
Contact:	John Ricker, Land Use & Water Quality Program Manager		
Mailing Address:	701 Ocean Street, Room 312, Santa Cruz, CA 95060		
Site Address:	Same		
Phone Number:	(831) 454-2750		
Fax Number:	(831) 454-3128		
Email/Website	<a href="mailto:john.ricker@co.santa-cruz.ca.us">john.ricker@co.santa-cruz.ca.us</a> ; <a href="http://sccounty01.co.santa-cruz.ca.us/eh/ehhome.htm">sccounty01.co.santa-cruz.ca.us/eh/ehhome.htm</a>		
Types of Services:	Wastewater treatment, septic system monitoring and maintenance		
Population Served:	66,000		
Size of Service Area (sq miles):	200 sq miles		
Staff and Infrastructure			
Staff: FTE	1		
Miles of pipeline (lateral and main)	NA		
Volume of Sewage Spills	NA		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$1,238,500	\$2,010,482	\$789,761

San Lorenzo Valley Water District			
Contact:	James Mueller, District Manager		
Mailing Address:	13060 Highway 9, Boulder Creek, CA 95006		
Site Address:	Same		
Phone Number:	(831) 430-4625		
Fax Number:	(831) 338-7986		
Email/Website	<a href="mailto:jmueller@slvwd.com">jmueller@slvwd.com</a> ; <a href="http://www.slvwd.com">www.slvwd.com</a>		
Types of Services:	Wastewater collection, treatment		
Population Served:	180		
Size of Service Area (sq miles):	(wastewater service provided to Bear Creek Estates only)		
Staff and Infrastructure			
Staff: FTE	0.10		
Miles of pipeline (lateral and main)	1.2		
Volume of Sewage Spills	None		
Financial Information			
Wastewater Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$196,100	\$191,580	

## **4. STREET AND HIGHWAY SERVICES**

---

**City of Capitola**

**City of Santa Cruz**

**City of Scotts Valley**

**City of Watsonville**

**County Service Areas – Road Maintenance**

## 4.0 STREET AND HIGHWAY SERVICES

### Agency Overview

Street and highway-related services are provided within Santa Cruz County by each of the cities as well as the County and Caltrans. Caltrans is not subject to LAFCO purview and is not addressed in this service review. There are also a number of County Service Areas (CSAs) formed specifically to provide funding for enhanced or extended street services that are not normally provided to the same extent on a county-wide basis. The public agencies providing street and highway services are as follows:

**Table 4.1 – Street & Highway Service Agencies**

Santa Cruz LAFCO Countywide Service Review				
	Street Construction & Maintenance	Street Lighting	Street Sweeping	Landscaping / Maintenance
<b>Cities</b>				
City of Capitola	•	•	•	•
City of Santa Cruz	•	•	•	•
City of Scotts Valley	•	•	•	•
City of Watsonville	•	•	•	•
<b>Special Districts</b>				
CSA 9 – County Hwy Safety Svc. Area		•		
CSA 9A – Residential Street Lighting		•		
CSA 9C – Refuse Disposal			•	
CSA 9D Zone 1 – Road Maintenance / North County	•			
CSA 9D Zone 2 – Road Maintenance / Central County	•			
CSA 9D Zone 3 – Road Maintenance / South County	•			
CSA 9E – Streetscape (Live Oak/Soquel Redevelopment Area)				•
CSA 13 – Hutchinson Road	•			
CSA 13A – Oak Flat	•			
CSA 15 – Huckleberry Woods	•			
CSA 16 – Robak Drive	•			
CSA 17 – Empire Acres	•			
CSA 18 – Whitehouse Canyon	•			
CSA 21 – Westdale Drive	•			
CSA 22 – Kelly Hill Road	•			
CSA 23 – Old Ranch Road	•			
CSA 24 – Pineridge Road	•			
CSA 25 – Viewpoint Road	•			

## Street and Highway Services

CSA 26 – Hidden Valley	•			
CSA 28 – Lomond Terrace	•			
CSA 30 – Glenwood Acres	•			
CSA 32 – View Circle	•			
CSA 33 – Redwood Drive	•			
CSA 34 – Larsen Road	•			
CSA 35 – Country Estates	•			
CSA 36 – Forest Glen	•			
CSA 37 – Roberts Road	•			
CSA 39 – Reed Street	•			
CSA 40 – Ralston Way	•			
CSA 41 – Loma Prieta Drive	•			
CSA 42 – Sunlit Lane	•			
CSA 43 – Bonito-Encino	•			
CSA 44 – Sunbeam Woods	•			
CSA 46 – Pinecrest Drive	•			
CSA 47 – Braemoor Drive	•			
CSA 50 – The Vineyard	•			
CSA 51 – Hopkins Gulch	•			
CSA 52 – Upper Pleasant Valley	•			
CSA 55 – Riverdale Park	•			
CSA 56 – Felton Grove	•			
CSA 58 – Ridge Drive	•			
CSA 59 – McGaffigan Mill Road	•			

CSA 9 provides highway street lighting countywide, excluding the incorporated areas. CSA 9A provides street lighting in some unincorporated neighborhoods based upon the property owners' preference to have street lights and pay for their maintenance. Funding for street sweeping is provided through CSA 9C as a refuse abatement program. A parcel may be included in multiple CSAs based on its location and will be assessed fees based on each CSA's rate schedule. For example, a parcel in the Oak Flat area is within the following road CSAs: CSA 13A (Oak Flat Zone), CSA 13 (Hutchinson Road), CSA 9 (highway lighting), CSA 9C (Refuse Disposal, for street sweeping), and CSA 9D (North County roads).

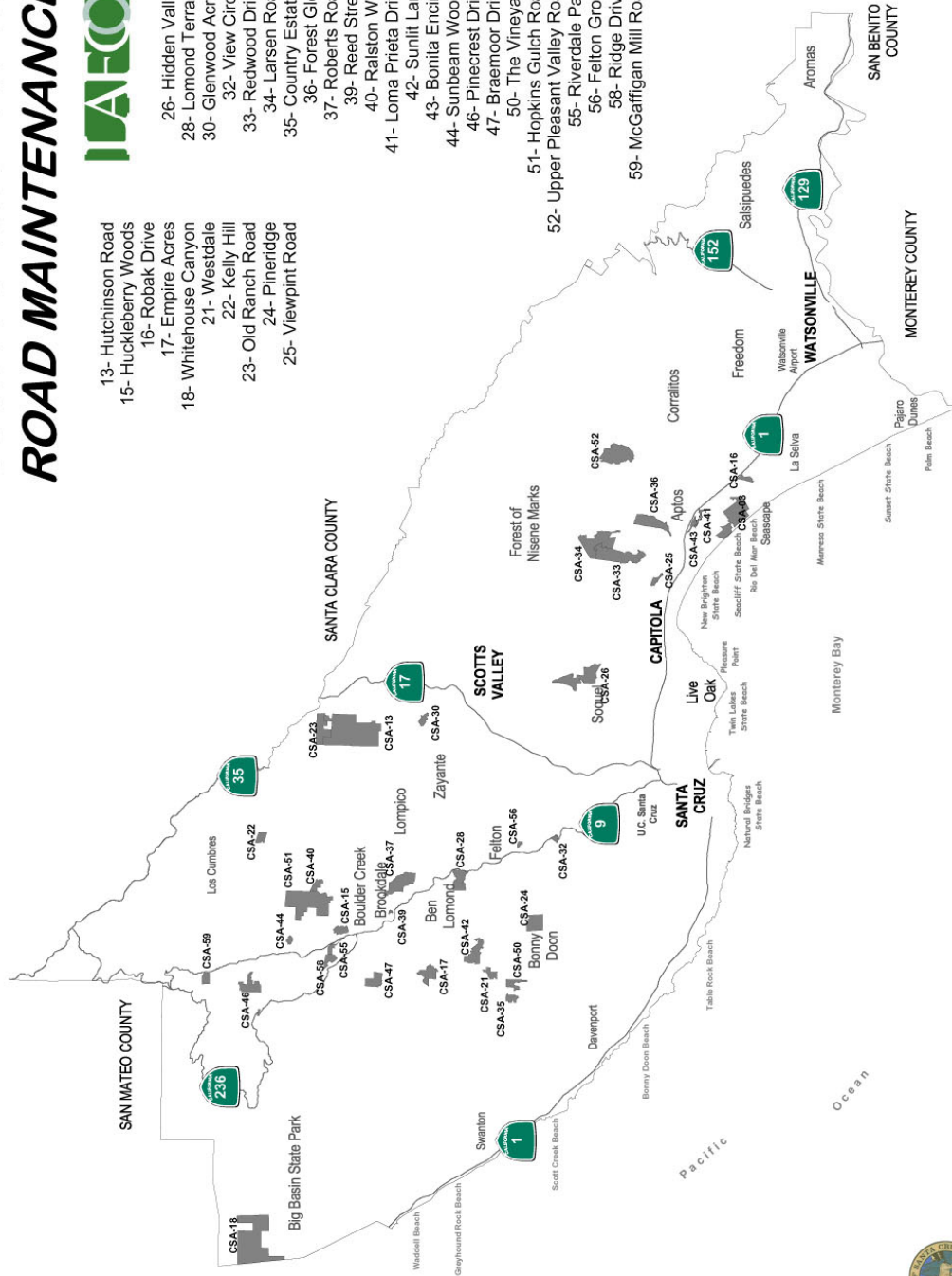
An overall map of the road maintenance CSAs follows. (Individual CSA maps are available through LAFCO.)



# COUNTY SERVICE AREAS ROAD MAINTENANCE



- 13- Hutchinson Road
- 15- Huckleberry Woods
- 16- Robak Drive
- 17- Empire Acres
- 18- Whitehouse Canyon
- 21- Westdale
- 22- Kelly Hill
- 23- Old Ranch Road
- 24- Pineridge
- 25- Viewpoint Road
- 26- Hidden Valley
- 28- Lomond Terrace
- 30- Glenwood Acres
- 32- View Circle
- 33- Redwood Drive
- 34- Larsen Road
- 35- Country Estates
- 36- Forest Glen
- 37- Roberts Road
- 39- Reed Street
- 40- Ralston Way
- 41- Loma Prieta Drive
- 42- Sunlit Lane
- 43- Bonita Encino
- 44- Sunbeam Woods
- 46- Pinecrest Drive
- 47- Braemoor Drive
- 50- The Vineyard
- 51- Hopkins Gulch Road
- 52- Upper Pleasant Valley Road
- 55- Riverdale Park
- 56- Felton Grove
- 58- Ridge Drive
- 59- McGaffigan Mill Road



059-05\_RoadMntce  
PREPARED BY SANTA CRUZ COUNTY GEOGRAPHIC INFORMATION SYSTEM STAFF March 2005

#### 4.1 Growth and Population

Growth and population have a direct impact on street and highway related services. An increased number of road trips and greater traffic volume are a primary cause for roadway deterioration. Higher volume of traffic increases the importance of maintaining streets and highways to a prescribed service level for public safety as well as reduction of traffic impacts. In localized areas where growth is significant, major capital improvements may be needed such as road widening, reconstruction and redesign. The projected growth in population for the county and cities is as follows:

**Table 4.2**  
**Population Estimates**

Public Agency	2005	2010	2015	2020	2025	2030	Annual Growth Rate
City of Capitola	10,869	10,978	11,041	11,104	11,120	11,136	0.1%
City of Santa Cruz	56,953	57,768	58,846	59,924	61,956	63,987	0.5%
City of Scotts Valley	13,182	13,667	13,864	14,062	14,169	14,275	0.3%
City of Watsonville	52,716	56,779	61,126	65,473	67,946	70,418	1.3%
Santa Cruz County (unincorporated)	133,824	136,167	139,150	142,132	143,582	145,031	0.3%

*Source: AMBAG 2004 Projections*

Population projections are not available for the smaller, local CSAs. However, projected growth can be evaluated from the perspective of CSA location and number of improved and unimproved parcels. In some areas growth is inherently limited due to on-site septic regulations and development limitations. The following table summarizes the area served by each of the CSAs and their relative parcel status.

**Table 4.3**  
**CSA Growth Potential**

County Service Area	Size of Service Area (square miles)	No. Improved Parcels	No. Unimproved Parcels	% Unimproved
CSA 13 – Hutchinson Road	1.46	147	32	18%
CSA 13A – Oak Flat	0.18	19	2	10%
CSA 15 – Huckleberry Woods	0.10	54	32	37%
CSA 16 – Robak Drive	0.06	70	13	16%
CSA 17 – Empire Acres	0.21	41	13	24%
CSA 18 – Whitehouse Canyon	1.34	27	42	61%
CSA 21 – Westdale Drive	0.09	33	6	15%
CSA 22 – Kelly Hill Road	0.09	6	13	68%
CSA 23 – Old Ranch Road	0.33	28	12	30%
CSA 24 – Pineridge Road	0.25	89	8	8%
CSA 25 – Viewpoint Road	0.05	54	4	7%
CSA 26 – Hidden Valley	0.48	74	13	15%
CSA 28 – Lomond Terrace	0.23	76	19	20%
CSA 30 – Glenwood Acres	0.07	12	11	48%
CSA 32 – View Circle	0.03	10	1	9%

CSA 33 – Redwood Drive	0.56	125	181	59%
CSA 34 – Larsen Road	0.55	33	21	39%
CSA 35 – Country Estates	0.08	27	7	21%
CSA 36 – Forest Glen	0.33	57	25	30%
CSA 37 – Roberts Road	0.38	38	62	62%
CSA 39 – Reed Street	0.01	11	3	21%
CSA 40 – Ralston Way	0.09	14	4	22%
CSA 41 – Loma Prieta Drive	0.04	70	32	31%
CSA 42 – Sunlit Lane	0.25	40	4	9%
CSA 43 – Bonito-Encino	0.04	70	21	23%
CSA 44 – Sunbeam Woods	0.04	41	25	38%
CSA 46 – Pinecrest Drive	0.24	41	34	45%
CSA 47 – Braemoor Drive	0.18	48	6	11%
CSA 50 – The Vineyard	0.11	47	10	18%
CSA 51 – Hopkins Gulch	0.92	41	28	41%
CSA 52 – Upper Pleasant Valley	0.49	30	21	41%
CSA 55 – Riverdale Park	0.06	34	38	53%
CSA 56 – Felton Grove	0.02	49	8	14%
CSA 58 – Ridge Drive	0.10	16	9	36%
CSA 59 – McGaffigan Mill Road	0.08	13	57	81%

The three CSAs with the highest number of unimproved parcels are CSA 33 – Redwood Drive, CSA 37 – Roberts Road, and CSA 59 – McGaffigan Mill Road. Each of these three areas contains paper subdivisions of small undevelopable lots. Development within any of the CSAs would be accompanied by increased revenue to the extent that the applicable rate structure differentiates between improved and unimproved parcels. In addition, the assessments could be adjusted if the growth generated increased maintenance needs and the property owners approved an increase.

### **Public Roads**

The County and the cities are each required by State law to prepare a General Plan and periodically update it. The General Plan includes a Circulation Element that provides information on existing conditions and future plans for the roadways in their jurisdiction, factoring in growth and land use policy.

In addition to General Plans, State law requires each Regional Transportation Planning Agency (RTPA) to adopt and submit an updated Regional Transportation Plan (RTP) to the California Transportation Commission (Commission) and the Department of Transportation (Caltrans) every three years in urban regions and every four years in non-urban regions [Government Code, §65080 (c)]. Santa Cruz County is considered a non-urban county, and the Santa Cruz County Regional Transportation Commission serves as the RTPA.

The existing RTP for Santa Cruz County was prepared in 2001. An update is in process and is expected to be completed in 2005. Preparation of the RTP update is being done under the direction of the Transportation Commission with considerable input from the County and the cities as well as advisory

committees and stakeholders. The RTP addresses existing and future transportation problems, potential solutions and identifies both the funding and policies necessary to meet the needs of all of Santa Cruz County through 2030. A Draft Environmental Impact Report (EIR) has been prepared for the update and is currently out for public review and comment. The RTP and the County and cities' master plans and Capital Improvement Programs are intended to generally complement each other. This further bolsters the power of the RTP to serve as an important tool for obtaining additional Federal and State funding for transportation-related projects.

Since the RTP is detailed and addresses all forms of multi-modal transportation, including streets and highways, it is suggested that Santa Cruz LAFCO review the Draft EIR to ensure that there are no conflicts with LAFCO policies.

Population growth will continue to impact the agencies providing street and highway related services as they try to maintain existing levels of service and provide for capital improvements in the face of escalating costs and limited opportunity to increase revenues. The agencies have considered potential growth for their service areas within their plans and capital improvement programs.

#### **4.2 Infrastructure Needs and Deficiencies**

The condition of road and street infrastructure is primarily a factor of available funding and acceptable levels of service. Streets and roads are generally classified into three categories: arterial, collector, and residential/local. Each of these is associated with an expected level of service and pavement condition to maximize traffic flow and safety. Service levels are based on industry standards and established by each agency. Two management tools that are used by the County and the cities are a Pavement Management Program and a Pavement Condition Index. A Pavement Management Program serves as a master plan and identifies maintenance needs, pavement condition, and projected costs. It generally includes an implementation plan as well as funding priorities. A Pavement Condition Index (PCI) is generated by an inventory of street and road segments and an evaluation of their present condition. The PCI data provides the existing conditions information for the Pavement Management Program. PCI ratings are based on a scale of 0 to 100. A rating of 25 or below indicates significant deterioration, while 75 and above indicates that the segment is acceptable and generally meets standards. An agency's average PCI can easily fluctuate over a given time period due to funding availability, weather, and the amount of deferred maintenance.

Similar to the municipalities, the infrastructure condition for the CSAs is strictly a function of available funding and the level of service the property owners expect and are willing to pay for. The County did not note any deferred maintenance for the community CSAs.

The following table summarizes the street and highway infrastructure which the agencies maintain:

**Table 4.4**  
**Infrastructure Summary**

Agency	No. Paved Lane Miles	Avg. PCI	Deferred Maintenance	Recent Improvements Completed
City of Capitola	51	69	\$380,000 per yr	
City of Santa Cruz	306	59	\$42,000,000	
City of Scotts Valley	35	70	\$1,000,000	
City of Watsonville	155	60	\$17,148,475	
CSA 9 Zone D – Road Maintenance	600	65	\$ 60,000,000	Various
CSA 13 – Hutchinson Road	12.18	NA	None	Retaining Walls/Chip Seal
CSA 13A – Oak Flat	0.08	NA	None	Chip Seal
CSA 15 – Huckleberry Woods	1.82	NA	None	Slurry Seal
CSA 16 – Robak Drive	0.97	NA	None	
CSA 17 – Empire Acres	1.52	NA	None	
CSA 18 – Whitehouse Canyon	3.67	NA	None	
CSA 21 – Westdale Drive	0.88	NA	None	
CSA 22 – Kelly Hill Road	0.88	NA	None	Slurry Seal
CSA 23 – Old Ranch Road	2.99	NA	None	
CSA 24 – Pineridge Road	2.34	NA	None	Slurry Seal
CSA 25 – Viewpoint Road	0.54	NA	None	Slurry Seal
CSA 26 – Hidden Valley	2.82	NA	None	Road Patching
CSA 28 – Lomond Terrace	2.77	NA	None	Overlay
CSA 30 – Glenwood Acres	0.89	NA	None	Slurry Seal
CSA 32 – View Circle	0.55	NA	None	
CSA 33 – Redwood Drive	6.31	NA	None	Overlay/Sl Seal
CSA 34 – Larsen Road	2.31	NA	None	Partial Overlay
CSA 35 – Country Estates	1.18	NA	None	Slurry Seal
CSA 36 – Forest Glen	2.23	NA	None	Patching
CSA 37 – Roberts Road	2.05	NA	None	
CSA 39 – Reed Street	0.07	NA	None	Chip Seal
CSA 40 – Ralston Way	0.65	NA	None	Partial Overlay
CSA 41 – Loma Prieta Drive	1.06	NA	None	Slurry Seal
CSA 42 – Sunlit Lane	1.28	NA	None	Overlay
CSA 43 – Bonito-Encino	1.04	NA	None	Slurry Seal
CSA 44 – Sunbeam Woods	0.75	NA	None	Partial Overlay
CSA 46 – Pinecrest Drive	1.67	NA	None	Slurry Seal
CSA 47 – Braemoor Drive	1.29	NA	None	
CSA 50 – The Vineyard	1.65	NA	None	
CSA 51 – Hopkins Gulch	4.07	NA	None	
CSA 52 – Upper Pleasant Valley	1.58	NA	None	Slurry Seal
CSA 55 – Riverdale Park	0.91	NA	None	
CSA 56 – Felton Grove	0.57	NA	None	
CSA 58 – Ridge Drive	0.30	NA	None	
CSA 59 – McGaffigan Mill Road	0.42	NA	None	Bridge Replacement

The County and the cities are facing an increasing backlog of deferred maintenance due to financing constraints. They are using management tools such as a Pavement Condition Index and Pavement Management Program in order to effectively and efficiently allocate their limited financial resources. Advances in technology and its use in projects will help to improve the infrastructure and may provide a longer usable life and greater cost benefits. The agencies should be encouraged to share successful technology applications with other agencies in the region.

### **County Service Areas**

Recent maintenance noted for the CSAs includes patching, sealing and some partial overlays. The City of Capitola noted that it has an annual patching and striping program as well as storm drain cleaning. The City of Santa Cruz noted that it is using new techniques such as fabric inter-layers to maximize funding. Santa Cruz also has established a best management practice of maintaining the roads which are in good condition first as this is more cost-effective and offers significant cost avoidance opportunities in the future. They also have adopted a new trench detail that has resulted in fewer road failures.

Water quality is a critical issue within Santa Cruz County, placing increased importance on protective measures during road maintenance operations as well as street sweeping services. The cities and the County (through CSA 9C) are all providing street sweeping services, either by contract or with in-house staff and equipment.

CSA 9 and 9A provide signal lights and streetlight services for highways and arterial streets; CSA 9A is specific to residential areas. No information was provided specific to the infrastructure; however, the County or PG&E provide maintenance as needed.

CSA 9E provides streetscape maintenance services in the Live Oak/Soquel Redevelopment Area. No information was provided specific to the infrastructure, maintenance needs or deficiencies.

### **City of Capitola**

The City of Capitola's Capital Improvement Program for FY 2004-2005 does not include any street or highway-related projects. Funding was eliminated for resurfacing 46<sup>th</sup> Avenue; this project will be submitted for funding in the next fiscal year.

### **City of Santa Cruz**

The City of Santa Cruz has included a number of street and highway related projects within its 2005-2007 Capital Improvement Program. These will be financed through the Gas Tax fund, the Traffic Congestion Relief Fund and the Capital Improvement Fund. Projects include pavement rehabilitation, traffic signal improvements, city street reconstruction and overlay as well as various intersection improvements. The Capital Improvement Fund is funded through a share of the Transient Occupancy Tax. The City's CIP also includes a list of unfunded projects. The City has identified \$94.7 million in transportation projects

that remain unfunded, including \$42 million to bring City streets up to an average level of service for structural integrity and ride-ability.

The City notes in its proposed budget for FY 2004-2005 that the City's streets are continuing to deteriorate. The City's efforts are compromised by staff reductions for street maintenance.

**City of Scotts Valley**

The City of Scotts Valley notes that its pavement master plan is 15 years old and no longer valid. An update has not been budgeted due to funding constraints. The Scotts Valley street infrastructure is relatively newer than the other jurisdictions, and development in the area has been a source for funding. The City's CIP includes \$1.481 million in grants and matching funding for arterial street rehabilitation in FY 2004-2005 and 2005-2006. In FY 2006-2007 \$75,000 a year is designated for an annual street overlay program to be financed out of the General Fund. The City also plans to accept private streets into the public system starting in FY 2006-2007 with a \$10,000 annual appropriation from the General Fund. It is recommended that the City adhere to a policy of accepting into the publicly maintained system only those roads for which an established maintenance funding mechanism exists so that future maintenance issues can be addressed without impacting the budget for the existing public roadways. If roads are added to the City-maintained system without the requisite funding, it could further exacerbate the financial constraints of the Public Works Department particularly if the roads in question are below City standards and would require significant funding to implement the necessary improvements and repairs.

**City of Watsonville**

The City of Watsonville uses a pavement management program that is integrated with GIS. The City has a variety of street and highway projects identified in its CIP to be funded by the gas tax and impact fees. These include ADA improvements, street maintenance and rehabilitation/ reconstruction. As a best management practice the City addresses maintenance needs for those streets that are in acceptable condition to ensure they do not deteriorate to a condition that would require reconstruction. The annual street maintenance program is budgeted at \$400,000 per year.

**4.3 Financing Constraints and Opportunities**

**Funding for Road Maintenance – General**

The County and cities fund street and highway services through a mix of Federal, State and local sources. In California the largest source of funding for street maintenance is the gas tax. These agencies also make other General Fund commitments for street and highway services based on their resources, needs and policy determinations. Some areas, including the Cities of Santa Cruz and Capitola, have adopted a local sales tax that provides supplemental revenue for City services including road maintenance and improvements.

### ***Gas Tax***

The gas tax revenue is protected from redirection by the State government. Gas tax revenues have shown some growth, but it is estimated that since 1990 the real value of these revenues has been eroded by 12% due to inflation.<sup>1</sup> In addition, the tax is bringing in only about 70% of what was projected back in 1990 due to improved fuel mileage.<sup>2</sup> Gas tax revenues are not keeping up with the cost of living or the cost of repairing roads. This has had a negative effect on all street and road maintenance programs throughout the State, including Santa Cruz County.

### ***Vehicle License Fees***

In the past Vehicle License Fees provided an important source of revenue for local agencies. However, this funding source has been impacted by State budget disputes over the last few years. In 1998, the State reduced the License Fee (popularly known as the “Car Tax”) to approximately a third of the former level but provided State General funds as “backfill” to local jurisdictions for the loss of revenue with the exception of the first quarter of FY 2003-2004. This backfill was permanently eliminated with the passage of the State budget act in 2004. This will have significant impacts on road maintenance funding for the foreseeable future as the General Funds of local agencies are further constrained.

### ***Proposition 42***

Proposition 42<sup>3</sup>, approved by voters in 2002, is intended to provide a dedicated source of funding for local transportation projects; however, the State has been using the gas tax revenue to alleviate its critical financial condition. In the Legislative Analyst’s report entitled *2005-06: Overview of the Governor’s Budget*, it was noted that, “The budget proposes to suspend the Proposition 42 transfer of sales taxes on gasoline from the General Fund to transportation funds. The budget also proposes to retain Public Transportation Account (PTA) ‘spillover’ funds in the General Fund in 2005-06.”<sup>4</sup> The long-term prognosis is that funding for road maintenance and improvements will continue to diminish as the State maintains control over a significant portion of revenues intended for local agencies.

### ***Federal Funding***

Federal monies are also important to the street system, but they are generally programmed for transit, safety or circulation improvements. Regional Surface Transportation Program monies (STP), distributed by the Transportation Commission through a competitive grant process, may be used for a variety of street and road purposes including maintenance. In Santa Cruz County these monies have been used for local road rehabilitation projects. Another Federal funding program is the Transportation Enhancement

---

<sup>1</sup> Brookings Institute Series on Transportation Reform 3/2003

<sup>2</sup> <http://www.transportationca.com>

<sup>3</sup> Proposition 42 requires, effective July 1, 2003, existing revenues resulting from state sales and use taxes on the sale of motor vehicle fuel be used for transportation purposes as provided by law until June 30, 2008. It further requires, effective July 1, 2008, existing revenues resulting from state sales and use taxes be used for public transit and mass transportation; city and county street and road repairs and improvements; and state highway improvements. It also imposes the requirement for a two-thirds vote of the Legislature to suspend or modify the percentage allocation of the revenues. ([www.smartvoter.org](http://www.smartvoter.org))

<sup>4</sup> California Legislative Analyst’s Office. [www.lao.ca.gov](http://www.lao.ca.gov)



Activity program (TEA), which is focused on transportation related projects that improve quality of life. In Santa Cruz County TEA funds have been allocated for capital costs associated with implementation of pedestrian and bicycle transportation projects.

### ***Local Sales Tax***

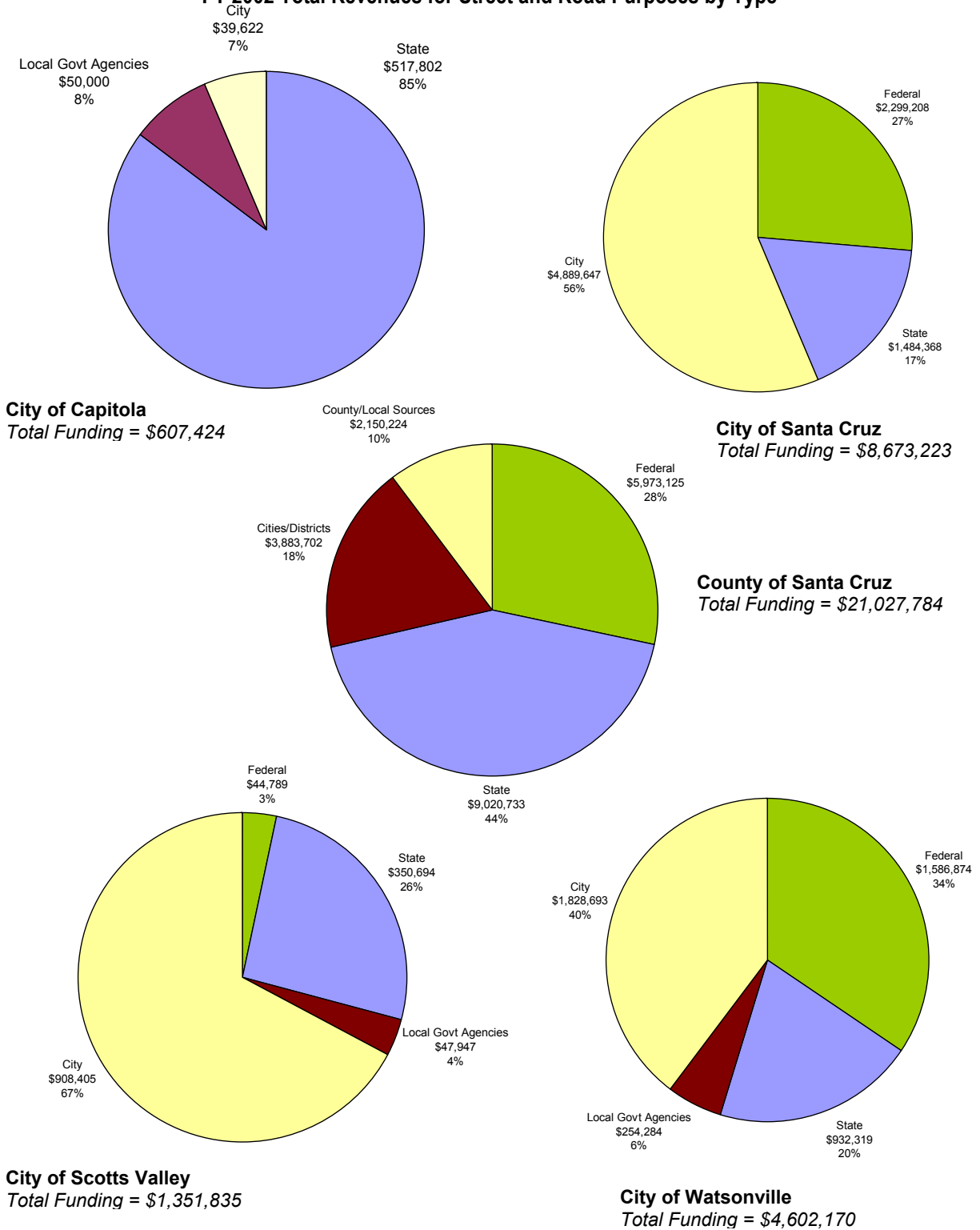
One major source of funding for transportation, including maintenance, is a local sales tax. This source of local revenue provides a dedicated funding source to augment General Fund revenues and maintain or improve existing levels of service. The voters in the City of Santa Cruz successfully passed a ¼ cent sales tax in March 2004; Capitola voters passed a similar measure in November 2004. The additional tax sunsets in five years for both Santa Cruz and Capitola. Sales tax measures are difficult to pass, even with a demonstrated need. Measure Q, Watsonville's ¼ cent sales tax initiative, was defeated in November. Measure J, a half-cent Transportation Improvement Sales Tax for the County, was defeated as well.

### **Jurisdictional Funding**

As discussed above, the agencies responsible for street and highway services in Santa Cruz County rely on a mixture of State, Federal and local revenues for funding. Local revenues include appropriations from the General Fund as well as assessments for the CSAs. The CSAs are integral to the system of financing maintenance of the road system, but they must be managed as legally separate special districts, with all the attendant costs. In addition, passage of Proposition 218 in 1996 has increased the administrative costs associated with the maintenance of CSAs by requiring an election procedure for new or increased assessments. However, this type of governmental structure is viewed as one of the few methods available for increasing maintenance funding for areas where residents desire enhanced services. Despite its increased procedural requirements, Proposition 218 has not been a significant obstacle to obtaining adequate assessments within CSAs.

The following chart shows monies received from the various sources for street and road purposes, as reported in the State Controller's Street and Roads report for FY 2001-2002, before Santa Cruz and Capitola voters approved the ¼ cent sales tax.

**Figure 4.1**  
**FY 2002 Total Revenues for Street and Road Purposes by Type**



### Jurisdictional Expenditures

Street and road maintenance expenditures by jurisdiction vary from year to year based on available funding, extent of deferred maintenance, traffic and climate conditions. Street maintenance expenditures, including street sweeping, vary significantly between the jurisdictions within Santa Cruz County. The agencies reported the following expenditures per mile:

**Table 4.5**  
**Expenditures per Paved Lane Mile**

Agency	Maintenance Expenditures per Mile	Street Sweeping Expenditures per Mile
City of Capitola	\$391	\$1,957
City of Santa Cruz	\$3,272	\$1,222
City of Scotts Valley	\$11,751	\$685
City of Watsonville	\$5,161	\$1,100
CSA 9D – Road Maintenance	\$4,422	NA
CSA 9C – Refuse Disposal	NA	\$667
Statewide Average (2002)	\$15,157	

Budgets for the CSAs are reviewed and adopted annually through the County's budget process. Expenditure levels for the CSAs are dependent on available funding and maintenance needs. Expenditures can be highly variable depending on the approach that a CSA elects to use. Some CSAs save money over many years to fund a large project; this may be followed by several years of reduced maintenance needs and low expenditures. The following chart summarizes the actual expenditures and available funding for the CSAs.

**Table 4.6**  
**CSA Financing**

County Service Area	FY 2002-2003 Expenditures	FY 2003-2004 Expenditures	FY 2004-2005 Available Financing	% Avail. Fin. to Avg Expenditures
CSA 9 – County Hwy Safety Svc. Area	\$1,083,167	\$906,181	\$2,305,934	232%
CSA 9A – Residential Street Lighting	\$355,425	\$314,560	\$680,762	203%
CSA 9C – Refuse Disposal (street sweeping only)		\$420,000	\$400,000	
CSA 9D Zone 1 – Road Maintenance	\$894,500	\$853,119	\$861,436	99%
CSA 9D Zone 2 – Road Maintenance	\$1,760,275	\$1,363,681	\$1,387,968	89%
CSA 9D Zone 3 – Road Maintenance	\$397,110	\$398,027	\$403,867	102%
CSA 9E – Streetscape	\$45,945	\$38,716	\$44,250	105%
CSA 13 - Hutchinson Road	\$46,075	\$436,537	\$88,756	37%
CSA 13A – Oak Flat	\$2,488	\$23,388	\$20,225	156%
CSA 15 – Huckleberry Woods	\$5,480	\$45,526	\$48,254	189%
CSA 16 – Robak Drive	\$8,316	\$4,529	\$30,323	472%

## Street and Highway Services

CSA 17 – Empire Acres	\$8,391	\$26,249	\$47,313	273%
CSA 18 – Whitehouse Canyon	\$157	\$257	\$30,708	14840%
CSA 21 – Westdale Drive	\$8,928	\$1,030	\$65,022	1306%
CSA 22 – Kelly Hill Road	\$162	\$3,378	\$611	35%
CSA 23 – Old Ranch Road	\$150	\$5,297	\$42,778	1571%
CSA 24 – Pineridge Road	\$6,847	\$20,900	\$31,325	226%
CSA 25 – Viewpoint Road	\$12,701	\$382	\$48,759	745%
CSA 26 – Hidden Valley	\$10,506	\$8,247	\$103,594	1105%
CSA 28 – Lomond Terrace	\$38,908	\$28,665	\$31,716	94%
CSA 30 – Glenwood Acres	\$797	\$13,476	\$43,939	616%
CSA 32 – View Circle	\$2,642	\$165	\$4,340	309%
CSA 33 – Redwood Drive	\$39,132	\$8,083	\$49,652	210%
CSA 34 – Larsen Road	\$12,576	\$2,545	\$34,022	450%
CSA 35 – Country Estates	\$6,084	\$9,511	\$28,903	371%
CSA 36 – Forest Glen	\$1,502	\$6,394	\$144,661	3664%
CSA 37 – Roberts Road	\$4,428	\$174	\$70,864	3080%
CSA 39 – Reed Street	\$134	\$158	\$2,382	1631%
CSA 40 – Ralston Way	\$142	\$180	\$15,959	9920%
CSA 41 – Loma Prieta Drive	\$1,343	\$25,280	\$88,564	665%
CSA 42 – Sunlit Lane	\$1,050	\$184	\$19,204	3114%
CSA 43 – Bonito-Encino	\$8,431	\$4,362	\$13,339	209%
CSA 44 – Sunbeam Woods	\$1,048	\$15,493	\$35,338	427%
CSA 46 – Pinecrest Drive	\$1,591	\$4,949	\$53,103	1624%
CSA 47 – Braemoor Drive	\$164	\$739	\$32,409	7177%
CSA 50 – The Vineyard	\$165	\$219	\$58,821	30668%
CSA 51 – Hopkins Gulch	\$22,087	\$12,593	\$29,617	171%
CSA 52 – Upper Pleasant Valley	\$189	\$5,547	\$9,107	318%
CSA 55 – Riverdale Park	\$152	\$226	\$94,850	50118%
CSA 56 – Felton Grove	\$1,317	\$5,640	\$79,152	2275%
CSA 58 – Ridge Drive	\$1,900	\$1,130	\$27,246	1799%
CSA 59 – McGaffigan Mill Road	NA	\$23,294	\$41,535	178%

The high level of available financing for some CSAs represents a financial opportunity as adequate funding will likely be available when maintenance is necessary.

Each of the cities and the County face a continuing problem in deferred maintenance needs due to limited funding. At the current and projected levels of funding, the Santa Cruz County agencies responsible for road maintenance are not able to fully fund preventative maintenance programs. As part of the preparation for the Regional Transportation Plan Update, the agencies estimated the following financial constraints:

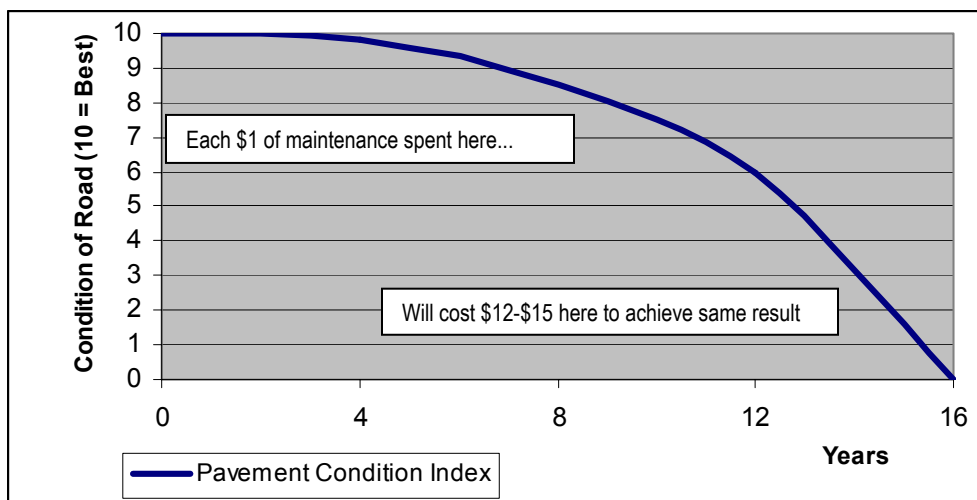
**Table 4.7**  
**Financing Needs for Deferred Maintenance**

Agency	Annual Need to Maintain Roads	Avg. Annual Budget	Unfunded Balance	Unfunded Balance per Road Mile
City of Capitola	\$1,500,000	\$800,000	\$700,000	\$13,725
City of Santa Cruz	\$4,400,000	\$1,750,000	\$2,650,000	\$8,660
City of Scotts Valley	\$600,000	\$400,000	\$200,000	\$5,714
City of Watsonville	\$2,900,000	\$1,000,000	\$1,900,000	\$12,258
County of Santa Cruz	\$6,000,000	\$2,600,000	\$3,400,000	\$5,667

Although these figures are generalized estimates, they provide an indication of the level of deferred maintenance that is being logged annually. The community CSAs are not operating under such constraints; most have some reserves and should be able to pay for routine maintenance projects. Many CSA roads are constructed to lower standards that are suitable for mountain lanes. If a one-time major repair need arose, the property owners could approve an increased assessment or accept a lower level of service.

#### 4.4 Cost-Avoidance Opportunities

The agencies providing street and highway services are capitalizing on cost-avoidance opportunities to the extent possible given funding constraints. One of the primary tools for cost avoidance is preventative maintenance to extend the life of roadways and infrastructure thereby avoiding more extensive repairs in the future. The City of Santa Cruz has established a best management practice of maintaining the roads which are in good condition first rather than “worst first.” The following illustrates the cost escalation associated with deferred maintenance:



Other cost avoidance opportunities include technology and staff training. The City of Santa Cruz noted that it is using new techniques such as fabric inter-layers to maximize funding. They also have adopted a

new trench detail that has resulted in fewer road failures. Scotts Valley cross-trains all maintenance personnel for street maintenance, park maintenance, and building/facility maintenance.

Water quality impacts that occur during road maintenance activities are costly, therefore the use of protective measures are another cost-avoidance opportunity. The County has completed an operations manual which includes best management practices for protecting water quality. Training for road maintenance crews is provided through FishNet4C and the Resource Conservation District. In addition, the County has contracts with several wildlife biologists for on-site monitoring when endangered or threatened species are present.

County Service Areas' road maintenance costs are driven by the public agency contracting laws in which bidding thresholds were set 30 years ago and have not been increased. Currently, projects which cost between \$4,000 and \$9,999 are subject to an informal bid process and must be advertised. Projects costing \$10,000 and above are subject to a formal bid which requires detailed plans and specifications. This process has been in place for a number of years and has not changed to reflect increased costs. Therefore, a larger number of projects are now subject to a formal bid process. Increasing the bid thresholds is a cost avoidance opportunity that could yield greater efficiencies.

The County contracts for approximately 95% of all road maintenance and repairs for the CSAs. Occasionally, seal coat/slurry seal work is done by the County's road maintenance crew in conjunction with the County's annual slurry seal/seal coat project. Any work done for CSAs, including staff management time, is charged to the respective CSA budget.

### **4.5 Opportunities for Shared Facilities**

The agencies are sharing facilities where appropriate. The County and City Public Works Departments are using other departments for related services, such as legal, finance, and planning. The Santa Cruz County Regional Transportation Commission coordinates opportunities for funding and ensures that planning efforts are coordinated.

CSA 9 has several agreements with Caltrans and the cities for street maintenance and traffic signal and lighting maintenance. CSA 9D shares bridge maintenance for Murphy's Crossing with Monterey County. As mentioned above, the County is using the services of FishNet4C and the Resource Conservation District to train road maintenance staff for water quality protection.

#### 4.6 Management Efficiencies

The following staff levels were reported by the agencies:

**Table 4.8  
Staffing Levels**

Agency	# of Full Time Equivalent Staff
City of Capitola	6
City of Santa Cruz	8.3 – road 3.3 – street sweeping
City of Scotts Valley	3.1
City of Watsonville	10.5
County of Santa Cruz (CSA 9)	3
All other road CSAs	1 (shared by all CSAs)

The City of Santa Cruz is considering using a seasonal approach to staffing where the number of staff would be temporarily increased during the months when the most paving work is done. This may help reduce the pace of roadway deterioration.

As mentioned above, Scotts Valley and the County cross-train staff in other maintenance areas to ensure maximum utilization.

The County Public Works Department manages each of the road CSAs. This shared management achieves a level of management efficiency for the special districts.

#### 4.7 Opportunities for Rate Restructuring

The annual assessments for the road CSAs are established through a public process and approved by the voters. Some of the CSAs were formed prior to the passage of Proposition 13. When they were created they each received a dedicated share of property tax revenues from the properties within their respective boundaries. Subsequent to the passage of Proposition 13, each of these CSAs now receives a dedicated share of the 1% property tax; this revenue was reduced in FY 2004-2005 due to the required ERAF III adjustment. The following table summarizes the current rates for the CSAs:

**Table 4.2b  
CSA Rate Structure**

County Service Area	1% Property Tax	FY 2004-2005 Assessment Rates	% Increase from Prior Year
CSA 9 – County Hwy Safety Svc. Area	Yes	Improved - \$16.60 Unimproved - \$8.30	No change
CSA 9A – Residential Street Lighting	Yes	Vacant - \$2.35 SF - \$4.70 Mobile - \$2.82 Comm'l - \$4.70 Multi unit - \$2.82	No change
CSA 9D Zone 1,2,3 – Road Maintenance	No	Improved - \$56.40	No change

## Street and Highway Services

		Unimproved - \$28.20	
CSA 9E – Streetscape	No	SF/Comm'l- \$3.08 MF/Bus - \$1.85 Vacant - \$1.54	No change
CSA 13 - Hutchinson Road	Yes	Zone A Upper Road - \$250 Zone B Lower Road - \$550	No change
CSA 13A – Oak Flat	No	\$300	No change
CSA 15 – Huckleberry Woods	Yes	\$90	No change
CSA 16 – Robak Drive	Yes	\$54	No change
CSA 17 – Empire Acres	Yes	\$125	No change
CSA 18 – Whitehouse Canyon	Yes	\$50	No change
CSA 21 – Westdale Drive	No	\$75	No change
CSA 22 – Kelly Hill Road	No	Zone A - \$10 Zone B, D- \$17.50 Zone C - \$35	No change
CSA 23 – Old Ranch Road	No	Zone A - \$180 Zone B - \$320 Zone C - \$420	No change
CSA 24 – Pineridge Road	No	\$150	No change
CSA 25 – Viewpoint Road	No	\$200	No change
CSA 26 – Hidden Valley	No	Zone A - \$99.48 Zone B - \$198.96 Zone C - \$298.44 Zone D - \$397.92 Zone E - \$497.40 Zone F - \$596.88 Zone G - \$696.36 Muir Drive - \$46-\$337	2%
CSA 28 – Lomond Terrace	No	Improved- \$400 Unimproved - \$200	33%
CSA 30 – Glenwood Acres	No	\$500	No change
CSA 32 – View Circle	No	\$100	No change
CSA 33 – Redwood Drive	No	Zone A – Improved \$89.76 Unimproved \$44.88 Monte Toyon Camp - \$359.04  Zone B – Improved \$121.18 Unimproved \$60.59  Zone C – Improved \$179.52 Unimproved \$86.76  Zone D – Improved \$224.40 Unimproved \$112.20  Zone E – Improved \$246.84 Unimproved \$123.42	No change
CSA 34 – Larsen Road	No	Zone A - \$247.68 Zone B - \$275.22 Zone C - \$302.76	No change
CSA 35 – Country Estates	No	\$196.22	2%



## Street and Highway Services

CSA 36 – Forest Glen	No	Zones: Entrance - \$24 Hayward - \$144 Ross - \$168 King - \$500 Baker - \$228 Norman - \$144	No change
CSA 37 – Roberts Road	No	Roberts Rd I - \$400 Ridge Rd - none	No change
CSA 39 – Reed Street	No	None	No change
CSA 40 – Ralston Way	No	Zone A - \$12.36 Zone B - \$168.00 Zone C - \$324.02 Zone D - \$440.39	No change
CSA 41 – Loma Prieta Drive	No	\$125	No change
CSA 42 – Sunlit Lane	No	Zone A - \$101.70 Zone B - \$109.20 Zone C - \$117.30	No change
CSA 43 – Bonito-Encino	No	\$101.80	2%
CSA 44 – Sunbeam Woods	No	Improved - \$325	No change
CSA 46 – Pinecrest Drive	No	\$100	No change
CSA 47 – Braemoor Drive	No	Improved - \$200 Unimproved - \$100	100%
CSA 50 – The Vineyard	No	\$100	No change
CSA 51 – Hopkins Gulch	No	(7 zones) \$4 - \$756 Improved- \$16 - \$756 Unimproved - \$4 - \$150	No change
CSA 52 – Upper Pleasant Valley	No	Flat Fee + Feet of Road Used \$8.95 - \$56.54	No change
CSA 55 – Riverdale Park	No	(8 Zones) Improved - \$15 - \$680	No change
CSA 56 – Felton Grove	No	\$250	No change
CSA 58 – Ridge Drive	No	Zone 1 - \$225 Zone 2 - \$450 Zone 3 - \$675 Zone 4 - \$900	Change from flat parcel rate of \$555.56 to zone rates
CSA 59 – McGaffigan Mill Road	No	Improved - \$2500 Unimproved - \$500	No change

The rate structure for each CSA is evaluated annually during the budgeting process. Changes are recommended based on available financing and projected maintenance needs.

All of the cities charge development impact fees for traffic improvements. Santa Cruz implemented a Street Maintenance Impact fee in FY 2004-2005.

### 4.8 Government Structure Options

CSAs are dependent special districts governed by the County Board of Supervisors. All CSAs are formed and operate pursuant to the County Service Area Law (Government Code Section 25210 et seq.).

Alternatives to the current government structure for the local CSAs are limited given their relatively small

size and the limited class of services they provide. In general CSAs can be reorganized as independent agencies, consolidated with other CSAs, merged with cities or dissolved.

Another government structure option that is not currently used in Santa Cruz County is a Permanent Road Division (PRD). PRDs are not special districts as defined by LAFCO law. They are geographic areas designated by a County Board of Supervisors for providing road improvements and maintenance, formed pursuant to the Streets and Highways Code §1160 et seq. (the Permanent Road Division Law). Services in PRDs can be financed by either special taxes or assessments (also called Parcel Charges). In contrast to County Service Areas, PRDs can only be used to fund road maintenance and improvements. They are established after notice of the landowners and a public hearing. Generally, an assessment or special tax is presented to the landowners at the same time. PRDs may provide economies of scale and greater efficiency. Further study should be conducted to see if this approach would be beneficial in Santa Cruz County.

One or all of the road maintenance CSAs could be dissolved and reorganized as a PRD. PRDs may not include other districts, but they can include zones of benefit such that several CSAs could be combined into one PRD. The costs and expected benefits of this approach would need to be analyzed to see whether there are sufficient economies to warrant the change.

Applications for amendment of the Sphere of Influence and annexation of certain parcels for CSA 13 – Hutchinson Road, and annexation of certain parcels for CSA 23 – Old Ranch Road, have been submitted to LAFCO for review.

UC Santa Cruz is preparing the EIR for its 2005 Long Range Development Plan. Similar to impacts on the City's water utility, the City may want to pursue mitigation measures and cost sharing for the increased number of road trips on City streets and the related impacts on maintenance.

### **4.9 Local Accountability and Governance**

Street and highway related services provided by the cities are addressed by the respective City Councils during regular council meetings. CSAs are dependent special districts governed by the Santa Cruz County Board of Supervisors. County Supervisors receive no additional compensation for their CSA responsibilities. Santa Cruz County staff from the Public Works Department manages the street and highway services related to CSAs. The County has a community advisory committee in each CSA. Each of these agencies has established procedures and protocols for public notice of meetings and Board/Council actions.

**– DETERMINATIONS BY AGENCY –**

**– City of Capitola –**

**1) Population and Growth**

Population within the City of Capitola is projected to increase at an annual rate of 0.1%, reaching approximately 11,136 by 2030 per AMBAG 2004 projections. This level of growth should not significantly impact the City's provision of street and highway services.

**2) Infrastructure Needs and Deficiencies**

The City of Capitola maintains 51 paved lane miles with an average Pavement Condition Index of 69. The City has deferred maintenance due to limited funding and has no funded CIP projects in FY 2004-2005 related to streets and highways.

**3) Financing Constraints and Opportunities**

The City of Capitola relies on funding from the State and other local resources. The City defers approximately \$380,000 of maintenance per year due to financing constraints.

Capitola voters approved a ¼ cent sales tax in November 2004 that will be used to maintain existing levels of service such as street improvements. The tax sunsets in five years.

**4) Cost Avoidance Opportunities**

The City of Capitola is avoiding costs related to street and highway services where feasible. Maintenance is deferred until funding is available.

**5) Management Efficiencies**

The City of Capitola is achieving management efficiencies through the use of management tools such as a Pavement Condition Index and a Pavement Management Master Plan.

**6) Shared Facilities**

Capitola participates in the planning and development of the Regional Transportation Plan Update being prepared by the Santa Cruz County Regional Transportation Commission.

The City's Public Works Department shares facilities with other city departments that provide related services such as planning, finance and legal.

**7) Rate Restructuring**

The City of Capitola does not charge special assessments for street and highway services.

**8) Government Structure Options**

No government structure options were noted.

**9) Local Accountability and Governance**

Street and highway services are addressed during City Council meetings. The City of Capitola has a process established for ensuring that local accountability and governance standards are met.

**– City of Santa Cruz –**

**1) Population and Growth**

Population within the City of Santa Cruz is projected to reach 63,987 by 2030 with an annual growth rate of 0.5% per AMBAG 2004 projections. This level of growth should not significantly impact the City's provision of street and highway services.

Growth of the student/faculty population at the UC Santa Cruz campus will increase the number of daily road trips on City streets and impact road condition and maintenance needs.

**2) Infrastructure Needs and Deficiencies**

The City of Santa Cruz maintains 306 paved lane miles with an average Pavement Condition Index of 59. Maintenance is regularly deferred due to limited funding.

The City of Santa Cruz is using new techniques such as fabric inter-layers to maximize funding and has adopted a new trench detail that has resulted in fewer road failures.

The City of Santa Cruz has established a best management practice of maintaining the roads which are in good condition first in order to maintain the life of the pavement and avoid more costly repairs in the future.

**3) Financing Constraints and Opportunities**

The City of Santa Cruz relies on funding from Federal, State and local resources to finance street and highway services.

The City of Santa Cruz has a \$42 million deferred maintenance backlog due to financing constraints.

Voters in the City of Santa Cruz approved a ¼ cent sales tax in March 2004 that will be used to augment revenue in the City's General Fund. The tax sunsets in five years.

**4) Cost Avoidance Opportunities**

The City of Santa Cruz is avoiding costs related to street and highway services through the use of technology such as fabric inter-layers and a new trench design that results in fewer road failures.

**5) Management Efficiencies**

The City of Santa Cruz is achieving management efficiencies through the use of management tools such as a Pavement Condition Index and a Pavement Management Master Plan.

**6) Shared Facilities**

The City's Public Works Department shares facilities with other city departments that provide related services such as planning, finance and legal.

The City of Santa Cruz participates in the planning and development of the Regional Transportation Plan Update being prepared by the Santa Cruz County Regional Transportation Commission.

**7) Rate Restructuring**

The City of Santa Cruz does not charge special assessments for street and highway services.

Beginning in FY 2004-2005 the City charges Street Maintenance Impact fees for <<need info>>.

**8) Government Structure Options**

UC Santa Cruz is preparing the EIR for its 2005 Long Range Development Plan. Similar to impacts on the City's water utility, the City may want to pursue mitigation measures and cost sharing for the increased number of road trips on City streets and the related impacts on maintenance.

**9) Local Accountability and Governance**

Street and highway services are addressed during City Council meetings. The City of Santa Cruz has a process established for ensuring that local accountability and governance standards are met.

**– City of Scotts Valley –**

**1) Population and Growth**

The City of Scotts Valley has the second highest growth rate in the county and is expected to reach a population of 14,275 in 2030 per AMBAG 2004 projections. The annual growth rate is projected to be 0.3%.

A significant portion of the City's future growth is due to development. An increase in street and highway service demands will be met through development impact fees and road improvements/construction completed as a condition of approval.

**2) Infrastructure Needs and Deficiencies**

The City of Scotts Valley maintains 35 paved lane miles with an average Pavement Condition Index of 70. The City's roadway infrastructure is relatively newer than other jurisdictions in the county.

The City has included an arterial street rehabilitation program as well as an annual street overlay program in its CIP.

### **3) *Financing Constraints and Opportunities***

The City of Scotts Valley relies on funding from Federal, State and local resources to finance street and highway services.

The City defers an average of \$1 million in maintenance annually due to funding constraints.

### **4) *Cost Avoidance Opportunities***

The City of Scotts Valley is avoiding costs related to street and highway services through cross-training maintenance staff for street maintenance, park maintenance, and building/facility maintenance.

### **5) *Management Efficiencies***

The City of Scotts Valley is achieving management efficiencies through the use of management tools such as a Pavement Condition Index and a Pavement Management Master Plan.

The City is achieving efficiencies through personnel training that allows efficient work-duty assignments and higher utilization.

### **6) *Shared Facilities***

The City's Public Works Department shares facilities with other city departments that provide related services such as planning, finance and legal.

The City of Scotts Valley participates in the planning and development of the Regional Transportation Plan Update being prepared by the Santa Cruz County Regional Transportation Commission.

### **7) *Rate Restructuring***

The City of Scotts Valley does not charge special assessments for street and highway services.

### **8) *Government Structure Options***

The City is considering accepting private roads into the public system. The City should ensure that roads meet the City's standards and that a funding mechanism is in place to provide for future maintenance.

### **9) *Local Accountability and Governance***

Street and highway services are addressed during City Council meetings. The City of Scotts Valley has a process established for ensuring that local accountability and governance standards are met.

**– City of Watsonville –**

**1) Population and Growth**

The City of Watsonville has the highest growth rate in the county and is expected to reach a population of 70,418 in 2030 per AMBAG 2004 projections. The annual growth rate is projected to be 1.3%.

A significant portion of the City's future growth is due to development, and the increase in population will increase demands for street and road services. Some of the increased demand will be met through development impact fees and road improvements/construction completed as a condition of approval.

**2) Infrastructure Needs and Deficiencies**

The City of Watsonville maintains 155 paved lane miles with an average Pavement Condition Index of 60. The City's roadway infrastructure is relatively new and has been constructed with newer technology such that the life expectancy is somewhat longer than in mature communities.

**3) Financing Constraints and Opportunities**

The City of Watsonville relies on funding from Federal, State and local resources to finance street and highway services.

The City of Watsonville has an unfunded maintenance need of approximately \$17 million in 2004.

Measure Q, a ¼ cent sales tax measure, did not pass in the November 2004 election. The revenue would have been used to increase General Fund revenues and potentially provide more funding for road maintenance.

**4) Cost Avoidance Opportunities**

The City of Watsonville is avoiding costs related to street and highway services through maintaining streets that are in acceptable condition to avoid the need for reconstruction.

**5) Management Efficiencies**

The City of Watsonville is achieving management efficiencies through the use of management tools such as a Pavement Condition Index and a Pavement Management Master Plan.

**6) Shared Facilities**

The City's Public Works Department shares facilities with other city departments that provide related services such as planning, finance and legal.

The City of Watsonville actively participates in the planning and development of the Regional Transportation Plan Update being prepared by the Santa Cruz County Regional Transportation Commission.

**7) Rate Restructuring**

The City of Watsonville does not charge special assessments for street and highway services but does charge development impact fees.

**8) Government Structure Options**

No government structure options were noted.

**9) Local Accountability and Governance**

Street and highway services are addressed during City Council meetings. The City of Watsonville has a process established for ensuring that local accountability and governance standards are met.

**– County of Santa Cruz – Road CSAs –**

**1) Population and Growth**

The population within the unincorporated area of Santa Cruz County is expected to reach 145,031 by 2030 per AMBAG 2004 projections; the annual growth rate is 0.3%.

Population estimates for the individual CSAs are not available. The percentage of unimproved parcels provides some indication of growth potential.

Modest infill growth within the CSAs will generate increased demand for street services. For agencies with a varied rate structure, the demand will be offset by increased revenue.

**2) Infrastructure Needs and Deficiencies**

Services are provided within the County Service Areas to the limit of available financing. No deferred maintenance issues were noted for the community CSAs.

For the County roads within the three sub-zones of CSA 9D, the average pavement condition index is 65 and there is approximately \$60,000,000 in deferred maintenance.

**3) Financing Constraints and Opportunities**

Financing varies for the County Service Areas. Those CSAs formed prior to Proposition 13 receive a share of the 1% property tax as well as assessment revenue. Those formed after Proposition 13 rely entirely on assessment revenue and interest.

The County is challenged to continue maintaining the aging infrastructure within CSA 9D with increased costs and a declining budget.

**4) Cost Avoidance Opportunities**

The County of Santa Cruz manages each of the CSAs; the CSAs are minimizing management costs through the use of County staff.



The County uses the services of FishNet4C and the Resource Conservation District to train road maintenance staff on water quality protection measures. In addition, the County has developed an operations manual that includes best management practices related to water quality protection.

Higher bid thresholds would provide a significant cost avoidance opportunity. Current thresholds are at \$4,000 to \$9,999 for an informal bid process and \$10,000 or greater for a formal bid process. With escalating costs, a greater number of projects are now subject to the formal bid process which includes full plans and specifications. The County should be encouraged to seek legislation to increase the thresholds in order to reduce costs.

**5) Management Efficiencies**

The County Service Areas are achieving management efficiencies through the shared management provided by the County.

**6) Shared Facilities**

The County Public Works Department uses the services of other County departments that provide related services such as planning, finance and legal.

**7) Rate Restructuring**

The annual benefit assessment rates for the road CSAs are set at the request of the community representatives and confirmed through a public process.

**8) Government Structure Options**

Government structure options for County Service Areas are limited due to the limited scope of services provided and the small size of some of the districts.

The County is providing similar services, using shared management and resources, for all of the road-related CSAs. Each CSA is a separate entity, requiring separate budgeting and accounting as well as community advisory committees. The County could evaluate whether the formation of a Permanent Road Division, with zones of benefit, may be more efficient and could result in some cost savings.

**9) Local Accountability and Governance**

County Service Areas are dependent special districts governed by the County's Board of Supervisors. The County has procedures in place to ensure that local accountability and governance standards are met.

Each of the community CSAs is represented by an ad-hoc community advisory committee to work with County staff on repairs and prioritizing maintenance.

## Agency Profiles

City of Capitola (Street & Highway Services)			
Contact:	Steve Jesberg, Public Works Director		
Mailing Address:	422 Capitola Avenue, Capitola, CA 95010		
Phone Number:	(831) 475-7300		
Fax Number:	(831) 475-8879		
Email/Website	sjesberg@ci.capitola.ca.us		
Types of Services:	Street Construction/Maintenance, Street Lighting, Street Sweeping, Landscaping/Maintenance		
Population Served:	10,000		
Size of Service Area (sq miles):	2 sq miles		
Staff and Infrastructure			
Staff: FTE	6		
Total Paved Lane Miles Maintained	51.1		
Avg Pavement Condition Index	69		
Adopted Master Plan	Yes		
Annual Street Sweeping Expenditures	\$1,957/mile		
Annual Road Maintenance Expenditures	\$391/mile		
Financial Information			
Budget: (FY 2004-2005)		Expenditures	
		\$1,003,350	

7City of Santa Cruz (Street & Highway Services)			
Contact:	Mark Dettle, Public Works Director		
Mailing Address:	809 Center Street, Room 201, Santa Cruz, CA 95060		
Phone Number:	(831) 420-5160		
Fax Number:	(831) 420-5011		
Email/Website	citypw@ci.santa-cruz.ca.us		
Types of Services:	Street Construction/Maintenance, Street Lighting, Street Sweeping, Landscaping/Maintenance		
Population Served:	55,633		
Size of Service Area (sq miles):	12 sq miles		
Staff and Infrastructure			
Staff: FTE	8.3-Roads, 3.3-Street Sweeping		
Total Paved Lane Miles Maintained	306		
Avg Pavement Condition Index	59		
Adopted Master Plan	Yes		
Annual Street Sweeping Expenditures	\$1,222/mile		
Annual Road Maintenance Expenditures	\$3,272/mile		
Financial Information			
Budget: (FY 2004-2005)		Expenditures	
		\$1,001,384	

City of Scotts Valley (Street & Highway Services)			
Contact:	Ken Anderson, Public Works Director/City Engineer		
Mailing Address:	One Civic Center Drive, Scotts Valley, CA 95066		
Phone Number:	(831) 438-5854		
Fax Number:	(831) 439-9748		
Email/Website	<a href="mailto:kanderson@scottsvally.org">kanderson@scottsvally.org</a>		
Types of Services:	Street Construction/Maintenance, Street Lighting, Street Sweeping, Landscaping/Maintenance		
Population Served:	11,598		
Size of Service Area (sq miles):	4.5 sq miles		
Staff and Infrastructure			
Staff: FTE	3.1		
Total Paved Lane Miles Maintained	36		
Avg Pavement Condition Index	70		
Adopted Master Plan	Yes		
Annual Street Sweeping Expenditures	\$685/mile		
Annual Road Maintenance Expenditures	\$11,751/mile		
Financial Information			
Budget: (FY 2004-2005)		Expenditures	
		\$411,295	

City of Watsonville (Street & Highway Services)			
Contact:	David A. Koch, Director of Public Works		
Mailing Address:	250 Main Street, Watsonville, CA 95076		
Phone Number:	(831) 768-3100		
Fax Number:	(831) 761-0736>> (831) 763-4065		
Email/Website	dkoch@ci.watsonville.ca.us		
Types of Services:	Street Construction/Maintenance, Street Lighting, Street Sweeping, Landscaping/Maintenance		
Population Served:	52,716		
Size of Service Area (sq miles):	6.59 sq miles		
Staff and Infrastructure			
Staff: FTE	10.5>> 5		
Total Paved Lane Miles Maintained	155		
Avg Pavement Condition Index	60		
Adopted Master Plan	Yes – Pavement Management Program		
Annual Street Sweeping Expenditures	\$20.13/mile		
Annual Road Maintenance Expenditures	\$2,581/mile		
Financial Information			
Budget: (FY 2004-2005)		Expenditures	
		\$400,000	

County of Santa Cruz – Road CSAs			
Contact:	Tom Bolich, Director of Public Works		
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060		
Site Address:	Same		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2835		
Email/Website	<a href="mailto:susann.rogberg@co.santa-cruz.ca.us">susann.rogberg@co.santa-cruz.ca.us</a>		
Types of Services:	Street Construction/Maintenance, Street Lighting, Street Sweeping, Landscaping/Maintenance		
Population Served:	varies		
Size of Service Area (sq miles):	varies		
Staff and Infrastructure			
Staff: FTE	County: 3; CSAs: 1 (shared by all CSAs)		
Total Paved Lane Miles Maintained	CSA 9D – 600; other CSAs: see report		
Avg Pavement Condition Index	County: 65		
Adopted Master Plan	Yes		
Annual Street Sweeping Expenditures	CSA 9C: \$667/mile		
Annual Road Maintenance Expenditures	CSA 9D: \$ 4,422/mile		
Financial Information			
Budget: (FY 2004-2005)		Expenditures	
CSA 9 – Highway Safety		\$2,296,950	
CSA 9A – Residential Street Lighting		\$642,500	
CSA 9C – Refuse Disposal (street sweeping only)		\$400,000	
CSA 9D-1 – Road Repair/North County		\$861,436	
CSA 9D-2 – Road Repair/Central County		\$1,387,968	
CSA 9D-3 – Road Repair/South County		\$403,867	

## **5. FLOOD PROTECTION AND STORMWATER SERVICES**

---

**City of Capitola**

**City of Santa Cruz**

**City of Scotts Valley**

**City of Watsonville**

**Santa Cruz County Flood Control & Water Conservation District –**

**Zones 4, 5, 6, 7, 7A and 8**

**Pajaro Storm Drain Maintenance District**

**CSA 57 – Graham Hill Road/Woods Cove**

## 5.0 FLOOD PROTECTION AND STORMWATER SERVICES

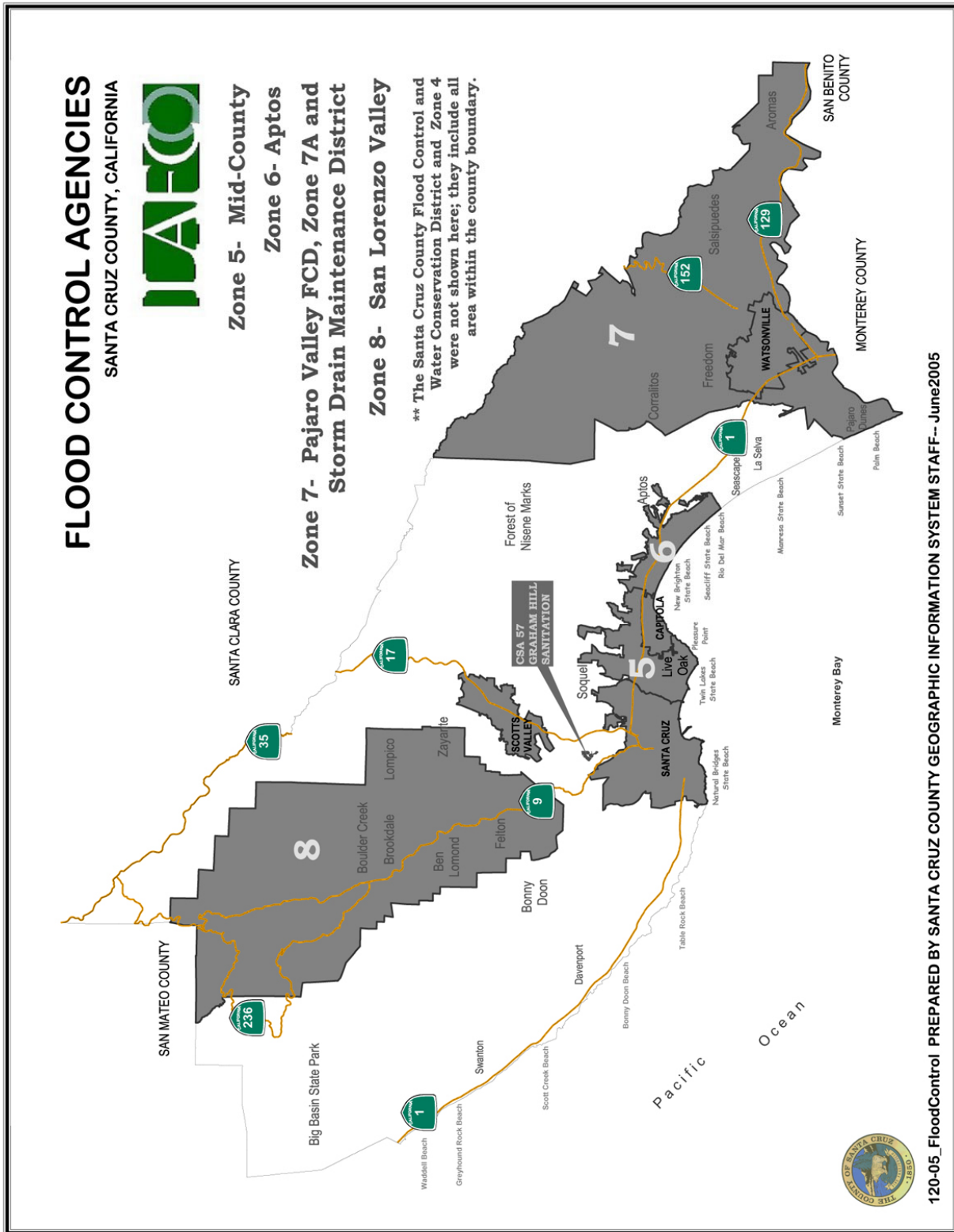
### Agency Overview

Flood protection and stormwater drainage is provided by the County and the four cities as well as two dependent special districts. The Santa Cruz County Flood Control and Water Conservation District was formed by a special act of the State Legislature and is the designated flood protection agency for the County. Six zones of benefit have been established to provide additional funding for flood protection. In the South County, the Pajaro Storm Drain Maintenance District provides services in the Pajaro River Watershed outside of Watsonville's city limits. In addition to these agencies, County Service Area (CSA) 57 provides drainage services for the Woods Cove Subdivision on Graham Hill Road. The agencies providing flood protection and drainage services within Santa Cruz County are as follows:

**Table 5.1 –Flood Protection and Drainage Agencies**

Santa Cruz LAFCO Countywide Service Review		Flood Protection	Stormwater Collection
<b>Cities</b>			
City of Capitola			•
City of Santa Cruz		•	•
City of Scotts Valley			•
City of Watsonville		•	•
<b>Special Districts</b>			
Santa Cruz County Flood Control & Water Conservation District – Zones 4, 5, 6, 7, 7A and 8		•	•
Pajaro Storm Drain Maintenance District			•
CSA 57 – Graham Hill Road/Woods Cove			•

A map depicting the areas served by the flood protection agencies follows.



## 5.1 Growth and Population

The population growth projections for Santa Cruz County are as follows:

**Table 5.2  
Population Estimates**

Public Agency	2005	2010	2015	2020	2025	2030	Annual Growth Rate
City of Capitola	10,869	10,978	11,041	11,104	11,120	11,136	0.1%
City of Santa Cruz	56,953	57,768	58,846	59,924	61,956	63,987	0.5%
City of Scotts Valley	13,182	13,667	13,864	14,062	14,169	14,275	0.3%
City of Watsonville	52,716	56,779	61,126	65,473	67,946	70,418	1.3%
Santa Cruz County (unincorporated)	133,824	136,167	139,150	142,132	143,582	145,031	0.3%

*Source: AMBAG 2004 Projections*

The expected growth has bearing on flood protection and stormwater management services in terms of service levels and funding sources. Increasing density and urbanization impact stormwater management as the impervious surface area increases and more runoff is generated. Growth in the South County will increase flood control and drainage needs in order to assure public protection. All of Santa Cruz County eventually drains into the Monterey Bay National Marine Sanctuary, so water quality is a critical issue; an increase in population typically affects the amount and type of constituents in runoff and stormwater. The County and the Cities of Watsonville and Scotts Valley fund all or a portion of their drainage programs through development impact fees; with the slow to moderate growth projected funding is limited.

## 5.2 Infrastructure Needs and Deficiencies

The infrastructure associated with flood protection and stormwater drainage in Santa Cruz County includes the following: underground systems; above ground drainage ditches and water courses; pump stations, catch basins and outfalls; and Federal flood control projects along the Pajaro River, Salsipuedes Creek and the San Lorenzo River.

Cities and districts maintaining stormwater systems must obtain coverage under a National Pollutant Discharge Elimination System (NPDES) stormwater permit and implement stormwater pollution prevention plans or stormwater management programs (both using best management practices) that effectively reduce or prevent the discharge of pollutants into receiving waters. For most jurisdictions, the best management practices result in higher operations and maintenance costs for their stormwater systems.

### City of Capitola

The City of Capitola maintains its street drainage systems and relies on the County to provide major storm drain services through the Santa Cruz County Flood Control & Water Conservation District Zone 5. In the past Capitola has experienced minor intersection flooding which was corrected through



maintenance. The City constructed the Lawn Way pump station in the past few years to alleviate Village flooding.

Capitola has implemented several best management practices related to its drainage infrastructure, including outfall inspection and cleaning, annual storm drain cleaning in the fall, and zero discharge sidewalk cleaning.

The City faces several challenges over the next five years, including developing an accurate map of the drainage systems, implementing the Soquel Creek Lagoon Management Plan, and improving water quality in Soquel Creek. The City's NPDES program is currently unfunded. The City did receive a grant from the State Water Resources Control Board for \$100,000 to prepare a storm drain master plan for the Village area to identify key components to water quality and to design and build dry weather diversions. The project is included in the City's Capital Improvement Program and is scheduled for FY 2004-2005.

The City noted that the size of its drainage system is inadequate, and critical drainage improvements remain unfunded.

#### **City of Santa Cruz**

The City of Santa Cruz maintains 7 miles of underground stormwater pipelines, 8 miles of surface storm ditches, 1 pump station, approximately 1,500 catch basins and 125 outfalls. The City also maintains the US Army Corps of Engineers levee system on the San Lorenzo River, which is approximately 3 miles long with 5 pump stations. Over the past ten years, the City has experienced only minor flooding in localized areas with minimal damage. Infrastructure deficiencies were the primary cause, and the City has since completed several infrastructure projects that have reduced the worst flooding. The City noted that in some areas additional infrastructure is needed or capacity needs to be increased in order to maintain adequate service levels. The City also noted the need to increase maintenance activities to improve water quality.

The City's operations and maintenance program for the flood control facilities on the San Lorenzo River includes removal of sand and silt from the channels of the river and Branciforte Creek; maintenance of pumps, gates and levees; and removal of weeds and growth in drainage ditches and catch basins.

The City budgeted \$3.35 million for stormwater-related capital projects in FY 2003-2004, including the preparation of a Citywide Storm Drain Master Plan, Clean Beaches/Wet Wells program, and \$2.1 million for the Laurel Phase of the San Lorenzo River Flood Control Project. The proposed budget for FY 2004-2005 includes \$131,000 in funding for capital projects with \$130,000 directed towards the San Lorenzo River pump station repairs and vegetation and sediment management for the river.

One of the City's achievements in the past few years was the construction of new storm drains near lower Ocean Street and at the intersection of Seabright and Broadway. As a best management practice the City has routine street sweeping and regularly cleans the storm drain pipeline system.

**City of Scotts Valley**

The City of Scotts Valley provides drainage services within the City's boundary. Stormwater is discharged into Carbonera Creek, its two tributaries, and a tributary of Bean Creek. The City has only experienced minor flooding in localized areas in the past ten years, primarily due to debris plugging inlets or culverts and localized infrastructure deficiencies. The City noted that all deficiencies have been corrected where they affect residential or commercial areas. The City emphasizes pre-event debris removal as a best management practice. The City noted that it has had a very limited number of claims even though rainfall averages 50-inches per year.

The City's Storm Drain Master Plan identifies areas requiring improvement and infrastructure needs. Projects are implemented as impact fee funds become available. The City's Capital Improvement Program includes approximately \$550,000 in storm drain projects through FY 2008-2009; however, no projects are scheduled for FY 2004-2005 or FY 2005-2006.

One of the City's goals for FY 2005-2006 is to continue to revise the application for the State-mandated Stormwater Master Plan and receive approval of the plan. The City also intends to complete the permit condition for the first year by June 30, 2006. Scotts Valley also included as a FY 2004-2005 goal to increase the street sweeping frequency in the fall of 2004 to comply with the conditions of the Master Plan and minimize accumulated debris being washed into storm drains and the creek during the first storms of the rainy season.

**City of Watsonville**

The City of Watsonville provides flood protection and stormwater management services within the City's boundary. The City's drainage system includes over 50 miles of storm drain pipes with 200 drop inlets and 15 stormwater pump stations. There has been localized street flooding due to large amounts of rainfall over a short period of time which exceeded the industry standards for design capacity. The City noted that the greatest risk of significant flooding is due to insufficient carrying capacity of the Pajaro River and Salsipuedes Creek.

Over the last several years the City has constructed five new stormwater pump stations and six new stormwater retention basins. The City has also installed 2,500 feet of 54-inch diameter stormwater pipe. Watsonville also installed a Web-based monitoring system to measure river and creek levels as well as alarm/status of all stormwater pump stations.

Watsonville noted that the City's biggest challenge and highest priority is the need for construction of a regional flood protection project to prevent flooding from the Pajaro River, Salsipuedes Creek and Corralitos Creek. The Army Corps of Engineers has predicted a flooding frequency of once every seven years for Salsipuedes and Corralitos Creeks, and once every 13 years for the Pajaro River, based on the existing, outdated levee system. The estimated economic damage associated with flooding events in the Pajaro Valley is \$24 million for the creeks, and \$15 million for the river.

**Santa Cruz County Flood Control & Water Conservation District**

The Santa Cruz County Flood Control and Water Conservation District, operated through the County Public Works, Planning, and Environmental Health Departments, performs a broad range of services related to the monitoring of water conditions and control of surface waters. Two branches of the District principally concern activities beyond traditional storm drainage and flood control engineering and maintenance. One is the general Water Conservation District (Index 135462), which performs ground and surface water studies and operates the flood warning system. The other is Zone 4, which performs watershed enhancement activities countywide, such as review of timber harvest plans, logjam removal from streams, and conjunctive water use studies. These two branches of the District will not be addressed in further detail in this report. Zones 1, 2, and 3 have never been activated and are reserved for other areas of the County that do not have flood control or storm drainage facilities.

**Santa Cruz County Flood Control & Water  
Conservation District  
Flood Protection Zones**

Zone	Area	Square Miles
Zone 5	Live Oak, Capitola, and Soquel	8.75
Zone 6	Aptos	4.74
Zone 7	Pajaro River Watershed, including the City of Watsonville	89.4
Zone 7A	Pajaro Valley	83
Zone 8	San Lorenzo Valley	76.44

***Zones 5, 6 and 8***

The facilities within Zones 5, 6 and 8 include underground storm drain systems and above ground ditches and water courses. Zone 7 (Pajaro Valley) facilities include the Federal flood control project on the Pajaro River and Salsipuedes Creek. The District has experienced numerous flooding events of varying magnitudes in each zone. The flooding in the creeks is the most serious because of the flow and the potential for debris to block the watercourse. In urban areas, overflowing ditches and plugged drop inlet grates are the primary concern. For example, one of the District's storm drain lines located on a private parcel in Zone 5 had to be replaced after it failed during a storm event. The severity of the past incidents could have been reduced with more staff and maintenance capabilities as well as some infrastructure improvements.

The District has developed a Capital Improvement Plan that addresses the most urgent infrastructure needs within three of the zones. Projects are implemented as funding is available. The Plan covers the period of 2004-2009 and includes \$4 million in projects for Zone 5 (Mid-County), \$1.25 million for Zone 6 (Aptos), and \$1.13 million for Zone 8 (San Lorenzo Valley). Zone 7 (Pajaro Valley) is not addressed in

the Plan. The above is based only on the projected funds and not on the need for improvements in the Zones.

***Zones 7 and 7A***

Zone 7 provides funding for the operations and maintenance of the Federal flood control project on the Pajaro River and Salsipuedes Creek, as well as related long-term debt service. This reach of the Pajaro River experienced catastrophic flooding in 1995 and 1998. The County notes that disagreements exist on the level of maintenance and its role in the flood. The County is continuing its maintenance efforts as well as planning for replacement and upgrades to the infrastructure.

The US Army Corps of Engineers is in the process of completing environmental studies to expand the Pajaro River and creek levees and increase levee height. The Corps expects to receive \$477,000 in funding in FY 2004-2005 to finish the studies. However, additional funding will not be appropriated by the Federal government until the studies have been fully reviewed. This could delay the project up to 18 months. Construction may not start until 2008 at the earliest. The County noted that one of the major challenges it faces in the next five years is to gain public acceptance of the levee plan and to reach an agreement on financing with Monterey County. The projected cost will be \$200 million, with the Federal government paying 75% and the balance shared between the two counties. When complete the project will provide 100-year flood protection along the Pajaro River, which currently has eight-year protection. The delays are increasing the risk to the County and will likely result in further cost increases.

Zone 7A was established on December 14, 2004 to augment existing funding for flood control improvements in the Pajaro River Watershed area in Santa Cruz County, excluding the City of Watsonville. The district will provide administrative and engineering services for the replacement, upgrading, and maintenance of drainage and flood control facilities in the district. The boundary of Zone 7A is coterminous with the Pajaro Storm Drain Maintenance District.

The District noted that one of the challenges it faces over the next few years is implementing the Phase II NPDES permit to protect water quality.

**Pajaro Storm Drain Maintenance District**

The Pajaro Storm Drain Maintenance District provides stormwater collection and drainage services in the South County in the Pajaro River Watershed outside of the Watsonville city limits. The District's service area is approximately 83 square miles. The District provides funding for drainage improvements outside the Pajaro River Flood Control Project area, including sediment and vegetation management. The District has included \$500,000 for capital improvements in its FY 2004-2005 budget.

The Arreola Settlement, which followed the 1995 flooding of the Pajaro River in and near the community of Pajaro in Monterey County, has significantly limited the ability of the District to address infrastructure needs and capital improvements due to limited funding. The Counties of Santa Cruz and Monterey County were each held liable. Both counties settled out of court with Santa Cruz County paying \$22

million and Monterey County Water Resources Agency paying \$18 million. The County notes that there is a concern regarding how the District will continue to provide adequate maintenance services to the drainage area.

**CSA 57 – Graham Hill**

CSA 57 – Graham Hill is a dependent special district formed to provide enhanced stormwater drainage services to the Woods Cove subdivision. The CSA encompasses approximately one-tenth of a square mile. The County maintains the CSA's underground storm drain systems and above ground drainage ditches and water courses as well as the storm drain line between the subdivision and the San Lorenzo River where the outfall is located. The CSA was formed in 2001 and the infrastructure is new. There have been no reported flooding incidents and no infrastructure deficiencies were noted.

**5.3 Financing Constraints and Opportunities**

Flood protection and stormwater management services are financed through various combinations of General Fund appropriations, development impact fees, property tax, assessments and stormwater utility fees. Limited funding is a concern for the agencies with regards to maintaining service levels, providing for capital improvements and expanding maintenance services to meet Phase II NPDES requirements

**City of Capitola**

The City of Capitola funds its drainage services through the City's General Fund and development impact fees. In FY 2004-2005, the City appropriated \$40,000 for storm drain management. As noted above, critical drainage improvements have not been implemented due to financing constraints. The City recognizes the need to establish an additional funding source in order to maintain adequate drainage services. One of the challenges the City faces in the future is establishing a drainage utility fee to pay for NPDES compliance, maintenance and capital improvements.

The City's NPDES program is currently unfunded as is implementation of the Soquel Creek Lagoon Management Plan. Capital improvements are needed in order to achieve the City's goals for these two programs. Operations and maintenance costs are likely to increase after the improvements are made.

**City of Santa Cruz**

The City of Santa Cruz has merged the operations and maintenance of the stormwater collection system with the wastewater collection program. Funding is provided through the Wastewater Fund. The City appropriates some General Fund revenue for capital improvements to the storm drain system; the budget for FY 2004-2005 included \$50,000 for improvements.

The City has created a Stormwater Utility which is operated as an enterprise activity. Stormwater Utility Fees are used to pay for NPDES Runoff Pollution Prevention management programs and debt service for some citywide benefits of the river levee system improvements. Additional Stormwater Utility Fee revenues from parcels within the 100-year flood plain of the San Lorenzo River pay for the City's share of debt service to raise the height of the Corps of Engineers levee system and to maintain the levee. This

financing approach provides a dedicated source of revenue for the City's flood protection and stormwater management programs. The following summarizes the finances for the Stormwater Utility:

**City Santa Cruz – Stormwater Management Funding**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Est. Actual</b>	<b>FY 04-05 Proposed Budget</b>
<b>Sources: Intergovernmental, Charges for Service, Misc., etc.</b>	<b>\$1,025,415</b>	<b>\$4,281,833</b>	<b>\$899,839</b>
Uses: Operating	\$1,807,976	\$378,225	\$279,023
Debt Service	\$357,3695	\$462,007	\$462,122
Capital Projects	0	\$3,350,924	\$131,000
Other- Transfers Out	\$12,334	\$26,420	\$6,450
<b>Total Uses</b>	<b>\$2,177,679</b>	<b>\$4,217,576</b>	<b>\$878,595</b>
<b>Net Surplus (Deficit)</b>	<b>(\$1,152,264)</b>	<b>\$64,257</b>	<b>\$21,244</b>
<b>Stormwater Funds, End of Year</b>	<b>\$1,044,972</b>	<b>\$2,383,296</b>	<b>\$2,404,540</b>

The City of Santa Cruz estimates that stormwater-related pollution abatement programs cost around \$200,000 per year on an ongoing basis. Total costs to implement the San Lorenzo Flood Control Project are estimated at over \$57 million, shared between the Federal government, State and the City. The City's share is approximately \$9.7 million. These costs include the construction of four bridges, levee raising, river landscaping, and the Laurel Street Extension/Third Avenue Riverbank Stabilization Project.

The City issued Storm Water Certificates in October 1999 in the amount of \$6,665,000 to finance the City's share of the San Lorenzo Flood Control and Beautification Project. The financing was also used to repay the Wastewater Enterprise Fund for earlier loans to replace bridges across the San Lorenzo River. Annual payments of \$105,000 to \$250,000 will be made through October 2019 with interest ranging from 4.0% to 5.6%. The outstanding balance at June 30, 2003 was \$6,325,000.

**City of Scotts Valley**

The City of Scotts Valley funds its drainage services through the City's General Fund and through development impact fees. The City allocated \$105,000 to drainage services in FY 2004-2005 from its General Fund. Drainage impact fees are accounted for in the Drainage Construction Fund; revenue for FY 2004-2005 is projected at \$33,600 with no expenditures budgeted. Limited development in the future will reduce the number of projects that can be funded by impact fees.

**City of Watsonville**

The City of Watsonville finances its drainage services through development impact fees, and sewer funds. The total budget for FY 2004-2005 for sewer maintenance is \$561,417, which includes sanitary sewer as well. The revenue from drainage impact fees is budgeted at \$20,000.

**Santa Cruz County Flood Control & Water Conservation District – Zones 5, 6, 7, 7A and 8**

The Santa Cruz County Flood Control & Water Conservation District finances its flood protection and drainage services through assessments, fees and service charges, and a share of the 1% property tax in Zone 5. Adequate funding is an ongoing concern, particularly with respect to the significant financial impact of the Arreola Settlement after the Pajaro River flood. The following summarizes the finances of each of the zones:

**Santa Cruz County Flood Control & Water Conservation District  
Mid-County Zone 5 Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Sources:</b>			
Property Taxes	\$377,087	\$422,479	\$365,726
Interest	\$10,999	\$4,696	\$5,000
<b>Total Revenue</b>	<b>\$388,085</b>	<b>\$427,176</b>	<b>\$370,726</b>
<b>Uses:</b>			
Services and Supplies	\$199,036	\$181,041	\$284,250
Equipment	0	0	\$5,438
Operating Transfers Out	\$178,160	\$380,000	\$353,023
Contingencies			\$96,391
<b>Total Uses</b>	<b>\$377,196</b>	<b>\$561,041</b>	<b>\$739,102</b>
<b>Fund Balance, End of Year</b>	<b>\$592,283</b>	<b>\$226,023</b>	

*Index 622350*

**Mid-County Zone 5 Expanded Construction Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Sources:</b>			
Permit Processing Fees	\$36,670	\$78,284	\$55,000
Drainage Charges	\$112,038	\$159,192	\$155,000
Other Revenue, Transfers In	\$249,571	\$380,275	\$353,023
Interest	\$21,050	\$15,296	\$10,000
<b>Total Revenue</b>	<b>\$419,328</b>	<b>\$633,046</b>	<b>\$573,023</b>
<b>Uses:</b>			
Services and Supplies	\$198,424	\$216,540	\$275,541
Capital Improvements	\$461,501	\$128,512	\$1,347,814
Contingencies			\$72,330
<b>Total Uses</b>	<b>\$659,925</b>	<b>\$345,052</b>	<b>\$1,695,685</b>
<b>Fund Balance, End of Year</b>	<b>\$859,266</b>	<b>\$113,288</b>	

*Index 622365*

**Aptos Zone 6 Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Sources:</b>			
Permit Processing Fees	\$21,535	\$49,865	\$37,500
Drainage Charges	\$61,663	\$111,461	\$125,000
Interest	\$10,081	\$6,111	\$5,000
<b>Total Revenue</b>	<b>\$93,279</b>	<b>\$164,437</b>	<b>\$167,500</b>
<b>Uses:</b>			
Services and Supplies	\$121,012	\$133,532	\$192,250
Capital Improvements	\$42,150	\$14,891	\$436,133
Contingencies	0	0	\$4,264
<b>Total Uses</b>	<b>\$163,162</b>	<b>\$148,423</b>	<b>\$632,647</b>
<b>Fund Balance, End of Year</b>	<b>\$449,133</b>	<b>\$465,147</b>	

*Index 622375*

**Pajaro Valley Zone 7 Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Sources:</b>			
Drainage Charges	\$1,259,511	\$1,283,768	\$1,306,033
Interest	\$17,676	\$13,156	\$12,000
Other Revenue	\$5,418	\$3,017	0
<b>Total Revenue</b>	<b>\$1,282,605</b>	<b>\$1,299,942</b>	<b>\$1,318,033</b>
<b>Uses:</b>			
Services and Supplies	\$666,494	\$639,444	\$785,500
Capital Improvements, Equipment	\$168,418	\$138,407	\$1,032,112
Principal and Interest on Long-Term Debt	\$418,238	\$425,478	\$429,577
Contingencies			\$287,413
<b>Total Uses</b>	<b>\$1,253,150</b>	<b>\$1,203,330</b>	<b>\$2,534,602</b>
<b>Fund Balance, End of Year</b>	<b>\$1,248,022</b>	<b>\$1,344,635</b>	

*Index 622380*



**Pajaro Valley Zone 7A Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 05-06 Proposed Budget
<b>Sources:</b>			
Drainage Charges	0	0	\$220,000
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>\$220,000</b>
<b>Uses:</b>			
Capital Improvements, Equipment	0	0	\$220,000
<b>Total Uses</b>	<b>0</b>	<b>0</b>	<b>\$220,000</b>

*Index 622385*

**San Lorenzo Valley Zone 8 Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Final Budget
<b>Sources:</b>			
Permit Processing Fees	\$31,415	\$56,035	\$46,000
Drainage Charges	\$101,563	\$121,774	\$128,000
Interest	\$2,230	\$2,179	\$1,500
<b>Total Revenue</b>	<b>\$135,208</b>	<b>\$179,988</b>	<b>\$175,500</b>
<b>Uses:</b>			
Services and Supplies	\$92,783	\$103,925	\$138,000
Capital Improvements		\$7,972	\$191,282
Contingencies			\$33,388
<b>Total Uses</b>	<b>\$92,783</b>	<b>\$111,897</b>	<b>\$362,670</b>
<b>Fund Balance, End of Year</b>	<b>\$119,079</b>	<b>\$187,170</b>	

*Index 622360*

The District noted that Zones 5 and 6 are nearly built-out and it is expected that revenue from permit processing fees will decline.

In 2004 the County issued \$23 million in Certificates of Participation to finance payments due for settlement of the lawsuits arising from damage to property caused by flooding of the Pajaro River. Interest rates range from 2.25% to 5.00%; the Certificates mature in 2024. The County's Government Center was used as collateral for the financing; debt service, including principal and interest, is paid from the County's General Fund. \$300,000 (nearly half) of the District's revenues go to the Arreola Settlement. In addition, the County has \$2.91 million in outstanding revenue bonds related to flood control projects in Pajaro Storm Drain Maintenance District and Zone 7; interest rates range from 4.2% to

6.5%. The final maturity date is in 2012. Principal and interest on the debt is paid from the revenues generated in Zone 7.

**Pajaro Storm Drain Maintenance District**

The Pajaro Storm Drain Maintenance District is funded through the District's share of the 1% property tax and is accounted for as a Special Revenue Fund. The following is a summary of the District's finances:

**Pajaro Storm Drain Maintenance District – Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Sources:</b>			
Property Taxes	\$655,634	\$639,751	\$622,271
Interest	\$20,780	\$17,475	\$16,000
<b>Total Revenue</b>	<b>\$676,414</b>	<b>\$657,226</b>	<b>\$638,271</b>
<b>Uses:</b>			
Services and Supplies	\$274,520	\$238,546	\$631,496
Principal on Long Term Debt	0	0	\$300,000
Capital Improvements	\$506,969	\$6,479	\$500,000
Contingencies			\$207,864
<b>Total Uses</b>	<b>\$781,490</b>	<b>\$245,025</b>	<b>\$1,639,360</b>
<b>Fund Balance, End of Year</b>	<b>\$1,209,781</b>	<b>\$1,321,639</b>	

*Index 622245*

The District's property tax revenue was reduced by \$55,405 in FY 2004-2005 due to the ERAF III adjustment.

**CSA 57 – Graham Hill**

CSA 57 funds its drainage services through parcel assessments. The following summarizes the CSA's finances:

**CSA 57 – Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Sources:</b>			
Interest	\$922	\$844	\$900
Sewer Service Charge	0	\$3,505	\$8,826
Drainage Service Charge	\$24,948	\$26,195	\$26,196
<b>Total Revenue</b>	<b>\$25,871</b>	<b>\$30,544</b>	<b>\$35,922</b>
<b>Uses:</b>			
Services and Supplies	\$6,774	\$6,867	\$32,437
Improvements	0	0	\$60,581
Contingencies	0	0	\$13,479
<b>Total Uses</b>	<b>\$6,774</b>	<b>\$6,867</b>	<b>\$106,497</b>
<b>Fund Balance, End of Year</b>	<b>\$57,740</b>	<b>\$81,417</b>	

*Includes Wastewater Service and Drainage*

**5.4 Cost-Avoidance Opportunities**

Each of the agencies is implementing cost control measures in order to maximize available funding. This includes providing regular maintenance for the drainage systems to ensure that they are fully operational in storm events and non-point source pollution is minimized.

Capitola regularly inspects and cleans the drainage outfall and cleans the storm drains annually prior to the rainy season. The City currently does not have an accurate map of its storm drain systems; this could provide cost efficiencies by enabling the City to track maintenance and identify potential system deficiencies.

The City of Santa Cruz regularly cleans the City's storm drain pipeline system and notes that it needs to increase pipeline cleaning in the future to improve water quality.

The Santa Cruz County Flood Control & Water Conservation District, the Pajaro Storm Drain Maintenance District, and CSA 57 are avoiding costs by sharing the County's facilities and staff for administrative tasks, maintenance and operations.

## **5.5 Opportunities for Shared Facilities**

As mentioned above, the County and the special districts share a number of facilities related to flood protection and stormwater management. In addition the County provides major storm drain services for Capitola through Zone 5.

The Pajaro Storm Drain Maintenance District has an agreement with the Pajaro Valley Water Management Agency for facility use associated with the District's Harkins Slough pumps and the Agency's local groundwater recharge project.

The City of Watsonville notes that the City's biggest challenge and highest priority is the need for construction of a regional flood protection project to prevent flooding from the Pajaro River, Salsipuedes Creek and Corralitos Creek. This issue represents a significant opportunity to share facilities as it will require participation from multiple agencies on the Federal, State and local level in order to most effectively address the need. Because the river forms the boundary between the counties, Monterey County will be involved as well.

## **5.6 Management Efficiencies**

Flood protection and stormwater management services are provided through the Public Works Departments of the County and each of the cities. The agencies reported the following staff allocations:

**Table 5.2  
Flood Control/Stormwater Management Staff**

<b>Agency</b>	<b>FTE's</b>
City of Capitola (all Public Works staff)	5.0
City of Santa Cruz	3.0
City of Scotts Valley	1.25
City of Watsonville	0.5
Santa Cruz County Flood Control & Water Conservation District (all DPW operated flood control projects)	17
Pajaro Storm Drain Maintenance District	Included in County FTE's
CSA 57 – Graham Hill	Included in County FTE's

The 2003 expenditures per square mile for flood control and stormwater protection are as follows:

**Table 5.3**  
**Flood Control/Stormwater Budget**  
(per square mile)

<b>Agency</b>	<b>Cost per Sq Mile</b>
City of Capitola	\$20,000
City of Santa Cruz	\$73,216
City of Scotts Valley	\$23,333
City of Watsonville*	\$85,192
Santa Cruz County Flood Control & Water Conservation District:	
Zone 5 – Mid County	\$278,261
Zone 6 – Aptos	\$133,470
Zone 7 – Pajaro Valley	\$28,351
Zone 8 – San Lorenzo Valley	\$4,745
Pajaro Storm Drain Maintenance District	\$19,900
CSA 57 – Graham Hill*	\$1,064,970

\* - includes wastewater collection costs

The City of Santa Cruz provides its flood protection and drainage services through the Wastewater Mains Division within the Public Works Department. Similarly, the City of Watsonville provides flood protection and drainage services through the Stormwater and Wastewater Collections Division within the Department of Public Works. This allows for the efficient use of staff resources and equipment as the infrastructure is closely related.

The Santa Cruz County Flood Control & Water Conservation District coordinated the effort to obtain the County's Phase II NPDES Stormwater Permit. The District also was successful in obtaining \$858,000 in grant funding for water quality projects throughout Santa Cruz County.

## **5.7 Opportunities for Rate Restructuring**

The City of Capitola does not currently charge any fees for drainage services. However, in the future the City may consider establishing a drainage utility fee to provide funding for NPDES compliance, maintenance and capital improvements.

In 1994 the City of Santa Cruz enacted a Stormwater Utility Fee which is imposed on every parcel in the City based on estimated runoff by land use type. The fee pays for NPDES pollution prevention programs and costs for upgrades to the river levee system that have citywide benefit. An additional Levee Assessment is imposed on parcels within the 100-year floodplain of the San Lorenzo River and is

committed to pay for debt service on large capital costs to raise the height of the levee and increase capacity. For a single family residence, the citywide fee is \$21.24 per acre per year and \$87.86 if in the floodplain. The average rates for commercial/industrial properties with the most impervious surface area are \$261.08 per acre for the citywide fee and \$1,079.50 per acre in the floodplain. The fees are billed on the property tax statements issued by the Santa Cruz County Tax Collector.

The City of Scotts Valley charges a development impact fee for existing and future facilities on residential, commercial and industrial projects. The fees are based on the square footage of new impervious surface and the drainage area. Rates range from \$0.08 to \$0.17 per square foot. Rates are reviewed annually and increased by the construction cost index as determined by the Engineering News Record.

The City of Watsonville also charges a development impact fee for drainage services, ranging from \$4,200 to \$17,494 per gross acre.

The Santa Cruz County Flood Control & Water Conservation District charges impact fees for new construction in Zones 5 Mid-County, 6 Aptos, 7A Pajaro Valley and 8 San Lorenzo Valley. The current fee is set at \$0.85 per square foot of new impervious surface, payable at the time of permit issuance. In addition, parcels within Zone 7A Pajaro Valley are assessed annually at the following rates:

<b>Zone 7A – Pajaro Valley Assessments</b>	
<b>2004-2005</b>	<b>Charge per Unit/Acre</b>
Residential	\$57.02
Agricultural	\$7.90
Commercial	\$380.12
Unimproved	\$0.79
Schools and Churches	\$95.03

Assessments rates may be increased annually based on the CPI with a cap of 4%.

The Pajaro Storm Drain Maintenance District does not charge fees for services and is funded solely through its share of the 1% property tax.

The rates for CSA 57 – Graham Hill were established when the District was formed. The current annual per parcel charge for drainage is \$420. Rates are reviewed annually by the County Board of Supervisors. The rate was not increased for FY 2004-2005.

## **5.8 Government Structure Options**

Each of the cities is providing drainage and flood protection services within their incorporated areas. The Santa Cruz County Flood Control & Water Conservation District is providing flood protection and drainage services within the benefit zones. CSA 57 is providing enhanced drainage services to the Graham Hill area.

One government structure option for Zones 5, 6 and 8 would be to create independent drainage districts. This would need to be evaluated from a cost/benefit perspective as there are economies of scale and efficiencies from operating as part of the County's structure, including shared resources, staff and equipment. This option would likely result in increased costs without a significant increase in benefit.

The governing board of Zone 7, Pajaro Valley, has discussed forming a JPA with the County of Monterey or the City of Watsonville regarding shared maintenance. Forming a new entity to assume responsibility might be beneficial; however there are impediments to this as there are inequities between the assessments levied in the two counties adjacent to the Pajaro River. There are also significant legal issues and risk since the levee expansion project is still years away from the completion.

In December 2004 the County established Zone 7A Pajaro Valley, for flood control. The boundaries of the new district are coterminous with the boundaries of the Pajaro Storm Drain Maintenance District. In March 2005 the Board of Supervisors approved a development impact fee of \$0.85 per square foot, increasing to \$1.00 per square foot in 2008, which is expected to generate approximately \$340,000 annually for drainage and flood control projects in that area. Given this recent change, there may be a benefit from reorganizing the Maintenance District with the new Zone. Potential benefits include reduced administrative costs and simplified service areas. Some of the area lies within three jurisdictions: the Pajaro Storm Drain Maintenance District, Zone 7 and Zone 7A. The full costs of reorganization would need to be evaluated to determine whether a change would be beneficial.

## **5.9 Local Accountability and Governance**

Drainage, stormwater management, and flood protection services are addressed by each of the City Councils and the County Board of Supervisors during their regular meetings. Each has procedures in place to ensure that public notice and governance standards are met.

Zone 7 is governed by a seven-member board that includes the Board of Supervisors as well as representatives from the Pajaro Valley Water Management Agency and the City of Watsonville. Meetings are held quarterly generally on the third Tuesday of the month in January, March, June and September. The meeting time and location varies; public notice is provided through posting and mass mailing. Zone 7 has its own website – [www.pajaroriver.com](http://www.pajaroriver.com) – which is used to disseminate public information.

The County and the Cities of Capitola, Santa Cruz and Watsonville provide information about stormwater management services on their websites.

**– DETERMINATIONS BY AGENCY –**

**– City of Capitola–**

**1) *Population and Growth***

Population within the City of Capitola is expected to reach 11,136 by 2030 with an annual growth rate of 0.1%. Although growth is limited, there will be a continued need for drainage services for public protection.

**2) *Infrastructure Needs and Deficiencies***

The City of Capitola has identified critical system improvements needed to maintain adequate drainage within the City; the improvements are currently not funded.

The City routinely inspects and cleans the outfall; storm drains are cleaned annually in the fall prior to the rainy season.

Major storm drain services are provided by the Santa Cruz County Flood Control & Water Conservation District through Zone 5.

Capitola has identified the following infrastructure and operational needs: 1) an accurate map of the drainage systems, 2) implementation of the Soquel Creek Lagoon Management Plan, and 3) improving water quality in Soquel Creek.

**3) *Financing Constraints and Opportunities***

The City of Capitola funds its drainage services through the City's General Fund; however funding has not been adequate to address capital improvement needs.

The City has not funded its NPDES program or implementation of the Soquel Creek Lagoon Management Plan.

**4) *Cost Avoidance Opportunities***

The City of Capitola is avoiding water quality violations and penalties by regularly cleaning the drainage outfall and storm drains.

**5) *Management Efficiencies***

The City of Capitola operates its drainage systems with a staff of five; an accurate map of the City's drainage facilities would help the City improve management efficiency.



**6) *Shared Facilities***

The Santa Cruz County Flood Control & Water Conservation District provides major storm drain services through Zone 5.

**7) *Rate Restructuring***

The City of Capitola currently does not charge any fees for drainage services. The City is evaluating establishing a drainage utility fee to pay for NPDES compliance, maintenance and capital improvements.

**8) *Government Structure Options***

The City of Capitola provides drainage services through its Public Works Department. No other government structure options were identified.

**9) *Local Accountability and Governance***

Drainage services are addressed by the Capitola City Council during regular meetings. Public notice is provided for all meetings. Information on the Public Works Department and stormwater programs is provided on the City's website.

**– City of Santa Cruz –**

**1) *Population and Growth***

Population within the City of Santa Cruz is expected to reach 63,987 by 2030 with an annual growth rate of 0.5%.

Portions of the City are within the 100-year floodplain of the San Lorenzo River. Growth will result in continued need for comprehensive flood protection and stormwater management services.

**2) *Infrastructure Needs and Deficiencies***

The City of Santa Cruz operates and maintains its stormwater collection system and maintains the US Army Corps of Engineers levee system on the San Lorenzo River. Some infrastructure improvements are needed in the stormwater collection system.

The City has constructed two new storm drains and has constructed several infrastructure projects to reduce flooding in localized areas.

The City has addressed its stormwater system needs in the City's Capital Improvement Program. The City is implementing a Stormwater Management Plan in conformance with its Phase II NPDES permit.

**3) *Financing Constraints and Opportunities***

The City of Santa Cruz funds the operations and maintenance of the stormwater collection system through the Wastewater Fund. The City appropriates some funding from the City's General Fund each year for capital improvements to the stormwater system.

The City has established a dedicated funding source for flood protection and stormwater management through the Stormwater Utility Fee.

The City issued \$6,665,000 in Storm Water Certificates in 1999 to finance the City's share of the San Lorenzo River Flood Control and Beautification Project and to repay the Wastewater Enterprise fund for loans to rehabilitate and retrofit bridges that cross the river. The Certificates will mature in 2019; annual payments range from \$105,000 to \$250,000.

**4) *Cost Avoidance Opportunities***

The City of Santa Cruz is avoiding costs associated with water quality impacts by implementing a program of routine street sweeping and regular cleaning of the storm drain pipe system.

**5) *Management Efficiencies***

The City of Santa Cruz has developed a comprehensive Stormwater Management Plan in order to fulfill the requirements of the City's Phase II NPDES permit.

The City provides its flood protection and stormwater collection services through the Wastewater Mains division of Public Works; this allows for efficient staff assignments and resource allocation.

**6) *Shared Facilities***

Other city departments provide support services for the Department of Public Works; no additional opportunities to share facilities were noted.

**7) *Rate Restructuring***

The City of Santa Cruz charges a Stormwater Utility fee on every parcel within the city based on estimated runoff by land use type. An additional Stormwater Utility Fee is imposed on parcels within the 100-year floodplain of the San Lorenzo River to pay for debt service on large capital costs associated with the levee.

**8) *Government Structure Options***

The City of Santa Cruz provides flood protection and stormwater management services through its Public Works Department. No other government structure options were identified.

**9) *Local Accountability and Governance***

Drainage services are addressed by the Santa Cruz City Council during regular meetings. Public notice is provided for all meetings. Information on the Public Works Department and stormwater programs is provided on the City's website.

**– City of Scotts Valley–**

**1) *Population and Growth***

Population within the City of Scotts Valley is expected to reach 14,275 by 2030 with an annual growth rate of 0.3%. Although growth is limited, there will be a continued need for drainage services for public protection.

**2) *Infrastructure Needs and Deficiencies***

The City of Scotts Valley Storm Drain Master Plan identifies areas requiring improvement and infrastructure needs. Deficiencies and improvements are addressed as funding is available.

The City's storm water is discharged into Carbonera Creek and its two tributaries.

**3) *Financing Constraints and Opportunities***

The City of Scotts Valley funds its drainage services through the City's General Fund and development impact fees. Impact fee revenue will likely be reduced in the future due to decreasing development.

**4) *Cost Avoidance Opportunities***

The City of Scotts Valley is avoiding flooding incidents by emphasizing pre-event debris removal.

**5) *Management Efficiencies***

The City of Scotts Valley has allocated 1.25 full-time staff to drainage services.

The City reports that it has had a very limited number of claims regarding flooding and drainage.

**6) *Shared Facilities***

Other city departments provide support services for the Department of Public Works; no additional opportunities to share facilities were noted.

**7) *Rate Restructuring***

The City of Scotts Valley charges a development impact fee for storm drain facilities on all residential, commercial and industrial projects. The fee structure is reviewed annually.

**8) *Government Structure Options***

The City of Scotts Valley provides drainage services through its Public Works Department. No other government structure options were identified.

**9) *Local Accountability and Governance***

Drainage services are addressed by the Scotts Valley City Council during regular meetings. Public notice is provided for all meetings.

The City's website does not provide any information on the drainage services, flood control or stormwater management. Given the City's development profile and stormwater discharge into Carbonera Creek, the City should be encouraged to update its website to include information on water quality protection.

***– City of Watsonville–***

**1) *Population and Growth***

Population within the City of Watsonville is expected to reach 70,418 by 2030 with an annual growth rate of 1.3%. Growth, increased density and development will result in increased need for comprehensive flood protection and stormwater management services.

**2) *Infrastructure Needs and Deficiencies***

The City of Watsonville has completed several capital improvements over the past few years, including the addition of five stormwater pump stations and six stormwater retention basins.

There is a critical need for a regional flood protection project to prevent flooding from the Pajaro River, Salsipuedes Creek and Corralitos Creek.

**3) *Financing Constraints and Opportunities***

The City of Watsonville funds its drainage services through development impact fees, wastewater enterprise funds and property assessments.

**4) *Cost Avoidance Opportunities***

The City of Watsonville has identified the benefits of a regional flood control project to protect against flooding from the Pajaro River, Salsipuedes Creek and Corralitos Creek. This would have benefit for northern Monterey County as well.

**5) *Management Efficiencies***

The City of Watsonville has allocated 0.5 full-time staff to drainage services.

The City has increased management efficiency through the use of a Web-based monitoring system to measure river and creek levels as well as alarm/status of stormwater pump stations.

**6) Shared Facilities**

Other city departments provide support services for the Department of Public Works; no additional opportunities to share facilities were noted.

**7) Rate Restructuring**

The City of Watsonville charges a development impact fee for storm drain facilities as well as property assessments. The fee structure is reviewed annually.

**8) Government Structure Options**

The City of Watsonville provides drainage services through its Public Works Department. No other government structure options were identified.

**9) Local Accountability and Governance**

Drainage services are addressed by the Watsonville City Council during regular meetings. Public notice is provided for all meetings. The City's website provides information on stormwater management.

**– Santa Cruz County Flood Control & Water Conservation District – Zones 5, 6, 7, 7A and 8 –**

**1) Population and Growth**

The Santa Cruz County Flood Control & Water Conservation District is providing flood protection services within five zones of benefit for of the areas of the Mid-County (Live Oak, Capitola, and Soquel), Aptos, the Pajaro River watershed, and the San Lorenzo Valley. The rate of growth is expected to be slow to moderate. There will be a continued need for comprehensive flood control and stormwater protection services in these areas to protect life and property.

**2) Infrastructure Needs and Deficiencies**

The Santa Cruz County Flood Control & Water Conservation District operates underground storm drain systems and above ground ditches and water courses in Zones 5, 6 and 8. The District operates and maintains the federal flood control project on the Pajaro River and Salsipuedes Creek in Zone 7.

Infrastructure needs and deficiencies are addressed in the Capital Improvement Plans for Zones 5, 6 and 8. Due to the settlement following the Pajaro River flood, funding for capital improvements is particularly limited in Zone 7 Pajaro Valley.

**3) Financing Constraints and Opportunities**

The Santa Cruz County Flood Control & Water Conservation District finances its flood protection and stormwater management services through a portion of the 1% property tax in Zone 5, as well as permit processing fees and drainage charges for Zones 5, 6, 7, 7A and 8.

The County's main flood-control debt is \$23 million in long-term debt related to the Arreola settlement from the Pajaro River flooding. This debt is being paid back annually through the following units:

- County General Fund \$900,000
- Pajaro Storm Drain Maintenance District \$300,000
- S.C.C. Flood Control and Water Con. Dist. \$300,000

The 1995 Flood Control B bonds that financed \$2.91 million in flood control infrastructure in the Pajaro Valley are being repaid through Zone 7 Pajaro Valley; annual payments range from \$428,075 in 2005 to \$427,255 in 2009. The debt will be fully repaid in 2012.

#### **4) Cost Avoidance Opportunities**

The Santa Cruz County Flood Control & Water Conservation District is controlling costs by sharing resources such as staff, equipment and facilities with each of the Zones as well as the Pajaro Storm Drain Management District and CSA 57.

#### **5) Management Efficiencies**

The Santa Cruz County Flood Control & Water Conservation District is achieving management efficiencies through the use of County staff and operational experience and by operating within zones so that resources can be allocated appropriately.

#### **6) Shared Facilities**

The Santa Cruz County Flood Control & Water Conservation District shares resources such as staff, equipment and facilities with each of the Zones as well as the Pajaro Storm Drain Management District and CSA 57.

#### **7) Rate Restructuring**

The Santa Cruz County Flood Control & Water Conservation District charges permit processing fees and assessments for Zones 5, 6, 7A and 8 and assessments only in Zone 7. The rates are reviewed annually.

#### **8) Government Structure Options**

The Santa Cruz County Flood Control & Water Conservation District manages four flood control zones. The County recently established a new zone, Zone 7A, with boundaries contiguous to the Pajaro Storm Drain Maintenance District. There may be a benefit to reorganizing the Pajaro Storm Drain Maintenance District (PSDMD) with the new zone.

#### **9) Local Accountability and Governance**

Zones 5, 6, 7A, and 8 of the Santa Cruz County Flood Control & Water Conservation District are addressed by the Santa Cruz County Board of Supervisors during regular meetings. Public notice is provided for all meetings. The County provides information on flood protection and stormwater management on its website.

Zone 7 is governed by a seven member board consisting of the County Board of Supervisors, one member from the Pajaro Valley Water Management Agency and one member from the City of Watsonville. Zone 7 has its own website to disseminate public information.

**– Pajaro Storm Drain Maintenance District –**

**1) *Population and Growth***

The Pajaro Storm Drain Maintenance District serves the Pajaro watershed in South County, excluding the City of Watsonville. There will be a continued need for stormwater collection and drainage services to protect life and property.

**2) *Infrastructure Needs and Deficiencies***

The County operates and maintains the drainage facilities of the Pajaro Storm Drain Maintenance District. Limited funding is available to address infrastructure needs and deficiencies.

**3) *Financing Constraints and Opportunities***

The Pajaro Storm Drain Maintenance District is funded through the District's share of the 1% property tax. The District's fund is managed as a Special Revenue Fund by the County.

The settlement from the 1995 Pajaro River flood incident has impacted the finances of the District and limited service levels, including staffing and equipment.

The District's budget includes \$300,000 in FY 2004-2005 for long-term debt service related to the Arreola Settlement

**4) *Cost Avoidance Opportunities***

Administrative, operations and maintenance costs for the Pajaro Storm Drain Maintenance District are controlled by the County.

**5) *Management Efficiencies***

The Pajaro Storm Drain Maintenance District is achieving management efficiencies through the use of County staff and operational experience.

**6) *Shared Facilities***

The Pajaro Storm Drain Maintenance District shares resources with Zones 5, 6, 7A, and 8 of the Santa Cruz County Flood Control & Water Conservation District as well as CSA 57.

**7) *Rate Restructuring***

The Pajaro Storm Drain Maintenance District does not charge any fees or service charges.

**8) Government Structure Options**

The Pajaro Storm Drain Maintenance District is a dependent special district formed to provide enhanced stormwater drainage services to the Pajaro Watershed area excluding the City of Watsonville. The County has recently established Zone 7A of the Santa Cruz County Flood Control & Water Conservation District; the boundaries of Zone 7A are contiguous with those of the Pajaro Storm Drain Maintenance District. There may be benefit to consolidating the two districts.

**9) Local Accountability and Governance**

The Pajaro Storm Drain Maintenance District and the services it provides are addressed by the Santa Cruz County Board of Supervisors during regular meetings. Public notice is provided for all meetings. The County provides information on flood protection and stormwater management on its website.

**– CSA 57 – Graham Hill (Drainage Only) –**

**1) Population and Growth**

CSA 57 currently serves a population of 14; this is expected to reach 120 by 2015 as parcels are developed.

**2) Infrastructure Needs and Deficiencies**

The County operates and maintains the drainage facilities of CSA 57, including the storm drain line that extends from the community to the outfall at the San Lorenzo River. No infrastructure needs or deficiencies were noted for CSA 57.

**3) Financing Constraints and Opportunities**

CSA 57 funds its drainage services through annual parcel assessments. Future capital improvements will be funded through the CSA's reserves.

**4) Cost Avoidance Opportunities**

CSA 57 is reducing costs by using the resources of the County to administer the district and maintain and operate the facilities.

**5) Management Efficiencies**

CSA 57 is achieving management efficiencies through the use of County staff and operational experience.

**6) Shared Facilities**

CSA 57 shares resources with the Zones 5, 6, 7A, and 8 of the Santa Cruz County Flood Control & Water Conservation District as well as the Pajaro Storm Drain Maintenance District.



**7) *Rate Restructuring***

CSA 57 charges a per parcel assessment of \$420 for drainage services; rates are established by the County Board of Supervisors. The rate structure allows for adjustments based on the CPI.

**8) *Government Structure Options***

CSA 57 is a dependent special district formed to provide enhanced drainage and sewer services to the Graham Hill community. No other government structure options were identified.

**9) *Local Accountability and Governance***

CSA 57 and the services it provides are addressed by the Santa Cruz County Board of Supervisors during regular meetings. Public notice is provided for all meetings. The County provides information on flood protection and stormwater management on its website.

City of Capitola Public Works Department			
Contact:	Steve Jesberg, Public Works Director		
Mailing Address:	422 Capitola Avenue, Capitola, CA 95010		
Phone Number:	(831) 475-7300		
Fax Number:	(831) 475-8879		
Email/Website	<a href="mailto:sjesberg@ci.capitola.ca.us">sjesberg@ci.capitola.ca.us</a> -		
Types of Services:	Stormwater management, drainage		
Population Served:	10,000		
Size of Service Area (sq miles):	2 sq miles		
Staff, Revenue Sources			
Staff: FTE	5 on Public Works crew. FTE for storm drainage is X.X		
Source of Funding	City General Fund		
Financial Information			
Budget: (FY 2004-2005)	General Fund Allocation		
	\$40,000		

City of Santa Cruz Public Works Department			
Contact:	Mark Dettle, Public Works Director		
Mailing Address:	809 Center Street, Room 201, Santa Cruz, CA 95060		
Phone Number:	(831) 420-5160		
Fax Number:	(831) 420-5011		
Email/Website	citypw@ci.santa-cruz.ca.us		
Types of Services:	Flood protection and stormwater management services		
Population Served:	56,953		
Size of Service Area (sq miles):	12 sq miles		
Staff, Revenue Sources			
Staff: FTE	3		
Source of Funding	Wastewater User Fees and Stormwater Utility Fees; City General Fund for capital project funding		
Financial Information			
Budget: (FY 2004-2005)	Sources	Uses	Fund Balance at June 30, 2004
Stormwater Utility	\$899,839	\$878,595	\$2,404,540

City of Scotts Valley Public Works Department			
Contact:	Ken Anderson, Public Works Director/City Engineer		
Mailing Address:	One Civic Center Drive, Scotts Valley, CA 95066		
Phone Number:	(831) 438-5854		
Fax Number:	(831) 438-9748		
Email/Website	kanderson@scottsvalley.org		
Types of Services:	Drainage Services		
Population Served:	11,598		
Size of Service Area (sq miles):	4.5 sq miles		
Staff, Revenue Sources			
Staff: FTE	1.25		
Source of Funding	City General Fund, Development Impact Fees		
Financial Information			
Budget: (FY 2004-2005)	General Fund Allocation	Impact Fee Revenue	Drainage Construction Fund Balance June 30, 2005
	\$105,000	\$32,600	\$103,600

City of Watsonville Public Works Department			
Contact:	David A. Koch, Director of Public Works		
Mailing Address:	250 Main Street, Watsonville, CA 95076		
Phone Number:	(831) 768-3100		
Fax Number:	(831) 761-0736		
Email/Website	dkoch@ci.watsonville.ca.us		
Types of Services:	Flood protection and stormwater management services		
Population Served:	52,716		
Size of Service Area (sq miles):	6.59 sq miles		
Staff, Revenue Sources			
Staff: FTE	0.5		
Source of Funding	Development Impact Fees, Wastewater Enterprise Funds, Property Assessments		
Financial Information			
Budget: (FY 2004-2005)	Sources (Impact Fees)	Budget *	
	\$20,000	\$561,417	
* Includes wastewater collection services			

Santa Cruz County Flood Control & Water Conservation District Zones 5, 6, 7, 7A and 8			
Contact:	Tom Bolich, District Engineer		
Mailing Address:	701 Ocean Street, Santa Cruz, CA 95060		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2385		
Email/Website	Susann.rogberg@co.santa-cruz.ca.us    Zone 7: www.pajaroriver.com		
Types of Services:	Flood protection, stormwater management, drainage		
Population Served:	NP		
Size of Service Area (sq miles):	Zone 5 – 8.75 sq miles; Zone 6 – 4.74 sq miles; Zone 7 – 89.4 sq miles; Zone 8 – 76.44 sq miles		
Staff, Revenue Sources			
Staff: FTE	17 (includes all DPW administered flood control and maintenance districts)		
Source of Funding	Share of 1% property tax, permit processing fees, assessments, service charges		
Financial Information			
Budget: (FY 2004-2005)	Revenue	Expenses	Fund Balance, June 30, 2004
Zone 5	\$943,749	\$2,434,787	\$339,311
Zone 6	\$167,500	\$632,647	\$465,147
Zone 7	\$1,318,033	\$2,534,602	\$1,344,635
Zone 8	\$175,500	\$362,670	\$187,170
Zone 7A (05-06 proposed budget)	\$220,000	\$220,000	0

Pajaro Storm Drain Maintenance District			
Contact:	Tom Bolich, District Engineer		
Mailing Address:	701 Ocean Street, Santa Cruz, CA 95060		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2385		
Email/Website	Dpw139@co.santa-cruz.ca.us		
Types of Services:	Stormwater management, drainage		
Population Served:	NP		
Size of Service Area (sq miles):	82.38 sq miles		
Staff, Revenue Sources			
Staff: FTE	17 (includes all DPW administered flood control and maintenance districts)		
Source of Funding	Share of 1% property tax		
Financial Information			
Budget: (FY 2004-2005)	Revenue	Expenses	Fund Balance, June 30, 2004
	\$638,271	\$1,639,360	\$1,321,639

CSA 57 – Graham Hill			
Contact:	Tom Bolich, District Engineer		
Mailing Address:	701 Ocean Street, Santa Cruz, CA 95060		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2385		
Email/Website	Dpw139@co.santa-cruz.ca.us		
Types of Services:	Stormwater management, drainage		
Population Served:	14		
Size of Service Area (sq miles):	0.1 sq miles		
Staff, Revenue Sources			
Staff: FTE	17 (includes all DPW administered flood control and maintenance districts)		
Source of Funding	Per parcel assessments		
Financial Information			
Budget: (FY 2004-2005)	Drainage Revenue	Expenses*	Fund Balance, June 30, 2004
	\$26,196	\$106,497	\$81,417
* Includes sewer services			

## **6. SOLID WASTE SERVICES**

---

City of Capitola  
City of Santa Cruz  
City of Scotts Valley  
City of Watsonville  
County of Santa Cruz – CSA 9C

## 6.0 SOLID WASTE SERVICE

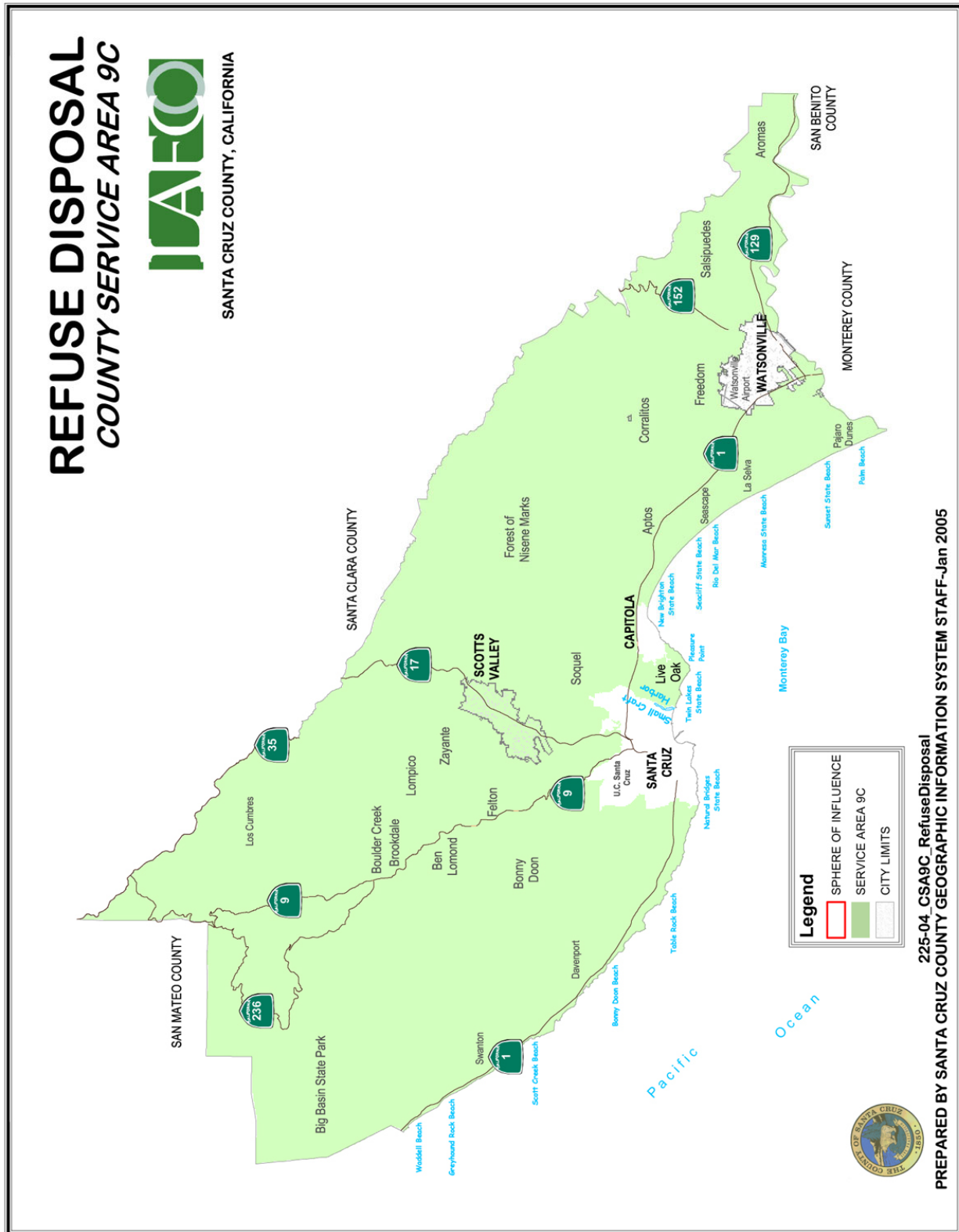
### Agency Overview

Solid waste services within Santa Cruz County range from curbside collection and recycling to transfer/diversion and landfill operations. The Cities of Santa Cruz and Watsonville directly provide trash collection and recycling within city limits; each city owns and operates its own landfill. The County and the Cities of Capitola and Scotts Valley contract for trash collection and recycling services with a private hauler. The County has established County Service Area (CSA) 9C for this purpose. Waste from the unincorporated areas of the County and Scotts Valley is directed to the Buena Vista Landfill which is owned and operated by the County of Santa Cruz. Capitola's waste is directed to the Marina Landfill in Monterey County. The four cities and the County all have active recycling and waste stream reduction programs. The agencies providing solid waste services within Santa Cruz County are as follows:

**Table 6.1**  
**Solid Waste Agencies**

Santa Cruz LAFCO Countywide Service Review				
	Trash Collection	Recycling	Trash Transfer	Landfill Operations
City of Capitola <i>(by contract)</i>	•			
City of Santa Cruz	•	•		•
City of Scotts Valley <i>(by contract)</i>	•	•		
City of Watsonville	•	•		•
County of Santa Cruz – CSA 9C <i>(by contract)</i>	•	•	•	•

A map of County Service Area 9C follows.





## **6.1 Growth and Population**

Growth patterns and population projections are directly related to solid waste services in terms of waste generation (type and volume), source reduction and diversion opportunities, disposal, and the rate at which landfill capacity is used. The California Integrated Waste Management Act of 1989 (AB 939) requires that each county adopt a Countywide Integrated Waste Management Plan (CIWMP) to provide structure and guidance for waste management programs on a countywide basis. The Santa Cruz CIWMP includes an analysis of Santa Cruz County demographics and population. One of the benchmarks included in AB 939 was for cities and counties to achieve a 50% reduction in the amount of solid waste disposed in landfills by the year 2000. The CIWMP serves as the planning document to ensure that that level is maintained and efforts continue for further waste reduction. The CIWMP incorporates the following solid waste planning documents for the County and each of the four cities:

- Source Reduction and Recycling Element
- Non-disposal Facility Element
- Household Hazardous Waste Element
- Countywide Siting Element
- Summary Plan

The Santa Cruz County CIWMP was approved by the California Integrated Waste Management Board in March 1999. A complete review of the CIWMP is required every five years to assure that the underlying assumptions are still valid and there has been no major change in demographics or waste generation. The Santa Cruz County Integrated Waste Management Local Task Force (Local Task Force) completed and adopted the 5-year Review Report in December 2004.

As mentioned above, there are specific issues required to be addressed in the CIWMP Review Report, including changes in demographics within the County and changes in the sources and volume of waste generated. The Review Report found that the demographics within Santa Cruz County had not changed significantly since the planning documents were originally prepared. In addition, it was found that “each jurisdiction has kept pace with its population growth through expansion of solid waste management services, including recycling and other diversion programs.”<sup>1</sup> It was further noted that the source reduction and household hazardous waste programs are meeting their goals; each jurisdiction has exceeded the mandated 50% disposal reduction.

The projected population for Santa Cruz County is as follows:

---

<sup>1</sup> Santa Cruz County Countywide Integrated Waste Management Plan – Five Year Review Report. Draft – November 18, 2004.

**Table 6.2**  
**Population Estimates**

Public Agency	2005	2010	2015	2020	2025	2030	Annual Growth Rate
City of Capitola	10,869	10,978	11,041	11,104	11,120	11,136	0.1%
City of Santa Cruz	56,953	57,768	58,846	59,924	61,956	63,987	0.5%
City of Scotts Valley	13,182	13,667	13,864	14,062	14,169	14,275	0.3%
City of Watsonville	52,716	56,779	61,126	65,473	67,946	70,418	1.3%
Santa Cruz County (unincorporated)	133,824	136,167	139,150	142,132	143,582	145,031	0.3%

*Source: AMBAG 2004 Projections*

The waste sources and related per capita generation from each jurisdiction are as follows:

**Table 6.3**  
**Waste Generation**

Jurisdiction	Source: Residential	Source: Non-Residential	Per Capita Generation 2002 (lbs per person per day)	% Change (4 year trend)	Diversion Rate 2002
City of Capitola	41%	59%	11.9	(1.7%)	51%
City of Santa Cruz	52%	48%	12.6	(3.4%)	52%
City of Scotts Valley	15%	85%	16.1	(2.3%)	65%
City of Watsonville	39%	61%	15.0	0.3%	72%
Unincorporated Santa Cruz County	38%	62%	8.6	(1.4%)	51%

*Source: SCC CIWMP Five Year Review Report, Tables 1, 4 and 7, Nov 2004*

Although growth will be moderate over the next 25 years and the volume of waste generated per capita is trending downwards, there will be a continued need for comprehensive solid waste services due to the capacity limits at the three landfills in the County. In September 2004, the Local Task Force voted to discontinue the study of potential landfill sites in Santa Cruz County and focus the agencies' resources on the study of alternatives to new landfills. These alternatives include exporting waste to landfills outside of Santa Cruz County, converting garbage to reusable energy products through heat or chemical processes, and composting. Seventeen options for increased diversion have been identified based on the County's 2000 Waste Diversion Study. By taking this direction, the agencies within Santa Cruz County will be considering new technologies and approaches to solid waste management to ensure that adequate service levels are provided. Solid waste planning requires a long lead time for implementation, whether for permitting, operating pilot projects to test technology or constructing capital improvements. The County and the four cities are aware of this requirement, and through their participation on the Local Task Force are proactively preparing for the long term solid waste management needs of Santa Cruz County.

**6.2 Infrastructure Needs and Deficiencies**

Solid waste infrastructure needs are based on the programs and services provided by each agency. These should be considered within the hierarchy or priority of waste management practices defined in Public Resources Code §40051: 1) source reduction, 2) recycling and composting, and 3) environmentally safe transformation and land disposal. For Santa Cruz County, the major infrastructure components are permitted facilities: recycling centers, transfer station and landfills.

Recycling is a critical component in the solid waste system for Santa Cruz County, particularly for the benefits provided in reducing the volume of waste disposed in landfills. In 2004 the Santa Cruz County Grand Jury investigated recycling programs in the County. Several recommendations were made in that study, including that the County should examine its Buena Vista landfill operations in order to more closely monitor and enforce recycling practices. It also suggested the use of incentives for proper disposal of recyclables and citations for improper disposal. It recommended that the local agencies evaluate the benefits of mandatory recycling. It was also recommended that cardboard and office paper be banned from the County's landfills, with fines imposed on those who do not comply.

**City of Santa Cruz**

The City of Santa Cruz provides trash collection service for approximately 12,000 single-family residential accounts. The following recycling services are offered:

- Residential Curbside: mixed paper, glass/plastic/metal containers, motor oil and filters, and greenwaste
- Business Collection: mixed paper, containers, cardboard, greenwaste, and construction/demolition materials boxes
- Drop-off at Recycling Center: mixed paper, containers, oils and filters, scrap metal, appliances, tires, greenwaste, mattresses/box springs, toilets, household hazard wastes, and batteries (the recycling Center processes and markets all of the above)
- Household Hazardous Waste drop-off facility operated by the County at the City site on Saturdays

The City of Santa Cruz Landfill, located on Dimeo Lane, was permitted in June 2003 for a throughput of 535 tons per day and a capacity of 7.12 million cubic yards. The site covers 100 acres with 67 acres available for disposal use. The facility is permitted to accept the following waste types: construction/demolition, dead animals, green materials, industrial, inert, metals, mixed municipal, sludge (biosolids), tires, and wood. There is also a permitted green waste composting facility on site. As of 2004, the facility had a remaining capacity of 6 million cubic yards. Based on the current usage rate the estimated closure is in 2037.

The City's Resource Recovery Facility and Recycling Center is located at the landfill site. The Resource Recovery Facility only accepts municipal solid waste and serves as a sorting facility to remove any recyclable or composting materials. The Recycling Center accepts a variety of recyclable materials. The facility is open to City of Santa Cruz residents and North Coast residents; however the North Coast

residents must pay a 10% surcharge. The City noted several major accomplishments in the past five years, including the construction of a public tipping facility at the Landfill/Recycling Center, staffing for the Zero Waste Task Force, and conducting several Household Hazardous Waste drop-off days at the facility.

For FY 2004-2005, the City has budgeted \$255,000 for capital improvements, including foundation improvements for the landfill equipment maintenance building, leachate line maintenance, paving near the recycling building, facility maintenance, stormwater discharge improvements and maintenance on the landfill's water and gas monitoring system.

### **City of Watsonville**

The City of Watsonville provides trash collection service for 7,728 residential accounts. The following recycling services are offered:

- Fully commingled curbside recycling
- Curbside collection of waste oil and oil filters
- Delivery of free compost bins
- Free cardboard recycling for commercial accounts
- Green waste disposal and excessive/oversize trash and recyclables at Public Drop-Off
- Household hazardous waste and electronic waste at Public Drop-Off
- Half price roll-off boxes for clean wood, metal and concrete/asphalt

The City's landfill was permitted in August 2000. It is located on San Andreas Road and covers 103 acres with 48 acres available for disposal use. The facility is permitted to accept the following waste types: agricultural, construction/demolition, mixed municipal, and sludge (biosolids). There is a permitted green waste composting facility on site as well. The facility had a remaining capacity of 2 million cubic yards in 2004; based on the current usage rate closure is projected to be in 2029.

The City has established a Public Drop-Off facility on Harvest Drive. The permit was issued in March 2004 for 99 tons per day. The following waste types are accepted: construction/demolition, green materials, industrial, metals, mixed municipal, tires and wood waste. The waste is sorted and recyclables removed before being transported to the landfill.

Watsonville's trash collection fleet includes 16 vehicles. The City has budgeted \$650,500 for capital improvements to its solid waste facilities and equipment in FY 2004-2005.

### **Cities of Scotts Valley and Capitola**

The Cities of Scotts Valley and Capitola contract with Waste Management, Inc. a private hauler, for trash collection and recycling services. Scotts Valley serves 3,480 residential accounts and offers curbside recycling of yard waste, containers, fiber, used oil and filters. The City's recycling program includes yard waste drop-off, street sweeping and other programs; services are provided by contract. Solid waste is directed to the County's Buena Vista Landfill near Watsonville.

Capitola serves 2,300 residential accounts, and the waste is directed to the Marina Landfill operated by the Monterey Regional Waste Management District. The City has used the Marina Landfill since the 1980's, opting to not participate in CSA 9C. Although the waste is being exported out of the County, the difference in tipping fees between the Marina Landfill and Buena Vista Landfill make it cost effective. (This has had the added benefit of extending the life of the Buena Vista Landfill.) Capitola offers recycling service for sorted trash, green waste, household hazardous waste, used oil, and electronic waste.

### **County of Santa Cruz – County Service Area 9C**

The County owns and operates the Buena Vista Drive Sanitary Landfill, a 126-acre disposal site near Watsonville which operates under a full Solid Waste Facility Permit. The permit was issued in April 2000 for a capacity of 7.54 million cubic yards and a throughput of 822 tons a day. The site is permitted to accept the following waste types: agricultural, construction/demolition, contaminated soil, dead animals, green materials, industrial, inert, metals, mixed municipal, sludge (biosolids), tires, and wood. As of 2004, the facility had 4 million cubic yards of remaining capacity. Based on the current rate of usage the estimated closure is in 2019.

The Buena Vista Landfill received the *Silver Award for Landfill Excellence* from the Solid Waste Association in 1997. The landfill is equipped with an environmental liner system that exceeds federal and State standards. The facility also has a leachate collection and removal system.

The County also operates the Ben Lomond Transfer Station on Newell Creek Road. The 80-acre facility is permitted for 300 tons of throughput per day and accepts non-hazardous residential, commercial and industrial waste. The transfer station serves San Lorenzo Valley and receives about 25% of the total refuse deposited in the Buena Vista Landfill. The other 75% goes directly to the Buena Vista Landfill. The wastes handled at the transfer station receive a comparable level of diversion prior to shipping to the Buena Vista Landfill with the exception of construction debris which is sorted on the station floor and hauled to the landfill for processing.

The Ben Lomond Transfer Station received the *Bronze Award for Transfer Station Excellence* in 1998 from the Solid Waste Association. In July 2003 the County received a permit for a wood waste chipping operation on the same site with a throughput capacity of 75 tons per day and 12,000 tons per year.

The County is using several approaches to divert more solid waste from its landfill. The County landfill and transfer station currently accept wastes and recycling from the unincorporated area and the City of Scotts Valley, which constitute CSA 9C, as well as from the cities of Santa Cruz and Capitola which are located outside the service area, without surcharge. However, the Santa Cruz County Board of Supervisors is now considering either an outright ban on out-of-district materials or a surcharge to preserve the limited landfill space for in-district customers. The County no longer accepts any Watsonville City wastes or recycling, at the request of the City Public Works Department. This is being done to assist the City, but will likely be enforced in the future through a formal County policy.

Green and wood waste is processed through the permitted wood waste processing facility on the Buena Vista Landfill site. The County began operating a sorting system for construction/demolition materials on site in 2005. In addition, the County is proposing a contract with a private deconstruction firm to operate a building materials reuse center. The County is also proposing a collection and composting program for commercial food waste that would begin in spring 2005.

### 6.3 Financing Constraints and Opportunities

Solid waste services are generally operated as an enterprise activity by public agencies, such that the fee structure is adequate to cover trash collection, processing and landfill costs as well as reserves. The largest capital costs are associated with landfill development, maintenance, and closure/post-closure costs. The California Integrated Waste Management Board requires that each agency responsible for operating a landfill estimate closure and post-closure costs and then establish adequate reserves based on the percentage of the landfill capacity that has been used. This ensures that funding will be available to carry out closure and post-closure programs that are in compliance with State regulations.

#### City of Santa Cruz

The City of Santa Cruz uses an enterprise fund to account for the solid waste services provided by the City. The following summarizes the City's Refuse Fund:

**City Santa Cruz – Refuse Fund**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Final Budget</b>	<b>FY 04-05 Proposed Budget</b>
Operating Revenue	\$13,456,043	\$14,118,490	\$14,189,850
Operating Expenses	\$13,965,397	\$11,961,839	\$12,434,986
<b>Operating Income (Loss)</b>	<b>(\$500,354)</b>	<b>\$2,156,651</b>	<b>\$1,754,864</b>
Non-Operating Sources / Uses	(\$443,154)	(\$3,362,775)	(\$2,492,866)
Total Contributions and Transfers	\$40,133	\$44,380	(\$14,325)
<b>Fund Balance, End of Year</b>	<b>\$2,939,042</b>	<b>\$1,559,319</b>	<b>\$806,992</b>

At June 30, 2003 the City estimated closure and post-closure costs for the City's landfill at \$12.1 million. The City's liability is \$5,013,899 based on 41.43% of capacity used. As of June 30, 2003 the reserves designated for this purpose were \$2,527,296.

The City has several long-term debts associated with solid waste services. Santa Cruz Landfill Certificates of Participation (COP) were issued in 1993 in the amount of \$5,535,000. The revenue was used to refinance a previous COP issue used for constructing landfill improvements. The COP is scheduled to be paid in full by December 2007. The outstanding balance at June 30, 2003 was \$2,400,000 with interest rates ranging from 4.0% to 5.75%.

## Solid Waste Services

Santa Cruz Refuse Certificates of Participation were issued in 1999 to repay the City's Wastewater Enterprise Fund for earlier loans to construct a tunnel at the City's landfill and a leachate line from the landfill to the City's wastewater treatment plant. Annual payments will be made through October 2020. The outstanding balance at June 30, 2003 was \$4,035,000 with an interest rate ranging from 4.0% to 5.625%. An additional issue was made in March 2001 for \$7.5 million to purchase property and improvements. Semi-annual interest payments and annual principal payments will be made through 2021 on the 2001 COP at interest rates ranging from 3.5% to 4.875%. The outstanding balance at June 30, 2003 was \$7,455,000.

The City of Santa Cruz secured a loan in 2001 from the State of California for the construction of solid waste facilities to assist the City in achieving compliance with State minimum standards. The loan requires annual principal payments through 2016. The outstanding balance at June 30, 2003 was \$433,333.

The City noted several challenges it faces in the next five years that are related to solid waste finances. First, the continued escalation of costs for health insurance, workers compensation and retirement benefits will require sizable rate increases without a compensating increase in service levels. This is considered a financial constraint as the City attempts to moderate future rate increases. Second, higher fuel costs and the requirement to move to ultra low-sulfur diesel with diesel engine retrofits are expected to increase operating costs. Third, the requirement to ensure that landfill gas and contaminated groundwater do not move off the landfill site may require large capital costs. Last, the recycling processing facility needs to be upgraded.

### City of Watsonville

The City of Watsonville accounts for its solid waste services through an enterprise fund. The City uses a biennial budgeting process which allows for longer range planning and mid-cycle adjustments; mid-cycle changes to the Solid Waste Fund for FY 2004-2005 were minimal. The following is a financial summary of the Solid Waste Fund:

#### City of Watsonville – Solid Waste Fund

Finances	FY 02-03 Actual	FY 03-04 Final Budget	FY 04-05 Final Budget
Operating Revenue	\$5,842,294	\$6,036,711	\$6,278,448
Operating Expenses	\$4,693,971	\$4,471,839	\$4,593,933
<b>Operating Income (Loss)</b>	<b>\$1,148,323</b>	<b>\$1,564,872</b>	<b>\$1,684,515</b>
Non-Operating Sources / Uses		(\$2,542,184)	(\$1,430,333)
Total Contributions and Transfers			
<b>Fund Balance, End of Year</b>	<b>\$3,365,513</b>	<b>\$2,388,201</b>	<b>\$2,457,283*</b>

*Fund Balance at 06/30/05 is 100% restricted for insurance reserves and landfill closure costs.*

## **Solid Waste Services**

The City has recognized its landfill closure costs in accordance with the requirements of the CIWMB, based on the expected total closure costs, percentage of the landfill used and expected life. As of June 30, 2003, only 27.2% of the capacity of the open landfill cell had been used. The City had set aside \$1,378,130 for closure and post closure costs for the closed Phase I and II cells, and \$775,350 for the open Phase III cell. The total estimated closure and post-closure costs for the Phase III cell are \$2,205,260.

The City of Watsonville issued two revenue bonds pertaining to solid waste. The first, Solid Waste Revenue Refunding Bonds Series 1998, was issued on April 1, 1998 at interest rates ranging from 4.25% to 5.00%. The financing was used to retire \$2,445,000 of outstanding 1991 Solid Waste Revenue Bonds with interest rates ranging from 4.74% to 6.75%. The outstanding principal at June 30, 2003 was \$3,835,000; annual debt service including principal and interest is approximately \$400,000 through 2016.

The second revenue bond, Solid Waste Revenue Refunding Bonds Series 1996, was issued on November 1, 1996 to provide financing for the construction of a new 10-acre Phase III landfill cell. Interest rates range from 5.1% to 5.7%. The outstanding principal at June 30, 2003 was \$3,345,000. Annual debt service including principal and interest is approximately \$365,000 through 2016.

### **County of Santa Cruz**

The County of Santa Cruz has established County Service Area (CSA) 9C as the means to provide funding for solid waste services along with gate fee revenue. CSA 9C is a dependent special district governed by the County Board of Supervisors and includes all of the unincorporated area within the County and the City of Scotts Valley. Revenue collected through the CSA is used to fund long-term capital expenditures for the County's Solid Waste and Recycling Program such as future landfill construction, construction of environmental management facilities, management of reuse of landfill gas resources, and long-term closure of County landfills. Funds are also used for community based programs such as public education and outreach, graffiti abatement, litter removal, street sweeping, illegal disposal clean-up, long-term solid waste and recycling planning, and management of franchised refuse collections services. The following is a financial summary of CSA 9C:



## CSA 9C Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Revenue:</b>			
Refuse Disposal Fees	\$5,769,183	\$6,349,413	\$6,940,700
District Service Charges	\$3,069,641	\$3,085,322	\$3,085,553
Other Revenue	\$423,898	\$584,456	\$380,000
Interest	\$361,323	\$183,735	\$259,400
State – Other / Aid from Other Govt Agencies	\$379,204	\$320,192	\$204,000
Other Chgs – Current Services	\$42,888	\$291,886	\$288,000
Sale of Fixed Assets		\$26,798	\$12,000
Misc. Revenue (revenue applicable to prior years)	\$41,308	\$50	0
<b>Total Revenue</b>	<b>\$10,087,446</b>	<b>\$10,851,433</b>	<b>\$11,169,653</b>
<b>Expenditures:</b>			
DPW Services	\$10,060,020	\$9,527,736	\$15,667,296
Principal on Lease Purchase	\$97,741		
Contribution to General Fund	\$624,639	\$640,425	\$630,000
Fixed Assets	\$2,102,769	\$5,163,614	\$4,301,976
Operating Transfers Out	\$215,000	\$644,445	\$307,631
Contingencies			\$20,000
<b>Total Expenditures</b>	<b>\$13,100,169</b>	<b>\$15,976,220</b>	<b>\$20,926,903</b>
<b>Fund Balance, End of Year</b>	<b>\$16,675,675</b>	<b>\$11,598,612</b>	

The County has also established special accounts for the closure of the Buena Vista Landfill and Ben Lomond facilities. As of June 30, 2004, the Buena Vista closure account had a balance of \$3,268,265 and the Ben Lomond account had a balance of \$199,350.

#### 6.4 Cost Avoidance Opportunities

The agencies providing solid waste services are controlling solid waste disposal costs through aggressive source reduction, waste diversion and recycling programs. The County and the four cities actively promote recycling programs for residents and businesses, from both an environmental perspective and to extend the life of the landfills. Since the direction was taken by the Local Task Force to concentrate on alternative approaches to solid waste management rather than new landfill sites, it will be increasingly important that these types of programs are maximized so that solid waste is managed cost effectively and efficiently in the future.

New approaches that have demonstrated effectiveness and education are highly encouraged. The County of Santa Cruz offers Waste Reduction Grants ranging from \$1,000 to \$25,000 on an ongoing basis. The grants are available to local non-profit organizations, community groups, and small locally-owned business enterprises to implement programs for source reduction, waste diversion, market development for reuse/remanufactured materials, and education.

The Buena Vista Landfill and Ben Lomond Transfer Station currently accept wastes and recycling from outside the CSA 9C service area (except for Watsonville) without surcharge. The County Board of Supervisors is now considering either an outright ban on out-of-district materials or a surcharge to preserve the limited landfill space for in-district customers. If this recommendation is approved, a ban or surcharge could become effective as early as July 2005.

Decomposition within landfills generates methane gas, a usable resource. The City of Santa Cruz collects the gas and uses it to run a turbine which produces electricity. The County has developed a similar project at the Buena Vista Landfill through a private vendor, and it is under construction.

Household Hazardous Waste (HHW) requires special handling and is currently handled by the County. Watsonville's Solid Waste Department currently contracts with the County for the removal of HHW in the City. Watsonville's Public Works Department developed a program to receive and dispose of HHW including a drop-off area in the City. The City will fund the project at the same level as the County contract, resulting in an increase in revenue to Watsonville's General Fund. The County will continue to operate the program at the City of Santa Cruz Landfill.

Similar to the County, the City of Santa Cruz will be looking at food waste collection and processing in an attempt to divert that waste from its landfill.

The County and the Cities of Scotts Valley and Capitola are controlling collection costs through the use of franchise agreements with Waste Management, Inc. Collection costs are also minimized through the use of automated services.

As part of the recycling effort, emphasis has been placed on developing markets for recycled and remanufactured products and materials. Because of this, recycled materials are sold by several entities within the County, often with no overall coordination on price. The Santa Cruz County Grand Jury's 2004 report on Recycling Programs recommended that a regional approach be taken to obtain countywide contracts in order to combine and sell each category of recycled material to the highest bidder.

## **6.5 Opportunities for Shared Facilities**

The County and cities share some physical facilities as well as planning efforts for solid waste services. The County's Buena Vista Landfill and Ben Lomond Transfer Station accept waste from all areas of the County except Watsonville. The City of Santa Cruz Landfill accepts waste from North Coast residents with a 10% surcharge. The County provides Household Hazardous Waste services for the City of Santa

Cruz. The County and the four cities participate in the Integrated Waste Management Local Task Force with the County serving as the lead agency for the Santa Cruz County Countywide Integrated Waste Management Plan. All of the agencies collaborated on the Disposal Facility Siting Study and will continue to work together on evaluating landfill alternatives.

The Santa Cruz County Grand Jury 2004 report on Recycling Programs recommended that the County and the Cities of Santa Cruz and Watsonville cooperate more on recycling programs, including coordinating on printed recycling information and media coverage in order to maximize public exposure and fiscal efficiency.

## **6.6 Management Efficiencies**

Each of the agencies directly providing solid waste services is achieving management efficiencies through the use of Best Management Practices and staffing. Solid waste services are provided with the following staff:

**Table 6.5**  
**Staffing for Solid Waste Services**

<b>Public Agency</b>	<b>Solid Waste Services (FTE)</b>
City of Santa Cruz	80.5
City of Watsonville	Refuse/Recycling – 14.0 Landfill Operations – 3.0 Recycle Processing – 8.6 Public Drop Off – 2.0 <b>Total – 27.6</b>
County of Santa Cruz	36.0

### **City of Santa Cruz**

The City of Santa Cruz noted that its solid waste operations are in full compliance with federal, state, and local air, water and waste regulations for collection vehicles, processing operations, and landfill disposal operations. The City has implemented several best management practices to improve its solid waste services:

- Landfill gas collection system is used to run a turbine to produce electricity
- Bio-diesel is used for landfill equipment to reduce CHG emissions
- Collection vehicles are washed daily and the wash water is directed to a treatment system
- The collection fee structure provides incentive to reduce waste generation through the use of proportional rates.

### **Watsonville**

The City of Watsonville's Solid Waste Division is housed within the Public Works and Utilities Department. Watsonville noted several best practices in use:

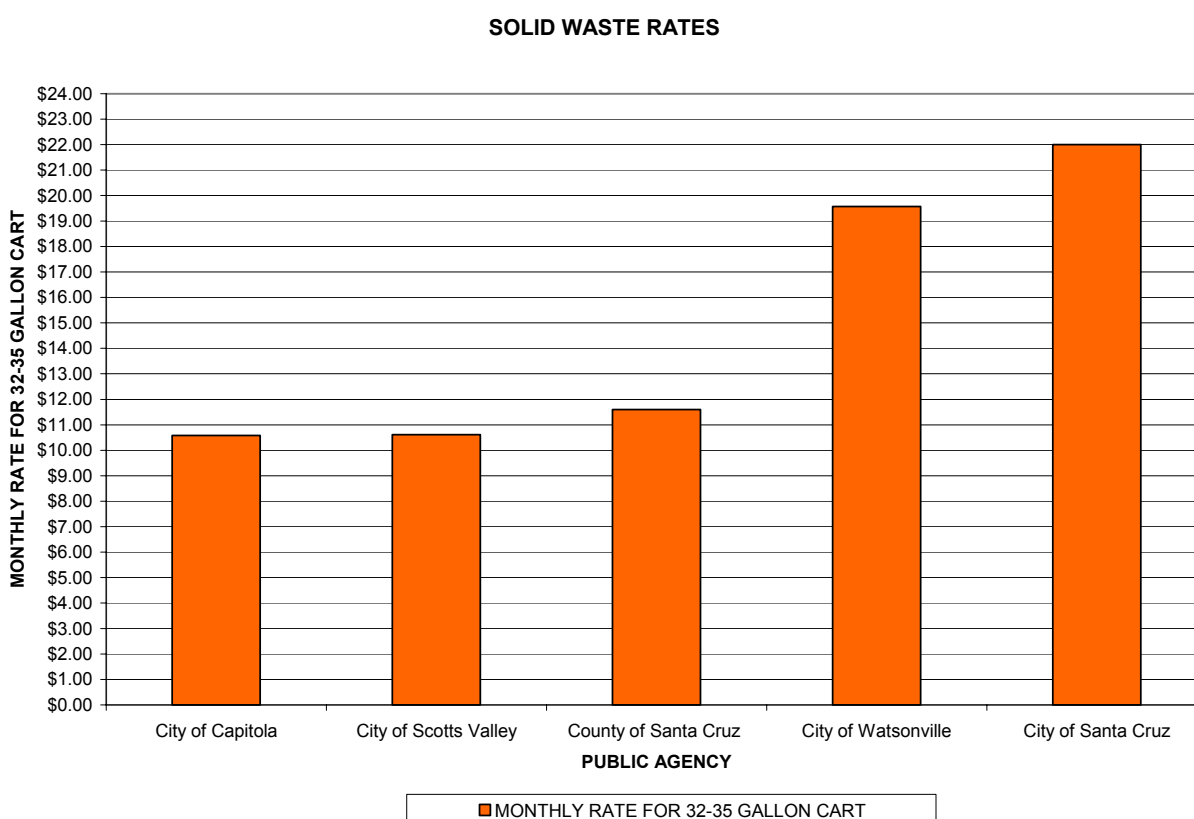
- Fully commingled, every other week, curbside recycle collections
- Use of same fully automated side loading trucks for refuse and recycle collections

- Aggressive waste stream diversion at Public Drop Off, Material Recovery Facility and Landfill to maximize AB 939 percentage
- Use of sweeper dirt and non-recyclable construction debris as alternative daily cover at the landfill.

The biggest challenges faced by Watsonville in the next five years are the following: 1) balancing the need for on-street parking with efficient solid waste collections and street sweeping; 2) improving the solid waste public education program to reach the migrant population, and 3) conducting an ongoing assessment of new fully automated collection vehicles for improvements in operational efficiency, noise and pollution.

## 6.7 Opportunities for Rate Restructuring

The current disposal rates within Santa Cruz County are as follows:



The City of Capitola's current agreement with Waste Management Inc. began in 2002. Rates are adjusted annually and were increased 0.8% in 2003 and 2.68% in 2004.

The City of Santa Cruz reviews rates every three years. Part of the collection fees are used to offset landfill costs. North Coast residents may use the City's landfill and recycling facility, but must pay a 10% surcharge.

The City of Scotts Valley has a ten-year franchise agreement with Waste Management, Inc. that includes annual rate adjustments. The rate increased 0.7% in 2004. The contract will expire in approximately five years.

The City of Watsonville evaluates its solid waste service rates every two years in conjunction with the budgeting process. Rates were increased 2.2% in FY 2003-2004 and 0.5% in FY 2004-2005.

Parcels within County Service Area 9C (unincorporated area and the City of Scotts Valley) are assessed an annual charge as set by the County Board of Supervisors. Rates for FY 2004-2005 were not changed from the prior year:

- Single Family                      \$56.95
- Apartment/MH                      \$28.48
- Comm/Church/School      \$113.90
- Agricultural                      \$113.90
- Vacant Lot                      -0-

### **6.8 Government Structure Options**

The Cities of Santa Cruz and Watsonville are directly providing full solid waste services within their boundaries. The County is providing solid waste services for the unincorporated areas of the County and the City of Scotts Valley both directly and through contract. Each of these agencies is providing adequate service and has achieved the required 50% diversion rate per AB 939. Each actively promotes source reduction, recycling and diversion programs.

One possible government structure option would be the formation of a countywide Waste Management Authority (Authority). The Authority would be a public agency formed by a Joint Exercise of Powers Agreement among the County of Santa Cruz and each of the four cities. The Authority would be responsible for administering the Santa Cruz County Integrated Waste Management Plan and Santa Cruz County Hazardous Waste Management Plan. It would also be responsible for managing a long-range program for solid waste facilities and could offer a wide variety of other programs in the areas of source reduction and recycling, market development, technical assistance and public education. Funding could be provided by per ton disposal.

This type of government structure is currently in use in several counties and could provide the coordinated structure for Santa Cruz County to achieve its solid waste goals and avoid the need to export waste to other counties. It was clearly noted by the Local Task Force that the cost/benefit analysis for the waste management strategies and alternatives will vary across the agencies. The Authority would require full representation from each of the agencies so that these concerns can be addressed and there can be consensus on how solid waste management services will be provided for the maximum benefit of the County's residents.

The disadvantage to this option is the cost to create and fund the Authority. Three of the agencies are currently faced with landfill operation and closure/post closure costs and finances are constrained. The benefits and costs would need to be fully evaluated to determine if this option would be appropriate for Santa Cruz County at this time.

### **6.9 Local Accountability and Governance**

Solid waste services are addressed by each of the City Councils and the County Board of Supervisors during their regular meetings. Each has procedures in place to ensure that public notice and governance standards are met.

The County and the Cities of Capitola, Santa Cruz, and Watsonville all provide information on solid waste services and recycling on their websites. In addition, the cities noted several achievements for their solid waste services that provide benefit to their local communities, including the following:

Capitola was the first public agency in Santa Cruz County to have an E-Waste Day. In addition, the City holds an annual garage sale and works with the public schools to provide education on recycling benefits and programs.

The City of Santa Cruz has accomplished the following:

- Full curbside refuse, recycling and greenwaste services offered to all residents and businesses
- Achieved 51% diversion rate over 1991 volumes which already had significant recycling programs in place
- Landfill gas has been used to generate electricity since 1989; approximately 5.4 mWh/year are generated
- The City's landfill has implemented major environmental efforts since the mid-1990's including a leachate system that pipes leachate to the wastewater treatment plant for treatment; a tunnel constructed to divert a freshwater creek under the landfill to prevent contact with landfilled waste; clean up of old contaminated fill material at landfill into a lined cell; and construction of fully lined cells for future waste disposal.
- A fill sequencing and cover plan has been developed to maximize landfill life.

Watsonville has accomplished the following

- The City was the first community in the Monterey Bay area to use fully automated refuse collections (1995); use fully automated recycle collections (1999); and use single stream recycling (1999).
- The City has the highest diversion rate (72% in 2002) in Santa Cruz County
- The City implemented a novel low-tech E-waste deconstruction and CRT glass crushing/recovery program in 2004.

**– DETERMINATIONS BY AGENCY –**

Determinations are included only for those agencies directly providing solid waste services.

**– City of Santa Cruz–**

**1) *Population and Growth***

Population within the City of Santa Cruz is expected to reach 63,987 by 2030 with an annual growth rate of 0.5%. Growth will result in continued demand for comprehensive solid waste services, including recycling, waste diversion and source reduction.

The City of Santa Cruz has considered population growth and demographics within its Source Reduction and Recycling Element and in the Countywide Integrated Waste Management Plan.

**2) *Infrastructure Needs and Deficiencies***

The City of Santa Cruz owns and operates a landfill for waste generated within the City. The City also operates a Resource Recovery and Recycling Facility to process and sort waste prior to its disposal in the landfill. These facilities are available to City residents and those residing within the North Coast area of Santa Cruz County.

As of 2004 the landfill had 6 million cubic yards of capacity remaining; at the current usage rate it is projected to close in 2037.

The City includes its solid waste facilities in the City's Capital Improvement Plan and budgets for improvements as needed.

**3) *Financing Constraints and Opportunities***

The City of Santa Cruz accounts for its solid waste activities through an enterprise fund and structures fees to cover related costs.

The City has three long-term debt obligations related to solid waste facilities; the longest term extends through 2021.

The City has several financial obligations in the next five years that are potential financing constraints: 1) increased personnel benefit costs, 2) higher fuel costs and equipment retrofits, 3) capital costs associated with restricting the movement of landfill gas and contaminated groundwater, 4) upgrades for the recycling facility.

**4) *Cost Avoidance Opportunities***

The City of Santa Cruz is avoiding costs through aggressive source reduction, diversion and recycling programs to extend the life of the landfill.

The City uses methane gas produced by the landfill to power a turbine which produces electricity.

**5) Management Efficiencies**

The City of Santa Cruz has achieved a 52% diversion rate, exceeding the 50% required by AB 939.

**6) Shared Facilities**

The City participates on the Integrated Waste Management Local Task Force, along with the County and the other cities.

**7) Rate Restructuring**

The City of Santa Cruz reviews its solid waste rate structure every three years.

The City charges a 10% surcharge for North Coast residents who use the City's recycling facility and landfill.

**8) Government Structure Options**

The City of Santa Cruz operates its solid waste division through the Public Works Department.

A Countywide Waste Management Authority could provide advantages for each of the agencies including solid waste technology grant funding, coordination and collaboration opportunities for public education, recycling programs, market development, and the means to establish countywide goals for waste reduction. The disadvantage is the additional cost to create and administer the agency.

**9) Local Accountability and Governance**

Solid waste services are addressed by the Santa Cruz City Council during regular meetings. Public notice is provided for all meetings. The City provides recycling and other related public information on its website.

**– City of Watsonville–**

**1) Population and Growth**

Population within the City of Watsonville is expected to reach 70,418 by 2030 with an annual growth rate of 1.3%. Growth will result in continued demand for comprehensive solid waste services, including recycling, waste diversion and source reduction.

The City of Watsonville has considered population growth and demographics within its Source Reduction and Recycling Element and in the Countywide Integrated Waste Management Plan.

**2) Infrastructure Needs and Deficiencies**

The City of Watsonville owns and operates a landfill for waste generated within the City. The City also operates a Public Drop-off facility which accepts non-hazardous materials. The waste is sorted and the recyclables removed before the material is disposed in the landfill.



Watsonville's landfill had 2 million cubic yards of capacity remaining in 2004; at the current usage rate it is projected to close in 2029.

The solid waste facilities are included in the City's Capital Improvement Plan and the City budgets for improvements as needed.

**3) *Financing Constraints and Opportunities***

The City of Watsonville accounts for its solid waste activities through an enterprise fund and structures fees to cover related costs.

The City has two revenue bonds related to solid waste facilities; both mature in 2016.

**4) *Cost Avoidance Opportunities***

The City of Watsonville has implemented comprehensive source reduction, diversion and recycling programs to extend the life of the landfill.

The City is handling its Household Hazardous Waste program in-house. It is estimated that the City will save about \$40,000 compared to contracting with the County for service.

**5) *Management Efficiencies***

The City of Watsonville has achieved a 72% diversion rate, exceeding the 50% required by AB 939.

**6) *Shared Facilities***

The City participates on the Integrated Waste Management Local Task Force, along with the County and the other cities.

**7) *Rate Restructuring***

The City of Watsonville reviews its solid waste rate structure every two years. Rates have increased annually for the past two years.

**8) *Government Structure Options***

The City of Watsonville operates its solid waste division through the Public Works and Utilities Department.

A Countywide Waste Management Authority could provide advantages for each of the agencies including solid waste technology grant funding, coordination and collaboration opportunities for public education, recycling programs, market development, and the means to establish countywide goals for waste reduction. The disadvantage is the additional cost to create and administer the agency.

**9) Local Accountability and Governance**

Solid waste services are addressed by the Watsonville City Council during regular meetings. Public notice is provided for all meetings. The City provides recycling and other related public information on its website.

**– County of Santa Cruz – CSA 9C –**

**1) Population and Growth**

Population within unincorporated area of Santa Cruz County and Scotts Valley is expected to reach 159,306 by 2030 with an annual growth rate of 0.3%. There will be a continued demand for comprehensive solid waste services, including recycling, waste diversion and source reduction.

The County of Santa Cruz has considered population growth and demographics within its Source Reduction and Recycling Element and in the Countywide Integrated Waste Management Plan.

**2) Infrastructure Needs and Deficiencies**

The County of Santa Cruz operates the Buena Vista landfill and the Ben Lomond Transfer Station. Waste is accepted from anywhere in the County except for the City of Watsonville. The Transfer Station receives waste and allows for sorting prior to transfer to the landfill.

As of 2004, the landfill had 4 million cubic yards of capacity remaining; at the current usage rate it is projected to close in 2019.

The County is using a variety of programs to divert waste from the landfill, including green and wood waste recycling, construction/demolition sorting, and a potential collection and composting program for commercial food waste.

**3) Financing Constraints and Opportunities**

The County of Santa Cruz provides its solid waste services through County Service Area 9C. Revenue from the CSA is used for capital improvements, closure/post-closure costs, operations, education and other related programs.

**4) Cost Avoidance Opportunities**

The County of Santa Cruz is reducing costs through aggressive recycling programs to extend the life of the landfill.

The County provides Household Hazardous Waste services for the City of Santa Cruz.

**5) Management Efficiencies**

The County of Santa Cruz has achieved a 50-52% diversion rate, in accordance with the requirements of AB 939.

**6) Shared Facilities**

The County is the lead agency for the development and administration of the Countywide Integrated Waste Management Plan.

**7) Rate Restructuring**

Residents within the unincorporated area pay the collection rate the County has negotiated under the franchise agreement with the private hauler.

The County Board of Supervisors sets the annual per parcel charges for properties within the boundaries of CSA 9C. This includes all of the unincorporated area in the County as well as the City of Scotts Valley.

**8) Government Structure Options**

The County of Santa Cruz operates its solid waste division through the Department of Public Works.

A Countywide Waste Management Authority could provide advantages for each of the agencies including solid waste technology grant funding, coordination and collaboration opportunities for public education, recycling programs, market development, and the means to establish countywide goals for waste reduction. The disadvantage is the additional cost to create and administer the agency.

**9) Local Accountability and Governance**

Solid waste services are addressed by the Santa Cruz County Board of Supervisors during regular meetings. Public notice is provided for all meetings. The County provides recycling and other related public information on its website.

## Agency Profiles

City of Capitola (Solid Waste)			
Contact:	Lisa Murphy, Assistant to the City Manager		
Mailing Address:	420 Capitola Avenue, Capitola, CA 95010		
Phone Number:	(831) 475-7300		
Fax Number:	(831) 475-8879		
Email/Website	lmurphy@ci.capitola.ca.us		
Types of Services:	Trash collection and recycling by contract		
Population Served:	10,000		
Size of Service Area (sq miles):	2 sq miles		
Infrastructure and Staff			
Staff: FTE	NA		
Number of Residential Accounts	2,300		
% Waste Diversion / Landfill	51% / Marina		
O&M Costs for Residential Solid Waste Collection	NA		
O&M Costs for Recycling Services	NA		
Financial Information			
Budget: (FY 2004-2005)	Operating Revenues	Operating Expenses	Fund Balance (end of yr)
	NA	NA	NA
Services provided by franchise agreement with Waste Management Inc.			

City of Santa Cruz (Solid Waste)			
Contact:	Martin Bernal, Assistant City Manager		
Mailing Address:	809 Center Street, Room 10, Santa Cruz, CA 95060		
Phone Number:	(831) 420-5010		
Fax Number:	(831) 420-5011		
Email/Website	citymgr@ci.santa-cruz.ca.us		
Types of Services:	Trash collection, recycling, landfill operation		
Population Served:	56,953		
Size of Service Area (sq miles):	12 sq miles		
Costs / Staff			
Staff: FTE	80.5		
Number of Residential Accounts	12,000 single family		
% Waste Diversion / Landfill	52% / Santa Cruz City Landfill (Dimeo Lane)		
O&M Costs for Residential Solid Waste Collection	\$132.20 per ton (collection only)		
O&M Costs for Recycling Services	\$320 per ton (collection and processing, includes green waste)		
Financial Information			
Budget: (FY 2004-2005)	Operating Revenues	Operating Expenses	Fund Balance (end of yr)
	\$14,189,850	\$12,434,986	\$806,992

City of Scotts Valley (Solid Waste)			
Contact:	Scott Hamby, Wastewater/Environmental Program Manager		
Mailing Address:	One Civic Center Drive, Scotts Valley, CA 95066		
Phone Number:	(831) 438-0732		
Fax Number:	(831) 438-7218		
Email/Website	shamby@scottsvalley.org		
Types of Services:	Trash collection and recycling by contract		
Population Served:	11,598		
Size of Service Area (sq miles):	4.5 sq miles		
Costs / Staff			
Staff: FTE	NA		
Number of Residential Accounts	3,480		
% Waste Diversion / Landfill	65% / Buena Vista Landfill		
O&M Costs for Residential Solid Waste Collection	NA		
O&M Costs for Recycling Services	NA		
Financial Information			
Budget: (FY 2004-2005)	Operating Revenues	Operating Expenses	Fund Balance (end of yr)
	NA	NA	NA
Services provided by franchise agreement with Waste Management Inc.			

City of Watsonville (Solid Waste)			
Contact:	Marcela Tavantzis, Assistant City Manager		
Mailing Address:	PO Box 50000, Watsonville, CA 95077-5000		
Phone Number:	(831) 728-6011		
Fax Number:	(831) 761-0736		
Email/Website	mtavantzis@ci.watsonville.ca.us		
Types of Services:	Trash collection, recycling, landfill operation		
Population Served:	52,716		
Size of Service Area (sq miles):	6.59 sq miles		
Costs / Staff			
Staff: FTE	27.6		
Number of Residential Accounts	7,728		
% Waste Diversion / Landfill	72% / City of Watsonville Landfill		
O&M Costs for Residential Solid Waste Collection	\$25.08		
O&M Costs for Recycling Services	\$40.55		
Financial Information			
Budget: (FY 2004-2005)	Operating Revenues	Operating Expenses	Fund Balance (end of yr)
	\$6,278,448	\$4,593,933	\$2,457,283

County of Santa Cruz – CSA 9C			
Contact:	Tom Bolich, Director of Public Works		
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2835		
Email/Website	Susann.rogberg@co.santa-cruz.ca.us		
Types of Services:	Trash collection and recycling by contract, trash transfer and landfill operation directly		
Population Served:	147,006		
Size of Service Area (sq miles):	424.95 sq miles (unincorporated communities and City of Scotts Valley)		
Costs / Staff			
Staff: FTE			
Number of Residential Accounts	60,000		
% Waste Diversion / Landfill	50-52% / Buena Vista Landfill		
O&M Costs for Residential Solid Waste Collection	NP		
O&M Costs for Recycling Services	NP		
Financial Information			
Budget: (FY 2004-2005)	Operating Revenues	Operating Expenses	Fund Balance (end of yr)
	\$11,169,653	\$20,926,903	\$11,598,612 (2004)
Collection and curbside recycling services provided through franchise agreement with Waste Management Inc.			

## **7. FIRE PROTECTION SERVICES**

---

**City of Santa Cruz Fire Department**

**City of Watsonville Fire Department**

**CSA 4 – Pajaro Dunes**

**CSA 48 – County Fire Protection**

**Aptos/La Selva Fire Protection District**

**Ben Lomond Fire Protection District**

**Boulder Creek Fire Protection District**

**Branciforte Fire Protection District**

**Central Fire Protection District**

**Felton Fire Protection District**

**Pajaro Valley Fire Protection District**

**Scotts Valley Fire Protection District**

**Zayante Fire Protection District**

**University of California Santa Cruz**

## 7. FIRE PROTECTION SERVICES

### Agency Overview

Fire protection services in Santa Cruz County are provided by the Cities of Santa Cruz and Watsonville, the County, ten fire protection districts and the University of California, Santa Cruz. The County contracts with the California Department of Forestry and Fire Protection (CDF) to provide operational and supervisory services for the County Fire Department in all unincorporated areas outside the boundaries of the fire protection districts. County Service Areas (CSA) 48 and 4 partially fund this service. CSA 48 is countywide while CSA 4 provides funding for the Pajaro Dunes area only. The agencies in Santa Cruz County vary in their service approach, ranging from stations fully staffed with career firefighters to paid call and volunteer firefighters. The following agencies provide fire protection services in Santa Cruz County:

**Table 7.1 – Fire Protection Agencies**

Santa Cruz LAFCO Countywide Service Review	Fire Protection and Suppression	Paramedic	Ambulance	Rescue	Hazardous Materials	Plan Check / Inspection
<b>Cities</b>						
City of Santa Cruz Fire Department	•	•		•	•	•
City of Watsonville Fire Department	•	•		•	•	•
<b>Special Districts</b>						
CSA 4 – Pajaro Dunes	•			•	•	•
CSA 48 – County Fire Protection	•			•	•	•
Aptos/La Selva Fire Protection District	•	•	A	•	•	•
Ben Lomond Fire Protection District	•		B	•	•	•
Boulder Creek Fire Protection District	•		B	•	•	•
Branciforte Fire Protection District	•			•		
Central Fire Protection District	•	•		•	•	•
Felton Fire Protection District	•			•	•	•
Pajaro Valley Fire Protection District	•			•	•	•
Scotts Valley Fire Protection District	•	•		•	•	•
Zayante Fire Protection District	•		B	•	•	•
University of California Santa Cruz	•			•	•	•
Aromas Tri-County Fire Protection District ( <i>w Monterey and San Benito Counties</i> )						

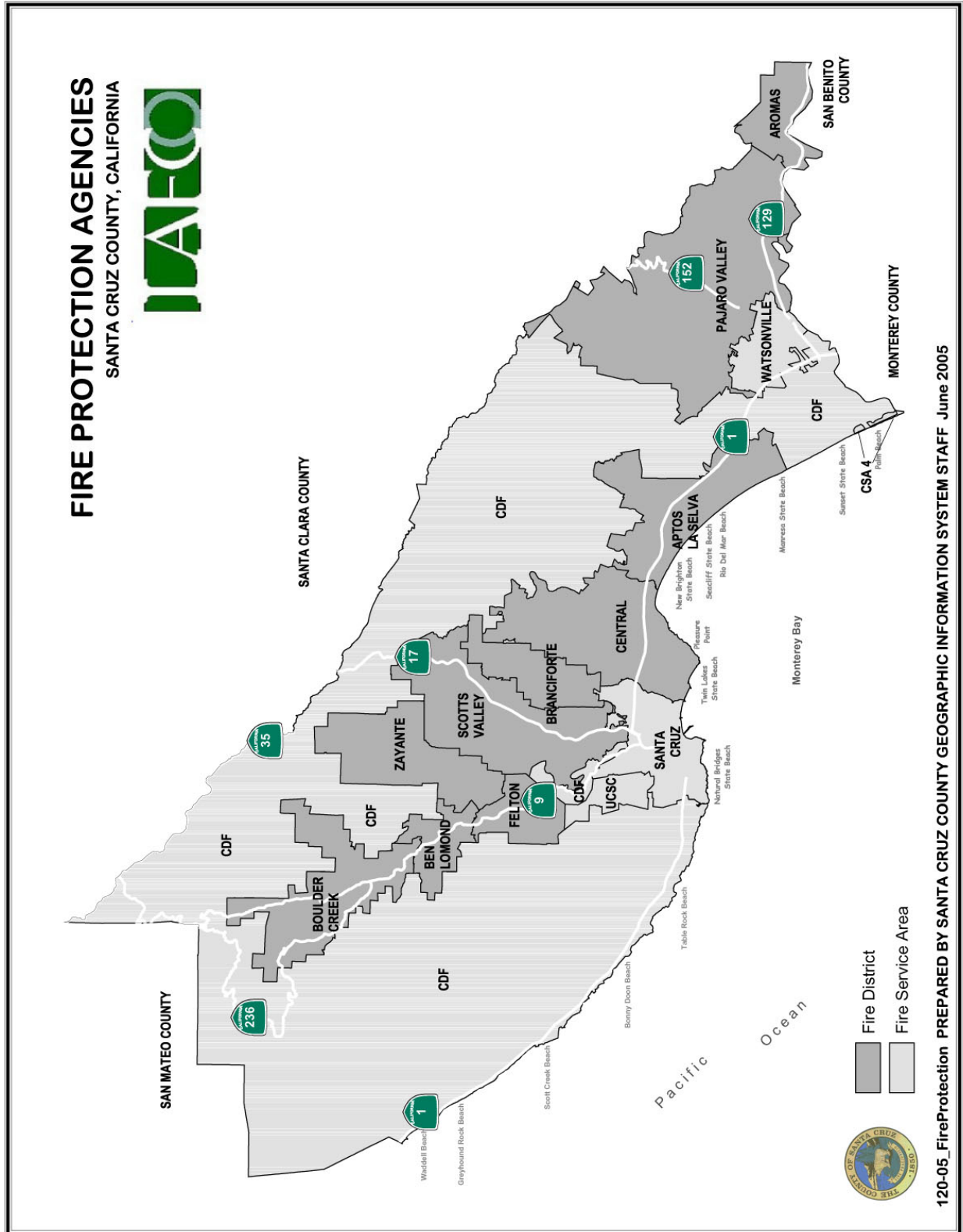
*A: Advanced Life Support (paramedic) ambulance available as backup to private ambulance provider*

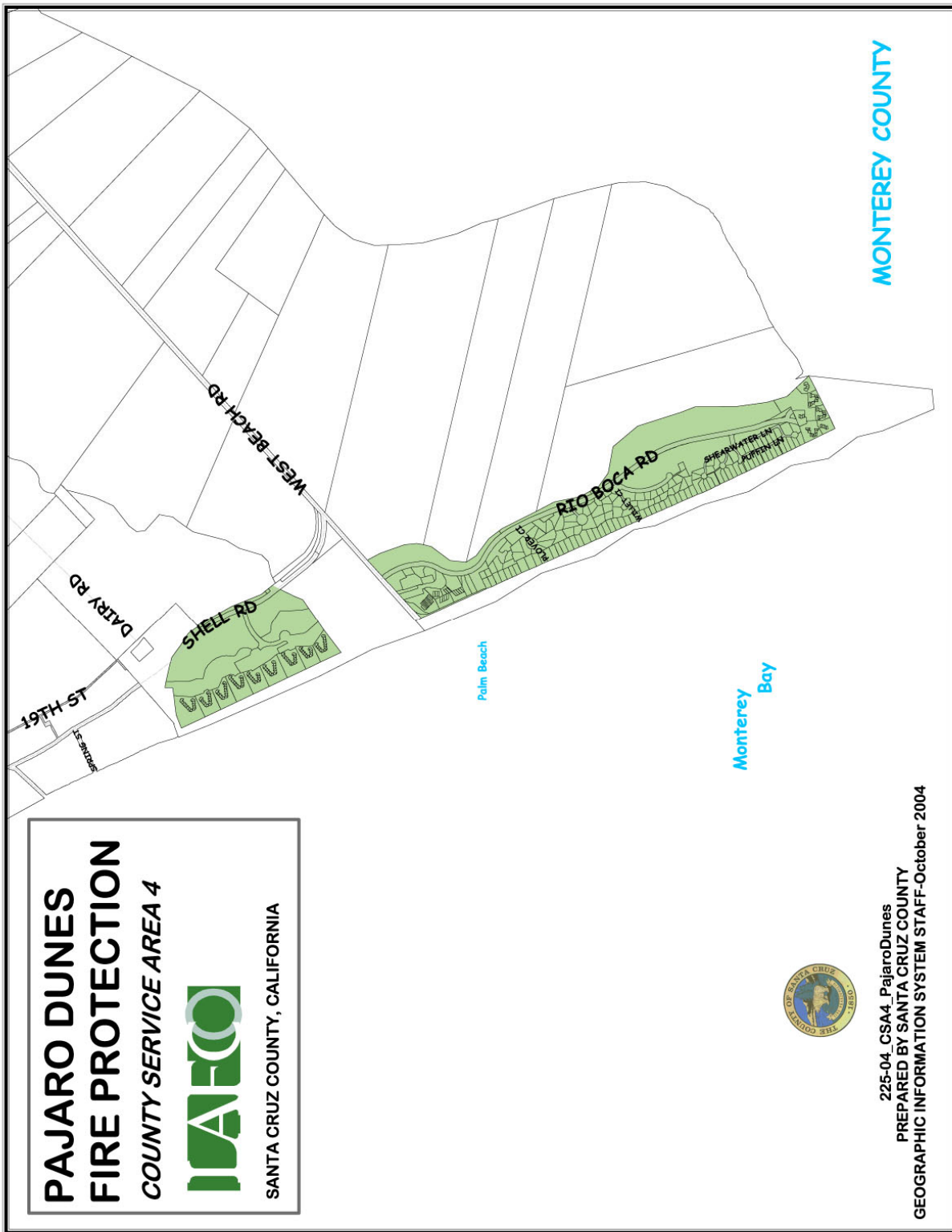
*B: Basic Life Support ambulance available as backup to private ambulance provider*

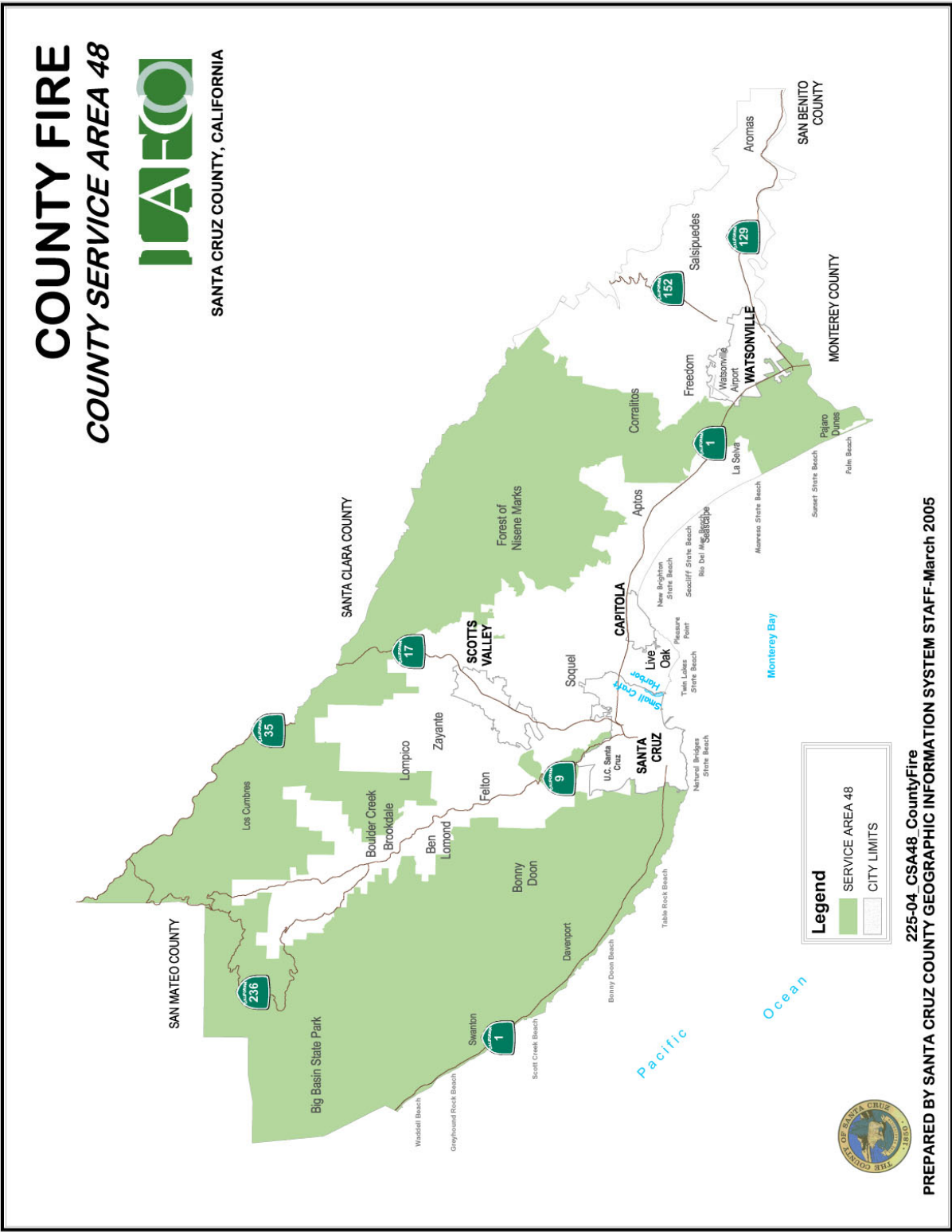


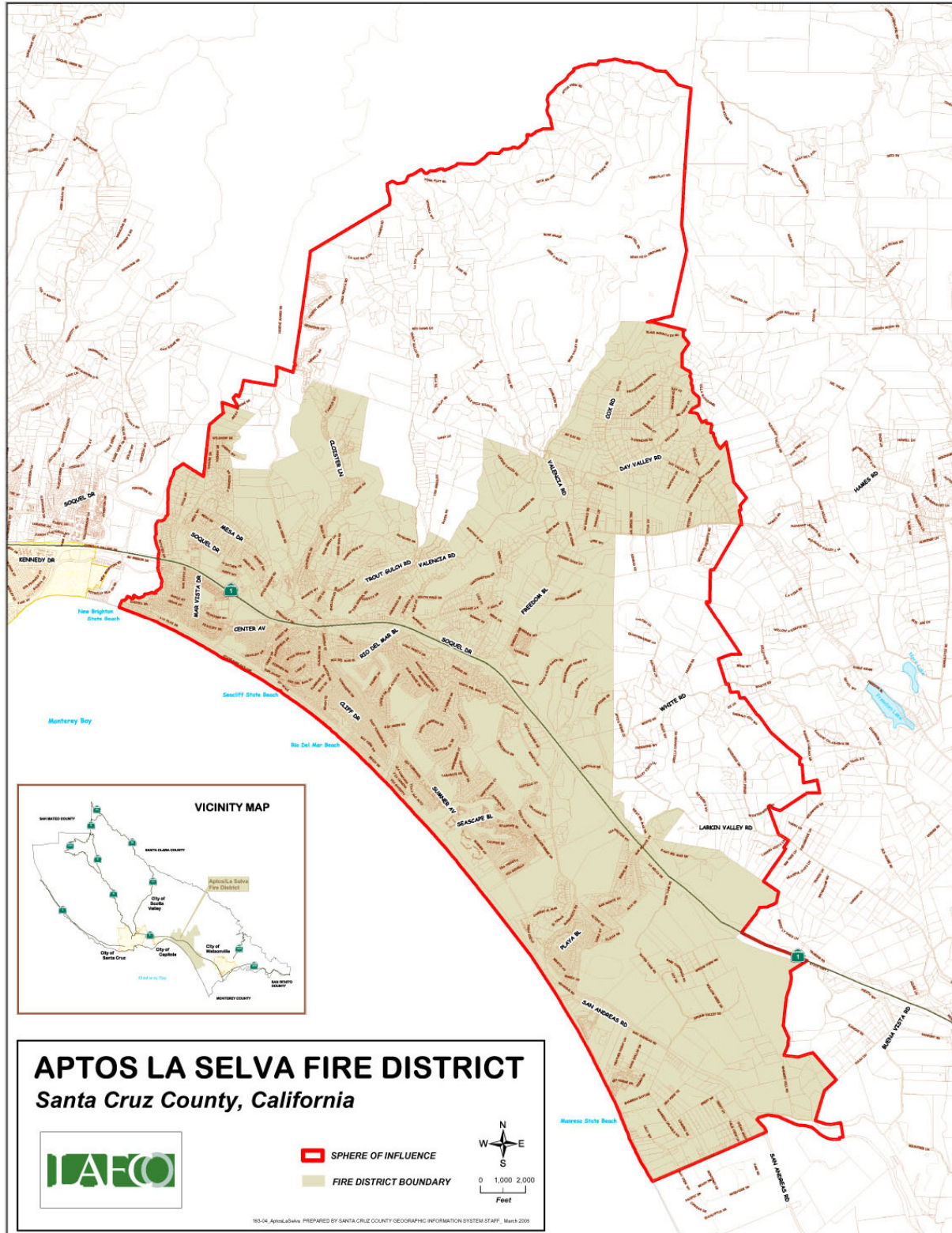
The Aromas Tri-County Fire Protection District is a multi-county agency with a majority of the District located in Monterey County. Monterey LAFCO is the principal LAFCO for determining the sphere of influence for the District, and therefore Santa Cruz LAFCO is not adopting determinations for this District.

On overall map of the fire protection districts follows, along with individual maps for each district. Maps of the two cities are included in *Section 1 – Executive Summary*.

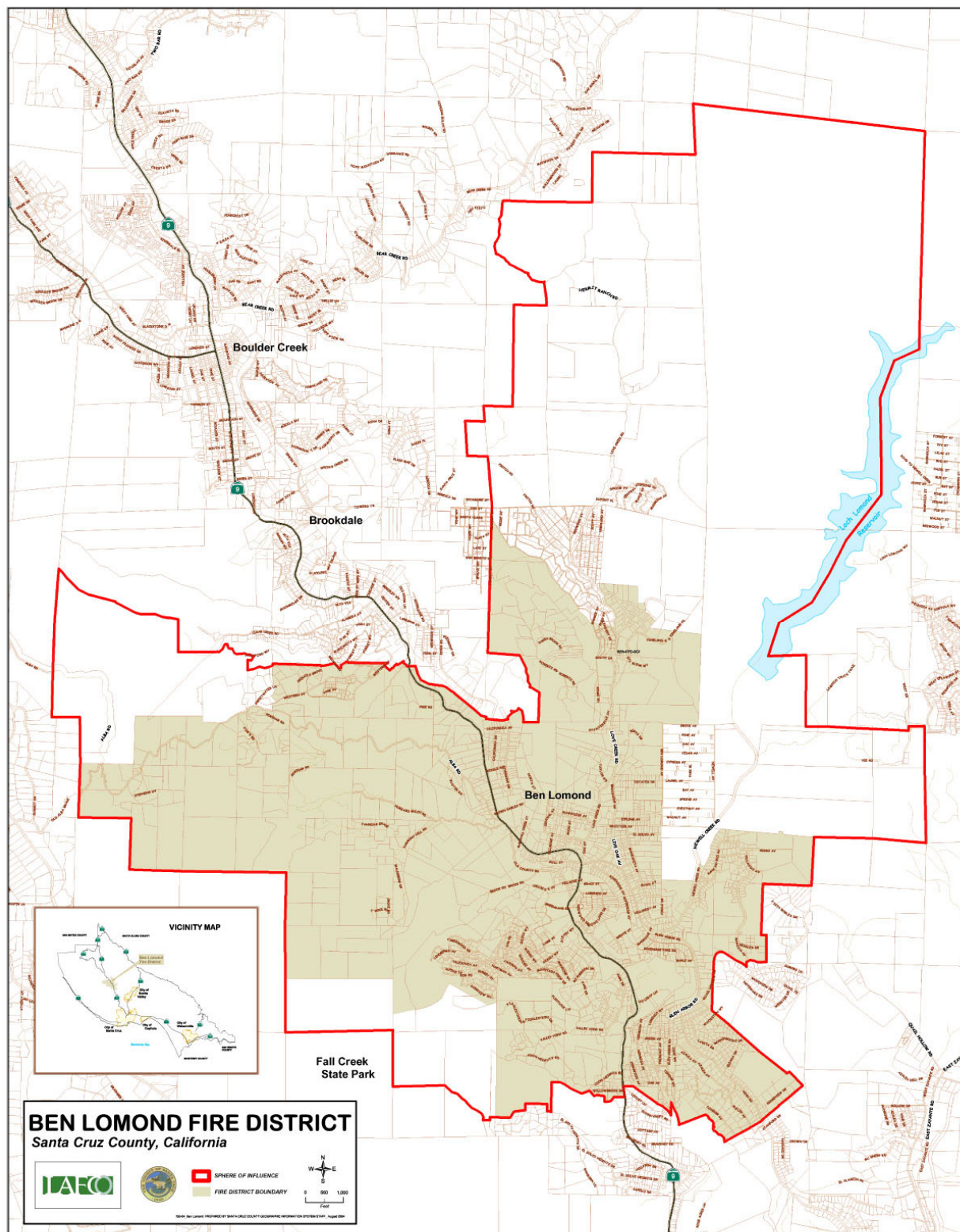


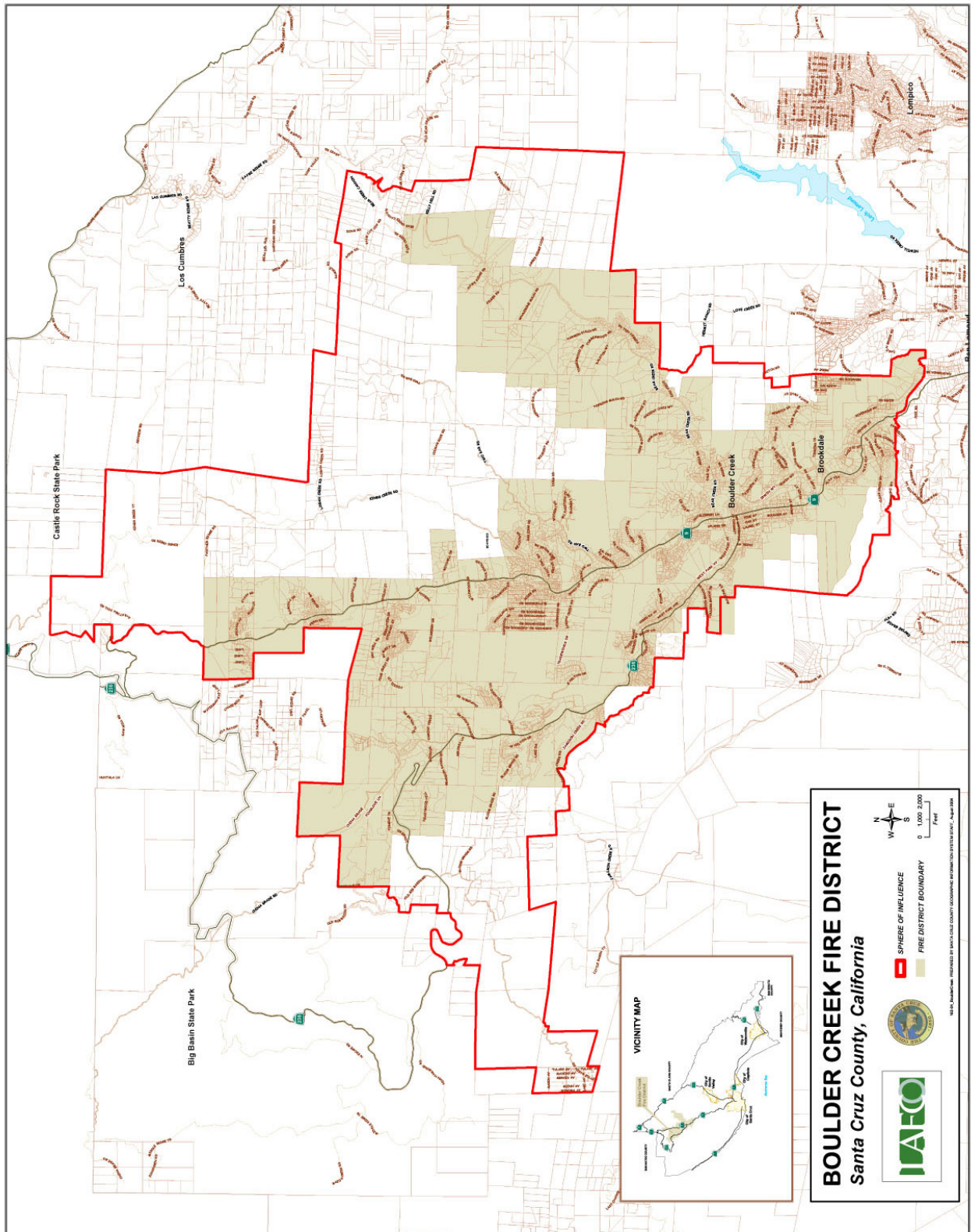




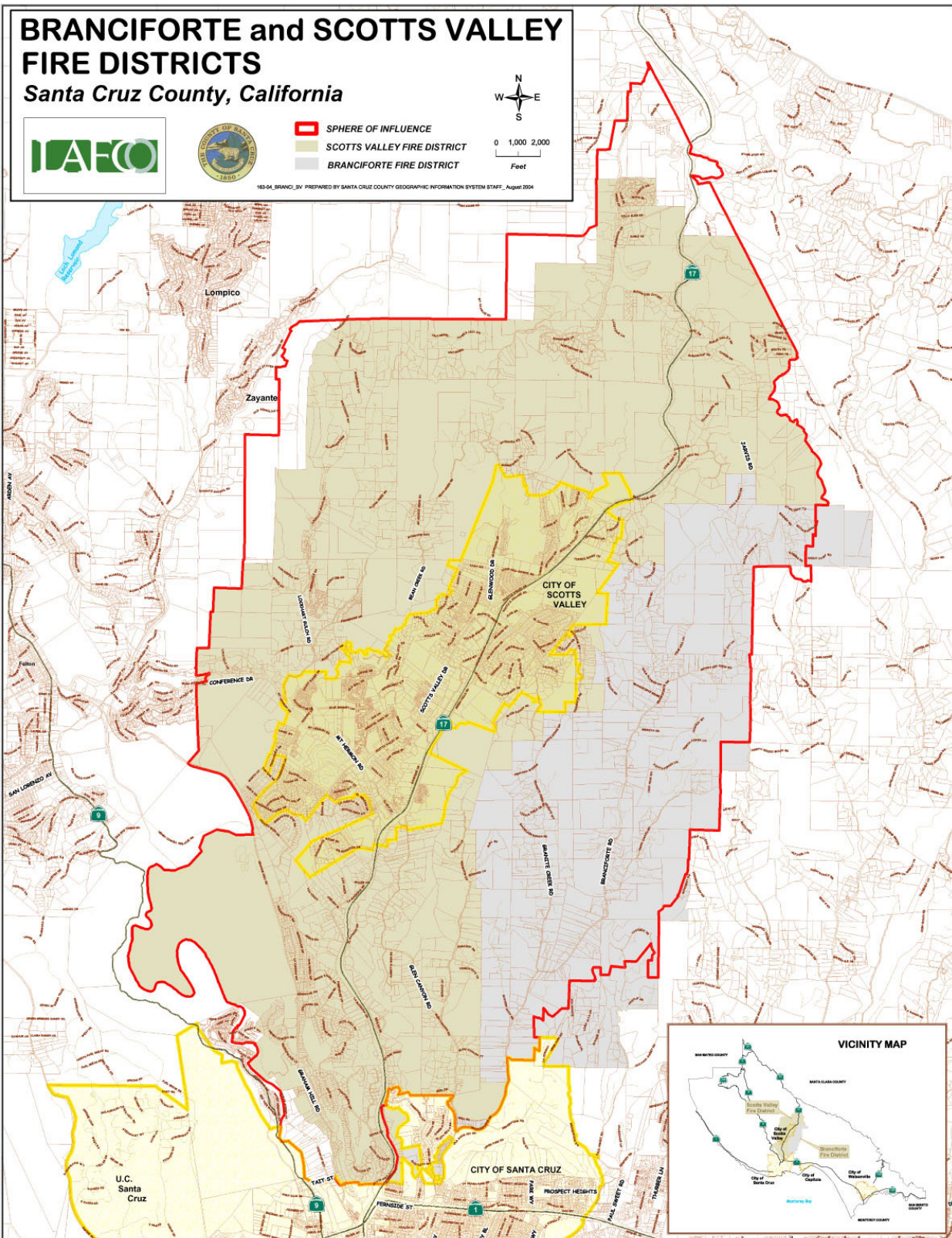




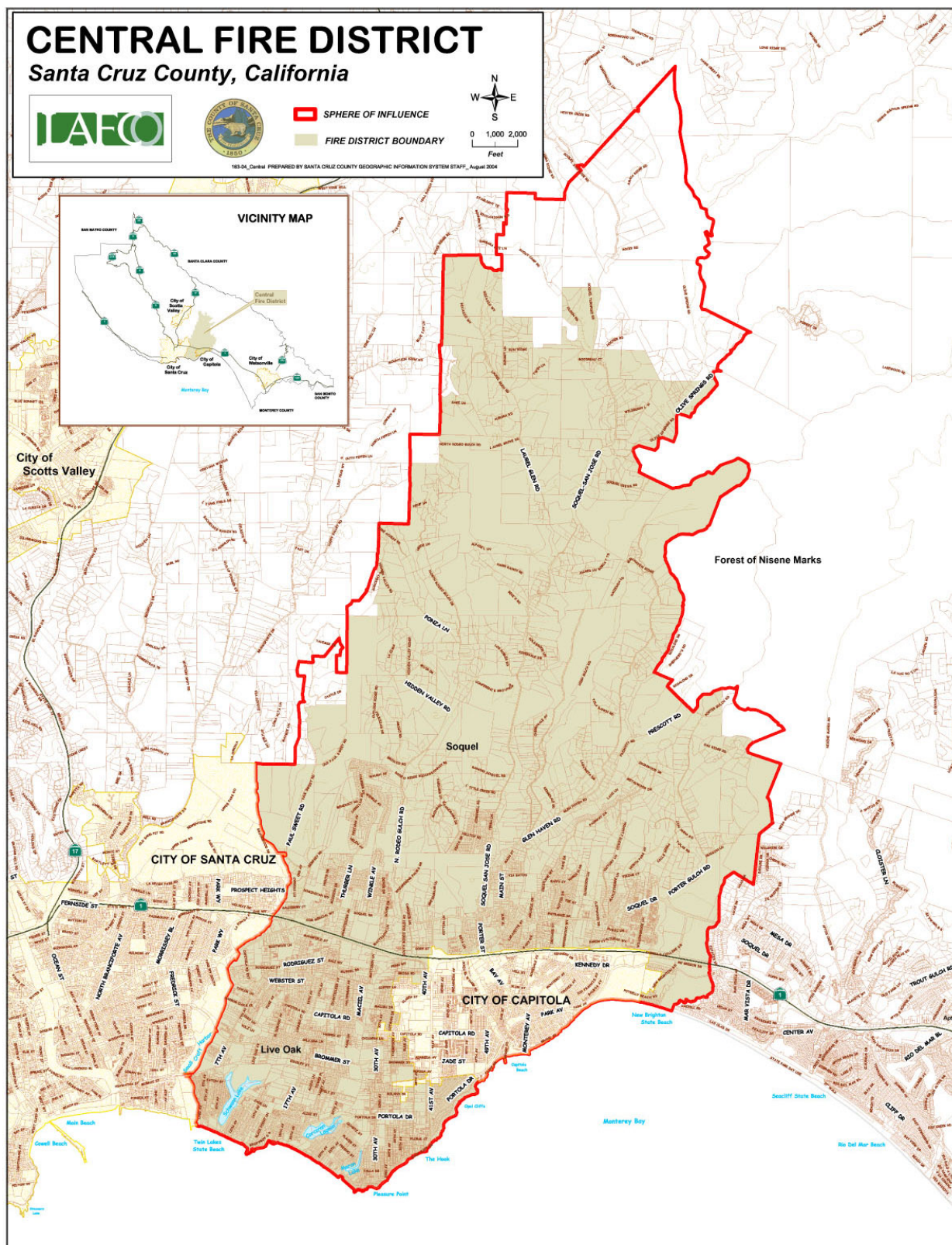


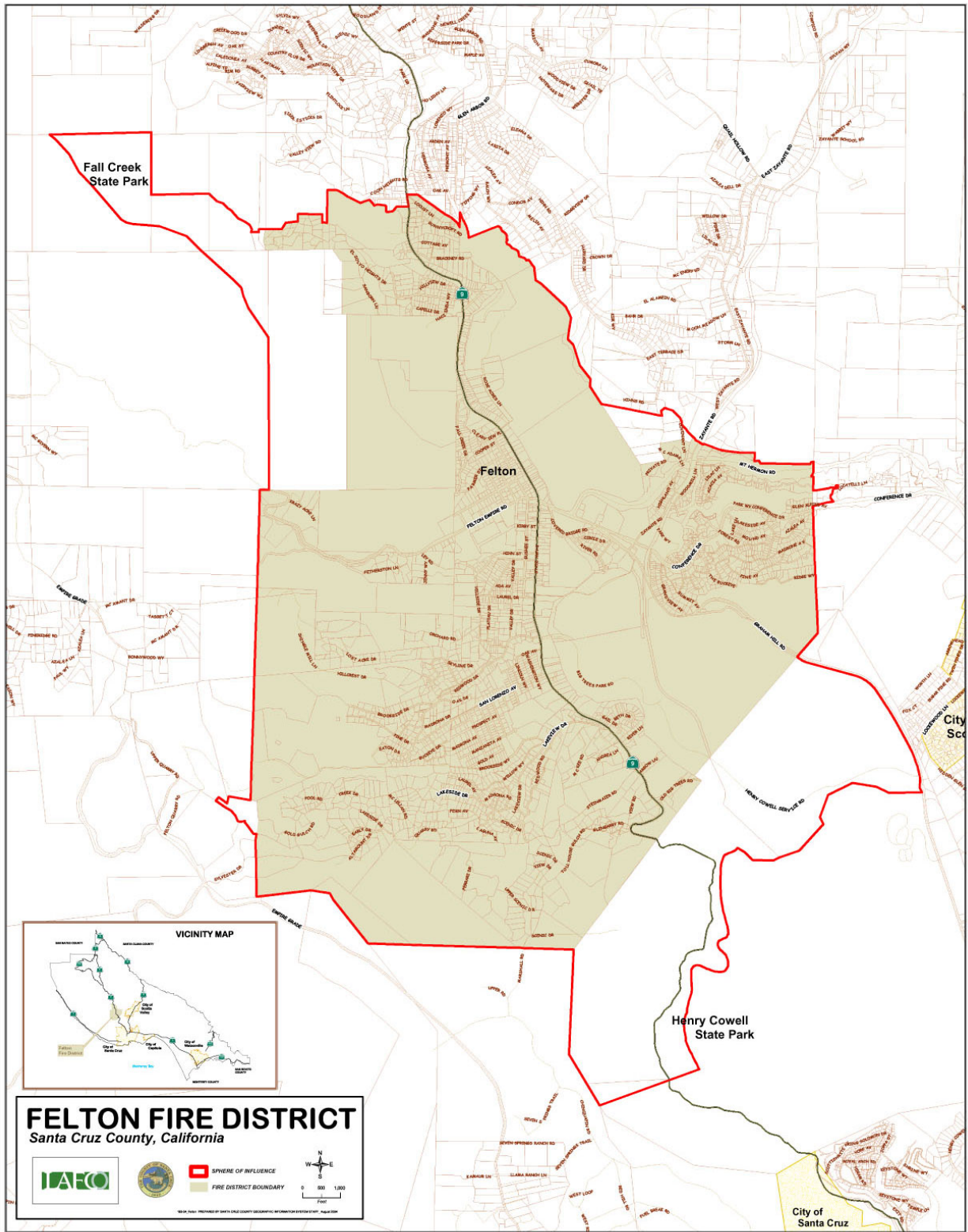




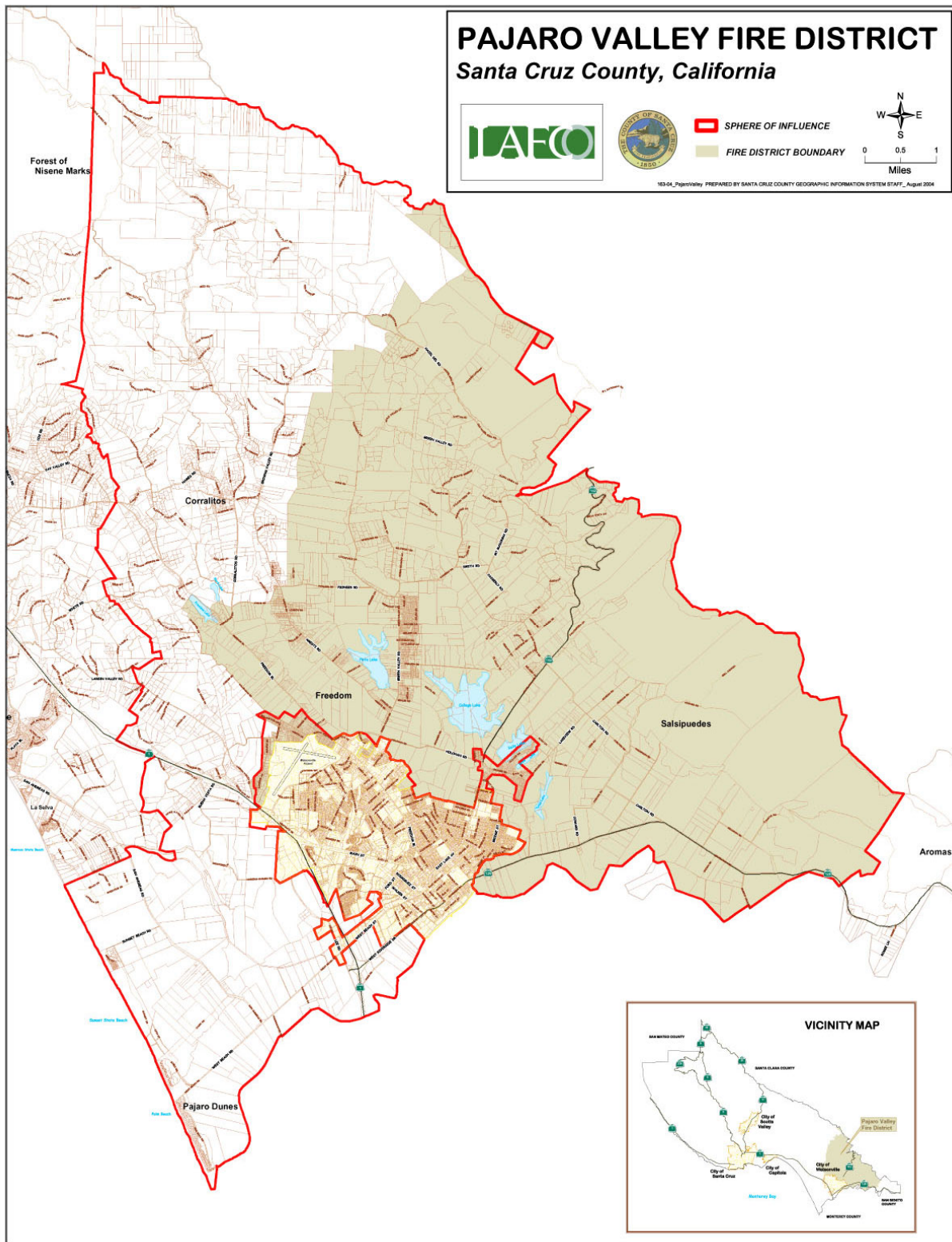


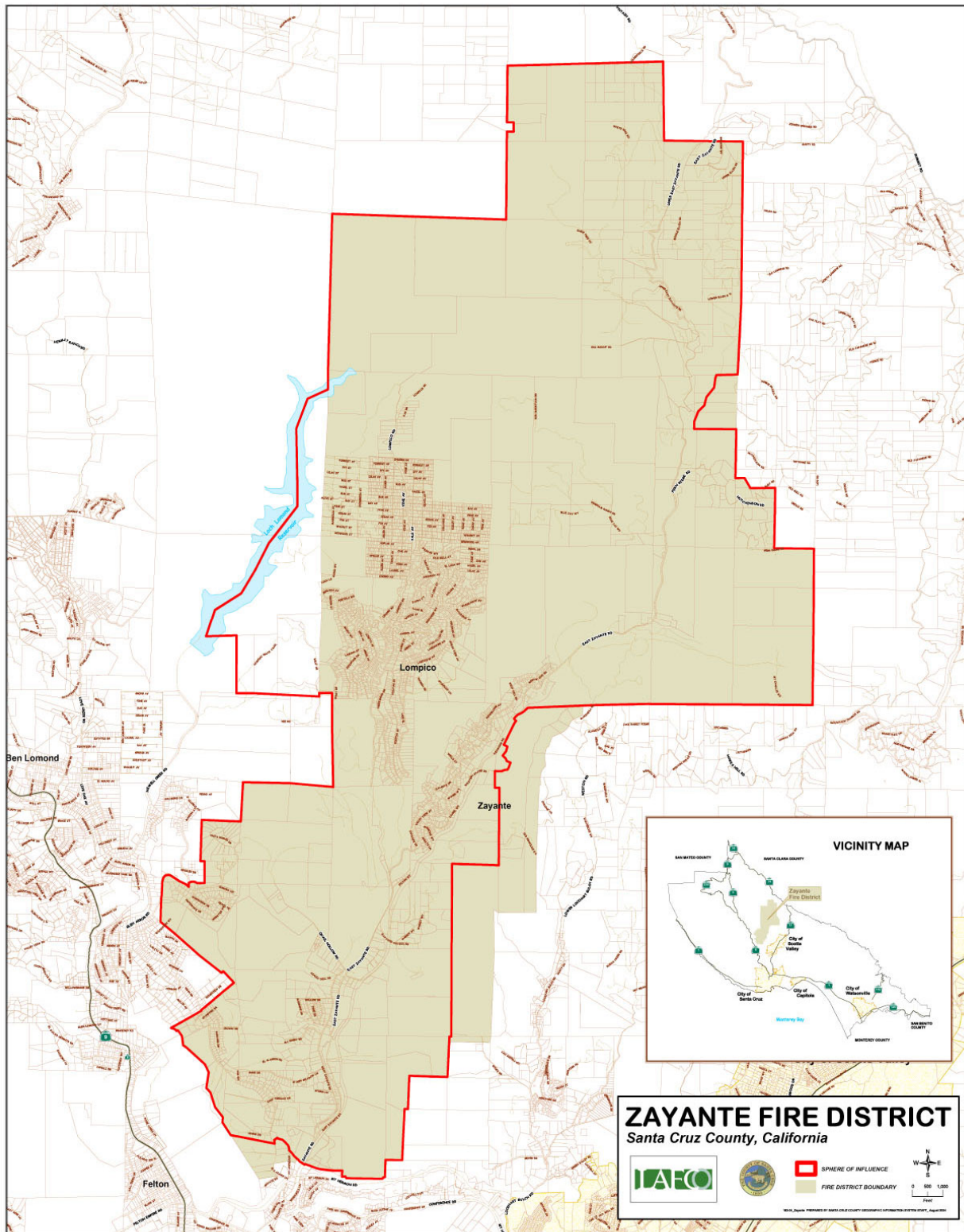


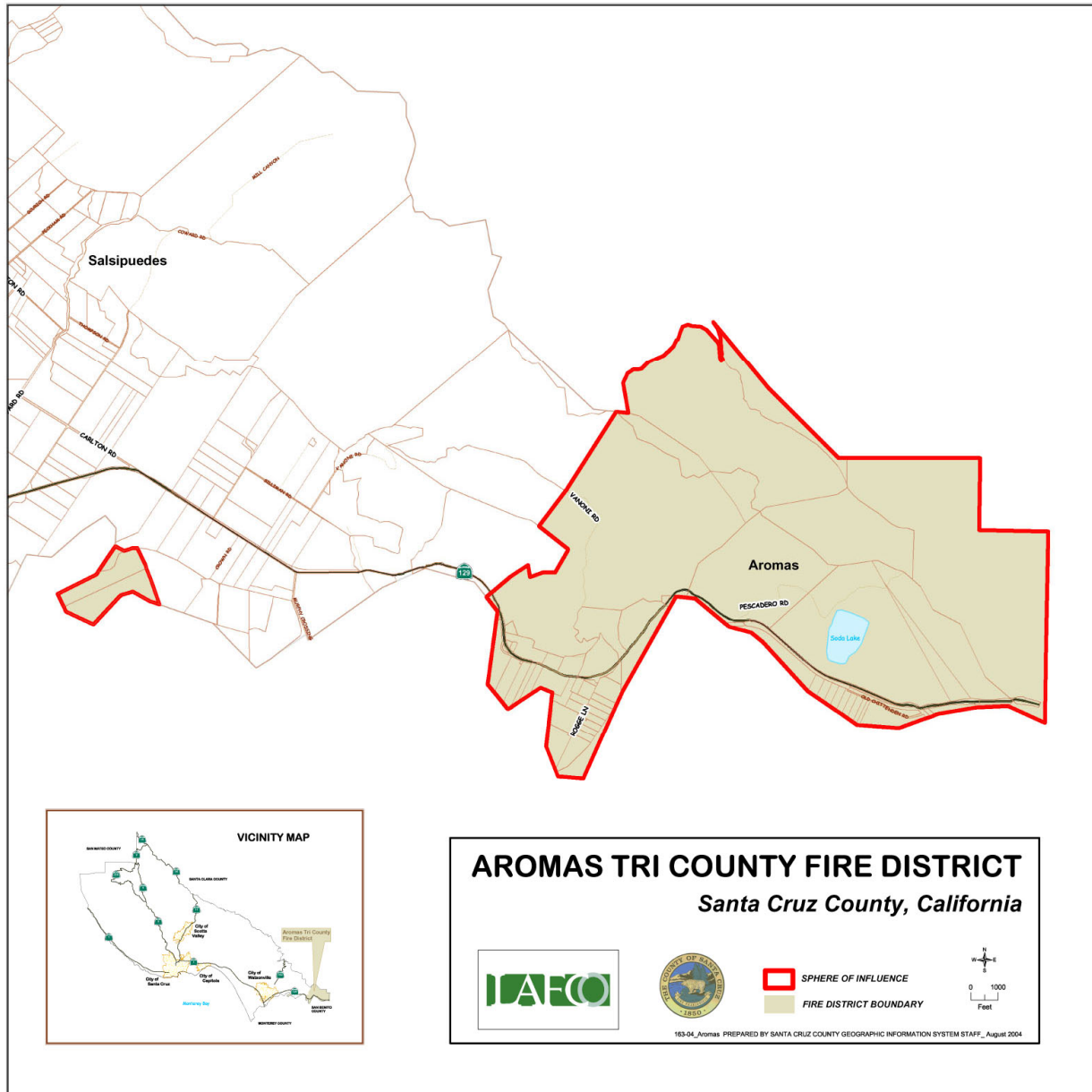














## 7.1 Growth and Population

The population within Santa Cruz County is expected to grow at a slow to moderate rate through 2030. The projections for each jurisdiction and the fire agency serving the area are as follows:

**Table 7.2**  
**Population Estimates**

Public Agency	2005	2010	2015	2020	2025	2030	Annual Growth Rate
City of Capitola Central FPD	10,869	10,978	11,041	11,104	11,120	11,136	0.1%
City of Santa Cruz City Fire Department	56,953	57,768	58,846	59,924	61,956	63,987	0.5%
City of Scotts Valley Scotts Valley FPD	13,182	13,667	13,864	14,062	14,169	14,275	0.3%
City of Watsonville City Fire Department	52,716	56,779	61,126	65,473	67,946	70,418	1.3%
Santa Cruz County (unincorporated) All other Fire Districts CSA 48 CSA 4	133,824	136,167	139,150	142,132	143,582	145,031	0.3%

*Source: AMBAG 2004 Projections*

The service area characteristics of the districts vary significantly, including densely developed urban areas, lightly populated rural areas, and wildland areas. Growth and development impacts fire protection services and needs from the number of people served in an area, density (population per square mile), development patterns and funding as revenue generally has not kept pace with growth. Higher density areas are generally more efficient and cost-effective to serve. Large lot, low-density development increases population but not density and is relatively more expensive to serve. Based on block data from the 2000 US Census, the population estimates for each fire agency are as follows:

**Table 7.3**  
**Fire District Population (2000) and Density**

Agency	Population Estimate	Service Area Size (sq miles)	Population Density (persons / sq mile)
City of Santa Cruz	54,593	12	4,549
City of Watsonville	44,265	7	6,324
CSA 4 – Pajaro Dunes	See footnote	0.2	NA
CSA 48 – County Fire Protection (Dept. of Forestry)	23,883	286	83.5
Aptos/La Selva Fire Protection District	21,117	15	1,408
Ben Lomond Fire Protection District	4,557	7	651
Boulder Creek Fire Protection District	8,304	21	395
Branciforte Fire Protection District	1,836	7	262
Central Fire Protection District	50,620	29	2,410
Felton Fire Protection District	7,163	7	1,023
Pajaro Valley Fire Protection District	16,438	47	350
Scotts Valley Fire Protection District	17,680	22	804
Zayante Fire Protection District	3,483	15	232
University of California Santa Cruz	18,500 day 6,800 night	4	4,625
Aromas Tri-County Fire Protection District ( <i>tri-county with Monterey and San Benito</i> )	115	7	16
<b>Total</b>	Est. 255,602		

*1) Pajaro Dunes contains 565 housing units, most of which are second homes. The population varies significantly between high and low use periods of the second homes.*

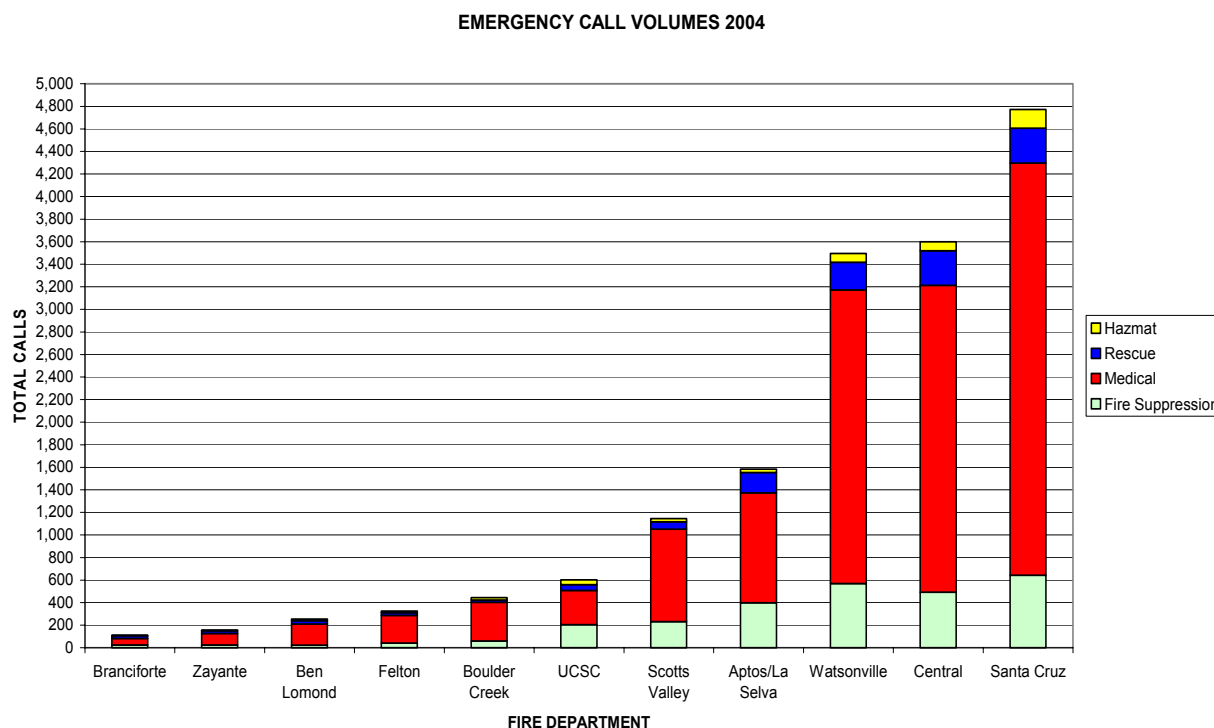
The Santa Cruz County General Plan promotes low density rural development outside of the cities and the Urban Services Line. Much of Santa Cruz County is forest which requires significant fire protection and suppression resources to protect people, homes, and property. Fire districts continue to develop solutions to reduce the fire risk in these areas, including improved access, water supply, construction standards, and vegetation management.

Fire protection also includes emergency medical services, and fire service areas that contain major commute routes such as Highways 1, 9, 17 and 152 receive more emergency response calls for traffic-related incidents than would be expected for the reported population within each area. Fire districts provide first response to these calls and are required to provide services to non-residents who do not help fund operations.

It should be noted that the fire agencies have limited ability to control population growth and development patterns. The districts do participate in the planning process, but primarily respond to decisions made by land use agencies.

## 7.2 Infrastructure Needs and Deficiencies

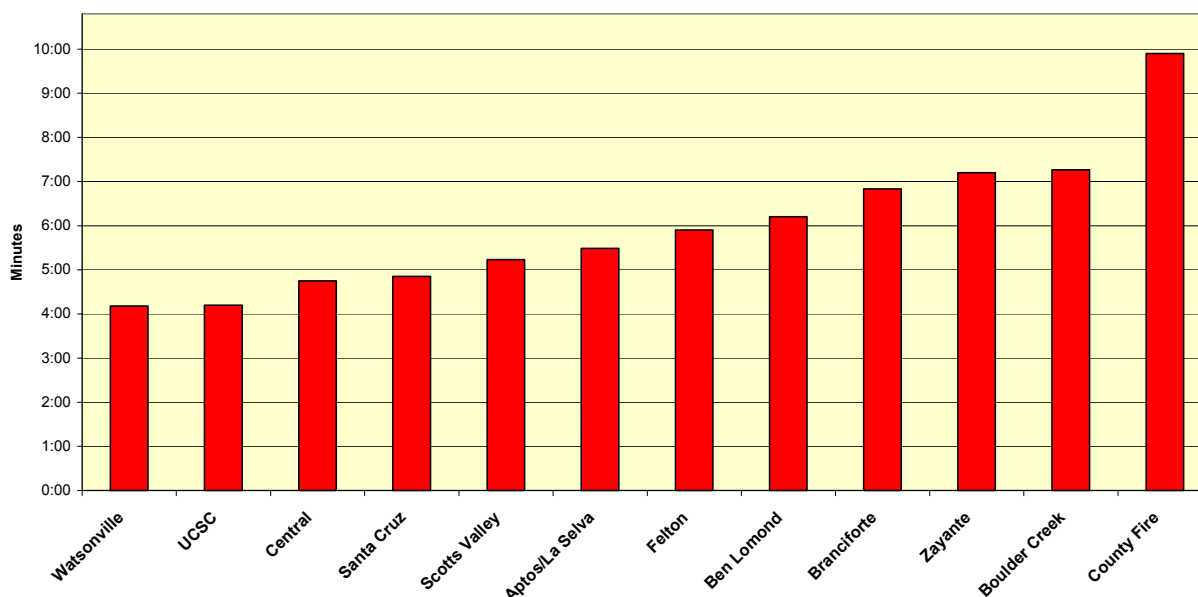
The infrastructure used for fire protection service includes stations and apparatus. Infrastructure needs are a function of growth and type/number of calls. The 2004 call volume compiled by the Santa Cruz Consolidated Emergency Communications Center is as follows:



The adequacy of the infrastructure should be considered within the context of the type of services provided, land use and service area characteristics, the number of calls and response times. It must be noted that response times for each fire agency are dependent on the topography of the service area, road conditions, financing levels, type of staffing and other factors unique to that organization. Response times are, at best, only a rough means of assessing an agency's infrastructure needs and deficiencies. The average response times reported by the Santa Cruz Consolidated Emergency Communications Center are as follows:



Average Fire Agency Response Times 2004



Fire agencies have expanded services to become “all-risk”. As reflected in the table above, emergency medical services represent a majority of the calls for the Santa Cruz agencies, which is consistent with national statistics. The percentage of medical emergency calls nationwide has been increasing as the general population ages. The need for emergency medical assistance requires additional equipment and trained staff.

The fire agencies within Santa Cruz County all provide automatic aid and mutual aid to the other providers within the vicinity, both for fire suppression and emergency medical calls. AMR, a private ambulance company, contracts with the County to provide ambulance services countywide. Each ambulance is staffed by paramedics. Since fire companies also respond to medical emergencies, and generally have shorter response times, several jurisdictions have added a paramedic-trained firefighter to each company. The departments with fire-company based Advanced Life Support paramedics are: City of Santa Cruz, City of Watsonville, Aptos/La Selva Fire Protection District, Central Fire Protection District, and Scotts Valley Fire Protection District.

The fire agencies are operating with the following stations and engines:

**Table 7.4  
Stations and Engine Summary**

Agency	# of Fire Stations	# of Engines
<b>Cities</b>		
City of Santa Cruz	3	6
City of Watsonville	2	9
<b>Special Districts</b>		
CSA 4 – Pajaro Dunes	1	2
CSA 48 – County Fire Protection (Dept. of Forestry)	10	14
Aptos/La Selva Fire Protection District	3	5
Ben Lomond Fire Protection District	1	4
Boulder Creek Fire Protection District	2	
Branciforte Fire Protection District	1	4
Central Fire Protection District	4	
Felton Fire Protection District	1	3
Pajaro Valley Fire Protection District	2	4
Scotts Valley Fire Protection District	2	
Zayante Fire Protection District	3	5
University of California Santa Cruz	1	2
<b>Total</b>	<b>36</b>	<b>57</b>

### City of Santa Cruz

The City of Santa Cruz Fire Department serves the City and the Paradise Park subdivision through an agreement with CDF. The Department has three fire stations, six fire engines, a breathing support vehicle, and other related vehicles and equipment. Through Measure G, funds were secured to update all three of the fire stations and acquire a commercial building to serve as the headquarters for the Department. All facilities now meet current building codes, including seismic retrofitting, fire sprinklers, and new electrical systems.

The Department addresses its equipment and facilities needs through its planning efforts and budgeting process. For FY 2004-2005 the City has budgeted for the following capital purchases:

- 75-foot aerial truck to replace a 1979 truck = \$580,000
- Radio Equipment = \$14,580
- Replacement of non-OSHA compliant breathing apparatus (8) = \$33,600
- Firefighting tools and equipment = \$7,500
- Advanced Life Support equipment = \$7,500

**City of Watsonville**

The City of Watsonville Fire Department is an all-risk agency and offers full paramedic services. All areas of the City can be reached in less than 10 minutes.

The Watsonville Fire Department responds to hazardous materials calls, including ammonia hazards from food cold storage plants.

The City has two fire stations with nine fire engines and pumpers, and related other vehicles and equipment. The District has an Apparatus Replacement Plan for the scheduled replacement of equipment. In addition, a Fire Master Plan is being developed that will identify locations of future stations, staffing and equipment needs.

**County of Santa Cruz – CSA 48 and CSA 4**

The Santa Cruz County Fire Department serves the unincorporated area of Santa Cruz County outside the boundaries of the other fire protection districts. CSA 48 was established to help finance the cost of fire protection within this area and CSA 4 was established to finance the fire station at Pajaro Dunes. The County Fire Department has 10 stations. CDF staffs and maintains 7 fire stations in Santa Cruz County during fire season (typically June through October). Four of these stations remain open throughout the rest of the year and are staffed at the County's expense during that time. Volunteer companies are co-located at two of these State facilities. There are 6 other all-volunteer stations.

The County Fire Department, the Fire Marshal's Office, and the two CSAs are administered by the County's Office of Emergency Services. They are under the operational supervision of the San Mateo/Santa Cruz Unit of the California Department of Forestry and Fire Protection (CDF) through a contract with the County. CDF provides operational and support services as well as training and communications for eight volunteer fire companies. The State funds the staffing of its four stations during fire season (typically June through October). The County provides funding to continue the staffing of these 4 stations/engine-companies for the remainder of the year.

The County Fire Department does not have a capital improvements plan, although a Master Plan has been completed which identifies future needs. The Department noted that current and future infrastructure needs include replacing breathing apparatus and engines. The budget for CSA 48 for FY 2004-2005 did not include any fixed asset purchases.

CSA 4 has one station. A new fire engine was purchased in 1997 and two engines were repainted in FY 2003-2004. At the Pajaro Dunes Fire Station, the Department completed the removal of an underground diesel storage tank in FY 2003-2004 and budgeted \$25,000 in FY 04-05 for the purchase and installation a 500-gallon above-ground tank, \$22,000 of this appropriation was rolled forward to Fiscal 05-06 to complete the project.

**Aptos/La Selva Fire Protection District**

The Aptos/La Selva Fire Protection District serves the unincorporated communities of Aptos, Rio del Mar, Seacliff, Seascape, Day Valley and La Selva Beach. The District's service area is mostly residential, with some light commercial, and visitor recreational uses. The district has a transport vehicle available as backup if the ambulance company cannot respond in a timely manner due to road conditions or very high demand.

The Aptos/La Selva FPD had the first advanced life support program in the County. Because of its proximity to the coast, the District has established a surf rescue team.

The District has three fire stations located in Aptos, Rio del Mar and La Selva Beach. They are in the process of completing a seismic retrofit program for all three stations to bring them up to FEMA 310 standards; La Selva is complete, Aptos will be completed in July of 2005, and Rio Del Mar will be scheduled as funding is available.

The District has five engines, one water tender, one rescue/ambulance, and a variety of other vehicles. The equipment maintenance program is funded through the District's operating budget. The District has a Capital Improvements Plan that extends through FY 2010-2011 and includes \$2,297,000 in facilities and equipment; it is anticipated that financing will be provided through reserves and debt.

**Ben Lomond Fire Protection District**

The Ben Lomond Fire Protection District serves the unincorporated rural community of Ben Lomond. The District's service area is mountainous, heavily wooded terrain with a mixture of small commercial and residential structures. In addition to the services listed above, the District has a swift water rescue program.

The District operates from one station and has four engines and one rescue ambulance with the oldest piece of equipment approximately 18 years old. The District has a Capital Improvements Plan that extends through 2009 and includes \$494,500 in facilities and equipment. None of the items are currently funded; it is expected that funding will be provided through the District's operating revenues. The District noted that it will need to replace three vehicles in the near future.

**Boulder Creek Fire Protection District**

The Boulder Creek Fire Protection District serves the towns of Brookdale and Boulder Creek and the surrounding unincorporated area. The District has two stations, one of which is shared with CDF. The District noted that some equipment will need to be replaced in the near future. As a best management practice the District uses a Class A foam known as Compressed Air Foam Systems which is highly effective in fire suppression.

**Branciforte Fire Protection District**

The Branciforte Fire Protection District serves the unincorporated Branciforte Drive/Happy Valley area east of Scotts Valley, an area that is primarily considered an urban-rural interface zone. The District operates with one staffed fire station and another unstaffed station in the northern portion of the District's service area. The District has a response time of 10 minutes or more in the most northern portion of the District, primarily along Rider Ridge, Hall Ranch, Starlight, Bohnen, and Scout Camp Roads. Response times are less if a volunteer responds directly from the unstaffed station in the area.

The District has four engines and needs to replace a Type 3 engine within the next two years. Currently, the District's financial resources are not sufficient to fund the replacement.

**Central Fire Protection District**

The Central Fire Protection District serves the City of Capitola and the unincorporated areas of Soquel and Live Oak. The northern 70% of the District is forested land with low density remotely located homes. In addition to the services noted above, the District offers the following: water rescue, high angle rescue, search and rescue, confined space rescue, weed abatement and code enforcement, paramedic bike program, paramedic service on all fire units, and wildland fire protection.

The District has four fire stations and an administration building. The stations are located in Soquel, Live Oak, Capitola and Santa Cruz Gardens. All of the facilities have been remodeled to meet ADA standards and comply with co-gender facilities requirements. The Soquel Fire Station will be replaced in the future.

The District has a Capital Improvement Plan that includes \$2,899,000 in equipment and facilities; \$1,700,000 is funded. The District is preparing to add a full-time staffed ladder truck as identified in the recently updated Master Plan. The District will continue to monitor emergency services based on call loads and demographics, to either establish a fifth fire station or fill a CDF facility off-season in the northern section of the District's service area.

**Felton Fire Protection District**

The Felton Fire Protection District serves the Felton and Mount Hermon communities, which contain low-density development in woodland areas. The District has one station, three engines, one water tender and one rescue unit. The District has completely replaced its aging fleet of vehicles over the past 20 years, with the last purchase occurring in 2003. A new ladder truck will be needed in the future.

**Pajaro Valley Fire Protection District**

The Pajaro Valley Fire Protection District serves the unincorporated Freedom and Salsipuedes areas north and east of the City of Watsonville. The service area is primarily rural with low density development. The District operates two fire stations, one in Pajaro Valley that is staffed full-time and one at Mt. Madonna that is staffed with paid-call firefighters. The District contracts with the CDF for personnel, administrative, communications, and fire protection planning services. The District contracts with the

City of Watsonville to provide fire and emergency response to the urbanized portion of Freedom that is close to the City's Airport Blvd. Station.

The District has a Capital Improvement Plan that covers a two year period from FY 2003-2004 through FY 2004-2005 and includes construction of the new Salsipuedes Main Fire Station. The District has the funding secured to complete the construction project (\$730 thousand of the \$1.5 million is from private financing). The District needs one engine for the Mt. Madonna station and needs to replace a reserve Type I engine that is over 20 years old.

### **Scotts Valley Fire Protection District**

The Scotts Valley Fire Protection District serves the City of Scotts Valley, Pasatiempo, Lockhart Gulch and surrounding unincorporated areas. Land use within the District ranges from urban to rural, with a significant interface zone between developed and wildland areas. The District began offering paramedic services in 2003. The District noted that response time improvements are needed for the southern areas of the District.

The District has two fire stations and one administrative office. The District's Capital Improvement Plan extends through 2009. Mobile equipment is replaced on a scheduled cycle, based on a number of factors, including age, cost to replace or refurbish front line and reserve/support apparatus, and mileage for command and utility vehicles. The District noted that an additional engine is needed for urban/wildland interface response areas.

The District opened the Glenwood Station in 2001 and has planned for another station on La Madrona Drive to improve response times. In the FY 2004-2005 budget, the District has included \$344,017 for the La Madrona Station, \$400,000 for engine replacement, \$120,000 for breathing apparatus, and \$20,000 for computer equipment and \$5,000 for furnishings.

A separate benefit zone has been set up within the District's service area, with funding used for equipment and water system improvements that improve fire protection capabilities within the area. The budget for FY 2004-2005 includes \$378,021 for water system improvements.

### **University of California Santa Cruz**

The UC Santa Cruz Fire Department serves the main UCSC campus from a single station with a minimum staffing of four firefighters 24/7. In addition to protecting the main campus the Department provides automatic aid to the City of Santa Cruz and the Santa Cruz County Fire Department.

University administration has recently approved the implementation of a paramedic program and Department staff is currently preparing a service delivery proposal for review by Santa Cruz County.

Implementation of the 2005 Campus Long Range Development Plan will necessitate changes in the Department's staffing. Once this plan is finalized the Department will be developing a strategic plan to address these issues.

**Zayante Fire Protection District**

The Zayante Fire Protection District serves the unincorporated communities of Olympia, Zayante, and Lompico including the Upper Hihn Road area of Ben Lomond. The District was able to reduce the average response time by reconfiguring its duty coverage response procedure.

The District noted that it does not have adequate access to paramedic services; critical patients need intervention in 4 to 6 minutes and the ambulance response time is typically over 10 minutes.

**Aromas Tri-County Fire Protection District**

The Aromas Tri-County Fire Protection District service area lies within Monterey, San Benito and Santa Cruz counties. Within Santa Cruz, the District serves 70 parcels in a rural unincorporated area adjacent to the County border. The District has one fire station located near the community of Aromas in San Benito County. The station has two engines and a third was scheduled for acquisition in 2003. The District noted a need for an additional station to provide better response times in San Benito County, which would benefit the Santa Cruz service area as more resources would be available within the District.

**7.3 Financing Constraints and Opportunities**

Fire protection is funded through a variety of revenue sources, including property tax, General Fund appropriations, special tax, assessments, service charges and fees, and emergency medical cost recovery agreements. The County Auditor-Controller provides accounting functions and maintains the accounts for each of the fire protection districts. The following summaries indicate the revenue sources and three-year financial history of each agency:

**City of Santa Cruz**

The City of Santa Cruz funds its Fire Department through General Fund appropriations and other revenue as follows:

**City of Santa Cruz – Fire Department Funding**

<b>Finances</b>	<b>FY 02-03</b>	<b>FY 03-04</b>	<b>FY 04-05</b>
<b>Revenue</b>			
Fire Building Plan Check	\$97,000	\$103,500	\$153,000
Paradise Park Contract	\$10,000	\$10,000	\$10,160
Haz. Mat. Team Participation	\$28,800	\$28,800	\$28,800
AMR ambulance sub-contract	N/A	\$47,000	\$47,900
EMSIA Quality Assurance contract	\$59,850	\$79,650	\$79,650
911 Fee	N/A	\$150,000	\$153,648
<b>Expenditures</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Est. Actual</b>	<b>FY 04-05 Proposed Budget</b>
Personnel Services	\$5,877,567	\$6,902,753	\$7,656,368
Services, Supplies, Other Charges	\$625,057	\$796,381	\$744,847
Capital Outlay	\$121,253	\$141,809	\$643,180
Debt Service	\$77,743	\$77,745	\$75,560
<b>Net Appropriation from General Fund</b>	<b>\$6,505,970</b>	<b>\$7,499,738</b>	<b>\$8,646,797</b>

The Capital Outlay budget for FY 2004-2005 includes the purchase of a new 75-foot aerial truck. The equipment will be financed through a capital lease with an annual payment of approximately \$126,500 for five years beginning in FY 2006.

Most of the challenges the Department faces over the next five years are related to funding. The cost of retirement plans, workers compensation and health benefits overshadow the Department's staffing needs. The Department is concerned there will be a lack of funding to pursue wildland mitigation projects within the City which have proven to be cost effective fire prevention measures.



**City of Watsonville**

The Watsonville City Fire Department is funded through the City's General Fund, building checks and inspection fees, the Pajaro Valley Fire contract, and miscellaneous fire revenue. The Department's three-year budget history is summarized below:

**City of Watsonville – Fire Department Funding**

<b>Finances</b>	<b>FY 02-03 Projected</b>	<b>FY 03-04 Budget</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue</b>			
General Fund	\$3,956,988	\$3,981,096	\$3,791,713,
Fire Inspection Fees		\$240,000	\$300,00
Fire-Building Check	\$39,500	\$36,100	\$36,700
Pajaro Valley Fire Service Fee	\$150,000	\$150,000	\$150,000
Other Revenue	\$211,700	\$133,200	\$135,985
<b>Total Revenue</b>	<b>\$3,956,988</b>	<b>\$3,981,096</b>	<b>\$4,414,398</b>
<b>Expenditures</b>			
Payroll	\$3,968,100	\$3,562,886	\$3,929,821
Operations Costs	\$258,888	\$418,210	\$484,577
<b>Total Expenditures</b>	<b>\$3,956,988</b>	<b>\$3,981,096</b>	<b>\$4,414,398</b>

*Note: AMR ambulance subcontract revenue not shown*

The City's mid-cycle budget review for FY 2004-2005 resulted in a net decrease to the Fire Department's operating budget. This was due to staff reductions and increased worker's compensation costs.

**County of Santa Cruz – CSAs 48 (County Fire) and 4 (Pajaro Dunes)**

CSA 48 generates assessments that are used to supplement funding for County fire protection; CSA 4 receives a share of the 1% property tax and charges for some services. Both are accounted for as Special Revenue Funds and use is restricted to fire protection services within their respective jurisdictions. The following summarizes the finances of the County Fire Department and the two CSAs:

**County Fire Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Final Budget
<b>Revenue:</b>			
CSA 48 Revenues Index 304400	\$850,071	\$868,691	\$872,603
County Fire Fund Property Taxes Index 304000	\$1,272,313	\$1,346,800	\$1,412,670
<b>Expenditures:</b>			
CDF Contract Cost Index 304100	\$1,551,977	\$1,716,542	\$2,044,543
<b>Total County Fire Fund</b> Fund 26105	<b>\$3,536,025</b>	<b>\$2,845,109</b>	<b>\$2,904,738</b>

*The last row includes fixed assets and one county administrative position (non-CDF)*

**CSA 48 Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Final Budget
<b>Revenue:</b>			
Assessments	\$848,113	\$863,917	\$871,603
Interest	\$1,958	\$1,773	\$1,000
<b>Total Revenue</b>	<b>\$850,071</b>	<b>\$865,690</b>	<b>\$872,603</b>
<b>Appropriations:</b>			
Services & Supplies	\$500	\$500	\$500
Other Charges (Contribution to other agencies)	\$846,653	\$860,199	\$876,231
<b>Total Appropriations</b>	<b>\$847,153</b>	<b>\$860,699</b>	<b>\$876,231</b>
<b>Fund Balance, End of Year</b>	<b>0</b>	<b>\$7,998</b>	<b>0</b>

*Index 304400*

## CSA 4 Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Final Budget
<b>Revenue:</b>			
1% Property Tax	\$419,341	\$438,404	\$456,407
Interest	\$8,275	\$6,447	\$8,000
Assessments	\$151,758	\$151,625	\$166,787
<b>Total Revenue</b>	<b>\$579,374</b>	<b>\$596,476</b>	<b>\$631,194</b>
<b>Appropriations:</b>			
Salaries & Benefits	\$10,569	\$28,688	\$49,993
Services & Supplies	\$517,966	\$600,954	\$714,799
Principal & Interest – Lease Purchases	\$14,325	\$15,198	\$15,370
Fixed Assets	\$3,907	\$11,777	\$25,000
<b>Total Appropriations</b>	<b>\$546,767</b>	<b>\$656,617</b>	<b>\$805,162</b>
<b>Fund Balance, End of Year</b>		<b>\$62,445</b>	

*Index 304300*

CSA 4 financed the purchase of a new fire truck in 1997. Principal and interest payments are approximately \$15,400 per year. The debt will be paid off in 2007.

The County Fire Department noted that it will be challenged to maintain current levels of service, replace fleet equipment and maintain infrastructure with the existing revenue sources as cost increases have outpaced revenue increases. In addition, annexations into other fire protection districts or cities will result in decreased revenues.

**Aptos/La Selva Fire Protection District**

The Aptos/La Selva FPD is funded through the District's share of the 1% property tax, a fire protection assessment, service charges and other fees. The following summarizes the District's finances:

**Aptos/La Selva FPD Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue:</b>			
1% Property Tax	\$5,820,324	\$6,262,705	\$6,552,906
Fire Protection Assessment	\$110,258	\$110,257	\$110,000
Interest	\$20,225	\$10,385	\$7,276
AMR Ambulance Subcontract	\$0	\$32,322	\$40,000
EMP Medical Charges	\$3,212	\$38,049	\$74,797
Other Revenue	\$113,892	\$131,767	\$127,603
<b>Total Revenue</b>	<b>\$6,067,910</b>	<b>\$6,585,485</b>	<b>\$6,912,582</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$4,723,675	\$5,954,097	\$6,051,830
Services & Supplies	\$681,724	\$683,560	\$871,429
Fixed Assets	\$487,970	\$355,881	\$923,666
Debt Service	\$177,073	\$230,808	\$271,400
<b>Total Appropriations</b>	<b>\$6,070,442</b>	<b>\$7,222,256</b>	<b>\$8,118,325</b>
<b>Fund Balance, End of Year</b>	<b>\$2,050,545</b>	<b>\$1,837,831</b>	<b>\$1,107,888</b>

*Index 680410*

The challenges the District faces in the next five years include meeting escalating retirement, workers' compensation, and healthcare costs and maintaining fixed assets (facility and equipment) required for service delivery.

**Ben Lomond Fire Protection District**

The Ben Lomond FPD is funded through the District's share of the 1% property tax, interest and other revenue. The following summarizes the District's finances:

**Ben Lomond FPD Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue:</b>			
1% Property Tax	\$459,863	\$494,604	\$501,800
Interest	\$7,624	\$10,357	\$15,000
Other Revenue	\$18,519	\$10,342	\$7,200
<b>Total Revenue</b>	<b>\$486,006</b>	<b>\$515,303</b>	<b>\$524,000</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$210,324	\$274,694	\$421,000
Services & Supplies	\$133,682	\$181,520	\$365,000
Fixed Assets	\$40,588	\$19,547	\$408,397
Contingencies			\$200,000
<b>Total Appropriations</b>	<b>\$384,593</b>	<b>\$475,762</b>	<b>\$1,394,397</b>
<b>Fund Balance, End of Year</b>		<b>\$841,938</b>	

*Index 680600*

The District has a high level of reserves, which may be used to fund its Capital Improvement Plan (\$494,500 in facilities and equipment). The District has no long-term debt. Revenue appears to be adequate to meet the operational and capital needs of the District, as the District has been able to increase reserves.

**Boulder Creek Fire Protection District**

The Boulder Creek FPD is funded through the District's share of the 1% property tax, interest, inspection fees and other revenue. The District has no long-term debt; reserves are used to purchase capital assets.

The following summarizes the District's finances:

**Boulder Creek FPD Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue:</b>			
1% Property Tax	\$519,339	\$561,112	\$572,447
Interest	\$18,727	\$13,153	\$15,000
Inspection Fees	\$16,050	\$11,678	\$8,000
Other Revenue	\$11,920	\$4,073	\$18,000
<b>Total Revenue</b>	<b>\$566,036</b>	<b>\$590,016</b>	<b>\$613,447</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$221,716	\$265,773	\$338,500
Services & Supplies	\$110,807	\$131,874	\$285,900
Fixed Assets	\$194,927	\$13,235	\$651,000
Contingencies			\$25,000
<b>Total Appropriations</b>	<b>\$527,450</b>	<b>\$410,882</b>	<b>\$1,300,400</b>
<b>Fund Balance, End of Year</b>		<b>\$719,875</b>	

*Index 680810*

**Branciforte Fire Protection District**

The Branciforte FPD is funded through the District's share of the 1% property tax, a fire protection tax, inspection fees and other revenue. The following summarizes the District's finances:

**Branciforte FPD Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue:</b>			
1% Property Tax	\$387,322	\$411,084	\$423,270
Fire Protection Tax	\$77,595	\$77,764	\$78,000
Interest	\$515	(\$684)	0
Inspection Fees	\$5,437	\$3,389	\$3,400
Other Revenue	\$20,153	\$41,454	\$18,000
<b>Total Revenue</b>	<b>\$491,023</b>	<b>\$533,007</b>	<b>\$522,670</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$330,513	\$461,188	\$388,143
Services & Supplies	\$109,182	\$111,651	\$105,005
Other Charges (Long Term Debt)	\$9,110	\$865	\$19,460
Fixed Assets		\$49,878	\$11,000
Contingencies			\$14,060
<b>Total Appropriations</b>	<b>\$448,806</b>	<b>\$623,582</b>	<b>\$537,668</b>
<b>Fund Balance, End of Year</b>		<b>\$16,414</b>	

*Index 681110*

The District has long-term debt; principal and interest payments are budgeted at \$18,000 per year.

The District noted that increases in the cost of insurance, PERS, and workers compensation may require that the District reduce services or eliminate some staff positions (the District currently has four paid staff). The District has limited reserves which would not be adequate to cover a large one-time extraordinary expense or the future capital needs of the District.

**Central Fire Protection District**

The Central FPD is funded through a range of revenue sources including the District's share of the 1% property tax; grants; contracts from other government agencies; emergency response recovery fees; Homeland Security revenue; and other revenue. The District maintains three separate funds for operations, vehicle replacement, and capital outlay. The following summarizes the District's operational finances:

**Central FPD Financial Summary  
(Operations)**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Final Budget
<b>Revenue:</b>			
1% Property Tax	\$7,887,535	\$8,745,898	\$9,242,366
Grants			\$15,165
Interest	(\$15,393)	(\$5,633)	(\$9,000)
Contract from other Govt Agencies	\$675,552	\$1,041,200	\$480,000
Emergency Response Recovery		\$40,495	\$62,312
Homeland Security Revenue		\$87,934	\$107,586
Other Revenue	\$218,960	\$243,317	\$149,800
<b>Total Revenue</b>	<b>\$8,766,654</b>	<b>\$10,153,211</b>	<b>\$9,940,643</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$7,086,260	\$7,860,989	\$8,583,413
Services & Supplies	\$893,268	\$962,764	\$1,197,186
Other Charges (Long Term Debt)	\$466,633	\$466,648	\$861,687
Fixed Assets	\$70,128	\$151,862	\$164,132
Operating Transfers Out			\$180,154
Contingencies			\$242,486
<b>Total Appropriations</b>	<b>\$8,516,288</b>	<b>\$9,442,263</b>	<b>\$11,229,058</b>
<b>Undesignated Fund Balance, End of Year</b>		<b>\$218,834</b>	

*Index 681310*

The District has adopted a reserve policy such that reserves may not be used for operations; the District currently has \$1.7million in designated reserves to be used for capital needs. The District's current vehicle replacement program has approximately \$800,000 in designated reserves. In FY 2004-2005 the District plans to use these reserves pay off the lease purchase of the 2002 ladder truck and the building construction loan ahead of the payment schedule in FY 2004/2005. The District's only current major capital outlay need is for replacement of the Soquel Fire Station.



As of June 30, 2003 the District had long-term debt of \$1,437,970 in capital leases payable. The annual debt service is expected to be \$451, 286 through June 30, 2005, decreasing to \$48,573 thereafter until 2010.

**Felton Fire Protection District**

The Felton FPD is funded through the District's share of the 1% property tax, interest, rents, plan checking fees and other revenue. The District has no long-term debt and reserves are used for capital needs. The following summarizes the District's finances:

**Felton FPD Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue:</b>			
1% Property Tax	\$442,016	\$466,307	\$474,352
Interest	\$4,909	\$3,162	\$5,000
Plan Check Fees			\$2,000
Rents and Concessions	\$7,410	\$10,434	\$10,800
Other Revenue	\$21,159	\$12,179	\$4,500
<b>Total Revenue</b>	<b>\$463,174</b>	<b>\$492,082</b>	<b>\$496,652</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$189,252	\$197,681	\$219,458
Services & Supplies	\$145,684	\$125,570	\$240,563
Fixed Assets	\$171,845	\$25,037	\$200,000
Contingencies			\$220,000
<b>Total Appropriations</b>	<b>\$506,781</b>	<b>\$348,287</b>	<b>\$880,021</b>
<b>Fund Balance, End of Year</b>		<b>\$383,369</b>	

*Index 681800*

**Pajaro Valley Fire Protection District**

The Pajaro Valley FPD is funded through the District's share of the 1% property tax, a fire protection tax, dispatch services, plan checking fees and other revenue. The following summarizes the District's finances:

**Pajaro Valley FPD Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue:</b>			
1% Property Tax	\$945,123	\$999,831	\$974,588
Fire Protection Tax	\$139,945	\$140,311	\$140,000
Dispatch Services	\$82,500	\$60,000	\$90,000
Interest	\$14,455	\$7,709	\$10,400
Plan Check Fees	\$46,595	\$70,192	\$30,000
Other Revenue	\$16,769	\$5,969	\$35,414
<b>Total Revenue</b>	<b>\$1,245,387</b>	<b>\$1,283,911</b>	<b>\$1,280,402</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$51,325	\$34,654	\$41,000
Services & Supplies	\$1,034,714	\$942,442	\$1,241,700
Other Charges (Debt Service)	\$18,902	\$2,460	\$34,314
Fixed Assets	\$389,178	\$23,993	\$3,000
Operating Transfers Out		\$276,951	\$218,547
Contingencies			\$100,000
<b>Total Appropriations</b>	<b>\$1,494,118</b>	<b>\$1,280,499</b>	<b>\$1,638,561</b>
<b>Fund Balance, End of Year</b>		<b>\$361,571</b>	

*Index 683100*

In addition to its General Fund, the District also has a Capital Outlay fund. The budget for FY 2004-2005 includes loan proceeds of \$730,000, professional services of \$70,000 and buildings and improvements of \$1.6 million for rebuilding the Salsipuedes Station.

One of the District's ongoing concerns is the loss of revenue due to parcels annexing to the City of Watsonville. The District indicates that it needs to increase staffing to provide a higher level of service, but this will be difficult with limited revenues. Potential future detachments will further exacerbate the situation.

**Scotts Valley Fire Protection District**

The Scotts Valley FPD is funded through the District's share of the 1% property tax, emergency response recovery, revenue for managing the Santa Cruz Hazardous Materials Interagency Team (SCHMIT), and other revenue.

The Special Fire Protection Zone A was organized in 1969 in conformance with Health and Safety Code §13991 et seq. This type of zone may provide for: a) installation of capital improvements, such as fire mains or any other similar improvement which is of sole benefit to the district; and b) purchase of equipment or staffing to augment what the District can afford. The District has used this zone to fund hydrants in the Graham Hill Road and Pasatiempo areas served by the Santa Cruz City Water Department.

The following summarizes the District's finances for the General Fund and Zone A:

**Scotts Valley FPD Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue:</b>			
1% Property Tax	\$3,754,426	\$4,075,367	\$4,133,173
Licenses and Permits	\$60,871	\$48,371	\$35,000
Contract from Other Govt Agencies	\$36,589	\$30,334	\$33,696
Interest	\$7,161	\$1,171	\$1,700
Emergency Response Recovery			\$26,000
SCHMIT Management			\$24,300
Other Revenue – State	\$42,828	\$99,206	\$17,000
Other Revenue	\$47,193	\$66,310	\$18,797
<b>Total Revenue</b>	<b>\$3,949,068</b>	<b>\$4,320,759</b>	<b>\$4,289,666</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$3,068,169	\$3,801,450	\$4,006,280
Services & Supplies	\$379,562	\$370,008	\$434,063
Other Charges (Debt Service)	\$6,625	\$76,349	\$84,750
Fixed Assets	\$7,225		\$378,201
Contingencies			\$190,201
Operating Transfers Out**	\$586,831		
<b>Total Appropriations</b>	<b>\$4,048,412</b>	<b>\$4,247,807</b>	<b>\$5,093,495</b>
<b>Fund Balance, End of Year (Gen Fund)</b>		<b>\$481,217</b>	
<b>Fund Balance, End of Year (Zone A)</b>		<b>\$323,263</b>	

*Index 685010 and 685020; \*\* to Capital Fund*

The District has received over \$500,000 in grants over the past several years from the Office of Traffic Safety, FEMA, and the Office of Homeland Security.

The District identified a number of challenges which they will face over the next five years, primarily due to funding constraints. There is a concern on how to sustain services and staffing levels due to the financial impacts of labor costs, particularly the cost of benefits such as health care and retirement. A fire station to replace the station on Erba Lane is planned for La Madrona Drive; the projected cost is \$4.84 million. In January 2004, the District evaluated the cost projections, available funding and financing needs and determined that the project should be placed on hold until general economic conditions improve. Revenue from Zone A will be used to finance part of the project.

As of June 30, 2003 the District had long term debt of \$467,896 in capital leases. The District refinanced a lease agreement at a more favorable 3.65% interest rate. Annual debt service is \$76,350 through June 2008 with payment in full by 2010.

### **University of California Santa Cruz**

The UCSC Fire Department is funded by a combination of facility maintenance and support fees and fees associated with construction plan review and inspection of campus buildings. New revenues are generated by new construction and requests for centralized funding from the campus. The following summarizes the Department's finances:

**UCSC Fire Dept. Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue:</b>			
General State Appropriations	\$1,063,315	\$1,278,743	\$1,368,141
State Fire Marshal	\$6,154	\$87,579	\$110,000
First Aid/CPR	\$3,121	\$7,065	\$9,600
<b>Total Revenue</b>	<b>\$1,072,590</b>	<b>\$1,373,387</b>	<b>\$1,487,741</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$1,018,655	\$1,286,210	\$1,335,141
Services & Supplies	\$61,433	\$101,440	\$106,600
Other Charges (Debt Service)	\$46,000	\$46,000	\$46,000
Fixed Assets			
Contingencies			
<b>Total Appropriations</b>	<b>\$1,126,088</b>	<b>\$1,433,650</b>	<b>\$1,487,741</b>
<b>Fund Balance, End of Year</b>	<b>(\$107,433)</b>	<b>(\$60,263)</b>	<b>0</b>

**Zayante Fire Protection District**

The Zayante FPD is funded through the District's share of the 1% property tax, a fire protection tax, inspection fees and other revenue. The following summarizes the District's finances:

**Zayante FPD Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Final Budget
<b>Revenue:</b>			
1% Property Tax	\$204,346	\$276,955	\$226,417
Fire Protection Assessment	\$68,913	\$72,935	\$68,000
Interest	\$2,428	\$1,353	\$1,000
Inspection Fees	\$7,944	\$7,522	\$6,000
Other Revenue	\$84,863	\$17,222	\$4,000
<b>Total Revenue</b>	<b>\$368,494</b>	<b>\$375,987</b>	<b>\$305,417</b>
<b>Appropriations:</b>			
Salaries and Employee Benefits	\$86,202	\$136,941	\$218,342
Services & Supplies	\$84,818	\$89,396	\$167,654
Other Charges (Debt Service)	\$68,529	\$68,606	\$70,025
Fixed Assets	\$136,332	\$28,106	\$36,500
Contingencies			\$9,001
<b>Total Appropriations</b>	<b>\$375,882</b>	<b>\$325,836</b>	<b>\$501,522</b>
<b>Fund Balance, End of Year</b>	<b>\$145,953</b>	<b>\$196,105</b>	

*Index 689510 Note: The source of the budget data is the County Auditor-Controller's FY 04-05 Report for Autonomous Districts. The District does not concur with the data, and believes that the differences may occur in how Assistance to Firefighter Grants is reported.*

The District recently refinanced its General Obligation Bonds used to finance the construction of a fire station in 1988 at a more favorable interest rate, saving the District approximately \$70,000.

The District was awarded grant funding from the Santa Cruz County Resource Conservation District for reprinting the "Living with Fire in Santa Cruz County" pamphlet, a tool cache to augment the chipper program, and to conduct a fuel management project on the Quail Hollow Ranch for acacia abatement.

**Aromas Tri-County Fire Protection District**

The Aromas Tri-County Fire Protection District is primarily funded through property taxes, Proposition 172 funds, federal and state grants, and interest. Total revenue for FY 2002-2003 was \$980,364 and total expenditures were \$1,292,434.

## **7.4 Cost Avoidance Opportunities**

There are a number of areas where the agencies are able to control costs, including the following:

### **Insurance**

Some of the agencies formed the Santa Cruz County Fire Agencies Insurance Group in 1977 for the purpose of operating a group insurance and self-insurance program to control costs. All of the agencies participate in an insurance pool of some kind.

### **Regulations**

Through the leadership of the fire agencies, urban wildland interface codes and a residential sprinkler ordinance have been adopted countywide. Both are expected to reduce fire risk.

The City of Santa Cruz has been at the forefront of adopting progressive fire safety regulations for many years. The most recent improvement has been the prohibition of any non-treated wood shakes or shingles for roofing or siding on new or remodeled structures. The Department has also aggressively promoted the use of fire sprinklers in accessory dwelling units.

### **Advanced Life Support**

As discussed earlier, emergency medical services are a significant component of the services the fire agencies provide. As a means to offer increased service levels, from basic life support (emergency medical technicians) to advanced life support (paramedics), the Emergency Medical Services Integration Authority (EMSIA) JPA was formed in 1997. Twelve agencies participate. EMSIA established and administers programs to integrate fire agency EMS resources into the County's emergency medical system. The JPA has an agreement with AMR, the private ambulance company, to provide revenue to the fire districts for providing initial response of paramedic services. The agreement acknowledges quick paramedic response from the fire agencies and provides revenue via AMR's fee schedule back to the participating fire agencies to help recover some of the costs of providing the enhanced service.

## **7.5 Opportunities for Shared Facilities**

Due to the nature of their operations and the services provided, there are a number of opportunities for the agencies to share facilities, equipment and support.

### **Automatic Aid / Mutual Aid**

The fire protection agencies within Santa Cruz County all participate in automatic aid and mutual aid agreements with surrounding agencies. Following are some examples of current agreements. The City of Santa Cruz provides services to Paradise Park for the County Fire Department. The Aptos/La Selva Fire Protection District serves the Monte Toyon area for the County. The Aptos/La Selva FPD provides automatic aid (one engine) to the Central FPD to the Cabrillo College area and to County Fire on the north and east sides of the District along the following roads: Redwood, Newell, Trout Gulch, Larson, Bear Valley, Redwood Heights, and Larkin Valley. County Service Area 4 (Pajaro Dunes) responds on

automatic and mutual aid to the Beach Road, San Andreas Road, and other nearby areas of the south county. The fire agencies in the San Lorenzo Valley have a system of auto aid responses to meet OSHA-mandated staffing requirements. The Pajaro Valley FPD provides emergency services to the City of Watsonville, County of Santa Cruz, Aromas Fire Protection District, and South Santa Clara County Fire District. The Pajaro Valley FPD contracts with the City of Watsonville to provide emergency services in the area of Freedom that the City Fire Department can respond to faster. The Zayante FPD provides fire and emergency medical services to areas adjacent to the District that are not accessible by the County Fire Department. The UCSC Fire Department has automatic aid agreements with the City of Santa Cruz and the County Fire Department for areas adjacent to the main campus.

### **Training and Recruitment**

The Ben Lomond Training Center which includes a live burn structure is shared by all of the agencies. The ALS agencies also participate in a consolidated paramedic recruitment process. Many agencies have an agreement with Cabrillo College to provide in-service training.

### **Dispatch**

Most of the agencies are dispatched through Netcom (the Santa Cruz Consolidated Emergency Communications Center). The Center is operated under a JPA formed by the agencies. The Center has state of the art technology and uses Emergency Medical Dispatch, a prioritized dispatch system for medical emergencies and a Geofile system that identifies all addresses graphically. All dispatching is performed using a sophisticated Computer-Aided-Dispatch system. In areas with automatic aid agreements, the Netcom dispatch system has facilitated a “boundary drop” with respect to dispatching fire engines so that regardless of jurisdiction, the closest engine company available responds to emergencies.

The Scotts Valley FPD is partially dispatched through the Scotts Valley Police Department. For Command and Control purposes and in conjunction with its State-funded obligations, County Fire is dispatched by the CDF Emergency Command Center at the CDF headquarters in Felton. Emergency (911) calls are initially routed through Netcom and then transferred to the CDF Emergency Communications Center, causing the dispatch time for County Fire to be greater than other agencies. The UCSC Fire Department is dispatched through its own dispatch center operated by University Police.

### **Hazardous Materials**

Hazardous materials require specialized training and response. The agencies have formed the Santa Cruz Hazardous Materials Interagency Team (SCHMIT) and the Scotts Valley FPD serves as the program manager. The MOU includes Santa Cruz County, the Cities of Santa Cruz, Scotts Valley, and Capitola, the Aptos/La Selva FPD and UC Santa Cruz. The City of Santa Cruz Fire Department has 12 certified Haz Mat technicians, the largest number of on-duty trained technicians within SCHMIT. The Watsonville Fire Department also maintains a hazardous materials team. All safety members are trained to the hazardous materials technician level.

### **Equipment Sharing**

The Scotts Valley FPD is part of the San Lorenzo Valley Fire Districts Council JPA for a breathing support unit and a hose tester. The Pajaro Valley FPD participates in a JPA for breathing support with the City of Watsonville. The Aptos/La Selva FPD and the Central FPD share a computer network and computer system management. The Boulder Creek, Ben Lomond, Felton and Zayante Fire Protection Districts and CDF have entered into a JPA to share equipment.

One full-time mechanic from Aptos/La Selva FPD provides services by contract to the Felton FPD. The Central FPD also offers fire mechanical services to other districts.

### **Emergency Medical and Advanced Life Support**

As mentioned earlier, twelve agencies have formed the Emergency Medical Services Integration Authority (EMSIA). The five EMSIA members providing advanced life support (paramedic) level services – Santa Cruz, Watsonville, Aptos-La Selva FPD, Scotts Valley FPD, Central FPD – share a quality assurance officer who is employed by the City of Santa Cruz.

### **Fire Chief's Association**

All of the agencies are active in the Fire Chief's Association and its sub-groups (Operations, Training, Fire Prevention and Emergency Medical Services). The Association has used Proposition 172 monies to purchase equipment and training facilities for use by all of the agencies. Acquisitions include a chipper, fire prevention materials and activities, public education materials, EMS training props and equipment, and partial funding for a training burn building at the Ben Lomond Training Center.

## **7.6 Management Efficiencies**

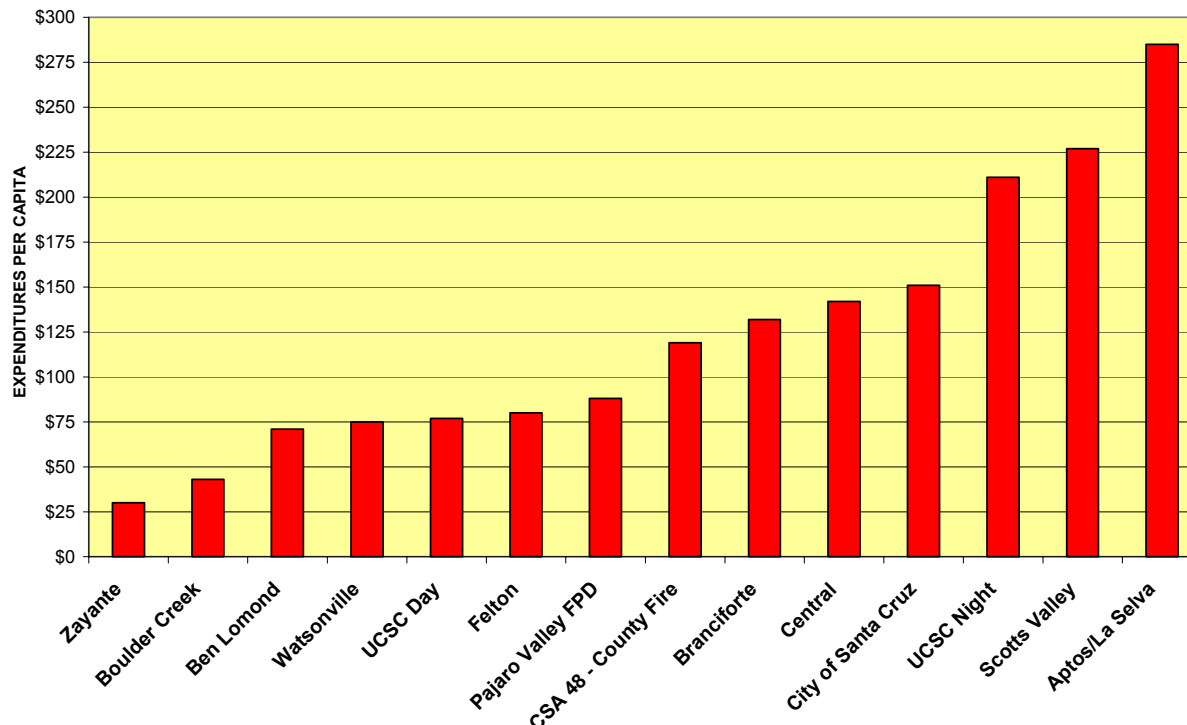
There are several service models in use by the fire agencies, including full-time staffed, paid call and volunteers. Each approach offers its own management and cost efficiencies. All of the agencies are using best management practices to improve their operations.

Training and certification standards, risk management practices, changing employment patterns, workforce unionization and increasing workloads are all driving the industry towards the career/professional firefighter model, although rural areas still depend greatly on paid-call and volunteer firefighters. The mandated training requirements continue to increase without any compensatory revenue or subventions, and almost all of the agencies commented that this is impacting their operations and their ability to recruit volunteers in some cases.

As noted earlier, the cost to provide service is a factor of population, density, development patterns, service area characteristics and service models. The reported per capita expenditures for fire protection services within Santa Cruz County are as follows:



2004 FIRE PROTECTION COSTS PER CAPITA



Because of the fluctuating nature of the second home usage at Pajaro Dunes, County Service Area 4 is not shown on this chart. Even at peak occupancy, it has the highest per capita costs in the county. With FY 03-04 expenditures of \$656,617, 90% occupancy, and four people per unit, the County Service Area 2 expenditures would be \$323 per capita. A calculation based upon average population or permanent resident population would result in a much higher per capita cost.

Fire protection services are labor intensive, and personnel costs are typically the largest component of an agency's budget. The agencies use several approaches to staffing depending on the risks, needs and community expectations. The agencies reported the following staffing levels and salary/benefit costs:

**Table 7.6**  
**Fire Protection Agency Staffing and Personnel Costs**

Agency	Fulltime	Paid Call	Volunteers	Salaries & Emp. Ben. FY 2004-2005
City of Santa Cruz	53.5	0	0	\$7,656,368
City of Watsonville	34	20	0	\$3,929,821
CSA 4 – Pajaro Dunes	12	0	0	\$701,818
CSA 48 – County Fire Protection*	44	0	100	NA
Aptos/La Selva Fire Protection District	39.5	0	0	\$6,051,829
Ben Lomond Fire Protection District	4	31	0	\$421,000
Boulder Creek Fire Protection District	1.5	32	0	\$338,500
Branciforte Fire Protection District	4	30	0	\$388,143
Central Fire Protection District	51	30	0	\$8,583,413
Felton Fire Protection District	2	28	0	\$219,458
Pajaro Valley Fire Protection District	7	25	0	\$920,000
Scotts Valley Fire Protection District	27.5	20	0	\$4,006,280
University of California Santa Cruz	17	0	0	\$1,335,141
Zayante Fire Protection District	1	28	0	\$218,342

*\*County Fire reported salaries and benefits costs do not reflect actual personnel costs for the agency*

The following summarizes the staffing, management issues and efficiencies of the agencies:

### **City of Santa Cruz**

The City of Santa Cruz Fire Department operates with 53.5 FTE (full-time equivalent) staff. The most significant needs of the Department relate to staffing in three categories:

- 1) Fire Operations: The Department's daily staffing has been at the same level (12) since 1962 while call volumes have increased 2,000%. The Fire Chief recommends one additional firefighter on each engine company per day, which would necessitate the addition of nine firefighters to the Department's staffing.
- 2) Fire Prevention: An inspector/public education position was de-funded three years ago. This position is needed to emphasize educating elementary school children and senior citizens on fire prevention and fire safety.
- 3) Administration: An administrative captain position was de-funded two years ago. The position was responsible for all support services, including fleet maintenance coordination, facilities maintenance oversight, communications equipment maintenance coordination, and providing assistance to the training division. This has had an adverse impact on the effectiveness of the three remaining full-time officers. The Department also had to reduce administrative assistance staffing by 25% which has decreased operational efficiency.

The City obtained a grant from FEMA to complete a 25-acre demonstration project, which included the removal of over 1,700 eucalyptus trees from Delaveaga Park. Due to this aggressive fuel reduction program, a fire in the area was contained to 4.5 acres with no structural loss.

In recent years the Department has effectively utilized GIS technology for several purposes: 1) production of all emergency response maps; 2) data analysis to graphically demonstrate trends in emergency incident responses and station coverage; 3) depicting project boundaries, topography and vegetation types for a wildland fire mitigation project on the City's western border.

### **City of Watsonville**

The Watsonville Fire Department has 34 full time and 20 paid call staff. Engine companies are staffed with a minimum of three firefighters. All staff is trained to the technician level for Haz Mat purposes. The Department maintains an ISO rating of 2, one of only 122 agencies in the United States with such a favorable rating (low ratings reduce the cost of fire insurance premiums within a given area). There is a concern about the amount of training required as certification requirements continue to increase without funding.

In the City's mid-cycle budget review, a number of changes were approved for fire department staffing. The Assistant Fire Chief position was vacant, and has now been eliminated. One additional Battalion Chief has been authorized to provide additional duty coverage. The Battalion Chiefs will be assigned to twenty-four hour duty, with one assigned to each of the three shifts. After a review of the clerical operations of the department, the Office Assistant position was eliminated.

### **County of Santa Cruz – CSA 48 and CSA 4**

The County Fire Department is controlling costs through planning, operations, and regulatory measures. The Department completed its 5-year Master Plan, which provides direction on how services are provided, staffing and equipment.

The County Fire Department is achieving management efficiencies by contracting with the California Department of Forestry and Fire Protection to provide operational supervision. This includes support for eight volunteer fire companies including approximately 100 volunteer firefighters. The CDF contract consists of two parts. The first provides salaries, benefits and overtime for fire station coverage by County-paid CDF staff during the non-fire season and the second part provides for overtime coverage during the non-fire season. This is efficient because the State's wildland protection funding during the fire season allows for a fully-staffed position year round that responds to wildland, structural fires, and other emergencies.

In addition, the Department has implemented standardized training and each engine is staffed with three firefighters although in Fiscal 05-06, two stations, Big Creek and Burrell, will be reduced to two firefighters due to funding constraints. These stations were selected because of the consistent availability of volunteer resources. The Department will be challenged in the coming years to maintain sufficient

numbers of volunteers due to rising demands in mandatory training, higher training level requirements, and greater time commitments to meet the requirements.

### **Aptos/La Selva Fire Protection District**

The District maintains on-duty staffing at a constant level with one fire captain, one driver/operator, and one paramedic at each of the three stations supervised by a duty chief. The on-duty personnel are supplemented by off-duty response and mutual aid from neighboring districts. The high cost of living in the area has an effect on the District's ability to recruit and retain personnel.

The Aptos/La Selva FPD has implemented a number of Best Management Practices to increase efficiency. In 2004 the District developed a Standards of Response Coverage plan that quantitatively describes service levels. The plan will allow the District to formulate and approve policies based on the analysis conducted on demand zones and property use as it relates to fire loss, civilian injuries and deaths. The District has established service level standards, with a six-minute standard in suburban areas and eight minutes in more rural areas. For training, the District has adopted a wildland firefighting certification and qualification system for all employees as well as Rescue Systems 1 qualification for all station personnel. The District staff participates in quarterly live fire training through its own training facilities. Employees are required to meet physical fitness standards annually and the District has implemented an injury and illness prevention program and respiratory protection program.

### **Ben Lomond Fire Protection District**

The Ben Lomond FPD has four paid staff and relies on paid call firefighters to fully staff operations. The challenges the District faces over the next five years include daytime staffing, volunteer recruitment, and increased training requirements.

### **Boulder Creek Fire Protection District**

The Boulder Creek FPD operates with 1.5 paid staff overseeing 32 paid call firefighters. The District would like to hire some full-time firefighters within the next 3 to 10 years, but funding will be an issue. The District noted that some of the challenges it faces in the next few years are recruiting firefighters and continuing to meet all mandated training requirements without subventions or funding assistance.

### **Branciforte Fire Protection District**

The Branciforte FPD operates with four paid staff and 30 paid call firefighters; the number of firefighters has increased due to the strong community support for the District. The District would like to fund a 40-hour per week staff position. The District's firefighters participate in strike teams that fight fires across the State which provides excellent training and experience. Last year members traveled to southern California to assist with the wildfires in that region. The District has added Duty Chiefs so that there are now at least three people responding on all calls. Paid staff training has been increased as well.

**Central Fire Protection District**

The Central FPD operates with 51 paid staff and 30 paid call firefighters. Each 24-hour shift is staffed with four engine companies and the Battalion Chief. Each engine company is staffed with a minimum of three personnel and all crews include one paramedic. This ensures that the District has the appropriate number of staff on duty and can respond to emergency calls efficiently.

The District recently updated its Master Plan, which comprehensively addresses the goals, policies, needs and risks within the District's service area. Included within the Plan are the Fire Board goals and objectives which are reviewed and updated annually. The Plan also establishes benchmarks and response standards for the various types of fires and emergencies. Lastly, the Plan includes a Strategic Planning section that identifies goals for several functional areas, including the following: Administration, Training, Operations, and the Fire Prevention Division. Each program manager is required to build operational objectives to support the goals and the Fire Chief is responsible for the coordination of the programs to meet the established goals. The District has achieved a 10% fire stop loss on structure fires for the past five years and has recently reduced its ISO rating to 3 in the majority of its service area, resulting in a reduction in fire insurance premiums for district residents.

**Felton Fire Protection District**

The Felton FPD has 2 paid staff and 28 paid call firefighters. The District emphasizes fire fighter safety and provides first rate equipment and training. The District has current training needs for emergency medical and wildland fire training and noted that retention and training of volunteer firefighters will be challenging over the next five years.

In response to a community need, the District developed a Large Animal (Equine) Rescue Program that was recognized by the State Fire Marshal. The District's staff has instructed numerous people throughout the State on the subject and many refer to the District as the leader in the nation on this type of rescue.

**Pajaro Valley Fire Protection District**

The Pajaro Valley FPD has seven paid staff and 25 paid call firefighters, managed under contract by CDF. When funding becomes available, the District plans to increase staffing from two to three firefighters per twenty-four hour shift in order to increase efficiency and improve service levels. Staffing will also be increased when the new fire station is operational. The District contracts with the City of Watsonville to respond to urban Freedom from the City's Airport Blvd. Station.

**Scotts Valley Fire Protection District**

The Scotts Valley FPD has 27.5 paid staff and 20 paid call firefighters. The District indicated the need to staff an additional company to meet mandates and service/growth demands; however this is not likely to occur due to funding limitations. The District will be challenged over the next five years to maintain service levels while meeting regulatory mandates. The District expects that the continuing increase of training requirements will require a dedicated training officer. Fire prevention staff will be handling

additional code enforcement and education duties. The changing workforce is also an issue due to generational and retirement demographic changes.

The District updated its Master Plan in 2000, which includes an evaluation of present and proposed facilities for service levels, service demand zones, work load distribution, and facility condition. The plan provides guidance and direction for management of the District.

### **University of California Santa Cruz**

The UCSC Fire Department has 17 paid firefighters and no volunteers. There are five firefighters assigned to each of three shifts with a minimum on-duty staffing of four. The Fire Chief and Assistant Fire Chief work Monday through Friday.

The department faces staffing needs in the areas of emergency preparedness and fire prevention. The Department is responsible for emergency preparedness for the entire campus including management of the campus emergency operations center. The Department anticipates receiving funding for a full time emergency preparedness coordinator beginning in FY 2005/06. Additionally, the department has requested funding beginning in FY 2006/07 for an assistant fire marshal position to provide services to off campus facilities and provide expanded technical expertise for on campus facilities.

### **Zayante Fire Protection District**

The Zayante FPD has one paid staff and 28 paid call firefighters. One of the challenges the District faces is daytime staffing which is common to other volunteer districts. The District reduced its ISO rating to a Class 3 down from a Class 5 which results in lower fire insurance premiums for property owners.

The District's personnel and equipment are involved in Master Mutual Aid Fire Missions statewide, which provides unique training and experience opportunities for personnel. All personnel are "red-card" qualified per wildland firefighting standards. The District has also implemented a basic life support ambulance intercept program in cooperation with AMR, the private ambulance company. Due to Zayante's distance from ambulance base stations, in certain situations Zayante will begin transport and rendezvous with the AMR ambulance to complete the transport to the hospital emergency room.

### **Aromas Tri-County Fire Protection District**

The Aromas Tri-County FPD is managed by the California Department of Forestry and Fire Protection under contract. CDF provides 9.5 full-time staff for the District. The fire station is staffed 24 hours a day. Each shift includes four personnel for an engine company that responds to calls. In 2002 the District adopted a Strategic Plan which serves as the guiding document for District planning and policies. The District is currently updating its computer-aided dispatch resources to digitized GIS mapping in order to improve identification of properties and addresses.

## **7.7 Opportunities for Rate Restructuring**

The rates associated with fire protection services include fees, service charges, assessments, and special taxes.

The assessment rate structure for CSAs 48 and 4 is established by the County of Board of Supervisors. Rates are based on fee units assigned to each type of land use, depending on the fire flow requirements for that type of use and the associated fire department resources required to provide fire protection (single family dwellings are charged two fire flow units). Rates are reviewed annually; for FY 2004-2005 the rates for CSA 4 increased 10% from the prior year and 1.8% for CSA 48. The current assessment rates for Fiscal 05-06 are as follows:

- CSA 4: \$164.48 per fire flow unit
- CSA 48: \$55.57 per fire flow unit

Properties within the Aptos/La Selva, Branciforte, Pajaro Valley and Zayante Fire Protection Districts are assessed service charges and special taxes. The rates for a single-family dwelling are as follows:

- La Selva and Day Valley areas of the Aptos/La Selva FPD: \$60.00
- Branciforte \$100.00
- Pajaro Valley \$30.00
- Zayante \$35.00

Charges for construction inspections, plan checking, and similar services are a source of additional income for districts and can cover the cost of staff time expended on the tasks. A number of the Districts charge fees, with the rates based on the cost to provide the service. This may be an opportunity to increase revenue for those Districts that do not currently charge for the services.

## **7.8 Government Structure Options**

For Santa Cruz County, reorganizing service provider responsibilities might realize some efficiency improvements and maintain levels of service. An economic and operational feasibility study would be the next logical step to take in this regard. LAFCO may consider reorganization of fire protection districts where necessary. Also, the agencies may consider means of sharing resources, facilities, and services.

It should be noted that there are number of disadvantages to reorganization, including finances, labor agreements, local control, and community identity that is closely tied to the Fire Department.

Specific issues for the agencies are as follows:

### **Aptos/La Selva Fire Protection District**

LAFCO has recently completed the Spring Valley/Water Tank annexation of 1,500 acres adjacent to the La Selva Beach area of the District. The District notes that it has plans to annex other territories within its sphere of influence over the next ten years.

### **Branciforte and Scotts Valley Fire Protection Districts**

The Branciforte and Scotts Valley Fire Protection Districts share a Sphere of Influence. The Branciforte FPD notes that it has considered consolidation with the Santa Cruz City Fire Department, the Scotts Valley Fire Protection District, and Central Fire Protection Districts. There is a concern this might result in lower service levels to residents within the Branciforte service area and longer response times due to the type and conditions of the roads. In the past the Districts interested in consolidation indicated that they would operate Branciforte as all-volunteer; this was not acceptable to the District.

### **City of Santa Cruz Fire Department**

The City of Santa Cruz Fire Department has considered a functional consolidation for 911 communications and fire services with the University of California, Santa Cruz. The City Fire Department and the Scotts Valley FPD have collaborated on a merger study.

### **University of California Santa Cruz**

The UCSC Fire Department has considered a functional consolidation for certain services with the City of Santa Cruz. It should be noted that most of the main campus development is within the Santa Cruz City limits.

### **Zayante Fire Protection District**

The Zayante FPD would like to have LAFCO study the following areas when updating the District's sphere: East Zayante Road from Mt. Hermon to Graham Hill; Lower Hutchinson to Lon Road; and Upper Zayante to Summit Road.

### **South County**

The south county fire protection agencies' cooperation includes a "boundary drop" so that the company with the quickest response time responds to each emergency regardless of the agencies' boundaries. Even though this is an efficient system, insurance and other benefit costs are going up faster than revenues. The agencies that contract with the California Department of Forestry and Fire Protection are challenged to maintain service levels in light of the increasing personnel costs.

Government structure options in the south county include:

1. The agencies with CDF contracts (Pajaro Valley, County Fire, Pajaro Dunes, and Aromas) could consider contracting with other nearby fire departments to operate their stations.
2. Agencies not contracting with CDF (Watsonville) could consider joining into the CDF Contract.
3. All agencies in the south county could evaluate whether the establishment of a single south county fire agency including the City of Watsonville would result in cost savings.

## **7.9 Local Accountability and Governance**

Fire protection services and Fire Department operations are addressed by the City Councils of Santa Cruz and Watsonville and the County Board of Supervisors during their regular meetings. Each has procedures in place to ensure that public notice and governance standards are met.



In 2001, the City of Santa Cruz Fire Department was named Organization of the Year by the Santa Cruz Chamber of Commerce. The Department was recognized for its daily contributions to the community.

Websites are an effective means to improve local accountability and communicate with residents. The City of Santa Cruz and several of the fire districts utilize websites to provide extensive information on fire operations and fire prevention programs. The City of Watsonville's website provides contact information and a short description on the Fire Department. Watsonville should consider increasing the information provided, particularly for fire prevention.

**Aptos/La Selva Fire Protection District**

The Aptos/La Selva Fire Protection District is governed by a five member Board of Directors elected at large by voters within the District to serve four-year terms. In the November 2004 election, five candidates, including two incumbents, ran for three open seats. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Don Ramos	President	2006	\$120 per meeting
Marilyn Ramos	Vice President	2008	\$120 per meeting
Vince Hurley	Director	2006	\$120 per meeting
David Barbin	Director	2008	\$120 per meeting
Michael Weatherford	Director	2008	\$120 per meeting

The Board meets the second Thursday of each month at 7:00 PM in the District's office in Aptos. Public notice is provided through posting and the District's website ([www.aptosfire.com](http://www.aptosfire.com)). The District provides information on the District's operations and programs on the website.

**Ben Lomond Fire Protection District**

The Ben Lomond Fire Protection District is governed by a five member Board of Directors. In November 2004 the voters approved expanding the Board from three directors to five. Directors are elected at large by voters within the District to serve four-year terms. In the last election, five candidates, including two incumbents, ran for three open seats. The current board is as follows:

Board Member	Title	Term of Office	Compensation
William Beltz	Board President	2008	\$50 per mtg.
Tom Maxson	Vice Chairman	2006	\$40 per mtg.
Roger Lee	Director	2008	\$40 per mtg.
Mary Clark	Director	2008	\$40 per mtg.
David Bingham	Director	2006	\$40 per mtg.

The Board meets the first and third week of each month at 7:30 PM in the District's office in Ben Lomond. Public notice is provided through posting and the newspaper. In January 2005, the District introduced their web site ([www.benlomondfd.com](http://www.benlomondfd.com)) which contains burn permit information, district board agendas and minutes, and other fire district information.

**Boulder Creek Fire Protection District**

The Boulder Creek Fire Protection District is governed by a three-member Board of Directors. Directors are elected at large by voters within the District to serve four-year terms. In the last election, the two incumbents ran unopposed. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Jay Baker	Director	2006	\$100 per year
Jack Kuehl	Director	2008	\$100 per year
Rick Rogers	Director	2008	\$100 per year

The Board meets the second Tuesday of each month at 9:00 AM in the District's office in Boulder Creek; the meeting time may limit public participation. Public notice is provided through posting and the newspaper. The District provides information on the District and fire prevention on its website ([www.bcfcd.com](http://www.bcfcd.com)).

**Branciforte Fire Protection District**

The Branciforte Fire Protection District is governed by a five-member Board of Directors. Directors are elected at large by voters within the District to serve four-year terms. The four candidates ran uncontested in the last election. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Benjamin Cahill	Chairman	2008	None
Lewis Erickson	Vice-Chairman	2008	None
Peder McElroy, Sr.	Director	2006	None
Robert Echols	Director	2008	None
Richard Davis	Director	2006	None

The Board meets the third Tuesday of each month at 7:30 PM in the District's office in Santa Cruz. Public notice is provided through posting at three locations. The District does not have a website. The District noted that it has strong community support as evidenced by the number of volunteers.

**Central Fire Protection District**

The Central Fire Protection District is governed by a seven-member Board of Directors. Directors are elected at large by voters within the District to serve four-year terms. Five candidates ran unopposed in the last election for the open seats. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Mills Ridgway	Board Chairman	2006	\$100/mtg
Jack Darrough	Vice-President	2008	\$100/mtg
Chantel Rose	Director	2006	\$100/mtg
Charles Howard	Director	2008	\$100/mtg
Denise Lundell	Director	2008	\$100/mtg
Mike Mitchell	Director	2008	\$100/mtg
Ronald Pederson	Director	2006	\$100/mtg

The Board meets the second Tuesday of each month at 7:00 PM in the District's office in Santa Cruz. Public notice is provided on the District's website ([www.centraalfpd.com](http://www.centraalfpd.com)), posting at all district fire stations and the administration building, and notification in the local paper. The District provides information on the District's operations and programs on the website.

**Felton Fire Protection District**

The Felton Fire Protection District is governed by a five-member Board of Directors. Directors are elected by voters within the District to serve four-year terms. Four candidates ran uncontested in the last election. The current board is as follows:

Board Member	Title	Term of Office	Compensation
James Anderson	Chairman	2006	\$75 per mtg.
Steve Richmond	Vice-Chairman	2008	\$75 per mtg.
Steve Dennis	Director	2008	\$75 per mtg.
Robert Gelini	Director	2008	\$75 per mtg.
Mark Lilley	Director	2006	\$75 per mtg.

The Board meets the first Monday of each month at 7:00 PM in the District's office in Felton. Public notice is posted prior to each meeting. The District maintains a website that contains public information regarding the District and fire prevention ([www.feltonfire.com](http://www.feltonfire.com)).

**Pajaro Valley Fire Protection District**

The Pajaro Valley Fire Protection District is governed by a five-member Board of Directors. Directors are elected by voters within the District to serve four-year terms. In the November 2004 election four candidates ran for three open seats. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Bob Stokes	Director	2008	NP
Joan Peros	Director	2008	NP
Grant Estrada	Director	2006	NP
Rudy Lopez	Director	2006	NP
Pablo Andres Barreto	Director	2008	NP

*NP – not provided*

The Board meets the third Thursday of each month at 6:00 PM at 562 Casserly Road in Watsonville. Public notice is posted prior to each meeting in public locations and in the newspaper. The District does not have a website.

**Scotts Valley Fire Protection District**

The Scotts Valley Fire Protection District is governed by a five-member Board of Directors. Directors are elected by voters within the District to serve four-year terms. In the November 2004 election three candidates ran unopposed. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Richard Clark	Chairman	2006	\$75 per mtg.
Rudy Cabigas	Director	2006	\$75 per mtg.
Jane Armstrong	Director	2008	\$75 per mtg.
Arthur Smith	Director	2008	\$75 per mtg.
Alan Smith	Director	2008	\$75 per mtg.

The Board meets the second Wednesday of each month at 7:00 PM at the City offices in Scotts Valley. Public notice is provided through posting, the District's website, mail, and fax. Board meetings are televised on the local community cable channel. The District provides information on the District and fire prevention on its website ([www.scottsvalleyfire.com](http://www.scottsvalleyfire.com)).

The District is actively involved in fire issues on a regional and statewide basis. The District participated in state-level negotiations regarding fire district impacts from the State's fiscal crisis.

**University of California Santa Cruz**

The UCSC Fire Department reports to the Vice-Chancellor of Business and Administrative Services who reports directly to the Campus Chancellor.

**Zayante Fire Protection District**

The Zayante Fire Protection District is governed by a five-member Board of Directors. Directors are elected by voters within the District to serve four-year terms. In the November 2004 election three candidates ran unopposed. The current board is as follows:

Board Member	Title	Term of Office	Compensation
Priva Tabet	Director	2006	\$25 per mtg.
Marty Fox	Director	2006	\$25 per mtg.
Lyle Fleming	Director	2008	\$25 per mtg.
Ken Boynton	Director	2008	\$25 per mtg.
Gary "Tic" Herceg	Director	2008	\$25 per mtg.

The Board meets every other Tuesday (twice per month) at 7:00 PM at the District's office in Felton. Public notice is provided through posting.-The District provides information on its website ([www.feltonfire.com](http://www.feltonfire.com)).

**Aromas Tri-County Fire Protection District**

The Aromas Tri-County Fire Protection District is governed by a five-member Board of Directors elected at large to four-year terms. The Board meets seven times per year. Public notice is provided through posting and in the *Watsonville Register – Pajaronian*. The District sends out an annual newsletter with District information and fire prevention information.

**– DETERMINATIONS BY AGENCY –**

**– City of Santa Cruz Fire Department –**

**1) Population and Growth**

Population within the City of Santa Cruz is expected to reach 63,987 by 2030 with an annual growth rate of 0.5%. Growth will result in continued demand for fire protection services.

**2) Infrastructure Needs and Deficiencies**

The Santa Cruz City Fire Department has three fire stations, five engines and related other vehicles and equipment.

Equipment and facility needs are addressed through the City Fire Department's planning and budgeting process. The Department has an equipment maintenance program that is funded through operating revenues.

**3) Financing Constraints and Opportunities**

The City of Santa Cruz Fire Department is funded through the City's General fund.

**4) Cost Avoidance Opportunities**

The City of Santa Cruz Fire Department is controlling costs through programs and ordinances which reduce the fire risk for structures and urban wildland interface areas. The Department has completed mitigation projects to decrease the vegetative fuel load in some areas.

**5) Management Efficiencies**

The City of Santa Cruz Fire Department is achieving management efficiencies through its service approach with a minimum of three staff on each engine company and the use of GIS for mapping.

The Department has staffing needs for fire operations, fire prevention and support services administration.

**6) Shared Facilities**

The City of Santa Cruz Fire Department participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County.

The City of Santa Cruz Fire Department participates in EMSIA, the paramedic coordination and training agreement and employs the quality control nurse for the program.

The City utilizes the services of the Santa Cruz County Consolidated Emergency Communications Center for dispatching.

**7) Rate Restructuring**

The City of Santa Cruz Fire Department charges for some services such as burn permits, plan review, fire protection system permits, and special event inspections. The rate structure is based on the cost to provide the service.

**8) Government Structure Options**

The City of Santa Cruz Fire Department has considered consolidating with the Scotts Valley Fire Protection District and has considered a functional consolidation for 911 communications and fire services with UC Santa Cruz.

Reorganizing service provider responsibilities might realize some efficiency improvements and maintain levels of service. However the cost and expected benefits would need to be fully analyzed to determine if a change would be beneficial to the residents of the City.

**9) Local Accountability and Governance**

Fire protection services and the Fire Department's operations are addressed by the Santa Cruz City Council during regular meetings. Public notice is provided for all meetings. Information on the Fire Department, its programs and fire prevention are provided on the City's website.

**– City of Watsonville Fire Department –**

**1) Population and Growth**

Population within the City of Watsonville is expected to reach 70,418 by 2030 with an annual growth rate of 1.3%. Growth and increased density will result in the continued need for comprehensive fire protection services.

**2) Infrastructure Needs and Deficiencies**

The City of Watsonville Fire Department has two fire stations, 9 engines and pumpers, and other vehicles and equipment.

Equipment and facility needs are addressed through the City Fire Department's planning and budgeting process. The Department has an equipment maintenance program that is funded through operating revenues.

**3) *Financing Constraints and Opportunities***

The City of Watsonville Fire Department is funded through the City's General fund, fire inspection and building check fees, Pajaro Valley Fire service contract payments, and miscellaneous fire revenue.

**4) *Cost Avoidance Opportunities***

The City of Watsonville Fire Department is controlling costs by adopting ordinances that reduce fire risk in structures, such as the residential sprinkler ordinance.

**5) *Management Efficiencies***

The City of Watsonville Fire Department is achieving management efficiencies through its staffing program and by assigning a minimum of three staff to each engine company.

The Department has eliminated two staff positions and added a Battalion Chief to provide on-duty command coverage twenty-four hours per day.

The Watsonville Fire Department has an ISO rating of 2, one of only 122 agencies in the United States with such a favorable rating.

**6) *Shared Facilities***

The City of Watsonville Fire Department participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County.

The Department shares training facilities and other programs with the other agencies in order to leverage resources.

The City utilizes the services of the Santa Cruz County Consolidated Emergency Communications Center for dispatching.

**7) *Rate Restructuring***

The City of Watsonville Fire Department charges for some services such as inspections and building checks. The rate structure is based on the cost to provide the service.

**8) *Government Structure Options***

The City of Watsonville Fire Department is providing service within the City's boundaries and to the Freedom area of the Pajaro Valley Fire Protection District. Reorganizing service provider responsibilities might realize some efficiency improvements and maintain levels of service. However the cost and



expected benefits would need to be fully analyzed to determine if a change would be beneficial to the residents of the City.

The south county fire protection agencies' cooperation includes a "boundary drop" so that the company with the quickest response time responds to each emergency regardless of the agencies' boundaries. Even though this is an efficient system, insurance and other benefit costs are going up faster than revenues. The agencies that contract with the California Department of Forestry and Fire Protection are particularly challenged to maintain service levels in light of the increasing CDF costs. Government structure options in the south county include:

1. The agencies with CDF contracts (Pajaro Valley, County Fire, Pajaro Dunes, and Aromas) could consider contracting with other nearby fire departments to operate their stations.
2. Agencies not contracting with CDF (Watsonville) could consider joining into the CDF Contract.
3. All agencies in the south county could evaluate whether the establishment of a single south county fire agency including the City of Watsonville would result in cost savings.

#### **9) Local Accountability and Governance**

Fire protection services and the City Fire Department are addressed by the Watsonville City Council during regular meetings. Public notice is provided for all meetings. The City only provides minimal information on the Fire Department on the City's website.

#### **– County of Santa Cruz – CSAs 48 (County Fire) and 4 (Pajaro Dunes Fire Protection) –**

##### **1) Population and Growth**

CSA 48 serves the unincorporated area within Santa Cruz County that lies outside the boundaries of the cities and fire protection districts, and CSA 4 serves the unincorporated Pajaro Dunes area. Estimated population within the Santa Cruz County Fire Department service area is currently 64,000 and is expected to have an average annual growth rate of 0.3% per AMBAG 2004 projections. There will be a continued need for fire protection services, although needs and service levels will vary by community.

##### **2) Infrastructure Needs and Deficiencies**

CSA 48 provides partial funding for fire protection services in the unincorporated areas of the County through the County Fire Department. CSA 4 provides funding for the Pajaro Dunes fire station.

Equipment and facility needs for CSA 48 are addressed in the County Fire Department's Master Plan. The County has an equipment maintenance program that is funded through operating revenues.

The dispatch procedure for County Fire results in a total processing time of about 2.5 minutes on average. This is an increase of approximately 60 seconds over calls processed and dispatched directly by Netcom. Calls are answered by the 911 dispatcher at the Santa Cruz Consolidated Emergency Communications Center and forwarded to CDF for dispatching of County Fire and Pajaro Dunes companies. Although an

improved method of paging County Fire personnel directly from NetCom simultaneously with transfer calls to CDF has been developed, it requires approximately \$30,000 of annual funding. Grant funding is being pursued, but is tenuous. Because of the financing constraints of the County Fire budget, appropriations for this project have not been allocated in fiscal 05-06.

**3) *Financing Constraints and Opportunities***

CSA 4 and CSA 48 are funded through assessments and through a portion of the 1% property tax. The County accounts for the CSAs as Special Revenue Funds, with use restricted to fire protection services.

The County Fire Department is challenged to maintain current service levels as revenues have not kept pace with cost increases. Detachments from the CSAs will result in decreased revenues, which will worsen this financing constraint if the number of stations and year-round service levels are continued.

CSA 4 has a long-term debt associated with the purchase of a new fire engine in 1997. The CSA is paying the principal and interest of approximately \$15,300 annually. The debt will be paid off in 2007.

**4) *Cost Avoidance Opportunities***

The County Fire Department is controlling costs for CSA 48 and 4 through planning, operations, and regulatory measures, including adopting and wildland-urban interface code and a residential sprinkler ordinance to reduce fire risk.

**5) *Management Efficiencies***

The County is achieving management efficiencies by contracting with the California Department of Forestry and Fire Protection to provide operational supervision for the County Fire Department. The contract includes operations support, training, and communications for eight volunteer fire companies with 100 volunteers.

**6) *Shared Facilities***

The County Fire Department participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County.

The County shares fire stations, equipment repair, and training facilities, emergency medical programs and hazardous material programs in order to reduce costs and leverage resources.

**7) *Rate Restructuring***

CSA 48 and CSA 4 are funded through assessments based on fee units assigned to each type of land use, depending on the fire flow requirements for that type of use and the resources needed to provide fire protection. Fees are allowed to increase in accordance with increases in the Consumer Price Index.

**8) Government Structure Options**

The County Service Areas operate under the provisions of the County Service Area Law (Government Code §25210.1 et seq.)

The south county fire protection agencies' cooperation includes a "boundary drop" so that the company with the quickest response time responds to each emergency regardless of the agencies' boundaries. Even though this is an efficient system, insurance and other benefit costs are going up faster than revenues. The agencies that contract with the California Department of Forestry and Fire Protection are particularly challenged to maintain service levels in light of the increasing CDF costs. Government structure options in the south county include:

1. The agencies with CDF contracts (Pajaro Valley, County Fire, Pajaro Dunes, and Aromas) could consider contracting with other nearby fire departments to operate their stations.
2. Agencies not contracting with CDF (Watsonville) could consider joining into the CDF Contract.
3. All agencies in the south county could evaluate whether the establishment of a single south county fire agency including the City of Watsonville would result in cost savings.

**9) Local Accountability and Governance**

The fire protection services of CSA 48 and 4 are governed by the Santa Cruz County Board of Supervisors during regular meetings. Public notice is provided for all meetings through posted notice, email, newspaper notice and website. The Board is advised by the 10-member Fire Department Advisory Commission.

**– Aptos/La Selva Fire Protection District –**

**1) Population and Growth**

The Aptos/La Selva Fire Protection District serves the unincorporated communities of Aptos, Rio Del Mar, Seacliff, Seascape, Day Valley and La Selva Beach. The District's service area is mostly residential, with some light commercial, wildland-urban interface, and coastal recreational uses. Countywide, the annual growth rate in the unincorporated area is expected to be 0.3%. There will be a continued need within the District's service area for comprehensive fire protection services.

**2) Infrastructure Needs and Deficiencies**

The Aptos/La Selva Fire Protection District provides services from three fire stations located in Aptos, Rio Del Mar and La Selva Beach.

Equipment and facility needs are addressed in the District's Capital Improvement Plan.

The District is seismically retrofitting its three stations to meet FEMA 301 standards.

**3) *Financing Constraints and Opportunities***

The Aptos/La Selva Fire Protection District is funded through the District's share of the 1% property tax, assessments, interest, emergency medical fees, and other service charges.

The District has long-term debt due to capital leases used for equipment acquisition and facilities improvements.

The District maintains reserves to meet its future operational and capital needs.

**4) *Cost Avoidance Opportunities***

The Aptos/La Selva Fire Protection District is controlling costs by participating in the insurance JPA and adopting the wildland-urban interface codes and a residential sprinkler ordinance in order to reduce fire risk.

**5) *Management Efficiencies***

The Aptos/La Selva Fire Protection District is achieving management efficiencies through its *Standards of Response Coverage Plan* which allows the District to set goals for response times and develop service policies.

The District has extensive staff training programs and requires wildland firefighting certification for all staff as well as rescue qualifications.

**6) *Shared Facilities***

The Aptos/La Selva Fire Protection District participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County, including automatic aid to the Central Fire Protection District and County Fire.

The District shares training facilities and utilizes the services of the Santa Cruz County Consolidated Emergency Communications Center for dispatching.

**7) *Rate Restructuring***

Single-family parcels within the La Selva and Day Valley areas of the Aptos/La Selva Fire Protection District are assessed \$60 annually for a fire protection assessment. The purpose of the assessment is to equalize the total fire district contributions made in La Selva and Day Valley to match the higher property taxes that go to the A/LSFPD from property owners in Aptos.

**8) *Government Structure Options***

The Aptos/La Selva Fire Protection District is an independent special district operating in accordance with the Fire Protection District Law of 1987 (Health and Safety Code §13801 et seq.).

This service review has identified no restructuring options that appear likely to produce service efficiencies within Aptos and La Selva. Nevertheless, the District should remain open to participate in future studies.

**9) Local Accountability and Governance**

The Aptos/La Selva Fire Protection District is governed by a five-member Board of Directors. The District meetings are open and accessible to the public. The District provides information regarding its services and fire prevention on its website.

**– Ben Lomond Fire Protection District –**

**1) Population and Growth**

The Ben Lomond Fire Protection District serves the unincorporated community of Ben Lomond. The District's service area is mountainous, wooded terrain with a mix of small commercial and residential land uses. Countywide, the annual growth rate in the unincorporated area is expected to be 0.3%. There will be a continued need within the District's service area for comprehensive fire protection services.

**2) Infrastructure Needs and Deficiencies**

The Ben Lomond Fire Protection District has one fire station, four engines, one ambulance and other vehicles. In addition to the regular fire protection services, the District also provides swift water rescue.

Equipment and facility needs are addressed in the District's Capital Improvement Plan. The District will need to replace three vehicles within the next five years.

**3) Financing Constraints and Opportunities**

The Ben Lomond Fire Protection District is funded through the District's share of the 1% property tax, interest and other revenue.

The District maintains reserves to meet its future operational and capital needs.

**4) Cost Avoidance Opportunities**

The Ben Lomond Fire Protection District is controlling costs by participating in an insurance JPA.

**5) Management Efficiencies**

The Ben Lomond Fire Protection District is achieving management efficiencies by using paid call firefighters supervised by four paid staff members.

**6) Shared Facilities**

The Ben Lomond Fire Protection District participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County.

The District utilizes the services of the Santa Cruz County Consolidated Emergency Communications Center for dispatching.

**7) Rate Restructuring**

The Ben Lomond Fire Protection District does not charge fees for its services.

**8) Government Structure Options**

The Ben Lomond Fire Protection District is an independent special district operating in accordance with the Fire Protection District Law of 1987 (Health and Safety Code §13801 et seq.).

This service review did not identify any consolidation or other governmental re-structuring options that would provide a significantly higher level of efficiency. Nevertheless, the district should remain open to studying re-structuring options in the future.

**9) Local Accountability and Governance**

The Ben Lomond Fire Protection District is governed by a five-member Board of Directors. The number of board members was increased from three by approval of the voters in November 2004. The District meetings are open and accessible to the public and public notice is provided through posting and the newspaper. In January 2005, the District introduced their web site <http://www.benlomondfd.com/> which contains burn permit information, district board agendas and minutes, and other fire district information.

**– Boulder Creek Fire Protection District –**

**1) Population and Growth**

The Boulder Creek Fire Protection District serves the towns of Brookdale and Boulder Creek and the surrounding unincorporated area. Countywide, the annual growth rate in the unincorporated area is expected to be 0.3%. There will be a continued need within the District's service area for comprehensive fire protection services.

**2) Infrastructure Needs and Deficiencies**

The Boulder Creek Fire Protection District has two fire stations; the main station is located in downtown Boulder Creek and a station on Big Basin Way (Highway 236) at Jamison Grade is shared with the California Department of Forestry and Fire Protection.

The District has some equipment needs and has adequate reserves to fund purchases. The District spent approximately \$195,000 on new equipment and facilities in FY 2002-2003 and has budgeted \$651,000 for fixed assets in FY 2004-2005.

**3) *Financing Constraints and Opportunities***

The Boulder Creek Fire Protection District is funded through the District's share of the 1% property tax, interest, inspection fees and other revenue.

The District maintains reserves to meet its future operational and capital needs.

**4) *Cost Avoidance Opportunities***

The Boulder Creek Fire Protection District is controlling costs by participating in an insurance JPA.

**5) *Management Efficiencies***

The Boulder Creek Fire Protection District is achieving management efficiencies by using paid call firefighters supervised by 1.5 paid staff members.

**6) *Shared Facilities***

The Boulder Creek Fire Protection District participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County.

The District shares a station and equipment with the California Department of Forestry and Fire Protection, and shares equipment with the Ben Lomond, Felton, and Zayante Fire Protection Districts.

The District utilizes the services of the Santa Cruz County Consolidated Emergency Communications Center for dispatching.

**7) *Rate Restructuring***

The Boulder Creek Fire Protection District charges fees for inspection services; the fee structure is based on the cost to provide the service.

**8) *Government Structure Options***

The Boulder Creek Fire Protection District is an independent special district operating in accordance with the Fire Protection District Law of 1987 (Health and Safety Code §13801 et seq.).

This service review did not identify any consolidation or other governmental re-structuring options that would provide a significantly higher level of efficiency. Nevertheless, the district should remain open to studying re-structuring options in the future.

**9) *Local Accountability and Governance***

The Boulder Creek Fire Protection District is governed by a three-member Board of Directors. The District meetings are open and accessible to the public, however meetings are held in the morning which may limit public participation. Public notice is provided through posting and the newspaper. The

District's web site <http://www.bcfcd.com/> has contact information, apparatus description and photos, as well as other district information.

**– Branciforte Fire Protection District –**

**1) Population and Growth**

The Branciforte Fire Protection District serves the unincorporated area north of Santa Cruz and east of Scotts Valley. Countywide, the annual growth rate in the unincorporated area is expected to be 0.3%. There will be a continued need within the District's service area for comprehensive fire protection services.

**2) Infrastructure Needs and Deficiencies**

The Branciforte Fire Protection District has one staffed fire station in the southern portion of the service area and one unstaffed station in the northern portion. Response times can exceed 10 minutes in a portion of the northern area.

The District has identified equipment needs but does not have the financial resources to finance the purchase.

**3) Financing Constraints and Opportunities**

The Branciforte Fire Protection District is funded through the District's share of the 1% property tax, a fire special tax, inspection fees and other revenue.

The District has minimal reserves that are insufficient to cover capital needs or large one-time extraordinary expenditures.

**4) Cost Avoidance Opportunities**

The Branciforte Fire Protection District is controlling costs by participating in an insurance JPA.

**5) Management Efficiencies**

The Branciforte Fire Protection District is achieving management efficiencies by using paid call firefighters supervised by 4 paid staff members.

**6) Shared Facilities**

The Branciforte Fire Protection District participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County.

The District utilizes the services of the Santa Cruz County Consolidated Emergency Communications Center for dispatching.



**7) Rate Restructuring**

The Branciforte Fire Protection District charges fees for inspection services; the fee structure is based on the cost to provide the service. The district also has a fire protection assessment of \$100 per single-family parcel.

**8) Government Structure Options**

The Branciforte Fire Protection District is an independent special district operating in accordance with the Fire Protection District Law of 1987 (Health and Safety Code §13801 et seq.).

The Branciforte Fire Protection District does not appear to have adequate reserves and revenue to improve or maintain the current service levels. If it wishes to improve or maintain service levels, its principal options are to:

1. Significantly raise the fire protection assessments through a Proposition 218 election,
2. Consolidate with the Scotts Valley Fire Protection District (which is consistent with the current sphere of influence adopted by LAFCO),
3. Consolidate with the Central Fire Protection District which serves Live Oak to the south and rural Soquel to the east,
4. Contract directly with the California Department of Forestry and Fire Protection to operate the station with the participation of the Branciforte paid call firefighters, or
5. Dissolve and annex to County Fire (CSA 48) which contracts with the California Department of Forestry and Fire Protection.

Since all fire agencies are confronted with increasing benefits costs, it is unlikely that options 2 through 5 will result in improved service levels in Branciforte; however, one of the options may provide the optimal manner in which to maintain a level of service approximately similar to the level the district has been receiving. In any new governmental structure, it would be important to keep the participation of the paid call volunteers because there are insufficient revenues for any fire agency to staff the Branciforte Station with a full-time company.

The Branciforte Fire District should evaluate its options for restructuring. Also, LAFCO should re-evaluate these options either when requested by the district, or upon the next update of the Branciforte/Scotts Valley fire sphere of influence.

**9) Local Accountability and Governance**

The Branciforte Fire Protection District is governed by a five-member Board of Directors. The District meetings are open and accessible to the public. Public notice is provided through posting.

**– Central Fire Protection District –**

**1) Population and Growth**

The Central Fire Protection District serves the City of Capitola and the communities of Soquel and Live Oak. Countywide, the annual growth rate in the unincorporated area is expected to be 0.3% and 0.1% for Capitola. There will be a continued need within the District's service area for comprehensive fire protection services.

**2) Infrastructure Needs and Deficiencies**

The Central Fire Protection District operates four staffed fire stations. The District has reduced its ISO rating based on its improved response times. The majority of the District's service area has a response time of less than 6-8minutes.

The District has updated its Master Plan which includes equipment and facilities needed to provide service at the stated levels. In addition the District has a Capital Improvements Plan which further identifies specific needs.

The District is planning to add a full-time staffed ladder truck and to replace the Soquel Fire Station.

**3) Financing Constraints and Opportunities**

The Central Fire Protection District is funded through a range of revenue sources including the District's share of the 1% property tax, grants, contracts from other government agencies, emergency response recovery fees, Homeland Security revenue, and other revenue.

The District has adopted a reserve policy prohibiting the use of financial reserves for operations. The District has designated reserves to be used for capital needs.

The District has financed capital equipment and facilities with lease purchases and a construction loan in the past. Debt service significantly decreased in FY 2004-2005 as all capital debt was paid off.

**4) Cost Avoidance Opportunities**

The Central Fire Protection District is controlling costs through its planning efforts which allocate resources based on risk and need.

**5) Management Efficiencies**

The Central Fire Protection District is achieving management efficiencies through its Master Plan and strategic planning efforts.

The District has successfully reduced its ISO rating from 5-9 to 3 which resulted in lower fire insurance premiums within its service area.

**6) Shared Facilities**

The Central Fire Protection District participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County. The District shares equipment and training facilities with the other agencies as well.

The District utilizes the services of the Santa Cruz County Consolidated Emergency Communications Center for dispatching.

**7) Rate Restructuring**

The Central Fire Protection District charges fees emergency response recovery fees to recoup some of the cost in providing emergency medical response.

**8) Government Structure Options**

The Central Fire Protection District is an independent special district operating pursuant to the Fire Protection District Law of 1987 (Health and Safety Code §13801 et seq.).

This service review has identified no restructuring options that appear likely to produce service efficiencies within Capitola, Live Oak, and Soquel. Nevertheless, the District should remain open to participate in future studies.

**9) Local Accountability and Governance**

The Central Fire Protection District is governed by a seven-member Board of Directors. The District meetings are open and accessible to the public. Public notice is provided through posting, the newspaper and the District's website. The District provides public information on the District, operations, and fire prevention on its website. The District's web site contains current board agendas, station and staffing information, fire prevention tips, and a newsletter.

**– Felton Fire Protection District –**

**1) Population and Growth**

The Felton Fire Protection District serves the unincorporated communities of Felton and Mount Hermon. Countywide, the annual growth rate in the unincorporated area is expected to be 0.3%. There will be a continued need within the District's service area for comprehensive fire protection services.

**2) Infrastructure Needs and Deficiencies**

The Felton Fire Protection District operates from one fire station and is able to respond to all areas within the District in less than ten minutes.

The District replaced all of its aging vehicles between 1994 and 2003. The District is planning to add a ladder truck in the future.

**3) *Financing Constraints and Opportunities***

The Felton Fire Protection District is funded through the District's share of the 1% property tax, interest, plan check fees, rents and other revenue.

The District has financed capital equipment purchases with reserves and has no long term debt

**4) *Cost Avoidance Opportunities***

The Felton Fire Protection District is controlling costs through its participation in an insurance JPA.

**5) *Management Efficiencies***

The Felton Fire Protection District is achieving management efficiencies through its approach to staffing with paid call firefighters.

The District has developed a Large Animal Rescue program that has been approved as a State Fire Marshal training course.

**6) *Shared Facilities***

The Felton Fire Protection District participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County and shares equipment and training facilities with the other agencies as well.

The District utilizes the services of the Santa Cruz County Consolidated Emergency Communications Center for dispatching.

**7) *Rate Restructuring***

The Felton Fire Protection District charges fees for plan check services; the fee structure is based on the cost to provide the service.

**8) *Government Structure Options***

The Felton Fire Protection District is an independent special district operating pursuant to the Fire Protection District Law of 1987 (Health and Safety Code §13801 et seq.).

This service review has identified no restructuring options that appear likely to produce service efficiencies within Felton and Mt. Hermon. Nevertheless, the District should remain open to participate in future studies.

**9) *Local Accountability and Governance***

The Felton Fire Protection District is governed by a five-member Board of Directors. The District meetings are open and accessible to the public. Public notice is provided through posting. Public

information on the District, operations, and fire prevention is provided on the District's website:  
<http://www.feltonfire.com/>.

**– Pajaro Valley Fire Protection District –**

**1) Population and Growth**

The Pajaro Valley Fire Protection District serves the unincorporated communities of Freedom and Salsipuedes to the north and east of the City of Watsonville. Countywide, the annual growth rate in the unincorporated area is expected to be 0.3%; Watsonville is projected to have the highest annual growth rate at 1.3%. There will be a continued need for comprehensive fire protection services within the District's service area.

**2) Infrastructure Needs and Deficiencies**

The Pajaro Valley Fire Protection District has two fire stations. The main station on Casserly Road has just been replaced.

The District needs one engine for the Mt. Madonna station and needs to replace one reserve Type I engine that is over 20 years old.

The District has a Capital Improvement Plan that addresses the facility and equipment needs of the District.

**3) Financing Constraints and Opportunities**

The Pajaro Valley Fire Protection District is funded through the District's share of the 1% property tax, a fire protection assessment, interest, plan check fees, and other revenue.

The District has financed capital equipment purchases and construction with long-term debt.

The District maintains adequate reserves for operational and some capital needs.

**4) Cost Avoidance Opportunities**

The Pajaro Valley Fire Protection District is controlling costs through its participation in an insurance JPA.

**5) Management Efficiencies**

The Pajaro Valley Fire Protection District is achieving management efficiencies by using paid call firefighters working under the direction of seven paid staff, and by contracting with the California Department of Forestry and Fire Protection for administrative, communications, fire protection planning, and fire protection services.

**6) Shared Facilities**

The Pajaro Valley Fire Protection District participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County and shares equipment and training facilities with the other agencies.

The District has agreements with the City of Watsonville for emergency service to areas where the City Fire Department can respond faster and for breathing equipment.

**7) Rate Restructuring**

The Pajaro Valley Fire Protection District charges fees for plan check services; the fee structure is based on the cost to provide the service.

The Pajaro Valley fire protection assessment rate was approved by the voters in 1995. The annual rate is \$30 per single-family parcel.

**8) Government Structure Options**

The Pajaro Valley Fire Protection District is an independent special district operating pursuant to the Fire Protection District Law of 1987 (Health and Safety Code §13801 et seq.).

The south county fire protection agencies' cooperation includes a "boundary drop" so that the company with the quickest response time responds to each emergency regardless of the agencies' boundaries. Even though this is an efficient system, insurance and other benefit costs are going up faster than revenues. The agencies that contract with the California Department of Forestry and Fire Protection are particularly challenged to maintain service levels in light of the increasing CDF costs. Government structure options in the south county include:

1. The agencies with CDF contracts (Pajaro Valley, County Fire, Pajaro Dunes, and Aromas) could consider contracting with other nearby fire departments to operate their stations.
2. Agencies not contracting with CDF (Watsonville) could consider joining into the CDF Contract.
3. All agencies in the south county could evaluate whether the establishment of a single south county fire agency including the City of Watsonville would result in cost savings.

**9) Local Accountability and Governance**

The Pajaro Valley Fire Protection District is governed by a five-member Board of Directors. The District meetings are open and accessible to the public. Public notice is provided through posting and newspapers. The District has not set up a web site.

**– Scotts Valley Fire Protection District –**

**1) Population and Growth**

The Scotts Valley Fire Protection District serves the City of Scotts Valley and surrounding unincorporated area. The annual growth rate within the City of Scotts Valley is projected to be 0.3%. The area contains a significant wildland-urban interface that requires additional resources for fire protection.

**2) Infrastructure Needs and Deficiencies**

The Scotts Valley Fire Protection District has two fire stations (Erba Lane and Glenwood Drive) and is planning for a replacement for the Erba Lane station to be located on La Madrona Drive. When the La Madrona station opens, the Erba Lane company will move into the new station, which will cover the southern half of the District.

The District needs an additional engine for use in urban/wildland response areas.

The District has a Capital Improvement Plan and has completed studies that address the facility and equipment needs of the District. The District replaces apparatus on a scheduled cycle based on use type, age, cost and mileage.

**3) Financing Constraints and Opportunities**

The Scotts Valley FPD is funded through the District's share of the 1% property tax, emergency response recovery, management fees for the Santa Cruz Hazardous Materials Interagency Team (SCHMIT), and other revenue. The District maintains four separate accounts: General Fund, Zone A (Graham Hill/Pasatiempo), Capital Outlay, and SCHMIT.

The District has financed capital equipment purchases through capital leases.

The District maintains adequate reserves to meet future operational and capital needs.

**4) Cost Avoidance Opportunities**

The Scotts Valley Fire Protection District is controlling costs through its focus on reducing fire risk, through ordinances and codes, programs, and public education efforts.

**5) Management Efficiencies**

The Scotts Valley Fire Protection District is achieving management efficiencies by using career and paid call firefighters.

The District is achieving efficiencies through its participation in SCHMIT, EMSIA and other programs.

**6) Shared Facilities**

The Scotts Valley Fire Protection District participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County and shares equipment and training facilities with the other agencies.

The District is the Program Manager for the Santa Cruz Hazardous Materials Interagency Team.

**7) Rate Restructuring**

The Scotts Valley Fire Protection District charges fees for licenses and permits, health fees and related services; the fee structure is based on the cost to provide the service.

**8) Government Structure Options**

The Scotts Valley Fire Protection District is an independent special district operating pursuant to the Fire Protection District Law of 1987 (Health and Safety Code §13801 et seq.).

The sphere of influence currently adopted by LAFCO would allow for the consolidation of the Branciforte and Scotts Valley Fire Protection Districts. This service review has identified no other restructuring options that appear likely to produce service efficiencies within Scotts Valley. Nevertheless, the District should remain open to participate in future studies.

**9) Local Accountability and Governance**

The Scotts Valley Fire Protection District is governed by a five-member Board of Directors. The District meetings are open and accessible to the public. Public notice is provided through posting and newspapers. The District's website <http://www.scottsvalleyfire.com/> is comprehensive and serves as a good model for other agencies to emulate.

The District's Board meetings are televised which is rare for special districts in Santa Cruz County.

**– University of California Santa Cruz –**

**1) Population and Growth**

UCSC anticipates a total daytime growth of 7,800 between 2005 and 2020. This figure is based on the 2005 Long Range Development Plan and includes staff, faculty and students.

Consistent with ongoing planning goals the campus anticipates a nighttime growth of approximately 3,500 between 2005 and 2020. This would place the total nighttime population at over 10,000.

**2) Infrastructure Needs and Deficiencies**

The Department has outgrown its current fire station and is currently conducting a feasibility study to determine current and future needs.



Funding for major improvements or replacement of the fire station will probably take from five to ten years based on the University's funding and approval cycles.

Current apparatus are well within their useful life. Any additions would require facility expansion as discussed above.

**3) *Financing Constraints and Opportunities***

UCSC Fire Department is funded centrally through the campus budget process. The department must compete with other campus departments for funding. The last five years have seen a significant increase in funding provided to the Department and it remains one of the top priorities for non-academic funding.

**4) *Cost Avoidance Opportunities***

The UCSC Fire Department maintains costs through collaboration with other on campus organizations as well as providing on site plan review and inspection for new construction projects.

**5) *Management Efficiencies***

The Department is achieving efficiencies through its participation in SCHMIT, EMSIA and other programs.

**6) *Shared Facilities***

The UCSC Fire Department participates in mutual aid and automatic aid agreements with other fire agencies in Santa Cruz County and shares equipment and training facilities with the other agencies.

**7) *Rate Restructuring***

The UCSC Fire Department provides a limited number of fee for service items. All fee for service must be approved by the campus planning and budget and must be for the cost of providing the service only.

**8) *Government Structure Options***

The University of California is a public trust and administered by a corporation known as "The Regents of the University of California". The corporation is formed by a board composed of seven ex officio members, which are: the Governor, the Lieutenant Governor, the Speaker of the Assembly, the Superintendent of Public Instruction, the president and the vice president of the alumni association of the university and the acting president of the university, and 18 appointive members appointed by the Governor and approved by the Senate.

**9) *Local Accountability and Governance***

The UCSC Fire Department reports to the Vice-Chancellor of Business and Administrative Services which is a campus level position appointed by the campus Chancellor. With the exception of the State Coastal Commission, the University is exempt from any local land use or planning laws or ordinances.

**– Zayante Fire Protection District –**

**1) Population and Growth**

The Zayante Fire Protection District serves the unincorporated communities of Olympia, Zayante, and Lompico, including areas of Ben Lomond. Countywide, the annual growth rate in the unincorporated area is expected to be 0.3%. There will be a continued need within the District's service area for comprehensive fire protection services.

**2) Infrastructure Needs and Deficiencies**

The Zayante Fire Protection District has three fire stations, five engines, one water tender, one rescue ambulance, and other related vehicles.

The District does not receive adequate access to paramedic service as response times exceed 10 minutes.

**3) Financing Constraints and Opportunities**

The Zayante Fire Protection District is funded through the District's share of the 1% property tax, a special fire protection tax, interest, inspection fees, and other revenue.

The District has financed capital equipment purchases and construction with long-term debt. In order to receive a more favorable interest rate, the District refinanced its General Obligation Bonds that were issued in 1988 for a new fire station.

The District maintains reserves for operational and capital needs.

**4) Cost Avoidance Opportunities**

The Zayante Fire Protection District is controlling costs through its participation in an insurance JPA.

**5) Management Efficiencies**

The Zayante Fire Protection District is achieving management efficiencies by using paid call firefighters working under the direction of one paid staff.

The District has reduced its ISO rating from a 5 to a 3, which positively impacts insurance rates in the area.

All District personnel are red-card qualified for wildland firefighting.

**6) Shared Facilities**

The Zayante Fire Protection District participates in mutual aid and automatic aid agreements with other fire districts in Santa Cruz County and shares equipment and training facilities with the other agencies.

**7) Rate Restructuring**

The Zayante Fire Protection District charges fees for inspection services; the fee structure is based on the cost to provide the service.

The Zayante fire protection tax rate was approved by the voters in 1992. The rate is currently \$35 per single-family parcel.

**8) Government Structure Options**

The Zayante Fire Protection District is an independent special district operating pursuant to the Fire Protection District Law of 1987 (Health and Safety Code §13801 et seq.). The District has identified three areas LAFCO should study when updating the District's sphere.

This service review has identified no restructuring options that appear likely to produce service efficiencies within the District. Nevertheless, the District should remain open to participate in future studies.

**9) Local Accountability and Governance**

The Zayante Fire Protection District is governed by a five-member Board of Directors. The District meetings are open and accessible to the public. Public notice is provided through posting.

## Agency Profiles

City of Santa Cruz Fire Department			
Contact:	Ron Prince, Fire Chief		
Mailing Address:	230 Walnut Avenue, Santa Cruz, CA 95060		
Phone Number:	(831) 420-5280		
Fax Number:	(831) 420-5011		
Email/Website	rprince@ci.santa-cruz.ca.us		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	56,953		
Size of Service Area (sq miles):	12 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	3		
Staff	53.5 FTE / No Volunteers		
Volume of Calls / Avg Response Time	4,911 / 4:50 min, Target = 5:00 min		
Per Capita Cost	\$151		
Financial Information			
Budget: (FY 2004-2005)		Expenses	
		\$9,119,955	

City of Watsonville Fire Department			
Contact:	Ben Evans, Fire Chief		
Mailing Address:	115 Second Street, Watsonville, CA 95076		
Phone Number:	(831) 768-3200		
Fax Number:	(831) 763-4054		
Email/Website	fire@ci.watsonville.ca.us		
Types of Services:	Fire prevention, suppression, paramedic/emergency, rescue, hazardous materials		
Population Served:	52,716		
Size of Service Area (sq miles):	6.59 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	2		
Staff	33.75 FTE / 20 Paid Call		
Volume of Calls / Avg Response Time	3,189 / 5:56 min, Target = 4:00 min 80%, 6:00 min 100%		
Per Capita Cost	\$75		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	
	\$4,414,398	\$4,414,398	

Santa Cruz County Fire – CSA 48 (Dept. of Forestry)			
Contact:	John Ferreira, Unit Chief		
Mailing Address:	PO Drawer F-2, Felton, CA 95065		
Phone Number:	(831) 335-6700		
Fax Number:	(831) 335-4053		
Email/Website	John.Ferreira@fire.ca.gov		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	64,000		
Size of Service Area (sq miles):	286 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	14		
Staff	35.5 FTE /120 Volunteers		
Volume of Calls / Avg Response Time	2,264 / 9:54 min, Target = NP		
Per Capita Cost	\$46		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$872,603	\$876,731	\$7,998

County of Santa Cruz – CSA 4 Pajaro Dunes			
Contact:	John Ferreira, Unit Chief		
Mailing Address:	PO Drawer F-2, Felton, CA 95065		
Phone Number:	(831) 335-6700		
Fax Number:	(831) 335-4053		
Email/Website	John.Ferreira@fire.ca.gov		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:			
Size of Service Area (sq miles):	0.2 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	1		
Staff	33.75 FTE / 24 Volunteers		
Volume of Calls / Avg Response Time	5:56 min, Target = 4:00 min 80%, 6:00 min 100%		
Per Capita Cost	\$75		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$631,194	\$805,162	\$62,445

Aptos/La Selva Fire District			
Contact:	Tom Crosser, Fire Chief		
Mailing Address:	6934 Soquel Drive, Aptos, CA 95003		
Phone Number:	(831) 685-6690		
Fax Number:	(831) 685-6699		
Email/Website	<a href="mailto:tomc@aptosfire.com">tomc@aptosfire.com</a> ; <a href="http://www.aptosfire.com">www.aptosfire.com</a>		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	21,117		
Size of Service Area (sq miles):	15 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	3		
Staff	39 FTE / No Volunteers		
Volume of Calls / Avg Response Time	1,761 / 5:36 min, Target = 6:00		
Per Capita Cost	\$285		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$6,912,582	\$8,118,325	\$309,116

Ben Lomond Fire Protection District			
Contact:	John Charcho, Fire Chief		
Mailing Address:	PO Box 27, Ben Lomond, CA 95005		
Phone Number:	(831) 336-5495		
Fax Number:	(831) 336-0300		
Email/Website	blfd@pacbell.net; www.benlomondfd.com		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	7,000		
Size of Service Area (sq miles):	7 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	1		
Staff	1 FTE / 4 Paid Staff / 31 Volunteers		
Volume of Calls / Avg Response Time	235 / 7:00 min, Target = 6:00		
Per Capita Cost	\$71.43		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$524,000	\$1,394,397	\$841,938

Boulder Creek Fire Protection District			
Contact:	Sam Robustelli, Fire Chief		
Mailing Address:	13230 Central Avenue, Boulder Creek, CA 95006		
Phone Number:	(831) 338-7222		
Fax Number:	(831) 338-7226		
Email/Website	<a href="mailto:sam@bcfd.com">sam@bcfd.com</a> www.bcfd.com		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	10,000		
Size of Service Area (sq miles):	21 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	2		
Staff	1.5 FTE / 32 Volunteers		
Volume of Calls / Avg Response Time	1,200 / 7:00 to 9:00 min, Target = 7:00 to 10:00 min		
Per Capita Cost	\$43.30		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$613,447	\$1,300,400	\$719,875

Branciforte Fire Protection District			
Contact:	Pat O'Connell, Fire Chief		
Mailing Address:	2711 Branciforte Drive, Santa Cruz, CA 95065		
Phone Number:	(831) 423-8856		
Fax Number:	(831) 423-8859		
Email/Website	<a href="mailto:B40fire@sbcgblol.net">B40fire@sbcgblol.net</a>		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue		
Population Served:	4,500		
Size of Service Area (sq miles):	7 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	1		
Staff	4 FTE / 30 Volunteers		
Volume of Calls / Avg Response Time	122 / 6:48 min, Target = 8:00 (6:00 for emergency medical)		
Per Capita Cost	\$131.77		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$522,670	\$537,668	\$16,414

Central Fire Protection District of Santa Cruz County			
Contact:	Bruce Clark, Fire Chief		
Mailing Address:	930 17 <sup>th</sup> Avenue, Santa Cruz, CA 95062		
Phone Number:	(831) 479-6842		
Fax Number:	(831) 479-6848		
Email/Website	<a href="mailto:brucec@centralfpd.com">brucec@centralfpd.com</a> ; <a href="http://www.centralfpd.com">www.centralfpd.com</a>		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	51,500		
Size of Service Area (sq miles):	29 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	4		
Staff	58 Paid & 30 Paid Call Firefighters		
Volume of Calls / Avg Response Time	1,247 / 5:15 min, Target = under 6:00 Fire, 6:00-8:00 others		
Per Capita Cost	\$141.50 (excluding one-time loan payoffs)		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$9,940,643	\$11,229,058	\$218,834
* Budget includes 2 year prepayment on capital debt payoff			

Felton Fire Protection District			
Contact:	Ronald E. Rickabaugh, Fire Chief		
Mailing Address:	131 Kirby Street, Felton, CA 95018		
Phone Number:	(831) 335-4422		
Fax Number:	(831) 335-2635		
Email/Website	<a href="mailto:ffpd@pacbell.net">ffpd@pacbell.net</a> ; <a href="http://www.feltonfire.com">www.feltonfire.com</a>		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	5,000		
Size of Service Area (sq miles):	7 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	1		
Staff	2 FTE / 28 Volunteers		
Volume of Calls / Avg Response Time	465 / 6:00 min, Target = 6:00 – 10:00		
Per Capita Cost	\$80		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$496,652	\$880,021	\$383,369



Pajaro Valley Fire Protection District			
Contact:	John Ferreira, Unit Chief		
Mailing Address:	PO Drawer F-2, Felton, CA 95065		
Phone Number:	(831) 335-6700		
Fax Number:	(831) 335-4053		
Email/Website	John.Ferreira@fire.ca.gov		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	18,000		
Size of Service Area (sq miles):	47 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	2		
Staff	7 Paid Staff / 25 Paid Call Firefighters		
Volume of Calls / Avg Response Time	439 / 8:00 min, Target = 7:00		
Per Capita Cost	\$88		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$1,280,402	\$1,683,561	\$361,571

Scotts Valley Fire Protection District			
Contact:	Michael McMurry, Fire Chief		
Mailing Address:	7 Erba Lane, Scotts Valley, CA 95066		
Phone Number:	(831) 438-0211		
Fax Number:	(831) 438-0383		
Email/Website	<a href="mailto:mikemcmurry@scottsvalleyfire.com">mikemcmurry@scottsvalleyfire.com</a> ; <a href="http://www.scottsvalleyfire.com">www.scottsvalleyfire.com</a>		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	18,600		
Size of Service Area (sq miles):	22 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	2		
Staff	27.5 Paid Staff / 20 Volunteers		
Volume of Calls / Avg Response Time	1,442 / 7:31 min, Target = 5:00 90%		
Per Capita Cost	\$227		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
Operations	\$4,223,628	\$4,704,194	\$481,217
(Graham Hill/Pasatiempo) Zone A	\$66,038	\$389,301	\$323,263
Capital	\$9,900	\$1,089,017	\$837,457
(SCHMIT) Regional Hazardous Response	\$481,706	\$558,010	\$78,294

University of California Santa Cruz Fire Dept.			
Contact:	Charles Hernandez, Fire Chief		
Mailing Address:	1156 High Street, Santa Cruz, CA 95064		
Phone Number:	(831) 459-3473		
Fax Number:	(831) 459-7608		
Email/Website	fdchief@ucsc.edu; www.ucsc.edu		
Types of Services:	Fire prevention, suppression, medical, rescue, hazardous materials, plan check		
Population Served:	18,500		
Size of Service Area (sq miles):	4 square miles		
Fire Stations, Staff, Cost			
Number of Stations	1		
Staff	17 Paid Staff		
Volume of Calls / Avg Response Time	600 / 4.14 min, Target = 4.00 90%		
Per Capita Cost	\$81		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
Operations	\$1,487,741	\$1,487,741	\$20,000

Zayante Fire Protection District			
Contact:	Jeffrey K. Maxwell, Fire Chief		
Mailing Address:	7700 E. Zayante Road, Felton, CA 95018		
Phone Number:	(831) 335-5100		
Fax Number:	(831) 335-5199		
Email/Website	<a href="mailto:Chief2400@aol.com">Chief2400@aol.com</a>		
Types of Services:	Fire prevention, suppression, paramedic/emergency/ambulance, rescue, hazardous materials, plan check		
Population Served:	7,000		
Size of Service Area (sq miles):	15 sq miles		
Fire Stations, Staff, Cost			
Number of Stations	3		
Staff	1 Paid Staff / 28 Volunteers		
Volume of Calls / Avg Response Time	211 / 8:00 min, Target = under 10 min fire and haz mat, under 7 emergency		
Per Capita Cost	\$30.42		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance 06/30/04
	\$305,417	\$501,522	\$167,867

## **8. POLICE PROTECTION SERVICES**

---

**City of Capitola**  
**City of Santa Cruz**  
**City of Scotts Valley**  
**City of Watsonville**  
**County of Santa Cruz – CSA 38**

## 8. POLICE PROTECTION SERVICES

### Agency Overview

Police protection services are provided by each of the four cities within their incorporated areas and by the Santa Cruz County Sheriff for all unincorporated areas. County Service Area (CSA) 38 provides funding for the County Sheriff's patrol of the unincorporated area of the county. The services funded through CSA 38 are comparable to the city police departments as they do not include the detention services conducted by the County Sheriff.

**Table 8.1 – Law Enforcement Agencies**

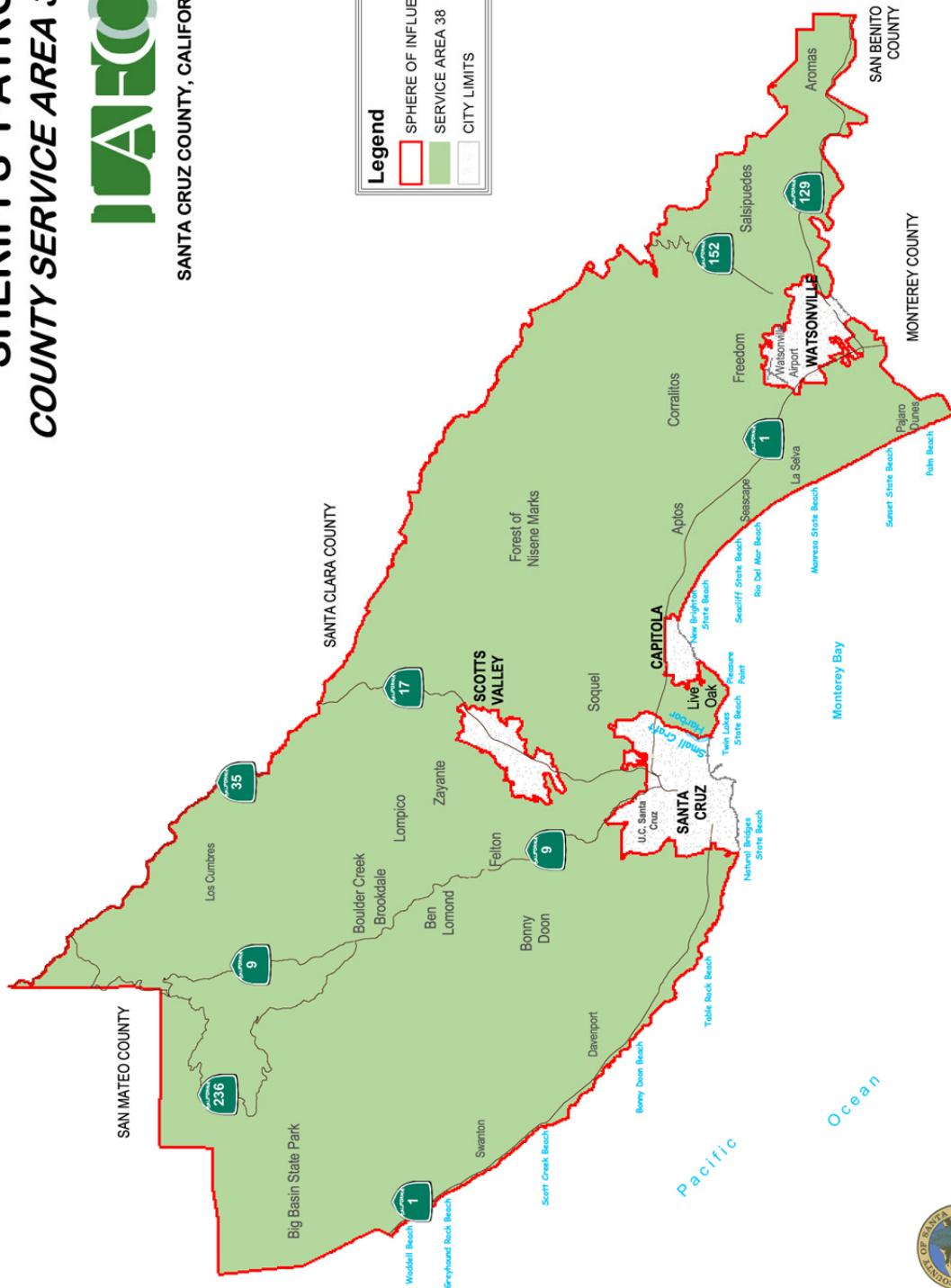
Santa Cruz LAFCO Countywide Service Review		Police Protection Services
<b>Cities</b>		
City of Capitola		•
City of Santa Cruz		•
City of Scotts Valley		•
City of Watsonville		•
<b>Special Districts</b>		
CSA 38 – County Sheriff		•

A map of County Service Area 38 follows. Maps of the four cities are included in *Section 1 – Executive Summary*.

# SHERIFFS' PATROL COUNTY SERVICE AREA 38



SANTA CRUZ COUNTY, CALIFORNIA



225-04\_CSA38\_SheriffsPatrol  
PREPARED BY SANTA CRUZ COUNTY GEOGRAPHIC INFORMATION SYSTEM STAFF-October 2004

## 8.1 Growth and Population

The population within Santa Cruz County is expected to grow at a slow to moderate rate through 2030. Watsonville is projected to have the highest level of growth at an average annual rate of 1.3%. The projections for each jurisdiction are as follows:

**Table 8.2**  
**Population Estimates**

Public Agency	2005	2010	2015	2020	2025	2030	Annual Growth Rate
City of Capitola	10,869	10,978	11,041	11,104	11,120	11,136	0.1%
City of Santa Cruz	56,953	57,768	58,846	59,924	61,956	63,987	0.5%
City of Scotts Valley	13,182	13,667	13,864	14,062	14,169	14,275	0.3%
City of Watsonville	52,716	56,779	61,126	65,473	67,946	70,418	1.3%
Santa Cruz County (unincorporated)	133,824	136,167	139,150	142,132	143,582	145,031	0.3%

*Source: AMBAG 2004 Projections*

Growth patterns and changes in demographics directly impact the need for various types of police services and the manner in which they are provided. Although the growth rate is fairly consistent across the jurisdictions, there are distinct differences in the law enforcement needs of the different service areas. For example, the juvenile population comprises nearly 1/3 of the total population in Watsonville. Watsonville notes that density, high unemployment, the high percentage of youth and an increasing violent crime rate are ongoing challenges for the Police Department in terms of funding and staffing. In the City of Santa Cruz, the number of homeless warrants a staff position to directly work with that population group. The County Sheriff serves a broad area with local communities that vary in size, issues and law enforcement needs. Community-based policing models are used by the agencies to provide police protection services based on individual community needs.

## 8.2 Infrastructure Needs and Deficiencies

Police service infrastructure includes the physical facilities such as stations, vehicles and equipment, and the systems used to carry out the services. Staffing is also included in this section as it directly relates to the service levels and needs of each agency. As shown in the table below, the crime rates within each jurisdiction vary. The 2004 crime statistics reported by each agency and the change from 2003 are as follows:

**Table 8.3**  
**2004 Crime Statistics**

Type	Capitola		Santa Cruz		Scotts Valley		Watsonville		Co. Sheriff	
	2004	% Change	2003	% Change	2004	% Change	2004	% Change	2004	% Change
Homicide	0	(100%)	4	0%	0	0	2	(33%)	2	(33%)
Forcible Rape	7	250%	48	12%	2	(50%)	25	9%	29	32%
Robbery	17	6%	112	15%	3	(25%)	76	(23%)	23	(28%)
Aggravated Assault	46	(16%)	359	14%	92	(14%)	180	(12%)	255	61%
Burglary	130	2%	523	(2%)	35	(45%)	236	(29%)	730	3%
Larceny	823	(12%)	2,420	2%	220	(17%)	1377	(12%)	1,827	1%
Auto Theft	34	31%	178	(13%)	10	(23%)	176	18%	18	6%
Arson	0	0	21	(9%)	4	0	10	11%	13	(38%)
<b>Total</b>	<b>1,057</b>	<b>(9%)</b>	<b>3,665</b>	<b>2%</b>	<b>366</b>	<b>(20%)</b>	<b>2,082</b>	<b>(13%)</b>	<b>2,897</b>	<b>4%</b>

*Source: 2004 Uniform Crime Report for each agency; Santa Cruz reflects 2003 data.*

Police protection staffing and volume of calls are as follows:

**Table 8.4**  
**Law Enforcement Staffing / Call Volume**

Agency	Sworn	Civilian	Call Volume
City of Capitola	21	11	5,980
City of Santa Cruz	94	35	25,972
City of Scotts Valley	20	9	16,580
City of Watsonville	69	23.5	16,607
County Sheriff	100	NP	22,137

*Note: Staffing = FY 2004-2005; Call Volume = FY 2003-2004*

According to “Crime in the United States, 2003, Uniform Crime Reports, FBI”, on average there were 3.5 full time law enforcement employees (police officers and civilians) for every 1,000 inhabitants in the nation in 2003 (Based on Table 74, pg 370). This data is based upon an annual census conducted each October that examines actual filled positions, not budgeted positions. In the western United States, the ratio was 2.4 (Table 70, page 366). Considering only sworn officers, the ratio in US cities was 2.3 per 1,000, and 1.8 per 1,000 for cities with populations between 25,000 and 100,000. In the western US, the ratio was 1.7. The City of Watsonville’s actual number of employed officers in the October 2003 census was 62 and the ratio was 1.31 officers per 1,000 or 21% fewer officers per capita than the Western States ratio. In October 2004 Watsonville employed 64 officers with a ratio of 1.33 per 1,000. The agency ratios within Santa Cruz County listed below reflect budgeted positions as opposed to actual employed:

**Table 8.5**  
**FY 2004-2005 Law Enforcement Staff per 1000 Residents**

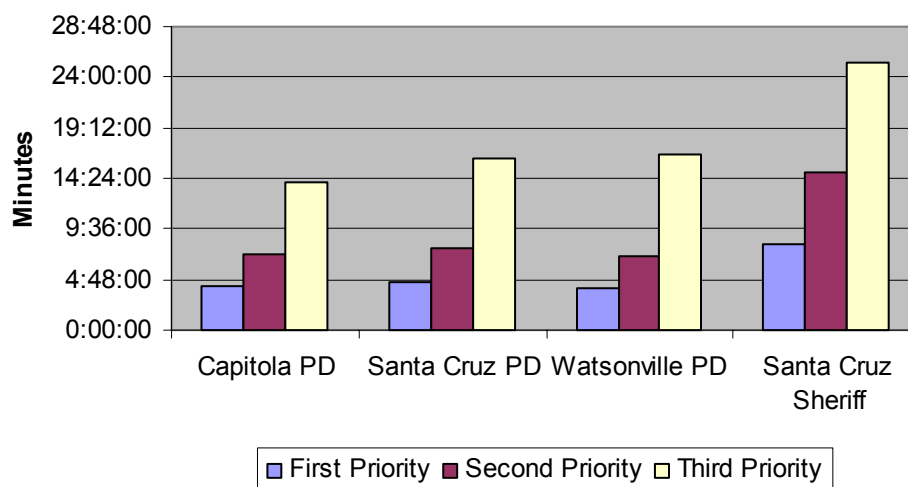
Agency	Sworn + Civilian	Western US Average	Sworn Only	Western US Average
City of Capitola	2.9	2.2	1.9	1.6
City of Santa Cruz	2.3	2.4	1.7	1.7
City of Scotts Valley	2.4	2.2	1.7	1.6
City of Watsonville	1.8	2.4	1.3	1.7
County Sheriff	NP	NA	0.7	NA

*Source for US Data: Full-time Law Enforcement Employees as of October 31, 2003 Table 70 and Full Time Law Enforcement Officers as of October 31, 2003 Table 71, Crime in the United States, 2003*

*Sworn only column is based upon actual number of officers employed in October 2003.*

*NA – Not Available; NP – Not Provided*

The 2004 average response times recorded by the Santa Cruz Consolidated Emergency Communications Center, by priority, are as follows:



The City of Scotts Valley is dispatched through the City's system; average response time on first priority calls is 2:45.

### City of Capitola

The City of Capitola's Police Department has one main station and a Community Outreach Center located at the Capitola Mall. The Department notes that several new cars are needed in FY 2005-2006, as well as a new radar trailer, ten new mobile computers and eight new mobile radios for the fleet. Two replacement motorcycles will be needed within 2-3 years. The City notes that 2-3 additional sworn positions are needed to handle priority calls for service and workload demands.

In FY 2003-2004, the Capitola Police Department received 20,808 calls for service. The average response time for first priority calls was 3:59 minutes, just under the Department's target of 4 minutes.



First and second priority calls are handled in less than seven minutes on average. Dispatching services are provided through the Santa Cruz Consolidated Emergency Communications Center.

The Capitola Police Department has capitalized on opportunities to improve its facilities and equipment through outside support. In the past few years the Department has renovated the Police Department building and added ADA compliant locker rooms. In addition, the State Parks Department donated lifeguard towers which the Department renovated. A new Supervisor's Incident Command Vehicle was acquired through a grant. The Department notes that tasers are deployed as a less lethal option for use by all officers as one of the best management practices.

Some of the challenges related to infrastructure and staffing which the Capitola Police Department faces over the next five years include the following:

- Recruiting and retaining quality employees; providing career development, training and promotional opportunities to staff;
- Acquisition of vehicles, radios/computers and safety equipment to meet the Department's fleet and equipment needs;
- Developing better crime prevention and crime analysis programs and resources within the Department; and
- Building a new Police Department facility to better meet operational and space needs.

### **City of Santa Cruz**

The City of Santa Cruz Police Department has a staff of 94 sworn officers and 35 civilians which includes nine community service officers. The City has one police station. The Department has divided the City into four main beats. The Department handled 76,498 calls in FY 2003-2004, with an average response time of 4:28 minutes for priority calls, under the Department's target of 4:30. Dispatching services are provided through the Santa Cruz Consolidated Emergency Communications Center.

The Department notes that it has current and future staffing and equipment needs. Due to budget constraints, in the past three years six police officer positions have been eliminated and one position has been frozen. Three community service officer positions have also been frozen. As a result, personnel have been transferred out of support units and into patrols in order to handle the calls for service. Vehicle replacement has been deferred as well. The Department notes that continued staff reductions and equipment deferrals could impact their ability to adequately patrol the city.

### **City of Scotts Valley**

The Scotts Valley Police Department operates from one main office with 20 sworn and 9 non-sworn staff. The average response time for emergency calls is 2:45 minutes, under the Department's target response time of 3 minutes. Response for non-emergencies is 12:7. The Department did not note any current or future needs for staffing, equipment, or training.

The City's Capital Improvement Program includes several projects related to police services, including a computer system upgrade and mobile computer system.

**City of Watsonville**

The City of Watsonville's Police Department operates from one main staffed police station with four unstaffed satellite offices and three unstaffed report-writing offices. As shown in Table 8.5 above, Watsonville has the lowest staff ratio and the second lowest sworn officer ratio in Santa Cruz County. The City notes that the overall crime rate has fallen significantly over the past 20 years, although the violent crime rate trend over the next few years is projected to climb from 6 crimes per 1,000 to 11. With the City's demographics and projected population growth, the Department estimates that additional law enforcement staffing is needed.

The Watsonville Police Department responded to 2,423 Priority 1 calls in FY 2003-2004 with an average response time of 3:45 minutes. Response was made in under 10 minutes on 93% of the calls; the remaining balance, which had a response time of 10 minutes or longer, were evenly scattered across the city and there was no one area that had consistently longer response times. Dispatching services are provided through the Santa Cruz Consolidated Emergency Communications Center.

As of June 30, 2003, the City had recorded \$5,041,646 in capital assets for the Police Department, which includes \$2,247,150 in equipment. The Department fully equips its sworn staff with firearms, non-lethal weapons, digital voice recorders, cameras and safety equipment. Patrol vehicles include cameras, speakers, radio and mobile digital computers. Watsonville has been awarded numerous state and federal grants over the past 12 years to support the hiring of additional staff and equip the Department with upgraded technology. However, grant opportunities are diminishing and there are fewer alternative funding sources for police staff and equipment.

Watsonville is implementing a wireless network project to provide wireless service to police, fire, public works and other City departments. The network will allow officers to access state databases through wireless broadband access to LAWNET, a countywide intranet for law enforcement that connects officers to the Amber Alert System, the Sex Offender Database, CAL-Photo and other databases. Officers will also have the ability to readily send reports from patrol cars to the police station. Photographs, maps, building plans, and graphics will be accessible in the field. Officers will be able to remotely view live video feeds from security cameras integrated into the system. Because access will be available across multiple City departments, including fire, the wireless infrastructure will significantly enhance the City's interoperability and public safety services.

**County of Santa Cruz**

The Santa Cruz County Sheriff provides law enforcement services to the unincorporated areas of the County. CSA 38 provides funding for the police patrol and investigation services in the unincorporated area. (Traffic enforcement is provided by the California Highway Patrol.) The Sheriff's Office is organized into three bureaus: Operations, Administration and Detention. The Operations Bureau includes

the patrol and investigation divisions. Administration is responsible for all administrative, business and support functions, and Detention provides for secure confinement at the Main Jail and Rountree Lane Medium/Minimum Facilities.

The County Sheriff has established four service centers to improve public access to its services. The Service Centers were opened in 1996 and are located in Live Oak, Aptos, South County, and the San Lorenzo Valley.

The Sheriff has divided the County geographically into 11 beats with dispatching services provided through the Santa Cruz Consolidated Emergency Communications Center. The County Sheriff has two K-9 units, as well as specially trained team bomb and SWAT teams.

The County Sheriff notes that training is provided according to the State guidelines and requirements for both Operations and Corrections. It was also noted that staff increases need to be examined in order to keep up with the service population.

### **8.3 Financing Constraints and Opportunities**

The reported per capita costs for police protection services within Santa Cruz County are as follows:

**Table 8.7**  
**Police Protection Cost per Capita (2003-2004)**

<b>Agency</b>	<b>Cost</b>
City of Capitola	\$411
City of Santa Cruz	\$326
City of Scotts Valley	\$271
City of Watsonville	\$183
County Sheriff	\$127

#### **City of Capitola**

The City of Capitola funds its law enforcement services through the City's General Fund, service charges, and grants. Law enforcement services for the City of Capitola include: police protection and enforcement; parking enforcement, and life guards. Removing the non typical service costs from the Capitola police department budget and the costs for internal services, not usually charged to police departments by other agencies, reduces the 2004/05 final budget for the department to \$3,301,612 for purposes of inter agency comparison. Three special revenue funds are used as well to account for State and grant funding. The following summarizes Capitola's Police Department funding on a gross services basis:

## City of Capitola – Police Department Funding

Finances	FY 02-03 Actual	FY 03-04 Mid-Yr Est.	FY 04-05 Final Budget
Expenses	\$4,019,900	\$3,995,215	\$4,469,300
Program Revenues (Service Chgs, Grants, etc.)	\$694,200	\$722,300	\$656,400
<b>Net Appropriation from General Fund</b>	<b>\$3,325,700</b>	<b>\$3,272,915</b>	<b>\$3,812,900</b>
<b>Special Revenue Funds, Year End Balance (06/30/03)</b>	<b>\$95,180</b>		

*Note: These figures include costs for parking enforcement, life guards, internal services (such as IT, capital equipment replacement for all city wide services, workers compensation), and animal control.*

Capitola's Police Department has received over \$467,000 in grants over the past three years including grants from the Department of Justice, the State Office of Traffic Safety and others. The Community Outreach Center at the Capitola Mall was constructed with limited grant funds, community contributions of supplies and volunteer labor.

The Police Department has one police captain position that was not funded in the FY 2004-2005 budget. The Department plans to handle bookings in-house which will eliminate booking fee payments to Santa Cruz County. The Department will not be replacing any vehicles for the next two fiscal years. The City's Police canine was replaced this past year through community donations.

The Department notes that funding will continue to be a challenge in the next five years and the City will consider opportunities to augment revenues through additional grants or a sales tax increase.

## City of Santa Cruz

The City of Santa Cruz funds its Police Department through the City's General Fund, grants, fees and service charges. The City also has a special revenue fund to account for state and federal grants received for police programs. The following summarizes the Police Department funding:

## City Santa Cruz – Police Department Funding

Finances	FY 02-03 Actual	FY 03-04 Est. Actual	FY 04-05 Proposed Budget
Expenses	\$15,576,264	\$16,966,065	\$17,932,310
Revenue (Intergovernmental, Service Charges, Fines/Forfeitures, Misc.)	\$337,458	\$258,664	\$163,700
<b>Net Appropriation from General Fund</b>	<b>\$15,238,806</b>	<b>\$16,707,401</b>	<b>\$17,768,610</b>
<b>Special Revenue Fund, End of Year</b>	<b>\$146,779</b>	<b>\$103,936</b>	<b>\$117,392</b>

The Santa Cruz Police Department notes that financing is a major challenge for the Department with respect to staffing and service levels. In the past, the State subventions covered 80% of the booking fee costs the City pays to the County Sheriff. The remaining 20% averages \$130,000 per year. The City's

cost is expected to increase over 400% in the next year when the State's subvention program ends. (The cost of booking fees is equivalent to six police officer positions per year.) The Department also receives \$58,000 per year from the State to assist with the cost of training, which covers approximately 50% of the City's costs. This funding may not continue given the State's financial constraints.

### **City of Scotts Valley**

The Scotts Valley Police Department is funded through the City's General Fund and grants. Fees and service charges related to police services, such as auto impounds, auto abatement, alarm registration, etc. are aggregated in the General Fund but do offset some of the cost. Scotts Valley also imposes development impact fees, a portion of which may be used for upgrading police facilities, training of officers, and equipment for additional personnel added to the department due to growth of the City. The following is a summary of funding for the Scotts Valley Police Department:

**City of Scotts Valley – Police Department Funding**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Projected</b>	<b>FY 04-05 Prelim Budget</b>
Expenses	\$2,811,858	\$3,011,093	\$3,149,570
Program Revenues (Service Chgs, Grants, etc.)*	\$43,542	\$47,765	\$44,510
<b>Net Cost</b>	<b>\$2,768,316</b>	<b>\$2,963,328</b>	<b>\$3,105,060</b>
<b>Special Revenue Funds, Balance at Year End</b>	<b>\$399,503</b>	<b>\$554,093</b>	<b>\$604,025</b>

*\*Revenues are aggregated in the General Fund and not directly attributed to Police Services*

The FY 2004-2005 budget includes one officer position that is not funded. Retirement benefit rates for the Police Department have increased from 7.535% to 17.669% and no police-related capital equipment will be purchased in FY 2004-2005. However, \$30,000 is budgeted for the purchase of a vehicle through the Development Impact Fee fund to be used for the officer assigned to the Santa Cruz County Narcotics Enforcement Taskforce. The Development Impact Fee fund has a projected balance of \$402,097 at the end of FY 2004-2005.

The Scotts Valley Police Department notes two challenges directly related to financing constraints: 1) maintaining a funding stream to keep staffing levels consistent, and 2) being able to compete for officers with surrounding areas that have higher pay scales.

### **City of Watsonville**

The City of Watsonville funds its law enforcement services through a variety of sources, including the City's General Fund and grants. The City notes that grant opportunities are diminishing and this source of revenue will be reduced in the future. The Department benefits from two special revenue funds: the Abandoned Vehicle Fund and the Narcotics Assets Seizure fund which is used to collect proceeds from the sale of any assets seized in the sale of illegal drugs. The City uses funding from the Emergency Response fee (911 fee) to fund the City's portion of the Santa Cruz Consolidated Emergency

Communications Center. The following is a summary of the funding for the Watsonville Police Department:

**City of Watsonville – Police Department Funding**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Projected</b>	<b>FY 04-05 Final Budget</b>
Expenses	\$9,028,379	\$10,435,292	\$11,526,876
Program Revenues (Service Chgs, Grants, etc.)	\$1,338,555	\$1,729,724	\$1,939,540
<b>Net Appropriation from General Fund</b>	<b>\$7,689,824</b>	<b>\$8,705,568</b>	<b>\$9,587,336</b>
<b>Narcotics Assets Seizure Fund Balance, End of Year</b>	<b>\$157,977</b>		
<b>Abandoned Vehicle Fund</b>	<b>\$77,906</b>		

*FY 02-03 and 03-04 included Animal Shelter services.*

In FY 2004-2005, the Animal Shelter program was eliminated as a City-operated program and transferred to the Santa Cruz County Animal Services Association JPA by a negotiated contract agreement.

The City uses a biennial budget which allows for mid-cycle revisions. The current budget cycle is for FY 2003-2005; the following revisions were made for FY 2004-2005:

- Three police officer positions were funded over a six month period (7/04, 9/04 and 1/05)
- Police Crime Analyst position was authorized
- Police operations budget was cut by \$22,500 for Reserve Pay and \$12,088 for other operating accounts
- Police Activity League (PAL) part time office assistant position was eliminated.
- Animal Shelter program was transferred to the Santa Cruz County Animal Services Association JPA by a negotiated agreement

The aggregate total of these changes increased the Police Department budget by \$238,755 over the original amount budgeted.

Watsonville has entered into a non-cancelable operating lease for 911 and public safety dispatching services with the Santa Cruz County Consolidated Emergency Communications Center. The lease extends through 2024; annual payments are approximately \$77,000 through 2011, decreasing to approximately \$55,000 each year thereafter.

### **County of Santa Cruz**

The Santa Cruz County Sheriff's Office is funded through the County's General Fund as well as grants, permit fees, service charges and contributions. CSA 38 provides funding for extended police protection services in the unincorporated area.

The County Board of Supervisors adopted a budget for FY 2004-2005 that includes significant changes in the budget for CSA 38 over the previous year. In the past the CSA was receiving a portion of the sales

and use tax generated in the unincorporated area. The FY 2004-2005 budget eliminates this funding source; however it is partially compensated by the elimination of the charge for county overhead. Major operating transfers are also eliminated. This change allows the County to use the sales and use tax revenue for other services as it is no longer restricted to the uses required by the special revenue fund. Following is a financial summary of CSA 38:

**CSA 38 Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Final Budget</b>
<b>Revenue:</b>			
Property Tax (1%)	\$1,205,131	\$1,287,068	\$1,683,618
Sales and Use Tax (Unincorp Area)- 1%	\$4,208,856	\$5,357,734	0
Interest	\$6,385	(\$560.24)	0
Operating Transfers In	\$9,922,946	\$11,566,897	0
<b>Total Revenue</b>	<b>\$15,343,318</b>	<b>\$18,211,139</b>	<b>\$1,683,618</b>
<b>Expenditures:</b>			
Accounting and Auditing Fees	\$500	\$500	\$500
County Overhead	\$1,652,878	\$2,646,296	0
Sheriff Services	\$3,766,994	\$3,997,446	\$1,683,118
<b>Total Services and Supplies</b>	<b>\$5,420,372</b>	<b>\$6,644,242</b>	<b>\$1,683,618</b>
Operating Transfers Out	\$9,922,946	\$11,566,897	0
<b>Total Expenditures</b>	<b>\$15,343,318</b>	<b>\$18,211,139</b>	<b>\$1,683,618</b>
<b>Fund Balance, End of Year</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Sheriff's Office is currently not offering its Drug Abuse Resistance Education (DARE) due to budget constraints.

#### **8.4 Cost Avoidance Opportunities**

The law enforcement agencies have implemented a number of cost control measures in order to maximize available funding and resources.

##### **City of Capitola**

The City of Capitola's Police Department is avoiding costs through the use of community donations and volunteer support to accomplish some projects, such as the Community Outreach Center, which provides merchant alert services and a commercial security unit. In addition, the Department developed and implemented a web-based Special Event Application and Permitting program, which facilitates application and issuance of about 50 Special Event applications per year and reduces staff time for

processing. Furthermore, the Department has been very successful in receiving grants and has an active reserve program, which complements the sworn strength and enhances service levels.

**City of Scotts Valley**

The Scotts Valley Police Department is avoiding costs through the use of proactive community-oriented policing. This approach allows the Department to assign staff and resources based on community needs; it also allows the Department to proactively address community concerns and issues before they require more extensive approaches at a greater cost.

Scotts Valley provides its own 911 and public safety dispatch services and does not participate in the Santa Cruz Consolidated Emergency Communications Center JPA. Dispatchers double as record clerks providing 24/7 service to the public in addition to their emergency and non-emergency dispatch duties.

**City of Santa Cruz**

The City of Santa Cruz Police Department is controlling costs through its management approach. One patrol lieutenant (management-level employee) is assigned to manage each of the four beats. The lieutenant provides a primary point of contact for the community and also ensures that police resources are used efficiently for that area.

**City of Watsonville**

The City of Watsonville invests in training to reduce the risk of complaints, claims and lawsuits. The City has a Master Training Plan that has been developed in order to keep employees in compliance with State and City requirements. The Department schedules one 10-hour training day per month so that each officer receives 120 hours of training per year. Topics include: Amber Alert, State-mandated racial profiling training, first aid and CPR, leadership/ethics, cultural diversity, crowd control tactics, handgun and rifle qualifications and tactics, night firearms training, arrest and control techniques, baton techniques, building entries, active shooter scenarios, and handling of mental health patients.

As a cost containment strategy, the Watsonville Police Department leverages its resources and relationships with the community to provide the highest level of service possible with staff and funding. The Department uses a multi-disciplinary approach to address the underlying causes of crime, focusing efforts and programs on the offender population. The City uses community policing as an integral part of combating crime, an approach that promotes and supports organizational strategies to address the causes and reduce the fear of crime through problem-solving and police-community partnerships. Watsonville also uses school-based policing with full-time police officers assigned to Watsonville High School, Rolling Hills Middle School and E.A. Hall Middle School. This provides the opportunity to mitigate school incidents, address juvenile behavior and promote school and neighborhood safety.

The Department is continuing to implement a paperless system which has improved cost efficiency and resolved a records storage issue. The Records department scans all reports and attachments, and is prepared for the new electronic filing process being implemented by the District Attorney's Office.



## **8.5 Opportunities for Shared Facilities**

The five law enforcement agencies within Santa Cruz County share a number of facilities which improves service and cost efficiency for each department. The Santa Cruz County Consolidated Emergency Communications Center opened in 1996 and operates under a JPA formed by the County and the Cities of Santa Cruz, Watsonville, and Capitola. The Center provides 911 and public safety dispatch services for those agencies.

The County Sheriff operates the Main Jail and Rountree Lane Medium/Minimum Facilities, which are used by the cities as well. The Sheriff's Office notes that it could provide more contract policing for municipalities and special districts.

The four Police Departments and the County Sheriff collaborated on a study to assess racial profiling in Santa Cruz County through data analysis. The study was conducted by an independent consultant, with the results indicating that there is little evidence of racial profiling occurring in Santa Cruz County.<sup>1</sup>

Capitola was selected by the State Commission on Police Officer Standards and Training to be one of nine agencies to pilot a new Police Training Officer Program. Capitola was the only small agency selected from throughout the State. In addition, the City was selected to participate in a study conducted by the University of California's Institute of Transportation Studies for an enforcement and engineering analysis of traffic safety programs.

Watsonville has reprogrammed the radio frequency channels on hand-held radios to establish interoperability with local and neighboring police, fire, and EMS services. The City's Police Department also collaborates with the school district to have a full-time police officer on the campus of three schools. The City is also implementing a wireless network project on its intranet which will include interoperability with other City departments, including fire.

## **8.6 Management Efficiencies**

The law enforcement agencies within Santa Cruz County are achieving management efficiencies through their approach to operations, proactive programs and the use of best management practices.

### **City of Capitola**

Capitola's Police Department recently developed and implemented a comprehensive Code Enforcement Ordinance and protocol to deal with a range of code violations and drug nuisance abatement issues. In FY 2002-2003 the Department rewrote the Police Department's General Orders Manual.

---

<sup>1</sup> Lamberth Consulting. "A Study to Analyze Traffic Stop Data in Santa Cruz County".  
[http://www.lamberthconsulting.com/press\\_release\\_0903\\_sc.asp](http://www.lamberthconsulting.com/press_release_0903_sc.asp)

In the future, the Department will be working on expanding community outreach programs through recruitment of new volunteers and better collaboration with other agencies.

The Capitola Police Department uses a variety of community oriented policing and problem solving programs and initiatives including the following: Problem Oriented Policing, Volunteers in Policing, Commercial Security Unit, juvenile diversion, Explorer Post, citizens patrol, Ghost Car program, Pace Car program, Neighborhood Watch, comprehensive graffiti abatement, senior welfare checks, abandoned vehicle abatement program, and various crime prevention programs.

The Department notes several best management practices which have been implemented, including an innovative Parking Enforcement Officer program which employs wheelchair bound staff. The Paid Reserve Program employs 4-10 paid reserves to augment regular staff. The Lifeguard Program has personal watercraft for rescues with training provided through a grant. A computer-based Problem Oriented Policing program has been implemented and approximately 35 community policing projects are completed annually.

#### **City of Santa Cruz**

The City of Santa Cruz Police Department is achieving management efficiencies through its organization structure which includes three operational sections: Investigation, Professional Standards, and Records & Services. As mentioned above, the Police Department has divided the City into four beats with one patrol lieutenant responsible for each beat. The lieutenant serves as a single point of contact for the community and is responsible for addressing crime problems, organizing community meetings, and planning for special operations.

The Department notes its achievement in working with the homeless community. A program was implemented three years ago in which a police officer is partnered with other social service providers to work with the homeless community. This position, the Homeless Resource Officer, is able to address a number of community concerns. The partnership provides an opportunity to tap programs outside of law enforcement to make a positive impact in the community by providing avenues of assistance for individuals in need. (The program is currently unfunded due to budget constraints, but will be reinstated when funding for additional staff is available.)

#### **City of Scotts Valley**

The Scotts Valley Police Department has 29 staff, including 21 operational, 6 professional/support, and 2 executive/management. The Department notes that it has implemented community-oriented policing as a best management practice and it has maintained an emergency response time of less than 3 minutes.

#### **City of Watsonville**

The Watsonville Police Department is organized into four divisions: Logistics, Operations, Investigations, and Financial and Technical Support. The City is divided geographically into 40 Responsibility Areas (RA) with an officer assigned to oversee each area. The RA Officer participates in neighborhood watch

programs, attends community meetings, and interfaces with other law enforcement agencies, the community and City officials about ongoing community-defined problems. The RA Officer addresses problems such as graffiti, gang crime, loitering, vandalism, speeding, and other incidents that are considered nuisances and need long-term solutions.

The Watsonville Police Department's suppression-apprehension programs include mobile and foot patrol, traffic enforcement, , Direct Action Response Team, Truancy Abatement Crime Suppression, Gang Violence Suppression, participation in Santa Cruz County's Narcotics Enforcement Team, and Santa Cruz Auto-Theft Reduction and Enforcement.

The department's juvenile delinquency prevention program includes school-based police officers, an athletic mentoring program (PAL) and a juvenile diversion program (ACTS). The "Accountable to Community through Sanctions" (ACTS) program addresses juvenile crime through a coordinated approach of services, graduated sanctions, and holding the juvenile offender accountable for the harm done to victims and the community. The program includes interagency coordination, interventions, accountability, community involvement, graduated sanctions, case management, problem solving and community policing.

Additional accomplishments through community policing include the following:

- Homeland Security Overtime Program to fund police officer overtime to train officers and community partners on up-to-date critical incident response methods, work with the community in developing multi-disciplinary and inter-agency critical incident protocols and evacuation plans, and outreach to the community to provide resources and information.
- Officers conducted public safety academies at three locations in 2004: Mona Lisa Neighborhood, Second Street and Sunny Meadows. These 12-week, 13-hour Public Safety Academies were conducted in English and Spanish and are open to all Watsonville residents.
- Crime analysis services to support community policing, problem solving, and investigative efforts to include tactical and strategic deployment decisions
- Cadet program strengthened with supervision and mentorship by School Community Policing Officers and funding to Police Academy
- Funding from the Watsonville, California Police Activity League (PAL) and the National PAL provided for a Youth Leadership Board consisting of four students. The young people chose to create a neighborhood block party for the National Night Out Campaign on August 3, 2004. They planned activities for youth who live in and around the neighborhood-based PAL center. The Watsonville PAL YLC had a boxing arena with oversized gloves, rented a slide-bounce-jump house with YLC funds, and received community in-kind contributions. The community brought food and a DJ contributed his time to the event, and YLC provided tours of the PAL facility. Local dignitaries attended including City Council Members, Fire Captain, Sheriff, and Police Chief.

- Watsonville Police Activities League (PAL), a neighborhood based program serving 130 youth per month between the ages of 6 to 17 years old, to build self-esteem and reduce juvenile delinquency

As discussed above, the Watsonville Police Department has improved its information systems technology and is implementing its wireless network project on the City's intranet. This will significantly improve efficiency across several City departments. Efficiency is also gained from the use of four satellite offices and three report-writing offices, which allow the officers to stay in an area of the City to complete their reports without having to return to the main station.

### **County of Santa Cruz**

The County Sheriff is achieving management efficiency through its organizational structure and operations approach. The structure of the County Sheriff's office includes the three main bureaus (Administration, Operations and Detention) and divisions within the Operations and Detention Bureaus. The County Sheriff operates under the community-based policing model which allows staff and resources to be assigned based on local community needs. Response teams that are specially trained for specific situations have been created, including the K-9 unit, Bomb Team, and SWAT.

The Investigation Division is organized by specialization so that criminal cases are assigned to the appropriate section for follow-up investigation. The Division includes the following sections:

- Crimes Against Persons – Robbery/Homicide
- Crimes Against Persons – Sexual
- Assault/Domestic Violence
- Crimes Against Property
- Marijuana Eradication Team
- Crime Scene Investigation
- Coroner
- Administration/Clerical

### **8.7 Opportunities for Rate Restructuring**

The law enforcement agencies within Santa Cruz County charge for services where allowable, including but not limited to alarm permits, police security, police range fees, fingerprinting fees, court fines, and parking fines.

The City of Watsonville contracted with Maximus Inc, a nationwide consulting firm specializing in cost accounting and revenue enhancement studies, to conduct a detailed study of user fee service costs and revenues in FY 2001-2002. In FY 2001-2002 Watsonville Police department recovered 20 percent of the cost associated with service activity. As a result of the study fees were increased in July 2003. The City's fee structure was reviewed the following year and increased based upon that analysis and using either the housing price index or the consumer price index.

Watsonville has established an Emergency Response Fee in the City's Municipal Code. The revenue is used to pay a portion of the City's share of the cost of operating the Santa Cruz Consolidated Emergency Communications Center. The fee is collected with the telephone bill and is set at \$2 per month per residential line and \$2 per month per business access line (not to exceed \$18 per month). An initiative (Measure T) was placed on the ballot in November 2004 to repeal the fee. It was defeated by nearly two-thirds of the vote.

## **8.8 Government Structure Options**

The four cities are directly providing police protection services within their incorporated areas through their Police Departments. Law enforcement services for the unincorporated area of Santa Cruz County are provided by the Santa Cruz County Sheriff. CSA 38 provides funding for extended police protection services in the unincorporated area. No other government structure options were identified.

## **8.9 Local Accountability and Governance**

Law enforcement services and Police Department operations are addressed by each of the City Councils and the County Board of Supervisors during their regular meetings. Each has procedures in place to ensure that public notice and governance standards are met.

The County and the four cities all provide information about their police services on their websites, including contact information, program information, and performance data.

As a measure of accountability, the Capitola Police Department notes that in a voter telephone survey conducted in July 2003, 86% of the voters surveyed were either very satisfied or somewhat satisfied with the City's police services. The Department has increased community outreach by forming various groups, including six Neighborhood Watch groups, Volunteers in Policing, Merchant's Alert, and Citizen Patrols.

The County Sheriff's Office tailors some of its public information for local communities. The agency's website includes a "Neighborhood News" section which provides current information on news, programs, issues, and volunteer opportunities by community.

## **– DETERMINATIONS BY AGENCY –**

### **– City of Capitola–**

#### **1) Population and Growth**

Population within the City of Capitola is expected to reach 11,136 by 2030 with an average annual growth rate of 0.1%. The City of Capitola has considered the law enforcement needs of the City based on the population, demographics and special events that take place within the City's boundaries.

**2) Infrastructure Needs and Deficiencies**

The Capitola Police Department estimates that it needs an additional 2-3 sworn positions to handle priority calls as well as equipment and vehicles.

The Department recently opened its Community Outreach Center in the Capitola Mall; this facility will improve efficiency and community presence for the Department.

**3) Financing Constraints and Opportunities**

Funding for Capitola's law enforcement services is provided through the City's General Fund, service charges and grants.

The Department has received over \$467,000 in grant funding in the past three years which was used for equipment, staff, training, and programs. However, law enforcement grant funding is generally expected to diminish in the future.

**4) Cost Avoidance Opportunities**

The Capitola Police Department is controlling costs through the use of volunteers, citizen patrols and Explorers. The Department has leveraged volunteer support and donations to accomplish several projects, such as the Community Outreach Center.

The Capitola Police Department will be handling booking in-house rather than through the County; this is expected to be more cost-effective.

**5) Management Efficiencies**

The Capitola Police Department is achieving management efficiencies through the use of a wide range of programs directed towards specific issues or needs, such as training, graffiti and abandoned vehicle abatement, Volunteers in Policing, and citizen patrols.

**6) Shared Facilities**

Capitola contracts with the Santa Cruz Consolidated Emergency Communications Center for 911 and public safety dispatch services.

**7) Rate Restructuring**

The City of Capitola imposes fees and service charges where allowable, such as parking permits, vehicle release fees, court and traffic fines, and parking citations. The fees are based on the cost to provide the service.

**8) Government Structure Options**

The City of Capitola provides law enforcement services through its Police Department. No other government structure options were identified.

**9) Local Accountability and Governance**

Law enforcement services are addressed by the Capitola City Council during regular meetings. Public notice is provided for all meetings. Information on the Police Department and its programs is provided on the City's website.

The Capitola Police Department has improved local accountability by forming numerous working groups such as Neighborhood Watch, Volunteers in Policing, Merchant Alert and Citizen Patrols.

**– City of Santa Cruz–**

**1) Population and Growth**

Population within the City of Santa Cruz is expected to reach 63,987 by 2030 with an average annual growth rate of 0.5%. Growth will result in continued demand for police protection services.

The City of Santa Cruz has and has considered population growth and demographics and structured its Police Department operations and programs to address the needs of the City.

**2) Infrastructure Needs and Deficiencies**

The City of Santa Cruz Police Department has one police station and a staff of 135, including 94 sworn officers.

Over the past three years, six police officer positions have been eliminated and positions for one police officer and three community service officers have been frozen. Vehicle replacement has been postponed. These staffing and equipment needs may impact the Department's ability to provide adequate service in the future if the call volume increases.

**3) Financing Constraints and Opportunities**

The City of Santa Cruz funds its Police Department through the City's General fund, grants, service charges, and State subvention programs.

Future funding from the State for booking fees and training will be reduced or eliminated, creating further financing constraints for the Department.

**4) Cost Avoidance Opportunities**

The City of Santa Cruz Police Department is controlling costs by assigning one management-level staff to directly oversee services provided within each main beat.

**5) Management Efficiencies**

The City of Santa Cruz Police Department is achieving management efficiencies by operating with three units: Investigations, Professional Standards and Records and Services. This allows for efficient staff utilization.

The Department has divided the City into four main beats with one patrol lieutenant directly responsible for each beat, including communications, addressing crime issues, and police resource allocations.

**6) Shared Facilities**

The City of Santa Cruz contracts with the Santa Cruz Consolidated Emergency Communications Center for 911 and public safety dispatch services.

**7) Rate Restructuring**

The City of Santa Cruz charges for police services where allowable. The rates are based on the cost to provide the service.

**8) Government Structure Options**

The City of Santa Cruz provides law enforcement services through its Police Department. No other government structure options were identified.

**9) Local Accountability and Governance**

Law enforcement services are addressed by the Santa Cruz City Council during regular meetings. Public notice is provided for all meetings. Information on the Police Department and its programs is provided on the City's website.

The patrol lieutenants assigned to oversee each beat provide a direct point of contact for the community, which improves the Police Department's local accountability.

**– City of Scotts Valley–**

**1) Population and Growth**

Population within the City of Scotts Valley is expected to reach 14,275 by 2030 with an average annual growth rate of 0.3%.

The City of Scotts Valley has considered population growth, development and demographics and has structured its Police Department operations and programs to address the needs of the City.

**2) Infrastructure Needs and Deficiencies**

The City Police Department has no short or intermediate term infrastructure needs. C-I think my determination avoids the numbering problem from Scotts Valley scratching this off their wish list.-P The Department currently operates from one main office with 29 staff, including 20 sworn officers.



**3) *Financing Constraints and Opportunities***

Scotts Valley funds its law enforcement services through the City's General Fund, grants and police service charges. Capital building and equipment funds are financed through development impact fees.

The Department has received grant funding in the past to fund a variety of programs and needs; grant funding diminished in FY 2004-2005.

**4) *Cost Avoidance Opportunities***

The Scotts Valley Police Department is controlling costs through the use of community oriented policing.

Scotts Valley provides its own 911 and public safety dispatch services and does not participate in the Santa Cruz Consolidated Emergency Communications Center JPA. Dispatchers double as record clerks providing 24/7 service to the public in addition to their emergency and non-emergency dispatch duties.

**5) *Management Efficiencies***

The Scotts Valley Police Department is achieving management efficiencies through the use of best management practices such as community-oriented policing.

**6) *Shared Facilities***

The City of Scotts Valley has its own emergency dispatch center serving as a primary answering point for all 911 calls occurring in the City. Calls for emergency services, other than police, are transferred to the Santa Cruz Consolidated Emergency Center, California Highway Patrol, etc.

**7) *Rate Restructuring***

The City of Scotts Valley charges for services provided through the Police Department where allowable, such as clearance letters, vehicle release fees, auto abatement and alarm registration. The fees are based on the cost to provide the service.

**8) *Government Structure Options***

The City of Scotts Valley provides law enforcement services through its Police Department. No other government structure options were identified.

**9) *Local Accountability and Governance***

Law enforcement services are addressed by the Scotts Valley City Council during regular meetings. Public notice is provided for all meetings. Information on the Police Department and its programs is provided on the Police Department's website.

**– City of Watsonville–**

**1) Population and Growth**

Population within the City of Watsonville is expected to reach 70,418 by 2030 with an average annual growth rate of 1.3%. Youth comprise approximately one-third of Watsonville's current population and this is not expected to decrease in the foreseeable future. Growth, increased density and demographics will result in increased need for comprehensive law enforcement services.

**2) Infrastructure Needs and Deficiencies**

The City of Watsonville Police Department is staffed with 69 sworn officers and 23.5 civilians. The per capita staffing is under the norm for similar cities in the western United States.

The Police Department has one main station, four satellite offices and three report-writing offices, which improves staff efficiency.

The City is implementing a wireless network project which will allow wireless access to law enforcement databases and interoperability with other City departments.

**3) Financing Constraints and Opportunities**

The City of Watsonville funds its law enforcement services through service charges, grants and General Fund appropriations. Grant opportunities have diminished over the past few years and alternative funding sources for staffing and equipment are limited.

The City has entered into a long-term operating lease for emergency dispatching services provided by the Santa Cruz County Emergency Operations Center. A portion of the City's cost is funded through the City's 911 Fee.

**4) Cost Avoidance Opportunities**

The Watsonville Police Department is avoiding costs through staff training to reduce the risk of claims and lawsuits. Officers receive 120 hours of training per year on a wide range of operational topics.

The City's Police Department uses a multi-disciplinary community policing approach to direct resources and provide services where needed and targeted for specific offender populations.

**5) Management Efficiencies**

The Watsonville Police Department has divided the city into 40 geographic areas. One officer is assigned to each of these Responsibility Areas in order to directly address the concerns and issues of the local community.

**6) Shared Facilities**

Watsonville contracts with the Santa Cruz Consolidated Emergency Communications Center for 911 and public safety dispatch services.

The Department has reprogrammed the frequency of its hand-held radios to allow for communications and interoperability with local and neighboring police, fire and EMS services.

**7) Rate Restructuring**

The City of Watsonville charges for police-related services where allowable, such as alarm permits and parking fines.

The City of Watsonville has implemented a 911 Fee through Chapter 3-15 of the City's Municipal Code. The fee covers a portion of the City's share of the cost of operating the Santa Cruz Consolidated Emergency Communications Center.

**8) Government Structure Options**

The City of Watsonville provides law enforcement services through its Police Department. No other government structure options were identified.

**9) Local Accountability and Governance**

Law enforcement services are addressed by the Watsonville City Council during regular meetings. Public notice is provided for all meetings. Information on the Police Department and its programs is provided on the City's website.

**– County of Santa Cruz – CSA 38 Extended Police Protection –**

**1) Population and Growth**

Population within the unincorporated area of Santa Cruz County is expected to reach 145,031 by 2030 with an average annual growth rate of 0.3%. There will be a continued need for police protection services, although needs and service levels will vary by community.

**2) Infrastructure Needs and Deficiencies**

CSA 38 provides dedicated funding for extended police protection services for the unincorporated areas of the County through the County Sheriff's Office.

CSA 38 has the lowest staffing level per 1,000 residents of the law enforcement agencies in the County.

The Sheriff's Office has established four service centers to improve accessibility and interaction with the citizens. The centers are located in Live Oak, Aptos, South County, and the San Lorenzo Valley.

**3) Financing Constraints and Opportunities**

CSA 38 receives a share of the 1% property tax. The County accounts for the CSA as a special revenue fund, with use restricted to police protection services.

The FY 2004-2005 adopted budget for CSA 38 eliminated revenue from the sales and use tax generated in the unincorporated area, interest, County overhead charges, and operating transfers. This yielded a net overall reduction of 11% in funding for police protection services provided by the County.

**4) Cost Avoidance Opportunities**

The County Sheriff's office is controlling costs for CSA 38 by dividing the County into 11 beats and assigning staff based on the size and law enforcement needs of each area.

**5) Management Efficiencies**

The County Sheriff's Office operates with three bureaus: Administration, Operations and Detention. Operations and Detention have divisions which allow for efficient staff assignments and resource allocation.

**6) Shared Facilities**

The County of Santa Cruz contracts with the Santa Cruz Consolidated Emergency Communications Center for 911 and public safety dispatch services.

**7) Rate Restructuring**

CSA 38 is not funded through assessments and does not charge any fees.

The County charges for permits and police-related services where allowable; the rates are based on the cost to provide the service.

**8) Government Structure Options**

CSA 38 provides funding for enhanced police protection services in the unincorporated area through the County Sheriff. No other government structure options were identified.

**9) Local Accountability and Governance**

Police protection services are addressed by the Santa Cruz County Board of Supervisors during regular meetings. Public notice is provided for all meetings. The County Sheriff's Office provides information on the department, programs and other related public information on its website.

## Agency Profiles

City of Capitola Police Department			
Contact:	Richard J. Ehle, Jr., Chief of Police		
Mailing Address:	422 Capitola Avenue, Capitola, CA 95010		
Phone Number:	(831) 475-7300		
Fax Number:	(831) 475-8879		
Email/Website	rehle@ci.capitola.ca.us		
Types of Services:	Police Services		
Population Served:	10,000		
Size of Service Area (sq miles):	2 sq miles		
Staff, Services and Costs			
Staff: FTE	32		
Volume of Calls / Response Time (03-04)	20,808 / 1 <sup>st</sup> Priority = 3:59, Target = 4 min		
Per Capita Cost	\$411		
Financial Information			
Budget: (FY 2004-2005)	Program Revenues	Operating Expenses	
	\$656,400	\$4,461,300	

City of Santa Cruz Police Department			
Contact:	Howard Skerry, Chief of Police		
Mailing Address:	155 Center Street, Santa Cruz, CA 95060		
Phone Number:	(831) 420-5800		
Fax Number:	(831) 420-5011		
Email/Website	hskerry@ci.santa-cruz.ca.us		
Types of Services:	Police Services		
Population Served:	56,953		
Size of Service Area (sq miles):	12 sq miles		
Staff, Services and Costs			
Staff: FTE	94 Sworn Positions, 9 Community Service Officer Positions, 35 Civilian		
Volume of Calls / Response Time (03-04)	76,498 / 1 <sup>st</sup> Priority = 4:28, Target = 4:30 min		
Per Capita Cost	\$326		
Financial Information			
Budget: (FY 2004-2005)	Program Revenues	Operating Expenses	
	\$163,700	\$17,932,310	

City of Scotts Valley Police Department			
Contact:	Steven C. Lind, Chief of Police		
Mailing Address:	One Civic Center Drive, Scotts Valley, CA 95066		
Phone Number:	(831) 440-5670		
Fax Number:	(831) 438-6930		
Email/Website	slind@scottsvalley.org ; scottsvalleypd.com		
Types of Services:	Police Services		
Population Served:	11,598		
Size of Service Area (sq miles):	4.5 sq miles		
Staff, Services and Costs			
Staff: FTE	20 Sworn Positions, 9 Non-sworn		
Volume of Calls / Response Time (03-04)	16,580 / 1 <sup>st</sup> Priority = 2:45, Target = under 3 min.		
Per Capita Cost	\$271		
Financial Information			
Budget: (FY 2004-2005)	Program Revenues	Operating Expenses	
	\$44,510	\$3,149,570	
Development Impact Fees for Police Facility Fund = \$60,800 est.			

City of Watsonville Police Department			
Contact:	Terry Medina, Chief of Police		
Mailing Address:	215 Union Street, Watsonville, CA 95076		
Phone Number:	(831) 768-3308		
Fax Number:	(831) 724-3335		
Email/Website	police@ci.watsonville.ca.us		
Types of Services:	Police Services		
Population Served:	52,716		
Size of Service Area (sq miles):	6.59 sq miles		
Staff, Services and Costs			
Staff: FTE	69 Sworn Positions, 9 VolunteerCommunity Service Officer Positions, 23.5 Civilian Positions		
FY 03-04 Volume of Calls / Response Time (minutes)	2,423 / 1 <sup>st</sup> Priority = 3:45, Target = NP		
Per Capita Cost	\$183		
Financial Information			
Budget: (FY 2004-2005)	Program Revenues	Operating Expenses	
	\$1,559,926	\$11,523,307	

County of Santa Cruz – CSA 38 Extended Police Protection			
Contact:	Steve Robbins, Sheriff		
Mailing Address:	701 Ocean Street, Room 340, Santa Cruz, CA 95060		
Phone Number:	(831) 454-3042		
Fax Number:	(831) 454-2353		
Email/Website	<a href="mailto:sheriff@scsheriff.com">sheriff@scsheriff.com</a> ; <a href="http://www.scsheriff.com">www.scsheriff.com</a>		
Types of Services:	Police Services		
Population Served:	133,824		
Size of Service Area (sq miles):	420.45 sq miles		
Staff, Services and Costs			
Staff: FTE	100 Deputy Sheriffs		
Volume of Calls / Response Time (03-04)	87,154 / 1 <sup>st</sup> Priority = NP, Target = NP		
Per Capita Cost	\$127 (all police protection services provided by County)		
Financial Information			
Budget: (FY 2004-2005)	Operating Revenues	Operating Expenses	
	\$1,683,618	\$1,683,618	

## **9. RECREATION AND PARK SERVICES**

---

**City of Capitola**

**City of Santa Cruz**

**City of Scotts Valley**

**City of Watsonville**

**County of Santa Cruz – CSA 11**

**Alba Recreation and Park District**

**Boulder Creek Recreation and Park District**

**La Selva Beach Recreation and Park District**

**Opal Cliffs Recreation and Park District**



## 9.0 RECREATION AND PARK SERVICES

### Agency Overview

Recreation and park services are provided by each of the cities, the County and four independent special districts, as shown in Table 9.1 below. The Santa Cruz County Department of Parks, Open Space and Cultural Services operates the County's 1,400 acre park system and is responsible for land acquisition, site development, maintenance and provision of county-wide recreational and cultural opportunities. County Service Area (CSA) 11 was established to provide funds for park acquisition, park development and maintenance, recreation programs, and to contribute to the overall operation of the County's Parks, Open Space and Cultural Services Department.

**Table 9.1 – Recreation and Park Agencies**

Santa Cruz LAFCO Countywide Service Review			
	Parks	Recreational Facilities	Public Open Space
<b>County of Santa Cruz</b> - Department of Parks, Open Space and Cultural Services	•	•	•
<b>Cities</b>			
City of Capitola	•	•	
City of Santa Cruz	•	•	•
City of Scotts Valley	•	•	•
City of Watsonville	•	•	•
<b>Special Districts</b>			
CSA 11 – Recreation and Parks	•	•	•
Alba Recreation and Park District	•	•	
Boulder Creek Recreation and Park District	•	•	
La Selva Beach Recreation and Park District	•	•	
Opal Cliffs Recreation and Park District	•	•	•

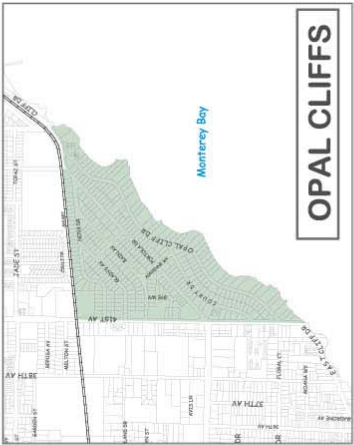
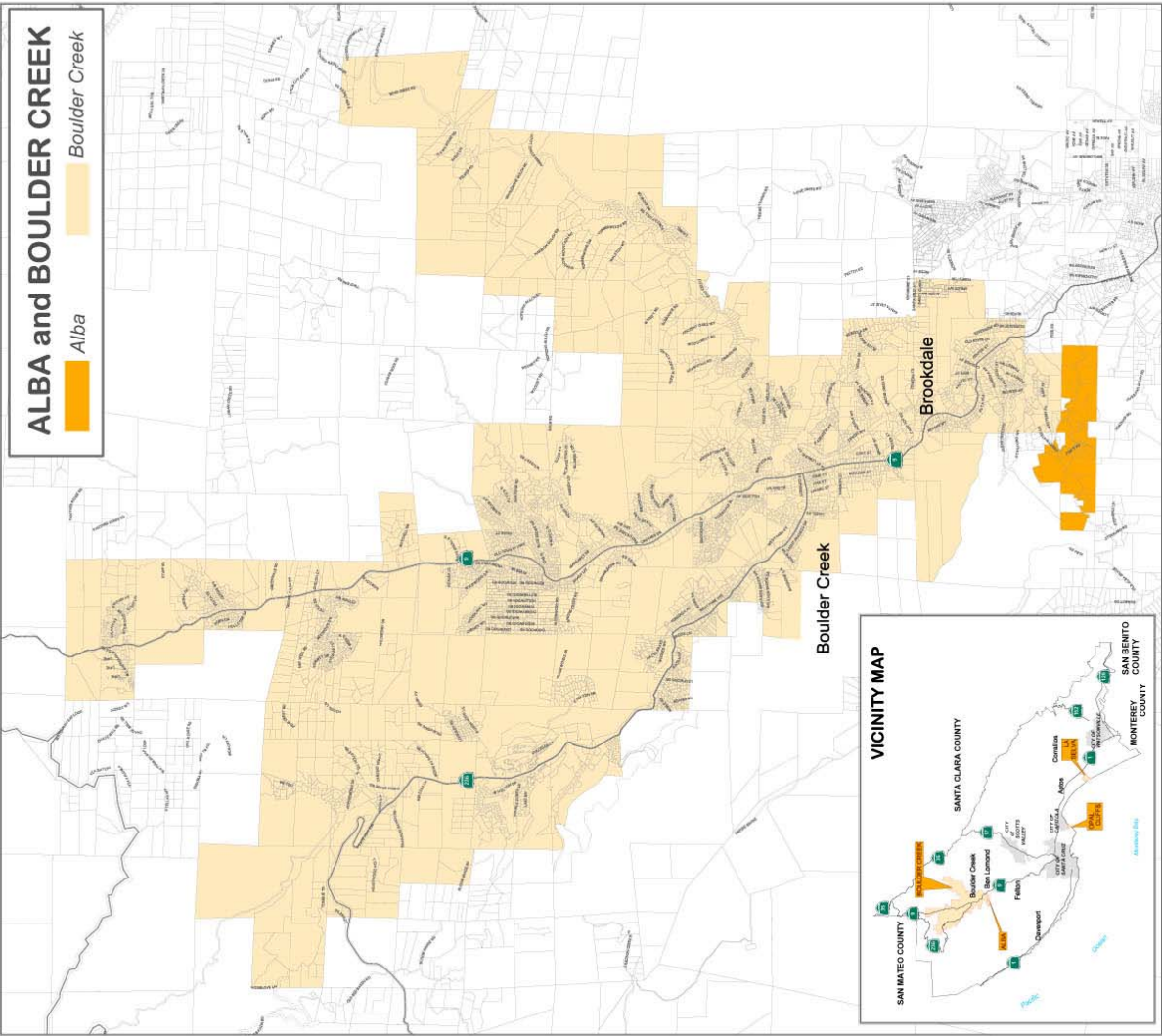
The Midpeninsula Regional Open Space District (<http://www.openspace.org>) operates regional open space preserves in parts of Santa Clara, San Mateo, and Santa Cruz Counties. Only a small corner of Santa Cruz County near the intersection of Highway 9 and Highway 35 (Skyline Blvd.) is located within the District. This report does not address Midpeninsula's services, which will be addressed by Santa Clara and San Mateo LAFCOs.

A map depicting the service areas of the four special districts follows, along with a map of the zone of benefit for CSA 11. Maps of the four cities are included in *Section 1.0 – Executive Summary*.

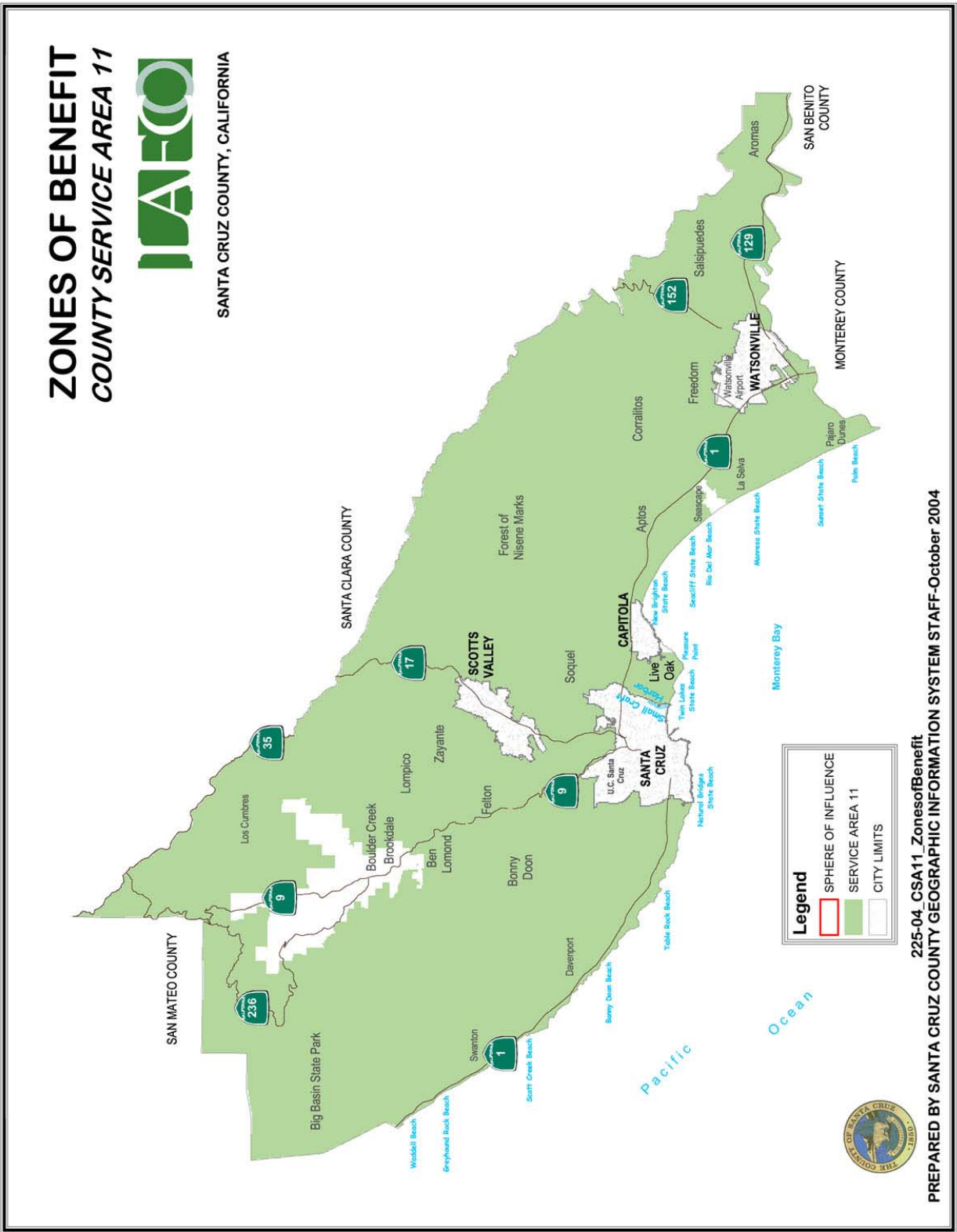
**RECREATION  
DISTRICTS**  
Santa Cruz County  
California



SCALES VARY



19-PL\_00001 PREPARED BY SANTA CRUZ COUNTY GEOGRAPHIC INFORMATION SYSTEM STAFF-AUGUST 2004



## 9.1 Growth and Population

Development patterns, population growth and demographics have a significant impact on the provision of recreation and park services. Park facilities are community assets, and recreation programs contribute to the quality of life for residents. Community and neighborhood parks and recreation programs are generally designed to serve the needs of the local community. Larger facilities are more regionally based and draw from a larger area that often extends beyond a municipality's political boundaries. The population projections for each jurisdiction are as follows:

**Table 9.2**  
**Population Estimates**

Public Agency	2005	2010	2015	2020	2025	2030	Annual Growth Rate
City of Capitola	10,869	10,978	11,041	11,104	11,120	11,136	0.1%
City of Santa Cruz	56,953	57,768	58,846	59,924	61,956	63,987	0.5%
City of Scotts Valley	13,182	13,667	13,864	14,062	14,169	14,275	0.3%
City of Watsonville	52,716	56,779	61,126	65,473	67,946	70,418	1.3%
Santa Cruz County (unincorporated)	133,824	136,167	139,150	142,132	143,582	145,031	0.3%

*Source: AMBAG 2004 Projections*

The following current population estimates were provided by the special districts:

- Alba Recreation and Park District 160
- Boulder Creek Recreation and Park District 10,724
- La Selva Beach Recreation and Park District 1,556
- Opal Cliffs Recreation and Park District 6,458

Growth within any area signals a potential increase in demand for recreation and park services. Similar to other public services, agencies are often required to absorb growth with limited additional funding.

## 9.2 Infrastructure Needs and Deficiencies

The agencies included in this review offer a wide range of recreation programs and park facilities. The variety is due to a number of factors including community preferences, natural amenities, service area demographics, City and County General Plans, and funding sources. Most of the agencies have master plans and capital improvement programs that guide the future development of their facilities.

### City of Capitola

The City of Capitola has approximately 17.6 acres of parkland and offers recreation services to residents who live within the boundaries of City and the Soquel Union Elementary School District, which includes Soquel and Santa Cruz Gardens. The City offers ballfields, playgrounds and a recreation and fitness center. The City does not have adopted standards for service nor does it have a master plan. The City noted that there is a need for more facilities, including rooms for classes, large exercise/dance rooms, and

a performing arts center. Capital improvements budgeted for FY 2004-2005 include construction of a tot lot adjacent to the existing Capitola Branch Library and remodeling existing restrooms at Esplanade Park.

### **City of Santa Cruz**

The City of Santa Cruz has approximately 1,600 acres of parkland, including ten playgrounds, nine ballfields, one swimming pool, one skate park, and two municipal open space preserves. The City does not have adopted standards for service, but it does have a Recreation and Parks Master Plan. Several new facilities have been added in the recent past, including Depot Park with soccer fields, a teen center and the skate park.

The Capital Improvement Program includes \$648,850 in projects approved for funding through FY 2006-2007. FY 2004-2005 projects include play equipment renovations, a greenbelt master plan, new fixtures and poles at Harvey West Park, improvements to the wharf, and tennis/basketball court improvements. Unfunded projects total \$2,019,000 and include reconstruction of the wharf east egress, lifeguard headquarters remodel, irrigation system improvements at DeLaveaga and Westlake Parks, and replacing the Harvey West pool slide. Creating a neighborhood park on the west side of the City is one of the challenges the agency faces during the next five years.

### **City of Scotts Valley**

The City of Scotts Valley has approximately 89 acres of parkland, including six ballfields and five recreation centers. The City recently added a 20,000 square foot skate park and has purchased and developed a new community center; one of the goals for FY 2004-2005 is to integrate these two new facilities into the recreation program and the community. The 2004-2009 Capital Improvement Program includes \$7,983,500 in projects with \$326,000 budgeted for FY 2004-2005. The FY 2004-2005 projects include acquisition of Skypark and related improvements and Community Center improvements. The City does not have adopted standards for service, but does have a Parks Master Plan to guide future infrastructure additions and improvements.

### **City of Watsonville**

The City of Watsonville has 70 acres of parkland plus the 77.7-acre Pinto Lake City Park of which 8 acres is land and the remainder is water acres. In addition, the City has purchased 38 acres in the Buena Vista area for future park development. 99% of the City's park land is for active use.

Capital Improvement projects for FY 2003-05 included the Franich Park acquisition and development of the Pajaro River Park Trail, the second phase of the renovation of various city parks, and collaborating with a local church to provide for Flodberg Park. One of the challenges the City faces is having sufficient affordable land within new residential areas to provide adequately sized parks. The City Council is actively encouraging developers to set aside and develop adequately sized parks within new residential areas, such as Sea View Ranch Park and Las Brisas Park.

The City adopted a Parks and Open Space Master Plan in 1992 and uses the California Park and Recreation Society's *VIP Action Plan (Vision, Insight and Planning)* for standards of service.

The City of Watsonville received the US Department of Community Development Best Practices Award for the YouthBuild Program and Summer Student Web Page design project, Neighborhood Services Division's Mediation Program, and Ramsay Park Family Center Program.

### **County of Santa Cruz and County Service Area 11 – Recreation and Parks**

The County of Santa Cruz Department of Parks, Open Space and Cultural Services operates the County's 1,400 acre park system. This includes 223 developed acres with 55 maintained sites and 22,200 square feet of building space. The Department is responsible for 17 athletic fields. Estimated usage in FY 2004-2005 is 5,405 recreation registrations, 2,292 swim lesson participants, 76,116 swim admissions, and 6,678 facility bookings with over 1,000,000 park visits. Infrastructure improvements for FYs 2003-2004 and 2004-2005 include opening the new Hestwood Park; installing a co-generation system at the Simpkins Swim Center; constructing new play structures at Santa Cruz Gardens, Mesa Village Park and Felton Covered Bridget Park; constructing a BMX track at the Polo Grounds and a Dog Park at Pinto Lake County Park; rebuilding the 26<sup>th</sup> Avenue stairs; and renovating the Santa Cruz Veterans Memorial Building. Future projects include implementation of the Moran Lake Master Plan, renovating the Simpkins Family Swim Center and Brommer Park, constructing a small park with a playground and picnic area at Felt Street, refurbishing the Highlands Tennis Courts, completing repairs to the Veterans Memorial Building, designing a new play structure for Aptos Park, and installing a self-guided nature trail at Pinto Lake County Park.

Some changes are anticipated in the recreational programs offered for FY 2005-2006. The day-to-day operations of the youth program at the Live Oak Teen Center at Shoreline Middle School will be transitioning to a non-profit agency. The after school recreation program and summer camp at Highlands County Park will be discontinued as enrollment has decreased 40% due to the opening of a program at Quail Hollow Elementary School by the San Lorenzo Valley School District.

County Service Area 11 was established to provide funds for park acquisition, park development and maintenance, recreation programs, and to contribute to the overall operation of the Parks, Open Space and Cultural Services Department. The CSA's zone of benefit encompasses the unincorporated area within the County, excluding the independent recreation districts of Alba, Boulder Creek, La Selva and Opal Cliffs.

### **Alba Recreation and Park District**

The Alba Recreation and Park District maintains the historic Alba Schoolhouse built in 1895. The District has planned for improvements to the schoolhouse that include replacing a stove, refinishing floors, rearranging the library, and possibly adding some land to their current one-half acre. The District noted that it has been allocated \$220,000 in Proposition 40 funding, but has not been able to capitalize on this opportunity.

**Boulder Creek Recreation and Park District**

The Boulder Creek Recreation and Park District service area is approximately 16 square miles with the District primarily serving the communities of Boulder Creek and Brookdale. The District has a recreation center, three parks and tennis courts. The total park area is less than five acres and is entirely designated for active recreation.

The Boulder Creek Recreation and Park District leases the Boulder Creek Recreation Hall from the Boulder Creek Fire Protection District for the sum of \$1 for a twenty-five year period that ends in 2018. At expiration, the Recreation District has the option to renew the lease for another 25 years for the additional sum of \$1. The Recreation District also has the option to purchase the building for \$1 if the Fire District is placed in control of persons outside the Boulder Creek community due to a consolidation, dissolution, or bankruptcy. In addition, the Recreation District began rehabilitating Garrahan Park in June 2003 with funding provided by the Jack Hayes Memorial Trust Fund.

**La Selva Beach Recreation and Park District**

The La Selva Beach Recreation and Park District serves the unincorporated community of La Selva Beach extending from the beach to Highway 1 and has a park area of approximately five acres. Amenities include a playground, recreation center and fitness center. The La Selva Beach Recreation and Park District completed renovations to the Beach Club House in 2002 with financing provided by park dedication funds. The District also upgraded the playground to meet ADA requirements.

**Opal Cliffs Recreation and Park District**

The Opal Cliffs Recreation and Park District operates one park which provides beach access from Opal Cliffs Drive.



### 9.3 Financing Constraints and Opportunities

Recreation and park services are primarily funded through General Fund appropriations, service charges, facility rental fees and property tax revenue/special assessments. Three of the four Recreation and Park Districts are primarily funded through property taxes. Alba Recreation and Park District relies entirely on donations and grants. The districts that levied a property tax prior to Proposition 13 in 1978 are entitled to continue sharing a proportionate share of the 1% overall property tax. CSA 11 provides a dedicated source of funding for recreation and park services within unincorporated County areas outside the four Recreation and Park districts.

Table 9-4 below compares per capita spending for recreation services as reported by the agencies. The per capita spending by the cities is fairly similar; however there is a wide disparity between the cities and the special districts. This may be due to the fact that the Recreation and Park districts provide limited recreation programs in comparison to the cities.

**Table 9.4**  
**FY 04-05 Recreation Program Expenditures Per Capita**

Public Agency	Expenditures per Capita
<b>County of Santa Cruz</b> (General Fund and CSA 11)	\$15.72
<b>Cities</b>	
City of Capitola	\$79.92 <sup>1</sup>
City of Santa Cruz	\$75.00
City of Scotts Valley	\$80.00
City of Watsonville	\$66.31
<b>Special Districts</b>	
CSA 11 – Recreation and Parks	Included above
Alba Recreation and Park District	\$10.63
Boulder Creek Recreation and Park District	\$13.75
La Selva Beach Recreation and Park District	\$108.00
Opal Cliffs Recreation and Park District	\$0.80 <sup>2</sup>

<sup>1</sup>This amount doesn't include beach lifeguards which are reported as part of the Capitola Police Department.

<sup>2</sup>6,458 US Census 2000 population and \$5,152 total expenditures as reported to State Controller for FY 2001-2002

A number of the agencies noted that they are challenged to continue providing the same levels of service as revenue is not keeping pace with growth and cost increases.



**City of Capitola**

The City of Capitola funds its Recreation and Park programs through General Fund appropriations, recreation fees and facility rental revenue. Park Maintenance is included in the Public Works budget and the Recreation Department has its own budget. The following summarizes recreation and park funding for Capitola:

**City of Capitola – Recreation and Park Funding**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Mid-Yr Est.</b>	<b>FY 04-05 Final Budget</b>
<b>Park Maintenance Expenditures</b>			
Staffing	\$297,400	\$316,700	\$349,200
Contract Services	\$42,000	\$51,200	\$65,100
Materials & Supplies	\$59,800	\$37,000	\$34,100
Internal Service Charges	\$39,100	\$36,030	\$26,900
<b>Total Park Maintenance Expenditures*</b>	<b>\$438,300</b>	<b>\$440,930</b>	<b>\$475,300</b>
<b>Recreation Revenue Sources</b>			
General Fund*	\$117,600	\$138,110	\$124,900
Recreation Fees	\$626,100	\$615,700	\$630,000
Jade Street Facility Rents	\$9,000	\$13,200	\$13,200
<b>Total Revenue</b>	<b>\$752,700</b>	<b>\$767,010</b>	<b>\$768,100</b>
<b>Recreation Expenses</b>			
Staffing	\$403,800	\$404,800	\$412,300
Contract Services	\$199,400	\$161,900	\$183,400
Materials & Supplies	\$81,400	\$141,000	\$109,500
Internal Service Charges	\$68,100	\$59,310	\$62,900
<b>Total Expenses</b>	<b>\$752,700</b>	<b>\$767,010</b>	<b>\$768,100</b>
<b>*Net Appropriation from General Fund</b>	<b>\$555,900</b>	<b>\$579,040</b>	<b>\$600,200</b>

The City has received grant funding of \$298,695 for its FY 2004-2005 capital improvement projects.

**City of Santa Cruz**

The City of Santa Cruz funds its Parks and Recreation Department through General Fund appropriations and the Golf Course fund. The City has established a Parks and Recreation Fund that includes sub-funds earmarked for Parks and Recreation purposes. These include the Parks and Recreation Facilities Fee Fund which receives revenue from developers of new subdivisions who elect to pay fees in-lieu of park dedication; the fees can only be expended in the same quadrant of the City in which they are collected. The second sub-fund is the Parks and Recreation Facilities Tax Fund which accounts for special taxes collected on the construction of new or remodeled residential dwellings; the fees are designated 50% for greenbelt purposes and 50% for parks and recreation facilities.

**City of Santa Cruz – Parks and Recreation Department Funding**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Estimated</b>	<b>FY 04-05 Budget</b>
<b>Expenditures</b>			
Personnel Services	\$8,235,271	\$8,045,972	\$8,381,768
Services & Supplies	\$3,833,911	\$4,307,281	\$4,341,754
Capital Outlay	\$284,979	\$138,594	\$92,248
Debt Service	\$188,415	\$188,189	\$193,431
<b>Total Expenditures</b>	<b>\$12,542,576</b>	<b>\$12,680,036</b>	<b>\$13,009,201</b>
<b>Revenue Sources</b>			
General Fund	\$10,726,320	\$10,817,823	\$11,059,975
General Fund Designated	\$8,712	\$15,530	\$23,000
Golf Course Fund	\$1,807,544	\$1,846,683	\$1,926,226
<b>Total Revenue</b>	<b>\$12,542,576</b>	<b>\$12,680,036</b>	<b>\$13,009,201</b>
<b>Parks and Recreation Fund Balance, end of year</b>	<b>\$960,186</b>	<b>\$684,559</b>	<b>\$549,559</b>
<b>Golf Course Fund, end of year</b>	<b>\$431,601</b>	<b>\$3,112,107</b>	<b>\$143,686</b>

**City of Scotts Valley**

Park Maintenance and Recreation are both included in the City of Scotts Valley Public Works Department budget. Park Maintenance is responsible for maintenance of the grounds at Siltanen Park, MacDorsa Park, Hocus Pocus Park, the Senior Center, and various other landscaped areas throughout the City.

The City has four special revenue funds related to recreation and parks: Senior Center Designated Donations, Senior Center Operations, Skypark Open Space Maintenance Assessment District, and Community Center Operations.

**City of Scotts Valley – Recreation and Park Funding**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Projected</b>	<b>FY 04-05 Budget</b>
<b>Park Maintenance Expenditures</b>			
Salaries & Benefits	\$162,699	\$183,170	\$220,214
Services & Supplies	\$156,392	\$166,000	\$126,000
Fixed Assets	\$10,533	0	0
<b>Total Park Maintenance Expenditures:</b>	<b>\$329,624</b>	<b>\$349,170</b>	<b>\$346,214</b>
<b>Recreation Revenue Sources:</b>			
Program Charges	\$846,530	\$885,000	\$910,000
Facility Rentals	\$6,811	\$6,000	\$10,000
Other Revenue	\$618	\$1,000	\$1,000
<b>Total Revenue</b>	<b>\$853,959</b>	<b>\$892,000</b>	<b>\$921,000</b>
<b>Recreation Expenses</b>			
Salaries & Benefits	\$630,829	\$631,577	\$636,716
Services & Supplies	\$322,361	\$293,051	\$293,990
<b>Total Expenses</b>	<b>\$953,190</b>	<b>\$924,628</b>	<b>\$930,706</b>
<b>Net Appropriation from General Fund</b>	<b>\$428,855</b>	<b>\$381,798</b>	<b>\$355,920</b>

**City of Watsonville**

The City of Watsonville funds its Parks and Community Services Department through General Fund appropriations.

**City of Watsonville – Parks and Community Services Funding**

<b>Finances</b>	<b>FY 02-03 Projected</b>	<b>FY 03-04 Budget</b>	<b>FY 04-05 Budget</b>
General Fund Appropriations	\$2,573,484	\$3,073,306	\$3,145,029
Grant Funding	\$261,680	\$420,510	\$34,621
<b>Total Funding</b>	<b>\$2,835,164</b>	<b>\$3,493,816</b>	<b>\$3,179,650</b>

The Enterprise Community Grant funding program ended in December 2004. Mid-cycle budget revisions for FY 2004-2005 include reducing drop-in programs at Marinovich Community Center and River Park from twelve months to three and eliminating the Mona Lisa Drop-In program; funding two computer centers at Ramsay Park and ECYN Center out of the General Fund (they had been funded by the Enterprise grant); and restoring funds to continue operation of the Marinovich Computer Center. The City notes that one of the challenges it faces is acquiring the funds to develop or reconstruct parks and recreational facilities.

**County of Santa Cruz and County Service Area 11 – Recreation and Parks**

The County funds the Department of Parks, Open Space and Cultural Services through General Fund appropriations and revenues from admission fees, facility rentals, recreation fees, and grants. County Service Area 11 is funded through property tax revenue and special assessments.

**Department of Parks, Open Space and Cultural Services – Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Est. Actual	FY 04-05 Budget
<b>Sources</b>			
Revenues	\$1,891,213	\$2,455,281	\$2,395,023
<b>Expenditures</b>			
Salaries & Benefits	\$4,109,898	\$4,385,446	\$4,418,113
Services & Supplies	\$1,647,418	\$1,579,536	\$1,420,779
Fixed Assets	\$40,411	\$350,034	0
Intra-Fund Charges	(\$195,211)	(\$211,652)	(\$216,157)
<b>Total Expenditures</b>	<b>\$5,602,516</b>	<b>\$6,103,364</b>	<b>\$5,622,735</b>
<b>Net County Cost</b>	<b>\$3,711,303</b>	<b>\$3,648,083</b>	<b>\$3,227,712</b>

**CSA 11 – Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Sources</b>			
1% Property Tax	\$204,142	\$227,159	\$230,917
Supplemental Allocation Plan	\$354,306	\$470,426	\$474,100
Service Charges (Assessment)	\$293,260	\$294,096	\$292,988
Interest	\$12,321	\$7,330	\$6,978
Other Revenue	\$20,584	\$26,922	\$18,312
<b>Total Sources</b>	<b>\$884,613</b>	<b>\$1,025,933</b>	<b>\$1,023,295</b>
<b>Uses</b>			
Services & Supplies	\$694,922	\$843,512	\$1,147,681
Debt Service	\$127,087	\$156,932	\$160,657
Contribution to Other Agencies			\$79,997
Fixed Assets	\$79,354	\$1,317	
Operating Transfers Out	\$116,000	\$159,885	\$41,934
<b>Total Uses</b>	<b>\$1,017,363</b>	<b>\$1,161,646</b>	<b>\$1,430,269</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$132,750)</b>	<b>(\$135,713)</b>	<b>(\$406,974)</b>
<b>Fund Balance, end of year</b>	<b>\$511,154</b>	<b>\$459,209</b>	

Index 134910

The County notes that adequate funding for recreation and parks is a significant challenge in order to continue to maintain and provide current county facilities, programs and staff. Funding limitations restrict the addition of new programs and facilities. In FY 2004-2005, the Department's budget was reduced by \$367,520 which included the elimination of 9.95 staff positions; the cost savings was partially offset by negotiated salary increases and increases in the cost of insurance and retirement. The staff reduction requires staff reorganization and reductions in recreation services, field services and administration.

CSA 11 receives a share of the 1% property tax; property tax revenue will be decreased in FY 04-05 by \$61,208 for ERAF III. In addition, every residential unit within CSA 11 is assessed a debt service charge to repay long term debt related to park infrastructure.

### **Alba Recreation and Park District**

The primary sources of revenue for the Alba Recreation and Park District are donations and a small increment of interest income. Due to funding, the District is limited in the services it can provide.

#### **Alba Recreation and Park District – Financial Summary**

<b>Finances</b>	<b>FY 02-03 Actual</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Budget</b>
<b>Sources</b>			
Interest	\$80	\$56	\$100
Contributions and Donations	\$1,904	\$1,726	\$1,500
<b>Total Sources</b>	<b>\$1,984</b>	<b>\$1,782</b>	<b>\$1,600</b>
<b>Uses</b>			
Services & Supplies	\$969	\$1,912	\$4,650
Fixed Assets			\$150
Contingencies			\$319
<b>Total Uses</b>	<b>\$969</b>	<b>\$1,912</b>	<b>\$5,119</b>
<b>Net Surplus/(Deficit)</b>	<b>\$1,015</b>	<b>(\$130)</b>	<b>(\$3,519)</b>
<b>Fund Balance, end of year</b>	<b>\$3,650</b>	<b>\$3,619</b>	

*Index 680100*

In 2003 the District was awarded \$220,000 in grant funding through the Proposition 40 Per Capita Grant Program. Eligible Projects include acquisition, development, improvement, rehabilitation, restoration, enhancement, and the development of interpretive facilities, of local parks and recreational lands and facilities. Per Capita grant funds can only be used for capital outlay and no matching funds are required. The District has not yet determined how the funds will be used.

**Boulder Creek Recreation and Park District**

The Boulder Creek Recreation and Park District's primary sources of revenue are property taxes and charges for services.

**Boulder Creek Recreation and Park District – Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Sources</b>			
1% Property Tax	\$114,265	\$123,459	\$114,632
Service Charges	\$19,839	\$17,409	\$21,000
Park Dedication Fees	\$2,000	\$12,874	0
Rents and Concessions	\$3,708	\$1,966	\$4,000
Interest	\$8,965	\$6,025	\$6,000
Other Revenue, Contributions	\$5,693	\$1,693	\$1,795
<b>Total Sources</b>	<b>\$154,469</b>	<b>\$163,426</b>	<b>\$147,427</b>
<b>Uses</b>			
Salaries & Employee Benefits	\$75,439	\$82,024	\$86,332
Services & Supplies	\$59,567	\$54,748	\$57,095
Fixed Assets	\$2,572	\$21,646	
Contingencies			\$4,000
<b>Total Uses</b>	<b>\$137,578</b>	<b>\$158,419</b>	<b>\$147,427</b>
<b>Net Surplus/(Deficit)</b>	<b>\$16,892</b>	<b>\$5,008</b>	<b>0</b>
<b>Fund Balance, end of year</b>	<b>\$472,577</b>	<b>\$477,584</b>	

*Index 680900*

The District's property tax revenue will be reduced by \$10,543 in FY 2004-2005 for ERAF III. As of June 30, 2003, the District had a balance available of \$124,280 in park dedication fees.

**La Selva Beach Recreation and Park District**

The La Selva Beach Recreation and Park District's primary sources of revenue are property taxes, park dedication fees and rents.

**La Selva Beach Recreation and Park District – Financial Summary**

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Sources</b>			
1% Property Tax	\$68,016	\$72,789	\$74,000
Park Dedication Fees	\$30,344	\$14,958	\$18,000
Rents & Concessions	\$41,346	\$45,306	\$45,000
Interest	\$2,133	\$582	\$700
Other Revenue, Contributions	\$1,000	\$3,000	\$2,000
<b>Total Sources</b>	<b>\$142,839</b>	<b>\$136,635</b>	<b>\$139,700</b>
<b>Uses</b>			
Salaries & Employee Benefits	\$16,401	\$18,164	\$24,300
Services & Supplies	\$68,553	\$58,989	\$84,500
Fixed Assets	\$134,057	\$31,084	\$60,000
<b>Total Uses</b>	<b>\$219,011</b>	<b>\$108,237</b>	<b>\$168,800</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$76,172)</b>	<b>\$28,398</b>	<b>\$29,100</b>
<b>Fund Balance, end of year</b>	<b>\$33,130</b>	<b>\$61,529</b>	

*Index 6820000*

The District's property tax revenue will be reduced by \$6,319 in FY 2004-2005 for ERAF III.



### Opal Cliffs Recreation and Park District

The Opal Cliffs Recreation and Park District is funded through property tax revenue, park dedication fees and service charges.

#### Opal Cliffs Recreation and Park District – Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Budget
<b>Sources</b>			
1% Property Tax	\$1,606	\$1,665	\$2,465
Service Charges	\$10,440	\$7,114	\$10,000
Park Dedication Fees	\$18,350	0	0
Interest	\$35	(\$29)	0
Other Revenue	(\$66)		
<b>Total Sources</b>	<b>\$30,365</b>	<b>\$8,750</b>	<b>\$12,465</b>
<b>Uses</b>			
Services & Supplies	\$29,633	\$14,720	\$6,651
Fixed Assets	\$4,930		
<b>Total Uses</b>	<b>\$34,563</b>	<b>\$14,720</b>	<b>\$6,651</b>
<b>Net Surplus/(Deficit)</b>	<b>(\$4,198)</b>	<b>(\$5,970)</b>	<b>\$5,814</b>
<b>Fund Balance, end of year</b>	<b>\$256</b>	<b>(\$5,714)</b>	

*Index 6830000*

The Opal Cliffs Recreation and Park District's property tax revenue will be reduced by \$157 in FY 2004-2005 for ERAF III. The District notes that costs associated with vandalism and other crimes impact their budget.

### 9.4 Cost-Avoidance Opportunities

Each of the agencies providing recreation and park services is actively seeking cost avoidance opportunities through efficient management, budgeting, and shared facilities. The cities participate in JPAs for insurance. The Boulder Creek Recreation and Park District participates in the California Association of Park and Recreation Insurance (CAPRI), a joint powers agency formed to provide insurance for special districts. Several of the agencies have agreements with the local school district for facility use.

The City of Watsonville is leasing the 17-acre Buena Vista property for agricultural purposes until construction of park facilities and improvements in the future. This is expected to generate approximately \$2,000 per acre for the City's General Fund.

In order to control costs and reduce the budget, the County Department of Parks, Open Space and Cultural Services eliminated 9.95 staff positions in FY 2004-2005, which required staff reorganization. The County expects to realize significant savings in energy costs due to the co-generation system installed at the Simpkins Swim Center as well as a \$15,000 reduction in expenditures for pool chemicals in FY 2004-2005. The County also reduced professional service contracts for security and training (\$72,269), and eliminated recreation program contracts with outside agencies (\$72,937).

### **9.5 Opportunities for Shared Facilities**

The City of Capitola has agreements with the Soquel Union Elementary School District to use the Jade Street Park, a gymnasium, and classrooms for its recreation programs. The City also has an agreement with Cabrillo College to use the College's swimming pool.

Alba Recreation and Park District leases Alba School from the San Lorenzo Valley School District.

The La Selva Beach Recreation and Park District cooperates with the Aptos/La Selva Fire Protection District. They have joint use of an emergency generator shared between the fire station and the clubhouse.

The County Department of Parks, Open Space and Cultural Services has the expertise to assist the Alba Recreation and Park District with the grant the District has been awarded. The County could assist in defining the project and administering the grant in order to maximize the benefit from the financial award.

## 9.6 Management Efficiencies

All of the agencies included in this review are achieving some level of management efficiency for their operations. Most agencies operate with a limited number of full-time equivalent staff supplemented with contract, temporary and seasonal labor. The ratio varies, depending on the programs offered and the agency's goals for recreation services. Staffing and labor for each agency are shown below in *Table 9-5* along with the acres of active park area per maintenance worker.

**Table 9.5**  
**Recreation and Parks Staffing**

Public Agency	No. of Full-Time Equivalent Staff	Annual Extra Help Hours	Acres/Maintenance Worker
<b>County of Santa Cruz – Dept. of Parks, Open Space and Cultural Services</b>	53.55	37,220	11
<b>Cities</b>			
City of Capitola	3 Rec / 5 Parks	20,778	6
City of Santa Cruz	101	~603,400	44
City of Scotts Valley	6 Rec / 3 Parks	2,430	13
City of Watsonville	37	24,196	6
<b>Special Districts</b>			
CSA 11 – Recreation and Parks	0	0	0
Alba Recreation and Park District	all volunteers	all volunteers	NA
Boulder Creek Recreation and Park District	1	NP	5
La Selva Beach Recreation and Park District	0.75	<i>Contract for landscape maintenance only</i>	4
Opal Cliffs Recreation and Park District	NP	NP	NP

*NP – not provided*

The Alba Recreation and Park District is currently operating similar to a non-profit organization and has not been able to capitalize on the grant funding it has been awarded. The District should explore the possibility of having the County assist the District in administering the grant project.

The City of Watsonville's Park Division staff also maintains all public building landscaping, parking lots, landscaped medians, and street trees within the City, in addition to parks. The City conducts bi-weekly inspections and monthly equipment inspections. The City notes that one of the challenges it faces is retaining qualified professional personnel for department staffing needs.

Watsonville's Parks Division developed a time/task/project accounting system to track specific personnel time requirements, equipment and supply needs and costs associated with various operations. This program allows for accurate forecasting of staff and budget needs as well as future park site requirements.

The County provides in-house training and cross training to staff in order to promote from within. The Department is using an Integrated Pest Management (IPM) Program with a goal of eventually eliminating the use of all pesticides at County facilities.

### **9.7 Opportunities for Rate Restructuring**

Each of the Recreation and Park agencies charges some sort of user fee for its programs or facilities. Most fees are established to cover the agency's cost of the program or facility use.

The City of Santa Cruz charges facility rental fees. The current rates were approved in February 2004 and vary by user type: non-profit, standard and commercial. Non-residents pay an additional \$20 per site/facility.

The current rate schedule for the City of Scotts Valley became effective in June 2004 and includes recreation programs, team and individual sports, and facility rentals. Non-residents pay a higher fee based on the standard rate for residents.

The City of Watsonville charges a \$6.00 surcharge for non-residents enrolling in the City's recreational programs. The City also charges facility rental fees which vary by user type.

The County Department of Parks, Open Space and Cultural Services annually reviews the rate structure for facility use and rentals, recreation programs and other service charges. In FY 2004-2005 various fees were increased and selected programs were restructured to make them self-sustaining.

All residential units within CSA 11 are currently assessed \$6.58 annually for long-term debt service. The rate is determined by the County Board of Supervisors based on the outstanding principal and annual debt service costs.

The Boulder Creek Recreation and Park District charges facility rental fees with contract instructors paying facility rentals for the course. Course participants who live outside the District's service area are charged an additional \$2.50 per course.

The La Selva Beach Recreation and Park District rents the clubhouse on an hourly basis. The rates have not changed since January 2000.

The Opal Cliffs Recreation and Park District charges a \$25 annual fee for use of the District's beach access facility.

### **9.8 Government Structure Options**

The four independent special districts – Alba, Boulder Creek, La Selva Beach and Opal Cliffs – were all formed under the Recreation and Park District Law, Public Resources Code §5780 et seq.

The La Selva Beach Recreation and Park District and LAFCO should consider extending the District's sphere of influence to include Place de Mer, Sand Dollar Beach, and Canon del Sol.

The Opal Cliffs Recreation and Park District is wholly located within the City of Capitola's Sphere of Influence. If Opal Cliffs annexes to the City of Capitola, the Opal Cliffs Recreation and Park District should dissolve and the City of Capitola should maintain the beach access.

### **9.9 Local Accountability and Governance**

The parks and recreation services provided by the four cities are addressed by the respective City Councils during regular Council meetings.

The Cities of Santa Cruz, Watsonville and Scotts Valley each have a Parks and Recreation Commission which advises the City Council on matters pertaining to public recreation, makes recommendations on the annual budget for the Parks and Recreation Department and assists in program planning. Each commission has seven members appointed by the City Council.

The City of Scotts Valley also has the Parks and Recreation Advocates, a private non-profit 501(c)3 fundraising group. The five members are appointed by the City Council.

Watsonville received the California Park and Recreation Society Award of Excellence for the Parks and Community Services Department website.

CSA 11 is a dependent district governed by the County Board of Supervisors.

The independent special districts are governed by locally elected boards; when candidates run unopposed, the County Board of Supervisors appoints the board members. The board members of each special independent district, their terms of office and compensation are shown in the following tables:

#### **Alba Recreation and Park District**

<b>Board of Directors:</b>	<b>Title</b>	<b>Term Expiration</b>	<b>Compensation</b>
Julia Gotthold	Chairman	2005	None
Gerald Brown	Director/Treasurer	2007	None
Steve Young	Director/Secty	2005	None
Jean McCarthy	Director	2007	None

The Alba Recreation and Park District meets the second Wednesday of the month at the Schoolhouse on Alba Road in Ben Lomond. The District provides public notice through telephone calls and does not maintain a website.

**Boulder Creek Recreation and Park District**

Board of Directors:	Title	Term Expiration	Compensation*
Heidi Lindsay	Director	2008	None
George Galt	Chairman	2006	None
Eric Hammer	Director	2008	None
Paul Storm	Secretary	2006	None
April Terrell	Director	2008	None

*\*Directors may claim \$150 per meeting but all have volunteered their services*

The Boulder Creek Recreation and Park District meets the first Wednesday of the month at 7:00 PM at 13333 Middleton Avenue in Boulder Creek. The District provides public notice through posting, fax and its website ([www.bcrpd.org](http://www.bcrpd.org)).

**La Selva Beach Recreation and Park District**

Board of Directors:	Title	Term Expiration	Compensation
Ronald Manabe	Director	Dec. 2006	None
Tom Roberts	Director	Dec. 2006	None
Rob Brough	Director	Dec. 2008	None
Robert Ellenwood	Director	Dec. 2008	None
Dolores Wiemers	Director	Dec. 2008	None

The La Selva Beach Recreation and Park District meets the second Wednesday of the month at 7:30 PM at 314 Estrella in La Selva Beach. The District provides public notice through posting and a community newsletter but does not maintain a website.

**Opal Cliffs Recreation and Park District**

Board of Directors:	Title	Term Expiration	Compensation
John Griffith	Director	2007	None
Robert Weaver	Director	2005	None
Craig Springbett	Director	2007	None
David King	Director	2007	None
Gunnar Roll	Director	2005	None

*NP – not provided*

The Opal Cliffs Recreation and Park District meets quarterly and the location varies (no specific locations were identified). The District provides public notice through posting and email but does not maintain a website.

**– DETERMINATIONS BY AGENCY –**

**– City of Capitola–**

**1) *Population and Growth***

The population within the City of Capitola is expected to increase 0.1% annually per AMBAG 2004 projections. The City's recreation and parks service area extends beyond city boundaries to include the area within the Soquel Union Elementary School District.

**2) *Infrastructure Needs and Deficiencies***

The City of Capitola has a need to keep existing parks available for use and for more recreational facilities, including classrooms, large exercise rooms, and a performing arts center.

The City has not developed a Parks Master Plan.

**3) *Financing Constraints and Opportunities***

The City of Capitola funds its recreation and parks programs through the City's General Fund and service charges. The City will need to strive to maintain existing levels of service given limited revenues and increasing costs.

**4) *Cost Avoidance Opportunities***

The City is controlling facility costs through its agreements with the Soquel Union Elementary School District to use school facilities and with Cabrillo College for use of the swimming pool.

**5) *Management Efficiencies***

The City of Capitola is achieving management efficiencies with its staffing and use of temporary/seasonal/contract labor as needed.

**6) *Shared Facilities***

The City of Capitola shares facilities with the Soquel Union Elementary School District and Cabrillo College.

**7) *Rate Restructuring***

The City adjusts program rates as needed based on the cost to provide the service.

**8) *Government Structure Options***

The Opal Cliffs Recreation and Park District is wholly located within the City of Capitola's Sphere of Influence. If the City annexes Opal Cliffs, it should take over the District's facility and the District should be dissolved.

**9) Local Accountability and Governance**

Recreation and park services are addressed by the City Council during regular Council meetings. The City has procedures in place to ensure public notice of meetings.

**– City of Santa Cruz –**

**1) Population and Growth**

The population within the City of Santa Cruz is expected to increase 0.5% annually per AMBAG 2004 projections. Demand for recreation and park services will increase in proportion to growth.

**2) Infrastructure Needs and Deficiencies**

The City of Santa Cruz manages 1,600 acres of parkland and has recently added new recreation facilities.

The City has adopted a Parks Master Plan, which provides direction and guidance for future park development and infrastructure improvements.

**3) Financing Constraints and Opportunities**

The City of Santa Cruz funds its recreation and parks programs and park capital improvements through the City's General Fund, service charges, development impact fees and the Park Facilities Tax assessed on new and remodel residential construction.

The City accounts for its golf course operations as an enterprise activity.

**4) Cost Avoidance Opportunities**

No cost avoidance opportunities were noted.

**5) Management Efficiencies**

The City of Santa Cruz is achieving management efficiencies with its staffing and use of temporary/seasonal/contract labor as needed. The City has the highest ratio of active park acreage per maintenance worker in the County.

**6) Shared Facilities**

The City of Santa Cruz shares facilities across city departments in the provision of recreation and park services.

**7) Rate Restructuring**

The City of Santa Cruz adjusts program rates as needed based on the cost to provide the service. The City assesses a Park Facilities tax on all residential construction, whether new or remodel. 50% of the tax is dedicated for greenbelt use and 50% is for park facilities.



**8) Government Structure Options**

The City of Santa Cruz is providing recreation and park services within its boundaries. No government structure options were noted during this study.

**9) Local Accountability and Governance**

Recreation and park services are addressed by the City Council during regular Council meetings. The City has procedures in place to ensure public notice of meetings.

The City of Santa Cruz Parks and Recreation Commission advises the City Council on matters pertaining to public recreation, makes recommendations on the annual budget for the Parks and Recreation Department and assists in program planning.

**– City of Scotts Valley –**

**1) Population and Growth**

The population within the City of Scotts Valley is expected to increase 0.3% annually per AMBAG 2004 projections. Demand for recreation and park services will increase in proportion to growth.

**2) Infrastructure Needs and Deficiencies**

The City of Scotts Valley manages 88.9 acres of parkland and has added new recreation facilities recently.

The City has adopted a Parks Master Plan, which provides direction and guidance for future park development and infrastructure improvements.

**3) Financing Constraints and Opportunities**

The City of Scotts Valley funds its recreation and parks programs through the City's General Fund and service charges. The City strives to maintain existing levels of service given limited revenues and increasing costs.

**4) Cost Avoidance Opportunities**

No cost avoidance opportunities were noted.

**5) Management Efficiencies**

The City of Scotts Valley is achieving management efficiencies with its staffing and use of temporary/seasonal/contract labor as needed.

**6) Shared Facilities**

The City of Scotts Valley shares facilities across city departments in the provision of recreation and park services.

**7) Rate Restructuring**

The City of Scotts Valley adjusts program fees as needed based on the cost to provide the service.

**8) Government Structure Options**

The City of Scotts Valley is providing recreation and park services within its boundaries. No government structure options were noted during this study.

**9) Local Accountability and Governance**

Recreation and park services are addressed by the City Council during regular Council meetings. The City has procedures in place to ensure public notice of meetings.

The City of Scotts Valley Parks and Recreation Advocates advise the City Council on the City's parks and recreation programs and facilities.

**– City of Watsonville –**

**1) Population and Growth**

The population within the City of Watsonville is expected to increase 1.3% annually per AMBAG 2004 projections. Demand for recreation and park services will increase in proportion to growth.

**2) Infrastructure Needs and Deficiencies**

The City of Watsonville manages 138 acres of parkland and has added new recreation facilities recently.

The City has adopted a Parks and Open Space Master Plan, and uses the service standards developed by the California Park and Recreation Society.

The City is challenged to find sufficient affordable land within new residential areas to provide adequately sized parks.

**3) Financing Constraints and Opportunities**

The City of Watsonville funds its recreation and parks programs through the City's General Fund.

The City received significant funding through the Enterprise Community Grant funding program for several years. The program ended in December 2004 and the City is appropriating funds from the General Fund to continue some of the programs and staff.

**4) Cost Avoidance Opportunities**

Watsonville is avoiding costs by leasing park land for interim agricultural use prior to park construction.

**5) Management Efficiencies**

The City of Watsonville's Park Division staff also maintains all public building landscaping, parking lots, landscaped medians, and street trees within the City, in addition to parks.

Watsonville's Parks Division developed a system to track staff, equipment and supply needs; this allows for accurate forecasting of staff and budget needs as well as future park site requirements.

**6) Shared Facilities**

The City of Watsonville shares facilities across city departments in the provision of recreation and park services.

**7) Rate Restructuring**

The City of Watsonville adjusts program rates as needed based on the cost to provide the service. Non-residents pay an additional surcharge on program fees.

**8) Government Structure Options**

The City of Watsonville is providing recreation and park services within its boundaries. No government structure options were noted during this study.

**9) Local Accountability and Governance**

Recreation and park services are addressed by the City Council during regular Council meetings. The City has procedures in place to ensure public notice of meetings.

The Watsonville Parks and Recreation Commission serves in an advisory role to the City Council on parks and recreation matters.

**– County Service Area 11 – Recreation and Parks –**

**1) Population and Growth**

County Service Area 11 provides funding for recreation and park services in unincorporated areas of the County outside the boundaries of the four Recreation and Park special districts. Population within the unincorporated area is projected to increase 0.3% annually per AMBAG 2004 projections. Demand for recreation and park services will increase in proportion to growth.

**2) Infrastructure Needs and Deficiencies**

CSA 11 provides partial funding for the County's 1,400 acre park system. CSA 11 specifically provides funds for park acquisition, park development and maintenance, recreation programs, and contributes to the overall operation of the Parks, Open Space and Cultural Services Department.

The County has implemented a number of infrastructure improvements and new construction projects in the past few years.

Parks and recreation are addressed in the County's 1994 General Plan; the Plan includes goals and objectives regarding the County's park facilities.

**3) *Financing Constraints and Opportunities***

CSA 11 is funded through property tax revenue, special assessments and service charges. The Parks, Open Space and Cultural Services Department is funded through General Fund appropriations and revenues such as user fees, program fees and facility rentals. The County is challenged to maintain existing levels of service with available funding.

**4) *Cost Avoidance Opportunities***

The County is controlling costs for recreation and park services through capital improvements at the swim center which will result in reduced energy and chemical use. The County has also eliminated staff positions and reduced or eliminated some programs.

**5) *Management Efficiencies***

The County provides in-house training and cross training of staff in order to improve efficiency and be able to promote from within.

**6) *Shared Facilities***

The County Department of Parks, Open Space and Cultural Services has the expertise to assist the Alba Recreation and Park District with the grant the District has been awarded.

**7) *Rate Restructuring***

The County annually reviews recreation program rates and various fees and facility use charges and makes adjustments as needed to cover costs.

The County has increased fees and restructured some programs to make them self-sustaining.

**8) *Government Structure Options***

CSA 11 is providing funding for recreation and park services to the unincorporated area outside the boundaries of the four Recreation and Park special districts. No government structure options were noted during this study.

**9) *Local Accountability and Governance***

Recreation and park services are addressed by the County Board of Supervisors during regular Board meetings. The County has procedures in place to ensure public notice of meetings.

**– Alba Recreation and Park District –**

**1) Population and Growth**

The Alba Recreation and Park District is maintaining the historic Alba Schoolhouse. Population growth within the area is not expected to increase service demands for the District, other than a potential increase in the number of visitors.

**2) Infrastructure Needs and Deficiencies**

The Alba Recreation and Park District is maintaining a historic schoolhouse built in 1895. Maintenance needs have been identified but the District has been unable to address all of them due to financial constraints.

**3) Financing Constraints and Opportunities**

The Alba Recreation and Park District relies solely on donations for revenue. This limits the services that can be provided by the District.

The District was awarded \$220,000 in grant funding in 2003 through Proposition 40; it has not been able to capitalize on this opportunity due to organizational limitations and no staff.

**4) Cost Avoidance Opportunities**

The Alba Recreation and Park District is avoiding personnel costs by operating with volunteer labor only. The District is avoiding administrative costs by using the services of the County Auditor-Controller for its accounting needs.

**5) Management Efficiencies**

The Alba Recreation and Park District is operating similar to a non-profit organization with all-volunteer labor. The District should explore the possibility of having the County assist the District in administering the grant project.

**6) Shared Facilities**

The Alba Recreation and Park District leases Alba School from the San Lorenzo Valley School District.

**7) Rate Restructuring**

The Alba Recreation and Park District does not charge any fees.

**8) Government Structure Options**

The Alba Recreation and Park District was formed under the Recreation and Park District Law, Public Resources Code §5780 et seq. No other government structure options were noted.

**9) Local Accountability and Governance**

The Alba Recreation and Park District is governed by a volunteer Board of Directors. Public notice of meetings is provided through telephone calls, which does not meet the requirements of the Ralph M. Brown Act.

**– Boulder Creek Recreation and Park District –**

**1) Population and Growth**

The Boulder Creek Recreation and Park District serves the communities of Boulder Creek and Brookdale. Population is expected to grow at an annual rate of 0.5%. Demand for recreation and park services will increase in proportion to growth.

**2) Infrastructure Needs and Deficiencies**

The Boulder Creek Recreation and Park District's facilities include a recreation center, three parks and tennis courts.

**3) Financing Constraints and Opportunities**

The Boulder Creek Recreation and Park District is funded through program fees and charges and property tax revenue. The District is challenged to maintain existing levels of funding with available funding.

The District's financial reserves are equal to 3.2 times the annual budget.

**4) Cost Avoidance Opportunities**

The Boulder Creek Recreation and Park District controls insurance costs by participating in a Joint Powers Insurance Authority. In addition, the District is avoiding administrative costs by using the services of the County Auditor-Controller for its accounting needs.

**5) Management Efficiencies**

The Boulder Creek Recreation and Park District is achieving management efficiencies through staffing with two part-time staff members.

**6) Shared Facilities**

The Boulder Creek Recreation and Park District leases the Boulder Creek Recreation Hall from the Boulder Creek Fire Protection District.

**7) Rate Restructuring**

The Boulder Creek Recreation and Park District adjusts program fees as needed based on the cost to provide the service.

**8) Government Structure Options**

The Boulder Creek Recreation and Park District was formed in 1951 under the Recreation and Park District Law, Public Resources Code §5780 et seq. No other government structure options were noted.

**9) Local Accountability and Governance**

The District is governed by a Board of Directors elected at large by voters within the District.

**– La Selva Beach Recreation and Park District –**

**1) Population and Growth**

The La Selva Beach Recreation and Park District provides services to the unincorporated community of La Selva Beach. Population is expected to grow at an annual rate of 0.2%.

**2) Infrastructure Needs and Deficiencies**

The La Selva Beach Recreation and Park District manages a five-acre park; facilities include a playground and the Beach Club House with a recreation center and fitness center. The Beach Club House underwent major renovations in 2002. The playground has been upgraded to meet ADA requirements.

**3) Financing Constraints and Opportunities**

The La Selva Beach Recreation and Park District is funded through facility rental fees, park dedication fees and property tax revenue.

**4) Cost Avoidance Opportunities**

The La Selva Beach Recreation and Park District is avoiding administrative costs by using the services of the County Auditor-Controller for its accounting needs.

**5) Management Efficiencies**

The La Selva Beach Recreation and Park District is achieving management efficiency by operating with minimal paid staff and contracting for landscape maintenance services.

**6) Shared Facilities**

The La Selva Beach Recreation and Park District cooperates with the Aptos/La Selva Fire Protection District and shares the use of an emergency generator.

**7) Rate Restructuring**

The La Selva Beach Recreation and Park District rents the Beach Club House at an hourly rate; rates have not been increased since 2000.

**8) Government Structure Options**

The La Selva Beach Recreation and Park District was formed in 1953 under the Recreation and Park District Law, Public Resources Code §5780 et seq.

The District and LAFCO should consider extending the District's sphere of influence to include Place de Mer, Sand Dollar Beach, and Canon del Sol.

**9) Local Accountability and Governance**

The District is governed by a Board of Directors elected at large by voters within the District.

**– Opal Cliffs Recreation and Park District –**

**1) Population and Growth**

The Opal Cliffs Recreation and Park District provides services to the unincorporated community of Opal Cliffs. Population growth is expected to be negligible.

**2) Infrastructure Needs and Deficiencies**

The Opal Cliffs Recreation and Park District manages one park with beach access. No infrastructure needs were noted.

**3) Financing Constraints and Opportunities**

The Opal Cliffs Recreation and Park District is funded through service charges and property tax revenue. The District has no reserves.

**4) Cost Avoidance Opportunities**

The Opal Cliffs Recreation and Park District is avoiding administrative costs by using the services of the County Auditor-Controller for its accounting needs.

**5) Management Efficiencies**

The Opal Cliffs Recreation and Park District is managed by the District's Board of Directors; there is no paid staff.

**6) Shared Facilities**

No opportunities to share facilities were noted.

**7) Rate Restructuring**

The Opal Cliffs Recreation and Park District charges an annual fee of \$25 for use of the beach access.

**8) Government Structure Options**

The Opal Cliffs Recreation and Park District was formed under the Recreation and Park District Law, Public Resources Code §5780 et seq.

If Opal Cliffs annexes to the City of Capitola, the Opal Cliffs Recreation and Park District should dissolve and the City of Capitola should maintain the beach access.



**9) *Local Accountability and Governance***

The District is governed by a Board of Directors elected at large by voters within the District.

## Agency Profiles

City of Capitola (Recreation and Park Services)			
Contact:	Elise Legure, Recreation Supervisor		
Mailing Address:	420 Capitola Avenue, Capitola, CA 95010		
Site Address:	Same		
Phone Number:	(831) 475-7300		
Fax Number:	(831) 475-8879		
Email/Website	<a href="mailto:elegure@ci.capitola.ca.us">elegure@ci.capitola.ca.us</a>		
Types of Services:	Recreational facilities and parks		
Population Served:	10,000		
Size of Service Area (sq miles):	4 sq miles		
Staff and Facilities			
<b>Staff</b>			
FTE	3 Recreation / 5 Parks		
Temporary / Seasonal	20,778 hours		
<b>Total Park Acreage</b>	17.6		
% Designated Open Space	0		
% for Active Recreation	95%		
<b>Adopted Master Plan</b>			
Facilities	Yes/No	# of Facilities	Operated by Private Contractor?
Tot Lots / Playgrounds	Yes	2	No
Golf Courses	No		
Recreation Centers	Yes	1	No
Fitness Centers (gym, courts)	Yes	1	No
Senior Centers	No		
Ball fields	Yes	3	No
Swimming Pools	No		
Skate Parks	No		
Veterans Memorial Buildings	No		
Other			
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	
	\$768,100	\$1,243,400	

City of Santa Cruz (Recreation and Park Services)			
Contact:	Martin Bernal, Assistant City Manager		
Mailing Address:	809 Center Street, Room 10, Santa Cruz, CA 95060		
Site Address:	Same		
Phone Number:	(831) 420-5010		
Fax Number:	(831) 420-5011		
Email/Website	<a href="mailto:citymgr@ci.santa-cruz.ca.us">citymgr@ci.santa-cruz.ca.us</a>		
Types of Services:	Recreational facilities, parks, open space		
Population Served:	55,633		
Size of Service Area (sq miles):	12 sq miles		
Staff and Facilities			
Staff			
FTE	101		
Temporary / Seasonal	603,400 hours		
Total Park Acreage	1,600		
% Designated Open Space	75%		
% for Active Recreation	25%		
Adopted Master Plan			
Facilities	Yes/No	# of Facilities	Operated by Private Contractor?
Tot Lots / Playgrounds	Yes	10	No
Golf Courses	Yes	1	No
Recreation Centers	Yes	2	No
Fitness Centers (gym, courts)	Yes	1	No
Senior Centers	No		
Ball fields	Yes	9	No
Swimming Pools	Yes	1	No
Skate Parks	Yes	1	No
Veterans Memorial Buildings	No		
Other			
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance June 30, 2004
	\$13,009,201	\$13,009,201	Parks/Rec: \$549,559 Golf Course: \$143,686

City of Scotts Valley (Recreation and Park Services)			
Contact:	Conrad Sudduth, Recreation Division Manager		
Mailing Address:	One Civic Center Drive, Scotts Valley, CA 95066		
Site Address:	361 Kings Village Road, Scotts Valley, CA 95066		
Phone Number:	(831) 438-3251		
Fax Number:	(831) 438-2557		
Email/Website	<a href="mailto:csudduth@scottsvalley.org">csudduth@scottsvalley.org</a>		
Types of Services:	Recreational facilities, parks, open space		
Population Served:	11,598		
Size of Service Area (sq miles):	4.5 sq miles		
Staff and Facilities			
Staff			
FTE	6 (not including parks)		
Temporary / Seasonal	2,430 hours		
Total Park Acreage	88.9		
% Designated Open Space	55%		
% for Active Recreation	45%		
Adopted Master Plan			
Facilities	Yes/No	# of Facilities	Operated by Private Contractor?
Tot Lots / Playgrounds	Yes	4	No
Golf Courses	No		
Recreation Centers	Yes	5	No
Fitness Centers (gym, courts)	No		
Senior Centers	Yes	1	No
Ball fields	Yes	6	No
Swimming Pools	Yes	1	No
Skate Parks	Yes	1	No
Veterans Memorial Buildings	No		
Other			
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	
	\$921,000	\$1,276,920	

City of Watsonville (Recreation and Park Services)			
Contact:	Marcela Tavantzis, Assistant City Manager		
Mailing Address:	PO Box 50000, Watsonville, CA 95077-5000		
Site Address:			
Phone Number:	(831) 768-3012		
Fax Number:	(831) 761-0736		
Email/Website	marcela@ci.watsonville.ca.us		
Types of Services:	Recreational facilities, parks, open space		
Population Served:	52,716		
Size of Service Area (sq miles):	6.59 sq miles		
Staff and Facilities			
<b>Staff</b>			
FTE	37		
Temporary / Seasonal	24,196 hours		
<b>Total Park Acreage</b>	72.5 land acres, 70 water (Pinto Lake)		
% Designated Open Space	1%		
% for Active Recreation	99%		
<b>Adopted Master Plan</b>	Yes		
Facilities	Yes/No	# of Facilities	Operated by Private Contractor?
Tot Lots / Playgrounds	Yes	13	No
Golf Courses	Yes		Yes
Recreation Centers	Yes	4	No
Fitness Centers (gym, courts)	No		
Senior Centers	Yes	1	Yes
Ball fields	Yes	3	No
Swimming Pools	No		
Skate Parks	Yes	1	No
Veterans Memorial Buildings	Yes	1	No
Other			
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	
	\$3,179,650	\$3,179,650	

County Service Area 11 – Recreation and Parks			
Contact:	Barry Samuel, Director of Parks		
Mailing Address:	979 17 <sup>th</sup> Avenue, Santa Cruz, CA 95062		
Site Address:	Same		
Phone Number:	(831) 454-7901		
Fax Number:	(831) 454-7940		
Email/Website			
Types of Services:	Recreational facilities, parks, open space		
Population Served:	135,400		
Size of Service Area (sq miles):			
Date of Formation			
Staff and Facilities			
<b>Staff</b>			
FTE	53.55 (POSCS)		
Temporary / Seasonal	37,220 (POSCS)		
<b>Total Park Acreage</b>	1,400 (POSCS)		
% Designated Open Space	85%		
% for Active Recreation	15%		
<b>Adopted Master Plan</b>			
<b>Facilities (POSCS)</b>	<b>Yes/No</b>	<b># of Facilities</b>	<b>Operated by Private Contractor?</b>
Tot Lots / Playgrounds	Yes	21	
Golf Courses	No		
Recreation Centers	Yes	5	
Fitness Centers (gym, courts)	No		
Senior Centers	Yes	1	Yes
Ball fields	Yes	17	
Swimming Pools	Yes	1	
Skate Parks	Yes	2	
Veterans Memorial Buildings	Yes	1	Yes
Other:			
Financial Information			
<b>Budget: (FY 2004-2005)</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Fund Balance June 30, 2004</b>
CSA 11	\$1,023,295	\$1,430,269	\$459,209
Dept. of Parks, Open Space and Cultural Services (General Fund)	\$2,395,023	\$5,622,735	

POSCS: Department of Parks, Open Space and Cultural Services

Alba Recreation and Park District			
Contact:	Julia Gotthold, Chairman		
Mailing Address:	11040 Alba Road, Ben Lomond, CA		
Site Address:	12070 Alba Road, Ben Lomond, CA		
Phone Number:	(831) 336-5303		
Fax Number:	NA		
Email/Website	<a href="mailto:Gotthold.julia@comcast.net">Gotthold.julia@comcast.net</a>		
Types of Services:	Recreational facilities and park		
Population Served:	160		
Size of Service Area (sq miles):	4 – 5 square miles		
Date of Formation	1954		
Staff and Facilities			
<b>Staff</b>			
FTE	0		
Temporary / Seasonal	0		
<b>Total Park Acreage</b>	0.5 acre		
% Designated Open Space	0		
% for Active Recreation	0%		
<b>Adopted Master Plan</b>			
<b>Facilities</b>	<b>Yes/No</b>	<b># of Facilities</b>	<b>Operated by Private Contractor?</b>
Tot Lots / Playgrounds	No		
Golf Courses	No		
Recreation Centers	No		
Fitness Centers (gym, courts)	No		
Senior Centers	No		
Ball fields	No		
Swimming Pools	No		
Skate Parks	No		
Veterans Memorial Buildings	No		
Other:	No		
Alba Schoolhouse	Yes	1	
Financial Information			
<b>Budget: (FY 2004-2005)</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Fund Balance June 30, 2004</b>
	\$1,600	\$5,119	\$3,619

Boulder Creek Recreation and Park District			
Contact:	April Terrell, Chair		
Mailing Address:	PO Box 325, Boulder Creek, CA 95006		
Site Address:	13333 Middleton Avenue, Boulder Creek, CA 95006		
Phone Number:	(831) 338-4144		
Fax Number:	(831) 338-3793		
Email/Website	<a href="http://www.bcrpd.org">www.bcrpd.org</a> ; bcrpd@ihwy.com		
Types of Services:	Recreation facilities and parks		
Population Served:	10,724		
Size of Service Area (sq miles):	16		
Date of Formation	December 18, 1951		
Staff and Facilities			
<b>Staff</b>			
FTE	Part time = 2		
Temporary / Seasonal			
<b>Total Park Acreage</b>	~ 3,200 acres		
% Designated Open Space	0		
% for Active Recreation	100%		
<b>Adopted Master Plan</b>	No		
<b>Facilities</b>	<b>Yes/No</b>	<b># of Facilities</b>	<b>Operated by Private Contractor?</b>
Tot Lots / Playgrounds	Yes	3	
Golf Courses	No		
Recreation Centers	Yes	1	
Fitness Centers (gym, courts)	Yes	3	
Senior Centers	No		
Ball fields	Yes	1	
Swimming Pools	No		
Skate Parks	No		
Veterans Memorial Buildings	No		
Other			
Financial Information			
<b>Budget: (FY 2004-2005)</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Fund Balance June 30, 2004</b>
	\$147,427	\$147,427	\$477,584*
<i>*Note: Includes \$376,854 for Johnson Property,, \$65,722 is undesignated and \$30,000 is reserved for emergencies</i>			



La Selva Beach Recreation and Park District			
Contact:	Ron Manabe, Director		
Mailing Address:	314 Estrella Avenue, La Selva Beach, CA 95076		
Site Address:	Same		
Phone Number:	(831) 684-0838		
Fax Number:	(831) 661-0458		
Email/Website	<a href="mailto:lsbrd@cruzio.com">lsbrd@cruzio.com</a>		
Types of Services:	Recreational facilities and parks		
Population Served:	1,556		
Size of Service Area (sq miles):	NP		
Date of Formation	NP		
Staff and Facilities			
<b>Staff</b>			
FTE	0.75		
Temporary / Seasonal	Contract for landscape maintenance only		
<b>Total Park Acreage</b>	5 acres		
% Designated Open Space	0		
% for Active Recreation	90%		
<b>Adopted Master Plan</b>			
Facilities	Yes/No	# of Facilities	Operated by Private Contractor?
Tot Lots / Playgrounds	Yes	1	No
Golf Courses	No		
Recreation Centers	Yes	1	No
Fitness Centers (gym, courts)	Yes	1	No
Senior Centers	No		
Ball fields	No		
Swimming Pools	No		
Skate Parks	No		
Veterans Memorial Buildings	No		
Other			
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance June 30, 2004
	\$139,700	\$168,800	\$61,529

Opal Cliffs Recreation and Park District			
Contact:	Kevin McGibben, Director		
Mailing Address:	NP		
Site Address:	NP		
Phone Number:	NP		
Fax Number:	(831) 475-0288		
Email/Website	NA		
Types of Services:	Recreational facilities and parks		
Population Served:	NP		
Size of Service Area (sq miles):	1.0		
Date of Formation	NP		
Staff and Facilities			
<b>Staff</b>			
FTE	NP		
Temporary / Seasonal			
<b>Total Park Acreage</b>	< .10		
% Designated Open Space	NA		
% for Active Recreation	100%		
<b>Adopted Master Plan</b>	No		
Facilities	Yes/No	# of Facilities	Operated by Private Contractor?
Tot Lots / Playgrounds	No		
Golf Courses	No		
Recreation Centers	No		
Fitness Centers (gym, courts)	No		
Senior Centers	No		
Ball fields	No		
Swimming Pools	No		
Skate Parks	No		
Veterans Memorial Buildings	No		
Other:	No		
Park for Beach Access	Yes	1	
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance June 30, 2004
	\$12,465	\$6,651	(\$5,714)

## **10. OTHER SERVICES**

---

**Pajaro Valley Public Cemetery District**

**CSA 3 – Aptos Seascap**

**CSA 53 – Mosquito Abatement**

**Santa Cruz Port District**

**Reclamation District 2049**

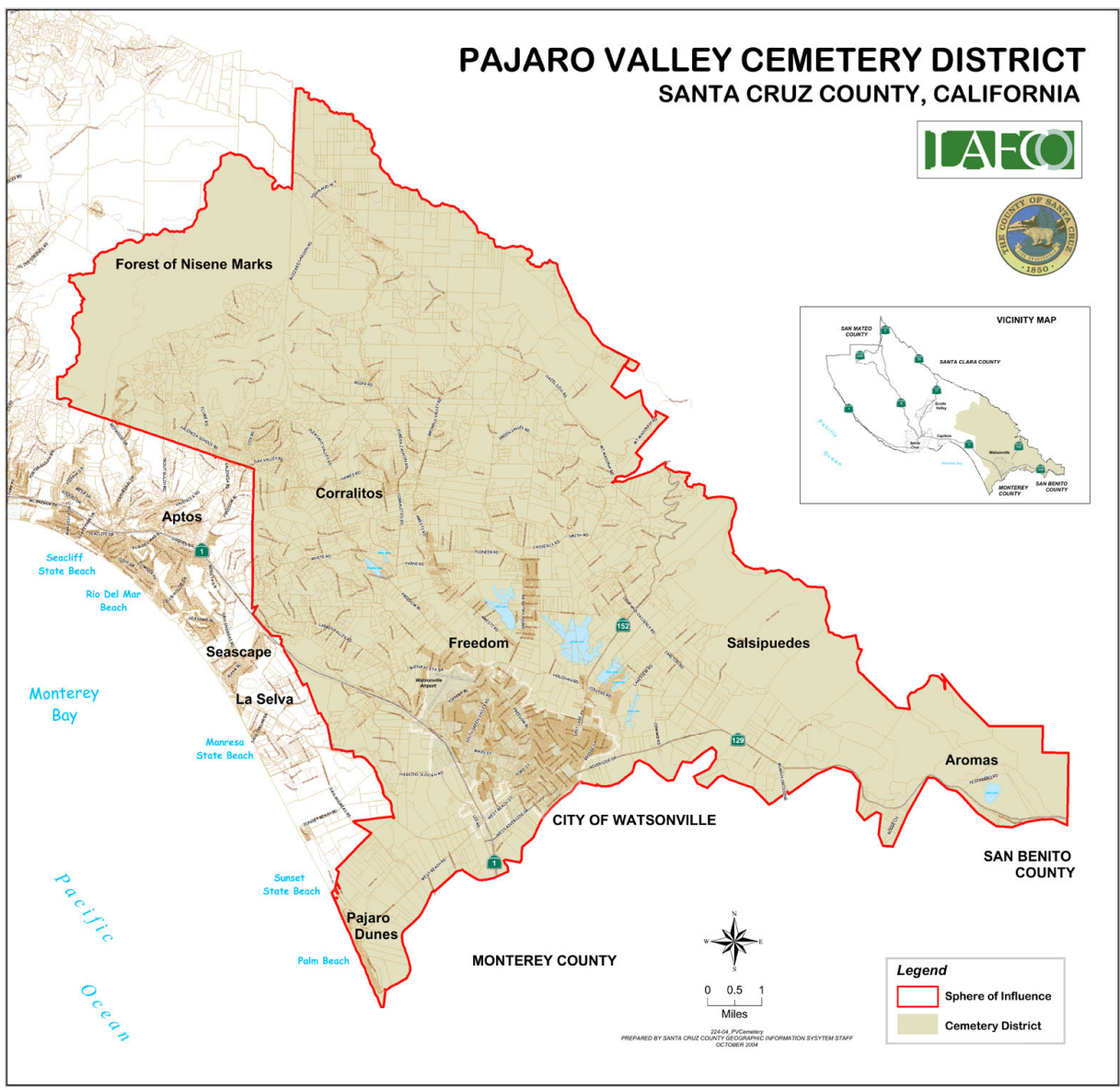
**Santa Cruz County Resource Conservation District**

## **– PAJARO VALLEY PUBLIC CEMETERY DISTRICT –**

### **Agency Overview**

The Pajaro Valley Public Cemetery District, formed in 1955, serves the southern portion of Santa Cruz County and the portion of Monterey County north of Moss Landing. The District's service area encompasses 117.6 square miles with an estimated population of 65,000. The mission of the District is, "To provide efficient, cost effective burial services for the community, and provide maintenance to the cemeteries in a respectable, clean and safe manner that honors the loved ones of family, friends and the community at large." The District owns five cemeteries totaling 36 acres and provides a full range of burial services.

A map of the Pajaro Valley Public Cemetery District follows.



### 10a.1 Population and Growth

The Pajaro Valley Public Cemetery District serves an area that is projected to have moderate growth over the next 25 years, primarily due to the City of Watsonville which is expected to have an average annual growth rate of 1.3%. The District will be challenged to meet the increased demand for services, particularly due to the limited availability of land for future cemetery expansions. According to the District approximately 1% of the population dies every year, and the District provides services for 50% of those deaths. Burial space is being used faster than in previous years due to a current trend for family members to purchase adjacent graves for future use. Further, per the Health and Safety Code the District is required to provide services to eligible non-residents which includes those who have an immediate family member (father, mother, sibling, aunt, uncle, grandparent, in-law, step-child/parent) buried in one of the cemeteries.

### 10a.2 Infrastructure Needs and Deficiencies

The District currently operates the following cemeteries:

Cemetery	Acreage	Space Available (for sale)
Day Valley Cemetery (Meadow Road)	0.5	none
Watsonville Catholic Cemetery (Freedom Boulevard at Alta Vista)	6	8 lots
Pioneer Cemetery (Freedom Boulevard at Marin)	15	90 burial lots 80 cremains lots 125 cremation niches
Valley Catholic Cemetery (East Lake Avenue near Fairgrounds )	5	none
Valley Public Cemetery (East Lake Avenue near Fairgrounds)	4 developed	280 single depth graves 360 double depth graves 50 baby graves 350 cremation graves
	5 undeveloped	undeveloped

The District averages 200-230 burials per year which include ground burials, cremations, underground vaults and family mausoleums. All the lots have been sold in the Day Valley and Valley Catholic Cemeteries although some were purchased in advance and interments will still be performed.

One of the challenges the District faces is the availability of land for future cemetery expansion. The District estimates that there will be space available in the Valley Public Cemetery for approximately 15 years. The County's General Plan does not anticipate cemetery growth. General Plan policies preserving agricultural land limit the District's ability to acquire additional property adjacent to existing facilities. Current law prohibits public cemeteries from offering public mausoleums, which would allow for a greater number of interments within existing space. The District has recognized this constraint and is exploring options on how to address this future need.

The District has a Capital Improvement Plan that identifies approximately \$1.19 million in projects. Projects will be funded with the District's regular revenues.

### 10a.3 Financing Constraints and Opportunities

The Pajaro Valley Public Cemetery District is funded through property tax revenue supplemented by service charges and plot sales. A summary of the District's finances is shown below:

<b>Pajaro Valley Public Cemetery District – Financial Summary</b>				
		<b>FY 2002-2003 (Actual)</b>	<b>FY 2003-2004 (Actual)</b>	<b>FY 2004-2005* (Budget)</b>
<b>Revenue -</b>	1% Property Tax	\$410,808	\$454,713	\$313,500
	Grave Opening, Closing and Burial Services	\$63,910	\$68,930	\$52,000
	Plot, Vault, Crypt and Liner Sales	\$65,981	\$98,719	\$72,000
	Endowment Care	\$14,695	\$26,530	
	Interest	\$43,792	\$30,755	\$6,500
	Other Revenue	\$3,961	\$5,519	\$5,000
	Total	\$603,147	\$685,166	\$449,000
<b>Expenses -</b>	Salaries, Wages, Benefits	\$348,951	\$414,279	\$497,000
	Services and Supplies	\$87,836	\$94,142	\$166,000
	Other Charges	\$3,012	\$4,251	\$6,500
	Equipment, Buildings, Improvements	\$44,741	\$4,999	\$45,000
	Contingencies			\$15,000
	Total	\$484,540	\$517,671	\$729,500
<b>Net Income</b>		\$118,607	\$167,495	(\$280,500)
<b>Fund Balance</b>				
<b>Endowment Fund – 02/28/05</b>				\$586,254

As required by the Health and Safety Code, the District started an Endowment Care Fund in 1984. The District may only use the interest toward maintenance of the cemetery. To date, none of the interest has been used as revenues have been sufficient to cover the necessary operating and capital costs.

The District is providing some services that were formerly contracted out, mainly the placement of headstones. Previously the monument shops placed the headstones. The District now averages 60 to 70 placements per year, which have increased revenues between \$9,000 and \$10,500 annually.

### 10a.4 Cost Avoidance Opportunities

The District is avoiding costs by implementing best management practices to maximize space use. The District is doing “pre-burials” in sections of Valley Public Cemetery which consist of placing the concrete

crypts in the ground in advance of need. This process allows the crypts to be placed closer together (1½” apart) so that there are more burial plots per acre. The District is also using 3’ X 8’ graves rather than the traditional 4’ X 10’. With this size change, the District gains an additional row for every four rows of the former size and one new grave for every three of the larger graves.

The District controls risk management costs through participation in an insurance JPA.

#### **10a.5 Management Efficiencies**

The District is achieving management efficiencies through its staffing, which consists of a full-time manager, part-time secretary, and four full-time groundskeepers. The District operates under the oversight and guidance of a five-member Board of Trustees.

#### **10a.6 Shared Facilities**

The District uses the services of the County Auditor-Controller to perform its accounting functions. Due to the nature of the services provided, no other opportunities to share facilities with other agencies were noted.

#### **10a.7 Rate Restructuring**

The District reviews its rate structure annually and makes adjustments based on changes in the cost of service. The District has increased rates twice in the past two years. In FY 2002-2003 burial service prices increased approximately 10%. In FY 2003-2004 the District raised the plot and endowment care prices by \$100 for plots and \$35 for endowment care. The following is a sample of current rates:

<b>Resident Rates</b>	<b>FY 04-05</b>
Single Depth Burial	\$995
Double Depth Burial	\$1,455
Cremains	\$350
Mausoleum	\$4,500
Underground Vault	\$1,500

The District charges non-residents an additional \$250 for full ground burial, \$200 for children, and \$150 for cremation and babies.

#### **10a.8 Government Structure Options**

The Pajaro Valley Public Cemetery District is an independent special district serving the southern portion of Santa Cruz County and the northern portion of Monterey County. The District operates pursuant to the requirements of Health and Safety Code §8890 et seq., providing for the long-term care and management of five public cemeteries. No other government structure options were identified.



**10a.9 Local Accountability and Governance**

The Pajaro Valley Public Cemetery District is governed by a five-member Board of Trustees. The Trustees are appointed to four-year staggered terms by the County Board of Supervisors through a public process. The Board of Trustees meets on the second Wednesday of each month at 4PM at the District's office. Public notice is provided through posting and the newspaper. The current board is as follows:

Board Member	Title	Term of Office	Compensation
William R. George	Chairman	2007	\$100 per mtg.
Sam Mann, Jr.	Vice-Chairman	2005	\$100 per mtg.
Lorraine Beall	Trustee	2007	\$100 per mtg.
Edward C. Hall	Trustee	2005	\$100 per mtg.
Gerald Harrah	Trustee	2005	\$100 per mtg.

**– DETERMINATIONS –****1) Population and Growth**

The Pajaro Valley Public Cemetery District serves a 117.6 square mile area that covers the southern portion of Santa Cruz County and the portion of Monterey County north of Moss Landing. Population in the area is expected to increase over the next 25 years.

Burial spaces are being acquired at an increased rate due to a current trend of family members buying adjacent burial plots for future use. In addition, the District is required to offer services to eligible non-residents.

**2) Infrastructure Needs and Deficiencies**

The District owns and maintains five cemeteries covering a total of 36 acres. Two of the cemeteries have no spaces remaining for sale, but they do have room for interments in previously sold plots.

Based on the current rate of use, there is approximately 15 years worth of space remaining at the Valley Public Cemetery. The District recognizes this infrastructure need and is beginning to evaluate options for acquiring land to expand an existing cemetery or establish a new facility.

**3) Financing Constraints and Opportunities**

The Pajaro Valley Public Cemetery District is funded through the District's share of the 1% property tax, service charges and sales of cemetery plots, vaults, crypts and other associated items. Funding has been adequate to meet the operational and capital needs of the District.

The District maintains an endowment care fund in accordance with the Health and Safety Code. The District has not used the interest generated from the fund.

**4) *Cost Avoidance Opportunities***

The District is avoiding expansion costs by maximizing the use of available land. The District uses smaller gravesites and is implementing a pre-bury program where concrete crypts are placed in the ground prior to need, allowing for closer spacing.

**5) *Management Efficiencies***

The District is achieving management efficiencies through staffing and the direction and guidance provided by the Board of Trustees. The District operates with one full-time manager, one part-time secretary and four groundskeepers.

**6) *Shared Facilities***

The District uses the services of the County Auditor-Controller to perform its accounting functions. Due to the District's purpose and services offered, there are limited opportunities to share facilities with other agencies.

**7) *Rate Restructuring***

The Pajaro Valley Public Cemetery District reviews its rates annually and makes adjustments based on underlying cost increases.

The District charges an additional fee for services provided to non-residents.

**8) *Government Structure Options***

The Pajaro Valley Public Cemetery District is an independent special district serving the southern portion of Santa Cruz County. The District operates pursuant to the requirements of Health and Safety Code §8890 et seq., providing for the long-term care and management of five public cemeteries. No other government structure options were identified.

**9) *Local Accountability and Governance***

The Pajaro Valley Public Cemetery District is governed by a five-member Board of Trustees. The Trustees are appointed by the County Board of Supervisors. The District has procedures in place to ensure that standards for governance and public noticing are met.

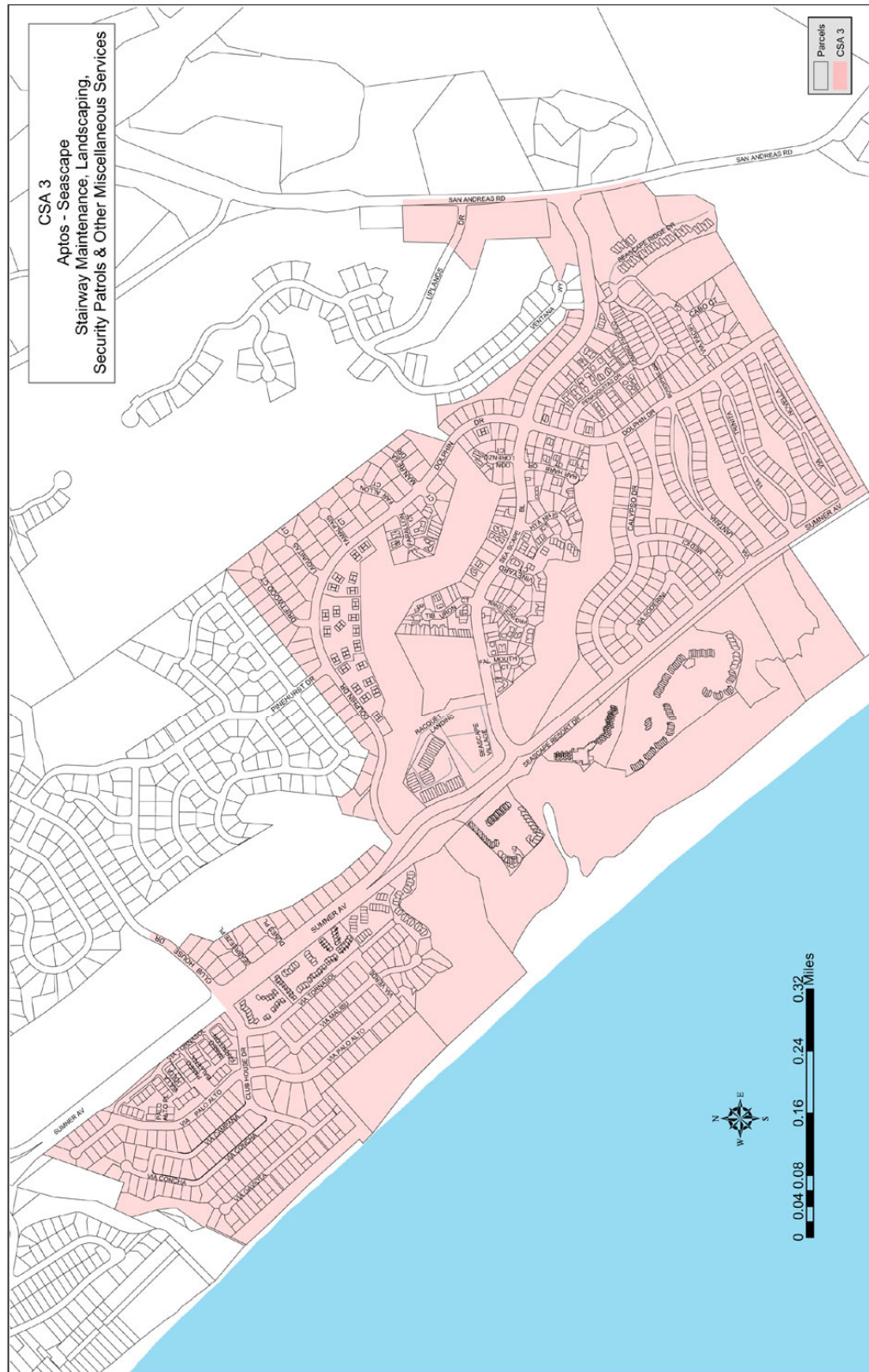
Pajaro Valley Public Cemetery District			
Contact:	Robert Stanford, Manager		
Mailing Address:	66 Marin Street, Watsonville, CA 95076		
Site Address:			
Phone Number:	(831) 722-0310		
Fax Number:	(831) 786-8563		
Email/Website			
Types of Services:	Cemetery management, burials and related services		
Population Served:	65,000		
Size of Service Area (sq miles):	117.6 sq miles		
Staff and Facilities			
Staff: FTE	5.5		
Cemeteries / Size	Day Valley Cemetery – 0.5 acres		
	Valley Catholic Cemetery – 5 acres		
	Watsonville Catholic Cemetery – 6 acres		
	Pioneer Cemetery – 15 acres		
	Valley Public Cemetery – 9 acres (5 undeveloped)		
Financial Information			
Budget FY 2004-2005	Revenues	Expenses	Endowment Fund Balance (Feb. 2005)
	\$449,000	\$729,500	\$586,254

**– APTOS SEASCAPE – COUNTY SERVICE AREA 3 –**

**Agency Overview**

County Service Area (CSA) 3 is a dependent special district formed in 1965 to provide enhanced maintenance services for the new community of Aptos Seascap, including landscape maintenance of the divider strips and beach stairway, street sweeping, beach patrols and litter cleanup. The CSA encompasses approximately 0.6 square miles.

A map of CSA 3 follows.



**10b.1 Population and Growth**

There are 1,632 parcels within the CSA's boundaries; currently 1,467 are developed and 165 are unimproved. Growth will occur as the unimproved parcels are developed and this will likely generate more demand for the services provided. Although minor, the growth will increase traffic in the community as well as beach use. Beach patrol and litter cleanup services may need to increase accordingly in order to maintain the quality of the community's amenities.

**10b.2 Infrastructure Needs and Deficiencies**

CSA 3 does not own any infrastructure; it provides funding for maintenance services only.

**10b.3 Financing Constraints and Opportunities**

CSA 3 is funded through benefit assessments, and the level of services provided is determined by available funding. The following summarizes the CSA's financial history:

**CSA 3 Aptos Seascape – Financial Summary**

	<b>FY 2002-2003</b> (Actual)	<b>FY 2003-2004</b> (Actual)	<b>FY 2004-2005*</b> (Budget)
<b>Revenue</b>			
District Service Charges	\$79,053	\$79,052	\$79,051
Interest	\$146	\$249	\$500
Other Revenue	(\$579)		
<b>Total Revenue</b>	<b>\$78,621</b>	<b>\$79,301</b>	<b>\$79,551</b>
<b>Expenditures</b>			
Summary Total (prior years)	\$62,866	\$74,971	
Landscape Maint/Renovation			\$50,000
Street Sweeping			\$20,000
Beach Patrol			\$30,000
Misc. Services			\$3,369
Utilities			\$7,000
Accounting / Audit Fees			\$500
Contingencies			(\$8,071)
<b>Total Expenditures</b>	<b>\$62,866</b>	<b>\$74,971</b>	<b>\$102,798</b>
<b>Net Income</b>	<b>\$15,755</b>	<b>\$4,330</b>	<b>\$23,247</b>
<b>Fund Balance, at year end</b>	<b>\$18,917</b>	<b>\$22,229</b>	

*Index 622100*

**10b.4 Cost Avoidance Opportunities**

The County is controlling the costs of the services provided for CSA 3 through a master security service contract, and contracts for street sweeping and landscape maintenance. These contracts are procured through a public bid process that allows the County to negotiate fees and service levels.

**10b.5 Management Efficiencies**

The County Public Works Department manages CSA 3 along with the other road CSAs. One full-time staff is shared by all of these CSAs, allowing for cost-effective and coordinated management.

**10b.6 Shared Facilities**

The CSA shares facilities with the County Public Works Department and the other CSAs, including contracting, accounting and other related services.

**10b.7 Rate Restructuring**

The annual assessments for CSA 3 are based on type of land use with only a nominal assessment for retirement homes. The rates are reviewed annually and approved by the County Board of Supervisors. In 2002, the property owners voted against a 50% increase in assessments that would have paid for higher levels of maintenance. Rates were not increased for FY 2004-2005. The annual per-parcel assessment rates are as follows:

<b>CSA 3 Aptos Seascape Assessments</b>	
<b>Land Use Type</b>	<b>Annual Assessment</b>
Retirement Home (per unit)	\$2.50
Housing Project	\$400.00
Condominium	\$50.00
Single Family/Vacant Lots	\$50.00
Duplex	\$100.00
Four-plex	\$200.00
Minor Commercial	\$400.00

**10b.8 Government Structure Options**

CSA 3 operates in accordance with the County Service Area Law (Government Code §25210.1 et seq.). Due to its relatively small size and the nature of the services provided, few alternatives to the current government structure were identified. In general CSAs can be reorganized as independent agencies, consolidated with other CSAs, merged with cities or dissolved.

For CSA 3, the residents have chosen to assess themselves to provide a higher level of community maintenance services than the County normally provides throughout the County, including divider and stairway maintenance, street sweeping, beach patrol and litter cleanup. If CSA 3 chose to reorganize as an independent agency, it would be required to provide its own management, maintenance and operations, and costs would undoubtedly increase. The CSA would also lose any efficiency created by having one organization such as Santa Cruz County manage all of the CSAs.

No other government structure was identified that would provide benefit to the residents of Aptos Seascape and maintain the existing levels of service with the current funding available.

It also does not appear feasible to dissolve the CSA and transfer the functions to a homeowners' association because:

- 1) The streets and beaches are public. It would be difficult or impossible to work out an arrangement whereby a homeowners' association could maintain public improvements.
- 2) While individual subdivisions within Seascape have homeowners associations for maintenance of their common private properties, there is no single association that covers the entire community and has the legal authority to collect fees for offsite maintenance. Since Seascape is largely built out, it would be infeasible to get all property owners within Seascape to agree to a new communitywide association for road and beach maintenance.

#### **10b.9 Local Accountability and Governance**

CSA 3 is a dependent special district governed by the Santa Cruz County Board of Supervisors. County Supervisors receive no additional compensation for their CSA responsibilities. Santa Cruz County staff from the Public Works Department manages the CSA. The Seascape Improvement Association functions as an advisory board to convey the preferences of the community to the Public Works Department and Board of Supervisors. The County has established procedures and protocols for a local advisory committee and public notice of Board meetings.

### **– DETERMINATIONS –**

#### **1) Population and Growth**

CSA 3 encompasses approximately 0.6 square miles in the Aptos Seascape community. There are currently 165 unimproved parcels; growth will occur through future development of those parcels.

#### **2) Infrastructure Needs and Deficiencies**

CSA 3 does not own any infrastructure; it provides funding for enhanced maintenance services including landscape for street dividers and the beach stairway, street sweeping, beach patrols and litter cleanup.

#### **3) Financing Constraints and Opportunities**

CSA 3 is funded through benefit assessments. The level of services provided is determined by available funding.

#### **4) Cost Avoidance Opportunities**

The Santa Cruz County Department of Public Works is controlling costs for CSA 3 through contracting for services through a public process. The services funded by CSA 3 are contracted to private service providers following a bidding process.

#### **5) Management Efficiencies**

CSA 3 is achieving efficiencies through management provided by the County Department of Public Works.



**6) Shared Facilities**

CSA 3 shares facilities and staff with the other road CSAs and the County, including contracting agreements, accounting functions, planning and other related services.

**7) Rate Restructuring**

The annual benefit assessment rates for CSA 3 are set at the request of the community representatives and confirmed through a public process.

**8) Government Structure Options**

Government structure options for CSA 3 are limited due to the goals of the community residents, nature of the services provided and the small size of the district. No specific recommendations for government structure changes were identified in this study.

**9) Local Accountability and Governance**

CSA 3 is a dependent special district governed by the County Board of Supervisors. The Seascap Improvement Association functions as an advisory body to the Board. The County has procedures in place to ensure that local accountability and governance standards are met.

CSA 3 Aptos Seascap			
Contact:	Tom Bolich, Director of Public Works		
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060		
Site Address:	Same		
Phone Number:	(831) 454-2160		
Fax Number:	(831) 454-2835		
Email/Website	<a href="mailto:susann.rogberg@co.santa-cruz.ca.us">susann.rogberg@co.santa-cruz.ca.us</a>		
Types of Services:	Divider and stairway maintenance, street sweeping, beach patrol, litter cleanup		
Population Served:	3,050		
Size of Service Area (sq miles):	0.6		
Staff and Infrastructure			
Staff: FTE	1 (shared by all CSAs)		
Annual Street Sweeping Expenditures	\$20,000		
Annual Landscape Expenditures	\$50,000		
Annual Beach Patrol, Litter Cleanup Expenditures	\$30,000		
Financial Information			
Budget: (FY 2004-2005)	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$79,551	\$102,798	\$18,917

## **–SANTA CRUZ COUNTY MOSQUITO AND VECTOR CONTROL - CSA 53 –**

### **Service Overview**

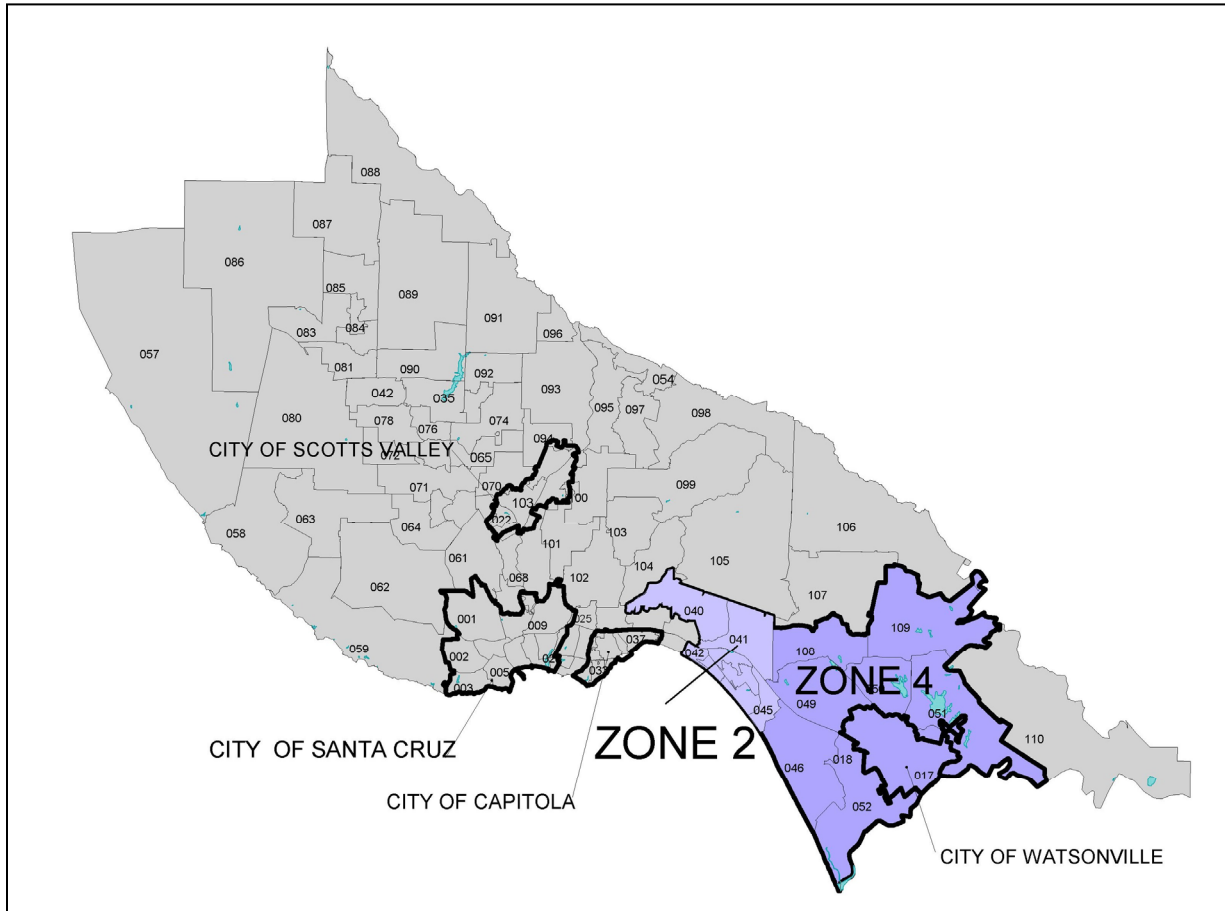
County Service Area 53 (Santa Cruz County Mosquito and Vector Control) currently provides mosquito and other vector control programs in Santa Cruz County. The County Board of Supervisors established CSA 53 in 1993 in response to public demand for relief from mosquitoes. Services provide for the protection of public health from mosquito and vector borne diseases. The County Agricultural Commissioner oversees CSA 53, which currently serves the following communities: City of Watsonville, Aptos, Corralitos, La Selva Beach, Pajaro Dunes, Freedom, Pajaro Valley, and Larkin Valley.

The CSA's Mosquito and Vector Control program reduces the risk of vector-borne diseases and discomfort to residents within the service area. The program controls mosquitoes, yellowjackets and Africanized honeybees. The diseases of most concern include the following: West Nile virus, western equine encephalomyelitis, St. Louis encephalitis, dog heartworm, and malaria which are all transmitted by mosquitoes. Other concerns include plague and murine typhus transmitted by fleas; leptospirosis and hantavirus pulmonary syndrome associated with rats and other rodents; and Lyme disease, babesiosis, and ehrlichiosis transmitted by ticks.

Services are primarily focused on mosquito surveillance and control using Integrated Vector Management practices that incorporate public education, biological control, source reduction and the use of least toxic pesticides. Surveillance includes sampling immature mosquitoes in water bodies and monitoring adult populations through traps. Treatment efforts are concentrated on the immature, aquatic stages where it is most effective and environmentally sound. Resident service requests receive priority over other activities.

A map of the CSA 53 service area follows.

CSA 53– Existing Boundaries



## ***Other Services: CSA 53 – Mosquito and Vector Control***

### **10c.1 Population and Growth**

CSA 53 currently serves two zones of benefit (Zones 2 and 4), which lie within the Aptos and Pajaro Supervisorial Districts. The area encompasses approximately 70 square miles and has a population of 85,000. As shown elsewhere in this report, growth is expected in the South County area with the City of Watsonville having a projected average annual growth rate of 1.3%. The most extensive mosquito sources within the two current zones are the 600-acre Watsonville Slough system and several hundred acres of shallow inland lakes and ponds. The widespread incidence of West Nile virus and other health risks make this service increasingly important in order to protect public health.

### **10c.2 Infrastructure Needs and Deficiencies**

The County Agricultural Commissioner's office operates the Mosquito and Vector Control program. CSA 53's equipment assets include three 4WD trucks that are used for surveillance and pesticide application as well as a 12-foot flat bottom aluminum boat with a swamp motor for surveillance and treatment on lakes and sloughs. Helicopter and pilot services are contracted as needed. The equipment is adequate for current service levels and program needs.

### **10c.3 Financing Constraints and Opportunities**

CSA 53 is funded through property assessments, with supplementary revenue generated from inspection fees. The following is a summary of the CSA's finances:

**Santa Cruz County Mosquito and Vector Control (CSA 53) – Financial Summary**

		<b>FY 2002-2003</b> (Actual)	<b>FY 2003-2004</b> (Actual)	<b>FY 2004-2005*</b> (Budget)
<b>Revenue -</b>	District Service Charges	\$267,247	\$269,609	\$463,455
	Inspection Fees	\$3,174	\$1,675	\$2,000
	Interest	\$3,322	\$1,351	
	Other Charges		\$225	
	<b>Total</b>	<b>\$273,742</b>	<b>\$272,859</b>	<b>\$465,455</b>
<b>Expenses -</b>	Salaries, Wages, Benefits	\$233,938	\$266,159	\$314,420
	Services and Supplies	\$61,428	\$126,357	\$175,393
	Operating Transfers Out			\$25,000
	<b>Total</b>	<b>\$295,366</b>	<b>\$392,516</b>	<b>\$514,813</b>
<b>Net Income</b>		(\$21,624)	(\$119,657)	(\$49,358)
<b>Fund Balance (June 30) – undesignated</b>		<b>\$4,817</b>	<b>\$54,974</b>	

CSA 53 funds a portion of the County Agricultural Commissioner's office as a part of its operations budget, including 5% of the Commissioner's salary and a portion of three staff members.

In 2000 the County Board of Supervisors approved a fee for service agreement that allows services to be provided to areas outside the two zones on a time and materials basis, which provides additional revenue

for the CSA. Currently vector control services are provided to the City of Santa Cruz under this type of agreement for Neary Lagoon, Jessie Street marsh and the City's water pollution control facility.

#### **10c.4 Cost Avoidance Opportunities**

The County Agricultural Commissioner is controlling costs for Mosquito and Vector Control by sharing staff with other department areas and sharing office space with Agricultural Weights and Measures and the County Sheriff's Office. Staff is also controlling costs by focusing mosquito treatment at the immature aquatic stage where it is most effective.

#### **10c.5 Management Efficiencies**

Mosquito and Vector Control is staffed with one manager, two technicians and one limited-term aide. Clerical and administrative support is provided through the Agricultural Commissioner's office. The manager and technicians are certified by the California Department of Health Services in mosquito and vector control and complete 40 hours of continuing education every two years.

The Mosquito and Vector Control program conforms to the County's Integrated Pest Management Policy adopted by the County Board of Supervisors in 2000. The materials used in the service provided to the City of Santa Cruz have been approved by the City and are in conformance with the City's adopted Integrated Pest Management Policy. Mosquito and Vector Control has an agreement with the US Fish and Wildlife Service to defer from mosquito treatments that use a larvicide in the breeding pond in the Ellicott Slough National Wildlife Refuge that supports a federally endangered species of salamander. Approved pesticides and application methods are used in areas that protect other endangered or threatened species.

Geographic Information System (GIS) technology is used to map all mosquito sources and the locations of monitoring traps. Work activity is also tracked in the system, including the location, type and amount of pesticide applications. School sites, California Department of Fish and Game parcels, organic farms, and urbanized areas are mapped and tracked to insure proper application of pesticides and to establish buffers and treatment thresholds.

#### **10c.6 Shared Facilities**

Mosquito and Vector Control shares information with the County's GIS program as well as with the County Health Services Agency, the California Department of Health Services and the California Department of Fish and Game.

As mentioned above office facilities and administrative support are shared with other divisions of the County Agricultural Commissioner's office. The building where Mosquito and Vector Control is housed is shared with the County Sheriff's office. The County provides vehicle maintenance services for the CSA's trucks.

### 10c.7 Rate Restructuring

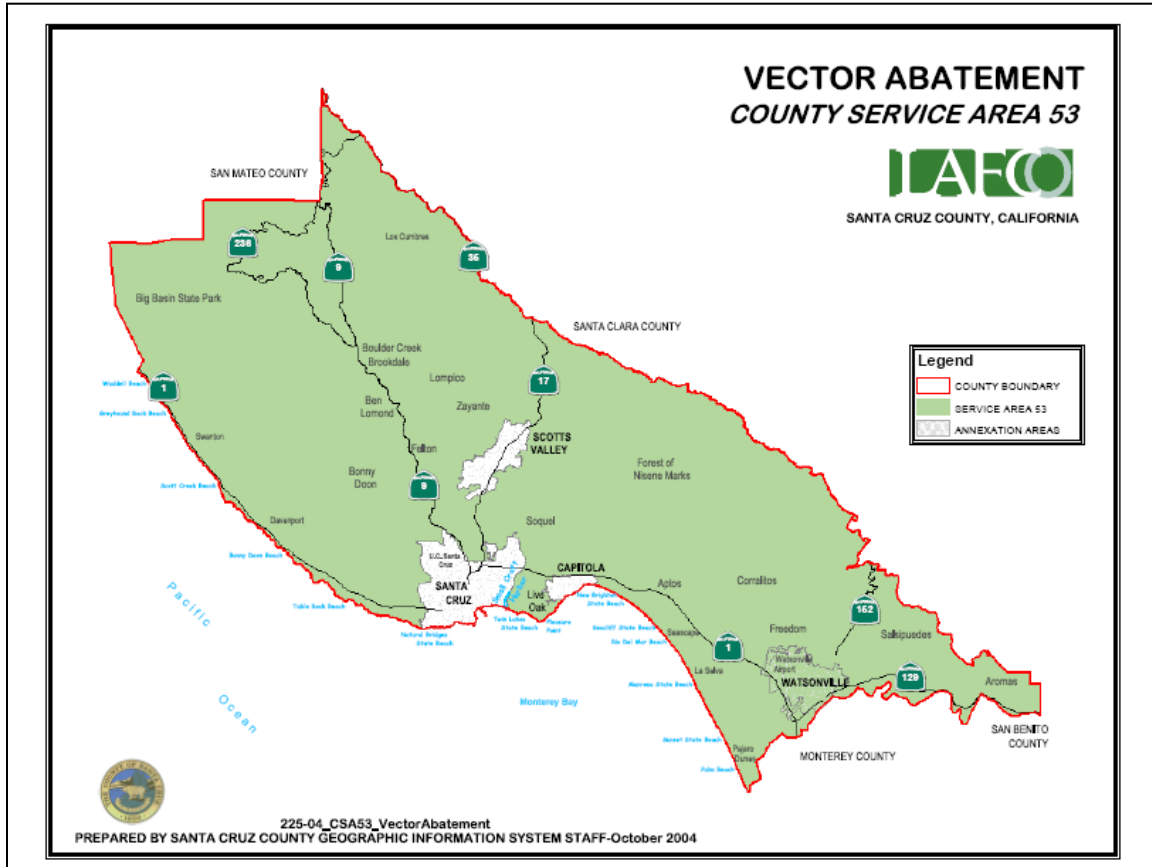
The assessments for the active Pajaro and Aptos zones of CSA 53 are based on land use types. Rates are reviewed annually by the County Board of Supervisors; the rate increase for the 2005/2006 fiscal year was a 2.15% - Consumer Price Index increase for the benefit assessment. Assessment rates are as follows:

CSA 53 Assessments FY 04-05	Basic Assessment	South County Mosquito & Disease Control Benefit Assessment
Single Family	\$11.59	\$8.16
Multi Family (2-4 units)	\$15.42	\$3.26 per unit
Multi Family (5+ units)	\$46.38	\$3.26 per unit to 20 units \$0.82 per additional unit
Mobile Home Parks	\$46.38	\$1.88 per unit
Commercial/Industrial Use	\$14.15	\$4.08 per 1/5 acre up to 5 acres \$4.08 per additional acre
Office	\$14.15	\$11.59 per 1/5 acre up to 5 acres \$11.59 per additional acre
Agricultural Use	\$11.59	\$0.0163 per 1/5 acre, plus \$8.16 per home
Vacant Lot	\$5.80	\$4.08

### 10c.8 Government Structure Options

CSA 53 currently serves two zones within the Aptos and Pajaro Supervisorial Districts. In March 2005, the Agricultural Commissioner submitted an application to LAFCO to expand the service area of CSA 53 to include the entire county, including the three incorporated cities not currently within the CSA's boundaries. The change will require that additional staff be added to the program, along with equipment and office space. The proposed rate is \$12 per single family equivalent dwelling unit. The Cities of Santa Cruz, Scotts Valley and Capitola support the annexation. The benefits include higher levels of service, more effective vector control and greater operational efficiency. The disadvantage will be increased cost and an additional assessment on those parcels not currently served. However the advantages for more effective vector control and public health protection likely outweigh the minimal charge to property owners. During May and June 2005 the County will conduct a benefit assessment election of the property owners of the three cities proposed for annexation. The votes are weighted in proportion to the amount of the assessment, and a majority vote passes the assessment. A map of the proposed service area follows.

CSA 53 – Proposed Service Area



**10c.9 Local Accountability and Governance**

CSA 53 is a dependent special district governed by the County Board of Supervisors. The services provided by the CSA are addressed by the Board during regular meetings. The County provides information on mosquito and vector control on the agricultural department's website ([www.agdept.com](http://www.agdept.com)). In addition, financial information on CSA 53 is included on the County Auditor's website.

In 2003, the Santa Cruz County Grand Jury reviewed Mosquito Abatement and Vector Control and concluded that they were doing an "outstanding job of controlling potentially deadly pests in the southern portion of the County." It was further concluded that extending the service area would benefit the northern portion of the County and a recommendation was made for the County Board of Supervisors to approve the extension.

**– DETERMINATIONS –**

**1) Population and Growth**

CSA 53, Santa Cruz County Mosquito Abatement and Vector Control, serves an estimated population of 85,000 in the Aptos and Pajaro Supervisorial Districts in South County. This area, particularly the City of Watsonville, is projected to have the highest growth rate in the County through 2030. There will be an increased need for mosquito and vector control services to protect public health.

**2) Infrastructure Needs and Deficiencies**

CSA 53 has the necessary equipment to provide adequate service throughout its current service area.

**3) Financing Constraints and Opportunities**

CSA 53 is funded through assessments; funding is adequate for the current levels of service.

**4) Cost Avoidance Opportunities**

Mosquito and Vector Control staff is avoiding costs by targeting mosquito treatment efforts on the immature, aquatic stage where it is most effective.

Mosquito and Vector Control shares staff and facilities with the County Agricultural Commissioner, which minimizes program overhead costs.

**5) Management Efficiencies**

Mosquito and Vector Control is achieving management efficiencies by operating under the direction of the County Agricultural Commissioner. It is also demonstrating efficiency by conforming to the County's Integrated Pest Management Policy.

Mosquito and Vector Control uses a Geographic Information System (GIS) to map service areas, treatment and trap locations, pesticide use, wetlands, organic farms, school sites, and other pertinent



## ***Other Services: CSA 53 – Mosquito and Vector Control***

information. Work orders and data are also tracked through a database that integrates into the GIS system.

### **6) *Shared Facilities***

Mosquito and Vector Control shares facilities with the County Agricultural Commissioner, including staff and office space with Agricultural Weights and Measures, and office facilities with the County Sheriff.

Mosquito and Vector Control works cooperatively with the County Health Services Agency, the California Department of Health Services, the California Department of Fish and Game, and the US Fish and Wildlife Service.

### **7) *Rate Restructuring***

CSA 53 is funded through property assessments based on land use type. The County Board of Supervisors reviews the rates annually.

### **8) *Government Structure Options***

CSA 53 currently serves the Aptos and Pajaro Supervisorial Districts. The County has submitted an application to LAFCO to extend the service area to the cities of Capitola, Santa Cruz and Scotts Valley. The County is also proceeding to activate the zones in the unserved unincorporated areas of the mid and north county. The advantages included higher levels of service, greater service efficiencies and more public health protection. The disadvantage is the increased cost and additional assessment for currently unserved parcels.

### **9) *Local Accountability and Governance***

CSA 53 is a dependent special district governed by the County Board of Supervisors. The Board addresses Mosquito and Vector Control services during regular meetings. Mosquito and vector control information is provided on the County's website and the agricultural department's website.

**Other Services: CSA 53 – Mosquito and Vector Control**

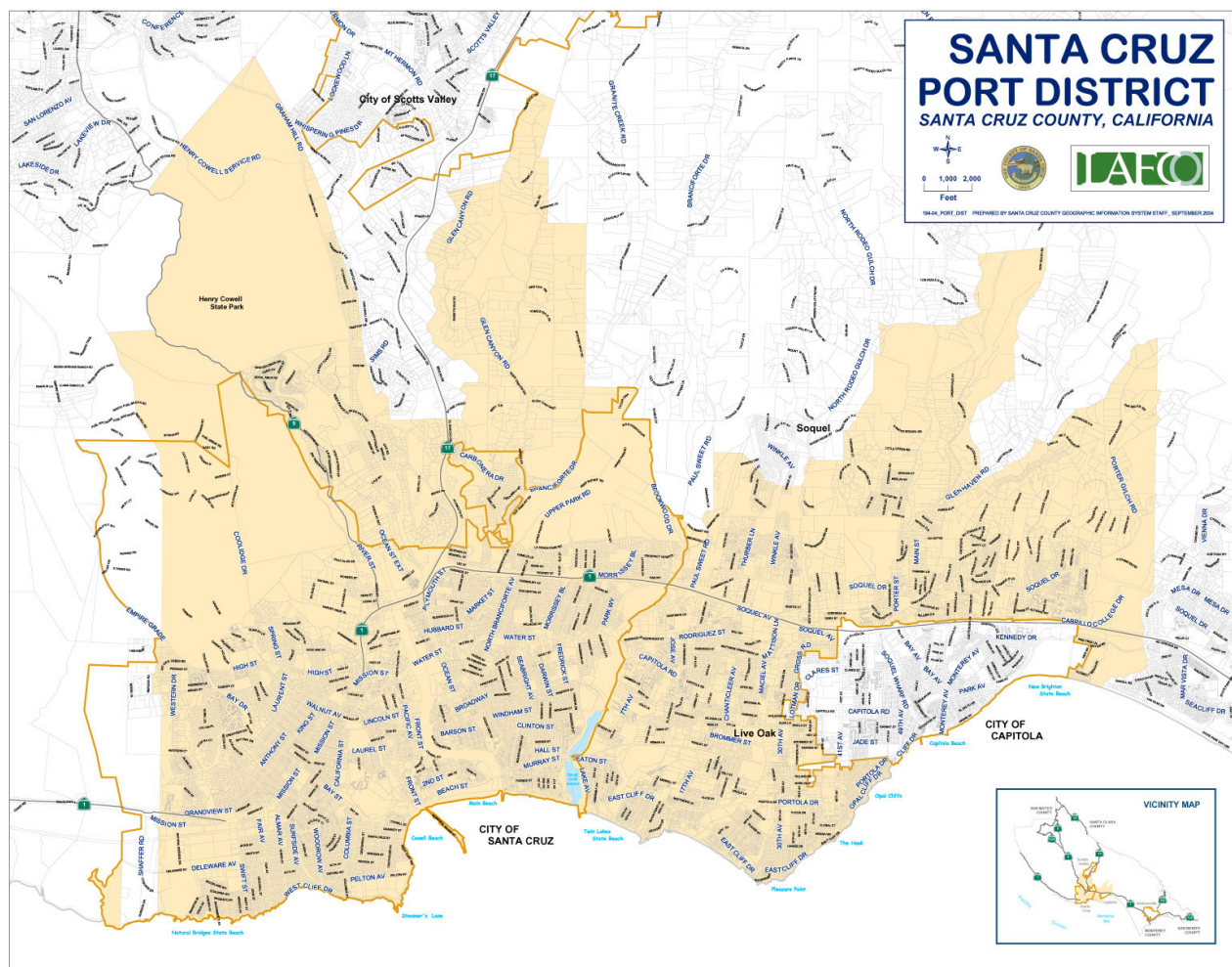
Santa Cruz County Mosquito Abatement and Vector Control – CSA 53			
Contact:	David Moeller, Ag Commissioner / Paul Binding, Mosquito Control Mgr.		
Mailing Address:	175 Westridge Drive, Watsonville, CA 95076		
Site Address:	640 Capitola Avenue, Santa Cruz		
Phone Number:	(831) 454-2590		
Fax Number:	(831) 464-9161		
Email/Website	Agc020@agdept.com <a href="http://www.agdept.com">www.agdept.com</a>		
Types of Services:	Mosquito and vector control		
Population Served:	85,000		
Size of Service Area (sq miles):	70 sq miles		
Staff and Equipment			
Staff: FTE	4		
Equipment	3 4WD trucks, 1 12-foot boat		
Financial Information			
Budget FY 2004-2005	Revenues	Expenses	Fund Balance (June 30, 2004)
	\$465,455	\$514,813	\$56,906

## – SANTA CRUZ PORT DISTRICT –

### Agency Overview

The Santa Cruz Port District was formed in 1950 by petition of the voters to provide for and manage small craft harbor facilities in Santa Cruz County. The Santa Cruz Harbor offers slip renter services including wet berthing and dry storage as well as visitor services such as visitor berthing, launching and parking. The District also leases space for restaurant, retail, office and marine commercial businesses. The District's facilities are in demand with wait lists for all of the slips and most dry storage spaces. The District boundaries encompass a 27.9 square mile area that includes the City of Santa Cruz and unincorporated area to the north and east of the city.

Following is a map of the Santa Cruz Port District.



### **10d.1 Population and Growth**

Although the Port District boundaries include only a portion of Santa Cruz County, it serves a much larger regional area drawing renters and visitors from the San Francisco Bay area as well as the San Joaquin Valley. Approximately 70% of the boaters are Santa Cruz County residents. The Santa Cruz Harbor is considered a regional resource and, per the terms of the original agreement to construct the harbor with state and federal funding, the District must provide equal boating opportunities to all residents of the state, not just Port District residents. Other small craft harbor facilities along this section of the coast include Pillar Point Harbor in Half Moon Bay to the north, Moss Landing, and Monterey to the south. With the population growth expected in the region and the demographics, there will be continued demand for the type of facilities and services the District offers.

### **10d.2 Infrastructure Needs and Deficiencies**

The Santa Cruz Harbor is a full-service small craft harbor. The south (lower) harbor was completed in 1964 and has 390 slips. The north (upper) harbor north of the Murray Street Bridge was completed in 1973 and has 586 slips. Slips range from 20 to 60-feet long and are assigned through a chronological waiting list system; approximately 10% of the slips are reassigned each year. The District has 1,200 names on the waiting list. The longest current wait time is 26 years for 60-foot slips. The highest demand is for south harbor 40-foot slips with a wait time of 23 years; however, the wait for north harbor 20' to 45' slips ranges from 1 month to 5 years. There is also space for approximately 275 dry-stored vessels. Additionally, there are over 200 storage spaces for kayaks and dory-type vessels with very little wait.

The harbor is located in an area of the coastline where there are no natural features to support a safe and deep entrance. The proximity to the mouth of the San Lorenzo River and the associated eastward sand drift requires annual dredging, as does the sedimentation deposited in the upper harbor from the Arana Gulch Watershed. The federal government owns the entrance to the harbor and the Port District is responsible for the operation and maintenance of the harbor itself. The original federal legislation passed in 1958 to fund construction (HR 357) includes a provision for the federal government and the Port District to cost-share a harbor-based dredge. Up until 1986 the federal government provided yearly maintenance dredging of the entrance rather than supply the District with a dredge. In 1986 the funding was finally authorized for the dredge system which includes a dredge, a dredge tending workboat, pipeline, floating pontoons, and landslide equipment. The Port District operates and maintains the system and performs annual harbor dredging as needed. The District's adopted budget for FY 2005-2006 provides for dredging work of 34 weeks, down from 37 weeks in FY 05.

The dredging disposal can release hydrogen sulfide into the air. Hydrogen sulfide can be a nuisance for harbor visitors, ocean users, and nearby residents. For several years, the Port District has been monitoring and revising operations in an effort to comply with the Regional Air Quality Control District's regulations.

The Port District's most pressing challenge is the sedimentation of the north harbor from Arana Gulch watershed. The 3.5 square mile watershed has significant erosion, and the sediment comes to rest under berths and in fairways, breaking docks, making berthing unusable. The Port District is engaged in a multi-discipline effort to solve this problem, from a restoration plan for the watershed through the efforts of the Arana Gulch Watershed Alliance, to innovative dredging programs. The Port District's efforts involve all appropriate regulatory agencies, as well as stakeholders in the Arana Gulch, including the City of Santa Cruz which owns and operates DeLaveaga Golf Course which has specific erosion projects.

The Port District has had a sustained capital improvement plan since the 1989 Loma Prieta earthquake. An average of well over \$1 million a year has been allocated to new docks and buildings and concessions, and the rehabilitation of marine systems, some of which are 40 years old. FY 05 projects included visitor docks, small boat access ramps, and replacement of the harbor's launch ramp. FY 06 continues with renovation of the north harbor dock system (circa 1972). However, other capital items, including a list of projects projected at \$302,000, has been on hold for future funding (e.g., vehicles, building modifications, south harbor decking).

### 10d.3 Financing Constraints and Opportunities

The Santa Cruz Port District is funded through service charges, rents and concessions and grants.

Through a 1991 agreement with the City and County of Santa Cruz, the District no longer receives any tax revenue. The following summarizes the District's financial history:

**Santa Cruz County Port District – Financial Summary**

	<b>FY 2002-2003 (Actual)</b>	<b>FY 2003-2004 (Actual)</b>	<b>FY 2004-2005 (Budget)</b>
<b>Operating Revenue -</b>			
Charges: Berthing & Services	\$3,677,449	\$3,900,274	\$4,043,220
Rent & Concessions	\$813,528	\$865,340	\$1,032,530
<b>Total Operating Revenue</b>	<b>\$4,490,977</b>	<b>\$4,765,614</b>	<b>\$5,075,750</b>
<b>Operating Expenses -</b>			
Operating and Security	\$1,249,225	\$1,268,738	\$1,220,165
Maintenance	\$1,079,659	\$1,173,334	\$1,145,000
General & Administrative	\$764,934	\$841,650	\$879,370
Dredge Operations	\$670,389	\$741,018	\$688,760
Depreciation & Amortization	\$1,045,248	\$1,143,650	
<b>Total Operating Expenses</b>	<b>\$4,809,455</b>	<b>\$5,168,390</b>	<b>\$3,933,295</b>
<b>Net Operating Income (Loss)</b>	<b>(\$318,478)</b>	<b>(\$402,776)</b>	<b>\$1,142,455</b>
Interest Income	\$21,557	\$11,068	
County Revenue for Public Services	\$34,408	\$29,670	\$34,000
Interest Expense	\$370,685	\$349,153	\$416,195
<b>Net Income (Loss)</b>	<b>(\$633,198)</b>	<b>(\$711,191)</b>	
<b>Fund Balance (March 31) – unrestricted</b>	<b>\$462,619</b>	<b>\$772,805</b>	

The District's adopted budget for FY 2005-2006 includes a number of measures to increase revenue and decrease costs as FY 2004-2005 seasonal revenues are expected to be lower by approximately \$80,000 from budget projections.

The Santa Cruz Port District has a March 31<sup>st</sup> fiscal year end. As of March 31, 2004 the District had \$10,619,323 in long-term debt. This includes a series of unsecured loans from the California Department of Boating and Waterways with an interest rate of 4.5%. The newest loan for \$185,000 matures in 2033. Two additional loans from private entities mature in 2008 and 2012 with interest rates of 5.5% and 5.0%. In February 2004 the District issued \$3,905,000 in Revenue Bonds with interest rates ranging from 4.436% to 7.503%. The bonds were used to fund capital improvements and to retire an earlier issue of Certificates of Participation that carried an interest rate of 7.5%. The Revenue Bonds mature in 2024. Average annual debt service through 2009 for all long-term debt is \$1,035,919.

The District has successfully pursued other sources of financing for capital projects and has received both grants and private donations. A \$2.1 million grant was received from the California Department of Boating and Waterways for reconstruction of the south harbor launch ramp and approximately \$500,000 in donations were received for the Harbor Beach Plaza.

#### **10d.4 Cost Avoidance Opportunities**

The Santa Cruz Port District is controlling costs in a number of ways, including refinancing debt for a more favorable interest rate. The District is also considering reorganizing the Operations department for labor cost savings and reducing the number of weeks for dredging.

#### **10d.5 Management Efficiencies**

The District is managed by the Port Director who serves under the direction of the Santa Cruz Port Commission. The District also has a Business Manager, Operations Manager, and Environmental Quality Manager. The FY 2004-2005 budget includes funding for approximately 29 full-time staff; this is augmented by temporary personnel during the summer months when the number of visitors increases.

In January 2005 the District adopted a four-year plan and a 15-month plan for the future operations of the harbor. These plans provide guidance and direction and form the basis for the District's annual budget. One of the major elements of the 15-month plan is to address the shoaling problem in the north harbor.

#### **10d.6 Shared Facilities**

The Santa Cruz Port District shares facilities and services with several agencies. The City of Santa Cruz Fire and Police Departments provide emergency services to the harbor area. The District uses its harbor patrol boat to assist the US Coast Guard and local agencies in emergency ocean rescue and law enforcement services. The District is part of a JPA with the California Maritime Infrastructure Authority

and has MOUs with the US Army Corps of Engineers for dredging and the City and County of Santa Cruz for tax reallocation.

### **10d.7 Rate Restructuring**

The Santa Cruz Port District charges for all harbor-related services. Rates are reviewed annually and increases are approved through a public process. The following is a sample of the current fees:

<b>Santa Cruz Harbor Fees</b>	<b>FY 04-05</b>
Visitor Berthing – 1 to 14 days (wet end tie, up to 70' hull)	\$0.70 per ft. per day
Launching	\$13 per day
Recreational Vehicle parking (Apr – Oct)	\$40 per night
Wet Berthing	\$8.75 per ft. per month
Dry Storage	\$25 - \$127 per month
Live-aboards	\$100 per mo. per person
Utilities	30% of slip fee
Waiting List	\$85 per yr
Inner Harbor towing	\$50

The Commission considered a number of fee adjustments in conjunction with the FY 2005-2006 budget and approved the following:

- Increase slip rental rates 7.5%
- Change slip rent sublease fee from 1.25% to 1.3%
- Impose a 10% surcharge on slip rent for partnership vessels (for additional administrative costs)
- Impose a live-aboard vehicle fee of \$50 per vehicle per month for live-aboards who have more vehicles in the harbor than live-aboard fees paid (or 3 vehicles)
- Charge the California Air National Guard \$3,000 per year for berthing

In the future, the Commission may consider changing the way slip rent is charged to a square footage basis rather than berth length.

### **10d.8 Government Structure Options**

The Santa Cruz Port District was formed pursuant to the California Harbors and Navigation Code §6200 et seq. The District was formed to establish a legal entity to negotiate with various governmental agencies for the financing and construction of a small craft harbor and subsequently to operate and maintain the facility. Per the code, a Port District may only contain one incorporated city. No other government structure options were identified in this study.



### 10d.9 Local Accountability and Governance

The Santa Cruz Port District is an independent special district governed by a five-member Board of Commissioners elected at large by the voters within the District. In the November 2004 election, five candidates ran for three open seats. Both incumbents were re-elected. Following is the current commission:

Board Member	Title	Term of Office	Compensation
William Geisreiter	Chairman	2006	None
Jim Throits	Vice-Chairman	2008	None
Mark Nicklanovich	Commissioner	2006	None
Ronald Merrall	Commissioner	2008	None
Bill Lee	Commissioner	2008	None

The Port Commission meets the fourth Tuesday of each month at 7:00 PM at the Harbor Public Meeting Room at 365A Lake Avenue in Santa Cruz. Meetings are open and accessible to the public. Public notice is provided through posting, mass mailing and the District's website. The website contains information on the harbor, status of dredging and construction projects, Commission meeting agendas and minutes and other visitor information ([www.santacruzharbor.org](http://www.santacruzharbor.org)).

### – DETERMINATIONS –

#### 1) *Population and Growth*

The Santa Cruz Port District encompasses 27.9 square miles including the City of Santa Cruz and surrounding unincorporated area. However, the District serves a larger regional area that includes the San Francisco Bay area and the San Joaquin Valley. The Santa Cruz Harbor facilities are open to all California residents. There is a high demand for small craft harbor space and there will be a continued need for the services and facilities offered by the District.

#### 2) *Infrastructure Needs and Deficiencies*

The Santa Cruz Port District operates the Santa Cruz Harbor which has wet berthing, dry storage and related maritime and visitor-serving facilities.

The harbor is impacted by shoaling due to sand deposited by the San Lorenzo River and sedimentation from the Arana Gulch Watershed. The District has a dredge system and provides an annual dredging program.

The District has undertaken several major capital improvement projects such as construction of the Harbor Beach Plaza and reconstruction of the south harbor launch ramp. These are funded through grants



and outside financing. The District has identified \$302,000 in capital projects and equipment that are currently unfunded.

**3) *Financing Constraints and Opportunities***

The Santa Cruz Port District is funded through service charges, fees, grants and loans. The District does not receive any tax revenue.

The District has financed capital improvements through loans from the State and Revenue Bonds.

**4) *Cost Avoidance Opportunities***

The Santa Cruz Port District is controlling costs by reducing the number of weeks for dredging and is considering a reorganization of the Operations department.

**5) *Management Efficiencies***

The District is managed by a Port Director, Business Manager, Operations Manager, and Environmental Quality Manager. The District uses temporary personnel in peak months.

The District has adopted short and long-term plans to provide guidance for harbor operations and improvements.

**6) *Shared Facilities***

The District provides emergency ocean rescue and law enforcement services when requested to assist the US Coast Guard, local marine rescue agencies, and law enforcement agencies within Santa Cruz County.

**7) *Rate Restructuring***

The Santa Cruz Port District charges fees and services charges for use of harbor facilities. Rates are reviewed annually in conjunction with the budgeting process. The Commission approved several rate changes and surcharges with the adoption of the FY 2005-2006 budget.

**8) *Government Structure Options***

The Santa Cruz Port District operates according to the California Harbors and Navigation Code §6200 et seq. The District negotiates for financing and improvement of the harbor and is responsible for harbor operations and management. No other government structure options were identified.

**9) *Local Accountability and Governance***

The Santa Cruz Port District is an independent special district governed by the Santa Cruz Port Commission. The Commission meetings are open and accessible to the public.

Santa Cruz Port District			
Contact:	Brian Foss, Port Director		
Mailing Address:	135 5 <sup>th</sup> Avenue, Santa Cruz, CA 95062		
Site Address:	Same		
Phone Number:	(831) 475-6161		
Fax Number:	(831) 475-9558		
Email/Website	scpd@santacruzharbor.org; www.santacruzharbor.org		
Types of Services:	Harbor and port services, maritime recreation		
Population Served:	Santa Cruz County, Greater San Francisco Bay, Santa Clara Valley, San Joaquin Valley		
Size of Service Area (sq miles):	27.9 sq miles		
Staff and Equipment			
Staff: FTE	29		
Facilities	934 wet berths; visitor berthing; dry storage, launching		
Financial Information			
Budget FY 2004-2005*	Revenues	Expenses	Fund Balance (March 31, 2004)
	\$9,980,750	\$9,872,802	\$772,805
* Budget includes \$4,841,000 in loan proceeds and \$5,523,312 in long term debt and capital expenses			

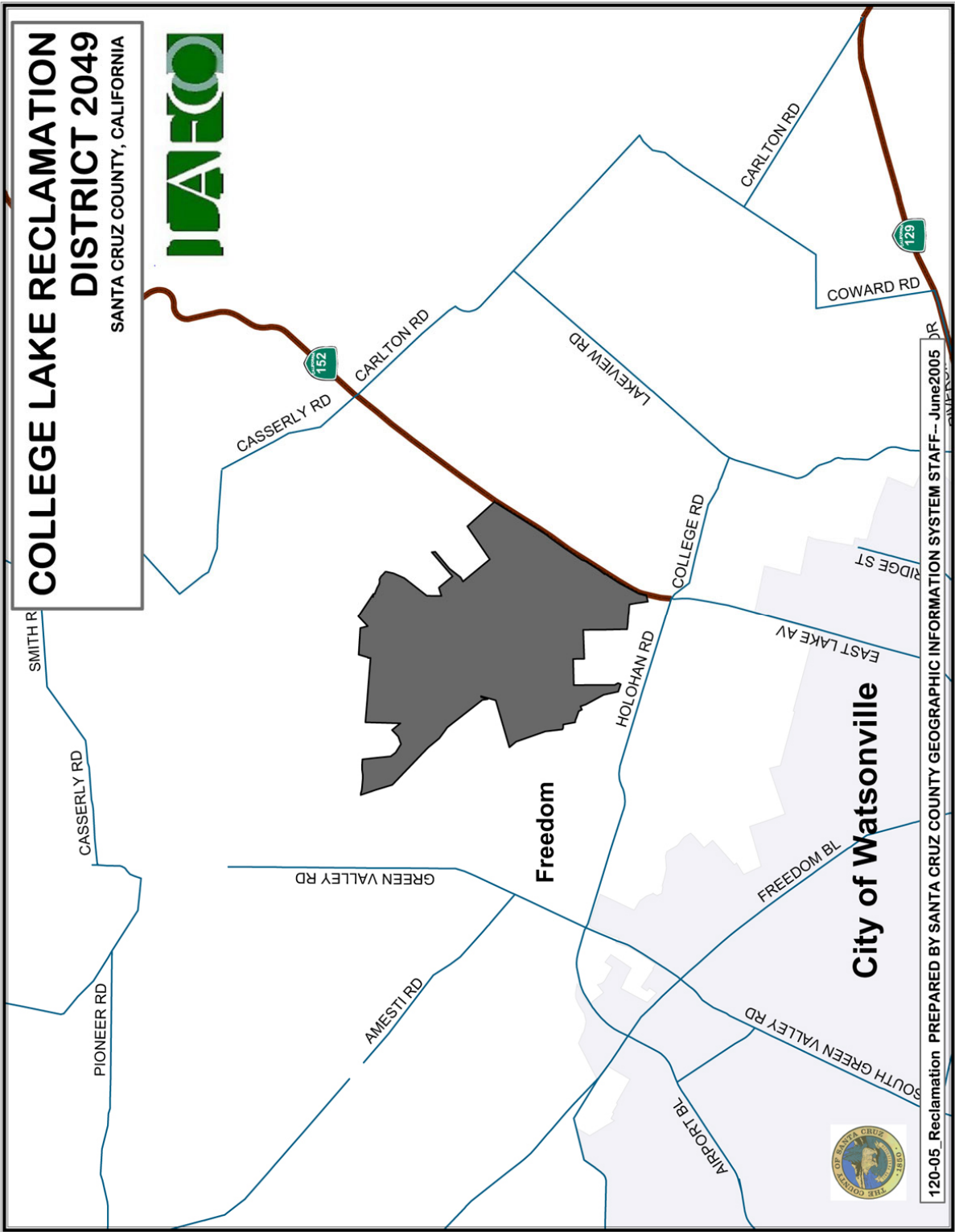
## **– RECLAMATION DISTRICT 2049 –**

### **Agency Overview**

Reclamation District (RD) 2049 provides agricultural drainage services in the College Lake area in southern Santa Cruz County. The District drains the 300-acre basin that is bounded by Highway 152, Holohan Road, and Paulsen Road. College Lake is a seasonal lake on Salsipuedes Creek, formed by collection of surface water draining from the watershed. Some of the water naturally drains into Corralitos Creek. The District augments the process starting in mid-spring and continuing throughout the growing season, draining the low-lying area in order to allow 200 acres to be seasonally farmed. College Lake holds an estimated 3,000 to 4,000 acre-feet of water at the flood stage and the District pumps an estimated 2,000 acre-feet per year. None of the District's activities or facilities are used for flood protection; however they do provide habitat for waterfowl when the lake fills each winter.

RD 2049 was formed in 1934 pursuant to Reclamation District Law (California Water Code §50000 et seq.) Its boundary encompasses a 0.5 square mile area with 20 parcels and 15 landowners. The area has a long agricultural history, with some of the parcels farmed by families who have owned the land for generations.

A map of Reclamation District 2049 follows.



### **10e.1 Population and Growth**

The District serves an area of the County that is designated for agricultural land use. The specific area is a seasonal lake that serves as an important natural drainage facility for the watershed. No change in land use is expected.

### **10e.2 Infrastructure Needs and Deficiencies**

RD 2049 drains the College Lake area through the use of two pumps. One 40 hp pump is used for the major draining task in spring, and a 10 hp pump is used throughout the remainder of the growing season. Both pumps are in good condition; one was purchased last year, and the other is only four years old. The District budgets for maintenance and holds reserves in case of a need for emergency repairs or replacement.

The District noted that it takes approximately 8 weeks to drain the area in the spring. The water is pumped into Corralitos Creek, which flows into the Pajaro River and eventually into Monterey Bay. There have been no water quality issues to date.

### **10e.3 Financing Constraints and Opportunities**

RD 2049 receives revenue from landowner assessments and a small increment of interest income on the District's reserves. Assessment rates are reviewed annually based on projected expenses, and special assessments are used to fund one-time, extraordinary expenses. Assessments are due and payable on an annual basis; there are some delinquent accounts which the District is attempting to collect. The District bills the landowners, collects the assessments and deposits the funds into an account with the County Auditor-Controller, which provides accounting services for the District.

As of March 2005, the District had fixed asset reserves of \$30,524 held in trust by the County. The District financed the purchase of the new pump through the manufacturer in 2004 and expects to make payment in full by July 1, 2005.

Up until September 2004, the District's financial affairs were managed by an independent Certified Public Accountant. The CPA was responsible for the District's records, financial management, budget preparation, as well as providing financial guidance to the Board of Trustees. The Board noted a number of discrepancies in the first quarter of FY 2004-2005, including payment of excessive management fees without Board authorization and failure to provide a budget for Board consideration. The District proceeded with plans to purchase the new pump mentioned above based on the accountant's inaccurate representation of District finances, which resulted in the need for a special assessment and financing. The District has terminated its relationship with the firm and is investigating the matter further.

The Board of Trustees is now directly managing the District's finances with the assistance of the County. New controls have been put in place requiring all expenditures to be approved by two board members prior to the County issuing warrants. Because of this situation, the District only recently adopted a budget

for FY 2004-2005 and the audit for the year ending June 30, 2004 has not been completed. The District noted that it will undergo an independent audit when there is sufficient revenue to cover the cost. The Board projects that the District's financial affairs will be in order within a year.

Following is a summary of the District's financial performance:

<b>Reclamation District 2049 – Financial Summary</b>			
	<b>FY 2002-2003 (Actual)</b>	<b>FY 2003-2004 (Actual)</b>	<b>FY 2004-2005* (Budget)</b>
<b>Revenue</b>			
District Service Charges	\$8,071	\$23,381	NP
Interest	\$302	\$67	NP
<b>Total Revenue</b>	<b>\$8,374</b>	<b>\$23,448</b>	NP
<b>Expenses</b>			
Services and Supplies	\$16,646	\$23,332	NP
<b>Total Expenditures</b>	<b>\$16,646</b>	<b>\$23,332</b>	NP
<b>Net Revenue</b>	<b>(\$8,272)</b>	<b>\$116</b>	NP
<b>Fund Balance, at year end</b>	<b>\$8,422</b>	<b>NP</b>	

*NP - FY 2004-2005 Budget not provided*

The Board of Trustees for RD 2049 is working to eliminate the current financial constraints and restore financial stability to the District. Prior to the accountant's involvement, the District was financially stable for a number of years. Based on this history and projected revenue and expenses for the next season, the District expects that it will have the outstanding financial issues resolved within the next year.

#### **10e.4 Cost Avoidance Opportunities**

RD 2049 is avoiding costs by operating with limited overhead; the District has no paid staff and does not rent office space. It is no longer using outside professional services for management.

Electricity is one of the largest budget items, and in the past there was open access for any of the landowners to turn on the power to the pumps. The Board has instituted tighter controls, limiting access to one Board member, one other landowner and the pump company. This is expected to result in measurable cost savings.

#### **10e.5 Opportunities for Shared Facilities**

RD 2049 uses the services of the County Auditor-Controller to perform its accounting functions. In addition, the District is considering having the assessments collected by the County Treasurer-Tax Collector along with property taxes. Due to the nature of the services provided, no other opportunities to share facilities with other agencies were noted.

### **10e.6 Management Efficiencies**

Management of the District is improving through direct involvement of the Board of Directors. As noted above, financial controls and Board oversight were lacking in the past. The Board of Directors has noted areas needing corrective action and is taking appropriate steps to ensure that the District's affairs are managed appropriately going forward. This includes frequent Board meetings, two-signature approvals for all expenditures, and limited access to the District's pumping facilities.

### **10e.7 Opportunities for Rate Restructuring**

The annual assessment rate for RD 2049 is currently set at \$30 per each \$1,000 of assessed valuation, based on FY 2002-2003 assessed values. The District has used special assessments in the past when revenue was insufficient for large, unexpected one-time expenditures. The rates are reviewed annually in comparison to projected expenses. The District expects that the current rate structure will provide adequate revenue now that more stringent financial controls are in place.

### **10e.8 Government Structure Options**

Due to the unique services provided by the District, no other government structure options were noted. RD 2049 provides benefit to the parcels within its boundaries for agricultural drainage. If the service was not provided, the land would not be arable. The Santa Cruz County Flood Control and Water Conservation District reported that it has flood control facilities in the area but would not be willing to maintain the check dam or pumping facilities used by RD 2049 due to budget and staff constraints.

### **10e.9 Local Accountability and Governance**

RD 2049 is working to improve its governance and local accountability process. Since October 2004, the District has held five meetings and has agendas and minutes documenting the proceedings. The District expects to hold bi-monthly meetings through the spring. Public notice is provided by mail and telephone to the landowners. The District noted that it has outdated information for some of the owners, but is working to update the contacts in order to keep all landowners informed.

Currently the trustees for RD 2049 are volunteers with no term expirations. This should be brought into compliance with the requirements for Reclamation Districts per Water Code §50602 et seq. Due to financial constraints and the size of the District, it may be prudent to avoid the costs of an election. As an option, the Santa Cruz County Board of Supervisors can appoint trustees through a public process. (The District can recommend candidates to the Board of Supervisors for the positions.) To be in compliance with the code, the District's Trustees should serve staggered four-year terms; term expirations can be established at the time of appointment. Going forward, the District must inform the Board of Supervisors when a term is expiring so that a new Trustee can be appointed or an incumbent re-appointed. As part of the District's sphere update, LAFCO can request verification that the District's Board of Trustees have been duly appointed to serve in that capacity.

**– DETERMINATIONS –**

**1) *Population and Growth***

Reclamation District 2049 serves an area zoned for agricultural use; there are no residences within its boundaries and no population. Land use is not expected to change.

**2) *Infrastructure Needs and Deficiencies***

RD 2049 operates two pumps to drain the seasonal College Lake. In order to de-water the low-lying area, the District must continuously pump for approximately 8 weeks in the spring, followed by intermittent pumping throughout the growing season. The District's pumping equipment is relatively new and has adequate capacity to provide the level of service expected by the landowners.

The District includes equipment maintenance within its annual budget, and maintains fixed asset reserves for major repairs or equipment replacement.

**3) *Financing Constraints and Opportunities***

RD 2049 is financed through landowner assessments. The District uses special assessments when needed for extraordinary expenditures, such as the purchase of new pumping equipment in 2004.

The District is recovering from financial mismanagement by a former accountant and has taken corrective action to improve Board oversight and controls. The Board of Trustees is now managing the District's finances with the assistance of the County Auditor-Controller.

The District maintains adequate reserves designated for equipment needs such as major repairs or replacement.

**4) *Cost Avoidance Opportunities***

RD 2049 is avoiding costs through operating with minimal overhead.

The District has recently restricted landowner access to the power supply and pump equipment in order to minimize electricity costs.

The District uses the services of the County Auditor-Controller for its accounting needs.

**5) *Management Efficiencies***

RD 2049 is improving its management through the direct involvement of the Board of Trustees. Corrective actions include more frequent Board meetings, two-signature approvals for all expenditures, and limited access to the District's pumping facilities.

**6) *Shared Facilities***

Due to the nature of the services provided, no opportunities to share facilities were identified.



**7) Rate Restructuring**

RD 2049 assesses parcels within its boundaries at the rate of \$30 per \$1,000 of assessed value, based on FY 2002-2003 valuations. Assessments are reviewed annually and adjusted as needed to meet projected expenses.

**8) Government Structure Options**

No other agencies were identified that would provide the same service as the District; if the service were not provided, the land would not be arable. The Santa Cruz County Flood Control and Water Conservation District provides similar services; however the District is faced with budget and staff constraints and would not be willing to provide this service at this time. No other government structure options were identified in this study.

**9) Local Accountability and Governance**

RD 2049 is directed by a volunteer Board of Trustees with no term expirations. The District should request the County Board of Supervisors to appoint Trustees in accordance with the requirements for Reclamation Districts (Water Code §50602 et seq.).

The appointment of Trustees should occur through a public process, and the appointed Trustees should serve staggered four-year terms.

Reclamation District No. 2049			
Contact:	F. Allen Harryman, Board Chairman		
Mailing Address:	160 Paulsen Road, Watsonville, CA 95076		
Site Address:	Same		
Phone Number:	(831) 722-9059		
Fax Number:	none		
Email/Website	<a href="mailto:cem759@cruzio.com">cem759@cruzio.com</a>		
Types of Services:	Drainage, flood control, agricultural drainage		
Population Served:	None		
Size of Service Area (sq miles):	0.5 sq miles		
Staff and Infrastructure			
Staff: FTE	0		
Equipment	2 pumps (40 HP and 10 HP)		
Financial Information			
Actual: (FY 2003-2004)	Revenues	Expenses	Fund Balance* (end of yr)
	\$23,448	\$23,332	NP
<b>Assessments:</b> \$30 per each \$1,000 of 2002-2003 assessed valuation			
* Fixed asset reserves of \$30,524 in March 2005			

## **– SANTA CRUZ COUNTY RESOURCE CONSERVATION DISTRICT –**

### **Agency Overview**

The Santa Cruz County Resource Conservation District (SCCRCD) provides a broad range of services related to soil and water conservation throughout Santa Cruz County. The SCCRCD was formed in 1978 by the merger of two previous conservation districts: the Pajaro Soil Conservation District formed in 1941 to serve the South County, and the Redwood Soil Conservation District, formed in 1949 to serve the central portion of the County. In 1977, the Directors of the two districts petitioned the Board of Supervisors and LAFCO to consolidate the two districts and extend the boundaries countywide, excluding the incorporated area of the four cities (the City of Capitola was annexed to the SCCRCD at the City's request in 1983). The SCCRCD operates pursuant to the Resource Conservation District Act (California Public Resources Code §9151 et seq.). It is a public resource agency and has no regulatory or enforcement authority.

The SCCRCD has adopted a set of goals that reflect the District's priorities and role as a resource agency:

- 1) Reduce accelerated erosion and sedimentation caused by land use
- 2) Reduce the impact of non-point sources of pollution with the use of proper conservation practices
- 3) Manage existing resources within their capabilities and protect them for future use
- 4) Encourage decision makers to guide and ensure proper land use and care of natural resources
- 5) Protect important and prime farmlands from uninformed and improper use and urban encroachment
- 6) Carry out an active information and education program consistent with local needs
- 7) Concentrate conservation efforts in critical resource problem areas and areas with a high level of community support. Develop programs to solve the problems.
- 8) Cooperate with all assisting agencies, groups and units of government in sponsoring workshops, meetings, training sessions and education events, and to coordinate efforts whenever feasible.
- 9) Take an ecosystem approach in solving conservation problems considering natural resources, including but not limited to soil, water, air, wildlife, fish, plant, mineral, scenic, timber, historical, recreational, and geological.
- 10) Develop clear, quantifiable objectives in Annual Work Plans
- 11) Continue to foster and expand the Coordinated Resource Management and Planning (CRMP) Program's role in watershed enhancement and expand throughout Santa Cruz County.
- 12) Increase the District's role in water resource conservation and management.

### ***Programs and Services***

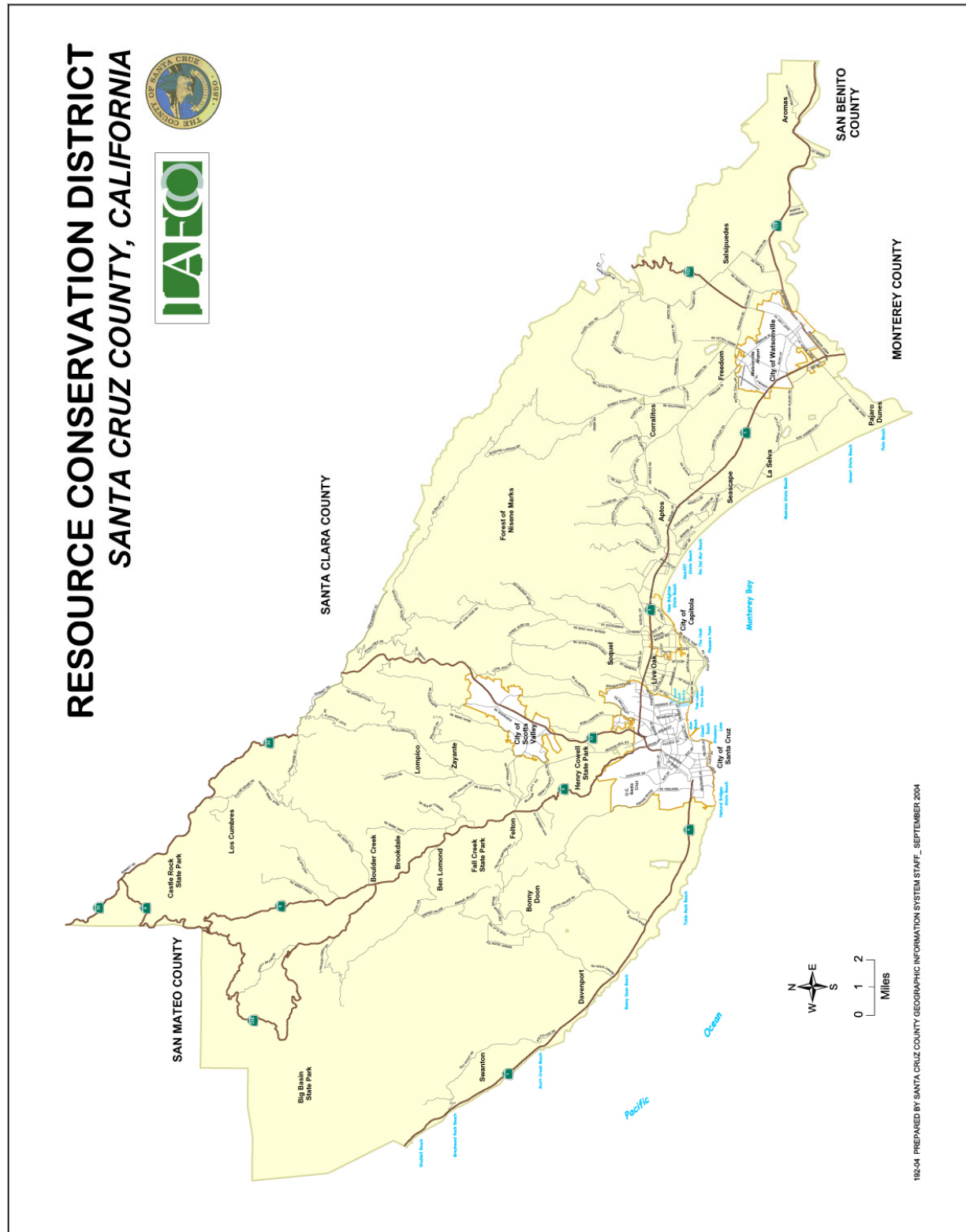
Within the context of the goals stated above, the SCCRCD leverages available technical, financial and educational resources to meet the needs of the local land users. The District has three primary areas of service:

## ***Other Services: Resource Conservation District***

- **Agricultural Community:** The SCCRCD continues to serve the agricultural community as it has since the District's formation. Through a cooperative agreement with the US Department of Agriculture's Natural Resources Conservation Service (NRCS), the SCCRCD offers the services of NRCS Conservationists to assist agricultural landowners with land management issues, including irrigation, soil development, erosion control, crop cover, etc. The SCCRCD places a high priority on issues and work related to the protection of prime and important farmland within Santa Cruz County.
- **Erosion Control and Sedimentation:** The SCCRCD's most urgent concern is controlling accelerated erosion and sedimentation from human activities, including the following: inadequate drainage plans and structures, major land use changes, and erosion and reactivation of chronic landslide masses from landslides induced by human activities as well as natural events. To address these issues the SCCRCD offers conservation assistance to road associations, timberland owners, environmental organizations, government resource agencies and the general public through conferences, workshops and demonstrations.
- **Watershed Management:** Soil and water conservation is an important element of watershed planning and management. The SCCRCD is directly involved in a number of watershed management initiatives. The SCCRCD has five watershed coordinators on staff and assists watershed groups with their dissemination of conservation information and implementation of on-the-ground resource enhancement projects, including managing grant programs. In conjunction with the NRCS, the SCCRCD offers permit coordination services through the Santa Cruz Countywide Permit Coordination Program. The program is intended to be a model of coordinated, multi-agency regulatory review that ensures the integrity of agency mandates, but makes permitting more accessible to rural landowners, farmers and ranchers than the traditional permitting process.

The SCCRCD offers a significant amount of technical information and resource links through the District's website including permit information, NRCS program information, educational materials, and watershed plans.

A map of the Santa Cruz County Resource Conservation District follows.



### **10f.1 Population and Growth**

The SCCRCD serves the unincorporated area of the County and the City of Capitola. Population is expected to grow at an annual rate of 0.6% in the unincorporated area and 0.7% in Capitola. Although moderate, this growth will be accompanied by greater pressure on land uses such as agriculture, forestland, fish and wildlife, urban and recreation. The demand for conservation services is expected to increase, due to specific watershed management initiatives as well as to preserve the quality of the environment within Santa Cruz County and Monterey Bay.

### **10f.2 Infrastructure Needs and Deficiencies**

The SCCRCD does not own or maintain any infrastructure.

### **10f.3 Financing Constraints and Opportunities**

The SCCRCD is primarily funded by State grants, with supplementary revenue from the District's share of the 1% property tax. Revenue and expenditures as reported in the District's audited financial statement and County Auditor-Controller reports are shown below:

<b>Santa Cruz County Resource Conservation District – Financial Summary</b>			
	<b>FY 2002-2003 (Actual)</b>	<b>FY 2003-2004 (Actual)</b>	<b>FY 2004-2005* (Budget)</b>
<b>Revenue</b>			
Property Tax	\$16,085	\$17,210	\$10,000
Interest Income	\$2,105	\$2,211	\$2,000
Other Revenue (grants, etc.)	\$695,338	\$613,191	\$4,393,119
<b>Total Revenue</b>	<b>\$713,528</b>	<b>\$632,612</b>	<b>\$4,405,119</b>
<b>Expenditures</b>			
Salaries, Wages, Benefits	\$268,049	\$308,264	\$728,477
Services and Supplies	\$370,516	\$328,328	\$3,747,643
Fixed Assets – Equipment			\$10,000
Contingencies			\$55,664
<b>Total Expenditures</b>	<b>\$638,565</b>	<b>\$636,592</b>	<b>\$4,541,784</b>
<b>Net Revenue</b>	<b>\$74,963</b>	<b>(\$3,980)</b>	<b>(\$136,665)</b>
<b>Fund Balance, at year end (unreserved, undesignated)</b>	<b>\$148,723</b>	<b>\$98,799</b>	

The SCCRCD uses the services of the County Auditor-Controller to maintain its financial records and is audited annually by an independent auditor.

The SCCRCD's property tax revenue will be reduced by \$5,617 in FY 2004-2005 due to ERAF III. Given the District's reserve level and budget for contingencies, it should be able to accommodate this reduction in revenue with little impact to the programs and services it provides.

The SCCRCD has actively sought to expand its funding sources and has been successful in obtaining public and private grant funding through the competitive process. Grants provide funding for specifically identified programs with stated objectives and tasks. Therefore, the District is able to tailor its programs and services in accordance with the grant funding requirements. The SCCRCD has adequate resources to deliver the services for which grant funding has been awarded. The District is financially stable and has leveraged its property tax revenue to significantly enhance the level of conservation services provided within Santa Cruz County.

#### **10f.4 Cost Avoidance Opportunities**

The SCCRCD utilizes the resources of the NRCS to provide conservationist services, housing three NRCS staff within the District's office. The County Board of Supervisors appoints SCCRCD board members in order to avoid election costs.

#### **10f.5 Management Efficiencies**

The SCCRCD is managed by an Executive Director under the direction of the District's Board of Directors. Per the requirements of Public Resource Code Division 9, the District has adopted a Long Range Conservation Plan that extends through 2010. Division 9 requires that RCDs develop a strategic plan that identifies "all resource issues within the district for local, state, and federal resource conservation planning." The plan must cover a minimum five-year period and include a framework for setting annual priorities (annual plans) as outlined in the long-range plan. In addition, the plan must also include a means for conveying ideas contained in the plan to the public and other public agencies. Lastly, the plan must include a basis for evaluating progress made toward goals and objectives outlined in the plan. The SCCRCD's Long-Range Conservation Plan exceeds these requirements.

All of the District's activities are related to the adopted Long Range Conservation Plan and stated goals. The Annual Work Plan specifically identifies projects and efforts for the upcoming year, and is used to evaluate results. This provides a means for the District and the public to monitor progress, and the District's Board is able to redirect efforts as necessary.

#### **10f.6 Shared Facilities**

The SCCRCD shares facilities and programs with other agencies to leverage its resources. The District has entered into an MOU with the USDA Natural Resources Conservation Service and utilizes the services of NRCS District Conservationists. The District also has an agreement with California State Parks to do restoration and enhancement projects. District staff serves as Watershed Coordinators for the Arana Gulch and Pajaro River Watersheds. Lastly, the SCCRCD has a contract with the City of Watsonville to distribute grant funds for a restoration project.

#### **10f.7 Rate Restructuring**

The SCCRCD does not charge fees or service charges for its services, other than nominal charges to cover direct costs for the technical education materials, classes and workshops.

### **10f.8 Government Structure Options**

The SCCRCD is authorized to provide a broad range of conservation-related services that provide benefit throughout the District's service area. The District's boundaries currently exclude the incorporated cities of Santa Cruz, Scotts Valley, and Watsonville, although the District's Board has discussed providing erosion control services for the City of Scotts Valley. In 1983 the City of Capitola applied for annexation of the entire city to the SCCRCD. The City sought to use the District's staff to review site development plans and advise the Planning Staff on permit conditions for erosion control and water conservation. In addition, the annexation allowed the SCCRCD to provide services to the entire Soquel Creek Watershed in an effort to reduce siltation and improve the water quality in the creek.

Two possible government structure options were identified:

- ***Maintain status quo:*** The SCCRCD's boundaries would remain the same and the District would continue to operate as it currently is.
  - *Advantage:* Provides continuity of service. The District has been successful in leveraging its resources to provide a broad range of conservation services.
  - *Disadvantage:* Provides no services within the three incorporated cities of Santa Cruz, Scotts Valley, and Watsonville. The cities were not included within the District in 1978; however the approach to environmental protection and natural resource conservation has changed dramatically since then. The focus is shifting to physical watersheds rather than political boundaries. Residents within the three cities are not able to directly benefit from the services provided by the SCCRCD or its ability to successfully compete for grant funding.
- ***Annex incorporated area to the SCCRCD:*** The SCCRCD's boundaries would be expanded to include the incorporated Cities of Santa Cruz, Scotts Valley and Watsonville. An alternative is to cover specific areas through out-of-agency agreements approved by LAFCO.
  - *Advantage:* Increases levels of service and programs within incorporated areas. The District provides a broad range of conservation services for both urban and rural areas, and could provide services that improve environmental quality and reduce erosion and sedimentation. This may result in lower costs for flood control and compliance with Regional Water Quality Control Board regulations ultimately borne by taxpayers. It may also provide a greater opportunity for implementing watershed plans and programs as the District would not be limited by the area served.
  - *Disadvantage:* Limited funding available from the incorporated areas. The District does not receive a portion of the 1% property tax on the incorporated areas. Subject to Proposition 218 adopted in 1996, a majority of the property owners or voters would need to approve a tax or special assessment to provide funding specifically for the services provided by the SCCRCD.

### **10f.9 Local Accountability and Governance**

The SCCRCD is governed by a seven member Board of Directors; all Directors are landowners within the District and have an understanding of soil and water conservation issues. Directors are appointed by the

## ***Other Services: Resource Conservation District***

County Board of Supervisors to serve staggered four-year terms. The SCCRCD also has three active associate Directors. The current board is as follows:

<b>Board Member</b>	<b>Title</b>	<b>Term of Office</b>	<b>Compensation</b>
James McKenna	Board President	2006	None
Michael Manfre	Vice President	2008	None
Sheryl L. Bailey	Director	2008	None
Roberta Smith	Director	2006	None
Tom Lukens	Director	2006	None
John Ricker	Director	2008	None
Howard Liebenberg	Director	2008	None

The Board meets the second Wednesday of each month at 6:30 PM in the SCCRCD's offices (meetings start at 7:00 PM May through October). Public notice is provided through posting, press releases, direct mailing, and website. The District's Long Range Conservation Program states that all meetings are to be conducted in accordance with "Roberts Rules of Order" and all meetings shall follow the guidelines set forth in the Brown Act. The SCCRCD maintains a website that includes information on the District, its programs and services ([www.sccrcd.org](http://www.sccrcd.org)).

In 2004, the Santa Cruz County Grand Jury reviewed the SCCRCD, focusing on four areas: operations, funding, purpose and how the District publicizes itself. The study resulted in five recommendations that were all in support of the SCCRCD's efforts. Areas noted for improvement were that the District should work to expand public awareness of its services and the District should allow as much public input as possible in order to build good community relations and further publicize the District's work.

### **– DETERMINATIONS –**

#### **1) *Population and Growth***

The Santa Cruz County Resource Conservation District serves the unincorporated area of Santa Cruz County and the City of Capitola. Land use within the District's service area includes both rural and urban; demand for resource conservation services is expected to increase as land use intensifies, water quality issues become increasingly more critical and watershed management plans are implemented.

#### **2) *Infrastructure Needs and Deficiencies***

The Santa Cruz County Resource Conservation District does not own or maintain any infrastructure.

#### **3) *Financing Constraints and Opportunities***

The Santa Cruz County Resource Conservation District is primarily funded through grants, supplemented by the District's share of the 1% property tax.



The SCCRCD has been successful in pursuing grant funding to further expand its programs and services.

The SCCRCD maintains reserves and budgets for contingencies to ensure continuity of service and address any timing differences between grant program expenditures and receipt of funding.

**4) Cost Avoidance Opportunities**

The Santa Cruz County Resource Conservation District is avoiding costs through the use of limited staff, volunteers and USDA Natural Resources Conservation Service District Conservationists.

The SCCRCD avoids election costs by having the County Board of Supervisors appoint District Directors through a public process.

**5) Management Efficiencies**

The Santa Cruz County Resource Conservation District achieves management efficiencies through the use of its Long-Range Conservation Program and Annual Work Plan to provide structure and guidance for the District's programs and services. The Annual Work Plan also provides a means to measure results and make adjustments in priorities and approach where necessary.

**6) Shared Facilities**

The Santa Cruz County Resource Conservation District shares facilities with other agencies, including an MOU with the NRCS and agreements with the California State Parks and the City of Watsonville.

**7) Rate Restructuring**

The Santa Cruz County Resource Conservation District does not charge fees for its services, other than nominal fees to cover the costs of educational programs, workshops and conferences.

**8) Government Structure Options**

The Santa Cruz County Resource Conservation District is providing programs and services for the benefit of Santa Cruz County; the incorporated areas of Santa Cruz, Watsonville and Scotts Valley are excluded from the District's service area. Two government structure options were identified: 1) maintain the status quo and 2) annex the incorporated Cities of Santa Cruz, Scotts Valley and Watsonville to the District. Advantages for the first option include continuity of service; no other agency could provide all of the programs and services offered by the RCD. The disadvantage is that services and programs with direct benefit for the three cities would not be provided. The advantage of annexing incorporated area is that it increases the level of conservation services within those areas, which may result in lower costs for flood control and compliance with Regional Water Quality Control Board regulations borne by taxpayers. It may also provide a greater opportunity for implementing watershed plans and programs as the SCCRCD would not be limited in those areas. The disadvantage is increased financial constraint on the SCCRCD to increase or extend programs and services into those areas.

**9) Local Accountability and Governance**

The Santa Cruz County Resource Conservation District has a process for ensuring local accountability and governance. Directors are appointed by the County Board of Supervisors. The Board meets regularly and public notice is provided through several methods including posting, direct mail, media, and the District's website.

District meetings are open and accessible to the public, and are conducted in accordance with the Brown Act and Roberts Rules of Order.

Santa Cruz County Resource Conservation District			
Contact:	James G. McKenna, Board President		
Mailing Address:	820 Bay Avenue, Suite 128, Capitola, CA 95010		
Site Address:	Same		
Phone Number:	(831) 464-2950		
Fax Number:	(831) 475-3215		
Email/Website	<a href="mailto:scrcrd@scrcrd.org">scrcrd@scrcrd.org</a> ; <a href="http://www.scrcrd.org">www.scrcrd.org</a>		
Types of Services:	Agricultural drainage, erosion/sedimentation control, conservation, watershed management		
Population Served:	144,038		
Size of Service Area (sq miles):	406 sq miles		
Staff			
Staff: FTE	NP		
Financial Information			
Budget (FY 2004-2005)	Revenues	Expenses	Fund Balance (end of yr)
	\$4,405,119	\$4,541,784	\$98,799*
* Unreserved, undesignated funds			

NP – not provided