

2013 MUNICIPAL SERVICE REVIEW and SPHERE of INFLUENCE STUDY of the GRAHAM HILL SANITARY SEWER AGENCIES

**Public Review Draft
September 25, 2013**

Prepared by the Local Agency Formation Commission of Santa Cruz County



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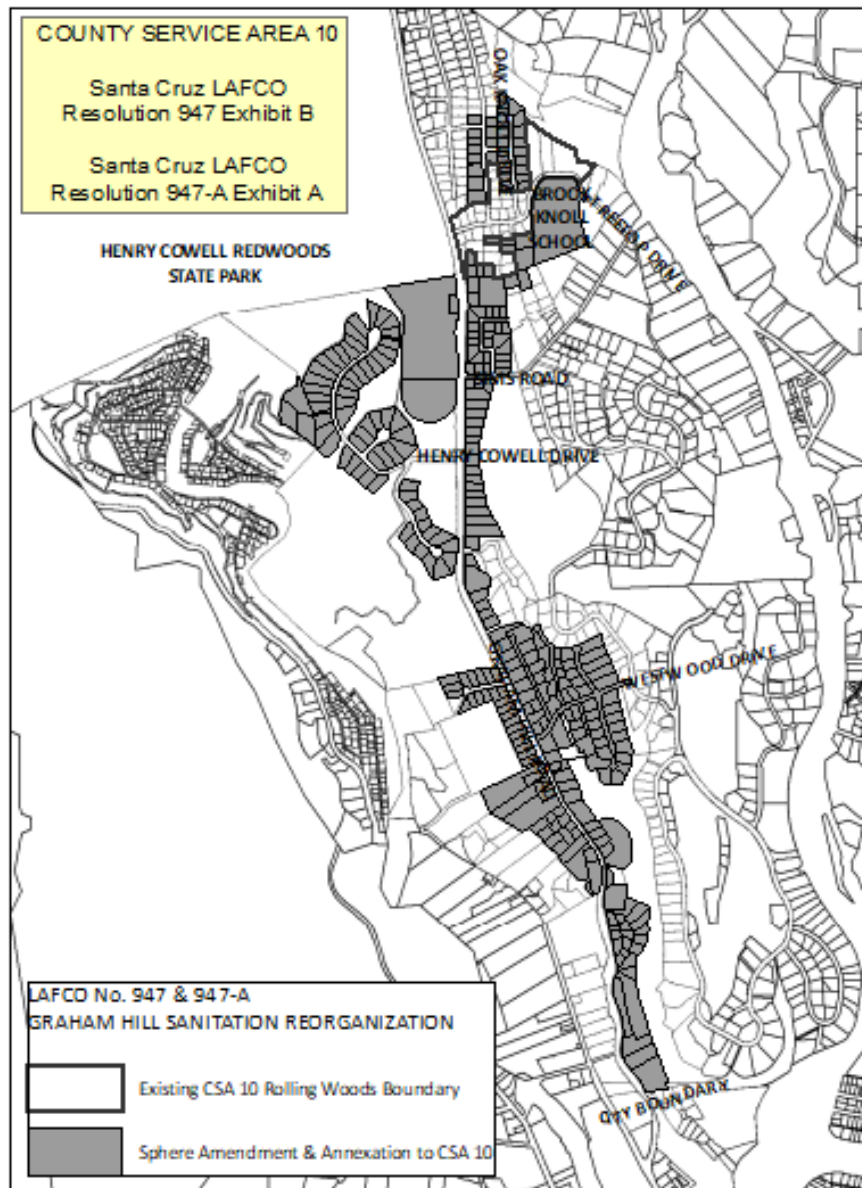
2013 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY
OF THE GRAHAM HILL SANITARY SEWER AGENCIES

**MUNICIPAL SERVICE REVIEW FOR COUNTY SERVICE AREA 10
(ROLLING WOODS) AND COUNTY SERVICE AREA 57S (WOODS COVE)**

1.1 Municipal Service Review

The purpose of this study is to evaluate the sanitary sewer agencies in the Graham Hill Road area north of the Santa Cruz city limits, and to make determinations concerning the need for services, service area boundaries, alternatives for the configuration of public agencies to provide the services, and options for service efficiencies. The study will be used by the Local Agency Formation Commission of Santa Cruz County when reviewing sphere of influence amendments and agency boundary reorganizations, including two pending applications.

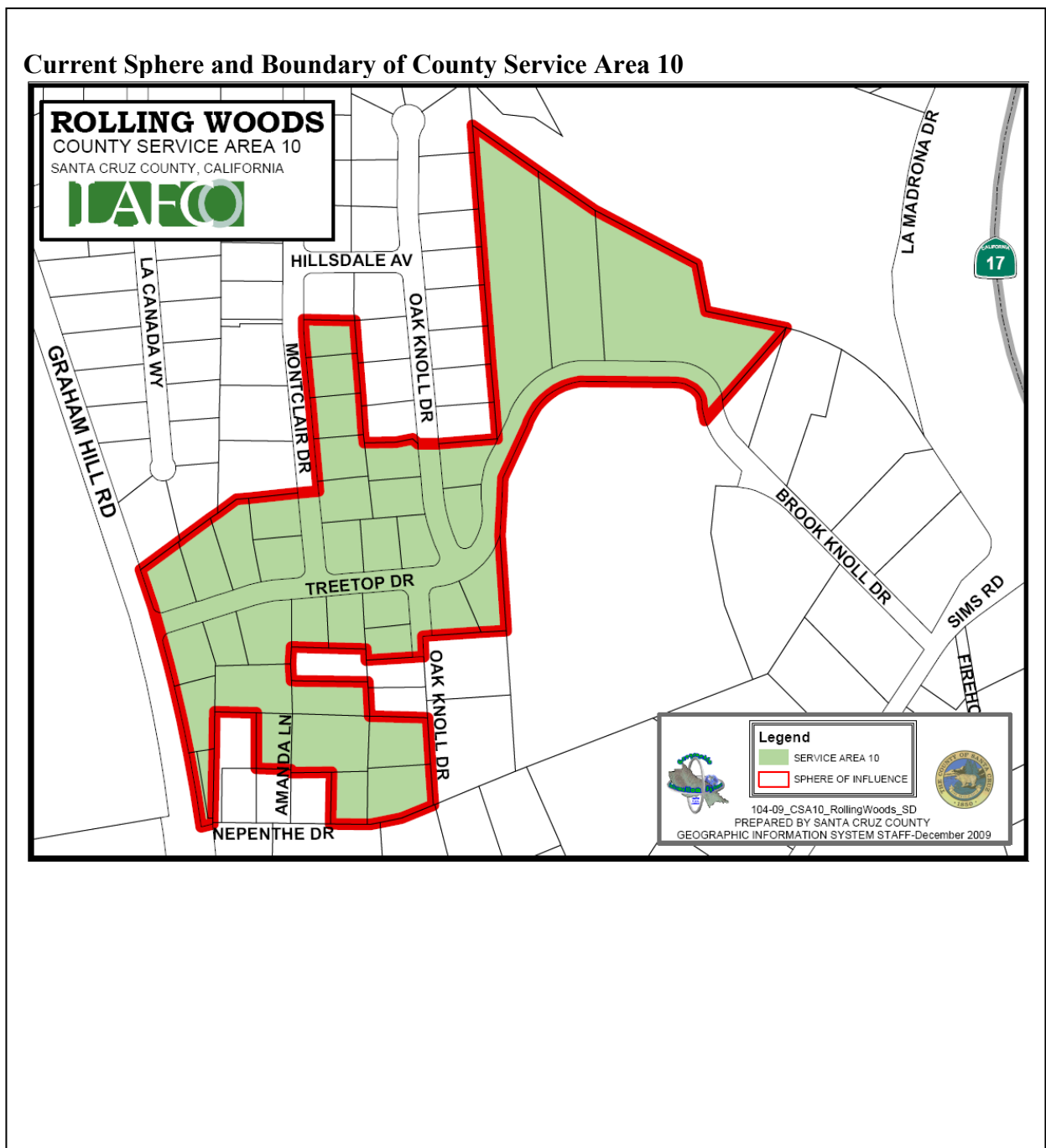
The study area is the Graham Hill Road corridor north of the City of Santa Cruz.



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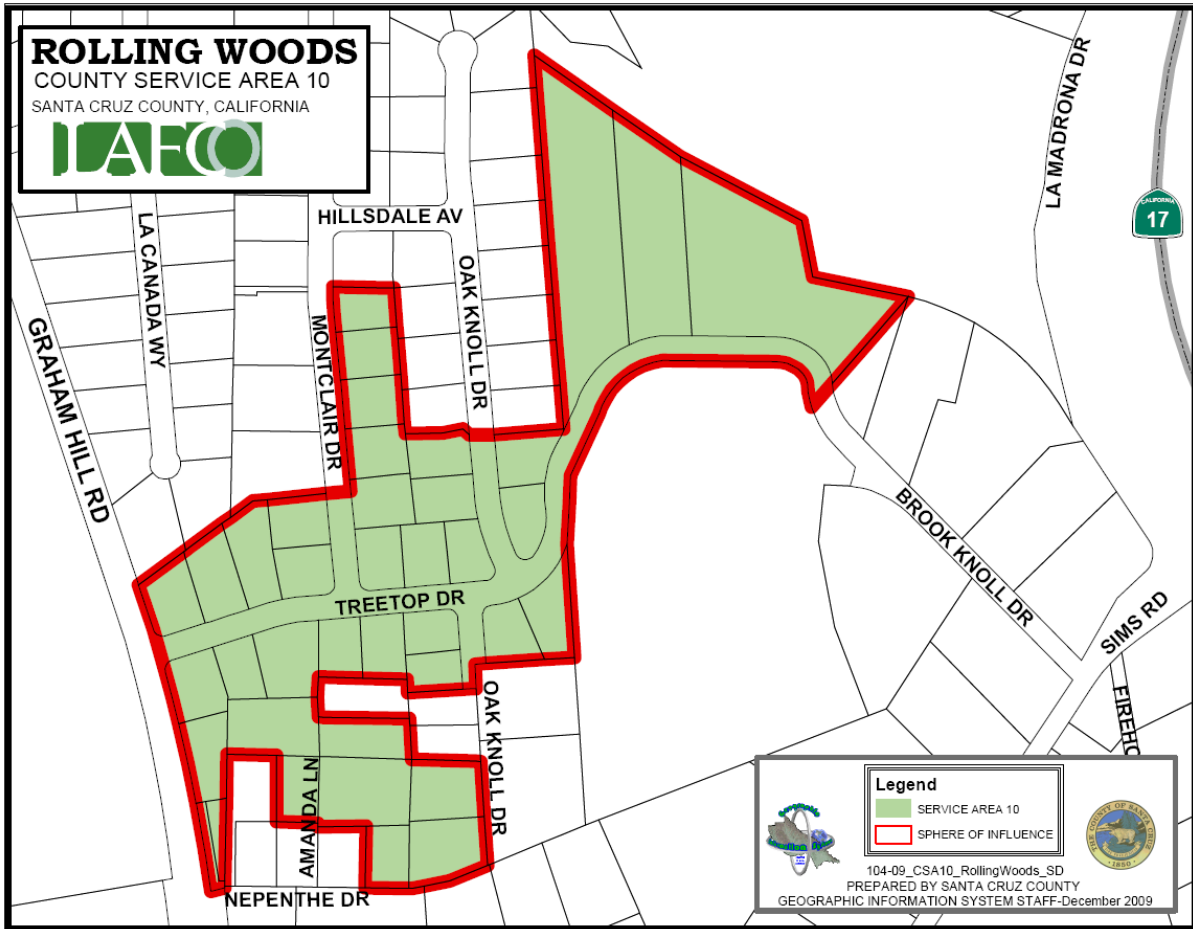
There are two sanitary sewer agencies currently operating in the study area: County Service Area 10 (Rolling Woods) and County Service Area 57S (Woods Cove).

County Service Area 10 (Rolling Woods) operates a sanitary sewer collection system in the southern part of Rolling Woods centering around Treetop Drive. There are 34 connections. The county service area's sewage is transported through a gravity sewer main to the corner of Graham Hill Road and Henry Cowell Drive, where it connects to the Graham Hill sewer main, currently operated by County Service Area 57S, which transports the sewage to the City of Santa Cruz system. The City treats the sewage at its Neary Lagoon Wastewater Treatment Facility and disposes the treated effluent in the Pacific Ocean off West Cliff Drive.



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Current Sphere and Boundary of County Service Area 57



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1.2 Growth and Population

The study area is substantially built-out with low-density single-family homes. County Service Areas 10 build-out under the County General Plan, an additional 37 people could live in new houses built on vacant parcels within the expanded sphere.

Table 1. Houses and Population

	Current CSA 10 Rolling Woods	Current CSA 57 Woods Cove	Expanded Sphere	Total
Connected Houses 2013	34	60	0	94
Est. Population	90	159	0	249
Existing Houses on Septic	0	3	220	223
Est. Population	0	8	583	591
Potential New Houses	4	1	10	15
Est. Population	11	3	27	41
Total Houses	38	64	230	332
Est. Population	101	170	611	881
<i>Sources: 2010 Census, and LAFCO staff estimate</i>				
<i>2.65 people per house</i>				

Municipal Service Review Determination¹

Determination MSR1. Growth and population projections for the affected area.

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

¹ Municipal Service Review determinations (Government Code Section 56430) and Sphere of Influence determinations (Government Code Section 56425) are in bold italics and are carried over to the Resolutions No. 947 and 947-A, by which the Commission adopts these determinations and takes action on the applications.

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1.3 Environmental Justice

Within each municipal service review, Government Code Section 56430(a) (2) requires LAFCO to address “the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.” A community is disadvantaged if its annual median household income is less than 80 percent of the statewide annual median household income. In 2001, the median household² income in the Graham Hill Pasatiempo census tract was \$92,819 in 2011. This compares with the Santa Cruz County median household income of \$66,030 and the statewide median household income of \$57,287. The Graham Hill Pasatiempo median household income is 162% of the state median. Disadvantaged communities have median household incomes less than \$45,830 (80% of state median). There are no identified pockets of low-income areas within or adjacent to the current or proposed expanded CSA 10 Sphere of Influence.

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

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

1.4 Infrastructure Needs and Deficiencies

The Graham Hill sewer main was constructed in 2009 to serve the 60 homes in the approved Woods Cove Subdivision³ and the adjacent horse showgrounds. One condition of the County’s approval was that no additional connections be made to the sewer main until additional environmental review could be conducted to assess the impacts of serving the much larger “Greater Pasatiempo” area, which included Beulah Park, Pasatiempo, Rolling Woods, the Sims Road area, and the properties along Graham Hill Road north of the Santa Cruz City limits. The sewer line was sized to handle peak flow from the entire Greater Pasatiempo area which was calculated based upon a maximum of 825 potential connections at buildout.⁴ There are currently 94 connections, using approximately 11% of the capacity of the planned connections. If all parcels are connected to the sewer within the proposed expanded sphere of influence of County Service Area 10, there would be 337 connections using approximately 41% of the capacity of the planned connections. Therefore, the Graham Hill sewer main has adequate transmission capacity for the proposed expansion of the CSA 10 sphere of influence.

² American Community Survey 2007-2011, US Census Bureau

³ Known as “Graham Hill Estates” during the County’s land use permitting process

⁴ County staff report titled “Graham Hill Estates Proposed Sewer Line Capacity” for October 20, 1998 agenda

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Table 2. Wastewater Treatment

Treatment Facility / Areas Served	Permitted Capacity	2003-2004 Actual	2013 Actual	2020 Projected	Avg. Annual Increase
City of Santa Cruz Wastewater Treatment Facility City of Santa Cruz City of Capitola Live Oak Soquel Aptos CSA10 –Rolling Woods CSA 57 – Graham Hill UC Santa Cruz	17.00	10	10.50	10.78	0.5%
Sources: 2005 Countywide Service Review, LAFCO; and 2011 City of Santa Cruz Municipal Service Review, LAFCO					

The City’s Wastewater Treatment Plant has a 17 million gallons per day dry weather capacity. The average daily flow is 10.5 million gallons per day.⁵ The design for wet weather flow is 81 million gallons per day.⁶ It serves approximately 130,000 residents of the City of Santa Cruz, City of Capitola, unincorporated Live Oak, Soquel, Aptos, Rolling Woods, and Woods Cove. There is sufficient treatment capacity to connect all the parcels within the proposed expanded Rolling Woods County Service Area.

Determination MSR 3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged , unincorporated communities within or contiguous to the sphere of influence.

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

1.5 Financing Constraints, Cost Avoidance, and Rate Re-Structuring Opportunities

Wastewater services for CSA 10 (Rolling Woods), CSA 57 (Woods Cove) and the City’s Wastewater Treatment Plant are funded through sewer service charges and connection fees.

⁵ 2011 City of Santa Cruz Municipal Service Review and North Campus Sphere of Influence Amendment Study, Santa Cruz LAFCO, November 2011.

⁶ <http://www.cityofsantacruz.com/index.aspx?page=148> accessed online in September 2013.

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The budgets for CSA 10 and CSA 57 are summarized below:

Table 3. County Service Area 10 (Rolling Woods) Budget

Requirements	Actual 2011-12	Appropriated 2012-13	Estimated 2012-13	Requested 2013-14	Recommended 2013-14	Change from 2012-13
Appropriations						
Services & Supplies	\$5,467	\$7,340	\$7,061	\$7,340	\$7,340	\$0
Fixed Assets	\$0	\$54,291	\$53,743	\$6,102	\$6,102	(\$48,189)
Approp. For Cont.	\$0	\$311	\$0	\$0	\$0	(\$311)
Total	\$5,467	\$61,942	\$60,804	\$13,442	\$13,442	(\$48,500)
Increase Reserve	\$3,988	\$0	\$0	\$0	\$0	\$0
Total Requirements	\$9,455	\$61,942	\$60,804	\$13,442	\$13,442	(\$48,500)
Available Funds						
Fund Balance Available	\$43,210	\$45,912	\$45,912	\$1,158	\$1,158	(\$44,754)
Cancel Reserve	\$0	\$3,988	\$3,988	\$0	\$0	(\$3,988)
Revenue	\$12,157	\$12,042	\$12,062	\$12,284	\$12,284	\$242
Total	\$55,367.00	\$61,942.00	\$61,962.00	\$13,442.00	\$13,442.00	(\$48,500)

This district provides sewer collection services for the residents of the Rolling Woods subdivision. The Rolling Woods Treatment Plant was abandoned in 2010. As a result of the construction of the new sewer system, fourteen seepage leach pits and appurtenances, which were part of the sewer treatment and disposal system and no longer in service, were abandoned in 2012-13.

The recommended financing includes an estimated June 30, 2013 fund balance of \$1,158, sewer service fees of \$12,264, and other revenues of \$20. The recommended appropriations are \$13,442, leaving an estimated \$0 in unappropriated fund balance.

Table 4. Rolling Woods CSA Budget Detail

Service	12-13 Allow	13-14 Recom
Permits	\$1,700	\$1,700
Sewer Line Maintenance & Operations	\$5,000	\$5,000
Engineering	\$500	\$500
Accounting and Audit Fees	\$140	\$140
Capital Reserves	\$54,291	\$6,102
Contingencies	\$311	\$0
TOTAL	\$61,942	\$13,442

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Table 5. County Service Area 57 (Woods Cove) Both drainage and sanitation services.

Requirements	Actual 2011-12	Appropriated 2012-13	Estimated 2012-13	Requested 2013-14	Recommended 2013-14	Change from 2012-13
Appropriations						
Services & Supplies	\$31,539	\$110,270	\$57,248	\$105,270	\$105,270	(\$5,000)
Fixed Assets	\$0	\$473,143	\$0	\$533,613	\$533,613	\$60,470
Approp. For Cont.	\$0	\$20,000	\$0	\$20,000	\$20,000	\$0
Total	\$31,539	\$603,413	\$57,248	\$658,883	\$658,883	\$55,470
Increase Reserve	\$6,029	\$14,918	\$14,918	\$0	\$0	(\$14,918)
Total Requirements	\$37,568	\$618,331	\$72,166	\$658,883	\$658,883	\$40,552
Available Funds						
Fund Balance Available	\$463,363	\$527,042	\$527,042	\$545,898	\$545,898	\$18,856
Cancel Reserve	\$10,961	\$0	\$0	\$20,947	\$20,947	\$20,947
Revenue	\$90,286	\$91,289	\$91,022	\$92,038	\$92,038	\$749
Total	\$564,610	\$618,331	\$618,064	\$658,883	\$658,883	\$40,552

This district provides water related drainage and sewer collection system maintenance and operations service in the Graham Hill County Service Area, which serves the Woods Cove subdivision.

The recommended financing includes an estimated June 30, 2013 fund balance of \$545,898, cancellation of designations/reserves of \$20,947, drainage assessments of \$32,293, sewer service charges of \$57,245, and other revenues of \$2,500. The recommended appropriations are \$658,883, leaving an estimated \$0 in unappropriated fund balance.

Table 6. Woods Code CSA Budget Detail

Service	Drainage		Sanitation	
	12-13 Allow	13-14 Recom	12-13 Allow	13-14 Recom
Maintenance & Operations	\$18,500	\$19,000	\$24,000	\$24,000
Engineering	\$3,000	\$3,000	\$50,000	\$50,000
Utilities / Chemicals	\$0	\$0	\$7,500	\$2,000
NPDES II Contribution	\$4,000	\$4,200	\$0	\$0
DPW Services	\$2,500	\$2,600	\$200	\$200
Contingencies	\$20,000	\$20,000	\$0	\$0
Accounting & Audit Fees	\$300	\$0	\$270	\$270
Capital Reserves	\$200,589	\$217,524	\$272,554	\$316,089
TOTAL	\$248,889	\$266,324	\$354,524	\$392,559

Controlling Costs

The County is controlling costs for the CSAs by sharing accounting, management, and operations staff assigned on an as-needed basis from the County staff. The costs for small sewage collection systems are typically higher for small systems that don't benefit from economies of scale of large systems such as the City of Watsonville, the City of Santa Cruz, and the County Sanitation District.

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The following table summarizes the current connection and monthly sewer charges for County Service Area 10, County Service Area 57S, and the proposed County Service Area 10 charges if the sphere amendment and reorganization are completed. The proposed charges would not result in any increases. Under the proposed charges, Woods Cove customers would see their monthly rates go down \$53.79. Under the proposed charges, connection fees would go down \$1,676 in the Rolling Woods.

Table 7. Current and Projected Charges

	CSA Monthly Service Charges	City Monthly Service Charges	Total Monthly Service Charges	CSA Connection Fee	CSA Assessment/ Trunkline Fee	City Connection Fee	Total Connection Fee
Rolling Woods CSA 10 Sept. 2013	\$32.26	\$40.50	\$72.76	\$2,000	\$8,810	\$2,200	\$13,010
Woods Cove CSA 57S Sept. 2013	\$86.05	\$40.50	\$126.55	Not applicable			
Proposed Reorganized CSA 10 2014	\$32.26	\$40.50	\$72.76	\$2,000	\$7,134	\$2,200	\$11,334

Determination MSR 4. Financial ability of agencies to provide services.

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

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

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

1.6 Government Structure Options

How Many CSAs?

The previous service review for County Service Areas 10 and 57 identified consolidation as an option, but did not quantify the potential benefits and did not specify if one of the existing agencies should be the successor agency or if a new county service area should be formed to be the successor agency. The County, in preparing its application to LAFCO, consulted with LAFCO staff and analyzed the economies of each of the options.

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Table 8. Reorganization Options

OPTION	OPERATING BENEFITS	COST BENEFITS	ADMINISTRATIVE BENEFITS	
Status Quo, Keep Two CSAs	No change	No change	No change	
Form new CSA, Dissolve CSA 10 and CSA 57S	No change	Some cost savings	One budget One rate structure	
Keep CSA 10 and Dissolve CSA 57S	No change	Some cost savings	One budget One rate structure CSA 10 rates a good fit for bigger CSA	Chosen by County
Keep CSA 57S and Dissolve CSA 10	No change	Some cost savings	One budget One rate structure	

In June 2013, the Board of Supervisors, acting as the governing body of County Service Area 10 and County Service Area 57 received the staff report and public comment. The Board decided to proceed with a consolidation of the two CSAs with CSA 10 Rolling Woods to be the successor agency. This option has the advantage that the service charges of CSA 10 are close to the amount needed to operate the expanded CSA, and the CSA 10 connection fees can be lowered slightly for the projected connection fees in the expanded CSA.

1.7 Local Accountability and Governance

In accordance with State law, County Supervisors act at the Board of each county service area and 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. The County has established procedures and protocols for public notice of meetings and Board actions.

County Service Areas are included in the County budget process and are audited by the independently-elected County Auditor. The county service area budgets are available to the public on the County’s website at:

--County Administrator’s Recommended Budget:

www.co.santa-cruz.ca.us/Government/BudgetandFinancialReports/FY201314ProposedBudgetDocuments.aspx

--Adopted Budget www.co.santa-cruz.ca.us/aud/budgets.htm

The Board meetings are held at 701 Ocean Street, Santa Cruz, on Tuesday mornings beginning at 9:00 a.m. Audio coverage is available through the County’s website www.co.santa-cruz.ca.us , and video coverage is available through the two cable TV companies that serve Santa Cruz County.

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Following a recommendation of the Santa Cruz County Grand Jury, Santa Cruz LAFCO asks each agency subject to a service review whether they have adopted a mission statement, and whether their governing board has adopted rules to govern the board meetings. Santa Cruz LAFCO maintains a file which public agencies may use as a resource when considering adopting or revising mission statements and meeting rules. The Santa Cruz County Board of Supervisors has not adopted a mission statement for CSA 10 or CSA 57. The Board of Supervisors follows Sturgis Standard Code of Parliamentary Procedure.⁷

Board

Board Member	Title	Term of Office
Greg Caput	Supervisor	2014
Neal Coonerty	Supervisor	2014
Zach Friend	Supervisor	2016
John Leopold	Supervisor	2016
Bruce McPherson	Supervisor	2016

Staff

County Service Areas 10 and 57	
Contact:	John Presleigh, Director of Public Works
Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060
Phone Number:	(831) 454-2160
Fax Number:	(831) 454-2835
Email/Website	Rachel.Lather@co.santa-cruz.ca.us
Types of Services:	Wastewater collection, treatment

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

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

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

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

⁷ September 19, 2013 telephone conversation with County of Santa Cruz Clerk of the Board

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2.0 SPHERE OF INFLUENCE STUDY FOR COUNTY SERVICE AREA 10 (ROLLING WOODS) AND COUNTY SERVICE AREA 57 (WOODS COVE)

2.1 Sphere of Influence Review

Among its objectives⁸, LAFCO is authorized to perform studies which will contribute to the logical and reasonable development of local governments to provide for the present and future needs of each county and its communities. State law⁹ further provides that, in order to carry out its responsibilities for planning and shaping the logical and orderly development of local government agencies, the Local Agency Formation Commission shall develop a sphere of influence of each local governmental agency within the county and review the sphere every five years. 'Sphere of Influence' means a plan for the probable physical boundaries and service area of a local government agency.¹⁰

LAFCO uses adopted spheres of influence to discourage inefficient development patterns and to encourage the orderly expansion of local government agencies. Spheres of influence are used to:

- a. Provide long-range guidelines for the efficient provision of services and timely changes of governmental organization.
- b. Discourage duplication of services by two or more local government agencies.
- c. Guide the Commission in considering individual proposals for changes of organization.
- d. Identify the need for specific reorganization studies.

2.2 Current Spheres and Services

LAFCO's last sphere review for County Service Area 10 (Rolling Woods) and 57 (Woods Cove) was studied in the Countywide Service Review¹¹ and adopted by LAFCO Resolution No. 2008-1.

⁸ Government Code Section 56301

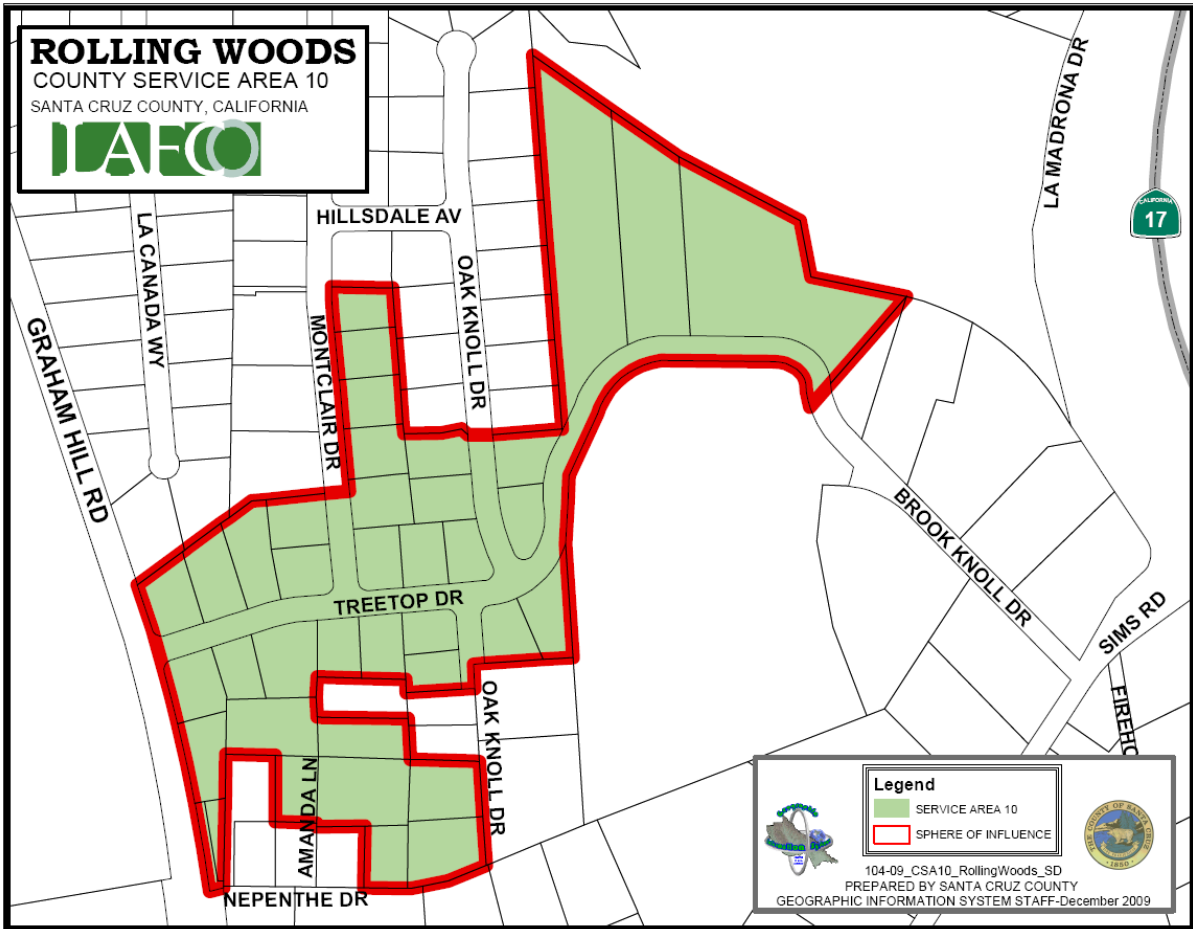
⁹ Government Code Section 56425

¹⁰ Government Code Section 56076

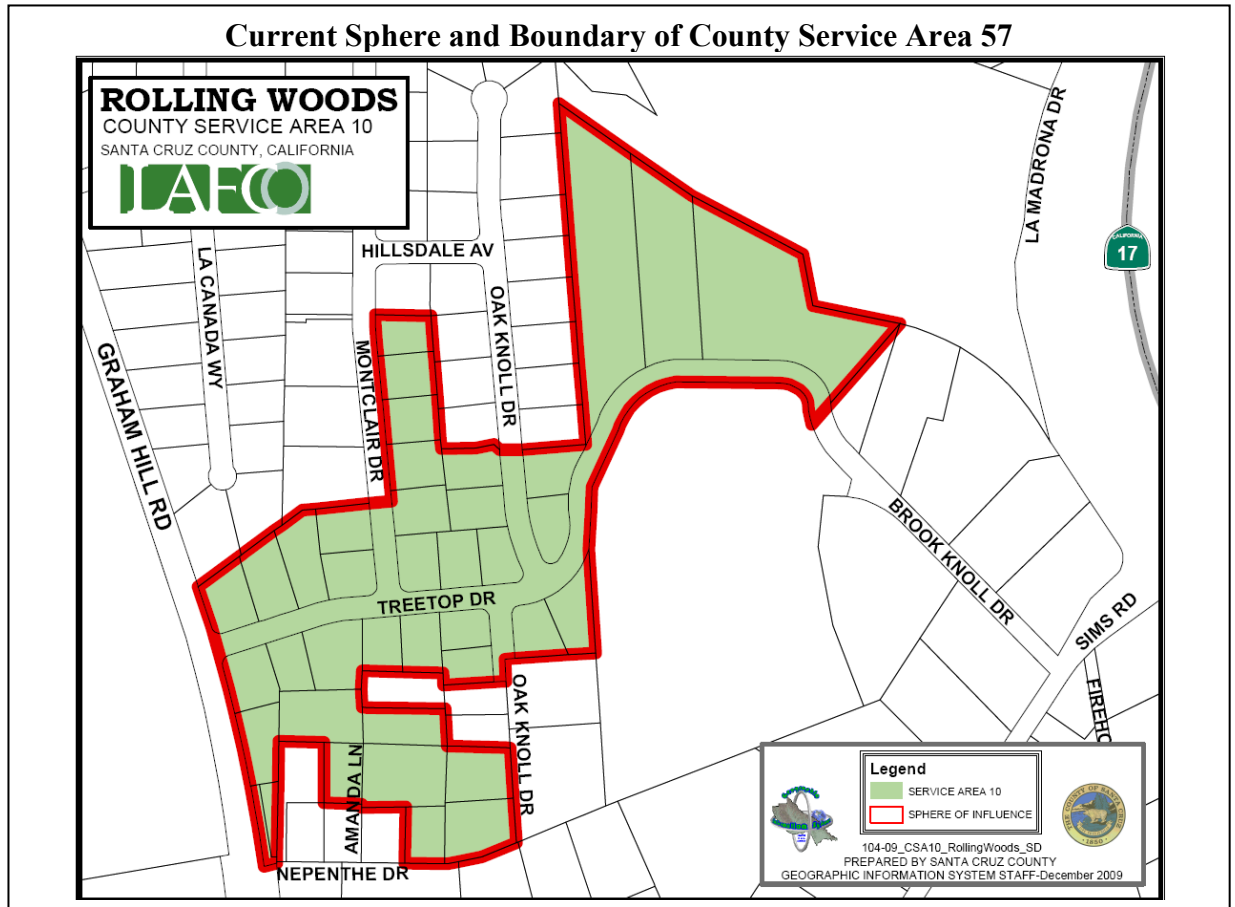
¹¹ Available at: <http://santacruzlafco.org/CSR.html>

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Current Sphere and Boundary of County Service Area 10



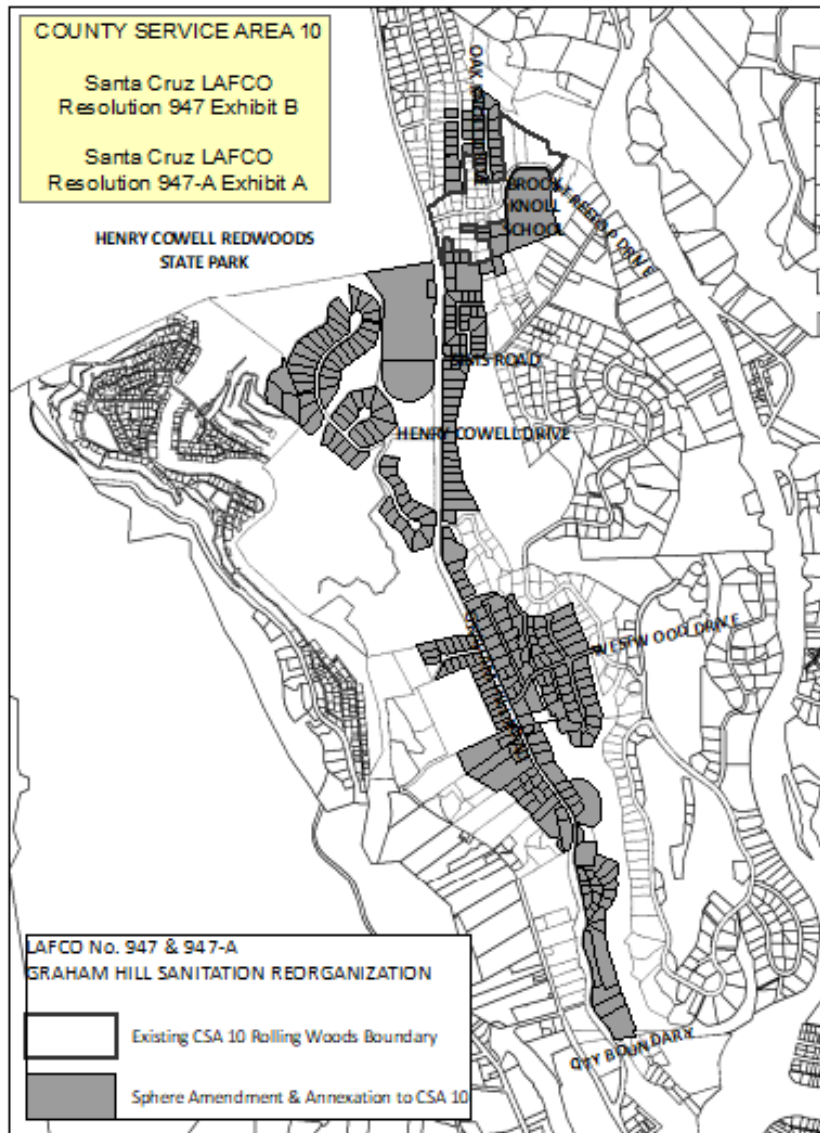
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The area subject to this study is the Graham Hill Road corridor north of the Santa Cruz City limits. The area is designated on the County General Plan for very low density urban residential uses. Two areas are sewered: Woods Cove and southern Rolling Woods. There are 94 connections in those two areas. The rest of the study area is substantially developed as single-family homes with individual septic systems. The principal reason to consider a sphere expansion is to make the Graham Hill sanitary sewer available for the 220 homes outside either CSA. The homes are generally 40 to 50 years old and some are experiencing septic problems. Within the two CSAs there are 3 houses that are not connected to the sewer, and 5 vacant residential lots. Outside the CSAs and inside the proposed sphere expansion, there are approximately 10 vacant residential lots.

There is no agricultural land in the study area. Henry Cowell Redwoods is located northwest of the study area, but it is not proposed to be included in the expanded CSA. Both Woods Cove and Pasatiempo have preserved open space within their communities. The proposed expansion of the sanitary sewer CSA in the Graham Hill Road corridor is not expected to impact these open spaces.

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2.3 State and Local Policies

Santa Cruz LAFCO’s Sphere of Influence Policies¹² encourage the consolidation of small single-purpose special districts when efficiencies can be achieved (Policy Guideline 11). When more than one agency could serve an area, LAFCO will base its sphere decisions on service capabilities, costs, and the desires of the community that will be served. Santa Cruz LAFCO’s Standards for Evaluating Proposals¹³ contain a standard that discourages an agency from providing services outside the agency’s boundaries:

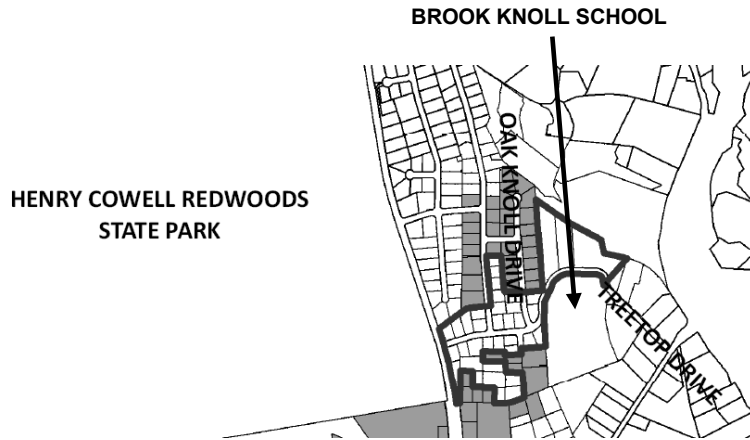
“Standard 2.2.8 LAFCO will review each proposal and take actions needed to encourage timely annexations to discourage agencies from extending services by agreement without annexing to the agency.”

¹² Available at: <http://santacruzlafco.org/Library/Sphere%20Policies%202011.pdf>

¹³ Available at: <http://santacruzlafco.org/Library/Standards%20for%20Evaluating%20Proposals%202011.pdf>

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Brook Knoll School, located at 151 Brook Knoll Drive, Santa Cruz on Assessor's Parcel Number 067-351-14 is connected to the Rolling Woods sanitary sewer. It is outside the boundaries of CSA 10, and not included in the map of the proposed expanded sphere of influence for CSA 10. The Commission should consider adding that parcel to the CSA 10 (Rolling Woods) expanded sphere.



As discussed earlier in this report¹⁴, both the Graham Hill sewer main and the City Wastewater Treatment Plant have sufficient capacity to handle the additional 238 connections if all property owners within the expanded CSA 10 sphere choose to connect to the sewer.

It is sometimes important to identify social and economic communities of interest in a sphere study, and then to determine if it is important to draw the sphere boundary to include or exclude certain communities. These are not important for this study. The proposal is based upon engineering criteria for parcels that are easily served from the existing sewer main.

2.4 Conclusion

The single-expanded County Service Area 10 (Rolling Woods) sphere of influence proposal is generally consistent with State and Santa Cruz LAFCO policies. The single, larger sphere of influence will promote the efficient provision of sanitary sewer services along the Graham Hill corridor study area.

The proposed CSA 10 sphere of influence would be more consistent with Santa Cruz LAFCO's policies if Brook Knoll School were added (APN 067-351-14).

The storm drainage functions of County Service Area 57 (Woods Cove) should remain as a separate CSA. If Woods Cove is annexed to CSA 10, the sanitary sewer assets and liabilities of CSA should be transferred to CSA 10, and the drainage facilities should remain in CSA 57.

2.5 Sphere Determinations

The sphere of influence determinations are based upon data and discussion in both sections of this study: Section 1 2013 Municipal Service Review and Section 2 Sphere of Influence Study of the Graham Hill Sanitary Sewer Agencies. The Sphere of Influence Determinations are required by Government Code Section 56425. The Sphere of Influence Determination will be carried over into any resolution that LAFCO adopts to approve and implement this study.

¹⁴ Pages 4 and 5

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

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

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

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

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

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

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

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