
**FINAL
MUNICIPAL SERVICES REVIEW
FOR THE
*Monterey Peninsula Area***

**LAFCO OF MONTEREY COUNTY
LOCAL AGENCY FORMATION COMMISSION**

January 4, 2007

TABLE OF CONTENTS

	<u>Page</u>
Executive Summary	1
Introduction and Overview	3
Service Providers	
City of Carmel-by-the-Sea	9
City of Del Rey Oaks.....	19
City of Marina.....	27
City of Monterey.....	37
City of Pacific Grove	51
City of Sand City.....	61
City of Seaside	71
Seaside County Sanitation District	79
Pebble Beach Community Service District.....	87
Carmel Highlands Fire Protection District	103
Marina Coast Water District	111
Monterey Peninsula Water Management District	123
Monterey Regional Water Pollution Control Agency	131
Monterey Regional Waste Management District.....	141
County Service Areas	151
CSA No. 17, Rancho Tierra Grande	151
CSA No. 19, Carmel Meadows	159
CSA No. 23, Carmel Ranch Subdivision and Annexations 1, 2, and 3	167
CSA No. 30, Rancho Mar Monte 1, 2, and 3	175
CSA No. 33, Coast Ridge Subdivision and Carmel Sur.....	183
CSA No. 44, Corral de Tierra Oaks 1, 2 and 3	191
CSA No. 58, Vista Dorado	199
CSA No. 67, Corral de Tierra Oaks 4	207
CSA No. 72, Las Palmas	215
CSA No. 74, Monterey County Emergency Medical Services	223
Resource Conservation District of Monterey County	231
Ocean View Community Services District	239
Monterey Peninsula Airport District	245
Report Preparation and Report Authors.....	253

TABLE OF CONTENTS (CONTINUED)

Figures

Figure 1 City of Carmel-by-the-Sea 11
Figure 2 City of Del Rey Oaks..... 21
Figure 3 City of Marina..... 29
Figure 4 City of Monterey..... 39
Figure 5 City of Pacific Grove..... 53
Figure 6 City of Sand City 63
Figure 7 City of Seaside 73
Figure 8 Seaside County Sanitation District 81
Figure 9 Pebble Beach Community Service District..... 89
Figure 10 Carmel Highlands Fire Protection District 105
Figure 11 Marina Coast Water District 113
Figure 12 Monterey Peninsula Water Management District..... 125
Figure 13 Monterey Regional Water Pollution Control Agency 133
Figure 14 Monterey Regional Waste Management District 143
Figure 15 CSA No. 17, Rancho Tierra Grande 153
Figure 16 CSA No. 19, Carmel Meadows 161
Figure 17 CSA No. 23, Carmel Ranch Subdivision and Annexations 1, 2, and 3 169
Figure 18 CSA No. 30, Rancho Mar Monte 1, 2, and 3 177
Figure 19 CSA No. 33, Coast Ridge Subdivision and Carmel Sur 185
Figure 20 CSA No. 44, Corral de Tierra Oaks 1, 2 and 3 193
Figure 21 CSA No. 58, Vista Dorado 201
Figure 22 CSA No. 67, Corral de Tierra Oaks 4 209
Figure 23 CSA No. 72, Las Palmas 217
Figure 24 CSA No. 74, Emergency Medical Services..... 225
Figure 25 Resource Conservation District of Monterey County 233
Figure 26 Ocean View Community Services District 241
Figure 27 Monterey Peninsula Airport District 247

EXECUTIVE SUMMARY

This report provides a Municipal Services Review (MSR) for the municipal service agencies with jurisdiction in the Monterey Peninsula Area to include the geographic area encompassing the area from Marina to the north, Carmel Highlands to the South and east to the Salinas River and encompassing the geographic area with access to Highway 68, (hereinafter, "Study Area").

On September 26, 2000, the Governor of California signed into law AB 2838 (Chapter 761, Statutes of 2000), which marked the most significant reform to local government reorganization law since the 1963 statute that created Local Agency Formation Commissions (LAFCOs). In summary, the Act does the following:

1. Creates statewide guidelines for the incorporation process to provide LAFCOs with a uniform "analytical tool" to use in their evaluation of incorporation proposals. The guidelines are advisory.
2. Requires LAFCOs to update all Spheres of Influence for local agencies by 2005.
3. Requires Municipal Service Reviews to be completed for each local agency prior to or simultaneously with the Sphere of Influence update.

This MSR is being prepared prior to updating any Spheres of Influence in the Study Area as a result of AB 2838. Its completion prior to the updates will facilitate the update process by providing useful baseline information for each service provider at the commencement of the update process and by shortening the time required to complete the update process. The format of this MSR is based on the State Guidelines for MSRs that requires nine factors to be evaluated for each local agency. They include:

1. Infrastructure Needs and Deficiencies
2. Growth and Population
3. Financing Constraints and Opportunities
4. Cost-Avoidance Opportunities
5. Opportunities for Rate Restructuring
6. Opportunities for Shared Facilities
7. Government Structure Options
8. Evaluation of Management Efficiencies
9. Local Accountability and Governance

In using these factors the information provides an inventory of service capabilities. Most of the information collected for this report has been derived from the service providers themselves. The consultants preparing the report have reviewed the submitted information for accuracy and they have exercised independent judgment and editorial oversight.

This MSR inventories community services provided by seven municipalities (i.e., "incorporated" cities) within the Study Area, which include Carmel-by-the-Sea, Del Rey Oaks, Marina, Monterey, Pacific Grove, Sand City, and Seaside. Outside of these cities, there are several small residential enclaves surrounded by rural land (e.g., Corral de Tierra, Las Palmas, Serra Village, and Toro Park). The unincorporated communities and enclaves

are provided public services by Community Service Districts (CSDs) and County Service Areas (CSAs). Therefore, this MSR also inventories the CSDs and CSAs. Individual discussions of each municipality and special district conclude with a "Summary and Determinations" section that highlights the most significant information pertinent to each municipality, district, and CSA. The purpose of the MSR is not to provide recommendations for future actions but to provide information that can be used in future studies, including Sphere of Influence updates, as a basis for formulating recommendations to the Commission and implementing policy decisions of the Commission by staff.

INTRODUCTION AND OVERVIEW

The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (Act) requires the LAFCO in each county in California to update the Sphere of Influence for all municipalities and special districts within their counties by 2005. In addition, the Act requires that a Municipal Service Review (MSR) be conducted prior to or in conjunction with the Sphere of Influence (SOI) update. A Sphere of Influence, as defined by California Government Code 56425, "is a plan for the probable physical boundary and service area of a local agency or municipality." Cities and other local agencies, such as a water district, can only annex land area within their SOI. An SOI is generally regarded as a 20-year growth boundary. Establishing geographic areas around each city and local agency district to delineate where they may expand in the future is one of the primary activities of each LAFCO in the State. Having an independent commission establish future growth boundaries in advance of proposed annexations ensures plans for annexations of proximate cities and local agencies will not overlap with each other. Spheres of Influence are also meant to prevent "leap-frog" development and provide for orderly steps in annexation and development.

The MSR is a new requirement for LAFCOs. MSRs identify and evaluate public services. They will provide LAFCO decision-makers with important information about various aspects of locally provided services. According to Government Code Section 56430, MSRs are to include the following:

"A Service Review must have written determinations that address the following factors in order to update a Sphere of Influence:

Factors to Be Addressed:

- (1) infrastructure needs and deficiencies
- (2) growth and population
- (3) financing constraints and opportunities
- (4) cost-avoidance opportunities
- (5) opportunities for rate restructuring
- (6) opportunities for shared facilities
- (7) government structure options
- (8) evaluation of management efficiencies
- (9) local accountability and governance"

This report inventories local agencies according to the nine factors listed above. For purposes of LAFCO of Monterey County, factors (4) and (5) and in some cases (6), have been combined into a single subheading in this report due to their similar nature.

As required by the Act, the Governor's Office of Planning and Research shall prepare guidelines for the preparation of MSRs. Guidelines were prepared in 2001. This report has been prepared in accordance with these guidelines.

LAFCO of Monterey County is preparing MSRs based on dividing the County into five large geographic areas. Two exceptions are focused MSRs for the Salinas Rural Fire Protection

District and the East Garrison Community Services District. This Monterey Peninsula Area MSR inventories the services within the Monterey Peninsula Area that includes the former Fort Ord, the Highway 68 corridor, and Carmel Highlands area.

The other “area-wide” MSRs prepared for the cities and special districts throughout the County include the following:

- Greater Salinas Area
- Central and South Salinas Valley
- North County
- Carmel Valley

In acknowledgment that many agency budgets, operational activities and infrastructure are constantly changing, MSRs are prepared to provide information for a “snapshot in time”. Most of the information in this report was obtained from June 2005 to August 2006. Therefore, budgetary information contained herein is based on the 2004–2005 fiscal year.

The Role of LAFCO and the Public

LAFCOs were created by the State legislature to determine orderly boundaries for municipal service providers. The final decision-making authority is a seven member Commission which consists of two members from the County Board of Supervisors, two members representing city councils of municipalities within the county, two members representing special districts within the county and one public member who is appointed by the six other LAFCO members. LAFCOs make decisions on various types of proposals regarding boundaries of cities and special districts. These proposals include incorporation (or disincorporation) of cities, formation (or dissolution) of special districts, annexations (or de-annexations), detachments, consolidations of two or more cities or districts, and mergers of special districts within cities. In addition, LAFCOs must establish an SOI for each city and special district within the county. As discussed above, an SOI is a plan for the probable physical boundary and service area of a local agency within a 20 year timeframe. An SOI must be established for a city or special district before LAFCO can consider a proposed annexation to that city or district. The State law that originally established LAFCOs requires the establishment of SOIs as a necessary first step in the planning for the growth of any city or district. Now, the new Cortese/Knox/Hertzberg Act requires all SOIs to be updated every five years and further requires MSRs to be completed prior to or in conjunction with the updated SOIs.

Public Review

LAFCO of Monterey County circulated a Public Review Draft MSR for a 30-day period ending November 7, 2006. An advertised scheduled public meeting was held at the Monterey Public Library on October 26, 2006 to provide the public and agencies an opportunity to comment on the document. The Public Review Draft MSR was followed by release of the Revised Public Review Draft MSR commencing on November 13, 2006 for a 21-day public review. During this time any local agency or member of the public could again make comments on the content of the MSR. LAFCO then considered the Revised Public Review Draft MSR for approval and adoption in an advertised scheduled public

hearing held December 4, 2006. After the close of this comment period and following the December 4 hearing, a Final Draft of the MSR was released to the LAFCO Commission and the public agencies. The Final Draft MSR includes comments on the Revised Public Review Draft MSR, as well as any necessary changes to the text to provide more accuracy or clarification. Copies of the Final MSR are available from LAFCO via its web site or hard-copies can be obtained from LAFCO.

Local Agencies Within the Study Area

The Study Area extends from the northern boundary of the Marina Coast Water District southward to the south boundary of the Carmel Highlands Fire Protection District and east to the Salinas River in the Highway 68 Corridor. The area includes both urban and rural residential land uses, as well as areas within Fort Ord.

There are seven municipalities within the Study Area that will be discussed herein. They include:

- Carmel-by-the-Sea
- Del Rey Oaks
- Marina
- Monterey
- Pacific Grove
- Sand City
- Seaside

In addition to the above municipalities, this MSR inventories the services of the following districts and CSAs:

COMMUNITY SERVICES

- Pebble Beach Community Services District
- Ocean View Community Services District

FIRE PROTECTION

- Carmel Highlands Fire Protection District

AIRPORTS

- Monterey Peninsula Airport District

WATER

- Marina Coast Water District
- Monterey Peninsula Water Management District

SANITATION (SEWER)

- Monterey Regional Water Pollution Control Agency
- Seaside County Sanitation District

SOLID WASTE

- Monterey Regional Waste Management District

COMMUNITY SERVICE AREAS (CSAs)

- CSA 17 - Rancho Grande 1, 2, and 3
- CSA 19 - Carmel Meadows 6 and 7
- CSA 23 - Carmel Ranch Subdivision and Annexations 1, 2, and 3
- CSA 30 - Rancho Mar Monte 1, 2, and 3
- CSA 33 - Coast Ridge Subdivision and Carmel Sur
- CSA 44 - Corral de Tierra Oaks 1, 2, and 3
- CSA 58 - Vista Dorado
- CSA 67 - Corral de Tierra Oaks 4
- CSA 72 - Las Palmas
- CSA 74 - Monterey County Emergency Medical Services

OTHER

Resource Conservation District of Monterey County

There are other service districts that are County-wide, or districts that provide services that overlap the Study Area, but also extend to other areas of the County and are discussed in one of the other MSR's (e.g., the Monterey Peninsula Regional Park District boundary overlaps the Monterey Peninsula Area but is discussed separately in the Carmel Valley MSR).

INVENTORY OF LOCAL AGENCIES

The following sections of this report provide public services information pertaining to each of the aforementioned municipalities, districts, and CSAs that serve the Study Area. The information is based primarily on information provided directly to the report preparers by staff of each of the municipalities, districts, and CSAs. This information was derived from questionnaires that were completed by each local agency staff, supplemental materials provided, interviews with staff, and information from agency websites. In the case of the CSAs, staff of the County of Monterey Public Works Department were interviewed as that agency manages all of the CSAs within the County.

The following sections begin with a description of the service area of the municipalities, districts, and CSAs and the services provided. A map of the service area for each of the municipalities, districts, and CSAs is included. The discussions conclude with a section titled "Summary and Determinations".

This page intentionally left blank

CITY OF CARMEL-BY-THE-SEA
SERVICES PROVIDED AND SERVICE AREA

The City of Carmel-by-the-Sea was incorporated in 1916. The geographic area of the City covers one square mile (approximately 640 acres). The City of Carmel-by-the-Sea provides the following services:

- Fire Protection/Rescue
- Parks/Open Space/Recreation (w/ MPRPD)
- Road Maintenance
- Sanitation (JPA with Carmel Area Waste Management Agency)
- Stormwater Runoff
- Library
- Planning
- Building Inspection
- Forestry
- Public Works
- Law Enforcement

This page intentionally left blank

Figure 1
Boundary Map for City of Carmel-by-the-Sea



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

As is with most communities, there is a continuous need to operate and maintain public infrastructure when necessary using available human and financial resources.

The City conducts periodic inspections of its infrastructure (“assets”), mandated by federal, state, and local standards, and monitors the state of the infrastructure to include *Sewer, Storm Drain, Pavement, and Public Facilities*. The inspections, as well as available finances, determine the creation of capital improvement plans. It is important to note that the plans do not result in an automatic funding of infrastructure needs since these needs compete with other priorities of the City Council and residents, e.g., public safety needs.

Additional infrastructure needs are determined through the political process. This process is based on input from the decision-makers and residents. In the course of this political process new needs may be identified and new capital improvement programs may arise.

All geographic areas within the service area are adequately served due to sufficient capacity and facilities.

2. GROWTH AND POPULATION

Per the California Department of Finance demographics information, the City of Carmel-by-the-Sea has a population of 4,038.¹

The Association of Monterey Bay Area Governments (AMBAG)² forecast population increases throughout its jurisdiction. Per the most recent AMBAG population forecast, the City population is anticipated to remain flat indefinitely as the physical boundary of the City is relatively small and remaining land available for development is sparse. During the period of the AMBAG forecast (ending in 2030), the population is forecasted to be in the 4,000 range. Employment is expected to increase from its current approximately 2,527 jobs to approximately 2,920 jobs in the year 2030. The number of housing units in 2030 is anticipated to remain approximately as it is now, 3,342 units. The City is currently reviewing a minor annexation on its northeast boundary.

As the City’s population and housing units will be relatively constant, services provided will be focused on maintenance, replacement and improvement. However, with jobs increasing slightly in the City, this equates to a daytime population increase of approximately 300 over current numbers. Employees require services similar to the City’s residents.

¹ As of January 2006, which is the most current information available from the California Department of Finance, Demographic Research Unit.

² 2004 AMBAG Population, Housing Unit and Employment Forecast @ <http://www.ambag.org/dem.html>. AMBAG web site visited 11/6/06.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The city's general fund is composed from revenues provided by property tax, transient tax, business license tax, franchise fees, sales tax, transaction and use tax, planning and building-related fees, parking fees, and grants. The city income is predominantly derived from the tourists. The City's bond rating by Standard and Poors and Fitch is AAA. Building and planning fees and other administrative fees have been increased in line with increase to actual costs. The City's business license tax is \$1.00/\$1,000 of gross receipts.

The majority of Carmel-by-the-Sea's reserves are invested in the State's Local Agency Investment Fund (LAIF). Monies are deposited to the City's LAIF account on a weekly basis when account balances exceed cash requirements. The Finance Manager handles the daily transactions and the City Treasurer reviews the account on a monthly basis. The City also has established an updated investment policy that allows some investments in government bonds.

4 & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The City does not identify any cost avoidance and rate restructuring opportunities.

6. OPPORTUNITIES FOR SHARED FACILITIES

The City does not identify any opportunities for shared facilities. However, the City currently has mutual aid agreements with outside agencies regarding police and fire services and shared services agreements are in place with other cities/agencies to provide Carmel-by-the-Sea with fire administration, ambulance services, and city vehicle maintenance.

7. GOVERNMENT STRUCTURE OPTIONS

The City operates with a City Council, City Administrator and Mayor. The City does not anticipate changing the current structure of its government. The City relies on its General Plan and Coastal Plan as its primary decision making tools.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Based on the information provided by the City, it appears the City provides services based on the most efficient use of its employees and revenue. Public safety staff are regularly trained in a variety of health and safety programs.

In the past three years the City combined Police/Fire to Public Safety; transferred the Community/Cultural Department to a non-profit; and eliminated the positions of Fire Chief, Police Lieutenant, Assistant City Administrator, Planning Director, Public Works Director, Forest Parks & Beach Director. The City Council deals with administrative services and employees through the City Administrator.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

Based on the information provided by the City, the City is actively engaged in providing its citizens newsletters, public notices of hearing items, and allows full access to all policy and budget decisions through regularly scheduled meetings of the City Council and Planning Commission that are easily accessible to the public in terms of time and location. There is a newspaper (the "Pine Cone") and a web site.

Notices of meetings are posted in front of City Hall, at the Post Office and in the Harrison Memorial Library in accordance with Brown Act requirements. Additionally, City Council meetings are both televised and recorded and minutes are placed on the City website. To keep the public apprised of City activities, a newsletter is mailed to residents. The public is encouraged to participate in the decision-making process through Town Hall meetings, workshops and opportunities to speak the Council meetings. Meetings are held the 1st Tuesday of each month at 4:30 pm at City Hall. Items presented during meetings requiring Council action are noted in the minutes under the heading: "Follow Up items." The City provides hearing devices for members of the audience with poor hearing. Each meeting venue is accessible for persons with disabilities.

This page intentionally left blank

SUMMARY AND DETERMINATIONS

1. The City received an application to annex less than 4 acres in the northeast area. This may require a Sphere of Influence amendment as well.
2. As with most governments, the City provides ongoing review of service efficiency and modification of priorities to best use human and financial resources. The City's primary concerns are to maintain services at the lowest cost possible and protect the City's tourism based economy.

This page intentionally left blank

**CITY OF DEL REY OAKS
SERVICES PROVIDED AND SERVICE AREA**

The City of Del Rey Oaks was incorporated in 1953. The geographic area of the City covers 732 acres. The City of Del Rey Oaks provides the following services:

- Fire Protection/Rescue (contract with City of Seaside)
- Parks/Open Space/Recreation (w/ MPRPD)
- Road Maintenance
- Sanitation (JPA with Seaside Sanitation District)
- Stormwater Runoff
- Wastewater with wastewater lines and pump station maintenance by the Seaside Sanitation District and processing of wastewater by the MRWPCA.
- Law Enforcement

This page intentionally left blank

Figure 2
Boundary Map for City of Del Rey Oaks



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

As is with most communities, there is a continuous need to operate and maintain public infrastructure when necessary using available human and financial resources.

The City conducts periodic inspections of its infrastructure (“assets”), mandated by federal, state, and local standards, and establishes the baselines of the various states of the infrastructure to include *Sewer, Storm Drain, Pavement, and Public Facilities*. The inspections lead to the creation of condition indexes. These indexes, as well as available finances, determine the creation of capital improvement plans. It is important to note that the indexes do not result in an automatic funding of infrastructure needs since these needs compete with other priorities of the City Council and residents, e.g., public safety needs.

Additional infrastructure needs are determined through the political process. This process is based on input from the decision-makers and residents. In the course of this political process new needs may be identified and new capital improvement programs may arise.

All geographic areas within the service area are adequately served due to sufficient capacity and facilities.

2. GROWTH AND POPULATION

Per the California Department of Finance demographics information, the City of Del Rey Oaks has a population of 1,622.³

The Association of Monterey Bay Area Governments (AMBAG)⁴ forecast population increases throughout its jurisdiction. Per the most recent AMBAG population forecast, the City population is anticipated to remain flat indefinitely as the physical boundary of the City is relatively small and remaining land available for development is for visitor serving purposes. During the period of the AMBAG forecast (ending in 2030), the population is forecasted to be in the 1,600 range. Employment is expected to increase from its current approximately 600 jobs to approximately 1,000 jobs in the year 2030. This is due predominantly to the City lands within the former Fort Ord which are designated for hotel, golf course, and other visitor serving accommodations. The number of housing units in 2030 is anticipated to remain approximately as it is now, 700 units. There is no change anticipated to the City’s boundary area.

As the City’s population and housing units will be relatively constant, services provided will be focused on maintenance, replacement and improvement. However, with jobs increasing slightly in the City, this equates to a daytime population increase of

³ As of January 2006, which is the most current information available from the California Department of Finance, Demographic Research Unit

⁴ 2004 AMBAG Population, Housing Unit and Employment Forecast @ <http://www.ambag.org/dem.html>. AMBAG web site visited 3/3/06.

approximately 400 over current numbers. Employees require services similar to the City's residents.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The city's general fund is composed from revenues provided by property tax, sales tax, transaction and use tax, planning and building-related fees, and grants. Annual, quarterly and monthly expenditure and revenue reports are available for public review at the City's web site.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

Based on the information provided by the City, a Joint Powers Administration is used for insurance (Monterey Bay Insurance Agency – liability and workers comp), the Monterey Police Department provides police services, and there is an ongoing contract with the City of Monterey to maintain the small fleet of City vehicles.

6. OPPORTUNITIES FOR SHARED FACILITIES

Aside from the use of the Seaside Fire Department and the City of Monterey for police and vehicle fleet maintenance, there appear to not be many opportunities for shared facilities.

7. GOVERNMENT STRUCTURE OPTIONS

The City operates with a City Council, City Manager and Mayor. The City does not anticipate changing the current structure of its government. The City relies on its General Plan as its primary decision making tool.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Based on the information provided by the City, it appears the City provides services based on the most efficient use of its employees and revenue. Public safety staff are regularly trained in a variety of health and safety programs.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

Based on the information provided by the City, the City is actively engaged in providing its citizens newsletters, public notices of hearing items, and allows full access to all policy and budget decisions through regularly scheduled meetings of the City Council and Planning Commission that are easily accessible to the public in terms of time and location. There is a newspaper (the "Acorn") and a web site.

SUMMARY AND DETERMINATIONS

1. The City anticipates that there will be an annexation of a very small area where the City of Monterey, Del Rey Oaks and Seaside city boundaries currently meet in the middle of the parking lot of the former Ralph's. This juncture will be relocated to the corner of Fremont Boulevard and Canyon Del Rey Boulevard so as to provide a more normal city boundary. No future annexations or sphere of influence amendments are anticipated.

This page intentionally left blank

CITY OF MARINA
SERVICES PROVIDED AND SERVICE AREA

The City of Marina was incorporated in 1975. The geographic area of the City covers 9.4 square miles. The City of Marina provides the following services:

- Fire Protection/Rescue
- Police Protection
- Recreation and Community Services
- Planning, Building and Engineering Services
- Public Works (street lighting, road and building maintenance, stormwater runoff, and animal control)
- Airport Services
- Law Enforcement

Water and wastewater services are provided by the Marina Coast Water District. Solid waste disposal services are provided by the Monterey Regional Waste Management District.

This page intentionally left blank

Figure 3
Boundary Map for City of Marina



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The City Council adopted a 5-year Capital Improvement Program (CIP) in June 2006. The CIP will be reassessed and updated on an annual basis.

The CIP identifies and prioritizes facilities and infrastructure projects. The CIP also identifies funding sources and estimated time of completion for each project. Projects include park and recreation facilities and improvements, roadway section improvements, intersection improvements, police and fire department facilities, and Marina airport facilities. The Police Department, Fire Department, Airport Department, and Community Development Department implement the CIP.

The City recently adopted a Pavement Management System (PMS) that identifies and prioritizes repair of existing street sections. The City's Community Development Department implements the PMS.

In May 2006, the City will begin construction of a new Marina branch of the Monterey County Libraries. The Marina Library is financed by an eight (8) million dollar general obligation bond passed by Marina voters in 2002. The City is also expanding its Fire Department dormitory, animal shelter and corporation yard.

2. GROWTH AND POPULATION

The California Department of Finance reports that the City of Marina has a population of 18,824.⁵

The Association of Monterey Bay Area Governments (AMBAG)⁶ forecasts population increases throughout its jurisdiction. These forecasts estimate that the City's population will reach approximately 35,357 by 2030. AMBAG also projects that employment in the City will increase from 5,894 in 2005 to 15,248 in 2030. The total number of housing units is anticipated to increase from 8,553 in 2005 to 13,596 in 2030.

As Marina's population increases, the City is preparing to meet the increased demand for services. In August 2005, the City Council adopted a reorganization of City departments that was designed to increase efficiency all public services. Also during 2005, the City updated its development impact fees and conducted a study of its fee schedule for services. The City Council is expected to consider adoption of a new fee schedule by December 2006.

The City of Marina is a City with few infill opportunities, with the exception of the redevelopment opportunities on former Fort Ord. These include Cypress Knolls (772 units),

⁵ As of January 2006, which is the most current information available from the California Department of Finance, Demographic Research Unit

⁶ 2004 AMBAG Population, Housing Unit and Employment Forecast @ <http://www.ambag.org/dem.html>. AMBAG web site visited 4/16/06.

Marina University Village (1,237 units) and Marina Heights (1,050 units). Another development currently in the planning process is Marina Station, a 320-acre site at the north border of the City. Marina Station will consist of commercial, industrial, recreation, and residential land uses, adding another 1,000 housing units to the City's inventory.

The City's sphere of influence expands to the south and east of the City Limits. Future expansion of the City Limits may include annexation of Frederick Schoonover, a California State University of Monterey Bay housing community to the south.

In November 2000, the Marina citizens passed a ballot initiative that created an Urban Growth Boundary that limits northward expansion of the City limits for 20 years unless approved by the voters. Therefore, the City does not expect to expand northward before 2020.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The City's general fund is composed from revenues provided by taxes, planning and building-related fees, licenses and permits, fines and penalties, rental income, investment earnings, charges for services, grants, sale of properties, and bond funds.

Over the last 40 years, the City (and the County prior to incorporation) developed an inventory of percolation ponds as part of the City's storm water retention program. In 2005, the City conducted a study of the storm water retention system and is in the process of reducing the number of percolation ponds required to handle the City's storm water runoff. Several of the existing ponds have been identified as surplus property and are for sale, which will provide the City with additional revenue.

The City budget will also benefit from land sales associated with the redevelopment of former Fort Ord.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

In December 2005, the City Council adopted a new development impact fee ordinance which created a new traffic and public service impact fee structure charged at issuance of building permits. The fee structure is based on study of capital costs expected over the next 15-years, as required by Assembly Bill 1600.

The City has also completed a study of all permit fees. Adoption of the new fee schedule is anticipated by December 2006.

6. OPPORTUNITIES FOR SHARED FACILITIES

The Cities of Marina and Seaside are conducting a study to determine the feasibility of a Joint Powers Authority. The two cities are also considering joint use of an existing fire station located on former Fort Ord.

7. GOVERNMENT STRUCTURE OPTIONS

The City operates with a City Council, City Manager and Mayor. In August 2005, the City implemented a reorganization of the departments in order to increase efficiency and level of service. In 2006, the City will be restructuring and implementing new policies and procedures for City commissions and committees.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The Executive Team, consisting of all department heads and the City Manager, meets on a weekly basis. Once per quarter, the Development Services Department Director facilitates strategic planning sessions among representatives from each department and division to discuss and formulate long-range goals and objectives necessary to plan for imminent rapid growth of the City.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The City Council and Planning Commission conduct regular meetings that are televised. The Economic Development Commission, Recreation and Community Services Commission, Design Review Board, and Tree Committee also conduct regular meetings that are not televised.

Meeting packets are made available to requesting parties. Meeting minutes are also posted to the website operated by the City that provides information on meetings and meeting minutes. In addition, the City distributes an annual report and other periodic information to all of its constituents to keep them apprised of various City activities.

This page intentionally left blank

SUMMARY AND DETERMINATIONS

1. The City's primary concern is to prepare for and meet the needs of a rapidly growing community. The City's population will double by 2030 to approximately 35,000 and its neighbor to the south, the City of Seaside, will also grow substantially during this same period. Significant economic expansion will also result from new retail and commercial development (e.g., University Villages) currently under construction.
2. In an effort to control costs of government services, the cities of Marina and Seaside are conducting a study to determine the feasibility of a Joint Powers Authority for fire protection services. This could extend to Del Rey Oaks and Sand City as they border Seaside.
3. As with most governments, the City of Marina provides ongoing review of service efficiency and modification of priorities to best use human and financial resources.
4. No sphere of influence amendments are anticipated in the next four years. Annexation of lands within the existing sphere is possible.
5. The City budget will benefit over the next four years from land sales associated with surplus percolation ponds and redevelopment projects within former Fort Ord.

This page intentionally left blank

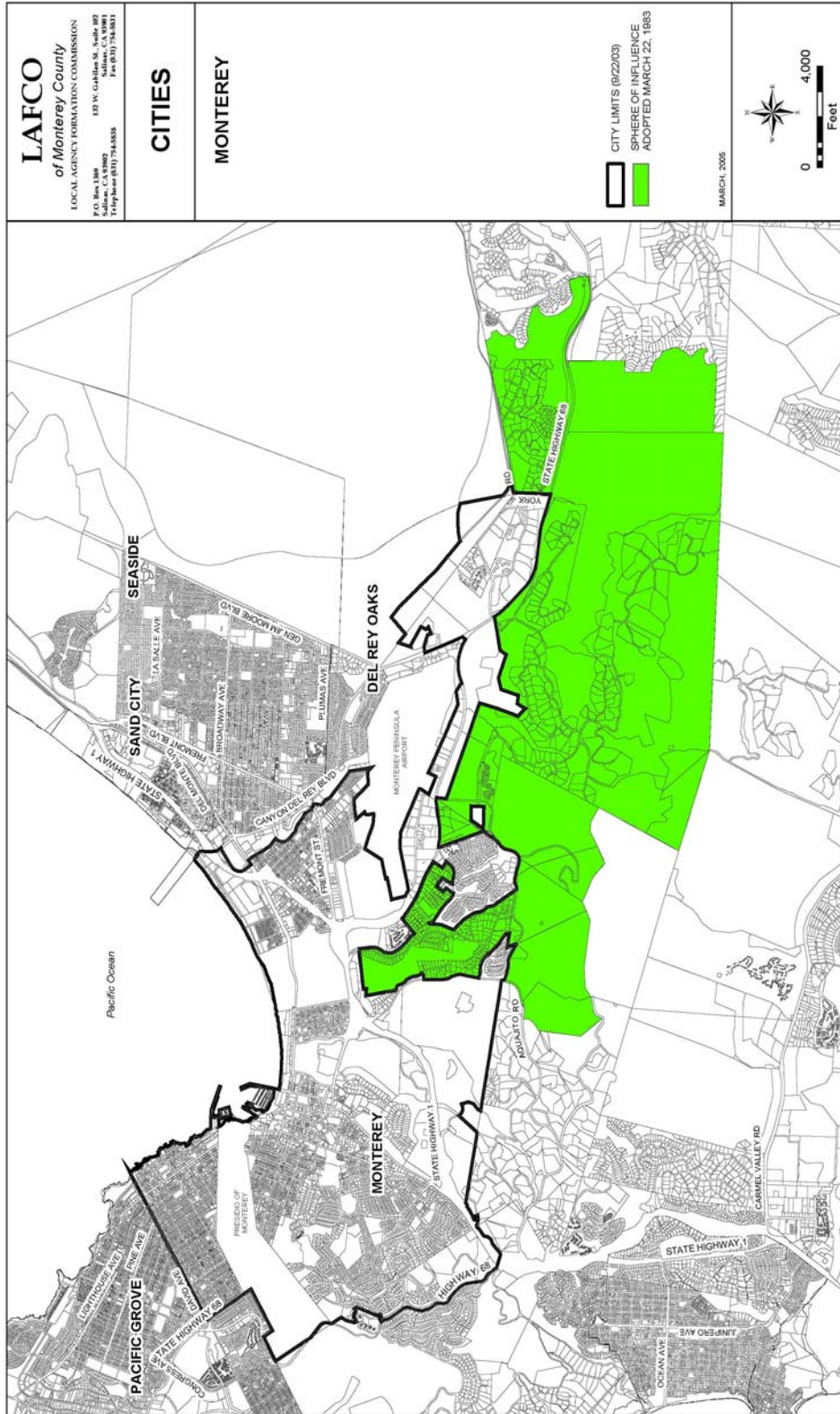
CITY OF MONTEREY
SERVICES PROVIDED AND SERVICE AREA

The City of Monterey was incorporated in 1850. The geographic area of the City covers 8.68 square miles. The City of Monterey provides the following services:

- Library
- Cemetery
- Fire Protection/Rescue (First Responder)
- Mosquito Abatement
- Parks/Open Space/Recreation
- Road Maintenance
- Sanitation (refuse service by franchise)
- Street Lighting
- Stormwater Runoff
- Wastewater conveyance systems. City of Monterey maintains all gravity lines and contracts with MRWPCA for maintenance and operations of pump stations.
- Marina, Wharves and Boat Launching Facilities
- Law Enforcement
- Planning and Building

This page intentionally left blank

Figure 4
Boundary Map for City of Monterey



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

As is with most communities, there is a continuous need to operate and maintain public infrastructure when necessary using available human and financial resources.

The City of Monterey conducts periodic inspections of its infrastructure (“assets”), mandated by federal and State standards and as prudent practices dictate. These inspections help to establish the baselines of the various states of the infrastructure to include *Sewer, Storm Drain, Pavement, and Public Facilities*. The inspections lead to the creation of condition indexes. These indexes, as well as available finances, determine the creation of capital improvement plans. It is important to note that the indexes do not result in an automatic funding of infrastructure needs since these needs compete with other priorities of the City Council and residents, e.g., libraries and public safety needs.

Additional infrastructure needs are determined through the political process. This process is based on input from the decision-makers and residents. In the course of this political process new needs may be identified and new capital improvement programs may arise. The creation of the Monterey Sports Center or the widening of a road is an example of this process.

INFRASTRUCTURE UPGRADES AND MAINTENANCE SCHEDULE

Sewer Asset Management System

In 2000 the City conducted a 100 percent assessment of the sewer system. The costs are estimated to be around \$11.5 Million.

The first phase of construction was done in 2002. The second phase is currently under construction. Limited funding has caused the overall rehabilitation program to take longer than the originally anticipated five years.

Storm Drain System

The City is in the process of completing the inspection of the storm drain system. Currently around 70 percent of the storm drain infrastructure has been surveyed and assessed. The City will then evaluate the condition of the system and develop a multi-year CIP to fund repairs. However, funding for storm water infrastructure is severely hampered by Proposition 218 funding limitations. This is a significant impediment to improving the storm drain system.

Another significant challenge is the federal requirement to obtain a National Pollution Discharge Elimination System (NPDES) permit. The City has joined with five neighboring communities to develop a regional Storm Water Management Plan (SWMP) which is an integral part of a permit. This effort has been ongoing for approximately three years and it is hoped that it will result in a permit before the end of 2006. Estimates are that the City’s storm water related costs will rise to \$1.6 million per year under the new permit.

The City’s newest water-quality challenge is a significant undertaking: keep all stormwater runoff from entering a designated area in Monterey Bay. Known as the Pacific Grove Area

of Special Biological Significance (ASBS), this area was designated in 1974 to increase protection for the area's unique resources. It is one of 34 ASBS set up along the California coast.

In designating an ASBS, no "waste" is allowed to flow into the area. "Waste" could include rain runoff, since all urban runoff contains at least minute amounts of impurities. Because of the peninsula geography and stormwater infrastructure, Monterey has two areas that direct runoff into the ASBS through Pacific Grove's storm drain system. In late 2004, the City of Monterey was issued a draft "Cease and Desist Order" by the Central Coast Regional Water Quality Control Board (RWQCB) to perform one of the following: 1) stop all flows into the ASBS of stormwater containing waste; or 2) file for an exception. Either option would require many dedicated resources of time and dollars. The State has not provided sufficient clarity with regard to the ASBS regulatory approach, so it's not possible to estimate the costs associated with this issue. However, Scripps Oceanographic Institute has estimated that the costs associated with seeking an exception would be \$2 million per year for five years. City staff is working with the Cities of Pacific Grove and Carmel-by-the-Sea as well as the Pebble Beach Company and NOAA to formulate a local approach to this challenge and to keep track of this ever-changing regulatory landscape.

Pavement Management System

The City completed a survey of all City streets in 2001. The current funding level through Gas Tax revenues as well as federal and state funds is insufficient to maintain the existing level of service of the roadways. The funding level is at about 35 – 45 percent of the necessary level. This shortfall is partially being closed with one-time grant funds.

Pavement System

The current funding level of Gas Tax revenues are about \$535,000. These funds are being used for road improvements as well as traffic flow improvements. Furthermore, the City is contemplating to establish a construction activity impact fee that supplements the funding. The fee could potentially raise another \$350,000.

Public Facilities

In 2004/2005 the City completed a facility inspection of all facilities. Based on the inspection results, the City has implemented several CIP Building Maintenance projects. Ninety percent of all identified projects are being implemented within 12 months. Larger CIP projects require additional engineering design resources and can last between 24 to 36 months.

The facilities are being funded through revenues generated by the buildings (Sport Center/Conference Center) or through the General Fund. In all cases, the City does not have the necessary funding in place to allocate resources into a facility component replacement fund.

REFINANCING INFRASTRUCTURE UPGRADES AND MAINTENANCE

Sewer System

Currently the City charges a 47.1 percent sewer surcharge fee. This fee accounts for the on-going operations and maintenance as well as provides funding for the CIP projects. The fee is based on a ratio of 2/3 of generated revenues for O&M and 1/3 for CIP programs. Annual

overall revenue is estimated for FY 2005/2006 to be at \$1.35 Million. The City is contemplating the use of bond financing to generate the sufficient capital to complete the sewer system rehabilitation program. Sewer surcharge fees may then be adjusted to repay this debt.

Storm Drain System

The O&M of the storm drain system is funded through the storm water utility fee. Due to the current funding limitations imposed by Proposition 218, this fee has not been raised in over five years and is not adequate to fund the additional identified CIP needs. With the advent of water quality grants from the State of California, the City hopes to finance the necessary upgrades for the ASBS drainage areas.

INFRASTRUCTURE DEFICIENCIES AND HOW DEFICIENCIES WILL BE ADDRESSED

ASBS regulation can result in potential regulatory violations. Regional agencies are closely working together to satisfy the regulations. The City of Monterey has teamed up with the City of Pacific Grove, The Pebble Beach Company, the Marine Sanctuary, and the NOAA to provide a regional solution. The City of Monterey is in the process of applying for grant funding under Prop. 50,⁷ as part of the effort to create a regional solution.

Building codes violations have been addressed through an aggressive facility inspection program.

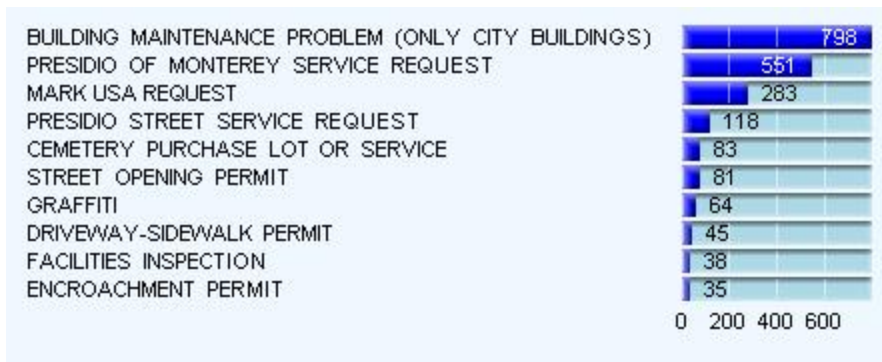
UNDERUTILIZED FACILITIES AND HOW THEY COULD BE SHARED

Due to budget constraints the City closed in July 2004 one community center. This center was rented out in June 2005 to a non-profit agency of the City of Monterey (First Night Monterey). There are no other underutilized capital facilities within the City.

FORECASTING SERVICE NEEDS

Current service needs are tracked through an automated work and asset management system. The system conveys trends and allows forecasting future service needs or adjusting operations and maintenance activities. The top service needs reported in Monterey are included in the following chart.

⁷ **Proposition 50, The Water Bond** - Proposition 50 is the "Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002." The voters passed Proposition 50 which would authorize the State to borrow \$3.4 billion dollars to carry out a wide range of water-related programs. While a significant part of the money would go to expenditures for "hardware," lots of the money would be targeted to what might be called "non-hardware" items. For example, approximately \$435 million dollars would go to improvements in the water systems serving smaller communities, but more than \$950 million dollars would go to protect, acquire, and restore wetlands, and for watershed protection.



(The term “USA” as used in the above table is defined in the footnote below)⁸

OTHER INFRASTRUCTURE AND FACILITIES ISSUES

The City can provide equal services levels to its customers. However, in certain areas the service levels have been reduced to accommodate the reduced funding levels and response times have been increased due to staffing issues.

The City has started servicing areas that are within the City limits, but are usually served by the State of California (i.e., State Parks and Beaches, Caltrans On/off ramps and bridges). The City has stepped in to maintain those assets since the State funding has reduced the service levels. The Public Works Department could also serve the Naval Postgraduate School and the U.S. Coast Guard Station, though the U.S. Coast Guard has changed its mission and it appears this federal property may be made available to the City of Monterey through a long-term lease or through transfer of deed.

To maximize the most efficient use of infrastructure the City has in place policies that establish priorities for directing services to infill areas. The following text is from the Monterey General Plan:

- Program h.1.3.** Utilize zoning tools such as Planned Unit Developments and Planned Community Zoning to provide flexibility in designing infill housing on larger development sites.
- Policy a.3.** Encourage infill development within the City where it can efficiently be provided with public facilities and utilities.
- Program a.3.1.** Monitor limited public services (e.g., water, sewer, streets) and develop a system to determine the impacts of proposed developments on these resources.

⁸ “Underground Service Alert”, or “USA”, is often seen scrolled on streets sidewalks, and represents a national network that tracks all underground water pipes, gas lines, electrical conduits, television cables, etc. Because these lines and pipes can be damaged by anyone digging underground, Irvine Ranch Water District ensures that all of its pipes and other underground equipment are listed in the USA database. IRWD also contacts USA before doing any excavating to ensure that we will not disturb any other service lines when conducting our construction and repair work. Any homeowner or contractor who plans to dig ANY excavation should contact USA’s Dig Alert toll free number at 1(800) 227-2600 at least two working days before you plan to dig! For more information, visit the Dig Alert web site at www.digalert.org

Program a.3.2. Mitigate the impacts of proposed developments through means such as increased use of transit and water conservation.

During emergencies, the City of Monterey's Emergency Response (Disaster) Plan as well as Public Works Directive #1 regulates the process for emergency operations. The City has a fuel reserve for up to 14 days of non-emergency operation. Depending on the nature of the emergency the fuel reserve can be used up within three to five days. However, during periods of heavy rainfall service levels would be dramatically reduced as 50 percent of the Public Works Department staff reside outside the Monterey Peninsula and it is possible that they could not get to the City.

2. GROWTH AND POPULATION

Per the California Department of Finance demographics information, the City of Monterey has a population of 30,641.⁹

The City contains 5,558.6 acres or 8.6853 square miles. In addition, the anticipated mission growth of the Defense Language Institute, located at the POM, will entail around 1,500 more students and faculty through 2009. The support rate of 2.5 per persons associated with each student and faculty member will result in a net increase of 3,750 in population.

The Association of Monterey Bay Area Governments (AMBAG)¹⁰ forecast population increases throughout its jurisdiction. Per the most recent AMBAG population forecast, the City population is anticipated to remain at approximately 30,000. During the period of the AMBAG forecast (ending in 2030), employment in the City is expected to increase from its current approximately 42,488 jobs to 55,008 jobs. Housing units is anticipated to remain the same at about 13,500.

As Monterey's population and housing units will be relatively constant, services provided will be focused on maintenance, replacement and improvement. However, with jobs increasing in the City from 42,488 jobs to 55,008 jobs, this equates to a daytime population increase of approximately 10,000. These people require services similar to the indigenous population of Monterey.

The City of Monterey is a City with few infill opportunities though there is an area that potentially could be annexed along the Highway 68 corridor. Unless there is a substantial change in density per acre, and a water source to support it, or if the City annexes the area flanking Highway 68, little will change in terms of population and housing. The City's current city limits and sphere of influence are not coterminous and in fact, there is an isthmus of County land that extends well into the City boundary area. This is the Josselyn Canyon and Aquajito Road area.

⁹ As of January 2006, which is the most current information available from the California Department of Finance, Demographic Research Unit

¹⁰ 2004 AMBAG Population, Housing Unit and Employment Forecast @ <http://www.ambag.org/dem.html>. AMBAG web site visited 2/18/06.

The City of Monterey service plans do not hinder or affect, or reflect upon, regional population growth projections and efficient urban development in or out of the City.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The City of Monterey undergoes an annual budget review which ultimately is submitted to the City Council for review and approval. The budget reflects a combination of mandated expenditures from federal and state governments, fixed City revenues and political forces that determine how the City spends its money.

Review of the proposed operating budget for 2005-06 indicates that the budget is balanced. Furthermore, the City received a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2004. This certificate is presented by the Government Finance Officers Association of the US and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting. Article 6 of the City Charter requires an annual audit of the City's financial records by independent certified public accountants.

The City doesn't issue enough bonds to establish an underlying rating. The City pays cash for many items, and ratings are given for particular bonds. The last time the City received a bond (2002), for the Sports Center expansion, the underlying rating for this bond was "A". The reason for the rating was because the City has adequate reserves and it balances its budget. The ability of the City to obtain financing does not appear to be a problem.

Review of the 2005-06 City of Monterey operating budget and Comprehensive Annual Financial Report indicates that opportunities for revenue streams, including joint agency grant applications, untapped resources, or alternative government structures have been thoroughly considered. The City also is continuously paying down existing debts.

4, 5. & 6. COST AVOIDANCE, RATE RESTRUCTURING OPPORTUNITIES AND OPPORTUNITIES FOR SHARED FACILITIES

The City's provision of services appears to be very streamlined and efficient and accommodates providing services to other federal and local agencies as discussed above. No rate restructuring opportunities were identified by the City.

The City of Monterey also has several relationships with outside agencies in order to share facilities and services. The following relationships exist:

- | | |
|---------------|--|
| Sand City: | Street Sweeping Service, Fire Protection Services, Tree Watering Services, Vehicle Maintenance Services, Building/Grading and Inspection ¹¹ Services. |
| Del Rey Oaks: | Vehicle Maintenance Services, Building/Grading and Inspection ¹² Services. |

¹¹ A small amount of revenue is provided to the City for these services. Building / Grading inspections are charged hourly, factoring in vehicle time, labor, administration, etc.

Carmel-by-the-Sea: Vehicle Maintenance Services (in the past, Building/Grading and Inspection¹³ Services were provided).

Transportation Agency
of Monterey County
(TAMC)

Facility Maintenance Services

Airport District:

Street Sweeping Services, Sewer Maintenance

Department of
the Army:

Base Operations and Maintenance Services

Department of
the Navy:

Tree Maintenance Services

7. GOVERNMENT STRUCTURE OPTIONS

The City operates with a City Council, City Manager and Mayor. Based on the information provided by the City of Monterey, it appears the City provides a government structure that is adequate to meet the city's current and future needs and alternatives to the current system do not appear to be warranted.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Based on the information provided by the City of Monterey, it appears the City provides services based on the most efficient use of its employees and revenue. Public safety staff are regularly trained in a variety of health and safety programs and City staff are augmented by a very active City sponsored citizen participation program which includes regular training of citizens in such activities as city patrols and public works activities.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

Based on the information provided by the City of Monterey, the City is actively engaged in providing its citizens newsletters, public notices of hearing items, and allows full access to all policy and budget decisions through regularly scheduled meetings that are easily accessible to the public in terms of time and location.

¹² Refer to footnote #11

¹³ Refer to footnote #11

This page intentionally left blank

SUMMARY AND DETERMINATIONS

1. The City has started servicing areas that are within the City limits, but are usually served by the State of California (i.e., State Parks and Beaches, Caltrans On/off ramps and bridges). The City has stepped in to maintain those assets since the State funding has reduced the service levels. The Public Works Department could also serve the Naval Postgraduate School and the U.S. Coast Guard Station, though the U.S. Coast Guard has changed its mission and it appears this federal property may be made available to the City of Monterey through a long-term lease or through transfer of deed.
2. The City's provision of services appears to be very streamlined and efficient and accommodates providing services to other federal and local agencies.
3. No sphere of influence amendments are anticipated but annexation of lands within the existing sphere is possible.

This page intentionally left blank

**CITY OF PACIFIC GROVE
SERVICES PROVIDED AND SERVICE AREA**

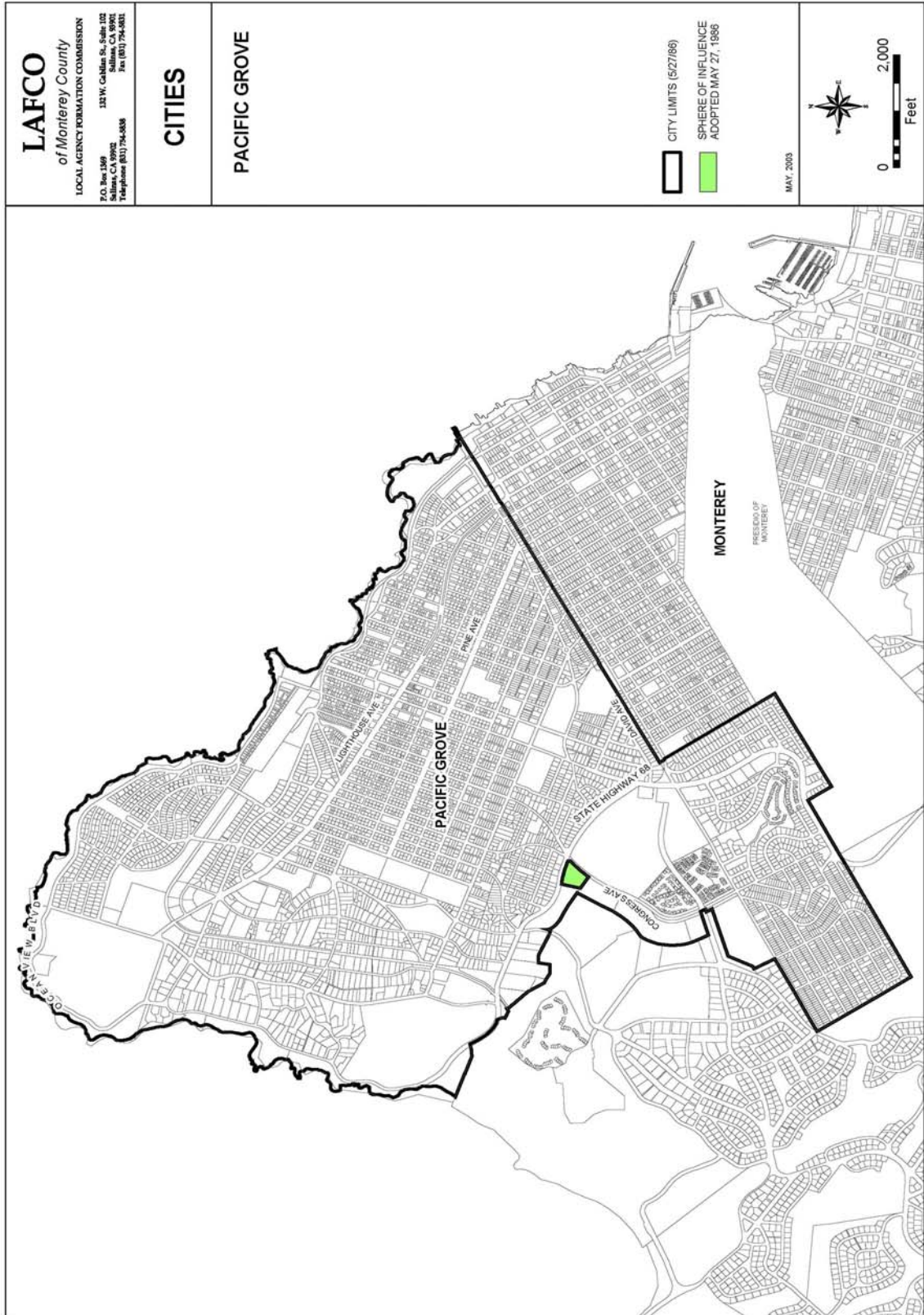
The City of Pacific Grove was incorporated in 1889. The geographic area of the City covers 2.9 square miles. The City of Pacific Grove provides the following services:

- Library
- Cemetery (El Carmelo)
- Fire Protection/Rescue (First Responder)
- Parks/Open Space/Recreation
- Road Maintenance
- Sanitation (refuse service by franchise)
- Street Lighting
- Stormwater Runoff
- Wastewater with wastewater lines and pump station maintenance by the City and processing of wastewater by the MRWPCA.
- Law Enforcement
- Planning and Building

The City of Pacific Grove services area includes 2.9 square miles.

This page intentionally left blank

Figure 5
Boundary Map for City of Pacific Grove



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

As is with most communities, there is a continuous need to operate and maintain public infrastructure when necessary using available human and financial resources.

The City of Pacific Grove conducts periodic inspections of its infrastructure (“assets”), mandated by federal, state, and local standards, and establishes the baselines of the various states of the infrastructure to include *Sewer, Storm Drain, Pavement, and Public Facilities*. The inspections lead to the creation of condition indexes. These indexes, as well as available finances, determine the creation of capital improvement plans. It is important to note that the indexes do not result in an automatic funding of infrastructure needs since these needs compete with other priorities of the City Council and residents, e.g., libraries and public safety needs.

Additional infrastructure needs are determined through the political process. This process is based on input from the decision-makers and residents. In the course of this political process new needs may be identified and new capital improvement programs may arise. The remodeled Pacific Grove Municipal Golf Links Clubhouse is an example of this process.

All geographic areas within the service area are adequately served due to sufficient capacity and facilities.

Sewer Asset Management System

The Sewer Capital Improvement Program continues to be successful according to the information submitted by the city. Problem sewers are identified and if damaged or leaking are then repaired. Through this effort, incidents of untreated wastewater flow into the street are being reduced. The City’s Sewer Division continuously cleans 57.8 miles of sewer line.

Per the Sewer System Asset Management Plan, the City has not undertaken any recent studies to determine whether facilities are being used at capacity. In general, public facilities are aging but the city continuously applies financial and human resources to the best of its ability.

Storm Drain System

The City is in the process of completing the inspection of the storm drain system. Currently around 70 percent of the storm drain infrastructure has been surveyed and assessed. The current discussion around the Area of Special Biological Significance (ASBS) has created a new CIP plan that was submitted to City Council in early June 2005. The costs for this plan are in excess of \$10 Million. The plan is currently being created and designed.

The City’s newest water-quality challenge is a significant undertaking: keep all stormwater runoff from entering a designated area in Monterey Bay. Known as the Pacific Grove Area of Special Biological Significance (ASBS), this area was designated in 1974 to increase protection for the area’s unique resources. It is one of 34 ASBS set up along the California coast.

2. GROWTH AND POPULATION

Per the California Department of Finance demographics information, the City of Pacific Grove has a population of 15,480.¹⁴

The Association of Monterey Bay Area Governments (AMBAG)¹⁵ forecast population increases throughout its jurisdiction. Per the most recent AMBAG population forecast, the City population is anticipated to remain flat indefinitely as the physical boundary of the City is relatively small and the City is characterized as “built-out”. During the period of the AMBAG forecast (ending in 2030), the population is forecasted to be 15,073. Employment is expected to increase from its current approximately 8,598 jobs to 9,641 jobs in the year 2030. The number of housing units in 2030 is anticipated to remain approximately as it is now, 8,058 units. There is no change anticipated to the City’s boundary area.

As the City’s population and housing units will be relatively constant, services provided will be focused on maintenance, replacement and improvement. However, with jobs increasing slightly in the City, this equates to a daytime population increase of approximately 1,000 over current numbers. Employees require services similar to the City’s residents.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The city’s general fund is composed from revenues provided by property tax, sales tax, transaction and use tax, planning and building-related fees, grants, sale of properties and bond funds. Annual, quarterly and monthly expenditure and revenue reports are available for public review at the City’s web site.

Based on current newspaper reports in the Monterey County Herald (June 2006), the City must reduce city services or increase taxes, or both, in order to balance the budget. It is uncertain what effects this will have on City services.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

Based on the information provided by the City there does not appear to be such opportunities.

6. OPPORTUNITIES FOR SHARED FACILITIES

The City reports that the fire department is working with the Carmel-by-the-Sea Fire Department to provide shared administrative services. It may behoove other Monterey Peninsula cities to do the same. Administrative calls could be centralized for all local departments. As cities become financially constrained the time for consolidation of services

¹⁴ As of January 2006, which is the most current information available from the California Department of Finance, Demographic Research Unit

¹⁵ 2004 AMBAG Population, Housing Unit and Employment Forecast @ <http://www.ambag.org/dem.html>. AMBAG web site visited 3/3/06.

becomes more relevant. Regardless, such consolidations would require substantial political discussions. Pacific Grove also has a mutual aid agreement with neighboring cities

7. GOVERNMENT STRUCTURE OPTIONS

The City has a Mayor, six Council members and City Manager. The City does not anticipate changing the current structure of its government.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Based on the information provided by the City, it appears the City provides services based on the most efficient use of its employees and revenue. Public safety staff are regularly trained in a variety of health and safety programs and City staff are augmented by a very active City sponsored citizen participation program which includes regular training of citizens in such activities as city patrols and public works activities.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

Based on the information provided by the City, the City is actively engaged in providing its citizens newsletters, public notices of hearing items, and allows full access to all policy and budget decisions through regularly scheduled meetings that are easily accessible to the public in terms of time and location.

This page intentionally left blank

SUMMARY AND DETERMINATIONS

1. The City does not anticipate the need to change its Sphere of Influence and does not anticipate any annexations.
2. The City, as is the case with Monterey, Sand City, Del Rey Oaks, and Carmel-by-the-Sea, has reached a population where it will likely stay unless there is a substantial change in the City's and zoning codes (e.g., higher population could occur if there were no building height limitations and water was available).
3. Though not reported by the City as part of this MSR process, current newspaper reports in June 2006 (Monterey County Herald) indicate that city services will need to be reduced or taxes increased to balance the budget.

This page intentionally left blank

**SAND CITY
SERVICES PROVIDED AND SERVICE AREA**

The City of Sand City was incorporated in 1960. The geographic area of the City covers 350 acres. The City of Sand City provides the following services:

- Fire Protection/Rescue (under contract to City of Monterey)
- Parks/Open Space/Recreation
- Road Maintenance
- Sanitation (refuse service by franchise)
- Street Lighting
- Stormwater Runoff
- Water supply (300 acre feet Desalination Plant pending construction)
- Wastewater
- Law Enforcement
- Planning and Building

The City of Sand City service area includes 3.16 square miles on 347 acres of land. There are 20 employees.

This page intentionally left blank

Figure 6
Boundary Map for City of Sand City



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The City has a very limited geographic area of developable land, i.e., 347 acres. Within that figure, a large area of town has warehouse-type uses that will slowly convert to mixed use development in accordance with the 2002 General Plan, once an adequate water supply is obtained. There is also limited development potential west of Highway One where tourist-oriented development has been sanctioned in the City's certified local coastal plan (LCP).

The city's current water purveyor is the California-American Water Company (Cal-Am). Cal-Am is under a State Water Resources Control Board (SWRCB) order to stop delivering new water supplies to its service area until it makes up a deficit of water it is extracting from the Carmel River aquifer. Therefore, most of the Monterey Peninsula area that is serviced by Cal-Am, including Sand City, is under a de-facto water moratorium with only limited development being allowed based on a water credit and allocation system established by the Monterey Peninsula Water Management District (MPWMD).

In 2005, the city won unanimous approval from the California Coastal Commission to construct a 300 acre-feet per year brackish water desalination plant. This plant will supply mid to long-term water needs for the City once constructed. The City is currently planning the financing of this plant and is attempting to forge a business arrangement with Cal-Am to purchase water from the plant and to operate the plant. Under county health department and coastal commission requirements, the City must retain ownership of the plant, once constructed.

The City contracts with the City of Monterey for fire protection services. While transitioning to a more balanced community of residential and mixed use, the City's warehouse district known as "the West End" still has some light industrial businesses that store small amounts of flammable substances. The City's current ISO (Insurance Services Office) rating for fire protection is 3, indicating a moderate level of fire risk.

The Seaside County Sanitation District and the Monterey Regional Water Pollution Control Agency provide sewage treatment and collection services to Sand City. Some of the existing distribution system is inadequate with some properties not yet connected to the system.

Wastewater with local wastewater lines are owned, operated and maintained by the Seaside County Sanitation District (which includes Seaside, Sand City, and Del Rey Oaks). The regional transmission wastewater line, pump stations, and regional treatment plant are owned, operated and maintained by MRWPCA (in which Sand City is a member agency).

Drainage facilities for much of the City are either undersized, inadequate ("inadequate" is not defined in the City's Implementation Plan), or non-existent. A storm drainage improvement program is currently underway to alleviate localized flooding in the existing industrial/commercial areas of the City. Although this program has eliminated some of the City's drainage problems, localized flooding continues to present a development constraint in some locations.

As stated in the Sand City Redevelopment Agency Five-Year Implementation Plan 2005-2009, the City is constrained, to a large degree, by an underlying original subdivision pattern of 25-foot wide lots with 50-foot wide street rights-of-way intended for development as a beach cottage community. Instead, the City has developed commercial and industrial uses generally inconsistent with the underlying lotting pattern. As the City developed the requirement for the provision of public improvements has been piecemeal resulting in a patchwork of curb, gutter, and sidewalk improvements, and access provisions. Over the past several years the City has made substantial progress in upgrading deficient infrastructure and utilities.

2. GROWTH AND POPULATION

Per the California Department of Finance demographics information, the City of Sand City has a population of 301.¹⁶

In 2004, the Association of Monterey Bay Area Governments adopted a population projection for Sand City which showed a relatively flat growth rate based on the water supply constraint effecting all of the Monterey Peninsula. AMBAG staff agreed to change that projection once a coastal development permit for the Sand City Water Supply Project (i.e., the desal plant) was approved by the California Coastal Commission. In May, 2005, the Coastal Commission unanimously approved the Sand City water supply project. With the future ability to have a medium to long-range water supply through the desal facility, Sand City will be more capable of achieving its General Plan build-out population, estimated to be 1,295 residents.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The city's general fund is composed from revenues provided by property tax, sales tax, transaction and use tax, planning and building-related fees, grants, sale of properties and bond funds.

Review of the budget indicates that expenditures for the 2004-2005 period exceeded revenues by \$241,166.00, and there is no indication from the information provided that this situation has resulted in an interruption of services to the residents and cessation of operations.

4., 5. & 6. COST AVOIDANCE, RATE RESTRUCTURING OPPORTUNITIES FOR SHARED FACILITIES

The City has contracted for service provision with the City of Monterey for building inspection/plan check and fire protection. This approach reflects the City acknowledging that there are some services that it does not have to provide as they would not likely be cost effective. Though not discussed in the information submitted by the City, there may also be savings to the City if it contracted out police services and road maintenance services to an

¹⁶ As of January 2006, which is the most current information available from the California Department of Finance, Demographic Research Unit

adjacent agency. The shared resource approach the City currently has with the City of Monterey could extend to police services, or Sand City could contract police services to Seaside which is geographically more connected to Sand City.

7. GOVERNMENT STRUCTURE OPTIONS

The City operates with a City Council, City Manager and Mayor. The city also has a redevelopment agency (RDA) with the same policy board as that of the City Council. This situation is common to many other California jurisdictions with redevelopment agencies. In 1987, the entire city limits was designated as a “redevelopment project area” due to the significant amount of urban blight existing at that time. Since then, with the assistance of tax-increment bond financing and economic development activities, the city has aggressively combated blighting influences. The RDA and its associated Redevelopment Plan will remain in effect until 2027, unless extended by the City Council. Land use decisions within the community are controlled by the 2002 - 2017 General Plan, the Redevelopment Plan, and the Sand City certified local coastal plan.”

“The City also contracts for basic services when it finds that it is economically efficient. In that regard, the existing contract arrangement with the City of Monterey for fire protection services and building plan review and inspection services is a good fit. Police services are currently provided by the City of Sand City and businesses and residents are pleased with this small town community policing. As part of the public outreach program, the Police Chief regularly invites children waiting for the school bus outside of city hall to visit his office, instilling the concept that the police are their friends and protectors of the community.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The City did not report failures of delivery of services. Services are managed by the City Administrator, and staff training occurs on an as needed basis with emphasis on police staff training.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The City has public hearings as it pertains to discretionary permits and the City’s redevelopment agency also circulates a newsletter. The City maintains a web site that provides the public and opportunity to know what City government is doing and what is going on in their community. The City’s Redevelopment Agency Implementation Plans and the City’s financial statements, and budgets are available for public review. All policy and budgetary decisions are made by a governing board at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

This page intentionally left blank

SUMMARY AND DETERMINATIONS

1. Sand City appears to operate with a relatively balanced budget and has not indicated the need to increase taxes and/or decrease services. Some government services are integrated with neighboring jurisdictions such as the City of Monterey Fire Department.

This page intentionally left blank

**CITY OF SEASIDE
SERVICES PROVIDED AND SERVICE AREA**

The City of Seaside was incorporated in October 1954. The geographic area of the City covers 9 square miles. The City's current city limits and sphere of influence are coterminous. The City of Seaside provides the following services:

- Fire Protection/Rescue (First Responder)
- Hazardous Materials Response
- Parks/Open Space/Recreation
- Road Maintenance
- Sanitation (refuse service by franchise)
- Street Lighting
- Stormwater Runoff
- Law Enforcement
- Community Development, including planning, building, engineering and Redevelopment activities
- Water

This page intentionally left blank

Figure 7
Boundary Map for City of Seaside



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

While the City of Seaside meets or exceeds all State and Federal laws applicable to its infrastructure, as with most communities, there is a need to invest in infrastructure operation, maintenance and restoration.

There are three primary areas of concern. The first is that there is a need for significant ongoing investments in the City's street infrastructure. The second area of concern is that City Hall, including the police station and the public works corporation yard are suffering from deferred maintenance associated with recent budget shortfalls. However, there are proposals under consideration to improve City Hall, law enforcement facilities, and construct a new corporation yard. The third area of concern is that land being transferred to the City as a result of the closure of the former Fort Ord contains infrastructure that has not been maintained for years and will have to be replaced as new development occurs.

The City of Seaside has recently adopted a Capital Improvement Plan as part of the two-year budget, a Recreation and Parks Master Plan, a Water Service Master Plan, and Pavement Management Plan. In addition, a contract has been awarded to do a Ft. Ord Capital Improvement Plan and Asset Inventory. These plans form the basis for the allocation of resources to infrastructure improvements throughout the City.

2. GROWTH AND POPULATION

Per the California Department of Finance demographics information, the City of Seaside has a population of 34,918.¹⁷

Per the City General Plan, the City population is anticipated to grow to approximately 40,000. Employment in the City is expected to increase from its current approximately 7,125 jobs to 13,075 jobs¹⁸. Housing units are anticipated to increase from the 2005 estimate of 10,688 to 11,280.

The City of Seaside is a City with infill opportunities on former the Fort Ord, including a new hotel resort development at the Bayonet/Black Horse golf courses that includes a 330-room hotel, 170 time-share units and 125 residential lots. In addition, The City has several other significant projects that are underway: a revitalized Auto Center, Main Gate retail center, Broadway-Fremont Streets/downtown project, and a new hotel at 1350 Del Monte. These combined will increase employment and the city's residential population.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The City of Seaside adopts a bi-annual budget based on the City Council's Strategic Goals and vision statement. Funding sources are sales tax, property taxes, utility user tax, transient

¹⁷ As of January 2006, which is the most current information available from the California Department of Finance, Demographic Research Unit

¹⁸ 2004 AMBAG Population, Housing Unit and Employment Forecast @ <http://www.ambag.org/dem.html>. AMBAG web site visited 4/16/06.

occupancy tax, investment income, grants and other miscellaneous fees and reimbursements. Review of the adopted operating budget for 2006-2007 and 2007-2008 indicates that the budget is balanced. The City undergoes an annual audit of its financial statements. The audit reports have not reported any problems. The City of Seaside is frequently examining opportunities for improving our revenue stream, including grant applications, untapped resources, economic development and alternative government structures.

4. & 5. COST AVOIDANCE AND RATE STRUCTURING OPPORTUNITIES

The City is continually assessing the delivery of services in order to provide efficient and effective services at the least cost. No rate structuring opportunities were identified.

6. OPPORTUNITIES FOR SHARED FACILITIES

The cities of Seaside, Sand City and Del Rey Oaks use the services of the Seaside County Sanitation District. In addition, the City is exploring the option to consolidate with the City of Marina for fire protection services on the former Fort Ord.

7. GOVERNMENT STRUCTURE OPTIONS

The City operates with a City Council, City Manager and Mayor. The City is not considering expanding its boundaries, nor has it considered consolidation or reorganization of itself with other agencies. However, the City Council has pending a resolution expressing its concern that the Marina Coast Water District Board does not include representation of Seaside residents and its intention to initiate proceedings to obtain representation for those residents living in the MCWD service area. In the interim period, the City of Seaside encourages the MCWD to accommodate City representation on a Policy Advisory Committee or similar advisory committee.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The City Manager and key staff members hold semi-annual strategic planning sessions to discuss and formulate long-range goals and objectives, which are then implemented by and ultimately the responsibility of the City Manager.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

All City Council meetings are televised and open to the public. In addition, all Planning Commission hearings, though not televised, are open to the public. Council and Commission packets are posted by the City several days before each meeting. Packets are posted on the City web site and distributed to all requesting parties. Minutes are approved at a subsequent meeting and are posted to the website. The City provides a bi-annual budget that is available to constituents to keep them apprised of various City activities.

SUMMARY AND DETERMINATIONS

1. The City's primary jurisdiction concern is fair representation on the Marina Coast Water District Board. All other matters pertinent to the City Sphere of Influence and jurisdiction and service issues appear to be adequate though the City is exploring the option to consolidate with the City of Marina for fire protection services on the former Fort Ord.
2. As stated in the materials submitted to LAFCO, the City is always looking for ways to do more with less. Although there is no specific plan to cut costs, due to the City's budget restraints there have been several unique contracting agreements as well as new technology that have allowed the City to save money. The City has no current plans to amend its sphere of influence or annex new land.

This page intentionally left blank

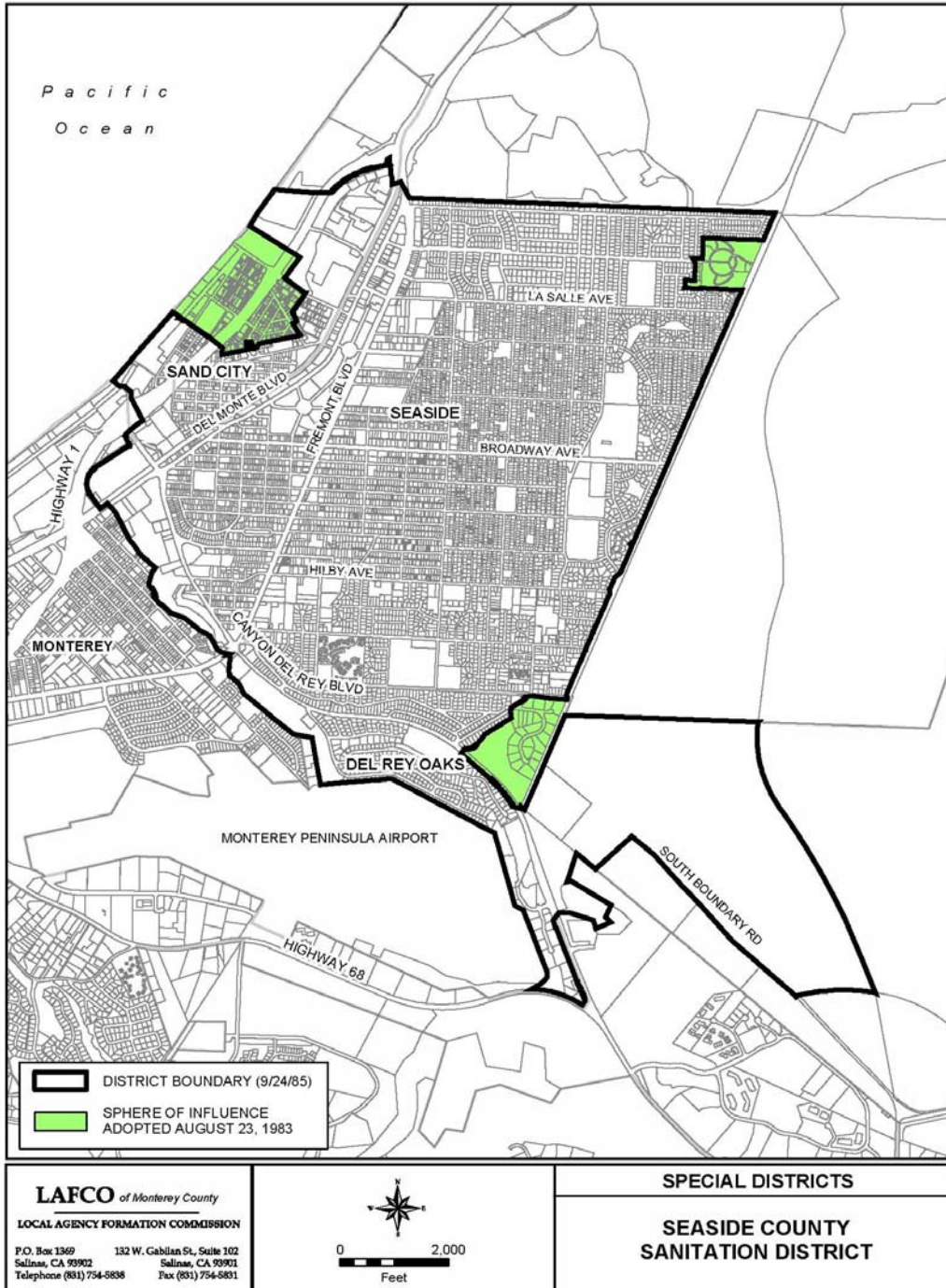
**SEASIDE COUNTY SANITATION DISTRICT
SERVICES PROVIDED AND SERVICE AREA**

The District was created in 1957. The geographic area of the District covers Seaside, Del Rey Oaks and Sand City. The District's boundary and its client cities have a coterminous boundary. The Seaside County Sanitation District provides the following services:

- Wastewater - The Seaside County Sanitation District maintains sewer lines in the cities of Seaside, Sand City and Del Rey Oaks.

This page intentionally left blank

Figure 8
Boundary Map for Seaside County Sanitation District



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The District approved a master plan in 2002 that outlines the planned improvements throughout the district. The improvements are funded by fees charged by the District. There are no significant deficiencies.

2. GROWTH AND POPULATION

As the District is coterminous with the city boundaries of Seaside, Del Rey Oaks and Sand City, the population of this district is the same as the population of these communities (approximately 36,000). As these cities grow, so will the District.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

Funding sources are user fees, connection charges, property taxes, grants and other miscellaneous fees and reimbursements. Capital assets are depreciated using the straight-line method over useful lives ranging from 3 to 40 years

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The district adopted a new rate structure in 2003 after the Master Plan was completed. Services for the District are provided by the City of Seaside under contract with the District. Cost containment and service improvements have occurred as the City of Seaside has implemented service delivery improvements.

6. OPPORTUNITIES FOR SHARED FACILITIES

The District provides wastewater collection but not treatment. Treatment facilities are operated by the Monterey Regional Water Pollution Control Agency.

7. GOVERNMENT STRUCTURE OPTIONS

None have been identified by the District.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The District has no employees of its own but instead contracts with the City of Seaside. The District is streamlined in this regard. There is a District Board. Staffing includes legal counsel, a manager and engineer, and administration and maintenance staff.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The Board of the Sanitation District is composed of one City Council member from each of the participating cities. The Board holds monthly meetings that are open to the public. Board packets are posted and distributed several days before each meeting. Minutes are approved at a subsequent meeting. In addition, the District creates an annual budget report that is available to constituents to keep them apprised of various District activities.

This page intentionally left blank

SUMMARY AND DETERMINATIONS

1. The District's primary concern is uninterrupted service to its constituents at the lowest possible cost. No plans exist relating to expanding or contracting this District's boundary.

This page intentionally left blank

PEBBLE BEACH COMMUNITY SERVICE DISTRICT SERVICES PROVIDED AND SERVICE AREA

The District was established July 1, 1982. It was the result of a reorganization that abolished County Service Area #42 (fire protection) and Pebble Beach Sanitary District (sewer disposal and treatment), and transferred all of the predecessor agencies' duties, responsibilities, assets and liabilities to the new successor entity, the Pebble Beach CSD (PBCSD).

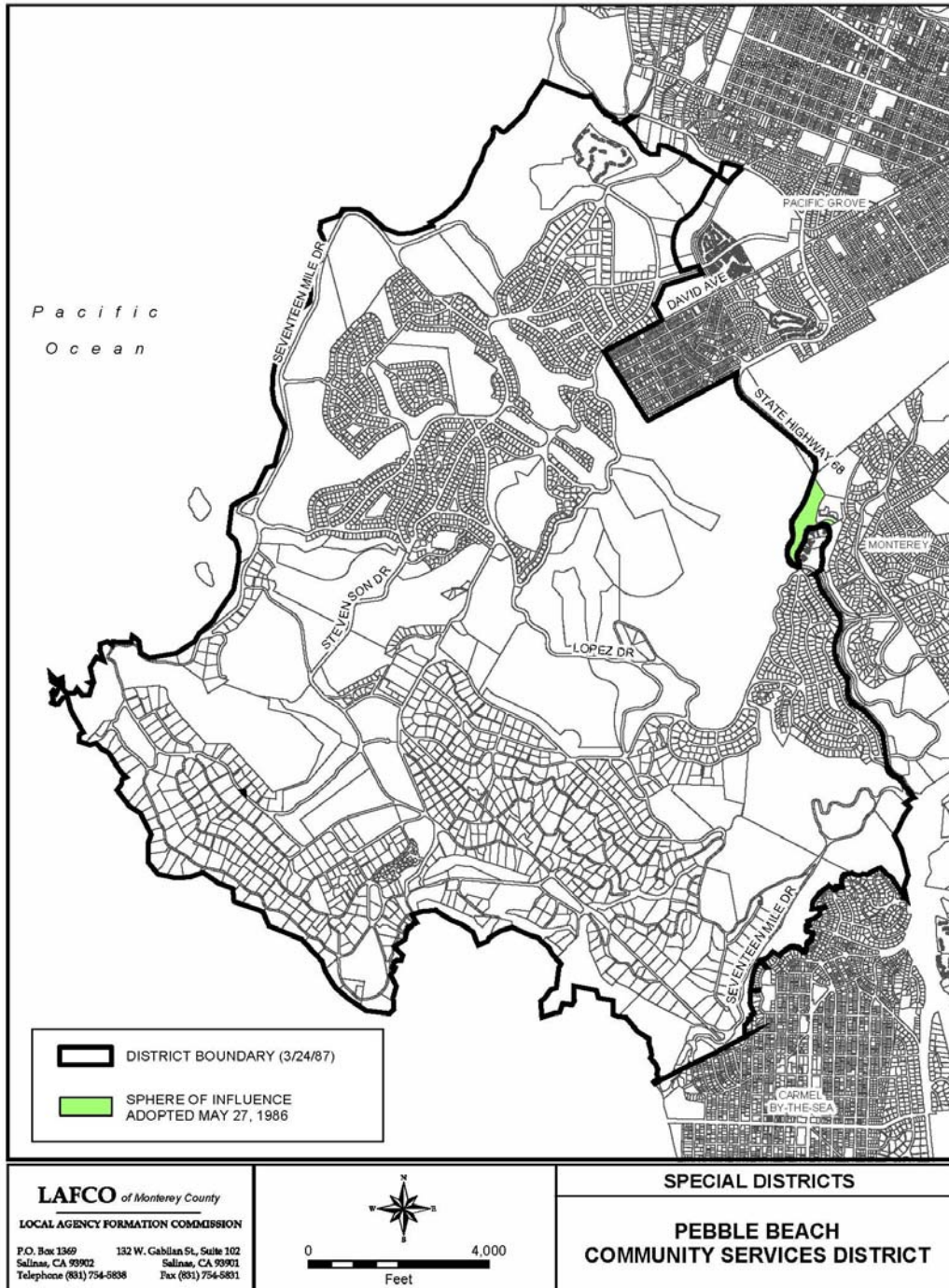
PBCSD covers an area of 8 square miles, and the District's sphere of influence is coterminous with its boundary. Generally, the District also corresponds with the Pebble Beach / Del Monte Forest area inside of the five Pebble Beach security gates, i.e. Pacific Grove Gate, Country Club Gate, SFB Morse Drive ("5th") Gate, Highway One Gate and Carmel Gate. The Pacific Ocean is the District's westerly boundary. Much of the remaining District boundary is in common with three incorporated cities; Pacific Grove on the north and northwest, Monterey on the north and northeast, and Carmel-by-the-Sea on the south. The District's easterly boundary is in an area that is undeveloped and forested, running along the easterly ridge line of Pescadero Canyon, and abutting the developed Carmel Woods unincorporated Carmel area downhill to the southwest boundary of Carmel-by-the-Sea.

The PBCSD provides the following services

- Fire Protection/Rescue/Emergency Medical (First Responder)
- Sanitation (refuse collection and disposal service by franchise)
- Stormwater Runoff (authorized, but not activated, as the Pebble Beach Company has assumed primary responsibility)
- Water supply (recycled water only for landscaped areas at golf courses and the Stevenson School; no potable water is provided by PBCSD)
- Wastewater collection, treatment and disposal (contract with the Carmel Area Wastewater District (CAWD) for treatment and disposal)
- Law Enforcement

This page intentionally left blank

Figure 9
Boundary Map for PBCSD



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Wastewater

The service capacity of the District's sewer main lines and the treatment and disposal capacity required at the Carmel Area Wastewater District (CAWD) treatment plant are established by the District to meet anticipated service requirements of the Del Monte Forest Land Use Plan ("DMF LUP"), which is an element of the Monterey County General Plan. Monterey County is responsible for preparing, adopting and administering the DMF LUP, and the Coastal Commission is responsible for certifying the document. Development proposals throughout the District must also be approved by the County, and development projects within the coastal zone of the District are also subject to Coastal Commission review and approval. The District reviews all development plans, and requires the developer to provide infrastructure appropriate to the needs generated by the development. The District's requirements are based on accepted engineering standards for sanitary sewer systems. Its existing sewer treatment capacity is considered adequate to meet current and planned development within the District. It is common practice for all agencies who provide sanitary sewer services on the Monterey Peninsula and for the City of Salinas to size their treatment capacity to land use plans adopted by the respective cities and the county.

Fire Protection

Standards for water system flow for fire protection to residential structures are based on Uniform Fire Code requirements. Generally the standard required for all residential areas is a flow of 1,000 gallons per minute (gpm) at a residual pressure of 20 pounds per square inch (psi). Areas with commercial or public assembly uses including hotels, condominiums, dormitories, restaurants and golf course clubhouses are designated with higher fire flow requirements. These standards are being implemented by the District in its long term priority program for constructing improvements to the existing domestic water system within the District. Besides this District and the City of Monterey, it is believed that no other fire jurisdictions in Monterey County are systematically (based on their own long-term planning) building and contributing water system improvements to the domestic water purveyor in their community. California Public Utilities Commission policies do not allow the water purveyor to earn a profit on the value of the contributed improvements.

Criteria adopted by the District governing board for prioritizing fire protection water system improvement projects are defined as follows:

- Areas with the lowest ratio of existing fire flow in water main to fire code flow requirements in the following order: less than 25% flow ratio, 25-50% flow ratio, 50-75% flow ratio and greater than 75% flow ratio
- Undersized mains serving areas of public assembly; i.e. hotels, schools, country clubs, businesses and churches
- Substandard mains serving residences in the forest or urban-wildland interface areas (reduces risk of structure fire from wildland fire and vice versa)
- Undersized mains in areas where adequate backup fire flow is not available within 500 feet of residences
- Projects that include financial participation by California American Water
- Replace all 2-inch water mains (3,750 feet)

The District continuously updates, upgrades and maintains facilities through its *Long Term Capital Improvement Plan* that covers all the District's infrastructure requirements. The information provided by the District indicates that all areas of the District are fully served and based on review of the information provided all environmental and safety standards relevant to the District's mission are complied with.

Insofar as infrastructure capital improvements and equipment planning is concerned, the District's entire currently known infrastructure enhancement requirements are defined in the 15-year PBCSD Long Term Capital Improvement Plan. The \$12.0 million, 325 acre-foot Forest Lake Reservoir project under construction at this time is the most significant single infrastructure upgrade included in the Plan. With the completion of the reservoir in the Spring of 2006, the CAWD/PBCSD Wastewater Reclamation Project will be able to produce and store tertiary treated recycled water throughout the winter months for use later in the year to meet peak irrigation requirements and eliminate the need for the use of supplemental potable water.

While the District does not have any definite plans for expansion of services infrastructure in the future, there are a number of service issues that are either under current consideration or have been raised on a recurring and unresolved basis by the District Board and community leaders. These are as follows:

Law Enforcement/Security: Periodic complaints have been brought to the District Board by the Del Monte Forest Property Owners governing board concerning traffic enforcement, vandalism and other issues related to the security of residents and their property. In the most recent iteration of the issue the property owners board requested, and the District's Board agreed, that PBCSD assist in gathering information concerning the incidence of crime within the community and identification of alternative methods of providing supplemental law enforcement services. As law enforcement is a latent power of the District, PBCSD provided nominal financial assistance in the amount of \$7,500 to match the property owners' board commitment of \$3,000 to gather information to assist in decision making. One of the major steps involved in the process was a community policing survey of all residents and property owners, which was undertaken in September 2005. It indicated significant concerns among residents regarding traffic enforcement and vandalism problems, and the District has subsequently applied to the Local Agency Formation Commission of Monterey County for authority to exercise the latent powers of police and security services to supplement the efforts of existing law enforcement agencies.

Forest/Open Space Maintenance: Much of the forested and open space area within the District (Del Monte Forest/Pebble Beach) has already or will in the next few years be dedicated to open space easements or deeded outright to the Del Monte Forest Foundation ("DMFF"). The DMFF is a non-profit organization designated by Monterey County and the California Coastal Commission to receive and manage open space, scenic easements and fee interests in the Del Monte Forest, as specified in the Del Monte Forest Land Use Plan. As a result, the DMFF is now the second largest landowner to the Pebble Beach Company. The DMFF currently administers about 700 acres, or approximately 14% of the land in Pebble Beach. If the Pebble Beach Company's current long term development plan, which has been approved by the County, is also approved by the Coastal Commission about 400 more additional acres

of open space and forested lands will be dedicated to the DMFF, increasing its property responsibilities to approximately 1,100 acres. While the Pebble Beach Company has retained responsibility to assist the DMFF in maintaining much of the land that it has deeded to DMFF, the District and others desire that more comprehensive vegetation management measures be implemented to keep the forested areas healthy and fire safe. Whether the level of service required will be financially viable to the DMFF and PBCo remains to be determined. If supplemental assistance is required to achieve this objective it is possible the District will be asked to consider providing assistance to the DMFF. If the level of assistance relates specifically to fire prevention measures, the District's current authorized powers may be sufficient to assist. However, if more comprehensive forest management or maintenance services are requested the District may be asked to consider activating the appropriate latent power.

Conversion of Overhead Utilities to Underground Facilities: The Del Monte Forest Property Owners and individual homeowners have approached the District a number of times during the past 10 years to seek information and assistance in under grounding overhead utilities in several neighborhoods. The impetus for seeking underground utilities appears to be the frequency of electrical power interruptions caused by trees that damage power lines during inclement weather conditions. However, consideration of aesthetics is also a factor. Most of those who have contacted the District about this issue appear to understand that they could seek assistance from the County Public Works Department to form an underground conversion financing zone/district or can work directly with PG&E, but have expressed a preference to deal with a local agency such as PBCSD. As this is not a service the District is currently authorized to provide, it would have to consider seeking approval from LAFCO for activating a latent power if residents prefer to be served by the District.

Unknown Pebble Beach Company Contingency: As noted earlier, the Pebble Beach Company's role is unique among other communities in Monterey County because the Company owns and maintains all of the roads and provides a number of other important municipal-type services to the community. Besides road maintenance, other services that would otherwise be provided by a municipality or special district include traffic engineering, stormwater management, forest and open space maintenance, litter control, architectural review, house numbering, maintenance of beaches, picnic areas and scenic overlooks, non-first-responder security assistance to residents and visitors, and non-first-responder animal control service. There is no reason to believe that the current ownership of the Pebble Beach Company plans to make any major changes in its business plan and/or management of its assets other than what has been proposed in the Company's long term Forest Development Plan which is consistent with a land use zoning plan ("Measure A") approved in a county-wide vote of the electorate. The PBCo's proposed development plan, which would be undertaken pursuant to Measure A, has been approved by the County Planning Commission and Board of Supervisors, pending appeal of the County's approval to the Coastal Commission. If the Company's Forest Development Plan is not approved by the Coastal Commission or is significantly modified in scope, it would seem logical that the Company may rethink its long term business plans. Also, if ownership of the Pebble Beach Company were to change in the future, it is possible that new owners would also reassess the business plan. Therefore, from the District's perspective, it is important to understand that the Pebble Beach Company may not always provide all of the services to the public that it currently

provides. In that regard, the District's strategic plan requires the District to be prepared to respond to community requirements should the Company discontinue providing any of the current municipal-type services it provides.

2. GROWTH AND POPULATION

The District's services will potentially expand if the Pebble Beach Company's *Del Monte Forest Preservation & Development Plan* survives legal challenge. The relevant components of this Plan to the District's mission include the following:

- Construction of a new 18-hole golf course on the existing Equestrian Center site.
- Construction of a total of 160 new visitor-serving suites at the new golf course, Spanish Bay, and the Lodge at Pebble Beach.
- Addition to the existing Inn at Spanish Bay and the Lodge at Pebble Beach to include additional hospitality and meeting space.
- Construction of a new driving range and golf teaching facility at the Spanish Bay Resort.
- Creation of 33 residential lots within five subdivisions and construction of 60 employee housing units.

For various planning and analysis purposes, the District uses available U.S. census and related federal and State statistical information. According to the 2000 U.S. Census the population within PBCSD is 4,590. The population fluctuates throughout the week and usually the number of people increases considerably over weekends and holidays, due to visitors and returning part-time residents. Population further increases significantly during large special events such as the AT&T National Pro-Am golf tournament and the Concours d'Elegance classic car show, thus increasing the need for services provided by the District. The District has conveyed in the materials submitted to LAFCO that expansion of services in the future according to demand is feasible.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The PBCSD prepares an annual budget which is adopted by the governing board with citizen participation and input. The information provided by the PBCSD does not identify any potential revenue sources that could be used that are not currently being used. There does not appear to be financial constraints limiting the ability of the PBCSD to serve existing and future residents.

PBCSD follows General Accounting Standards Board accounting standard no. 34. Copies of the District's Final Budget for Fiscal Years 2005-06 and 2004-05 were submitted to LAFCO for review and are available for public review. Copies of the District's two most recent comprehensive annual financial reports ending June 30, 2003 and June 30, 2004 are also available at LAFCO. The audit firm that prepared the 2003 report is Berger/Lewis Accountancy Corporation, and the firm that prepared the 2004 report is Kasavan & Pope, LLP.

Funding Sources For FY 2005-06 Budget:

Property Taxes	\$7,150,000	37.7%
User Fees	1,370,000	7.2%
Interest Revenue	325,000	1.7%
Other Revenue	225,000	1.2%
Reclamation Project Reimbursement	9,892,000	52.2%
TOTAL	\$18,962,000	100.0%

The District maintains an operating reserve fund (O&M Reserve Fund) to be used in emergencies or to meet unforeseen expenses. The O&M Reserve Fund is maintained at 10% of the annual operating budget, with a current balance of \$720,000.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The PBCSD provides a thorough budget process that aims to avoid unnecessary costs. There are no duplication of services and as described in the following section there are a variety of cooperative agreements for purposes of avoiding duplication of effort and to save costs.

6. OPPORTUNITIES FOR SHARED FACILITIES

This Municipal Service Review has evaluated the opportunities of jurisdictions to share facilities and resources to develop more efficient service delivery systems as indicated by the determinations made below.

By contract, as part of its fire protection and suppression authority, the District provides facility and grounds maintenance and certain related administrative support services to the DMFF in the operation and maintenance of DMFF's Indian Village day use picnic facility. By lease, PBCSD also provides office space for the DMFF in the District's main building complex at Forest Lake and Lopez Roads. The DMFF is a non-profit foundation that, pursuant to designation by Monterey County, is responsible for owning and maintaining open space areas and easements within Pebble Beach for the benefit of the public. The geographic area served is the area of Pebble Beach / Del Monte Forest, which is entirely within the boundaries of the District.

Under terms of a four-party agreement, the District has constructed, maintains and operates a regional recycled water distribution system serving the Pebble Beach / Del Monte Forest area. The reclaimed water distribution system provides tertiary treated recycled water for irrigation of the eight golf courses, athletic fields and other landscaped areas within Pebble Beach. Other parties to the agreement include the Monterey Peninsula Water Management District ("MPWMD"), the CAWD and PBCo. MPWMD and PBCo are the client agencies.

Mutual and Automatic Aid Agreements: The District has entered into mutual and automatic aid agreements with adjacent municipalities of Pacific Grove and Monterey. The Pacific

Grove agreement is applicable primarily to all reported structure fires; Pacific Grove responds to Pebble Beach in its entirety, and PBCSD reciprocates to all of Pacific Grove, each with one Type-1 fire engine. Responses are automatic to the Spanish Bay and Asilomar areas and mutual aid is upon request throughout both jurisdictions. Under the Monterey agreement, Pebble Beach automatically responds to Shepherds Knoll condominiums on Huckleberry Hill and to the Community Hospital of the Monterey Peninsula for all types of emergency calls. Monterey automatically responds to "upper Pebble Beach" for reported fires (roughly all of the area on top of Huckleberry Hill down to Ronda Road and Sunridge Road), with Type-1 fire engine response from each entity. Mutual aid upon request is provided throughout both jurisdictions.

PBCSD is also a signatory to the county-wide Monterey County Mutual Aid Agreement.

In addition, PBCSD and the adjacent Cypress Fire Protection District jointly operate what is in essence a seamless regional fire department, with the resources of each agency available to both. Under a long term contract, PBCSD pays for 50% of the operating and capital costs of a consolidated fire station located just inside the Highway 1 gate of Pebble Beach. Besides serving the Pebble Beach / Del Monte Forest, the fire station also serves unincorporated areas of Carmel-by-the-Sea, Aguajito / Jacks Peak and mouth of the Carmel Valley area.

PBCSD is also a party to the Monterey County Operational Area Authority and Interjurisdictional Emergency Management Coordination System Agreement. This agreement provides for coordinated emergency management functions and response operations within Monterey County during periods of major emergency or disaster.

Monterey Regional Waste Management District Financing Authority: This entity provides long term financing for the Monterey Regional Waste Management District to construct major capital improvements to the MRWMD's solid waste disposal and recycling facilities north of Marina. Other members of the Authority are each of the Monterey Peninsula cities and the County of Monterey.

Wastewater Reclamation Project Construction and Operation Agreement among the MPWMD, CAWD, PBCSD and PBCo: This agreement provides for the financing, construction, maintenance and operation of a regional wastewater reclamation project that supplies recycled water for irrigation of eight golf courses, athletic fields and other landscaped areas in Pebble Beach / Del Monte Forest. The service area is coterminous with the boundaries of PBCSD. CAWD treats and produces the recycled water and PBCSD distributes it. Under the agreement, a Reclamation Management Committee has been created that provides project oversight and policy direction. Membership of the Management Committee is comprised of two governing board members of CAWD, two governing board members of PBCSD, one ownership representative of the Pebble Beach Company and one (non-voting) representative of the Independent Reclaimed Water Users Group in Pebble Beach. While the Reclamation Project is not a JPA, and each party maintains its independent operating identity, the four-party agreement and various other implementation agreements among the parties cause the Project to be effectively governed and managed much like a JPA.

Association of California Water Agencies Joint Powers Insurance Authority (“ACWA JPIA”): The ACWA JPIA was established in 1979 to provide liability insurance coverage tailored to the needs of California local government agencies that provide water and related local government services. The organizational concept is to share risk and costs, through several layers of coverage: (1) a self-insured layer, 2) a layer pooled among participating agencies, and 3) a layer of group purchased commercial excess insurance. The most important coverages include auto, general liability, special dam failure, property damage or loss, and workers compensation. Participating organizations must meet minimum standards of risk management in order to be approved for coverage in any of the insurance programs by the JPIA. The JPIA has become a model governmental risk management organization that provides excellent insurance coverage to its membership at comparatively reasonable prices. Each participating agency Board must name a member of its Board of Directors to serve on the ACWA JPIA’s Board of Directors. Executive level management staff of participating agencies may be appointed to serve as alternate directors but not primary directors.

Agreement for Joint Exercise of Powers for The Purchase and Maintenance of Mobile Air Support Unit: The participating parties in this JPA are Salinas Rural Fire Protection District (lead agency), cities of Salinas, Soledad, Carmel-by-the-Sea and Marina, North County Fire Protection District, Carmel Valley Fire Protection District, Spreckels Community Services District, Monterey Peninsula Airport District, Cypress Fire Protection District and Pebble Beach Community Services District. The purpose of the JPA is to finance, construct, maintain and operate a functional trailer-mounted mobile air support unit (“MASU”) to fill air bottles for firefighter personal breathing devices on an emergency and non-emergency basis, and to re-supply backup cascade air storage systems at various participating fire stations.

Memoranda of Understanding: PBCSD has entered into a number of memoranda of understanding with other local CDF contracting fire jurisdictions regarding the sharing of certain types of costs incurred in providing local structural fire protection contract services.

MOU – to share the costs of positions of Heavy Equipment Mechanic and the CDF headquarters Division Chief who provides management oversight of various local government contracts. Participants: PBCSD, Cypress Fire Protection District, Carmel Highlands Fire Protection District, South Monterey County Fire Protection District, and the San Benito County Fire Department.

MOU – to share costs of funding two Operations Battalion Chiefs. Participant: PBCSD, Cypress Fire Protection District and Carmel Highlands Fire Protection District.

MOU – to share personnel training costs. Participants: PBCSD, Cypress Fire Protection District, and Carmel Highlands Fire Protection District.

MOU - to share costs of maintaining and staffing the Carmel Hill Fire Station. It jointly serves CDF in carrying out its state responsibilities and PBCSD and Cypress Fire Protection District in their local structural and wildland fire protection responsibilities.

7. GOVERNMENT STRUCTURE OPTIONS

The District's present sphere and boundaries are adequate at this time, and probably for the foreseeable future. The District was organized to serve the needs of the residents of the Pebble Beach/Del Monte Forest area, and with the exception of the Shepherds Knoll condominium development inside the City of Monterey's boundary, the District's boundary is coterminous with the area commonly known as "Pebble Beach". As Shepherds Knoll receives sewer services from Monterey and PBCSD has not constructed sewer facilities to serve the area, it would be arguable to suggest that the area be annexed to PBCSD, even though the District does provide automatic mutual aid fire department response to the area.

Another reason why PBCSD's current sphere and boundaries are adequate at this time relates to Pebble Beach Company's unique role in the community. Because the Company owns all of the roads and virtually all of the commercial property within Pebble Beach, it is not expected there would be any justifiable reason for an adjacent city to annex any part of Pebble Beach. Likewise, the District has no plans nor would it be justified in annexing any of the adjacent unincorporated county areas, as they are within the spheres of influence of the existing cities.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The District's implementation of a comprehensive work place safety training program over the past five years has resulted in the achievement of a 0.88 injury experience modification factor in 2005, which represents significantly below average work place injury losses. This has also contributed to substantial savings in workers' compensation insurance premiums.

The District's frequent use of the State of California cooperative purchasing program contracts (i.e. California Multiple Award System) has resulted in significant cost savings, particularly in acquisition of vehicles and technological equipment.

The Maintenance Department was reorganized in 2005; one executive level position of District Maintenance Manager (\$90,000) was abolished and one position of Engineering/Administrative Assistant (\$60,000) was established. Besides the initial and continuing savings in costs of salaries and benefits the reorganization has allowed the maintenance department and engineering section to accomplish more work, with increased efficiency, and without increased staff.

One used, surplus fire department ladder truck was aggressively marketed, resulting in its sale at an optimum price of \$100,000 revenue to the District.

Maximum implementation of computerized information technology systems; including the District's Local Area Network, Geographic Information System (GIS), Information Data Base System, Supervisory Control and Data Acquisition (SCADA) system and Document Imaging System has provided significant assistance to District employees, allowing them to become more productive in spite of increasing workload and responsibilities. In turn, this has also allowed the District to operate efficiently without increasing staff for the past 11 years.

It is planned to continue retrofitting sewer pump stations with the latest technological advances in equipment and machinery to minimize maintenance and operating requirements and to maximize productivity.

As a matter of policy, the District encourages a receptive environment among its employees to receive and follow-up all complaints on a priority response basis. Employees are trained to understand that the only reason the District exists is to serve its constituents/customers, that all of the resources of the District are provided to it by its customers and that each employee is a trustee of those resources. Employees are instructed to respond to customer complaints in a non-judgmental, non-defensive manner, and in the case of maintenance department operating level employees, they are empowered to make certain types of decisions in the field that facilitate timely resolution of complaints, e.g. immediately authorizing District reimbursement of customer costs for cleaning up their property and/or home in the case of a main line sewer overflow.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The District's constituents / customers are provided telephone numbers and email addresses for all District employees via various direct mail publications and the PBCSD website. In addition, the District's annual Open House and Fire Safety Day provides an opportunity for residents to get to know District employees and those they may contact if they have questions or concerns. Close coordination and communication is also maintained by the District with the Del Monte Forest Property Owners and the PBCo, whose personnel are knowledgeable about District services and individuals within the District who should be contacted for service requests or complaints.

The District posts all Board of Directors agendas and meeting minutes to the PBCSD website at www.pbcسد.org. The posted agendas also include hypertext links to the reports and documents received by the Board, such that visitors to the website can view any of the documents simply by clicking their mouse on the highlighted hyperlinked document title. After publishing a quarterly newsletter for six years, in the late 1990's, the District discontinued publishing the newsletter and instead has relied on its website and the other publications noted earlier. Recently, however, the Board of Directors has instructed staff to reconstitute the District newsletter, and the initial issue of the reconstituted newsletter was published in November 2005. The District will also continue to provide news items to the Del Monte Forest Property Owners and the PBCo, who both regularly publish newsletters for distribution to Pebble Beach residents and property owners.

While PBCSD has not initiated any special programs or services to directly encourage voter participation, it has made special efforts to inform residents of opportunities to serve on the Board of Directors when vacancies on the Board occur between regular District elections. Since 1998, when vacancies have occurred on the Board, the District has sent letters to all residents announcing the vacancies and inviting interested residents to consider becoming candidates for appointment by the Board to serve as directors until the next election. In addition, the District published large commercial-size announcements with the same information in the Carmel Pine Cone, which is delivered to all households in Pebble Beach. It is believed that this type of outreach in 1998, 2001, 2004 and 2005 has contributed to good District governance and resulted in 28 applicants for appointment, seven of who later placed their names before voters in the District's regular elections. Also, as voter turnout in

the District is consistently greater than most other areas of the County, the process may have indirectly contributed to encouraging more voter participation during District elections.

The District has not considered nor has it been requested to broadcast its Board of Directors meetings.

SUMMARY AND DETERMINATIONS

1. The Pebble Beach Community Service District maintains an operating reserve fund for emergencies that represents 10 percent of the operating budget. The District provides a budget process that aims to avoid unnecessary costs such that there is no duplication of services. Cooperative agreements exist also to maximize efficient provision of services in the District.
2. The District's present sphere and boundaries are adequate at this time, and probably for the foreseeable future. The District was organized to serve the needs of the residents of the Pebble Beach/Del Monte Forest area, and with the exception of the Shepherds Knoll condominium development inside the City of Monterey's boundary, the District's boundary is coterminous with the area commonly known as "Pebble Beach". As Shepherds Knoll receives sewer services from Monterey and PBCSD has not constructed sewer facilities to serve the area, it would be arguable to suggest that the area be annexed to PBCSD, even though the District does provide automatic mutual aid fire department response to the area.
3. Another reason why PBCSD's current sphere and boundaries are adequate at this time relates to Pebble Beach Company's unique role in the community. Because the Company owns all of the roads and virtually all of the commercial property within Pebble Beach, it is not expected there would be any justifiable reason for an adjacent city to annex any part of Pebble Beach. Likewise, the District has no plans nor would it be justified in annexing any of the adjacent unincorporated county areas, as they are within the spheres of influence of the existing cities.

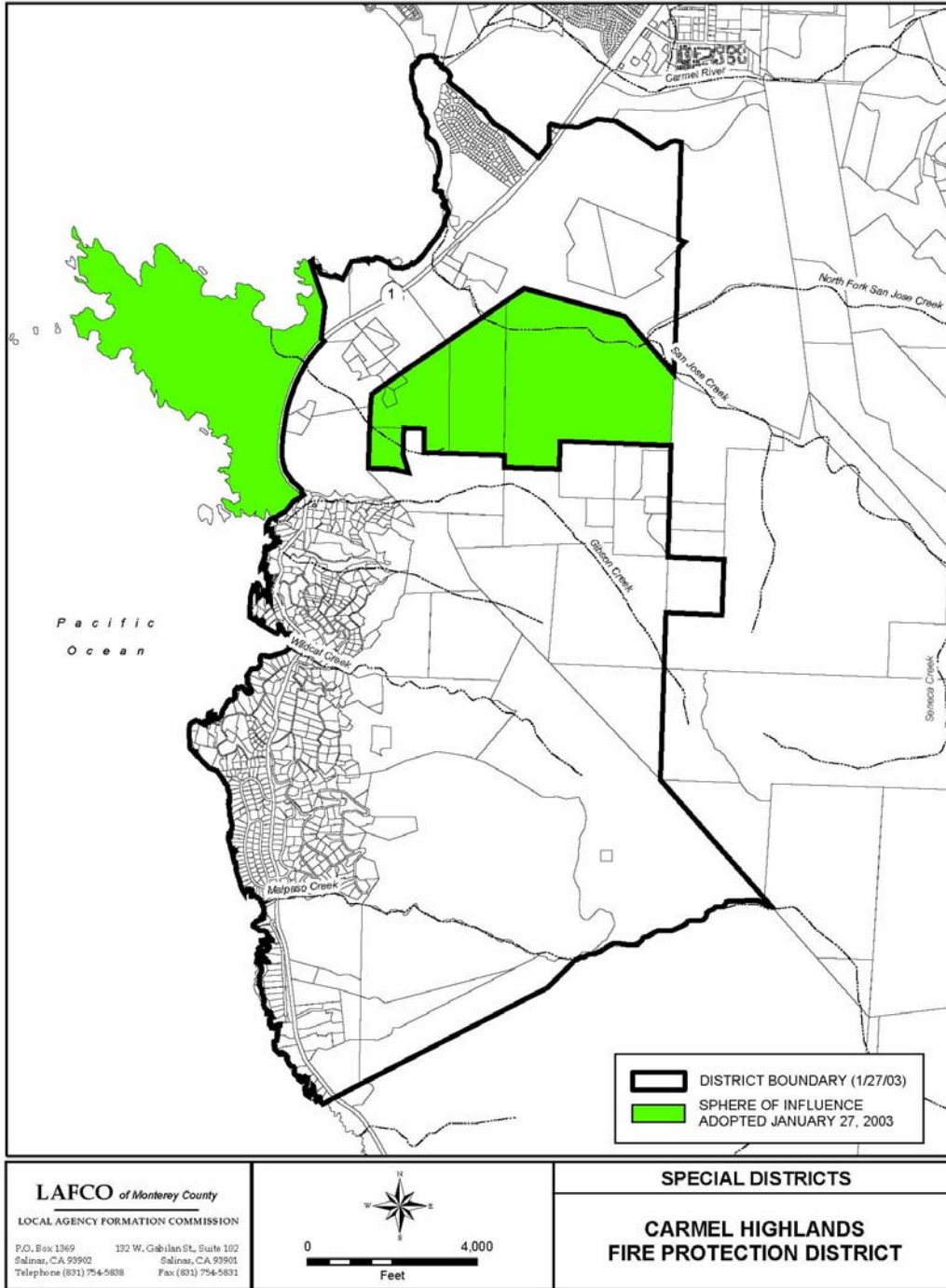
This page intentionally left blank

**CARMEL HIGHLANDS FIRE PROTECTION DISTRICT
SERVICES PROVIDED AND SERVICE AREA**

The Carmel Highlands Fire Protection District (CHFPD) provides fire prevention, suppression, rescue (terrestrial and marine), emergency medical, fire investigation, public education and fire code enforcement. The District was formed in 1932. The district encompasses an area of approximately 7 square miles. The total population is approximately 2,900 (Source: 1999 LAFCO Inventory of Local Agencies).

This page intentionally left blank

Figure 10
Boundary Map for the Carmel Highlands Fire Protection District



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The District does not identify infrastructure needs and deficiencies but is interested in augmenting existing emergency medical services by including Advance Life Support using existing staff. This is not a requirement of the District but it does reflect the importance of providing additional services that can respond quicker in emergencies.

2. GROWTH AND POPULATION

The population of the District is stated to be 2,900 in the 1999 LAFCO Inventory of Local Agencies. As this District's boundary has not changed since 1999, this population figure still stands for purposes of this report.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The District receives property tax subventions, interest, and service charges that are collected on the tax bills submitted to property owners in the District. As properties are sold in the District the new sales price of a home becomes the basis for increased revenue to the District. No new revenues are necessary for the District to implement its services and mission.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services within the District. The District shares a Battalion Chief, Division Chief, Fire Prevention staff, and clerk with the adjacent Cypress FPD. Meeting rooms and purchasing contracts are also shared with adjacent fire districts and members of the community.

6. OPPORTUNITIES FOR SHARED FACILITIES

The District shares facilities as described previously and has a cooperative agreement with the California Department of Forestry and Fire Protection as it relates to dispatch, administrative office, fleet management, and training officers.

7. GOVERNMENT STRUCTURE OPTIONS

The District operates using its Strategic Plan which is a "living" document that is continuously reviewed and updated to meet service needs of the District's constituents. The government structure in place works for the District and the geographic area is appropriate.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The District maximizes staff training to provide the highest level of service possible. No failures of delivery have occurred in the past five years.

In addition, the District, the adjacent Cypress Fire Protection District, and the Pebble Beach Community Services District jointly operate what is in essence a seamless regional fire department, with the resources of each agency available to both. The District is also a party to the Monterey County Operational Area Authority and Interjurisdictional Emergency Management Coordination System Agreement. This agreement provides for coordinated emergency management functions and response operations within Monterey County during periods of major emergency or disaster.

The District has entered into a number of memoranda of understanding with other local CDF contracting fire jurisdictions regarding the sharing of certain types of costs incurred in providing local structural fire protection contract services.

MOU – to share the costs of positions of Heavy Equipment Mechanic and the CDF headquarters Division Chief who provides management oversight of various local government contracts. Participants: PBCSD, Cypress Fire Protection District, Carmel Highlands Fire Protection District, South Monterey County Fire Protection District, and the San Benito County Fire Department.

MOU – to share costs of funding two Operations Battalion Chiefs. Participant: PBCSD, Cypress Fire Protection District and Carmel Highlands Fire Protection District.

MOU – to share personnel training costs. Participants: PBCSD, Cypress Fire Protection District, and Carmel Highlands Fire Protection District.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The District has a board that meets monthly and its meetings are open to the public. The Strategic Plan is also a valuable tool for informing the public as to what the District goals and policies are and this is available to the public.

SUMMARY AND DETERMINATIONS

1. The District provides a budget process that aims to avoid unnecessary costs such that there is no duplication of services. Cooperative agreements exist also to maximize efficient provision of services in the District.
2. The District's present sphere and boundaries are adequate at this time, and probably for the foreseeable future.

This page intentionally left blank

MARINA COAST WATER DISTRICT SERVICES PROVIDED AND SERVICE AREA

The Marina Coast Water District (District) currently provides the following services:

- Water conservation
- Wholesale water supply
- Retail water delivery
- Groundwater management
- Wastewater collection

The District has previously provided recycled water service within Central Marina and is constructing facilities to provide recycled water to the Ord Community and the Ord Military Community.

The District was formed in 1960 under the provisions of Division 12 of the California Water Code to coincide with the existing Marina Fire District (approximately 1,600 acres). Up until 1994, the Marina Coast Water District was known as the Marina County Water District.

The current District boundary encompasses three square miles and includes portions of the City of Marina. The District's Sphere of Influence extends northward from the District boundary to include an additional three square miles.

The MSR recognizes the existence of an agreement between the Fort Ord Reuse Authority (FORA) and the Marina Coast Water District relating to the provision of water and wastewater services. A similar agreement exists between the Army and the District as well. The service area under these contracts includes lands that are within the jurisdictions of the City of Marina, City of Seaside, City of Del Rey Oaks, City of Monterey, Monterey County, California State University – Monterey Bay, University of California Monterey Bay Education, Science and Technology Center, and the U.S. Army. This portion of the District's service area encompasses 44 square miles.

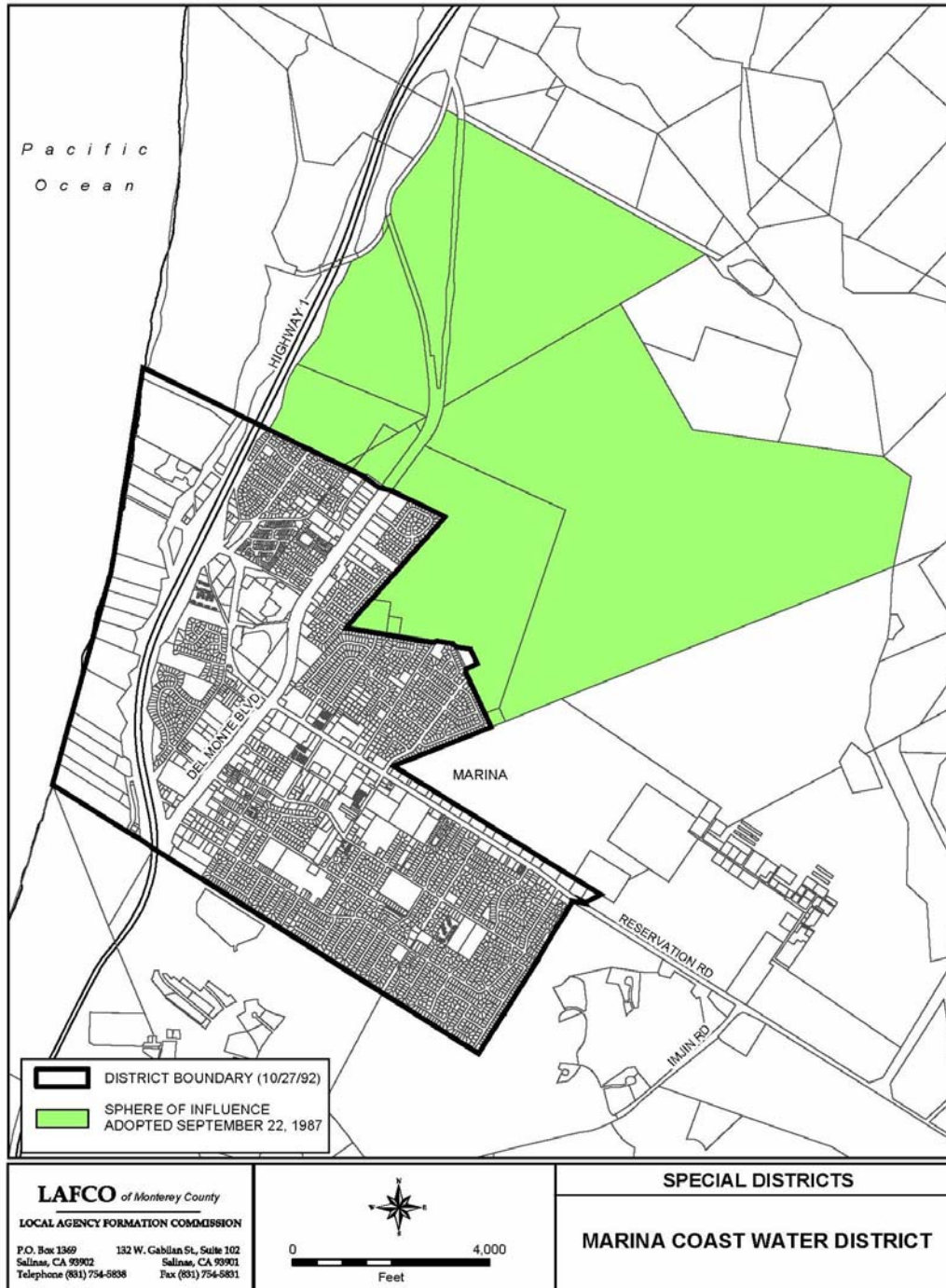
The District has 8,200 customers of which 3,900 are in Marina and 4,300 in the Ord Community. Non-residential connections comprise approximately seven percent of the District customer base.

The District uses service standards common to the water and wastewater industry. The District is working to provide sufficient water supplies and sewer capacity on a continuous basis to meet residential and non-residential needs, including emergency fire flows. The District is experiencing significant and accelerated growth as evidenced by its capital improvement program (CIP).

The District owns and maintains the recycled water, water and wastewater collection infrastructure within its service area, including facilities, land and easements on the Ord Community and potable water and wastewater capacity rights and all ancillary rights for the Ord Community by EDC conveyance from the U.S. Army through FORA. This includes real property and easements, hundreds of miles of pipeline, water wells, water reservoirs,

pumps and motors, lift stations, supervisory control and data acquisition systems, and support vehicles and equipment.

Figure 11
Boundary Map, Sphere of Influence and Service Area for
Marina Coast Water District



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Water is supplied from wells, which the District has supplemented periodically from its existing 300 AFY desalination plant and is planning to supplement these supplies with additional recycled wastewater and desalinated water. The District is a voting member of the Monterey Regional Water Pollution Control Agency, and wastewater from the District's service areas is conveyed by the District and treated at the Agency's Regional Treatment Plant.

Much of the water and wastewater collection infrastructure the District received from the Army on former Fort Ord is old and in need of repair and/or replacement. The District's CIP addresses the necessary upgrading of the infrastructure required to serve its areas. Under a 1996 agreement with the City of Marina and the Monterey County Water Resources Agency, the District has improved the interconnection between the District's jurisdictional water system and the water system serving Fort Ord, to provide for joint, conjunctive and concurrent use of all system facilities to serve Fort Ord and other areas served by the District, and may withdraw up to 1,400 acre feet per year of potable groundwater from the 900-foot aquifer for use on Fort Ord. The 1996 Zone 2/2A annexation agreement was among the MCWD, City of Marina, MCWRA, Armstrong Family Trust and RMC Lonestar. It allocated 3020 AFY of groundwater supply to MCWD for Central Marina, 920 AFY of groundwater supply to Armstrong and 500 AFY to Lonestar. It spoke to the existing Army-MCWRA agreement that allocated a total of 6600 AFY, with no more than 5200 AFY coming from the 180' and 400' aquifers.

The District's CIP totals more than \$170 million over the next 10 years. Planned improvements include infrastructure upgrades in the former Fort Ord to support planned developments within the Cities of Marina, Seaside, Del Rey Oaks, and Monterey; Monterey County; CSUMB; UCMBEST; and Army lands. Infrastructure improvements are also planned to serve the planned Marina Station project on the Armstrong Ranch in north Marina. This project is within the District's Sphere of influence (SOI) and the District has requested LAFCO approval for annexation of the Marina Station project into the District.

A 2003 court action validated the financing method provided in the 1998 agreement between the District and FORA. Each year the District and FORA Board of Director's approve the District's capital budgets as well as the rates, fees and charges required to support these budgets to implement the CIP. The most recent Board budget approval was in June 2006. The District is currently negotiating capital charges with CSUMB as required by law.

2. GROWTH AND POPULATION

The population of the District has increased since 1960 when the City of Marina's population was 3,310. Marina's population now served by the District is 27,941. The following indicates the forecasted population for the City of Marina and Ord Community through 2025:

2010	2015	2020	2025
45,880	63,830	81,770	98,700

Source: MCWD 2005 Urban Water Management Plan

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

District funding sources come from water and wastewater collection rates, fees and charges for services provided to the existing customer base. The 1998 agreement provides that the District will recover all of its direct and indirect, short term and long term costs of furnishing recycled water, water and wastewater facilities to the Ord Community and that the District is not required to take any action in connection with furnishing the facilities unless and until a source of funds is secured from the service area. The FORA Board of Directors has approved a capital budget in which it will fund approximately \$38 million of the District's Regional Water Augmentation Project; a project designed to provide additional water resources to the District's service area within the former Fort Ord. The District maintains a capital projects list which is depreciated in accordance with Governmental Accounting Standards. The District maintains a general reserve fund at all times for lawsuits, potential liabilities and other possible financial impacts to the District. During the fiscal year budget, the District did not incur any programmatic changes that affected its adopted Budget. Funding the improvements outlined in the District's CIP is dependent on approval and implementation of the Fort Ord Reuse Plan.

The District recently issued \$42,310,000 Enterprise Revenue Certificates of Participation, Series 2006. The Certificates are being issued to provide funds to refinance certain outstanding obligations of the District, to finance certain facilities of the District, and to fund a deposit to the reserve fund of the certificates.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The District is the sole purveyor of water and wastewater within former Fort Ord. Because of the District's close relationship with FORA, the District endeavors to pursue planning, design and capital construction projects jointly. The District has available several examples of completed or in-progress capital projects where significant cost savings have accrued to the District through joint activities.

The District will continue treating and delivering high quality water, and wastewater services to its existing and future customers in accordance with all existing and future regulations. The District will expand its recycled water service, which was originally limited to Central Marina, to include the Ord Community consistent with FORA's Base Reuse Plan and the Regional Urban Water Augmentation Project. In addition to those regulations specifically directed at health and safety, as the District conducts environmental review for CIP projects, it will address regulatory issues and challenges inherent to an agency with a growing population and service area.

The District actively pursues cost-cutting methods and ways to improve services. In recent years, the District implemented several administrative changes that have yielded savings for District customers, including outsourcing bill printing and mailing, implementing an automatic meter reading program and consolidating communications services. The District

will continue to pursue any opportunity for administrative cost savings and greater efficiencies.

During recent years the District operated its desalination plant during off-peak hours to save costs. Due to lack of demand, the District does not currently operate the plant, which maximizes use of groundwater and translates to further cost savings for customers. The CIP entry for the existing desalination plant is to return it to working condition. Given today's technology, it is likely to achieve that goal and receive some level of energy reduction. In addition, the District recently entered into an agreement with three Marina/Ord developers to permit their use of the plant, if necessary. Under the terms of that agreement, should the plant be needed by these developments, the three developers are obligated to pay for the improvements necessary to make it fully operational.

The District recently used a \$1 million dollar grant to complete a major valve replacement project, which reduced water loss and increased the efficiency of the system.

In June 2005, the District modified its water conservation ordinance, which applies to all new and retrofit construction within the District. Conservation measures include new ultra low-flow toilets, zero water use urinals, use of ET controllers, and landscape water audits and data submission in accordance with AB325.

In August 2, 2005, the District increased operational efficiency by connecting the former Fort Ord and Marina water systems. This connection allows the shared use of the existing and proposed water storage tanks on former Fort Ord and reduces the need to design and construct additional storage tanks for the Marina system. This project also benefits emergency operations through the shared use of six wells in one integrated system instead of three wells in each of two separate systems.

The District packages projects for each bid, which attracts more consultants and contractors who are competitively pursuing the projects. This will generate savings for the District through an economy of scale approach to work. It also permits more timely project completion. For example, the District recently circulated a Request for Proposals (RFP) for its "2005 Marina Sewer Improvements Project" that resulted in five competitive consultant proposals. Individually, these projects would not have been expected to receive as many proposals.

The District is experiencing a significant amount of growth due to projected build-out in former Fort Ord. In response, the District is reviewing proposed capital facilities that will provide long-term operations and increased savings based on life-cycle costs. The District is researching alternative materials and considering design techniques that generate cost savings and uninterrupted service.

The District is also exploring cost savings through cooperation (linkages) with neighboring districts/agencies to achieve better and more efficient service. For example, District staff is evaluating an inter-tie with the City of Seaside Municipal Water System that would serve as an emergency backup to the both water systems. Also, coordination with the Seaside County Sanitation District (SCSD) may lead to significant cost savings for former Fort Ord customers by routing wastewater flows through SCSD infrastructure instead of designing and constructing new infrastructure.

Design of proposed capital facilities is being strategically located to serve customers in different pressure zones, which will save operational costs, e.g., energy costs.

The District recently designed its San Pablo Sewer Lift Station to discharge into the Marina collection system instead of its former Fort Ord collection system. This design requires smaller pumps and therefore reduces operational costs.

The District will expand its use of variable frequency drives where possible that will save power costs by having the pumps(s) operate closer to its Best Efficiency Point.

Designs are now complete for the District's "D" Zone tank site in the former Fort Ord. The District has strategically maximized tank sizes and located tanks so that the site can accommodate services for changes by land use jurisdictions or by providing additional recycled water storage, if needed. This forward-looking design will provide flexibility should it be needed without having to acquire additional land at potential significant costs.

6. OPPORTUNITIES FOR SHARED FACILITIES

The District and Monterey Regional Water Pollution Control Agency (MRWPCA) are negotiating development of a Regional Urban Recycled Water Project. The District is in negotiations with the City of Marina and CSUMB over a proposed plan to co-locate corporation yards, which could lead to significant cost savings and greater opportunities for the three agencies.

As described above, the District recognizes mutual aid relationships with neighboring districts to include the Castroville Water District and the Seaside County Sanitation District for operations, maintenance and emergency services. Future and expanded relationships may occur with the City of Seaside Municipal Water System and the Seaside County Sanitation District. A goal of the District Board is to form alliances when necessary and/or appropriate to benefit the District within the context of accomplishing the District's mission.

The District has recently been working with Fire and Police Departments in its service areas to perform table-top emergency exercises. The exercises help identify inter-agency communications in the event of an emergency within the District's service areas.

7. GOVERNMENT STRUCTURE OPTIONS

The District is governed by a five-member Board of Directors, elected at large from within the District's jurisdictional boundaries, i.e., Central Marina. Each member serves a four-year term. The Board uses GASB 34 accounting standards for its capital assets, and is audited annually by an independent audit firm. Under the 1998 agreement, a Water/Wastewater Oversight Committee appointed by the FORA Board oversees service for the Ord Community. Budgets and compensation plans for service on the Ord Community are approved by both the FORA Board and the District Board. This arrangement is coincident with the legal existence of FORA, which currently is expected to end in 2014.

As mentioned above, LAFCO is currently processing the District's request to annex the Marina Station project to the north of the District's boundaries within its SOI. The District

Board of Directors will consider annexation of the former Fort Ord portion of its service area upon LAFCO adoption of the MSR.

The District Board of Directors has discussed the annexation of the portion of its service area within former Fort Ord at public meetings. Some public testimony favored the expansion of the District boundaries to include all of the former Fort Ord, and some favored only expanding the boundaries to include that portion of former Fort Ord within the City of Marina. Because the annexation would require a sphere of influence amendment, the District Board will wait until LAFCO adopts this MSR before pursuing the issue further.

The District has a development and service agreement with the Armstrong Family and City of Marina regarding the Armstrong Ranch (9/9/88); an annexation and service agreement with MCWRA, City of Marina, Armstrong Family and RMC Lonestar (3/26/96), and has the rights under the annexation agreement between the MCWRA and US Army (9/21/93).

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The District does not identify any management deficiencies.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The District circulates a quarterly newsletter to its customers to provide information about water, recycled water, wastewater related issues, meetings, hearings, and the activities of District staff. A Consumer Confidence Report is also circulated to its customers, which describes water quality and services, defines terms, and provides contact information. The District Board meets twice per month, on the second and fourth Wednesday, at 6:45 p.m., and the public is invited and properly notified. Brown Act considerations constrain the Board's ability to meet outside its jurisdictional boundaries, in the District's Ord Community service area, but the Board does hold periodic meetings on the Ord Community to deal specifically with Ord Community facilities and service issues.

This page intentionally left blank

SUMMARY AND DETERMINATIONS

1. The District currently provides water and wastewater services within a jurisdictional service area and a contractual service area, and is currently expanding service into the District's sphere of influence.
2. The District has water supply and wastewater conveyance to meet existing service demands. Infrastructure is continuously maintained and upgraded. Per its CIP, the District is engaged in construction of new facilities for purposes of meeting future water, recycled water and wastewater needs in the City of Marina and former Fort Ord.
3. The population of the District will grow significantly during the next few years due to implementation of the Fort Ord Reuse Plan. The question of service area expansion is a matter for the District Board to address.
4. The District Board of Directors or LAFCO should initiate a sphere of influence and annexation study to address concerns about representation of residents of the former Fort Ord and other areas which contract with the District for services.
5. Constructing and funding the improvements outlined in the District's Ord Community CIP is dependent on approval and implementation of the Fort Ord Reuse Plan.
6. Staffing and staffing plans appear adequate to support the infrastructure and government actions. Accountability to the public meets or exceeds state law.
7. The District recognizes mutual aid relationships with neighboring districts and is developing shared facilities.
8. In January 2006 the MCWD Board of Directors adopted its 2006 Strategic Plan. One of the goals of that plan stated, "The District shall adopt a governance model in a timely manner that accomplishes the District's mission, provides fair political representation and separate service area costs centers, and appropriately assigns full marginal costs to future customers."

This page intentionally left blank

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT SERVICES PROVIDED AND SERVICE AREA

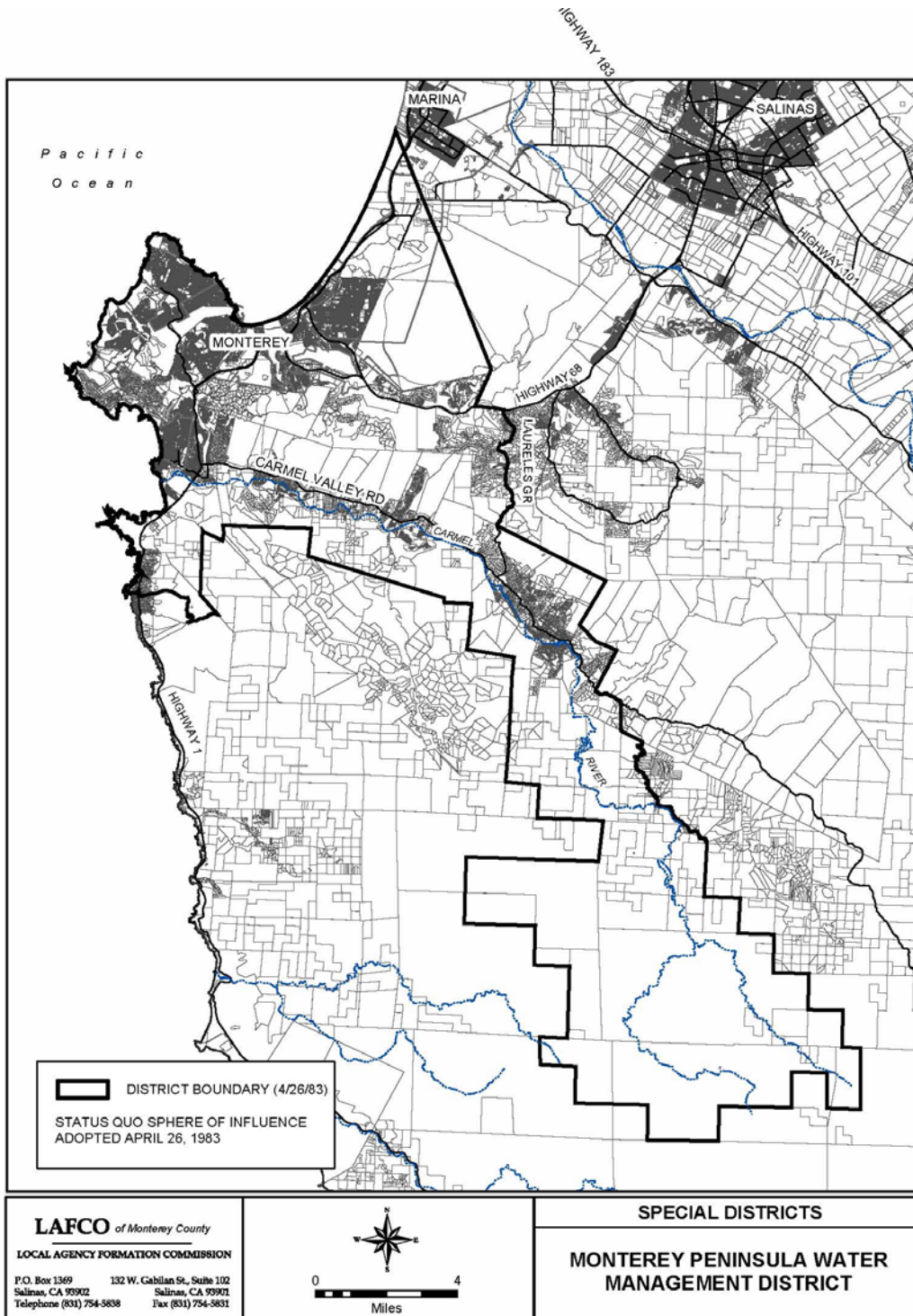
The Monterey Peninsula Water Management District (MPWMD) is a water resource planning/management entity, and does not provide water service to retail customers. The principal retail water purveyor on the Monterey Peninsula is the California American Water (CAW), which is an investor-owned private utility. The District provides technical support and regulatory oversight to CAW, and other smaller water systems.

Most of the District's functions are regulatory in nature. The principal area of regulatory challenge the District faces over the next 12 months is obtaining required federal, state and local government approvals of our Phase I Aquifer Storage and Recovery (ASR) project. The District Board's strategic direction is to expand this long-term and permanent water resource in phases, which will require further approvals from those governmental entities within the next five years.

The MPWMD provides water conservation services to the Monterey Peninsula communities and Carmel Valley area. The District is funded by property taxes, permit fees, user fees, connection charges, interest and reimbursements for services. The District also has an ongoing program to mitigate the effects of pumping from the Carmel River & Seaside Groundwater Basin. The District covers an area of 170.90 square miles and has approximately 120,000 customers.

This page intentionally left blank

Figure 12
Boundary Map for MPWMD



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The District does not identify any inadequate services. However, the District is currently in the process of completing Phase I of its Aquifer Storage & Recovery (ASR) Project which includes a second ASR well and related facilities. It also continues to investigate new water supplies.

2. GROWTH AND POPULATION

The District does not forecast population. However, refer to the Growth and Population discussion in each of the communities previously discussed.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

Funding sources are user fees (collected as a percentage of water billed by California American Water & the City of Seaside), connection charges (capacity charge paid when a water permit is obtained), property taxes, investment income, grants and other miscellaneous fees and reimbursements. Capital assets are depreciated using the straight-line method over useful lives ranging from 3 to 40 years.

The district currently maintains a \$250,000 litigation reserve, a \$614,000 flood/drought reserve and has a policy of maintaining general operating reserves of no less than five percent of the operating budget.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

During each annual budget process, the District reviews expenditures and services in an effort to save money while continuing appropriate service levels. During the preparation of the 2005-2006 budget, District staff developed and the Board adopted, a series of strategies to balance the budget without substantial use of reserves, while maintaining existing service levels. This resulted in an overall reduction of eight percent from the prior year's expenditure budget. The District continues to investigate ways to save costs on an ongoing basis and has not identified any rate structuring opportunities.

The District contracts for vehicle maintenance services with the City of Monterey in order to reduce costs. The District cooperates with the United States Geological Survey in the operation and maintenance of stream gaging facilities in order to avoid duplication of efforts and reduce costs.

6. OPPORTUNITIES FOR SHARED FACILITIES

The District participates in a cooperative effort with three other entities, including a private company, in a wastewater reclamation project. The project is financed by certificates of participation which were issued by the District in 1992 in the amount of \$33.9 million. Principal and interest on the debt obligation is payable solely from net operating revenues of the project, or when the revenues are insufficient, through a Bond Letter of Credit funded by the private company.

7. GOVERNMENT STRUCTURE OPTIONS

The District is not considering expanding its boundaries, nor has it considered consolidation or reorganization of itself with other agencies.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The District's Board of Directors and key staff members hold semi -annual or annual strategic planning sessions to discuss and formulate long-range goals and objectives. Once the long-range goals and objectives are set, they are adopted by the Board at a regular Board meeting.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

All District Board meetings and workshops are televised live (when cable capacity exists) and repeated several times on a delayed basis. Each entire Board packet is posted on the District's website several days before each meeting and packets are also distributed to area' libraries and other requesting parties. Minutes are approved at a subsequent meeting and are also posted to the website. In addition, the District distributes an annual report and other periodic information to all of its constituents to keep them apprised of its activities.

SUMMARY AND DETERMINATIONS

1. The Monterey Peninsula Water Management District is not considering expanding its boundaries, nor has it considered consolidation or reorganization of itself with other agencies.

This page intentionally left blank

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY SERVICES PROVIDED AND SERVICE AREA

The Monterey Regional Water Pollution Control Agency (Agency) provides the following services:

- Wastewater collection
- Wastewater treatment
- Recycled water production
- Recycled water distribution system for food crop irrigation
- Operate Salinas Industrial Ponds
- Provide Pump Station maintenance for Monterey, Pacific Grove, Seaside Sanitation District
- Coordinates the Monterey Peninsula Regional Storm Water Management Plan
- Provide Source Control pretreatment program services for all member entities.
- Provide a Fats, Oils and Grease Program for the cities of Pacific Grove, Monterey, and Salinas and the County of Monterey, Castroville Water District, Marina Coast Water District, and Seaside Community Services District
- Provide stormwater inspections for the City of Salinas
- Provide lab services for MRWPCA and the Monterey County Water Resources Agency
- Provide water distribution services for Monterey Regional Waste Management District
- Provide billing services for Monterey County, the City of Salinas, and the Monterey County Water Resources Agency
- Provide liquid waste and chemical toilet disposal service
- Provide brine disposal service

A Joint Powers Authority formed the “Monterey Peninsula Water Pollution Control Agency” in 1972 by the Cities of Monterey, Pacific Grove, and the Seaside County Sanitation District. Its purpose was to seek joint solutions to water pollution problems. Since then, the membership has grown to include the cities of Seaside, Del Rey Oaks, Sand City, Salinas, Castroville County Sanitation District, Moss Landing County Sanitation District, Boronda County Sanitation District, County of Monterey, Marina Coast Water District, and Fort Ord (ex-officio member). To reflect this larger service area, the name Monterey Regional Water Pollution Control Agency was introduced in 1979. There exists a companion, or mirror, district to the MRWPCA called the Monterey Regional County Sanitation District (MRCSD). Though this district has a different name, it is technically the same as the MRWPCA and reflects an historic condition that has carried forward to this day.

The mission of the Agency is “MRWPCA is dedicated to meeting the wastewater and reclamation needs of our member entities while protecting the environment.”

The Agency boundary currently encompasses approximately 60 square miles including a population of 252,000 in the service area. The service area is shown in the following figure. Several additional areas in the Las Palmas, Corral de Tierra, and San Benancio areas are included within the “sphere of influence” of the Agency though they are not currently served by the regional treatment facilities.

Construction of the Regional Treatment Plant, owned and operated by the Agency, was completed in 1990 with a capacity of 29.6 million gallons per day. The plant currently receives and treats 21.0 million gallons per day of wastewater and therefore has additional capacity. During the winter months from November through March, the Regional Treatment Plant treats and discharges secondary treated water. During the growing season from March through November, the water is treated to a level that meets or exceeds Title 22 standards and is distributed to the agricultural community.

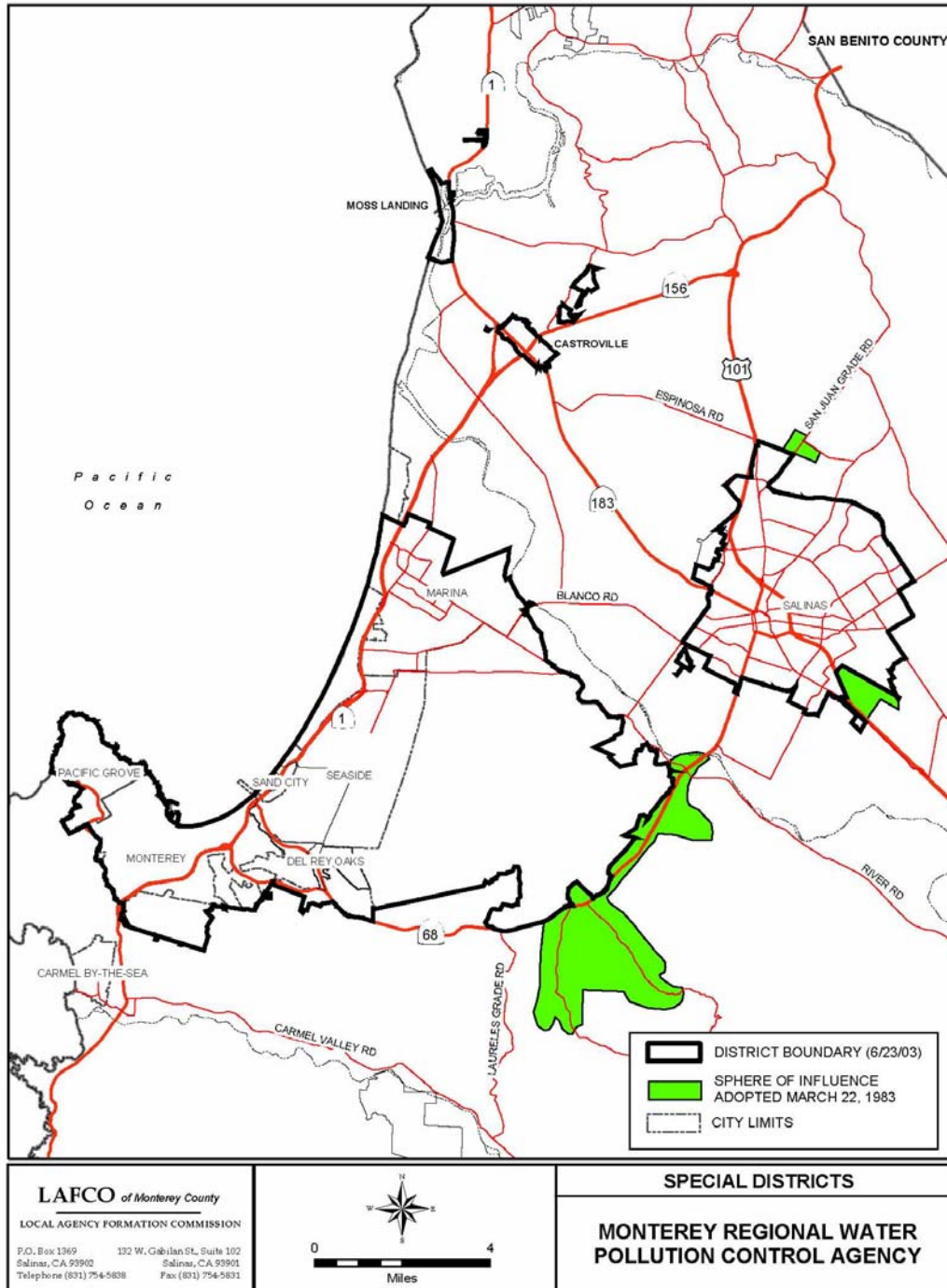
Under a 1996 agreement with the Monterey County Water Resources Agency, the Agency constructed the 30 million gallon per day Salinas Valley Reclamation Project to provide recycled water to growers in the Salinas Valley and to slow seawater intrusion. The distribution portion of the system, known as the Castroville Seawater Intrusion Project, provides water through 45 miles of pipeline to 12,000 acres of farmland between Castroville, Moss Landing, and Marina for six months each year. Recycled water provided by the Agency is used to grow strawberries, artichokes, broccoli, lettuce, cauliflower, celery, spinach, and ornamental begonias. It is estimated that 39 billion gallons of recycled water have been treated and distributed since the SVRP was completed in 1998. Each gallon of recycled water has the further benefit of reducing pumping from the seawater intruded aquifers of the Salinas Valley.

The Agency owns and maintains the system of force mains and pump stations which bring wastewater from the furthest parts of the service area through other member communities to the Regional Treatment Plant in Marina. The Agency owns and operates 10 main pump stations as well as maintaining 16 additional member-entity owned pump stations through maintenance agreements, 30 miles of force and gravity mains are owned by the Agency, and 28 air relief stations.

The Agency works closely with local and state regulatory agencies to ensure that the wastewater collected and recycled water distributed is treated to the highest quality and exceeds all applicable health and safety standards. The Agency works with member entities to provide contractual services for new programs mandated by State Agencies. Contractual service programs currently include Grease Source Control, Stormwater Inspections, Waste Discharge Requirements, Public Education and Outreach services, and general laboratory testing services.

The Agency Board of Directors is composed of one representative from each member entity, for a total of eleven directors and one ex-officio representative of the U.S. Army. Each member entity appoints one regular member and one alternate member to the Board of Directors and shall notify the Agency in writing of their appointments or any change of representative. The representative shall be either an elected official or an officer or employee of the member entity and shall serve solely at the pleasure of the governing body of the appointing member entity. All vacancies in the Board are filled in the same manner as the original appointment.

Figure 13
Boundary Map for MRWPCA



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The Agency does not identify any current deficiencies in its infrastructure and the Agency takes great care to avoid any permit or other regulatory violations. The Regional Treatment Plant was constructed in 1990 with a capacity of 29.6 mgd. The Treatment Plant was originally designed to be expanded incrementally with two additional expansions possible to 35 and 37 mgd. Plans to expand the Treatment Plant to its next stage of capacity will progress when the current capacity is within five years of being met.

2. GROWTH AND POPULATION

The Agency uses AMBAG population forecasts, monitors its flows, and keeps channels of communications open with the member entities to be kept aware of any changes that may require Agency service. In 1990 when the Regional Treatment Plant began operation, the Agency service area population was approximately 244,000. In 2005, the service area population had grown only 3% to 252,000. The AMBAG 2004 regional forecast estimates that the average annual growth rate between 2000 and 2020 is 1.41% leading to a population estimate of approximately 322,000.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

Agency funding sources come from user fees (includes residential, industrial, commercial, brine, liquid waste, grease and oil waste), capacity fees, user/lien penalty fees, service fees for collecting fees for other entities, providing additional services to outside entities, reimbursement from the Monterey County Water Resources Agency for the Reclamation project, and cash investments. The 1998 agreement with Monterey County Water Resources Agency provides that the Agency will recover all of its direct and indirect, short term and long term costs of furnishing recycled water on a cost-reimbursable basis.

The Agency provides direct billing to its customers on a bi-monthly basis. Customers have a number of options to pay bi-monthly, semi-annually or a discounted amount if payment is made a year in advance. Cash, check, or credit cards are accepted.

The Agency maintains a general reserve fund at all times for potential liabilities and other financial impacts to the Agency. The Agency budgets on an annual basis and monitors its budget versus actual expenditures on a monthly, mid-year, and annual basis. The Agency uses the GASB 34 accounting standard and is audited annually. The Agency's user fees and capacity fees are way below state averages for similar wastewater facilities.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The Agency actively pursues cost-savings while ensuring efficiency and customer-services based operations. Recent programs that have increased revenue to the Agency include user fees from former Fort Ord properties and increased brine receiving operations. Agency services are contracted out to member entities for grease inspection programs, stormwater permit administration, sewer billing services for Monterey County, and operation of the

Salinas industrial ponds reimbursing the Agency for significant personnel costs. Increased efficiency in the use of chemicals and state of the art technologies has decreased expenditures significantly on an operational basis at the Regional Treatment Plant.

The Agency owns and operates a cogeneration facility onsite at the Regional Treatment Plant which provides 83% of the power necessary to operate the facility. This results in an annual cost savings of \$370,000. The Agency is currently looking at ways to cost-share with the Monterey Regional Waste Management District located on the property adjacent to the Regional Treatment Plant in an effort to streamline even further and operate more efficiently.

6. OPPORTUNITIES FOR SHARED FACILITIES

The Agency currently provides and maintains facilities to treat and distribute recycled water for irrigation in the Castroville area under a contract with the Monterey County Water Resources Agency. Bill collection services are performed for a number of member entities and the County of Monterey by the Agency's Customer Service group. The Agency operates the industrial waste ponds for the City of Salinas through its Field Maintenance crews. The Agency provides administrative services for member entities with regards to storm water issues, and provides source control and laboratory services for a number of member entities on specific case-by-case projects.

The Agency is currently working with the Marina Coast Water District on a joint urban recycled water distribution project which will use existing treatment facilities at the Agency's Regional Treatment Plant and minimize duplication and expansion of facilities for additional recycled water capacity.

The Agency is a member of the statewide Water/Wastewater Agency Response Network whose mission is to support and promote statewide emergency preparedness, disaster response, and mutual assistance matters for public and private water and wastewater utilities. The Agency is a member of the Monterey County Office of Emergency Services Operational Area Coordinating Council mutual aid group. The Agency recognizes mutual aid relationships with all of its member entities with respect to their pump stations and other wastewater facilities.

7. GOVERNMENT STRUCTURE OPTIONS

The Agency is governed by an 11-member Board of Directors with one representative from each member entity, and one additional ex-officio representative of the U.S. Army. Each member entity appoints one regular member and one alternate member to the Board of Directors. There are no term limits for membership on the Board of Directors.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The Agency currently has 80.75 full time positions. The positions include the following:

Administration:	6
Finance/HR:	14
Environmental Services:	7

RTP Administration:	3
Field Maintenance:	7
Co-Generation:	2
RTP Operations & Maintenance:	32
Reclamation:	4
Temporary/Interns:	5.75
Total:	80.75

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

All meetings of the Board and Board Standing Committees are open to the public and are called, noticed, held and conducted in accordance with the provisions of the Brown Act. The Board Agenda is made available to the public at the same time it is presented to the Board Members (within 72 hours prior to a scheduled Board meeting). The Agenda is available at the Agency offices and at local libraries and is posted on the Agency's web site. Board Meetings are held monthly, on the last Monday at 7:00 p.m. at the Agency's Administration Office Board Room.

This page intentionally left blank

SUMMARY AND DETERMINATIONS

1. The Monterey Regional Water Pollution Control Agency serves a large geographic area including most of the Monterey Peninsula, Salinas, Castroville, Boronda, and Moss Landing. No sphere of influence amendments or boundary annexations are currently anticipated.
2. The Agency has wastewater treatment capacity to meet its existing service demands. Infrastructure is continuously maintained and upgraded. The Agency is currently engaged in design and construction of new and upgraded facilities for purposes of meeting future recycled water and wastewater needs of its member entities.
3. The population served by the Agency will grow over the next few years due to anticipated growth of member entities.
4. Staffing and staffing plans appear adequate to support infrastructure. Accountability to the public meets or exceeds state law.
5. The Agency recognizes mutual aid relationships with member entities, regional emergency services, and wastewater agencies throughout the state.
6. Each year, as part of the annual budget process, the Board of Directors holds a Strategic Planning workshop and Budget workshop.
7. At their July 24, 2006 hearing, the LAFCO Commission approved an annexation to the MRWPCA of 12.5 acres with an approved 171 unit affordable residential subdivision known as "The Commons at Rogge Road". This annexation is conditioned upon a Sphere of Influence amendment to the MRWPCA. The SOI amendment can only occur after the Municipal Services Review applicable to the MRWPCA is approved by LAFCO. In addition, condition 22 of the Resolution conditionally approving the proposed reorganization involving annexation of The Commons at Rogge Road project to the MRWPCA (and CSA #9) (LAFCO FILE NO. 06-04), requires that MRWPCA adopt a new MRWPCA policy that allows the MRWPCA to annex properties not within a client member agency's sphere of influence.

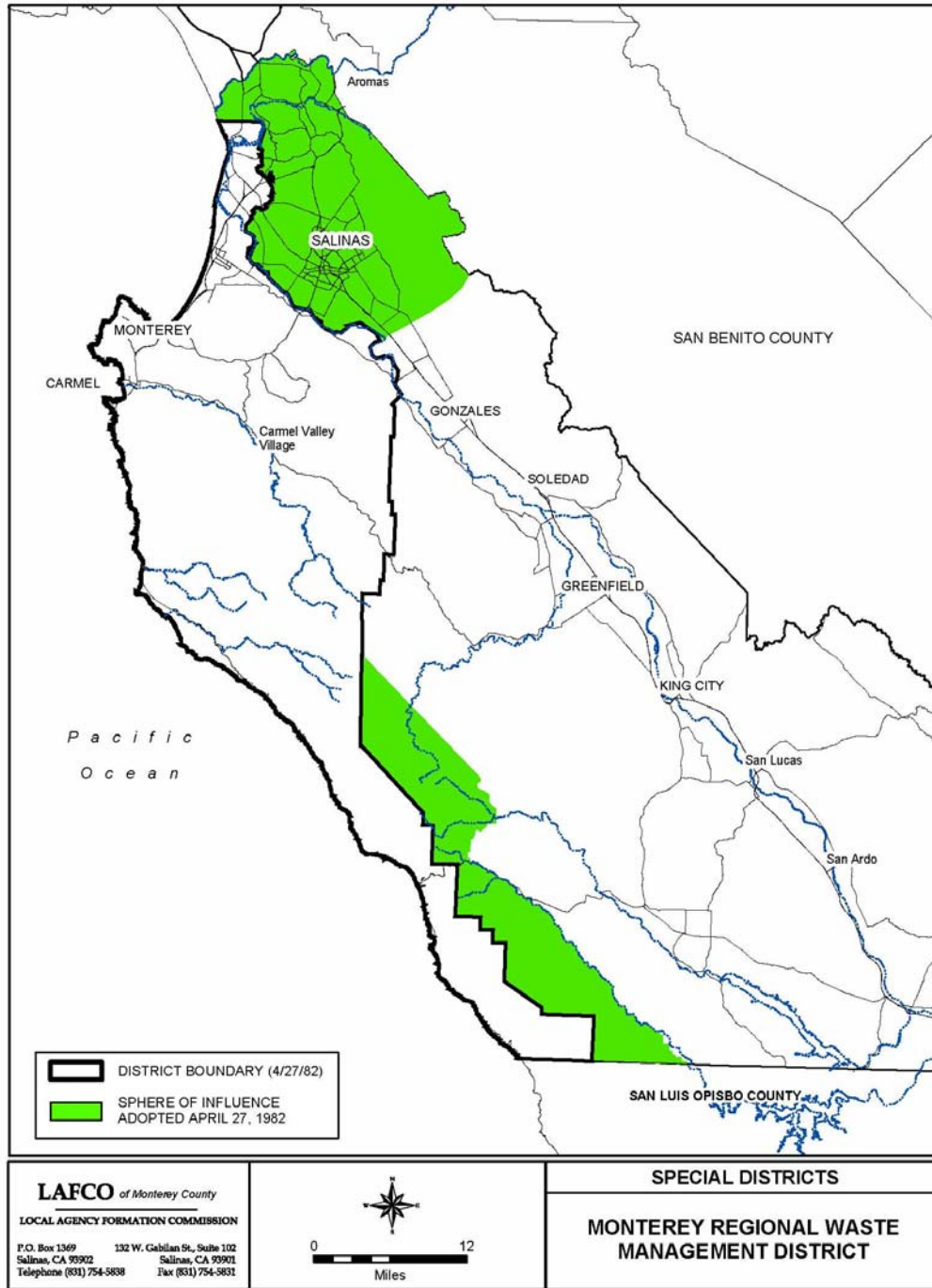
This page intentionally left blank

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
SERVICES PROVIDED AND SERVICE AREA**

The Monterey Regional Waste Management District (District) service area is comprised of western Monterey County which covers 853 square miles. The District provides landfill and recycling services to a population of 170,000.

This page intentionally left blank

Figure 14
Boundary Map for Monterey Regional Waste Management District



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Infrastructure for the District is defined as the buildings, roads, fixed equipment and facilities at the site, including the landfill site development, liners and related appurtenances. Infrastructure needs are determined, at a minimum, annually through the budget process. In the case of a substantial unanticipated change in infrastructure needs or in operations during the year, recommendations would be made, approved by the Board and implemented.

The District Board has taken action to declare that the Monterey Peninsula Landfill has excess landfill capacity. At the October 2004 meeting, the Board adopted Guiding Principals related to Governance, Reserve Policy, Landfill Capacity and other items. At their September 2005 meeting, the Board adopted "Guiding Principles for Acceptance of Regional Waste", established a tipping fee for waste and authorized the General Manager to negotiate agreement(s) with Santa Cruz County and/or the Salinas Valley Solid Waste Authority to accept waste for landfill disposal from those regions. The excess landfill capacity will be made available within certain terms of agreement and following appropriate environmental review.

Service is provided equally to all customers of the District. Customers come voluntarily to the site for the purpose of recycling or disposal of their materials, to drop off household hazardous waste, to purchase landscaping products or to shop at the Last Chance Mercantile. The tipping fee to dispose of refuse at the facility is posted at the scale and charged on a weight basis. In this manner, all pay the same proportional rate. Customers are charged a lower rate for certain materials, as for example, clean greenwaste which is charged approximately half the rate of regular refuse. Clean concrete (without detritus and reinforcement bar) is charged only \$1/ton and recycled, instead of a charge at the current regular rate of \$41/ton.

The Household Hazardous Waste (HHW) program is available free of charge to District residents. Residents from outside the District are charged for the HHW service, or asked to take their HHW material to a program in their vicinity. Customers dispose of their refuse in the Materials Recovery Facility (MRF), where materials are sorted for waste diversion by District staff or customers may be sent directly to the landfill.

The District accepts municipal solid waste from areas outside its boundaries. The haulers of this waste enter the landfill site and pay the basic tipping fee. The haulers may be private individuals or commercial haulers. To this date, no agreements exist for acceptance of such waste. The areas where this waste may originate include the northern and eastern portions of Monterey County, portions of Santa Cruz County, Santa Clara County, San Benito County, and the City of Capitola. In addition, the District receives biosolids from the cities of Gilroy and Morgan Hill (South County Regional Wastewater Authority).

No identified deficiencies exist in District infrastructure.

2. GROWTH AND POPULATION

The District uses AMBAG population and growth projections. These projections were included in the Master Plan of Development for the Monterey Peninsula Landfill (August 2004). They were then integrated into plans for future services through the development and permitting of the landfill expansion (approved 8/2005 by the California Integrated Waste Management Board and 2/2006 by the Central Coast Regional Water Quality Control Board), and were included as part of the continuing waste diversion activities (composting, recycling, reuse), and with use of state-of-the-art landfill compaction equipment and techniques. The District's projected landfill life has been determined to be 102 years, with an annual projected 1 percent growth rate of the waste stream and with a projected waste diversion rate of 50 percent.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The District uses internally generated funds to finance upgrades. At this point in time, the District does not anticipate the use of debt to finance or refinance any infrastructure.

A. Joint Powers Agreement Financing Agreement

- 1) The seven Peninsula cities, along with the Pebble Beach Community Services District, represented on the District Board formed a Joint Powers Authority on April 1, 1993 for the purpose of issuing \$ revenue bonds to fund the construction of recycling facilities to assist Peninsula communities in achieving AB 939 diversion objectives. As of June 30, 2005, the outstanding balance of issued revenue bonds is \$9,402,801.
- 2) Monterey County, a member of the District Board, elected to not join the Authority.
- 3) Principal provisions of the JPA agreement were (a) that the wastestream generated within the District flow to the District recycling and disposal facilities, and (b) that the District assist these communities in achieving the AB 939 state mandates related to diversion of solid waste from landfilling. This is accomplished through a variety of programs operated by the District, including the Materials Recovery Facility, the Household Hazardous Waste Program, the Last Chance Mercantile store and yard, and public education and awareness efforts.
- 4) The District also assists the cities in tracking their state-mandated waste diversion achievements and in preparation of the annual reports required by the state. In addition, District staff works with agency members to assist with litter control and other programs to achieve their compliance goals.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The District has entered into the following agreements with other public agencies:

A. Monterey Regional Water Pollution Control Agency (Agency)

- 1) Agreement to accept and manage biosolids produced at the regional wastewater treatment facility. The District uses the biosolids in its waste management

operations for either production of landfill vegetative cover or the material is composted to produce a soil amendment.

- 2) Easements were granted for installation of pipelines required with the installation and operation of the regional wastewater treatment facility.
 - 3) The Agency purchased approximately 100 acres of land from the District in 1985 for construction of the regional wastewater treatment facility.
 - 4) An Access Road Agreement was signed providing for use and maintenance of access roadways, including Charlie Benson Lane, leading from Del Monte Boulevard to the District's administrative offices, and then to the regional wastewater treatment facility.
- B. Monterey County Water Resources Agency (MCWRA)
- 1) The MCWRA proposes to locate a "rubber dam", as part of the Salinas River Water Project, by agreement, on property owned by the District. The rubber dam will be used to store water in the Salinas River and allow recharge of the Salinas River groundwater aquifer.
 - 2) An easement agreement was granted in 1995 to allow installation of pipelines used to distribute reclaimed water to be distributed between the regional wastewater treatment plant and the agricultural areas of the Salinas Valley.
- C. Cities of Monterey, Pacific Grove and Seaside
- 1) With no formal Agreement, the District provides regional recycling drop-off containers at specified locations primarily for the purpose of collection of recycled material (bottles, cans, cardboard) from multifamily residents and small businesses.
- D. All District Member Agencies
- 1) The District provides ongoing assistance in achieving AB 939 Diversion Compliance. This includes reuse and recycling facilities and programs at the District's site, as well as public education and operational support throughout the District's service area.
- E. Joint Agreement for Electronic Media Advertising
- 1) An agreement was signed in 2001 between the counties of Monterey, San Benito and Santa Cruz, along with the Salinas Valley Solid Waste Authority and the District, to conduct joint television and radio media outreach related to waste management and recycling activities. The major source of funding for this ongoing campaign comes from the bottle and can grants issued to local jurisdictions by the California Department of Conservation.

6. OPPORTUNITIES FOR SHARED FACILITIES

The North Monterey County area could potentially be efficiently served by the District, pursuant to contract, due to its close proximity to the Monterey Peninsula Landfill. This will be more apparent with the closing of the Crazy Horse Canyon Landfill northeast of Salinas in the next few years. The Monterey Peninsula Landfill has a remaining landfill site life of over 100 years and could easily accommodate the waste stream from the north county area

after the closure of the Crazy Horse Canyon Landfill. Vehicle trips would be minimized if customers from North County traveled to the Monterey Peninsula Landfill instead of to a more distant waste management facility, such as the Johnson Canyon Landfill east of Gonzales.

7. GOVERNMENT STRUCTURE OPTIONS

The District has not considered reorganization and does not anticipate any such opportunity in the future. In the mid 1990s, the District did hold discussions with representatives of the County related to District operation of landfills countywide and the possibility of the District expanding countywide. The process resulted in the formation of the Salinas Valley Solid Waste Authority.

The District Service Area is shown on the map included above. There is no proposal or plan to change the boundaries of the District Service Area at this time. Any pending or proposed development within the existing District Service Area would be served by the District. Also included in above map is the District's Sphere of Influence, which was adopted in 1982. The Sphere of Influence covers a broader area than the District Service Area, particularly in Northern Monterey County, where the Sphere of Influence includes the Salinas area.

The District's Sphere of Influence boundaries overlap with the Service Area of the Salinas Valley Solid Waste Authority (see map). The Salinas Valley Solid Waste Authority should be consulted regarding the Sphere of Influence issue.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Staff training, equipment and other staff resources are adequate to meet the needs of the service agency. No failures of delivery of services have occurred in the last 5 years.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The Board meets on the third Friday of the month and schedules 12 meetings per year.

The District follows the legal requirements for posting notices for public meetings. A public notice is placed in the Monterey County Herald at least 72 hours before the meeting. Notices are also posted in several locations on site, including the front gate and the scale house. Public participation is encouraged through press releases, comments during tours and presentations, and public notices. All Board meetings and public hearings are accessible to the public. Prior to the tipping fee increase approved in February 2005, the General Manager appeared before the entire member agencies' governing bodies to present a justification for the increase. Many of these presentations were televised via public access television.

SUMMARY AND DETERMINATIONS

1. The North Monterey County area is served by the Salinas Valley Solid Waste Authority but could potentially be efficiently served by the District, pursuant to contract, due to its close proximity to the Monterey Peninsula Landfill. This will be more apparent with the closing of the Crazy Horse Canyon Landfill northeast of Salinas in the next few years. The Monterey Peninsula Landfill has a remaining landfill site life of over 100 years and could easily accommodate the waste stream from the north county area after the closure of the Crazy Horse Canyon Landfill. Vehicle trips would be minimized if customers from North County traveled to the Monterey Peninsula Landfill instead of to a more distant waste management facility, such as the Johnson Canyon Landfill east of Gonzales. However, the District has not considered reorganization and does not anticipate any such opportunity in the future. In the mid 1990s, the District did hold discussions with representatives of the County related to District operations of landfills countywide and the possibility of the District expanding countywide. The process resulted in the formation of the Salinas Valley Solid Waste Authority.

This page intentionally left blank

COUNTY SERVICE AREA 17 - Rancho Tierra Grande SERVICES PROVIDED AND SERVICE AREA

Monterey County Service Area (CSA) 17 provides the following services:

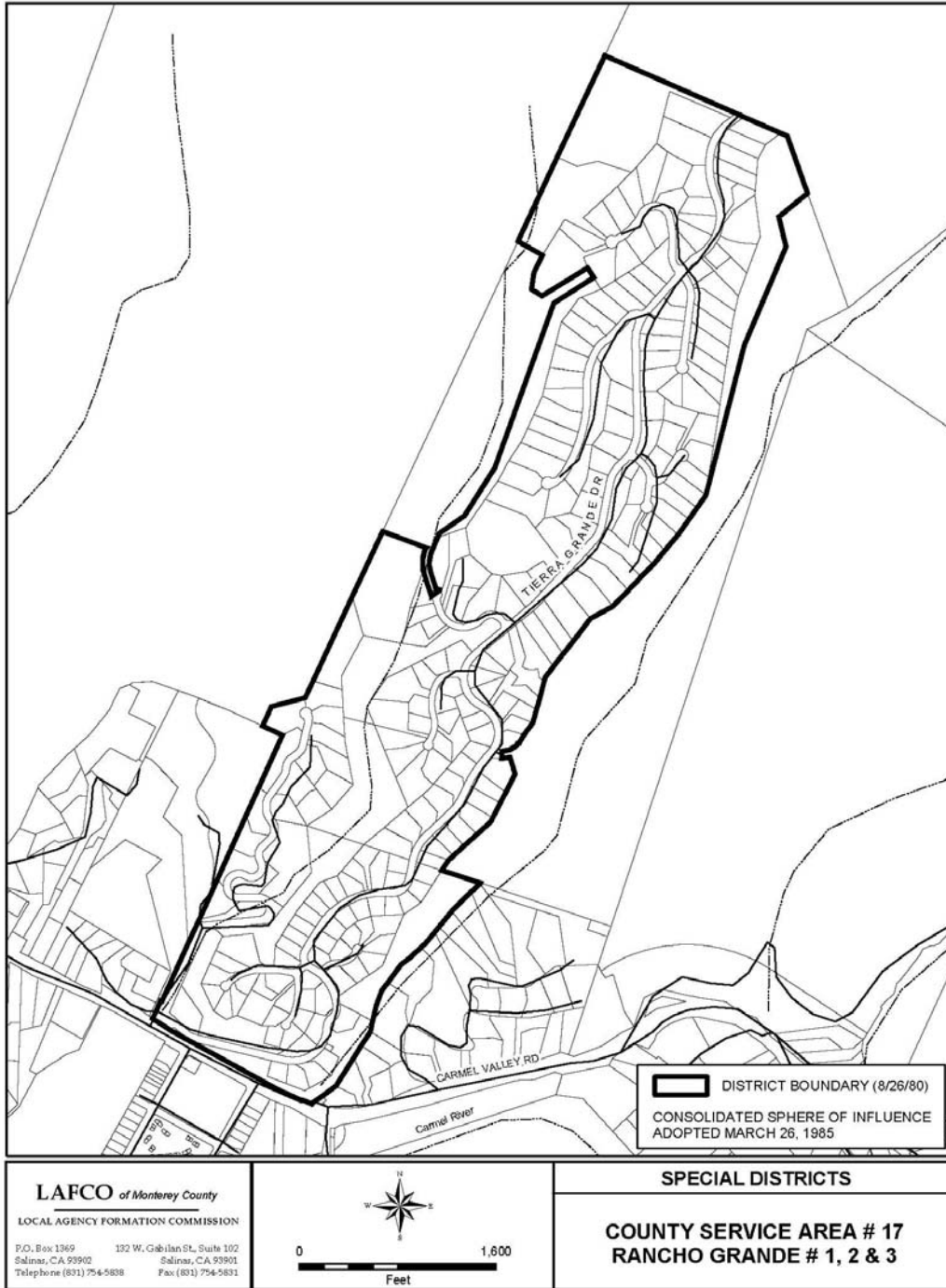
- Parks/Open Space/Recreation
- Stormwater Runoff

CSA 17 was formed in 1963. The district encompasses an area of approximately 45 square miles (285 acres). The total population is approximately 500 (Source: 1999 LAFCO Inventory of Local Agencies).

Monterey County staff provides the administrative and maintenance support to CSA 17 and as the County staff also provides similar services to many other CSA's, there is a scale of economy and efficiency that is appropriate for this CSA. As CSA 17 and all CSA's in Monterey County are subdivisions of County government, the Monterey County Board of Supervisors acts on their behalf.

This page intentionally left blank

Figure 15
Boundary Map for CSA 17



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The storm water infrastructure maintenance issue has the greatest potential impact to residents (i.e., flooding) so the service provider expends time and funds on maintaining clear drainage channels. Public Works carries out ongoing maintenance of drainage facilities in CSA 17 to allow proper drainage during heavy rains.

CSA 17 does not have a capital improvement or master plan. There are no identified long-term projects in this CSA.

2. GROWTH AND POPULATION

The area of the CSA is built out. No annexations are planned and there is no significant potential from population growth.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 17 receives property tax subventions and interest. Reserve and unutilized fund balances are invested by the County Treasurer. Reserves are established mainly to provide for cash flow needs for the CSA. CSA 17 has reserves established at \$60,562. This compares to annual revenue of approximately \$9,600 for this CSA. New service charges would be subject to Proposition 218 notification and election requirements.

Revenues for CSA 17 include property tax subventions. So far, the County has been able to carry out special projects and still meet ongoing maintenance requirements. As with everything else, CSA 17 has to live within its budget, but a lot has been accomplished given the limitations of the budget.

CSA 17 recently provided financing to implement the creation of a demonstration garden. This work was completed in mid 2006. A contract with the Fire Safe Council was used to implement the plan.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services. Through the auspices of the County Public Works Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists, which is that Monterey County Public Works Department manages multiple CSAs and provides efficient service.

7. GOVERNMENT STRUCTURE OPTIONS

On parkway matters, CSA 17 staff coordinates with the Rancho Tierra Grande Homeowners Association as well as the Monterey County Fire Safe Council. Occasionally, drainage

matters are discussed, but the primary focus is on parkway concerns. These agencies are instrumental in developing plans for the County open space area, while CSA 17 has provided partial funding toward implementing those plans.

The Board of Supervisors acts on behalf of this CSA. Policies, rules, and procedures regulating communication with employees are the same as those regulating all communication between members of the Board of Supervisors and County employees.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

This CSA is managed by the Environmental Services section of the Monterey County Public Works Department. Currently, Environmental Services consists of:

- a. Management Analyst II
- b. Accountant Auditor
- c. Part Time Secretary

Additionally, actual operations and maintenance field work for this CSA is provided on an as needed basis by the Monterey Road Crew.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda.

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

The Monterey County Fire Safe Council normally meets on the last Thursday of each month. At that meeting, parkway planning for Rancho Tierra Grande is on the agenda and is briefly discussed.

SUMMARY AND DETERMINATIONS

1. The Monterey County Public Works Department appears to be adept at implementing their responsibilities to the community, with stormwater infrastructure maintenance being their most important responsibility. It cannot be determined based on the information provided by the County if the cash reserves will be adequate to address short-term and long-term infrastructure improvements, especially improvements that may be preventative and that would eliminate, or reduce storm damage to public infrastructure and private property.

This page intentionally left blank

**COUNTY SERVICE AREA 19 - Carmel Meadows
SERVICES PROVIDED AND SERVICE AREA**

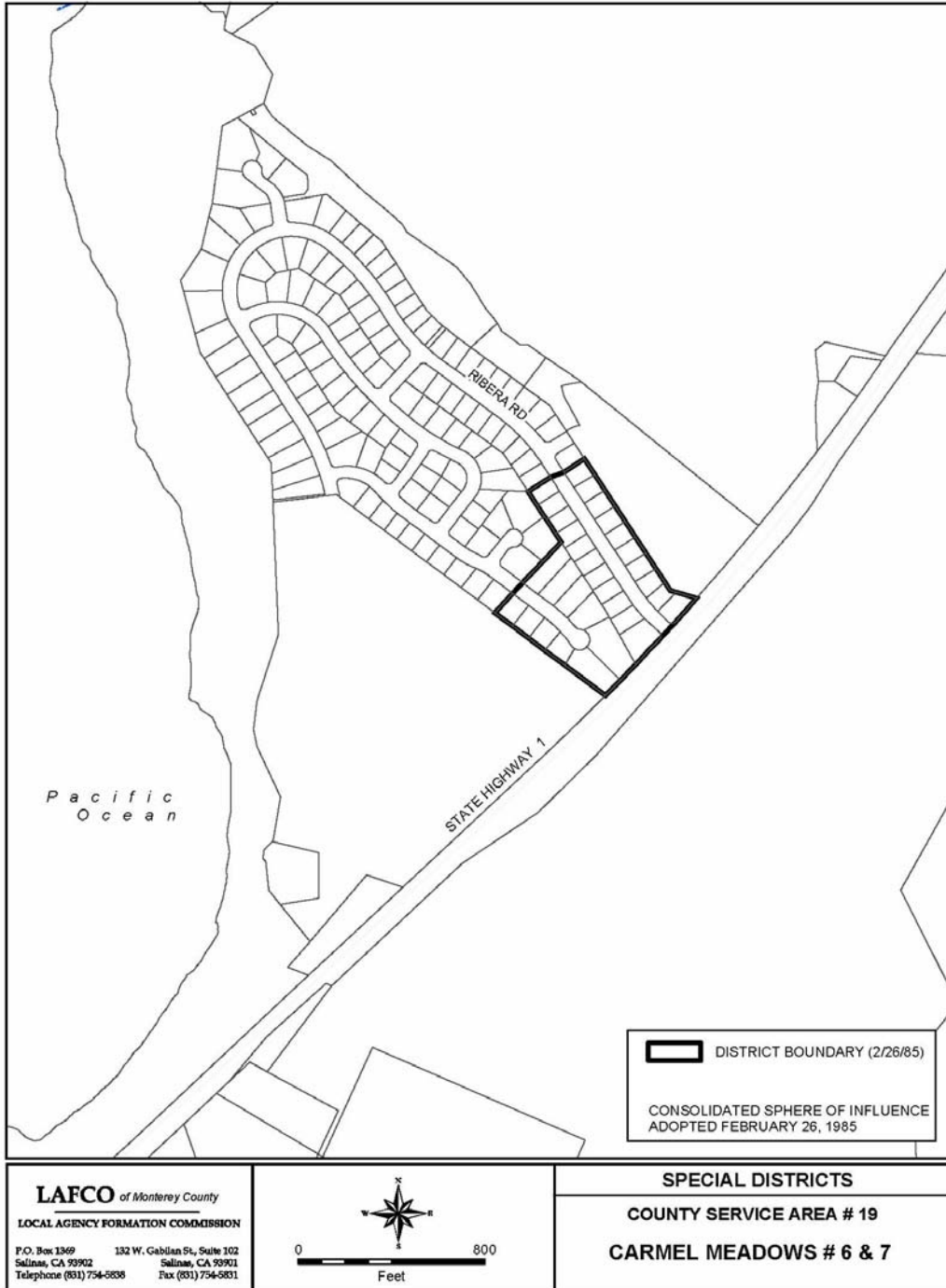
Monterey County Service Area (CSA) 19 provides the following services:

- Stormwater Runoff

CSA 19 was formed in 1961. The district encompasses an area of approximately .05 square miles (32 acres). The total population is approximately 68 (Source: 1999 LAFCO Inventory of Local Agencies).

This page intentionally left blank

Figure 16
Boundary Map for CSA 19



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The storm water infrastructure maintenance issue has the greatest potential impact to residents (i.e., flooding) so the service provider expends time and funds on maintaining clear drainage channels. Public Works carries out ongoing maintenance of drainage facilities in CSA 19 to allow proper drainage during heavy rains.

CSA 19 does not have a capital improvement or master plan, nor does the County Public Works department report any infrastructure needs and deficiencies. There are no identified long-term projects in this CSA. County staff forecasts service needs based on ongoing maintenance experience.

2. GROWTH AND POPULATION

The area of the CSA is built out. No annexations are planned and there is no significant potential from population growth.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 19 receives property tax subventions, interest, and service charges that are collected on the tax bills submitted to property owners in the CSA area. Reserve and unutilized fund balances are invested by the County Treasurer. Reserves are established mainly to provide for cash flow needs for the CSA. CSA 19 has reserves established at \$6,887. This compares to annual revenue of approximately \$925 for this CSA. New or increased service charges would be subject to Proposition 218 notification and election requirements.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

Revenues for CSA 19 include both property tax subventions and service charges. These are two separate revenue streams that enter into the CSA 19 fund. The rates for CSA 19 have remained unchanged for the past three years. So far, the County has been able to carry out special projects and still meet ongoing maintenance requirements. As with everything else, CSA 19 has to live within its budget, but a lot has been accomplished given the limitations of the budget.

There are no duplication of services. Through the auspices of the County Public Works Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists, which is that Monterey County Public Works Department manages multiple CSAs and provides efficient service.

7. GOVERNMENT STRUCTURE OPTIONS

The Board of Supervisors acts on behalf of this CSA. Policies, rules, and procedures regulating communication with employees are the same as those regulating all communication between members of the Board of Supervisors and County employees.

Monterey County staff provides the administrative and maintenance support to CSA 19 and as the County staff also provides similar services to many other CSA's, there is a scale of economy and efficiency that is appropriate for this CSA. As CSA 19 and all CSA's in Monterey County are subdivisions of County government, the Monterey County Board of Supervisors acts on their behalf.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

This CSA is managed by the Environmental Services section of the Monterey County Public Works Department. Currently, Environmental Services consists of:

- a. Management Analyst II
- b. Accountant Auditor
- c. Part Time Secretary

Additionally, actual operations and maintenance field work for this CSA is provided on an as needed basis by the Monterey Road Crew.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda. Notices of the meetings are posted in public places.

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

SUMMARY AND DETERMINATIONS

1. The Monterey County Public Works Department appears to be adept at implementing their responsibilities to the community, with stormwater infrastructure maintenance being their most important responsibility. As the geographic area is so small and there are only approximately 31 lots, an Advisory Committee does not exist but budget, maintenance and long-term projects are discussed with the residents only when the need arises and that is through a mailing. It cannot be determined based on the information provided by the County if the cash reserves will be adequate to address short-term and long-term infrastructure improvements, especially improvements that may be preventative and that would eliminate, or reduce storm damage to public infrastructure and private property.

This page intentionally left blank

**COUNTY SERVICE AREA 23 – Carmel Ranch Subdivision and
Annexations 1, 2, and 3
SERVICES PROVIDED AND SERVICE AREA**

Monterey County Service Area (CSA) 23 provides the following services:

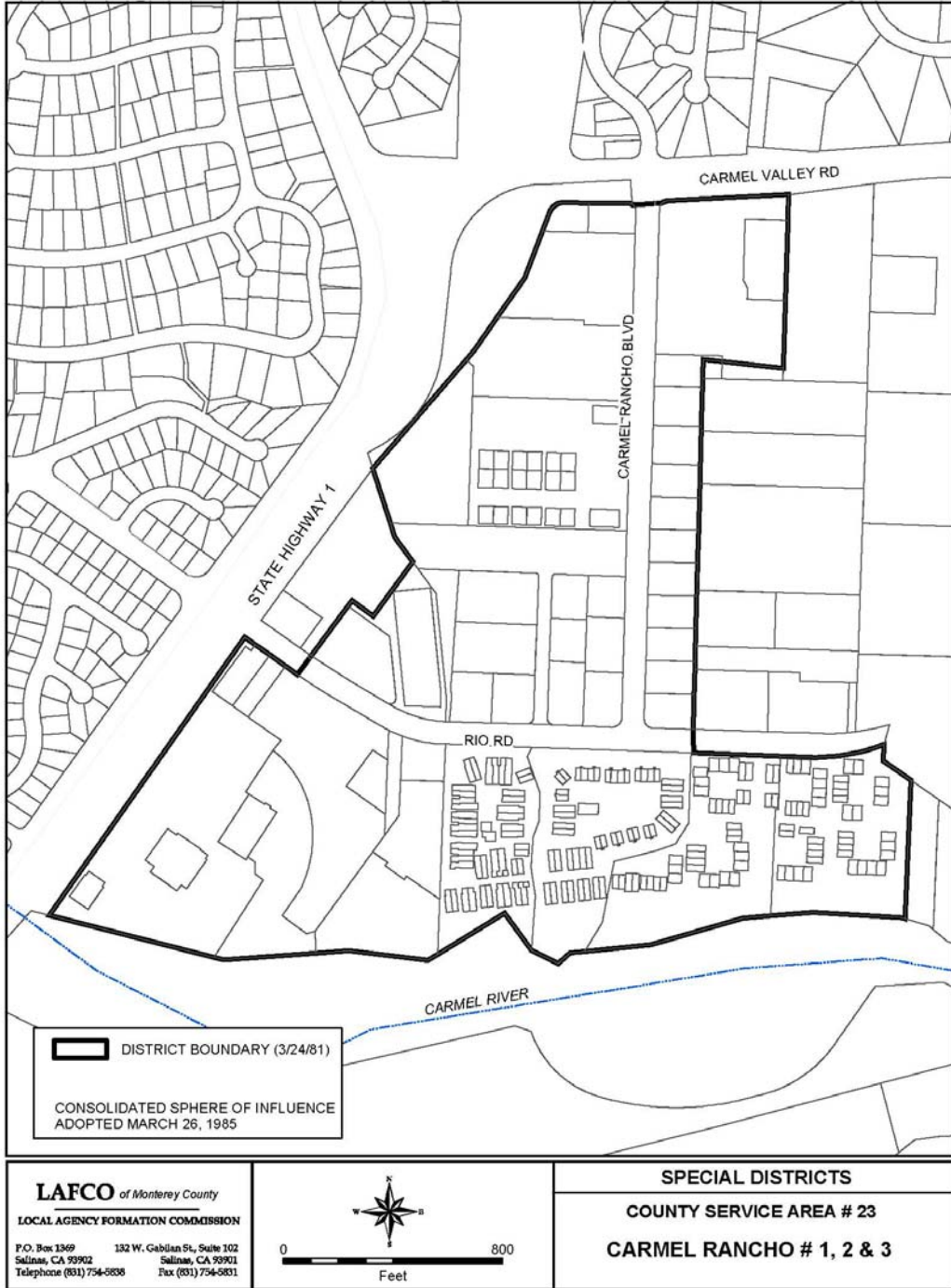
- Street Lighting
- Stormwater Runoff

CSA 23 was formed in 1963. The district encompasses an area of approximately .25 square miles (165 acres). The total population is approximately 437 (Source: 1999 LAFCO Inventory of Local Agencies).

Monterey County staff provides the administrative and maintenance support to CSA 23 and as the County staff also provides similar services to many other CSA's, there is a scale of economy and efficiency that is appropriate for this CSA. As CSA 23 and all CSA's in Monterey County are subdivisions of County government, the Monterey County Board of Supervisors acts on their behalf.

This page intentionally left blank

Figure 17
Boundary Map for CSA 23



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

CSA 23 does not have a capital improvement or master plan. CSA 23 overlaps with CSA 50, which exists to provide flood control services. Because of the connection between drainage and flood control, County staff does discuss drainage issues with the CSA 50 Advisory Committee. Long-term projects for this CSA have been identified in the Lower Carmel River Flood Control Project Final Report dated August 9, 2002.

2. GROWTH AND POPULATION

The area of the CSA is built out. No annexations are planned and there is no significant potential from population growth.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 23 receives property tax subventions, interest, and service charges that are collected on the tax bills submitted to property owners in the CSA area. Reserve and unutilized fund balances are invested by the County Treasurer. Reserves are established mainly to provide for cash flow needs for the CSA. CSA 23 has cash reserves of \$111,800. This compares to annual revenue of approximately \$14,000. New or increased service charges would be subject to Proposition 218 notification and election requirements.

Revenues for CSA 23 include both property tax subventions and service charges. These are two separate revenue streams that enter into the CSA 23 fund. The rates for CSA 23 have remained unchanged for the past three years. So far, the County has been able to carry out special projects and still meet ongoing maintenance requirements. As with everything else, CSA 23 has to live within its budget, but a lot has been accomplished given the limitations of the budget.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There is no duplication of services. Through the auspices of the County Public Works Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists, which is that Monterey County Public Works Department manages multiple CSAs and provides efficient service.

7. GOVERNMENT STRUCTURE OPTIONS

The storm water infrastructure maintenance issue has the greatest potential impact to residents (i.e., flooding) so the service provider expends time and funds on maintaining clear drainage channels. Public Works carries out ongoing maintenance of drainage facilities in CSA 23 to allow proper drainage during heavy rains. Utility costs for the street lights is the greatest ongoing expense.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

This CSA is managed by the Environmental Services section of the Monterey County Public Works Department. Currently, Environmental Services consists of:

- a. Management Analyst II
- b. Accountant Auditor
- c. Part Time Secretary

Additionally, actual operations and maintenance field work for this CSA is provided on an as needed basis by the Monterey Road Crew.

The Board of Supervisors acts on behalf of this CSA. Policies, rules, and procedures regulating communication with employees are the same as those regulating all communication between members of the Board of Supervisors and County employees.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda.

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

SUMMARY AND DETERMINATIONS

1. The Monterey County Public Works Department appears to be adept at implementing their responsibilities to the community, with stormwater infrastructure maintenance being their most important responsibility. Through collaboration between County staff and the Advisory Committee, budget, maintenance and long-term projects are discussed and priorities established for the County to address. It cannot be determined based on the information provided by the County if the cash reserves will be adequate to address short-term and long-term infrastructure improvements, especially improvements that may be preventative and that would eliminate, or reduce storm damage to public infrastructure and private property. This CSA is not anticipated to change its boundaries.

This page intentionally left blank

COUNTY SERVICE AREA 30 - Rancho Mar Monte 1, 2, and 3 SERVICES PROVIDED AND SERVICE AREA

Monterey County Service Area (CSA) 30 provides the following services:

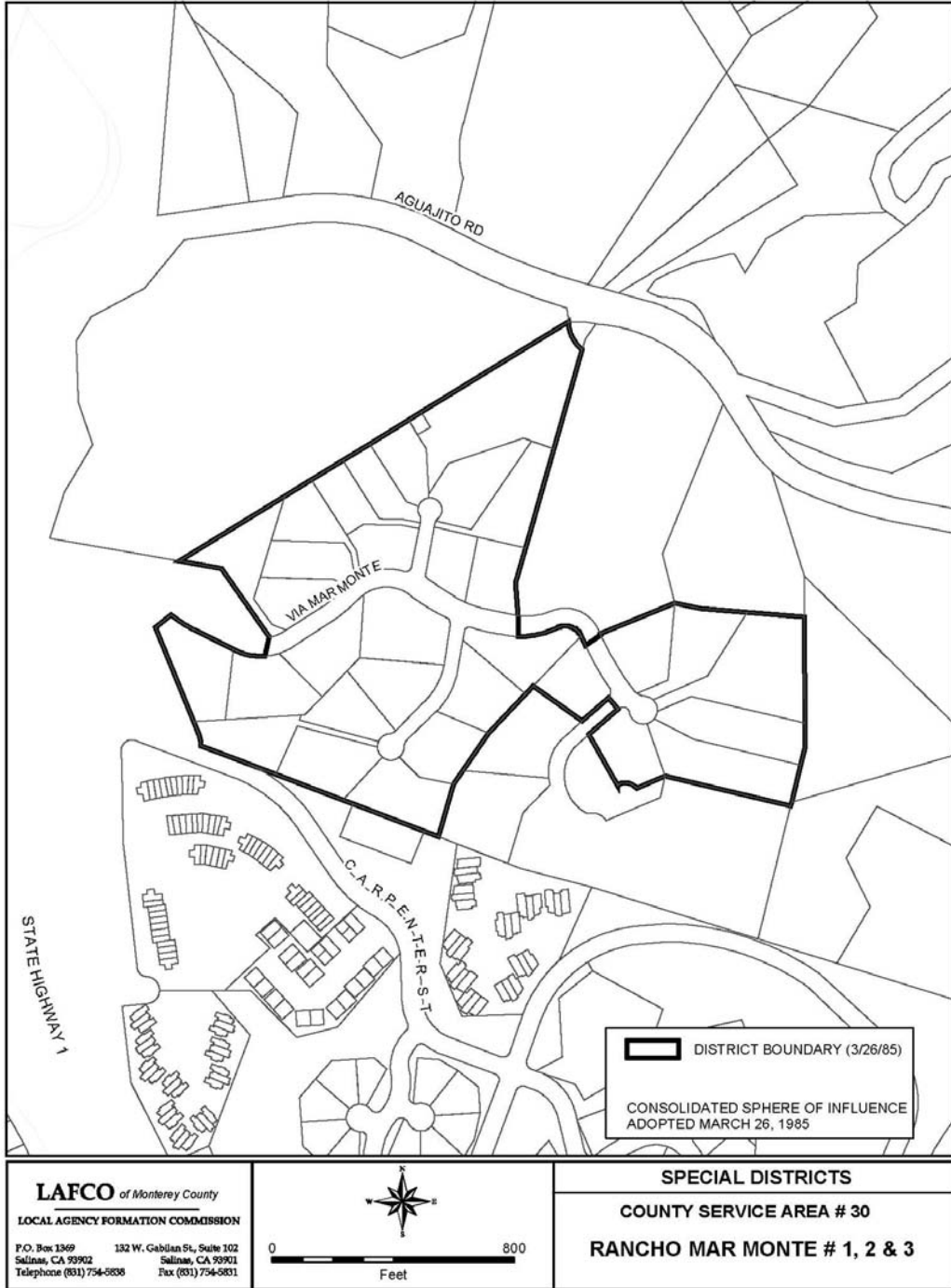
- Stormwater Runoff

CSA 30 was formed in 1964. The district encompasses an area of approximately .5 square miles (65 acres). The total population is approximately 58 (Source: 1999 LAFCO Inventory of Local Agencies).

Monterey County staff provides the administrative and maintenance support to CSA 30 and as the County staff also provides similar services to many other CSA's, there is a scale of economy and efficiency that is appropriate for this CSA. As CSA 30 and all CSA's in Monterey County are subdivisions of County government, the Monterey County Board of Supervisors acts on their behalf.

This page intentionally left blank

Figure 18
Boundary Map for CSA 30



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

CSA 30 does not have a capital improvement or master plan. There are no identified long-term projects in this CSA.

2. GROWTH AND POPULATION

The area of the CSA is built out. No annexations are planned and there is no significant potential from population growth.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 30 receives property tax subventions, interest, and service charges that are collected on the tax bills submitted to property owners in the CSA area. Reserve and unutilized fund balances are invested by the County Treasurer. Reserves are established mainly to provide for cash flow needs for the CSA; CSA 30 has reserves of \$12,517. This compares to annual revenue of approximately \$1,500 for this CSA. New or increased service charges would be subject to Proposition 218 notification and election requirements.

Revenues for CSA 30 include both property tax subventions and service charges. These are two separate revenue streams that enter into the CSA 30 fund. The rates for CSA 30 have remained unchanged for the past three years. So far, the County has been able to carry out special projects and still meet ongoing maintenance requirements. As with everything else, CSA 30 has to live within its budget, but a lot has been accomplished given the limitations of the budget.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services. Through the auspices of the County Public Works Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists, which is that Monterey County Public Works Department manages multiple CSAs and provides efficient service.

7. GOVERNMENT STRUCTURE OPTIONS

The storm water infrastructure maintenance issue has the greatest potential impact to residents (i.e., flooding) so the service provider expends time and funds on maintaining clear drainage channels. Public Works carries out ongoing maintenance of drainage facilities in CSA 30 to allow proper drainage during heavy rains.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

This CSA is managed by the Environmental Services section of the Monterey County Public Works Department. Currently, Environmental Services consists of:

- a. Management Analyst II
- b. Accountant Auditor
- c. Part Time Secretary

Additionally, actual operations and maintenance field work for this CSA is provided on an as needed basis by the Monterey Road Crew.

The Board of Supervisors acts on behalf of this CSA. Policies, rules, and procedures regulating communication with employees are the same as those regulating all communication between members of the Board of Supervisors and County employees.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda.

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

SUMMARY AND DETERMINATIONS

1. The Monterey County Public Works Department appears to be adept at implementing their responsibilities to the community, with stormwater infrastructure maintenance being their most important responsibility. It cannot be determined based on the information provided by the County if the cash reserves will be adequate to address short-term and long-term infrastructure improvements, especially improvements that may be preventative and that would eliminate, or reduce storm damage to public infrastructure and private property. This CSA is not anticipated to change its boundaries.

This page intentionally left blank

**COUNTY SERVICE AREA 33 – Coast Ridge Subdivision and Carmel Sur
SERVICES PROVIDED AND SERVICE AREA**

Monterey County Service Area (CSA) 33 provides the following services:

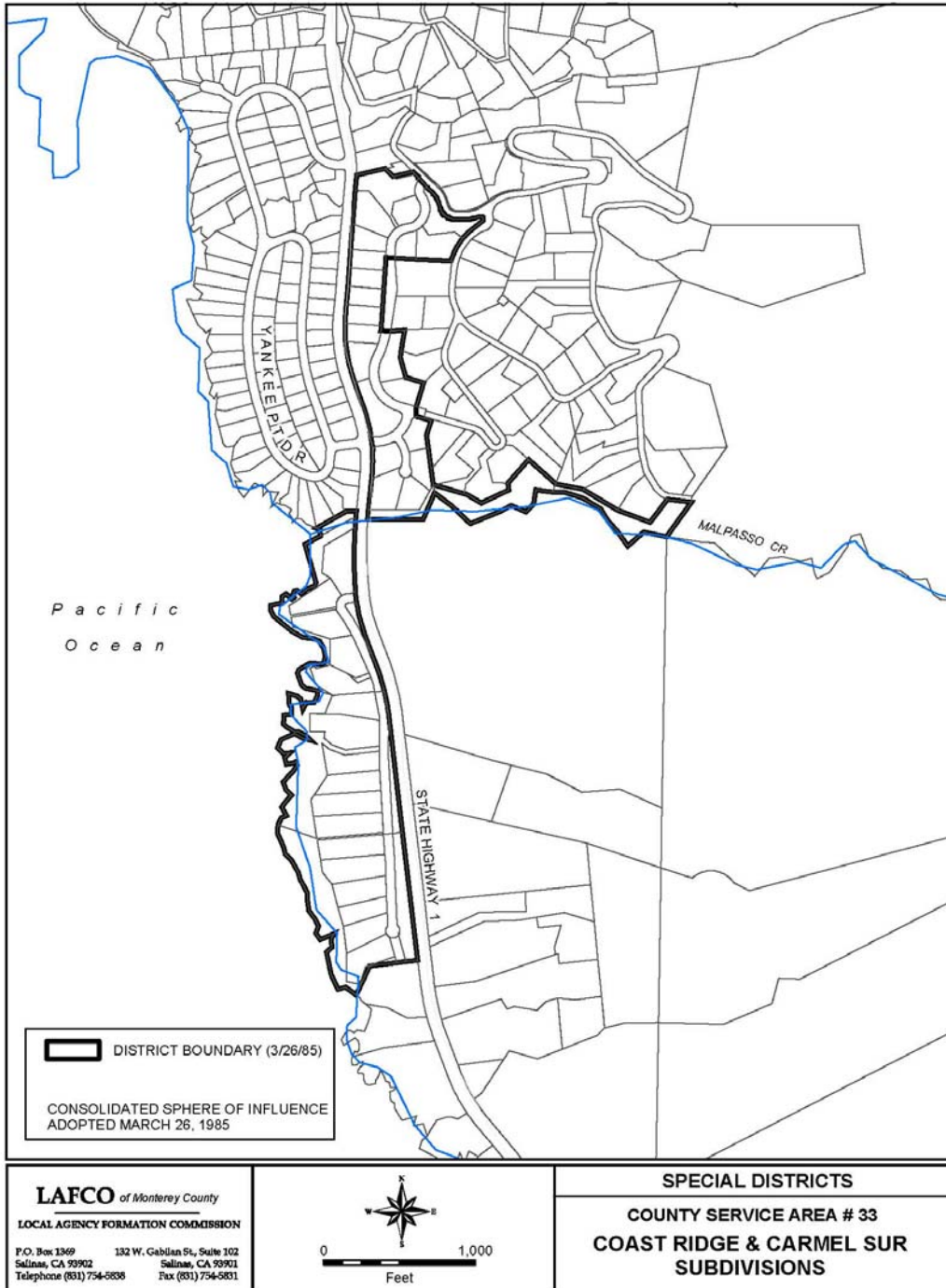
- Stormwater Runoff

CSA 33 was formed in 1963. The district encompasses an area of approximately 45 square miles (285 acres). The total population is approximately 500 (Source: 1999 LAFCO Inventory of Local Agencies).

Monterey County staff provides the administrative and maintenance support to CSA 33 and as the County staff also provides similar services to many other CSA's, there is a scale of economy and efficiency that is appropriate for this CSA. As CSA 33 and all CSA's in Monterey County are subdivisions of County government, the Monterey County Board of Supervisors acts on their behalf.

This page intentionally left blank

Figure 19
Boundary Map for CSA 33



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

CSA 33 does not have a capital improvement or master plan. There are no identified long-term projects in this CSA.

2. GROWTH AND POPULATION

The area of the CSA is built out. No annexations are planned and there is no significant potential from population growth.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 33 receives property tax subventions, interest, and service charges that are collected on the tax bills submitted to property owners in the CSA area. Reserve and unutilized fund balances are invested by the County Treasurer. Reserves are established mainly to provide for cash flow needs for the CSA. CSA 33 has reserves established at \$15,563. This compares to annual revenue of approximately \$2,200 for this CSA. New or increased service charges would be subject to Proposition 218 notification and election requirements.

Revenues for CSA 33 include both property tax subventions and service charges. These are two separate revenue streams that enter into the CSA 33 fund. The rates for CSA 33 have remained unchanged for the past three years. So far, the County has been able to carry out special projects and still meet ongoing maintenance requirements. As with everything else, CSA 33 has to live within its budget, but a lot has been accomplished given the limitations of the budget.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services. Through the auspices of the County Public Works Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists, which is that Monterey County Public Works Department manages multiple CSAs and provides efficient service.

7. GOVERNMENT STRUCTURE OPTIONS

The storm water infrastructure maintenance issue has the greatest potential impact to residents (i.e., flooding) so the service provider expends time and funds on maintaining clear drainage channels. Public Works carries out ongoing maintenance of drainage facilities in CSA 33 to allow proper drainage during heavy rains.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

This CSA is managed by the Environmental Services section of the Monterey County Public Works Department. Currently, Environmental Services consists of:

- a. Management Analyst II
- b. Accountant Auditor
- c. Part Time Secretary

Additionally, actual operations and maintenance field work for this CSA is provided on an as needed basis by the Monterey Road Crew.

The Board of Supervisors acts on behalf of this CSA. Policies, rules, and procedures regulating communication with employees are the same as those regulating all communication between members of the Board of Supervisors and County employees.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda.

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

SUMMARY AND DETERMINATIONS

1. The Monterey County Public Works Department appears to be adept at implementing their responsibilities to the community, with stormwater infrastructure maintenance being their most important responsibility. It cannot be determined based on the information provided by the County if the cash reserves will be adequate to address short-term and long-term infrastructure improvements, especially improvements that may be preventative and that would eliminate, or reduce storm damage to public infrastructure and private property. This CSA is not anticipated to change its boundaries.

This page intentionally left blank

**COUNTY SERVICE AREA 44 – Corral de Tierra Oaks 1, 2 and 3
SERVICES PROVIDED AND SERVICE AREA**

Monterey County Service Area (CSA) 44 provides the following services:

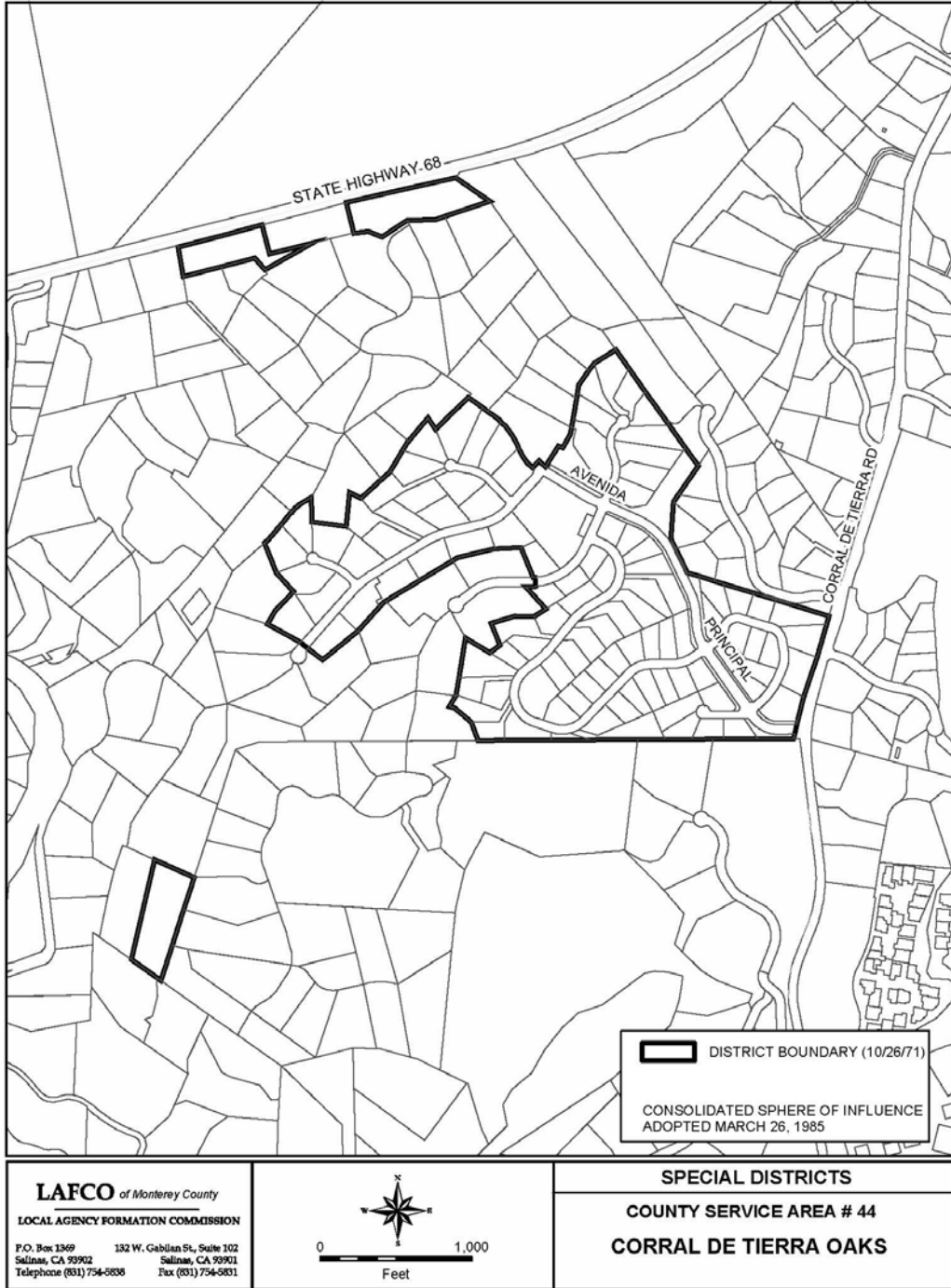
- Street Lighting
- Stormwater Runoff

CSA 44 was formed in 1966. The district encompasses an area of approximately 65.657 acres. The total population is approximately 300 (Source: 1999 LAFCO Inventory of Local Agencies).

Monterey County staff provides the administrative and maintenance support to CSA 44 and as the County staff also provides similar services to many other CSAs, there is a scale of economy and efficiency that is appropriate for this CSA.

This page intentionally left blank

Figure 20
Boundary Map for CSA 44



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

There are no known infrastructure deficiencies.

2. GROWTH AND POPULATION

The area of CSA 44 is built out. No annexations are planned and there is no potential for significant population growth.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 44 receives property tax subventions, interest, and service charges that are collected on the tax bills submitted to property owners in the CSA area. Reserve and unutilized fund balances are invested by the County Treasurer. Reserves are established mainly to provide for cash flow needs for the CSA. CSA 44 has reserves established at \$33,301. This compares to annual revenue of approximately \$5,700 for this CSA. New or increased service charges would be subject to Proposition 218 notification and election requirements.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services and through the auspices of the County Public Works Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists associated with the Monterey County Public Works Department managing multiple CSAs and providing efficient service as it currently does.

7. GOVERNMENT STRUCTURE OPTIONS

The storm water infrastructure maintenance issue has a potential impact to residents (i.e., flooding) so the service provider expends funds on maintaining clear drainage channels. As stated in their response, "Public Works personnel periodically review drainage facilities consisting of "v" ditches and drop inlets to be certain that they will provide maximum drainage during major storm events." Utility costs for the streetlights is the greatest ongoing expense.

The service area boundaries of this CSA could be consolidated with CSA 58 and CSA 67 as they all adjoin.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

This CSA is managed by the Environmental Services section of the Monterey County Public Works Department. Currently, Environmental Services consists of:

- a. Management Analyst II
- b. Accountant Auditor
- c. Part Time Secretary

Additionally, actual operations and maintenance field work for this CSA is provided on an as needed basis by the Monterey Road Crew.

The Board of Supervisors acts on behalf of this CSA. Policies, rules, and procedures regulating communication with employees are the same as those regulating all communication between members of the Board of Supervisors and County employees.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda. Notices of the meetings are posted in public places.

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

SUMMARY AND DETERMINATIONS

1. The Monterey County Public Works Department appears to be adept at implementing their responsibilities to the community, with stormwater infrastructure maintenance and streetlighting being their responsibility through this CSA. It cannot be determined based on the information provided by the County if the cash reserves will be adequate to address short-term and long-term infrastructure improvements, especially improvements that may be preventative and that would eliminate, or reduce storm damage to public infrastructure and private property. CSA 44, CSA 58 and CSA 67 should be considered for future consolidation as they adjoin each other.

This page intentionally left blank

**COUNTY SERVICE AREA 58 – Vista Dorado
SERVICES PROVIDED AND SERVICE AREA**

Monterey County Service Area (CSA) 58 provides the following services:

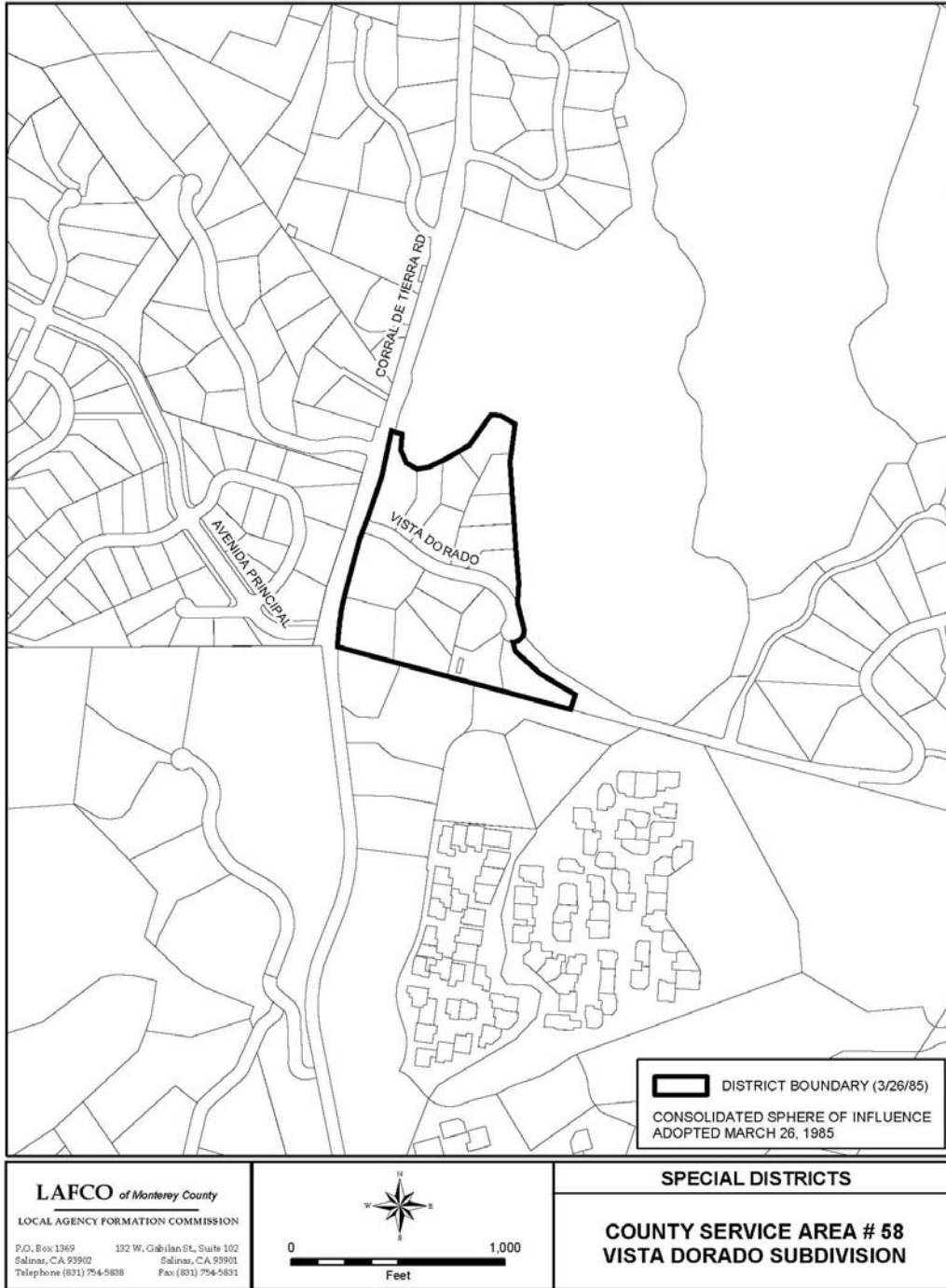
- Street Lighting
- Stormwater Runoff

CSA 58 was formed in 1970. The district encompasses an area of approximately 19 acres. The total population is approximately 54 (Source: 1999 LAFCO Inventory of Local Agencies).

Monterey County staff provides the administrative and maintenance support to CSA 58 and as the County staff also provides similar services to many other CSAs, there is a scale of economy and efficiency that is appropriate for this CSA.

This page intentionally left blank

Figure 21
Boundary Map for CSA 58



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

There are no known infrastructure deficiencies.

2. GROWTH AND POPULATION

The area of CSA 58 is built out. No annexations are planned and there is no potential for significant population growth.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 58 receives property tax subventions, interest, and service charges that are collected on the tax bills submitted to property owners in the CSA area. Reserve and unutilized fund balances are invested by the County Treasurer. Reserves are established mainly to provide for cash flow needs for the CSA. CSA 58 has reserves established at \$23,165. This compares to annual revenue of approximately \$3,200 for this CSA. New or increased service charges would be subject to Proposition 218 notification and election requirements.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services and through the auspices of the County Public Works Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists associated with the Monterey County Public Works Department managing multiple CSAs and providing efficient service as it currently does.

7. GOVERNMENT STRUCTURE OPTIONS

The storm water infrastructure maintenance issue has potential impact to residents (i.e., flooding) so the service provider expends time and funds on maintaining clear drainage channels. As stated in their response, "Public Works personnel periodically review drainage facilities consisting of "v" ditches and drop inlets to be certain that they will provide maximum drainage during major storm events." Utility costs for the streetlights is the greatest ongoing expense.

The service area boundaries of this CSA could be consolidated with CSA 44 and CSA 67 as they all adjoin.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

This CSA is managed by the Environmental Services section of the Monterey County Public Works Department. Currently, Environmental Services consists of:

- a. Management Analyst II
- b. Accountant Auditor
- c. Part Time Secretary

Additionally, actual operations and maintenance field work for this CSA is provided on an as needed basis by the Monterey Road Crew.

The Board of Supervisors acts on behalf of this CSA. Policies, rules, and procedures regulating communication with employees are the same as those regulating all communication between members of the Board of Supervisors and County employees.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda. Notices of the meetings are posted in public places.

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

SUMMARY AND DETERMINATIONS

1. The Monterey County Public Works Department appears to be adept at implementing their responsibilities to the community, with stormwater infrastructure maintenance and streetlighting being their most important responsibility. It cannot be determined based on the information provided by the County if the cash reserves will be adequate to address short-term and long-term infrastructure improvements, especially improvements that may be preventative and that would eliminate, or reduce storm damage to public infrastructure and private property. CSA 44, CSA 58 and CSA 67 should be considered for future consolidation as they adjoin each other.

This page intentionally left blank

COUNTY SERVICE AREA 67 – Corral de Tierra Oaks #4
SERVICES PROVIDED AND SERVICE AREA

Monterey County Service Area (CSA) 67 provides the following services:

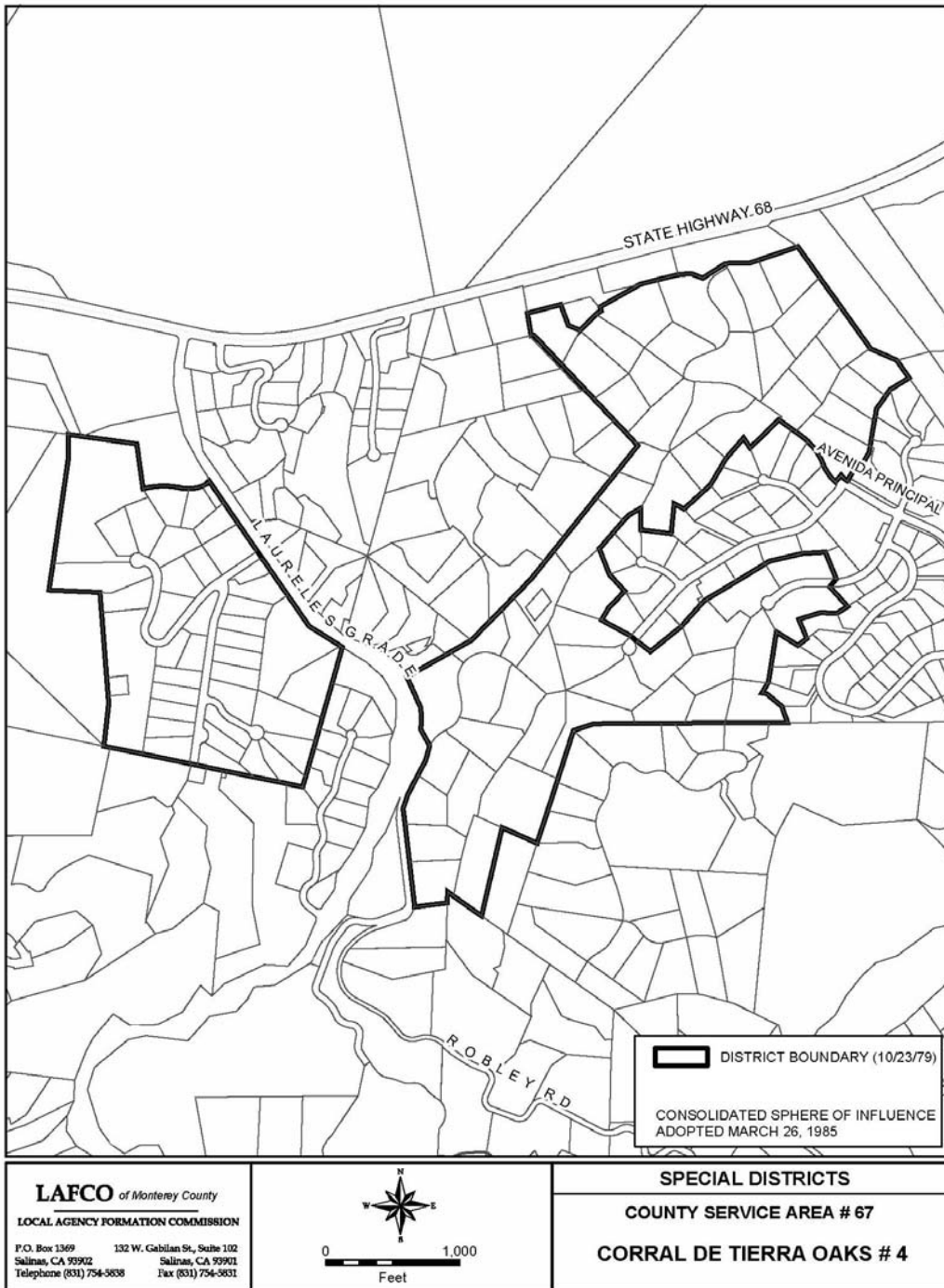
- Street Lighting
- Stormwater Runoff

CSA 67 was formed in 1977. The district encompasses an area of approximately 163 acres. The total population is approximately 62 (Source: 1999 LAFCO Inventory of Local Agencies).

Monterey County staff provides the administrative and maintenance support to CSA 67 and as the County staff also provides similar services to many other CSAs, there is a scale of economy and efficiency that is appropriate for this CSA.

This page intentionally left blank

Figure 22
Boundary Map for CSA 67



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

There are no known infrastructure deficiencies.

2. GROWTH AND POPULATION

The area of CSA 67 is built out. No annexations are planned and there is no potential for significant population growth.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 67 receives property tax subventions and interest. Reserves and unutilized fund balances are invested by the County Treasurer. Reserves are established mainly to provide for cash flow needs for the CSA. CSA 67 has reserves established at \$1,190,182. This compares to annual revenue of approximately \$89,500 for this CSA. New or increased service charges would be subject to Proposition 218 notification and election requirements.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services and through the auspices of the County Public Works Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists associated with the Monterey County Public Works Department managing multiple CSAs and providing efficient service as it currently does.

7. GOVERNMENT STRUCTURE OPTIONS

The storm water infrastructure maintenance issue has the potential to impact residents (i.e., flooding) so the service provider expends time and funds on maintaining clear drainage channels. As stated in their response, "Public Works personnel periodically review drainage facilities consisting of "v" ditches and drop inlets to be certain that they will provide maximum drainage during major storm events." Utility costs for the streetlights is the greatest ongoing expense.

The service area boundaries of this CSA could be consolidated with CSA 44 and CSA 58 as they all adjoin.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

This CSA is managed by the Environmental Services section of the Monterey

County Public Works Department. Currently, Environmental Services consists of:

- a. Management Analyst II

- b. Accountant Auditor
- c. Part Time Secretary

Additionally, actual operations and maintenance field work for this CSA is provided on an as needed basis by the Monterey Road Crew.

The Board of Supervisors acts on behalf of this CSA. Policies, rules, and procedures regulating communication with employees are the same as those regulating all communication between members of the Board of Supervisors and County employees.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda. Notices of the meetings are posted in public places.

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

SUMMARY AND DETERMINATIONS

1. The Monterey County Public Works Department appears to be adept at implementing their responsibilities to the community, with stormwater infrastructure maintenance being their most important responsibility. It cannot be determined based on the information provided by the County if the cash reserves will be adequate to address short-term and long-term infrastructure improvements, especially improvements that may be preventative and that would eliminate, or reduce storm damage to public infrastructure and private property. CSA 44, CSA 58 and CSA 67 should be considered for future consolidation as they adjoin each other.

This page intentionally left blank

**COUNTY SERVICE AREA 72 – Las Palmas
SERVICES PROVIDED AND SERVICE AREA**

Monterey County Service Area (CSA) 72 provides the following services:

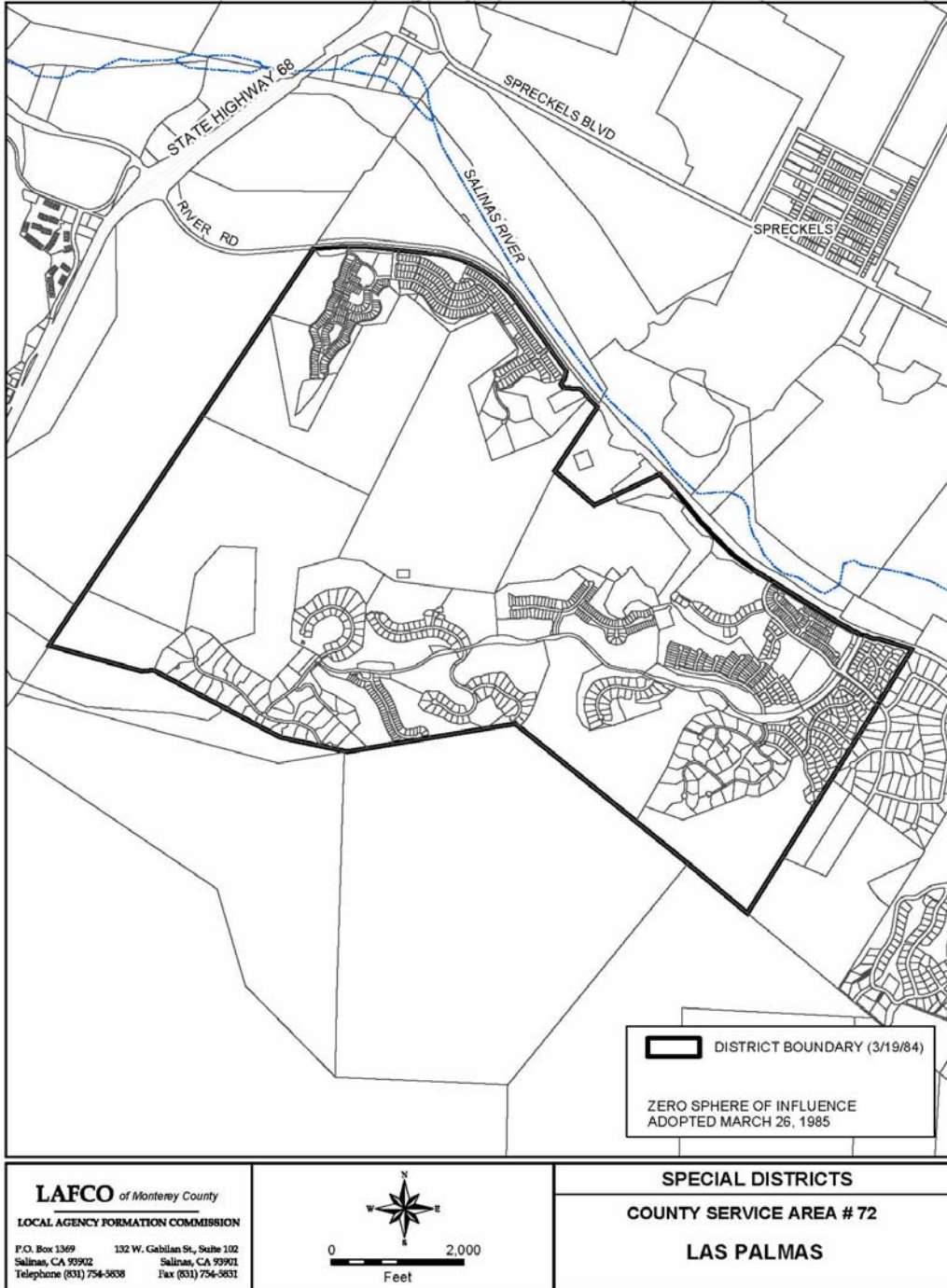
- Stormwater Runoff

CSA 72 was formed in 1984. The district encompasses an area of approximately 1,434 acres. The total population is approximately 3,377 (based on number of units in district multiplied by 3.25 persons per unit).

Monterey County staff provides the administrative and maintenance support to CSA 72 and as the County staff also provides similar services to many other CSAs, there is a scale of economy and efficiency that is appropriate for this CSA.

This page intentionally left blank

**Figure 23
Boundary Map for CSA 72**



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

There are no known infrastructure deficiencies.

2. GROWTH AND POPULATION

The area of CSA 72 is built out. No annexations are planned and there is no potential for significant population growth.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 72 receives interest, and service charges that are collected on the tax bills submitted to property owners in the CSA area. Reserve and unutilized fund balances are invested by the County Treasurer. Reserves are established mainly to provide for cash flow needs for the CSA. CSA 72 has reserves established at \$26,000. This compares to annual revenue of approximately \$5,700 for this CSA. New or increased service charges would be subject to Proposition 218 notification and election requirements.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services and through the auspices of the County Public Works Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists associated with the Monterey County Public Works Department managing multiple CSAs and providing efficient service as it currently does.

7. GOVERNMENT STRUCTURE OPTIONS

The storm water infrastructure maintenance issue has the greatest potential impact to residents (i.e., flooding) so the service provider expends the greatest time and funds on maintaining clear drainage channels. As stated in their response, "Public Works personnel periodically review drainage facilities consisting drop inlets and drainage culverts to be certain that they will provide maximum drainage during major storm events."

The service area boundaries of each agency encompass a logical geographic area to adequately serve the public with the services provided by the agency.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

This CSA is managed by the Environmental Services section of the Monterey County Public Works Department. Environmental Services was previously managed by a Civil Engineer, with a Management Analyst, Assistant Engineer, Accountant Auditor and Secretary serving in support positions. In Fiscal Year 2002-03 wastewater collection and treatment facilities were sold to Cal Am and CSA 72 ceased to provide wastewater collection and treatment

services for this community. Prior to this sale, wastewater treatment plant operators and the sanitation crew provided operation and maintenance services to the CSA 72 wastewater collection and treatment plant operations. Partially as a result of the reorganization, a Wastewater Worker from Public works was hired by Cal Am and a Sanitation Plant Operator retired and was not replaced. With the retirement of the Civil Engineer that headed Environmental Services, the Management Analyst has assumed management responsibilities of Environmental Services. The Assistant Engineer has also retired and will not be replaced. In the most recent reorganization, Environmental Services was placed under the responsibility of the Senior Transportation and Development Engineer.

In Fiscal Year 2002-03 wastewater collection and treatment facilities were sold to Cal Am and CSA 72 ceased to provide wastewater collection and treatment services for this community.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda. Notices of the meetings are posted in public places.

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

SUMMARY AND DETERMINATIONS

1. The Monterey County Public Works Department appears to be adept at implementing their responsibilities to the community, with stormwater infrastructure maintenance being their most important responsibility. It cannot be determined based on the information provided by the County if the cash reserves will be adequate to address short-term and long-term infrastructure improvements, especially improvements that may be preventative and that would eliminate, or reduce storm damage to public infrastructure and private property.

This page intentionally left blank

**COUNTY SERVICE AREA 74
(Emergency Medical Services)
SERVICES PROVIDED AND SERVICE AREA**

Monterey County Service Area (CSA) 74 provides the following services:

- Emergency Medical Services (EMS)

The Board of Supervisors formed County Service Area 74 on April 25, 1989, to support the county-wide EMS system. CSA 74 encompasses the entire area of Monterey County. This CSA is an extension of the Monterey County Health Department, which has nine divisions to include Emergency Medical Services. As CSA 74 and all CSA's in Monterey County are subdivisions of County government, the Monterey County Board of Supervisors acts on their behalf.

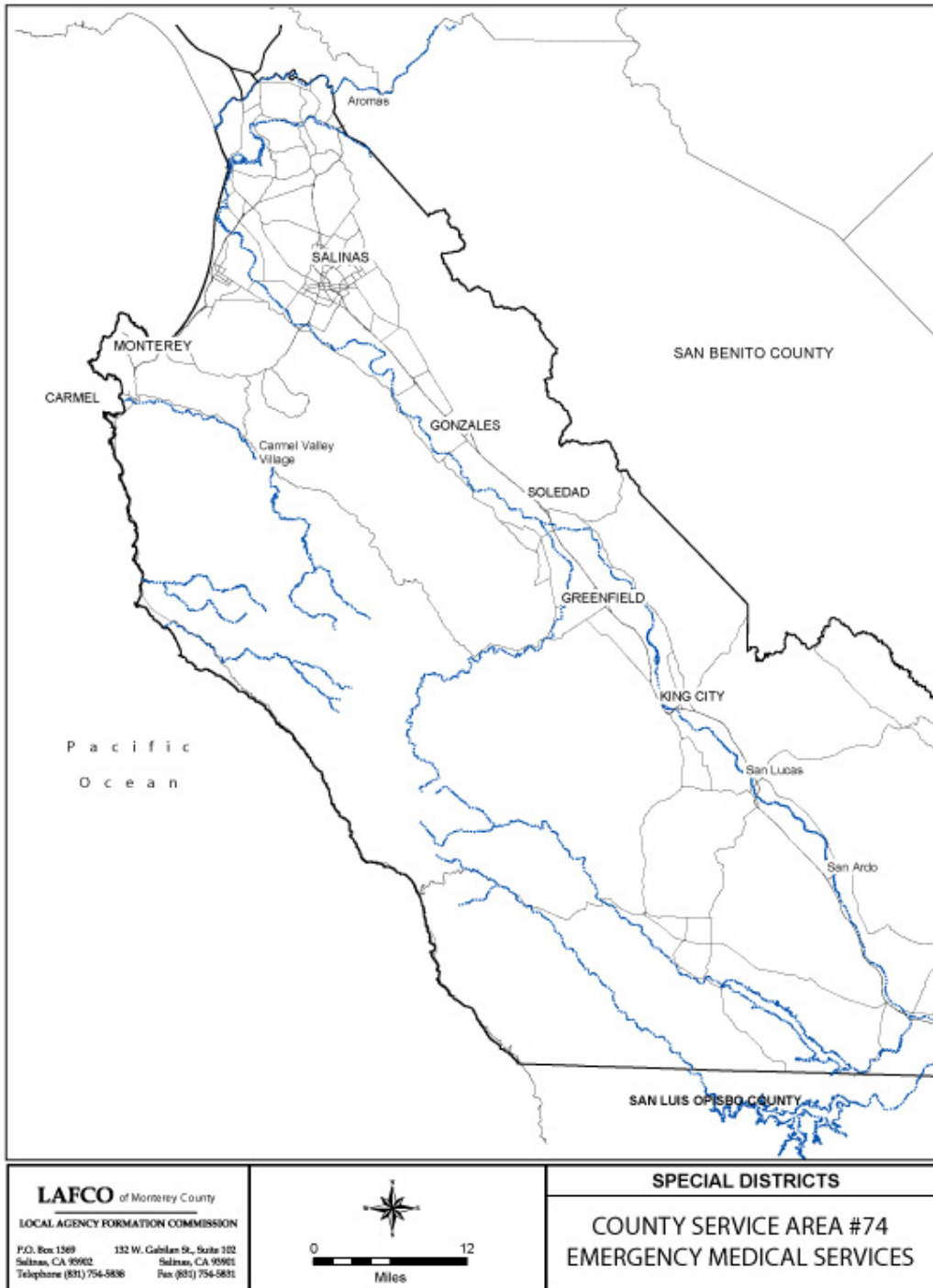
The EMS Division mission is to foster the most effective and rational system for provision of medical care to pre-hospital emergency patients throughout Monterey County.

This Division plans, coordinates and evaluates emergency medical services to ensure that pre-hospital emergency medical care is available and consistent at the emergency scene, during transport and in the emergency room. The EMS system incorporates over 100 participating agencies including fire departments, ambulance companies, hospitals, and law enforcement agencies.

In addition, the EMS Agency provides training in various aspects of pre-hospital emergency medical care. The EMS Agency tests, certifies, and accredits First Responders, Emergency Medical Technicians, Emergency Medical Technicians-Paramedics, Mobile Intensive Care Nurses, and Early Defibrillation Technicians. This ensures that such training reflects the medical standards for pre-hospital care established by the local medical community.

This page intentionally left blank

Figure 24
Boundary Map for CSA 74



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

CSA 74 is not an agency with capital facilities but an agency that coordinates and evaluates emergency medical services to ensure that emergency medical care is available and consistent at the emergency scene, during transport and in the emergency room. Therefore, infrastructure needs and deficiencies are not relevant.

2. GROWTH AND POPULATION

The population of Monterey County (the area encompassed by CSA 74) is reported to be 424,842 by the California Department of Finance Demographic Research Unit.¹⁹ No annexations are planned. Per AMBAG, population growth is anticipated to increase to 602,731 by the year 2030²⁰.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

CSA 74 receives funding from County tax payers through property taxes as determined by the Monterey County Board of Supervisors. As with all other County related needs, CSA 74 has to live within its budget, but a lot has been accomplished given the limitations of the budget.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services. Through the auspices of the County Health Department there are cost sharing/savings that provide a high level of efficiency.

6. OPPORTUNITIES FOR SHARED FACILITIES

The CSA does not report any opportunities for shared facilities above and beyond what currently exists.

7. GOVERNMENT STRUCTURE OPTIONS

All policy and budgetary decisions are made by the Monterey County Board of Supervisors at regularly scheduled public meetings that are easily accessible to members of the public in terms of time and location.

At a meeting of EMS-system stakeholders in April 2000, the County Administrative Officer commissioned an EMS Task Force to review the Monterey County EMS system, make recommendations for system improvements, and publish a report (EMC Task Force White Paper).

¹⁹ <http://www.dof.ca.gov/HTML/DEMOGRAP/E-1table.xls> Website visited on June 1, 2006.

²⁰ 2004 AMBAG Population, Housing Unit and Employment Forecast @ <http://www.ambag.org/highlights/2004/2004%20AMBAG%20Forecast%20Summary%20-%20Monterey%20Co%205-4-04.pdf> Website visited on June 1, 2006.

A document was prepared and reviewed by a variety of stakeholder groups. It contains 39 specific recommendations for improving many elements of the EMS system, including dispatch, scene management, data collection and evaluation, communications, training, hospital roles, and quality management. Of greatest significance, however, are those recommendations intended to change the policy-making process relating to the County EMS Agency. Specifically recommended was the creation of a new EMS Council to replace the current Emergency Medical Care Committee as the official advisory committee to the Director of Health and the Monterey County Board of Supervisors on EMS issues.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Refer to response #7.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The service providers make reasonable efforts to maintain a public dialogue regarding the activities of the service agency by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement. Items before the Board of Supervisors related to this CSA are duly noted in the Board of Supervisors agenda. Notices of the meetings are posted in public places.

SUMMARY AND DETERMINATIONS

1. The Monterey County Health Department EMS Division appears to be adept at implementing their responsibilities to the community. The White Paper of 2001 promulgated substantial changes in how this Division conducts business. The recommended changes are being implemented.

This page intentionally left blank

RESOURCE CONSERVATION DISTRICT OF MONTEREY COUNTY SERVICES PROVIDED AND SERVICE AREA

The mission of the Resource Conservation District of Monterey County (RCD) is to conserve and improve our natural resources, integrating the demand for environmental quality with the needs of agricultural and urban users. The RCD is guided by a Board of Directors who serve voluntarily and represent a broad spectrum of experience including farming, ranching, financial and non-profit land conservancy management. The RCD has an annual budget in excess of \$600,000 and employs seven staff members with backgrounds in hydrology, engineering, agriculture, forestry, wildlife biology, environmental studies and earth science.²¹

Resource Conservation Districts, formerly known as Soil Conservation Districts are political subdivisions of the State of California, set up under California Public Resource Code to be locally governed agencies with their own locally appointed or elected, independent boards of directors. The RCD was established in 1942 as a special district, authorized under Division 9 of California Public Resources Code.

The RCD has been at the forefront of natural resource management and protection in Monterey County and the Central Coast. The RCD works extensively with growers, ranchers, landowners, and partner organizations and agencies throughout the Central Coast to accomplish their mission. The RCD works closely with the USDA Natural Resources Conservation Service (NRCS) to provide technical assistance to Monterey County landowners, growers and ranchers. The USDA Service Center in Salinas hosts an NRCS staff of nine with expertise in agronomy, range management, engineering, soil science, hydrology, plant science, and biology.

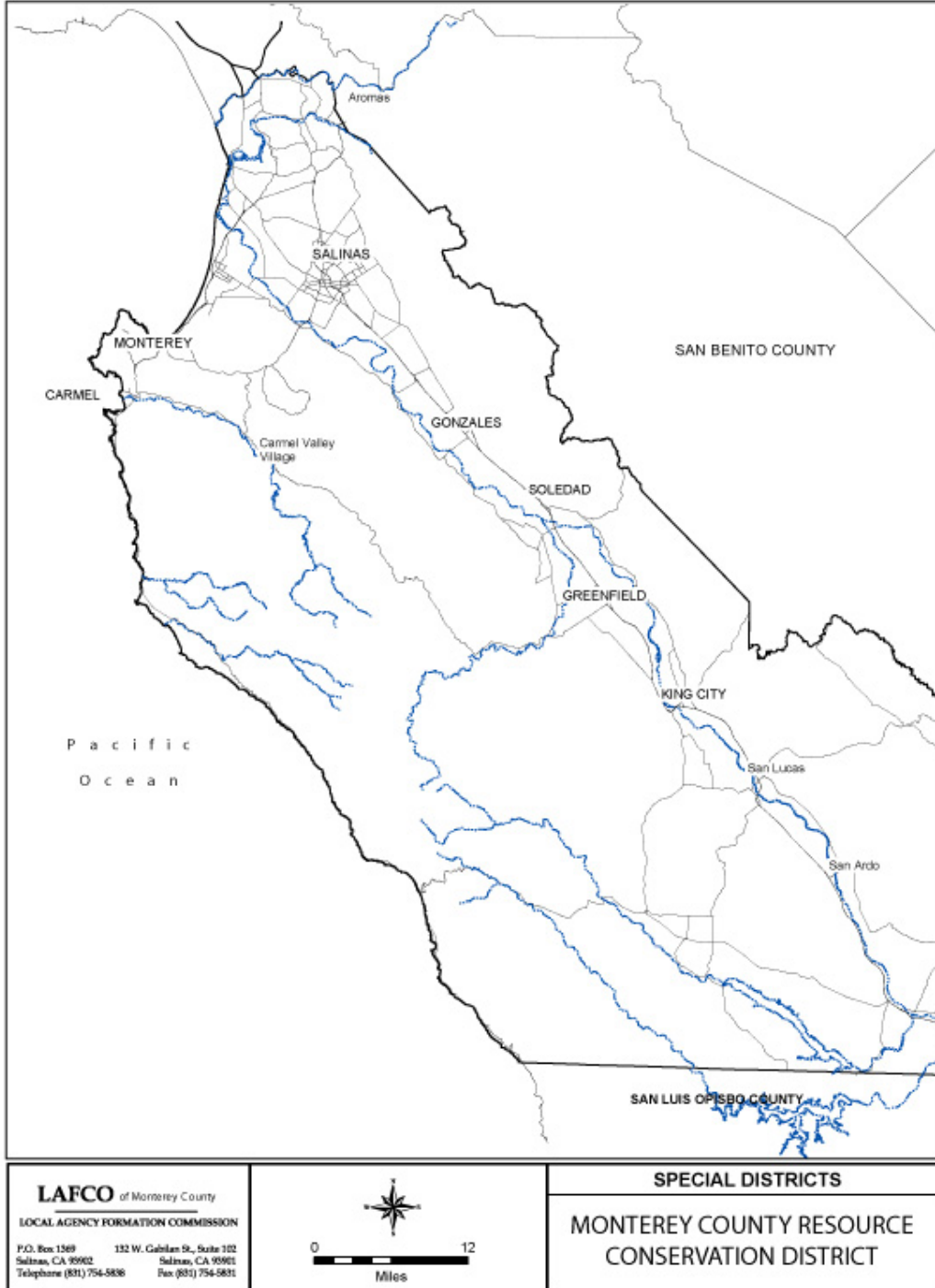
The RCD staff includes technical specialists with expertise in a variety of areas, including permitting, project funding, hydrology, engineering, weed management, erosion control, and species protection. The RCD provides landowners and growers assistance with conservation planning and design, project funding, permitting and implementing conservation practices. The RCD works with local land managers and researchers to develop new ways to improve water quality, and to evaluate the effectiveness of locally adopted conservation practices. The RCD also assists landowners and growers to prepare applications to funding sources such as the USDA Environmental Quality Incentives Program.

The RCD has demonstrated success in education, outreach and conservation and restoration project design and implementation. During the past 10 years, RCD-NRCS teamwork has resulted in the establishment of voluntary conservation and restoration projects on over 80 farms by collaborating with over 160 farmers and land managers.

²¹ www.rcdmonterey.org. This site was accessed on July 9, 2006. The basis of the information in this section is the web site.

This page intentionally left blank

Figure 25
Boundary Map for the Resource Conservation District of Monterey County



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The District's office is in Salinas but its services are available to public and private properties and landowners throughout the County. There are no identified infrastructure needs and deficiencies associated with the RCD. The service area of the District excludes areas within the cities.

2. GROWTH AND POPULATION

The District boundary is nearly coterminous with that of the County of Monterey, and currently covers nearly 2.1 million acres of the county, including agricultural and range lands, unincorporated towns, state and federal lands and open-space. The population within the district varies and continuously changes as properties are annexed into cities. The current County population is 110,083²².

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

Funding for all RCD projects and ongoing operations are derived entirely from grants and contracts. Unlike other Special Districts in California, the RCD does not have a tax base, nor does it currently receive any funding from the County of Monterey. The RCD does, however, provide services that benefit all residents of Monterey County and the accomplishment of the RCD mission decreases the costs borne by the County of Monterey and other agencies responsible for water quality improvement and erosion control.

4 & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

There are no duplication of services within the RCD.

6. OPPORTUNITIES FOR SHARED FACILITIES

There are no reported opportunities for shared facilities other than what is currently shared with the Natural Resources Conservation District. The RCD works closely with and is housed at the USDA Natural Resources Conservation Service's (NRCS) Salinas Service Center. The RCD is currently expanding and would welcome the opportunity to co-locate some staff with other agencies with similar missions.

7. GOVERNMENT STRUCTURE OPTIONS

The RCD operates using its Strategic Plan which is a "living" document that is continuously reviewed and updated to meet service needs of the District's constituents.

²² 2004 AMBAG Population, Housing Unit and Employment Forecast @ <http://www.ambag.org/dem.html>. AMBAG web site visited 10/18/06.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The District maximizes staff training to provide the highest level of service possible. No failures of delivery have occurred in the past five years. Given its limited funding the District exhibits the characteristics of a well-managed agency operating efficiently and serving its constituents effectively.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The RCD has a board that meets monthly and its meetings are open to the public.

SUMMARY AND DETERMINATIONS

1. The RCD has been at the forefront of natural resource management and protection in Monterey County and the Central Coast. The RCD works extensively with growers, ranchers, landowners, and partner organizations and agencies throughout the Central Coast to accomplish their mission.
2. Funding for all RCD projects and ongoing operations are derived entirely from grants and contracts. Unlike other Special Districts in California, the RCD does not have a tax base, nor does it currently receive any funding from the County of Monterey.
3. The RCD appears to adequately serve its constituency with the funding available but funding limitations prevent the RCD from accommodating the demand for complete services.

This page intentionally left blank

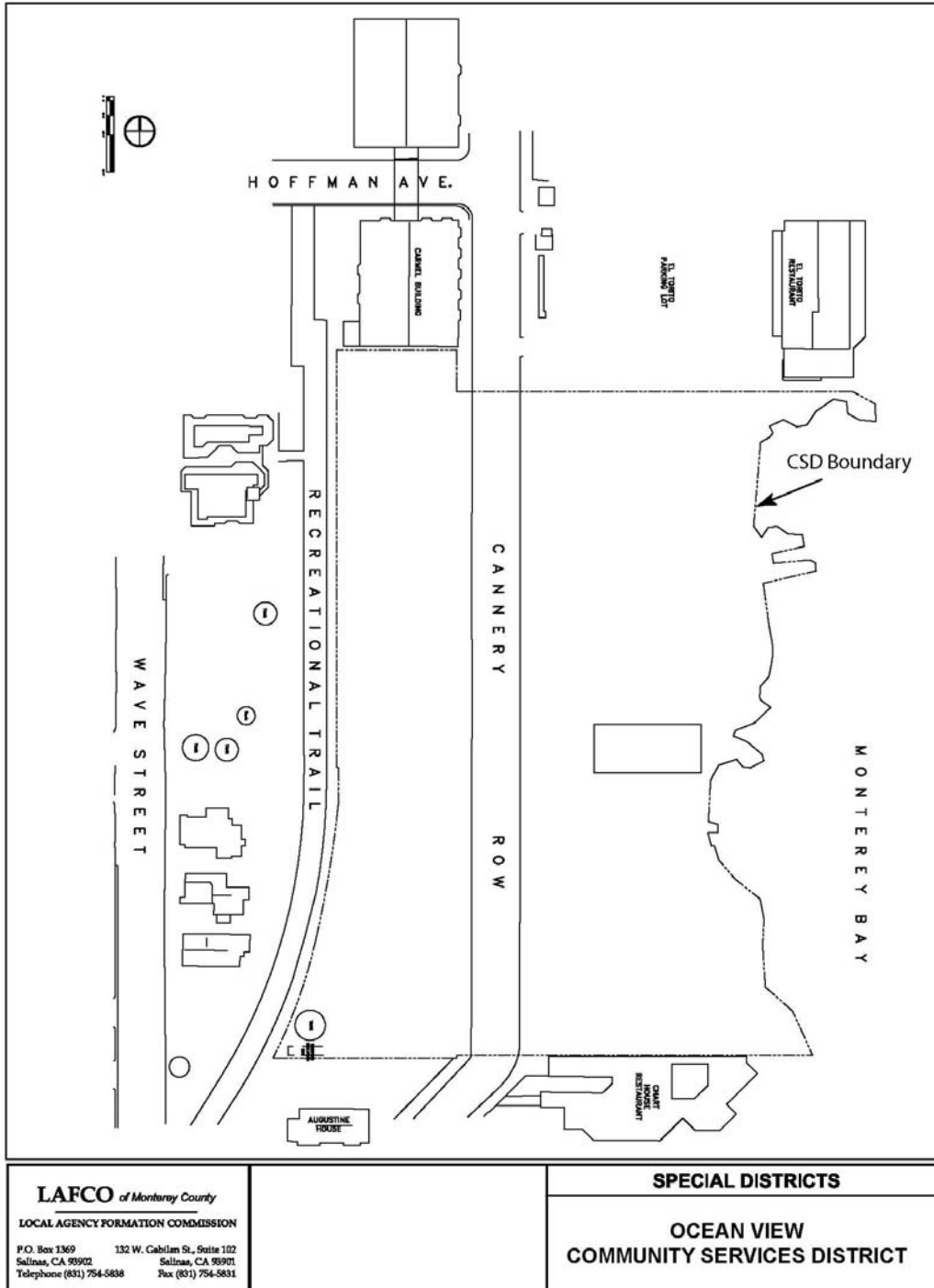
**OCEAN VIEW COMMUNITY SERVICES DISTRICT
SERVICES PROVIDED AND SERVICE AREA**

The Ocean View Community Services District was created by LAFCO via Resolution 05-07 on December 27, 2005. A Certificate of Completion was filed with the County of Monterey Recorder on December 28, 2005, which documents the LAFCO decision to create this district.

The approximately 4.27 acre District was created solely for the purpose of providing potable water through a desalination plant to the Ocean View Plaza project and so the District boundary is coterminous with the Ocean View Plaza project. The desalination plant has not been constructed at this time pending approval from the Coastal Commission and permits from the City of Monterey, and relevant state agencies pertinent to desalination plants. The approved land uses in the District includes commercial and residential. The District is currently uninhabited, but the approved land uses will include approximately 90,000 square feet of commercial / retail, and 51 residential units. The Board of this District is the City of Monterey City Council. The District's Initial Appropriations Limit is set at \$150,000 for the first year, which can be adjusted in future years based on population and cost of living increases within the District. At a future date, if water becomes available from the California American Water Company to serve the District, the District shall apply to LAFCO for dissolution of the District and the desalination plant will be removed.

This page intentionally left blank

Figure 26
Boundary Map for Ocean View Community Services District



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Though the Ocean View Community Services District (CSD) has been approved by LAFCO, an application must also be submitted to the California Coastal Commission for approval of the desalination plant. An application is likely to be submitted to the Coastal Commission in December 2006. Consequently, the Ocean View project has not been constructed so there are no residents or demand for services at this time. The developer will provide adequate services and infrastructure to meet the needs of the project.

2. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

The project includes approximately 90,000 square feet of commercial uses and 51 residential units. The residential units are anticipated to generate between 51 and 130 residents. The desalination plant for which the CSD is premised is anticipated to provide adequate water for commercial and residential uses.

3. & 4. FINANCING CONSTRAINTS, FINANCING OPPORTUNITIES, AND COST AVOIDANCE

Infrastructure improvements associated with the SCD will be funded by the developer. Fees will be assessed on the project square footage and the residential units.

5. & 6. RATE RESTRUCTURING OPPORTUNITIES AND OPPORTUNITIES FOR SHARED FACILITIES

The most appropriate provider of water to the property is Cal-Am. The company is the exclusive water provider for the City of Monterey, pursuant to a Franchise Agreement with the City. However, an order from the California State Water Resources Board prohibits Cal-Am from providing water service to the project.

The City considered alternatives early in its deliberation process. The City and the developer studied the available options, including local partnerships, but Cal-Am's Franchise Agreement, the inability of Cal-Am to participate in the provision of water, the wastefulness and inefficiency of running parallel water lines to transport water from other potential providers and the requirement that the plant be operated by a public entity collectively rendered all other options infeasible, and prevented any other option from providing water service to this area in as efficient or accountable a manner as would the creation of the Ocean View Community Services District.

As part of their review process prior to LAFCO approval of creating the CSD, LAFCO independently contacted local and regional private entities and agencies that could conceivably form a partnership or be reorganized to provide water to the Ocean View project. In addition to issues identified above by the City, other agencies lack interest in extending operations or lack the operational capacity to build and operate a desalination plant. The City agrees with the objective of moving toward a long term regional solution. The CSD will provide water services as long as necessary to a development project with important public benefits. LAFCO conditioned the formation of the CSD, with concurrence

of the City, that the CSD will seek dissolution when Cal-Am is able to provide water through a region project.

7. GOVERNMENT STRUCTURE OPTIONS

The Monterey City Council acts as the board of directors of the CSD. This governance structure will continue until such time, if ever, water from the City's purveyor is made available to the project in which case the CSD and the governing board will be dissolved.

8. & 9. LOCAL ACCOUNTABILITY, GOVERNANCE, AND MANAGEMENT EFFICIENCIES

All public hearings regarding agency operations, meetings, programs, etc. will require public notice per the Ralph M. Brown Act.

MONTEREY PENINSULA AIRPORT DISTRICT SERVICES PROVIDED AND SERVICE AREA

The Monterey Peninsula Airport District was formed in 1941 via enabling legislation passed by the California State Senate (SB 1300) in 1941. There are five members on the board each elected for a four-year term.²³

The Monterey Peninsula Airport District is not incorporated into the city or the county, nor is it a public utility. Since its creation the Airport has evolved to continually meet the needs of its users. Monterey Airport is a 598 acre facility, serving as a "Medium Non-Hub" airport.

The Airport District includes portions of Monterey, Pacific Grove, Del Monte Forest, Pebble Beach, Carmel-by-the-Sea, greater Carmel, Del Rey Oaks, Seaside, Sand City, the Monterey-Salinas Highway to Laureles Grade, and the west end of Carmel Valley.

The airport has two parallel runways, and a Federal Air Traffic Control Tower. The airport has a precision instrument approach to runway 28L and 10R and has permanently based aircraft, 211 hangars and tiedowns, and 55 business tenants. The primary runway (IFR) is 7,000 in length. The VFR is 3,500 in length.

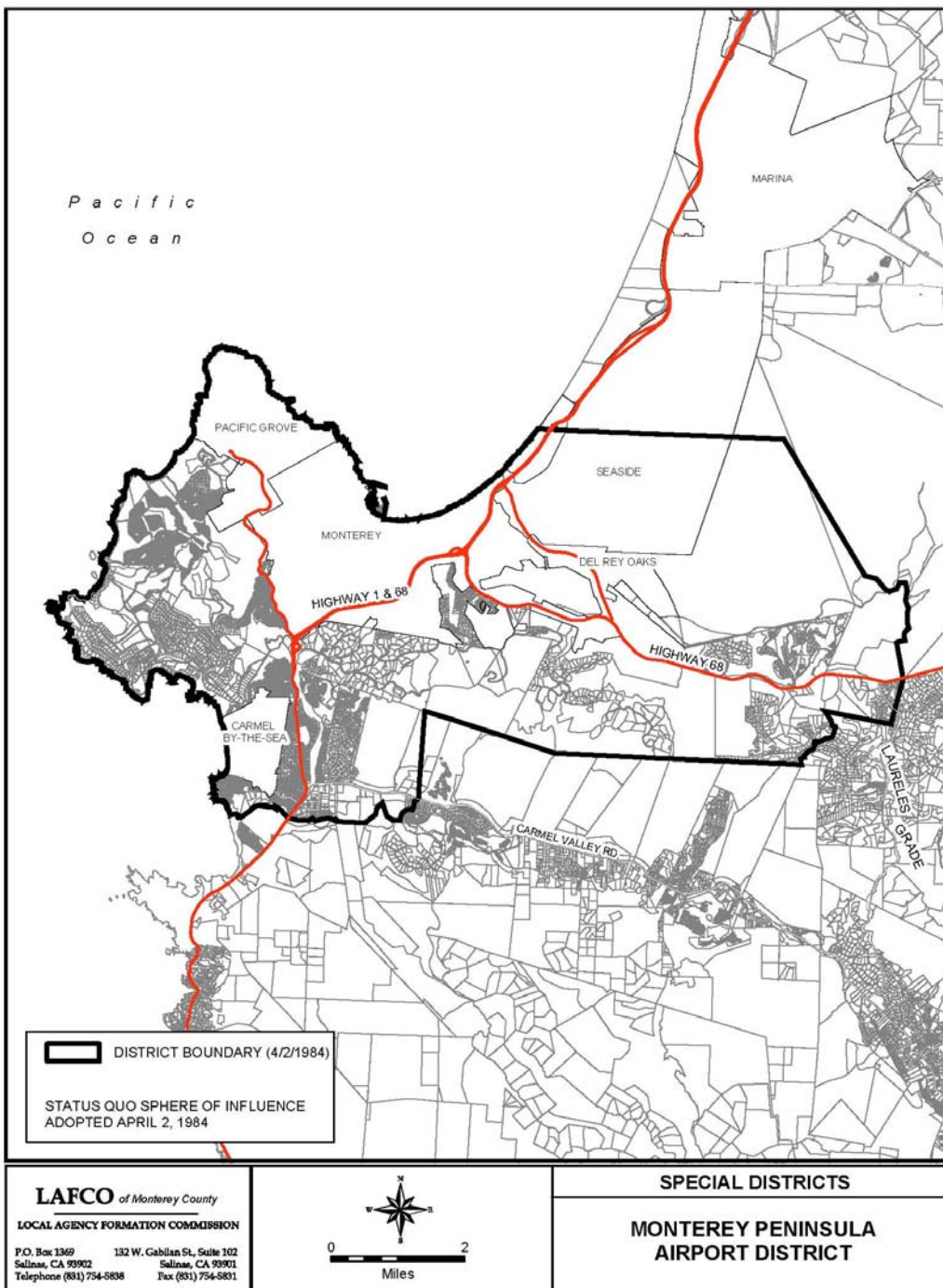
Assembly Bill No. 2650 [AB 2650, Laird. Monterey Peninsula Airport District], an act to amend Sections 1, 2, 3, 4, 5, 5A, 5B, 5C, 5D, 5E, 6, 7, 7.5, 8, 9, 10, 11, 12, 12.5, 13, 14, 15, 15.1, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, and 31 of the Monterey Peninsula Airport District Act (Chapter 52 of the Statutes of 1941), relating to the Monterey Peninsula Airport District, was approved by the Governor September 20, 2006, and filed with Secretary of State September 20, 2006. This bill amended the various powers of the Monterey Peninsula Airport District.

The services provided by this district include commercial airline services, general aviation support and maintenance, and military support as landing facility.

²³ The 1999 LAFCO of Monterey County Inventory of Local Agencies states that the agency formation date was 1941. However, the agency's web site states the agency was formed in 1936.

This page intentionally left blank

Figure 27
Boundary Map for Monterey Peninsula Airport District



This page intentionally left blank

MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

The agency does not identify any infrastructure needs and deficiencies.

2. GROWTH AND POPULATION

The agency has no comment regarding growth and population.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

The agency does not identify any financing opportunities and constraints.

4. & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The agency does not identify any cost avoidance and rate restructuring opportunities.

6. OPPORTUNITIES FOR SHARED FACILITIES

The agency does not identify any opportunities for shared facilities.

7. GOVERNMENT STRUCTURE OPTIONS

The agency does not identify any government structure options.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The agency does not identify additional management efficiencies.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The agency does not identify accountability and governance issues.

This page intentionally left blank

SUMMARY AND DETERMINATIONS

1. The agency will continue to provide aerial transportation services.

This page intentionally left blank

REPORT PREPARATION

Report Authors

This Municipal Service Review was prepared for LAFCO of Monterey County by GSPEC, Inc. The authors and contributors to this report are provided below.

GSPEC, Inc.

988 Fountain Avenue, Monterey, CA 93940
Elizabeth Caraker, Principal
Matthew Sundt, Principal

Pacific Municipal Consultants

585 Cannery Row, Suite 304, Monterey, CA 93940
Michael McCormick Associate Planner
Editorial Assistance
Mary Lou Hanley
Production

Persons Contacted

Anderson, Jill. City of Seaside
Andrews, Dick. Pebble Beach Community Services District
Anthony, Craig. Pebble Beach Community Services District
Beretti, Melanie. Monterey County Water Resources Agency
Berger, David. Monterey Peninsula Water Management District
Caraker, Elizabeth. City of Marina
Davidian, Mark. Carmel Highlands Fire Protection District
Feldman, Heide. Monterey Regional Waste Management District
Haines, George. Carmel Highlands Fire Protection District
Hanson, Emily. Resource Conservation District of Monterey County
Hoberg, Michael. Monterey County Public Works Department
Hodgson, Daphne. City of Seaside
Israel, Keith. Monterey Regional Water Pollution Control Agency
Jones, Rachelle. LAFCO of Monterey County
Langford, Ron. City of Del Rey Oaks
Lucca, Marc. Marina Coast Water District
Matarazzo, Steve. City of Sand City
Meurer, Fred. City of Monterey
Mulberg, Elliot. LAFCO of Monterey County
Muniz, Edward. Monterey County Public Works Department
Olvera, Carlos. City of Pacific Grove

Reeves, Tom. City of Monterey

Robertson, Steve. Carmel Highlands Fire Protection District

Roseth, Brian. City of Carmel-by-the-Sea

Wojtkowski, Bill. City of Monterey