
**FINAL
MUNICIPAL SERVICES REVIEW
FOR THE
GREATER SALINAS AREA**

LAFCO OF MONTEREY COUNTY

**LAFCO OF MONTEREY COUNTY
LOCAL AGENCY FORMATION COMMISSION
132 W. Gabilan Street, Suite 102
Salinas, CA 93902**

JUNE 2006

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Prepared for:

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LOCAL AGENCY FORMATION COMMISSION
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EXECUTIVE SUMMARY

This Municipal Service Review (MSR) is a report evaluating service conditions in the Greater Salinas Areas of Monterey County, as required by the Cortese Knox-Hertzberg Local Government Reorganization Act of 2000. This act, officially known as AB2838 (Chapter 761, Statutes of 2000), was signed into law on September 26, 2000 and stands as the most significant reform to local government reorganization law since the 1963 statute creating Local Agency Formation Commissions (LAFCOs). Comprehensive in scope, the bill addressed problems of basic reorganization law, a need for orderly growth, local government coordination, and public interest and involvement in the government. This report itself is a creation of the act and in response to the following requirements:

1. LAFCOs shall update all spheres of influence for local agencies by January 1, 2006.
2. Requires Municipal Service Reviews to be completed for each local agency prior to or simultaneously with the Sphere of Influence (SOI) update.

This MSR was prepared prior to updating any Sphere of Influence in the Greater Salinas Area, as required by AB2838. The purpose of the MSR is to provide baseline information for each involved service district, thus providing for informed decision making and an expedited review process. The format of this MSR is based on MSR State Guidelines and is designed to be consistent with other MSRs completed within Monterey County. MSRs must evaluate nine factors for each service district:

- 1) Infrastructure needs and deficiencies;
- 2) Growth and population;
- 3) Financing constraints and opportunities;
- 4) Cost-avoidance opportunities;
- 5) Rate restructuring opportunities;
- 6) Opportunities for shared facilities;
- 7) Government structure options;
- 8) Management efficiencies;
- 9) Local accountability and governance.

Most of the information has been provided by the service districts themselves as they are uniquely able to provide such data, with supplemental information and corrections provided by AMBAG and the consultants preparing the MSR.

The Greater Salinas Area is predominantly rural and agricultural in nature, with the population clustered around the only incorporated municipality (City of Salinas) and the unincorporated communities and small residential enclaves scattered throughout the area. Independent districts and community service areas (CSAs) provide the unincorporated areas with many of the services traditionally delivered by municipal governments. This MSR inventories the service capabilities of one municipality, six Community Service Areas, and two independent service districts. The role and service area of each district, CSA or municipality is defined, then followed by the nine required statements and a "conclusions" section which summarizes the major points of the individual service districts. Specific recommendations are not given, as that is not the purpose of the report; rather the information is there to provide information for future studies and decision-making regarding Sphere of Influence updates and other actions by LAFCO.

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INTRODUCTION AND OVERVIEW

In enacting the Cortese-Knox-Hertzberg Local Reorganization Act of 2000, the Legislature set forth its intent in Government Code section 56001 by reinforcing policies encouraging orderly growth and development that is essential to the social, fiscal and economic well-being of the state. The Legislature recognized that the logical formation and determination of local agency boundaries is an important factor in balancing competing public interest in discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services.

In every California County the Local Agency Formation Commission (LAFCO) is the authority responsible for the approval or disapproval of all boundary changes involving cities and districts, the incorporation or disincorporation of cities, and the formation and dissolution of most special districts. As part of its responsibilities each LAFCO must adopt a "Sphere of Influence" for each government agency within its county. A "Sphere of Influence" (SOI) is a plan for the probable physical boundaries and service area of a local agency within the next 20 years, as determined by a LAFCO. Determining the location and scope of a district's expansion is one of the core functions of each LAFCO, so as to ensure that districts do not overlap, sufficient service capacity exists for each expansion, and that leapfrog development does not occur.

Effective January 1, 2001, Local Agency Formation Commissions (LAFCO) are required to conduct reviews of municipal services provided by local agencies as stipulated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Pursuant to Section 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (LAFCO Act), LAFCOs are required to perform the following:

"(a) In order to prepare and to update spheres of influence...the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission...and shall prepare a written statement of [the following] determinations:

- (1) infrastructure needs or deficiencies;
- (2) growth and population projections for the affected area;
- (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; and
- (9) local accountability and governance."

"(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area."

"(c) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence...or to update a sphere of influence..."

Although municipal service reviews may not directly change how services are provided, they are intended to furnish affected agencies, LAFCOs, and the public with a tool to understand and enhance public services conditions. Because LAFCOs are required to review Spheres of Influence every five years beginning January 1, 2001, all LAFCOs must prepare and adopt a Municipal Service Review prior to January 1, 2006.

The Role of LAFCO and the Public

LAFCOs are a creation of the State Legislature to coordinate local and regional growth decisions at the County level. A LAFCO exists in every county to oversee boundary changes, incorporation, formation of special districts and the consolidation, merger, annexation and reorganization of cities and special districts. LAFCOs also guard against duplication of services and haphazard annexation of territory to cities and special districts. Unless otherwise specified by the legislature, the final decision making authority is a seven member Commission consisting of two members of the Board of Supervisors, two members representing city councils within the county, two members representing special service districts, and one public member who is elected by the six other members. Although they operate independent of the state, LAFCOs must act within the legislative parameters that encourage planned, well-ordered, and efficient development patterns and the preservation of open-space.

The purpose of the MSR is to provide LAFCO decision makers with a baseline of technical information about the services provided by a local agency so well informed decision-making can occur about the SOIs under review. This draft version will be subject to a 45-day public review period, during this time any local agency or member of the public may make comments on the content of the Draft MSR. A public meeting will also be held at a Greater Salinas Area location during the 30-day review period. The public meeting will allow interested members of the public to better understand the process and purpose of the MSRs and will enable the viewpoints of service receivers to offer their perspective on public services.

After the close of the first comment period a second (final) draft of the MSR will be released to the government members of LAFCO. The final draft will incorporate and respond to all written comments made on the original Draft MSR, as well as any other necessary changes to the first draft to ensure accuracy and clarity. LAFCO will consider the Final Draft MSR for approval and adoption on a publicly noticed schedule. Any final changes occurring as a result of the LAFCO government commission will be included in the third and final version of the MSR, which will be prepared for LAFCO's adoption at a subsequent public hearing.

The Greater Salinas Area

The Greater Salinas Area can be described as the northerly end of the Salinas Valley, centered around the City of Salinas. The Gabilan and Sierra de Salinas Ranges offer scenic ridgelines and form natural boundaries to the Greater Salinas Area. The Salinas River generally forms the western boundary of the Greater Salinas Area, while to the East the Monterey/San-Benito County border forms the easterly edge. Highway 101 bisects the Planning Area, including the City of Salinas, in a North-South orientation. This study area encompasses approximately 161 square miles and includes the most valuable farmland in Monterey County due its rich productive soils and year-round moderate temperatures.

The City of Salinas, with an estimated population of 152,677 is located within the Greater Salinas Area and is the largest city in Monterey County. The incorporated City covers approximately 19 square miles with a distinct urban/agricultural edge. Unincorporated residential uses are located primarily in the areas of Boronda and Bolsa Knolls, both immediately adjacent to the City of Salinas, the Toro Park area along Highway 68, and in Spreckels, a small historic community located at the western boundary of the Area.

The Greater Salinas Area has experienced rapid growth and development in recent years, with Salinas absorbing approximately 83 percent of Monterey County’s growth within the last 15 years.

Population growth is driving significant in change the Greater Salinas Area, with immigration occurring as a result of economic growth in the agricultural and tourism/hospitality sector, or from people searching for a more rural lifestyle or responding to ever increasing housing costs in other parts of the central coast and bay area. This growth is occurring despite the fact that infrastructure and services are minimal outside of the incorporated communities with the majority of dwellings on individual wells and septic systems.

Figure A
Comparison of Growth Trends

Approximate Percentage Change in Population			
Area	1970 to 1980	1980 to 1990	1990 to 2000
Salinas	36.6%	26.1%	28.0%
Monterey County	16.8%	6.7%	13.0%
State of California	17.7%	3.7%	13.8%

Source: U.S. Census 1970, 1980, 1990, 2000

SERVICE DISTRICTS

The intent of this section is to provide a comprehensive view of services provided by the various municipalities, service districts and Community Service Areas (CSAs) of the Central and Southern Salinas Valley of Monterey County.

Service Districts

The Greater Salinas study area is served by a variety of jurisdictions including service districts, Community Service Areas (CSAs), one Incorporated City, and a number of regional agencies. To avoid duplication, the following districts will be discussed in other MSR's prepared for LAFCO of Monterey County.

- North County Fire Protection District
- Salinas Rural Fire Protection District
- Monterey Regional Wastewater Pollution Control Agency
- Monterey Regional Waste Management District
- Salinas Valley Solid Waste Authority
- Monterey Bay Unified Air Pollution Control District
- Monterey County Water Resources Agency
- Monterey County Resource Conservation District

County Service Area #74 (Emergency Medical Services)
California Department of Forestry and Fire Protection

This document inventories the services of the following districts:

MUNICIPAL SERVICES

City of Salinas

PUBLIC HEALTH

North Salinas Valley Mosquito Abatement District

SANITATION AUTHORITIES

Boronda County Sanitation District

COMMUNITY SERVICES

Community Services Area Number 75 (Chulaur)

Community Service Area Number 45 (Oak Hills)

Community Services Area Number 41 (Gabilan Acres And Boronda)

Community Service Area Number 24 (Pedrazzi Subdivision 2, Indian Springs Ranch, Heritage Park, Vista Del Rio & Pine Canyon Estates Subdivision)

Community Service Area Number 15 (Serra Village & Torro Park)

Community Service Area Number 9 (Oak Park & Adjacent Annexations)

Service Profiles

Services provided by each municipality, service district and CSA have been assembled and formatted within this MSR in a manner that facilitates comparison of services by delivering agency. The following sections are based primarily on information provided directly to the report preparers by staff of each of the service districts, the City of Salinas, and Monterey County Public Works. Information was submitted in response to consultant-designed questionnaires distributed in August 2004.

The discussion for each district begins with a brief profile of the district, which includes an overview of its mission, history and a map of its existing service area. Following this overview are examinations of the nine required findings, some of which have been consolidated for efficiency or due to overlap. A "Summary and Determinations" section concludes with a summary of important information and observations of existing conditions. Recommendations for future action are not included as that is not the purpose of the report; rather, it is designed to provide LAFCO and others with baseline information to enable informed decision-making.

**Figure B
Services Provided By Agency**

Services Provided By Agency									
	Spreckels Memorial District		Spreckels Community Services District		Spreckels Community Services District		Spreckels Community Services District		
	CSA 75	CSA45	CSA 41	CSA 24	CSA 15	CSA 9	Boronda County Sanitation District		North Salinas Valley Mosquito Abatement District
	Boronda County Sanitation District		North Salinas Valley Mosquito Abatement District		City of Salinas				
X									Potable Water
X	X								Sanitary Sewer
X			X	X	X			X	Stormwater Drainage
X								X	Fire Protection
									Emergency Response and Rescue
X									Planning/Building Plan Check
X		X	X		X	X	X	X	Street Lighting
X								X	Road Maintenance
X			X				X		Parks & Recreational Facilities
X									Recreational Programming
								X	Solid Waste Disposal
	X								Mosquito Abatement
X									Economic Development
X									Police Protection

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CITY OF SALINAS
SERVICES PROVIDED AND SERVICE AREA

Incorporated in 1874, Salinas forms the largest and only incorporated community in the study area. The City contains approximately 19.25 square miles of land, has a workforce of 663 budgeted positions, and a population of approximately 150,000 residents.

Geographically, the City is located in northern Monterey County about ten miles east of Monterey Bay, between the Gabilan Mountain range to the northeast and the Santa Lucia to the southwest. The community is divided by the Highway 101 corridor, connecting Salinas to the San Francisco Bay Area to the North, and the smaller agricultural communities along the Salinas Valley to the South.

The City provides a full spectrum of municipal services including police, fire, EMS, HazMat, finance, administration and community services, public works and engineering, maintenance services, libraries, parks-recreation, an airport, and redevelopment. In addition to these core services, the City cooperates with other jurisdictions to provide essential services through joint powers authorities. These partnerships include the Salinas Valley Solid Waste Authority and the Monterey County Regional Water Pollution Control Agency. Potable water delivery is provided by two private utilities: California Water Service Co. and Alisal Water Corporation.

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Figure1
Salinas City Limits and Existing Sphere of Influence



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MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

In general, the City's infrastructure has been developed to support lands within the Salinas General Plan and Water, Wastewater and Stormwater Master Plans. Performance goals and infrastructure improvements are determined by a needs assessment and approval of a Capital Improvement Program (CIP) during the annual budget process. Needs for new development areas are established through Plans for Providing Public Services & Facilities, with specific facility enhancements determined through the environmental review process required for most major developments.

Major assets and infrastructure owned and maintained by the city includes the following:

- 644,000 square feet of facility space in 80 public buildings
- Industrial Wastewater Treatment Facility
- Municipal Airport
- 700 vehicles and related equipment
- 625 lane miles of streets
- 500 miles of sidewalks
- 500 traffic signs
- 6,000 street lights and 95 traffic signal intersections
- 47 parks encompassing 431 acres, and oversight of 41 public landscaped areas encompassing 200 acres of subject to assessment district maintenance.
- Municipal Pool
- 2 Golf courses
- 60,000 street trees

Police Services

The Salinas Police Department provides full police protection services to the community. Department staffing consists of approximately 186 authorized sworn officers and 70 authorized non-sworn personnel, resulting in a staffing ratio of approximately 1.2 officers per 1,000 residents. Data regarding the adequacy of existing police services is not available.

Department Headquarters are centrally located adjacent to City Hall at 222 Lincoln Avenue. The City anticipates a continued increase in demand for police services, as such an expansion of existing facilities will be required. Preliminary planning for a new facility of adequate size to service the existing City and anticipated growth areas has been completed, though a construction timeline has not been established.

Fire, EMS, and HazMat

The Salinas Fire Department provides 24-hour fire-protection, education, and emergency services to the City of Salinas and a 30 square mile portion of the Salinas Rural Fire Protection District directly north of the City. Operations are organized into six divisions: Suppression, Fire Prevention, Emergency Medical Service (EMS), Training, Vehicle Maintenance, and HazMat. Services are provided out of six stations and a headquarters structure. Stations 3 and 6 are the first to be called for traffic accidents due to their location and special training and equipment, while station 4 is equipped for aircraft fires.

**Table 1
Salinas Fire Department Facilities**

Station Number	Location	Capacity
Headquarters	65 West Alisal Street #20	
Fire Station No. 1	216 West Alisal Street	1 engine, 1 paramedic rescue, 1 ladder truck, 1 Haz-Mat Rig, 1 Reserve engine, various staff vehicles and 1 Battalion Chief at all time
Fire Station No. 2	10 West Laurel Drive	1 engine, 1 paramedic engine
Fire Station No. 3	827 Abbot Place	1 engine, 1 paramedic engine
Fire Station No. 4	308 Williams Road	1 engine, 1 Dry-Chem, and 1 Reserve engine
Fire Station No. 5	1400 Rider Avenue	1 engine, 1 paramedic engine
Fire Station No. 6	45 East Bolivar Street	1 engine, 1 paramedic engine

Salinas General Plan EIR (2002) and City of Salinas website (2006)

The department has a fire suppression staff of 96 personnel with a minimum daily staffing level of 23 individuals including the Battalion chief. In 2004 the department responded to over 10,343 calls. The goal of the department is to arrive on the scene of an emergency call within 6 minutes of notification, 90% of the time. Currently the department is able to meet that goal 86% of the time. Mutual aid agreements with the Salinas Rural Fire District and North Monterey County Fire District enhance response times and provide additional fire suppression capabilities. Fire prevention programs include the elimination of fire hazards through programs such weed-abatement and enforcement of the fire code via safety inspections and plan check review. In tandem with fire suppression and prevention services, the Department also provides 24-hour medical crisis intervention at the paramedic first responder level by utilizing 21 fire suppression personnel cross trained as paramedics.

In addition to fire protection and EMS services, the Salinas Fire Department Hazardous Materials Response Team provides hazardous materials identification, threat assessment, tactical assistance, rescue, hazardous material confinement and containment, recovery assistance, and weapons of mass destruction intervention to all Monterey and San Benito County Residents. Organized in 1988, then reorganized in 2003 with assistance from the US Department of Homeland Security and the Monterey County Office of Emergency Services, the team now operates as a component of the Monterey Operation Area Hazardous Materials Response Team. The Coastal division is comprised of 12 members of the Seaside Fire Department, while the inland Division is comprised of 16 members of the Salinas Fire Department. In addition, the Monterey County Department of Health provides technical assistance and enforcement services to the team.

In order to maintain the 6-minute response time, 90% of the time, the Fire Department estimates that at minimum one additional fire station will be needed to service new growth anticipated in the General Plan. The location of the new station will likely be in the growth areas identified along the eastern border of the City.

Potable Water

The source of all urban and agricultural water for Salinas is groundwater. Water supplies for the planning area are limited to the watershed since no imported water sources are available. In general, the city does not provide potable water service to Salinas due to the presence of two public utilities within the City. Alco Water Service (Alco) services approximately one-third of the city, primarily in the east and southeast portions of the city, with California Water Service Corporation (Cal Water) servicing the remainder of the urbanized planning area in addition to the unincorporated communities of Vista Del Oro, Las Palmas, Toro Park, Oak Hills, Bolsa Knolls, and Las Lomas. A third provider, the Hitchcock Road Water Utility, is operated by the city's Enterprise Operations Department to provide a clean source to business and operations located at the Hitchcock facility. These include the City's Animal Shelter, the Industrial Waste Administrative Building, the Monterey County Animal Shelter, and the Monterey Regional Water Pollution Control Agency's sanitary sewer lift station.

Alco Water Service has been providing water in the area for approximately 70 years and is regulated by the California public Utilities Commission (CPUC) through the Public Utilities Code, CPUC Decisions, Resolutions, and General Orders. The Specific General Order that deals with level of service required is CPUC GO 103 which outlines minimum standards of service to be supplied by the utility. Alco currently meets or exceeds the standards set forth in GO 103, as well as those set established by the State of California Department of Health Services, and federal Environmental Protection Agency. To meet service demands, Alco maintains nine wells with a combined capacity of 13,560 million galls per year and a pump capacity of 7,525 million gallons per year. Current demand is approximately 1,550 million gallons of groundwater per year to the Salinas Area. Planned improvements include the drilling of new wells to double groundwater source capacity, and the construction of a 5,000,000 gallon storage facility by 2010 to supplement the existing 150,000 gallon tank presently in use.

Despite the 70-year history of service delivery, and planned improvements described above, the City is concerned about ALCO's ability to deliver an adequate volume and quality of water necessary to service future growth areas east of the City. The most recent concerns arose in 1990 and 1997 when judgments were rendered against the corporation in both Federal and State Courts. As a result of these judgments, ALCO is currently in state and federal receivership. In 1990 a private housing developer won a judgment against ALCO for an intentional breach of contract to provide water service to a real estate development. In 1997 action was initiated by the United States Department of Justice involving nine separate causes of action encompassing hundreds of violations of the Safe Drinking Water Act. Many of the violations found by the court involved intentional false reporting. While ALCO has demonstrated a commitment to complete approximately \$8.5 million worth of court-ordered improvements to its Salinas Division water system, the City remains concerned that ALCO may not be able to complete these modifications and provide service to new growth areas. Such concerns were recently expressed by the City to the CPUC in comment letters filed April 19 and May 18, 2006 regarding ALCO's requests to change its tariff schedule and extend the Service Area of its Salinas District.

Cal Water has provided water utility only since 1962, and like Alco, is regulated by the CPUC. Owned by private investors, the utility delivers water to approximately 100,000 Salinas residents. The district has 27 ground wells with a total output of approximately

4,700 million gallons of water a year, supplemented with two storage facilities with a combined capacity of 4,500,000 gallons. The total rated groundwater capacity for its three pressure zones in Salinas is 16,900 gallons per minute. Cal Water's two greatest challenges in and around Salinas are high nitrate levels and seawater intrusion, and as a result is working closely with the Monterey County Water Resources Agency to address these issues in a larger regional context and at the same time planning nitrate treatment facilities.

The Hitchcock road water utility was formed in 2003 when an existing well at treatment plant 2001 collapsed, presenting a public emergency as all four users (Industrial Wastewater facility, Salinas Animal Shelter, Monterey county Animal Shelter, and the MRWPCA Pumping Station) required water for fire suppression and regular cleaning. In particular, the animal shelters are in need of large volumes of water to wash down cages to prevent unsanitary conditions. The Hitchcock Road Water Utility was formed as a financing mechanism by which the four users of the well were to pay for repair or replacement of the well in addition to ongoing operation and maintenance.

Anticipated growth in the General Plan, Water Master Plan and Urban Water Management Plan will require expanded water service, including an expansion of delivery infrastructure and the need to drill additional wells or existing wells made deeper. Both Alco and Cal Waters existing infrastructure and future improvements have been planned to accommodate future growth proposed in the General Plan, though the City has serious and ongoing concerns regarding ALCO's ability to adequately service future growth areas..

Sanitary Sewer Service

The Monterey Regional Water Pollution Control Agency (MRWPCA) is a joint powers authority that provides regional wastewater conveyance, treatment, disposal, and recycling services to all of the sewered portions of northern Monterey County, including the City of Salinas. The city maintains approximately 680,000 linear feet of sanitary sewer lines and 12 lift stations that flow into the MRWPCA Salinas Pump Station and interceptor for conveyance to the regional treatment facility near Marina. Both the pump and interceptor are designed for an Average Daily Wastewater Flow (ADWF) of 12 million gallons per day (mgd) and a Peak Waste Water Flow (PWWF) of about 29 mgd. Currently, ADWF from Salinas is about 12 mgd. PWWFs have occasionally exceeded 29 mgd, resulting in a backup of the sewer system. Regional treatment capacity is rated at 29.6 mgd and current flows average 21 mgd. A full discussion of the MRWPCA will be provided in a separate MSR.

To supplement treatment provided by the MRWPCA, the City of Salinas owns and operates the Industrial Wastewater Treatment Facility for over 30 food processors and other related industries. The facility is located near Davis Road and the Salinas River, has a design capacity of 4.2 mgd. Both sanitary and storm sewers are prohibited in the industrial sewer system. Wastewater is subjected to biological treatment and disposed of through evaporation and percolation. The facility was originally designed to allow disposal of treated water into the Salinas River, though the current discharge permit prohibits the practice.

Parks, Open Space & Recreation

The City has within its boundaries 47 public parks and recreational facilities ranging in size from 0.25 to 125 acres in size and totaling approximately 555 acres. Both passive and

active open spaces are provided including turf, playgrounds, sports fields/courts, amphitheaters, a pool, two golf courses, nature trails, a BMX facility, a skate park, and recreational buildings. The sports facilities are used by City Run sports leagues or available for rental by private individuals or organizations. The Sherwood Regional Recreation Area (Salinas Sports Complex) is owned by the City but leased to PRI (Public Recreation Inc.), the non-profit arm of the Rodeo Association. In addition to city-owned facilities, the Exposition/PGE Grounds are owned by private nonprofit corporations but generally available for public use.

The Recreation-Parks division provides a wide range of programs and facilities for youth, families, adults, schools, and community service groups. Program services include CDBG funded after school programs; organized sports leagues and aquatics (both youth and adult), a community center/performance hall with box office, and Recreation & Park Planning and Development. Joint use agreements with local school districts supplement the City's recreational facilities and ability to deliver recreational programming. However, unmet demand remains and is especially high for additional gymnasiums, basketball courts and field space for baseball and softball.

A lack of sufficient resources, both past and present, has created a situation where parks are often undersized and suffer from a lack of adequate maintenance. Many of the neighborhood parks, in particular, require infrastructure repairs including the replacement of sidewalks, athletic courts, restroom facilities, and playground equipment.

The City has adopted a performance standard of 3.0 acres of developed community parkland per 1,000 residents. When acreage dedicated to the two golf courses is subtracted, the 360 acres remaining falls short of the desired standard by 71 acres. To remedy this deficiency, the General Plan has identified 757 acres of future parkland to be distributed among 28 future park sites both within City Limits and designated growth areas.

Assessment and Maintenance Districts

This department collects and manages principal and interest payments to assessment districts within the City, using that money to perform regular maintenance (i.e. landscaping and streetscaping, litter removal, sprinkler maintenance) of various greenbelts and open spaces funded by special maintenance assessments. Districts receiving administrative and maintenance support include the following:

- Woodside Park Maintenance District
- Downtown Mall Maintenance District
- Airport Business Park Maintenance District
- North East Salinas Landscape District
- Harden Ranch Landscape
- Vista Nueva Maintenance District
- Mira Monte Maintenance District
- Oldtown Business Improvement District
- SUBA Business Improvement District.

Libraries

The Salinas Public Library System provides library services via three separate branches (El Gabilan, Cesar Chavez, and Steinbeck) and two satellite materials collections housed at collaborating agencies. A fourth branch is proposed to serve future development, with a

precise location and construction date undetermined. In addition to media access the libraries provides literacy enhancement, internet access, and special programming for children. The three branches service approximately 250,000 customers per year. The Salinas Library Commission has adopted the California State Library recommended standard of providing 0.5 square feet of library space per Capita. The three existing libraries total approximately 42,790 square feet, resulting in a current standard of approximately 0.28 square feet per capita.

Municipal Airport

The City owns and operates a municipal airport that provides general aviation services on 763 acres. The airport has a traffic control tower in operation 12 hours a day, 7 days a week. Approximately 96% of users are from the Salinas/Watsonville Area and approximately 230 aircraft are based there.

2. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

The City’s rapid growth and role as the employment center of Monterey County has placed significant demand on the City’s housing supply. Substantial growth in employment opportunities in the Silicon Valley has also placed pressure on the Salinas housing market as persons moving to the Central Coast and Bay Area look to Salinas for more affordable housing opportunities than exist in the Silicon Valley. Also adding pressure has been growth in the tourism/hospitality industry on the Monterey Peninsula without corresponding construction of housing for the workers. This increasing demand has resulted in both steady construction and escalating prices for housing in Salinas.

Higher homeownership and rental prices mixed with high unemployment rates and lower wages has resulted in families and non-family households doubling up to be able to afford housing payments. It is estimated that overcrowding affects at least 29 percent of all renter households in Salinas and 11 percent of owner households. Overcrowding rates in Salinas are higher in comparison to Monterey County as a whole, where 21 percent of renters and 8 percent of owners lived in overcrowded housing conditions.

The Association of Monterey Bay Area Governments (AMBAG) provides population estimates through 2030, as determined by Census and other data sources. These forecasts project substantial and continued growth for the City through the next 25 years, with the current population increasing by approximately 45%.

**Table 2
2004 AMBAG Population, Housing Unit, & Employment Forecasts**

Data	2000	2005	2010	2015	2020	2025	2030
Population	143,776	146,687	165,141	174,788	184,434	198,749	213,063
Housing Units	39,469	40,411	46,696	49,564	52,431	55,243	58,055
Employment	68,233	74,363	81,572	81,572	86,550	91,527	101,300

Source: AMBAG Population Estimates, April 2004

While a member of AMBAG, the City of Salinas assumes higher rates of growth than AMBAG and is planning for a population of 213,063 by 2020 instead of 2030. The

principal mechanism by which the City plans for such Growth is through their General Plan and related Service Plans (Water, Sanitary Sewer, and Stormwater). With population increases representing a proportional increase in service demands, City land use and development policies require that service demands and infrastructure needs be addressed and mitigated as part of the development review and approval process.

3., 4. & 5. FINANCING CONSTRAINTS AND OPPORTUNITIES, COST AVOIDANCE, & RATE RESTRUCTURING OPPORTUNITIES

The City receives revenue from a variety of sources, with General Fund Revenues coming from three principle sources: property taxes (30.7%), sales tax (33.2%), and a utility users tax (11.2%). In FY 2006-07 these sources are projected to bring in approximately \$55.3 million dollars. Remaining funds come from a combination of special taxes, service charges, fees, assessments, grants, asset seizures, Federal and State Aid, and impact fees. Tax increases are subject to Proposition 218 rules.

The City utilizes a two-year budgetary cycle, with the most recent budget available that starting in July 1, 2006. General Fund operation expenditures are dominated by three departments with Police, Fire and Maintenance Services receiving approximately 45%, 19% and 11 % respectively. Employee expenses represented 82.3% of the General Fund Budget, a number which has remained relatively stable since first tracked in FY 1997-98.

Significant budget reductions, including use of the entire available reserve and the elimination of entire programs and services, were necessary in FY2004-05 and FY 2005-06 to remedy a significant drop in revenue that resulted from a significant and sudden loss of State funds, an increase in service rates charged by the county, and back-to-back years of lower than normal sales tax revenue.

In response to that situation, on April 27, 2004 the City Council Authorized an increase to existing fees and the implementation of new fees and service charges to recover all reasonable costs of providing regulation products and services. The council also approved annual adjustments to the fees and service charges pursuant to an inflationary index.

Additional revenue was realized on November 8, 2005 when Salinas voters approved Measure V, a ½ cent transactions and use tax for General Fund Services. Annual estimated revenue from the tax is \$10.0 million and is expected to fill the gap created by loss of funds described above. With that Voters approved an Independent Oversight Committee to recommend and monitor the use of Measure V funds.

Despite several years of fiscal hardship, the City of Salinas receives an excellent rating from Standard and Poor's as a result of its outstanding financial management practices. The latest bond ratings for the City of Salinas from Standard and Poor's are as follows:

- Insured Rating "AAA"
- Uninsured Rating "Ap"

All investments are in accordance with the City's Investment Policy and the authority governing investments for municipal governments as set forth in the California Government Code, Section 53601 through 53659. The investment of bond proceeds are to be restricted by the provisions of relevant bond documents. The City Council has delegated investment

authority to the Directors of Finance pursuant to Section 46 of the City Charter and Chapter 12 of the City Code. This delegation is further authorized by Section 53600, et seq. of the Government Code of the State of California, which specifies the various permissible investment vehicles, collateralization levels, portfolio limits and reporting requirements. Criteria for selection investments, and the order of priority are: Safety, Liquidity, and Yield.

Fee charges to customers are determined by costs associated with providing the service. New infrastructure is typically financed in a variety of ways including, but not limited to impact fees, bond financing through the establishment of financing districts (assessment districts, maintenance districts, and potentially, the establishment of community funding mechanisms such as Mello-Roos districts.)

6. OPPORTUNITIES FOR SHARED FACILITIES

The City realizes significant cost savings and higher operational efficiencies and performance levels by participating in a variety of agreements, joint powers authorities, mutual aid agreements, and other such arrangements. Please refer to Section 1 for a full discussion of shared facilities and infrastructure.

7. GOVERNMENT STRUCTURE OPTIONS

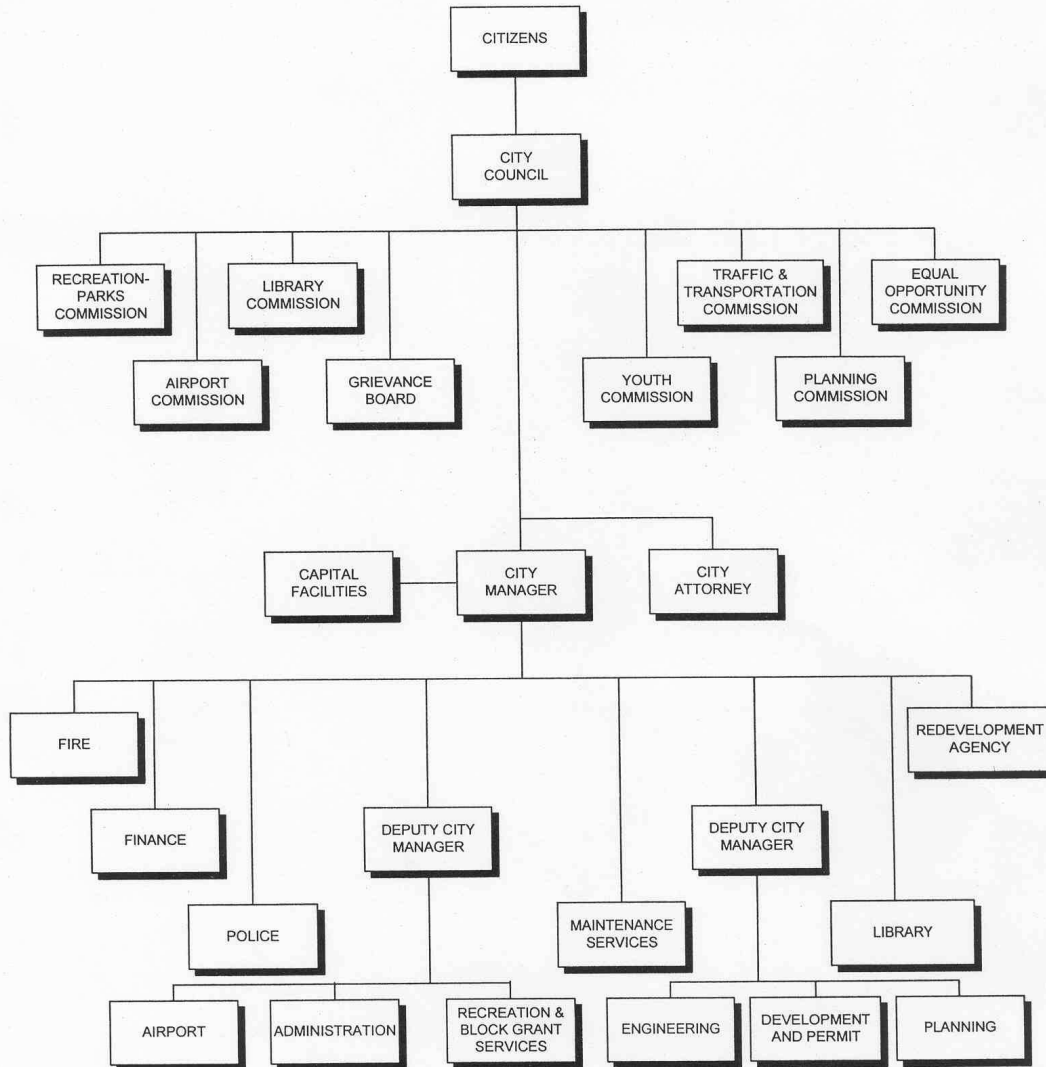
The City Council is the governing body of the City and consists of the Mayor, elected at large for a two-year term and six City Council members representing six districts, each elected for a four-year term. The Salinas City Council meets each Tuesday, typically three weeks out of the month. Meetings are generally not held the last Tuesday of the month allowing for City Council participation in regional activities. The Council operates under public meeting laws under the Brown act, with public hearings are duly noticed and held in handicapped accessible locations.

Section 2-4 of the Salinas Municipal Code, specifically prohibiting City Council interference in administrative matters, regulates communication between elected officials and employees. The elected officials involvement in personnel matters is limited to the appointment of the City Attorney, City Clerk, City Engineer, and City Manager. The City Council may also become involved with matters with personnel matters involving litigation or the threat of litigation and in instances that disciplinary action imposed by the management matters is policy related through the approval and adoption of administrative regulations and policies.

At the time of incorporation, City limits encompassed 1,999 acres or approximately 3.12 square miles. Beginning in 1933 with the "Romie Lane Territory," the city has performed 123 annexations and grown to 19.25 square miles in size, but retained its relatively compact nature and defined urban/agricultural edge. The 2002 General Plan has identified growth areas outside of City limits for the purpose of alleviating overcrowding and accommodating 20 years of population growth. These growth areas consist of approximately 2,400 acres located immediately adjacent to the eastern City limits. As such, the City is currently preparing a Sphere of Influence Amendment Application for LAFCO that would adjust Sphere boundaries to allow the eventual annexation of growth areas identified in the General Plan.

Figure 2
City of Salinas Organization Chart

CITY OF SALINAS
Organization Chart



8. EVALUATION OF MANAGEMENT EFFICIENCIES

In the adopted Operating and Capital Improvement budgets for FY 2004-06, the City Council set forth six general goals to focus its decision making process.

- Protect and enhance City financial Resources.
- Generate economic development throughout the city.
- Promote and support a safe and peaceful community.
- Promote work force housing and development throughout the County.
- Provide leadership in City centered growth policies.
- Plan and provide for new public facilities.

All budget expenditures satisfy at least one of the six goals and are linked to workload and performance indicators. With budgets audited at the end of every fiscal year, comparisons regarding efficiency and effectiveness can be made.

Training of personnel is also a priority for the City. The Police Department works in partnership with the Commission on Peace officer Standards and Training (POST) and the South Bay Regional Public Safety Training Consortium to enhance quality of Advanced Officer Training Programs. Similarly, the Fire Department is a member of the Joint Functional Training Group for disaster preparedness with Salinas Rural, North County, Monterey City and Marina Fire Departments.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The greatest opportunity for public participation occurs at noticed and regularly held City Council and Planning Commission meetings. Minutes of meetings, agenda, staff reports, etc. are all available to the public upon request.

In addition to City Council and Planning Commission meetings, the public can interact with decision makers and/or City service providers through a variety of committees and operational policies. By engaging in direct communication with the public, the City is able to better identify service needs and adjust service delivery appropriately. Such programs or positions include the following:

- An emphasis upon Community Oriented Policing
 - Police representation at Neighborhood Watch & Business Watch Meetings
 - Outreach by Internal Affairs Officers
 - Coordination with community groups and nonprofits
- A Community Advisory Council meets a minimum of 4 times a year to provide feedback on Development permit services and to find ways to streamline approvals.
- Traffic and Transportation Committee
- Recreation-Park Commission
- Library Commission
- Friends of the Library

SUMMARY & DETERMINATIONS

1. The City of Salinas provides a full range of services to residents in tandem with two public water utilities (Alco and Cal Water) and joint powers agencies for solid waste disposal and wastewater treatment and disposal.
2. Annexation of surrounding unincorporated and urbanizing communities receiving sewer and public water service would not result in a change or impact to either the customer or the provider as the systems are already integrated.
3. Substantial population growth can be expected over the next 20 years.
4. The City has suffered from sudden and sustained revenue shortfalls that could not be anticipated, and as such services have been reduced or eliminated. The Passing of Measure V is expected to help the City avoid a similar situation.

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NORTHERN SALINAS VALLEY MOSQUITO ABATEMENT DISTRICT SERVICES PROVIDED AND SERVICE AREA

Monterey County is home to 18 species of mosquitoes, some are vectors of disease and all are considered nuisance species. As such, the North Salinas Valley Mosquito Abatement District (NSVMAD) was formed on November 27, 1950 in response to a recommendation by the County Health Department. The areas encompassed were generally known as Alisal, Castroville, Elkhorn, Spreckels and Salinas. On January 26, 1953, the areas generally known as Seaside, Sand City, Marina, Del Ray Oaks, San Benancio Canyon and Corral de Tierra were annexed. On December 14, 1964 the Buena Vista area was added to the District, and most recently on April 12, 1993 the City of Monterey was annexed to the District.

The NSVMAD is a single purpose independent special district formed to protect public health against vectorborne diseases through surveillance and control of mosquito populations, public education, and consultation with other public agencies. The NSVMAD, like other such districts across the state, operates under the authority of Sections 2200-2910 of the California Health and Safety Code (Mosquito Abatement and Vector Control District Law).

The district spans 458 square miles and includes approximately 280,000 people, about 50 percent of whom reside in the City of Salinas; another 15 percent reside in the Cities of Del Rey Oaks, Marina, Monterey, Sand City, and Seaside; the remaining 35 percent are located in the unincorporated area, including Aromas, Castroville, Corral de Tierra, Las Lomas, Moss Landing, Pajaro, Prunedale and Spreckels.

The NSVMAD currently has eight staff members with seven job descriptions to cover the 458 square miles within its boundaries. Every Staff member is certified by the California Department of Health Services in Mosquito Control, Terrestrial Invertebrate Vector control, and Vertebrate Vector Control, and is required to obtain 40 units of continued education every two years. Services provided by District Employees fall into the six categories listed below.

Surveillance

- 1) Mosquito population sampling
- 2) Insecticide resistance testing
- 3) Survey of pertinent disease occurrence through contacts with veterinarian, state health officials, and local environmental health department.
- 4) Maintenance of encephalitis virus surveillance program.
- 5) Monitoring of *Ixodes pacificus*, the known vector of Lyme Disease.

Source Reduction and Prevention

- 1) Mechanical cleaning and maintenance of water sources in cooperation with city and county departments utilizing NSVMAD heavy equipment.
- 2) Weed control in potential mosquito sources to inhibit the development of conditions allowing mosquito production.
- 3) Development plan review to minimize the creation of new mosquito breeding sources.
- 4) Consultation services supplied to agencies planning to alter and/or restore wetland habitat.

Biological Control

- 1) The rearing and distribution of mosquito larvae eating fish.
- 2) Research and employment of control measures

Chemical Control

- 1) Larvicide program utilizing aircraft and ground equipment.
- 2) Adulticide program when deemed necessary

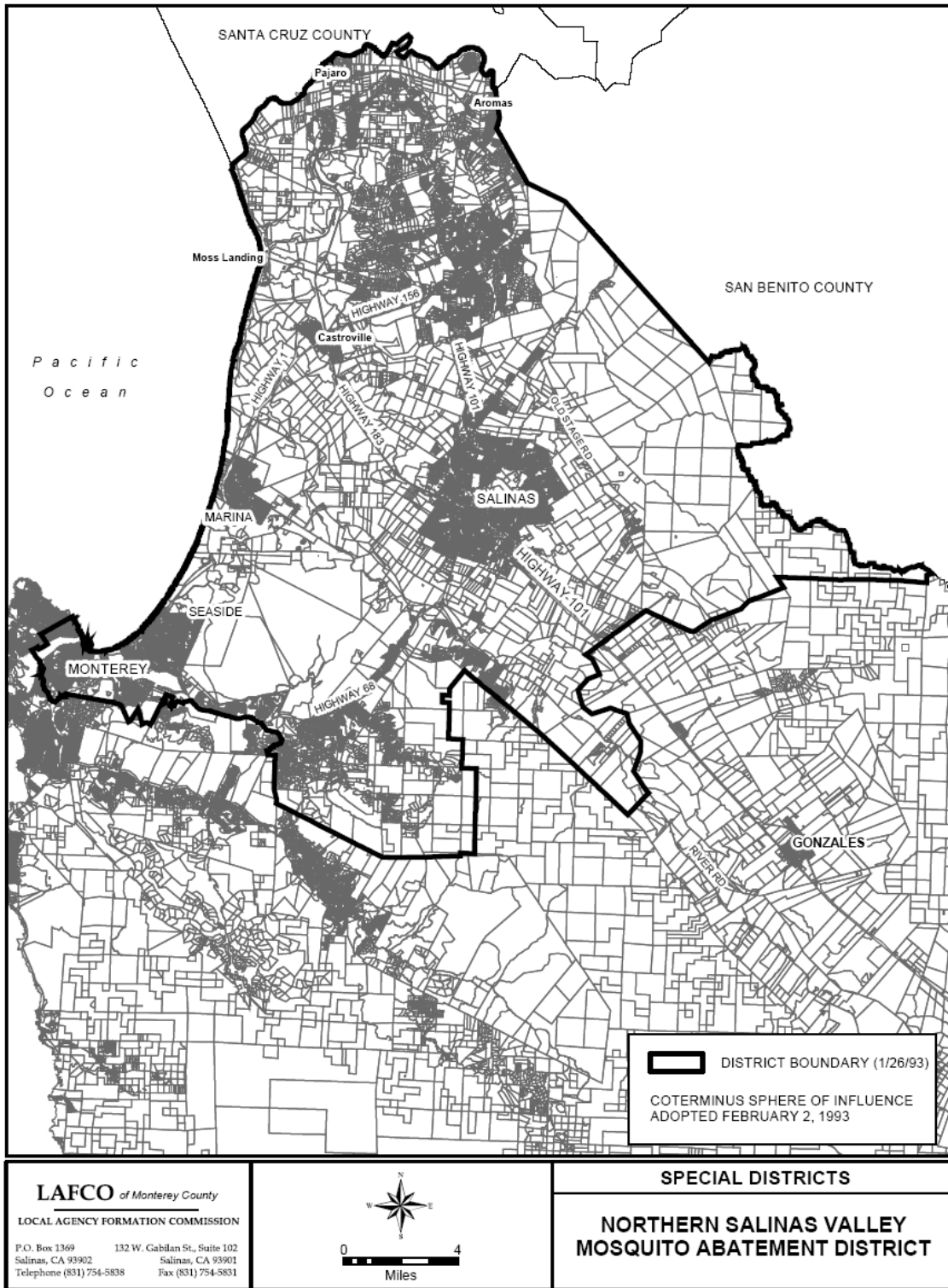
Education

- 1) Presentations to schools, libraries, service organization, and the media to increase awareness of mosquito biology and control.
- 2) Keep public apprised of the mosquito problems and control measures employed by the District.

Consultation and Identification

- 1) Identification of terrestrial and aquatic insects and arthropods upon request.
- 2) Provide consultation on terrestrial and aquatic insect and arthropod control problems.

**Figure 3
MSVMAD Boundaries**



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MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Specific information regarding the inventory, condition and adequacy of existing infrastructure was not provided by the NSVMAD. Information provided indicates the district owns a range of equipment including structures, vehicles, spray equipment, shop equipment, office and lab equipment, fish culturing facilities, drainage equipment, and other supplies. Additionally, the District contracts for specialized equipment and services such as aerial application and heavy equipment transport.

No data was made available regarding level of service or customer needs or preferences, and no inadequacies were identified by the District.

2. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

The NSVMAD does not track growth and population trends for the affected area. Given the fact that the District has the two largest population centers of Monterey County (The City of Salinas and the Coastal Cities along the Monterey Peninsula) within its boundaries, substantial population growth is expected in the near to distant future. Such growth, however, is not expected to significantly impact service needs or delivery of the District.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES

Annual District revenue is relatively stable with approximately 94% of funds coming from property tax assessments (80%) and parcel fees (14%). Current rates are set at 24 cents for every \$100.00 of ad-valorem property tax, and an assessment fee of \$2.00 per parcel per year. The parcel fee was reduced from \$2.60 to \$2.00 in the 2001/2002 fiscal year. The remainder of the annual revenue comes from Special Assessment Interest on funds deposited with Monterey County, fees for special services, and other miscellaneous sources. There are no policies and procedures for fee rebates, tax credits, or other relief given to agency customers, further reducing potential fluctuations in annual revenue.

Financial constraints include minimum expenditure requirements and general fund reserve requirements. Fiscal year budgeted expenditures are limited to a minimum of one percent (1%) below estimated revenues. In addition, a portion of the general fund is reserved for deposits, a building and education fund, and vacation and sick leave.

In FY 02/03 the District received \$1,008,367 in revenue and paid \$1,066,718 in expenditures, leaving a General Fund balance of \$1,208,030. Expenditures in FY 02/03 consisted of salaries and employee benefits (63%), services and supplies (23%), and capital outlay (14%). The agency does not carry any debt.

4 & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The District currently reduces costs by contracting out for equipment and services such as aerial spraying, heavy equipment transport, and both janitorial and uniform cleaning services. Additionally, the District participates in Joint Powers Agencies formed to assist

Mosquito and Vector Abatement districts pool resources to reduce liability insurance and employee benefits, as described below.

The Vector Control Joint Powers Agency (VCJPA) was formed for the purpose of funding and developing programs to provide various insurance coverages for its member districts. As of June 30, 2003 there were thirty-one member districts including the NSVMAD. The District participates in Group Purchased Insurance coverage for property damage, boiler and machinery, business travel accident, and underground storage tank. Similarly, the District participates in a Workers' Compensation Program and a General Liability program for general liability, auto liability, and losses from pesticide spraying operations.

The District formerly participated in the Central California Vector Control Joint Powers Agency (CCVCJPA). The purpose of this agency is to jointly qualify, fund, and develop programs to purchase and provide insurance coverage for member districts. To that end, the CCVCJPA provides programs for health, dental, vision and pharmaceutical, long-term disability, life and accidental death insurance coverage to its ten member districts. The District now receives these services from CALPERS.

6. OPPORTUNITIES FOR SHARED FACILITIES

Due to its unique mission, there is minimal duplication of services by other agencies. As such there is limited opportunity to share resources. As described in Section 1, the District does contract for services such as heavy transport and aerial spraying.

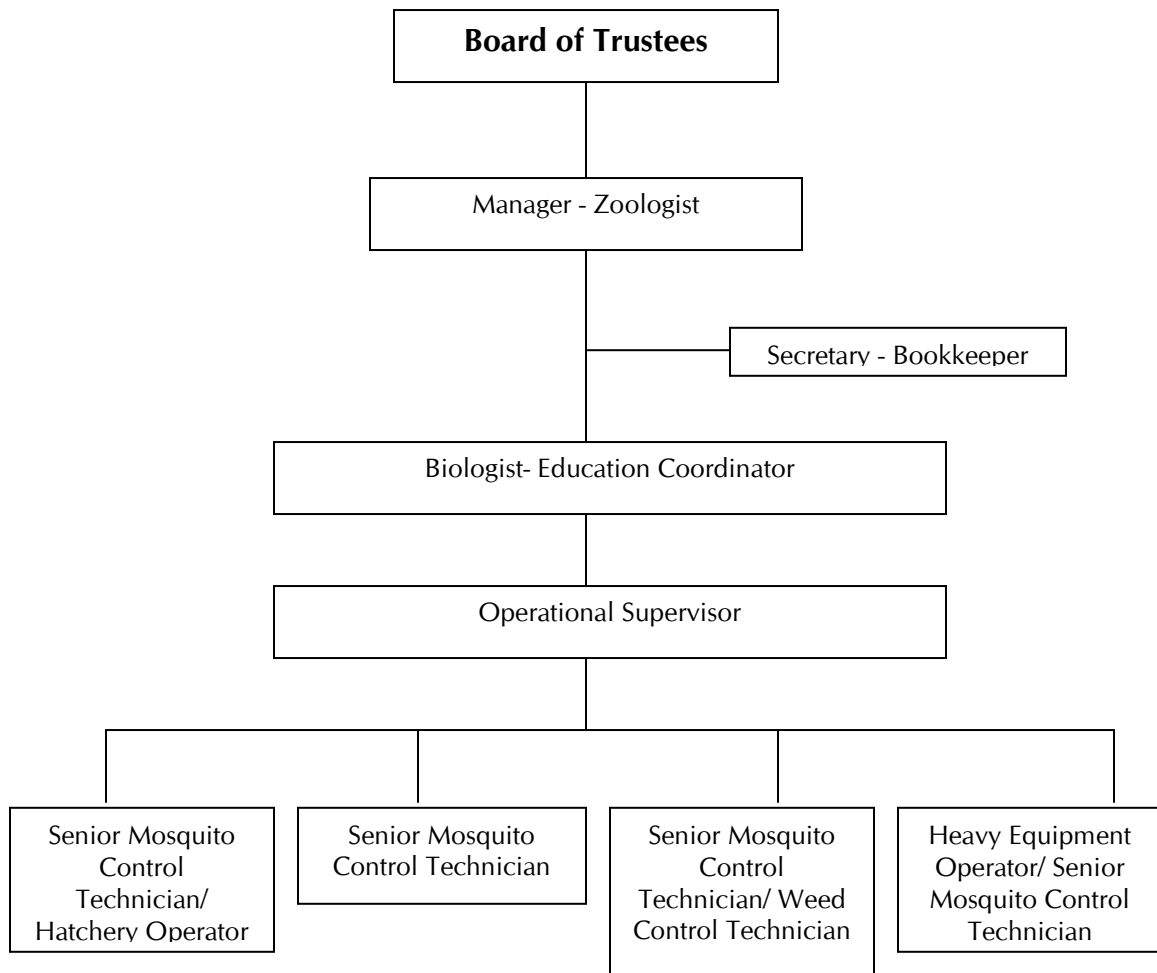
7. GOVERNMENT STRUCTURE OPTIONS

The NSVMAD is the only District in the County of Monterey to provide these types of services. There is no duplication of service with other agencies in the study area or within the rest of the County. The District feels its boundaries are appropriate at this time, but will consider annexation requests initiated by property owners or other jurisdictions.

The District employs one Executive, one professional, and six operational employees. There have been no reorganizations within the past three years. One operational employee retirement has occurred in the past three years, and no positions have remained vacant. A Board of Trustees determines policy and oversees expenditures.

Administrative, management, and operational functions that are provided to the NSVMAD by private organizations or other public agencies include janitorial services, aerial application, uniform cleaning, and movement of heavy equipment.

Figure 4
NSVMAD Staff Organization chart



8. EVALUATION OF MANAGEMENT EFFICIENCIES

The District is managed by a General Manager/Zoologist who carries out the directives of the Board of Trustees. The manager is assisted by the Secretary/Bookkeeper, a Biologist/Education Coordinator, and an Operational Supervisor. Four Mosquito Control Technicians work under the Operational Manager, of which three have been cross-trained to perform tasks such as Hatchery Operations, Weed Control, and Heavy Equipment Operation.

The district does not offer employee and contractor incentives beyond normal compensation for the completion of work. However, the District has received numerous awards in recent years including Awards of Safety by the VCJPA, and Recognition of Service awards by the American Mosquito Control Association and the Monterey County Board of Supervisors.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The composition of the NSVMAD governing body, pursuant to Health and Safety Code Section 2020 et seq., should have at least five members known as the board of trustees. As the governing body for the District, the board of trustees establishes policies and approves expenditures. The city council of each city appoints one representative to serve for a two or four year term of office, and the County of Monterey Board of Supervisors selects two representatives to serve two or four year terms of office.

In 2004 all members of the Board of Trustees have been reappointed for four year terms. The board receives \$40 per month in lieu of expenses. The board meets the first Tuesday of each month at 12:00 noon at the Ristorante La Scuola in Castroville, and follows the rules, procedures and programs of the Ralph M. Brown Act. All meetings are open to the public.

SUMMARY & DETERMINATIONS

1. The NSVMAD is a single-purpose and independent district, and the only agency providing such services within Monterey County. No Duplication of services occurs, though the District does cooperate and consult with other jurisdictions as necessary or feasible.
2. District revenue is relatively stable with the majority of funds originating from property tax assessments and parcel fees. The District has no debt, nor does participate in fee rebates or other programs that may reduce revenue.
3. The District achieves cost savings on insurance and employee benefits by participating in Joint Powers Agencies formed by other Mosquito and Vector Control Districts across the region and the State.

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BORONDA COUNTY SANITATION DISTRICT SERVICES PROVIDED AND SERVICE AREA

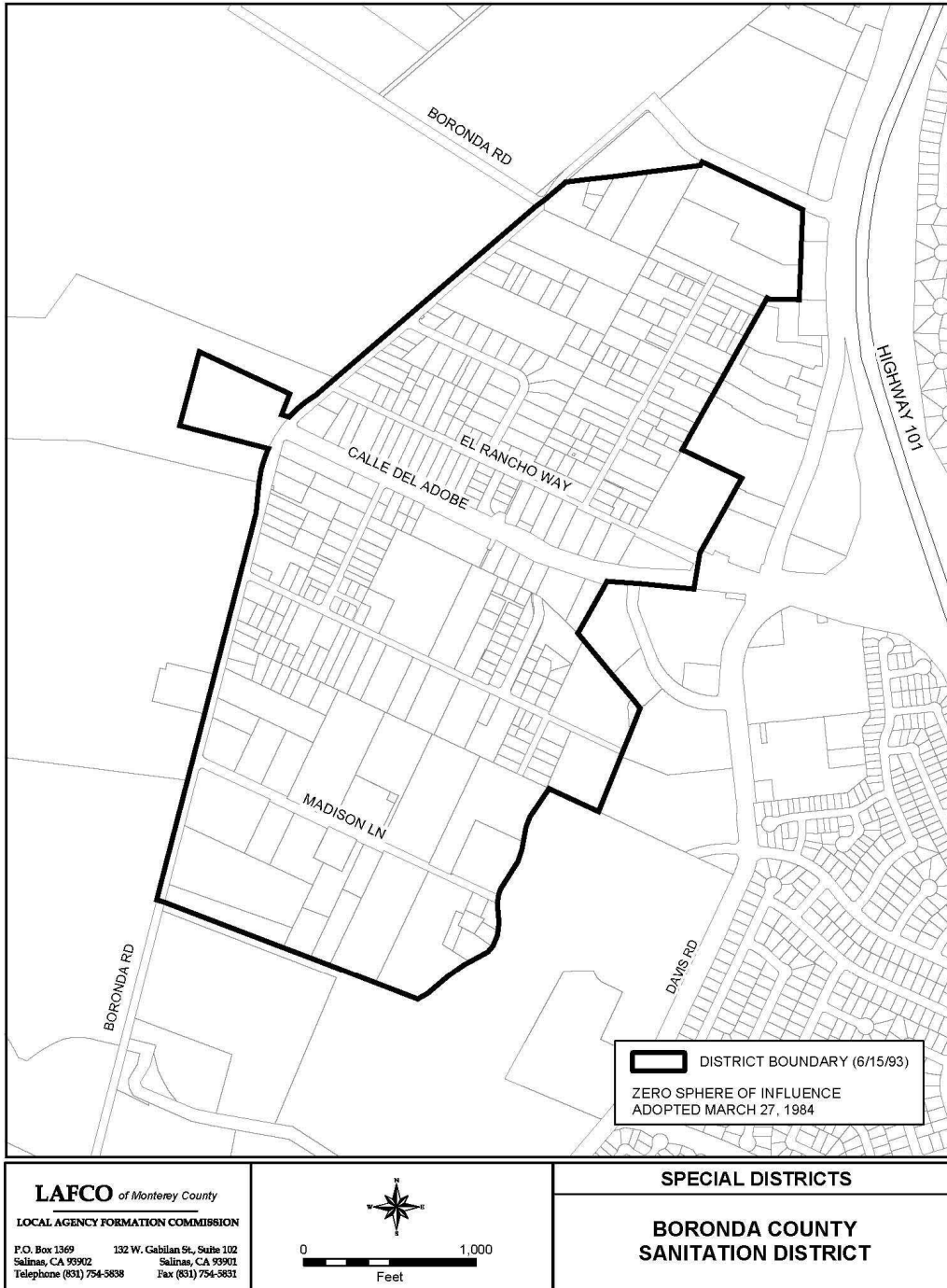
The Boronda County Sanitation District (BCSD) provides wastewater disposal services to approximately 180 acres of residential and industrial land uses within the Boronda neighborhood, an unincorporated community abutting the northwestern border of Salinas. The BCSD is one of several Sanitation Districts and County Service Areas that provide wastewater collection operation and maintenance services by the Monterey County Public Work Department.

Boronda was originally established as a rural residential community surrounded on all sides by large tracks of farmland. Since then, the community has experienced minor growth and now includes low-density residential, commercial, industrial and educational land uses. Substantial growth and development in and around the City of Salinas has pushed the City Limits to the border of once isolated Boronda.

The strong growth pressures within the adjacent areas of Salinas, and overall housing demand within the region, make the Boronda area a favorable location for future development. In anticipation of future development, the County of Monterey Office of Housing and Redevelopment recently updated the Boronda Community Plan. Additionally, the City of Salinas has included the entire Boronda area in its current Sphere of Influence since 1981.

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**Figure 5
Boronda County Sanitation District Boundaries**



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MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

District infrastructure consists of a collection system and four pump stations, with wastewater pumped through these facilities and into the Salinas system. The collection system is adequate for both wet and dry weather flow. Service needs are forecasted by a twenty-year capital improvement program and capacity analysis study. All collection facilities are at or near capacity, with remaining capacity committed to infill development.

In 1983 an arrangement between the County of Monterey, the Boronda County Sanitation District and the City of Salinas was formally agreed upon. Wastewater currently generated in the BCSD is treated at the Monterey Regional Water Pollution Control Agency (MRWPCA) treatment plant. Wastewater flows from Boronda are conveyed to the plant via an existing 54-inch city of Salinas sewer interceptor, which generally runs parallel to North Davis Road. The 54-inch sewer interceptor flows to the MRWPCA Salinas Pump Station, which conveys wastewater flow to the MRWPCA treatment plant through a 36-inch force main. At present, the District is permitted to discharge a maximum of 150,000 gallons of wastewater per day into the City of Salinas sanitary sewer system.

According to Public Works staff, there was one recent overflow event in May 2003, its cause was attributed not to design deficiencies but to a failure of the pump and alarm system. Continued operation and maintenance of the system, replacement of the alarm system, and having a spare pump on hand has helped mitigate subsequent sewer overflows. An emergency back up generator is available in the event of a power failure, and the District has an open-end purchase order with Greenline Liquid Waste Haulers to provide line cleaning and pumping of excess effluent should an emergency situation arise.

The Monterey County Public Works Department, with the assistance of Fuog Water Resources, has identified a number of major deficiencies that need to be addressed in the near future. These deficiencies are listed below and generally apply to all four stations.

1. Security is inadequate. A gated fence with barbwire should be installed around each station.
2. Galvanized steel pump rails are unsuitable for wastewater applications. Stainless steel should be installed.
3. The standardized County SCADA (Supervisory Control and Data Acquisition) system is not installed and is desirable.
4. On site water is not available to wash down pumps and wet well.
5. The wet well cover is rusting and needs to be replaced with aluminum cover.
6. Installation of a pump mixer is desirable to minimize accumulation of grease in the wet well. It will also minimize creation of hydrogen sulfide gases.
7. Pumping stations lacked paved access.
8. Odor control canisters are not regularly maintained and one is missing.
9. Pump hour meters are missing on Station #4 and should be replaced as a maintenance item.

The Monterey County Office of Housing and Redevelopment is currently updating Boronda Community Plan in anticipation of additional growth in the area. The draft plan

encompasses the BCSD and areas to the south not served by the District. At full buildout of the new community plan, wastewater flow would increase from the approximately 190,000 gallons of wastewater a day to approximately 390,000 to 485,000 gallons per day as a result of new residential, industrial, commercial, and public/quasi-public uses.

To accommodate the anticipated increase, all four of the existing wastewater lift stations will need to be improved to provide telemetry and standby power, and are anticipated to be made through the operational and maintenance responsibilities of the BCSD. Additionally, the capacity Lift Stations No.3 and 4 may need to be increased, and two new lift stations constructed in South Boronda (outside of current BCSD boundaries) to convey wastewater flows from future residential development and expansion of the Madison Lane Industrial/Commercial area.

In addition to new pump stations, additional conveyance and treatment infrastructure will have to be made available. The first option would require an amendment to the existing agreement between the City and the BCSD to allow additional flows through City infrastructure, and with the MRWPCA to accept the additional flows. The second option would result in the construction of a new parallel 18 to 24 inch conveyance line along North Davis Road connecting Boronda directly to the MRWPCA Salinas Pump Station near Davis and Blanco Road, and convey all existing and future flows through this new line. This option would require the negotiation of a new agreement between the BCSD and the MRWPCA, but not the City. Regardless of which option is taken, the MRWPCA Salinas pump station would also require upgrades to equalize and accommodate the new flow.

Additionally, the District is within the City of Salinas's existing Sphere of Influence and has identified this urbanizing community as appropriate for future annexation and growth.

2. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

At present, no effort is being made by the BCSD to integrate population projections with plans for future services. Services are provided on a first come, first serve basis. Where it is not obvious that new development can be accommodated, the developers are responsible for conducting a study to determine what improvements are needed to accommodate new development. A 20-year capacity analysis, in progress as of this writing, may incorporate population projects and projected growth into future planning for the District.

According to the 2000 Census, the District has a population of approximately 1,325 persons. Expansion of the western side of Salinas, including the Boronda neighborhood, is constrained by the 1986 Boronda Memorandum of Understanding (MOU) entered into by the City and the County to preserve the best agricultural farmland located to the south and west of Salinas, while also providing designated areas for urban growth. Areas specifically addressed by the MOU include the Boronda Redevelopment Area, of which a portion is served by the BCSD. As such, future development is likely to occur through incremental infill as outlined in the Draft Boronda Community Plan which documented 332 existing homes and the potential for approximately 100 additional units within existing District boundaries, and another 500 units within the Boronda Redevelopment Area but outside BCSD boundaries.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES

The BCSD is financed by property taxes, interest revenue, and service charges collected through bi-monthly billing and connection charges. District billing rates are determined by the type of facility being served. All service charge increases must be enacted by changes in the ordinance governing the District, with changes made through a public hearing process before the Board of Supervisors. No adjustments in rates, fees, or taxes have occurred in the past three years, with rates last increased by the Board of Supervisors in 1999 along with those for a number of County Sanitation Agencies and Sanitation Districts. As a general policy, no rebates, tax credits, or other relief is given to customers. Circumstances that might conceivably generate the need for a rebate are reviewed on a case-by-case basis.

When necessary, new or upgraded infrastructure is refinanced through the use of fund balances and reserves. If reserves prove inadequate, rates may be raised to maintain reserves at prudent levels. Reserves are established with funds on hand in excess of immediate (current year) needs. In the past, general judgments have been made as to whether reserves were adequate to meet potential future needs. To refine this analysis and equalize costs with minimal rate changes, a twenty-year capital improvement program was prepared. This program set out, where feasible, a schedule of capital costs and a rate study analysis to cover projected needs through 2020. The analysis includes a determination on a year-by-year basis of projected reserves and reserve needs. Reserve needs are determined by review of projected futures budgets, including expected capital expenditures, and judgments as to prudent set asides for potential emergency work. Because upcoming capital expenditures are taken into account, no set ratio of reserves to annual gross revenues is established. Typical years would have reserves totaling about 1.6 to 1.8 times annual income, subject to further refinements through work with the rate study consultant.

The BSCD bond rating would be ascertained at time of borrowing.

4 & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The District relies upon the staff and resources of the County Public Works Department for management and maintenance services. The Public Works Department provides resources in the areas of trained staff, office technology and maintenance equipment that individual sanitation districts would not necessarily possess due to their relatively small size and limited budget. Staff costs are paid for through a reimbursable work order procedure. Staff persons charging directly or indirectly to BCSD support work orders include a Management Analyst, Secretary, Accountant Auditor, Supervising Sanitation Worker, Wastewater Treatment Plant Operator, and 2 Wastewater Workers. Other County agencies also provide assistance, with billing services provided by the Monterey Regional Water Pollution Control Agency. Procurements are completed in accordance with the procurement procedures of the County of Monterey.

In addition to Public Works Staff, outside consultants have been used to prepare a capacity analysis study and twenty-year capital improvement plan. The analysis includes a determination on a year-by-year basis of project reserves and reserve needs, with reserve needs determined through review of projected future budgets. The Public Works Department is also in the process of procuring a consultant to assist staff in the preparation

of a rate study. This review will include an identification of any needed rate increases, as well as review of a twenty-year plan for rate levels.

Staff costs are paid through a reimbursable Work Order system. All costs are reviewed as part of a budget review process and every effort is made to promote maximum efficiency and minimize wasteful expenditures.

6. OPPORTUNITIES FOR SHARED FACILITIES

The BCSD shares both staff and facilities with other agencies within Monterey County. As detailed in Section 1, the District does not own or operate its own Wastewater Treatment plant. As a result of the 1983 agreement, sewage is transported out of the Bordonda community, through the Salinas wastewater system, and into the Monterey Regional Water Pollution Control Agency (MRWPCA) facilities north of Marina. The MRWPCA was formed in 1972 and serves the incorporated and unincorporated communities of North Monterey County, processing over 21 million gallons produced by a service population of 250,000 persons. A full discussion of the MRWPCA will be provided in a separate MSR.

In addition to the shared treatment plant, District staffing and general resources for administration and maintenance are provided by the Monterey County Public Works Department as described in Section 5.

7. GOVERNMENT STRUCTURE OPTIONS

The District is currently governed by the County Board of Supervisors who also act as the Governing Board of the District. Public meetings are conducted on an as-needed basis when they meet as the Board of Supervisors at the County Government Center in Salinas. The Board uses the County's 20 year Capital Improvement Plan to guide its decisions regarding the BCSD.

Policies, rules, and procedures that regulate communication between elected officials and employees would be the same as those governing the Monterey County Board of Supervisors in discharging its many other responsibilities.

The BCSD is entirely within the Sphere of Influence of the City of Salinas, and as such annexation into the City can be reasonably expected. Additionally, the County is interested in divesting itself of all wastewater disposal services, including the BCSD. Given the fact that the City provides the same services as the BCSD, and currently allows the District's infrastructure to connect and flow into the City's wastewater disposal system, annexation into the City of Salinas may result in the beneficial consolidation of an integrated but separately managed network.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

As described in previous sections, operations and management are provided by the County Public Works Department, which assigns staff members and resources as necessary to provide services. The BCSD budget is annually reviewed by the Board of Supervisors and audited at the end of the year as part of an overall County audit.

As previously mentioned, outside consultants have been used to develop rate studies and a 20-year capital improvement plans. This plan was initiated in 1999 when, as part of the approval for a rate increase, the Board of Supervisors requested a water and wastewater rate stabilization action plan. The goal was to look at short term and long-term options for meeting permit requirements and improvement services at the lowest feasible cost to the ratepayer. The County Public Works Department retained Fuog Water Resources (FWR) to assist with this plan. To that end FWR met with County Staff, visited each facility, discussed operation with operating personnel, contacted vendors and compared the results with published data when available.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The Board of Supervisors meets on a weekly basis with occasional holidays interrupting this schedule, and more intensive activity when budgets are adopted. All meetings are open to the public with agendas published in advance and time allocated for public comment.

All rules applicable to those governing the Board of Supervisors are relevant to the Board when it acts as the Board of Directors of the BCSD. There have been no violations or investigations within the past three years relating to the Brown Act and/or the Political Reform Act.

With the exception of a minor annexation, no reorganization activities have occurred from the time of the BCSD's initial formation.

SUMMARY & DETERMINATIONS

1. The infrastructure of the District is limited to sewer lines and four pump stations. Infrastructure is in relatively good condition and has adequate capacity to service existing customers. Needed improvements have been identified in a 20 year Capital Improvement Plan.
2. The District does not treat or dispose of wastewater on its own. Collected effluent is routed through City of Salinas infrastructure for ultimate treatment at the Monterey Regional Water Pollution Control Agency facility near the City of Marina.
3. The District is within the Sphere of Influence of the City of Salinas, and as such annexation into the City is one option for the community. Such an act would result in the consolidation of an integrated but separately managed network.
4. The District is relatively small, covering approximately 180 acres and serving 1,232 residents. Unless annexed by the City of Salinas, expansion of the District would occur consist with the Draft Boronda Community Plan, which anticipates up to 600 additional residential units and additional public/quasi-public and commercial uses. Such growth would require expansion of existing infrastructure and renegotiation of the 1983 arrangement between the City of Salinas, the County, and the MRWPCA.
5. Consistent with other service districts and Community Service Areas within Monterey County, all management and maintenance services are provided by Staff of the County Public Works Department, Operations Division.

COMMUNITY SERVICE AREAS (CSAs) SERVICES PROVIDED AND SERVICE AREA

There are six Community Service Areas (CSAs) within the Greater Salinas study area. The CSAs were formed at various times beginning in 1961 to provide limited drainage, lighting, and local park, and open space maintenance services for small residential subdivisions and commercial uses. In General, CSAs were formed as a condition of approval for the subdivision they service. The CSA included in this study area contain both contiguous and non-contiguous service areas.

CSA No. 9 – Oak Park and Adjacent Annexations

This CSA was formed on October 2, 1961 to provide street lighting and stormwater management services to Oak Park and nearby annexation areas. The CSA is approximately 68 acres in size with non-contiguous service areas both north and south of the City of Salinas. Annual revenues average approximately \$32,000.

CSA No. 15 – Serra Village & Toro Park

This CSA was formed on December 10, 1962 to provide street lighting, stormwater management, and parkway facilities and services to Toro Park and Serra Village. This CSA is approximately 404 acres in size and is located along the Western Side of Highway 68 between the River Road and San Benancio intersections. Annual revenues for this district are approximately \$110,000.

CSA No. 24 – Pedrazzi Subdivision 2, Indian Springs Ranch, Heritage Park, Vista Del Rio & Pine Canyon Estates Subdivision

This CSA was formed on November 18, 1963 to provide stormwater management services to the Pedrazzi Subdivision 2, Indian Springs Ranch, Heritage Park, Vista Del Rio and Pine Canyon Estates Subdivisions. The CSA is approximately 405 acres in size and is located along the western side of River Road in the general proximity of Indian Springs Road and Pine Canyon Road. Annual District revenues are approximately \$6,500.

CSA No. 41 – Gabilan Acres and Boronda

This CSA was formed on December 14, 1965 to provide street lighting services to the Gabilan Acres and Boronda neighborhoods. The CSA is approximately 100 acres in size and contains a service population of approximately 2,059 persons. This district has annual revenues of approximately \$15,000.

CSA No. 45 – Oak Hills

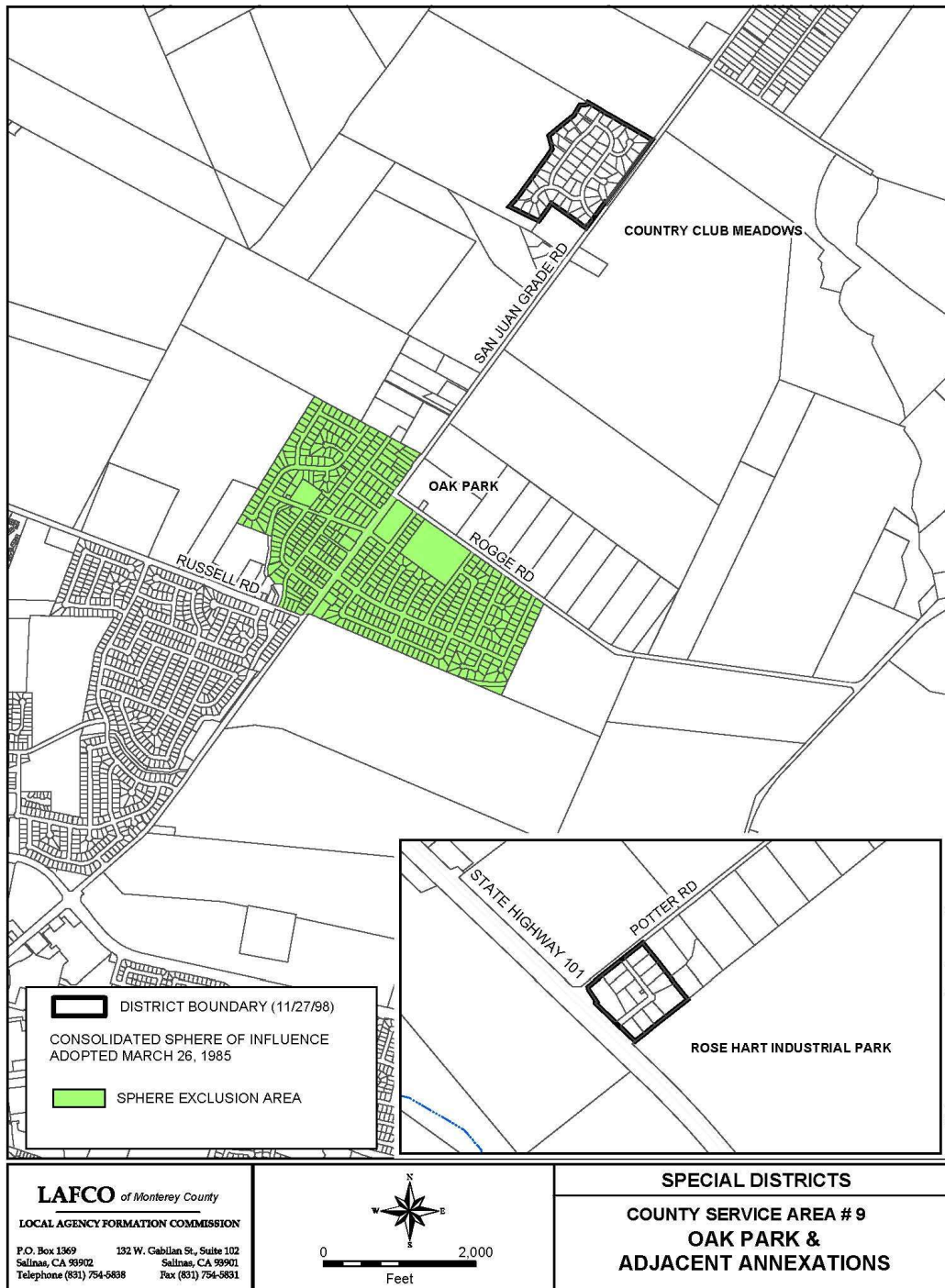
This CSA was formed on December 29, 1966 to provide street lighting, stormwater management, and local park, recreation and open space facilities and services. The CSA is approximately 540 acres in size and is located along the Northern side of Highway 156 between Castroville and Prunedale. This district sees annual revenues of approximately \$47,000.

CSA No. 75 – Chualar

This CSA was formed on September 21, 1993 through the consolidation of the Chualar County Water District, the Chualar County Sanitation District, and the Chualar Lighting District. This CSA is unique in that it provides a broader array of services to a more diverse service base that includes both residential and commercial users. At present the CSA

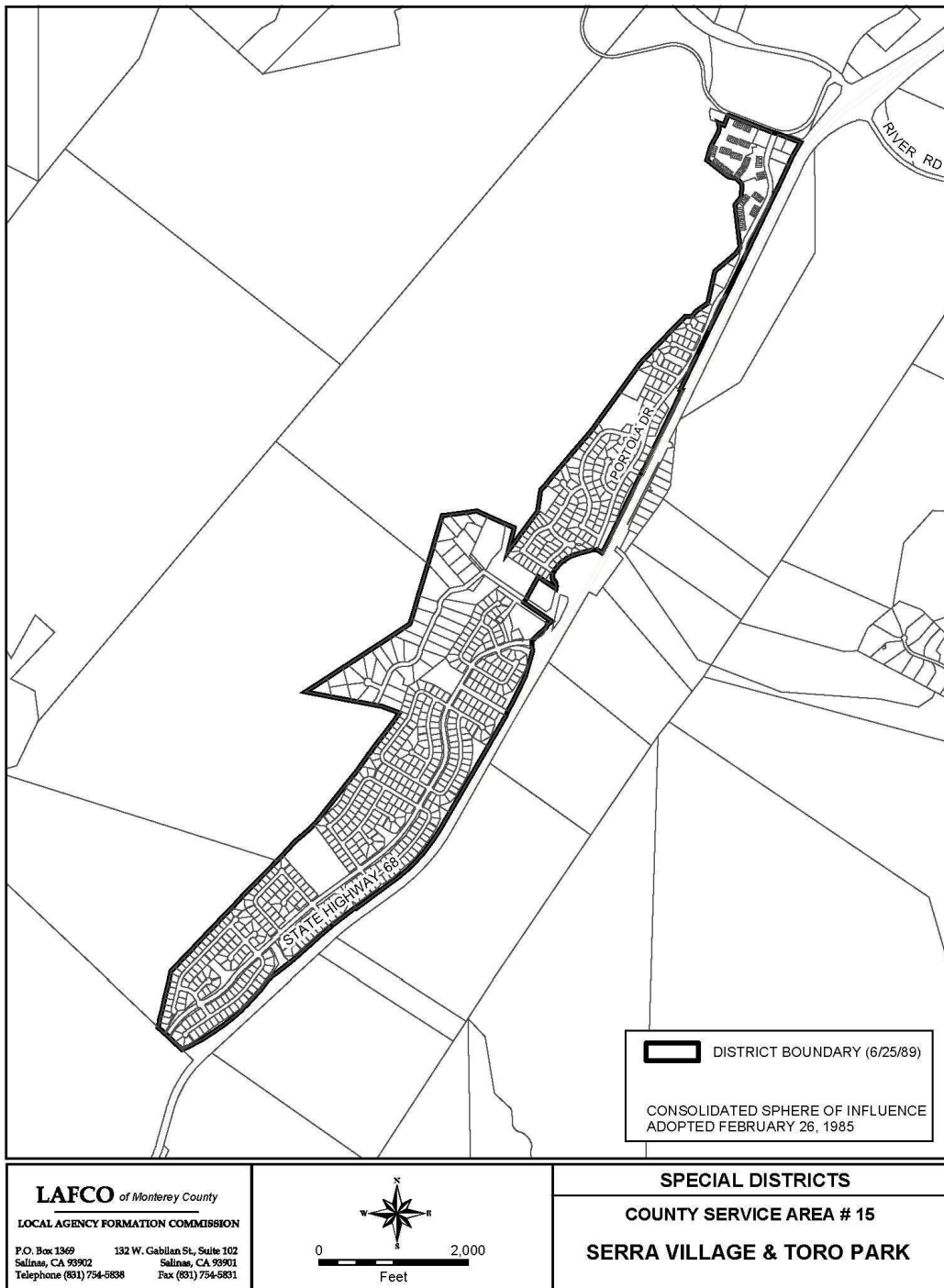
provides street lighting, stormwater management, and wastewater disposal services. The service area is approximately 175 acres and services the entire unincorporated village of Chualar, located south of Salinas and straddling Highway 101. Annual revenues are around \$70,000.

Figure 6
CSA No. 9



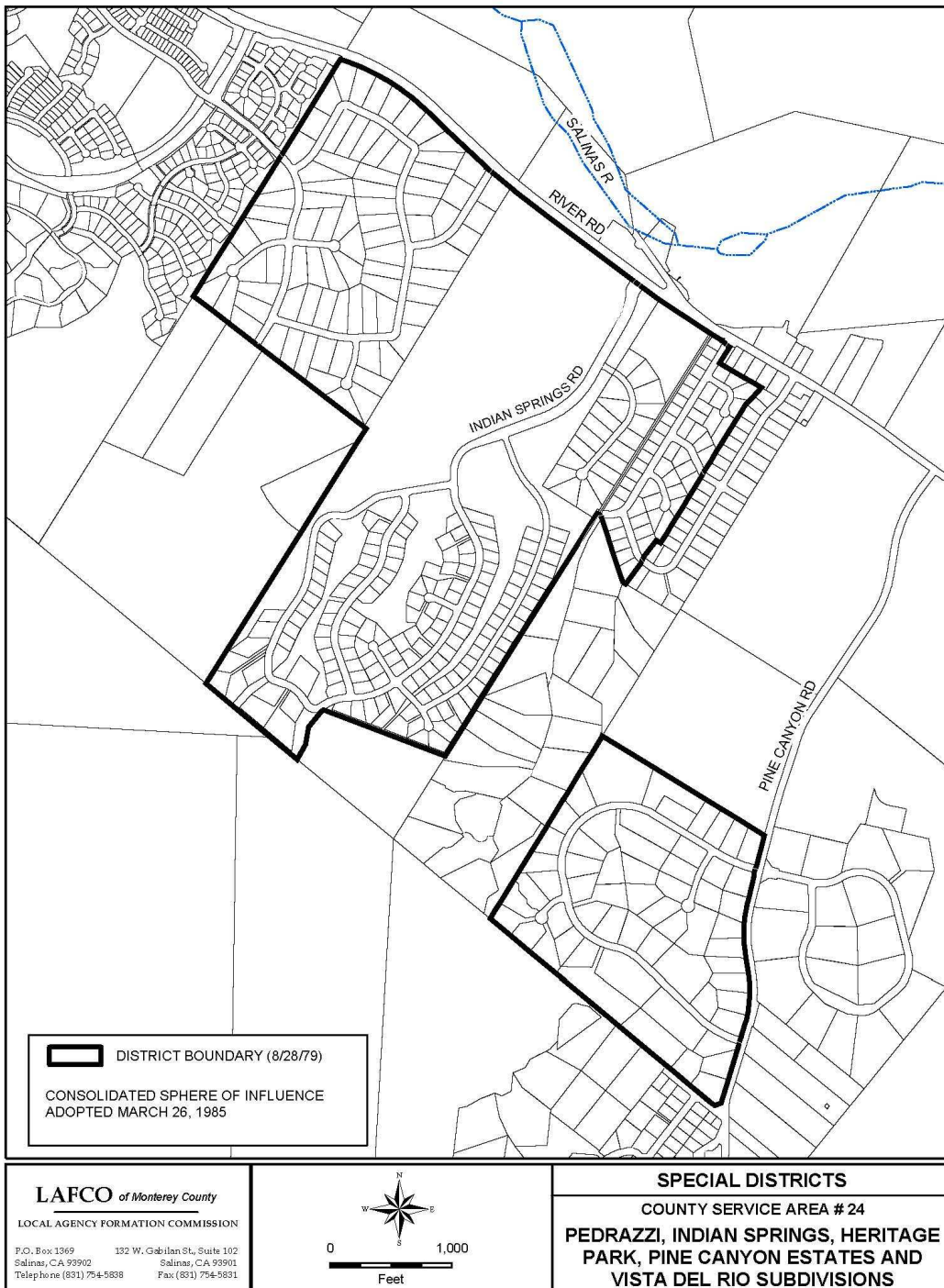
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Figure 7
CSA No. 15



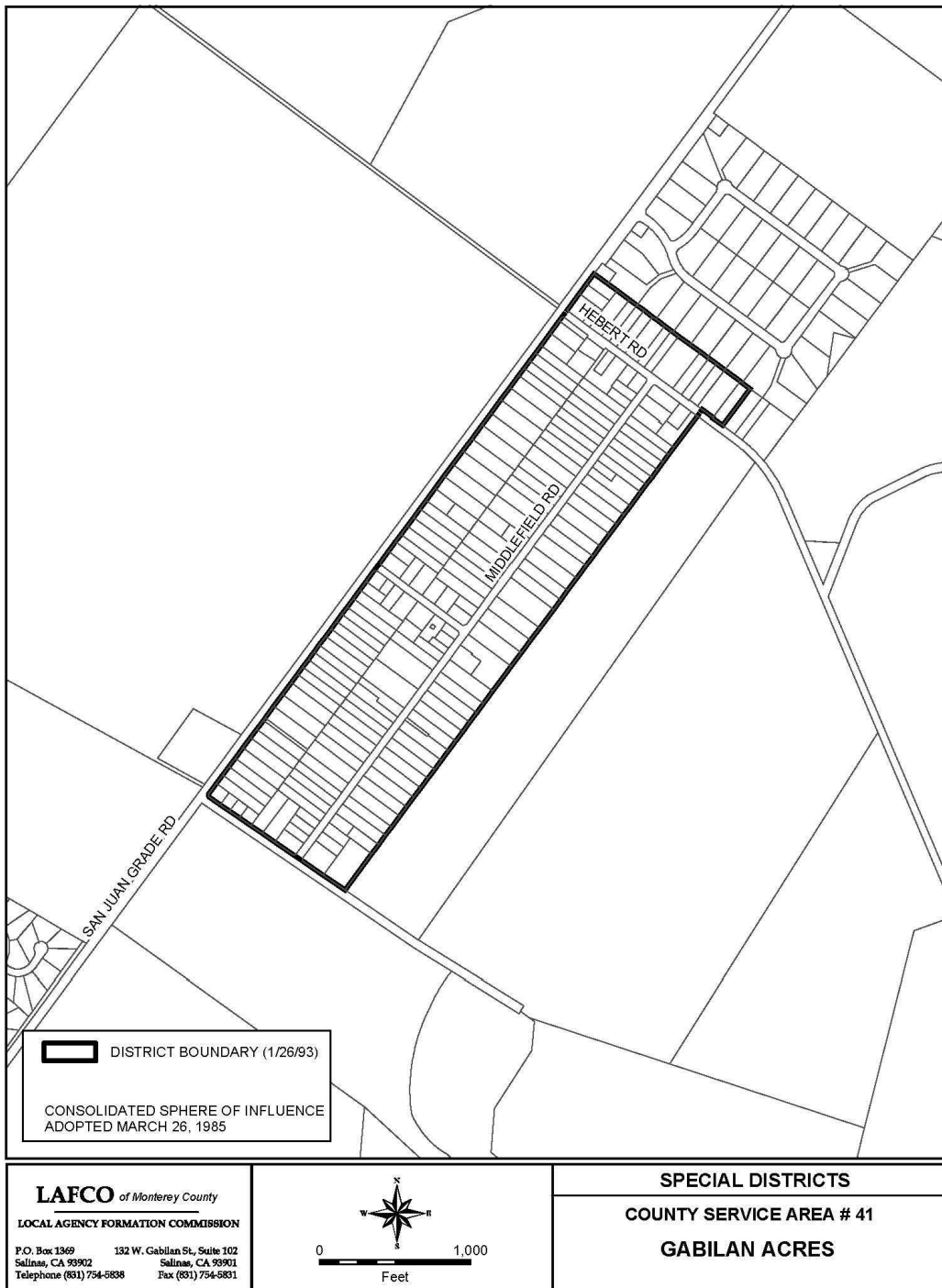
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Figure 8
CSA No. 24



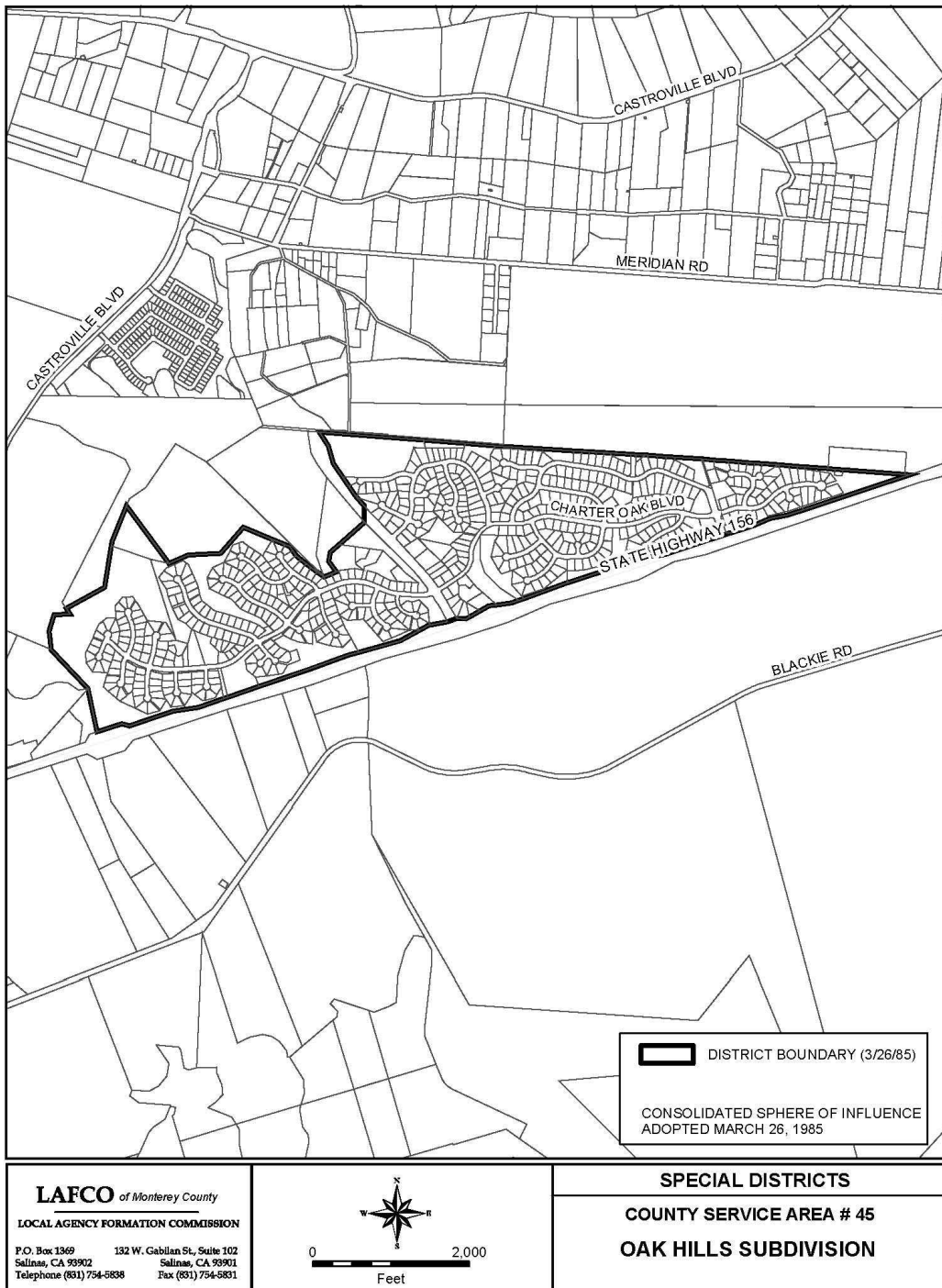
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Figure 9
CSA No. 41



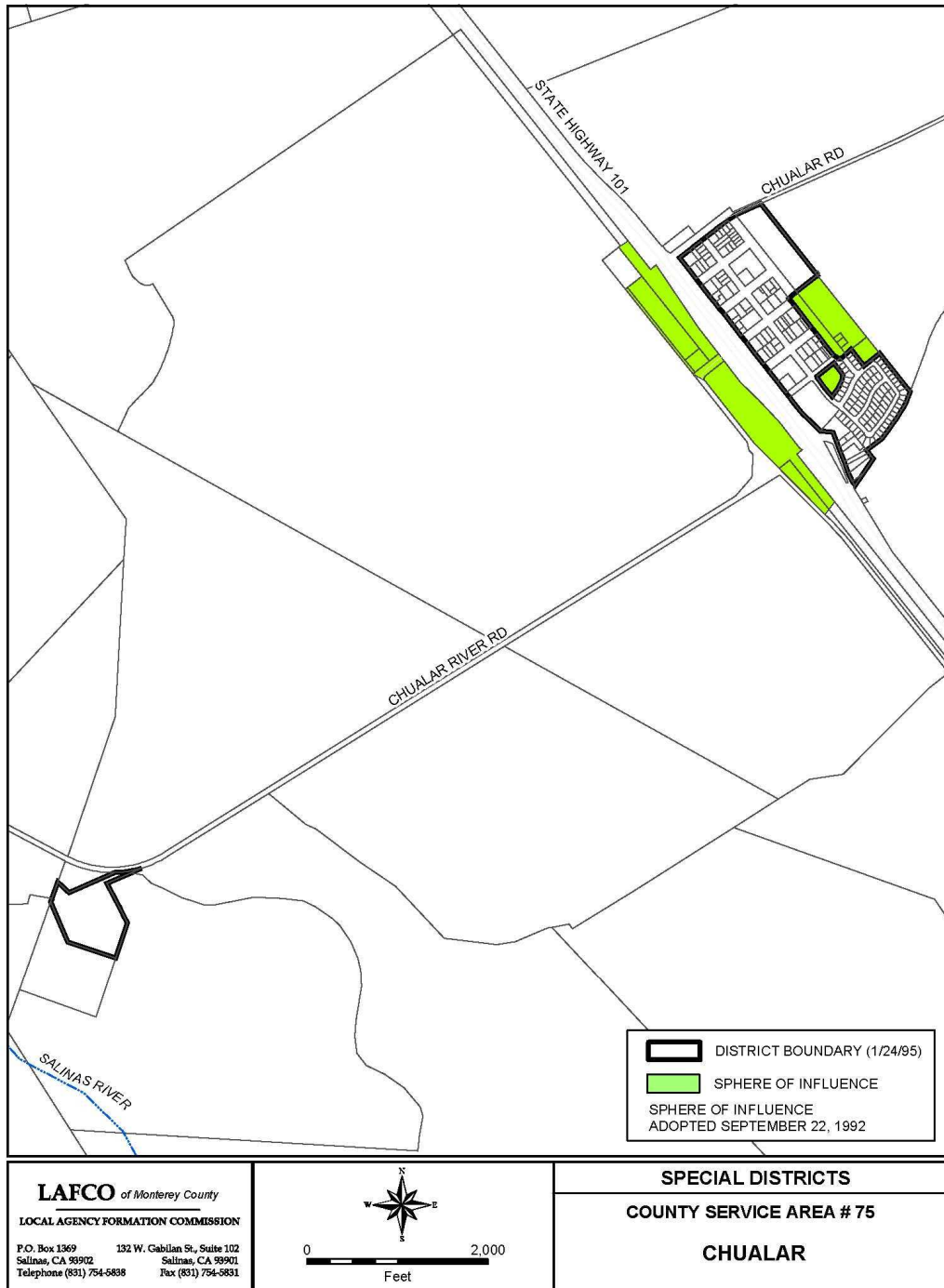
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Figure 10
CSA No. 45



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Figure 11
CSA No. 75



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MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Except for CSA No.75, all of the CSAs in the Greater Salinas area have limited infrastructure that generally includes streetlights, sidewalks & recreational facilities, storm sewers and detention basins. These facilities were largely designed to service specific subdivisions or communities and as such significant capacity expansion is not anticipated or provided for. Known capacity issues are detailed below.

In general, CSAs do not have a formal review process to determine infrastructure needs and identify improvements. With exceptions noted below, maintenance and minor improvement needs are identified on an annual basis and given a priority by County staff.

CSA No.9 requires drainage facility improvements. To date, no attempt has been made to undergo desired improvements due to insufficient funding and the probability that an attempt to raise rates would fail to clear the Proposition 218 process. Financial reserves have been building in this service area, and once sufficient reserves are present construction of the needed facilities will occur. No regulatory violations are associated with CSA 9.

In CSA Nos.15 and 45, maintenance and minor improvement needs are identified and prioritized in consultation with an advisory committee composed of residents in the CSA.

CSA No.75 owns and manages a single lift station and treatment plant. The plant is located off River Road within 800 feet of the Salinas River. Built in 1966, the facility consists of five non-aerated ponds with effluent disposed through evaporation and percolation. At present, the facility has an average current flow of 42,000 GPD and a design capacity of 60,000 gallons per day. The ponds were washed out in the flood of 1995 and subsequently rebuilt as they were. While the plant conforms to discharge requirements the RWQCB would like to see relocation of this facility further from the river and with state of the art treatment technology.

2. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

Currently, no effort has been made to integrate population projections with plans for future services. None of the CSAs keep population statistics as current and estimated future population within the Community Service are too small to warrant growth and population projections. The CSAs of the Greater Salinas study area have relatively stable populations of 540 to 2,059 people. With the exception of Chualar for whom 2000 Census data was used, population statistics listed below are from a 1999 LAFCO directory.

Table 3
CSA Population Estimates

CSA	Service Area	Population
CSA No. 9	Oak Park and Adjacent Annexations	1,820
CSA No. 15	Serra Village & Toro Park	2,120
CSA No. 24	Pedrazzi et al	728
CSA No. 41	Gabilan Acres and Boronda	2,059
CSA No. 45	Oak Hills	540
CSA No. 75	Chualar	1,444

1999 LAFCO Directory

3. FINANCING CONSTRAINTS AND OPPORTUNITIES

Each of the CSAs has its own independent budget which is approved by the County Board of Supervisors and managed by the County Public Works Department.

Revenues include service fees, property taxes, interest on pooled investments, and subvention payments from the State. Service fees are charged to each customer or property owner within the CSA for the services provided by the CSA. Each CSA receives revenues from property taxes that are assessed to each property owner within the CSA. The County Auditor invests portions of all revenues. Annual interest payments vary depending on amount and return rate of the investment.

As a general policy, no rebates, tax credits, or other relief is given to customers. Circumstances that might conceivably generate such a need are reviewed on a case-by-case basis.

A major constraint upon CSA revenue is the fact that service rates can only be increased through a Proposition 218 election process. The intent of this process is to ensure that all taxes and most charges on property owners are subject to voter approval. As such, service rate increase must be approved by, on a weighted basis, at least 50% of the affected property owners or 2/3s of resident registered voters. Except in cases of emergency, local governments may hold elections on general taxes only once every two years. Moreover, Proposition 218 limits the amount of an assessment or property-related fee that may be put before the property owners of a vote. In general, this leads to a limitation of capital expenditures and multi-year budgetary strategies regarding expenditures as described below.

Expenditures vary from year to year depending upon the needs of the CSA and the availability of County Public Works staff to carry out the activities required for the expenditure. Typical expenditures include routine maintenance, payments for utility service to power pump stations or street lighting, and capital expenditures. Based upon review of the expenditure budgets, expenditures will typically not equal revenues on an annual basis, but rather the budgets are managed to equalize or balance revenues and expenditures over the longer term of 5-10 year periods. By limiting major expenditures to once during a 3-6 year period, sufficient revenue can be collected and placed in reserve to ensure adequate funds for major expenditures when they are needed for capital outlays.

Bond ratings are not available for the CSAs, and would be ascertained at time of borrowing.

4 & 5. COST AVOIDANCE AND RATE RESTRUCTURING OPPORTUNITIES

The Board of Supervisors establishes service rates for the CSAs based on recommendations by the Public Works Department. Rates are established according to the geographic zone they are located in and the type of services provided by the CSA. Rate restructuring is limited by the Proposition 218 process described above.

Procurement is completed in accordance with the procurement procedures of the County of Monterey. Staff costs are paid through a reimbursable Work Order system. All costs are

reviewed as part of a budget review process and every effort is made to promote maximum efficiency and minimize wasteful expenditures.

Historically, general judgments have been made as to whether reserves were adequate to meet potential future needs. To refine this analysis for CSA No.75, a twenty year capital improvement plan was prepared by Fuog Water Resources. In addition, Public Works staff has prepared a rate study analyzing projected needs and revenues through 2020, pending review by an outside analyst. The analysis includes a determination on a year-by-year basis of project reserves and reserve needs, with reserve needs determined by review of projected future budges

6. OPPORTUNITIES FOR SHARED FACILITIES

All CSAs rely on the staff and resources of the County Public Works Department for management and maintenance services. The Public Works Department provides resources in the areas of trained staff, office technology and maintenance equipment that most of the CSAs would not be able to have individually due to their relatively small size and limited budget. Contracts with Pacific Gas and Electric provide street lighting services in those CSAs authorized for that service.

7. GOVERNMENT STRUCTURE OPTIONS

All CSAs are governed by the County Board of Supervisors. CSAs act as an extensions of County government to provide services that would not normally be provided without the establishment of a CSA. The Board adopts policies and establishes rates for the CSAs on an as-needed basis during regularly scheduled meetings. As an extension of County Government, the Board of Supervisors is the appropriate decision making authority.

The County Public Works Department provides management and operations support to the CSAs, makes recommendations to the Board of Supervisors regarding operational and management decisions, and implements the directives of the Board.

Governance of CSA Nos.15 and 45 is supplemented by an advisory committee composed of residents of the service area. These committees provide input and recommendations regarding budgetary planning and project priorities.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

The County of Monterey Public Works Department manages all of the CSAs. This department prepares and oversees implementation of each CSA budget, management of operations within each CSA, planning for future needs, communications with residents and/or property owners within each CSA, and routine maintenance activities. Major infrastructure contracts, when they occur, are implemented through contracts with appropriate design and construction firms. Each CSA budget is audited annually as part of the general County government audit.

Public Works staff are not assigned to a particular CSA, but rather utilizes general staff in the Operations Division to provide management and maintenance services as needed.

Maintenance operations are carried out using the equipment and vehicles assigned to the Public Works Department for County service purposes.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

The Board of Supervisors holds a regular meeting on a weekly basis, with occasional Board Holidays interrupting this schedule and more intensive activity when budgets are adopted. The Board acts on behalf of CSAs on an as needed basis as part of their regularly scheduled meeting process. This includes annual approval of the submission of Written Reports needed for the collection of services, charges, and annual approval of budgets. All rules applicable to those governing the Board of Supervisors are relevant to the Board when it acts on behalf of the CSAs in this study.

Governance of CSA Nos.15 and 45 is supplemented by an advisory committee composed of residents of the service area. These committees provide input and recommendations regarding budgetary planning and project priorities.

The County follows the Brown Act and advertises its hearings and meetings through a variety of mechanisms, both print and electronic. There have been no violations or investigations within the past three years relating to the Brown Act and/or the Political Reform Act.

SUMMARY & DETERMINATIONS

1. There are six CSAs in the Greater Monterey study area, with all but one formed between 1961 and 1966. Five provide limited municipal services to residential areas and most of these are surrounded by rural land. CSA #75 (Chualar) is the exception in that it provides wastewater disposal services.
2. The CSAs serve approximately 8,711 residents, with each containing a population between 540 and 2,120 persons.
3. All management and maintenance services are provided by Staff of the County Public Works Department, Operations Division.
4. The geographic areas of several CSAs are not contiguous.
5. Budgetary management for these CSAs occurs in multi-year cycles with substantial expenditures delayed until sufficient reserves are available. This is necessary as the CSAs, in general, do not provide sufficient annual revenue to fund substantial improvements. Revenue increases are limited by the Proposition 218 process.
6. Governance of CSA Nos.15 and 45 is supplemented by an advisory committee made up of service area residents.
7. The wastewater treatment plant serving CSA No.75 does not use best available technology and is subject to flooding, as occurred in 1995. No violations have been levied against the facility, but the Regional Water Quality Control Board would like to see a new plant constructed in an area less prone to flooding.

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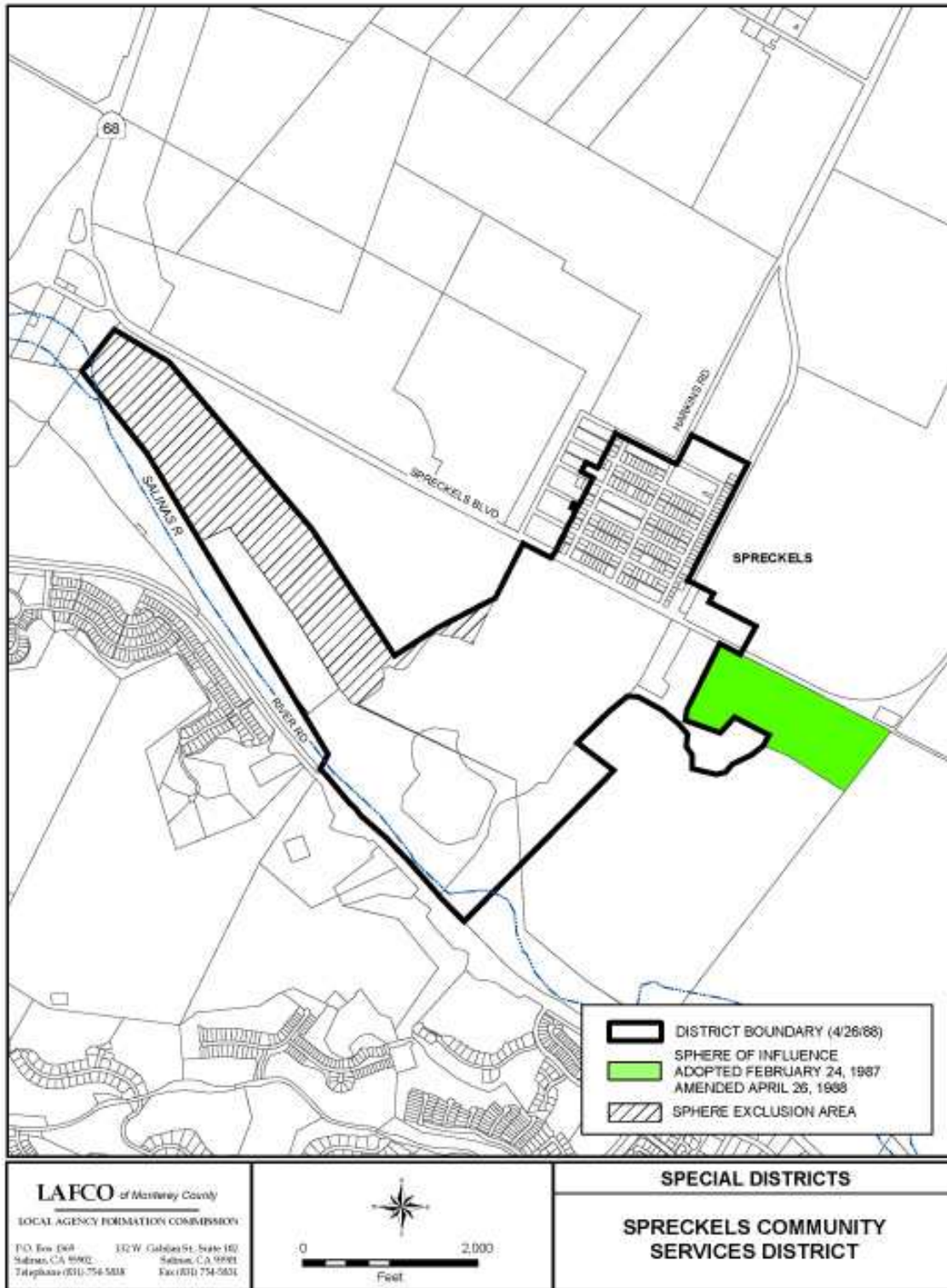
**SPRECKELS COMMUNITY SERVICE DISTRICT
SERVICES PROVIDED AND SERVICE AREA**

The Spreckels Community Services District was organized by resolution of the Board of Supervisors of Monterey County on March 17, 1985, subsequent to its approval by the voters in the District. The same resolution ordered dissolution of Monterey County Service Area (CSA) No. 40 with all funds, property, rights and obligations transferred to the new District. The effective date of the organization of the District and dissolution of CSA No. 40 was July 1, 1986. The District encompasses the community of Spreckels, an unincorporated community approximately four miles south of Salinas, and adjacent lands to the South. The function of the District is to provide limited municipal services including the following: collection, treatment and disposal of sewage waste and water; street lighting; collection and disposal of solid waste (garbage); fire protection services; and street, sidewalk and storm drain maintenance.

Spreckels was founded as a company town to house workers of the Spreckels Sugar Company. With the closing of the plant in 1982 the town became a bedroom community servicing the various employment centers of northern Monterey County. Due to growth restrictions contained in the 1982 Monterey County General Plan, and the designation of the town as the only Historical District in unincorporated, Monterey County, the community has seen minimal growth in the past 25 years. However, a recent court case found a 1907 subdivision map legal and as a result the town may expand by 75 homes, and thereby increase the size of the community by approximately 40%.

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Figure 12
Spreckels Community Services District Boundaries



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MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Infrastructure owned by the district is limited to the storm drainage system transferred from Monterey County CSA No. 40 upon the dissolution of the CSA. The storm drainage system consists of concrete gutters, underground collector lines, a steel pumphouse containing a 5 horsepower pump, two 75 horsepower pumps, and a 24 inch outfall line which drains into the Salinas River.

The Spreckels Community Service District assesses infrastructure needs and deficiencies on a monthly, quarterly and annual basis. With needs and deficiencies identified and analyzed as needed, the district does not maintain capital improvement and/or master plans for infrastructure replacement and upgrades. No major deficiencies were identified by the District.

2. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

The population of the Spreckels was estimated at 495 persons in the 2000 Census. Due to the relatively small size of the district and relatively stable number of households, no effort is being made by the SCSD to integrate population projections with plans for future services. Due to growth restrictions contained in the 1982 Monterey County General Plan, and the designation of the town as the only Historical District in unincorporated, Monterey County, the community has seen minimal growth in the past 25 years. Industrial growth within the District is further restricted in 1987 by the adoption of an exclusion area within the District's Boundaries that precludes industrial development of the land. However, a recent court case found a 1907 subdivision map legal and as a result the town may expand by 75 homes, and thereby increase the size of the community by approximately 40%.

3. FINANCING CONSTRAINTS AND OPPORTUNITIES

In 2004 the District had annual revenues of \$93,722 and expenditures of \$83,421. District revenue is primarily generated by property taxes, assessments (fire, stormdrain, and streetlights), and fire protection user fees. In 2004, these sources formed approximately 20%, 39%, and 40% of the District's revenue respectively. The largest expenditure is Fire Protection, composing approximately 76% of the annual budget. The District holds no debt enabling it to pay for maintenance and improvements with cash reserves. Any increase in service fees would be subject to voter approval.

A total of \$1.7 million in Proposition 172 revenues was approved by the Monterey county Board of Supervisors for allocation to fire protection service agencies to help maintain existing service levels. A receivable of \$36,837 is the portion of the funding allocated to the District.

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

Due to the small size of the District, services are delivered by contracting with other jurisdictions within Monterey County, including the Spreckels Volunteer Fire Company as

set forth in an agreement entered into on May 10, 1991. The District holds no debt and finances improvements through cash reserves and other available sources of funding. With the addition of the Tanimura subdivision, fees are to be re-evaluated.

7. GOVERNMENT STRUCTURE OPTIONS

The District is governed by an appointed board of five individuals serving 4 year terms. Meetings are regularly held on the 2nd Tuesday of each month. The District has one employee, a business manager it shares with the Spreckels Memorial District to direct day-to-day operations of the district and implement the decisions of the Board.

The existing district boundary and sphere of influence for the District was adopted in 1987 and amended in 1988. Current Boundaries encompass the existing community of Spreckels and lands South of Spreckels Boulevard. Additional land to the east is located within the Sphere of Influence. Lands outside the district boundaries but within the SOI is composed of undeveloped farmland.

8. & 9. EVALUATION OF MANAGEMENT EFFICIENCIES AND LOCAL ACCOUNTABILITY AND GOVERNANCE

The District has no debt and services appear to be adequate. All meetings are noticed and conducted in compliance with the Brown Act. Public comment is accepted and acted at each hearing.

SUMMARY & DETERMINATIONS

1. The infrastructure of the District is limited to storm drainage facilities. Other municipal services are delivered by outside agencies under contract with the Spreckels CSD.
2. The District is relatively small, with approximately 495 residents and limited commercial structures. County land use policies discourage or prohibit additional development in town, though a recent court case will result in expansion of the number of households by approximately 45%.

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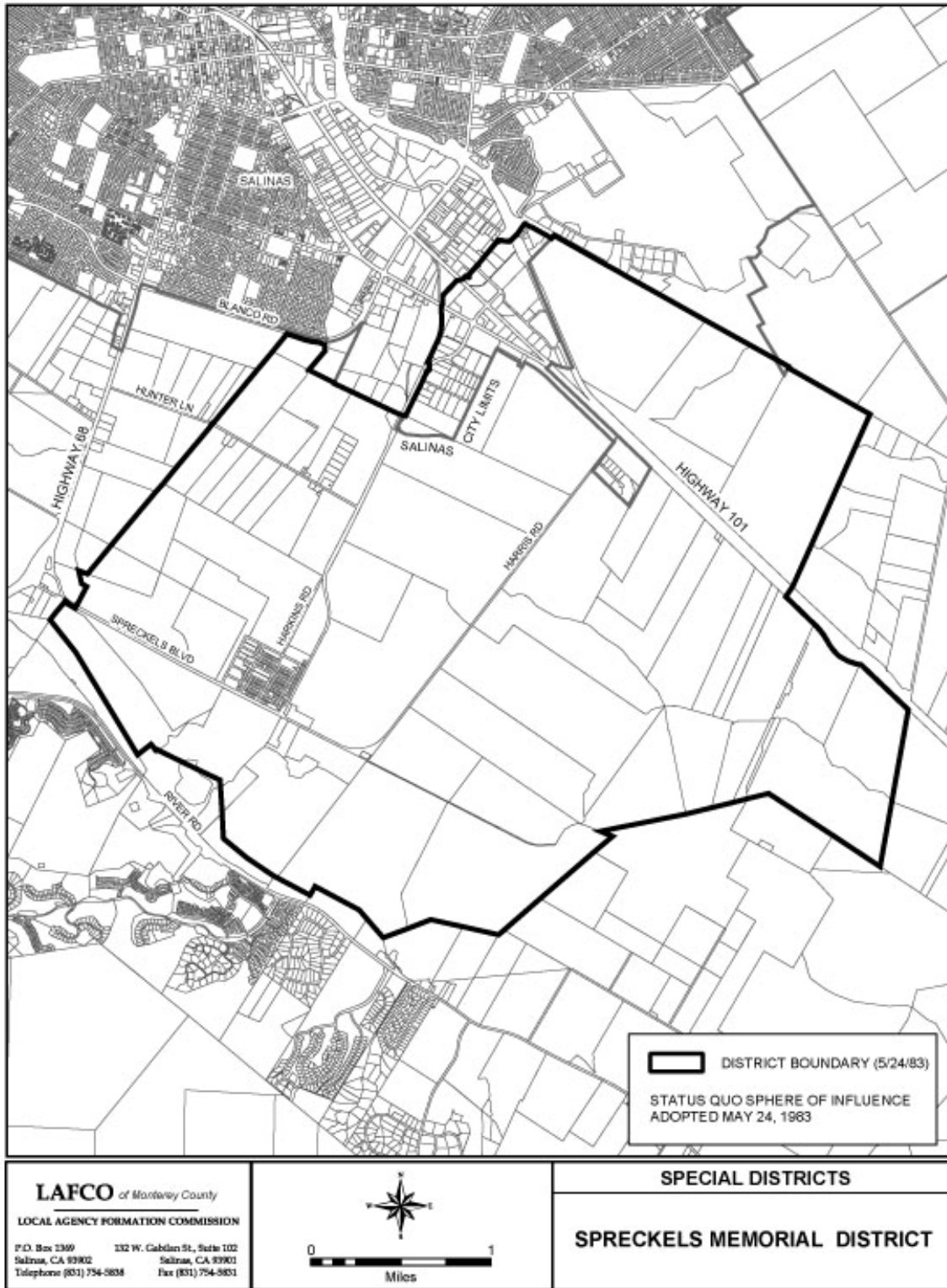
SPRECKELS MEMORIAL DISTRICT SERVICES PROVIDED AND SERVICE AREA

The Spreckels Memorial District (SMD) was organized by resolution of the Board of Supervisors of Monterey County on March 17, 1947, following an election six days prior on March 11, 1947. The function of the Spreckels Memorial District is to administer the affairs of the Spreckels Veterans' Memorial Building, which the District was responsible for erecting in 1956, and to perform similar duties in connection with the affairs of Spreckels Memorial Park, which was delegated its direction and management in 1966 and 1976.

The District encompasses the community of Spreckels, an unincorporated community approximately four miles south of Salinas, and adjacent lands. Spreckels was once a company town that housed the workers of the Spreckels Sugar Company. With the closing of the plant in 1982 the town became a bedroom community servicing the various employment centers of northern Monterey County. Due to growth restrictions contained in the 1982 Monterey County General Plan, and the designation of the town as the only Historical District in unincorporated, Monterey County, the community has seen minimal growth in the past 25 years. However, a recent court case found a 1907 subdivision map legal and as a result the town may expand by 75 homes, and thereby increase the size of the community by approximately 40%.

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Figure 13
Spreckels Memorial District Boundaries



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MUNICIPAL SERVICE REVIEW FACTORS

1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Infrastructure owned by the SMD includes the Spreckels Memorial Building, Spreckels Memorial Park, and associated maintenance equipment. Recent expenditures on infrastructure include replacement of playground equipment at an approximate cost of \$85,000.

The SMD assesses infrastructure needs and deficiencies on a monthly, quarterly and annual basis. With needs and deficiencies identified and analyzed as needed, the district does not maintain capital improvement and/or master plans for infrastructure replacement and upgrades. No significant deficiencies were identified by the District.

2. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

The population of the Spreckels was estimated at 495 persons in the 2000 Census. Due to the relatively small size of the district and relatively stable number of households, no effort is being made by the SMD to integrate population projections with plans for future services. Due to growth restrictions contained in the 1982 Monterey County General Plan, and the designation of the town as the only Historical District in unincorporated, Monterey County, the community has seen minimal growth in the past 25 years. Industrial growth within the District is further restricted in 1987 by the adoption of an exclusion area within the District's Boundaries that precludes industrial development of the land. However, a recent court case found a 1907 subdivision map legal and as a result the town may expand by 75 homes, and thereby increase the size of the community by approximately 40%.

3., 4., 5. & 6. FINANCING CONSTRAINTS AND OPPORTUNITIES, COST AVOIDANCE, RATE RESTRUCTURING, AND OPPORTUNITIES FOR SHARED FACILITIES

The District receives funding from two primary sources: property taxes (77%) and user fees (19%). Estimated income and expenditures for the 2005/2006 budget year were estimated at balanced \$330,314. The District holds no debt enabling it to pay for maintenance and improvements with cash reserves. Any increase in service fees would be subject to voter approval.

The Spreckels Memorial District and Spreckels Community Services District both use the Memorial Building for regular public meetings.

7. GOVERNMENT STRUCTURE OPTIONS

The District is governed by an appointed board of five individuals serving 4 year terms. Meetings are regularly held on the 2nd Tuesday of each month. The District has four employees, two full-time and two part-time. Position titles include a recording secretary, a park services assistant, and 2 building caretakers and maintenance workers.

Current district boundaries, including a status quo sphere of influence, were adopted on May 24, 1983. No change to District Boundaries are anticipated.

8. & 9. EVALUATION OF MANAGEMENT EFFICIENCIES AND LOCAL ACCOUNTABILITY AND GOVERNANCE

The District has no debt and services appear to be adequate. All meetings are noticed and conducted in compliance with the Brown Act. Public comment is accepted and acted at each hearing.

SUMMARY & DETERMINATIONS

1. The District owns and maintains the Spreckels Memorial Building and Memorial Park. Both provide recreational and meeting space for the community.
2. The District is relatively small, with approximately 495 residents and limited commercial structures. County land use policies discourage or prohibit additional development in town, though a recent court case will result in expansion of the number of households by approximately 45%.

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Persons Contacted Via Questionnaire or Personal Interviews:

McKenna, Kate. Executive Director, LAFCO of Monterey County.

Berry, Kristina. Senior Analyst, LAFCO of Monterey County.

Wootton, Ron. Wootton Land Consultants.

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Gnat, Sarah. Business Manager, Spreckels Memorial District and Spreckels Community Services District.

Muniz, Edward. Management Analyst II, Monterey County Public Works.

Riley, Jim. Spreckels Community Services District.

Richelieu, Robert. Planning Manager, City of Salinas.

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