

Comments by Amanda Rice
Responses by LAFCO Staff are Included

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Comment. OPR also recommends LAFCOs develop a schedule for the MSR in their jurisdiction. Considering MSR are not necessarily required, but are suggested, every five years, some mention of when the CCSD can expect to go through this process again would be responsible and helpful.

Response. LAFCO has in the past adopted a schedule for completing Sphere of Influence Updates and Municipal Service Review based on the growth and development in a particular community. Preparing an MSR and Updating a SOI are linked together through the Cortese-Knox-Hertzberg Act. The legislation states that a SOI should be updated every five years, if necessary. LAFCO would consider updating the MSR and SOI earlier if necessary, but will check back with the CCSD within the five year period.

Comment. Under what circumstances would LAFCO consider a reduction of the SOI?

Response. The SOI for the CCSD is currently 37 acres. This is a very small SOI that is described on page 5 and shown on page 6 of the MSR. Reducing the SOI may be considered when an Update of the SOI is completed or upon submittal of an application by a property owner or the CCSD to amend the SOI.

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The projected future growth in the population of Cambria is estimated in the recently completed North Coast Area Plan approved in 2007. This information is also referenced and used in the Water Master Plan and Public Review Draft Program Environmental Impact Report.

Comment. The estimated population is projected differently by the CCSD (4,650 residences) Coastal Commission (5,250 residences under current permits) and the county's LCP (6,140 residences at buildout.) While none of these will affect the Sphere of Influence, an indication of the discrepancies and the effects of the differences on resources from LAFCO could prompt a more serious consideration of the implications.

Response. These discrepancies are noted in the comment and are shown in overall population numbers in the MSR. It also appears that the CCSD is giving careful thought to the need for resources to serve existing and future residents. This is evident in several actions taken by the CCSD, including a moratorium on issuing intent to serve letter, implementation of the BRP program, and consideration of a Water Master Plan/EIR. The number of residences that are served is a function of land use approvals which are out the jurisdiction of LAFCO.

The projected growth in population does not anticipate development in an expanded Sphere of Influence. The Sphere of Influence remains unchanged.

Comment. Does this mean LAFCO expects NO change in the SOI for 20 years?

Response. The SOI is defined is LAFCO polices generally as 20 year planning boundary. Given the resource constraints, the initiative passed by the voters requiring a vote of residents to be served by the CCSD if you own property outside the existing boundary, and the recently approved NCAP, it is hard to envision that the SOI would be expanded over the next 20 years.

The CCSD has in place an ordinance that prohibits the extension of potable water to areas outside the CCSD Boundary unless an environmental review under CEQA is completed, the Water Master Plan is amended, and the registered voters of the CCSD approve such an extension of service.

Comment. This was a ballot measure approved by a majority of the registered voters, not just an ordinance passed by the Board

Response. This was noted on page 8 of the MSR.

Comment. Wording suggestion to Determination 7.

"policy base **for the County for future growth and development...**"

Response. Adding the words *for the County* at this point in the determination would not appear to clarify the statement. The word **prepared by the County of San Luis Obispo** should be added after *The North Coast Area Plan (NCAP)*...to clarify that County prepared the NCAP.

"The Plan is reflective of the Community's concerns, values and vision for Cambria."

Comment. A more accurate wording:
"The Plan reflects many of the concerns and values of the community."

Response. It is recommended that this change in wording be made.

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In 2001 the CCSD established a water moratorium because of the lack of a reliable water supply and does not provide Intent to Serve letters to potential customers. The CCSD has established a waiting list (666 positions) for potential customers wishing to obtain a hook-up for water.

Comment. It was 1990 when the CCSD stopped adding "potential customers" to the wait list.

Response. This additional information will be added once it is confirmed with the District.

Comment-(regarding Determination 3).Reducing demand? Or does this refer to the 50% "quality of life" increase in water usage?

Response. Refers to increased demand *reduction* measures.

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complies with State regulations and provides for the healthful provision of water to its residents and customers.

Comment. The EPA rates Cambria's water quality at 30 out of 100. (The US average is 55)

Response. The comment is noted. The CCSD is in compliance with State Water Quality regulations.

Comment. The CCSD recently dealt with an MTBE contamination threat on one of the aquifer and won a hard fought battle with Chevron for cleanup and got a large settlement to provide for alternative water. Shouldn't this also be included?

Response. Language summarizing the Chevron settlement will be added to the MSR.

13. The Insurance Service Office rated the Community of Cambria 5 out of a possible 9/10.

Comment. When was the last audit of Cambria conducted? Perhaps an audit should be scheduled because of recent system improvements.

Response. This comment is noted and will forwarded to the CCSD. We are uncertain of the date of last audit with regard to an ISO rating.

14. The CCSD Fire Department has mutual and automatic aid agreements with California Fire (CALFIRE) and other agencies to assist in responding to emergency incidents.

Comment. There is overlap of services- primarily public safety – fire and ambulance (CalFIRE, CCSD and CHCD.) The CCSD has agreed (in principle) to a JPA with the CHCD, but the agreement was not finalized. It has been working on an agreement for at least a year to move the ambulance service to the Fire Station from its current location. Although LAFCO's role is primarily advisory, a stronger determination on this issue might encourage these agencies to finalize their negotiations. Timid determinations provide no incentive for these agencies to work something out that will be in the best interests of the community.

I don't see the written mutual/automatic aid agreement between the CCSD and CalFIRE in the list of references - document that would seem essential for forming these determinations. The CCSD itself is unclear about who is responsible for what.

A CalFIRE map (attached) seems to show Cambria as an area of state responsibility. Clarity of authority would be helpful for Cambrians. A LAO publication (attached) describes some the issues.

Response. It is not the purpose of the MSR to determine if the provision of fire and emergency response services are overlapping to the point of inefficiency. Rather it is to

document and review the services provided by the District. Determining the appropriate level of fire and emergency response would require a focused study completed by experts in emergency response planning. The ISO rating would indicate that the fire response capabilities are at a moderate level and could use improvement. Overlapping response agencies may be positive in terms of having adequate resources responding to a fire in the Cambria Pines. It may be desirable to have both a Local Fire Agency and State Agency responding in this area with adequate resources. The Mutual and Automatic Aid Agreements will be added to the list of references. The discussion on page 23 of the MSR provides the definition of a State Area of Responsibility. This discussion also discusses the Safety Element definition of the wildland/urban interface. This interface is one of the reasons for Cambria being identified as a State Area of Responsibility.

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Comment. The \$8.1 million will not be issued as a bond. The CCSD plans to use an alternative financing instrument that does not require voter approval or have any restrictions on what the money is used for. There are many in the community who oppose this financing plan for those reasons.

Response. This clarifying information will be added once it is confirmed with the District.

Although LAFCO determined that

1. The CCSD is financially capable of providing services to its customers

I am concerned about the financial capability of a finite customer base to pay for all the projects and staff and reports the CCSD would like to pursue. Although there is no change in the SOI, there have been dramatic changes in the people the District serves, including the CCSD's decision to limit the number of connections it will serve to less than the potential number.

Response. This comment is noted. The CCSD will face the challenge of providing services to residents with limited resources. These limited resources include revenues and water. It is up to the Community whom elects the Board of Directors to be involved in these policy decisions. An example of this community involvement is in establishing new rates. Like many government entities the CCSD has more service needs than resources. It is up to the CCSD and the Community of Cambria to work together to prioritize what projects are completed with the available resources.

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11. The CCSD should consider adopting policies/guidelines that outline the process and procedures for preparing the budget each year with the intent of clearly identifying the steps taken to develop and adopt the budget.

Comment. This determination, along with determination 7 may encourage the kinds of changes the community has been working for. Thank you for validating our concerns and suggestions.

Response. Comment is noted.

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The CCSD will be considering the East-West Management Plan and EIR in the near future.

Comment. The Program EIR for the Fiscalini Ranch Preserve (as the East-West Ranch is now called) has already had its public comment period and we are awaiting the final report.

Response. The wording will be changed to include the word *final* before *East-West Management Plan*.

Comment. There is overlap of services- primarily public safety – fire and ambulance (CalFIRE, CCSD and CHCD.) Timid determinations provide no incentive for these agencies to work something out that will be in the best interests of the community. These determinations understate the potential for consolidation of services and potential dissolution of the Healthcare District or reorganization - an action often recommended for a healthcare district without a hospital. Is a JPA the preferred organization from LAFCo's point of view? The CCSD has agreed (in principle) to a JPA with the CHCD. It has been working on an agreement for at least a year to move the ambulance service to the Fire Station from its current location. Although LAFCo's role is primarily advisory, a stronger determination on this issue might encourage these agencies to finalize their negotiations.

"These municipal service reviews should pull together relevant information about what special districts and cities do, how they are financed, and how their services relate to the public services delivered by other, adjacent districts and cities. Municipal service reviews should develop the information that could become the basis for proposals to consolidate services to achieve economies of scale. They may also spark proposals that would lead to the consolidation of cities and districts."

From a background background policy paper was written and produced by the Committee's Staff Director Peter Detwiler and Committee Assistant Elvia Diaz. In my opinion, this Review is a bit weak in one of the areas the community might benefit most: specifically, consolidating the Healthcare District with the CCSD.

Response. In general, consolidating organizations makes sense. It can reduce the administrative needs of two organizations and consolidate these Districts into one organization. In practice, consolidation of government organizations takes two entities with service area boundaries that are compatible. In this case the Healthcare District's service area is very large; from the Monterey/San Luis Obispo County-line to south of Highway 46. If the Healthcare District were to be consolidated into the CCSD, the CCSD's Service Area would have to include the Service Area of the Healthcare District. This creates a Service Area that is too large for the CCSD to be able to provide services. Also the entire Service Area would be, in theory, able to receive services from the CCSD. Creating a JPA may be one step towards eventual consolidation of the Districts; however a JPA also creates yet another organization with a Board and administrative needs.

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Comment. There is a fee for this service, even when only electronic copies are sent.

Response. Comment is noted and a change in the document will be made.

Comment. It might be helpful to know the date of this challenge and whether it related to closed session or another issue. Also, if it was over 6 or 8 years ago, the complaint would be against an entirely different Board of Directors and Staff, which also changes the relevance.

Response. We will check on the date.

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Comment. In practice, the committee meetings are not open to the public and reports are infrequent at best.

Response. This comment will be forwarded to the CCSD.

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The procedure is clearly stated and provides residents with a process for accessing information

Comment. Perhaps a policy that includes procedures and fees for requesting Electronic documents (If such documents already exist) is appropriate. The savings in toner and paper (not to mention the time and space) may make offering e-documents a smart move.

Response. Comment is noted. The CCSD is in the process of improving the access to documents on-line.

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Comment. Director Cobin and General Manager Rudock did a two part on-air interview on the local radio station last fall when the new rates were being considered. The program was repeated several times over two weeks. Perhaps additional programs like this or an agreement to live broadcast of the CCSD meetings could be considered. (Station KTEA 103.5 fm, "Old Time Radio for The Central Coast". Program: What's Happening with LeAnne)

Response. Comment is noted and will be forwarded to the CCSD.

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Comment. Thank you for the explanation. This is regrettable, but understandable.

Response. Comment is noted.

The MSR does not comparatively analyze Staffing levels for CSDs. This has not been done in past MSRs completed for any of the over 10 CSDs or 7 Cities and will not be part of this study.

Comment. I understand this is not part of the MSR, but it is information you have relatively easy access to. I'm interested to discuss this with you further, if you have the time.

Response. Easy access is relative term. The analysis that would need to be completed should be undertaken by a consultant with expertise in staffing and service levels.

Comment. In completing an update of a jurisdiction's Sphere of Influence, LAFCO considers the General Plans of the County and, when applicable, Cities and special districts. LAFCO also facilitates the development of Memoranda of Agreement (MOA) between the Cities and the County. The MOA is a voluntary agreement that increases cooperation between the City and County with regard to growth and development within the City's or District's Sphere of Influence. The City or District and County should agree on a Sphere of Influence Boundary and provisions for the future development of the area. (Is there a written MOA between CCSD and the County regarding growth (or ultimate buildout)?)

Growth Within Bounds, a publication of the commission on local governance that served as the foundation for the municipal services reviews, it is asserted that the role and responsibility of LAFCO is to have a:

“Comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider....

Information on public service capacity could be gathered as part of the implementation of a new requirement for periodic municipal service reviews....

The review would also include a component that examines the benefits or disadvantages of consolidation or reorganization of service providers.

Response. No MOA exists between the CCSD and County. The MOA process described in the Cortese-Knox-Hertzberg Act is only applicable to a City and County. The CCSD and County can voluntarily agree to an MOA if they would like. This was done in an agreement with the Nipomo CSD and County.

Comment. Does this determination mean that CCSD is within their authority to drastically reduce property values without just compensation. Is it within their authority to determine upon which lot (or lots) a person can build? Some properties are refused service, maybe forever, because they didn't pay to sign on the wait list (almost 20 years ago) When the additional water source is up and running, they're still out of luck, even though people who have connections will be allotted 50% MORE water than the median user currently consumes in a billing period. Put another way: If every 2 homes continued using water as they do today, there would be enough for one more connection using the current amount - once the new source is online. Let's reduce that "quality of life"

allowance to a 25% increase in usage. That would mean when the new system comes online, all the 4,650 connections are active and using 25% more (rather than 50%) water than we currently use here, the CCSD would be able to produce enough water to serve another 930 residences quite comfortably under its current plan for the desalination plant. Is this an efficient way for the district to provide services within its Sphere of Influence: to serve some arbitrary number of connections and purchase others to prevent development or eliminate their obligation to serve those properties? Is it LAFCo's contention that it is more efficient and orderly to raise and spend funds to purchase properties and prevent their development (the BRP) than to provide an appropriately-sized additional water source that would have the capacity to serve the population (at least) that the Wastewater Treatment Plant was designed to serve? With the growth management ordinance in place, by the time the wastewater treatment plant reaches capacity, it will need an overhaul and was built to easily incorporate expansion for additional capacity. The costs of the BRP and the inefficiencies it may lead to seem to conflict with LAFCo's directives.

Response. These are policy decisions to be made by the CCSD Board of Directors with input from their staff, professional consultants and the public. The CCSD makes decisions regarding the provision of services within the District's Service Area; not LAFCo. The decisions made by the CCSD are vetted through the public hearing process and are subject to litigation and judicial review if someone wants to challenge a decision. The BRP is a program approved by the CCSD for managing its limited water resources. Any change to the District's Boundaries, i.e. Sphere of Influence or Annexation would be subject to LAFCo review.