

LOCAL AGENCY FORMATION COMMISSION
SAN BENITO COUNTY

2301 Technology Parkway
Hollister, CA 95023
Phone: (831) 637-5313

August 28, 2014 (Agenda)

Local Agency Formation Commission
2301 Technology Parkway
Hollister CA 95023

Sunnyslope County Water District - Sphere of Influence Update

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission receive this report, accept all public testimony and adopt the enclosed resolution updating but not revising the Sunnyslope County Water District Sphere of Influence.

DISCUSSION

Spheres of Influence are LAFCO's plan for the future organization of local government boundaries.

As explained last October, State law requires the Commission to adopt a Sphere of Influence for each city and special district by January 1, 2008 and every five years the commission shall, as necessary, review and update each sphere of influence.

The law further requires LAFCO to prepare a Municipal Service Review to help inform the adoption of Spheres of Influence. As part of our overall work plan the staff has undertaken a coordinated program to prepare Municipal Service Reviews and update Spheres of Influence.

Please let me know if you have any questions.

Very truly yours,

BOB BRAITMAN
Executive Officer

1. MUNICIPAL SERVICE REVIEW

Description of District

The Sunnyslope County Water District, which was formed in 1954, operates pursuant the County Water District Law (Section 30000 et seq.)

District boundaries resemble but do not quite encompass all of the land within the sphere of influence. There are a few remaining areas that can be annexed to the District.

The District is governed by a five-member Board of Directors. They are elected at large from throughout the District for four-term terms.

The District Manager heads a staff of 18 full time employees. The District headquarters are located in the City of Hollister.

District Services

The District provides retail water delivery and wastewater collection, treatment and disposal services for portions of the Hollister area. It serves more than 5,400 water customers and provides wastewater facilities for approximately 1,200 customers.

The District appears to exhibit the characteristics of a well-managed agency operating efficiently and serving its customers effectively and working cooperatively with other local agencies involved in providing related services.

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the statute for Municipal Service Reviews found at Government Code Section 56430.

Growth and Population Projections for the Affected Area

The District includes a sizable portion of the Hollister area population. The population of the City was estimated at approximately 37,000 during the last census. This population is anticipated to increase notably during the next twenty years; with a corresponding portion of this growth to occur within the District boundaries.

Location and Characteristics of any Disadvantaged Unincorporated Communities

Senate Bill 244 (Wolk), effective July 1, 2013, concerns "Land Use, General Plans and Disadvantaged Communities."

While it has ramifications for some Municipal Service Reviews and Sphere of Influence Updates, it is not relevant to this District. Specifically, SB 244 applies to a proposed city

annexation involving more than 10 acres when it is located contiguous to a “disadvantaged unincorporated community”

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

The Hollister Urban Area historically relied on the San Benito County portion of the Gilroy-Hollister Valley Groundwater Basin for its municipal water supply. Since 2003, imported water has been developed for urban use from the Central Valley Project (CVP).

The CVP is a Federal water system operated by the U.S. Bureau of Reclamation (USBR). It is one of the nation’s major water systems, covering the entire Central Valley and portions of California’s mountain ranges.

The San Benito County Water District has a long-term contract for CVP water, which when imported into the County is stored in San Justo Reservoir. The Sunnyslope County Water District (and City of Hollister) purchase CVP water from the District.

The Hollister Urban Area Water Project (HUAWP) is a collaborative effort to deliver higher-quality water. It is a joint effort by the Sunnyslope County Water District, City of Hollister and San Benito County Water District to create a sustainable and reliable water supply for the greater Hollister area.

This project to improve water quality will help meet wastewater discharge requirements and protect the groundwater basin and is an effort to protect and maintain a reliable water supply for the community.

Financial Ability to Provide Services

The District assesses monthly service charges for water service and sewer service in compliance with requirements of Proposition 218. It also assesses capacity charges for connecting to the District water and sewer systems.

Since District services are fee-recoverable it appears it will continue to receive sufficient revenues to continue providing services to its constituents.

Status of, and Opportunities for, Shared Facilities

There are presently no pending or proposed applications to consolidate local water or sewer service agencies that would involve the District, although it maintains significant cooperative efforts with other local utility agencies.

Accountability for community service needs including governmental structure and operational efficiencies.

As a local agency with an elected governing board, the District has direct accountability to its resident-voters with respect to the services provided by the District

3 . SPHERE OF INFLUENCE REVIEW AND UPDATE

Description of Current Sphere of Influence

The current Sphere of Influence and District boundaries are largely coterminous.

No Proposed Sphere Changes

The District proposes no changes in its Sphere of Influence nor does the LAFCO staff recommend any changes.

Sphere of Influence Determinations

Present and planned land uses in the area, including agricultural and open space lands.

The District encompasses a major portion of the City of Hollister and extends easterly to include a significant unincorporated area easterly but adjacent to the City. It includes urbanized, developed areas and areas that are subdivided into large lots and parcels still devoted to agricultural uses.

Present capacity of the public facilities and adequacy of public services that the agency provides or is authorized to provide

The District has sufficient capacity in its public facilities to adequately provide water and sewer services within its adopted Sphere of Influence. The District's plans for future improvements, as reflected in the Water Capital Improvement Plan and Wastewater Capital Improvement Plan, together with its adopted Capacity Charges, should ensure the agency will continue to provide adequate services.

Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

The District is within the greater Hollister social and economic community of interest

For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal or industrial water, or structural fire protection, the present and probable need for those facilities and

services of any disadvantaged unincorporated community within the existing Sphere of influence.

No extension of the District sphere is being proposed. Any communities already within the existing sphere will be served equally with other properties. As noted above, the plans for future improvements should ensure the agency provides adequate services.

4. ACKNOWLEDGEMENTS & REFERENCES

This draft Municipal Service Review / Sphere of Influence Update was prepared by the San Benito LAFCO staff. Responsibility for any errors or omissions rests with those who prepared the report.

Don Ridenhour, Sunnyslope County Water District General Manager, provided much of the data on which the evaluation is based and has cooperated in its preparation.

Background Documentation

The following documents have been reviewed in compiling this report:

- 2010 Hollister Urban Area (HUA) Urban Water Management Plan (UWMP)
- Five Year Strategic Plan (September 2012)
- 2012 Water Quality Report
- Summary of Rates, Fees and Capacity Charges (December 2013)
- Financial Statements and Supplementary Information (June 2012 and 2011)
- Inventory of District Property including easements
- Financial Program for Water / Wastewater Operations for FY 2012/13 and Proposed for FY 2013-14

These referenced documents are considered part of this report and are available in the LAFCO office.

5. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review and Sphere of Influence Update it is recommended the Commission:

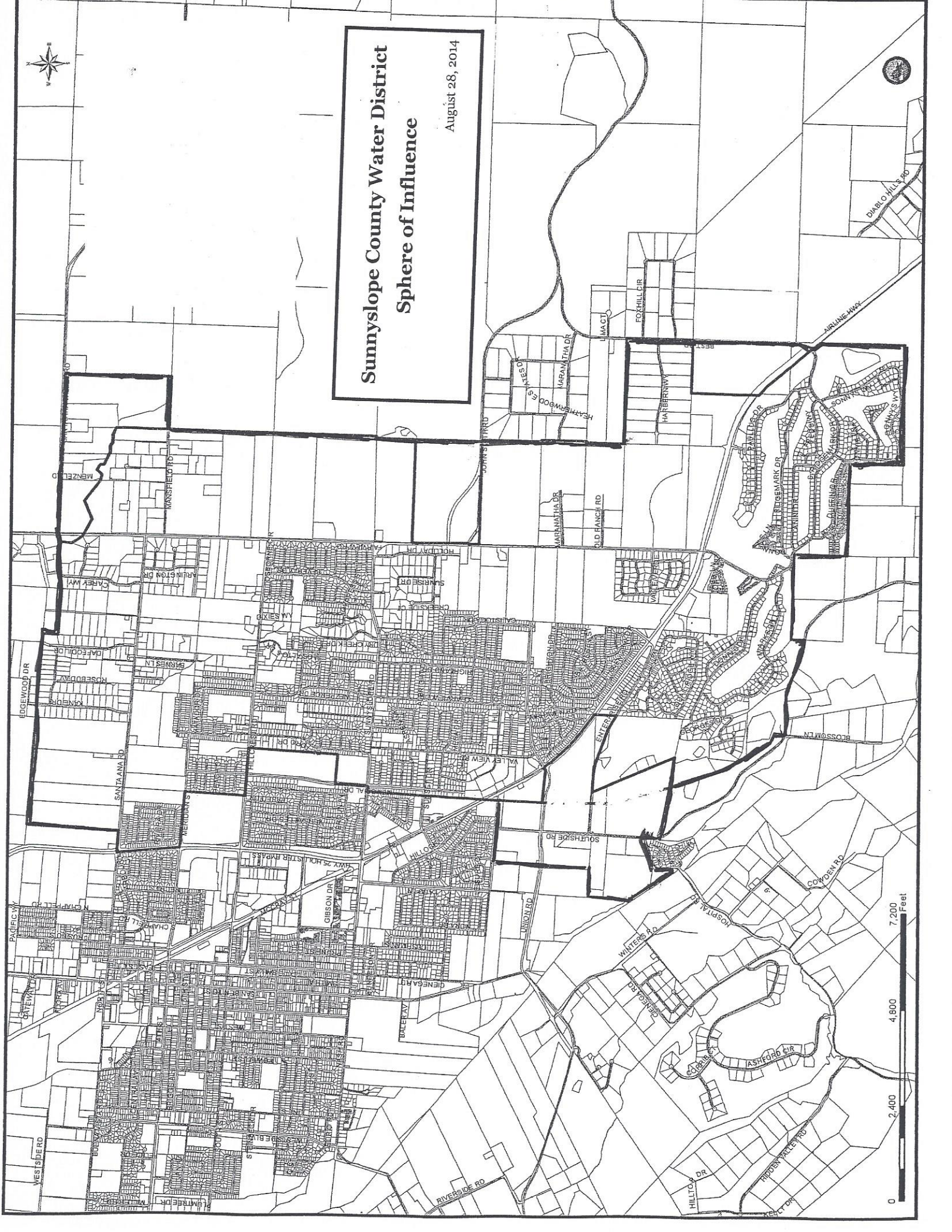
- A. Receive this report and accept public testimony regarding the proposed Municipal Service Review and Sphere of Influence Update.
- B. Determine that since there is no change in the District Sphere of Influence the action is exempt from CEQA.

- C. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
- D. Adopt the enclosed resolution updating but not revising the Sphere of Influence.



Sunnyslope County Water District Sphere of Influence

August 28, 2014



RESOLUTION OF THE SAN BENITO LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND UPDATING THE SPHERE OF INFLUENCE
OF THE SUNNYSLOPE COUNTY WATER DISTRICT

WHEREAS, pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act (Government Code Section 56425 et seq.) the Commission must review and update, as necessary, adopted spheres of influence not less than once every five years, and

WHEREAS, Government Code Section 56430 directs the Commission in updating spheres of influence to conduct a review of municipal services not later than the time it is considering an action to establish or update as sphere of influence, and

WHEREAS, the Commission has conducted a municipal service review and sphere of influence study of the Sunnyslope County Water District, and

WHEREAS, in the manner required by law, the Executive Officer has given notice of the public hearing by the Commission on the proposal; and

WHEREAS, the Commission has heard, discussed and considered all evidence regarding this matter, including but not limited to, the Executive Officer's report, the environmental consideration, applicable general and specific plans and all testimony, correspondence and exhibits received for the public hearing, all of which are included herein by reference.

NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED as follows:

1. The project before the Commission is a Sphere of Influence Update and Municipal Service Review for the Sunnyslope County Water District.
2. The Commission as the lead agency finds the Sphere of Influence Update to be categorically exempt from the California Environmental Quality Act (CEQA) inasmuch as no change is being made to the existing Sphere of Influence.
3. The Sphere of Influence of the Sunnyslope County Water District is hereby updated without any modification to the existing Sphere of Influence boundaries as shown on the attached map labeled "Exhibit A."
14. This resolution was adopted on August 28, 2014 and is effective on the date signed by the Chair.

AYES:

NOES:

ABSTAINS:

Dated: _____

Chair

San Benito Local Agency Formation Commission

ATTEST

Bob Braitman, Executive Officer
San Benito Local Agency Formation Commission



Sunnyslope County Water District Sphere of Influence

August 28, 2014

