

**Final
Local Agency Formation Commission
of Santa Clara County
Service Reviews and Sphere of Influence
Recommendations**

for the

Northwest Santa Clara County Area

City of Campbell

City of Cupertino

City of Los Altos

Town of Los Altos Hills

Town of Los Gatos

City of Monte Sereno

City of Mountain View

City of Palo Alto

City of Saratoga

City of Sunnyvale

Special Districts

Cupertino Sanitary District

El Camino Hospital District

Lake Canyon Community Services District

Midpeninsula Regional Open Space District

Rancho Rinconada Recreation and Park District

Santa Clara Valley Transportation Authority

Saratoga Cemetery District

West Bay Sanitary District

West Valley Sanitation District

October 2007

LSA



FINAL

**SERVICE REVIEW AND SPHERE OF INFLUENCE
RECOMMENDATIONS
FOR THE
NORTHWEST SANTA CLARA COUNTY AREA**

LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY

October 2007

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B: SANTA CLARA LAFCO SERVICE REVIEW POLICIES

C: SANTA CLARA LAFCO SPHERE OF INFLUENCE POLICIES

ACRONYM LIST

ABAG	Association of Bay Area Governments
CIB	Capital Improvement Budget
CIP	Capital Improvement Program
CIWMB	California Integrated Waste Management Board
JPA	Joint Powers Association
LAFCO	Local Agency Formation Commission
MGD	Million Gallons Per Day
RDO	Residential Development Ordinance
SOI	Sphere of Influence
SCRWA	South County Regional Wastewater Authority
SWAT	Special Weapons and Tactics
UGB	Urban Growth Boundary
USA	Urban Service Area

1.0 INTRODUCTION

1.1 NORTHWEST SERVICE REVIEW OF SANTA CLARA COUNTY INCLUDING SPHERE OF INFLUENCE REVIEW/UPDATE RECOMMENDATIONS

The Northwest Santa Clara County Service Review includes a comprehensive review of services (with the exception of fire and water services, which were covered in recently completed service review reports) provided by cities and special districts located within the Northwest region of the County as well as recommendations for sphere of influence (SOI) updates for the agencies included in this study. The agencies covered in this report include the following 10 cities and 9 special districts:

- City of Campbell
- City of Cupertino
- City of Los Altos
- Town of Los Altos Hills
- Town of Los Gatos
- City of Monte Sereno
- City of Mountain View
- City of Palo Alto
- City of Saratoga
- City of Sunnyvale
- Cupertino Sanitary District
- El Camino Hospital District
- Lake Canyon Community Services District
- Midpeninsula Regional Open Space District
- Rancho Rinconada Recreation and Open Space District
- Santa Clara Valley Transportation Authority
- Saratoga Cemetery District
- West Bay Sanitary District
- West Valley Sanitation District

This report utilizes the information presented in the recently completed countywide fire protection service review and the countywide water service review in its analysis and recommendations for the cities.

This report will be used by the Local Agency Formation Commission of Santa Clara County (LAFCO) to update the spheres influence of individual agencies. Although this report may include a discussion of various alternative government structures for efficient service provision, LAFCO is NOT required to initiate boundary changes as part of this service review. LAFCO, local agencies (including cities, special districts, and the County), or the public may subsequently use the service reviews together with additional research and analysis, where necessary, to pursue changes in jurisdictional boundaries (see figure on next page).

LAFCO may also use the information in this report in reviewing future proposals, and other entities as well as the public may use this report as a foundation for further study and analysis of issues relating to services and governance within this County.

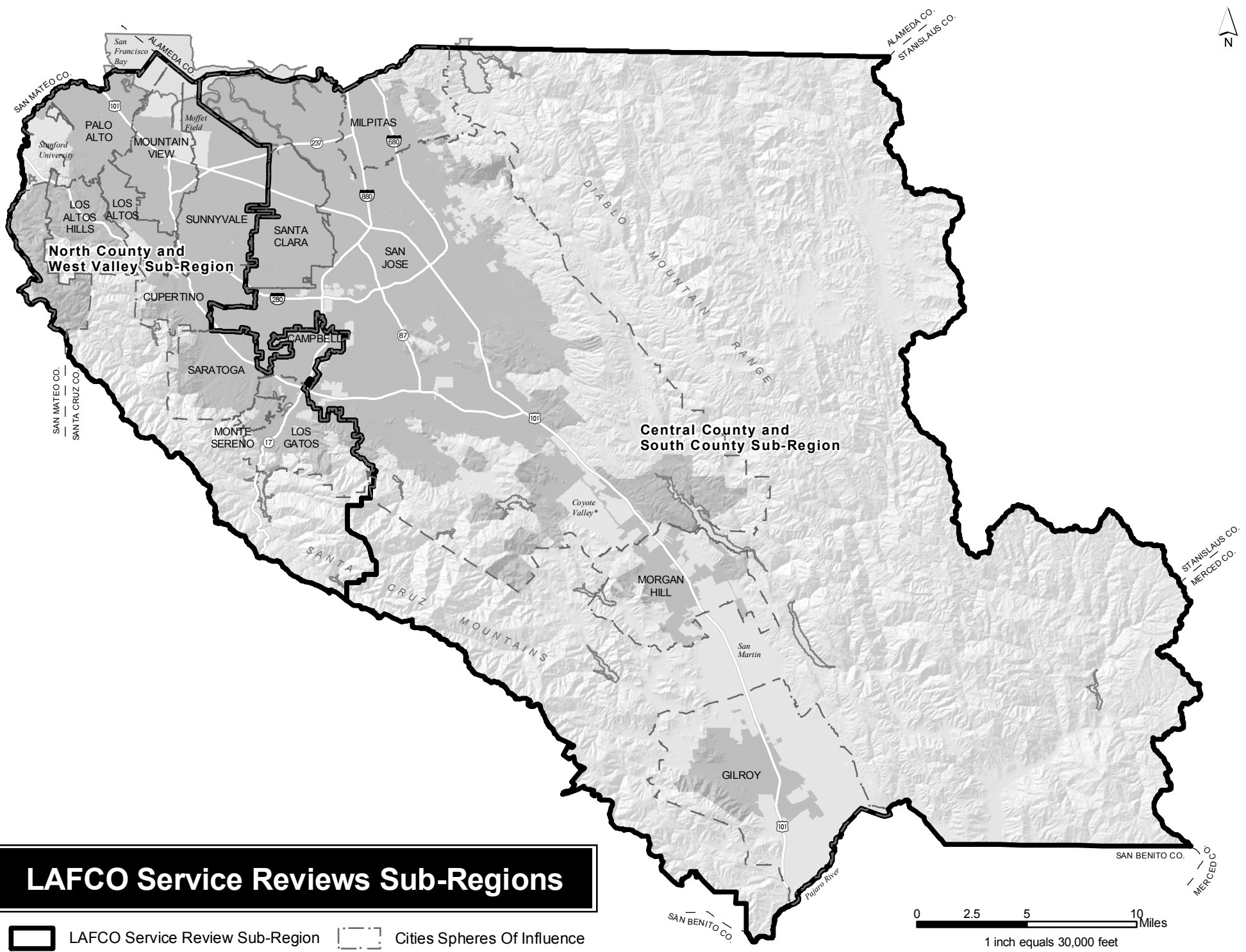
The Commission on Local Governance for the 21st Century Recommends Service Reviews

In 1997, the State Legislature enacted Assembly Bill (AB) 1484, which established the Commission on Local Governance for the 21st Century. The Commission was responsible for assessing governance issues and making appropriate recommendations regarding the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH). Among other recommendations, the Commission suggested that each LAFCO should have knowledge of the services available within its county. This knowledge would assist in decision-making regarding city and district boundaries. The Commission stated that this knowledge should include the current efficiency of providing service, future service needs, and expansion capacity of the service providers. AB 2838, authored by Assembly Speaker Robert M. Hertzberg, which included this requirement as well as several other major changes to LAFCO authority, was signed into law. This legislation, the CKH Local Government Reorganization Act of 2000, which became effective on January 1, 2001, marked the most significant reform to local government reorganization law since the 1963 statute that created a local agency formation commission in each California county.

Service Review and Sphere of Influence Requirements

The CKH Act requires LAFCO to update the SOI for all agencies under its jurisdiction by January 1, 2008. The CKH Act further requires that a service review be conducted prior to or in conjunction with the update of a SOI. Since the law requires SOIs to be updated every 5 years and service reviews must be completed for SOI updates, service reviews should be updated at least every 5 years. Government Code Section 56430 requires the service reviews to include an analysis and a written statement of determinations for each of the following categories:

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



LAFCO Service Reviews Sub-Regions

LAFCO Service Review Sub-Region
 Cities Spheres Of Influence

0 2.5 5 10 Miles
 1 inch equals 30,000 feet

7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers
8. Evaluation of management efficiencies
9. Local accountability and governance

A description of each of these factors is included in LAFCO's service review policies in Appendix B.

In determining the SOI of local agencies, Government Code Section 56425 requires LAFCO to prepare a written statement of determinations with respect to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands
2. The present and probable need for public facilities and services in the area
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide
4. The existence of any social or economic communities of interest in the area, if the Commission determines that they are relevant to the agency

In addition, State law requires that special districts provide written statements specifying the functions or classes of service provided and establish the nature, location, and extent of any function or classes of services provided.

Aside from these factors, the State law allows each LAFCO to determine the procedure, criteria, and policies to be utilized in developing and adopting SOIs. LAFCO's SOI policies are included in Appendix C.

LAFCO's Service Review/SOI Work Plan

Pursuant to this requirement, LAFCO adopted a work plan and priorities in August 2002. LAFCO conducted and adopted a countywide service review of fire protection services in April 2004 and a countywide service review for water provision services in June 2005. For review of the remaining services, LAFCO has divided the County into two different geographic regions (south-central and northwest). This service review includes services (with the exception of fire and water) that are provided by the cities and special districts located in the northwest region of the County.

This service review has been prepared in accordance with Section 56430 of the California Government Code, the Service Review Guidelines prepared by the State Office of Planning and Research, and the policies adopted by LAFCO.

1.2 HISTORY OF URBAN DEVELOPMENT POLICIES AND BOUNDARIES IN SANTA CLARA COUNTY

Over the years, the cities, County, and LAFCO have adopted a series of planning tools and strategies to manage growth in Santa Clara County. The following is a historical overview of the development and use of various planning boundaries and policies in Santa Clara County.

Boundary Agreement Lines

In 1967, LAFCO adopted “boundary agreement lines.” These lines were intended to end the “annexation wars” in which cities were competing among themselves to annex additional lands. These boundary agreement lines divided the County into 15 pieces, indicating the maximum geographic extent to which each city could potentially annex. (These boundaries were initially labeled as SOI boundaries but later re-named “boundary agreement lines” when other SOI boundaries were adopted in the 1970s.)

Urban Service Areas

In April 1970, LAFCO adopted its “Guidelines” consisting of policies and criteria, which it proposed to use in reviewing proposals for annexations of land to cities and special districts, incorporation of new cities, and formation of new special districts. Included in these “guidelines” were policies encouraging cities and special districts that provide municipal-type services to “establish urban development areas within their sphere of influence” and “define and establish staged urban development plans for these urban development areas.” In order to implement these concepts of staged urban development, LAFCO adopted its “Urban Development Policies for Santa Clara County” in December 1971, which were subsequently adopted by the County and the 15 cities. Working collaboratively with the County and the cities, LAFCO adopted “urban service area” (USA) boundaries for the 15 cities between 1972 and 1973. The USAs are the areas in which the cities (with LAFCO approval) designate where and when urban development should occur based on the concept that cities should plan for the provision of urban service and facilities within a 5-year time span. The USAs may be updated by LAFCO annually if requested by a city. LAFCO approval is based on the need for urban expansion and the city’s ability to provide services in addition to other considerations.

Together, the USAs and the joint urban development policies have formed the foundation of land use planning in this County since then and include the following key principles:

- Cities, not the County, are responsible for managing and accommodating urban population growth and development.
- Urban forms and densities of development may occur only within cities’ USAs.
- Outside USAs, the County will prohibit urban forms, densities, and intensities of development.
- Inside USAs, development occurring on unincorporated lands will be according to a city’s general plan regarding type of use and density of development allowed.
- Inside USAs, islands or pockets of unincorporated lands should be annexed by the surrounding city.

Spheres of Influence

In 1972, State law was amended to require that LAFCOs adopt SOI boundaries for all agencies within its jurisdiction, indicating the physical boundary and service area each agency is expected to serve. Since Santa Clara LAFCO’s SOIs were lines that divided the County into 15 pieces, one for each city, these lines were renamed “boundary agreement lines” and new SOI were adopted, which corresponded generally to the outer boundaries of a city’s General Plan area. In 1985, LAFCO

formally adopted spheres of influence for the cities and special districts after completing comprehensive review and analysis necessary to make the required findings in State law. State law defines spheres of influence as the probable physical boundaries and service areas of a local agency. In Santa Clara County, this definition is relevant for special districts; however, for cities, the inclusion of an area within a city's SOI should not necessarily be seen as an indication that the city will either annex or allow urban development and services in the areas. The USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether an area will be annexed and provided with urban services. The USA boundary also serves many of the objectives of the Government Code and LAFCO policies such as directing the location of urban development, ensuring an agency's ability to provide services, and preserving agricultural and open space lands. SOIs for cities in Santa Clara County serve multiple purposes, including serving as:

- A long-range planning tool to help LAFCO evaluate USA boundary changes and annexation requests,
- The area designated as a city's planning area or area covered by a city's General Plan
- Areas that will not necessarily be annexed by a city or will not necessarily receive services from the city, but areas in which the County and a city may have shared interests in preserving nonurban levels of land use
- Areas where a city and a county have significant interaction
- Areas that contain social or economic communities of interest to a city

The manner in which Santa Clara County LAFCO utilizes USAs also fulfills many SOI objectives of the Government Code and LAFCO policies such as directing the location of urban development, ensuring an agency's ability to provide services, and preserving agricultural and open space lands. Hence, in many respects, the USAs within Santa Clara County function in the same manner as SOIs. When evaluating proposed urban expansions, LAFCO utilizes the agency's existing USA as a more important factor than the agency's existing SOI, because the USA is a shorter-term growth boundary that is directly linked to the ability to provide services. Due to this, SOIs have a broader objective within the County, which includes planning for long-term growth and the ultimate service boundary of the agency.

City Urban Growth Boundaries and City General Plan Boundaries

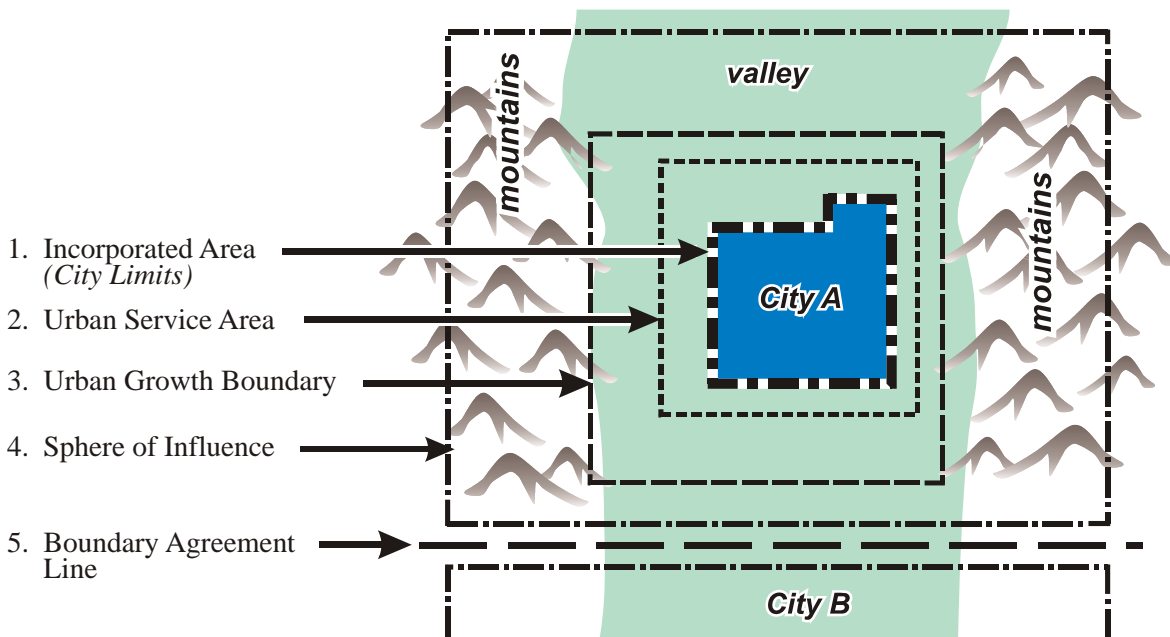
In addition to SOIs and USAs, some cities in Santa Clara County have also adopted Urban Growth Boundaries (UGBs). These are long-term growth boundaries that delineate areas intended for future urbanization. Because UGBs are adopted individually by cities and do not require County or LAFCO approval, cities define and utilize the UGBs differently.

Table 1.A and the Figure below it provide a summary and visual description of the relationship between the different boundary lines that are utilized within Santa Clara County.

Table 1.A: Santa Clara County Boundary Terms

Boundary	General Description
Incorporated City—City Limits	Delineates lands currently within or annexed to a city
Urban Service Area (USA)	Delineates incorporated and unincorporated areas authorized to receive urban services or proposed to receive urban services within 5 years
Urban Growth Boundary (UGB)	Areas delineated by the city that are appropriate for and likely to be needed for urban purposes within a city-designated time frame
Sphere of Influence (SOI)	Defined by the California Government Code as the probable physical boundaries and service area of an agency. In Santa Clara County, inclusion of an area in a city’s SOI is not necessarily an indication that the area would be annexed to the City or receive urban services. Specific uses are detailed in Section 1.2.
Boundary Agreement Line	Delineates limits beyond which a city will not be allowed to annex territory

**Hypothetical Relationships Among Boundaries
Within Santa Clara County**



Urban Unincorporated Pockets

The USAs of many cities contain urbanized unincorporated areas that are surrounded by city lands. These areas are referred to as urban pockets or islands. The pockets are a result of development that occurred in the County in the 1950s and 1960s (prior to the adoption of County urban development policies). During this time, urban development was often scattered and not necessarily required to be within cities. This resulted in some unincorporated areas being fully developed. Likewise, as urban development and city annexations continued outward, some unincorporated areas were “leapfrogged” and left in County land use.

Historically, it has not been the role of the County government to provide urban services and infrastructure. As a result, the County has very few mechanisms or resources for providing and maintaining urban infrastructure and services. The picture is further complicated by the inefficiencies of having to ensure that services are provided for the many small, widely scattered areas that are surrounded or substantially surrounded by cities. Consequently, it is common that the residents of such areas generally receive lower levels of urban services than the surrounding city residents.

Specific services in some pockets are provided by special districts. Residents of these areas generally receive urban service levels for the specific services that are provided by the district. However, the districts do not provide a full range of services, and it is similarly inefficient to have multiple special districts providing one or two specific services to small scattered areas.

In other cases, residents of urban unincorporated pockets may utilize city-provided services for which they pay no property taxes to the city. To minimize the complexities and inequities of urban service provision, the adopted policies of the County and LAFCO state that urban islands and pockets should be annexed.

Recent changes in State law provide an opportunity for cities to annex urban unincorporated islands through a streamlined process that does not require protest proceedings or elections, provided that the island meets specific criteria. In 2001, when the legislation was first passed, the changes applied to islands up to 75 acres. In 2004, the legislation was expanded to include islands up to 150 acres or less. To encourage cities to take advantage of this opportunity, LAFCO adopted Island Annexation Policies in February 2005. The policies include additional fee waivers, collaborative efforts, and city workshops. The existence of the unincorporated pockets and current annexation efforts is discussed within each City’s section of this service review.

2.0 POPULATION AND GROWTH

2.1 POPULATION

The California Department of Finance estimates the 2006 population of the County of Santa Clara to be 1,773,258. In the 10 years between 1990 and 2000, the population of the County increased from 1,497,577 to 1,682,585, a total of 1.24 percent. During the same 10-year period, the housing stock increased from 540,240 to 579,329 units, a total of 0.72 percent.

Table 2.A shows past population and housing growth within the cities included within this Service Review, unincorporated areas, and the County as a whole. Among these cities, Cupertino and Palo Alto have the highest growth, and Los Altos, Monte Sereno, and Campbell have had the lowest growth between 2000 and 2006.

Table 2.A: Population and Housing (1990, 2000, 2006)

Year	Population	Annual Percent Change	Housing	Annual Percent Change
City of Campbell				
1990	36,088	—	15,882	—
2000	38,138	0.57	16,286	0.25
2006	38,408	0.12	16,475	0.19
City of Cupertino				
1990	39,967	—	15,839	—
2000	50,602	2.66	18,701	1.81
2006	53,840	1.07	19,892	1.06
City of Los Altos				
1990	26,559	—	10,323	—
2000	27,693	0.43	10,727	0.39
2006	27,608	-0.05	10,741	0.02
Town of Los Altos Hills				
1990	7,514	—	2,682	—
2000	8,025	0.68	2,871	0.70
2006	8,482	0.95	3,050	1.04
Town of Los Gatos				
1990	27,357	—	11,822	—
2000	28,592	0.45	12,367	0.46
2006	28,989	0.23	12,599	0.31
City of Monte Sereno				
1990	3,287	—	1,190	—
2000	3,483	0.60	1,237	0.39
2006	3,512	0.14	1,253	0.22

Year	Population	Annual Percent Change	Housing	Annual Percent Change
City of Mountain View				
1990	67,365	—	31,487	—
2000	70,708	0.50	32,432	0.30
2006	71,995	0.30	33,168	0.38
City of Palo Alto				
1990	55,900	—	25,188	—
2000	58,598	0.48	26,048	0.34
2006	62,148	1.01	27,767	1.10
City of Saratoga				
1990	28,061	—	10,315	—
2000	29,849	0.64	10,652	0.33
2006	30,835	0.55	11,016	0.57
City of Sunnyvale				
1990	117,324	—	50,789	—
2000	131,844	1.24	53,787	0.59
2006	133,544	0.21	54,728	0.29
Countywide Unincorporated Areas				
1990	106,173	—	35,102	—
2000	99,813	-0.60	32,038	-0.87
2006	98,553	-0.21	31,568	-0.24
Total Santa Clara County				
1990	1,497,577	—	540,240	—
2000	1,682,585	1.24	579,329	0.72
2006	1,773,258	0.90	612,129	0.94

Source: State of California, Department of Finance, E-5 City/County Population and Housing Estimates, 2006, Revised 2001–2005, with 2000 DRU Benchmark. Sacramento, California, May 2006

2.2 AVERAGE HOUSEHOLD SIZE

The 2000 Census reports that there were 565,863 households in the County, with an average household size of 2.92. The County’s population per household is average when compared to the following neighboring counties:

Alameda County (2.71)	San Benito County (3.32)
Merced County (3.25)	Santa Cruz County (2.71)
Monterey County (3.14)	Stanislaus County (3.03)
San Mateo County (2.74)	

The Association of Bay Area Governments (ABAG) most recently adopted growth projections show the County’s population per household being similar in 2030 at 2.97. Likewise, most of the cities within this Service Review are expected to have a steady average of persons per household through 2030, as shown in Table 2.B.

Table 2.B: Population per Household (2000–2030)

County Area	2000	2010	2020	2030
Campbell	2.39	2.37	2.40	2.38
Cupertino	2.77	2.76	2.80	2.77
Los Altos	2.64	2.63	2.66	2.63
Los Altos Hills	2.88	2.87	2.88	2.86
Los Gatos	2.38	2.36	2.40	2.37
Monte Sereno	2.87	2.83	2.94	2.87
Mountain View	2.26	2.23	2.26	2.23
Palo Alto	2.32	2.28	2.32	2.28
Saratoga	2.85	2.82	2.87	2.83
Sunnyvale	2.50	2.48	2.51	2.49
Unincorporated	3.24	3.25	3.24	3.24

Source: Association of Bay Area Governments, Projections, 2005

2.3 GROWTH PROJECTIONS

The most recent growth projections adopted by ABAG indicate that population growth in the County between 2005 and 2025 is expected to be 20,785 persons annually, or 1.19 percent, which is slightly less than what occurred in the 1990s (1.24 percent annually). The number of households will have slightly more growth than in the recent past (6,477 households annually, or 1.09 percent).

ABAG has broken down the most recent growth projections by each city’s boundary and SOI areas. These projections are shown in Table 2.C. The projected growth within the different geographical areas of the County varies slightly from a low growth rate of less than 0.05 percent annually in several cities to a high of 1.09 percent annually in Palo Alto. As shown, Campbell, Cupertino, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, and Saratoga all have low projected growth rates, ranging from 0.22–0.46 person and 0.16-0.38 housing unit annually. The areas with the highest projected growth rate, in terms of population and housing units, include Palo Alto and Mountain View.

2.4 JOBS/HOUSING BALANCE

The jobs/housing balance is the relationship between the number of jobs provided by a community and the number of housing units needed to house the workers in those jobs. The measure of jobs/housing balance is the jobs/employed resident ratio. A ratio of 1.00 indicates that there is a numeric balance between the number of jobs and the number of employed residents in a community. A ratio of less than 1.00 indicates that a community is “job poor,” and its economic development has not kept pace with its housing growth. A jobs/housing balance indicates whether (1) a community’s housing costs match worker incomes, (2) travel distances between homes and jobs are not excessive, and (3) the environment and quality of life are maintained at an acceptable level. A jobs/housing imbalance can create both environmental problems (increased traffic congestion and decreased air quality) and fiscal problems (insufficient resources to provide services since housing cannot pay for all of its service needs). Santa Clara County as a whole is relatively well balanced (slightly “jobs

Table 2.C: ABAG Growth Projections for Service Review Cities and SOI Areas

City/Town	Designation	Population				Housing Units				Employment			
		2005	2015	2025	Annual Growth Rate	2005	2015	2025	Annual Growth Rate	2005	2015	2025	Annual Growth Rate
Campbell	Boundary	38,200	39,700	41,300	0.41	16,140	16,650	17,170	0.32	23,340	25,150	26,080	0.59
	+SOI	39,300	40,900	42,500	0.41	16,600	17,140	17,660	0.32	23,340	25,150	26,080	0.59
Cupertino	Boundary	54,600	57,500	59,200	0.42	19,810	20,690	21,190	0.35	32,120	38,960	40,830	1.36
	+SOI	55,400	58,500	60,200	0.43	20,090	21,030	21,530	0.36	32,320	39,200	41,090	1.36
Los Altos	Boundary	27,700	28,200	28,900	0.22	10,530	10,670	10,860	0.16	10,830	11,330	11,470	0.30
	+SOI	30,000	30,800	31,600	0.27	11,470	11,650	11,850	0.17	11,030	11,550	11,690	0.30
Los Altos Hills	Boundary	8,300	8,600	8,900	0.36	2,920	3,010	3,100	0.31	1,590	1,630	1,680	0.28
	+SOI	9,900	10,300	10,600	0.35	3,510	3,610	3,720	0.30	1,650	1,700	1,750	0.30
Los Gatos	Boundary	28,700	29,900	31,100	0.42	12,200	12,550	13,020	0.34	19,330	21,120	21,560	0.58
	+SOI	32,100	33,400	34,800	0.42	13,370	13,780	14,290	0.34	20,260	22,160	22,610	0.58
Monte Sereno	Boundary	3,600	3,600	3,800	0.28	1,250	1,290	1,290	0.16	390	420	450	0.77
	+SOI	4,400	4,500	4,700	0.34	1,550	1,610	1,640	0.29	490	520	550	0.61
Mountain View	Boundary	71,900	79,500	86,000	0.98	32,140	35,430	38,050	0.92	52,960	62,840	70,790	1.68
	+SOI	72,000	80,600	87,200	1.06	32,210	35,780	38,430	0.97	57,130	68,010	77,490	1.78
Palo Alto	Boundary	59,900	67,700	73,000	1.09	26,240	29,350	31,560	1.01	79,250	82,690	88,810	0.60
	+SOI	74,000	82,900	89,100	1.02	29,620	33,150	35,650	1.02	99,350	104,430	112,560	0.66
Saratoga	Boundary	30,300	31,800	33,100	0.46	10,740	11,180	11,560	0.38	7,130	7,840	7,980	0.60
	+SOI	30,900	32,400	33,800	0.47	10,940	11,390	11,790	0.39	7,410	8,140	8,280	0.59
Sunnyvale	Boundary	131,700	138,400	149,100	0.66	53,100	55,450	59,360	0.59	74,450	93,060	111,320	2.48
	+SOI	133,000	140,600	152,500	0.73	53,440	56,000	60,390	0.65	74,560	93,200	111,520	2.48
Total County		1,750,100	1,959,100	2,165,800	1.19	595,550	660,850	725,090	1.09	903,840	1,077,050	1,249,090	1.91

Source: Association of Bay Area Governments, Projections, 2005

rich”) in terms of employment and resident workers. However, there are differences among the geographical areas evaluated within this service review. The projected balance between jobs and employed residents within the cities (from 2000 to 2025) is shown in Table 2.D.

Table 2.D shows that Palo Alto, Mountain View, and Cupertino are jobs rich, while Los Altos Hills and Monte Sereno are jobs poor. This employment land use pattern creates a regional imbalance, as a large percentage of jobs are located in these jobs-rich cities. This regional land use pattern indicates that employees will be commuting in from other areas. The fact that there is peak-hour congestion on routes to these cities is directly attributable to the jobs and housing imbalance. As indicated in Table 2.D, the land use pattern is not expected to change through 2025.

Table 2.D: Jobs and Employed Resident Balance

City/Town	2000			2005			2015			2025		
	Jobs	Employed Residents	Jobs/Emp* Ratio	Jobs	Employed Residents	Jobs/Emp Ratio	Jobs	Employed Residents	Jobs/Emp Ratio	Jobs	Employed Residents	Jobs/Emp Ratio
Campbell	25,530	22,903	1.11	23,340	18,740	1.25	25,150	20,720	1.21	26,080	22,710	1.15
Cupertino	39,280	25,633	1.53	32,320	21,930	1.47	39,200	24,610	1.59	41,090	26,700	1.54
Los Altos	12,030	14,326	0.84	11,030	11,620	0.95	11,550	12,680	0.91	11,690	13,710	0.85
Town of Los Altos Hills	2,380	4,475	0.53	1,650	3,830	0.43	1,700	4,240	0.40	1,750	4,600	0.38
Los Gatos	19,920	17,231	1.16	20,260	14,190	1.43	21,160	15,690	1.35	22,610	17,230	1.31
Monte Sereno	590	1,849	0.32	490	1,550	0.32	520	1,690	0.31	550	1,860	0.30
Mountain View	70,540	42,397	1.66	57,130	35,220	1.62	68,010	41,910	1.62	77,490	47,800	1.62
Palo Alto	107,950	38,013	2.84	99,350	31,990	3.11	104,430	38,090	2.74	112,560	43,160	2.61
Saratoga	8,910	13,895	0.64	7,410	11,560	0.64	8,140	12,880	0.63	8,280	14,170	0.58
Sunnyvale	99,530	75,153	1.32	74,560	61,430	1.21	93,200	69,010	1.35	111,520	78,920	1.41
Total County	1,044,130	863,432	1.21	903,840	734,000	1.23	1,077,050	874,300	1.23	1,249,090	1,019,210	1.23

Source: Association of Bay Area Governments, Projections, 2005

*Emp = employed resident

3.0 CITY OF CAMPBELL

The services that are provided by the City of Campbell (City) and evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

3.1 CITY LOCATION

The City encompasses over 6 square miles of land area and is completely bounded by other cities. The City is bounded on the north, east, and west by the City of San Jose and on the south by the Town of Los Gatos. A small portion of The City's southwestern boundary is adjacent to the City of Saratoga. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

3.2 GOVERNANCE AND PUBLIC PARTICIPATION

The City was incorporated on March 28, 1952, as a general law city and operates under a Council-Manager form of government that includes five council members elected at large for a term of 4 years. The Mayor is selected each year by a majority vote of the other Council members. The City Council meets regularly on the first and third Tuesday of each month in the City Hall Council Chamber at 7:30 p.m. Agendas are posted on the Web site and outside the City Hall Council Chambers 72 hours prior to a meeting. City Council meetings are cablecast live on The City's Government Channel 26. Replays of the meetings are Thursday evenings at 7:30 p.m.

The City has the following boards and commissions that may provide recommendations on direction to the City Council regarding specific topic areas, but they do not direct the Council:

- Parks and Recreation Commission
- Civic Improvement Commission
- Building Board of Appeals
- Historic Preservation Board
- Planning Commission

- Rental Increase Fact Finding Committee

Planning Commission meetings are also cablecast live on the City’s Governmental Channel 26. Agendas and minutes of the boards and commissions are also posted on the City’s website effective July 1, 2007.

The City publishes a newsletter three times per year, which provides residents information regarding new facilities and services, City finances, City Council activities, and other issues of concern to the community.

3.3 FINANCE

The City adopts an annual budget. In addition to the operating budget, the City Council adopts a 7-year Capital Improvement Plan (CIP) from which new projects for the first year become an integral part of the proposed operating/capital budget. The formal operating budget preparation process begins annually in mid-December with distribution of budget packets to the City departments. A draft budget is prepared by the City departments and submitted to the City Manager for review and revision prior to submittal to the City Council. A public hearing is conducted prior to the budget adoption, which occurs before July 1 of each year. The City’s Finance Department prepares budget status reports monthly that are distributed to all departments for review. A General Fund midyear budget status report is also prepared and presented to the City Council each year.

The City’s largest revenue sources consist of property tax, sales tax, and charges for services. Table 3.A provides a list of the citywide sources of funds and the citywide uses of funds for the fiscal year (FY) 2006–2007.

Table 3.A: City of Campbell Sources and Uses of City Funds, FY 2006–2007

Sources of Operating Revenues		Total Operating Expenditures	
Property tax	28%	Public safety	35%
Sales tax	22%	Public works	18%
Charges for services	9%	Redevelopment agency	12%
Other local taxes	6%	Recreation and community services	12%
Charges to operating departments	5%	Administration	6%
Permits and licenses	3%	Nondepartmental	5%
Rentals and leases	4%	Finance	5%
Intergovernmental	3%	Community development	5%
Other revenues	6%	Debt service	3%
Interfund revenues and transfers	7%		
Investments	4%		
Operating reserves	3%		

Source: City of Campbell 2006–2007 Budget

As shown in Table 3.B, in FY 2004–2005 the City’s expenditures exceeded revenues. However, the 2006–2007 budget is expected to result in revenues that exceed expenditures.

Table 3.B: City of Campbell Summary of Total Revenues and Total Expenditures

	2004–2005 Actual	2005–2006 Adopted	2006–2007 Adopted
Total revenues	\$62,366,461	\$57,783,894	\$54,789,340
Total expenditures	\$67,765,045	\$57,779,667	\$53,959,567
Net revenues (loss)	(\$5,398,584)	\$4,227	\$829,773

Source: City of Campbell 2006–2007 Budget

The 2006–2007 budget states that over the past several years, the City has struggled with a structural budget imbalance in which ongoing revenues were insufficient to fully fund ongoing expenditures. Due to this imbalance the City has frozen or unfunded a total of 20.1 positions. In addition, the City reduced expenditures and increased some fees and added several new ones. This strategy minimized overall reserve utilization and the 2006–2007 budget states that reserve requirements have been maintained consistent with the City’s financial policies. The budget states that this strategy may result in noticeable service impacts given the amount of expenditure reductions that have been made in the past several years.

The City has adopted policies that mandate the level at which reserves are maintained. The following lists the City’s reserve funds and its policy minimums.

- The Emergency Reserve is to be maintained at a level of 10 percent of General Fund revenues and used only in case of dire need as a result of physical or financial emergencies as determined by the City Council.
- The General Fund Operating Reserve is to be maintained at a level of \$1 million. This reserve is used to meet necessary but unbudgeted expenditures during the fiscal year, including midyear budget adjustments, and/or to cover minor unanticipated revenue shortfalls. Funds drawn from this reserve during the year shall be replenished with the adoption of the ensuing fiscal year budget.
- A Reserve for Economic Fluctuations is to be maintained at a target of \$6 million to provide budget stabilization during an economic downturn that could otherwise result in significant reductions in service levels and/or organizational staffing. The policy for this reserve is to have a minimum of \$2 million. However, the policy also states that if the reserve balance falls below the minimum requirement, the City would develop a plan to return to the target amount within 5 years.
- A Capital Improvement Program Reserve is to be maintained at a level to cover unbudgeted capital improvement costs, to fund future capital and infrastructure improvements, and to fund anticipated one-time expenditures in the operating budget. This reserve is to be targeted at \$5 million, including an annual funding target of \$1.5 million specifically for infrastructure needs. Any unappropriated General Fund surplus, not needed to fund other required reserves at fiscal year end, is to be applied to this reserve.

A list of the City’s actual and estimated reserves at the end of each fiscal year is provided in Table 3.C.

Table 3.C: City of Campbell Reserve Funds at the End of FY 2005, 2006, and 2007

Reserve	Actual 2005	Estimated 2006	Estimated 2007
Emergencies	\$2,775,861	\$2,800,000	\$2,800,000
General Fund Operating	\$1,387,931	\$1,350,000	\$1,150,000
Economic Fluctuations	\$6,850,000	\$6,000,000	\$6,000,000
Capital Improvement Program	\$2,055,493	\$520,912	\$28,301
Carryover Capital Projects	\$3,428,985	\$3,725,000	\$3,175,000

Source: City of Campbell 2006–2007 Budget, City of Campbell

Investment Policy

The City's adopted investment policy is reviewed annually by the City Council and revised as appropriate. Among the primary objectives of the current policy are safety, liquidity, and yield. The policy further identifies allowable investment instruments, the percentage of surplus funds that can be invested in the various types of instruments, the parties authorized to make investment decisions, and their related investment authority by dollar amount. A complete report on the City’s investment portfolio is presented to the City Council monthly.

City Debt

As of the end of FY 2006, the City had two outstanding debt issues totaling \$23 million. The debt was from financing various capital improvements to City facilities and street maintenance projects. In July 2002 the City received ratings of A+ from Standard and Poors and A1 from Moody’s Investors Service. In April 2005, Standard and Poors reaffirmed the City’s rating at A+. The City’s Redevelopment Agency also has two outstanding debt issues totaling \$25.7 million that were used to finance a parking structure and various other capital improvements in the RDA’s project area.

Rates for Services

The City’s policy is to annually evaluate and, if necessary, adjust the schedule of user fees and charges to assure that the fees and charges generate sufficient revenues to meet service delivery costs.

3.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

Residential accounts for approximately 63 percent of the City’s land uses. Commercial/office uses consist of 13 percent of land, industrial uses encompass 7 percent, and other uses such as open space, public, and semi-public lands encompass 17 percent of the area. The land uses as shown in the City’s General Plan are listed in Table 3.D.

Table 3.D: General Plan Land Use Acreage

Land Use	Acreage	Percentage of Total
Residential	1,839.3	62.8%
Commercial	332.7	11.4%
Industrial	213.2	7.3%
Institutional	170.7	5.8%
Open Space	268.1	9.1%
Mixed-Use	106.2	3.6%
Total	2,930.2	100.0%

Source: City of Campbell General Plan, 2002

The City’s General Plan and General Plan EIR state that the City is essentially built out and has only 14.6 acres of vacant land. Due to this, a large majority of new development in the City would involve redevelopment or intensification of previously developed areas. Likewise, the City’s General Plan states that any growth is expected to be from mixed-use redevelopment/intensification and infill development. The City does not have projections regarding the amount, type, and location of redevelopment. Therefore, it is difficult to detail what potential affects redevelopment/intensification could have on existing infrastructure.

Unincorporated Pockets

The City annexed three unincorporated pockets in 2006. In addition, residents of Cambrian Pocket No. 36, which is an unincorporated island adjacent to Campbell, but located in the SOI of the City of San Jose, has requested a SOI boundary change and annexation to the City of Campbell. The City supports this effort and requested the City of San Jose’s and LAFCO’s cooperation regarding this area.

3.5 WASTEWATER

The West Valley Sanitation District provides wastewater services in the City. A full discussion of infrastructure and services that are provided by the District, including within the City, can be found in Section 22.0 of this service review. The West Valley Sanitation District service area map can be found in Appendix D of this document.

3.6 SOLID WASTE SERVICES

Solid waste service is provided by the City via contract with West Valley Collection & Recycling (WVC&R), which is a joint venture between Green Team of San Jose and Green Waste. The solid waste that is collected within the City is hauled to the landfills listed below. Additional detail regarding these facilities is located in Appendix A.

- Altamont Landfill, Resource Recovery Facility

- Arvin Sanitary Landfill
- Guadalupe Sanitary Landfill
- Kirby Canyon Recycling and Disposal Facility
- Newby Island Sanitary Landfill
- Pacheco Pass Sanitary Landfill
- Vasco Road Sanitary Landfill
- Zanker Material Processing Facility
- Zanker Road Class III Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the City disposed of 38,955 tons of solid waste in 2005.¹ CIWMB shows that the solid waste disposal generation factor for the City is 1 pound per resident per day and 6.7 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per CIWMB, the City has not met this goal since 2000. The City had a 49 percent diversion rate in 2004 and 2003, which is the most recent data posted.

The City has varying rates for residential solid waste services, which are dependent on the size of the refuse bin. Commercial rates are based on the size of the refuse bin and by number of pickups per week. Table 3.E provides the City’s solid waste service rates.

Table 3.E: City of Campbell Monthly Solid Waste Rates

Residential	35-gallon can, \$18.05
	65-gallon can, \$32.11
	95-gallon can, \$46.16
Senior Citizen	35-gallon can, \$12.09
Commercial	\$83.43–\$1,890.80, depending on size of bin and number of pickups per week

The City is an active member of the West Valley Solid Waste Management Authority, a joint powers authority comprised of the Town of Los Gatos and the cities of Saratoga, Monte Sereno and Campbell. The joint powers body contracts for solid waste collection, recycling, and disposal services that serve both residential and commercial customers.

¹ Web site:
<http://www.ciwmb.ca.gov/Profiles/Juris/JurProfile1.asp?RG=C&JURID=70&JUR=Campbel>,
accessed March 20, 2007.

3.7 PARKS AND RECREATION

The following parks and recreational facilities listed in Table 3.F are owned and maintained by the City.

Table 3.F: City of Campbell Park and Recreational Activities

Park and Location	Amenities	Acreage
Ainsley Park 435 East Campbell Avenue	Small grass area, benches, parking spaces	0.1
Campbell Community Center 1 W. Campbell Avenue	Lighted all-weather track, football stadium and bleachers, fitness center, skate park, four night-lit tennis courts, three night-lit handball courts, various meeting rooms and gymnasiums, heated pool, picnic tables, Heritage Theatre, 782 parking spaces	28.8
Campbell Park Corner of Gilman and Campbell Avenues	Two night-lit basketball courts, six picnic tables, two horseshoe pits, children’s playground with separate toddler area, water feature, restrooms, small open grass area, Los Gatos Creek Trail access, benches, parking spaces	4.9
Edith Morley Park 615 Campbell Technology Parkway	Community garden, environmental features, ponds and surrounding walking paths, one picnic area, eight picnic tables, benches	4.0
Gomes Park 2170 Winchester Blvd.	One bench	0.1
Hyde Park 90 S. First Street	Small grass area, two swings	0.3
Jack Fischer Park, Corner of Abbott Avenue & Pollard Road	Six picnic tables, playground, water feature, restrooms, small open field space	4.1
John D. Morgan Park 540 W. Rincon Avenue	Three reserve picnic areas, 20+ “first-come first-serve” picnic tables, two playgrounds, one water play feature, two restroom buildings, one amphitheater, two softball diamonds, one baseball diamond, six full basketball courts and four half courts, four horseshoe pits, three soccer fields, four tennis courts, two sand volleyball courts	32.0
Los Gatos Creek Trail Adjacent to Campbell Park	Paved running, walking or biking trail, par course fitness equipment, environmental areas	3 miles in length
Orchard City Green Between City Hall and the Library on Civic Center Drive	Amphitheater, small grass area, benches	0.8
Virginia Park 460 Virginia Avenue	Small grass area, playground	0.4
Total Acreage		75.5

Source: www.ci.campbell.ca.us, City of Campbell General Plan, 2002

The City’s General Plan states that the City has an existing standard of providing 3 acres of open space, park land, and recreational facilities and 1 acre of school open space and recreational facilities for every 1,000 residents. Based on the State Department of Finance’s 2006 population estimate for the City (38,408), the City is currently providing 1.97 acres of facilities per 1,000 population, which is below the standard. However, the City’s General Plan recognizes that the City’s ability to provide park and recreational facilities may be limited since the City is largely built out and has only small pockets of vacant or underutilized land.

The City implements the Quimby Ordinance, which requires developments that are a subdivision to provide land, fees, or a combination of the two for the development of park land. However, the Quimby Act does not authorize charging such fees to developments that do not require a subdivision. In 1990, the City Council adopted a Park Impact Fees and Park Land Dedication Developments Ordinance, establishing a supplemental development fee that is assessed at a standard of 4 acres per 1,000 persons and required for approval of residential development projects that do not require a subdivision.

To provide for additional park and recreational facilities, the City has a Facilities Improvement and Joint Use Agreement with the Campbell Union School District. This Agreement includes eight schools: Castlemont, Rosemary, Dover, Hazelwood, Capri, Forest Hill, Campbell Middle and Rolling Hills Middle (however, Castlemont School is not located within the City limits). The seven sites within the City contain approximately 51 acres of usable open space consisting of playing fields, ball courts, playgrounds and miscellaneous facilities that are available for use by youth sports groups and the public through the Joint Use Agreement. The school facilities and the open space acreages are listed in Table 3.G

Table 3.G: School Acreages Included in Joint Use Agreement

School Name	Gross Acreage	Usable Open Space
Campbell Middle	14.4	6.1
Capri	9.5	4.3
Dover	9.3	6.3
Forest Hill	13.0	8.0
Hazelwood	10.0	5.8
Rolling Hills Middle	20.0	12.9
Rosemary	12.0	8.0
Coventry ¹	9.3	-
Total Acreage	97.5	51.4

Source: City of Campbell General Plan, 2002

¹ In Moreland School District, which includes Castlemont School.

Based on the State Department of Finance’s 2006 population estimate for the City (38,408), the City in conjunction with the Campbell Union School District is currently providing 4.5 acres of facilities per 1,000 population, which is well above the standard. It should be noted, that continued use of school facilities is not guaranteed given that the facilities are not under control of the City. In addition to the park and recreational facilities discussed above, a County Park and a multiuse County Creek Trail are located within the City boundaries. These County facilities include a total of 53.8 acres in the City. The Los Gatos Creek County Park is a 10-acre park. The Los Gatos Creek Trail totals 14

miles in length and runs through three cities. The trail stretches over 3 miles through the City. It connects to the 151-acre Vasona County Park in Los Gatos to the south and extends northward to Leigh Avenue in San Jose.

Recreation

The City provides a variety of recreational activities and programs for residents of all ages. The types of classes provided by the City are listed in Table 3.H.

Table 3.H: Types of Recreation Programs Offered by the City of Campbell

Art and music	Dance	Gymnastics
CPR	Fitness	Yoga
Bird watching	Computer classes	Sports
Baby and toddler programs	Teen activities	Holiday activities
Senior classes	Senior excursions	Gardening/landscaping
Day camps	Aquatics	Ice skating
Cooking	Drama/theater	Sailing

3.8 STORM WATER DRAINAGE

The City maintains and operates approximately 34 miles of storm drains and 8 miles of laterals. The mains flow to Los Gatos and San Tomas Creeks, which then flow to San Francisco Bay. The Los Gatos and San Tomas Creeks are under the jurisdiction of the Santa Clara Valley Water District. The City’s 2002 General Plan states that some of the City’s storm drain system currently discharges into several groundwater recharge facilities; however, the City is working to reroute this discharge into the creeks.

There are some streets in the San Tomas Area Neighborhood, annexed into the City in the 1970s, that have a rural character with no curb, gutter, or paving, which effectively precludes installation of storm drain facilities. Although some nuisance flooding results, the City anticipates preserving the rural character of the area.

The City’s Storm Drainage System Analysis states that there are two areas that lack adequate drainage systems. These areas include (1) the Union Avenue area between Campbell Avenue and the southern City limits and west to Highway 17; and (2) the Leigh Avenue area between Hamilton Avenue and the southern City limits west to Bascom Avenue. The Analysis states that these areas are deficient due to a considerably undersized storm drain and a lack of drainage infrastructure. The Analysis recommends capacity and the addition of infrastructure to enhance drainage in these areas.

Most of the drains in the City are designated to handle a 5-year storm, and the City’s Drainage System Analysis identifies overall inadequate capacity for a 10-year storm. However, the Analysis also states that the City does not experience extensive frequent flooding and that the inadequate capacity generally results in nuisance ponding that can be alleviated over time as funding is available or as new development or redevelopment occurs.

The City’s 2001 General Plan EIR states that the system is in good condition and is inspected annually in commercial areas and biannually in residential areas. Maintenance to the system is completed by the West Valley Sanitation District under contract to the City.

3.9 LAW ENFORCEMENT

The Campbell Police Department (department), located at 70 N. First Street, provides law enforcement services in the City.

The department is structured into three major divisions: Field Services, Special Enforcement, and Support Services. The Field Services Division is primarily responsible for responding to calls for service. When not responding to calls for service, officers conduct self-initiated enforcement of laws or crime prevention through contact with the community. In 2006, the Field Services Division responded to 21,695 calls for service and 11,905 self-initiated activities. The Division also completed 4,772 police reports.

The Campbell Police Department Communications is the primary Public Safety Answering Point for the City. All calls to 911, as well as designated cellular calls originating near the City, are answered by the City’s dispatchers.

In 2006, the department had 79.6 approved positions, with 71.1 positions filled. Of these filled positions, there are 43 sworn officers, which equates to a ratio of 1.12 sworn officers per 1,000 population. There is no existing standard for the number or ratio of sworn officers serving the City. The City’s service contract is based on performance measures. The 2006–2007 budget states that the City has adopted the following performance measures for law enforcement services. As shown in Table 3.I, the City is meeting the nonemergency response time standard, but is slightly under the emergency response time standard.

- The department will arrive to the scene of emergency calls for service within 5 minutes of dispatch 95 percent of the time.
- The department will arrive to the scene to nonemergency calls for service within 20 minutes of dispatch 90 percent of the time.

Table 3.I: City of Campbell Police Department Performance Objectives

Standard	FY 2004	FY 2005	Mid-FY 2006
Emergency calls meeting the 5-minute response time standard	92%	93%	91%
Nonemergency calls meeting the 20-minute response time standard	100%	94%	94%

The City has mutual aid agreements with surrounding communities to share resources in emergencies. In addition, the department also participates in regional task forces, including Santa Clara County Specialized Enforcement Team, Sexual Assault Felony Enforcement, and Specialized Weapons and Tactics and Hostage Negotiations with the Town of Los Gatos/Monte Sereno.

3.10 LIBRARY

The Campbell Public Library, located at 77 Harrison Avenue, is one of nine libraries operated by the Santa Clara County Library. The library building is owned by the City. The City's 2007–2013 CIP states that the facility is exceeding its operating capacity over the years due to increasing demands for library services; consequently, the City has completed a library needs assessment. The City hoped to compete for grants from the State Library Bond Act of 2006, which did not pass. The City is now exploring funding options to provide facility improvements.

As mentioned previously, library services are provided by the County Library, and details regarding services provided by the County Library are provided in the service review that has been completed for the South and Central Santa Clara County areas.

3.11 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF CAMPBELL

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. The City's existing standard is to provide three acres of open space, park land, and recreational facilities for every 1,000 residents. However, the City is currently providing 1.97 acres of facilities per 1,000 population, which is below the standard. The City's General Plan recognizes that the City's ability to provide park and recreational facilities may be limited since the City is largely built out and has only small pockets of vacant or underutilized land. However, the City in conjunction with the Campbell Union School District is currently providing 4.5 acres of facilities per 1,000 population, which well above the standard. It should be noted, that continued use of school facilities is not guaranteed given that the facilities are not under control of the City.
2. The City's Storm Drainage System Analysis states that there are two areas in the City that lack adequate drainage systems due to considerably undersized storm drains and the lack of drainage infrastructure. The Analysis recommends capacity improvements and the addition of infrastructure to enhance the drainage within these areas.
3. The City's Drainage System Analysis states that overall inadequate capacity exists in the City for a 10-year storm. This generally results in nuisance ponding that can be alleviated over time as funding is available or as new development or redevelopment occurs.
4. The City's 2001 General Plan EIR states that the existing storm drainage system is in good condition.

5. The City's 2007–2013 CIP states that the library facility is exceeding its operating capacity; consequently, the City completed a library needs assessment and is exploring funding options to provide for facility improvements.
6. The City currently has 1.12 sworn police officers per 1,000 population and a ratio of 0.6 nonsworn police department staff to total employees.

Growth and Population

1. The City's General Plan and General Plan EIR state that the City is essentially built out and has limited vacant land. Due to this, a large majority of new development and/or growth in the City would involve redevelopment or intensification of previously developed areas.

Financing Constraints and Opportunities

1. The 2006–2007 budget states that over the past several years, the City has struggled with a structural budget imbalance in which ongoing revenues were insufficient to fully fund ongoing expenditures. Due to this imbalance the City has reduced expenditures. The budget states that this may result in noticeable service impacts.
2. The City implements the Quimby Ordinance; however, the Quimby Act does not authorize charging such fees to developments that do not require a subdivision. To provide for additional financing opportunities, the City has an ordinance that established a supplemental development fee that is assessed to residential development projects that do not require a subdivision.
3. The City is planning to compete for grants from a future State Library Bond Act to assist in funding library facility improvements.

Cost-Avoidance Opportunities

1. The City has cooperative arrangements with other agencies (such as school districts, solid waste and law enforcement agencies) that result in the provision of services or facilities at a reduced cost.

Opportunities for Rate Restructuring

1. The City's policy is to annually evaluate and, if necessary, adjust the schedule of user fees and charges to ensure that the fees and charges generate sufficient revenues to meet service delivery costs.

Opportunities for Shared Facilities

1. The City has several cooperative agreements with other agencies in the County that provide for service provision in a cost-effective manner. This includes park and recreational facilities, library services, and emergency mutual aid.

Government Structure Options

1. The City annexed three unincorporated pockets in 2006. In addition, residents of Cambrian Pocket No. 36, which is an unincorporated island adjacent to Campbell, but located in the SOI of the City of San Jose, has requested a SOI boundary change and annexation to the City of Campbell. The City supports this effort and requested the City of San Jose's and LAFCO's cooperation regarding this area.

Evaluation of Management Efficiencies

1. The City's cooperative agreements with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The City ensures that local accountability and governance standards are met by holding City meetings pursuant to the Brown Act, having them shown on cable television, and having reports available for download on the City's Web site.

3.12 SOI RECOMMENDATION FOR THE CITY OF CAMPBELL

Current SOI Boundary

The City's existing SOI, which was adopted in November 1983, is coterminous with its boundary. The City of Campbell is substantially bounded by the City of San Jose to the north, east and west; by the Town of Los Gatos to the south; and by the City of Saratoga to the southwest. There are several unincorporated islands located adjacent to the Campbell city limits. However, these islands are within the City of San Jose's SOI boundary. Since 1983, Campbell's SOI boundary has remained significantly unchanged.

SOI Boundary Recommendation

As the existing Campbell SOI is coterminous with the City limits and fully bounded by other cities and San Jose's unincorporated islands, no further outward expansion is possible. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the City of Campbell.

3.13 SOI DETERMINATIONS FOR THE CITY OF CAMPBELL

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the City's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The Campbell SOI is coterminous with the boundaries of the City; therefore all of the land within the SOI is within the City. The City's existing land uses, as listed in the 2002 General Plan, include 63 percent residential, 7 percent industrial, 13 percent commercial/office uses, and 17 percent open space, public and semi-public lands. Approximately 15 percent of land within the City is vacant. Planned land uses in the City include a similar mix of land uses.

Finding: The Campbell SOI is coterminous with the boundaries of the City. Planned land uses in the City are consistent with existing land uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The City is expected to experience modest growth mostly through in-fill development and redevelopment of underdeveloped parcels. The need for a full range of public facilities and services is expected to grow modestly in the future.

Finding: The need for a full range of public facilities and services is expected to grow modestly in the future.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities appears to be adequate. However, storm water infrastructure upgrades and capacity improvements are needed in some areas of the City, and the library facility is exceeding its operating capacity due to increasing demands. The City completed a library needs assessment and is working on a funding program to provide for facility improvements.

Finding: The present capacity of public facilities and public services is generally adequate. However, the library facility is exceeding its operating capacity, some City storm water drainage facilities are deficient, and some areas of the City lack drainage infrastructure.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The City's SOI is coterminous with the City limits and USA, which is almost fully bounded by other cities, with the exception of a few unincorporated pockets. Although San Jose's Cambrian Pocket No. 36, an unincorporated pocket, is located within the City of San Jose's SOI boundary, a substantial amount of these residents identify with the City of Campbell and would like to annex to Campbell. Campbell supports this effort and has initiated discussions with the City of San Jose regarding this area.

Finding: All communities of interest within the City limits and USA Boundary are included within the City's SOI boundary. However, Cambrian Pocket No. 36 is a community of interest located adjacent to the City's SOI.

4.0 CITY OF CUPERTINO

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

4.1 CITY LOCATION

The City of Cupertino (City) is located in the northwestern portion of Santa Clara County. The City's northern border is adjacent to the City of Sunnyvale and a small portion of the City of Los Altos. To the east, Cupertino is adjacent to the Cities of Santa Clara and San Jose. To the south, the City is adjacent to additional portions of the Cities of San Jose and Saratoga. The City is bounded on the west by unincorporated areas, which consist of the Montebello Ridge and the Santa Cruz Mountain Range. The incorporated area of the City includes 11.2 square miles. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

4.2 GOVERNANCE AND PUBLIC PARTICIPATION

Cupertino was incorporated in 1955 and operates under a Council-Manager form of government. There are five council members who serve 4-year overlapping terms, with elections held every 2 years. The City Council meets twice a month on the first and third Tuesdays at 6:45 p.m. in the Community Hall. The City Council agendas are posted at City Hall, the City's Web site, and the City Library. Agendas posted on the Web site are for information purposes only and are subject to change. The agendas are posted on the Thursday prior to the meeting.

Residents are kept informed of City services and programs through the City's monthly newsletter, the government access cable TV channel, and the City's Web site.

The City has several citizen advisory commissions/committees, which include housing, telecommunications, fine arts, library, planning, audit, parks and recreation, bicycle and pedestrian, teen, senior, and public safety. Members of the committees are appointed by the City Council.

4.3 FINANCE

The City prepares an annual budget. Budget development begins in February with preparation of budget instructions and goal setting sessions by the City Council and City Manager. During March, the City departments prepare proposed budgets, which are then reviewed and revised by the Finance Division, City Manager, and City Treasurer. The proposed budget is then submitted to the City Council in May. During the months of May and June the Council considers the proposed budget at a series of City Council study sessions. Prior to June 30, the City Council holds public hearings on the budget and adopts the final budget by resolution.

The City’s revenue sources are largely from property taxes, charges for service, sales taxes, and other local taxes. Table 4.A provides a list of the citywide sources of funds and the citywide uses of funds for fiscal year (FY) 2006–2007.

Table 4.A: City of Cupertino Sources and Uses of City Funds, FY 2006–2007

Sources of City Revenues		City Expenditures	
Property tax	8%	Public works	24%
Charges for services	13%	Parks and recreation	13%
Sales tax	17%	Law enforcement	11%
Capital projects, equipment funding, debt paybacks	20%	Capital projects	11%
Use of money and property	3%	Administrative services	11%
Permits and licenses	4%	Operating transfers	13%
Fines	1%	Community development	7%
Intergovernmental	11%	Debt service	6%
Other revenues	4%	Council and commissions	1%
Utility tax	4%	Public information	1%
Transient occupancy tax	4%		
Other taxes	4%		
Franchise fees	4%		

Source: City of Cupertino 2006–2007 Budget, pages 46 and 47

As shown in Table 4.B, the City has had expenditures exceed revenues at the end of FY 2004 and 2006. Likewise, the 2006–2007 budget indicates that total City expenditures will exceed the total City revenue.

Table 4.B: City Cupertino Summary of Revenues and Expenses for Governmental Activities

	2003–2004 Actual	2004–2005 Actual	2005–2006 Unaudited
Total Revenues	\$32,900,000	\$36,600,000	\$37,133,000
Total Expenses	\$34,800,000	\$34,400,000	\$37,954,000
Net Revenues (Loss)	(\$1,900,000)	\$2,200,000	(\$821,000)

Source: Comprehensive Annual Finance Report for FY 2005; City of Cupertino 2006–2007 Budget

As indicated above, the City has been struggling with an operating deficit in recent years. In response, the City has frozen positions and projects and reduced service levels. To address the financial issues, the City formed a Fiscal Strategic Plan Committee consisting of two council members and five key managers with the goal of addressing the City's financial concerns, including future obligations and revenue and expenditure structures. The Committee developed a Fiscal Strategic Plan, which was adopted by the City Council in May 2006. The 2006–2007 budget states that implementation of this plan will improve the City's ability to provide services under changing economic circumstances.

The City's 2006–2007 budget notes that revenue increases coupled with a conservative approach on expenditures have put the City in a stronger financial position than in the recent past. However, the budget also notes that the City's 5-year projections show that operating expenditures will exceed annual operating revenues, and funding has not yet been secured to correct this imbalance.

Reserves

The City has three reserve funds and has adopted minimum levels, which are listed below along with the actual reserve balances at the end of FY 2006.

- Capital Improvement Projects Reserve: Policy \$5,000,000 – Balance at end of FY 2006: \$5,000,000
- Economic Uncertainty I: Policy \$2,500,000 – Balance at end of FY 2006: \$4,038,000
- Economic Uncertainty II: Policy \$7,500,000 – Balance at end of FY 2006: \$7,500,000

City Debt

The City's existing debt is comprised of Certificates of Participation for infrastructure projects. At the end of FY 2005, the total outstanding debt was \$52.3 million.

Investment Policy

The City has an adopted investment policy that states that the investment goals of the City are safety, liquidity, and yield. The City Treasurer is responsible for investment management decisions and activities. The policy requires the City Treasurer to prepare monthly investment reports to be submitted to the City Council for review and quarterly reports to the California Debt and Investment Advisory Commission.

4.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

The City has stated that there is currently 277 acres of vacant land within the City's urban service area (USA). Due to the limited amount of vacant land, most future development and growth within the City would be redevelopment or intensification of existing land uses. It should be noted that the City does not have growth projections, which are different than those of the Association of Bay Area Governments (ABAG). The City does not have projections regarding the amount, type, and location of redevelopment. Therefore, it is difficult to detail what potential affects

redevelopment/intensification could have on existing infrastructure. The current absorption rate of this vacant land is very low, as shown in Table 4.C.

Table 4.C: City of Cupertino Current and Projected Rate of Vacant Land Absorption

Land Use Category	Current Rate (acres per year)	Projected Rate (acres per year)
Residential	1.5	1.5
Commercial	0	1.5
Office/Industrial	0	0

Source: City of Cupertino Planning Department, October 2006

Unincorporated Islands

There are several unincorporated island areas within the City or its USA. The City has a General Plan policy that states that the City will actively pursue the annexation of unincorporated properties within the City's urban service area, as determined by the City Council. Likewise, in October 2006, the City completed annexation of 17.38 acres of scattered residential and vacant parcels that are located primarily in the southern portion of the City. These areas include 8 island areas encompassing 18 parcels and 15 single-family dwellings with an estimated population of 40 persons.

4.5 WASTEWATER

Within Cupertino, both the Cupertino Sanitary District and the City of Sunnyvale provide wastewater collection and treatment services. The Cupertino Sanitary District Service Area and the City of Sunnyvale Planning Boundary Map can be found in Appendix D of this document. The majority of the City is served by the Cupertino Sanitary District, while the City of Sunnyvale serves the Rancho Rinconada area, which is located adjacent to the Lawrence Expressway on the east side of the City. The Rancho Rinconada area includes two blocks of commercial properties and single-family residences.

Additional detail regarding wastewater services is provided in the City of Sunnyvale's and Cupertino Sanitary District's sections of this service review.

4.6 SOLID WASTE

Solid waste service is provided by the City via contract with the Los Altos Garbage Company. The solid waste that is collected within the City is hauled to the landfills listed below. Additional detail regarding these facilities can be found in Appendix A.

- Altamont Landfill Resource and Recovery Facility
- Guadalupe Sanitary Landfill
- Kirby Canyon Recycling and Disposal Facility
- Newby Island Sanitary Landfill

- Redwood Sanitary Landfill
- Zanker Material Processing Facility
- Zanker Road Class III Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the City disposed of 38,028 tons of solid waste in 2005.¹ The CIWMB shows that the solid waste disposal generation factor for the City is 1 pound per resident per day and 6.2 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per the CIWMB, the City met this goal and had a 53 percent diversion rate in 2004, which is the most recent data posted.

The City has varying rates for residential solid waste services, which are dependent on the type of residence (e.g., single-family, multi-family, hillside). Commercial rates are based on the refuse bin size and by number of pickups per week. Table 4.D provides a comparison of City solid waste service rates.

Table 4.D: Monthly Solid Waste Rates

Residential		Commercial
Single-Family	1 can, \$18.66	\$108.84–\$2,351.03, depending on size of bin and number of pickups per week
	2 cans, \$37.32	
	3 cans, \$55.98	
Hillside	1 can, \$30.86	
	2 cans, \$61.72	
	3 cans, \$92.58	
Multifamily	1 can, \$15.78	
	2 cans, \$31.56	
	3 cans, \$47.34	

4.7 PARKS AND RECREATION

The City owns and maintains numerous park and recreational facilities, as listed in Table 4.E.

¹ Web site:
<http://www.ciwmb.ca.gov/Profiles/Juris/JurProfile1.asp?RG=C&JURID=115&JUR=Cupertino>,
accessed March 20, 2007.

Table 4.E: City of Cupertino Parks and Recreational Facilities

Park and Location	Amenities	Acreage
Blackberry Farm 21975 San Fernando Avenue	Picnic areas, volleyball courts, three swimming pools, horseshoe pits, basketball courts, and a softball field	16
Blackberry Farm Golf Course 22110 Stevens Creek Boulevard	9-hole, Par 29 golf course with an adjoining pro shop and restaurant	N/A
Cali Mill Plaza Intersection of Stevens Creek Blvd and De Anza Blvd	Stainless steel sculpture, two interactive fountains, themed gardens, and free wireless Internet access	1
Creekside Park 10455 Miller Avenue	800-square-foot (sf) community room, family picnic areas, half-court basketball, two playground areas, three tournament-quality soccer fields, and a pedestrian/bicycle bridge over the Calabazas Creek	13
Hoover Park Leeds Avenue near Primrose	Two soccer fields, a half-basketball court, and play equipment for preschool and elementary children.	5
Jollyman Park Stelling Road near McClellan Road	Partially lighted soccer field, baseball field, play equipment, and picnic areas	11.5
Linda Vista Park Linda Vista Drive near Columbus	Group barbecue facility for 100, two play equipment areas (preschool and elementary), a fitness station, large turf area, with a water feature	11
McClellan Ranch Park 22221 McClellan Road	Natural preserve park, nature museum, community garden; also preserved on the property are the original ranch house, milk barn livestock barn, a replica of the Baer's Blacksmith Shop that was originally located at De Anza and Stevens Creek Boulevards, and the old water tower from the Parish Ranch.	18
Memorial Park Intersection of Stevens Creek Blvd. and Mary Ave.	A lake, an amphitheater, lighted softball field, six lighted tennis courts	28
Monta Vista Park Foothill Boulevard and Voss Avenue	10,000 sf recreation center, two tennis courts, play fields, play equipment, and family picnic areas	6.2
Portal Park North Portal Avenue off Stevens Creek Boulevard	Small recreation building, group barbecue facilities for 60, play equipment, and family picnic areas	3.8
Quinlan Community Center 10185 N. Stelling	A multipurpose room that can accommodate 300 people in a banquet format, conference rooms, Cupertino Historical Society and museum	27,000 sf
Sports Center 21111 Stevens Creek Boulevard at the corner of Stevens Creek Boulevard and Stelling Road	17 tennis courts, fitness center, racquetball courts, a child watch center, Teen Center, multipurpose room	
Somerset Square Park Stokes Avenue near Peninsula Drive	Half-basketball court, a volleyball court, family picnic areas, and children's play equipment	1.7
Three Oaks Park Candlelight Way near Rainbow	Play equipment and family picnic areas	3.1
Varian Park Ainsworth Drive at Vista Knoll	Two tennis courts, play equipment, and family picnic areas	6.3
Wilson Park South Portal Avenue near Stevens Creek Boulevard	Recreation building, family picnic areas, fitness course, and play equipment	4.8
Total Acreage		129.4

Source: www.cupertino.org, City of Cupertino General Plan, 2005

The City has a standard of providing a minimum of 3 acres of open space per 1,000 residents, as noted in the General Plan. Based on the State Department of Finance 2006 population estimate for the City (53,840), the City is currently providing 2.4 acres of parkland per 1,000 population, which is below the City's standard.

The City's General Plan states that Cupertino will not have sufficient funds to buy enough parkland to meet the minimum standard. The City plans to utilize an acquisition strategy that stretches limited funds by using school sites, expanding and revising existing park uses, taking advantage of State and other funds, and park dedication requirements and/or parkland development impact fees for new developments. In addition, to provide additional recreational facilities in a cost-effective manner, the City has a joint use agreement with the Cupertino Union School District for access to eight sports fields on school grounds in exchange for grounds maintenance by the City.

Recreation

The City offers a wide variety of recreation classes for residents of all ages. The types of classes provided by the City are listed in Table 4.F.

Table 4.F: Types of Recreation Programs Offered by the City of Cupertino

Arts and crafts	Dance	Gymnastics
Baby and toddler programs	Fitness	Yoga
Nature	Camps	Sports
Music	Preschool	After school programs
Dog training	Emergency preparedness	Self-help/wellness
Foreign language	Science	Theater

4.8 STORM WATER DRAINAGE

The City storm water drainage system consists of an underground system of pipelines that range in size from 12 to 60 inches in diameter and totals 63.20 miles. The storm water is carried through the City system and is discharged into creeks within the City and then into San Francisco Bay.

The City's 2005 General Plan states that with the exception of some of the older areas such as Monta Vista, the City is served by a storm drainage system designed to accommodate a 10-year flood. It also states that the City has not studied in detail the carrying capacity of the existing system, but it is estimated that it could accommodate the runoff from a 10-year to a 40-year flood, although there would be some overflow that would run along the street gutters but ultimately dissipate into the major storm channels and creeks able to accommodate a 100-year storm. Heavier storms may cause some flooding of yards, but flooding of buildings would be extremely unlikely.

There are a few areas of the City such as Old Monta Vista and older areas next to the foothills that are not protected by a storm drainage system. These areas would be subjected to flooding. Within the Old Monta Vista area, the City has begun to design a storm drainage system to alleviate the propensity of flooding within this area. This system will be constructed along Byrne Avenue and Orange Avenue from Stevens Creek Boulevard to McClellan Road. The final design is expected to be completed in

Spring 2007, and the construction is planned for completion by the end of 2007. This drainage project will be funded through the storm drain impact fees accrued via the building permit process.

In addition, the General Plan states that the City proposes to upgrade key parts of the older system through a long-term capital improvement program (CIP). It should also be noted that the City requires all new development to construct infrastructure to adhere to the 10-year storm event standard and/or pay storm drainage impact fees on a per-acre basis.

4.9 LAW ENFORCEMENT

Law enforcement services are provided within the City through a contract with the Santa Clara County Sheriff’s Department. This contract provides the City with a full range of police services, which include: patrol services, criminal investigation, traffic enforcement, accident investigation, tactical teams, detectives, K-9s, search and rescue, bomb technicians, off-road motors, dive team, hostage negotiators, special investigations teams, resource officers, and vice unit. In addition, the Sheriff’s Department works closely with the City’s Code Enforcement personnel and when necessary, enforces City ordinances.

The County Sheriff’s Westside Substation provides service to the City. The Substation is located at 1601 S. De Anza Boulevard in the City and is approximately 2 years old. The Sheriff’s Department has stated that in addition to the substation there is an existing need for an “in-field station” to write reports. Currently the Quinlan Center is used for such purposes; however, there is a need for a larger and better-equipped facility than the Quinlan Center.

There are a total of 32 employees assigned to the City, including civilian and support. The Sheriff’s Department has stated that it is currently working to obtain additional staffing for patrol in Cupertino. In addition, the Sheriff’s Department is currently working on a grant that would fund a “Gang Officer” position. This position would be shared by the City and Saratoga. There is no existing standard for the number or ratio of sworn officers serving the City. The City’s service contract is based on the number of hours to be provided for different services.

In 2005, there were 11,368 total calls for service in the City. As part of its contract, the City is provided dispatch services through the County Communications Department. The City’s 2006–2007 budget provides the City’s response time goals and current actual response times; as shown in Table 4.G, law enforcement services are currently exceeding the response time goals.

Table 4.G: City of Cupertino Law Enforcement Response Time Goals/Actual

Response Time: Goals	Response Time: Actual
5 minutes for Priority One calls	4.94 minutes for Priority One calls
9 minutes for Priority Two Calls	8.09 minutes for Priority Two calls
20 minutes for Priority Three calls	16.74 minutes for Priority Three calls

Source: City of Cupertino 2006–2007 Budget

The Sheriff's Department evaluates services monthly and prepares a report that is provided to the City Manager, City Council, and the Public Safety Commission for review. In addition, a representative from the Sheriff's Department attends weekly staff meetings to remain up-to-date on issues and concerns within the City. This also allows the Sheriff's Department to share public safety concerns with City staff.

The Sheriff's Department has stated that the City's general fund operational revenue issues have directly affected the level of law enforcement services. For the past several years, operating revenues have not been sufficient to cover operating expenditures. When citywide cutbacks were needed, the Sheriff's contract was also reduced. As revenues increase, the Sheriff's Department would like the service contract enhanced to ensure the level of service that is desired by the City Council.

4.10 LIBRARY

The Cupertino Library is provided by a cooperative effort between the City and the County Library. The City provides the library building and the County Library provides operations. In October 2004, the City completed development of a new 54,000 sf library facility located at 10800 Torre Avenue in Cupertino. The new facility was funded through the issuance of debt, community contributions, and the City's Resource Recovery Fund. General library services are funded through library-dedicated property taxes and City General Fund revenues.

In FY 2000–2001 the library circulated 1,693,807 items, had 540,983 visits, and had a collection of 312,614 items.

The City has a five-member library commission, which is appointed by the City Council, that reviews and makes recommendations related to the operations and services of the library.

As mentioned previously, the library is operated by the County Library System. Details regarding services provided by the County Library are provided in the service review that has been completed for the South and Central Santa Clara County areas.

4.11 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF CUPERTINO

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. The City has a standard of providing a minimum of 3 acres of open space per 1,000 residents. The City is currently providing 2.4 acres of parkland per 1,000 population, which is below the City's standard. The City has an acquisition strategy to obtain additional parkland.
2. The City's 2005 General Plan states that it is estimated that the City's storm drainage system could accommodate the runoff from a 10-year to a 40-year flood in most areas of the City.

3. The General Plan states that the City is planning to upgrade parts of the older storm water drainage system through a long-term CIP.
4. There are a few areas of the City that do not have a storm drainage system and are subject to flooding. Within the Old Monta Vista area, the City has begun to design a storm drainage system to alleviate flooding. This project is planned for completion by the end of 2007.
5. The Sheriff's Department has stated that there is a need for an "in-field station" to write reports. Currently the Quinlan Center is used for that purpose; however, there is a need for a larger and better-equipped facility than the Quinlan Center.

Growth and Population

1. There are currently 277 acres of vacant land within the City's USA. Due to the limited amount of vacant land, most future development and growth within the City would be redevelopment or intensification of existing land uses.

Financing Constraints and Opportunities

1. The City has been struggling with an operating deficit in recent years. In response, the City has frozen positions and projects and reduced service levels.
2. The City's 2006–2007 budget notes that 5-year projections show operating expenditures exceeding operating revenues and that funding has not yet been secured to correct this imbalance.
3. The City has adopted a Fiscal Strategic Plan, which is expected to improve the City's ability to provide services under changing economic circumstances.
4. Drainage projects are funded through the storm drain impact fees accrued via the building permit process.
5. The Sheriff's Department has stated that the City's general fund operational revenue issues have directly affected the level of law enforcement services. As revenues increase, the Sheriff's Department would like the service contract enhanced to ensure the level of service that is desired by the City Council.

Cost-Avoidance Opportunities

1. The City requires all new development to construct infrastructure to adhere to the 10-year storm event standard and/or pay storm drainage impact fees on a per-acre basis to new development.
2. To provide additional park and recreational facilities, the City plans to stretch funding by using school sites, expanding and revising existing park uses, utilizing State funds, and park dedication requirements and/or parkland development impact fees for new developments.
3. To provide additional recreational facilities in a cost-effective manner, the City has a joint use agreement with the Cupertino Union School District for access to eight sports fields on school grounds in exchange for grounds maintenance by the City.
4. The Sheriff's Department is currently working on a grant that would fund a "Gang Officer" position.

Opportunities for Rate Restructuring

1. The City regularly evaluates and, if necessary, adjusts the schedule of user fees and charges to ensure that the fees and charges generate sufficient revenues to meet service delivery costs.

Opportunities for Shared Facilities

1. The City has several agreements with other agencies in the County that provide for service while sharing facilities. These include the Sheriff's substation, library services, and the school district.

Government Structure Options

1. The City has several unincorporated pockets within its SOI. The City has recently annexed some of these pockets and has taken advantage of the current streamlined annexation opportunity to implement more efficient planning boundaries. Additionally, the City has a General Plan policy that states that the City will actively pursue the annexation of unincorporated properties within the City's urban service area.

Evaluation of Management Efficiencies

1. The City's cooperative agreements with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The City ensures that local accountability and governance standards are met by holding City meetings pursuant to the Brown Act, having them shown on cable television, and having them available for download on the City's Web site.

4.12 SOI RECOMMENDATION FOR THE CITY OF CUPERTINO

Current SOI Boundary

The City's existing SOI, which was adopted in January 1984, is coterminous with its City limits to the north, east, and southeast. The City's existing SOI boundary also extends to just west of the Permanente Cement Plant and just north of the Fremont Older Open Space, and then along a portion of Prospect Road. The City of Cupertino is bounded by the Cities of Sunnyvale and Los Altos to the north, the Cities of San Jose and Santa Clara to the east, the City of Saratoga to the south, and unincorporated lands to the west. The City of Cupertino's 1984 SOI boundary includes lands that are planned for both urban uses, as well as, lands planned for permanent open space uses, and also includes areas in which the City and the County have shared interests in preserving non-urban land uses. Since 1984, Cupertino's SOI boundary has remained significantly unchanged.

SOI Boundary Recommendation

It is recommended that LAFCO re-affirm the City of Cupertino's existing SOI boundary because the City of Cupertino's SOI boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests.
- Areas that will not necessarily be annexed to the City of Cupertino or will not necessarily receive services from Cupertino, but are areas in which the County and Cupertino may have shared interests in preserving non-urban levels of land use. Specific examples include the foothills and ridgelines located west of the City. Furthermore, both the City and the County share a mutual interest in protecting view sheds and natural resources.
- Areas where Cupertino and the County have significant interaction. A specific example of such interaction includes areas where the City receives discretionary planning application referrals from the County.
- Areas that contain social or economic communities of interest to Cupertino, such as areas within the City's jurisdiction.

In making this recommendation, it should be made clear that inclusion of an area within the City's SOI boundary should not necessarily be seen as an indication that the City will either annex or allow urban development and services in the area. The City's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided with urban services.

4.13 SOI DETERMINATIONS FOR THE CITY OF CUPERTINO

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the City's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

Land outside of the City's USA boundary but within the Cupertino SOI boundary is largely undeveloped and designated either park and open space or hillsides. The City does not intend to extend services to the SOI area and planned land uses within the SOI boundary are the same as existing land uses.

The City of Cupertino is almost fully developed. There is currently 277 acres of vacant land within the City's USA boundary. The current and projected absorption rate of this vacant land is very low (i.e. less than 2 acres per year). The City is a largely residential community. However, there are significant industrial/manufacturing areas and smaller commercial areas. Planned land uses in the City include a similar mix of land uses.

Finding: A variety of urban uses are planned within Cupertino's USA boundary. Both the County of Santa Clara and the City of Cupertino General Plans call for the continuation of non-urban uses beyond the City's USA boundary.

2. Present and Probable Need for Public Facilities and Services in the Area

Although, a majority of the City is developed, the City is expected to experience modest growth mostly through in-fill development, redevelopment of underdeveloped parcels, and very low-density residential development within the hillsides. Similarly, the need for a full range of public facilities and services is expected to grow modestly in the future. However, the portion of the City's SOI, which is located beyond the City's USA boundary has limited development potential due to having steep slopes, limited infrastructure, and some permanently preserved open space. Therefore, there is a low probable need for public facilities and services in this portion of the City's SOI boundary.

Finding: The type of public services and public facilities required within Cupertino's SOI boundary will not change, although the level of demand will increase modestly.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities appears to be adequate. However, some specific inadequacies were identified, including: (1) the need for additional parkland per capita; (2) the need for improvements related to storm water drainage and flooding; and (3) the County Sheriff's Department has stated that there is a need for an "in field station" to write reports. Currently the Quinlan Center is used for that purpose; however, there is a need for a larger and better equipped police facility than the Quinlan Center.

Finding: The present capacity of public facilities and public services is generally adequate. However, improvements to storm water drainage and flooding are needed, the County Sheriff's Department needs an "in field station," and City park facilities are limited due to the low amount of City parkland acres per capita.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The City's USA boundary contains one unincorporated pocket area (i.e. the Creston Neighborhood) that is developed with urban land uses. The Joint Urban Development Policies of the cities, the County, and LAFCO call for islands or pockets of unincorporated land to be annexed to the applicable city.

Also, the City of Cupertino has annexed territory that may never be in the City's USA boundary, but which is within the proposed SOI. These areas are to the south and west of the urban area and include portions of Freemont Older Open Space Preserve and some lands to the west of Stevens Canyon Road. While these areas will not generally be considered for urban development, they are none the less within the jurisdiction of the City.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Cupertino and the areas within the City's SOI boundary.

5.0 CITY OF LOS ALTOS

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

5.1 CITY LOCATION

The City of Los Altos (City) is surrounded by the cities of Mountain View and Palo Alto to the north, Sunnyvale to the east, Cupertino to the south, and Los Altos Hills to the west. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

5.2 GOVERNANCE AND PUBLIC PARTICIPATION

The City was incorporated on December 1, 1952, as a general law city operating under the Council-Manager form of government. There are five council members elected at large serving 4-year overlapping terms. The City Manager and City Attorney are appointed by the City Council.

The City Council meets the second and fourth Tuesdays at 7:00 p.m. in the Community Meeting Chambers at City Hall. Agendas for Council meetings are posted in each of the libraries within the City, the Police Station, and City Hall on the Friday prior to the Council meetings. The Council meeting information is also posted on the City's Web site along with past agendas and meeting minutes and recorded on a specific phone line dedicated to agendas and City information. In addition, a local cable television channel carries a listing of upcoming agenda items several days prior to the Council meeting. Live council meetings can also be viewed on the local cable television channel.

The City has several boards and commissions, as listed below, which may provide recommendations on direction to the City Council, but they do not direct the Council:

- Parks, Arts, and Recreation Commission
- Library Commission
- Youth Commission

5.3 FINANCE

Every two years, the City adopts a budget for the two upcoming fiscal years. The budget is updated in the spring of the first year for the second year. In the City, the key general fund revenue sources are property tax, service fees, sales tax, utility user tax, vehicle license fees, and transient occupancy tax. The City’s Service and Financial Plan for fiscal years (FY) 2005–2006 and 2006–2007 projects General Fund revenues to increase by approximately 9 percent in 2005–2006 and 11 percent in 2006–2007. The significant revenue increases projections are in Property Tax, Sales Tax, Other Revenue, interest earnings, Vehicle License Fees, Transient Occupancy Tax, and Documentary Transfer Tax and Utility User Tax. Table 5.A provides a list of the sources of the City’s funds and the uses of the City’s funds.

Table 5.A: City of Los Altos Sources and Uses of City Funds, FY 2005–2006

Sources of Funds (includes General, Capital Improvement, and Enterprise Funds)	
Property tax	31%
Enterprise fees	16%
Sales tax	9%
Utility user tax	7%
Development Fees	6%
Recreation fees	5%
Transient occupancy tax	4%
Gas tax	2%
CIP grants	3%
Interest income	2%
Motor vehicle tax	1%
Other fees	6%
All other	8%
Uses of Funds (includes General, Capital Improvement, and Enterprise Funds)	
Public safety	35%
Enterprise	17%
Public works	13%
Community development	10%
Capital projects	9%
Internal/community services	9%
Recreation	7%

Source: City of Los Altos Service & Financial Plan FY 2005–2006, and 2006–2007, 6/17/05, page 14

As shown in Table 5.B, in the recent past the City has had revenues that exceeded expenses. However, the 2005–2006 budget shows an increase in expenses that is expected to result in a slight loss.

Table 5.B: City of Los Altos Summary of Total Revenues and Total Expenses

	2003–2004 Actual	2004–2005 Actual	2005–2006 Budget
Total revenues	\$26,116,997	\$29,383,820	\$29,309,036
Total expenses	\$24,026,578	\$25,819,812	\$29,310,510
Net revenues (loss)	\$2,090,419	\$3,564,008	(\$1,474)

Source: City of Los Altos Service & Financial Plan FY 2005–2006 and 2006–2007; Comprehensive Annual Financial Report for end of FY 2005

Reserves

The City has adopted policies for each of its reserve funds, which are summarized below.

- Debt reserves shall be reviewed annually by staff and set at levels necessary to meet or exceed levels required for outstanding debt.
- Self-insurance funds, including those for workers’ compensation, unemployment insurance, and liability shall be reviewed annually and established at reasonable levels.
- Enterprise funds shall maintain reserves for the depreciation and replacement of equipment and to cover unforeseen capital and operating expenses. Enterprise reserves shall be reviewed annually by the Finance Director, operating department head, and City Manager to determine appropriate levels.
- The operating reserve within the sewer fund shall be maintained at a level equal to 10 percent of annually estimated operating costs of the current fiscal year. Adjustments to user charges to maintain appropriate levels shall be made as necessary.
- The Equipment Replacement Fund shall be maintained to provide for the timely replacement of vehicles and other capital equipment. This fund will be reviewed annually by the City Manager, Finance Director, and operating department heads.
- The Emergency Reserve within the general fund shall be maintained at a level equal to 10 percent of annually estimated general fund appropriations for the next fiscal year. The Emergency Reserve Fund is to be the City’s “reserve of last resort” and shall be accessed only in the event of a major catastrophe or prolonged financial downturn.
- The Operating Reserve within the general fund shall be built to a level equal to 2 percent of the estimated general fund appropriations for the next fiscal year. The Operating Reserve Fund provides for unscheduled capital improvements, increases in the cost of scheduled capital improvements, unanticipated operating expenses, and unforeseen decreases in revenues.
- The Community Improvements Reserve/Fund shall be maintained to provide for additions and improvements to public and community facilities and to provide funding for opportunities, which may improve the City’s financial position. Three separate accounts are maintained in this reserve/fund: one for Park Acquisition and Development; one for Traffic Improvements; and one for Miscellaneous Community Improvements. The target is to reach a balance in this reserve/fund of \$3.5 million. Annually, and in conjunction with the review of the Midyear Report, staff will

review and make recommendations to the City Council regarding this reserve/fund. The City Council will make any necessary adjustments to meet current and anticipated community needs.

The City's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005 shows the following reserve levels.

- Operating reserve and emergency reserve: \$2.4 million
- Reserve for future PERS payments: \$3 million
- Reserve for capital projects: \$7.4 million
- Reserve for equipment replacement: \$4.4 million
- Reserve for facility maintenance: \$2.3 million
- Reserve for debt service: \$798,000

Investment Policies

The City's 2005 Annual Financial Report states that in order to maximize investment leverage, it is the City's practice to "pool" available cash from all funds for investment purposes. In accordance with the City's annually adopted investment policy, available cash is invested with the goal of safety as the first priority, insuring adequate liquidity as the second priority, and maximizing yield as the third priority.

City Debt

The following lists the City's existing debt as detailed in the Service and Financial Plan, FY 2005–2006 & 2006–2007.

- Certificates of Participation: The City currently has two separate issues of Certificates of Participation. The outstanding balance as of June 30, 2007, will be \$2,625,000.
- Special Assessment District Bonds: The City currently has one special assessment with an outstanding balance as of June 30, 2007, will be \$69,000.
- Installment Debt: The reconstruction of the Loyola fire station was funded by a lease financing agreement. Annual debt service payments are budgeted in the City's Capital Improvement Program (CIP). The outstanding balance as of June 30, 2007, will be \$57,434.

Rates for Service

Each year the City reviews and revises rates for services to ensure consistency with the cost to provide the services and the City Council's subsidy policy. As an example, the current policy provides a subsidy of 25 percent for youth programs and a 60 percent subsidy for senior citizens programs. The City tracks the relationship between fee revenue and the direct and indirect costs to provide the services for accurate cost recovery and compliance with the subsidy policy.

The City’s sewer rates have been increased for the past several years. They increased 9 percent in FY 2004–2005, 11 percent in FY 2005–2006, and 8 percent in FY 2006–2007. These increases were implemented to offset the cost of providing services and to begin to accrue funding for expected capital projects on the aging sewer system. In addition, solid waste rates increased 3.69 percent in 2004.

5.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

As shown in Table 5.C, the City is largely a residential community. However, the City’s General Plan states that many opportunities exist for expanding the existing commercial and employment base within the City.

Table 5.C: General Plan Land Use in the Los Altos Planning Area

Land Use	Net Acres in Planning Area	Percentage in Planning Area
Single-family large lot	429	11%
Single-family medium lot	2,598	67%
Single-family small lot	83	2%
Low density multifamily	34	1%
Medium density multifamily	45	1%
Neighborhood commercial	37	1%
Downtown commercial	42	1%
Thoroughfare commercial	59	2%
Public school land	120	3%
Private school land	34	1%
Public and institutional		
Utilities	113	3%
Parking		
Parks	32	1%
Other open space	127	3%
Planned community	93	3%
Total	3,846	100%

Source: Los Altos General Plan 2002–2020

The City’s 2002 General Plan states that the City is a developed community with little opportunity for additional growth or major land use changes. In July 2005, only 2 acres were identified as vacant. Because of this, future growth will occur through redevelopment or intensification of currently developed parcels. The City has stated that its population projections are consistent with the Association of Bay Area Governments (ABAG). The City does not have projections regarding the amount, type, and location of redevelopment. Therefore, it is difficult to detail what potential affects redevelopment/intensification could have on existing infrastructure.

Unincorporated Pockets

As discussed in Section 1.2, the County and the Local Agency Formation Commission (LAFCO) have adopted policies that state that urban islands and pockets should be annexed. The City has recently completed annexing two unincorporated pockets and does not anticipate any additional annexations in the near future. However, LAFCO has identified one remaining unincorporated area within the City's urban service area (USA) that is approximately 624 acres.

5.5 WASTEWATER

The City provides wastewater service to the City, in addition to adjacent unincorporated areas within the urban service area, a portion of Los Altos Hills, and a small portion of the City of Mountain View.

The collection system owned and/or maintained by the City includes three pump stations and approximately 140 miles of sewers ranging in size from 6 inches to 42 inches in diameter. The City owns two of the pump stations, and one is owned by Los Altos Hills and maintained by the City.

The 2005 Sewer Master Plan states that overall, the City's collection system is in good structural condition. Specifically, less than 2 percent of the pipes inspected for preparation of the Master Plan were in poor condition, and approximately 63 percent of the inspected pipes were in moderate condition. However, two segments of the sewer system have insufficient capacity under current peak wet-weather flow conditions, and a third segment has insufficient capacity under future peak flow conditions. In addition, two of the pump stations had significant deficiencies and require major rehabilitation. Therefore, the City's sewer system requires a number of improvements. The revenue for funding the improvements would come from sewer rates.

Wastewater from the collection system is conveyed to the Palo Alto Regional Water Pollution Control Plant for treatment and disposal. The City is a member of a Joint-Sewer System Authority along with the Cities of Palo Alto and Mountain View, which provides for this treatment facility. The City of Palo Alto acts as the administrator to the Authority and bills each member its share in operating costs. Likewise, the Regional Water Quality Control Plant is located within the City of Palo Alto. Specifics regarding the Water Quality Control Plant are located in the Palo Alto chapter of this service review (Section 10.5).

The City currently has a capacity contract for 3.6 million gallons a day (mgd) of treatment. The Master Plan notes that the average daily dry-weather flow in 2002 ranged from 2.86 to 3.01 mgd. The City's 2002 General Plan states that this capacity will accommodate future development of vacant sites and the intensification of commercial areas in accordance with the City's Land Use Element.

Wastewater Service Rates

The City's wastewater service rates are \$19 per month for single-family accounts and are based on flow for commercial and industrial accounts. The Sewer Master Plan projects sewer charges will increase by approximately 2 percent annually in order to provide funding for necessary capital improvements.

5.6 SOLID WASTE SERVICES

Solid waste service is provided by the City via contract with the Los Altos Garbage Company. The solid waste that is collected within the City is hauled to the landfills listed below. Additional detail regarding these facilities can be found in Appendix A.

- Altamont Landfill Resource and Recovery Facility
- Arvin Sanitary Landfill
- Guadalupe Sanitary Landfill
- Kirby Canyon Recycling and Disposal Facility
- Newby Island Sanitary Landfill
- Ox Mountain Sanitary Landfill
- Zanker Material Processing Facility
- Zanker Road Class III Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the City disposed of 21,233 tons of solid waste in 2005.¹ CIWMB shows that the solid waste disposal generation factor for the City is 1 pound per resident per day and 6.0 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per CIWMB, the City exceeded this goal and had a 54 percent diversion rate in 2004, which is the most recent data posted.

The City has varying rates for residential solid waste services, which are dependent on the type of residence (e.g., single-family, multifamily, low-income). Commercial rates are based on the larger refuse bin size and by number of pickups per week. Table 5.D provides a comparison of City solid waste service rates.

¹ Web site:
<http://www.ciwmb.ca.gov/Profiles/Juris/JurProfile2.asp?RG=C&JURID=270&JUR=Los+Altos>,
accessed March 20, 2007.

Table 5.D: City of Los Altos Monthly Solid Waste Rates

Residential	1 residential 32-gallon can	\$ 24.14
	Each additional residential can	\$ 24.14
	Residential oversize can	\$ 11.63
	1 Multiunit 32-gallon can	\$ 21.52
	Each additional multiunit can	\$ 21.52
	Multiunit oversize can	\$ 11.02
	Toter rental (each):	\$ 3.43
	Yardwaste toter Rental:	\$ 5.91
	Extra bag tag:	\$ 6.16
Commercial	West Valley Collection and Recycling	Dependent on size of bin and number of pickups per week

5.7 PARKS AND RECREATION

The City owns and maintains numerous park and recreational facilities, as listed in Table 5.E.

Table 5.E: City of Los Altos Parks

Park and Location	Amenities	Acreage
Connor Park	Passive park	0.75
Covington Mini-Park	Sports courts, play area, and picnic facilities	2.00
Grant Park 1575 Holt Avenue	Multipurpose room, outdoor recreation and picnic area	3.5
Heritage Oaks Park Portland & Miramonte Avenue	Outdoor play and picnic areas	5.0
Hillview Park 97 Hillview Avenue	Community center and recreation facilities	6.0
Lincoln Park University & Lincoln Avenue	Passive park	2.5
Marymeade Park Fremont Avenue and Grant Road	Tennis courts and outdoor recreation and picnic facilities	2.5
McKenzie Park 707 Fremont Avenue	Courts and outdoor recreation and picnic facilities	1.3
Monteclair Park St. Joseph Avenue	Tennis courts, picnic facilities, and preschool play area	0.75
Redwood Grove 482 University Avenue	Nature preserve with trails/picnic areas	6.0
Rosita Park 401 Rosita Avenue	Baseball and soccer facilities	5.0
Shoup Park 400 University Avenue	Outdoor recreation and picnic facilities with garden house	2.84

Village Park Edith Avenue and San Antonio Road		N/A
Total		38.14

Source: City of Los Altos General Plan, 2002; Fall 2006 Activity Guide

Based on the State Department of Finance 2006 population estimate for the City (27,608), the City is currently providing 1.38 acres of parkland per 1,000 population. The City does not have an existing standard to provide a specific ratio of parkland per 1,000 residents, but this is lower than the general standard for cities, which is 3.0 acres per 1,000 population. The City does have a standard for park dedication requirements for new subdivisions, which is 5.0 acres of parkland per 1,000 residents. This standard is implemented through the Quimby Act and the City’s Parkland Dedication Ordinance. The 2002 General Plan notes that in an effort to expand park and recreational facilities and programs, the City will implement options to lease and/or purchase additional park sites and will implement programs to encourage public and private development of indoor and outdoor recreation facilities and services.

Recreation Programs

The City provides numerous recreational activities; these include special events such as holiday festivities and day trips in addition to various programs and classes. Table 5.F provides a list of the types of recreational programs that are provided by the City. It should be noted that the City leases classrooms and pools for school for recreational programs

Table 5.F: Types of Recreational Programs Provided by the City of Los Altos

Fitness	Nature programs	Self defense
Music	Dance	Science
Cooking	Various sports	Teen programs
Theater programs	Art	Senior programs

5.8 STORM WATER DRAINAGE

Surface runoff from the City is discharged into the City storm drainage system and local creeks that empty directly into the South San Francisco Bay.

The City has stated that there are no existing infrastructure deficiencies or needs for upgrades or maintenance in the City’s storm water drainage systems. The City has also stated that there is no flooding in any parts of the City during a storm event and that there are no plans for expansion, improvement, or rehabilitation projects related to storm water drainage.

The City anticipates performing a storm drain master plan in the next few years to determine infrastructure needs.

5.9 LAW ENFORCEMENT

The Los Altos Police Department (department), located at 1 N. San Antonio Road, provides law enforcement services within the City. The City has stated that the police facility is aging and in need of modernization. In addition, the department is in need of additional space. The department provides basic services including patrol, traffic, and investigations. Law enforcement services also include canine, SWAT, hostage negotiations, crowd management team, and explosive breaching.

In 2006, the department had 47 approved positions; of these positions, 30 are sworn officers. Based on the State Department of Finance 2006 population estimate (27,608), the City is currently providing 1.09 officers per 1,000 population. The City's service standard is primarily based on response times to the various levels of calls for service, which is shown in Table 5.G. In addition, responses to service level surveys, number of complaints about a specific problem (primarily traffic-related) and case clearance statistics all play a part in determining whether or not the department is achieving service standards.

Table 5.G: Average Response Time by Priority

Priority	Response Time (Minutes)	Response Time Goal (Minutes)
1	4:11	3:22
2	4:43	4:15
3	7:12	7:34

The department has its own communications division and receives all 911 calls from the City. Fire and medical emergencies are transferred to County Communications, as the City contracts for fire services.

In FY 2005–2006, the department responded to 22,665 calls for service. The average response time and response time goals by priority are listed in Table 5.G. As shown, the department is meeting response time goals for Priority 3 calls, but not for Priority 1 or 2 calls.

The City has mutual aid agreements with surrounding agencies and statewide mutual aid capabilities. The department is a participant in the regional auto theft task force. In addition, the City contracts with outside agencies for fire and animal control services.

Department administration evaluates performance based on various data sources, including public input/satisfaction surveys, established performance metrics (including response times, Traffic Safety Index, comparison of Part 1 crime data, crime clearance rates), budget management, and employee feedback.

5.10 LIBRARY

There are two library facilities located within the City. They are located at 13 S. San Antonio Road and 1975 Grant Road. These facilities are part of a cooperative effort between the City and the Santa

Clara County Library System. The City owns the library facilities and sites, and the County of Santa Clara is responsible for all library operations.

Details regarding services provided by the County Library are provided in the service review that has been completed for the South and Central Santa Clara County areas.

5.11 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF LOS ALTOS

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. The 2005 Sewer Master Plan states that overall, the City's collection system is in good structural condition. However, improvements related to capacity and pump stations are needed.
2. The City's 2002 General Plan states that the overall sewer system capacity will accommodate future development of vacant sites and the intensification of commercial areas in accordance with the City's Land Use Element.
3. Based on the State Department of Finance 2006 population estimate for the City (27,608), the City is currently providing 1.38 acres of parkland per 1,000 population. The City does not have an existing standard to provide a specific ratio of parkland per 1,000 residents, but this is lower than the general standard for cities, which is 3.0 acres per 1,000 population. The 2002 General Plan notes that the City will implement options to lease and/or purchase additional park sites and implement the Quimby Act and the City's Parkland Dedication Ordinance.
4. The City has stated that the police facility is aging and in need of modernization. In addition, the department is in need of additional space.
5. The City's department is meeting response time goals for Priority 3 calls, but not for Priority 1 or 2 calls.

Growth and Population

1. The City is a developed community with little opportunity for additional growth or major land use changes. In July of 2005, only 2 acres were designated as vacant. Because of this, future growth will occur through redevelopment or intensification of currently developed parcels.
2. The City has stated that its population projections are consistent with the Association of Bay Area Governments (ABAG).

Financing Constraints and Opportunities

1. The City's Service and Financial Plan for FY 2005–2006 and 2006–2007 projects General Fund revenues to increase approximately 9 percent in 2005–2006 and 11 percent in 2006–2007.

2. The revenue for funding the improvements would be gained from sewer rates.
3. This standard is implemented through the Quimby Act and the City's Parkland Dedication Ordinance.

Cost-Avoidance Opportunities

1. The City has cooperative arrangements with other agencies that provide services at a reduced cost. These include agreements with the Palo Alto Regional Water Pollution Control Plant for wastewater treatment and with the County Library System for library services.

Opportunities for Rate Restructuring

1. Each year the City reviews and revises rates for services to ensure consistency with the cost to provide the services and the City Council's subsidy policy. Through this review the City tracks the relationship between fee revenue and the costs to provide service.

Opportunities for Shared Facilities

1. The City has several cooperative agreements with other agencies in the County that provide for service provision in a cost-effective manner. This includes the wastewater treatment plant, library services, school district facilities, and emergency mutual aid.

Government Structure Options

1. There is one remaining unincorporated island area that is approximately 624 acres and located adjacent to the City. In order to implement more efficient planning boundaries the City should consider pursuing annexation of this unincorporated island area.

Evaluation of Management Efficiencies

1. The City's cooperative projects with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The City ensures that local accountability and governance standards are met by holding City meetings pursuant to the Brown Act, having them shown on cable television, and having them available for download on the City's Web site. The City also has a phone-in service that provides callers with prerecorded information regarding various City questions or issues of concern.

5.12 SOI RECOMMENDATION FOR THE CITY OF LOS ALTOS

Current SOI Boundary

The City's existing SOI, which was adopted in August 1984, is coterminous with the City limits to the north, east and south. The City of Los Altos is substantially bounded by the City of Palo Alto to the north; by the Cities of Mountain View and Sunnyvale to the east; by the City of Cupertino to the south; and by the Town of Los Altos Hills and unincorporated residentially developed lands to the west. Since 1984, Los Altos' SOI boundary has remained significantly unchanged.

SOI Boundary Recommendation

As the existing Los Altos SOI is almost entirely coterminous with the City limits and fully bounded by other cities or by unincorporated islands that are located within other Cities' SOI boundaries, no further outward expansion is possible. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the City of Los Altos.

5.13 SOI DETERMINATIONS FOR THE CITY OF LOS ALTOS

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the City's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The Los Altos SOI is almost entirely coterminous with the boundaries of the City; therefore all of the land within the SOI is within the City or will eventually be within the City. The City's existing land uses, as listed in the 2002 General Plan, include 82 percent residential; 4 percent commercial; 4 percent school land, 3 percent public institutional, utilities, and parking; 3 percent planned community; and 4 percent parks and other open space lands. In July 2005, only 2 acres were identified as vacant. Planned land uses in the City include a similar mix of land uses.

Finding: The Los Altos SOI is almost entirely coterminous with the boundaries of the City. Planned land uses in the City and the City's remaining unincorporated island (i.e. the Country Club Neighborhood) are consistent with existing land uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The City is expected to experience modest growth mostly through infill development and redevelopment of underdeveloped parcels. Similarly, the need for a full range of public facilities and services is expected to grow modestly in the future.

Finding: The need for a full range of public facilities and services is expected to grow modestly in the future.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities appears to be adequate. However, some specific inadequacies were identified, including: (1) the need for additional parkland per capita; (2) the need for improvements related to sewer capacity and pump stations; (3) City Police facility is aging and in need of modernization and additional space; and (4) the City Police Department is not meeting its response time goals for Priority 1 or 2 calls.

Finding: The present capacity of public facilities and public services is generally adequate. However, improvements related to sewer capacity and pump stations are needed; improvements to police facilities and response times are needed; and City park facilities are limited due to the low amount of City parkland acres per capita.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The City's SOI is coterminous with the City's USA boundary and almost entirely coterminous with the City limits, with the exception of one side which is bounded by an unincorporated island (i.e. the Country Club Neighborhood) that is located within the City's USA boundary. The City's SOI boundary is almost fully bounded by other cities. The Joint Urban Development Policies of the cities, the County, and LAFCO call for islands or pockets of unincorporated land to be annexed to the applicable city.

Finding: All communities of social or economic interest within the city limits and USA boundary are included within the City's SOI boundary.

6.0 TOWN OF LOS ALTOS HILLS

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

6.1 TOWN LOCATION

Incorporated in 1956, the Town of Los Altos Hills (Town) is located adjacent and to the southwest of the City of Los Altos and south and east of the City of Palo Alto. The southern portion of the Town is bounded by unincorporated areas. The Town is a residential community encompassing 8.4 square miles in area. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

6.2 GOVERNANCE AND PUBLIC PARTICIPATION

The Town operates under a Council-Manager form of government. There is a five-member City Council, which is elected to overlapping 4-year terms. The Council members select the mayor and mayor pro tem every year. The City Council meets regularly on the second and fourth Thursdays of the month at 6:30 p.m. in the Council Chambers. Agendas are posted outside the Council Chambers on the Friday prior the meeting on Thursday. For special meetings the agendas are posted 24 hours in advance. City Council agendas, reports, and minutes are also posted on the Town's Web site and mailed to those wishing to be included on the mailing list. In addition, the Town publishes a quarterly newsletter that provides residents information on Town activities, services, and finances.

The Town has established several standing committees to render advice and make recommendations to the Council. The existing committees include:

- Community Relations Committee
- Education Committee
- Emergency Communications Committee
- Environmental Design and Protection Committee
- Environmental Initiatives Committee

- Finance and Investment Committee
- Open Space Committee
- Parks and Recreation Committee
- Pathways Committee
- Westwind Barn Committee

6.3 FINANCE

The Town adopts an annual budget. The annual budget is prepared by the City Manager, who submits the proposed operating and capital budget to the City Council for review. After revisions, the City Council holds public hearings, and a final budget is adopted on or before June 30. The Town’s revenue sources are largely from property taxes and service fees. Table 6.A provides a list of the townwide sources and uses of funds for fiscal year (FY) 2006–2007.

Table 6.A: Town of Los Altos Hills Sources and Uses of Funds, FY 2006–2007

Sources of Total Fund Revenues	
Property tax	30%
Charges for services	38%
Other local taxes	5%
Use of money and property	8%
Permits and licenses	5%
Intergovernmental	9%
Franchise fees	4%
Miscellaneous	1%
Total Fund Expenditures	
Administration	12%
Capital projects	30%
Debt service	2%
Sewer and solid waste operations	22%
Community development	16%
Public safety	9%
Drainage and street operations	5%
Pathways	2%
Parks and recreation	2%

Source: Town of Los Altos Hills 2006–2007 Budget, pages 12 and 13

As shown in Table 6.B, the Town has had revenues exceed expenditures in the last several fiscal years.

Table 6.B: Town of Los Altos Hills Summary of Revenues and Expenses

	2003–2004 Actual	2004–2005 Actual	2005–2006 Actual
Total Revenues	\$7,515,605	\$9,888,546	\$8,409,917
Total Expenses	\$5,833,704	\$6,213,650	\$6,869,572
Net Revenues (Loss)	\$1,681,901	\$3,674,896	\$1,540,354

Source: Town of Los Altos Hills 2006–2007 Budget

Reserves

The Town has several reserve funds, which are detailed below.

The Emergency Fund Balance is to provide funding for emergency repairs and/or replacement of losses incurred as the result of a single catastrophic event such as an earthquake or major fire. The Town’s recommended minimum fund balance is \$1,250,000.

The Contingency Fund Balance is to provide a “buffer” for the annual operating budget where a sudden loss of anticipated revenues occurs or where a significant increase in a budgeted expense item occurs. The Town’s recommended minimum fund balance is \$350,000.

The Capital Improvement Fund Balance is to fund capital projects that are beyond the reach of the town’s 20 percent of the General Fund for capital improvements policy. The Town’s recommended minimum fund balance is \$3,060,000.

The Town’s 2006–2007 budget shows that reserve balances at the end of the 2006 FY were:

- General Fund Reserve: \$5,536,840
- Special Revenue: \$567,805
- Debt Service: \$5,570
- Capital Projects: \$434,477
- Enterprise: \$2,745,970

Investment Policy

The Town has an adopted investment policy with the objectives of safety, liquidity, and return on investments. The policy lists the Town’s authorized suitable investments. The City Manager is the person responsible for supervising all investment activity and providing a market report on investment activity.

Rates for Service

The Town reviews and updates fees for services annually to ensure that eligible costs are recovered.

6.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

The Town is an exclusively residential community with no commercial or industrial base. One of the goals of the Town is to maintain the rural character. Lot sizes are required to be no less than 1 acre.

The Sewer Master Plan notes that there are 3,059 parcels within the Town, of which approximately 3,000 parcels (96 percent) are developed. The Plan also notes that in 1995, the Town had 2,035 residential lots of 1 acre or larger and that currently the Town owns 294 acres (38 parcels) of open space land.

The Town's 2002 Housing Element notes that given the zoning requirement of 1-acre minimum lot sizes and development constraints such as topography, easements, and dedications that exist in the Town, minimal growth is expected to occur in the future. Therefore, it is unlikely that future growth would have a significant adverse impact on existing infrastructure.

Unincorporated Pockets

As discussed in Section 1.2, the County and Local Agency Formation Commission (LAFCO) have adopted policies that state that urban islands and pockets should be annexed. LAFCO identified several unincorporated areas that are less than 150 acres within the Town's urban service area (USA). LAFCO has provided maps of the islands to the Town, which are also available on the LAFCO Web site.

6.5 WASTEWATER

The Town provides wastewater services to the community. Approximately 46 percent of the Town's parcels are connected to the sewer system. The balance of the Town uses septic systems for on-site sewage disposal. The Town owns and operates a wastewater system consisting of approximately 52 miles of gravity pipelines, which range from 6 to 12 inches in diameter. There are also several reaches of forcemains. There are 1,300 manholes and two lift stations. In addition, there are several small privately owned and maintained lift stations. The majority of the sewers were built in the 1950s.

The Town's Sewer Master Plan states that the sewer system within the Town appears to be in good condition and has adequate capacity to accommodate the existing average and peak dry-weather flows. However, the system does not have adequate capacity to accommodate build out peak dry-weather flows. The Plan notes that there are 70 deficient pipes (17,600 feet). The Master Plan includes a capital improvement project (CIP) to expand the capacity of the system to be able to accommodate the projected peak dry weather flows at build out. The Master Plan states that due to the slow growth and connection rate within the Town, it does not anticipate the need to begin the CIP capacity enhancement projects within the next 10 years. However, the City's 2006–2007 budget notes that the annual cost of major projects identified in the Master Plan and through video inspections is estimated to be \$1,000,000.

The wastewater generated within the Town is conveyed to the Palo Alto Regional Water Quality Control Plant through the City of Palo Alto and City of Los Altos collection systems. Wastewater from the northwest part of the Town generally flows into the City of Palo Alto's sewer system and the

wastewater from the southeast part of Town flows into the City of Los Altos' sewer system. The Town has separate agreements with both cities regarding the use of their conveyance systems. The Regional Water Quality Control Plant is operated by the City of Palo Alto and discussed in further detail in Section 10 of this Service Review. The Town pays its share of the Regional Water Quality Control Plant operating and capital improvement costs.

In January 2007, the Town of Los Altos Hills and the City of Los Altos approved a new agreement for transportation, treatment, and disposal of sewage. The following are the highlights of the agreement and responsibilities of the Town.

- **Sewer Capacity:** The agreement allows a total flow of 0.3399 mgd from the Town into the sanitary sewer system owned by the City of Los Altos. The Town is obligated to stop issuing sewer connection permits to new users once the City of Los Altos notifies the Town about exceeding the allotted sewage flow. Otherwise, financial penalty will be imposed to the Town. However, additional capacity of 0.408 mgd is required to meet the expected demands at build out. The Regional Water Quality Control Plant has tentatively agreed to allocate additional capacity of 0.126 mgd to the Town, which will be incorporated into the new agreement after confirmation of the additional capacity allocation. In addition, the Town has stated that it will be seeking an additional capacity of 0.282 mgd at the Water Quality Control Plant to be able to serve the projected build out capacity.
- **Maintenance:** Effective July 1, 2007, the Town will assume responsibility for maintenance and operation of the Town's sewer collection system including all mains and two lift stations.
- **Liability:** The Town will be responsible to fund the cost of design, construction, operation, and maintenance of five flow metering stations and a new parallel sewer main at Eastbrook Avenue between Mora Drive and Southeast end of Eastbrook Avenue.

The Town's current flow through the City of Palo Alto is estimated to be 0.2272 mgd. There is 0.6 mgd capacity available in this system, which is sufficient to provide almost all of the future needed capacity for the Palo Alto Basin area of the Town.

Wastewater Rates

The Town's wastewater rates are collected as a one-time annual fee of \$570.34 per residence. The annual fee has not increased since 1996; however, the Town's 2006–2007 budget shows that revenues are expected to continue to exceed expenditures for this service. The City Council is considering a resolution to increase sewer service charges to \$733.00 per residence.

6.6 SOLID WASTE SERVICES

Solid waste service is provided by the Town via contract with the Los Altos Garbage Company. The solid waste that is collected within the Town is hauled to the landfills listed below. Additional detail regarding these facilities can be found in Appendix A.

- Newby Island Sanitary Landfill

- Vasco Road Sanitary Landfill
- Zanker Material Processing Facility
- Zanker Road Class III Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the Town of Los Altos disposed of 4,703 tons of solid waste in 2005.¹ The CIWMB shows that the solid waste disposal generation factor for the City is 1 pound per resident per day and 4.6 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per CIWMB, the Town exceeded this goal and had a 57 percent diversion rate in 2004, which is the most recent data posted.

The Town has set rates for residential solid waste services, which is \$24.86. Commercial rates are based on the larger refuse bin size and by number of pickups per week. It should be noted that the Town's 2006–2007 budget shows that expenses for solid waste services are projected to exceed revenues by \$56,478 in FY 2006–2007. Likewise, it notes that the Town is partially subsidizing the solid waste collection fees for residents.

6.7 PARKS AND RECREATION

The Town owns and operates several park and recreational facilities, which are listed below.

- Edith Park: Located at Edith and Fremont Roads along Adobe Creek is a reflective site featuring benches and a meandering path through a wooded setting.
- Juan Prado Mesa Preserve: Accessible from Dawson Drive at one end and Stonebrook Road at the other, this preserve is bordered by Hale Creek and the Neary Quarry.
- Westwind Barn next to Byrne Preserve: A facility for boarding horses and operating horseback riding programs, Westwind is operated by Friends of Westwind, a nonprofit group offering special riding programs for disabled persons.
- Little League Fields on Purissima Road: The facility is owned by the Town and consists of four playing fields with public facilities. The fields are available for adult and youth programs and for activities sponsored by the Los Altos Little League, which are operated through a joint agreement between the Town and the Little League. The Town pays two-thirds of the maintenance cost and the Little League pays the other third. The Town is responsible for the water bill.
- Town Riding Ring on Purissima Road: This public riding rink facility is owned by the Town and operated cooperatively with the Los Altos Hills Horsemen's Association.

¹ Web site:
<http://www.ciwmb.ca.gov/Profiles/Juris/JurProfile2.asp?RG=C&JURID=271&JUR=Los+Altos+Hills>, accessed March 20, 2007.

The Town does not have a park acreage provision standard. It should be noted that there are several County and Midpeninsula Park and Recreational facilities that are located within or adjacent to the City.

Recreation

The Town offers a wide variety of recreation classes and activities for residents of all ages. The types of classes provided by the Town are listed in Table 6.C.

Table 6.C: Types of Recreation Programs Offered by the Town of Los Altos Hills

Fitness	Horseback riding	Fencing
CPR	First aid	

Source: Town of Los Altos Hills Fall–Winter 2006–2007 Recreation Guide

6.8 STORM DRAINAGE

The Town’s storm drainage system consists of a combination of roadside drainage ways, cross culverts, and underground pipes. There are no major public storm water detention facilities. The drainage system discharges to Matadero, Deer, Barron, Adobe, Hale, or the west branch of Permanente Creeks. Certain sections of the creeks are managed by the Santa Clara Valley Water District.

The Town’s Storm Drainage Master Plan identified 28 drainage problem areas in 2004. The deficiencies include existing infrastructure needing rehabilitation or capacity increases and needing additional pipelines or other new infrastructure. The Master Plan includes a CIP, which details the existing conditions and recommended upgrades. The recommendations are mostly replacement projects, bringing existing structures up to currently accepted design standards, alleviating maintenance problems, improving roadway embankment stability, and eliminating potential flooding issues. The City has budgeted \$200,000 annually for storm drain improvement projects. To date, the work on 13 of the 28 spots have been completed. The 2006–2007 budget states that at this level of funding, all the projects identified in the Plan would be addressed within 6 years and that the projects will be funded by the City’s General Fund.

6.9 LAW ENFORCEMENT

Law enforcement services are provided to Town residents under contract with the Santa Clara County Sheriff’s Department (department). The department substation that services the Town is located at 1601 South De Anza Boulevard in Cupertino. This station is located at Freeway 85, which provides quick access to the Town. This substation is new and has been in service for 1.5 years.

The Town’s contract provides for limited patrol hours with the department; however, the Town is provided with all of the resources that the department has to offer. These services include detectives, K-9s, search and rescue, bomb techs, SWAT, traffic resources, special traffic accident reconstruction

investigators, and off-road motor units. The Town, as part of its contract, is also provided dispatch services through County Communications.

The total number of department employees that serve the Town is 14, including civilian employees and administrative support services. There are six deputies assigned to the Town. The deputies are dedicated to the Town for 3 years once they receive the beat assignment. Currently, the service contract is to provide an average of 4.8 hours of patrol per 10-hour shift. Due to the coordination of patrol hours, the department often provides services beyond the contracted amount. The department has communicated to the Town Manager about contracting for additional hours, up to 6 hours per 10-hour shift.

Neither the department nor the Town has a service standard regarding sworn officers per population. However, to provide an indication of service level, based on the State Department of Finance 2006 population estimate (8,482), the Town is currently providing 0.71 officer per 1,000 population.

In 2005, the department responded to a total of 1,952 calls for service within the Town. The department's response time goals and average response times for calls from the Town are provided in Table 6.D. As shown, the department is not currently meeting the response time goals.

Table 6.D: Law Enforcement Response Time Goals and Actual Average Response Times

Priority Call	Response Time Goal (minutes)	Actual Average Response Time (minutes)
Priority 1	9	10.89
Priority 2	14	14.83
Priority 3	25	28.32

Source: County of Santa Clara Sherriff's Department, October 2006

The department works closely with the Town Manager to ensure that the services provided are those that are expected and meet the needs of the Town. The department meets with the Town Manager monthly to review the services provided and to discuss any concerns or issues pertaining to the Town.

Back-up resources are available as needed to incidents occurring within the Town. The department's Office has a Memorandum of Understanding (MOU) with Moffett Field to provide services to the unincorporated areas of their facility. This deputy is often used as a fill unit to assist on calls for service in the Town. The department also has contracts with the Cities of Cupertino and Saratoga. These deputies work out of the same station as the one that serves the Town. If an event in the Town requires a number of additional resources, they are available. They also sit in on the same squad meetings as the deputies working the Town. This allows all deputies to be aware of the concerns within the Town.

6.10 LIBRARY

The Town is part of the Santa Clara County Library system and is served by two libraries located in Los Altos. Details regarding these library facilities are provided in Chapter 5. A seven-member

Library Commission provides input into library services. The Commission consists of two members from the Town and five from the City of Los Altos.

Library services that are provided by the County Library System are detailed in the service review that has been completed for the South and Central Santa Clara County areas.

6.11 SERVICE REVIEW DETERMINATIONS FOR THE TOWN OF LOS ALTOS HILLS

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the Town.

Infrastructure Needs and Deficiencies

1. The Sewer Master Plan states that the sewer system does not have adequate capacity to accommodate build out peak dry-weather flows. The Master Plan includes a CIP to expand the capacity of the system to be able to accommodate the projected peak dry-weather flows at build out. The Plan states that due to the slow growth and connection rate within the Town, it does not anticipate the need to begin the CIP capacity enhancement projects within the next 10 years.
2. The Sewer Master Plan states that the Town's sewer system appears to be in good condition. However, the City's 2006–2007 budget notes that the annual cost of projects identified in the Master Plan and through video inspections is estimated to be \$1,000,000.
3. To meet the expected wastewater demands at build out, the Town needs 0.408 mgd additional capacity at the Regional Water Quality Control Plant and to be conveyed through the City of Los Altos. Currently, the City has tentatively been allocated an additional 0.126 mgd of capacity. The capacity of the sewer system through the City of Palo Alto is sufficient to provide almost all of the future needed capacity for the northeastern portion of the Town.
4. The Town's Storm Drainage Master Plan identified 28 drainage problem areas in 2004. The deficiencies include existing infrastructure needing rehabilitation or capacity increases and needing additional pipelines or other new infrastructure. The Master Plan includes a CIP, which details recommended upgrades. To date, the work on 13 of the 28 spots have been completed.

Growth and Population

1. Given the built-out nature of the Town, the zoning requirement of 1-acre minimum lot size, and development constraints such as topography, easements, and dedications that exist within the Town, minimal growth is expected to occur in the future.
2. The Sewer Master Plan notes that most of the land within the Town's SOI is either reserved for open space or not suitable for development due to the hilly terrain. Therefore, the SOI is expected to remain unchanged in the future.

Financing Constraints and Opportunities

1. Infrastructure upgrades, maintenance, and repairs are funded through fees for services and through general fund reserves, which are set aside annually for these purposes.
2. The Town's revenue sources are largely from property taxes and service fees.

Cost-Avoidance Opportunities

1. The City has several cooperative arrangements with other agencies that provide services at a reduced cost.

Opportunities for Rate Restructuring

1. The Town reviews and updates fees for services annually to ensure that eligible costs are recovered.

Opportunities for Shared Facilities

1. The new Santa Clara County Sheriff's substation facility that serves the Town also serves the Cities of Cupertino and Saratoga.
2. The City shares sewer collection lines with the surrounding cities and capacity in the Regional Water Quality Control Plant.

Government Structure Options

1. LAFCO identified several unincorporated areas that are less than 150 acres within the Town's USA. In order to implement more efficient planning boundaries and take advantage of the current streamlined annexation opportunity, the Town should consider pursuing annexation of the remaining unincorporated island areas.

Evaluation of Management Efficiencies

1. The City's cooperative projects with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The Town ensures that local accountability and governance standards are met by holding Town meetings pursuant to the Brown Act and having them available for download on the Town's Web site.

6.12 SOI RECOMMENDATION FOR THE TOWN OF LOS ALTOS HILLS

Current SOI Boundary

The Town's existing SOI, which was adopted in February 1985, is coterminous with the town limits to the north, west, and most of the east. The boundaries of some of the Town's unincorporated islands, unincorporated hillside lands, lands within the Midpeninsula Regional Open Space District's Rancho San Antonio Open Space Preserve, and lands within the County of Santa Clara's Rancho San Antonio Park help form sections of the southern and southeastern portion of the Town's SOI boundary. The Town of Los Altos Hills is substantially bounded by the City of Palo Alto to the north and west; by the City of Los Altos to the east; and unincorporated hillsides lands to the south. Since 1985, Los Altos Hills' SOI boundary has remained significantly unchanged.

SOI Boundary Recommendations

It is recommended that LAFCO amend the Town's SOI boundary to include two small unincorporated areas developed with low density residential uses that are located outside but adjacent to the SOI of Los Altos Hills along Page Mill Road. These two areas are completely surrounded by the City of Palo Alto's public parks/preserve on the west and the residential community of Los Altos Hills on the east side. Although these two areas are currently located within the SOI of Palo Alto, they receive services, such as fire protection (Los Altos County Fire Protection District), solid waste disposal (Los Altos Garbage Company) and water service (Purissima Hills County Water District) from Los Altos Hills' service providers. The access to these two areas is also through the Los Altos Hills community on Altamont Road and Moody Road. Furthermore, the two areas are not currently adjacent to Palo Alto's USA boundary, but are instead adjacent to Los Altos Hills' USA boundary. If in the future, urban services such as sewer were required in this area, Los Altos Hills is the logical service provider. Once these areas are within the Town's SOI, the Town can determine if and when to request inclusion of the areas within its USA boundary and eventually annex the areas.

It is also recommended that LAFCO re-affirm the remaining portion of the Town of Los Altos Hills' existing SOI boundary because the Town of Los Altos Hills' SOI boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests.
- Areas that will not necessarily be annexed to the Town of Los Altos Hills or will not necessarily receive services from Los Altos Hills, but are areas in which the County and Los Altos Hills may have shared interests in preserving non-urban levels of land use. Specific examples include the foothills and ridgelines located south and west of the Town. Furthermore, both the Town and the County share a mutual interest in protecting view sheds and natural resources.
- Areas where Los Altos Hills and the County have significant interaction. A specific example of such interaction includes areas where the Town receives discretionary planning application referrals from the County.
- Areas that contain social or economic communities of interest to Los Altos Hills, such as areas within the Town's jurisdiction.

In making both of these recommendations, it should be made clear that inclusion of an area within the Town's SOI boundary should not necessarily be seen as an indication that the Town will either annex or allow urban development and services in the area. The Town's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided with urban services.

6.13 SOI DETERMINATIONS FOR THE TOWN OF LOS ALTOS HILLS

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided in order to revise the Town's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The proposed Los Altos Hills SOI is almost entirely coterminous with the boundaries of the Town and boundaries of permanently preserved open space lands; therefore all of the developed land within the proposed SOI is within the Town or will eventually be within the Town. The Town is an exclusively residential community with no commercial or industrial base. The Town's Sewer Master Plan notes that 95 percent of the parcels in the Town are developed and that the Town owns 294 acres of open space. The Plan also states that most of the undeveloped land in the Town's SOI is reserved for open space or is not suitable for development due to the hilly terrain.

Finding: The proposed Los Altos Hills SOI includes residentially developed lands, unincorporated lands, and permanently preserved open space and parklands. Planned land uses in the Town, in the Town's remaining unincorporated islands, and in the unincorporated lands within the Town's proposed SOI are consistent with existing land uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The Town is expected to experience very modest growth mostly through infill development and redevelopment of underdeveloped parcels. Similarly, the need for a full range of public facilities and services is expected to grow very modestly in the future.

Finding: The need for a full range of public facilities and services is expected to grow very modestly in the future.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the Town receive a full range of public services from the Town. For the most part, the present capacity of public facilities appears to be generally adequate. However, some specific inadequacies were identified, including: (1) the fact that the Town's sewer system does not have adequate capacity to accommodate build-out peak dry-weather-flows; (2) additional capacity at the Regional Water Quality Control Plant (RWQCP) is needed in order for the Town to meet its expected demands at build-out; and (3) Town's storm drainage system has deficiencies and the

existing infrastructure needs rehabilitation or capacity increases and additional pipes or other new infrastructure. The Town's Sewer Master Plan states that due to the slow growth and rate of sewer connections within the Town, it does not anticipate the need to begin the CIP capacity enhancement projects within the next 10 years. The RWQCP has tentatively agreed to allocate additional capacity to the Town. The Town has already completed work on 13 of the 28 identified storm drainage problems.

Finding: The present capacity of public facilities and public services is generally adequate. However, improvements related to the Town's sewer system's capacity to accommodate build-out peak dry-weather flows are needed; additional capacity at the Regional Water Quality Control Plan is needed to meet Town's ultimate build-out; and the Town's storm drainage system has deficiencies that require rehabilitation and new infrastructure.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The Town's USA boundary contains several unincorporated pockets that are developed with urban land uses. The Joint Urban Development Policies of the cities, the County, and LAFCO call for islands or pockets of unincorporated land to be annexed to the applicable city.

The two small unincorporated areas developed with low density residential uses and located outside but adjacent to the SOI of Los Altos Hills along Page Mill Road are of economic and social interest to the Town of Los Altos Hills.

The proposed SOI boundary for the Town is generally coterminous with the City's USA boundary and the city limits, with the exception of portions that include unincorporated hillside lands, and permanently preserved open space and parklands. The Town's recommended SOI boundary is almost fully bounded by other cities.

Finding: All communities of social or economic interest within the City limits, USA boundary, and adjacent to the Town's existing SOI boundary are included within the Town's proposed SOI boundary.

7.0 TOWN OF LOS GATOS

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

7.1 TOWN LOCATION

The Town of Los Gatos (Town) is located in the southwestern portion of Santa Clara County. The Town covers approximately 14 square miles and is bounded by the City of San Jose to the north and east; the City of Campbell to the north; the Cities of Monte Sereno and Saratoga to the west; and unincorporated lands to the south. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

7.2 GOVERNANCE AND PUBLIC PARTICIPATION

The Town was incorporated in 1887 as a General Law City. The Town of Los Gatos operates under the Council/Manager form of government. The Town Council is comprised of five members who are elected to serve staggered 4-year terms. The Town Clerk and Town Treasurer are also elected for 4-year terms. Each year in November, the Council elects one of its members annually to serve as Mayor and Vice Mayor.

The Town Council meets regularly on the 1st and 3rd Monday of each month at 7:00 p.m. in the Town Council Chambers, located at 110 E. Main Street. Meetings are broadcast live on the local cable channel. Council meeting schedules and current and past agendas and minutes are available online or can be reviewed at Town Hall. Council agendas are generally posted on Thursday afternoons prior to the Monday Council meeting; they will always be posted by Friday.

The Town Council appoints members to the Town boards, committees, and commissions, the primary responsibility of which is to act as advisory bodies to the Council. Commission members identify issues of interest to the community, make policy recommendations to the Council, and initiate programs that benefit the community. The following commissions and boards, which may provide recommendations on direction to the Town Council, exist in the Town:

- Architectural Standards Committee

- Art Selection Panel
- Arts Commission
- Building Board of Appeals
- Community Services Commission
- General Plan Committee
- Historic Preservation Committee
- Library Board
- Parks Commission
- Personnel Board
- Planning Commission
- Rent Advisory Committee
- Transportation and Parking Commission
- Youth Commission

7.3 FINANCE

The Town adopts an annual budget. The budget process begins with the Town Council and Town Manager's cooperative development and refinement of initiatives and directives for the upcoming budget year. The Town's Capital Improvement Plan (CIP) is also reviewed during this time to determine new initiatives, project priority, and to refine project workplans. Although the CIP budget document is prepared separately from the Operating and Capital Budget, the CIP information is incorporated into the operating budget document through resulting operating functions and service level requirements. In January the budget preparation process begins officially for staff with a budget kickoff meeting. Through rounds of budget briefings and revisions, staff's final program budget and workplans are developed by the end of April. During the month of May, the Finance/Budget staff prepares financial summary information for Town Council review in addition to the departmental budgets and workplans. Afterwards, public hearings are conducted to obtain taxpayer comments. Ultimately, the budget will be legally enacted through adoption of Town resolution by the Council.

Revenues and Expenditures

Table 7.A presents the Town's sources of operating revenues and expenses for the end of fiscal year (FY) 2005. As shown, the Town's revenue is largely gained from property taxes, sales taxes, and charges for services.

Table 7.A: Town of Los Gatos Statement of Activities for FY 2005

Program Revenues	2005	2004
Charges for services	\$7,488,518	\$7,226,220
Operating grants and contributions	\$1,407,865	\$1,399,185
Capital grants and contributions	\$867,951	\$1,166,929
General Revenues		
Property tax	\$11,931,215	\$9,645,339
Sales tax	\$7,904,130	\$6,914,526
Other taxes	\$1,864,997	\$1,823,019
Motor vehicle in lieu	\$314,041	\$1,298,455
Investment earnings	\$1,286,433	\$(92,621)
Proceeds from sale of property	-	-
Other	\$372,315	\$25,415
Total Revenues	\$33,437,465	\$29,406,467
Expenditures		
Police department	\$10,524,840	\$9,980,927
Parks and public works	\$5,953,319	\$6,179,328
General government	\$4,341,526	\$4,246,133
Community development	\$2,494,689	\$2,229,686
Library services	\$1,786,696	\$1,807,662
Redevelopment	\$2,133,008	\$1,828,924
Interest and fees	\$696,265	\$662,867
Community services	\$920,562	\$1,046,351
Sanitation	\$834,525	\$832,538
Total Expenses	\$29,685,430	\$28,814,416
Revenues over Expenses	\$3,752,035	\$592,051

Source: Town of Los Gatos Comprehensive Annual Financial Report, for FY 2005

Table 7.B presents a summary of the revenues and expenditures for FY 2004 and 2005. As indicated, the Town's revenues have exceeded expenditures for the last two fiscal years.

Table 7.B: Summary of Statement of Activities for FY 2005

	Government Activities	
	2005	2004
Total Revenues	33,437,465	29,406,467
Total Expenses	29,685,430	28,814,416
Net Change	3,752,035	592,051

Source: Town of Los Gatos Comprehensive Annual Financial Report for FY 2005

According to the Town of Los Gatos Comprehensive Annual Financial Report for FY 2005, the town experienced signs of moderate recovery from the recent economic downturns experienced locally since FY 2001–2002. Since that time, the Town has implemented a number of strategies to keep operating revenues in balance with ongoing operating expenditures. These steps included hiring freezes, strategic expenditure slowdowns, and departmental cost saving efficiencies among other strategies that have allowed the Town to remain fiscally balanced in challenging economic times.

Investment Policy

The Town invests funds in individual investments and investment pools. The Town participates in the local agency investment fund (LAIF). The Town's Policy states that, with the exception of U.S. Treasury securities and LAIF, no more than 50 percent of the Town's total investment portfolio will be invested in one single security type or with a single financial institution.

Debt Administration

As stated in the Comprehensive Annual Financial Report 2005 at the end of the current fiscal year, the Town had total bonded outstanding debt of \$11,745,000. The entire liability is comprised of debt backed by the Town's obligation to pay lease payments to the Town's Redevelopment Agency.

Rates For Services

Rates for services are adjusted annually by the December Consumer Price Index or by the percentage increase in actual operating costs for the current year, whichever is higher. Other adjustments may be made to maintain consistency with the surrounding municipalities within the Town's region, but in no case are fees charged in excess of service delivery costs. The Town has a policy to ensure that fees provide for cost recovery based on the cost to provide service.

Reserves

The Town's reserves are established, dedicated, and maintained annually to meet known and estimated unknown future liabilities (Table 7.C). Fund balance reserves are used only for nonrecurring "one-time" and capital projects and not for ongoing operations. The specific Fund Balance reserve accounts include but are not limited to a restricted reserve for:

- A fully funded worker's compensation and unemployment insurance
- Liability insurance, including one year's premium payment to the insurance carrier or pool

A reserve will be maintained annually to fund all vested hours of vacation earnings. A reserve will be maintained annually to fully fund the retirement program for all covered Town employees. The Economic Uncertainty Reserve will be maintained at a minimum of \$2.5 million. A reserve will be maintained for the depreciation and replacement of equipment. A reserve will be maintained for the maintenance of buildings.

Table 7.C: Reserve Funds

Reserve	Fund
Total Reserve Fund Balance	\$2,128,872.78
Total Undesignated Fund Balance	\$67,009.23
Total Designated Fund Balance	\$15,921,342.24
Total Unreserved Fund Balance	\$15,988,351.47
Total Fund Balance	\$18,117,224.25
Total General Fund	\$18,117,224.25

Source: Town of Los Gatos, Balance Sheet, March 2007

Joint Powers Authority

The Town participates in the Association of Bay Area Governments (ABAG) PLAN Corporation. This is a public entity risk pool that is a not-for-profit organization established to provide certain levels of liability insurance coverage, claims, and risk management services, as well as legal defense to San Francisco Bay area cities. The Town is also a member of Local Agency Workers' Compensation Joint Powers Authority for workers' compensation claims coverage.

7.4 LAND USE AND PROJECTED GROWTH WITHIN THE TOWN

The Town is a predominantly built-out community. Table 7.D shows the Town's land use categories and approximate acreages within those land use categories.

Table 7.D: Town of Los Gatos General Plan Use Acreage

General Plan Category	Number of Parcels	Acreage
Public	14	15.4
Schools	17	118.6
Open Space	159	548.3
Agriculture	20	221.2
Mid-Peninsula Open Space District	13	798.2
Total	223	1,701.7

Source: Los Gatos General Plan

Table 7.E shows the Town's inventory of vacant land and underutilized land, both of which have no infrastructure constraints and could be developed.

Table 7.E: Vacant Land Inventory: No Infrastructure Constraints

Vacant Land Inventory: No Infrastructure Constraints		Underutilized Land Inventory: No Infrastructure Constraints	
Land Use	Acres	Land Use	Acres
Residential	228.52	Residential	215.14
Nonresidential	4.15	Nonresidential	1.07
-		Open Space	80.87
Total	232.67	Total	297.08

Source: Town of Los Gatos 2007

There is currently 529.75 acres of vacant land within the Town. Due to this, there is some opportunity for future development on vacant land as well as redevelopment projects. It should be noted that the Town does not have growth projections, which are different than those of the Association of Bay Area Governments (ABAG) nor does the Town project redevelopment trends. Therefore, it is difficult to detail what potential affects future redevelopment projects could have on existing infrastructure.

Unincorporated Pockets

There are several unincorporated pockets within or adjacent to the Town. The Local Agency Formation Commission (LAFCO) has provided maps of the islands to the Town, and they are also available on the LAFCO Web site. As discussed in Section 1.2.5, the County and LAFCO have adopted policies that state that urban islands and pockets should be annexed. As of this date, the Town Council will only initiate annexations if initiated by the pocket residents.

7.5 WASTEWATER

The West Valley Sanitation District of Santa Clara County is the sole provider of sewer collection service to the Town. The West Valley Sanitation District Service Area Map can be found in Appendix D of this document. Sewage is ultimately treated at the San Jose/Santa Clara Water Pollution Control Plant. Refer to Section 22.0 for a detailed discussion regarding West Valley Sanitation District and the services it provides to the Town.

7.6 SOLID WASTE

Solid waste service is provided by the Town via contract with West Valley Collection & Recycling (WVC&R), which is a joint venture between Green Team of San Jose and Green Waste. The solid waste that is collected within the Town is hauled to the landfills listed below. Additional detail regarding these facilities can be found in Appendix A.

- Altamont Landfill Resource and Recovery Facility
- Arvin Sanitary Landfill
- Forward Landfill, Inc.
- Guadalupe Sanitary Landfill

- Kirby Canyon Recycling and Disposal Facility
- Newby Island Sanitary Landfill
- Vasco Road Sanitary Landfill
- Zanker Material Processing Facility
- Zanker Road Class III Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the Town disposed of 28,075 tons of solid waste in 2005. CIWMB shows that the solid waste disposal generation factor for the Town is 2 pounds per resident per day and 6.2 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per the CIWMB, the Town exceeded this goal with a 56 percent diversion rate in 2004; however, in 2005 which is the most recent data posted, the Town had a 51 percent diversion rate.

The Town has varying rates for residential solid waste services, which are dependent on the size of the container (e.g., 35-, 65-, 95-gallon). Commercial rates are based on the larger refuse bin size and by number of pickups per week. Table 7.F provides a comparison of Town solid waste service rates.

Table 7.F: Monthly Solid Waste Rates

Residential	Size	Cost
Regular	0.6720 gallon/32 gallon lifeline	\$13.69
	1 35-gallon	\$17.88
	2 65-gallon	\$35.76
	3 95-gallon	\$53.64
Hard to Serve	1.072 20-gallon	\$18.80
	1.6 35-gallon	\$25.50
	3.2 65-gallon	\$50.99
	4.8 95-gallon	\$76.49
Commercial	Varies by size and frequency of pick up	

Source: Town of Los Gatos, 2007/2008 Solid Waste Rates

The Town is an active member of the West Valley Solid Waste Management Authority, a joint powers authority comprised of the Town of Los Gatos and the cities of Saratoga, Monte Sereno and Campbell. The joint powers body contracts for solid waste collection, recycling, and disposal services that serve both residential and commercial customers. In FY 2005–2006, the Authority executed a new agreement with West Valley Collection and Recycling for collection and recycling services, effective March 2007. Staff will work with the Authority, its Executive Director, and the new hauler to assist with the transition to improved and expanded services. These include but are not limited to residential single-stream commingled recycling.

7.7 PARKS AND RECREATION

The Town provides several park and recreational facilities, which are listed in Table 7.G.

Table 7.G: Town of Los Gatos Parks

Park and Location	Amenities	Acreage
Bachman Park 401 Bachman Ave.	Playground, picnic tables, basketball court, lawn area	3.6
Belgatos Park 308 Belgatos Road	Two miles of trails, playground, restroom, picnic tables, lawn areas	17.0
Blossom Hill Park 16300 Blossom Hill Road	Six lighted tennis courts, a baseball field, playground area and picnic tables, B-B-Q pits, restroom facilities, large lawn areas	9.2
Fairview Plaza End of Fairview Avenue	Small landscaped area	0.27
Howes Play Lot Near Union Avenue, between Thomas and Howes Drives	Playground	0.5
La Rinconada Park Corner of Wedgewood Drive and Granada Way	0.5-mile trail, a non-lit tennis court, lawn areas, picnic tables and barbeque pits, and a playground	14.0
Live Oak Manor Park Corner of Carlton Avenue and Gateway Drive	Playground, basketball court, picnic tables, and large lawn areas	4.09
Los Gatos Creek Trail Parallel to Los Gatos Creek	Functional and highly traveled multiuse/subregional trail bike path, providing residents access to community and regional open space; acts as a link to a regional trail system	4.0
Novitiate Park End of Jones Road	No information available.	8.0
Oak Hill Play Lot Off of Oak Park Drive, West of Garden Hill Drive	Playground and small lawn	0.64
Oak Meadow Park 233 Blossom Hill Road	Large grass field, large playground, decommissioned United States Air Force (USAF) T-33 jet, bocci ball courts, BBQ and picnic facilities, carousel	12.0
Pageant Grounds 110 E. Main Street	Waterfall and small lawn	0.35
Town Plaza Corner of East Main Street and Santa Cruz Avenue	Water fountain, planters, benches, lawn area, walkways	0.6
Worcester Park	Three trails	11.0

Park and Location	Amenities	Acreage
Worcester Loop		
Total		81.25

Source: Town of Los Gatos 2007

The Town has stated it has adopted a standard of providing a minimum of 2.7 acres of open space per 1,000 residents. Based on the State Department of Finance 2006 population estimate for the Town (28,989), the Town is currently providing 2.80 acres of parkland per 1,000 population, which is above the Town's standard.

Table 7.H lists the recreational activities offered by the Town.

Table 7.H: Recreation Activities Offered by the Town

Softball leagues	Culinary arts	Fitness	Nature trips	Tennis
Aerobics	Dance and music	Golf	Personal growth	Baby and toddler programs
Art and design	Language classes	Gym	Potpourri	Senior classes
Business/computer	Adult education	Mountain area classes	Sports	Teen activities

Source: Town of Los Gatos Web site: <http://www.town.los-gatos.ca.us>

7.8 STORM WATER DRAINAGE

The Town of Los Gatos is located south of San Francisco Bay within the South Bay Drainage Unit. Within the limits of the Town there are several major open channel facilities, including: Los Gatos Creek, Ross Creek, San Tomas Aquinas Creek, and Smith Creek. Other unnamed natural water courses are also located within the Town limits.

A Storm Drain Master Plan has been prepared for the Town. The Plan outlines drainage design criteria to establish the baseline requirements. This will ensure that the required level of protection is provided that will meet various jurisdictional agency requirements in the Town.

Much of the Town's storm drainage system is very old, shallow, and undersized. Additionally, the Town has several areas where public waters flow through private property without benefit of any easements. The Town is trying to locate and upgrade these systems as resources are programmed and allocated.

According to the Comprehensive Annual Financial Report for 2005, one of the major initiatives taken by the Town was improvements to the storm drain system. The improvements were completed at Causay Lane and North Santa Cruz, improving the drainage of storm water where street flooding tended to occur during heavy rain periods, improving the access to the Downtown business district during winter season.

The Parks and Public Works Department has a storm response program. After a storm event, flooded areas are evaluated to determine the reason for flooding. There is one area that has had minor flooding during times of peak rainfall intensity. Drainage improvements made by the neighboring golf course have partially eliminated this problem. Additional improvements to the storm drainage system are proposed. However, no new storm water improvement projects are currently planned.

Per the Los Gatos Municipal Code (Section 24.60.035), fees are collected on new buildings, improvements (including but not limited to paving), and subdivisions. Fees are those established by the Town Council. Storm drainage improvements are financed through fees collected on new construction. The fees collected are deposited in an account, depending upon the drainage basin where the new construction occurs. This money can only be used in the basin where development occurs. In addition, developers must install drainage improvements to serve their development. If improvements to the Town's existing system are made, the cost of those improvements is deducted from the drainage fees (Section 24.60.045).

7.9 LAW ENFORCEMENT

Police protection within the Town is provided by the Los Gatos Police Department. The Los Gatos Police Department also provides law enforcement services to the City of Monte Sereno. This section addresses law enforcement services provided to both Los Gatos and Monte Sereno. The Los Gatos Police Department is separated into two main branches: the Operations Division and the Support Services Division. The Operations Division oversees a Disaster Aid Response Team, the Traffic Bureau, as well as the morning, day, and evening watches. The Support Services Division is responsible for the Detective Bureau, Records and Communications Bureau, and Personnel and Community Service Bureau. The department is a full-service organization with the following bureaus, units, and specialized teams:

- Detective Bureau
- Records and Communications Bureau
- Personnel and Community Services Bureau
- Crime Analysis
- School Resource Officer
- Traffic and Motorcycle Unit
- Canine Team
- SWAT and Hostage Negotiation Teams
- Bicycle Patrol Team
- Evidence Team

The police department is part of the Town's civic center complex located at 110 East Main Street in Los Gatos. The police department is approximately 5,100 square feet and provides work area for nearly all department personnel. Due to limited space, the department also makes use of two residential houses that are owned by the Town and are adjacent to the civic center complex. One of the two houses was condemned after the 1989 Loma Prieta earthquake and is now used solely for the

purpose of storing archived police documents and some police evidence. The second residential property provides work space for the department's Personnel and Training Unit, the Administrative Sergeant, and the System Specialist.

The police department includes an authorized staff of 64 sworn and civilian personnel, plus over 150 volunteers. On average, shift personnel include three officers, one corporal and one sergeant. The swing shift personnel overlap both the day and midnight shifts, allowing for short periods of additional officers available to respond to calls for service.

During FY 2005–2006, the department altered its patrol team configuration, downsizing from six teams to five and spreading more officers across one fewer patrol team. This restructure proved to be successful, demonstrating both internal and external benefits. However, a combination of retirements, long-term disabilities, and resignations resulted in the equivalent of one full patrol team being vacant for a substantial portion of last year. Although these vacancies were not concurrent, the impact was cumulative and resulted in a substantial amount of required overtime to meet minimum staffing across all shifts. In FY 2006–2007, the department also experienced several personnel losses that necessitated the transfer of police officers from specialized assignments to the patrol division in order to maintain a minimum staffing level on all patrol shifts.

The Town, recognizing the impact of personnel shortages and its effect on service delivery to the community, agreed to put into place funds to help the department hire ahead for anticipated vacancies. These funds would be used specifically for temporary over-hire situations and are designed to reduce some of the negative impacts of extended vacancies. These funds will be used to bridge the gap between the time the vacancy occurs and the time the replacement employee is capable of filling the vacancy. The department expects that these funds will help reduce its reliance on overtime to meet staffing needs and will allow the department adequate time to hire and train quality personnel.

Calls for Service

The Police Department Communications Center handles the vast majority of all incoming phone calls to the department on a daily basis. Of significant importance is answering all 911 emergency calls for service to the department, including newly routed cellular phone calls. In addition to answering these incoming calls, dispatchers are responsible for assigning the appropriate police personnel needed to respond to the incident or transferring the call to a designated County agency. The Communications Center functions as the central point of contact for all department personnel and the critical needs of the community.

All calls received by the department are categorized into three “priority” rankings: Priority One, Priority Two, and Priority Three. Priority One calls command immediate assignment; any available unit is dispatched. Priority Two calls are dispatched as soon as possible (immediate assignment), and any available unit dispatched. Priority Three calls are dispatched as available manpower/criteria indicate (delayed assignment). Priority Three calls are all other calls not categorized as Priority One or Priority Two. Table 7.I provides a summary of the number of calls the department received in the past 3 fiscal years.

Table 7.I: Number of Emergency Calls

Priority	FY 2003–2004	FY 2004–2005	FY 2005–2006	FY 2006–2007 (Estimated)
I	370	328	312	292
II	5,200	4,678	4,465	4,282
III	6,300	5,801	5,537	5,678

Source: Los Gatos/Monte Sereno Police Department, Captain Scott Seaman and Nancy Dawn, Survey, March 30, 2007

Response times within the Town vary depending on the priority of the calls. Table J represents response time goals and average response time for the past 3 fiscal years. As shown, the department meets its response time goals for Priority One, Priority Two, and Priority Three calls.

Table 7.J: Response Time to Priority Calls

	Response Time Priority One Calls (minutes)	Response Time Priority Two Calls (minutes)	Response Time Priority Three Calls (minutes)
Response time goal	5:00	8:00	20:00
2003–2004	5:23	8:08	13:50
2004–2005	5:01	8:37	14:48
2005–2006	4:49	8:37	15:32

Source: Los Gatos/Monte Sereno Police Department, Captain Scott Seaman and Nancy Dawn, Survey, March 30, 2007

Facility needs are evaluated each year as part of the budget preparation cycle. Requests for nonemergency type of repairs or minor building modifications are submitted to the Town budget review committee. The committee will determine what requests can be filled based on needs and available funding. Equipment needs are also evaluated as part of the budget cycle. If approved, equipment can either be purchased out of the current year budget or identified as a purchase for the next year. Any associated replacement and maintenance costs will be added to the ongoing budget.

The Town has been through a series of budget reduction strategies in order to meet decreased revenue for the past 3 years. The police department has been the focus of attention for the Town Council due to an identified need for additional space and to improve a number of police functions that were noted in a recent grand jury report. Specifically, the lack of adequate space for processing and storage of evidence and the lack of security for processing, interviewing, and monitoring suspects were highlighted. The Town Council is currently exploring alternatives for moving the police department to an off-site facility, or to retain it at its current location and rebuild it as part of an upgrade to the civic center complex. Both alternatives are being evaluated on the basis of space needs and funding sources.

The Los Gatos Police Department is very involved with the community; therefore, new programs that would enhance services are routinely explored. However, due to the past several years of budget reduction strategies that were necessary to meet reduced revenue for the Town, no new programs have been implemented.

The department routinely evaluates opportunities to share resources, programs, and equipment with other entities or law enforcement agencies in an effort to reduce costs to the Town and increase services to the community. The sharing of a training manager and property and evidence management are currently under consideration.

In 2006, the Los Gatos Police department entered into an agreement with the City of Campbell Police Department to share resources for a combined SWAT (special weapons and tactics) team. Both departments share a similar vision in terms of management style and service to the community. The department currently partners with the Campbell Police Department for SWAT services and occasionally shares traffic services.

Also in 2006, both departments engaged in joint traffic enforcement opportunities by commingling motor units. A team of four motor officers, two from each jurisdiction, were periodically assigned to work traffic enforcement at an identified problematic location. This arrangement was very successful but had to be put on hold when a Los Gatos motor officer took disability leave. It is anticipated that these joint enforcement efforts will be reactivated soon.

The Town’s Emergency Operations Center (EOC) is worthy of note in this service review. The EOC is located in the Neighborhood Center, which is highly utilized by the Town and community for classes and social service. The EOC is in need of being updated to a contemporary service standard through the relocation to a dedicated facility and upgrade of old communication equipment. The EOC is managed by the department but would incorporate all critical services of the Town when activated. Until recently, no specific funds have been set aside for equipment purchase and maintenance of this critical operation.

The EOC has been identified as a specific need for the Town, and it is currently being considered within the evaluation process of police department facilities. The Town has also applied for and received some funding from Homeland Security grants to help with equipment purchases.

7.10 LIBRARY

The Town of Los Gatos provides library services through the Los Gatos Public Library. The Town’s facility is located at the Town Civic Center (110 E. Main Street). The current library facility is 12,125 gross square feet. The library facility has approximately 110,000 volumes. Table 7.K shows the library activity.

Table 7.K: Library Activity

Activity and Workload Highlights	2002–2003 Actual	2003–2004 Actual	2004–2005 Actual
Circulation: adult	126,135	119,000	108,000
Circulation: youth	136,9556	135,000	122,000
Circulation: videos/dvd	72,542	93,000	83,000
Circulation: audio books	23,931	21,000	24,000
Circulation: CDs	21,302	25,000	22,000

Activity and Workload Highlights	2002–2003 Actual	2003–2004 Actual	2004–2005 Actual
Door count	236,846	229,000	208,000
Number of new patrons registered	3,341	2,800	2,500
Hours of public service per week at circulation	62	62	54

Source: FY 2006/07 Operating and Capital Budget for the Town of Los Gatos and the Los Gatos Redevelopment Agency

The library facility is not adequate for existing or future needs. Space constraints create collection restrictions and staff spaces are overcrowded. There are no meeting spaces available for the public or staff and no adequate area for computer instruction. Space for programming of all kinds is severely limited. There is no quiet reading or study area. The building is generally not Americans with Disabilities Act (ADA) compliant, and there is only one bathroom for each sex in a building that has approximately 800 visitors per day.

The Town is nearing completion of a Civic Center Master Plan, which includes plans for a new library of approximately 40,000 square feet with 69 parking spaces. The new building, as planned, would solve the inadequacies listed above and provide adequate library services for the future.

Los Gatos Public Library belongs to the Silicon Valley Library System, a cooperative and resource-sharing organization for area libraries. Some purchasing of library materials is undertaken through Silicon Valley Library System, especially electronic resources. Los Gatos Public Library often takes advantage of the training opportunities offered through the cooperative. Materials can be sent from one library system to another by means of Interlibrary Loan, a delivery system based at Santa Clara County Library. The library also cooperates with the Museums of Los Gatos in the area of local history.

7.11 SERVICE REVIEW DETERMINATIONS FOR THE TOWN OF LOS GATOS

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the Town.

Infrastructure Needs and Deficiencies

1. The existing library is inadequate for existing and future needs. The Town is nearing completion of a Civic Center Master Plan, which includes plans for a new library of approximately 40,000 square feet with 69 parking spaces. The new building, as planned, would provide adequate library services for the future.
2. The Police Department is in need of additional space for employees. The Town Council is currently exploring alternatives for moving the police department to an offsite facility, or to retain it at its current location and rebuild it as part of an upgrade to the civic center complex.

3. Much of the Town's storm drainage system is very old, shallow, and undersized. The Town is trying to locate and upgrade these systems as resources are programmed and allocated.

Growth and Population

1. The Town has stated that its population projections are consistent with ABAG, which are expecting a growth rate of 0.42 percent.
2. The Town is essentially built out but has vacant and underutilized land. Due to this, there is opportunity for future development and growth within the Town. Therefore, it is difficult to detail what potential affects future development or intensification could have on existing infrastructure.

Financing Constraints and Opportunities

1. The Town's revenues have exceeded expenditures for the last two fiscal years. Since FY 2001–2002, the Town has implemented a number of strategies to keep revenues in balance with expenditures. These steps included selected hiring freezes, strategic expenditure slowdowns, and departmental cost-saving efficiencies among other strategies that have allowed the Town to remain fiscally balanced in challenging economic times.

Cost-Avoidance Opportunities

1. The Town has several cooperative arrangements with other agencies that provide services at a reduced cost.
2. The Town participates in public entity risk pools that provide insurance coverage at reduced costs.

Opportunities for Rate Restructuring

1. Each year the Town reviews and revises rates for services to ensure consistency with the cost to provide the services. Through this review, the Town evaluates the relationship between fee revenue and the costs to provide service.

Opportunities for Shared Facilities

1. The Town's Police department routinely evaluates opportunities to share resources, programs, and equipment with other entities or law enforcement agencies in an effort to reduce costs to the Town and increase services to the community. The sharing of a training manager and property and evidence management are currently under consideration.
2. The department has explored resource sharing with the City of Campbell Police Department, which serves an adjacent community. In 2006, the Los Gatos/Monte Sereno Police Department entered into an agreement with the City of Campbell Police Department to share resources for a combined SWAT team.

Government Structure Options

1. LAFCO identified several unincorporated pockets within or adjacent to the Town. In order to implement more efficient planning boundaries and take advantage of the current streamlined annexation opportunity, the Town should consider pursuing annexation of the remaining unincorporated island areas.

Evaluation of Management Efficiencies

1. The Town's cooperative agreements with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The Town ensures that local accountability and governance standards are met by holding Town meetings pursuant to the Brown Act, having them shown on the local cable television channel, and having them available for download on the Town's Web site.

7.12 SOI RECOMMENDATION FOR THE CITY OF LOS GATOS

Current SOI Boundary

The Town's existing SOI, which was adopted in June 1984, is coterminous with its Town limits to the north, east, and west. The southern portion of the Town's SOI includes unincorporated and incorporated hillside territory located outside of the Town's USA boundary. Some of this area sustains very low density residential development, while some of the area is undeveloped, and has little or no roads or other infrastructure. This southern portion also includes lands in which the Midpeninsula Regional Open Space District has an ownership interest (i.e. El Sereno Open Space Preserve, St. Joseph's Hill Open Space Preserve, and Sierra Azul Open Space Preserve).

The Town is bounded by the Cities of San Jose and Campbell to the north, the City of Monte Sereno to east, and the City of Saratoga to the northwest. The Town's 1984 SOI boundary includes lands that are planned for both urban uses, as well as, lands planned for permanent open space uses and also includes areas in which the City and the County have shared interests in preserving non-urban land uses. Since 1984, Los Gatos' SOI boundary has remained significantly unchanged.

SOI Boundary Recommendation

It is recommended that LAFCO re-affirm the Town of Los Gatos' existing SOI boundary because the Town of Los Gatos' SOI boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests.
- Areas that will not necessarily be annexed to the Town of Los Gatos or will not necessarily receive services from Los Gatos, but are areas in which the County and Los Gatos may have shared interests in preserving non-urban levels of land use. Specific examples include the

foothills and ridgelines located south and west of the Town. Furthermore, both the Town and the County share a mutual interest in protecting view sheds and natural resources.

- Areas where Los Gatos and the County have significant interaction. A specific example of such interaction includes areas where the City receives discretionary planning application referrals from the County.
- Areas that contain social or economic communities of interest to Los Gatos, such as areas within the Town's jurisdiction.

In making this recommendation, it should be made clear that inclusion of an area within the Town's SOI boundary should not necessarily be seen as an indication that the Town will either annex or allow urban development and services in the area. The Town's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided urban services.

7.13 SOI DETERMINATIONS FOR THE TOWN OF LOS GATOS

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the Town's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

Land outside of the Town's USA boundary but within the Town's SOI boundary is largely undeveloped and designated either park and open space or hillsides. The Town does not intend to extend services to the SOI area and planned land uses within the SOI are the same as existing land uses.

The Town of Los Gatos is a predominantly built-out community. However, there is currently 529 acres of vacant and underutilized land within the Town's USA boundary. Due to this, there is some opportunity for future development on vacant land as well as redevelopment projects. The current and projected absorption rate of this vacant land is very low.

The Town is a largely residential community. However, there are significant areas of commercial uses and smaller areas of light industrial and office professional uses within the Town. Planned land uses in the City include a similar mix of land uses.

Finding: A variety of urban uses are planned within Los Gatos' USA boundary. Both the County of Santa Clara and the Town of Los Gatos General Plans call for the continuation of non-urban uses beyond these boundaries.

2. Present and Probable Need for Public Facilities and Services in the Area

Although, a majority of the Town is developed, the Town is expected to experience modest growth mostly through in-fill development, redevelopment of underdeveloped parcels, and very low-density residential development within the hillsides. Similarly, the need for a full range of public facilities and services is expected to grow modestly in the future. The portion of the City's SOI which is located beyond the City's USA boundary has limited development potential due to having steep slopes, limited infrastructure, and/or in some cases being permanently preserved as open space. Therefore, there is a low probable need for public facilities and services in this portion of the City's SOI boundary.

Finding: The type of public services and public facilities required in the proposed Los Gatos SOI boundary will not change, although the level of demand will increase modestly.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the Town receive a full range of public services from the Town. For the most part, the present capacity of public facilities appears to be adequate. However, some specific inadequacies were identified, including: (1) the existing library facility is inadequate to meet existing and future needs; (2) the Police Department is in need of additional space for employees; and (3) the Town's storm drainage system is very old, shallow, and undersized. The Town is nearing completion of a Civic Center Master Plan, which includes a new library and parking and may address the Police Department's need for additional space. The Town is also trying to locate and upgrade storm drainage infrastructure as resources are programmed and allocated.

Finding: The present capacity of public facilities and public services is generally adequate. However, improvements to storm water drainage are needed, the Police Department needs additional space for employees, and the Town's existing library is inadequate to meet the needs of the community.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The Town's USA boundary contains numerous unincorporated pocket areas that are developed with urban land uses. The Joint Urban Development Policies of the cities, the County, and LAFCO call for islands or pockets of unincorporated land to be annexed to the applicable city.

Additionally, Los Gatos has annexed territory that may never be in the City's USA Boundary, but which is within the proposed SOI. These areas are to the south of the urban area and include portions of lands owned by the Midpeninsula Regional Open Space District and hillside lands that are difficult to access. While these areas will not generally be considered for urban development, they are none the less located within the jurisdiction of the Town.

Finding: There exist social and economic conditions that cause interaction and interdependence between the Town of Los Gatos and the areas within the City's SOI.

8.0 CITY OF MONTE SERENO

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

8.1 CITY LOCATION

The City of Monte Sereno (City) is bounded on the north and east sides by the City of Los Gatos, on the west side by the City of Saratoga and on the southeast by unincorporated areas. The City encompasses an estimated 1.56-square-mile area that is dominated by suburban and rural residential development. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

8.2 GOVERNANCE AND PUBLIC PARTICIPATION

The City of Monte Sereno is a General Law City incorporated in 1958, operating under the City Council-City Manager form of government. The City Council is comprised of five members who are elected "at large" in November of even-numbered years. Council members are elected to serve 4-year terms. City Council meetings are held the 1st and 3rd Tuesday of every month at 7:30 p.m. at City Hall. Agendas are posted the Friday before the meetings and can be accessed on the City's Web site (<http://www.montesereno.org/meetings.php>). The City also publishes a monthly newsletter.

The City has several boards and commissions, as listed below, which may provide recommendations on direction to the City Council:

- Site and Architecture Commission
- Cultural Commission
- Youth Commission

8.3 FINANCE

The City prepares an annual budget. Budget development begins in February with the preparation of budget instructions and goal-setting sessions by the City Council and City Manager. During March, the City departments prepare proposed budgets, which are then reviewed and revised by the Finance Division and City Manager. The proposed budget is then submitted to the City Council in May. Prior to June 30, the City Council holds public hearings on the budget and adopts the final budget by resolution.

The City’s revenue sources are largely from property taxes, franchise taxes, and investment earnings. Table 8.A provides a list of the citywide sources of funds and the citywide uses of funds for fiscal year (FY) 2004–2005.

Table 8.A: City of Monte Sereno Sources and Uses of City Funds, FY 2004–2005

Sources of Funds	
Property tax	55.9%
Sales tax	1.5%
Franchise tax	14.4%
Real property transfer tax	6.5%
Motor vehicle tax	4.3%
Unrestricted investment earnings	9.9%
Other revenue	7.5%
Total General Revenues:	\$1,928,819
Uses of Funds	
General Government	61%
Public Safety	29%
Public Works	9%
Facilities	1%
Total Expenses	\$1,995,660

Source: City of Monte Sereno Financial Statements for FY 2005

Per the City’s Financial Statements for FY 2005, the City’s expenditures from governmental activities slightly exceeded City revenues. In 2004, the City experienced a similar pattern in government expenditures exceeding revenues. Table 8.B provides a summary of revenues and expenditures for FY 2005 and 2004. The City has budgeted for revenues to equal expenditures for FY 2006–2007.

Table 8.B: City of Monte Sereno Summary of Revenues and Expenditures

Fiscal Year	2006–2007 Proposed	2005 Actual	2004 Actual
Revenues	\$1,782,938	\$1,928,819	\$1,716,426
Expenditures	\$1,782,938	\$1,995,660	\$1,765,194
Net Difference (loss)	\$0	(\$66,841)	(\$48,768)

Source: City of Monte Sereno Financial Statements for FY 2005

Reserves

The City's General Fund Reserve Balance as of March 31, 2006, was \$4,501,003. It is the City's policy that funds in the reserve account be maintained at a level between two and six years of operating revenue. The Fund as of March 31, 2006 was equivalent to nearly three years of operating costs.

Investment Policy

All cash assets of the City are invested under the "Prudent Man Rule" in accordance with the following criteria in order of priority:

- Safety of Principal
- Liquidity
- Rate of Return

Long-Term Debt

The City's long-term debt liabilities consist solely of compensated absences in the amount of \$29,039.

Service Rates

The City reviews its fee schedule for services annually with the budget. Adjustments are made to reflect actual costs to provide the service. The last amendment to the fee schedule was in 2004.

8.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

According to the City's General Plan, Monte Sereno is over 90 percent developed and has only a small amount of infill development possible. Due to this, a large majority of new development in the City would involve redevelopment or intensification of previously developed areas. The City does not have projections regarding the amount, type, and location of redevelopment. Therefore, it is difficult to detail what potential affects redevelopment/intensification could have on existing infrastructure.

The City does not have any adopted projections that would be different than those adopted by the Association of Bay Area Governments (ABAG). The existing approximate acreage of vacant land within the City's urban service area (USA) is 20 acres. The average rate of consumption of vacant land within the City is two parcels per year. Many of the remaining vacant sites within the City are located on unstable, steep slopes.

Unincorporated Pockets

There are three unincorporated pockets within the City's USA. LAFCO has provided maps of the islands to the City and they are also available on the LAFCO Web site. As discussed in Section 1.2,

the County and LAFCO have adopted policies, which state that urban islands and pockets should be annexed.

8.5 WASTEWATER

The West Valley Sanitation District provides wastewater services in the City. The District's Service Area map can be found in Appendix D of this document. A full discussion of infrastructure and services that are provided by the District, including within the City, can be found in Section 22.0 of this service review.

8.6 SOLID WASTE SERVICES

Solid waste service is provided by the City via contract with West Valley Collection & Recycling (WVC&R), which is a joint venture between Green Team of San Jose and Green Waste. The solid waste that is collected within the City is hauled to the landfills listed below. Additional detail regarding these facilities can be found in Appendix A.

- Guadalupe Sanitary Landfill
- Newby Island Sanitary Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the City disposed of 1,343 tons of solid waste in 2005. CIWMB shows that the 2005 solid waste disposal generation factor for the City is 1 pound per resident per day and 6.8 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per the CIWMB, the City exceeded this goal and had a 78 percent diversion rate in 2004 and a 71 percent diversion rate in 2005.

As shown in Table 8.C, the City has varying rates for residential solid waste services, which are dependent on the type of residence (e.g., single-family, multifamily, low-income). Commercial rates are based on the larger refuse bin size and by number of pickups per week.

Table 8.C: City of Monte Sereno Monthly Solid Waste Rates

Residential	35-gallon	\$32.88
	65-gallon	\$45.77
	95-gallon	\$68.65
Commercial	West Valley Collection and Recycling	Dependent on size of bin and number of pickups per week

Source: City of Monte Sereno Finance Department, 2006

The City is an active member of the West Valley Solid Waste Management Authority, a joint powers authority comprised of Monte Sereno, the Town of Los Gatos and the cities of Saratoga and Campbell. The joint powers body contracts for solid waste collection, recycling, and disposal services that serve both residential and commercial customers.

8.7 PARKS AND RECREATION

The City owns no public parks or facilities other than the City offices. Similarly, the City does not provide any recreation programs.

8.8 STORM WATER DRAINAGE

The City owns storm drain culverts, inlets, and manholes that drain water from a number of streets.. The City does not own any impounded areas, treatment facilities, etc. Many streets in the City do not have piped storm drainage. There are also a number of both intermittent and constantly flowing creeks, the majority of which are owned by adjacent property owners, although the Santa Clara Valley Water District does own right-of-way that includes a creek.

There are a small number of locations where water stands for a while after seasonal rains, as well as locations where surface drainage has caused pavement deterioration. The condition of culverts and pipes is unknown; the West Valley Sanitation District is contracted to perform maintenance.

The City assesses infrastructure needs following a citizen complaint or a field condition assessment in which the City will determine which culverts need to be lined or replaced. The City has stated there are numerous substandard catch basins and drop inlets that should be upgraded. Infrastructure improvements are financed through the General Fund, and all significant property improvements as well as those adjacent to rights-of-way are conditioned to follow Municipal Code requirements to improve storm water drainage.

8.9 LAW ENFORCEMENT

The City of Monte Sereno contracts with the Town of Los Gatos for all law enforcement services. The City contracts for the specific level of service that is desired. Please see Section 7.8, Law Enforcement Services, for a full description of law enforcement services provided to the City by the Los Gatos Police Department.

8.10 LIBRARY

Library Services for the City are provided by Santa Clara County Library. The Saratoga Library serves the City and is located at 13650 Saratoga Avenue. Library services that are provided by the County Library System are detailed in the service review that has been completed for the South and Central Santa Clara County areas.

8.11 DETERMINATIONS FOR THE CITY OF MONTE SERENO

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. The City owns no public facilities other than the City offices.
2. The City is in need of upgrades to the existing storm drainage infrastructure.
3. The Town of Los Gatos Council is currently exploring alternatives for moving the Los Gatos Police Department to an off-site facility or to retain it at its current location and rebuild it as part of an upgrade to the Town of Los Gatos' civic center complex, which would serve the City.

Growth and Population

1. The City is over 90 percent developed and has only a small amount of infill development possible. Many of the remaining vacant sites within the City are located on unstable, steep slopes. Similarly, there is very little annexation potential because most of the City's SOI area is not developable.
2. The City has stated that its population projections are consistent with ABAG, which has a growth rate projection of 0.28 percent a year.

Financing Constraints and Opportunities

1. The 2006-2007 Monte Sereno Budget states that the City is in sound financial condition. Therefore, the City would be able to provide for the improvements/maintenance that the City will require.

Cost Avoidance Opportunities

1. The Los Gatos/Monte Sereno Police Department entered into an agreement with the City of Campbell Police Department to share resources for a combined SWAT team.

Opportunities for Rate Restructuring

1. The City annually reviews the fee schedule. Adjustments are made to reflect actual costs to provide the service. The last amendment to the fee schedule was in 2004.

Opportunities for Shared Facilities

1. Monte Sereno owns no public facilities other than the City offices. Therefore, there are no opportunities for shared facilities.

Government Structure Options

1. LAFCO identified three unincorporated pockets within or adjacent to the City. In order to implement more efficient planning boundaries and take advantage of the current streamlined annexation opportunity, the City should consider pursuing annexation of the remaining unincorporated island areas.

Evaluation of Management Efficiencies

1. The City's cooperative agreements with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The City ensures that local accountability and governance standards are met by holding City meetings pursuant to the Brown Act.

8.12 SOI RECOMMENDATION FOR THE CITY OF MONTE SERENO

Current SOI Boundary

The City's existing SOI, which was adopted in April 1984, is coterminous with its City limits to the north, east, and west. The southwestern portion of the City's SOI includes unincorporated hillside territory located outside of the City's USA boundary. Some of this area sustains very-low density residential development, while some of this area is undeveloped, and has little or no roads or other infrastructure. There are also three unincorporated islands within the City's USA boundary. The boundaries of two of these unincorporated islands form the northwestern portion of the City's SOI boundary.

The City is bounded by the Town of Los Gatos to the north, east, and southeast; and by the City of Saratoga to the west. The City's 1984 SOI boundary includes lands that are planned for both urban uses, as well as, lands planned for very-low density residential uses and also includes areas in which the City and the County have shared interests in preserving non-urban land uses. Since 1984, there have been only very minor amendments to Monte Sereno's SOI boundary.

SOI Boundary Recommendation

It is recommended that LAFCO re-affirm the City of Monte Sereno's existing SOI boundary because the City of Monte Sereno's SOI boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests.
- Areas that will not necessarily be annexed to the City of Monte Sereno or will not necessarily receive services from Monte Sereno, but are areas in which the County and Monte Sereno may have shared interests in preserving non-urban levels of land use. Specific examples include the foothills and ridgelines located southwest of the City. Furthermore, both the City and the County share a mutual interest in protecting view sheds and natural resources.
- Areas where Monte Sereno and the County have significant interaction. A specific example of such interaction includes areas where the City receives discretionary planning application referrals from the County.
- Areas that contain social or economic communities of interest to Monte Sereno, such as areas within the City's jurisdiction.

In making this recommendation, it should be made clear that inclusion of an area within the City's SOI boundary should not necessarily be seen as an indication that the City will either annex or allow urban development and services in the area. The City's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided urban services.

8.13 SOI DETERMINATIONS FOR THE CITY OF MONTE SERENO

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the City's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

Land outside of the City's USA boundary but within the City's SOI boundary is largely undeveloped and designated either park and open space or hillsides. The City does not intend to extend services to the SOI area and planned land uses within the SOI are the same as existing land uses.

According to the City's General Plan, Monte Sereno is over 90 percent developed and has very little infill development. However, there is currently 20 acres of vacant and underutilized land within the City's USA boundary. Due to this, there is some opportunity for future development on vacant land as well as redevelopment projects. The current and projected absorption rate of this vacant land is very low (i.e. less than 2 parcels per year). Many of the remaining vacant sites within the City are located on unstable and steep slopes. According to the City, it is unlikely that the USA boundary will be extended into the City's SOI because most of the lands are not developable. The City is almost entirely residential and planned land uses in the City are not expected to change.

Finding: Planned land uses within Monte Sereno's USA boundary are consistent with existing land uses. Both the County of Santa Clara and the City of Monte Sereno General Plans call for the continuation of non-urban uses beyond these boundaries.

2. Present and Probable Need for Public Facilities and Services in the Area

Although, a majority of the City is developed, the City is expected to experience modest growth mostly through in-fill development, redevelopment of underdeveloped parcels, and very low-density residential development within the hillsides. Similarly, the need for a full range of public facilities and services is expected to grow modestly in the future. The portion of the City's SOI which is located beyond the City's USA boundary has limited development potential due to having steep slopes and limited infrastructure. Therefore, there is a low probable need for public facilities and services in this portion of the City's SOI boundary.

Finding: The type of public services and public facilities required within Monte Sereno's SOI boundary will not change, although the level of demand will increase modestly.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the City receive a full range of public services from the City, through the City's various contracts with public service providers. For the most part, the present capacity of public facilities appears to be adequate. However, some specific inadequacies were identified, including (1) the City's existing storm drainage infrastructure is in need of upgrades; and (2) the Town of Los Gatos' Police Department, which also serves Monte Sereno, needs additional space for employees. The City of Monte Sereno has stated that infrastructure improvements are financed through the General Fund and all significant property improvements as well as those adjacent to rights-of-way are conditioned to follow Municipal Code requirements to improve storm water drainage. Furthermore, the City of Los Gatos is nearing completion of a Civic Center Master Plan, which may address the Police Department's need for additional space.

Finding: The present capacity of public facilities and public services is generally adequate. However, improvements to storm water drainage are needed, and the City's police service provider (i.e. Los Gatos Police Department) needs additional space for employees.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The City's USA boundary contains three unincorporated pocket areas that are developed with urban land uses. The Joint Urban Development Policies of the cities, the County, and LAFCO call for islands or pockets of unincorporated land to be annexed to the applicable city.

Additionally, Monte Sereno's SOI boundary includes unincorporated hillsides that contain very-low density residential development. Due to the location of this existing development, the residents of this area must utilize City streets to travel to and from their homes. Furthermore, development in the unincorporated hillsides is visible from many parts of the City.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Monte Sereno and the areas within the City's SOI boundary.

9.0 CITY OF MOUNTAIN VIEW

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

9.1 CITY LOCATION

The City of Mountain View (City) is bounded by the City of Palo Alto on the west, the City of Los Altos on the south, the City of Sunnyvale on the east, and unincorporated areas on the north and northeast. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

9.2 GOVERNANCE AND PUBLIC PARTICIPATION

The City is a charter city operating under the Council-Manager form of government. There are seven council members elected at large, serving 4-year staggered terms. Regular Council Meetings are held at 6:30 p.m. on the second and fourth Tuesday of each month. Meetings are held in the Council Chambers at City Hall.

Citizens may examine the agenda, minutes, and staff reports at the Mountain View Library, 585 Franklin Street, beginning the Thursday evening before each meeting and at the City Clerk's Office, 500 Castro Street, Third Floor, beginning Friday morning. Agenda materials may also be viewed electronically at www.mountainview.gov. Staff reports are also available at the Council Chambers during the meeting. The Council meetings are cablecast live on Channel 26 on the City Comcast cable system and are replayed the week of the Council meeting on the following days.

- Wednesday at 6:30 p.m.
- Saturday at 11:00 a.m.

The City has several boards and commissions, as listed below, which may provide recommendations on direction to the City Council regarding specific topic areas, but they do not direct the Council:

- Library Board
- Environmental Planning Commission

- Human Relations Commission
- Parks and Recreation Commission
- Bicycle/Pedestrian Advisory Committee
- Downtown Committee
- Performing Arts Advisory Committee

The City publishes a newsletter three times per year, which is mailed to City residents. The newsletter provides information on City services, programs, facilities, and other issues of concern or interest to the community. In addition, the City's web site has comprehensive information about the City and is updated regularly.

9.3 FINANCE

The City adopts an annual budget. The budget process begins in November of each year, when City departments begin the preparation of their budget proposals for the upcoming fiscal year (FY). The proposals are submitted in late December to the Assistant City Manager and the Finance and Administrative Services Director, who review the proposals and submit recommendations to the City Manager. The City Manager then reviews the recommendations and submits recommendations to the City Council in April and May. The City Council is then able to review and discuss the recommendations and consider the budget. The revised proposed budget is presented to the City Council in early June and considered at public hearings. The budget is adopted annually prior to the beginning of each fiscal year.

The City's revenue sources are largely from property taxes, service fees, sales taxes, and other local taxes. Table 9.A provides a list of the citywide sources of funds and the citywide uses of funds for FY 2005–2006.

Table 9.A: City of Mountain View Sources and Uses of City Funds, FY 2005–2006

Sources of Total Fund Revenues	
Property tax	24%
Charges for services	25%
Sales tax	9%
Other local taxes	6%
Use of money and property	9%
Permits and licenses	4%
Intergovernmental	2%
Other revenues	1%
Interfund revenues & transfers	18%
Loan repayments	2%
Total Fund Expenditures	
Operating expenditures*	72%
Fund administration charges	5%
Capital projects	11%
Debt service	4%
Loan repayments	1%
Transfers	7%

Source: City of Mountain View 2006–2007 Adopted Budget, pages 32, 36, and 37

Note: Figures have been rounded

*Operating expenditures include: City Council, City Clerk, City Attorney, City Manager, Employee Services, Finance & Admin Services, Community Development, Public Works, Community Services, Library Services, Fire, Police, and Non-Departmental operating.

As shown in Table 9.B, the City has had revenues exceeding expenditures in the last several fiscal years.

Table 9.B: City Mountain View Summary of Revenues and Expenses for Governmental and Business Type Activities

	2003–2004 Actual	2004–2005 Actual	2005–2006 Budget
Total Revenues	\$133,958,000	\$149,332,000	\$204,932,762
Total Expenses	\$133,571,000	\$137,030,000	\$192,250,333
Net Revenues (Loss)	\$387,000	\$12,302,000	\$12,250,333

Source: Comprehensive Annual Finance Report for FY 2005; City of Mountain View 2006–2007 Adopted Budget

The 2006–2007 budget states that the City has been challenged in addressing a decline in General Fund revenues since FY 2001–2002. This revenue reduction required major reduction in expenditures, including personnel and services. In FY 2003–2004 and 2004–2005, revenues began to slowly recover; however, they did not grow enough to cover even inflationary increases in costs. Therefore, further budget reductions were necessary in FY 2005–2006. These reductions included additional position eliminations. Therefore, the City has experienced four straight years of budget and

service level reductions. During this period, 66.25 full-time equivalent positions have been eliminated, representing 10.2 percent of the City's workforce. The nonpersonnel expenditure reductions included reductions to funding for the replacement or purchase of new capital equipment and a wide variety of supply and services expenditures. All City departments have been impacted with an average reduction in excess of 15 percent. While this expenditure management strategy has kept the City financially strong, there has been an unavoidable impact of service level and quality.

The City's fiscal outlook is beginning to improve. FY 2005–2006 revenues for the General Fund were 7 percent higher than the adopted budget, and the City projects that the General Fund revenue will grow another 2 percent in 2006–2007.

Reserves

The City's reserves were restructured during the 2006–2007 budget process. The current reserves are detailed below.

The General Fund Reserve is set at 25 percent of the general operating fund budget. This reserve is used for Council-approved expenditures that have not been appropriated, unanticipated revenue shortfalls, financial emergencies, and interfund loans.

The Capital Improvement Projects (CIP) Reserve has a goal of a minimum of \$5 million. This reserve is used for funding capital projects. As of June 30, 2007, this reserve balance was estimated to be \$6,553,021.

The Strategic Property Acquisition Reserve was established to set aside funds to be used for acquiring strategic properties. As of June 30, 2007, this reserve balance was estimated to be \$7 million.

The Equipment Replacement Reserve is maintained for funding the replacement of equipment. Appropriations for this fund are requested in the annual budget. As of June 30, 2007, this reserve balance was estimated to be \$8,963,013.

As of June 30, 2007, the Wastewater Reserve balance was estimated to be \$6,140,620. This reserve is set by City policy to be maintained as follows:

- Minimum 10 percent of operating budget for emergencies
- Minimum 5 percent of operating budget for contingencies
- 10 percent of operating budget for rate stabilization
- \$1 million for capital improvements

As of June 30, 2007, the Solid Waste Reserve balance was \$2,359,379. This reserve is set by City policy to be maintained as follows:

- Minimum 10 percent of operating budget for emergencies
- Minimum 5 percent of operating budget for contingencies

- 10 percent of operating budget for rate stabilization
- Requires Financial Assurance Mechanisms

The purposes of the rate stabilization reserves are to buffer any significant changes in revenues or expenses. The use of this reserve allows gradual or incremental increases in rates to lessen the impact of rate changes.

Purchasing Policies

The City procures supplies, materials, equipment, and services through a centralized purchasing system. The City has stated that this method standardizes bidding and evaluation procedures, achieves economy of scale benefits, provides consistency in dealing with vendors, and ensures an open, fair, and competitive procurement process. The City operated according to its Standards of Purchasing Practice, which delineate methods of procurements, including informal bidding, formal bidding, and requests for proposals.

Investment Policy

The City has adopted an investment policy that states that investments will be based on the criteria of safety of investment, maintenance of sufficient liquidity to meet cash flow needs, and attainment of a total rate of return. The policy states that the City's Finance and Administrative Service Director, under direction of the City Manager, has responsibility for all decisions and activities of the City's investment program. The policy also lists the types of authorized investments that the City would utilize. Monthly investment reports are submitted to the City Council and City Manager. In addition, the City's Finance and Administrative Service Director and City Manager meet quarterly with an independent external investment advisor to review the City's portfolio, and the City's Investment Review Committee reviews the portfolio annually.

City Obligations

The City's Comprehensive Annual Finance Report for end of FY 2006 states that the City had \$119.7 million of outstanding long-term obligations related to governmental activities and \$9.9 million related to business-type activities as of June 30, 2005. It should be noted that Standard & Poors gave the City an AAA credit rating in August 2003.

Rates for Service

The City's revenue policies state that fees and charges for services will be evaluated and, if necessary, adjusted annually. It also states that the City's objective in setting fees and charges for services is to achieve a reasonable level of cost recovery for services. Several of the City's rates for services, including wastewater and solid waste rates as detailed below, have been adjusted recently.

During FY 2004–2005, the City completed a wastewater rate restructuring analysis, and a 10 percent increase was adopted for FY 2005-06. In addition, rates have been restructured (phased over 3 years) to more closely reflect the cost of providing services.

A 6 percent solid waste rate increase was adopted for FY 2005–2006, and a 2 percent rate increase was adopted in 2006–2007. The solid waste fund had a \$2.4 million reserve for FY 2005–2006. The FY 2006–2007 budget states that adopted expenditures exceed adopted revenues. However, the budget states that this imbalance is acceptable due to the balance in the fund, which was \$5.9 million (not including reserves) at the end of FY 2005–2006.

9.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

The City is almost fully built out, with little vacant land left. As of October 2006, the City had approximately 254 acres of vacant land. The City has stated that almost half of the vacant land is in the north Bayshore area and much of this is owned by the City. The City also owns vacant land in other parts of the City and other privately owned vacant parcels are small and scattered throughout the City. New construction of these parcels is likely to blend with the surrounding areas. Because of the developed nature of the City, new development and/or growth within the City has consisted of redevelopment or intensification of land uses. The following are two examples of redevelopment within the City.

- **Industrial to residential conversions.** The City has experienced a number of redevelopment projects in which industrially zoned land is converted into residential uses. For example, a 9-acre parcel located at 505 E. Evelyn Avenue was rezoned from light industrial to multifamily residential. Approximately 40,000 square feet (sf) of industrial buildings were demolished, and a developer will be constructing 151 residential units.
- **Redevelopment at higher densities.** The City has experienced a number of projects that intensified land uses. Existing sites with low-density residential or existing apartments have been either rezoned to higher densities or demolished and rebuilt at slightly higher densities. For example, a recently approved 1-acre site at 1958 Rock Street demolished 12 apartment units and will redevelop with 19 dwelling units.

The City does not have projections regarding the amount, type, and location of any other future redevelopment other than zoning. Therefore, it is difficult to detail what potential affects redevelopment/intensification could have on existing infrastructure.

Unincorporated Pockets

There are several unincorporated pockets within the City. In September 2006, the City annexed three pockets. In addition, there are two other properties that have been identified by the City as significant and expected to be annexed in the future when development plans are approved. These areas include an area referred to as the “Pumpkin Patch” and the Army’s Shenandoah Housing area on Moffett Boulevard.

9.5 WASTEWATER

The City of Mountain View is currently providing and will continue to provide wastewater services from flows that are generated within the Moffett Field area. Please refer to Section 13.0 of this Report for a description of the wastewater services provided to Moffett Field by the City.

The City's 2005 financial audit states that the City currently has 15,053 sewer connections. The City's wastewater infrastructure includes approximately 156 miles of sewer lines, which range from 8 to 42 inches in diameter. Wastewater generated within the City flows through the collection system to a sewage lift station, where wastewater is pumped to the Regional Water Quality Control Plant in Palo Alto.

The City's current average daily flow is 9.1 million gallons per day (mgd) and the peak flow is 12 mgd. The City has a contractual share of treatment capacity of 15.1 mgd. The City's existing Sanitary Sewer Master Plan determined that the total wastewater generated through 2010 would not exceed the City's flow entitlement at the treatment plant. However, the City has stated that localized design flow deficiencies in the sewers of other facilities leading to the treatment plant may exist and would be mitigated by future development. The City is currently commencing on a Sanitary Sewer Master Plan update, which will reevaluate current and future flows

The City earmarks approximately \$1 million per year for sewer infrastructure CIPs and maintenance. Infrastructure projects are generally funded through sewer fund revenues from service rates.

Wastewater Rates

The City's wastewater rates are set as monthly fees as shown in Table 9.C. Commercial and industrial rates are dependent on the amount and type of flow.

Table 9.C: Mountain View's Monthly Wastewater Rates FY 2006-07

Residential: single-family	\$19.95
Residential: multifamily	\$19.95 per unit
Commercial and industrial	Calculated depending on use

9.6 SOLID WASTE SERVICES

Solid waste service is provided by the City via contract with the Foothill Disposal Company. The solid waste that is collected within the City is processed at the SMART station in Sunnyvale. The City has stated that all of the waste processed at the SMART station is taken to the Kirby Canyon Recycling and Disposal Facility. Per the CIWMB, solid waste from the City is disposed of in the landfills listed below. Detail regarding these facilities can be found in Appendix A.

- Altamont Landfill Resource and Recovery Facility
- Arvin Sanitary Landfill

- Guadalupe Sanitary Landfill
- Kirby Canyon Recycling and Disposal Facility
- Newby Island Sanitary Landfill
- Ox Mountain Sanitary Landfill
- Redwood Sanitary Landfill
- Vasco Road Sanitary Landfill
- West Contra Costa Landfill
- Zanker Material Processing Facility
- Zanker Road Class III Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the City disposed of 53,859 tons of solid waste in 2005.¹ CIWMB shows that the solid waste disposal generation factor for the City is 1 pound per resident per day and 2.7 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per the CIWMB, the City exceeded this goal and had a 74 percent diversion rate in 2005, which is the most recent data posted.

The City is a participant in a cooperative agreement with the Cities of Palo Alto and Sunnyvale for the operation and use of the SMART Station, which is a materials recovery and refuse transfer facility that is located in Sunnyvale. The Station processes solid waste, including recyclables and yard trimmings, prior to transfer to the landfills.

The City has varying rates for residential solid waste services, which are dependent on the size of the trash tote (e.g., 20-, 32-, 64-, or 96-gallon). Commercial rates are based on the larger refuse bin size and by number of pickups per week. The City adopted a 6 percent solid waste rate increase for FY 2005–2006 and a 2 percent rate increase for 2006–2007. Table 9.D provides a comparison of City solid waste service rates.

¹ Web site:
<http://www.ciwmb.ca.gov/Profiles/Juris/JurProfile2.asp?RG=C&JURID=328&JUR=Mountain+View>, accessed March 20, 2007.

Table 9.D: City of Mountain View Monthly Solid Waste Rates, FY 2006-07

Residential	32-gallon can, \$15.30
Commercial	\$15.30–\$1,664.00, depending on size of bin and number of pickups per week

Source: City of Mountain View Web site:
http://www.ci.mtnview.ca.us/city_hall/admin_services/utility_billing/trash_rates.asp, accessed 09/18/06

9.7 PARKS AND RECREATION

The City owns and maintains numerous park and recreational facilities, as listed in Table 9.E.

Table 9.E: City of Mountain View Parks and Recreational Facilities (City Owned)

Park and Location	Amenities	Acreage
Bubb Park Barbara Avenue & Montalto Drive	Basketball court, children’s playground, soccer/football field, horseshoe area, passive areas, picnic area, softball field, and outdoor volleyball court	3.45
Charleston Park Charleston Road	Passive areas and restrooms	5.00
Chetwood Park Chetwood Drive & Whisman Station Drive	Children’s playground, passive areas, and a picnic area	0.90
Community Center Rengstorff Avenue & Central Expressway	Auditorium, meeting room, and restrooms	N/A
Cooper Park Chesley Avenue & Yorkton Drive	Basketball court, children’s playground, soccer/football field, passive areas, picnic area, softball field, tennis courts, and restrooms	5.20
Creeside Park Easy Street & Gladys Avenue	Children’s playground, passive areas, and trail access	0.80
Cuesta Park 615 Cuesta Drive	BBQ facilities, bocce ball court, children’s playground, horseshoe area, passive areas, picnic areas, tennis courts, volleyball court, and rest rooms; host to Summer Sounds concert series	41.80
Dana Park Dana Street & Oak Street	Passive areas	0.25
Devonshire Park	Children’s playground, passive areas, picnic area	0.86
Dog Park Northeast corner of Shoreline Blvd. and North Road	Drinking fountains, shade structure, animal waste bags and dispensers, trash receptacles, a bulletin board, a disabled-accessible portable restroom, and benches	1.00
Eagle Park & Pool 652 Franklin Street	Children’s playground, picnic area, swimming pool, and restrooms	7.50
Fairmont Park Fairmont Avenue & Bush Street	Children’s playground, passive areas, and a picnic area	0.34
Gemello Park Marich Way & Solana Court	Children’s playground, passive areas, and a picnic area	0.50
Jackson Park Jackson Street & Stierlin Road	Children’s playground, passive areas, and a picnic area	0.84
Klein Park Ortega Avenue & California Street	Basketball court, children’s playground, passive areas, and a picnic area	1.25
Landels Park	Basketball court, children’s playground, soccer/football field, passive	3.27

Park and Location	Amenities	Acreage
Dana Street & Calderon Avenue	areas, picnic area, softball field, outdoor volleyball court, and trail access	
Magnolia Park Magnolia Lane & Whisman Station Drive	Children's playground, passive areas, and a picnic area	1.10
McKelvey Park Miramonte Avenue & Park Drive	Baseball field, softball field, and restrooms	5.01
Pioneer Park 1146 Church Street	Passive areas	3.50
Rengstorff Park & Pool 201 South Rengstorff Avenue	BBQ facilities, baseball field, basketball court, skate park, children's playground, passive areas, picnic area, softball field, swimming pool, tennis courts, outdoor volleyball court, and restrooms	27.30
San Veron Park San Veron Avenue & Middlefield Road	Basketball court, children's playground, passive areas, picnic area, and outdoor volleyball court	2.08
Senior Center Escuela Avenue & Villa Street	Auditorium, meeting room, shuffle board, and restrooms	N/A
Shoreline at Mountain View 3070 North Shoreline Boulevard	Nature preserve, environmental education, passive areas, picnic area, trail access, and restrooms	753.00
Sierra Vista Park	Children's playground, passive areas, and a picnic area. In construction to be completed 2008	0.80
Skate Park 201 South Rengstorff Avenue	Skate Park	N/A
Sports Pavilion Castro Street & Miramonte Avenue	Basketball court, gymnasium, and restrooms	1.45
Stevenson Park San Luis Avenue & San Pierre Way	Basketball court, children's playground, soccer/football field, passive areas, picnic area, softball field, tennis courts, and restrooms	1.20
Sylvan Park Sylvan Avenue & DeVoto Street	BBQ facilities, children's playground, horseshoe area, passive areas, picnic area, tennis courts, and restrooms	9.00
Thaddeus Park Middlefield Road & Independence Drive	Children's playground, passive areas, and a picnic area	0.68
Varsity Park Duke Way & Jefferson Drive	Basketball court, children's playground, passive areas, and a picnic area	0.45
Whisman Park Easy Street & Middlefield Road	BBQ facilities, basketball court, children's playground, soccer/football field, passive areas, picnic area, softball field, tennis courts, outdoor volleyball court, trail access, and restrooms	2.20
Total Acreage		880.73

Source: www.ci.mtnview.ca.us; City of Mountain View Parks and Open Space Plan, 2001; City of Mountain View Parks and Recreation

The City's Parks and Open Space Plan states that the City has adopted a standard of 3 acres of open space per 1,000 residents. Based on the State Department of Finance 2006 population estimate for the City (71,995), the City is currently providing 12.23 acres of parkland per 1,000 population, which is well above the City's standard.

The Parks and Open Space Plan notes that school sites are an important part of the City's park system. Within the City, school sites provide large areas needed for athletic activities such as baseball, softball, and soccer. The City's General Plan states that the City has 14 public school sites with approximately 150 acres of open space. The City has a long-standing policy of developing cooperative agreements with school districts to allow use of school open space as neighborhood parks (e.g. Castro school/park, Huff school/park, Monta Loma school/park). The City has also provided maintenance and helped to fund many of the school recreational amenities (e.g. Graham Sports Complex). Currently, the City co-owns the Mountain View Sports Pavilion and Whisman Sports Center with the school district and owns a portion of the land on the following school sites:

- Whisman School/Park
- Stevenson/Theuerkauf School/Park
- Landels School/Park
- Bubb School/Park
- Graham School/Park
- Cooper School/Park

It should be noted that generally the ability of the City to ensure that the open space areas owned by school districts remain available is somewhat limited, as schools have final jurisdiction over placement of portables and other needs that may encroach into open space.

New residential projects are required by the City's Park Land Dedication Ordinance to dedicate park land in the amount of 3 acres per 1,000 residents. Since it is not feasible for many smaller residential projects to dedicate land, an equivalent fee is collected instead. The land dedicated, fees collected, or combination of both, are then used for the purchase, development, rehabilitation, and/or improvement of park and recreational facilities. The City's Parks and Recreation Commission reviews the fees and annually recommends to the City Council the park and open space projects to which the fees should be applied.

The City's General Plan notes another cost-effective method utilized to acquire park land. The Education Code Section 39390, the Naylor Act, allows cities to buy a portion of the open space areas of school district property at 25 percent of the market value. The City has stated that it would utilize this tool to purchase lands if school district properties are no longer needed.

Recreation

The City offers a wide variety of recreation classes and activities for residents of all ages. The types of classes provided by the City are listed in Table 9.F.

Table 9.F: Types of Recreation Programs Offered by the City of Mountain View

Art	Dance/Cheerleading	Gymnastics
First aid	Preschool	Sports
Baby and toddler programs	Teen activities	Holiday activities
Senior programs	After school programs	Gardening/landscaping
Cooking	Aquatics	Ice skating
Cultural Arts	Environmental Education	

Source: City of Mountain View Fall 2006 Recreation Guide

9.8 STORM WATER DRAINAGE

The City’s storm drainage system consists of a combination of underground piping network, cross culverts, drywells, detention ponds, and five pump stations. In areas south of Highway 101, the underground piping systems collect storm water via inlets and discharges into Stevens Creek, Permanente Diversion Channel, Permanente Creek, Hale Creek, and Adobe Creek, which drain to the San Francisco Bay. In this area of the City, five drywells are used to receive surface runoff and let the runoff percolate underground. These drywells are located where unimproved streets, which do not meet the City’s minimum storm drainage standards, were annexed from the County. The City has stated that these drywells will eventually be eliminated and replaced with a standard storm drain system when the streets are improved by either the City (through formation of an assessment district) or by a developer as a condition of approval. In the North Bayshore Area, the piping networks carry the storm water to Charleston Storm Drainage Detention Pond and Pump Station, the Coast Casey Detention Basin and Pump Station, High Level Road Ditch and Pumps, Crittenden Pump Station, and Amphitheatre Pump Station for final discharge to Stevens Creek, Permanente Creek, and the San Francisco Bay.

The City’s 2005 Storm Drainage Master Plan states that the City has experienced localized ponding in various areas. Most of this flooding has occurred in the “Old Mountain View” area bounded by Mariposa Avenue, Calderon Avenue, El Camino Real, and Central Expressway. It has been noted by the City that this flooding is mainly the result of inadequate storm drainage cross culverts at various intersections. Additionally, there are areas that are known to flood by City maintenance experience but are not recorded, such as Gilmore and Todd, Marilyn Drive and Cuesta Drive, Marich at Karen, and Landels School. Many of these problems are the result of small mains, small grates, and nonhooded inlets. The City has stated that these are being systematically and continually being replaced and upgraded with larger sized storm drain mains and standard hooded inlets.

Even though areas of minor flooding exist, the Storm Drainage Master Plan concludes that the City’s storm drain systems are performing adequately, and that these are minor isolated deficiencies that do not require urgent improvement projects. The Master Plan includes recommended improvements that would address these deficiencies before they become major problems in addition to maintaining the system and replacing facilities that do not meet current standards. Implementing these recommendations commences after technical engineering studies determine that the improvements will be needed by a designated time and the establishment of a capital improvement budget for the project. The Master Plan also notes that the City has a history of actively addressing storm drainage problems. Over the past 10 years the City has implemented 16 major storm drain improvement

projects. Beginning in 1994 and continuing through 2004 the City has completed one to two projects almost every year.

The Master Plan concludes that under current land use conditions and with completion of capital improvements to eliminate the deficiencies found in the system, the City's storm drainage system should be able to accommodate the projected growth to build out and develop all vacant parcels. It should be noted that the City imposes storm water impact fees on new development.

9.9 LAW ENFORCEMENT

The Mountain View Police Department (department) is located at 1000 Villa Street. The facility is shared between the City's police and fire departments. The facility was developed in 1980 and consists of approximately 44,000 sf.

The City's department consists of four divisions, which are detailed below.

- The Administration Division is responsible for providing support activities necessary for the efficient and effective operation of the department, including professional standards, citizens police academy, crime prevention, personnel and training, crime analysis unit, and the volunteer program.
- The Field Operations Division is responsible for providing all uniform police services to the community. Its primary function includes responding to criminal activity and calls for service in an effective and timely manner and providing crime suppression and prevention activities. Within this division reside Patrol, Traffic Safety, Special Operations, and School Resource Officers.
- The Investigation Unit is responsible for conducting follow-up investigations, tracking criminal trends and events, ensuring criminal prosecution, and prevention of future crimes. This unit includes the general crimes unit, high technology unit, and domestic violence victim advocacy program.
- The Support Services Division is comprised of (1) Emergency Communications, which answers all 911 and nonemergency calls for public safety; (2) Public Safety Systems, which manages the City's radio systems, public safety computer systems, and fleet maintenance; (3) Records, which is responsible for record-keeping activities; (4) Property and evidence; and (5) Management and fiscal services, which coordinates the department facility, grants, financial issues, as well as many other management tasks.

As mentioned, the City operates an emergency communications center, which provides 24-hour answering of all emergency and nonemergency police, fire, and medical aid calls. The emergency communications center is also under contract to provide dispatch services for the Mid-Peninsula Regional Open Space District. The center has a direct link with a State-funded 911 program that provides emergency translation in more than 140 languages and dialects. The center utilizes radio communication, mobile computers, Computer-Aided Dispatch, and a records management system to provide fast and effective emergency communication services. The department has a performance target to answer 95 percent of incoming 911 calls within 9 seconds of receipt. The department reported a 97.5 percent actual rate and is exceeding that goal.

The department is a participant in several regional task forces with other law enforcement agencies. These include:

- A Critical Incident Operations Group, which consists of the SWAT team, Crisis Negotiations Team, and patrol of first responders. This Group has a partnership with the Palo Alto Police Department
- The Santa Clara County Special Enforcement Team, which is a narcotics enforcement task force with six participating cities and two participating State agencies
- A high technology crime and identity theft task force
- A regional auto theft task force

The department currently employs 97 sworn officers and 53 staff members. There are also three canine teams. The City has no adopted standard related to the ratio of officers to population; however, to provide an indication of service level, based on the State Department of Finance 2006 population estimate (71,995), the City is currently providing 1.35 officers per 1,000 population. This ratio is slightly above the common standard of 1 officer per 1,000 population.

The 2005 department Annual Report states that in 2005 there were 76,803 calls for service. The City’s General Plan states that the City should maintain a police force sufficiently staffed and deployed to sustain a 4-minute maximum emergency response time 70 percent of the time. In the 2006–2007 performance measures, the department reported responding in 4 minutes or less on all emergency calls for service 51.83 percent of the time. Therefore, for FY 2006–2007, the department is falling below the General Plan policy goal. However, Table 9.G indicates that the City had exceeded this goal in the third quarter of 2006.

Table 9.G: City of Mountain View Law Enforcement Service Calls and Response Times for the Third Quarter of 2006

Priority	Number of Calls	Average Response Time (Minutes)
Emergency	44	3:55
1	776	4:37
2	2,735	9:43
3	1,189	21:19

Source: City of Mountain View, October 2006

The existing police/fire facility has deficiencies, as detailed in the 2006–2007 CIP. Due to growth of the departments, the existing building is not large enough to accommodate the police and fire staff needed to serve the City. In 2002 the City prepared a space needs study for the facility, which determined that an additional 10,000 sf were needed immediately and projected a space shortage of 16,000 sf by 2020. In addition, the building needs refurbishment due to age and needs upgrades to meet current ADA requirements. The City’s 2006–2007 CIP includes three projects that would resolve some of the more significant deterioration issues and funds studies to confirm the structural integrity of the building and analyze potential space solutions. The City’s strategy is to resolve the

issues cost-effectively, while avoiding making significant improvements that would be changed when a larger project is undertaken to resolve the long-term space need.

Law enforcement programs are continually being reviewed, and resources are placed where needed. Work studies and audits are conducted routinely and as deemed necessary by the Police Chief. There are no current plans for additional programs. It should be noted that in 2005 volunteers donated 5,244 hours. This allows some additional services to be provided in a cost-effective manner. The department's 2005 Annual Report estimates this time to be worth \$121,009.

9.10 LIBRARY

The City provides library services within the community. The City's library is located at 585 Franklin Street and is 60,000 sf in size. As of June 30, 2006, the library had 300,624 items in its collection and circulated 1.45 million items in FY 2005–2006. Within this circulation, 550,508 children's items were borrowed and 8,980 items were borrowed from other libraries through a cooperative agreement.

The library does not have any adopted service standards but states that it does regularly compare its services with other California libraries of similar size. To provide an indication of service level, based on the State Department of Finance 2006 population estimate (71,995), the City is currently providing 4.18 volumes and 0.83 sf per resident.

The library recently completed a space study of the existing facility. The study evaluated operating and capacity challenges and recommended improvements to maximize efficiency in the existing space. The space reallocation is included in the 2006–2007 CIP and would alleviate congestion in high demand areas, provide additional seating, and introduce a new group study room. In addition, the City has identified future improvements, which are larger in scale and would be evaluated further.

The City funds capital projects for the library out of the City's CIP funds. The City has stated that there are revenue constraints that affect the level of service of the library. These include a variety of unmet needs due to reduced funding (children's programs, service to schools, literacy) and limited outreach (mobile library) services.

The library has arrangements with other organizations for sharing resources. For example, the Library belongs to the Silicon Valley Library System and participates in reciprocal borrowing and resource sharing with other libraries locally and throughout the state, and the library receives better pricing on goods and services by participating in cooperative purchase agreements.

The library has a Board of Trustees, which is a five-member volunteer board that advises the City Council and staff on Library matters. The Board is selected by the City Council from the general citizenry. Members are appointed for a maximum of two 4-year terms. The Library Board meets on the third Monday of each month at 7:30 p.m. in the Library Community Room. The agenda for each meeting is posted on the Friday before each meeting at the library and at the City Clerk's Office on Monday morning.

9.11 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF MOUNTAIN VIEW

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. The City has stated that localized sewer system capacity deficiencies may exist. The City is commencing on a Sanitary Sewer Master Plan that will evaluate capacity and make infrastructure recommendations.
2. The City's 2005 Storm Drainage Master Plan states that the City has experienced localized ponding in various areas, which is the result of inadequate capacity of the existing infrastructure. The Storm Drainage Master Plan concludes that these are minor isolated deficiencies that do not require urgent improvement projects.
3. The Storm Drainage Master Plan states that with completion of capital improvements to eliminate the capacity deficiencies found in the system, the City's storm drainage system should be able to accommodate the City's projected growth.
4. The existing police/fire facility is not large enough to accommodate the staff needed to serve the City. In addition, the building needs refurbishment due to age and needs upgrades to meet current Americans with Disabilities Act (ADA) requirements. The City's CIP includes projects that would resolve some of the more significant deterioration issues and funds studies regarding future upgrades.
5. The library has operating and capacity challenges. A space reallocation plan is included in the City's CIP to address some space needs and to improve operating efficiencies. Additional space needs, most notably in the Children's Area, will be addressed at a later time.

Growth and Population

1. The City is almost fully built out, with little vacant land left. Because of the developed nature of the City, new development and/or growth within the City has been and will continue to consist of redevelopment or intensification of land uses.

Financing Constraints and Opportunities

1. The 2006–2007 budget states that the City has been challenged by a decline in revenues since FY 2001–2002. This revenue reduction required major reductions in expenditures, including personnel and services. While this strategy has kept the City financially strong, there has been an unavoidable impact of service level and quality.
2. The City's fiscal outlook is beginning to improve. FY 2005–2006 revenues for the General Fund were 7 percent higher than the adopted budget, and the City projects that the General Fund revenue will grow another 2 percent in 2006–2007.

3. Land dedicated and fees collected through the City's Park Land Dedication Ordinance are used to purchase, develop, rehabilitate, and/or improve park and recreational facilities.
4. The City has stated that there are revenue constraints that affect the level of service of the library.

Cost-Avoidance Opportunities

1. The City has adopted purchasing policies and procedures in an effort to control costs and provide for efficiency and accountability.
2. The City has several cooperative arrangements with other agencies that provide services at a reduced cost.
3. The City has stated that it would utilize the Naylor Act, which allows cities to buy open space areas of school district property at 25 percent of the market value to provide additional parkland at a reduced cost.
4. In 2005, volunteers donated 5,244 hours to the police department. The department 2005 Annual Report estimates this time to be worth \$121,009. This allows some additional law enforcement services to be provided in a cost effective manner.

Opportunities for Rate Restructuring

1. The City has established rate stabilization reserves in order to allow gradual or incremental increases in rates to lessen the impact of rate changes.
2. The City's revenue policies state that fees and charges for services will be evaluated and, if necessary, adjusted annually. It also states that the City's objective in setting fees and charges for services is to achieve a reasonable level of cost recovery for services.

Opportunities for Shared Facilities

1. The City has several cooperative agreements with other agencies that provide for service provision in a cost-effective manner. This includes the wastewater treatment plant, SMART Station, library services, park and recreational facilities, and law enforcement regional task forces.
2. The police department shares a facility with the City's Fire Department.

Government Structure Options

1. LAFCO has identified several unincorporated areas within the City's USA. In September 2006, the City annexed three unincorporated pockets. In addition, there are two other properties that have been identified by the City as significant and expected to be annexed in the future when development plans are approved. In order to implement more efficient planning boundaries and take advantage of the current streamlined annexation opportunity, the City should commence annexing the remaining unincorporated pocket areas.

Evaluation of Management Efficiencies

1. The City's cooperative projects with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The City ensures that local accountability and governance standards are met by holding City meetings pursuant to the Brown Act and having them available for download on the City's Web site.

9.12 SOI RECOMMENDATION FOR THE CITY OF MOUNTAIN VIEW

Current SOI Boundary

The City's existing SOI boundary, which was adopted in September 1984, is coterminous with the City limits to the east, south, and west. The northern portion of the City's SOI boundary includes unincorporated areas and extends 2 miles into the San Francisco Bay and also includes approximately half of Moffett Field. The City of Mountain View is substantially bounded by the City of Sunnyvale to the east; by the City of Los Altos to the south; and by the City of Palo Alto to the west. Since 1984, Mountain View's SOI boundary has remained significantly unchanged.

SOI Boundary Recommendation

As the existing Mountain View SOI is substantially coterminous with the City limits and almost fully bounded by other cities, very little outward expansion is possible. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the City of Mountain View.

9.13 SOI DETERMINATIONS FOR THE CITY OF MOUNTAIN VIEW

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the City's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The Mountain View SOI is substantially coterminous with the boundaries of the City; therefore most of the land within the SOI is within the City. The City is almost fully built out, with only 254 acres of vacant land left. The City indicated that almost half of the vacant land is in the north Bayshore area, and that the City owns much of this land. Other vacant parcels are small and scattered throughout the City. The City includes a mix of land uses. Planned land uses in the City are not expected to change.

Finding: The Mountain View SOI is substantially coterminous with the boundaries of the City. Planned land uses in the City are consistent with existing land uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The City is expected to experience modest growth mostly through in-fill development and redevelopment of underdeveloped parcels. The need for a full range of public facilities and services is expected to grow modestly in the future.

Finding: The type of public services and public facilities required in the proposed Mountain View SOI boundary will not change, although the level of demand will increase modestly.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities appears to be adequate in general. However, some specific inadequacies were identified including: (1) sewer system capacity improvements may be needed in some areas of the City pending completion of a master planning process; (2) storm water drainage infrastructure upgrades and capacity improvements are needed in localized areas; and (3) the City Police Department facility is overcrowded and inadequate. The City is currently working to resolve these issues through studies and engineering projects.

Finding: The present capacity of public facilities and public services is generally adequate. However, some areas of the City may need sewer infrastructure improvements, the City's storm water drainage facilities are deficient in localized areas, and improvements to City police facilities are needed. The City is currently working to resolve these issues.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The City's SOI is substantially coterminous with the City limits and USA boundary, which is almost fully bounded by other cities, with the exception of the northern portion of the City's SOI boundary which includes unincorporated areas open space lands, extends 2 miles into the San Francisco Bay, and also includes approximately half of Moffett Field.

The City's USA boundary also contains some unincorporated pocket areas that are developed or slated to be developed with urban land uses. The Joint Urban Development Policies of the cities, the County, and LAFCO call for islands or pockets of unincorporated land to be annexed to the applicable city. The City has indicated that some of these areas are expected to be annexed in the future when development plans are approved.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Mountain View and the areas within the City's SOI boundary.

10.0 CITY OF PALO ALTO

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

10.1 CITY LOCATION

The City of Palo Alto (City) is bounded on the north by San Mateo County. The Cities of Menlo Park and East Palo Alto are located to the north across Francisquito Creek. To the south and east the City is bordered by the Cities of Mountain View, Los Altos, and Los Altos Hills. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

10.2 GOVERNANCE AND PUBLIC PARTICIPATION

The City of Palo Alto was incorporated in 1894, and operates under a council-manager form of government. The nine council members are elected at large for 4-year terms that are staggered. Service on the Council is limited to two consecutive terms. Each January the Council elects one of its members as Mayor and Vice Mayor.

Council Meetings are held the first three Mondays of each month at 7:00 p.m. in the Council Chambers at City Hall, 250 Hamilton Avenue. The Council agendas are posted on Thursday evenings at the library on Forest Avenue and online. Subscribers are notified by e-mail when Council agendas are posted to the Web site. Council meetings are shown live on Channels 26 and 29. The schedule is available online.¹

The City has several boards and commissions, as listed below, which may provide recommendation on direction to the City Council regarding specific topic areas, but they do not direct the Council:

- Architectural Review Board
- Historic Resources Board
- Human Relations Commission

¹ Web site: <http://www.cityofpaloalto.org/government/channel-grid.pdf>, accessed 02/21/07.

- Library Advisory Commission
- Planning and Transportation Commission
- Public Art Commission
- Utilities Advisory Commission
- Standby Emergency Council

10.3 FINANCE

The City adopts Operating and Capital Budgets annually. The operating budget preparation begins with budget recommendations, which are made by Budget Division staff to the Director of Administrative Services. Internal budget hearings are held to discuss Budget Division analysis of department funding requests, along with alternative funding options to meet the department’s needs.

The City Manager makes the final budget request decisions and then the proposed budget document is forwarded to the Council members for review. In May or June of each year the City Manager formally presents the proposed budget to the Finance Committee in a series of public hearings. The City Council’s Finance Committee prepares its recommendation to the City Council. Final adoption occurs at a final public hearing in June.

In the City, the key general fund revenue sources are property taxes, service fees, sales taxes, utility user taxes, rental income, and transient occupancy taxes. The City’s 2006–2007 budget projects revenues to increase approximately 1.7 percent in 2006–2007. The significant revenue increase projections are in property taxes, sales taxes, fees and licenses, investment income, vehicle license fees, transient occupancy taxes, documentary transfer taxes, and utility user taxes. Table 10.A provides a list of the citywide sources of funds and the citywide uses of funds for fiscal year (FY) 2005–2006. Table 10.B provides a breakdown of the City’s budgeted General Fund revenues and expenditures for FY 2006–2007.

Table 10.A: City of Palo Alto Sources and Uses of City Funds, FY 2005–2006

Sources of Funds (includes General, Capital Improvement, Enterprise, Internal Service, Debt service, and Special Revenue Funds)	
Utility revenue	55%
Property tax	5%
Sales tax	6%
Utility user tax	2%
Charges for services	6%
Permits and licenses	1%
Transient occupancy tax	2%
Rental income	3%
From other agencies	1%
Investment income	4%
Charges to other funds	6%

Sources of Funds (includes General, Capital Improvement, Enterprise, Internal Service, Debt service, and Special Revenue Funds)	
Other taxes and fines	2%
All other	7%
Uses of Funds (includes General, Internal Service, Debt Service, Special Revenue, Capital Improvement, and Enterprise Funds)	
Utility purchases and charges	27%
Salaries and benefits	31%
Contract services	6%
Supplies and materials	2%
Facilities and equipment	1%
General expense	4%
Rents and leases	3%
Allocated charges	8%
Debt service	4%
Capital improvement program	14%

Source: City of Palo Alto 2006–2007 Budget, pages 30–31

Table 10.B: Palo Alto Budgeted General Fund Revenues and Expenditures, FY 2006–2007

General Fund Revenues	
Property tax	16%
Charges for services	15%
Sales tax	16%
Utility user tax	7%
Operating transfers in	12%
Rental income	10%
Transient occupancy tax	5%
Charges to other funds	7%
Other taxes and fines	6%
Investment income	2%
Permits and licenses	3%
All other	1%
General Fund Expenditures	
Public safety (Police and Fire)	37%
Administration	12%
Public works	10%
Planning	7%
Nondepartmental	8%
Community services	15%
Operating transfers out	6%
Library	5%

Source: City of Palo Alto 2006–2007 Budget, pages 25–26

As shown in Table 10.C, the City has had expenditures exceed revenues at the end of FY 2004 and 2005; however, the City has budgeted FY 2005–2006 to result in revenues that exceed expenditures.

Table 10.C: City of Palo Alto Summary of Revenues and Expenses for Governmental Funds

	2003–2004 Actual	2004–2005 Actual	2005–2006 Budgeted
Total revenues	\$108,600,000	116,400,000	\$126,837,000
Total expenses	\$104,200,000	117,800,000	\$125,332,000
Net revenues (loss)	(\$4,400,000)	(\$1,400,000)	\$1,504,000

Source: Comprehensive Annual Finance Report for FY 2005; City of Palo Alto 2006–2007 Budget

Since January 2001, the City has engaged in a series of “Strengthening the Bottom Line” efforts whereby expenses were brought into alignment with available revenues, and therefore has not had to rely on General Fund reserves to meet its commitments. However, the City’s Comprehensive Annual Financial Report and 2006–2007 Budget states that the City continues to face fiscal challenges, including rising employee benefit costs, strong competition from neighboring City retail outlets, high commercial vacancy rates, and the closing of several commercial revenue generators. These factors make it unlikely that the City’s fiscal condition will improve dramatically in the near future.

Examples of City efforts to improve its fiscal condition include employee layoffs as part of the 2005–2006 budget, for a savings of approximately \$1.5 million needed to balance the budget. With the 2005–2007 adopted budgets, Council approved a spending plan that eliminated a \$5.2 million structural deficit in 2005–2006, a deficit of \$3.9 million in 2006–2007, and projected shortfalls for the next 8 years. These decisions have improved the City’s fiscal future. Furthermore, the 2006–2007 budget states that modest surpluses are projected in the near future.

Reserves

- **Budget Stabilization Reserve.** The General Fund requires a Budget Stabilization Reserve to serve as a repository for unspent operating funds at the end of each fiscal year, as well as pay for one-time unexpected needs that arise outside of the regular budget planning process. The Budget Stabilization Reserve is not meant to fund ongoing operating expenses. A reserve level of no less than 15 percent of General Fund operating expenditures, with a target of 18.5 percent, shall be maintained. This is currently approximately \$24 million.
- **Reserve for Equity Transfer Stabilization.** The Reserve for Equity Transfer Stabilization in the General Fund is designated to provide funding in the event that the Gas and Electric Funds are unable to make the required annual funding obligation to the General Fund. This reserve is funded at the end of each fiscal year by the Gas and Electric Funds based on a Council-approved formula. Funding of this reserve will cease when Reserve for Equity Transfer Stabilization reaches 30 percent of the required annual equity transfer of the current year.
- **Infrastructure Reserve.** This reserve is used to fund infrastructure projects. Because the Infrastructure Reserve is to be used for capital projects that would be reviewed by the City Council, no maximum reserve level is recommended. A \$2 million minimum balance is required

to maintain an ongoing commitment to the City's future infrastructure needs. The 2006–2007 budget states that an annual interest of approximately \$1.0 million accrues to this fund and that the General Fund continues to transfer \$3.6 million annually for infrastructure projects. It should be noted that the City has adopted fees to address the impact of new development on parks, libraries, community centers, and roadways.

- **Enterprise Fund Reserves.** The City utilizes Enterprise Fund Reserves when budgeted revenues are not sufficient to cover budgeted expenditures in years between planned rate increases, or in the case of emergencies or unforeseen changes in either revenues or expenses. The City Council has adopted a policy specifying the appropriate levels of reserves for each Enterprise Fund.

Rates for Service

The City reviews and adjusts rates for services annually along with preparation of the operating budget. The 2007–2008 budget includes a number of utility rate adjustments. The average monthly residential utilities bill is expected to increase by 8.9 percent for combined utility services. The rate increases are listed below:

- A gas service rate increase of 9.5 percent became effective on July 1, 2007, due to increased commodity costs and lower sales estimates. The City also enacted a 20 percent rate increase in July 2006 and a 15 percent rate increase in January 2005. The City's Comprehensive Annual Finance Report for the end of FY 2006 states that the Gas Fund ended FY 2006 with a net income of \$3.8 million and a \$1.7 million net loss for FY 2005.
- An electric service rate increase of 5 percent became effective on July 1, 2007, due to increasing supply and transmission costs. The City's Comprehensive Annual Finance Report for FY 2006 states that the Electric Fund ended the year with a net income of \$18.2 million compared to a net loss of \$5.6 million for FY 2005. The increase in net income was mainly the result of surplus energy revenue from favorable hydro conditions.
- A wastewater collection service rate increase of 5 percent became effective July 1, 2006, due to increasing operating expenses. The Wastewater Collection Fund ended FY 2005 with a net income of \$3.4 million. Similarly, the Wastewater Treatment Fund ended FY 2005 with a net income of \$700,000.
- Refuse service rates were increased 13 percent effective July 1, 2007, due to increasing operating costs. The refuse fund ended FY 2006 with a net loss of \$2.7 million and a net loss of \$1.2 million for FY 2005.
- Monthly storm drainage fees were increased by 3.4 percent, effective July 1, 2007, to cover inflationary cost increases, in accordance with the ballot measure approved by property owners in 2005.

City Debt

On June 30, 2005, the City's debt was comprised of the following:

- General Long-Term Obligations: \$10.7 million
- Special Assessment Debt with City Commitment: \$300,000

- Utility Revenue Bonds: \$43.6 million

The City's Comprehensive Annual Finance Report for FY 2005 states that the City did not issue new debt in FY 2004–2005 and that there are no immediate plans or needs to issue new debt. In addition, the City's existing debt ratio to assessed valuation for the General Fund is a low 0.1 percent compared to the allowable, legal debt margin of 15 percent.

Investments

The City annually adopts an investment policy as prescribed by State law. The City's investment policy states that the primary objectives of investment activities in order of priority shall be safety, liquidity, and yield.

Idle cash management and investment transactions are the responsibility of the Administrative Services Department. Quarterly, the Department reports to the City Council on the investments' performance in comparison to the City policy, explains any variances from the policy, provides any recommendations for policy changes, and discusses overall compliance with the City's Investment Policy. In addition, the Council is provided with a detailed list of all securities, investments, and monies held by the City, as well as a report on the City's ability to meet expenditure requirements over the next six months. The City's investment practice is to buy securities and hold them to maturity to avoid potential losses from a sale.

Purchasing Policy

The City has established a centralized purchasing function within the Administrative Services Department. The objective of the centralized purchasing function is to provide operating departments with goods and services at the lowest overall cost while ensuring a fair and open process. The City has also adopted a purchasing policy that regulates the purchasing authority and limitations of City staff and the procedures required such as bids and proposals to obtain goods and services. The purchasing policy is also designed to control costs and provide for a fair procurement process.

10.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

The City's 1998 Comprehensive Plan EIR states that the total area of the City is 26 square miles, or 16,627 acres, and that nearly one-third of this land area is in open space, approximately 29 percent is in public use, and approximately 21 percent is occupied by single-family detached homes, with the remaining 20 percent accommodating all other uses.

For this service review, the City has stated that the urbanized area of the City is virtually built out. The Comprehensive Plan indicated that at most 0.5 percent of the entire City, including the Foothills (which are outside the USA) was vacant. Due to this, a large majority of new development in the City would involve redevelopment or intensification of previously developed areas. The City's Housing Element states that the lack of vacant land has resulted in an effort to "recycle" land parcels with commercial or industrial zoning that are vacant or have other land uses that are economically marginal. The City's long-term policy is to discourage the rezoning of residential land to commercial use. It should be noted that the City's growth projections are consistent with the Association of Bay

Area Governments (ABAG) projections. The City does not have projections regarding the amount, type, and location of redevelopment. Therefore, it is difficult to detail what potential affects redevelopment/intensification could have on existing infrastructure.

Stanford University

The City provides several services to Stanford University. Stanford University's main campus is located outside of the City limits, but within the City's USA and SOI. However, several University-owned properties, including the research park, Stanford Medical Center, and the Stanford shopping center, are within the City limits. The University lies immediately southwest of the City's downtown area, and the central campus is generally bounded by El Camino Real, Sand Hill Road, Stanford Avenue, and Junipero Serra Boulevard.

The City currently provides wastewater services and law enforcement communication services, as detailed in the service sections below, in addition to fire protection and paramedic services.

Stanford's lands that are designated for academic use in the University's Land Use Plan are precluded from being annexed to the City of Palo Alto by a joint agreement between Palo Alto, Stanford, and the County. Non-academic uses include: residential, commercial, industrial, research, medical, and professional facilities.

Development Limitations on Unincorporated Stanford Lands

A 1985, three-party interjurisdictional agreement between the City, Santa Clara County, and Stanford University identified land use policies for lands owned by Stanford University and located within unincorporated Santa Clara County. Stanford's General Use Permit, issued by Santa Clara County, establishes building area, population limits, and some mitigation measures for development of the unincorporated lands, and identifies four subareas that would only be developed on a limited basis.

Unincorporated Pockets

There are no unincorporated pockets within or adjacent to the City's USA.

10.5 WASTEWATER

The City owns and operates an approximate 207-mile wastewater collection system that serves residents and businesses within the City limits, Stanford University, and a portion of Los Altos Hills. The collection system is primarily comprised of gravity flow sewers ranging in size from 4 to 42 inches in diameter, with approximately 75 percent of the sewers being 6 to 8 inches in diameter. The system also includes one lift station located in the foothills. The major conveyance sewers (trunk sewers) convey flow in a generally northeast direction and terminate at the City Regional Wastewater Quality Control Plant.

The Master Plan states that as of 2004 the flow from Stanford University was approximately 2.2 million gallons per day (mgd), which is slightly higher than its treatment plant capacity rights of 2.11 mgd.

The City of Palo Alto states that the City of Los Altos Hills has approximately 753 connections draining into the City collection system. Flows from Los Altos Hills enter the City’s System at two primary locations (on Arastradero Road and Old Page Mill Road). Los Altos Hills has requested an additional sanitary sewer main connection to the City of Palo Alto collection system. This new connection and sewer main will be constructed and maintained at Los Altos Hills’ expense. Los Altos Hills is currently in the final design stages on this project. The maximum number of potential connections from Los Altos Hills that can drain into the City’s system is 1,571, based on the Town’s capacity rights in the treatment plant. Most of the new future connections would likely come from the conversion of current septic system users rather than new growth. However, the Town anticipates that very few septic conversions will actually occur, and it is therefore unlikely that the wastewater discharge will ever reach the maximum amount.

The City has an ongoing sewer rehabilitation program that averages 25,000 feet (ft) of sewers and service laterals being rehabilitated or replaced annually.

In 2004 the City prepared a capacity assessment that addresses the capability of the wastewater collection system to convey existing and future flows and identifies improvements to provide additional capacity where needed. Based on the results of the Master Plan Capacity analysis, eight locations were identified for capacity improvements. These improvements include 13,130 ft of sewer line. The improvements are also prioritized in order of necessity. Recommended improvements include diverting flows to new sewers or sewers with excess capacity and larger replacement pipes. All projects are sized to accommodate the peak flows from a 20-year design storm. Table 10.D provides a summary of the City’s capacity improvement projects.

Table 10.D: City of Palo Alto Wastewater Collection System Capacity Improvement Projects for the Next Six Years

Priority	Project Name	Description	Length (ft)
A	East Meadow Drive Sewer Replacement	Upsize 8-inch sewer from Cowper Street to Middlefield Road to 12-inch	733
A	Loma Verde Avenue Sewer Replacement	Replace 15-inch sewer from Loma Verde Place to Louis Road with 18-inch pipe	1,500
C	Arastradero Road Relief Sewer	Parallel existing 12-inch sewer from Hillview Avenue to Foothill Expressway with 12-inch pipe	3,125
C	Matadero Creek Relief Sewer	Parallel existing 15-inch sewer from Hillview Avenue and Foothill Expressway with 15-inch pipe	3,200
B	N. California Avenue Sewer Replacement	Upsize 8-inch sewer to Embarcadero Road with 10-inch pipe	1,460
B	Louis Road at E. Meadow Sewer Replacement	Replace 8-inch sewer from Nathan Way to E. Meadow Dr. with a 10-inch pipe at steeper slope	227
C	Old Page Mill Road Sewer Replacement	Replace two reaches of 12-inch sewer with 15-inch pipe at uniform slope	650

Source: Palo Alto Wastewater Collection System Master Plan Capacity Assessment, March 2004

The Palo Alto Regional Water Quality Control Plant provides wastewater treatment to flows from the City, East Palo Alto, Mountain View, Stanford University, Los Altos, and Los Altos Hills. The treatment plant provides tertiary treatment to wastewater prior to the effluent being discharged into San Francisco Bay. The plant is designed to have a dry-weather capacity of 38 mgd, a wet-weather capacity of 80 mgd, and a peak flow capacity of 55 mgd. The average flows are approximately 25 mgd.

The Cities of Palo Alto, Mountain View, and Los Altos participate jointly in the cost of maintaining and operating the City of Palo Alto Regional Water Quality Control Plant and related system. The City is the owner and administrator of the plant. The Cities of Mountain View and Los Altos are entitled to use a portion of the capacity of the plant for a specified period of time. Each partner has the right to rent unused capacity from/to the other partners. The expenses of operations and maintenance are paid quarterly by each participating agency based on its pro-rata share of treatment costs. Additionally, revenues are shared by the participating agencies in the same ratio as expenses are paid.

Wastewater Rates

The City's wastewater rates are set as monthly fees, as shown in Table 10.E. Commercial and industrial rates are dependent on the amount and type of flow.

Table 10.E: City of Palo Alto Monthly Wastewater Rates

Residential: single-family	\$23.48
Residential: multifamily	\$23.48 per unit
Commercial and industrial	Calculated depending on use

10.6 SOLID WASTE SERVICES

Solid waste service is provided by the City via contract with Palo Alto Sanitation Company. The solid waste that is collected within the City is hauled to the landfills listed below. Additional detail regarding these facilities can be found in Appendix A.

- Altamont Landfill Resource and Recovery Facility
- Arvin Sanitary Landfill
- City of Palo Alto Refuse Disposal Site
- Fink Road Landfill
- Guadalupe Sanitary Landfill
- Hillside Class III Disposal Site
- Keller Canyon Landfill
- Kirby Canyon Recycling and Disposal Facility
- Newby Island Sanitary Landfill

- Ox Mountain Sanitary Landfill
- Potrero Hills Landfill
- Redwood Sanitary Landfill
- Vasco Road Sanitary Landfill
- Zanker Material Processing Facility
- Zanker Road Class III Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the City disposed of 69,491 tons of solid waste in 2005.¹ CIWMB shows that the solid waste disposal generation factor for the City is 2 pounds per resident per day and 6.5 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per the CIWMB, the City exceeded this goal and had a 62 percent diversion rate in 2004, which is the most recent data posted.

The City is a participant in a cooperative agreement with the Cities of Mountain View and Sunnyvale for the operation and use of the SMART Station, which is a materials recovery and refuse transfer facility that is located in Sunnyvale. The Station processes solid waste, including recyclables and yard trimmings, prior to transfer to the landfills.

The City has varying rates for both residential and commercial solid waste services, which are dependent on the amount of solid waste and number of pickups per week, as shown in Table 10.F.

Table 10.F: Monthly Solid Waste Rates

Residential	
One pickup per week	One can, \$16.87 Six cans, \$134.51
Two pickups per week	Three cans, \$100.06 Six cans, \$281.07
Three pickups per week	Three cans, \$156.11 Six cans, \$427.36
Commercial	
	\$21.38–\$4,285.12, depending on size of bin and number of pickups per week

¹ Web site:
<http://www.ciwmb.ca.gov/Profiles/Juris/JurProfile1.asp?RG=C&JURID=362&JUR=Palo+Alto>,
accessed March 20, 2007.

10.7 PARKS AND RECREATION

The City's park and recreational facilities are listed in Table 10.G.

Table 10.G: City of Palo Alto Park and Recreational Facilities

Park and Location	Amenities	Acreage
Baylands Athletic Center 1900 Geng Road	1 softball diamond, 1 baseball field, and restroom facilities	6.0
Bol Park 3590 Laguna Avenue	Jogging path, wood benches, a large climbing structure, and a 1-mile bicycle path	13.8
Boulware Park 410 Fernando Avenue	Basketball court, shaded picnic area with barbecue facilities, toddler playground	1.5
Bowden Park 2380 High Street	Toddler playground, benches, and picnic tables.	2.0
Lawn Bowling Green	Lawn bowling green and clubhouse	2.0
Briones Park 609 Maybell Avenue	Picnic areas, toddler play equipment	4.1
Cameron Park 2101 Wellesley Street	Wooden climbing structure with a triple slide, swings, and picnic tables	1.1
Cogswell Plaza 264 Lytton Avenue	Benches	0.5
El Camino Park 100 El Camino Real	Soccer field and softball field with bleachers and lights	12.19
Eleanor Pardee Park 851 Center Drive	Toddler playground, picnic facilities with barbecues, multipurpose concrete bowl	9.6
El Palo Alto Park 117 Palo Alto Avenue	Path	0.5
Greer Park 1098 Amarillo Avenue	Five soccer fields, three softball fields, one Little League diamond, two basketball courts, picnic area with barbecues, par course, small dog run, skateboard bowl, toddler playground with sand, swings, a climbing structure with slides, restrooms	22.0
Heritage Park 300 Homer Avenue	Open expanse of turf, benches	2.0
Hoover Park 2901 Cowper Street	Two tennis courts, two handball courts, tennis backboard, softball field, picnic facilities with barbecues, a dog run, toddler playground, and a multipurpose concrete bowl with a basketball hoop	4.2
Hopkins Creekside Park Palo Alto Avenue	Benches and tables	12.4
Johnson Park Everett Avenue	Toddler playground, wide concrete slide and wooden climbing structures, basketball hoops, picnic area, sand volleyball pit, and community garden plots	2.5
Lytton Plaza Park University Avenue at Emerson Street	Benches, plaza, public art	0.2

Park and Location	Amenities	Acreage
Mayfield Park 2300 Wellesley Street	Benches	1.1
Mitchell Park 600 East Meadow Avenue	Shuffleboard courts, checkerboard/chess tables, seven tennis courts, two paddle tennis courts, four handball courts, jogging trails, picnic areas with barbecues, multiuse concrete bowl, toddler playgrounds, children's wading pool, large dog run, and restrooms	21.4
Monroe Park 4305 Miller Avenue	Toddler play area with swings and benches	0.55
Peers Park 1899 Park Boulevard	Two tennis courts, picnic tables, restrooms, toddler and school-age playground equipment with swings, slides, spring animals, challenging climbing structures, and a basketball court	4.7
Ramos Park 800 East Meadow Avenue	Toddler playground area with climbing structures, swings and independent spring rides, picnic facilities with barbecues, multipurpose square cement slab with a basketball hoop, and paths with benches	4.4
Rinconada Park 777 Embarcadero Road	Swimming pool, Two large picnic areas with barbecues, nine tennis courts, six with lights, two shuffleboard courts, one tennis backboard, a cemented multipurpose bowl, a toddler playground, big kids play area, sand play area with water play, jogging paths	19.0
Robles Park 4116 Park Boulevard	Picnic facilities with barbecues, playground with sand, climbing structure with slide, and toddler swings	4.7
Scott Park 911 Scott Street	Circular basketball court, toddler play equipment	0.4
Seale Park 3100 Stockton Place	Toddler play area, swing set, and slide	4.3
Stanford/Palo Alto Community Playing Fields 2700 El Camino Real	Two playing fields with lights, snack shack, public art	5.9
Terman Park 655 Arastradero Road	Four tennis courts, one basketball court, two soccer fields, one softball field, path	7.7
Weisshaar Park 2298 Dartmouth Street	Two tennis courts and benches	1.1
Werry Park 2100 Dartmouth Street	Toddler play area	1.1
Wallis Park 202 Ash Street	Benches	0.3
Total Acreage		173.25

Source: www.city.palo-alto.ca.us

The City's Comprehensive Plan states that the City has adopted a standard of providing a minimum of 2 acres of open space per 1,000 residents. Based on the State Department of Finance 2006

population estimate for the City (62,148), the City is currently providing 2.79 acres of parkland per 1,000 population, which is above the City’s standard.

In addition, over one-third of the City is managed as permanent open space. The majority of these lands are located in the southern foothills portion of the City. Table 10.H lists the City’s open space preserves.

Table 10.H: City of Palo Alto Open Space Preserves

Name and Location	Amenities	Acreage
Baylands Nature Preserve Northeast end of Embarcadero Road, next to the Palo Alto airport.	Lucy Evans Baylands Nature Interpretive Center, Byxbee Park Hills (Art Park), wildlife observation platforms and benches, Emily Renzel Wetlands, Baylands Athletic Center (baseball and softball), and picnic/barbecue facilities	1,940
Esther Clark Nature Preserve Old Trace Road off of Arastradero Road.	Undeveloped nature reserve of grassland and oaks.	22
Pearson-Arastradero Preserve 1530 Arastradero Road	10.25 miles of trails for hiking, biking and horseback riding.	N/A
Foothills Park 3300 Page Mill Road	15 miles of trails. Open to Palo Alto residents and their guests only. Proof of residency is required. Seven picnic areas including tables, barbeques, and water; seasonal campground	1,400

Source: <http://www.city.palo-alto.ca.us/community-services/nat-index.html>, accessed 10/27/06

The City offers a wide variety of recreation classes for residents of all ages. The types of classes provided by the City are listed in Table 10.I.

Table 10.I: Types of Recreation Programs Offered by the City of Palo Alto

Art and music	Dance	Teen programs
Sports	Drama/theater	Drama/theater
Day camps	Aquatics	Science

10.8 STORM WATER DRAINAGE

The City’s storm drain system consists of more than 550,000 lineal feet of pipelines ranging in size from 8 to 96 inches in diameter. This system drains primarily to four creeks that run through the City; from the north to south they are San Francisquito, Matadero, Barron, and Adobe Creeks. The creeks are under the jurisdiction of the Santa Clara Valley Water District and are a combination of open earthen channels, concrete open channels, and closed conduits. The Water District has constructed flood management projects on Matadero, Barron, and Adobe Creeks to enable them to contain the

runoff from the 100-year storm event. San Francisquito Creek remains in a relatively natural state and is prone to flooding in storms larger than a 25-year event. Matadero, Barron, and Adobe Creeks flow into the Palo Alto Flood Basin, a 600-acre detention basin that buffers the creeks from the tidal action of San Francisco Bay.

The City’s 1993 Storm Drain Master Plan evaluates the performance of the City’s storm drain system in a 10-year storm event, which is used by the City as the design storm standard. The Master Plan states that much of the existing storm drain system cannot convey the design storm without varying periods of street flooding and recommends that new developments be required to detain peak flows on site in order to avoid increases in runoff. In addition, the Storm Drain Master Plan recommends specific system improvements that are generally related to increasing capacity. Since development of the Master Plan, several key storm drain projects have been implemented; however, significant additional drainage improvements are needed throughout the City. Table 10.J provides a summary of the existing deficiencies and the recommended improvements identified in the 1993 Storm Drain Master Plan.

Table 10.J: City of Palo Alto Storm Water Drainage Deficiencies and Recommended Improvements

Deficiency	Recommended Improvement
Flooding occurs at the intersections of University Avenue at Waverley Street and Lytton Avenue at Cowper Street	Replace the existing 18- to 30-inch pipes downstream of Cowper Street with 42-inch pipes
Flooding occurs at the intersection of Chaucer Street and University Avenue	Replace the existing 10-inch Chaucer Street pipe with a 21-inch pipeline
The system along Embarcadero Road and its three main tributaries along Emerson Street, Bryant Street, and through Rinconada Park	A new pipeline ranging from 42 to 54 inches in diameter is recommended along Lincoln Avenue from Emerson Street to Guinda Street. A new pipeline ranging in size from 36 to 42 inches in diameter is recommended from Cowper Street and Embarcadero Road, along Kellogg and Hopkins Avenues and Cedar Street to Harker Avenue. Also, replacement pipes with additional capacity are recommended along Embarcadero Road between Waverley and Cowper Streets and on Bryant Street from Addison Avenue to Lincoln Avenue. Parallel pipes are recommended on Addison Avenue between Alma and Emerson Streets, on Emerson Street from Addison Avenue to Lincoln Avenue, and on Lincoln Avenue from High Street to Emerson Street.
The system along Channing Avenue from Boyce Avenue to Heather Lane and its three main tributaries: one at Lincoln Avenue and two at Newell Road, has flooding occur throughout most of the system.	New pipes are recommended along Newell Road from Harker Avenue to San Francisquito Creek; along Guinda Street from Channing Avenue to Melville Avenue, along Harker Avenue from Melville Avenue to Newell Road; along Pitman, Lincoln, and Forest Avenues from Middlefield

Deficiency	Recommended Improvement
	Avenue to Newell Road; from Newell Road to Rhodes Drive via Dana Avenue, Alester Avenue, and Hamilton Avenue. Also, replacement pipes are recommended between Center Street and Newell Road.
Flooding occurs along Seale Avenue from west of Alma Street to Embarcadero Road.	Divert flow off the top of the system and add capacity to the lower reaches of the system. Parallel pipes are recommended along Seale Avenue from Emerson Street to Embarcadero Road.
The system following Heather Lane from Embarcadero Road to Channing Avenue has inadequate capacity.	60-inch-diameter parallel pipes are recommended along Heather Lane.
The storm drains serving the Midtown and Palo Verde neighborhoods have inadequate capacity.	A new 36–48 pipeline is recommended along Waverley Street from Oregon Expressway to Matadero Creek. Also recommended is a 36-inch pipeline along Louis Road to Matadero Creek and a 36-inch pipeline along Middlefield Road from Loma Verde Avenue to Matadero Creek. A series of new parallel pipelines are recommended along Loma Verde Avenue, Louis Road, Greer Road, and along the former Seale-Wooster Canal. Capacity upgrades to the Matadero Creek Storm Water Pump Station are also recommended.
Flooding occurs along the former Cambridge Avenue right-of-way in the College Terrace neighborhood and along Page Mill Road upstream of El Camino Real.	A new 36-inch pipe along California Avenue from Oberlin Street to El Camino Real is recommended, along with parallel pipes along Page Mill Road and Park Boulevard.
Flooding occurs along the northern section of Hillview Avenue in the Stanford Research Park.	Parallel pipes ranging in size from 21–24 inches are recommended.
Flooding occurs along San Antonio Avenue between Bryon Street and Dake Avenue; along Montrose Avenue from Middlefield Road to Seminole Way, and around the intersection of East Charleston Road and San Antonio Avenue.	Within this area a new 54-inch pipe is recommended along San Antonio Avenue and Montrose Avenue, and large parallel pipes are recommended on East Charleston Road, Montrose Avenue, and San Antonio Avenue.
Flooding occurs along East Meadow Drive south of Ortega Court and upstream of Middlefield Road.	Within this area new parallel 30–48-inch pipes are recommended along the length of East Meadow Drive.
Flooding occurs in the northeast corner of the City near Commercial Street.	Within this area parallel 24–36-inch pipes are recommended.
Flooding occurs between South Court and Bryant Street in the Fairmeadow neighborhood.	Within this area parallel 30–36-inch pipes are recommended.
Flooding occurs along Amaranta Avenue, Maybell Avenue, Maybell Way, Georgia Avenue, and Donald Drive in the Barron Park neighborhood.	Within this area a new 48-inch pipe along Orme Street and various parallel or replacement pipes are recommended.

Deficiency	Recommended Improvement
Flooding occurs at the intersection of La Donna Street and La Para Avenue in the Barron Park neighborhood.	36–42-inch replacement pipes are recommended along La Donna Street.
Flooding occurs along El Camino Real; Arastradero Road at Suzanne Drive; and Maybell Avenue at Baker Avenue	Within this area 12–42-inch replacement pipes are recommended along Maybell Avenue, Arastradero Road, and El Camino Real.
Flooding occurs along Barron Avenue	A new 30-inch pipe leading to Matadero Creek and 21–30-inch replacement pipes are recommended.
Flooding occurs along El Centro Street	A 21-inch replacement pipe draining to Matadero Creek is recommended.
Laguna Avenue near Paradise Way floods	21- and 24-inch replacement pipes along Laguna Avenue are recommended.
Hillview Avenue floods at Arastradero Road	Supplement the existing pipe with another 18-inch pipe that extends to the Barron Creek outfall.
Flooding occurs near the intersection of Tennessee Lane and Park Boulevard	Parallel 42–54-inch pipes are recommended along Wilkie Way, Tennessee Lane, and Park Boulevard to the Barron Creek outfall.
Flooding occurs throughout the area of the Palo Alto Airport, Municipal Golf Course, and the light industrial area along Embarcadero Road.	Within this area parallel 24- and 36-inch pipes leading to the Airport Storm Water Pump Station are recommended.

Source: City of Palo Alto Storm Drain Master Plan, December 1993; City of Palo Alto Public Works Department, October 2006

Storm drainage improvements are funded through storm drainage fees charged to residents and businesses on monthly City utility bills. The City Council established the Storm Drainage Utility (a self-sufficient enterprise separate from the General Fund and funded through user fees) in 1990. The Utility was established as a means to fund storm drain capital improvements, maintenance, and storm water quality protections programs. Rates were set by the City Council each year as part of the City budget process. After the passage of Proposition 218 by California voters in 1996, however, the Council no longer had the ability to unilaterally increase the storm drainage fee without the approval of a majority of property owners subject to the fee. On April 26, 2005, the City’s property owners approved an increase in the Storm Drainage Fee to \$10.00 per month per Equivalent Residential Unit, effective June 1, 2005. The City Council is authorized to increase the fee each year by the local rate of inflation or 6 percent, whichever is less. The increased fee will “sunset” in 12 years unless reauthorized by another property-owner election. The revenue from the increased fee will provide additional funding for high-priority storm drain system capacity upgrade projects, repair/replacement of deteriorated storm drain system components, and enhanced storm drain maintenance. Specifically, the increased fee will fund a set of seven high-priority capital improvement projects over a period of 12 years. The capital improvement program consists of several projects recommended in the 1993 Master Plan and several new projects developed by staff based on observed street flooding locations. The seven storm drain capital projects are summarized below.

1. Construct pump station and 96-inch storm drain outfall to San Francisquito Creek.

2. Install new storm drain pipelines to increase drainage capacity on Channing and Lincoln Avenues.
3. Install Southgate neighborhood storm drain system.
4. Extend Gailen Avenue/Bibbits Drive storm drain outfall to the Adobe Storm Water Pump Station.
5. Connect the Clara Drive storm drains to the Matadero Storm Water Pump Station.
6. Construct improvements to the Matadero Storm Water Pump Station and install new storm drain pipelines to increase drainage capacity leading to the Matadero Storm Water Pump station.
7. Install storm drainage improvements along southbound Alma Street.

10.9 LAW ENFORCEMENT

Law enforcement services are provided by the Palo Alto Police Department (department), which is located adjacent to City Hall and in a substation at 3990 Ventura Avenue. In addition, the department has an Animal Service Center at 3281 East Bayshore Road.

The department has seven major functional areas:

- **Field Services.** police response, critical incident resolution, regional assistance response, and police services for special events
- **Technical Services.** 911 dispatch services for police, fire, utilities, public works, Stanford, and police information management
- **Investigations and Community Policing Services.** police investigations, property and evidence, youth services, and community policing
- **Traffic Services.** traffic enforcement, complaint resolution, and school safety
- **Parking Services.** parking enforcement, parking citations, and abandoned vehicle abatement
- **Police Personnel Services.** police hiring, retention, personnel records, training, and volunteer programs
- **Animal Services.** animal control, pet recovery/adoption services, animal care, animal health and welfare, and regional animal services

It should be noted that the City has a cooperative relationship and shares SWAT services with the City of Mountain View. In addition, the City relies on normal mutual aid protocol with other agencies via County and State law. The City has stated that it does not see any future potential for shared facilities, studies, programs, staff, or equipment with other agencies.

The City's Comprehensive Plan EIR states that the police department monitors the adequacy of its services and staffing levels by tracking the amount of time it takes to respond to calls for service. The City of Palo Alto Service Efforts and Accomplishments Report, FY 2005–2006, states that the department handled 57,017 calls for service in FY 2005–2006. The percentages of different types of calls are listed in Table 10.K. Of these calls, the City dispatched 88 percent of emergency calls within 60 seconds of receipt of the call. Additionally, the average response time for emergency calls was

4:37 minutes and the average response time for urgent calls was 7:28 minutes. As shown in Table 10.L, the City is currently below its response time goals.

Table 10.K: Law Enforcement Calls for Service, FY 2004–2005

Types of Service Calls	Percentage
Crime calls	17%
Vehicle stops	22%
Service	6%
Fire assist	8%
False calls	7%
Alarms	4%
Accidents	4%
Directed patrol	4%
Officer follow up	5%
Noise	3%
Miscellaneous	20%

Source: City of Palo Alto Service Efforts and Accomplishments Report FY 2005–2006

Table 10.L: City of Palo Alto Police Department Response Times

Call Priority	Description	Goal (minutes)	Actual (minutes)
Priority 1	Emergency calls	6	4:37
Priority 2	Urgent calls	10	7:28
Priority 3	Non-emergency calls	60	20:36

Source: City of Palo Alto 2005-07 Adopted Operating Budget

The City of Palo Alto Service Efforts and Accomplishments Report FY 2005–2006 details that the police department had an authorized staffing of 169 employees. However, the current authorized staff is now down to 163. The department is down 13 police officers due to vacancies, injuries, training, and other leave situations. Of these authorized personnel, the City had 93 sworn officers, which provides for a ratio of 1.51 police officers per 1,000 residents. The Comprehensive Plan EIR states that the City’s goal is to maintain a ratio of 1.7 officers per 1,000 residents. Therefore, the City is currently below its sworn staffing goal.

The City developed a Blue Ribbon Task Force to evaluate the need for a new police facility. In March 2006, the Task Force concluded that the existing City police facility is severely overcrowded and inadequate. The existing facility, located at 275 Forest Avenue, was designed in 1967 as part of the City Center complex and has 19,000 useable square feet (sf). Since development of the existing facility, the overall size of the department has increased 28 percent. The authorized staffing levels of the department (including the Dispatch Center at the Civic Center) grew from 119 in 1969–1970 to 153.5 in 2006–2007. Sworn staffing levels increased from 88 to 93, while civilian staffing increased

from 31 to 60.5. In addition, the department now includes more than 40 volunteers, compared to none in 1969–1970.

When designed, the current building did not include spaces and features that are now considered essential, such as a secure Sallyport (an enclosure in which a prisoner can be taken from a police vehicle into the building safely); access for the disabled; high-tech equipment used in detective work and departmental operations; a sufficient number of holding cells to enable the separation of juveniles and adults, as required by law; and equivalent locker, shower, and toilet facilities for female officers. Sleeping space for officers coming off night duty and scheduled for a court appearances a few hours later is improvised and inadequate. Segregated storage space for firearms seized in evidence does not exist.

Due to these reasons, the City's Blue Ribbon Task Force recommended a new public safety building totaling 49,600 sf be developed and further concluded that a site located on Park Boulevard was an appropriate location. The City is currently working on preliminary designs and environmental documentation for the new facility. The City is planning to finance the facility through bonds, which are planned to be requested during the June or November 2008 bond election. In addition, the City is continuing to identify available resources to offset capital or debt service costs. These include a revenue source such as State or Federal grants; rental savings that would result from moving Information Technology and Utility staff into the Civic Center site vacated by the department; and contributions from Stanford University for its share of capital costs associated with its agreement with the City for communications services.

10.10 LIBRARY

The City's public library system is comprised of five libraries, as listed below.

- Main Library
1213 Newell Road
- Children's Library
1276 Harriet Street
- College Terrace Branch Library
2300 Wellesley Street
- Downtown Branch Library
270 Forest Avenue
- Mitchell Park Branch Library
3700 Middlefield Road

In December 2006, the City Council accepted the Library Advisory Commission's report, *Library Service Model Analysis and Recommendations*, which details improvements to address long-term needs of the library system.

Several facility projects are currently underway and are being planned. The Children's Library was closed in December 2005 for an extensive renovation and expansion project. When completed in late

2007, the facility will be enlarged by 75 percent to 6,043 square feet and all structural and mechanical systems will be upgraded. The project was funded with CIP funds, federal grants, and private donations raised by the Palo Alto Library Foundation and Friends of the Palo Alto Library.

A portion of the Main Library is being reconfigured to improve efficiency and service. Additional upgrades are planned for this facility in 2008-09. These include: expanding the facility by 1,800 to 5,500 square feet to add a meeting room, restrooms, and improve the lighting systems. To provide sufficient space to accommodate these changes, the collections and technical services staff was relocated from the Main Library to a section of the Downtown Library.

The College Terrace Library is planned to receive seismic, structural, and accessibility upgrades. A space study of the library will also be conducted. Construction is scheduled for FY 2008-09.

The City is currently developing options for a new Mitchell Park Library and potential improvements at the Main and Downtown Libraries. Conceptual design options for these libraries will be reviewed by the City Council in September 2007, followed by the development of schematic design and cost proposals in December 2007. The Council will determine the number and size of projects to put forward for bond funding on a ballot in either June or November of 2008.

The two options under consideration for a new Mitchell Park Library are to build a new library approximately three times the size of the current facility or to build a joint library and community center, which would replace the existing library and near-by Mitchell Park Community Center.

The Service Model Analysis recommendations for Downtown Library are to refresh the interior spaces and evaluate the use of space recaptured if either the collection and technical services staff or library administration is relocated to the new Mitchell Park Library.

In FY 2005-2006, the City Library system had the following service statistics:

- 260,468 circulating items (volumes) in the collection; 232,602 books and 27,866 media items
- 1,280,547 total circulation
- 20 percent nonresident circulation
- 197,652 logins to library-provided licensed databases and Internet PCs
- 885,565 visitors
- 55,909 people with library cards
- 10,488 hours of service
- 57 full-time equivalent positions

10.11 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF PALO ALTO

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the

Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. The City's Wastewater Master Plan Capacity analysis identifies eight locations in the City's sewer system where capacity improvements are needed and provides recommended improvements.
2. The City's Storm Drain Master Plan states that much of the existing storm drain system cannot convey the design storm without varying periods of street flooding and recommends that new developments be required to detain peak flows on site in order to avoid increases in runoff. In addition, the Storm Drain Master Plan recommends specific system improvements, which are generally related to increasing capacity.
3. The City's goal is to maintain a ratio of 1.7 officers per 1,000 residents; however, the City is currently providing 1.51 police officers per 1,000 residents, which is below its sworn staffing goal. However, it should be noted that the City's goal is higher than average, as most cities have a standard of providing 1 sworn officer per 1,000 population.
4. In March 2006, the City's Blue Ribbon Task Force concluded that the existing police facility is severely overcrowded and inadequate. The City is currently working on preliminary designs and environmental documentation for the new facility.
5. The City is in the process of expanding and upgrading several library facilities. In addition, the City is planning future library infrastructure projects.

Growth and Population

1. The urbanized area of the City is virtually built out. The City's Comprehensive Plan indicated that, at most, 0.5 percent of the entire City, including the Foothills, which is outside the USA, was vacant.
2. The lack of vacant land has resulted in an effort to "recycle" land parcels with commercial or industrial zoning that are vacant or have other land uses that are economically marginal.

Financing Constraints and Opportunities

1. Since January 2001, the City has engaged in a series of "Strengthening the Bottom Line" efforts whereby expenses were brought into alignment with available revenues. However, the City continues to face fiscal challenges.
2. Storm drain improvements, maintenance, and storm water quality protection programs are funded through storm drainage fees charged to residents and businesses on monthly City utility bills.
3. The City's library facility project is jointly funded by the City's CIP, federal grants, and private donations raised by the Palo Alto Library Foundation and the Friends of the Palo Alto Library.

4. The City is considering replacing a library, a community center, and the police facility. Currently, the City intends to request voter approval for General Obligation bonds to fund these facility projects. In addition, the City will seek grant funding and private donations.
5. To provide funding for infrastructure and facilities related to new development within the City, development impact fees are assessed for parks, libraries, community centers, and roadways.

Cost-Avoidance Opportunities

1. The City has adopted purchasing policies and procedures in an effort to control costs and provide for efficiency and accountability.
2. The City has several cooperative arrangements with other agencies that provide services at a reduced cost.

Opportunities for Rate Restructuring

1. The City reviews and adjusts rates for services annually along with preparation of the operating budget. Rates are adjusted as necessary to cover operating and capital costs, and to maintain reserve levels within policy guidelines.
2. Proposition 218 requires the City to obtain approval of storm drain fee increases from a simple majority of property owners. It also requires the City to conduct a written protest vote and protest hearings when service rates increases are proposed.

Opportunities for Shared Facilities

1. The Cities of Palo Alto, Mountain View, and Los Altos participate jointly in the cost of maintaining and operating the City of Palo Alto Regional Water Quality Control Plant and related system.
2. The City is a participant in a cooperative agreement with the Cities of Mountain View and Sunnyvale for the operation and use of the materials recovery and refuse transfer facility.
3. The City has a cooperative relationship and shares SWAT services with the City of Mountain View.

Government Structure Options

1. Stanford's lands that are designed for academic use in the University Land Use Plan are precluded from being annexed to the City of Palo Alto by a joint agreement between Palo Alto, Stanford, and the County. Non-academic uses include: residential, commercial, industrial, research, medical, and professional facilities.
2. There are no unincorporated pockets within the City's USA.

Evaluation of Management Efficiencies

1. The City's cooperative projects with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The City ensures that local accountability and governance standards are met by holding City meetings pursuant to the Brown Act, having them shown on cable television, and having them available for download on the City's Web site.

10.12 SOI RECOMMENDATION FOR THE CITY OF PALO ALTO

Current SOI Boundary

The City's existing SOI, which was adopted in November 1985, is substantially coterminous with the City limits, with the exception of including some unincorporated lands (i.e. some of Stanford University and unincorporated lands along Page Mill Road and Alpine Road), and extending 2 miles into the San Francisco Bay. The southern portion of the City's SOI consists primarily of permanently protected open space lands (i.e. Palo Alto Foothill Park, Los Trancos Open Space, and Monte Bello Open Space) as well as two small unincorporated areas developed with low density residential uses that are located adjacent to Los Altos Hills along Page Mill Road. The City of Palo Alto is substantially bounded by the Cities of Mountain View, Los Altos, and Los Altos Hills to the east; unincorporated hillsides to the south; Stanford University and the Cities of Menlo Park and Portola Valley (both cities are located in San Mateo County) to the west; and the City of East Palo Alto (located in San Mateo County) to the north. Since 1985, Palo Alto's SOI boundary has remained significantly unchanged.

SOI Boundary Recommendations

It is recommended that LAFCO amend the City's SOI boundary to exclude two small unincorporated areas developed with low density residential uses that are located outside but adjacent to the SOI of Los Altos Hills along Page Mill Road. These two areas are completely surrounded by the City of Palo Alto's Foothills Park/Open Space on the west and the residential development in Los Altos Hills on the east side. Although these two areas are currently located within the SOI of Palo Alto, they receive services such as fire protection (Los Altos County Fire Protection District), solid waste disposal (Los Altos Garbage Company) and water service (Purissima Hills County Water District) from Los Altos Hills' service providers. The access to these two areas is also through the Town of Los Altos Hills on Altamont Road and Moody Road. Furthermore, the two areas are not currently adjacent to Palo Alto's USA boundary, but are adjacent to the Town of Los Altos Hill's USA boundary. If in the future, urban services such as sewer were required in this area, Los Altos Hills is the logical service provider. Therefore, it is also recommended that these two areas be included in the Los Altos Hill's SOI boundary (see section on Los Altos Hills). Once these areas are within the Town's of Los Altos Hills' SOI boundary, the Town can determine if and when to request inclusion of the areas within its USA boundary and eventually annex the areas.

It is also recommended that LAFCO re-affirm the remaining portion of the City of Palo Alto's existing SOI boundary because the City of Palo Alto's SOI boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests.
- Areas that will not necessarily be annexed to the City of Palo Alto or will not necessarily receive services from Palo Alto, but are areas in which the County and Palo Alto may have shared interests in preserving non-urban levels of land use or shared interests in localized urban development. Specific examples include the foothills and ridgelines located south and west of the City and some of Stanford University's unincorporated lands. Furthermore, both the City and the County share a mutual interest in protecting view sheds and natural resources.
- Areas where Palo Alto and the County have significant interaction. A specific example of such interaction includes areas where the City receives discretionary planning application referrals from the County.
- Areas that contain social or economic communities of interest to Palo Alto, such as areas within the City's jurisdiction and some of Stanford University's unincorporated lands.

In making these recommendations, it should be made clear that inclusion of an area within a City's boundary should not necessarily be seen as an indication that the City will either annex or allow urban development and services in the area. The City's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided with urban services.

10.13 SOI DETERMINATIONS FOR THE CITY OF PALO ALTO

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided in order to revise the City's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The recommended Palo Alto SOI is almost entirely coterminous with the boundaries of the City, with the exception of including some unincorporated lands (i.e. some of Stanford University and unincorporated lands along Alpine Road and Page Mill Road between Foothill Expressway and Junipero Serra Freeway), and extending 2 miles into the San Francisco Bay. The City's 1998 Comprehensive Plan EIR states that nearly one-third of the City is in open space, 29 percent is in public use, and approximately 21 percent is occupied by single-family detached homes, with the remaining 20 percent accommodating all other uses. The City has stated that the urbanized area of the City is virtually built out and that at most 0.5 percent of the entire City was vacant. Due to this, a large majority of new development in the City would involve redevelopment or intensification of previously developed areas. The City's long-term policy is to discourage the rezoning of residential land to commercial use.

Finding: Planned land uses in the City, and on the unincorporated lands within the City's recommended SOI are consistent with existing land uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The City is expected to experience modest growth mostly through infill development and redevelopment of underdeveloped parcels. Development within Stanford University is controlled through the County of Santa Clara's Stanford University Community Plan and the County's "General Use Permit." The Stanford University Community Plan calls for flexible growth over a 25 year period through mostly redevelopment and intensification of uses. The City of Palo Alto currently provides many services to Stanford University such as wastewater services, law enforcement, and fire protection. The need for a full range of public facilities and services within the recommended SOI boundary is expected to grow in the future.

Finding: The type of public services and public facilities required in the recommended Palo Alto SOI will not change, although the level of demand will increase.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities appears to be generally adequate. However, some specific inadequacies were identified, including: (1) there are eight locations within the City's sewer system that need capacity improvements; (2) the City's storm drainage system needs capacity improvements and much of the current system cannot convey a design storm without varying periods of flooding; (3) the City is not meeting its goal of maintaining a ratio of 1.7 police officers per 1,000 residents; and (4) the City Police Department facility is severely overcrowded and inadequate. However, it should be noted that the City's goal is higher than average, as most cities have a standard of providing 1 sworn police officer per 1,000 residents. The City is also currently working on designs and environmental documentation for a new police facility.

Finding: The present capacity of public facilities and public services is generally adequate. However, some areas of the City need sewer infrastructure improvements in order to increase capacity, the City's storm water drainage facilities need improvements in order to prevent flooding during a design storm, and improvements to the City's police facility are needed in order to address overcrowding.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The recommended SOI boundary for the City is generally coterminous with the City's USA boundary and the City limits, with the exception of including some unincorporated lands (i.e. some of Stanford University and unincorporated lands along Page Mill Road and Alpine Road), and extending 2 miles into the San Francisco Bay. The recommended SOI boundary for the City is almost fully bounded by other cities.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Palo Alto and the areas within its recommended SOI boundary.

11.0 CITY OF SARATOGA

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

11.1 CITY LOCATION

The City of Saratoga (City) is located in the westerly portion of Santa Clara County. The City is located south of the City of Cupertino and west of the City of San Jose. The boundaries of the City are coterminous with several other cities, including Cupertino to the north, San Jose to the north and east, a small portion of Campbell to the east, Los Gatos to the east, and Monte Sereno to the east. The City currently covers a land area of approximately 12 square miles. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

11.2 GOVERNANCE AND PUBLIC PARTICIPATION

The City was incorporated in 1956 as a general law city and operates under a council-manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor, Vice Mayor, and three additional council members. City Council members are elected at-large for staggered 4-year terms. The Mayor is selected annually by the City Council. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing members to the City's seven advisory commissions, and hiring the City Manager and City Attorney.

The City Council holds bimonthly meetings that are open to the public and actively seeks input to its decision-making from City residents. Additionally, the City Council holds meetings at least annually with all City Commissions and community organizations that are closely affiliated with the City, including the Chamber of Commerce, the Saratoga Area Senior Coordinating Council, and the Hakone Foundation. City Council agendas are posted on the Web and on a kiosk in front of the theater.

The City has the following boards and commissions, which also may provide recommendations on direction to the City Council regarding specific topic areas, but does not direct the Council:

- Art Commission (currently suspended)

- Heritage Preservation Commission
- Library Commission
- Park and Recreation Commission (currently suspended)
- Pedestrian, Bicycle, and Equestrian Trails Advisory Committee
- Planning Commission
- Traffic Safety Commission
- Youth Commission
- Finance Commission

11.3 FINANCE

The City follows these procedures in establishing the budget:

- The City Manager submits to the City Council a proposed operating budget for the fiscal year (FY) commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of a resolution.

The City Manager may authorize transfers of budget amounts within a fund. However, any revisions that increase the total budgeted expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level without City Council approval.

The City’s revenue sources are largely from taxes and charges for services. Table 11.A provides a list of citywide sources of funds and citywide uses of funds for FY 2004–2005, 2005–2006 and 2006–2007.

Table 11.A: City of Saratoga Sources and Uses of City Funds

Major Categories	2004–2005 Actual	2005–2006 Adopted	2006–2007 Adopted
Sources of Revenues			
Taxes	\$7,989,700	\$8,157,500	\$9,278,700
Licenses and permits	\$100,400	\$27,000	\$45,000
Current service charges	428,800	\$145,600	\$183,700
Fines and forfeitures	161,700	\$120,100	\$160,900
Use of money and property	293,100	\$231,100	\$409,900
Intergovernmental	549,200	\$318,700	\$415,900
Transfer in (other funds)	1,219,400	\$743,100	\$438,700
Total	\$10,742,300	\$9,743,100	\$10,932,800

Major Categories	2004–2005 Actual	2005–2006 Adopted	2006–2007 Adopted
Expenditures			
General fund	\$8,495,500	\$9,544,800	\$10,581,600
Special revenue funds	\$4,868,000	\$4,659,190	\$5,335,250
Other funds	\$1,640,000	\$1,131,600	\$1,178,900
Internal service funds	\$0	\$120,000	\$227,800
Total Expenditure	\$15,003,500	\$15,335,590	\$17,095,750
Net Revenue (Loss)	(\$4,261,200)	(\$5,592,490)	\$(6,162,950)

Source: Adopted Operating Budget, FY 2006–2007

As shown in Table 11.A, over the past few years, the City’s expenditures have exceeded revenues. The Adopted Budget for FY 2006–2007 is expected to result in expenditures that exceed revenues. In the last three years, the City Council and staff have worked to bring revenues and expenditures into alignment. In order to reduce the disparity between revenues and expenditures, staff has implemented the following changes:

- Initiated full cost-recovery in the Community Development and Recreation Departments;
- Researched innovative approaches for cost sharing with neighboring jurisdictions;
- Focused on the maintenance of essential City services;
- Reduced employee expenses by instituting a hiring freeze and layoffs, and limiting salary and benefit growth.
- Deferred facility maintenance, underfunded pavement management, suspended capital equipment and furniture replacement, and halted purchases of new computer hardware and software.

The City’s Operating Budget (FY 2006–2007) states that these budgeting strategies have produced unintended results such as high staff turnover, deteriorating facilities, eventual degradation of streets and roads, and greater costs for equipment maintenance.

Reserves

The City has adopted policies mandating the level at which reserves are maintained. The following lists the City’s reserve funds:

- The General Fund
- A reserve for Economic Uncertainty is to be maintained at a level of \$1.5 million.

As of FY 2006, total reserves were reported at a total of \$8,489,362, which accounts for 54 percent of the initial balance of the funds.

Investment Policy

According to the Comprehensive Annual Financial Report (2005), the City has practiced a passive approach to investments by participating in an investment pool managed by the State of California (Local Agency Investment Fund). Under the pooled-cash concept, the City invests the cash of all funds, with maturities planned to coincide with cash needs. In addition, the City has adopted an investment policy with the goals of safety, liquidity, and yield.

City Debt

The City's existing debt is mostly comprised of General Obligation bonds, as shown in Table 11.B.

Table 11.B: Outstanding Debt

	2005	2004
2001 General Obligation Fund	\$14,440,000	\$14,695,000
Claims payable	-	\$180,865
Compensated absences	\$254,294	\$259,478
Total	\$14,685,294	\$15,135,343

Source: Comprehensive Annual Financial Report, June 30, 2005

Rates for Service

The City's rates for services are determined by actual costs in conjunction with comparisons to other local agency rates. The Fee Schedule is updated each year; however, there have not been any substantial rate increases in recent years.

11.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

The City is almost completely developed. The City has stated that the USA currently has approximately 12 acres of vacant land. Of the developed land within the City, single-family residential units occupy the largest proportion of developed land. Due to the developed nature of the City, the majority of future growth would occur from redevelopment or intensification of existing land uses. The City does not have projections regarding the amount, type, and location of redevelopment. Therefore, it is difficult to detail what potential affects redevelopment/intensification could have on existing infrastructure.

According to the Conservation Element of the City's General Plan, much of the SOI is characterized by unstable soil conditions and steep terrain. As a result, the City's SOI is generally undevelopable.

Unincorporated Pockets

There are several unincorporated pockets within or adjacent to the City. Two of the pockets were annexed in 2006. Of the remaining pockets, two are less than 150 acres and two are more than 150 acres. LAFCO has provided maps of the City's islands, and they are also available on the LAFCO

Website. As discussed in Section 1.2, the County and LAFCO have adopted policies that state that urban islands and pockets should be annexed.

11.5 WASTEWATER

At present, approximately 95 percent of the City is served by sanitary sewers. The City is served by two sanitation districts: the Cupertino Sanitary District and the West Valley Sanitation District. Cupertino Sanitary District's service area encompasses the northwestern and western portions of the City adjacent to Cupertino. The West Valley Sanitation District serves the remainder of the City.

Full discussions of infrastructure and services that are provided by these wastewater service districts are provided in the following sections of this service review: Cupertino Sanitary District, Section 14.0, and West Valley Sanitation District, Section 22.0. The Sanitation District Boundary Maps can be found in Appendix D of this document.

11.6 SOLID WASTE

Solid waste service is provided to the City via its contract with the West Valley Collection & Recycling (WVC&R), which is a joint venture between Green Team of San Jose and Green Waste. The solid waste that is collected within the City is hauled to the landfills listed below. Additional detail regarding these facilities is located in Appendix A.

- Altamont Landfill Resource and Recovery Facility
- Arvin Sanitary Landfill
- Guadalupe Sanitary Landfill
- Keller Canyon Landfill
- Kirby Canyon Recycling and Disposal Facility
- Newby Island Sanitary Landfill
- Zanker Material Processing Facility
- Zanker Road Class III Landfill

According to the most recent information posted by the California Integrated Waste Management Board (CIWMB), the City disposed of 16,547 tons of solid waste in 2005.¹ CIWMB shows that the solid waste disposal generation factor for the City is 2 pounds per resident per day and 5.7 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent

¹ Web site:
<http://www.ciwmb.ca.gov/Profiles/Juris/JurProfile2.asp?RG=C&JURID=478&JUR=Saratoga>,
accessed March 20, 2007.

solid waste diversion after 2000. Per the CIWMB, the City exceeded this goal and had a 67 percent diversion rate in 2004, which is the most recent data posted.

The City has varying rates for residential solid waste services, which are dependent on the type of residence (e.g., flat land or hard to serve) and number of cans picked up. Commercial rates are based on the refuse bin size and the number of pickups per week. Table 11.C provides the City’s solid waste service rates.

Table 11.C: City of Saratoga Monthly Solid Waste Rates

Residential		Per Pickup (Two Cans)
Flat Land	0–5 ft, 2 cans	\$9.41
	Up to 130 ft, 2 cans	\$15.99
	Over 130 ft, 2 cans	\$22.58
Hard to Serve	0–5 ft, 2 cans	\$14.77
	Up to 130 ft, 2 cans	\$21.35
	Over 130 ft, 2 cans	\$27.94
Commercial		
Depending on size of bin and number of pickups per week		

The City is an active member of the West Valley Solid Waste Management Authority, a joint powers authority comprised of the Town of Los Gatos and the cities of Saratoga, Monte Sereno and Campbell. The joint powers body contracts for solid waste collection, recycling, and disposal services that serve both residential and commercial customers.

11.7 PARKS AND RECREATION

As stated in the General Plan Open Space Element, there are 12 parks that are well-distributed throughout the City. City parks and park sites comprise 73.67 acres. The City presently owns a majority of the park land and leases 16.3 acres. Table 11.D lists the City parks.

Table 11.D: City of Saratoga Parks

Park and Location	Amenities	Acreage
Azule Park 12277 Goleta Avenue	Children’s play area, one tennis court, two horseshoe pits, four BBQ areas, two drinking fountains, several park benches and picnic tables, perimeter pathway with 4 par course stations, grass turf area, security lighting	4.3
Beauchamps Park Beauchamps Lane	Children’s play area, one basketball hoop, two tennis courts, one picnic table, grass turf area, pedestrian pathway, security lighting	2.0
Brookglen Park 12734 Brookglen Court	Security lighting, half-court basketball court, children’s playground, climbing equipment, picnic tables, open turf area	0.7
Central Park		13.9

Park and Location	Amenities	Acreage
Saratoga and Fruitvale		
Congress Springs Park 12970 Glen Brae Drive	Seven soccer fields, six baseball diamonds, children's play area, parking, picnic tables and barbecue, open turf practice field, concession stand, restrooms, drinking fountains, tennis courts, basketball court, pedestrian pathway, benches	9.97
El Quito Park 12855 Paseo Presada	Picnic area, children's play area, volleyball courts, ball/soccer field, horseshoe pits, fitness course, barbeques	6.3
Foothill Park 20654 Seaton Avenue	Children's playground, par fitness course, open turf area	3.0
Gardiner Park 19085 Portos Drive	Children's play area, picnic tables, benches, open turf area, drinking fountain, pedestrian pathway	2.2
Hakone Gardens 21000 Big Basin Way	Picnic area, bamboo and water-strolling gardens, tea Ceremony	15.5
Historical Park 20450 Saratoga	Saratoga Historical Museum building, Saratoga's first library building, and the McWilliams House	1.0
Kevin Moran Park 12415 Scully Ave	Children's play area, picnic tables, benches, drinking fountain, basketball hoop, perimeter pathway with 4 par course stations, grass turf area, security lighting	10.3
Ravenwood Park 13830 Ravenwood Drive	Benches, small tot play area	0.5
Wildwood Park 20764 Fourth Street	Picnic tables, benches, children's play area, volleyball area, horseshoe pits, bike paths, stage and amphitheatre, BBQs, drinking fountains, grass turf area, pedestrian pathway, restroom, security lighting	4.0
Total		73.67

Source: www.saratoga.ca.us

The City does not have an adopted a standard for the provision of park land; however, to provide an indication of the level of service being provided, the City is currently providing 2.39 acres of parkland per 1,000 population, which is based on the State Department of Finance 2006 population estimate for the City (30,835).

Recreation Programs

The Saratoga Recreation Department organizes a wide range of programs offering indoor and outdoor recreation, classes, and community group activities. The Department is located in the City's Community Center and provides classrooms, offices, a kitchen, dance studio, and a large multipurpose room. In addition, Congress Spring Park provides two courts for tennis lessons, Redwoods Middle School provides the cafeteria for use as a gym, and the City's Civic Center is rented year-round to support theatre productions. Table 11.E lists the types of recreation programs offered by the City.

Table 11.E: Recreation Programs Offered by the City of Saratoga

Gym	Theatre	Yoga
Tennis classes	Teen activities	Golf
Volleyball/basketball classes	Art and craft classes	Catering classes
Business	Nature programs	Landscaping
Meditation	Computer classes	Aquatics

The City's Recreation Department also regularly coordinates with the Los Gatos-Saratoga Recreation District to provide joint recreation classes.

11.8 STORM WATER DRAINAGE

All surface water originating in or passing through the City ultimately discharges into San Francisco Bay. Runoff is collected in the City's underground storm drainage system, which discharges into the creeks throughout the City. Creeks in the City include: Calabazas, Rodeo, Saratoga, Wildcat, and San Tomas. The City's existing public storm drain system consists of approximately 45 miles of drain pipes and culverts ranging in diameter from 12 inches to 60 inches, numerous storm drain inlets, manholes, and outfalls. Facilities are maintained by the City through a contract with an outside agency. In addition, smaller private storm drains owned and maintained by residents exist throughout the City.

Storm drain repair is an ongoing annual program. Every year, the Public Works Department compiles a list of smaller-scale deficiencies and needs for infrastructure repair. The infrastructure needs are determined by the Public Works Engineer based on input from other engineers, the street maintenance crew, and Public Works inspectors. Many times, local residents draw attention to drainage problems. Large-size storm drain expansion and/or rehabilitation projects may be handled as separate Capital Improvement Projects (CIP). Currently, there are no funds for any major storm water drainage improvement projects.

11.9 LAW ENFORCEMENT

Police protection for the City is provided under contract by the West Valley Division of the Santa Clara Sheriff's Department (department) located at 1601 S. De Anza Boulevard in Cupertino. The department's headquarters station also serves the City because the department's investigations unit is stationed primarily at headquarters, which is located at 55 W. Younger Avenue in San Jose. Because the City contracts with the department, the City has access to additional resources such as bomb techs, off-road motor units, dive team, hostage negotiations team, special investigation teams, resource officers, search and rescue, intel and vice information and enforcement, K-9s, a SERT team, and traffic investigators. The department is a full-service agency that provides routine public safety services to the City and code enforcement.

The City, as part of its contract, is provided dispatch services through County Communications. All calls for service are normally dispatched through County Communications; however, during normal business hours, some calls come through the substation and can be dispatched from there. The number of calls for service in the City during the last years are shown in Table 11.F.

Table 11.F: Calls for Service

Year	Calls for Service
2004	6,191
2005	6,230
2006	6,689

Source: Sheriffs Department, Captain Terry Calderone, February 27, 2007

The total number of employees that serve the City is 24, including 18 sworn officers, as well as civilian and support staff. Based on the California Department of Finance 2006 population estimate for the City (30,835), the City is currently providing 0.58 sworn officer per 1,000 residents. The department does not have a current service ratio standard with the City. The department has a contract that outlines the number of hours to be provided with respect to the different services the City has requested, which is not based on population or calls for service. The response-time goals and the average response times for calls for service in the last 3 years are shown in Table 11.G. As shown, the department has met response time goals for Priorities 2 and 3 for the past three years. For the past 2 years, the department slightly exceeded its response time goals for Priority 1 calls.

Table 11.G: Response Time Goals and Average Response Times

Year	Priority	Average Response Time (minutes)	Response Time Goals (minutes)
2004	1	4.97	6
	2	8.7	10
	3	18.1	20
2005	1	6.63	6
	2	9.07	10
	3	19.28	20
2006	1	7.41	6
	2	9.34	10
	3	16.89	20

Source: Sheriffs Department, Captain Terry Calderone, February 27, 2007

As a result of the City’s contract with the department, a number of additional resources are available to the City for Mutual Aid. The department can pull resources from Cupertino, Los Altos Hills, and the unincorporated areas to provide additional coverage. Under mutual aid, all police agencies in the area can be utilized when the need arises (this includes the college district police agencies in the area as well).

The department recently built a new station, which serves the City. The department has been in this facility for approximately 2 years. Some of the patrol vehicles are old, but they are being replaced by newer vehicles, which will be delivered in the next few months. There is a need for an “in-field” station where deputies would sit down, write reports, and make phone calls.

The department is currently working on a grant that would fund a traffic unit and enforcement in the City. This grant could be used to either fund a partial position, or provide funds for additional direct enforcement in areas of concern.

Administration meets with staff weekly to stay apprised of the issues and concerns facing staff and the City and to share public safety concerns with staff. These meetings facilitate better communication between the City and the department and promote quality service.

11.10 LIBRARY

The City is served by one branch of the Santa Clara County Library System located at 13650 Saratoga Avenue. Library services provided by the County Library System are detailed in the service review that has been completed for the South and Central Santa Clara County areas.

11.11 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF SARATOGA

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. The City has not noted any infrastructure needs or deficiencies. It should be noted that many of the City's services are provided by Districts, service contracts with other agencies, or the County (such as wastewater, law enforcement, and library). Hence, the City does not own or maintain extensive infrastructure.

Growth and Population

1. The City's General Plan states that the City is largely built out and has limited vacant land; therefore, most new development and/or growth in the City would involve redevelopment or intensification of previously developed areas.

Financing Constraints and Opportunities

1. Over the past few years, the City's expenditures have exceeded revenues. The City Council and staff have implemented several measures to bring revenues and expenditures into alignment; however, the FY 2006–2007 budget is also expected to result in expenditures that exceed revenue.
2. Currently, there are no funds for any major storm water drainage improvement projects.
3. The department is currently working on a grant that would fund additional traffic enforcement in the City.

Cost-Avoidance Opportunities

1. The City has cooperative arrangements with other agencies (such as finance agencies and joint powers authorities) that result in cost savings.

Opportunities for Rate Restructuring

1. The City's rates for services are determined by actual costs in conjunction with comparisons to other local agency rates. The Fee Schedule is updated each year; however, there have not been any substantial rate reviews or increases in recent years.

Opportunities for Shared Facilities

1. The City has several cooperative agreements with other agencies in the County that provide for service provisions in a cost-effective manner. This includes park and recreational facilities, library services, and emergency mutual aid.

Government Structure Options

1. There are several unincorporated pockets within or adjacent to the City. Two of the pockets were annexed in 2006. Of the remaining pockets, two are less than 150 acres and two are more than 150 acres. In order to implement more efficient planning boundaries and take advantage of the current streamlined annexation opportunity, the City should consider pursuing annexation of the remaining unincorporated island areas.

Evaluation of Management Efficiencies

1. The City's cooperative agreements with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The City ensures that local accountability and governance standards are met by holding City meetings pursuant to the Brown Act and having agendas available for download on the City's Web site.

11.12 SOI RECOMMENDATION FOR THE CITY OF SARATOGA

Current SOI Boundary

The City's existing SOI, which was adopted in November 1984, is coterminous with its City limits to the north and east. The southern and western portion of the City's SOI includes unincorporated hillside lands located outside of the City's USA boundary. Some of this area sustains very-low density residential development, while some of this area is undeveloped, and has little or no roads or

other infrastructure. The boundaries of some of the City's unincorporated islands help form sections of the southern and western portion of the City's SOI boundary. The southern portion of the City's SOI boundary also includes some permanently preserved open space (i.e. the Villa Montalvo Arboretum).

The City is bounded by the Cities of Cupertino and San Jose to the north; the City of Campbell, Los Gatos, and Monte Sereno to the east; and unincorporated lands to the south and west. The City's 1984 SOI boundary includes lands that are planned for both urban uses, as well as, lands planned for very-low density residential uses and open space and also includes areas in which the City and the County have shared interests in preserving non-urban land uses. Since 1984, Saratoga's SOI boundary has remained significantly unchanged.

SOI Boundary Recommendation

It is recommended that LAFCO re-affirm the City of Saratoga's existing SOI boundary because the City of Saratoga's SOI boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests.
- Areas that will not necessarily be annexed to the City of Saratoga or will not necessarily receive services from Saratoga, but are areas in which the County and Saratoga may have shared interests in preserving non-urban levels of land use. Specific examples include the foothills and ridgelines located south and west of the City. Furthermore, both the City and the County share a mutual interest in protecting view sheds and natural resources.
- Areas where Saratoga and the County have significant interaction. A specific example of such interaction includes areas where the City receives discretionary planning application referrals from the County.
- Areas that contain social or economic communities of interest to Saratoga, such as areas within the City's jurisdiction.

In making this recommendation, it should be made clear that inclusion of an area within the City's SOI boundary should not necessarily be seen as an indication that the City will either annex or allow urban development and services in the area. The City's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided urban services.

11.13 SOI DETERMINATIONS FOR THE CITY OF SARATOGA

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the City's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

Land outside of the City's USA boundary but within the City's SOI boundary is largely undeveloped and designated either park and open space or hillsides. The City does not intend to extend services to the SOI area and planned land uses within the SOI are the same as existing land uses.

The City of Saratoga is almost fully developed. However, there are currently 12 acres of vacant land within the City's USA boundary. Due to the developed nature of the City, the majority of future growth would occur from redevelopment or intensification of existing land uses. Single-family residential units occupy the largest proportion of developed land within the City. The City also has some small scale commercial uses, particularly in its downtown. Planned land uses in the City are not expected to change. According to the City, much of the lands outside of the City's USA boundary that are within the City's SOI boundary are generally undevelopable due to unstable soil conditions and steep terrain.

Finding: Planned land uses within Saratoga's USA boundary are consistent with existing land uses. Both the County of Santa Clara and the City of Saratoga General Plans call for the continuation of non-urban uses beyond these boundaries.

2. Present and Probable Need for Public Facilities and Services in the Area

Although, a majority of the City is developed, the City is expected to experience modest growth mostly through in-fill development, redevelopment of underdeveloped parcels, and very low-density residential development within the hillsides. Similarly, the need for a full range of public facilities and services is expected to grow modestly in the future. The portion of the City's SOI which is located beyond the City's USA boundary has limited development potential due to having steep slopes and limited infrastructure. Therefore, there is a low probable need for public facilities and services in this portion of the City's SOI boundary.

Finding: The type of public services and public facilities required in the proposed Saratoga SOI boundary will not change, although the level of demand will increase modestly.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the City receive a full range of public services from the City, through the City's various contracts with public service providers. For the most part, the present capacity of public facilities appears to be adequate. The City does not own or maintain extensive infrastructure and has not noted any infrastructure needs or deficiencies.

Finding: For the most part, the present capacity of public facilities and public services appears to be adequate.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The City's USA boundary contains four unincorporated pocket areas that are developed with urban land uses. The Joint Urban Development Policies of the cities, the County, and LAFCO call for islands or pockets of unincorporated land to be annexed to the applicable city.

Additionally, Saratoga's SOI boundary includes unincorporated hillsides that contain very-low density residential development. Due to the location of this existing development, the residents of this area must utilize City streets to travel to and from their homes. Furthermore, development in the unincorporated hillsides is visible from many parts of the City.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Saratoga and the areas within the City's SOI boundary.

4.

12.0 CITY OF SUNNYVALE

The services that are evaluated in this service review include:

- Wastewater
- Solid Waste
- Parks and Recreation
- Storm Water Drainage
- Law Enforcement
- Library

12.1 CITY LOCATION

The City of Sunnyvale (City) is bounded on the west by Mountain View and Los Altos, on the south by Cupertino, and on the east by Santa Clara and San Jose. The City occupies 24 square miles. A map showing the City's boundaries is located after Section 2.0 of this Service Review.

12.2 GOVERNANCE AND PUBLIC PARTICIPATION

The City was incorporated on December 24, 1912 and the original City Charter became effective May 18, 1949. The City operates under a Council-Manager form of government. There are seven Council Members elected for staggered 4-year terms, with a two-term limit.

Regularly scheduled Council Meetings are held on most Tuesdays at 7:00 p.m. The agenda is posted in five locations throughout the city: City Clerks Office, the kiosk just outside the Council Chambers, the posting board outside of City Hall, the posting board at the Department of Public Safety (DPS), and the Sunnyvale Library. The agenda is posted by 5:00 p.m. on the Thursday before the Tuesday evening Council Meeting. The agenda is also available on the City's Web site,¹ usually after 7:00 p.m. on the Thursday before the Tuesday Council Meeting. The meetings are shown on KSUN Live and replayed throughout the week.²

The City has several boards and commissions, which may provide recommendations on direction to the City Council, but they do not direct the Council. These include:

- Board of Library Trustees

¹ <http://sunnyvale.ca.gov/City+Council/Council+Meetings/>.

² <http://sunnyvale.ca.gov/Departments/Office+of+the+City+Manager/Communications/KSUN-15+Schedule.htm>.

- Heritage Preservation Commission
- Parks and Recreation Commission
- Personnel Board
- Planning Commission
- Arts Commission
- Bicycle and Pedestrian Advisory Committee
- Board of Building Code Appeals
- Child Care Advisory Board
- Housing and Human Services Commission

The City publishes a quarterly newsletter, which includes information regarding City activities, issues of concern to the community, City boards and commissions, and City programs.

12.3 FINANCE

The City prepares a detailed budget every 2 years and annually reviews the upcoming fiscal year budget. The 2-year cycle for operating programs was established by the City to recognize the fact that service levels typically change only modestly from year to year, and that resource requirements can be more effectively planned over a 2-year time frame. Since most programs are not normally reviewed extensively the second year, a significant amount of staff time is saved.

The following outlines the City's annual budget process:

- In January of each year, a City Council workshop is held to discuss important fiscal issues, which may have short-term or long-term effects, on how the City provides and maintains services to its residents, businesses, and other customers.
- In May, the City Manager submits to the City Council a recommended budget for the fiscal year commencing July 1. The City Charter requires that the City Council receive the City Manager's budget no later than 35 days prior to June 30.
- In May the City Council holds a workshop on the budget, which is open to the public.
- In June the City Council holds a public hearing, as required by the City Charter, where the public may submit written or oral comments regarding the entire budget or portions thereof.
- Prior to June 30 of each year, the budget as modified by the City Council is enacted by adoption of a budget resolution.

In the City, the key government-wide revenue sources are property taxes, service fees, sales and other taxes, and operating grants and contributions. Table 12.A provides a list of the citywide sources of funds and the citywide uses of funds for the fiscal year (FY) 2004–2005.

Table 12.A: City of Sunnyvale Sources and Uses of Governmental Funds

Sources of Governmental Revenues	
Source	Percentage
Property taxes	27%
Sales and other taxes	38%
Charges for services	14%
Operating grants and contributions	15%
Capital grants and contributions	1%
Investment income	5%
Uses of Governmental Funds	
Planning and management	12%
Public safety	46%
Community development	16%
Transportation	7%
Socio economic	10%
Cultural	7%
Environmental management	2%

Source: City of Sunnyvale Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005

As shown in Table 12.B, the City has had expenditures exceed revenues in FY 2004 and 2005. In addition, the City is expecting to use \$7,371,781 in reserve funds in FY 2006–2007.

Table 12.B: City of Sunnyvale Summary of Revenues and Expenses for Governmental Funds

	2003–2004 Actual	2004–2005 Actual	2006–2007 Budgeted
Total revenues	\$204,800,000	\$217,200,000	\$239,598,813*
Total expenses	\$215,300,000	\$220,000,000	\$239,598,813
Net revenues (loss)	(\$10,500,000)	(\$2,800,000)	0

Source: Comprehensive Annual Finance Report for FY 2005; City of Sunnyvale 2006–2007 Budget

* Revenues include the use of \$7,371,781 in reserve funds.

The City’s Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005 notes that in FY 2003–2004 budget, a structural imbalance of \$14–\$15 million was identified, and a plan consisting of a combination of service level/expenditure reductions and fee increases was implemented to bring the General Fund into balance over the 20-year planning period. The City has been funding this imbalance through use of the 20-Year Resource Allocation Plan Reserve.

The City’s FY 2005–2006 Budget states that in FY 2003–2004 the General Fund ended the year in a better financial position than what was estimated by approximately \$4.8 million. The City had anticipated drawing down on reserves by approximately \$13.5 million, while actual results were a

draw-down of \$8.7 million. For FY 2004–2005, the General Fund also ended the fiscal year in a better financial position than anticipated by approximately \$6.5 million. Revenues were higher than estimated by \$5.1 million and expenditures were less than budgeted by \$1.4 million. This meant that the General Fund drew down the 20-year Resource Allocation Plan Reserve by \$2.7 million rather than the \$9.2 million projected.

The City's FY 2006–2007 Budget states that during FY 2005–2006 the City continued to implement expenditure reductions, cost-saving strategies, and revenue increases to address the structural gap. Additionally, City voters approved increases to the City's Transient Occupancy Tax and Business License Tax rates, which provided additional resources of \$1.4 million annually to address the fiscal challenges. As a result of these efforts and the improving economic climate, the FY 2006–2007 budget does not require any further service reductions.

Reserves

The City has several designated reserves, as follows:

- **Contingency Reserve.** Will be used only in case of emergency or disaster and not intended for normal unanticipated expenditures. This reserve is set equal to 20 percent of the operating budget each year. The Contingency Reserve ended FY 2004–2005 with a balance of \$19,255,142. The projected FY 2005–2006 amount in the adopted FY 2006–2007 budget is \$20,733,359.
- **20-Year Resource Allocation Plan Reserve.** All remaining fund balances not otherwise reserved or designated are designated for this purpose. This reserve functions to levelize economic cycles from year to year. This reserve grows during periods of economic growth and is drawn down during the low points of economic cycles to maintain stable service levels. As stated previously, this reserve fund is being utilized due to the structural imbalance between revenues and expenditures to assist in the funding of existing services. The 20-Year Resource Allocation Plan Reserve ended FY 2004–2005 with a balance of \$44,064,998. The projected FY 2005–2006 amount in the adopted FY 2006–2007 budget is \$50,083,894.
- **Wastewater Enterprise Fund.** There are two reserves established for the Wastewater Enterprise Fund. The contingencies reserve maintains 25 percent of operations expenses, and a Rate Stabilization Reserve also exists. The contingencies reserve ended FY 2004–2005 with a balance of \$1,525,904. The projected FY 2005–2006 amount in the adopted FY 2006–2007 budget is \$1,525,904. The rate stabilization reserve ended FY 2004–2005 with a balance of \$20,005,541. The projected FY 2005–2006 amount in the adopted FY 2006–2007 Budget is \$11,624,996.
- **Solid Waste Enterprise Fund.** There are two reserves established for the Solid Waste Enterprise Fund. The contingencies reserve maintains 10 percent of operations expenses, and a rate stabilization reserve also exists. The contingencies reserve ended FY 2004–2005 with a balance of \$2,398,270. The projected FY 2005–2006 amount in the adopted FY 2006–2007 budget is \$2,600,714. The rate stabilization reserve ended FY 2004–2005 with a balance of \$4,476,347. The projected FY 2005–2006 amount in the adopted FY 2006–2007 budget is \$1,935,724.

Purchasing Policies

The City has a centralized purchasing system for all City departments. The City's policies delineate responsibilities, authorized methods of procurement, and competitive bidding requirements. This objective of the centralized purchasing system is to maintain fair and equitable practices that encourage qualified suppliers and contractors to compete for City business in addition to receiving the maximum value for the funds expended.

Investment Policy

Pursuant to the California Government Code, the City adopts an investment policy annually. This policy is intended to establish objectives and criteria for the investment of the City's temporarily idle funds and to provide guidelines for the City's cash management system. The key provisions of the City's policy are safety, liquidity, and return on investment. The policy states that the Finance Manager and Director of Finance are authorized to manage the City's investment portfolio and delineates authorized institutions and dealers. The Director of Finance is required by the policy to submit monthly transaction reports to the Council, accounting for the investment of funds. In addition, the Director of Finance is required by State law to file a quarterly investment report with the City Council, the City Manager, and Internal Auditor within 30 days following the end of the quarter.

Rates for Service

Each year as a part of the budget process, the City analyzes the current condition and long-term outlook of the City's funds, which receive revenues from service rates or fees. The analysis includes a review of available fund balances, State and federal environmental requirements, anticipated capital infrastructure requirements and operational costs, and a detailed inspection of significant expenditure areas. The results of the analysis lead to recommendations to the City Council of rates that will generate revenues necessary to meet planned expenditures. Periodically, the City also reviews the methodology used to calculate service rates. For example, during FY 2005–2006, all fees that were legally limited were analyzed in detail to ensure that the City was setting fees in accordance with legal requirements. The results of these efforts were then incorporated into the fee schedule.

12.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

The City is almost completely developed. The City has stated that in 1995, the City had approximately 100 acres of vacant land. Currently, the City has approximately 67.4 acres of vacant land, as shown in Table 12.C. That is a net loss of approximately 33 acres over a 10-year period, or 3.3 acres/year.

Table 12.C: City of Sunnyvale Existing Vacant Land

Zoning	Vacant Land (acres)	Percentage
Commercial	3.2	4.7%
Industrial	30.9	45.8%
Office	2.2	3.2%
Public Facilities	0.6	0.8%
Residential	29.7	44.1%
Downtown Specific Plan	0.9	1.3%
	67.4	100.0%

Source: City of Sunnyvale Community Development Department, October 2006

Assuming the current zoning remains unchanged; the City is expecting approximately 50 percent of vacant land to convert to residential development and the other half to convert primarily to industrial development.

Based on the City’s land use trends and projected growth for the next 20 years, the City considers 3 acres or less per year of vacant land converting to be a realistic projection. Likewise, the City has stated that almost all new development in the City will be an intensification of already developed properties. Table 12.D shows the City’s recent and projected development.

Table 12.D: City of Sunnyvale Recent and Projected Development

Type of Development	2003–2004 Actual	2004–2005 Actual	2005–2006 Projected
Commercial square footage	801	220,580	43,311
Industrial square footage	0	871,023	146,787
Single-family residential	84	30	30
Condo/townhomes	194	244	200
Multifamily residential (rental)	123	89	0

Source: City of Sunnyvale 2006–2007 Budget

The City has stated that its population figures are generally consistent with the Association of Bay Area Governments (ABAG) projections. However, the City has never been comfortable with ABAG’s projection of jobs in the City, which from the City’s perspective, have been typically either over- or underreported.

Unincorporated Pockets

The City has noted two unincorporated pockets that exist within the City’s USA. The City has stated that it would anticipate annexing the parcels when they are proposed for development.

The City has a policy to “Protect the quality of life for residents and businesses in Sunnyvale by actively participating in discussions and decisions on potential uses of Moffett Federal Airfield” (Land Use and Transportation Element of the General Plan, R1.12). An action statement related to that policy is to “Pursue annexation of that portion of Moffett Federal Airfield within Sunnyvale’s sphere of influence” (LUTE R1.12.3).

12.5 WASTEWATER

The City of Sunnyvale is currently providing and will continue to provide wastewater services from flows that are generated within the Moffett Field area. Please refer to Section 13.0 of this document for a description of the wastewater services provided to Moffett Field by the City.

The City provides wastewater services within City limits and in a small area in northern Cupertino. Operations include the transport of sewage to the treatment plant, wastewater treatment, recycled water production, industrial discharge inspection and enforcement, and many other services related to wastewater. The City provides wastewater services to 23,518 single-family residences, 29,509 multifamily units, 1,721 commercial customers, and 64 industrial users.

The City’s 2001 Wastewater Management Sub-Element of the General Plan states that the City had 5 sewer lift stations, over 5,700 sewer manholes, and 327 miles of wastewater mains, and a total carrying capacity of 55.7 million gallons per day (mgd). The lines range from 6 inches to 36 inches in diameter. The City’s wastewater flows are treated at the Sunnyvale Water Pollution Control Plant. The facility provides tertiary treatment and has a maximum capacity of 29.5 mgd. The plant is currently processing approximately 15 mgd.

Because the City is almost fully developed, it is not anticipated that wastewater flows will exceed the actual or permitted capacity of the overall collection system. However, there are specific locations within the collection system that may require additional capacity. There are two vacant parcels that will increase flows when they are developed (although no applications are currently pending). In addition, there is a major project anticipated for the downtown area in the next few years, which will increase wastewater flows.

The Water Pollution Control Plant discharges its treated effluent into south San Francisco Bay. In addition, the plant has the ability to produce approximately 16 mgd of recycled water per day, which reduces the amount that is discharged into the bay. The recycled water is distributed through approximately 75,000 feet of 8–36-inch pipelines, a pump station, and a 2-million-gallon storage tank. In 2006, the system served more than 95 public and private facilities in the northern part of the City. The City also manages and operates a biosolids treatment program. The biosolids are treated, dewatered, and disposed. Currently, the biosolids are transported for beneficial use as a soil amendment in Merced County.

The Water Pollution Control Plant is a 50-year-old facility. The City has stated that due to age, many components of the Plant have reached the end of their useful life and are in need of major rehabilitation; however, there have not been any regulatory violations as a result of the aging infrastructure. The City has developed a Total Asset Management Program to provide for the long-term care of the infrastructure and a systematic approach to capital planning. An extensive assessment

of the infrastructure's condition was recently completed to pinpoint and prioritize rehabilitation needs. Several infrastructure projects have been budgeted and/or are under construction.

The City puts aside funding for maintenance and improvements in the Plant's Infrastructure Fund and Capital Improvement Plan (CIP). Over the next 10 years, there are budgeted Plant improvement projects amounting to approximately \$34.5 million. However, a recent study of the Plant indicates that approximately \$55–65 million is needed in the next decade alone for the timely replacement of Plant facilities. CIP projects are funded through user fees, connection fees, and other wastewater fees. The City Fiscal Sub-Element also identifies the funding of an infrastructure reserve and the use of debt financing, if appropriate.

The major infrastructure and capital projects included in the FY 2006–2007 CIP are as follows:

- Replacement of the heating, ventilating, and air-conditioning systems at the Water Pollution Control Plant: estimated cost, \$575,000
- Rehabilitation of digesters and replacement of four digester lids: estimated cost, \$7.6 million
- Pond sediment removal: estimated cost, \$11.7 million
- Replacement/rehabilitation of sewer pipes: estimated cost, \$18.5 million
- Replacement/rehabilitation of sanitary manholes: estimated cost, \$2 million
- Primary sedimentation basin renovation: estimated cost, \$10.7 million
- Rehabilitation of four air flotation tanks: estimated cost, \$3.2 million
- Rehabilitation of three fixed growth reactors: estimated cost, \$6.9 million
- Rebuild five sewer lift stations: estimated cost, \$1 million

The City has extended wastewater services to an area outside of the City's boundary and urban service area (USA). This area is known as the Rancho Rinconada area in the Cities of Cupertino and San Jose. The areas serviced are bounded by Stevens Creek Boulevard, Lawrence Expressway, Blaney Avenue, and Bollinger Road in the City of Cupertino, and by Bollinger Road, Lawrence Expressway, Johnson Avenue, and Castle Glen Avenue in the City of San Jose. These areas consist of approximately 1,867 connections. Currently, the area contains 1,862 single-family homes, 2 duplexes, 2 small apartment buildings, and a commercial building. On an annual basis, the City Council reviews a resolution to place wastewater service charges on the property tax roll for each property connected to and using the system.

The City is serving this area because in the mid 1950s, when the area was developed, it was an unincorporated area of the County that had no direct access to a sewer collection system. To provide service to the area, the City entered into a series of agreements with the developers that allowed the Rancho Rinconada sewer system to be tied into a 15-inch City sewer main that was extended 1.7 miles. The agreements required developers to construct sewers that met the City's standards and allowed the City to collect fees from the homeowners for the purpose of reimbursing the City for its costs of providing ongoing sewer service. The area is being reviewed for possible jurisdiction changes to allow for service through the Cupertino Sanitary District. However, capacity and historic practices may require that the City continue to be the service provider for this area. The District has stated that

it could now serve this area if the area’s sewer infrastructure is upgraded to existing levels of District facilities prior to the District assuming responsibility.

Wastewater Rates

The City’s wastewater rates are set as monthly fees, as shown in Table 12.E. The City increased wastewater rates by 6.0 percent, which became effective in July 2006. Commercial and industrial rates are dependent on the amount and type of flow. The City has a rate stabilization fund, which enables wastewater rates (in addition to other utility rates) to maintain a fairly consistent pattern of rate increases.

Table 12.E: City of Sunnyvale Monthly Wastewater Rates

Single-family residential	\$22.10
Multifamily residential	\$13.81 per unit
Commercial and industrial	Calculated depending on use

12.6 SOLID WASTE SERVICES

Solid waste service is provided by the City via contract with Bay Counties Waste Services, doing business in the City as Specialty Solid Waste & Recycling. The majority of the solid waste that is collected within the City is hauled to the Sunnyvale Materials Recovery and Transfer (SMaRT[®]) Station, where recyclable materials are diverted. The station was opened in 1993 and is located on a 9-acre site north of Caribbean Drive. The station has the capacity to process 1,500 tons of solid waste per day and currently processes approximately 1,000 tons per day and 260,000 tons annually. This station is owned and operated under a cooperative agreement among the cities of Sunnyvale, Mountain View, and Palo Alto.

Per the CIWMB, solid waste generated within the City is disposed of in the landfills listed below. Additional detail regarding these facilities can be found in Appendix A.

- Altamont Landfill Resource and Recovery Facility
- Arvin Sanitary Landfill
- B-J Drop Box Sanitary Landfill
- Foothill Sanitary Landfill
- Forward Landfill, Inc.
- Guadalupe Sanitary Landfill
- Kirby Canyon Recycling and Disposal Facility
- Newby Island Sanitary Landfill
- Redwood Sanitary Landfill

- Vasco Road Sanitary Landfill
- Zanker Material Processing Facility
- Zanker Road Class III Landfill

According to the most recent information posted by California Integrated Waste Management Board (CIWMB), the City disposed of 94,556 tons of solid waste in 2005.¹ CIWMB shows that the solid waste disposal generation factor for the City is 1 pound per resident per day and 4.6 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) required all jurisdictions to achieve 50 percent solid waste diversion after 2000. Per CIWMB, the City exceeded this goal and had a 61 percent diversion rate in 2004, which is the most recent Board-approved data posted.

In April 2006, the City increased rates for solid waste services by 5.5 percent, which became effective on July 1, 2006. As shown in Table 12.F, the City has varying rates for residential solid waste services, which are dependent on the size and number of trash containers (e.g., 32-, 64-, or 96-gallon). Commercial rates are based on the refuse bin size and the number of pickups per week.

Table 12.F: City of Sunnyvale Monthly Solid Waste Rates

Residential	
Single-, two-, and three-family units	\$30.99, unlimited
Mobile home park	\$20.57, unlimited
Commercial	
Bins supplied by customer	\$91.64–\$19,979.61, depending on size of bin and number of pickups per week
Bins supplied by Specialty Solid Waste and Recycling	\$99.97–\$20,022.46, depending on size of bin and number of pickups per week

Source: <http://sunnyvale.ca.gov/Departments/Public+Works/Solid+Waste+and+Recycling/MultiFamily/Garbage+Rates.htm>, accessed 09/18/06

12.7 PARKS AND RECREATION

The City owns and maintains numerous park and recreational facilities, as listed in Table 12.G.

¹ Web site:
<http://www.ciwmb.ca.gov/Profiles/Juris/JurProfile2.asp?RG=C&JURID=519&JUR=Sunnyvale>,
accessed March 20, 2007.

Table 12.G: City of Sunnyvale Parks

Park and Location	Amenities	Acreage
Sunnyvale Baylands Park 999 E. Caribbean Dr.	Nature trails/amphitheater, eight small group picnic sites, four large picnic sites, two family picnic sites, four play areas, two miles of unpaved pathways	72.0
Braly Park 704 Daffodil Ct.	Sand volleyball court, lagoon, water play, children's play area, restrooms, horseshoe pits, shuffle board, sand volleyball court, spray pool with timer, picnic site	5.6
Cannery Park 900 W. California Ave.	Picnic area, playground	0.7
De Anza Park 1150 Lime Dr.	Roller skating rink, handball/racquetball court, picnic sites, children's play area, horseshoe pits, restrooms, skating rink	9.4
Encinal Park 999 Corte Madera Ave.	0.25-mile parcourse, sand volleyball court	4.2
Fair Oaks Park 540 N. Fair Oaks Ave.	Skate park, sand volleyball court, basketball courts, children's play area, horseshoe pits, lighted tennis courts, multiuse field, restrooms, spray pool with timer	15.3
Fairwood Park 1255 Sandia Ave.	JWC greenbelt, parcourse, two sand volleyball courts, picnic site, children's play area, restrooms, bike path, radio control car track	1.9
Greenwood Manor Park Ramona & Blair Ave.	Playground	0.4
Lakewood Park 834 Lakechime Dr.	Mini skate park, water play, two handball courts, picnic sites, basketball courts, bike path, children's play area, handball court, horseshoe pits, multiuse field, restrooms, skating rink, swimming pool, tennis courts	10.7
Las Palmas Park 850 Russett Dr.	Dog park, water play, 16 tennis courts, picnic sites, children's play area, restrooms, multiuse field	24.3
Murphy Park 130 E. California Ave.	Historical museum/amphitheater, lawn bowling green, picnic sites, horseshoe pits, restrooms, stamp mill, outdoor stage	5.4
Orchard Gardens 238 Garner Ave.	JWC greenbelt	2.6
Ortega Park 636 Harrow Way	Water play, picnic areas, cricket pitch, basketball courts, children's play area, cricket pitch, horseshoe pits, multiuse field, restrooms, shuffleboard, tennis courts	18.0
Panama Park 755 Dartshire Way	Ball field, multiuse field, picnic area, restrooms	4.9
Ponderosa Park 811 Henderson Ave.	Sand volleyball court, picnic sites, basketball courts, children's play area, horseshoe pits, multiuse field, restrooms, sand volleyball court, tennis courts	9.1
Raynor Park 1565 Quail Ave.	Roller skating rink, picnic sites, children's play area, horseshoe pits, multiuse field, restrooms	14.7
San Antonio Park 1026 Astoria Dr.	Ball field, multiuse field	5.8
Serra Park 730 The Dalles	Roller skating rink, water play, picnic sites, children's play area, lighted tennis courts, parcourse, restrooms	11.5
Victory Village Fair Oaks at Kifer	Picnic tables only, fence playground for tots	1.0
Washington Park 840 W. Washington Ave.	Handball, picnic site, basketball courts, children's play area, horseshoe pits, multiuse field, restrooms, swimming pool, tennis courts	11.8
Total Acreage		334.3

Source: www.sunnyvale.ca.gov

The City does not have a formal policy related to the provision of parkland per population. However, to provide a concept of the level of service being provided, the City is currently providing 2.5 acres of

City owned or leased parkland per 1,000 residents based on the 2006 State Department of Finance population estimate for the City (133,544). In addition, to the lands listed in Table 12.G, the City also utilizes another 118 acres of school district owned sports fields, which are maintained and programmed by the City during non-school hours.

The City has agreements with several other agencies regarding the joint use of facilities to provide additional opportunities for recreational activities. These agreements are summarized below.

- Agreement between City and NASA AMES Research Center for lease of lands that are used as part of the Sunnyvale Golf Course.
- Agreement between the City and Foothill-De Anza College District for provision of after-school art programs operating at Braly, Fairwood, Lakewood, Nimitz, and San Miguel Schools in the City
- Agreement between City, Cupertino Union School District, and Cupertino Schools Public Facilities Financing Corporation to provide maintenance and improvements to open space areas within certain school sites.
- Agreement between City and Fremont Union High School District for the development and operation of a 50-meter swimming pool and related facilities and use of tennis facilities at Fremont High School
- Agreement between City and Santa Clara Unified School District for the use of the multipurpose rooms and various other buildings and open space areas at the Braly and Ponderosa School Sites
- Agreement between City and Sunnyvale School District for City use of various buildings and open space areas at multiple school facilities; for community recreation after school sports and activity programs at various schools; and development and operation of a neighborhood service center at the Columbia Middle School.

The City provides funding for park and recreational facilities through the Park Dedication Fees that are collected when developers of multifamily housing do not dedicate land for use as parks. The City’s FY 2006–2007 Budget and Resource Allocation Plan states that the City plans to use these fees to fund all park-related infrastructure projects in the 20-year planning period through a transfer to the Infrastructure Rehabilitation and Replacement Fund.

Recreation

The City offers a wide variety of recreation classes for residents of all ages. The types of classes provided by the City are listed in Table 12.H. In FY 2004–2005, approximately 26,711 people registered for recreation classes through the City.

Table 12.H: Types of Recreation Programs Offered by the City of Sunnyvale

Arts and crafts	Dance	Gymnastics	Music
Baby and toddler programs	Fitness	Yoga	Preschool
Aquatics	Ice skating	Sports	After-school programs

12.8 STORM WATER DRAINAGE

The City owns and operates approximately 140 miles of storm drain lines, 3,200 storm drain inlets, 2 pump stations, and 145–150 miles of storm drains, as detailed in the City’s Surface Runoff Sub-Element of the General Plan. The Santa Clara Valley Water District, which is responsible for all regional flood control facilities within the County, owns and operates all channels and creeks within the City, which include Stevens Creek, Calabazas Creek, Sunnyvale East and West Channels, and El Camino Channel. Storm water is conveyed through the City’s infrastructure and discharged into the regional creeks and channels, which then lead to San Francisco Bay.

The City’s two storm drain pump stations collect runoff from low-lying areas and discharge to creeks and sloughs, which are at a higher elevation. Levees were constructed in the northern portion of the City to control flooding and salt water intrusion from San Francisco Bay.

The City’s Surface Runoff Sub-Element states that the capacity of the City’s existing storm drain system is adequate to prevent flooding.

12.9 LAW ENFORCEMENT

The Sunnyvale Police Department (department) is located at 700 All America Way. The department provides the following services:

- K-9 unit with bomb and drug detection capabilities
- SWAT team
- Special Operations Bureau consisting of
 - Traffic Safety Unit
 - Community Safety Services
 - Animal Control
 - Investigations
 - Nuisance vehicle abatement
 - School crossing guard services
 - Office of Emergency Services
- Gang Enforcement Team
- All sworn members certified as EMT-Basic
- Crisis Negotiators
- Juvenile diversion and probation services in cooperation with the Santa Clara County Probation Department.
- Fire services; each police officer is a fully trained firefighter and fire services consist of fire operations, fire prevention and environmental services, and EMS services.

The department currently employs 210 sworn officers and 72 staff members. Sworn personnel are divided between police and fire operations. The police traffic, investigations, and community services divisions are currently staffed with a total of 111 sworn personnel. Based on the State Department of Finance 2006 population estimate for the City (133,544), the City is currently providing 0.83 officers per 1,000 population. There were 46,858 calls for service in FY 2005–2006, which equates to 2.37 officers per 1,000 calls for service.

The department staffs its own communications center on a full-time basis. 911 calls are received and transferred into the Computer Aided Dispatch system, given a priority, and routed to the appropriate field resources. Table 12.I below lists the City’s response time goal and average response times for FY 2005–2006. As shown, the City is exceeding its response time goals.

Table 12.I: City of Sunnyvale Law Enforcement Response Time Goal and Average Response Times, FY 2005–2006

Call Type	Response Time Goal (minutes)	Average Response Time (minutes)
Emergency	4:30 dispatch to on-scene 90 percent of the time	2:51
Urgent	11:00 dispatch to on-scene 90 percent of the time	3:59

Source: City of Sunnyvale Police Department, October 2006

The department participates in all standard regional mutual aid agreements as outlined by the County Chiefs of Police and has informal agreements that provide assistance in the form of equipment and personnel to other jurisdictions. Additionally, the department has stated that it is very active in the acquisition of Homeland Security grant funding and is continuing to seek out cooperative relationships with other agencies in the area of domestic preparedness. The department anticipates that these relationships will lead to shared/interoperable resources related to the deterrence, prevention, response, and recovery from terrorist events and disasters.

The City evaluates law enforcement services in several methods. Department managers monitor the performance measures by utilizing service data. Additionally, external monitoring through other City departments (i.e., Finance, Office of the City Manager) and consulting firms occurs on a random basis.

In addition, staff continually evaluates the existing and future facility/capital needs of the department. Currently, one capital project is underway that deals with the storage of property. The department’s facilities are currently adequate; however, space utilization is a continuing challenge. In addition, the facility’s heating and cooling system is problematic and requires regular monitoring and maintenance. However, no facilities are currently being planned for future development.

The City has stated that the department has received outstanding achievement awards in the areas of:

- Crime prevention

- Technology
- Traffic Safety
- Emergency services and preparedness
- Academic performance at training academies
- SWAT and K-9 operations

12.10 LIBRARY

The City provides library services to residents of the City. The Sunnyvale Public Library is located at 665 West Olive Avenue in the City. The facility is 60,000 square feet and as of June 2006 contained 339,170 volumes/items and had 99,545 registered cardholders at the library. Of these, 68,027 (68.4 percent) of the cardholders were City residents. In FY 2005–2006 the library had a circulation of 1,891,080 items.

The Sunnyvale Public Library is a member of the Silicon Valley Library System, which is a cooperative system that was established to promote resource sharing and library planning throughout the region. Under this program members provide easy access to each other's collections and, where possible, seek to standardize library practices for the ease of users.

The City's Library Sub-Element of the General Plan states that the existing library's age, structure, and size do not allow the flexibility required to provide library services in the future and that the library's identified service demands cannot be fully accomplished in the existing building. Likewise, the City's 2006–2007 Budget states that during FY 2005–2006 the Library Department conducted a visioning exercise on Library facilities and services. Results of this study indicated that the Library facility and collection were not keeping up with the growing demand for services, and the Library facility is becoming inadequate to support even the current level of services.

Potential plans for a new or renovated facility that would meet service needs over the next 20 years are currently being considered by the City. At the present time it is not known how a new or renovated facility would be funded. Funding options will be addressed in a Needs Assessment and Plan of Service and Building Program that is currently being prepared.

12.11 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF SUNNYVALE

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. There are specific locations within the wastewater collection system that may require additional capacity in the future as areas are developed or redeveloped.
2. The Water Pollution Control Plant has many components that are in need of major rehabilitation. An extensive assessment of infrastructure condition was recently completed to prioritize rehabilitation needs. Several infrastructure projects have been budgeted and/or are under construction.
3. The City's Surface Runoff Sub-Element states that the capacity of the City's existing storm drain system is adequate to prevent flooding.
4. The use of space within the police department facility is a continuing challenge, as the area is barely adequate. In addition, the facility's heating and cooling system is problematic and requires regular maintenance.
5. The library's collection is not keeping up with the growing demand for services, and the Library facility is becoming inadequate to support the current level of services. Potential plans for a new or renovated facility that would meet service needs over the next 20 years are currently being considered by the City.

Growth and Population

1. The City is almost completely developed, with only approximately 67.4 acres of vacant land. Due to this, most growth within the City would result from redevelopment of lands or intensification of lands.

Financing Constraints and Opportunities

1. The City has had expenditures exceed revenues in FY 2004 and 2005. In addition, the City is expecting to use \$7,371,781 in reserve funds in FY 2006–2007.
2. In FY 2003–2004 budget, a structural imbalance of \$14–15 million was identified, and a plan consisting of a combination of service level/expenditure reductions and fee increases was implemented to bring the General Fund into balance over the 20-year planning period. The City has been funding this imbalance through use of the 20-Year Resource Allocation Plan Reserve.
3. In FY 2006–2007 voters approved increases to the City's Transient Occupancy Tax and Business License Tax rates, which provided an additional \$1.4 million annually to address the fiscal challenges.
4. The FY 2006–2007 budget notes that in spite of the fiscal improvements, the City continues to face a number of challenges to its long-term financial stability.
5. CIP projects are funded through user fees, connection fees, and other wastewater fees. The City of Sunnyvale Fiscal Sub-Element also identifies funding through the infrastructure reserve and the use of debt financing.
6. The City provides funding for park and recreational facilities through the Park Dedication Fees that are collected when developers of multifamily housing do not dedicate land for use as parks.

7. It is currently not known how a new or renovated library facility would be funded. Funding options will be addressed by the City in a Needs Assessment and Plan of Service and Building Program that is currently being prepared.

Cost-Avoidance Opportunities

1. The City has adopted purchasing policies and procedures in an effort to control costs and provide for efficiency and accountability.
2. The City has several cooperative arrangements with other agencies that provide services at a reduced cost.
3. The police department is active in the acquisition of grant funding and cooperative relationships with other agencies. These efforts are opportunities for avoiding costs.

Opportunities for Rate Restructuring

1. As a part of the annual budget process, the City analyzes revenues and the costs to provide services and then recommends rates to the City Council that will generate revenues necessary to meet planned expenditures. Periodically, the City also reviews the methodology used to calculate service rates.

Opportunities for Shared Facilities

1. The City has several cooperative agreements with other agencies in the County that provide for service provision in a cost-effective manner. This includes the Materials Recovery and Transfer Station, library services, emergency mutual aid, and numerous agreements with public and private agencies that provide recreation opportunities.

Government Structure Options

1. The City has noted two unincorporated pockets that exist within and adjacent to the City limits. The City has stated that it would anticipate annexing the parcels when they are proposed for development. In order to implement more efficient planning boundaries and take advantage of the current streamlined annexation opportunity, the City should consider pursuing annexation of the remaining unincorporated pocket areas in the near future.

Evaluation of Management Efficiencies

1. The City's cooperative projects with other agencies provide management efficiencies in the provision of services.

Local Accountability and Governance

1. The City ensures that local accountability and governance standards are met by holding City meetings pursuant to the Brown Act, having them shown on cable television, and having agendas and staff reports available on the City's Website.

12.12 SOI RECOMMENDATION FOR THE CITY OF SUNNYVALE

Current SOI Boundary

The City's existing SOI boundary, which was adopted in January 1985, is coterminous with the City limits to the east, south, and west. However, the northern portion of the City's SOI boundary extends nearly 2 miles into the San Francisco Bay and the western portion of the City's SOI boundary includes approximately half of Moffett Field. The City of Sunnyvale is substantially bounded by the City of Santa Clara to the east; by the City of Cupertino to the south; and by the Cities of Los Altos and Mountain View to the west. Since 1985, Sunnyvale's SOI boundary has remained significantly unchanged.

SOI Boundary Recommendation

As the existing Sunnyvale SOI is substantially coterminous with the City limits and almost fully bounded by other cities, very little outward expansion is possible. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the City of Sunnyvale.

9.13 SOI DETERMINATIONS FOR THE CITY OF SUNNYVALE

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the City's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The Sunnyvale SOI is substantially coterminous with the boundaries of the City; therefore most of the land within the SOI is within the City. The City is almost fully built out, with only 67 acres of vacant land left. The current projected absorption rate is very low (i.e. less than 3 acres per year). Based on the City's current zoning, the City expects most of the vacant land to be developed with residential and industrial uses. The City includes a mix of land uses. Planned land uses in the City are not expected to change.

Finding: The Sunnyvale SOI boundary is substantially coterminous with the boundaries of the City. Planned land uses in the City are consistent with existing land uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The City is expected to experience modest growth mostly through in-fill development and redevelopment of underdeveloped parcels. The need for a full range of public facilities and services is expected to grow modestly in the future.

Finding: The type of public services and public facilities required in the proposed Sunnyvale SOI boundary will not change, although the level of demand will increase modestly.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities appears to be adequate. However, some specific inadequacies were identified including: (1) wastewater collection system capacity improvements are needed in some areas of the City; (2) the Water Pollution Control Plant has many components that are in need of major rehabilitation; (3) the size of the City Public Safety Department facility is barely adequate and the facility's heating and cooling system is problematic and requires regular maintenance; and (4) the existing City library facility is inadequate to meet the community's existing and future needs. The City is currently considering potential plans for a new or renovated library facility that would meet the community's service needs over the next 20 years. Also, several infrastructure improvement projects have been budgeted and/or are underway at the Water Pollution Control Plant.

Finding: The present capacity of public facilities and public services is generally adequate. However, wastewater improvements are needed in some areas of the City, some components of the Water Pollution Control Plant need major rehabilitation, the City's Public Safety Department Facility needs modernization and additional space, and the City's existing library is inadequate to meet the needs of the community.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The City's SOI is substantially coterminous with the City limits and USA boundary, which is almost fully bounded by other cities, with the exception of the northern portion of the City's SOI boundary which includes unincorporated areas, extends nearly 2 miles into the San Francisco Bay, and also includes approximately half of Moffett Field. Additionally, the City of Sunnyvale has annexed territory that may never be in the City's USA Boundary (i.e. several salt evaporator ponds located in the San Francisco Bay).

The City's USA boundary also contains two unincorporated pocket areas. The Joint Urban Development Policies of the cities, the County, and LAFCO call for islands or pockets of unincorporated land to be annexed to the applicable city. The City has stated that it would anticipate annexing the parcels when they are proposed for development.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Sunnyvale and the areas within the City's SOI boundary.

13.0 MOFFETT FIELD

The wastewater services that are provided in the Moffett Field area are evaluated in this service review.

13.1 AREA LOCATION

Moffett Field is an area that is located within the spheres of influence (SOI) of both the Cities of Mountain View and Sunnyvale. The western half of Moffett Field is within the City of Mountain View's SOI and the eastern half is within the City of Sunnyvale's SOI. It should be noted that Moffett Field is not within either City's urban service area (USA). Because Moffett Field is served by two cities and because wastewater service to this area is a specific issue related to both cities, it has been included as a separate section. Moffett Field's location in the Cities Mountain View and Sunnyvale can be found in Appendix D of this document.

13.2 LAND USE AND PROJECTED GROWTH

Moffett Field was formally used as a Naval Air Station. Following the closure of Moffett Field as a military base in 1994, NASA Ames acquired stewardship of the property. Currently, NASA Ames has developed a reuse plan to transform part of the area into a research and development center dedicated to serving the goals of the nation's space program. It should be noted that under this plan the area would remain under federal jurisdiction.

The proposed reuse plan would add new construction in four development areas. As detailed in the 2002 NASA Ames Development Plan Final EIS, this development would include a total build out of approximately 8.4 million square feet (sf). The proposed project would generate 7,222 new employees, approximately 3,000 students, and house 2,808 residents in 1,040 housing units within the area. A large majority of the development would be located within the City of Mountain View's Sphere of Influence. A small portion of the development, approximately 12,000 sf, would be located within the City of Sunnyvale's Sphere of Influence.

13.3 SERVICES

The Cities of Sunnyvale and Mountain View are currently providing and will continue to provide wastewater services from flows that are generated within the Moffett Field area. All other services are provided through federal contracts for services such as solid waste services, or under the federal jurisdiction of the area such as storm water drainage. Wastewater services are described below, as detailed within the 2002 NASA Ames Development Plan Final EIS.

Wastewater Services

The sanitary sewer infrastructure within Moffett Field includes approximately 90,900 feet of collection lines in two separate systems, which flow into two different cities. The eastern portion discharges into the City of Sunnyvale's sewer system. The western portion discharges into the City of Mountain View's sewer system, which flows to the Palo Alto Regional Water Quality Control Plant.

Portions of Moffett Field Served by the City of Sunnyvale's Sanitary Sewer System. The system, which connects to the City of Sunnyvale's sanitary sewer system, pumps sewage to an off-site gravity main that continues on to the Sunnyvale Water Pollution Control Plant. The force main and gravity line that convey effluent from the pump station to the Sunnyvale Water Pollution Control Plant are reported to be in good condition.

The Sunnyvale Water Pollution Control Plant has capacity to treat 29.5 million gallons per day (mgd) and currently receives approximately 16.5 mgd. It is anticipated by the 2002 NASA Ames Development Plan Final EIS that the existing treatment facility would have sufficient capacity to support the proposed development on Moffett Field. In addition, the 2002 NASA Ames Development Plan Final EIS states that the cumulative projects in the City of Sunnyvale are expected to generate 7.8 mgd, bringing the total load on the plant to 25.3 mgd, which is still less than the Plant's capacity.

However, the 2002 NASA Ames Development Plan Final EIS states that the sanitary sewer conveyance system between Moffett Field and the Sunnyvale Water Pollution Control Plant is experiencing capacity problems under existing conditions, and portions of the conveyance piping will require upgrading regardless of whether or not the Moffett Field development proceeds. It should be noted that system upgrades would reduce infiltration and inflow and that discharge from the proposed development on Moffett Field would not exceed the historical maximum of 1.0 mgd.

Portions of Moffett Field Served by the City of Mountain View's Sanitary Sewer System. The sanitary sewer system, which connects to the City of Mountain View system, pumps sewage to a 36-inch pipe that connects to the City of Mountain View sanitary sewer system and flows to the Palo Alto Regional Water Quality Control Plant. The 2002 NASA Ames Development Plan Final EIS states that this conveyance system currently has capacity problems during wet weather and that the City of Mountain View staff has been studying the installation of a new gravity line to the Palo Alto Regional Water Quality Control Plant to address the existing capacity problem and to accommodate the future expected flows from Moffett Field.

The western area within Moffett Field has an industrial waste discharge permit, which sets wastewater discharge limits. The permit is issued by the Palo Alto Regional Water Quality Control Plant for Mountain View. The current allowable capacity is 299,200 gpd, 5,236,000 gallons per month, and 59,840,000 gallons per year.

The 2002 EIS states that the flow for the proposed development on Moffett Field would exceed what is specified in the wastewater treatment permit with the Palo Alto Regional Water Quality Control Plant. Therefore, the agreement would need to be amended to allow for increased flows as development occurs.

14.0 CUPERTINO SANITARY DISTRICT

The wastewater services that are provided by the Cupertino Sanitary District (District) are evaluated in this service review.

14.1 DISTRICT HISTORY AND SERVICE AREA

The District was organized on December 28, 1953, as County Sanitation District No. 7, and was reorganized on April 30, 1956, as the District pursuant to the Sanitary District Act of 1923. The District serves Cupertino and portions of Saratoga, Sunnyvale, Los Altos, and unincorporated areas within Santa Clara County.

14.2 GOVERNANCE

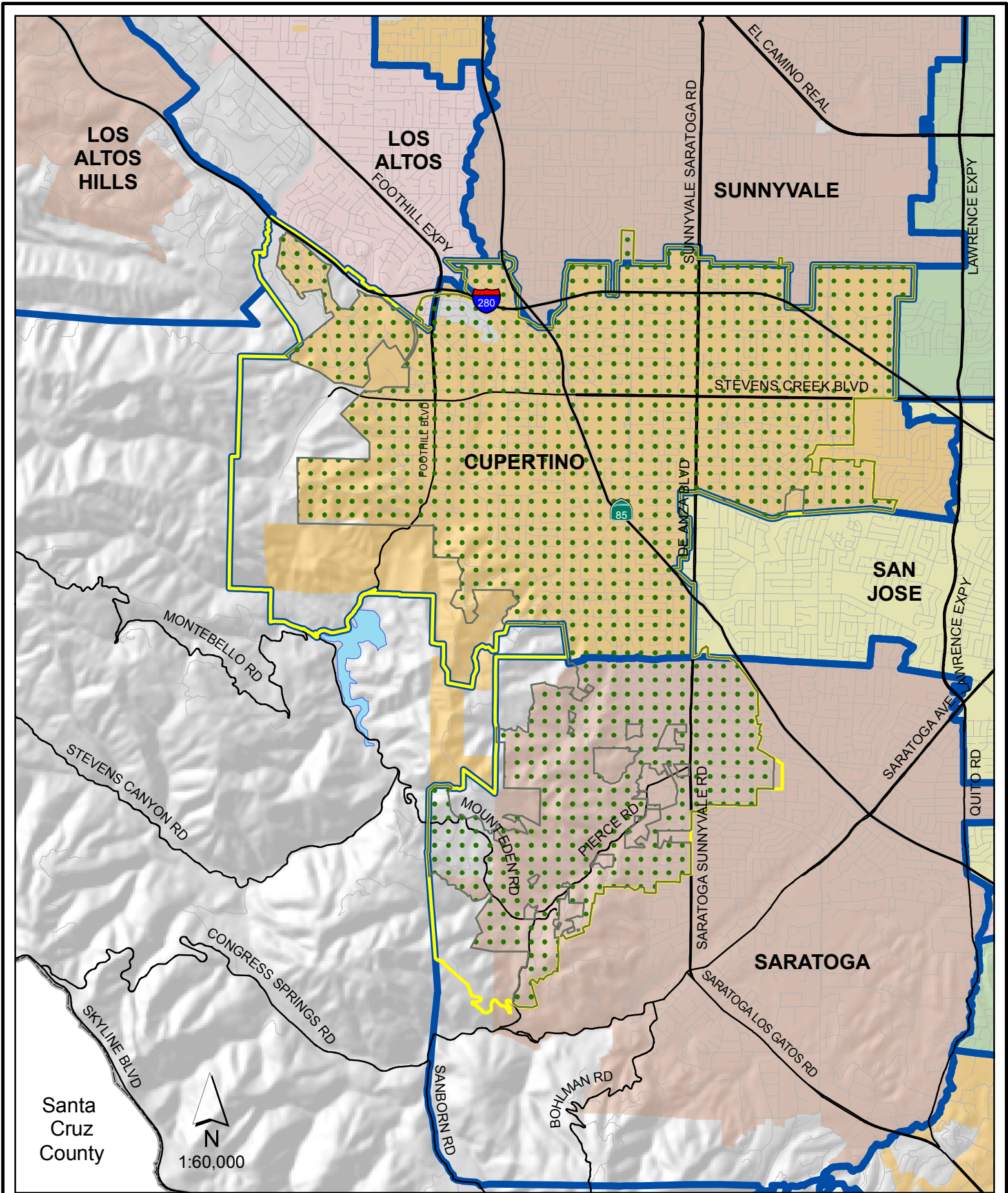
The District is governed by a five-member Board, which is elected to 4-year terms. The Board meets the first and third Wednesdays of each month at 8:00 p.m. in the District Board Room, located at 20833 Stevens Creek Boulevard in Cupertino. Board meeting agendas are posted outside the front entrance of the building. The District prepares an annual report.

Staff

The District does not have employees; since 1957, the District is managed by Mark Thomas & Company, Inc. Currently, Mark Thomas & Company, Inc. assigns nine full-time employees to staff the District. Operation of the District is overseen by the Board of Directors.

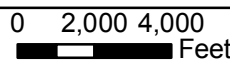
14.3 FINANCE

The District adopts an annual budget. The District's revenues are derived principally from sewer service charges. Tables 14.A and 14.B below provide the District's sources of revenues and the District's uses of funds for the fiscal years (FY) 2005–2006 and 2006–2007.



Boundaries of the Cupertino Sanitary District

- Cupertino Sanitary District Boundary
- City Sphere of Influence Boundary
- Cupertino Sanitary District Sphere of Influence Boundary



April 2007



Table 14.A: Cupertino Sanitary District Sources of Revenue

Type of Classification	Percentage of Budget 2005-2006	Percentage of Budget 2006-2007
Service charges and revenue transfer	91.7%	85.05%
Connection fees	0.46%	0.89%
Other	7.84%	14.06%

Source: 2005 Annual Report; 2006 Annual Report

Table 14.B: Cupertino Sanitary District Uses of Funds

Type of Classification	Percentage of Budget 2005-2006	Percentage of Budget 2006-2007
Sewage treatment	38.38%	40.01%
Capital outlay	24.04%	24.20%
Emergency funds	3.17%	2.83%
Maintenance and operation	34.41%	32.96%

Source: 2005 Annual Report; 2006 Annual Report

Table 14.C provides a summary of the District's revenues and expenditures. As shown, the District's expenditures have exceeded revenues for the past several years.

Table 14.C: Condensed Statement of Revenues and Expenses

	2004	2005
Total Revenues	\$5,998,923	\$6,855,637
Total Expenses	\$7,047,222	\$6,330,320
Net Revenues (loss)	(\$1,048,299)	\$525,317

Source: Financial Statements, June 30, 2005

According to the Financial Statements (June 30, 2005), the District has debt related to bonds, which were used to fund the South Bay Water Recycling Project. As of June 30, 2005 the District's balance was \$6,509,833. It should be noted that each of the agencies that utilizes the San Jose/Santa Clara Water Pollution Control Plant are participants in proportionally funding this project.

The District maintains reserve funds for the Capital Improvement Program (CIP), which can be used for emergencies and then replaced. There is currently \$12 million for the CIP.

14.4 WASTEWATER TREATMENT

The District operates a collection system only, consisting of 272 miles of mains and sewers, 15 pump stations, and a metering station. There are approximately 22,487 sewer connections. The District has an agreement for wastewater treatment at the San Jose/Santa Clara Regional Water Quality Control Plant for treatment and disposal of wastewater generated within the District. Currently the District discharges approximately 4.6 million gallons per day (mgd) and has rights to discharge up to 8.6 mgd.

The District has stated there are no capacity issues within the District's facilities and no existing infrastructure deficiencies within the District's facilities; further, there are no planned facilities and/or expansion/improvement projects within the District beyond the normal repair and replacement schedule. The District anticipates being able to accommodate expected growth within the District.

Sewer Service Rates

According to the District's Financial Statements (June 30, 2005), the District sets its rates to its users to cover the costs of operations, maintenance, and repair, plus any increments for known or anticipated changes in program costs. The District increased service rates by 16 percent for FY 2005. The District's service charges are provided in Table 14.D.

Table 14.D: Cupertino Sanitary District Sewer Service Charges

Land Use	Charge
Residential	\$21.00/month; \$252.00/year
Commercial or Industrial	\$15.75/month; \$189.00/year

Source: Ordinance No. 92, Cupertino Sanitary District

14.5 SERVICE REVIEW DETERMINATIONS FOR CUPERTINO SANITARY DISTRICT

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. There are no known existing capacity and/or infrastructure needs or deficiencies.
2. There are no planned facilities and/or expansion/improvement projects within the District beyond the normal repair and replacement schedule.

Growth and Population

1. Currently the District discharges 4.6 mgd, and has rights to discharge up to 8.6 mgd; therefore, the District would be able to accommodate expected growth within the District.

Financing Constraints and Opportunities

1. District expenditures have exceeded revenues for the past several years.
2. The District maintains reserve funds for the CIP, which can be used for emergencies and then replaced. There is currently \$12 million for the CIP.

Cost-Avoidance Opportunities

1. The District's use of the wastewater treatment plant in San Jose saves the District the cost of owning and operating its own treatment plant.

Opportunities for Rate Restructuring

1. The District sets its rates to its users to cover the costs of operations, maintenance, and repair, plus any increments for known or anticipated changes in program costs. The District last increased service rates by 16 percent for FY 2005. The District may want to review rates again to ensure that revenues cover expenses.

Opportunities for Shared Facilities

1. The District has an agreement for wastewater treatment at the San Jose/Santa Clara Regional Water Quality Control Plant for treatment and disposal of wastewater generated within the District. As the District's facilities and services are limited, no other opportunities for sharing facilities have been identified.

Government Structure Options

1. No government structure options have been identified. The existing provision of service is efficient in that one agency provides service to a large geographic area.

Evaluation of Management Efficiencies

1. The provision of wastewater service to the District's service area is efficient because one entity provides service to four cities and unincorporated areas through one conveyance system. This is a more efficient provision of service than each City and the County having its own conveyance system and providing maintenance and upgrades to its system.

Local Accountability and Governance

1. The District ensures that local accountability and governance standards are met by holding meetings pursuant to the Brown Act.

14.6 SOI RECOMMENDATION FOR THE CUPERTINO SANITARY DISTRICT

Current SOI Boundary

The District's SOI is coterminous with its boundary in some areas and not coterminous in other areas. In general, the SOI is coterminous to the north and south, and includes lands outside of the District's boundary to the east and west.

SOI Recommendation

It is recommended that LAFCO reaffirm the existing SOI for the District.

14.7 SOI DETERMINATIONS FOR THE CUPERTINO SANITARY DISTRICT

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the District's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The District service area is composed of well-established communities that are nearly built out. This includes the City of Cupertino, a large portion of Saratoga, and small areas of Sunnyvale and Los Altos, in addition to unincorporated areas. The land within the District's SOI include hillside and open space lands.

Finding: Planned land uses throughout the District are generally similar to those of the existing uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The District is largely built out, and most future growth would be limited to infill development and redevelopment. Therefore, actual growth within the District boundaries would be low.

Finding: The need for additional wastewater facilities and services is expected to be low in the future.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The District serves lands that have been largely developed for a long period of time. The infrastructure serving the District's service area has been fully developed and has the capacity to serve the expected intensification of land uses within the District.

Finding: The present capacity of public facilities and provision of service appears to be adequate.

4. 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's SOI encompasses lands within the Cities of Cupertino, Saratoga, Sunnyvale, Los Altos, and unincorporated areas.

Finding: The District is part of the social and economic community of the Cities of Cupertino and portions of Saratoga, Sunnyvale, Los Altos, and unincorporated areas within Santa Clara County.

15.0 EL CAMINO HOSPITAL DISTRICT

Hospital services that are provided by the El Camino Hospital District (District) are evaluated in this service review.

15.1 DISTRICT LOCATION

The District is located in the northern portion of Santa Clara County. The District's boundaries include the Cities of Los Altos, Los Altos Hills, Mountain View, a majority of Sunnyvale, a small portion of Cupertino, and some adjacent unincorporated areas. It should be noted that due to the type of services that are provided by the District, it does provide services to persons living outside of its boundaries.

15.2 GOVERNANCE AND PUBLIC PARTICIPATION

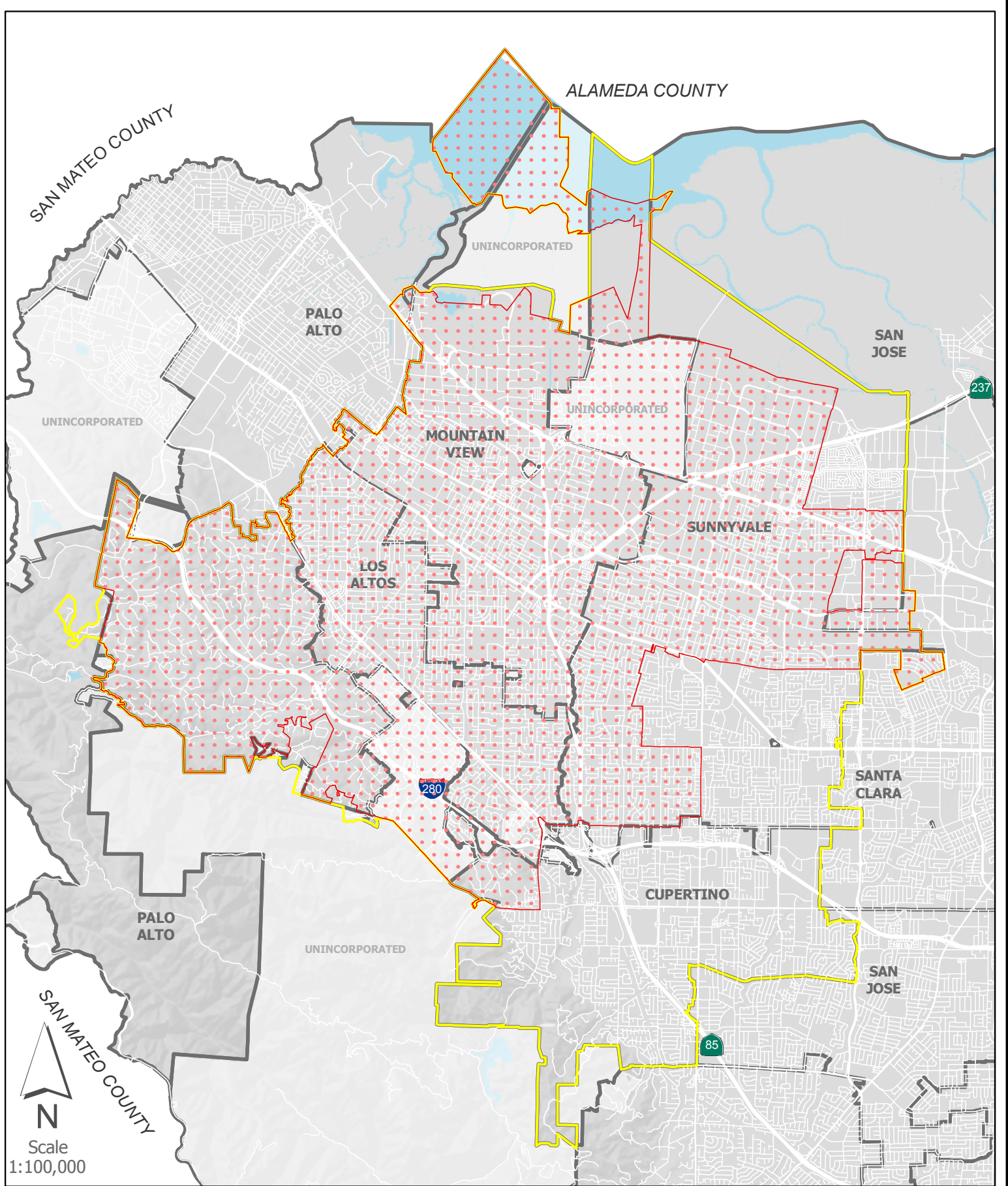
The District was formed in October 1956 pursuant to the California Health and Safety Code, Sections 32000–32490.9 to establish, maintain, and operate health care facilities and provide a full range of health services. The District is governed by a Board of Directors, which is composed of five elected members. The Board members also comprise majority of the members of the governing board of El Camino Hospital, which manages El Camino Hospital operations.

District Board meetings are held on the second Wednesday of each quarter following the El Camino Hospital Board of Directors Meetings. The meetings are held at El Camino Hospital, Main Building. Board agendas are posted online, in the lobby, and sent to a mailing list that includes local media on the Friday prior to the Wednesday Board meeting. Meetings are video taped and the videos are then posted on the Hospital's website and available for viewing.

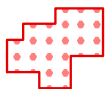
The public is invited to attend the Board meetings and is provided the opportunity to address the Board. An agenda and support material are made available at the beginning of each meeting. In addition, the hospital publishes an eight-page newsletter three to four times a year to keep residents of the District informed about hospital activities as well as new programs and services. The publication includes schedules and contact information for the many programs that are offered to the public such as support groups, lectures, and classes.

15.3 FINANCE

The Board approved the fiscal year (FY) 2007 budget at its July 2006 meeting. Table 15.A displays revenues and expenses for 2006, 2005, and 2004.



El Camino Hospital District



Boundary



Recommended
Sphere of
Influence

Cities



Unincorporated



Table 15.A: Consolidated District Revenues and Expenses, FY 2006, 2005, and 2004

Revenues	2006	2005	2004
Net patient service revenue	\$334,263,000	\$291,196,000	\$262,014,000
Other revenue	\$15,973,000	\$17,664,000	\$13,672,000
Total Operating Revenue	\$350,236,000	\$308,860,000	\$275,685,000
Operating Expenses:			
Salaries, wages and benefits	176,035,000	157,891,000	149,990,000
Supplies	49,749,000	43,665,000	40,014,000
Pro fees and purchased services	43,156,000	35,139,000	30,292,000
Provision for uncollectible accounts	15,270,000	11,455,000	8,071,000
Rent and utilities	6,923,000	6,632,000	5,426,000
Depreciation and amortization	23,091,000	20,034,000	17,920,000
Interest	839,000	-	-
Other	5,558,000	3,986,000	3,463,000
Total Operating Expenses	\$320,621,000	\$278,802,000	\$255,176,000
Operating Income	\$29,615,000	\$30,058,000	\$20,509,000
Non-Operating Income			
Investment income	13,139,000	11,326,000	11,236,000
Property tax revenue	7,475,000	6,884,000	6,664,000
The Foundation's restricted donations	2,416,000	1,432,000	1,239,000

Source: El Camino Hospital District Independent Auditor's Report and Consolidated Financial Statements, June 30, 2006

Reserves

The District reserves are distributed periodically and only for the purpose of funding long-term capital projects. Currently, the District's reserves total approximately \$4 million.

Rates for Service

Hospital rates are reviewed annually. The hospital engages a consulting firm to review rates in the marketplace. The Hospital then utilizes the information provided by the consultant as well as other financial information to adjust the rates. The Hospital implemented overall average 30 percent and 7 percent rate increases on July 1, 2005, and June 1, 2006, respectively.

These rate increases account for \$53 million of additional gross revenue, which was used to pay for various contractual adjustments. According to the El Camino Hospital District Independent Auditor's Report and Consolidated Financial Statements, the Hospital has agreements with third-party payers (such as insurance companies) that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, prepaid payments per member, and per diem payments.

The District has stated that in the last 7 years El Camino Hospital has experienced an increase in financial performance, which was accomplished through a series of measures including reducing supply costs and increasing operational efficiency. This improved performance was not done in a manner that negatively impacted employees. As evidence, it should be noted that for the last three

years, El Camino Hospital has scored in the 100th percentile in employee satisfaction in a national survey of 300 benchmark hospitals.

Investment Policy

The District has an investment policy to invest excess cash exclusively in fixed-income instruments earning a market rate of interest and without assuming undue risk to principal. The policy states that the primary objectives of investments, in order of importance, are (1) preservation of capital, (2) maintenance of liquidity, (3) yield, and (4) avoidance of inappropriate concentration of investments.

Community Assistance

The Hospital provides numerous services to the community for which revenues are not generated. Last year, El Camino Hospital invested more than \$32 million in programs and services to benefit the community. These services include providing access to health care through interpreters, referral and transport services, health care screening, community support groups and health educational programs, home care and hospice programs, health screenings to detect illness early, services to help the frail and elderly, and programs that provide health care to underserved populations regardless of their insurance status or ability to pay. Table 15.C provides a summary of the community assistance provided by El Camino Hospital.

Table 15.B: Community Assistance

Service	Amount
Financial assistance to the poor and underserved	\$170,000
Nonreimbursed Medi-Cal costs of care	\$18,313,000
Community health services: health clinic and immunization program for the underserved, support groups, health screenings, wellness lectures, senior services, and women's and children's services	\$980,165
Nonreimbursed Medicare costs of care	\$12,487,000
Support for community-based organizations	\$82,000
Training and education for future health care professionals: scholarships and internships for clinical training	\$81,000
Total Community Benefit	\$32,194,165

Source: A Guide to our Resources, El Camino Hospital

15.4 HOSPITAL SERVICES

El Camino Hospital, a not-for-profit hospital in Mountain View, is located on a 42-acre campus at 2500 Grand Road, which includes five service buildings. These include:

- Main Hospital

- Oak Pavilion
- Willow Pavilion
- Orchard Pavilion
- Park Pavilion/YMCA

El Camino Hospital has 395 licensed beds, 24-hour emergency care and access to life-saving technology. Table 15.D presents the existing hospital bed capacity, Table 15.E provides a summary of the hospital activities for FY 2004–2005, and Table 15.F shows inpatient activity for 2004–2006.

Table 15.C: Summary of Existing Hospital Beds

Bed Designation	Number of beds	Percent of Total
Medical/surgery	307	78%
Critical care	28	7%
Perinatal	44	11%
NICU	16	4%
Total	375	100%

Percentage total more than 100 % due to rounding.

Table 15.D: Hospital Activities

2004–2005 (Actual)	
Patient Days: Grand Total	91,892
Discharges: Grand Total	20,399
Average length of stay (days)	
Acute hospital	4.0
Regular nursery	2.5
NICU	9.2
Sub-acute unit	365.0
Emergency room visits	38,099
Deliveries	4,354
Surgeries (ECH)	5,692
CCL/angio procedures	11,810
Laboratory tests	559,840
Radiology exams	97,959
Radiation oncology procedures	15,587
Dialysis treatments	83,002
El Camino Surgery Center surgeries	8,789
FTEs per adjusted occupied bed	4.9
FTEs per adjusted occupied bed/CMI	5.0

Source: El Camino Hospital, District, and Affiliates. Requested budget for FY 2006–2007, July 2006
FTE = Full-time equivalent

Table 15.E: Inpatient Business Activity

Specialty	2006 Days	2005 Days	2004 Days
Medial/surgical	45,225	43,120	43,902
Maternity	10,574	10,784	10,693
Pediatrics	305	387	616
NICU	4,585	4,420	4,652
Psychiatry	6,735	5,958	5,436
Subacute	12,908	17,219	17,228
Normal newborn	9,808	10,004	10,095
Total	90,140	91,892	92,622

Source: El Camino Hospital District Independent Auditor's Report and Consolidated Financial Statements, June 30, 2006

El Camino Hospital owns three other organizations, which include:

1. El Camino Hospital Foundation, which is a non-profit fund raising organization
2. CONCERN: Employee Assistance Program. The purpose of CONCERN is to provide and operate a specialized health care service plan for various business organizations nationwide
3. El Camino Surgery Center, LLP

As stated previously, due to the types of services that are provided by the District, the District serves people living outside of its boundaries. Specifically, this includes residents within the areas of Sunnyvale and Cupertino that are not within the District. The District has stated that El Camino Hospital is the largest provider of services to the Cities of Sunnyvale and Cupertino. The following information details the District's provision of services to these Cities.

Services to Sunnyvale Residents

- Of a total 11,928 (annualized) hospital discharges involving Sunnyvale residents who received inpatient care at *any* hospital during FY 2006, 5,342 discharges were from El Camino Hospital. Therefore, 44.8 percent of Sunnyvale residents who were hospitalized in the 2006 FY utilized El Camino Hospital.
- Of the 5,342 hospital discharges in FY 2006, 4,572 different Sunnyvale residents (some patients were hospitalized more than once) received inpatient services at El Camino Hospital. This indicates that 3.4 percent of the City's total population (133,544) utilized El Camino Hospital on an inpatient basis in 2006. This represents 25 percent of the hospital's total inpatient business.
- The hospital services most heavily utilized by Sunnyvale residents include:
 - 1,157 Obstetrics and delivery discharges (includes 304 NICU discharges)
 - 622 Cardiovascular discharges
 - 295 Gastroenterology discharges
 - 248 General Surgery discharges

- Outpatient visits in excess of 28,000 came from 11,120 Sunnyvale residents and included:
 - 8,547 emergency room visits by 6,461 residents
- Of all Sunnyvale residents who utilized El Camino Hospital, 2,320 residents used both inpatient and outpatient services.

Services to Cupertino Residents

- Of a total 3,828 (annualized) hospital discharges involving Cupertino residents who received inpatient care at *any* hospital during FY 2006, 1,576 discharges were from El Camino Hospital. Therefore, 41.2 percent of Cupertino residents who were hospitalized in the 2006 FY utilized El Camino Hospital.
- Of the 1,576 hospital discharges in FY 2006, 1,346 different Cupertino residents (some patients were hospitalized more than once) received inpatient services at El Camino Hospital. This indicates that 2.5 percent of the City's total population (53,840) utilized El Camino Hospital on an inpatient basis in 2006. This represents 7.5 percent of total El Camino Hospital inpatient business.
- Service lines most heavily utilized by Cupertino residents at El Camino Hospital:
 - 286 Obstetrics and delivery discharges (includes 65 NICU discharges)
 - 183 Cardiovascular discharges
 - 97 Orthopedic surgery discharges
 - 84 Gastroenterology discharges
 - 78 General medicine discharges
- Approximately 11,000 outpatient visits by 7,431 Cupertino residents were noted which included:
 - 2,105 emergency room visits by 1,748 Cupertino residents
- Of all Cupertino residents who utilized El Camino Hospital, 721 residents used both inpatient and outpatient services.

The State's utilization database shows El Camino Hospital's overall market share by inpatient discharge volume to be 46.2 percent in Cupertino, and at 46.8 percent in Sunnyvale.

In addition to inpatient and life saving medical services, El Camino Hospital also provides the community with a variety of health-related programs and services. These services range from education and support to basic medical care for those people in the community who cannot pay. Services provided by El Camino Hospital include:

- Community wellness lecture series
- Health library and resource center
- Classes and support groups
- Community newsletter
- Health care update
- Speakers bureau
- Diabetes management

- Maternal connections: lactation center and mother/baby store
- Maternal child health classes and support groups
- Journey to family maternity tours and orientation
- RotaCare clinic
- Flu shot program
- Healing arts program
- Lifeline
- Tele-care
- South Asian Heart Center
- Family caregiver assistance program
- Roadrunners transportation service
- Ask the pharmacist
- Consult the dietitian
- Advance health care planning/advance directive assistance
- Health insurance counseling
- HICAP counseling for seniors
- Blood pressure screening
- Health screenings
- Cardiovascular pulmonary wellness center
- Scholarships
- El Camino Hospital auxiliary
- Chaplaincy program
- Hospital tours
- Student tours
- Student shadowing programs

The Hospital is expecting to add several new programs and services such as a Heart & Vascular Center encompassing an anticoagulation clinic . There are also plans to open a state-of-the-art Cancer Center.

The District has stated that it is not in a position to share facilities with other public agencies. However, the District does have a number of partnerships that strengthen healthcare in its community. For example, the District has various partnerships with the YMCA, Rotacare Bay Area, Pathways (a home care and hospice organization), the Red Cross, Packard Children's Hospital, and Stanford Hospital.

Staffing

According to the Draft Initial Study for the El Camino Hospital Facilities Reconstruction Project, in 2004, the Hospital had a total of 2,125 employees. This number includes approximately 841 full-time employees, 799 part-time employees, 485 unscheduled employees, and 430 volunteers.

According to the El Camino Hospital District Independent Auditor's Report and Consolidated Financial Statements, the Hospital, like most others in the nation, continues to be faced with a shortage of nurses and other clinical professionals. In an ongoing response to this shortage, the Hospital has continued staffing strategies such as a recruitment retention taskforce, an enhanced Refer-a-Friend program, and a revitalized recruitment Web site. During 2006, the Hospital decreased its time to fill RN positions by 80 percent over 2005.

15.5 HOSPITAL REVIEWS

The health care industry and the District are subject to numerous laws and regulations of federal, state, and local governments. Although the District is not aware of any violations of laws and regulations, it has received corrective action requests as a result of completed and ongoing surveys from applicable regulatory authorities. Management continually works in a timely manner to implement operational changes and procedures to address all corrective action requests from regulatory authorities.

15.6 INFRASTRUCTURE IMPROVEMENTS

In 1994, the California legislature enacted Senate Bill 1953, which requires that California hospitals evaluate and upgrade acute care facilities by 2008 in order to meet the requirements of the Hospital Seismic Safety Act. The District is requesting an extension until January 2013 to ensure compliance with the regulation.

The District developed a Facilities Master Plan, which detailed the development of a replacement hospital building to be constructed by the summer of 2009. On April 5, 2006, the Hospital Board of Directors approved Resolution 2006-5 approving a "Hospital Project" in the amount of \$480 million for five construction phases and the related furniture, fixtures, equipment, soft costs, and contingencies that are required to successfully complete the hospital facility project. On June 8, 2006, the groundbreaking occurred for this project.

In addition to the new hospital project, during 2006 the hospital completed a four-tier, 850-space parking structure, primarily for hospital employees. Also, under the same construction contract, the hospital completed a significant portion of its new Medical Office Building that opened in August 2006 to a number of physician tenants.

Also during the fiscal year, the hospital completed a number of "Make Ready" projects, which allow the hospital to operate continuously and uninterrupted during its 3-year construction of the new hospital project. These included relocation of its main entrance, patient registration, outpatient laboratory, main corridor realignment, and site utilities. During this time, the hospital completed a significant renovation to accommodate the relocation of its Information Technology Department and to enhance its Radiology/Interventional Services Department, putting into service state-of-the-art radiology medical equipment. Also, the hospital made a major investment in and implemented a new state-of-the-art Clinical Information System, which went live on March 25, 2006. A replacement computerized physician order entry system is expected to be fully functional with further enhancement by 2008.

15.7 AWARDS AND RECOGNITIONS

Consistently ranked as a leading hospital in the area, El Camino Hospital recently received the highest ranking in the Patients' Evaluation of Performance in California survey. The hospital has received national recognition for several pioneering programs in the areas of cardiac treatment, radiation oncology, and maternity.

According to the El Camino Times, in 2005 El Camino Hospital was one of three hospitals in the country recognized for its leadership and innovation in quality, safety, and commitment to patient care. The American Hospital Association McKesson Quest for Quality Prize went to New York-Presbyterian Hospital in New York, N.Y.; North Mississippi Medical Center in Tupelo, Mississippi; and El Camino Hospital in Mountain View, the only West Coast hospital to earn this honor. The prize honors organizations that are committed to improving safety patient-centeredness, effectiveness, efficiency, timeliness, and equity as the basis for comprehensive quality-oriented health care.

As stated in the El Camino Times, El Camino Hospital was recognized in the Bay Area survey as a number one hospital and fourth overall best place to work. For the fourth consecutive year, El Camino Hospital has been named one of the country's "Most Wired" hospitals in a benchmarking study conducted by Hospital and Health Networks magazine. The hospitals and healthcare systems named in this study have made significant progress in the area of electronic medical records and have demonstrated proficiency in the use of Internet technologies for equality, customer service, public health and safety, business processes, and work-force issues.

Additionally, in December 2005, the El Camino Hospital Nursing Division received the American Nurses Association Credentialing Center's prestigious Magnet Designation. El Camino Hospital is the only hospital in Northern California to hold this prestigious award, and only 3 percent of hospitals nationwide have the designation.

15.8 SERVICE REVIEW DETERMINATIONS FOR EL CAMINO HOSPITAL DISTRICT

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. The District is in the process of constructing a new hospital facility due to be completed by the end of summer of 2009. This facility will meet the requirements of the Hospital Seismic Safety Act.
2. The hospital completed a number of "Make Ready" projects, which allow the hospital to operate continuously and uninterrupted during its construction of the new hospital project.

Growth and Population

1. Based on Association of Bay Area Governments (ABAG) projections, the County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. This growth is not expected to impact the District's service provision capabilities.

Financing Constraints and Opportunities

1. The District has had revenues in excess of expenditures for the past several years.
2. The District is utilizing revenue bonds to finance a portion of the new hospital facility project. The District issued \$148 million in bonds in December 2006 for this project. Then in 2007 the hospital issued \$150 million in revenue bonds and may issue up to another \$100 million in revenue bonds in 2008 to assist in financing the new facility project.

Cost-Avoidance Opportunities

1. The District has stated that in the last 7 years El Camino Hospital has experienced an increase in financial performance, which was accomplished through a series measures including reducing supply costs and increasing operational efficiency.

Opportunities for Rate Restructuring

1. Hospital rates are reviewed annually. The hospital utilizes a consulting firm to review rates in the marketplace. The hospital then analyzes the information provided by the consultant as well as other financial information to adjust the rates.

Opportunities for Shared Facilities

1. Due to the unique services that this public agency provides, there is limited opportunity to share facilities with other agencies.

Government Structure Options

1. The existing provision of service is efficient in that one agency provides service to a large geographic area.
2. Due to the type of services that are provided by the District, the District serves people living outside of its boundaries. Specifically, the District is a provider of services to people residing in the Cities of Sunnyvale and Cupertino. Because of this, expansion of the District's boundaries to include the entire Cities of Sunnyvale and Cupertino has been identified.

Advantages: The District boundaries would provide a more accurate delineation of the area being served by the District.

Disadvantages: Expansion of the District boundaries would include residents who receive hospital services from a private service provider and would not utilize the District's facilities.

Evaluation of Management Efficiencies

1. The District is subject to routine surveys and reviews by federal, State, and local regulatory authorities. The District has received corrective action requests as a result of completed and

ongoing surveys from applicable regulatory authorities. Management works in a timely manner to implement operational changes and procedures to address all corrective action requests from regulatory authorities.

2. The District's hospital services have received several awards and recognitions. This is indicative of excellent service provision and management efficiencies.

Local Accountability and Governance

1. The District ensures that local accountability and governance standards are met by holding meetings pursuant to the Brown Act. In addition, the hospital publishes a newsletter three to four times a year to keep residents of the District informed about hospital activities as well as new programs and services.

15.9 SOI RECOMMENDATION FOR THE EL CAMINO HOSPITAL DISTRICT

Current SOI Boundary

The District's existing SOI includes the Cities of Los Altos, Los Altos Hills, Mountain View, a portion of Sunnyvale, a small portion of Cupertino, and unincorporated areas that are located to the north and east of Mountain View and south of Los Altos.

SOI Recommendation

Because the District is already providing service to residents within the Cities of Sunnyvale and Cupertino, it is recommended that LAFCO expand the District's SOI to include the entire Cities of Sunnyvale and Cupertino and be coterminous with their boundaries.

15.10 SOI DETERMINATIONS FOR THE EL CAMINO HOSPITAL DISTRICT

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the District's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The District service area is composed of well-established communities that are nearly built out, including the Cities of Los Altos, Los Altos Hills, Mountain View, Sunnyvale, and Cupertino. However, the District's SOI also includes unincorporated areas located south of Los Altos, which include open space lands and most likely agricultural lands.

Finding: Planned land uses throughout the District are generally similar to those of the existing uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The District is generally built out, and most future growth would be limited to infill development and redevelopment. Also, because the District is already providing service to residents living outside of the District's boundary but within the Cities of Sunnyvale and Cupertino, inclusion of the remainder of these Cities' areas into the District's SOI would not increase the need for the District's services. Therefore, the probable growth in need for District services would be low.

Finding: The need for additional District services is expected to be low in the future.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The District has received several awards and regional recognitions for its provision of service. The District is currently undergoing infrastructure improvements and adding new technology and medical programs.

Finding: The present capacity of public facilities and provision of service appears to be adequate.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

Finding: The Cities of Los Altos, Los Altos Hills, Mountain View, Sunnyvale, and Cupertino form the social and economic communities of interest for the District because the District serves residents within these areas.

16.0 LAKE CANYON COMMUNITY SERVICES DISTRICT

The wastewater services that are provided by the Lake Canyon Community Services District (CSD) are evaluated within this service review.

16.1 DISTRICT HISTORY AND SERVICE AREA

The Lake Canyon CSD was formed in February 1993 pursuant to the California Government Code Section 6100. The Lake Canyon CSD was formed to provide wastewater services to the specific unincorporated area of Lake Canyon. Lake Canyon is a 45-acre community of 65 developed residential lots located within the Lexington Basin Watershed, approximately 3 miles west of the Town of Los Gatos. The community is situated along Beardsley Creek, a tributary drainage to Lexington Reservoir. The community is surrounded by undeveloped hillsides, including land owned by the Santa Clara County Parks and Recreation Department, the Santa Clara Valley Water District, and the Lake Canyon Mutual Water Company. When the Lake Canyon CSD was formed, there were 10 vacant lots that were developable; those 10 lots currently remain vacant.

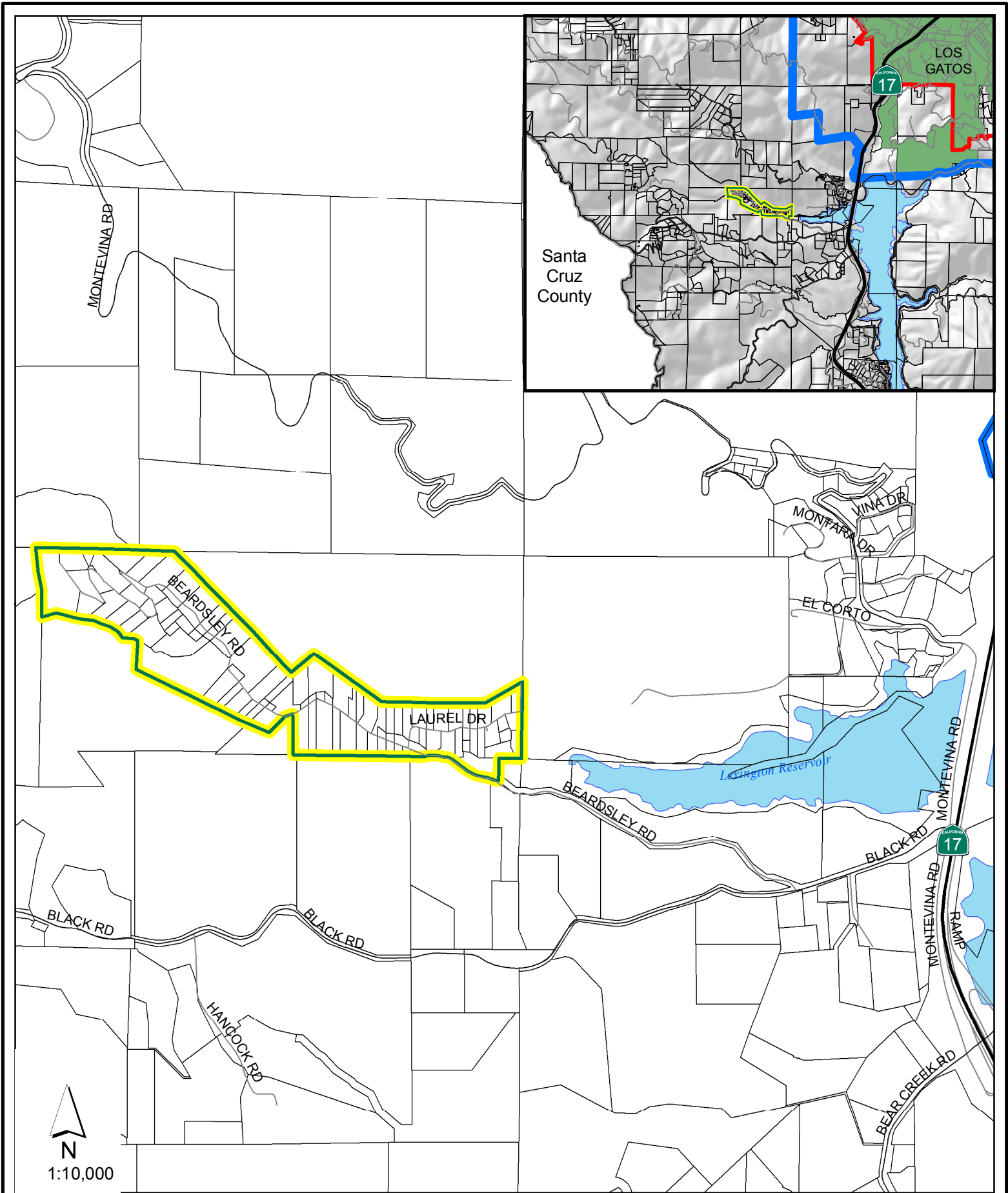
16.2 GOVERNANCE

The Lake Canyon CSD is governed by a five-member Board of Directors and managed by volunteers and one part-time employee. Governing members are appointed by the Santa Clara County Board of Supervisors. The Board has regularly scheduled monthly meetings. Board meeting agendas are posted in the community center. The meeting minutes are posted in the community center and are mailed to members of the community.

16.3 FINANCE

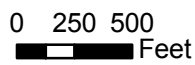
The Lake Canyon CSD adopts an annual budget. The Lake Canyon CSD's sources of revenues consist of charges for services, which are collected through the property tax roll. Currently, the Lake Canyon CSD is charging \$900 per parcel annually. The Lake Canyon CSD reviews rates for service annually, and rate increases are based on actual operating costs. The Lake Canyon CSD's uses of funds are listed in Table 16.A. As shown, the Lake Canyon CSD's interest expense and licenses and fees are the majority of the expenses. The interest expense is due to a loan for the construction of facilities 10 years ago. The existing balance is approximately \$200,000.

Table 16.B provides the Lake Canyon CSD's Fiscal Year (FY) 2005–2006 revenues and expenditures. As shown, the Lake Canyon CSD's revenues exceeded expenditures.



Boundaries of the Lake Canyon Community Services District

- Community Services District Boundary
- City Urban Service Area Boundary
- Community Services District Sphere of Influence
- City Sphere of Influence Boundary



February 2007



Table 16.A: Lake Canyon CSD Major Uses of Funds, July 2005–June 2006

Major* Uses of Funds	Percentage (%)
Interest Expense	33.9
Licenses and Fees	27.7
Salaries and Wages	11.0
Legal and Professional Fees	9.6
Insurance	5.6
Utilities	3.3
Repair and Maintenance	2.0
Contract Labor	1.8
Payroll Service Fees	1.7
Dues and Subscriptions	1.6

Source: Lake Canyon CSD Profit and Loss Summary, July 2005–June 2006.

*Major uses of funds; smaller uses are not listed.

Table 16.B: Lake Canyon CSD Revenue and Expenditures for FY 2005–2006

Item	Amount
Total Income	\$59,103.00
Total Expenses	\$55,995.74
Net Operating Income	\$3,107.26

Source: Lake Canyon CSD, Profits and Loss, FY 2005–2006.

Reserves

The Lake Canyon CSD does not have policies regarding reserve funds. The balance of the Lake Canyon CSD’s reserve funds at the end of the last fiscal year was approximately \$200,000.

16.4 WASTEWATER

Prior to the formation of the Lake Canyon CSD, developed properties within the Lake Canyon community were served by various types of on-site septic systems, including cesspools, septic tank-seepage pit systems, septic tank/leachfields, and grey-water systems. However, as noted in the 1993 LAFCO hearing report for the formation of the Lake Canyon CSD, most of these systems were inadequate, and the community had been identified by the Santa Clara County Health Department (Health Department) as having significant septic system problems. Elevated levels of bacteria were found in Beardsley Creek, which was identified as a potentially significant hazard to public health. In response to these problems, the Health Department imposed a building moratorium on the community in late 1980.

The West Valley Sanitation District (District) is the closest wastewater service provider to the Lake Canyon community. However, the District’s boundary lines are not adjacent to the Lake Canyon

community. The District would need to annex a considerable amount of land that is not receiving wastewater services (from any service provider) to include Lake Canyon within the Lake Canyon CSD without creating a noncontiguous District area. The 1993 LAFCO hearing report for the formation of the Lake Canyon CSD notes that prior to creation of the Lake Canyon CSD, the District was initially interested in adding Lake Canyon to its service area boundaries. However, in late 1992, the District became increasingly concerned about the liability of adding a community leachfield to its existing sewer operations. In fall 1992, the District voted not to annex the Lake Canyon community and the leachfield to the District, thus terminating annexation discussions. In addition, the District has expressed a lack of interest in expanding its boundary line any further southwest.

After this decision, the Lake Canyon CSD was formed and authorized to provide a new facility for the collection, treatment, and disposal of wastewater. Lake Canyon is now served by a central collection system, utilizing on-site septic tanks and small-diameter effluent sewers. From a central lift station at the east end of the community, the effluent is pumped to and disposed of in a community leachfield system on a 2-acre portion of gently sloping grassland.

The community leachfield consists of a dual system, equal in capacity to 200 percent of the estimated peak design flow of approximately 17,000 gallons per day (gpd). The leachfield is located on a grassland area that has been used historically for pasturing of animals. The leachfield consists of approximately 5,840 lineal feet of trench (2,920 feet per each half of the system) and covers approximately 2 acres. The system is operated by half of the leachfield system being in operation, while the other half is offline and allowed to rest. Flows between the two sides are switched once every 6 months. The system is constructed to serve the build out of the parcels within the Lake Canyon community. The maximum capacity of the system was projected to be 17,060 gpd, with an average daily capacity of 14,400 gpd.

The Lake Canyon CSD has stated there are no existing deficiencies or needs for improvement to the system.

16.5 SERVICE REVIEW DETERMINATIONS FOR THE LAKE CANYON CSD

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the Lake Canyon CSD.

Infrastructure Needs and Deficiencies

1. The Lake Canyon CSD has stated that there are no existing deficiencies or needs for improvements to the system.

Growth and Population

1. The Lake Canyon CSD encompasses a specific community, which is mostly developed. The maximum service area of the Lake Canyon CSD is defined by its current boundaries.

2. The Lake Canyon CSD's facilities have the capacity to accommodate the projected flows from the 10 vacant parcels within the community.

Financing Constraints and Opportunities

1. The Lake Canyon CSD's reserves are approximately \$200,000, and revenues have exceeded expenditures. No financing constraints have been identified.

Cost-Avoidance Opportunities

1. The Lake Canyon CSD provides limited services to a community that is distinctly separate from other communities within the County. Because the Lake Canyon CSD's facilities are limited and due to the location of the community, no cost-avoidance opportunities have been identified.

Opportunities for Rate Restructuring

1. The Lake Canyon CSD annually reviews rates for services. Adjustments are made to reflect actual costs to provide the service.

Opportunities for Shared Facilities

1. The Lake Canyon CSD provides services to a community that is distinctly separate from other communities within the County and does not currently share any facilities. Because the Lake Canyon CSD's facilities are limited and due to the location of the community, no opportunities for shared facilities have been identified.

Government Structure Options

1. Based on the current provision of service, it is reasonable to conclude that services can continue to be provided by the Lake Canyon CSD under this government structure. As the Lake Canyon CSD is not adjacent to any existing city or district boundary, or SOI, annexation to a city, or district is not feasible.

Evaluation of Management Efficiencies

1. The provision of wastewater service to the Lake Canyon CSD's service area is efficient because limited staffing and oversight are needed to provide services.

Local Accountability and Governance

1. The Lake Canyon CSD ensures that local accountability and governance standards are met by holding meetings pursuant to the Brown Act.

16.6 SOI RECOMMENDATION FOR THE LAKE CANYON CSD

Current SOI Boundary

The existing SOI is coterminous with the Lake Canyon CSD's boundaries.

SOI Recommendation

There are no SOI issues that have been identified. Therefore, it is recommended that Local Agency Formation Commission (LAFCO) reaffirm the existing SOI for the Lake Canyon CSD.

16.7 SOI DETERMINATIONS FOR THE LAKE CANYON CSD

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the Lake Canyon CSD's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The Lake Canyon CSD is located within an unincorporated area of the County. The Lake Canyon CSD was established to provide services to a specific 45-acre community, which consists of 65 residential lots.

Finding: The community is not expected to grow beyond the development of the existing vacant parcels. Hence, future development within the Lake Canyon CSD is expected to be minimal and consist of development of the 10 remaining vacant parcels that are planned for single-family residences.

2. Present and Probable Need for Public Facilities and Services in the Area

The maximum demand for Lake Canyon CSD services was defined upon creation of the Lake Canyon CSD and development of the infrastructure serving the community.

Finding: The Lake Canyon CSD was established to provide services to a specific community. Future growth within the Lake Canyon CSD would be minimal and limited to development of vacant parcels.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

Because the Lake Canyon CSD serves a specific community, the infrastructure serving the community has been designed to serve the full build out of all parcels.

Finding: The present capacity of public facilities and provision of service appears to be adequate.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The Lake Canyon CSD is located within an unincorporated area of the County and provides services to a private community that is distinctly separate from other communities within the County. The services provided by the Lake Canyon CSD have been designed to only serve this specific community and may not be extended to adjacent properties.

Finding: The Lake Canyon community is a distinct community of interest.

17.0 MIDPENINSULA REGIONAL OPEN SPACE DISTRICT (MROSD)

The open space services that are provided by the Midpeninsula Regional Open Space District (District) are evaluated in this service review.

17.1 LOCATION

The District is a public agency that owns and manages over 55,000 acres of land in 26 open space preserves, 24 of which are open to the public. The District covers an area of 556 square miles in northern Santa Clara and southern San Mateo Counties and a small portion of Santa Cruz County, and includes 17 cities (Atherton, Cupertino, East Palo Alto, Half Moon Bay, Los Altos, Los Altos Hills, Los Gatos, Menlo Park, Monte Sereno, Mountain View, Palo Alto, Portola Valley, Redwood City, San Carlos, Saratoga, Sunnyvale, and Woodside).

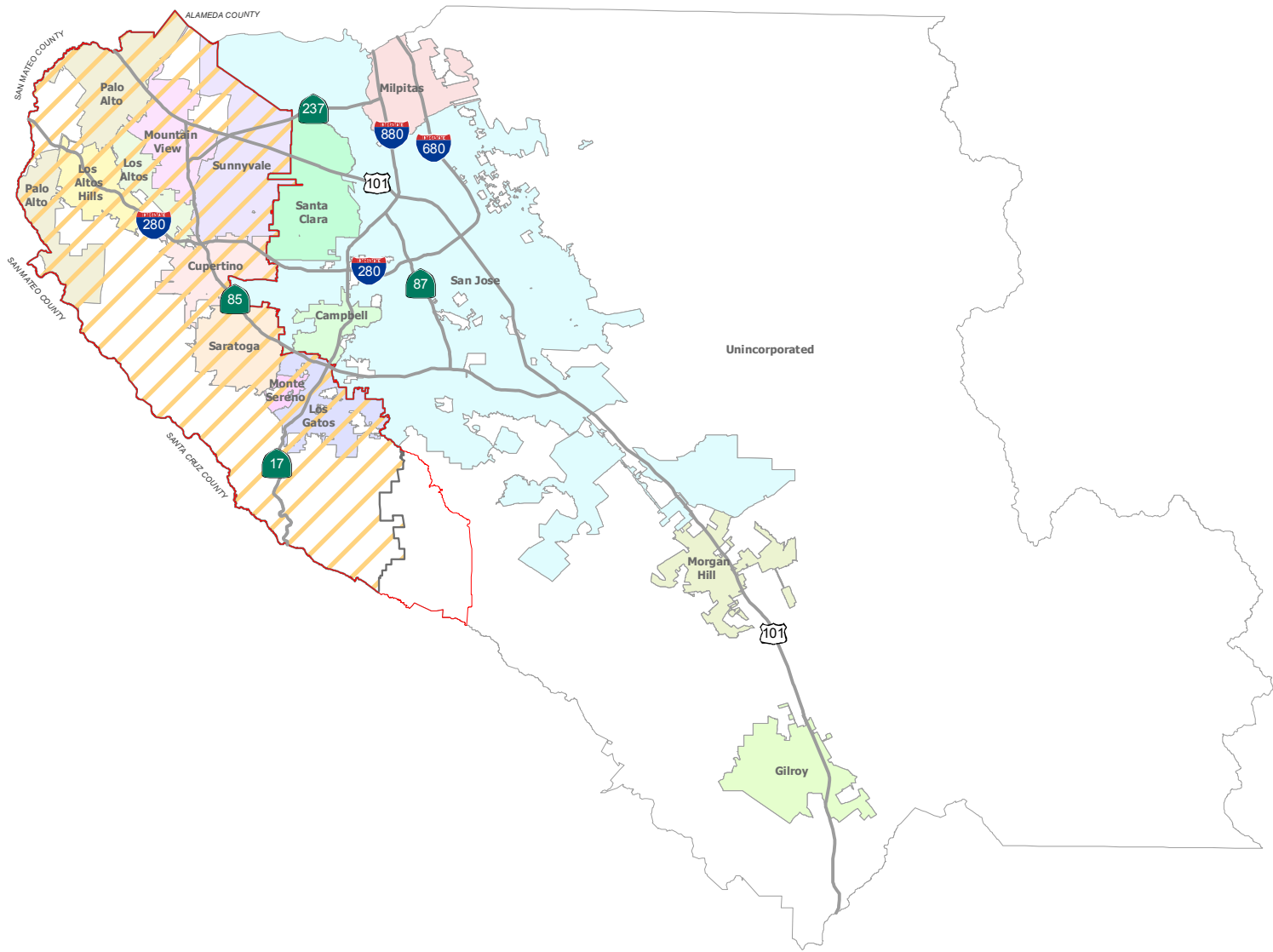
The District was formed in 1972 pursuant to the California Public Resources Code (PRC) beginning with section 5500 et seq., including lands in the northern and western portions of Santa Clara County. In June 1976, the southern and eastern portions of San Mateo County were annexed to the District. The District annexed a small portion of the northern tip of Santa Cruz County in 1992, making it the only tri-County park or Open Space District in the State. In September 2004, the District completed the Coastside Protection Program, which extended the District boundaries to the Pacific Ocean in San Mateo County, from the southern borders of Pacifica to the San Mateo/Santa Cruz County line. This annexation increased the size of the District from 331 to 556 square miles.

17.2 DISTRICT PURPOSE

The Midpeninsula Regional Open Space District's purpose is to purchase, permanently protect, and restore lands forming a regional open space greenbelt; preserve unspoiled wilderness, wildlife habitat, watershed, viewshed, and fragile ecosystems; and provide opportunities for low-intensity recreation and environmental education. The District primarily acquires or otherwise preserves land outside the urban service area (USA) boundaries of cities that has regionally significant open space value.

17.3 GOVERNANCE AND ADMINISTRATION

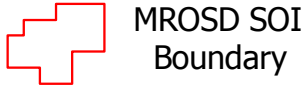
The District is divided into seven geographic wards, each represented by an elected Board member, for a 4-year term. The Board holds public meetings on the second and fourth Wednesdays of each month at 7:30 p.m. at the District offices.



Scale
1:450,000

Mid-Peninsula Regional Open Space District

District Boundary Within Santa Clara County *District boundary also includes portions of San Mateo County and Santa Cruz County



The public is invited and encouraged to attend these meetings and to participate in the decision-making process. In addition, special public hearings and neighborhood meetings are held periodically on specific issues.

The District works through a variety of means and media to inform the public of the District's goals and objectives. The District maintains a subscriber mailing list of over 70 individuals, organizations, and agencies for announcements of Board meetings and events. The District implements its adopted Public Notification Policy to ensure that a concentrated effort is made to inform surrounding landowners and interested members of the public of District activities that may interest or affect them such as land acquisitions, grant applications, and land use planning projects and policies. The Public Notification Policy supplements any public notice required by law and is intended to provide the broadest opportunity for public participation in and input on various District issues. Press releases are regularly sent to local and regional newspapers to reach a wider public audience.

Staff

The District's staff currently consists of 95 employees in five departments: Administration, Real Property, Public Affairs, Planning, and Operations. The majority of the District staff is in Operations. Currently there are 22 rangers appointed as peace officers responsible for patrol, maintenance, and visitor contact in the preserves and 22 maintenance staff responsible for maintenance and improvement projects. Seasonal staff is also hired to assist with maintenance projects. Staff resources are reviewed on an annual basis during preparation of the District's action plan and budget for the ensuing fiscal year.

17.4 FINANCE

As shown in Table 17.A, the District's revenue is largely from property taxes and grants. Property tax revenue amounts to approximately 1.7 cents per \$100 of assessed property value. The Board of Directors adopted the District's budget for Fiscal Year (FY) 2006–2007 on March 22, 2006. This budget assumes lower growth in underlying property tax revenue (approximately 5 percent) due to slower turnover of residential property in both the Santa Clara and San Mateo County portions of the District. The District receives approximately two-thirds of its tax revenue from Santa Clara County and one-third from San Mateo County.

Table 17.A: Sources and Uses of District Funds, FY 2006–2007

Sources of Funds	Revenue
Property tax revenues	\$21,887,000
Grant income	\$5,392,000
Interest income	\$1,300,000
Property management: rental income	\$825,000
Other income	\$200,000
Total Revenues	\$29,604,000

Uses of Funds	Expenses
Debt Service	\$7,162,230
Salaries and Benefits	\$7,891,391
Service and Supplies	\$3,253,199
Fixed Assets	\$33,023,500
Total Expenditures	\$53,330,320

Source: Midpeninsula Regional Open Space District, Adopted Budget FY 2006–2007

Table 17.B provides the District’s revenues and expenditures for 2005 and 2006. As shown, the District’s revenues have exceeded expenditures.

Table 17.B: District Revenues and Expenditures

	2006	2005
Revenues	\$31,793,933	\$22,917,554
Expenses	\$17,037,053	\$15,825,954
Change in Net Assets	\$14,756,880	\$7,091,600

Source: Annual Financial Report, March 31, 2006

District Debt

As of March 31, 2006, the District’s long-term liabilities consist of \$0.9 million in compensated absences; \$2.0 million of subordinated notes issued to sellers in District land purchase transactions; \$107.1 million of authority revenue bonds sold to the public in 1996, 1999, and 2004; \$4.6 million of refunding promissory notes sold to the public in 2005; and \$16.3 million of accreted interest, unamortized premium, and unamortized loss on refunding. The District is rated AAA by Moody’s and Standard and Poor’s.

Investments

The District’s investment policy, consistent with the Government Code of California, authorizes the District to invest in the County of Santa Clara Treasurer’s investment pool, obligations of the United States Treasury or its agencies, certificates of deposit, bankers’ acceptances, guaranteed and bank investment contracts, commercial paper, and mutual funds invested in United States Government securities.

Cost Savings

The District is a member of the California Joint Powers Insurance Authority. The purpose of the Authority is to arrange and administer programs for the pooling of self-insurance losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages.

17.5 PRESERVES

The District's 26 preserves range from 55 to nearly 17,000 acres; 24 of these are open to the public free of charge, 365 days a year, from dawn until one-half hour after sunset. Open space preserves are generally kept in a natural condition in order to best protect the environment and wildlife habitat and are developed with only the amenities needed to provide low-intensity recreation. Improvements may include gravel parking areas; restrooms; signed trails for hiking, bicycling, and equestrian and dog use; and an occasional picnic table. There are no infrastructure needs or deficiencies related to the service of the District. Properties the District acquires and/or manages have few, or very limited, existing improvements or needs for infrastructure. Table 17.C provides a list of the name of preserves, locations, amenities, and acreages.

Shared Facilities

The District works with other public recreation and open space providers, conservation agencies, nonprofit land trusts, and community organizations for the preservation and management of open space resources that are regionally significant. District participation could include partial financing for land acquisition; temporary receivership or property; coordination of technical planning and legal services relating to open space issues; joint grant proposals; cosponsorship and participation in demonstration projects; and joint open space resource management. Table 17.D lists the District's shared facilities.

There is no opportunity to consolidate or reorganize any combination of the service providers listed in Table 17.D because they are distinctly different types of organizations, each individual provider is organized under different enabling legislation from that of the District, and each provides distinctly different types and ranges of open space and recreational services. Moreover, the District provides a unique set of services that are complementary to those provided by other service providers. Finally, the District's service fills a gap in the need for open space protection, passive recreation opportunities, and open space management services that other agencies do not have the capacity to provide.

Table 17.C: MROSD Preserves

Preserve	County	Amenities	Acreage
Bear Creek Redwoods	Santa Clara Santa Cruz	43 miles of trail. Public access for hiking and horseback riding in designated areas is available by permit only.	1,343
Coal Creek	San Mateo Santa Clara	5 miles of trails, including a historic trail. The preserve's 5 miles of trails provide important trail connections between Skyline Boulevard and Alpine Road for hikers, bicyclists, and equestrians.	493
El Corte de Madera Creek	San Mateo	36 miles of multiuse trail are available for exploration at this 2,821-acre preserve. While this preserve is popular with bicyclists, it also has lots of hiking and horseback riding opportunities.	2,817
El Sereno	Santa Clara	The preserve's nearly 6 miles of wide, gradual trails are open to hikers, bicyclists, and equestrians. A 3-mile trek along the ridge offers visitors spectacular panoramic views of Lexington Reservoir, Sierra Azul and St. Joseph's Hill Open Space Preserves, and the South Bay.	1,412
Foothills	Santa Clara	A grassy ridgetop surrounded by steep chaparral-covered slopes, with oak-madrone woodland in the ravines and on the north-facing slopes. A 0.5-mile trail leads from Page Mill Road to a grassy knoll, offering a view of the South Bay.	211
Fremont Older	Santa Clara	This preserve offers a variety of experiences to hikers, bicyclists, and equestrians: open hayfields, Seven Springs Canyon, and Hunters Point, a 900-foot hilltop offering sweeping views of the Santa Clara Valley.	739
La Honda Creek	San Mateo	A special permit is required to access this preserve. Open to equestrians and hikers.	2,078
Loma Ridge	San Mateo Santa Cruz	Open to hikers, cyclists, and equestrians. The Bay Area Ridge Trail Runs through the preserve, connecting Long Ridge with Skyline Ridge Open Space Preserve. This portion of the Ridge Trail is one of the longest continuous segments (13 miles), extending from Sanborn-Skyline County Park to the northern boundary of Russian Ridge Open Space Preserve.	1,985
Los Trancos	San Mateo Santa Clara	Visitors will find rolling grassland knolls alternating with oak woodland and cool shaded forest. Located in the Santa Cruz Mountains above Palo Alto, this is an ideal spot to learn about earthquake geology. There is a 1.5-mile self-guided tour the San Andreas Fault Trail.	274
Mills Creek		Public access is currently limited pending trail planning and development	TBD
Monte Bello	Santa Clara San Mateo	Approximately 15 miles of trails are available to explore. For example, the Stevens Creek Nature Trail, with a self-guided 3-mile loop with interpretation, descends into the forested canyon,	2,943

Preserve	County	Amenities	Acreage
		continues along the creek, and heads back up through grasslands.	
Picchetti Ranch	Santa Clara	Winery built in the late 1890s and operated for many years under the Picchetti Brothers label. The District purchased the winery, homestead, and surrounding property in 1976.	308
Pulgas Ridge	San Mateo	An easy-access “connector” trail links the preserve’s parking area with the 0.8-mile Cordilleras Trail, which is designed to accommodate wheelchairs, strollers, or visitors desiring a less strenuous open space experience.	366
Purissima Creek Redwoods	San Mateo	21 miles of developed trails and historical logging roads provide opportunities for easy walks or long, strenuous hikes or rides.	3,110
Ranch San Antonio	Santa Clara	This Preserve, combined with the adjoining 165-acre County Park, offers visitors a unique experience with a sampling of diverse environments, interesting cultural history, and a variety of activities. The most popular activities are jogging and hiking. Stretching bars are available at the restroom parking area and equestrian staging area. The park provides hiking, bicycling, and equestrian trails, which connect with additional trails within the Open Space Preserve.	3,800
Ravenswood	San Mateo	Comprised of two noncontiguous areas located south of the Dumbarton Bridge and adjacent to San Francisco Bay. The marsh attracts a variety of migrating birds, including sandpipers, dowitchers, and avocets. Great blue herons, white pelicans, and egrets are also common. Public access improvements include a bicycle and pedestrian trail along the levee surrounding the marsh, a 12-car parking lot, and two observation decks. The trail and observation decks are wheelchair-accessible.	373
Russian Ridge	San Mateo Santa Clara	Eight miles of trails are available at Russian Ridge. The Bay Area Ridge Trail continues north from Skyline Ridge Open Space Preserve along the ridge to Rapley Ranch Road, providing views of both the Pacific Ocean and the San Francisco Bay.	1,822
St. Joseph’s Hill	Santa Clara	St. Joseph’s Hill is a popular destination, offering trails that will challenge hikers, bicyclists, and equestrians.	268
Saratoga Gap	Santa Clara Santa Cruz	2-mile multiuse Saratoga Gap Trail provides opportunities for bikers, cyclists, and equestrians.	1,291
Sierra Azul	Santa Clara Santa Cruz	The environment of Sierra Azul is strikingly varied. One can visit serpentine grasslands, hard, rocky, and steep chaparral, dense stands of bay trees, or quiet, shaded oak woodland forests. For the more experienced explorers, there are deep ravines and riparian corridors, some containing seasonal or year-round water flow.	16,879

Preserve	County	Amenities	Acreage
Skyline Ridge	San Mateo Santa Clara	Offers 10 miles of trail for exploration. Two 1-mile trails are accessible to wheelchairs and baby strollers: one encircling Alpine Pond and another hugging the shores of Horseshoe Lake. Several picnic tables overlook Horseshoe Lake. Views of the Lambert Creek watershed, Butano Ridge, and Portola State Park will impress the hiker who makes this trek.	2,143
Stevens Creek Shoreline Nature Study Area	Santa Clara	Offers a 0.5-mile trail where visitors may spot pied-billed grebes, great blue herons, coots, and shovelers. The lucky birder may even spot a clapper rail or a salt marsh harvest mouse, two endangered species that depend on this sensitive habitat to survive.	55
Teague Hill	San Mateo	Private Property and California Water Service Company Property make it difficult to visit the majority of Teague Hill. Currently, there is only one designated trail that touches Teague Hill Preserve, and there are no plans in the near future to create additional designated trails.	626
Thornewood	San Mateo	The preserve's 0.75-mile trail gradually winds through sunlit canopies of big-leaf maples and moss-covered oaks and ends under the shade of the giant redwoods that surround Schilling Lake. Schilling Lake is an excellent site to view waterfowl during their migration.	163
Windy Hill	San Mateo	Visitors can meander through a variety of habitats along the preserve's 13 miles of trails. Hikers and equestrians use the Hamms Gulch, Eagle, Razorback Ridge, and Lost Trails to make an 8-mile loop through forested ridges to the valley floor and back again. The Anniversary Trail provides a short hike atop Windy Hill, with views of the bay and surrounding valley. Popular among bicyclists is the Spring Ridge Trail, which descends from Skyline Boulevard and continues along a grassy ridge to Portola Valley. Windy Hill is an ideal spot for kite flying. Hang gliding, paragliding, and remote control gliding are allowed by obtaining a special permit.	1,306
Total			46,805

Table 17.D: MROSD Shared Facilities

Preserve/Park	County	Agency/District	Acres	Shared Facility/Agreement
Edgewood County Park	San Mateo	County of San Mateo	468.00	Conservation easement
Monte Bello	Santa Clara	City of Palo Alto	85.37	Management agreement
Rancho San Antonio	Santa Clara	County of Santa Clara	165.00	Management agreement
Ravenswood	San Mateo	State Lands Commission	98.00	Conservation easement
Saratoga Gap	Santa Clara	Saratoga Unified School District	2.10	Conservation easement
Stevens Creek Shoreline	Santa Clara	Santa Clara Valley Water District	1.00	Road easement
Deer Hollow Farm at Rancho San Antonio	Santa Clara	City of Mountain View & County of Santa Clara	N/A	Management agreement
Jacques Ridge (Almaden/Quicksilver County Park & Sierra Azul)	Santa Clara	County of Santa Clara & MROSD	900.00	Conservation easement
Hacienda Park (Sierra Azul)	Santa Clara	County of Santa Clara	130.00	Conservation easement
Golden Gate National Recreation Area*	San Mateo	San Mateo	1,227.26	Co-ownership*
Pulgas Ridge	San Mateo	City & County of San Francisco	N/A	Revocable trail permit
Moody Gulch (Sierra Azul)	Santa Clara	County of Santa Clara	160.00	Conservation easement
Long Ridge	Santa Cruz	California State Parks	N/A	Encroachment permit for shared trailhead

Source: San Mateo LAFCO Service Review and Sphere of Influence Information, December 2003

17.6 SERVICE REVIEW DETERMINATIONS FOR THE DISTRICT

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. There are no infrastructure needs or deficiencies related to the services of the District. Properties the District acquires and/or manages have few, or very limited, existing improvements or needs for infrastructure.

Growth and Population

1. Based on Association of Bay Area Governments (ABAG) projections, the County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. The District's service provision is not directly related to population growth. However, population growth could increase development pressure on nonpreserved open space lands, making the District's acquisition of these areas more difficult.

Financing Constraints and Opportunities

1. The District's financing is largely gained from property tax revenue and grant income. The District's revenues have been exceeding expenses, the District is rated AAA by Moody's and Standard and Poor's, and no financing constraints appear to exist.

Cost-Avoidance Opportunities

1. The District is a member of the California Joint Powers Insurance Authority. This membership provides cost savings related to insurance services.
2. The District's pursuit of grant funding provides cost savings.

Opportunities for Rate Restructuring

1. The District does not levy rates for services. Hence, no opportunities for rate restructuring have been identified.

Opportunities for Shared Facilities

1. The District explores and engages in joint projects to maximize the opportunities for preservation of open space. Currently, the District has numerous shared facilities.

Government Structure Options

1. There is no opportunity to consolidate or reorganize any combination of open space service providers located within the District's boundary because the District provides a unique set of services that are complementary to those provided by other service providers, and the District's service fills a gap in the need for open space protection, passive recreation opportunities, and open space management services that other agencies do not have the capacity to provide.

Evaluation of Management Efficiencies

1. The District's cooperative projects with other agencies provide management efficiencies in the provision of open space services.

Local Accountability and Governance

1. The District ensures that local accountability and governance standards are met by holding meetings pursuant to the Brown Act, maintaining a subscriber mailing list, and implementing a Public Notification Policy.

17.7 SOI RECOMMENDATION FOR THE MROSD

Current SOI Boundary

Within Santa Clara County, the District's existing SOI includes all of the County area, except for lands within the Santa Clara County Open Space Authority's SOI. Specifically, the District's SOI is generally coterminous with its boundary, except for the southernmost portion, which includes unincorporated lands. This area is one of only two areas within Santa Clara County that is not included in an open space district; the other area being the City of Gilroy. Within San Mateo and Santa Cruz Counties, the District's SOI is coterminous with its boundaries.

SOI Recommendation

Any expansion of the District's SOI within Santa Clara County would overlap with areas of the Santa Clara County Open Space Authority's SOI. Therefore, it is recommended that the Local Agency Formation Commission (LAFCO) reaffirm the existing SOI for the District.

17.8 SOI DETERMINATIONS FOR THE DISTRICT

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the District's existing SOI.

- 1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands**

The District encompasses the Cities of Palo Alto, Mountain View, Sunnyvale, Los Altos, Los Altos Hills, Cupertino, Saratoga, Monte Sereno, Los Gatos, as well as the unincorporated area of the County that is not within the Santa Clara County Open Space Authority. These areas contain a wide range of land uses, including all types of urban uses to large areas of hillside, open space, and agricultural uses. Generally, unincorporated areas within the County are designated Rural County. However, numerous unincorporated pocket areas exist that are developed with urban uses. Development within the cities ranges from fully developed urban areas to expansive hillside, open space, and agricultural lands.

Finding: Planned land uses throughout these areas are generally similar to those of the existing uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. The District's service provision is not directly related to population growth. However, population growth could increase development pressure on nonpreserved open space lands, making the District's acquisition of these areas more difficult.

Finding: The District is expected to continue to acquire lands for open space preservation throughout its boundary.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

Finding: The present capacity of service provided by the Open Space District appears to be adequate.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

Due to the unique service that the District provides, all lands within the District's boundary could be considered a community of interest. Specifically, nonpreserved open space areas that are of regional significance would be considered communities of interest.

Finding: All lands within the District's boundary are considered communities of interest.

18.0 RANCHO RINCONADA RECREATION AND PARK DISTRICT

Rancho Rinconada Recreation and Park District (District) is a California Special District that was organized in 1955 and reorganized in 1958 in conformity with Government Code Section 25842.5. The District provides the following services: public swimming and swim lessons, private meeting hall, craft activities, picnic rentals, movies for kids-night-out, facility and barbeque rentals, a snack bar, and a location for community-related activities. User fees are charged.

The District is located within the City of Cupertino. The District's boundaries consist of the Rinconada Housing Tract and the Barrington Bridge Housing Tract. Specifically, the District is bound on the north by Barnhart Avenue and Stevens Creek Road; and on the south by Bollinger Road. Lawrence Expressway forms the eastern boundary and Tantau and Stern Avenue form the western boundary. The District serves these two housing tracts within the City of Cupertino; however, residents from other areas can receive services by paying higher fees.

18.1 GOVERNANCE

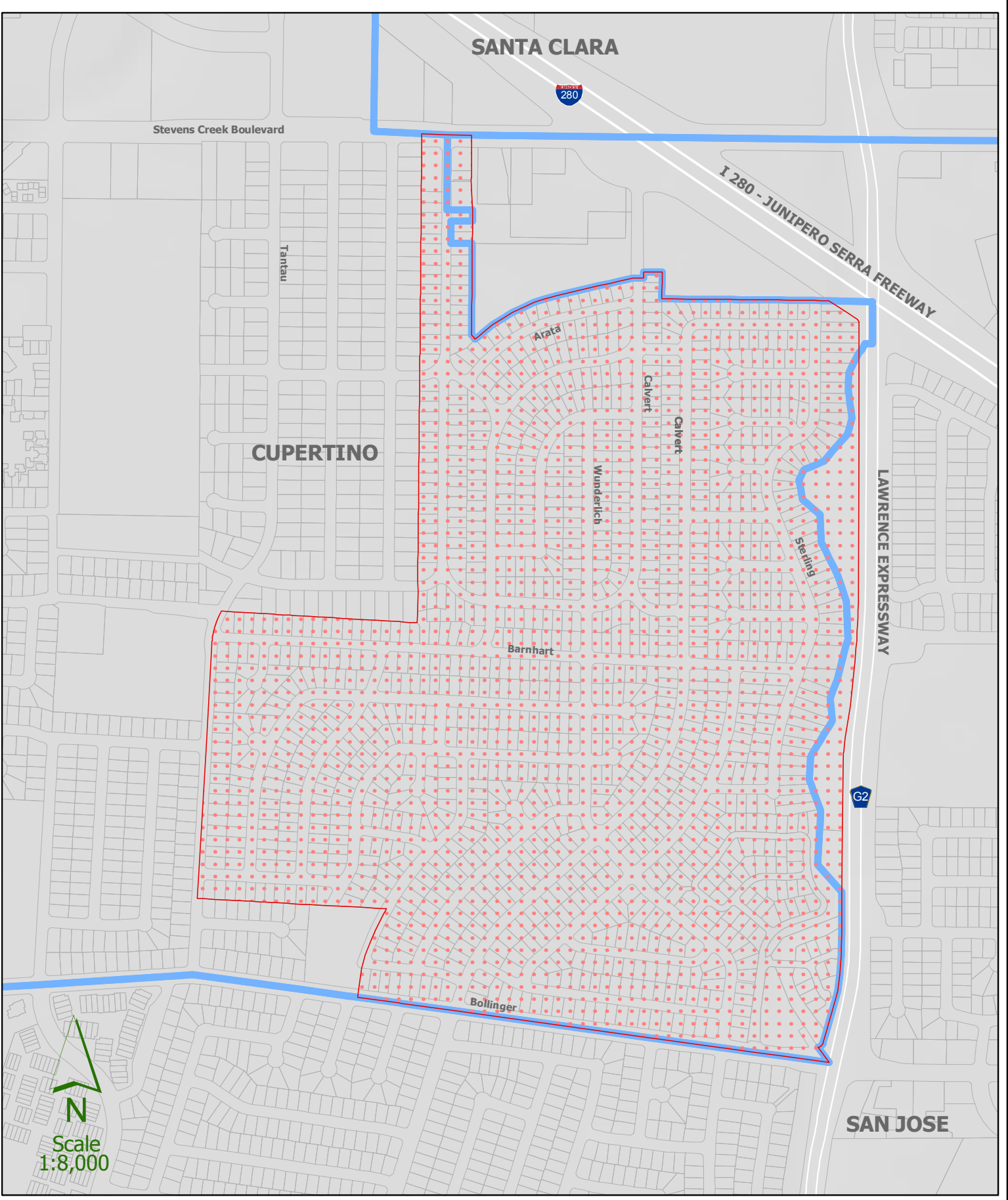
The District is governed by a five-member Board of Directors, which is either elected by District residents or appointed by the Santa Clara County Board of Supervisors in the case that no one is running for Board membership. Currently, all of the Board seats are filled and all of the Board members have been appointed by the County Board of Supervisors. The most recent appointments occurred in December of 2006, when three seats were filled by appointment because no one filed a declaration of candidacy.

The Board of Directors meets the first Tuesday of each month at 7:15 p.m. at the District facility. Meeting agendas are posted 3 weeks prior to the meeting on the District's bulletin board in its main office. In addition, the District produces a monthly flyer and calendar of events that is posted online and on the main office's bulletin board.


The District has no full time employees. The District currently employs approximately 35 part-time employees in the summer and 12 part-time year-round. The District Manager position is a part-time position.

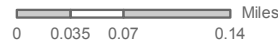
18.2 FINANCE

The following table presents the District's revenues and expenses for fiscal years (FY) 2004 and 2005, as shown in the District's audited financial statements. Approximately two thirds of the District's revenue is funded through property tax assessments collected by the County of Santa Clara. The remaining revenue is generated via fee for services provided. As shown, revenues have exceeded expenses for these two fiscal years.



Rancho Rinconada Recreation and Park District

 Boundary
  Cities





 Local Agency Formation Commission of Santa Clara County

Table 18.A: Revenues and Expenses for FY 2004 and 2005

	2005	2004
General Revenue		
Property Taxes	\$199,259	\$197,053
Interest Income	\$2,879	\$1,447
Miscellaneous	\$109,700	\$98,321
Grants	\$270,000	\$0
Total Revenue	\$581,838	\$296,821
Expenses		
Payroll	\$164,973	\$146,583
Payroll Taxes	\$12,509	\$11,153
Operating Expenses	\$101,107	\$91,825
Depreciation	\$17,552	\$16,164
Total Expenses	\$296,141	\$265,725
Changes in net assets	\$285,697	\$31,096

Source: Rancho Rinconada Recreation and Park District Audited Financial Statements, June 30, 2005.

Total revenue in 2005 increased by \$285,017, and total expenses increased by \$32,545. These changes in revenue from 2004 were primarily caused by the replacement of a new and bigger pool in spring of 2005. The majority of the increases in revenue was due to the receipt of two grants totaling \$270,000 from the California State Parks and Recreation Department. Also, some of the increase in revenue was due to an increase in recreation program prices, as a larger pool would use more water and takes more gas to heat. Total expenses increase by \$32,545, or 12.2 percent, due to increases in total salaries paid and new pool start-up expenses.

The District reviews rates for services every year during the budgeting process. The need to increase rates is based on the previous year's expenditures and income and the next year's projected expenditures. The District will raise rates if during the budget process there appears to be a need to offset increasing operating costs. However, the District has historically chosen not to raise rates whenever possible.

The recreation programs and facilities are open to anyone, including residents outside the District boundaries. However, residents living outside of the District pay higher fees than residents within the District. The increased costs vary from \$0.50 to \$25, depending on the service or program.

Investments

The District participates in the County investment pool, which is subject to State legal restrictions and additional restrictions prescribed by the County.

Reserves

The District has established a reserve fund. The District's policy is to maintain a reserve level equivalent to 30 percent of the annual operating budget. The District's reserve balance as of February 2007 was \$174,194.¹

18.3 INFRASTRUCTURE

The District has one two-acre recreational facility located on Chelmsford Drive in the City of Cupertino. The facility contains a main office, a six-lane, 25-yard swimming pool (120,000 gallons), bathhouse (including 2 restrooms and 2 showers), snack bar, kitchen, and recreational hall.

With the recent replacement of the swimming pool in 2005, there are currently no major infrastructure deficiencies. However, the District has stated that the current anticipated needs include, but are not limited to: replacing the toddler/child playground equipment, parking lot improvements, replacement fencing and signage, and new roofing. Additionally, the District's main office was built for residential purposes; therefore, many of the electrical fixtures and plumbing requires upgrades to service a commercial-oriented property. The District makes plumbing and electrical upgrades when a specific need arises. However, there are no current plans to upgrade the overall plumbing and electrical infrastructure to commercial standards.

The District identifies cost-savings opportunities, which include grant funding and the use of volunteers. The District allows community groups such as Boy Scouts, soccer teams, and homeowners associations to meet in its recreational hall to hold meetings on an as-needed basis.

18.4 SERVICE REVIEW DETERMINATIONS FOR RANCHO RINCONADA RECREATION AND PARK DISTRICT

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. There are currently no major infrastructure deficiencies. However, the District has stated that the current anticipated needs include, but are not limited to: replacing the toddler/child playground equipment, parking lot improvements, replacement fencing and signage, and new roofing.
2. The District's main office was built for residential purposes; therefore, many of the electrical fixtures and plumbing requires upgrades to service a commercial-oriented property. The District makes plumbing and electrical upgrades when a specific need arises. However, there are no current plans to upgrade the overall plumbing and electrical infrastructure to commercial standards.

¹ Phone Interview, Levita Weaver, Office Manager, February 28, 2007.

Growth and Population

1. The District encompasses specific housing developments that are fully developed. The maximum service area of the District is defined by its current boundaries. No new development in the District is anticipated.

Financing Constraints and Opportunities

1. The District has had revenues exceed expenditures for the past several years and has an adequate reserve fund balance. No financing constraints have been identified.

Cost-Avoidance Opportunities

1. The District identifies cost-savings opportunities, which include grant funding and the use of volunteers.

Opportunities for Rate Restructuring

1. Service rates are evaluated annually along with preparation of the budget. The District raises rates as operating costs increase. However, the District has historically chosen not to raise rates whenever possible.

Opportunities for Shared Facilities

1. Opportunities for shared facilities, equipment, or staff may occur if the District were consolidated with the City of Cupertino.

Government Structure Options

1. The District is within the City of Cupertino, which also provides pools and recreation programs. Hence, an overlapping of service provision exists. The following two government structure options have been identified.
 - A. Dissolution of the District and consolidation with the City of Cupertino Parks and Recreation Department: The services being provided by the District would be provided by the City's Parks and Recreation Department.

Advantages: The existing overlap of service provision by two different agencies would be eliminated; however, services would continue to be provided. The services currently being provided by the District would be provided by the City. Property tax funds used to fund the District could be redistributed to other agencies, including the City. The cost of operating a separate public agency to provide services would be eliminated.

Disadvantages: A specific share of the property tax funds would not be specifically allocated to the recreational facility located on Chelmsford Drive. Residents of the areas adjacent to the recreational facility may not be governing the use of the facility and the services being offered at the facility.

- B. No change to the existing government structure: The District would continue to provide one recreational facility within the City of Cupertino and receive a share of the property taxes to fund its services.

Advantages: Residents of the areas adjacent to the recreational facility would continue to govern its use and services being provided. The specific allocation of property tax funds provided to the District would ensure that the services currently being provided by the District would receive funding.

Disadvantages: The existing overlap of service provision by two different agencies would remain. Property tax funds used to fund the District would not be redistributed. The cost of operating a separate public agency to provide one recreational facility and the associated services would continue.

Evaluation of Management Efficiencies

1. The overall management of service provision would appear to be more efficient if the District were consolidated with the City of Cupertino and the District were dissolved.

Local Accountability and Governance

1. The District has an elected Board of Directors and notices meetings by typically posting the agenda 3 weeks prior to the meeting date.

18.5 SOI RECOMMENDATION FOR RANCHO RINCONADA RECREATION AND PARK DISTRICT

Current SOI Boundary

The Rancho Rinconada Recreation and Park District encompasses the Rinconada Housing Tract and the Barrington Bridge Housing that are within the City of Cupertino and within Cupertino's urban service area (USA). LAFCO adopted the existing zero SOI for the District in 1982 to recognize that the area should ultimately be served by the City of Cupertino rather than the District.

18.6 SOI BOUNDARY RECOMMENDATION

As LAFCO and County policies regarding service provision have remained the same since adoption of the existing SOI, it is recommended that LAFCO reaffirm the existing zero SOI for the District.

18.7 SOI DETERMINATIONS FOR RANCHO RINCONADA RECREATION AND PARK DISTRICT

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the District's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

Finding: The District encompasses two fully developed housing tracts. There are no agricultural or open space lands within the District's SOI. As the area is fully developed, planned land uses in the area are consistent with the existing uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The District and its facilities were formed and developed to serve the two housing tracts that encompass the District. As the area is fully developed, the need for additional public services that are provided by the District is not expected to change.

Finding: No new development in the District is anticipated. Hence, the need for additional public services that are provided by the District is not expected to change.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

Finding: The present level of services provided by the District appears to be adequate.

4. 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 encompasses a specific residential area within the City of Cupertino.

Finding: The District is part of the social and economic community of the City of Cupertino.

19.0 SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)

The services that are provided by the Santa Clara Valley Transportation Authority (VTA) are evaluated in this service review.

19.1 HISTORY

Countywide public transit service in Santa Clara County began on June 6, 1972, with the creation (by State legislation) of the Santa Clara County Transit District pursuant to the Santa Clara Transit District Act, California Public Utilities Code Sections 100,000–100,500. This organization initiated countywide bus service, expanded the bus fleet, and developed an initial light rail system. In January 1995, the Transit VTA was designated as the region’s Congestion Management Agency, thus undertaking another major responsibility: managing the County’s plan for reducing congestion and improving air quality. Effective January 1, 2000, the name of the organization was changed to the Santa Clara Valley Transportation Authority.

The VTA is a countywide agency; the boundaries of the agency are coterminous with the boundaries of the County.

19.2 GOVERNANCE

The VTA Board of Directors has 17 members and 2 ex-officio members, all of whom are elected officials appointed to serve on the Board by the jurisdictions they represent. Fourteen Directors are city council members and three are County Supervisors. Twelve Directors serve as voting members and five serve as alternates. The ex-officio members are nonvoting members and are Santa Clara County’s representatives to the Metropolitan Transportation Commission. The VTA Board of Directors meets on the first Thursday of every month at 5:30 p.m. at the County Government Center, 70 West Hedding Street, San Jose. Meeting agendas and minutes are posted at the County Government Center and on the VTA’s Web site.

VTA Board members serve a 2-year term and can be reappointed by their respective jurisdiction according to the Board’s rotation schedule. The VTA Board elects a new chairperson and vice chairperson every year. The Board of Directors established several policy committees and advisory committees, as listed below. The committees advise on policy and service matters and provide in-depth review of individual issues before the Board of Directors takes final action.

- Bicycle & Pedestrian Advisory Committee
- Citizens Advisory Committee
- Committee for Transit Accessibility
- Policy Advisory Committee

- Downtown East Valley Policy Advisory Board
- Silicon Valley Rapid Transit Corridor Policy Advisory Board
- Vasona Light Rail Project Policy Advisory Board

Administrative

VTA's General Manager is responsible for day-to-day management of VTA and reports directly to the Board of Directors. With the exception of the General Manager, the Board's General Counsel and the General Council's staff, all VTA staff report to the General Manager. VTA consists of five divisions, each headed by a Chief Officer. The VTA's River Oaks Complex contains VTA's administrative offices in three buildings totaling over 200,000 square feet on approximately 17.5 acres. This complex was purchased in 1991 and opened in 1992.

19.3 FINANCE

The VTA adopts budgets biannually. As shown in Table 19.A, sales tax-based revenues account for a large majority of the VTA's annual operating revenues and labor costs are a large majority of the operating costs.

Table 19.A: VTA Sources and Uses of Funds; FY 2006 Adopted Budget

Sources of Funds	Percentage
Fares	10.3%
1976 ½-cent sales tax	43.5%
Transportation Development Act (TDA)	20.4%
2000 Measure A sales tax	8.0%
State Transit Assistance	2.3%
Federal operating grants	9.6%
State operating grants	0.3%
Investment earnings	0.6%
Advertising income	5.4%
Other income	4.4%
Operating Uses of Funds	
Labor costs	87.4%
Materials & supplies	4.7%
Security	2.9%
Professional services	1.7%
Other services	2.7%
Fuel	3.7%
Traction power	1.2%
Tires	0.4%
Utilities	0.9%
Insurance	1.5%

Data processing	1.0%
Office expense	0.2%
Communications	0.4%
Employee-related expenses	0.3%
Leases	0.2%
Miscellaneous	0.4%

Source: VTA FY 2006 and 2007 Adopted Budget

As shown in Table 19.B, VTA revenues have both exceeded and been below expenses within the last several years. Likewise, the VTA has budgeted for operating expenses to exceed revenues in the fiscal year (FY) ending 2006 and revenues to exceed expenditures in FY ending 2007.

Table 19.B: Summary of Revenues and Expenses

	2004 Actual	2005 Actual	2006 Budget	2007 Budget
Total revenues	\$480,422,000	\$344,644,000	\$325,847,000	\$358,857,000
Total expenses	\$454,942,000	\$454,340,000	\$338,675,000	\$350,657,000
Net revenues (losses)	\$25,480,000	(\$109,696,000)	(\$13,188,000)	\$8,200,000

Source: Comprehensive Annual Financial Report, 2005; VTA FY 2006 and 2007 Adopted Budget

To address funding issues, VTA has been implementing a program of ongoing financial assessments and service changes to achieve a stable financial balance. VTA identified four ways to improve the financial status of the agency:

- Increase existing revenues
- Implement cost-efficiency strategies and changes in service levels
- Reduce the capital program
- Introduce new revenue sources

As an implementation of the methods listed above, a hiring freeze has been implemented, all vacancies were reevaluated before the positions were released for recruitment, and staffing has been reduced by 700 positions since 2002. All capital projects have been reevaluated, and many were either deleted or placed on hold. Fares were raised in July of 2002, again in August of 2003, and also in January 2005 to increase fare revenues.

VTA has been reviewing services that fall below minimum service performance standards. Lines with consistently poor performance (low ridership) were recommended for targeted marketing, service reductions, restructuring, or discontinuation. A service reduction of approximately 17 percent occurred between 2002 and 2004. Likewise, in January 2006, a number of routes were identified for service adjustments or corrective action. Actions to correct underutilized service included marketing activities, route modifications, frequency reductions, and route elimination. The goal has been to bring VTA's operating budget into balance.

Reserves

In accordance with Board policy, 15 percent of the subsequent year operating budget is restricted to meet emergency needs that cannot be funded from any other source. This is to ensure that some funds are available in the event of unanticipated revenue shortfalls or unanticipated expenditures. At the end of FY 2005 the VTA had a total of \$133.3 million in reserves, as shown in Table 19.C.

Table 19.C: Restricted and Unrestricted Reserves as of June 30, 2005

Reserves	Amount (in \$ millions)
Restricted	
Operating Reserves	\$50.8
Local Share of Approved Capital	<u>\$43.0</u>
Total Restricted	\$93.8
Unrestricted	\$39.5
Total Reserves	\$133.3

Source: Comprehensive Annual Financial Report, 2005

Long-Term Debt

At the end of FY 2005, VTA had total bonded debt outstanding of \$708.7 million. Of this amount, \$390 million represents bonds secured solely by the 2000 Measure A Sales Tax, which began April 1, 2006.

19.4 TRANSIT SERVICES

Bus Transit Service

VTA operates an extensive network of local bus routes serving the urbanized portions of Santa Clara County. The service area of approximately 326 square miles contains 69 bus routes. There are approximately 4,400 bus stops and 730 bus shelters. VTA also maintains nine Park & Ride lots – five owned by VTA and four provided under a lease, permit, or joint use agreement with other agencies.

VTA currently has a fleet of 522 diesel-powered buses (40 are 60-foot articulated buses) and 3 hydrogen-fueled zero-emission buses. Of these buses, 430 are part of the active fleet (buses required to meet service demand), 95 are part of an inactive fleet, and the 3 zero-emission buses are part of the zero-emission demonstration program and are used in extra service applications only. The age of VTA's buses in the active fleet, excluding zero-emission buses, ranges from 3 years to over 13 years old, with an average age of 5.8 years. Buses in the active fleet operate an average of 44,000 scheduled miles annually. Buses are operated and maintained from three operating divisions and an overhaul and repair facility.

Of VTA's 4,344 bus stops, over 1,000 have been identified as having some level of deficiency in terms of accessibility. Using various federal grants, approximately 400 stops have been made more accessible to date.

Light Rail Transit Service

VTA operates a 42-mile light rail transit system connecting the Silicon Valley employment areas of Mountain View, Sunnyvale, Santa Clara, North San Jose, and Milpitas to residential areas in East and South San Jose. The light rail transit system has a total of 62 stations and 19 park-and-ride lots. A fleet of 100 light rail vehicles operates on the routes. Each vehicle seats 65 passengers and can accommodate up to 4 wheelchairs and 4 bicycles. Maximum operating capacity is 229 passengers per vehicle. Up to three vehicles can be coupled together.

Table 19.D provides a summary of the annual ridership for the entire transit system, bus system, and light rail system for FY 2001–2006.

Table 19.D: Summary of Annual Ridership for System, Bus and Light Rail

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
System (in 000s)	56,475	52,690	45,222	38,375	37,077	39,218
Bus (in 000s)	47,238	44,901	39,169	32,902	30,297	30,938
Light Rail (in 000s)	9,237	7,790	6,053	5,473	6,780	8,280

Source: Transit Operations Performance Report, 2005–2006

Park-and-Ride Lots

Currently, VTA operates 31 park-and-ride lots, providing approximately 7,000 total parking spaces at light rail stations, transit centers, and other locations. Of these, 23 are owned or leased by VTA and 8 are operated under shared use parking agreements with cities and shopping centers. Additionally, there are 15 park-and-ride lots with a capacity of nearly 5,000 spaces in Santa Clara County for Caltrain service. Seven of these lots are totally or partially owned by VTA.

Paratransit Services

Americans with Disabilities Act (ADA) paratransit service is provided to persons who, because of their disabilities, are unable to independently ride a bus or light rail vehicle, get on or off a bus or light rail vehicle, or get to or from a bus or light rail stop. ADA paratransit must be provided within the same geographic service area and during the same service hours as fixed route bus or light rail service. The maximum fare a public transportation provider can charge for standard ADA paratransit service is twice the adult one-way bus or light rail fare.

VTA contracts with Outreach and Escort, Inc. to serve as a broker and to provide the paratransit service through contracts with private transportation providers. Eligible riders call Outreach to schedule their trips. Outreach then assigns the trips based on the most efficient mode of transportation that can meet the riders’ needs: taxi, accessible van, sedan, or transfer to or from fixed-route services.

Contracted, Interagency and Other Transit Services

VTA is a partner in various ventures that expand the transportation options for customers. These services are operated either by contract or through cooperative agreements. These cooperative agreements are listed below.

Caltrain Peninsula Corridor Joint Powers Board. Caltrain is a commuter rail service provided by the Caltrain Peninsula Corridor Joint Powers Board, which is governed by representatives from San Francisco, San Mateo, and Santa Clara Counties. It operates between Gilroy and San Francisco. There are 31 stations along the line; 15 are located in Santa Clara County. Ninety-six trains operate between San Jose Diridon Station and San Francisco each weekday, with 48 continuing south to the Tamien Station in San Jose. The share of the operating costs apportioned to each member agency is based on morning peak-hour boarding that occurs in each county.

Capitol Corridor Intercity Rail. The Capitol Corridor Intercity Rail Service is a 170-mile-long train corridor from Auburn and Sacramento to San Jose through the Counties of Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, and Santa Clara. The train service parallels the Interstate 80 corridor between Sacramento and Oakland and Interstate 880 between Oakland and San Jose. Service includes stops in Roseville, Sacramento, Davis, Suisun/Fairfield, Martinez, Richmond, Berkeley, Emeryville, Oakland, Hayward, Fremont, Santa Clara at Great America, and San Jose Diridon Station. The Capitol Corridor Joint Powers Authority, which is comprised of representatives from the eight counties served by the corridor, is responsible for managing the service.

Intercounty Bus Service. VTA sponsors two intercounty bus services through cooperative arrangements with other transit systems, the Dumbarton Express, and Highway 17 Express.

The Dumbarton Express is a transbay express bus route between the Union City Bay Area Rapid Transit (BART) Station and the Stanford Research Park in Palo Alto. It provides the only regularly scheduled public transit service over the Dumbarton Bridge.

The Highway 17 Express provides direct bus service from Santa Cruz to Downtown San Jose. It serves over 660 passengers daily during weekdays and over 259 passengers on the weekends and holidays. This service is operated and funded through an agreement between several regional transit districts.

Caltrain Shuttle Program. Caltrain offers an extensive shuttle program throughout San Mateo and Santa Clara Counties. The goal of the program is to connect employment locations to Caltrain, enabling access to jobs that are too distant from the station for a convenient walk. Under this program, VTA offers financial assistance to employers and entities that wish to operate shuttle bus service between light rail stations and nearby employment/activity centers. The service is operated through a private contractor provided by VTA or sponsoring agency. Overall average daily ridership for the routes in Santa Clara County is approximately 2,600.

Light Rail Shuttles. Light rail shuttles typically operate during commute periods, carrying passengers between various light rail stations and major employment sites. VTA currently operates five light rail shuttles in Santa Clara County:

- Downtown Area Shuttle
- River Oaks Shuttle
- IBM Shuttle
- Great America Shuttle
- Kaiser/Veterans Administration Shuttle

Altamont Commuter Express Shuttle. The Altamont Commuter Express Shuttle program connects with trains during the morning and afternoon peak commute periods at the Great America train station in the City of Santa Clara. Currently, the service averages over 700 passengers per day. Eight shuttle routes serve the Great America Station with a total of 10 vehicles.

Contracted and Interagency Services Ridership

Ridership in FY 2006 for these services, provided through cooperative agreements, compared to FY 2005 are as follows:

- Caltrain ridership was 10.15 million, up 7.5 percent. An estimated 4.3 million of these were Santa Clara County boardings.
- Altamont Commuter Express ridership was 641,963, up 0.3 percent. An estimated 270,000 of these were Santa Clara County boardings.
- Dumbarton Express ridership was 212,495, up 10.3 percent. An estimated 96,000 of these were Santa Clara County boardings.
- Highway 17 Express ridership was 187,404, down 5 percent. An estimated 96,000 of these were Santa Clara County boardings.
- Altamont Commuter Express Shuttle ridership was 186,801, up 6.6 percent.
- Light rail shuttle ridership was 549,225, up 76.2 percent.

Ridership and Fares

The VTA Fare Policy established a process for fare review to be conducted in conjunction with the development of a biennial budget. The Board recently authorized two fare increases; the last one was implemented in January 2006 in order to compensate for falling revenues and address operating deficits. The current fixed route fare structure is shown in Table 19.E.

Table 19.E: Fixed Route Fare Structure

Fare Category	Fares
Adult (18–64)	
Single ride	\$1.75
Day pass	\$5.25
Day pass tokens (bag of 5)	\$23.60
Monthly pass	\$61.25
Prepaid 12 month passes	\$674.00
Express single ride	\$3.50
Express day pass	\$10.50
Express monthly pass	\$122.50
Express prepaid 12 monthly passes	\$1,348.00
Youth (5–17)	
Single ride	\$1.50
Day pass	\$4.50
Day pass tokens (bag of 5)	\$20.25
Monthly pass	\$49.00
Prepaid 12-month passes	\$539.00
Senior (65+)/Disabled/Medicare	
Cash	\$0.75
Day pass	\$2.25
Monthly passes	\$26.00
Prepaid 12 monthly passes	\$286.00

Source: Short Range Transit Plan, March 2006

19.5 PERFORMANCE EVALUATION

VTA uses several performance measures to assess system operating reliability. Three key indicators are the percentage of scheduled bus service operated, the number of miles between mechanical schedule loss, and on-time performance. Since FY 2002, the percentage of scheduled bus service operated has consistently exceeded VTA’s adopted goal of over 99 percent. Between FY 1997 and FY 2005, the percentage of scheduled light rail service operated has also consistently exceeded VTA’s adopted goal of over 99 percent. In addition, the systemwide number of miles between mechanical schedule loss increased to an all-time high of 6,702 in FY 2005. This figure exceeded VTA’s adopted goal of 6,475 by approximately 4 percent.

Regarding on-time performance, VTA light rail service was on schedule 99.8 percent of the time in FY 2005. This exceeded VTA’s adopted goal of 95 percent on-time performance. Similarly, bus operations exceeded VTA’s adopted goal in FY 2005, achieving a 99.0 percent on-time performance.

19.6 SERVICE REVIEW DETERMINATIONS FOR VTA

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the

Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. VTA continually monitors and evaluates existing transit services and infrastructure needs and implements capital improvements as appropriate. For example, of VTA's 4,344 bus stops, over 1,000 have been identified as having some level of deficiency in terms of accessibility. Using various federal grants, approximately 400 stops have been made more accessible to date. Similarly, new buses are put online and old buses are retired regularly.

Growth and Population

1. Based on Association of Bay Area Governments (ABAG) projections, the County is expected to experience a moderate growth rate of 1.19 percent annually through 2025.

Financing Constraints and Opportunities

1. VTA revenues have both exceeded and been below expenses within the last several years. Likewise, VTA has budgeted for operating expenses to exceed revenues in FY 2006 and revenues to exceed expenditures in FY 2007. To address these financial issues, VTA has been implementing a program of ongoing financial assessments and service changes to achieve a stable financial balance.

Cost-Avoidance Opportunities

1. VTA is a partner in various ventures that expand the transportation options for customers. These relationships provide additional services at a reduced cost.

Opportunities for Rate Restructuring

1. The VTA has a policy to review fares in conjunction with development of the biennial budget. The Board recently authorized two fare increases; the last one was implemented in January 2006 in order to compensate for falling revenues and address operating deficits.

Opportunities for Shared Facilities

1. VTA is a partner in various projects that utilize numerous shared facilities to provide transportation. These projects include rail, intercounty bus lines, shuttles, bus stops, park-and-ride lots, and transit stations.

Government Structure Options

1. The VTA is governed by a Board of Directors comprised of 17 members and 2 ex-officio members, all of whom are elected officials appointed to serve on the Board by the jurisdictions they represent. No government structure options have been identified.

Evaluation of Management Efficiencies

1. VTA uses several performance measures to assess services. Three key indicators are the percentage of scheduled bus service operated, the number of miles between mechanical schedule loss, and on-time performance. Within the last several years, service has consistently exceeded VTA's adopted goals.
2. A comprehensive route evaluation process is conducted annually in which VTA uses performance indicators to identify routes with substandard performance. This process of monitoring and evaluating services and operations has helped VTA increase operational efficiency through improved service productivity and cost effectiveness.

Local Accountability and Governance

1. The VTA ensures that local accountability and governance standards are met by holding meetings pursuant to the Brown Act and having them available for download on VTA's Web site.

19.7 SOI RECOMMENDATION FOR THE VTA

Current SOI Boundary

The VTA encompasses the entire County and has an existing SOI that is coterminous with the County boundaries.

SOI Boundary Recommendation

As the existing SOI for the VTA is coterminous with the County boundaries, no further outward expansion is possible. Therefore, it is recommended that Local Agency Formation Commission (LAFCO) reaffirm the existing SOI for the VTA.

19.8 SOI DETERMINATIONS FOR VTA

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update VTA's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The Service Area encompasses 10 cities and all of the unincorporated areas within the County. The area contains a wide range of land uses, including all types of urban uses to large areas of hillside, open space, and agricultural uses. Generally, unincorporated areas within the County are designated Rural County. Development within the cities ranges from fully developed urban areas to expansive hillside, open space, and agricultural lands.

Finding: Planned land uses throughout the County are generally similar to that of the existing uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. The need for transportation services would most likely increase with this growth.

Finding: The need for transportation services is expected to increase along with population growth.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

Finding: The present level of services provided by the VTA appears to be adequate.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The VTA encompasses the entire County.

Finding: The VTA currently encompasses all of the communities of interest in the County.

20.0 SARATOGA CEMETERY DISTRICT

The cemetery services that are provided by the Saratoga Cemetery District (District) are evaluated in this service review.

20.1 DISTRICT HISTORY AND SERVICE AREA

The District was created in 1927 to provide burials for residents or taxpayers of the District. The District operates in conformity with the provisions of Part 4 of Division 8 of the Health and Safety Code, beginning at Section 8890. This District is chartered by the California State Health and Safety Code Section 9000, known as the Public Cemetery District Law.

The District includes the Cities of Saratoga and Monte Sereno, in addition to unincorporated lands west of the cities to the County line.

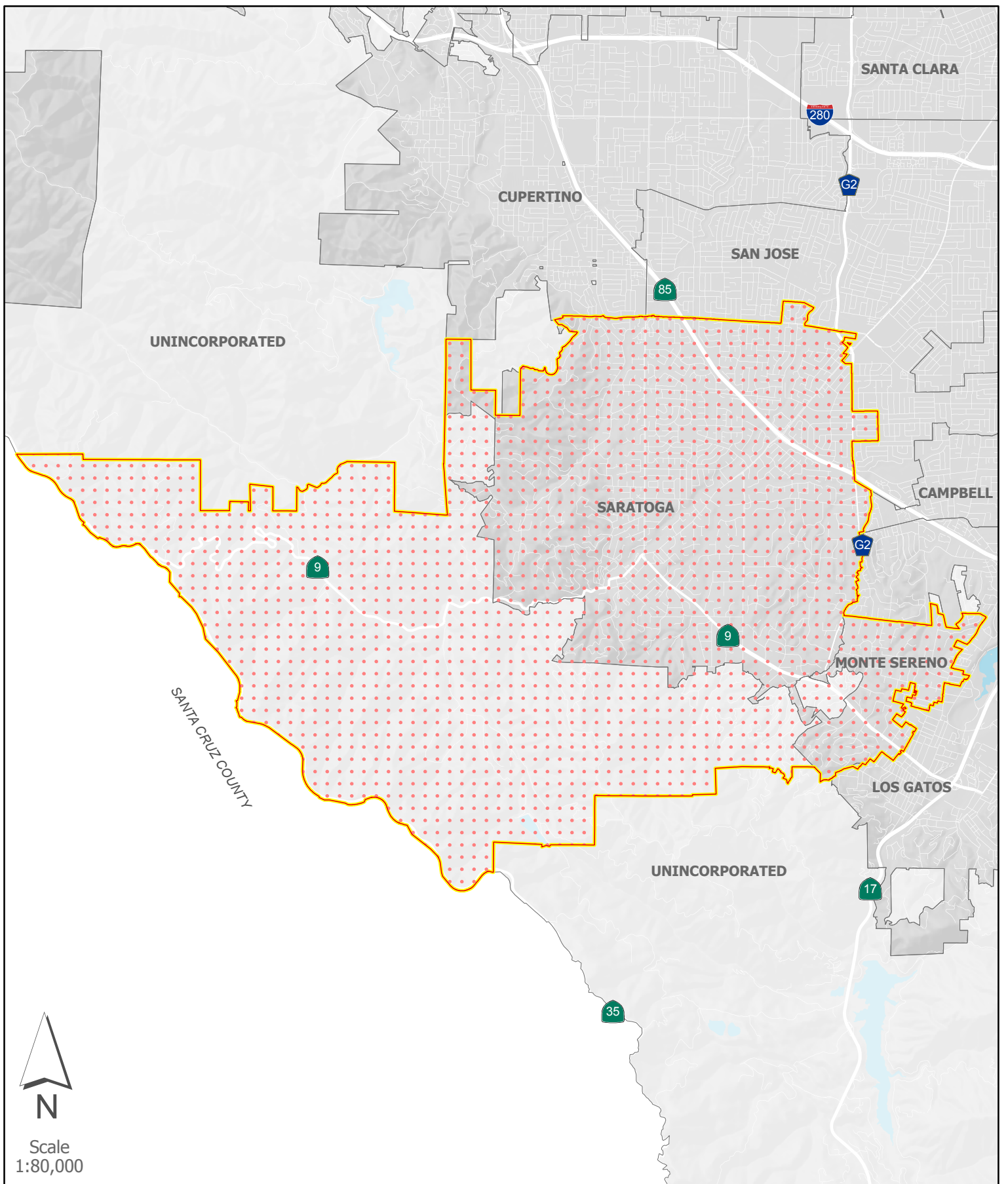
20.2 GOVERNANCE

The District is governed by a five-member Board of Trustees, appointed by the County of Santa Clara's Board of Supervisors, to serve a term of four years and receive a stipend of \$100 for each meeting.

Board meetings are held at the offices of the Saratoga Cemetery District on the second Wednesday of every month at 4:00 p.m. The Agenda is posted five days prior to the scheduled meeting on a bulletin board outside the District offices.



20.3 FINANCE

Each year the District Manager and Fiscal Officer prepare and submit an operating budget to the Board of Trustees no later than June of each year. Table 20.A presents the statement of activities for the District's revenue and expenses and its sources of revenue and expenses for fiscal years (FY) 2004 and 2005. Net assets increased by \$447,268 during FY 2005.



Scale
1:80,000

Saratoga Cemetery District

 Boundary  Sphere of Influence

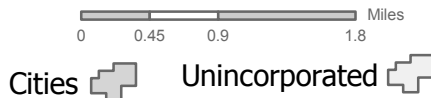


Table 20.A: Statement of Activities

Governmental Activities	2005	2004
Expenses:		
Cemetery operations:		
Salary and benefits	\$184,574	\$152,315
Materials and supplies	\$164,672	\$120,570
Facilities	\$ 17,945	\$ 30,295
Interest on note payable	\$ 39,871	\$ 62,525
Pre-payment penalty on note payable	\$ 24,568	\$ -
Depreciation	\$ 65,221	\$ 65,523
Total Expenses	\$496,851	\$429,228
Program Revenues:		
Charges for services – cemetery operations	\$378,764	\$326,421
Total program revenues	\$378,764	\$326,421
Net program expense	\$118,087	\$102,807
General Revenues:		
Property taxes	\$438,307	\$434,048
Interest earnings	\$ 94,216	\$ 50,909
Rental income – District house*	\$ 24,000	\$ 24,000
Other	\$ 8,832	\$ 1,524
Total general revenues	\$565,355	\$510,481
Change in net assets	\$447,268	\$407,674

Source: Saratoga Cemetery District Annual Financial Report, June 30, 2005

* The District owns a house and a cottage, which are located on the District’s property. Because the District is not utilizing these units, they are being rented.

Reserve Funds

As shown in Table 20.B, the District has established reserves. The District’s reserves and the designations of funds are explained below.

- **Capital Projects Reserve.** This reserve is provided to fund necessary capital projects. Funds in this reserve are not “available” as a resource to meet expenditures in the coming year.
- **Endowment Reserve.** This is a State-mandated fund to provide for upkeep of the cemetery when other sources of funding have ceased or the cemetery is no longer operating.
- **Pre-need Reserve.** This reserve consists of funds that customers have provided for future burial services. These funds are not “available” as a resource to meet other expenditures. This is a fiduciary fund; the money does not belong to the District until it has been moved to the Maintenance & Operations fund to pay for interment expenses at the time services are rendered.

Table 20.B: Reserve Levels as of February 2007

Reserve Fund	Amount
Land acquisition and capital improvements	\$1,329,414
Endowment care	\$1,571,002
Pre-need fund	\$347,140

Source: Gary Reed, Saratoga Cemetery District, February 2006.

Long-Term Debt

During FY 2005, the District paid its debt obligations in full; as of June 30, 2005, the District has no long-term debt.

Rates for Service

The District normally reviews service rates annually in July. Since the District is on a 3-year fixed price contract with its landscape maintenance and interment contractor, it did not review prices last year. The Board increased the rates for interment rights over a 4-year period to get them to the current price; the last increase was in July 2004. The District also increases the price of burial vaults as the cost to the District increases.

Investments

The District participates in the Santa Clara County Pooled Investment Fund. In addition, the District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California.

20.4 CEMETERY SERVICES

The District owns one cemetery (Madronia Cemetery), which is 12.5 acres and is located at 14766 Oak Street in the City of Saratoga. Through this facility the District provides cemetery plots and burials for the residents and taxpayers of the District, including the residents' qualified relatives.

The District has approximately 3,850 full grave sites available; only a small portion of these sites are in currently developed areas and available for sale. The majority of the grave sites are in areas to be developed in the future. The District also has many graves that have been sold, but not yet used. Additionally, there are half-graves for cremation interments and 111 double cremation niches currently available for sale. The District has approximately 40 years left before all graves would be sold out at the current sales rates. However, the District has stated that it is difficult to measure the length of time prior to build out of the cemetery because of many unknown variables such as ratio of full burials to cremation burials, ratio of in-ground cremation burials to cremation niche interments, number of people electing to bury double depth (two full caskets in a grave), and the number of graves lost to development (roads, trees, etc.).

As shown in Table 20.C, the District has averaged 101 burials within the last 10 fiscal years and has sold an average of 97 graves and 34 cremations within the last 10 years. Table 20.D shows sales statistics over the same period.

Table 20.C: Interment Statistics (FY 1996–2007 through FY 2005–2006)

FY	Full Burials	Cremation Burials	Niche Burials	Total
1996–1997	53	27	11	91
1997–1998	60	45	12	117
1998–1999	40	41	15	96
1999–2000	61	33	9	103
2000–2001	50	27	11	88
2001–2002	50	36	11	97
2002–2003	50	32	15	97
2003–2004	53	41	14	108
2004–2005	53	36	17	106
2005–2006	62	34	15	111
Average	53	35	13	101

Table 20.D: Sales Statistics (FY 1996–2007 through FY 2005–2006)

FY	Graves	Cremation
1996–1997	119	31
1997–1998	145	39
1998–1999	89	20
1999–2000	155	39
2000–2001	102	26
2001–2002	55	34
2002–2003	88	51
2003–2004	74	47
2004–2005	64	29
2005–2006	83	24
Average	97	34

The District has stated that it does not have infrastructure deficiencies per se; however, there are several projects under consideration and one in the planning stage. These future improvements include:

- Development of Magnolia Drive (this is where the annual Memorial Day services are held); the area will be paved with paving blocks and other street improvements made
- Construction of a chapel
- Development of current undeveloped area

- Installation of a scattering garden and additional cremation niches
- Purchase of any property contiguous with the existing cemetery when it comes available
- Purchase of an excavator

Given that the District is the only cemetery district in Santa Clara County, and that the District utilizes specialized equipment that needs to be available at all times for serving its constituents, the District has stated that no opportunities for shared facilities or equipment has been identified.

20.5 SERVICE REVIEW DETERMINATIONS FOR SARATOGA CEMETERY DISTRICT

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. The cemetery does not have any existing infrastructure deficiencies; however, the District is considering and/or planning several improvement projects in the cemetery.

Growth and Population

1. Based on Association of Bay Area Governments (ABAG) projections, the Cities of Monte Sereno and Saratoga are expected to experience a moderate growth rate of less than 0.5 percent annually through 2025. This growth is not expected to impact the District's service provision capabilities.

Financing Constraints and Opportunities

1. District revenues have exceeded expenditures within the last several years. Likewise, the District has budgeted for operating revenues to exceed expenditures in FY 2006 and 2007.

Cost-Avoidance Opportunities

1. The District has a 3-year fixed-price contract with its landscape maintenance and interment contractor. This arrangement allows the District to avoid unexpected costs and ensures that costs are reflected in the rates charged to customers.

Opportunities for Rate Restructuring

1. The District normally reviews service rates annually. The last increase was in July 2004.
2. The District increases the price of burial vaults as the cost to the District increases.

Opportunities for Shared Facilities

1. Because the District is the only cemetery district in Santa Clara County and utilizes specialized equipment, no opportunities for shared facilities or equipment have been identified.

Government Structure Options

1. The District is governed by a Board of Directors comprised of 5 members, all of whom are appointed officials by the County Board of Supervisors. No government structure options have been identified.

Evaluation of Management Efficiencies

1. The District provides services through a landscape maintenance and interment contractor. This arrangement is efficient, as the District does not need to manage individual employees; it simply manages the contracts for services. Additionally, the arrangement allows the District to efficiently contract for specific services, as needed.

Local Accountability and Governance

1. The District ensures that local accountability and governance standards are met by holding meetings pursuant to the Brown Act and having the agendas available at the District's office 5 days prior to the meetings.

20.6 SOI RECOMMENDATION FOR THE SARATOGA CEMETERY DISTRICT

Current SOI Boundary

The District's current SOI is coterminous on the east with the Cities of Saratoga and Monte Sereno and on the west with the Santa Cruz County line.

SOI Boundary Recommendation

It is recommended that the Local Agency Formation Commission (LAFCO) reaffirm the existing SOI for the District.

20.7 SOI DETERMINATIONS FOR SARATOGA CEMETERY DISTRICT

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the District's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The District encompasses the Cities of Monte Sereno and Saratoga and areas within the County. The area contains a wide range of land uses, including residential uses to large areas of hillside and open space uses. Generally, unincorporated areas are designated Rural County.

Finding: Planned land uses throughout the cities and County are generally similar to those of the existing uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The cities are expected to experience low growth rates of 0.46 percent in Saratoga and 0.28 percent in Monte Sereno through 2025. The need for cemetery services would most likely increase with this growth.

Finding: The need for cemetery services is expected to increase along with population growth.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

Finding: The present level of services provided by the District appears to be adequate.

4. 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 encompasses the Cities of Saratoga and Monte Sereno and unincorporated land west to the County line.

Finding: The District is part of the social and economic community of the Cities of Saratoga and Monte Sereno.

21.0 WEST BAY SANITARY DISTRICT

The information below provides a short description of the West Bay Sanitary District (District), which is primarily located within San Mateo County. San Mateo County Local Agency Formation Commission (LAFCO) is the principal LAFCO for the District. This District and the services it provides will be fully evaluated in a Service Review prepared by the San Mateo County LAFCO.

The District's boundary within Santa Clara County is located within and adjacent to the northwest boundary of Palo Alto's SOI, along the San Mateo County line. The District's SOI within Santa Clara County is generally coterminous with its boundary with the exception of a small unincorporated area in the northern portion of the District within Santa Clara County.

21.1 DISTRICT LOCATION

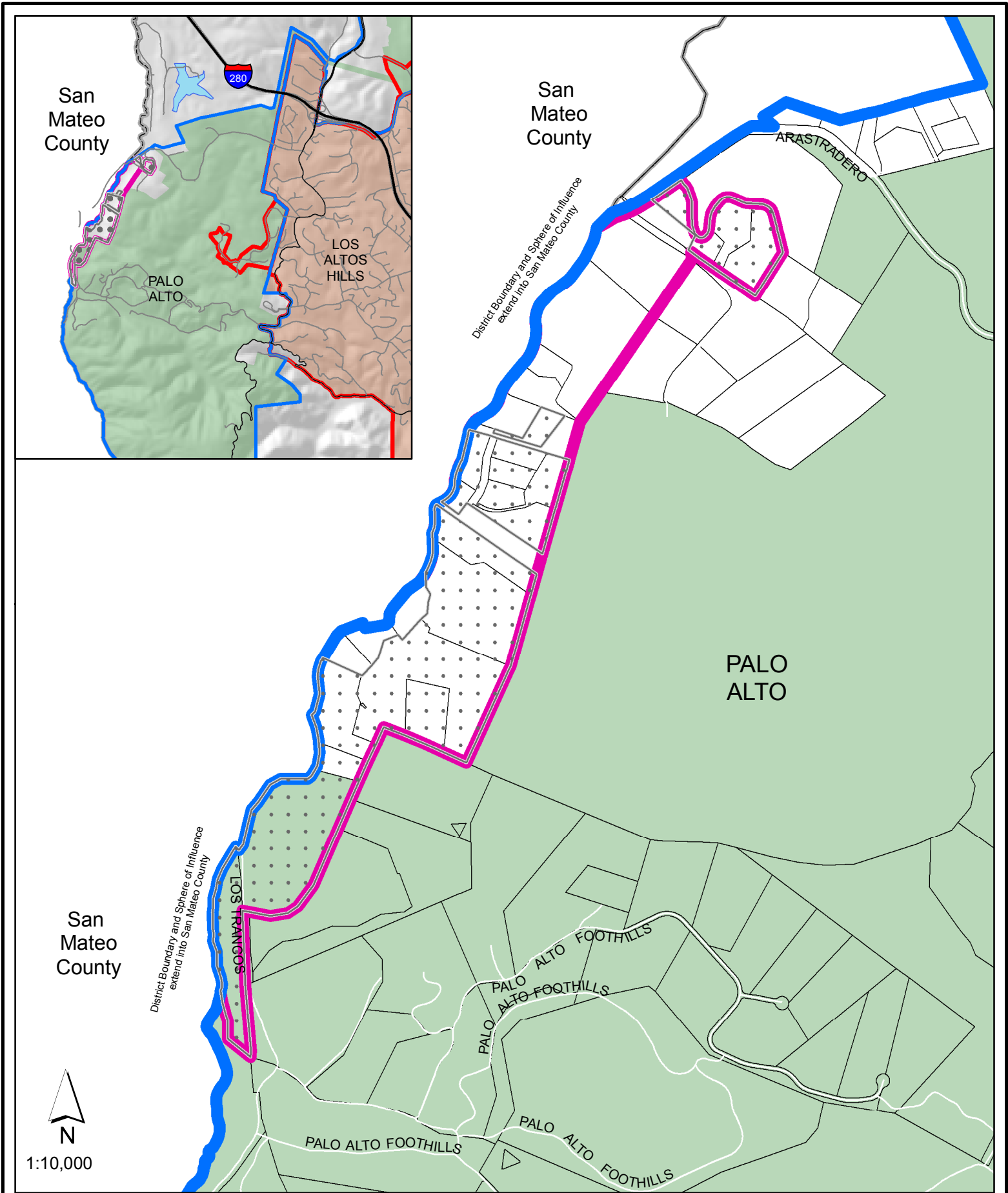
The large majority of the District is located within San Mateo County; however, a small portion of the District and a few customers are located within unincorporated areas of northwestern Santa Clara County.

21.2 GOVERNANCE

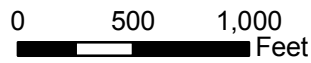
The District was established in 1902 pursuant to a petition signed by residents requesting the formation of a sanitary district. The powers of the District were established by the State of California Health and Safety Code. The District is governed by a five-member Board, elected at large, to 4-year terms. The District Board meets every second and fourth Monday of the month. The regular meetings begin at 7:00 p.m. and are noticed in accordance with Government Code.

21.3 WASTEWATER TREATMENT

The District maintains and operates over 200 miles of main line sewer system in the City of Menlo Park and portions of the Cities of East Palo Alto and Redwood City; the Towns of Atherton, Woodside and Portola Valley; and portions of unincorporated San Mateo and Santa Clara Counties. All wastewater collected within the District is transported via main line trunk sewers to the Menlo Park Pumping Station located at the entrance to Bayfront Park and from there to the South Bayside System Authority Regional Treatment Plant in San Carlos. The District owns and operates this treatment plant in conjunction with the cities of Redwood City, Belmont, and San Carlos. The District's average daily flow during dry weather is approximately 6 million gallons per day.



Boundaries of the West Bay Sanitary District



-  District Boundary
-  District Sphere of Influence
-  City Urban Service Area Boundary
-  City Sphere of Influence Boundary

February 2007



22.0 WEST VALLEY SANITATION DISTRICT

The wastewater services that are provided by the West Valley Sanitation District (District) are evaluated in this service review.

22.1 DISTRICT HISTORY AND SERVICE AREA

The District was formed in 1948 as County Sanitation District No. 4 of Santa Clara County under the provisions of the California County Sanitation District Act. In 1988 the District changed its name to West Valley Sanitation District of Santa Clara County to reflect its geographical service area. The District office is located at 100 East Sunnyoaks Avenue, Campbell, California.

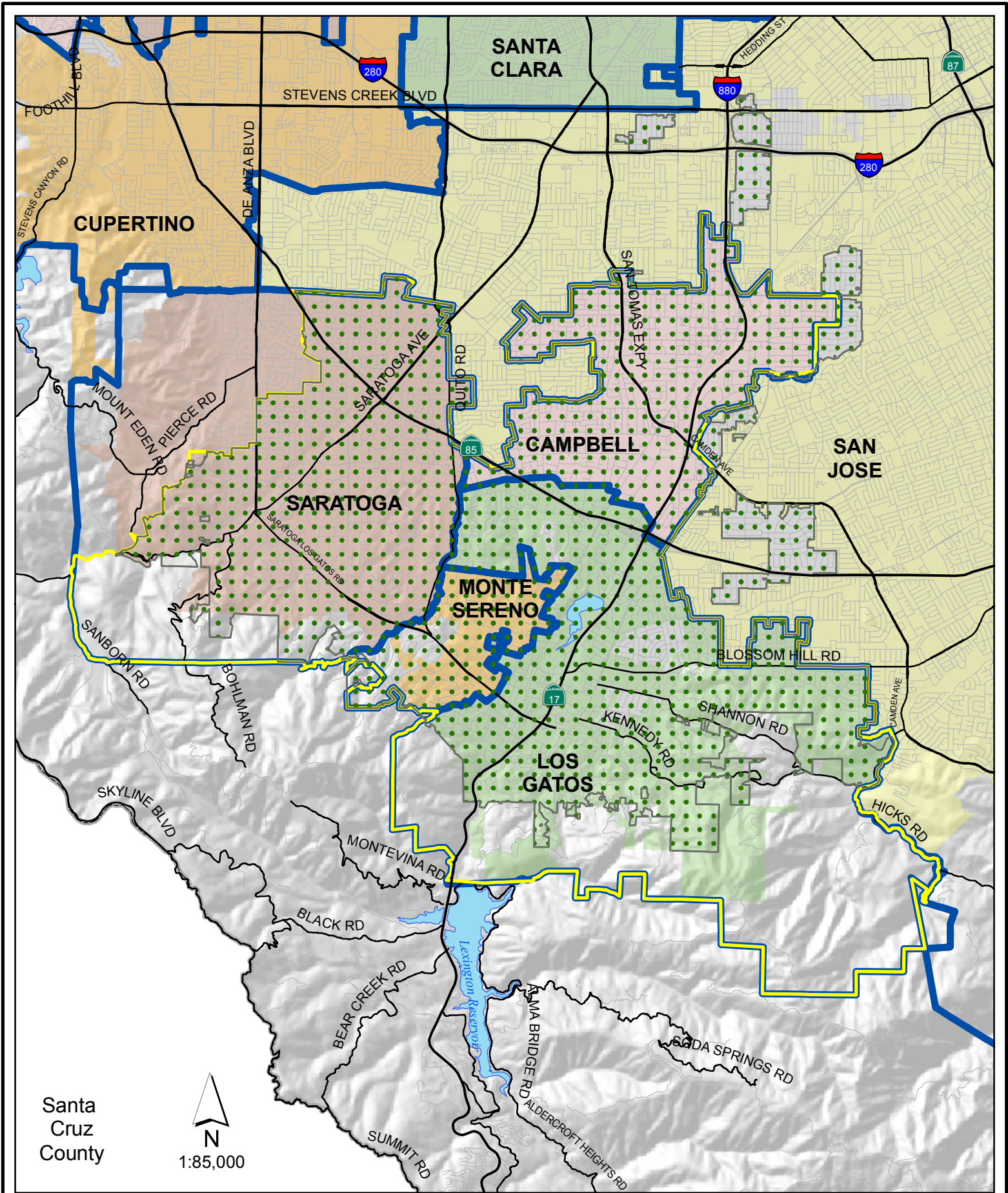
The District currently serves approximately 112,000 persons residing in Campbell, Los Gatos, Monte Sereno, Saratoga, and portions of the County. The District's existing service area is 18,576 acres, or approximately 29 square miles.

22.2 GOVERNANCE

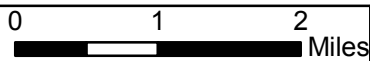
The District is governed by a five-member Board of Directors, comprised of one member from each of the four cities served by the District and a County Supervisor. The members representing the cities are also members of their respective city councils. Board meetings are scheduled on the second and fourth Wednesdays of the month at 6:00 p.m. unless the Board adapts an alternate schedule. These Board meetings are open to the public. Agendas are posted online and in the District's front lobby the Friday before meetings.

District Organization & Staff

The District is staffed by 27 employees organized into two divisions: Administration and Information Services Division, and Engineering and Operations Division. These divisions were established in November 2000 a part of an overall district reorganization plan.



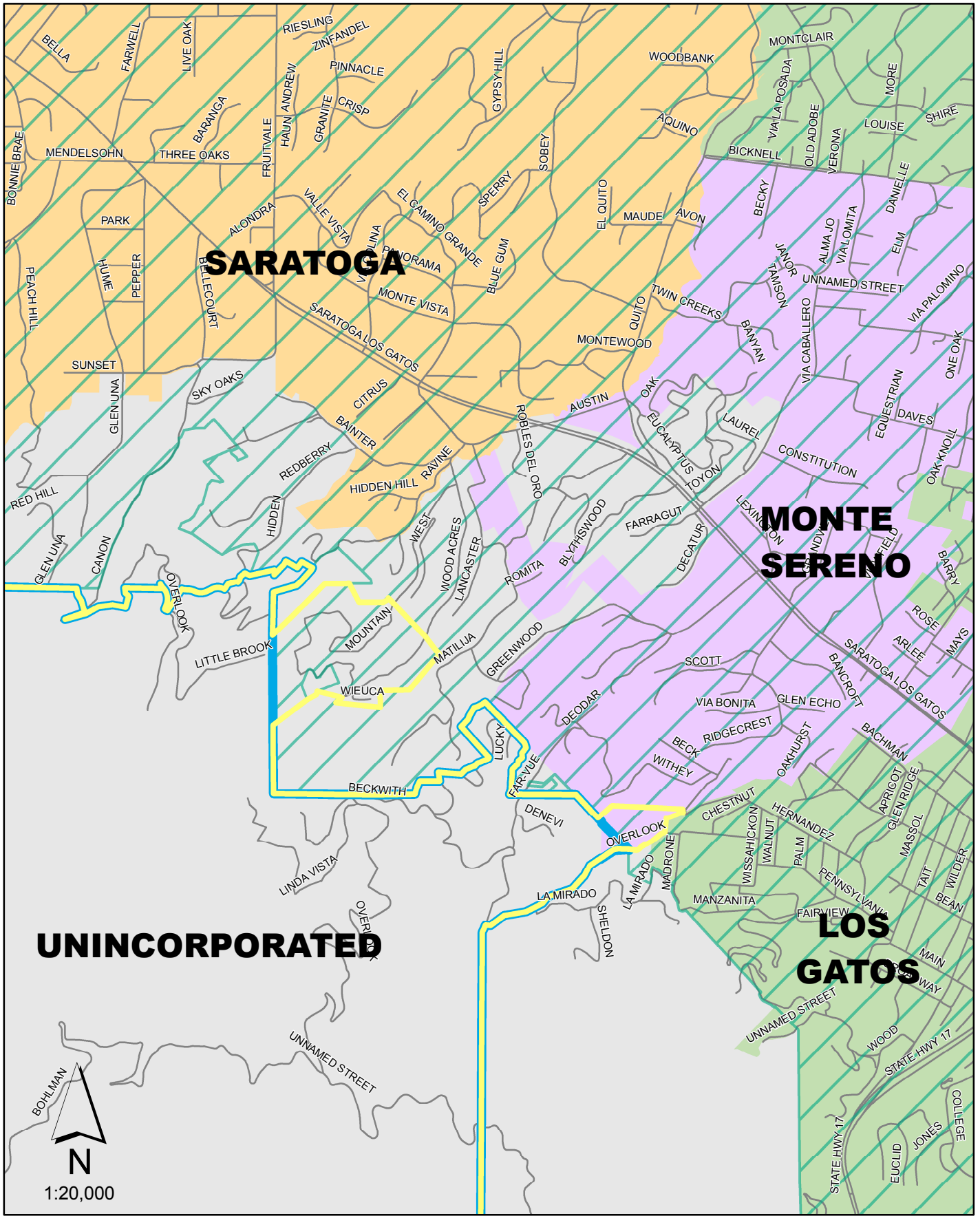
Boundaries of the West Valley Sanitation District



- West Valley Sanitation District Boundary
- City Sphere of Influence Boundary
- West Valley Sanitation District Sphere of Influence Boundary

April 2007





West Valley Sanitation District



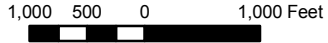
District Boundary



Recommended Sphere of Influence



Current Sphere of Influence



22.3 FINANCE

The District adopts an operating budget at the beginning of each year for the following fiscal year. The District's revenue sources are largely from sewer service charges. Table 22.A provides a list of the District's sources of funds and the District's uses of funds for fiscal year (FY) 2004–2005.

Table 22.A: Source of Funds and Use of Funds, FY 2004–2005

Source of Funds	
Sewer service charges	67.8%
Reserves	17.0%
Capacity fees	4.5%
Other revenue	4.3%
Contributed capital	3.4%
Interest	3.0%
Use of Funds	
Fixed assets	34.6%
Sewage disposal	33.0%
Sewer maintenance	11.7%
Administration	8.3%
Service extension	4.9%
Interest	4.4%
Debt retirement	3.1%

Source: Annual Report 2004–2005.

Table 22.B provides a summary of the District's revenues and expenditures. As shown, the District's revenues have exceeded expenditures for the last 2 years (2005 and 2006). It is important to note that revenues in 2006 included the sale of treatment plant capacity.

Table 22.B: Statement of Revenues, Expenses, and Net Assets

	2004	2005	2006*
Total Revenues	\$12,471,296	\$14,476,505	\$22,337,381**
Total Expenses	\$12,887,659	\$14,168,654	\$16,321,282
Net Revenues (Loss)	(\$416,363)	\$307,851	\$6,016,099

Source: Annual Report 2004–2005.

*Final Budget, FY 2006–2007.

**Includes the sale of 1.0 mgd of treatment plant capacity to the City of Milpitas.

According to the Basic Financial Statements for the year ended June 30, 2005, the District's nonoperating revenues continue to be negatively impacted by low rates of return on interest income. However, operating income will continue to increase due to approved sewer service charge increases over the next 5 years. This should ensure that the District's capital and operating reserves are sufficient to meet anticipated district expenditures in the foreseeable future.

Reserves

The District’s policy is to maintain a reserve level equivalent to 60 percent of the operating budget. The current reserves are detailed below.

Table 22.C: West Valley Sanitation District Reserves

Reserves	Amount
Building repairs	\$30,944
Unemployment insurance	\$18,900
Vehicle damage insurance	\$175,000
Accrued sick leave and vacation	\$223,668
Vehicle replacement	\$830,000
Capacity acquisitions	\$2,500,000
Capital fund reserves	\$22,859,532
Total Reserves	\$26,638,044

Source: Final Budget, FY 2006–2007.

Investment Policy

The District’s funds are on deposit with the Santa Clara County Treasurer; the District is therefore covered by the County’s investment policy.

The District is a participant in the California Sanitation Risk Management Authority, which is a public entity risk pool currently operating a common risk management and insurance program for 56 member entities. The purpose is to share the cost of services among the participating agencies, thereby reducing District costs.

22.4 WASTEWATER SERVICES

According to the Capacity Allocation Study of 2005, the District provides sewer collection services for the City of Campbell, Town of Los Gatos, City of Monte Sereno, a portion of the City of Saratoga, and several unincorporated County areas in the West Valley.

The District’s wastewater collection system consists of 426 miles of main and trunk sewers and 206 miles of sewer laterals, for a total of 632 miles of sewer lines. The collection system is maintained and operated by the District. Wastewater from the District service area travels through the City of San Jose trunk sewers to the San Jose/Santa Clara Water Pollution Control Plant.

The District contracts with the San Jose/Santa Clara Water Pollution Control Plant for wastewater treatment and disposal. The District’s contract gives the District rights to a percentage of the capacity of their sewage treatment facilities. The contract requires the District to pay its share of debt service, operation, maintenance, and improvement costs. The District has a fixed capacity allocation of the plant, which was 13.052 mgd in FY 2004–2005. In FY 2004–2005, the District collected and conveyed 10.675 mgd of wastewater to the treatment plant, which was far less than its capacity

allocation. Because of this excess capacity, the District sold 1.0 mgd of treatment plant capacity to the City of Milpitas in 2006.

The District maintains an inventory of connections throughout the service area, including each of the tributary cities as well as the unincorporated County areas. Table 22.D summarizes the connection by jurisdiction for single-family residential, multifamily residential (which incorporates multiple family dwellings and mobile homes), and commercial/industrial.

Table 22.D: FY 2003–2004 Connections by City

Jurisdiction	Single-Family	Multifamily	Commercial/Industrial	Total
Campbell	9,023	6,579	872	16,474
Los Gatos	8,419	3,188	756	12,363
Monte Sereno	1,170	28	6	1,204
Saratoga	8,054	332	178	8,564
Santa Clara County	5,038	402	143	5,583
Total	31,704	10,529	1,955	44,188

Source: TM Capacity Allocation Study, West Valley Sanitation District, February 2005.

22.5 LAND USE AND GROWTH

In recent years, the District has issued approximately 200 new residential connection permits and 10 new commercial/industrial connection permits per year. Based on the existing land uses for the District’s service area, future development will most likely be of a residential nature; however, both residential and commercial/industrial growth is limited, as the District service area is composed of well-established communities that are nearly built out. The District’s 2005 Capacity Allocation Study includes existing population statistics and future population projections. The evaluation included two alternatives for future population. One is based on residential build out within the District’s service area, and the other is based on residential growth trends. Table 22.E summarizes the two scenarios. In addition, the Capacity Allocation Study includes residential connection estimates based on build out of the District’s service area, as shown in Table 22.F.

Table 22.E: Existing and Future Population

District Connection Categories	Existing Population	Total Population in 2020	Total Population in 2030
Residential build out and commercial/industrial connection trends	109,140	112,842	115,311
Residential and commercial/industrial connection trends	109,140	116,891	122,059

Source: TM Capacity Allocation Study, West Valley Sanitation District, February 2005.

Table 22.F: Future Residential Connection Estimates Based on Build Out

District Connection Category	Existing Connections	Additional Units from Build Out in Campbell	Additional Units from Build Out in Los Gatos	Additional Units from Build Out in Monte Sereno	Additional Units from Build Out in Saratoga	Total Connections at Build Out
Single-family residential	31,708	147	322	90	124	32,391
Multifamily residential	10,046	1,452	325	0	0	11,824
Mobile homes	483	0	0	0	0	483
Total	42,237	1,600	647	90	124	44,698

Source: TM Capacity Allocation Study, West Valley Sanitation District, February 2005.

Future Wastewater Flow

Based on the growth projections listed above, the Capacity Allocation Study developed future wastewater flow projections based on build out, as shown in Table 22.G. It is important to note that the Capacity Allocation Study states that the flow factors appear to be on the conservative side. Based on these projections, the District would not exceed its current fixed capacity allocation of 13.052 mgd.

Table 22.G: Wastewater Flow Projections Based on Build Out

District Connection Categories	Flow Parameter	Daily Flow (gpd)		
		Existing (FY 2004–2005)	2020	2030
Single-family residential	219.05	6,946,000	7,035,000	7,095,000
Multifamily residential	123.00	1,236,000	1,367,000	1,454,000
Mobile homes	123.05	59,000	59,000	59,000
Nonindustrial	1,362	2,576,000	2,775,000	2,907,000
Grouped industrial	3,323	173,000	186,000	195,000
Total	-	10,990,000	11,422,000	11,710,000

Source: TM Capacity Allocation Study West Valley Sanitation District, February 2005.

gpd = gallons per day

Service Charges and Fees

The cost of wastewater collection, conveyance, and treatment is financed by service charges and fees. In October 2002 the District’s Board of Directors enacted an ordinance establishing the sewer service rates for FY 2003–2004 through 2007–2008. The sewer service charges are collected on the property tax roll. The sewer service charges for FY 2004 through 2008 are summarized in Table 22.H.

Table 22.H: Residential Sewer Charges (Monthly Rate per Dwelling Unit)

Classification	2003–2004	2004–2005	2005–2006	2006–2007	2007–2008
Single family	\$17.80	\$19.25	\$20.80	\$22.05	\$23.35
Multifamily	\$12.40	\$13.40	\$14.50	\$15.35	\$16.30
Mobile home	\$12.40	\$13.40	\$14.50	\$15.35	\$16.30

Source: <http://www.westvalleysan.org> Accessed 11/01/06.

Hillside Zone Fee

The District has established a Hillside Zone, which defines the areas in the hillsides where sewers are at risk for failure due to land subsidence or erosion. The District collects a fee of \$50.00 per year for every connected parcel in the Hillside Zone and sets the funds aside in a restricted account to be used solely for sewer repairs there. The Hillside Zone fee is collected on the property tax roll along with the sewer service charges.

22.6 SERVICE REVIEW DETERMINATIONS FOR THE WEST VALLEY SANITATION DISTRICT

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 1985 (CKH Act). Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. Based on land use and growth projections through 2030, the District will not exceed its Water Pollution Control Plant capacity allocation.
2. There are no known existing infrastructure needs or deficiencies.

Growth and Population

1. Future development will most likely be of a residential nature; however, both residential and commercial/industrial growth is limited, as the District's service area is composed of well-established communities that are nearly built out.

Financing Constraints and Opportunities

1. The District's nonoperating revenues have been negatively impacted by low rates of return on interest income. However, operating income will increase due to approved sewer service charge increases over the next 5 years. This should ensure that the District's capital and operating reserves are sufficient to meet anticipated District expenditures in the foreseeable future.

2. The District's policy is to maintain a reserve level equivalent to 60 percent of the operating budget. The reserves are utilized to fund infrastructure repairs, capacity acquisitions, and employee costs.

Cost-Avoidance Opportunities

1. The District is a participant in the California Sanitation Risk Management Authority, which shares the cost of insurance services among participating agencies, thereby reducing District costs.

Opportunities for Rate Restructuring

1. In October 2002 the District's Board of Directors enacted an ordinance establishing the sewer service rates for FY 2003–2004 through 2007–2008, thereby restructuring rates through 2007–2008.

Opportunities for Shared Facilities

1. The District shares wastewater treatment plant capacity at the San Jose/Santa Clara Water Pollution Control Plant. As the District's facilities are limited, no other opportunities for sharing facilities have been identified.

Government Structure Options

1. No government structure options have been identified. The existing provision of service is efficient in that one entity provides service to four different city areas.

Evaluation of Management Efficiencies

1. The provision of wastewater service to the District's service area is efficient because one entity provides service to four city areas through one conveyance system. This is a more efficient provision of service than each City having its own conveyance system and providing maintenance and upgrades to its City's system.

Local Accountability and Governance

1. The District ensures that local accountability and governance standards are met by holding meetings pursuant to the Brown Act.

22.7 SOI RECOMMENDATION FOR THE WEST VALLEY SANITATION DISTRICT

Current SOI Boundary

For the most part, the District's sphere of influence (SOI) is not coterminous with the District's boundary. To the south, the District's SOI includes large areas of unincorporated and undeveloped areas. To the east, the District's SOI is not coterminous; District lands include unincorporated island areas within the City of San Jose that are located beyond the District's SOI. On the southwest, the District serves two small areas that are currently located beyond the District's SOI. One of the areas is unincorporated and has been historically served by the District, while the other area is located within the City limits of Monte Sereno. On the northwest, the District's SOI includes large areas of unincorporated hillside land that are not located within the District.

SOI Boundary Recommendation

It is recommended that LAFCO expand the District's SOI to include the two small areas located on the southwest side of the District that are currently receiving District services.

22.8 SOI DETERMINATIONS FOR THE WEST VALLEY SANITATION DISTRICT

As detailed in Section 1.1, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based on the information above, the following determinations are provided to update the District's existing SOI.

1. The Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands

The District service area is composed of well-established communities that are nearly built out, including the Cities of Saratoga, Campbell, Monte Sereno, and Los Gatos. However, the District's SOI also includes large areas of lands that extend into undeveloped unincorporated areas, which include open space lands and most likely, agricultural lands.

Finding: Planned land uses throughout the District are generally similar to those of the existing uses.

2. Present and Probable Need for Public Facilities and Services in the Area

The District is generally built out, and most future growth would be limited to infill development and redevelopment. Therefore, actual growth within the District boundaries would be low.

Finding: The need for additional wastewater facilities and services is expected to be low in the future.

3. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The District serves lands that have been largely developed for a long period of time. The infrastructure serving the District's service area has been fully developed and has the capacity to serve the expected intensification of land uses within the District.

Finding: The present capacity of public facilities and provision of service appears to be adequate.

4. 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's SOI encompasses lands within the Cities of Saratoga, Campbell, Monte Sereno, and Los Gatos, in addition to unincorporated lands.

Finding: The District is part of the social and economic community of the Cities of Saratoga, Campbell, Monte Sereno, and Los Gatos.

23.0 PERSONS CONTACTED

CITY OF CAMPBELL

Captain David Rauschhuber, Police Department
Charlene McAndrew, Police Department
Jackie Young Lind, Senior Planner
Jesse Takahashi, Finance Director

CITY OF CUPERTINO

Colin Jung, Senior Planner
Glenn Goeppert, Assistant Director of Public Works

CITY OF LOS ALTOS

Dunia Noel, LAFCO Analyst, LAFCO of Santa Clara County
James Porter, Public Works
James Walgren, Commercial Development Director
Jim Gustafson, Finance Department
Starla Jerome-Robinson, Assistant City Manger
Tom Connelly, Captain Operations Division, Police Department

TOWN OF LOS ALTOS HILLS

Captain Terrence Calderone, Santa Clara County Sheriff's Department, West Valley Patrol Division
Debbie Pedro, Planning Director
Karen Jost, City Clerk
Nicole Horvitz, Assistant Planner

CITY OF LOS GATOS

Bud Lortz, Planning Department
Irene Shier, Police Chief Executive Assistant
Kevin Rohani, PW Interim Director
Nancy Dawn, Administrative Services Manager
Peggy Conaway, Library Director
Scott Seaman, Police Chief
Stephen Conway, Finance and Administrative Services Director
Suzanne Davis, Associate Planner
Tim Boyer, Parks Superintendent

Trish Duarte, Senior Engineer Technician

CITY OF MONTE SERENO

Brian Loventhal, City Manager/Planner
Irene Shier, Police Chief Executive Assistant
Scott Seaman, Police Chief
Nancy Dawn, Administrative Services Manager

CITY OF MOUNTAIN VIEW

Beverly Stenson, Management and Fiscal Services, Police Department
Fred Irwin, Senior Administrative Analyst
Bob Kagiya, Public Works Department

CITY OF PALO ALTO

David Ramberg, Budget Manager
Dennis Burns, Captain, Police Department
Gloria Humble, Senior Planner
Joe Teresi, Senior Engineer
Lynne Johnson, Police Chief, Police Department
Mary Figone, Senior Financial Analyst
Phyllis Davis, City Clerk's Office
Roger Cwiak, WGW Engineering Manager

CITY OF SARATOGA

Barbara Powell, Assistant City Manager
Macedonio Numez, Assistant Engineer
Cathleen Boyer, City Clerk
Captain Terrence Calderone, Sheriff's Department

CITY OF SUNNYVALE

Jamie McLeod, Planning Department

CUPERTINO SANITATION DISTRICT

Carl Beckham, Administrator
Cindy Murphy, Assistant District Manager
David E. Ross, District Manager

EL CAMINO HOSPITAL DISTRICT

John Friedenborg, Vice President, El Camino Hospital
Matt Harris, Controller
Barbara Minnery, Director of Strategic Planning

LAKE CANYON

Stacey Johnson, Board Member/Administrator

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

Jeanie Buscaglia, Planning Administrator
Pete Siemens, Board/TAC Member

RANCHO RINCONADA

Levita Weaver, Office Manager

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

David Miller, Commercial Development Manager

SARATOGA CEMETERY DISTRICT

Gary Reed, General Manager

WEST BAY SANITARY DISTRICT

Tim Clayton, District Manager

WEST VALLEY SANITARY DISTRICT

Joanna Fuller, Director of Administration and Information Services

24.0 REFERENCES LIST

CITY OF CAMPBELL

City of Campbell 2006–2007 Budget

City of Campbell Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2005

City of Campbell General Plan, 2001

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APPENDIX A

SOLID WASTE FACILITIES

APPENDIX A

SOLID WASTE FACILITIES

Solid waste that is generated within the cities in this MSR is disposed of in the landfills that are listed below. This detail is in addition to the information within each city's section. The facility information below has been compiled utilizing data from the California Integrated Waste Management Board.

Altamont Landfill & Resource Recovery Facility. This facility was located at 10840 Altamont Pass Road in the City of Livermore. The facility encompasses 1,528 acres and is permitted to accept 11,150 tons per day. The operator is the Waste Management of Alameda County. The closure date of this facility was January 1, 2005.

Fink Road Landfill. This landfill is located at 4000 Fink Road in the City of Crows Landing. The facility encompasses 164 acres and is permitted to accept 1,500 tons per day. The operator is the County of Stanislaus Department of Public Works. The estimated closure date of this facility is January 1, 2011.

Foothill Sanitary Landfill. This landfill is located at 6484 North Waverly Road in the City of Linden. The facility encompasses 800 acres and is permitted to accept 1,500 tons per day. The operator is the Foothill Sanitary Landfill Inc. The estimated closure date of this facility is January 1, 2054.

Forward Landfill, Inc. This landfill is located at 9999 S. Austin Road in the City of Manteca. The facility encompasses 567 acres and is permitted to accept 8,668 tons per day. The operator is Forward, Inc./Allied Waste North America. The estimated closure date of this facility is January 1, 2020.

Guadalupe Sanitary Landfill. This landfill is located at 15999 Guadalupe Mines Road in the City of San Jose. The facility encompasses 411 acres and is permitted to accept 3,650 tons per day. The operator is the Guadalupe Rubbish Disposal Co., Inc. The estimated closure date of this facility is January 1, 2010.

Hillside Class III Disposal Site. This disposal site is located at 1 Sandfill Road (1500 Hillside Boulevard) in the City of Colma. The facility encompasses 42 acres and is permitted to accept 400 tons per day. The operator is the Cypress-Amloc Land Company, Inc. The estimated closure date of this facility is December 31, 2010.

Keller Canyon Landfill. This landfill is located at 901 Bailey Road in the unincorporated area of Pittsburg. The facility encompasses 1,399 acres and is permitted to accept 3,500 tons per day. The operator is Keller Canyon Landfill. The estimated closure date of this facility is December 31, 2030.

Kirby Canyon Recycling & Disposal Facility. This facility is located at 910 Coyote Creek Golf Drive in the City of Coyote. The facility encompasses 827 acres and is permitted to accept 2,600 tons

per day. The operator is Waste Management of California Inc. The estimated closure date of this facility is December 31, 2022.

Newby Island Sanitary Landfill. This landfill is located at 1601 Dixon Landing Road in the City of Milpitas. The facility encompasses 342 acres and is permitted to accept 4,000 tons per day. The operator is the International Disposal Corporation. The estimated closure date of this facility is December 31, 2020.

Ox Mountain Sanitary Landfill. This landfill is located two miles northeast of the City of Half Moon Bay. The facility encompasses 2,786 acres and is permitted to accept 3,598 tons per day. The operator is the Allied Waste Industries, Inc. The estimated closure date of this facility is January 1, 2018.

Potrero Hills Landfill. This landfill is located at 3675 Potrero Hills Lane in Suisun City. The facility encompasses 320 acres and is permitted to accept 4,330 tons per day. The operator is the Potrero Hills Landfill, Inc. The estimated closure date of this facility is January 1, 2058.

Redwood Sanitary Landfill. This landfill is located four miles northeast of the City of Novato. The facility encompasses 420 acres and is permitted to accept 2,300 tons per day. The operator is the Redwood Sanitary Landfill Inc. The estimated closure date of this facility is January 1, 2039.

Vasco Road Sanitary Landfill. This landfill is located at 4001 North Vasco Road in the City of Livermore. The facility encompasses 326 acres and is permitted to accept 2,518 tons per day. The operator is the Republic Services of California I, LLC. The estimated closure date of this facility is January 1, 2015.

Zanker Material Processing Facility. This facility is located at 675 Los Esteros Road in the City of San Jose. The facility encompasses 52 acres and is permitted to accept 350 tons per day. The operator is the Zanker Road Resource Management, Limited. The estimated closure date of this facility is December 31, 2018.

APPENDIX B

SANTA CLARA LAFCO SERVICE REVIEW POLICIES

SERVICE REVIEW POLICIES

Background

Section 56430 of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires LAFCO to conduct municipal service reviews prior to establishing or updating spheres of influence. The service reviews are intended to serve as a tool to help LAFCO, the public and other agencies better understand the public service structure and evaluate options for the provision of efficient and effective public services.

These policies, along with the State Office of Planning and Research's Municipal Service Review Guidelines will provide guidance to LAFCO in preparing and conducting service reviews.

1. Service Review

A service review is a comprehensive review of municipal services within a designated geographic area and includes steps to:

- Obtain information about municipal services in the geographic area,
- Evaluate the provision of municipal services from a comprehensive perspective, and
- Recommend actions when necessary, to promote the efficient provision of those services.

LAFCO is not required to initiate boundary changes based on service reviews. However, LAFCO, local agencies or the public may subsequently use the service reviews to pursue changes in jurisdictional boundaries or spheres of influence.

2. Services to be Reviewed

Service reviews will cover a range of services that a public agency provides or is authorized to provide (examples include fire, water, sewer, lighting, library, police, storm water and solid waste collection/ disposal, gas and electricity). General government services such as social and health services, courts and criminal justice will be excluded from the reviews. Service reviews are triggered by requirements to create or update the Sphere of Influence (SOI) for public agencies. Therefore, LAFCO will review services that are provided by public agencies that have, or are required to have, SOIs. In doing so, LAFCO will also take into consideration other services (e.g., emergency response along with fire protection services) and the operation of other providers that service the same region (e.g., private water providers or volunteer fire crews).

3. Service Providers to be Included:

Agencies that are required to have SOIs will be the focus of service reviews. The agencies with SOIs in Santa Clara County include cities (15), and special districts (30) such as but not limited to, county service areas, community service districts, fire protection districts, sanitary districts, water districts, vector control districts, open space districts and resource conservation districts. Please see attached list of cities and special districts in Santa Clara County.

Agencies that do not have SOIs include school districts, private providers, state or federal agencies and other agencies that provide complementary, joint, support or overlapping services in the region. These agencies will also be reviewed to the extent necessary to establish relationships, quantify services, designate or map service locations / facilities and provide a complete overview of services in the area. These agencies may be requested to participate and provide information necessary to conduct the review.

4. Service Review Preparation and Update

- a. The first set of service reviews should be completed by 2006 to enable timely SOI updates as required by the CKH Act.
- b. Service review reports will be reviewed and updated as necessary every five years in conjunction with or prior to SOI reviews and updates. LAFCO will determine if a new service review is required or not. CKH Act requires SOIs to be updated every five years. Minor amendments of a SOI, as determined by LAFCO, will not require a service review.
- c. Service reviews may need to be updated independent of SOI reviews, to facilitate review of a pending application or other LAFCO action, unless LAFCO determines that prior service reviews are adequate for the purpose.

5. Service Review Boundaries

A service review may be conducted for sub-regional areas within the county or on a countywide basis, it may review a single agency or multiple agencies and it may review a single service or multiple services. LAFCO will determine how service reviews will be organized and conducted in Santa Clara County.

Generally, LAFCO will include in a service review the geographic area and agency(ies) that best facilitate a logical, comprehensive and adequate review of services in the area. LAFCO may need to include a service provider in more than one service review area, only review services of some providers to

the extent that they affect the service review area and services under study, or only review a portion of services provided. Service reviews may extend beyond the county boundary in some cases, to provide a more useful and accurate analysis of service provision, especially where multi-county service providers are involved.

6. Service Review Funding

- a. LAFCO will include the funding for LAFCO initiated service reviews in its annual work plan and budget development process. Sufficient funds necessary to satisfactorily complete the required reviews including consultant costs will be allocated in the LAFCO budget for each fiscal year service reviews are to be conducted.
- b. An application-processing fee for conducting the service reviews will be charged when LAFCO applications (such as, but not limited to sphere of influence amendments, urban service area amendments or out of agency contract for service applications) trigger the service review requirement and an applicable service review does not exist.

7. Stakeholder Outreach and Public Participation

- a. LAFCO will encourage collaboration, cooperation and information sharing among service review stakeholders.
- b. LAFCO will encourage public participation in the service review process.

8. Service Review Process

- a. As an initial step, LAFCO will develop and mail a questionnaire to the agencies included in the service review. The questionnaire will request information pertinent to the nine evaluation categories stated in Policy #10 herein. Meetings may be held as necessary, or additional questionnaires may be sent out to gather further input.
- b. LAFCO Executive Officer will prepare and issue a draft service review report which includes draft determinations required by state law. Notice of availability of the draft service review will be provided to all affected agencies and to interested persons who have submitted a written request for notice.
- c. LAFCO will distribute and provide a 21-day public review period for the draft service review.
- d. LAFCO will conduct a noticed public hearing to consider and accept comment on the draft service review and appropriate CEQA review. At the hearing, LAFCO may:

1. Take the necessary CEQA action and find that the draft service review report is adequate and final and adopt written determinations,
 2. Direct staff to address comments and concerns and prepare a final service review report, or
 3. Continue the hearing.
- e. A draft service review may be considered final if no substantive comments are received prior to the end of the hearing and LAFCO determines it satisfactory.
 - f. If a revised final service review is necessary, the LAFCO Executive Officer will prepare it including comments received during the public review period.
 - g. LAFCO will distribute the final service review report 21 days prior to the LAFCO public hearing
 - h. LAFCO will conduct a noticed public hearing to act on the CEQA document and adopt the service review report. Any service review determinations will be adopted by resolution. LAFCO may also adopt other staff recommendations and direct staff to further study issues raised in the service reviews.
 - i. LAFCO may also take action on a SOI update or initiate a reorganization proposal based on the approved service review at the same hearing, if the service review supports the action and if LAFCO has complied with all required processes.
 - j. LAFCO will distribute the Final Service Review Report to all participating and interested local and regional agencies for use as a resource in their work.

9. Applicability of CEQA to Service Reviews

LAFCO will consider service reviews as projects for CEQA purposes. They will be processed consistent with the requirements of CEQA and LAFCO's CEQA procedures.

10. Service Review Evaluation Categories

As part of the service review process, the CKH Act requires LAFCO to make written determinations on nine evaluation categories. The following is a general description of the categories and criteria used to evaluate these categories. It should be noted that how these categories apply to each of the service reviews may vary and will depend mostly on the nature of the service being reviewed

a. *Infrastructure needs or deficiencies*

One of LAFCO's goals is to encourage the efficient provision of public services. Any area needing or planned for services must have the infrastructure necessary to support the provision of those services. Infrastructure needs and deficiencies refers to the adequacy of existing and planned infrastructure and its relationship to the level of service that is being provided or needs to be provided in an area.

Infrastructure can be evaluated in terms of capacity, condition, availability, quality and levels of service and quality of plans and programs.

b. *Growth and population projections for the affected area*

A plan for service provision to an area should take into consideration the existing as well as future need for public services in the area. Service reviews will examine the existing and future need for public services and will evaluate whether projections for future growth and population patterns are integrated into an agency's planning function. This analysis may be used to determine whether the SOI / USA boundaries reflect the expected growth boundaries, if future SOI changes are necessary or feasible and if agencies are aware of, and planning for anticipated changes in service demand.

In order to examine the existing and future levels of demand for a service, the service review will contain and consider existing and projected population changes and their relationship to agency plans, planning boundaries and existing and proposed land uses.

c. *Financing constraints and opportunities*

A community's public service needs should be viewed in light of the resources available to fund the services. Through a service review, the financing constraints and opportunities affecting service provision will be identified and analyzed to determine if agencies are capitalizing on financing opportunities and collaborative strategies to deal with financial constraints will also be identified. The service review will contain information on current and planned financing mechanisms, funding practices and revenue sources.

d. Cost avoidance opportunities

Efficient delivery of services depends, in part, on eliminating unnecessary costs. The service reviews will explore cost avoidance opportunities including but not limited to:

1. Reducing or eliminating duplicative services;
2. Reducing high administration to operation cost ratios;
3. Replacing outdated or deteriorating infrastructure and equipment;
4. Reducing inventories of underutilized equipment, buildings and facilities;
5. Redrawing overlapping or inefficient service boundaries;
6. Implementing economies of scale; and
7. Efficiently using outsourcing opportunities.

e. Opportunities for rate restructuring

When applicable, service reviews may identify strategies to positively impact rates charged for public services, without adversely affecting service quality. In order to examine opportunities for rate restructuring, the service reviews will consider information such as but not limited to:

1. Rate setting methodologies;
2. Relationship between service rates, service boundaries and district boundaries; and
3. Rates per unit and reasons for rate variances among service providers.

f. Opportunities for shared facilities

The service review will identify opportunities for service providers to share facilities with the intent of lowering current and potential infrastructure / capital improvement costs. When applicable, the service review will inventory facilities within the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning for future shared facilities and services may also be considered.

g. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers

The objective is to study existing and future public service conditions and evaluate organizational alternatives for accommodating growth, preventing urban sprawl and ensuring efficient delivery of services. While the service review does not require LAFCO to initiate any changes

of organization as part of the review, LAFCO, the public or local agencies may pursue subsequent changes to government structure. LAFCO may evaluate the advantages and disadvantages of amending or updating the SOI, annexations to or detachments from cities or special districts, formation of new special districts, incorporation of cities, dissolutions, mergers, consolidations and other reorganization options found in the CKH Act.

h. Evaluation of management efficiencies

Management efficiency refers to the effectiveness of an agency's internal organization to facilitate the provision of efficient public services. An efficiently managed local entity implements improvement plans and strategies for, among others:

1. Budgeting, managing costs and maintaining adequate contingency reserves;
2. Training, maintaining and utilizing qualified personnel;
3. Customer service; and
4. Encouraging public involvement.

The service review will evaluate management efficiencies taking into consideration local circumstances, resources and issues identified during review of other evaluation categories.

i. Local accountability and governance

Local accountability and governance refers to a public agency's decision making processes and operational and management practices. Ideal local government is marked by processes and actions that:

1. Include accessible and accountable elected or appointed decision-making body and agency staff;
2. Encourage public participation;
3. Disclose budgets, programs and plans;
4. Solicit public input in the consideration of work plans, rate changes; and
5. Evaluate plans, programs, operations and disclose results to the public.

The objective of this analysis is to positively impact the public's knowledge of and involvement in local decision-making processes and actions and use this information when evaluating potential government structure changes which could improve accountability or governing practices.

APPENDIX C

SANTA CLARA LAFCO SPHERE OF INFLUENCE POLICIES

SPHERE OF INFLUENCE POLICIES

A. GENERAL GUIDELINES

1. Pursuant to Government Code Section 56425, LAFCO must adopt and maintain a Sphere of Influence (SOI) for each local governmental agency.
2. Santa Clara LAFCO shall use SOIs to:
 - a. Promote orderly urban development
 - b. Promote cooperative planning efforts among cities, the county and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands and efficient provision of services.
 - c. Serve as a master plan for future local government reorganization by providing long range guidelines for efficient provision of public services; shaping logical government entities able to provide services in the most economical manner, avoiding expensive duplication of services or facilities.
 - d. Guide consideration of proposals and studies for changes of organization or reorganization
3. Inclusion of territory within a SOI should not necessarily be seen as an indication that the city will either annex or develop to urban levels such territory. The Urban Service Area boundary will serve as LAFCO's primary means of indicating a city's intention of development and provision of urban services.
4. Each adopted SOI will be reviewed as necessary, but not less than once every five years.
5. A service review pertaining to the SOI will be prepared prior to, or in conjunction with each SOI adoption, update or amendment unless LAFCO determines that a prior service review is adequate. A minor SOI amendment will not require a service review. A minor SOI amendment is one that does not have any adverse regional, planning, economic or environmental impacts.
6. LAFCO will consider service review determinations and recommendations when rendering SOI findings.
7. While LAFCO encourages the participation and cooperation of the subject agency; the determination of the SOI is a LAFCO responsibility.

B. ADOPTION AND AMENDMENT POLICIES FOR SOI

1. LAFCO will require consistency with city / county general plans and SOIs of affected local agencies when adopting or amending a SOI. Joint City/County Specific Plans and factors such as density policies, development standards, geology, and future use will be considered by the Commission when establishing Spheres of Influence.
2. Pursuant to Government Code Section 56425, LAFCO will consider and make a written finding regarding the following, in adopting or amending a SOI for a local agency:
 - a. The present and planned land uses in the area, including agricultural and open space lands
 - b. The present and probable need for public facilities and services in the area
 - c. The present capacity of public facilities and adequacy of public services, which the agency provides or is authorized to provide;
 - d. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
3. LAFCO will consider fiscal impacts of proposed SOI amendments upon the County, affected cities, special districts and school districts. Where such amendments may have negative fiscal impacts upon the County or other local agencies, LAFCO may require mitigations thereof from the city / district proposing the amendment.
4. LAFCO will consider city annexation proposals outside the Urban Service Areas, but within the Sphere of Influence, only if such annexations will promote LAFCO's mandate to preserve open space areas, including agricultural open space and greenbelts.
5. Spheres of Influence for cities and special districts may overlap when both agencies expect to provide different service to the area.
6. Spheres of Influence for special districts which provide urban services will generally be tied to city growth plans.
7. LAFCO will discourage duplications in service provision in reviewing new or amended SOI proposals. Where a special district is coterminous with, or lies substantially within, the boundary or SOI of a city which is capable of providing the service, the special district may be given a zero sphere of influence which encompasses no territory.

C. ADDITIONAL REQUIREMENT FOR A CITY SOI ADOPTION / UPDATE / AMENDMENT**

1. At least thirty days prior to submitting an application for a new city SOI or a city SOI update, city and County representatives must meet to discuss SOI issues, boundaries and methods to reach agreement on such boundaries, and development standards and zoning requirements within the SOI. The purpose is to consider city and county concerns and ensure orderly development within the SOI. Discussions may continue an additional 30 days, but no longer than 60 days.

If an agreement is reached, it must be forwarded to LAFCO. LAFCO will seriously consider the agreement when determining the city's SOI. If LAFCO's final SOI determinations are consistent with a city/County agreement, the city and the County must adopt the agreement at noticed public hearings. After the agreement and related General Plan amendments are adopted, County-approved development within the SOI must be consistent with the agreement terms.

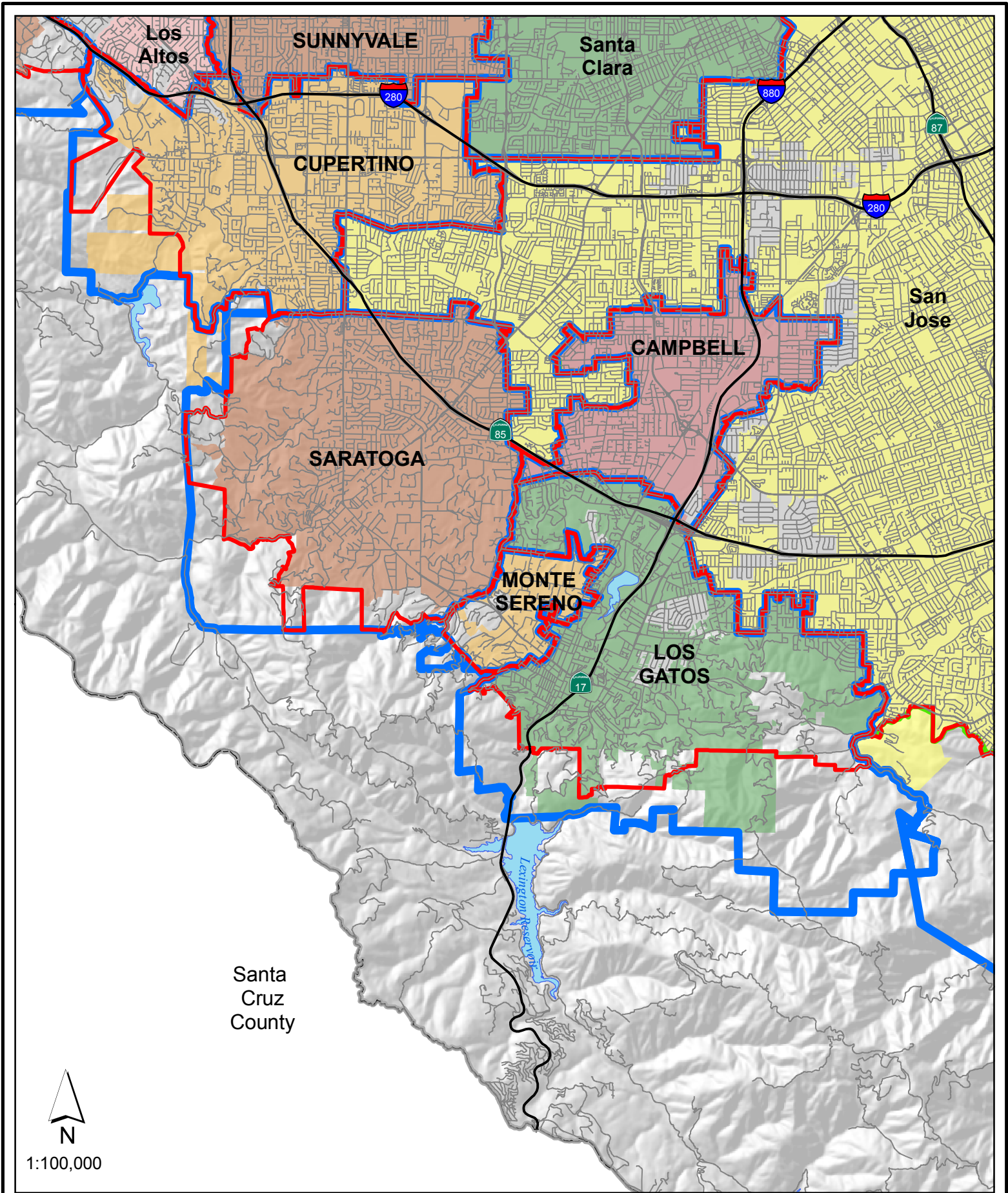
If no agreement is reached, LAFCO will render determinations and enact policies consistent with its policies and the Cortese Knox Hertzberg Act.

- ** This requirement pursuant to Government Code section 56425 expires on January 1, 2007.

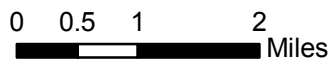
D. ADDITIONAL REQUIREMENT FOR A SPECIAL DISTRICT SOI ADOPTION / UPDATE / AMENDMENT

1. LAFCO shall require the special districts to provide written statements specifying the functions or classes of service provided and establish the nature, location, and extent of any functions or classes of services provided.

CITY MAPS SHOWING EXISTING AND PROPOSED SPHERES OF INFLUENCE



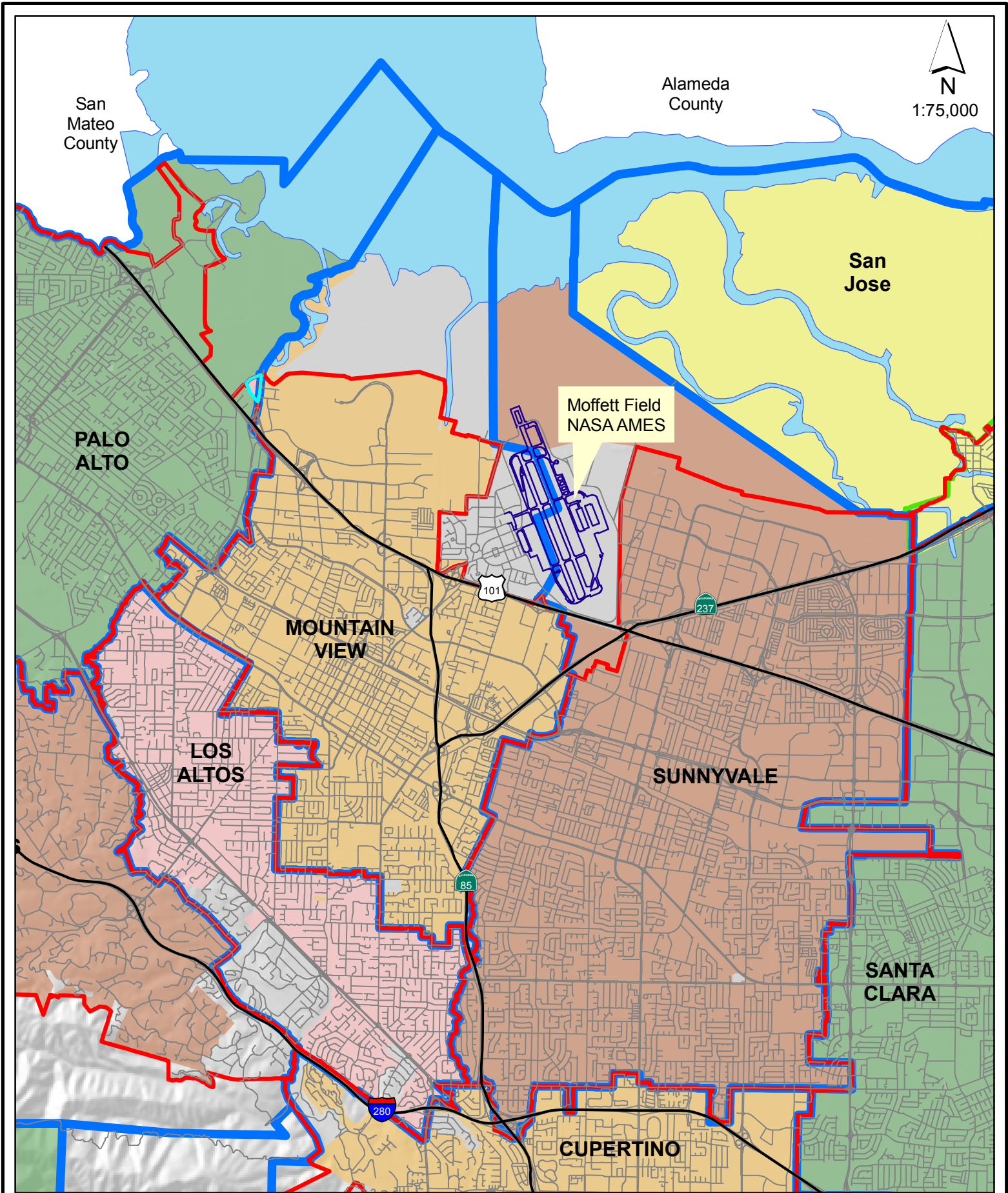
Boundaries of West Valley Cities



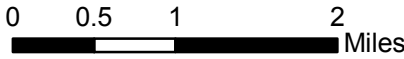
 Urban Service Area Boundary  Sphere of Influence Boundary

January 2007





**Boundaries of Mountain View
and Sunnyvale**



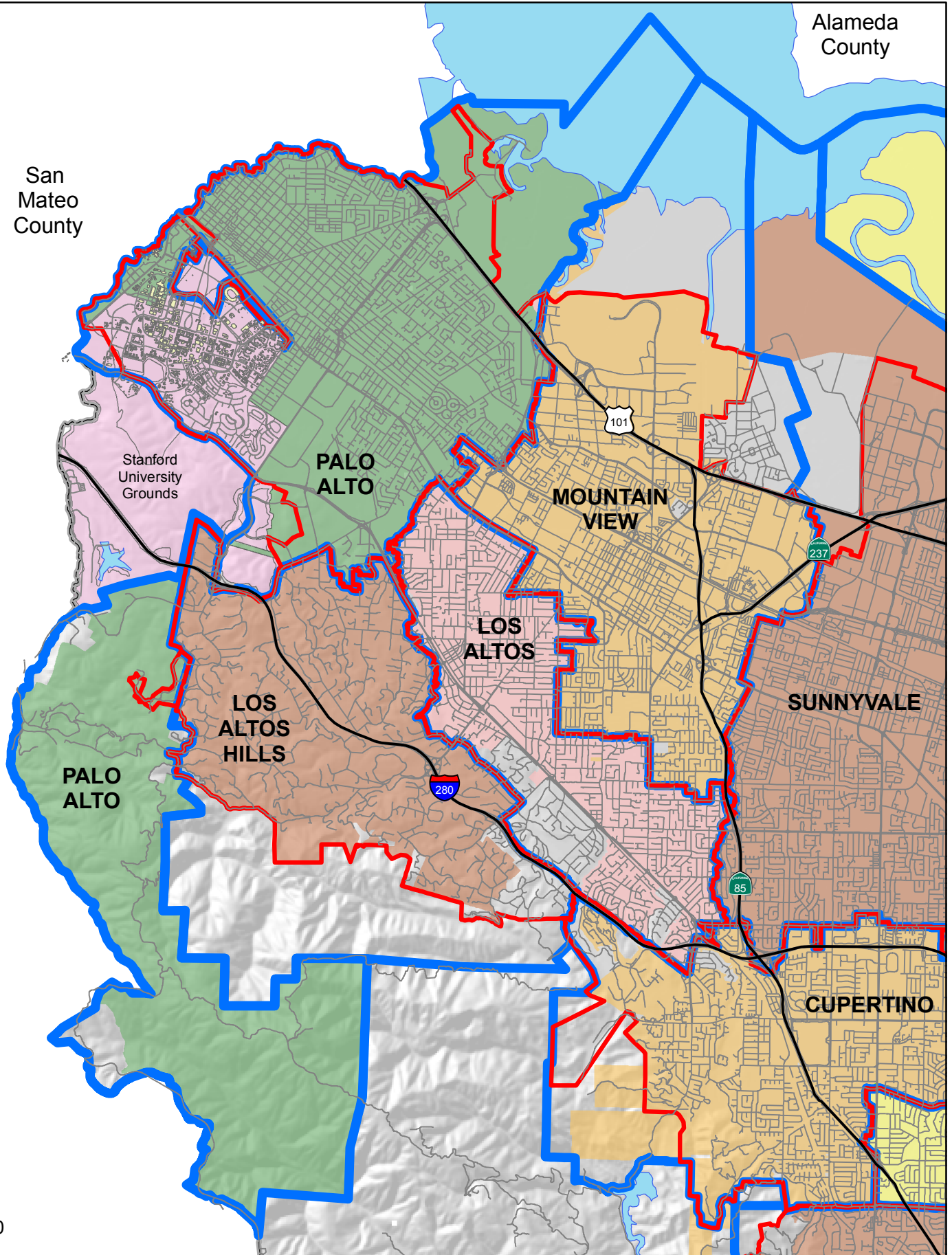
- Urban Service Area Boundary
- Sphere of Influence Boundary

January 2007



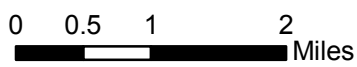
San Mateo County

Alameda County



1:90,000

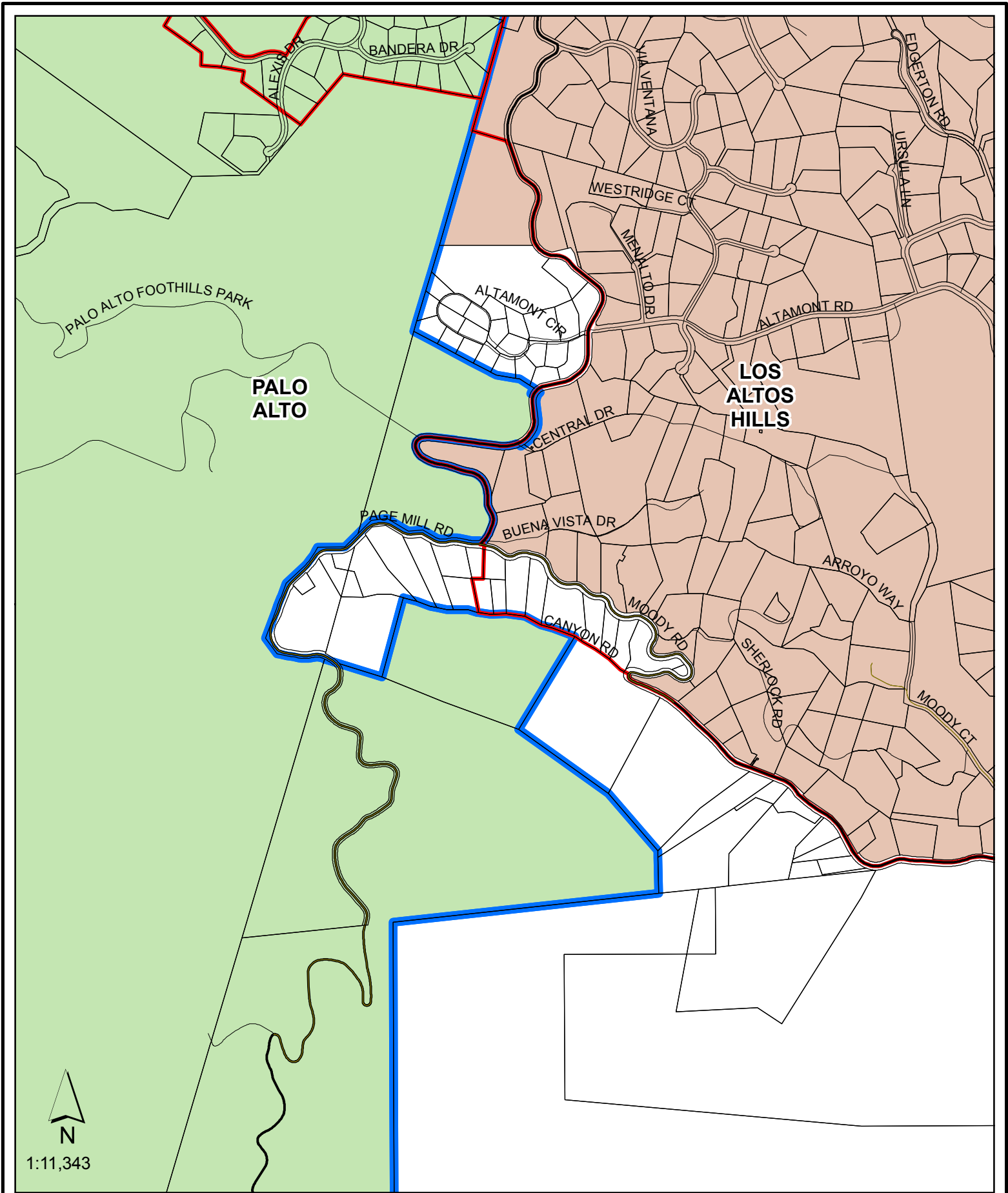
**Boundaries of Los Altos,
Los Altos Hills, and Palo Alto**



 Urban Service Area Boundary  Sphere of Influence Boundary

January 2007





**Recommended Sphere of Influence Boundary
for Palo Alto and Los Altos Hills**

 Urban Service Area Boundary  Recommended Sphere of Influence Boundary

0 400 800
Feet

July 2007

