

8. GUADALUPE-COYOTE RESOURCE CONSERVATION DISTRICT

AGENCY OVERVIEW

Guadalupe-Coyote Resource Conservation District (GCRCO) was formed as an independent special district in 1944. At that time, the District was named the Evergreen Soil Conservation District and was formed to conduct research in, and to advise and assist other agencies and private individuals in the field of land use planning, pollution control and the conservation of soil, water, woodlands, wildlife and other natural resources. Originally, the District served territory in the northeastern portion of the County. In 1971, pursuant to an expansion of the districts' soil and water resource conservation mandates, California renamed the soil districts "Resource Conservation Districts". Their expanded powers included related resources, such as fish and wildlife habitat. In 1977, the District annexed the Black Mountain Soil Conservation District which had been organized in 1943. The Black Mountain territory included the northwestern portion of Santa Clara County. It later expanded to include land south to the Loma Prieta Mountain and the Loma Prieta Soil Conservation District boundary. The combined districts were known as the Evergreen Resource Conservation District. Most urban areas at that time were excluded from the District, as were Stanford University lands. In 1995, the Evergreen District was renamed the Guadalupe-Coyote Resource Conservation District to avoid confusion with the Evergreen area and enterprises using the name of Evergreen, the name also better reflected the District's watershed component. A Countywide Water Service Review, in which this District was included, was last conducted in 2005.

The principal act that governs the District is Division 9 of the California Public Resources Code.⁸⁹ The principal act empowers resource conservation districts to control runoff, prevent and control soil erosion, protect water quality, develop and distribute water, improve land capabilities, and facilitate coordinated resource management efforts for watershed restoration and enhancement.⁹⁰ Resource conservation districts may promote "conservation practices, including, but not limited to, farm, range, open space, urban development, wildlife, recreation, watershed, water quality, and woodland, best adapted to save the basic resources, soil, water, and air of the state from unreasonable and economically preventable waste and destruction." Districts must apply and obtain LAFCO

⁸⁹ Public Resources Code §9001 et seq.

⁹⁰ Public Resources Code §9001.

approval to exercise services authorized by the principal act but not already provided (i.e., latent powers) by the district at the end of 2000.⁹¹

Type and Extent of Services

GCRCD is a non-regulatory agency with the mission of achieving conservation of resources. The District has established a series of long range goals with relation to watershed, floodplain, riparian corridor and land management, waterway protection and restoration, habitat preservation, erosion prevention, invasive species control, and scientific studies, education and information. These goals are detailed in the District's Long Range Plan.

The District anticipates that efforts to achieve long-range goals will require numerous tasks that will be identified in detail in the District's annual plans and tracked in annual reports. Projects GCRCD has or intends to sponsor, directly provide, or partner with other organizations to provide the following (as reported by GCRCD):

- ❖ **Watershed Management:** GCRCD aided in the establishment of the Santa Clara Basin Watershed Management Initiative (SCBWMI). The SCBWMI goals include developing a stakeholder process for effectively managing the watershed, thus improving their natural functions and reducing negative impacts to basin water bodies and improving their beneficial uses. The District participates in the Core Group and a number of the subcommittees. It has also been collecting and accumulating stream and anadromous fish-related data and provides this data to the initiative. The District promoted the establishment of the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) to protect riparian-dependent resources.
- ❖ **Flood Plain Management:** The District encourages agencies to establish sensible floodplain management policies. The District contributed to the Urban Creek Flood Control Restoration Project on the Lower Silver Creek in conjunction with NRCS and SCVWD. GCRCD proposed that an alternative to cementing the channel be found and received funding from NRCS to contribute to the changing of the design of the original project. The District has also played a role in the Downtown Guadalupe Flood Control Project and the Upper Guadalupe Flood Control Project. GCRCD filed a Notice of Citizen Suit with regards to the U.S. Army Corps of Engineers and SCVWD's Downtown Flood Control Project. As part of the negotiated settlement of the suit, the parties agreed upon an alternative bypass design and the Corps and SCVWD developed a mitigation and monitoring plan. As part of the Upper Guadalupe Flood Control Project, GCRCD promoted further design review. SCVWD and the Corps, subsequently, had an independent technical panel review and make recommendations for improving the geomorphic function of the proposed project.

⁹¹ Government Code §56824.10.

The District is in the midst of reviewing the Mid-Coyote Flood Control Project that is being launched.

- ❖ **Waterway Protection & Restoration:** The District aims to preserve the natural or quasi natural areas along waterways and restore the degraded sections.: The District is reviewing projects to ensure habitat preservation and restoration on the Reach 6 and Reach 10b flood control projects of the Upper Guadalupe. The District distributes information at a booth during Santa Clara Creeks Coalition’s annual conference and has made a modest contribution to the expenses of presenting the conference. Additionally, the District is participating and assisting in the Save the Bay movement.
- ❖ **Scientific Studies/Education:** GCRCDD has been collecting data on environmental conditions of waterways for over 15 years. The District has also collected tissue samples from anadromous fish and provided them for laboratory analysis. The District has worked with local high schools on salmonid education and stream monitoring programs and soil judging programs. The District plans to continue sponsoring Applied Fluvial Geomorphology classes, and stream restoration classes to educate professionals and others in methods of river restoration. The District has held educational classes at the museum and lyceum. Additionally, the District has volunteered at Guadalupe River Park and Gardens outreach and education functions and provided funding for Veggielution, an organization that promotes a sustainable food system through an urban farm.
- ❖ **Creek Cleanups:** The District assists with creek clean ups for the American River Cleanup Day and Ocean Cleanup Day.
- ❖ **Vegetation/Habitat Preservation:** The District works to preserve habitats for special status species and to educate the public on the importance of species diversity and the protection of habitat for all species. The District has in the past worked to protect butterfly habitat. The District is in the process of providing comments on the Santa Clara Habitat Conservation Plan.
- ❖ **Farm/Range Land Management:** The District participated in the beginning stages of a collaborative San Francisco Bay Area Livestock and Land program proposed by Ecology Action. The goal of the program was to reduce the negative effects of livestock non-point source nutrient, pathogen and sediment pollution by implementing Best Management Practices in TMDL, 303(d) and other priority watersheds draining into the San Francisco Bay. Ecology Action applied for funding through the EPA for this project, but was not awarded the grant.
- ❖ **Native Species Information:** The District is working on gathering historic accounts of native species and to document present accountings of these species. It is working with SCBWMI to assure the most accurate listings and historic accounting of native species possible.

Collaboration

Many of the conservation agencies work closely together to promote communication, coordination and greater leveraging of resources. Like many other RCDs, GCRCD operates under Memorandums of Understanding (MOUs) with the U.S. Department of Agriculture and the State of California. The latter agreement recognizes a commitment from the State in aiding administration, coordination, financing and delivery of the conservation programs through local conservation districts. Through another cooperative work agreement, GCRCD, NRCS, the California Association of RCDs, and the California Department of Conservation agree to share information and resources, when available, to capitalize on synergies in program effectiveness and reduce duplication of efforts and contradictory mandates.

The District was previously recognized for working with NRCS and acquiring funds to restore the Silver Creek. Through NRCS, the District also provides assistance to land owners in methods of erosion prevention, land management issues, range improvement, grazing methods and schedules, landscaping and resource conservation.

GCRCD works and partners with other agencies, local governments and organizations. The following is a partial list of agencies and organizations the District is working with or has worked with in the past:

- ❖ California Department of Fish and Game
- ❖ California Native Plant Society
- ❖ Children’s Discovery Museum
- ❖ City of San Jose
- ❖ City of Sunnyvale
- ❖ City of Santa Clara
- ❖ Clean South Bay
- ❖ Fisheries and Aquatic Habitat Collaborative Effort
- ❖ Friends of Calabazas Creek
- ❖ Los Gatos High School
- ❖ Natural Heritage Institute (NHI)
- ❖ National Marine Fishery Service (NMFS)
- ❖ Pacific Coast Federation of Fishermen (PCFFA)
- ❖ Pioneer High School,
- ❖ Regional Water Quality Control Board (RWQCB)
- ❖ San Jose Conservation Corps
- ❖ San Jose Flycasters
- ❖ San Jose Police Department
- ❖ San Jose Parks Department, San Francisco Estuary Institute (SFEI)
- ❖ Santa Clara Basin Watershed Management Initiative (SCBWMI)
- ❖ Santa Clara County Board of Supervisors
- ❖ Santa Clara County Urban Runoff Pollution Prevention Program

- ❖ Santa Clara Valley Audubon Society,
- ❖ Santa Clara Valley Manufacturer's Group
- ❖ Santa Clara Valley Water District (SCVWD)
- ❖ Silichip Cinook Salmon & Steelhead Restoration Group
- ❖ Stanford University- Hopkins Marine Station
- ❖ Streams for Tomorrow
- ❖ Technical Museum of Innovation
- ❖ Toxics Coalition
- ❖ Trout Unlimited
- ❖ United Anglers
- ❖ University of California Bodega Bay Marine Laboratory
- ❖ Urban Creeks Council- South Bay Chapter/Friends of the Guadalupe River
- ❖ U.S. Army Corps of Engineers
- ❖ U.S. Environmental Protection Agency- Region 9 (EPA)
- ❖ U.S. Fish & Wildlife Service
- ❖ USDA Natural Resource Conservation Service
- ❖ Western Waters Canoe Club
- ❖ West Valley Clean Water Program
- ❖ Wildland Hydrology
- ❖ Guadalupe River Park & Gardens
- ❖ Veggielution
- ❖ Salmonid Restoration Federation

Since the makeup of land and demands for service between GCRCD and Loma Prieta RCD are different, collaboration with the Loma Prieta RCD has not been extensive. There have been soil judging contests in years past, but only on a yearly basis.

Service Area

GCRCD serves the northern portion of Santa Clara County extending from north of Morgan Hill to the San Francisco Bay. Within the boundaries are portions of the cities of San Jose, Palo Alto, Los Altos, Los Gatos, Saratoga, Los Altos Hills, Cupertino, Campbell, Milpitas and Monte Sereno. Much of the urban area within the northwestern portion of the County is excluded from the District's boundaries; however, this is where many of the District's services are focused.

At the outset, urban areas were, for the most part, left out of the districts' boundaries because district purposes, at that time, were directed towards agriculture and soil conservation. In 1971, the soil conservation districts' mandate was expanded legislatively, at which time they were renamed resource conservation districts. The GCRCD's focus has transitioned to stream protection, because of the impacts of urbanization and construction activities on aquatic resources, water quality, and riparian areas. Because the dependent fishery resources that are distinctly within the District's boundaries are impacted by

activities downstream in the urban areas of the watersheds, the District is presently providing more services in the urban centers, outside of its bounds. The District's primary revenue source is property taxes, which it receives from only those lands within its bounds. The District provides a majority of its services within the cities outside of its bounds without compensation.

The District reported that it would like to enhance services in the northeastern area of the County, but would need more personnel and volunteers to extend services out towards Alameda County.

Services to/from Other Agencies

The District does not provide services to or receive services from other public agencies under contract. The District does, on occasion, receive support from contract technical consultants when reviewing development projects.

Boundaries

The Evergreen Soil Conservation District originally covered about 10,000 acres on the northeastern side of the Santa Clara Valley, largely the Silver Creek Watershed. It later expanded to include most of the land on the eastern side of Santa Clara Valley which included a large portion of the Coyote Creek Watershed just north of Morgan Hill. The District boundary extended to the Alameda and Stanislaus County lines, excluding then-urban incorporated lands.

In 1977, the Evergreen RCD merged with the Black Mountain District. The Black Mountain Soil Conservation District was organized in 1943 to cover about 5,500 acres of the Clabazas Watershed on the western side of Santa Clara Valley. It later expanded to cover most of the hill land on the western side of the valley from just south of the San Mateo County line to Loma Prieta Mountain and the boundary of the Loma Prieta Soil Conservation District. Most urban territories and Stanford University land were excluded.

Currently, the District encompasses 565 square miles. The boundaries include most of the hilly and mountainous land surrounding the Santa Clara Valley on the eastern side. The narrow part of the valley north of Morgan Hill, and the southeastern portion of the valley in the City of San Jose are included. Much of the urban area of the northwestern portion of the County, mostly lying within the low, flat land section of the Santa Clara Valley is not in the District.

The boundary on the western side of the valley lies just below the San Mateo County line extending to the Santa Cruz County line and southwest to Loma Prieta and the Loma Prieta Conservation District boundary. The middle urbanized portion of Santa Clara County is not included in the District.

The eastern part of the District includes the Diablo Mountain Range extending to the Stanislaus and the Alameda county lines. The District territory extends southeast from

Alameda County line to the Almaden, Calero and Coyote Creek, encompassing the northern portion of Anderson Reservoir. The District's bounds are shown in Figure 8-1.

Provider Overlap

The District's bounds overlap with Santa Clara Valley Water District, which covers the entire county and provides similar resource conservation services. GCRCD does not agree that its services overlap those provided by SCVWD, and reports that while both agencies work in the arena of watershed stewardship, GCRCD serves the function of environmental peer review for projects proposed and activities undertaken by the SCVWD.

SCVWD provides technical support and spearheads regionalized watershed stewardship and groundwater quality protection campaigns. It aims to protect and improve watersheds, streams, and natural resources, and promotes awareness of creek and bay ecosystem functions. Additionally, SCVWD watershed conservation programs are largely focused on northern Santa Clara County which lies within the Santa Clara Basin—through which the County's surface water supplies flow. Similarly, GCRCD focuses on watershed protection by primarily providing comments on developments and projects along creeks and rivers, and engaging in some stewardship activities. It encourages environmental responsibility and attempts to educate the public and relevant parties about the importance of preserving natural habitat and watershed issues. Similar to SCVWD's efforts on watershed stewardship issues, the RCD's efforts are focused on the northern part of the County.

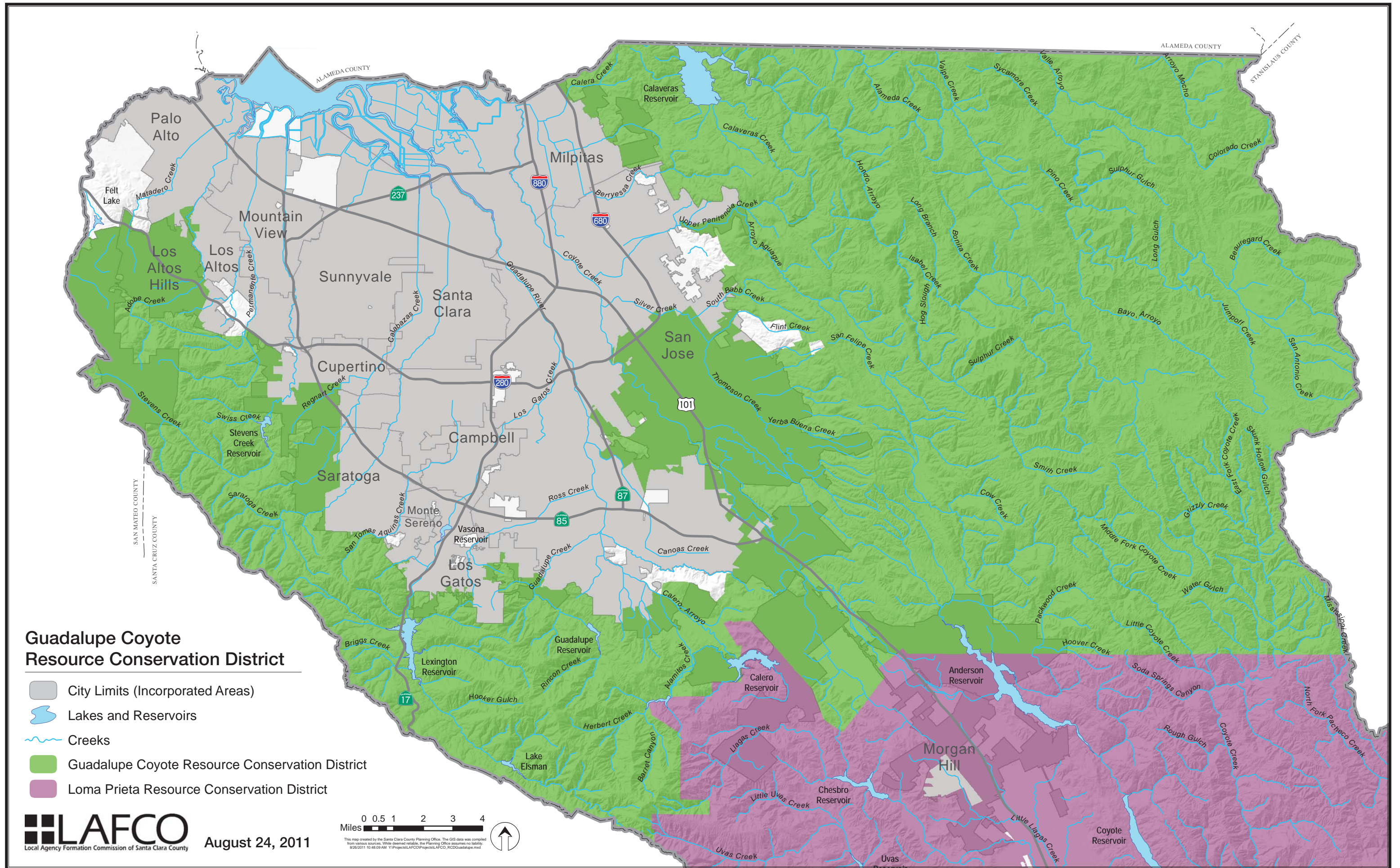
This overlap has occurred due to SCVWD's evolving role in in flood control and watershed stewardship services. In 1996, GCRCD (in conjunction with Trout Unlimited and Pacific Coast Federation of Fishermen's Associations) filed an administrative complaint with the State Water Resources Control Board alleging that SCVWD's flood protection projects had blocked fish passages and degraded certain local waterways. The complaint is still active. As part of a settlement agreement to the complaint, SCVWD formed the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) with the aims to improve and maintain habitat for threatened fish in the watersheds of three specific streams—Coyote Creek, Stevens Creek and the Guadalupe River. FAHCE is a collaborative agreement among the water district, local, state and federal agencies, and environmental advocacy groups, which guarantees SCVWD's continued rights that were challenged by environmental and recreational groups (one of which was GCRCD) on the grounds that the water district was not providing adequate flow for protection of fisheries. In 2001, additional authority to protect stream, riparian corridors and natural resources preservation functions were added to SCVWD's enabling act, creating the present day overlap in services between SCVWD and GCRCD. The watershed stewardship services that are provided by SCVWD are covered in detail in the Watershed Stewardship Infrastructure section of Chapter 3.

A significant difference of note between the services provided by the two districts is that GCRCD can act as a conduit for non-competitive federal funds through the NRCS that are not available to SCVWD.

Sphere of Influence

The District's Sphere of Influence is coterminous with its bounds and was last updated in 2007.

Figure 8-1



ACCOUNTABILITY AND GOVERNANCE

GCRC is governed by a five-member Board of Directors. Directors are appointed by the County Board of Supervisors for staggered four-year terms, in accordance with Public Resources Code §9314(b). New directors are provided with an orientation. There are currently five members on the Board of Directors. Board members do not receive compensation for services, with the exception of reimbursement for training and associated expenses to attend conferences, which is a part of educating board members on relevant issues. Current board member names, positions, and term expiration dates are shown in Figure 8-2.

The Board meets on the second Wednesday of every month at six in the evening at the District office. The Agenda is publicly posted at the county building the Friday before the Board Meeting and on the entry doors to the Bank of the West building where meetings are held. Minutes are available upon request. Agendas are written with the approval of the President.

Figure 9-2: GCRC Governing Body

Guadalupe-Coyote Resource Conservation District				
<i>District Contact Information</i>				
Contact:	Nancy Bernardi, Office Manager			
Address:	888 North 1st Street, Room 204, San Jose, CA 95112			
Telephone:	408-288-5888			
Fax:	408-993-8728			
Email/website:	gcrd@pacbell.net			
<i>Board of Directors</i>				
Member Name	Position	Term Expiration	Manner of Selection	Length of Term
Vacant	Director	December 2012	Appointed	4 years
Margaret Giberson	Director	December 2012	Appointed	4 years
James Moore	Director	December 2012	Appointed	4 years
David Crites	Director	December 2014	Appointed	4 years
Roger Castillo	Director	Replacement appointment	Appointed	4 years
<i>Meetings</i>				
Date:	Second Wednesday of every month at 6:00pm.			
Location:	District office.			
Agenda Distribution:	Posted on website.			
Minutes Distribution:	Available upon request and posted on website.			

In addition to the legally required posting of agendas and making minutes available, the District undertakes several outreach and educational programs in an effort to keep constituents informed of services provided and district activities. As previously mentioned, the District teaches salmonid education, stream monitoring programs, and soil judging programs in local high schools and the Lyceum. It also sponsors classes on stream and river

restoration. The District maintains a website where some information is made available to the public.

If a constituent is dissatisfied with the District's services, they may submit a complaint in written or oral form. The operations manager tries to address complaints or requests as soon as possible. If a complaint were not handled to the constituent satisfaction, it would be passed on to the Board. There was one complaint in 2010 from a developer that did not appreciate criticism regarding a potential development. The complaint was resolved prior to handing it off to the Board.

GCRCO demonstrated accountability and transparency in its disclosure of information and cooperation with Santa Clara LAFCO. The District responded to the questionnaires and cooperated with the document requests.

MANAGEMENT AND STAFFING

The District's personnel policies are based on the California Association of Resource Conservation Districts tools and suggestions. The District has one full-time staff and supplements services with part-time staff and contract consultants as needed. The District is managed and operated by the operations/office manager who reports to the president of the Board of Directors. The employee also receives direction from the president and accommodates other board members in their requests. The operations/office manager is the district filing official, board deputy clerk, board recording secretary (agendas and minutes), and the board secretary. The manager performs several other functions required for the operations of the District.

The District does not track the operations manager's workload through timesheets. The manager gives monthly staff reports at Board meetings and other reports as necessary. The manager also updates the Board through the agenda for monthly meetings, enabling board member discussions on the operations of the District, any District needs and any potentially new district activities. All staff work is performed under the direction of the President and the Board. The President of the Board is the staff supervisor and an executive who may make decisions without board meetings, if needed.

Employee evaluations are not performed regularly; however, it is one of the District's goals to initiate regular reviews. Personnel policies state that written employee performance evaluations will be done by the Board of Directors within one year of employment and annually thereafter on the review anniversary for all GCRCO employees. If the evaluation is satisfactory, appropriate action may be taken to adjust the employee's salary. The most recent staff evaluation took place about a year and a half ago.

The operations and productivity of the District are evaluated during annual plan and long range plan discussions. Ongoing issues, such as stream restoration, are discussed monthly. The District does not have adopted criteria to determine successful completion of a project.

To improve its operational efficiency, the District reported that it has looked into hiring part-time staff.

The District's financial planning efforts include an annually adopted budget and financial statements that are audited on a biennial basis. The District does not conduct capital improvement planning as it neither owns nor shares any facilities.

All special districts are required to submit annual audits to the County within 12 months of the completion of the fiscal year, unless the Board of Supervisors has approved a biennial or five-year schedule.⁹² In the case of GCRC, the District must submit audits every three years.⁹³ The County reported that GCRC has complied with these requirements.

The District's other planning documents include a long range plan for the years 2010–2015, an annual work plan and annual report. The District sets and adopts goals through its long range and annual work plans. Division 9 of the Public Resource Code outlines the functions of the long range plan and annual work plan.⁹⁴ The District could improve upon its long range plan and annual work plan by ensuring that they embody the functions outlined for these plans in the Public Resource Code.

POPULATION AND PROJECTED GROWTH

Based on GIS analysis of 2010 census data, GCRC has a population of approximately 300,577.

ABAG projects that the population of Santa Clara County will grow by 33 percent by 2035, with an average annual growth rate of 1.2 percent countywide. ABAG's population projections for 2010 were slightly higher than the actual population reported in the 2010 Census. Population projections have been adjusted assuming ABAG's projected rate of growth from the 2010 Census population. The unincorporated areas of the District are projected to have an average annual growth rate of 0.7 percent, while the cities are anticipated to have average annual growth of between 0.8 and 1.7 percent. Based on these projections, the District will have an estimated population of 355,355 in 2035.

Generally, population growth within the District is expected to be modest and consist of infill rather than new development. Northern Santa Clara County is highly dependent on the quality of its local surface water sources as well as groundwater recharge opportunities and flood protection along the creeks. Although population growth may not be significant overall, as land use intensifies in the region, there will be an increased demand for services related to conservation and watershed stewardship. The District's demand for services will

⁹² Government Code §26909.

⁹³ Correspondence with Vicky Bituin, Santa Clara County Controller-Treasurer Department, September 7, 2011.

⁹⁴ Public Resources Code §9413.

most likely further increase as the cities undergo further urbanization and increase urban runoff, litter and manmade structures affecting water quality and wildlife, thus creating a greater need for conservation programs and new development project reviews.

GCRCO reports that it does not make formal population projections, as population growth does not directly impact the level of demand for the District. GCRCO currently forecasts its service needs through its long range plan. The District reported that it has experienced an increase in demand in recent years, as it has started new types of projects and had several documents and projects to evaluate.

Specific planned and proposed developments within the District include the Brookside Development on Guadalupe Mines Road along Guadalupe Creek, which is planned to consist of hundreds of dwelling units.

The District reported that it reviews and provides comments on planned and proposed developments within and outside its boundaries. GCRCO does not maintain a set of its own policies by which to evaluate these potential projects, but instead aims to ensure the all projects are consistent with the conservation related policies of the various local, state and federal agencies. Additionally, the District bases its comments on any potential negative environmental impact identified by consultants and/or biologist reviews of the project and habitat. The District does not maintain a list of its own policies or standards to guide district comments and evaluation of proposed projects and ensure consistency between reviewers and projects.

FINANCING

Financial Adequacy

GCRCO reported that the current financing level was generally inadequate to provide services. Current funding reportedly only covers basic services provided by the District. The District identified a need for increased grant funding in order to enhance its level of services and better fulfill its mandate. Two challenges to financing were identified: 1) the exception of the repeal of Proposition 1A, which required California agencies to pay eight percent of their property tax income with the expectation that it will be paid back in 2013 and 2) the District is providing services outside of bounds without compensation or property taxes from the area.

GCRCO has made attempts to minimize expenses by being more conscientious of costs and performing cost comparison analyses when hiring personnel. To enhance cost savings, the District also practices cost sharing with SCVWD for consultants.

Revenue Sources

GCRCO is funded by its share of the one percent property tax (\$170,106 in FY 09-10), as well as interest income (\$2,258 in FY 09-10). The District's property tax share for FY 09-10 was 0.58 percent.

GCRCO does not charge fees for its services. A potential revenue source may be fees for technical services that other RCDs have implemented. Under Division 9 of the California Public Resources Code, RCDs are permitted to function to a certain degree as enterprise districts, because they are empowered to charge reasonable fees for services rendered to individuals and agencies.⁹⁵ Other RCDs that charge fees for services generally provide contract services to the County or other agencies. GCRCO has considered charging fees, but no concrete steps had been taken as of drafting of this report.

The District is also actively applying for grants to enhance its financing level. GCRCO applies for multiple grants as a single agency and through collaborative partnerships. It recently applied for an EPA grant but the application was denied.

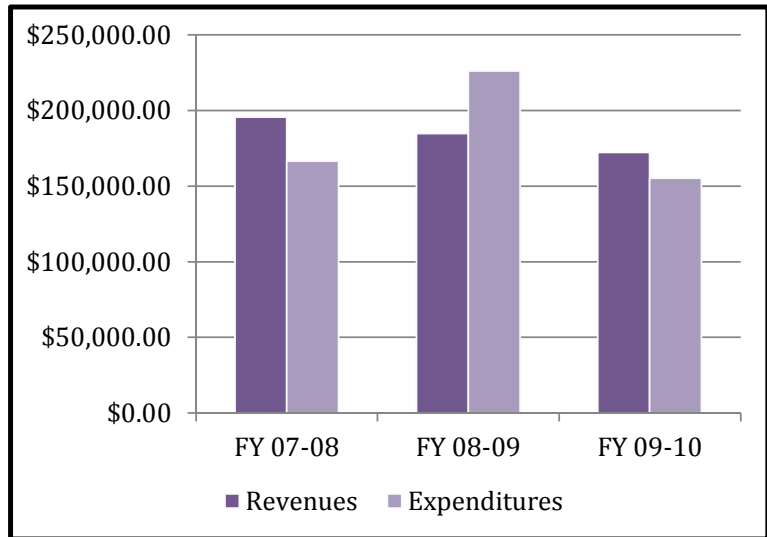
Expenditures

District expenditures in FY 09-10 were \$155,404, and were mainly comprised of salaries (42 percent), watershed project expenses (25 percent), trust fund disbursements (nine percent), office space lease (seven percent), federal payroll taxes (four percent), contract services (two percent), equipment and furniture (two percent), bank and FDIC insurance charges (two percent), and property tax administration fees, phone/web, insurance, and office supplies (one percent each). State unemployment, worker's comp, resource library, project and programs, education expenses, workshops and conferences, membership dues, printing and reproduction, and miscellaneous food and refreshments constitutes less than one percent each of the total revenue.

⁹⁵ Public Resources Code §9403.5.

Figure 8-3: Expenditures and Revenues (FYs 08-10)

The District’s revenues and expenditures over the last three years are shown in Figure 8-3. Revenues have generally declined since FY 07-08, while expenditures peaked in FY 08-09, and exceeded revenues. Higher expenditures in FY 08-09 were attributed to watershed capital improvement services and contract services.



Capital Outlays

The District does not own or maintain any fixed assets; however, it expends money every year on watershed capital projects towards plan evaluations and consultant fees. In FYs 08, 09 and 10, GCRCD spent \$42,282, \$103,955 and \$39,552 respectively for these projects. The projected expenditures for watershed projects in FY 10-11 was approximately \$50,000.

Long-term Debt

The District had no long term debt at the end of FY 09-10.

Reserves

The District has an informal policy to set aside some money annually—net revenues carry over to the following year. At the end of FY 09-10, the District had a cash fund balance of \$274,889, which equates to approximately 21 months of operating expenditures for the District.

WATER INFRASTRUCTURE AND FACILITIES

The District currently does not own or maintain any facilities and consequently does not have any infrastructure needs or deficiencies attributed to district-owned assets. Instead, the watersheds in the area may appropriately be referred to as district infrastructure, as they define the demand for district services.

Watershed Stewardship Infrastructure

While the District does not own facilities with regard to watershed stewardship, its bounds include at least a part of four distinct watersheds that drain to the San Francisco Bay—the Lower Peninsula, West Valley, Guadalupe, and Coyote watersheds.

Infrastructure Needs

All of these watersheds once supported large runs of salmon and steelhead trout. Due to severe human impacts over the years only token salmonid runs exist today, and unless the trend is reversed, these fish could become extinct in the not too distant future.

The District reports that virtually all waterways in these watersheds are severely impacted by development, water diversions, dry backs, dams, instream percolation, flood control projects, pollution, and vegetation removal, especially in the lower reaches of Santa Clara Valley. As anchor watersheds, these watersheds provide habitat that is critical to efforts to restore coldwater fisheries, to which GCRCDC is dedicated.

Water bodies within GCRCDC that are significantly affected by pollutants and classified as impaired include Alamitos Creek, Calero Reservoir, Coyote Creek, Guadalupe Creek, and Guadalupe Reservoir. Guadalupe River, which is also an impaired water body, is located outside of the District's boundaries, but surrounded by the District. Alamitos Creek, Calero Reservoir, Guadalupe Creek, and Guadalupe Reservoir are impaired by mercury and have a medium priority level as determined by the San Francisco Bay Regional Water Quality Control Board. Coyote Creek is impaired by diazinon and has a high priority level. Guadalupe River is impaired by both, mercury and diazinon, which have priority levels of medium and high, respectively.

Capital Improvement Plans

The District does not have any capital plans related to these impaired water bodies, but instead evaluates projects as they are proposed by others.

Shared Facilities

Guadalupe-Coyote shared its leased office space with NRCS in the past, but NRCS has since moved out. Currently, the District does not share its facilities with other agencies.

The District does not see opportunities for facility sharing in the future, but is exploring the possibility of regional collaboration with Alameda RCD, Santa Cruz RCD and possibly Loma Prieta RCD on projects.

GUADALUPE-COYOTE RESOURCE CONSERVATION DISTRICT SERVICE REVIEW DETERMINATIONS

Growth and Population Projections

- ❖ The estimated population of Guadalupe-Coyote RCD is 300,577.
- ❖ Generally, population growth within the District is expected to be modest and consist of infill rather than new development. The District is projected to have a population of approximately 355,355 in 2035.
- ❖ Although population growth may not be significant overall, as land use intensifies in the region, it is anticipated that there will be an increased demand for services related to conservation and watershed stewardship. The District's demand for services will most likely further increase as the cities undergo further urbanization and increase urban runoff, litter and manmade structures affecting water quality and wildlife, thus creating a greater need for conservation programs and new development project reviews.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- ❖ GCRCO does not own or operate facilities or infrastructure.
- ❖ The District appears to have the capacity to handle present demand for services. Any increase in demand would require additional funding and staffing to address it.
- ❖ It is recommended that the District make use of property tax revenue for services directed at areas where it was collected.
- ❖ The District is providing adequate services given financial constraints, based on the quality of services provided and professional management practices.
- ❖ GCRCO management practices are adequate as the District maintains up-to-date financial information and budgets, and conducts annual and long-range planning. However, GCRCO could improve upon management practices by conducting regular employee evaluations and tracking the workload of staff and the district.
- ❖ It is recommended that the District adopt specific criteria to determine successful completion of a project or goal as part of the annual work plan.
- ❖ It is recommended that the District establish policies and guidelines by which to review potential development projects in order to clearly define what criteria

GCRCD will be using to guide district comments and evaluation of proposed projects, as well as ensure consistency between reviewers and projects.

- ❖ GCRCD submits audited financial statements to the County, as required by State law.

Financial Ability of Agency to Provide Services

- ❖ GCRCD financing level is considered inadequate to provide services as current funding reportedly only covers basic services provided by the District. The District identified a need for increased grant funding in order to enhance its level of services and better fulfill its mandate.
- ❖ Two challenges to financing were identified: 1) the repeal of Proposition 1A, and 2) providing a majority of services outside of bounds without compensation or property taxes from the area.
- ❖ GCRCD is searching for additional financing sources by actively applying for grants and considering charging fees for services.
- ❖ GCRCD maintains considerable reserves to compensate for funding shortfalls in the long-term.

Status and Opportunities for Shared Facilities

- ❖ Guadalupe-Coyote shared its leased building with NRCS in the past, but NRCS has since moved out. Currently, the District does not share its facilities with other agencies.
- ❖ The District does not see opportunities for facility sharing in the future.

Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

- ❖ Accountability is best ensured when contested elections are held for governing body seats, constituent outreach is conducted to promote accountability and to ensure that constituents are informed and not disenfranchised, and public agency operations and management are transparent to the public. GCRCD appears to generally be accountable to the public based on these indicators; however, board members are appointed (pursuant to the provisions of Public Resources Code §9314), not elected, which constrains accountability to the constituents.
- ❖ It is recommended that GCRCD continue to populate its website with further documents and information to enhance transparency to the public.

Governance Structure Options

Three governance structure options were identified for GCRCD: 1) reorganization with Santa Clara Valley Water District, 2) consolidation with Loma Prieta RCD, and 3) annexation or detachment of incorporated areas.

Reorganization with Santa Clara Valley Water District

GCRCD's bounds overlap with that of Santa Clara Valley Water District (SCVWD), which provides similar resource conservation services. As the two agencies are empowered to provide the same general category of water conservation services, there is the potential for duplication of services. GCRCD is empowered to provide both watershed stewardship and land management services to control runoff, prevent and control soil erosion, protect water quality, develop and distribute water, improve land capabilities, and facilitate coordinated resource management efforts for watershed restoration and enhancement.⁹⁶ Similarly, SCVWD is empowered to provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County.⁹⁷

As identified in the Agency Overview section of this chapter, there appears to be significant overlap in the services provided by SCVWD and GCRCD. Both agencies provide services directed at protecting watersheds, streams and ecosystems. This overlap has largely occurred due to SCVWD's evolving role in in flood control and watershed stewardship services, and GCRCDs growing interest in ensuring proper habitat preservation along the urbanized waterways. GCRCD concluded that SCVWD's flood control projects on the Guadalupe and related waterways were harmful to the streams and their tributaries and filed a complaint with the State Water Resources Control Board in 1996. Since then GCRCD has worked to promote amelioration of the blocked fish passages, the degraded riparian vegetation, channel forms and substrates and water quality of these streams, by submitting numerous comments on potential projects. In 2001, environmental stewardship responsibilities were added to SCVWD's powers to balance the District's flood control activities with the protection of the County's waterways and ecosystems. Presently, both agencies direct efforts at many of the same projects, granted participation in these programs are at different stages in the project and to different degrees.

Given that both agencies are making use of property tax revenue to finance similar services, LAFCO may choose to reorganize GCRCD and SCVWD, in order to eliminate any duplication of services. With this option, the RCD would either be dissolved and SCVWD would be responsible for providing resource conservation programs to the extent it is authorized in its enabling act or the two agencies would be consolidated into a single agency designated as SCVWD with the same enabling act. Both of these options could be initiated by LAFCO or the agencies. In both scenarios, the transfer of the property tax would be negotiated by the County on behalf of the district.

⁹⁶ Public Resources Code §9001.

⁹⁷ Santa Clara Valley Water District Act, §4.

The primary advantages of this option are the elimination of any duplicate services, enhanced leveraging of property tax revenue through a single entity for conservation purposes, and reduced administration costs. Presently, both agencies make use of property tax revenues to provide conservation services. Aggregating all property tax revenue under the control of a single resource conservation provider would allow for greater “purchasing power” and maximize the impact of the services provided. Additionally, by eliminating the governmental structure of one agency, a smaller portion of the available funding pool would be used for administrative purposes. Yet, given the size of SCVWD’s watershed stewardship and flood control operations (\$51.8 million in FY 09-10), the effect of this additional revenue (\$170,106 in FY 09-10) would most likely be minimal.

Prospective disadvantages to this option are a perceived loss of local control and public access, the potential for a narrower range of services available to residents, a lack of certainty as to how the property tax funding would be used, and restricted access to NRCS funding.

While the resource conservation programs and services the SCVWD is authorized to provide are broad in scope, they must in some way relate to water resource management and flood protection. The RCD is not limited in this way and can provide programs that are related to a wide range of conservation issues. However, at present, GCRCD’s projects are entirely focused on water-related resource management, and the District does not provide any programs or services that would be considered outside of the purview of SCVWD.

Equally important is consideration for how the property tax funding could be used in the future. Watershed management is a core business for SCVWD and receives a significant amount of funding. SCVWD is a countywide district and there is no requirement and no means to ensure that the property tax funding collected locally within the GCRCD service area is used for local programs. Though, it should be noted that GCRCD is presently making use of property tax funds for projects outside of its boundaries.

Finally, GCRCD acts as a conduit for non-competitive federal grants from NRCS, which are not available to SCVWD. Should SCVWD be the successor agency, conservation efforts in Santa Clara County would no longer be eligible for these funds. However, GCRCD has not received these funds from NRCS in at least the last 10 years, and NRCS does make other grant funds available to agencies on a competitive basis.

GCRCD reported that it is not amenable to consolidating with SCVWD. GCRCD expressed concern that there is the potential for conflicting objectives if SCVWD provides both flood control and environmental protection services. SCVWD, however, believes that providing water supply and flood control services is consistent with its efforts to protect creeks and watersheds, and supports reorganization of the two agencies in some form.

Consolidation with Loma Prieta Resource Conservation District

A potential governance structure option may be consolidation of GCRCD with LPRCD. GCRCD abuts LRPRCD to the south.

Possible benefits of an RCD consolidation may be capitalizing on each other's existing programming, economies of scale, greater regional collaboration and planning on regional issues and concerns with regard to watersheds that cross RCD boundaries, better leveraging of limited funding, and improved efficiency for funding projects at a regional level. Given LPRCD's present financial constraints, improved efficiencies and reduced competition for grant funding would greatly benefit the District.

Together, GCRC and LPRCD serve a large majority of the territory within Santa Clara County, with the exception of the urban cores of the cities. The primary benefit of consolidation of GCRC and LPRCD and creation of a countywide resource conservation district would be comprehensive conservation coverage throughout the County with uniform programming. At present, the programming of these two agencies greatly varies. LPRCD focuses largely on soil conservation and land management services, while GCRC concentrates efforts on watershed stewardship activities. Consolidation would allow for shared programming between the two agencies and expand the types of services offered throughout the County.

Additionally, both agencies reported that financing levels were generally inadequate to provide services. Presently, both agencies are largely dependent on property tax revenues to provide conservation services. Aggregating all property tax revenue under the control of a single resource conservation provider, would allow for greater leveraging of available resources. Moreover, by eliminating the management and governing body of one agency, a smaller portion of the available funding pool would be used for administrative purposes.

Although the consolidation of LPRCD and GCRC has the potential for significant benefits, there are several challenges and disadvantages to such a governance structure option. The challenges to consolidation include the dissimilarity in the type of territory served in each district and the difference in programming. GCRC serves the more urban and suburban area in the northern portion of the County, while LPRCD serves a more agricultural and rural area in the southern portion of the County. Consequently, LPRCD's services are more focused on soil conservation and land management of small acreage agricultural lands, while GCRC focuses on watershed stewardship in the heavily impacted urban centers. The variation in the composition of land between the two districts would force the newly consolidated district to either offer a wide variety of services for all types of land use or specialize in only a few types of services.

LPRCD and GCRC both indicated that consolidation of the two agencies was not a desirable option, given the differences previously cited. The districts do not presently participate in collaborative activities of any kind together, and lack a working relationship. The two districts should explore further options to share resources and expertise and evaluate the potential to collaborate on achieving any common goals.

Annexation or Detachment of Incorporated Areas

This option would involve making boundary adjustments by either detaching all incorporated territory or annexing the city centers that remain excluded from GCRC. When GCRC was originally formed, it was intended to provide soil and water conservation

services to rural areas outside the cities. As areas were annexed by the cities there were no subsequent detachments from the RCD's boundaries.

Detachment of these areas would restore the RCD's boundaries to the original intent by removing any areas annexed to the cities. The RCD's share of the one percent property tax for the detached areas would be reallocated to each taxing jurisdiction within that Tax Rate Area. The primary advantage of this option includes increased public benefit from the property tax funding in those areas as the funding is reallocated to other public services. However, GCRCO would likely continue to provide services in these areas without compensation as it is presently doing in the urban centers.

There are several disadvantages to this option. First, the RCDs boundaries would recede, although the RCD would most likely continue to provide services there. Second, the RCD's operating revenue would be reduced per the amount and valuation of the detached areas and the District would no longer be compensated for services provided in these areas. Third, residents within the cities may place a high value on the services provided by the RCD and there may be a potential lack of community support for any change.

The alternative option is to annex those excluded areas to ensure consistent and comprehensive coverage within the District's boundaries. While it was the original intent at the time of formation that the cities be excluded, the demand for services is shifting from rural lands to more developed areas. The California Public Resources Code §9152 authorizes other lands besides agricultural lands to be included within the District if necessary for the control of runoff, the prevention or control of soil erosion, the development and distribution of water, land improvement, and for fully accomplishing the purposes for which the district is formed. GCRCO almost entirely focuses its efforts in the urban centers that are presently outside of its boundaries. Annexation of these areas would allow the District to recoup costs related to services provided there.

- ❖ Three governance structure options were identified for GCRCO: 1) reorganization with Santa Clara Valley Water District, 2) consolidation with LPRCD, and 3) annexation or detachment of incorporated areas.

GUADALUPE-COYOTE RESOURCE CONSERVATION DISTRICT SPHERE OF INFLUENCE UPDATE

Existing Sphere of Influence Boundary

The District's SOI is coterminous with its boundaries. The SOI was last updated in 2007.

Recommended Sphere of Influence Boundary

It is recommended that LAFCO maintain a coterminous SOI for GCRCD on a provisional basis and revisit the sphere when recommended conditions are adequately addressed in a timely manner.

There are concerns about the duplication of conservation services that are presently offered by GCRCD and SCVWD and the double taxation of property owners for these conservation services. Given such duplicative provision of services, it may be appropriate to assign a zero sphere for GCRCD and consolidate it with SCVWD. However, consolidation of the two agencies would limit the range of potential conservation services that could be provided in the northern portion of the County in the future. The resource conservation programs and services SCVWD is authorized to provide are broad in scope; however, they must in some way relate to water resource management and flood protection. The RCD is not limited in this way and can provide programs that are related to a wide range of conservation issues. At present, GCRCD's projects are entirely focused on water-related resource management, and the District does not provide any programs or services that would be considered outside of the purview of SCVWD.

As part of this sphere recommendation, it is proposed that GCRCD return to LAFCO within a specified timeframe to outline what services the District intends to provide (along with a timeline for implementation) that do not overlap with SCVWD's efforts and could not otherwise be provided by SCVWD through its enabling act. At that time, LAFCO may reevaluate GCRCD's sphere considering the district's plan and application for new or different services per Government Code §56654(b) and §56824.12.

Proposed Sphere of Influence Determinations

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

GCRCD serves the northern portion of Santa Clara County. The District encompasses 565 square miles. The boundaries include most of the hilly and mountainous land surrounding the Santa Clara Valley. Much of the urban area of the northwestern portion of the County, mostly lying within the low, flat land section of the Santa Clara Valley is not in the District.

Land use within the RCD's boundaries ranges from urban development within incorporated areas to rural areas with agricultural and open space lands. A majority of the territory within the RCD boundaries is open space, including areas within the Santa Cruz Mountains to the west and the Diablo Range to the east. The entire RCD area is generally projected to have moderate growth rates.

Present and probable need for public facilities and services in the area

GCRCDC provides conservation services related to watershed management, floodplain management, conservation education and services, and watershed studies and projects. Population growth in Santa Clara County has increased pressures on natural resources, such as creeks, streams and other areas used for recreation. In addition, development has expanded the area covered by impervious surfaces, thereby increasing the need for resource conservation in support of flood control and water quality. The District reported that it has experienced an increase in demand in recent years, as it has started new types of projects and had several documents and projects to evaluate.

Generally, population growth within the District is expected to be modest and consist of infill rather than new development. Although population growth may not be significant overall, as land use intensifies in the region, it is anticipated that there will be an increased demand for services related to conservation and watershed stewardship. The District's demand for services will most likely further increase as the cities undergo further urbanization and increase urban runoff, litter and manmade structures affecting water quality and wildlife, thus creating a greater need for conservation programs and new development project reviews.

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

The District does not own or maintain facilities to provide services. GPRCD appears to have the capacity to handle present demand for services. Any increase in demand would require additional funding and staffing to address it. The District is providing adequate services given financial constraints, based on the quality of services provided and professional management practices.

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

GCRCDC serves a majority of the foothills and mountainous land surrounding the Santa Clara Valley in the northern portion of Santa Clara County. This includes portions of several cities and some unincorporated communities. The residents and landowners within the District's boundaries in northern Santa Clara County have an economic interest in the programs and services provided by the District as a portion of the property tax funds District services. Presently, the Cities of Los Altos, Cupertino, Saratoga, Los Gatos, San Jose, and Milpitas are divided as only a portion of the population in these cities is within the District's bounds.

The nature, location, extent, functions, and classes of services provided

GCRCDC is a non-regulatory agency with the mission of achieving conservation of resources by promoting sustainable agriculture and proper range land management practices, supporting well-defined urban boundaries for the preservation of open space and farmlands, and promoting proper watershed, wetlands and riparian corridor management. Current efforts are largely focused on watershed management and the protection and restoration of waterways.