

2. SANTA CLARA COUNTY LIGHTING SERVICE AREA

AGENCY OVERVIEW

Santa Clara County Lighting Service Area (SCCLSA) was created in 1964. It is a dependent special district created in response to property-owner requests for streetlights in some of the unincorporated areas of Santa Clara County. SCCLSA installs, maintains, and services county-owned streetlights, as well as reimburses Pacific Gas and Electric (PG&E) for installation and maintenance costs of PG&E-owned streetlights and electricity costs associated with all streetlights within the District. The County's Roads and Airports Department administers the District. The most recent service review for SCCLSA was completed in 2006.

The principal act that governs the District is the County Service Area law.²⁴ The principal act authorizes county service areas to provide a wide variety of municipal services, including street maintenance, fire protection, extended police protection, water and sewer services.²⁵ Government Code §25212 grants the Board of Supervisors rights and powers to administer service areas. A county service area may only provide those services authorized in its formation resolution, unless the Board of Supervisors applies to and receives authorization from LAFCO for activation of a latent power.²⁶ Under LAFCO law, districts must apply and obtain LAFCO approval to exercise latent powers or, in other words, those services authorized by the principal act but not provided by the district at the end of 2000.²⁷

There are 458 lighting service areas and lighting maintenance districts in California.²⁸ SCCLSA is the only dependent special district created for street lighting services in the County.

²⁴ California Government Code §25210.1-25211.3.

²⁵ California Government Code §25210.4 and 25210.4a.

²⁶ California Government Code §25213.5.

²⁷ Government Code §56824.10.

²⁸ California State Controller, *Special Districts Annual Report Fiscal Year 2009 – 2010*.

Boundaries

The boundaries of SCCLSA consists of several non-contiguous areas in unincorporated portions of the County. The areas are broken down into zones of benefit, of which there are 12. Combined, the SCCLSA territory totals 5.1 square miles.

Sphere of Influence

LAFCO originally adopted a zero SOI in 1982 for SCCLSA, recognizing that district lands within cities' urban service areas should annex to cities and lands outside of these urban service areas should not receive urban types of services. However, during the District's most recent SOI update, in 2006, LAFCO adopted an SOI coterminous with SCCLSA's boundaries, as continued demand for the District's services was likely.

Type and Extent of Services

Services Provided

SCCLSA operates, maintains, and services the County-owned streetlights located in areas of public right-of-way in a number of different unincorporated communities of the County. Maintenance of the streetlights includes repair, removal or replacement of all, or part of, any streetlight. A majority of the streetlights in the area are owned by PG&E; SCCLSA reimburses PG&E for services rendered to these streetlights, including the cost of electricity for all lights within the District.

The County Roads and Airports Department provides the maintenance, repair, and program management services on behalf of the District. The District acts as a financing mechanism to reimburse the County and PG&E for these services, and does not maintain its own dedicated staff.

Service Area

The District consists of 12 non-contiguous benefit zones (Zones 1-11 & 13). The zones were created in 2000 in order to ensure that costs were accurately attributed to each area and to identify the benefit to each parcel in the zones as the basis for a benefit assessment. Because property owners in Zone 2 did not approve the proposed assessment, services have not been provided in the area since 2000. More recently, in 2009, the territory that made up Zone 12 was annexed to the City of San Jose, and was detached from SCCLSA; therefore, SCCLSA is no longer responsible for the maintenance and operations of the street lights in that area. All other zones are presently receiving street lighting services from the District. Each zone is depicted in Figures 2-1 to 2-20 and described below.

- ❖ Zone 1 consists of eight distinct areas south and east of the City of Morgan Hill.

- ❖ Zone 2 (presently inactive) is a single area abutting the western county line along SR 17.
- ❖ Zone 3 consists of 13 areas scattered along the western limits of the cities of Saratoga, Monte Sereno, Los Gatos, and San Jose.
- ❖ Zone 4 is a single unincorporated island in the middle of San Jose.
- ❖ Zone 5 consists of five separate unincorporated islands in the cities of Los Gatos (one) and San Jose (four).
- ❖ Zone 6 and Zone 11 are each single unincorporated islands in the City of San Jose.
- ❖ Zone 7 consists of 11 areas located to the east of San Jose's bounds, and is partially outside the City's urban service area.
- ❖ Zone 8 (two areas) and Zone 9 (one area) are largely surrounded by the City of San Jose along the City's eastern limit. The areas are entirely within the City's urban service area.
- ❖ Zone 10 consists of seven areas within an unincorporated island to the east of the City of Los Altos Hills and the West of the City of Los Altos. The island is surrounded by both cities on all sides.
- ❖ Zone 13 is a single area located to the west of the City of Palo Alto, outside of the City's urban service area.

Service to Other Agencies

SCCLSA does not provide services to other public agencies.

Contracts for Services

The District does not have any formal contracts with other public agencies for service delivery.

There is no formal contract with PG&E for providing services and electricity to the streetlights. The County is billed a monthly charge per street light based on PG&E's published street light rate schedule as approved by the California PUC. The billing rate for each street light is determined by the type and wattage of the lamp in the street light and covers the cost of the electricity for the street light. For those streetlights owned by PG&E, a facilities charge per street light per month is added to the electrical rate to account for any capital maintenance or replacement performed by the company.

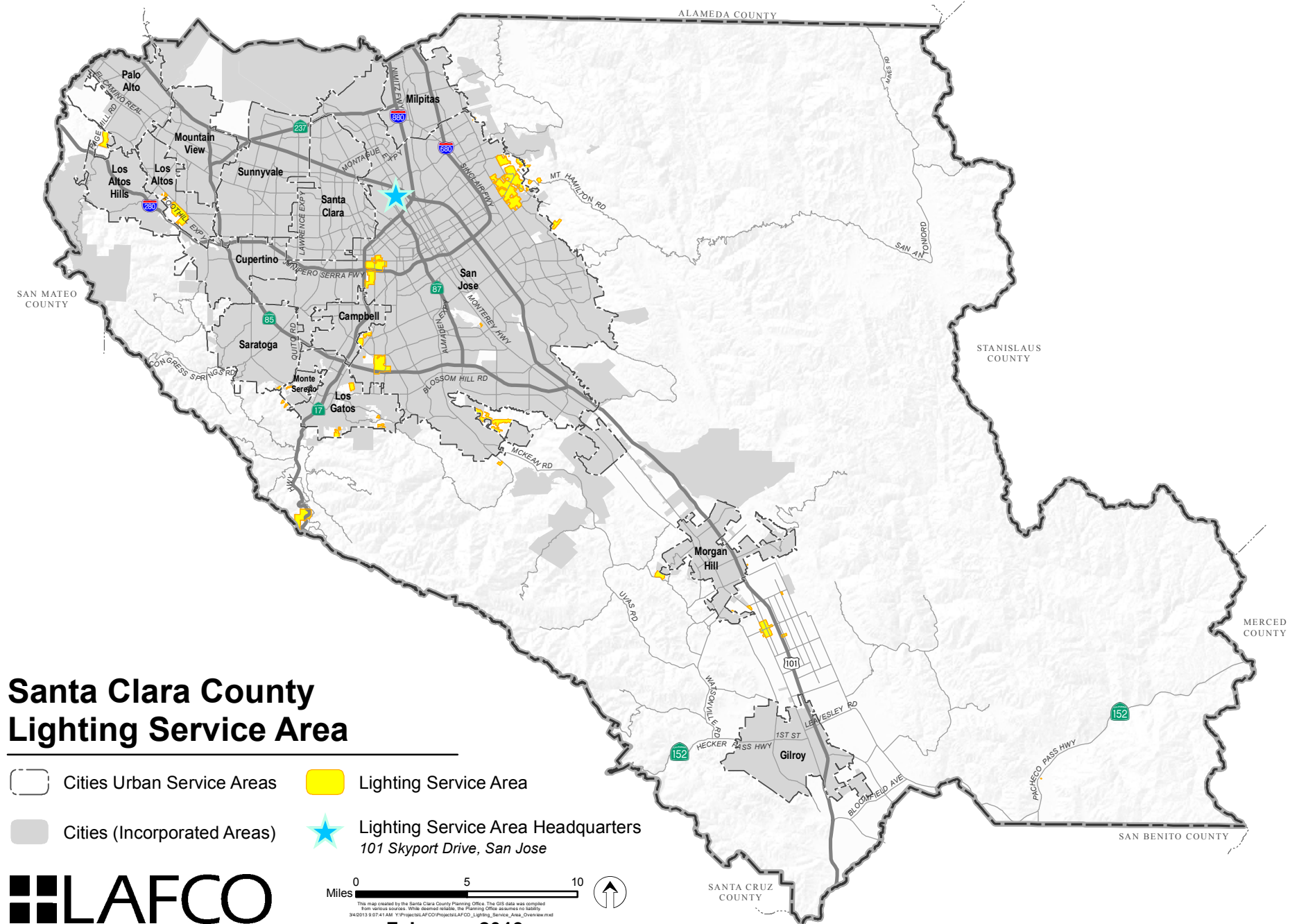
Collaboration

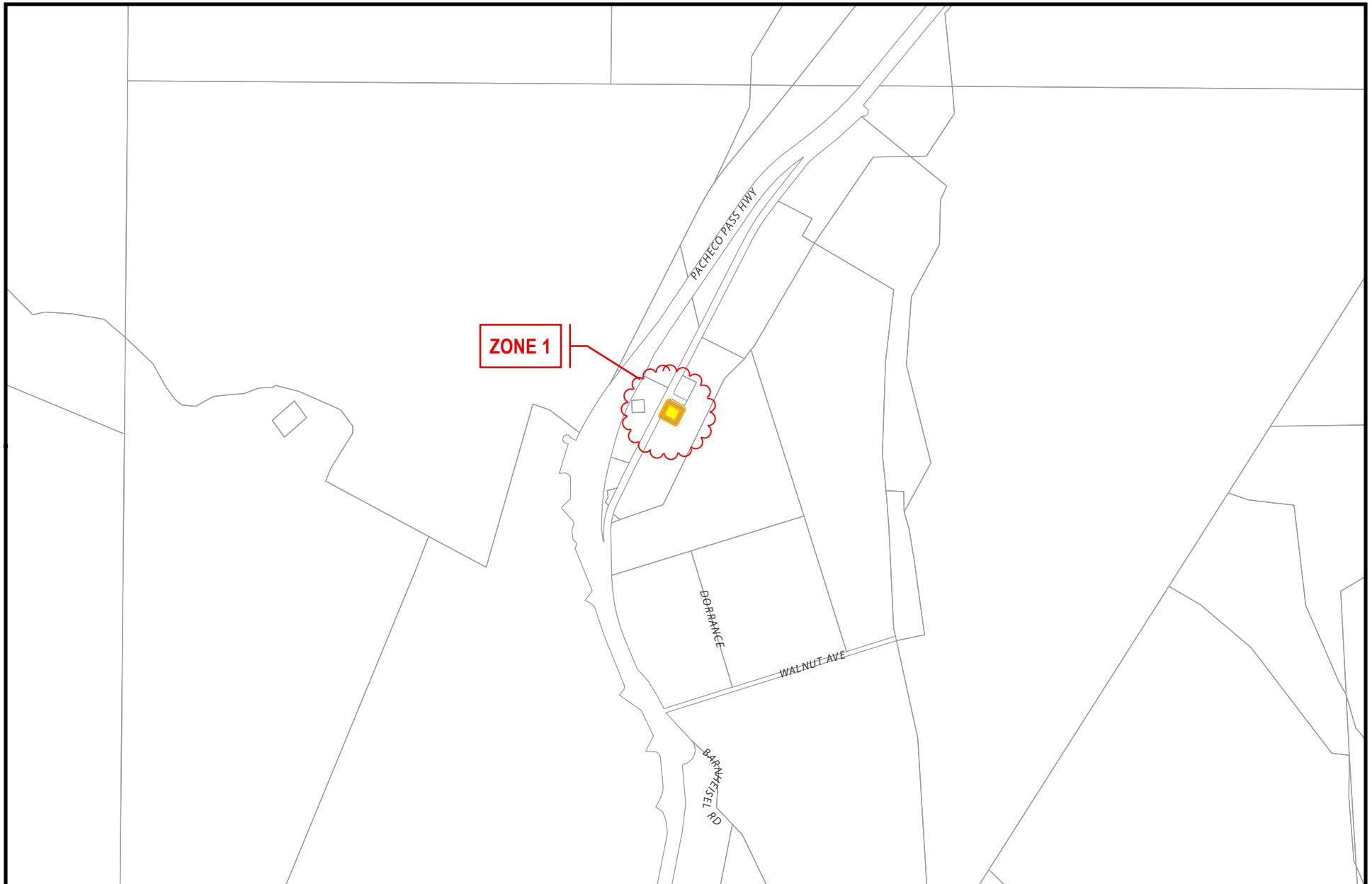
The District collaborates with PG&E to ensure that any reported streetlight issues are passed on to the company to be addressed.

Overlapping and Neighboring Service Providers

PG&E provides street lighting services similar to SCCLSA, throughout the County and around the State.




There are streetlights in the unincorporated areas of Santa Clara County outside of the SCCLSA benefit zones, which are also operated and maintained by the respective owners—the County Roads and Airports Department and PG&E. These safety streetlights are in areas along roads, highways or at intersections where it is considered a best practice to have a well-lit area. The light does not provide any benefit specific to a particular residential or commercial parcel or area, and in this case the County pays for maintenance and PG&E electricity from the County's Road Fund.

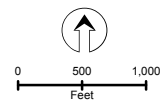




Santa Clara County Lighting Service Area

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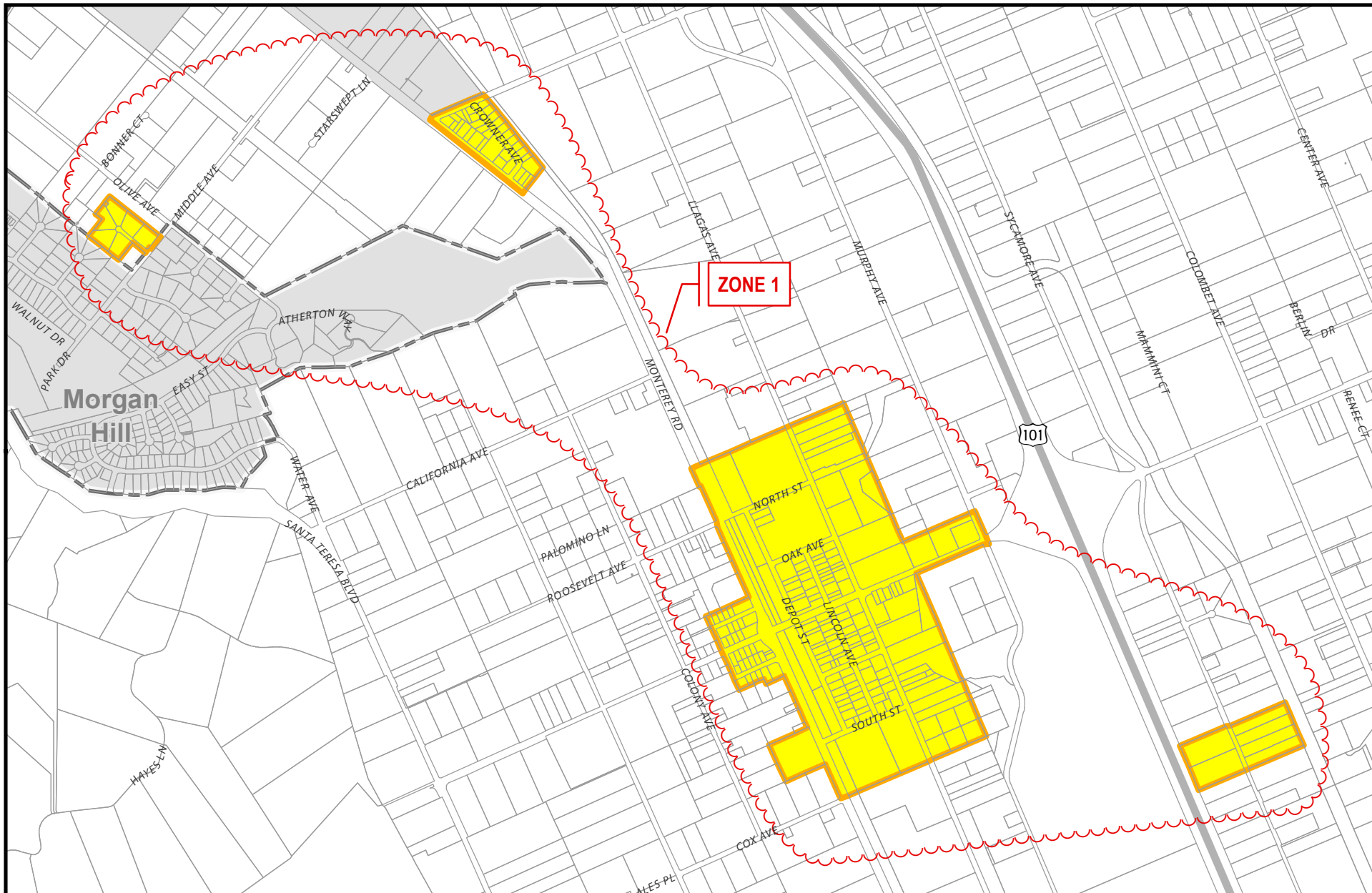
-  Cities Urban Service Areas
-  City Limits (Incorporated Areas)
-  Lighting Service Area



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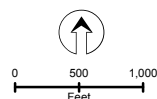




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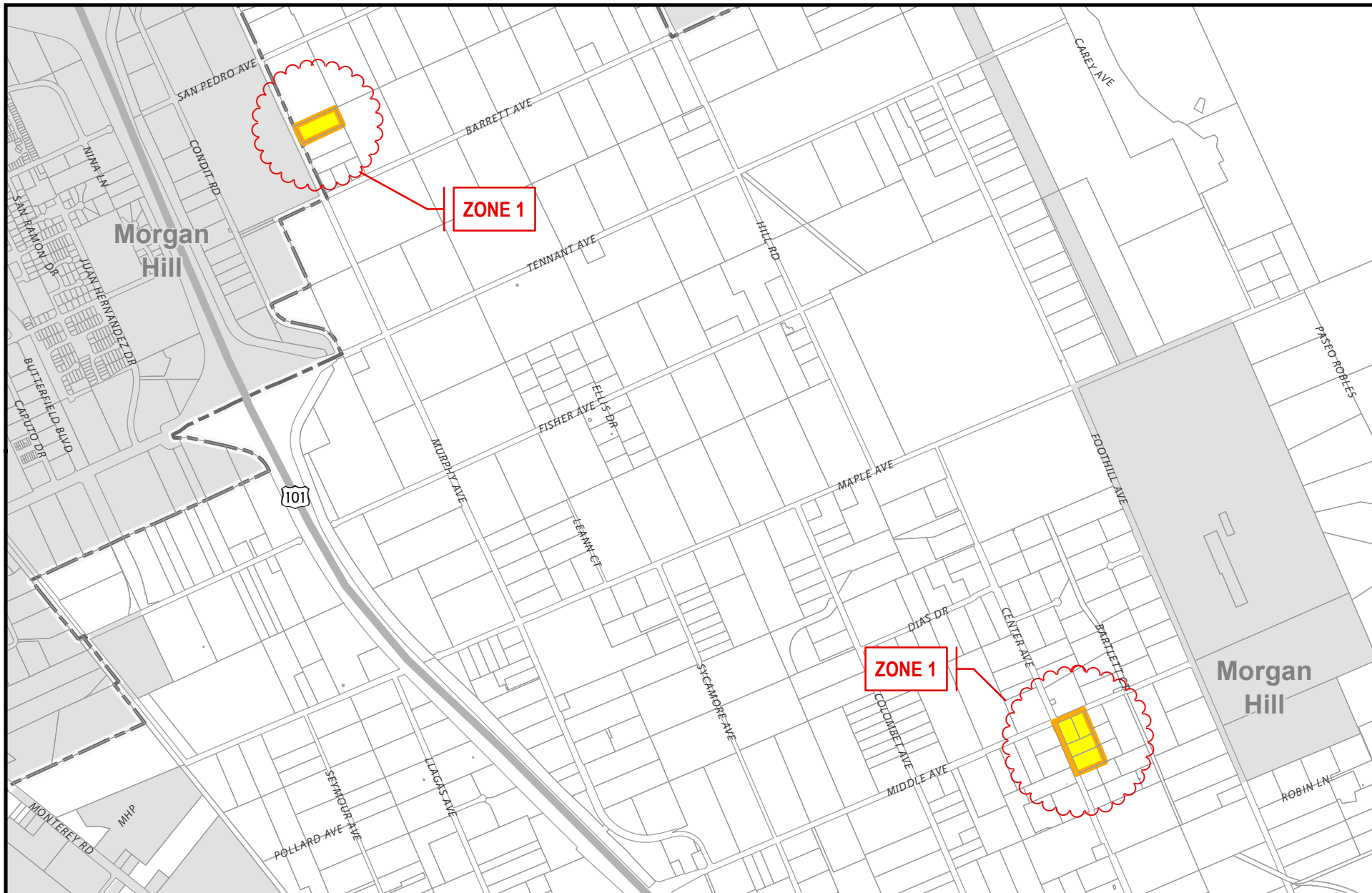


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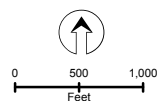
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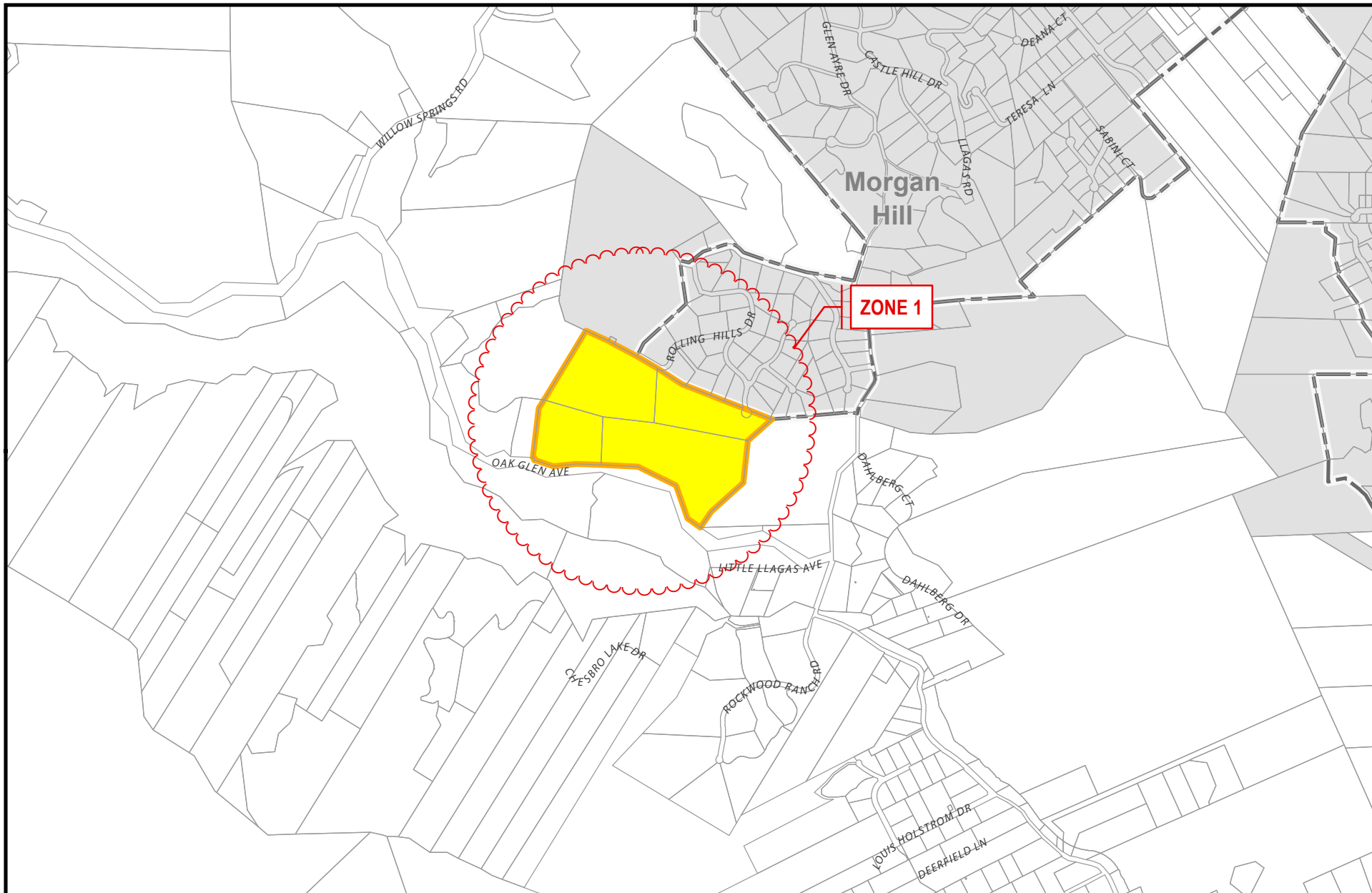
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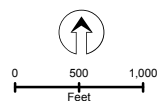




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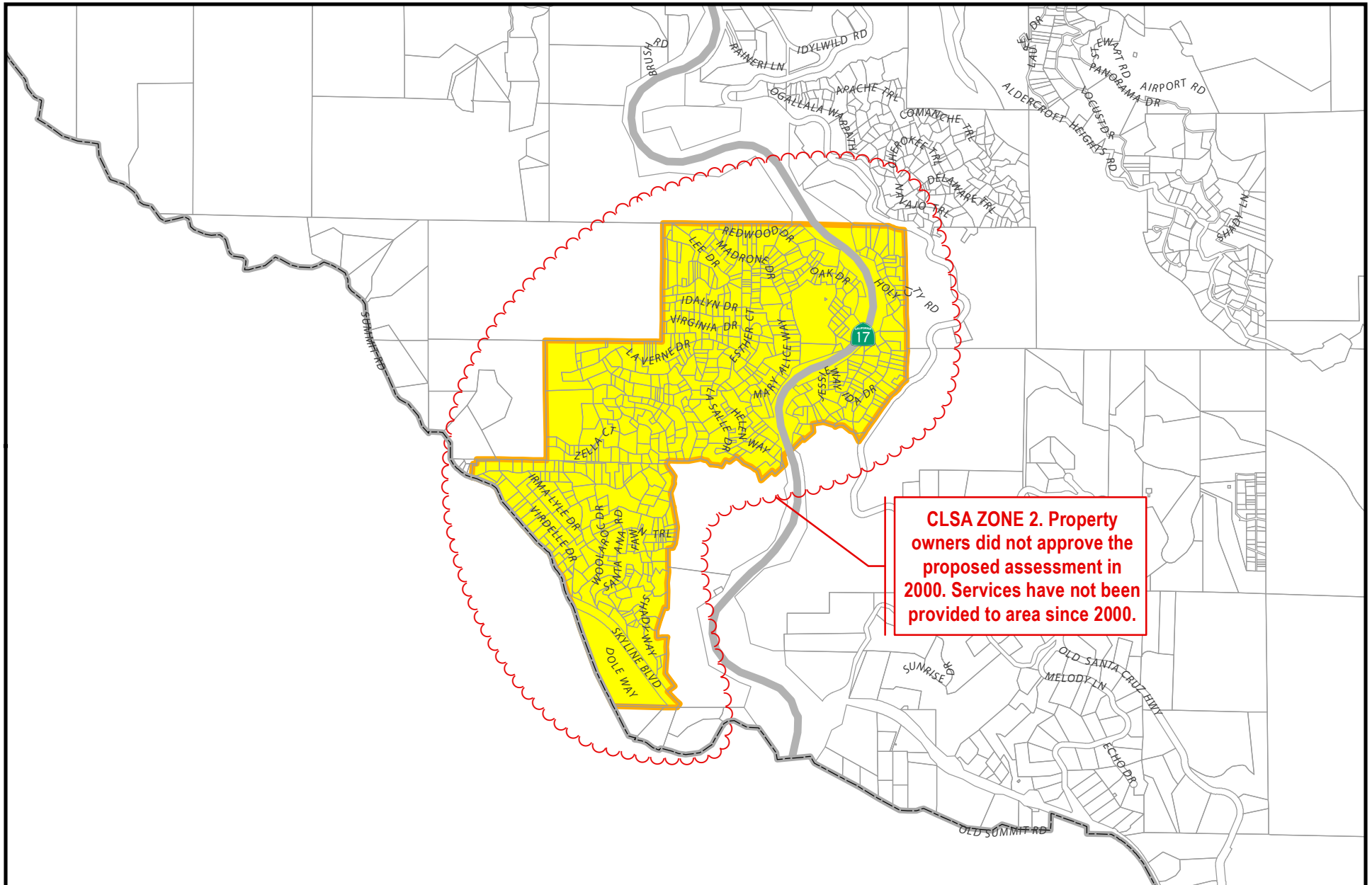
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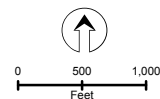




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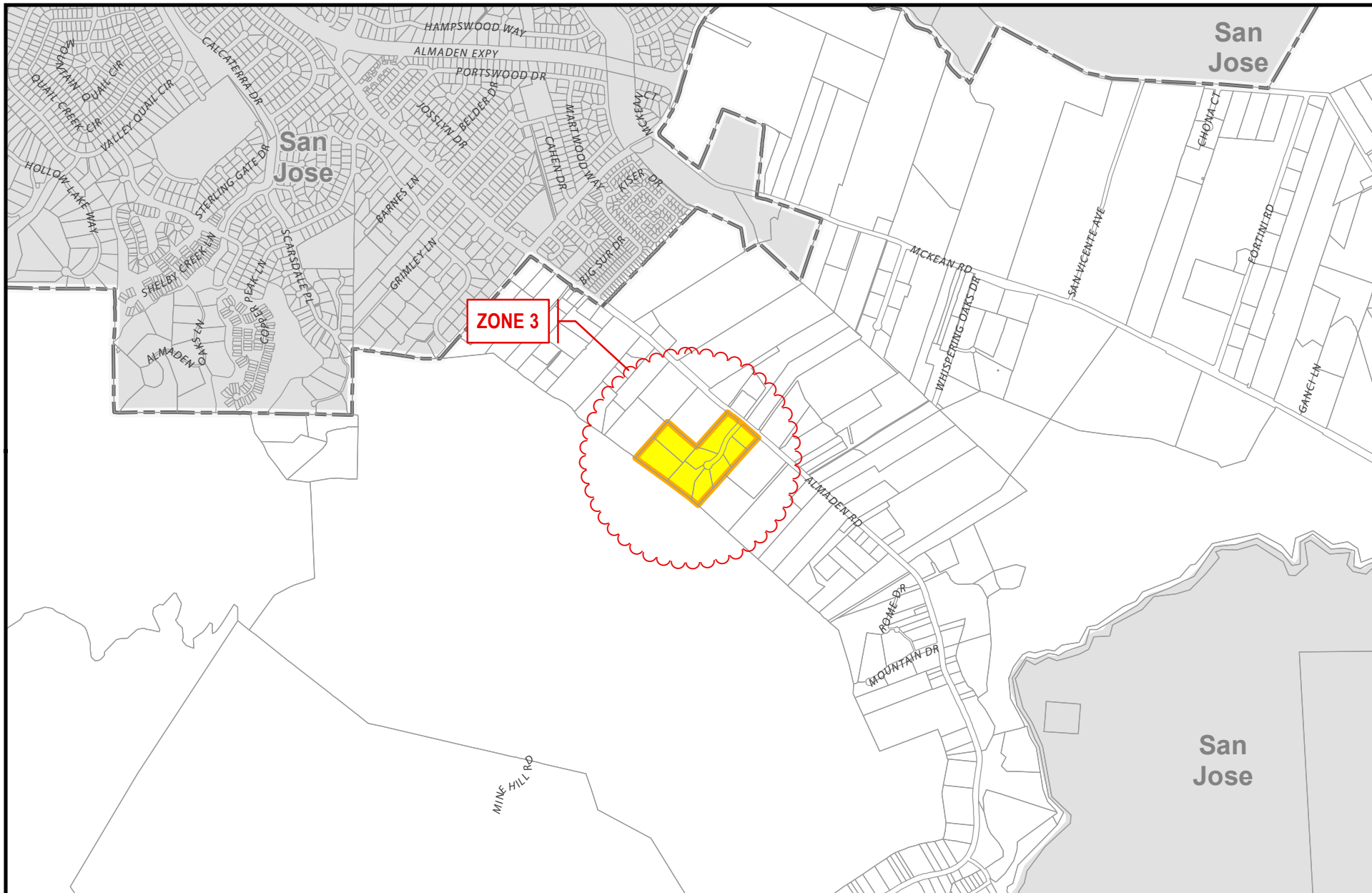
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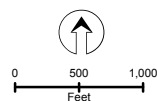




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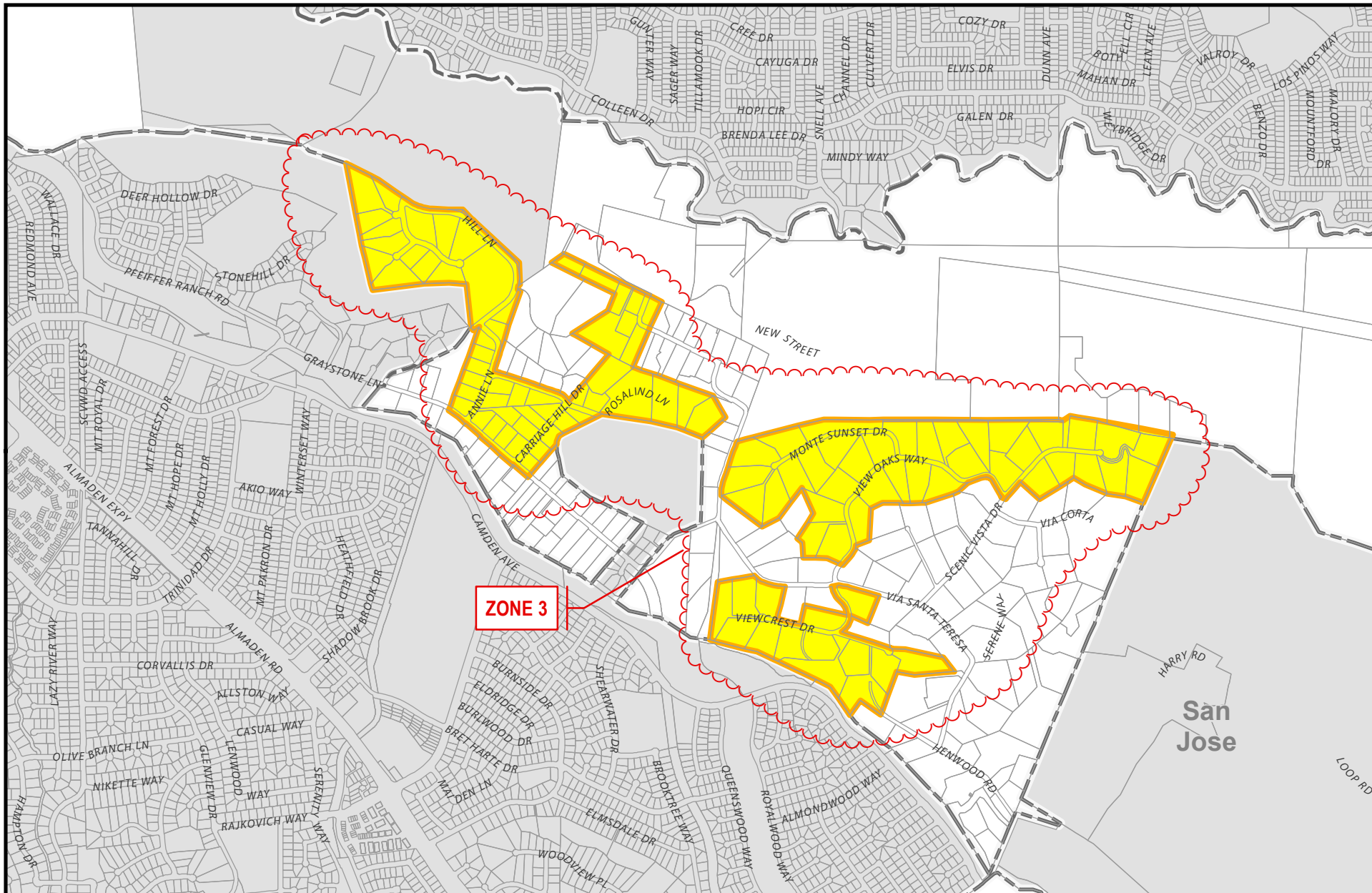
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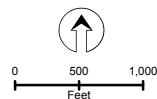




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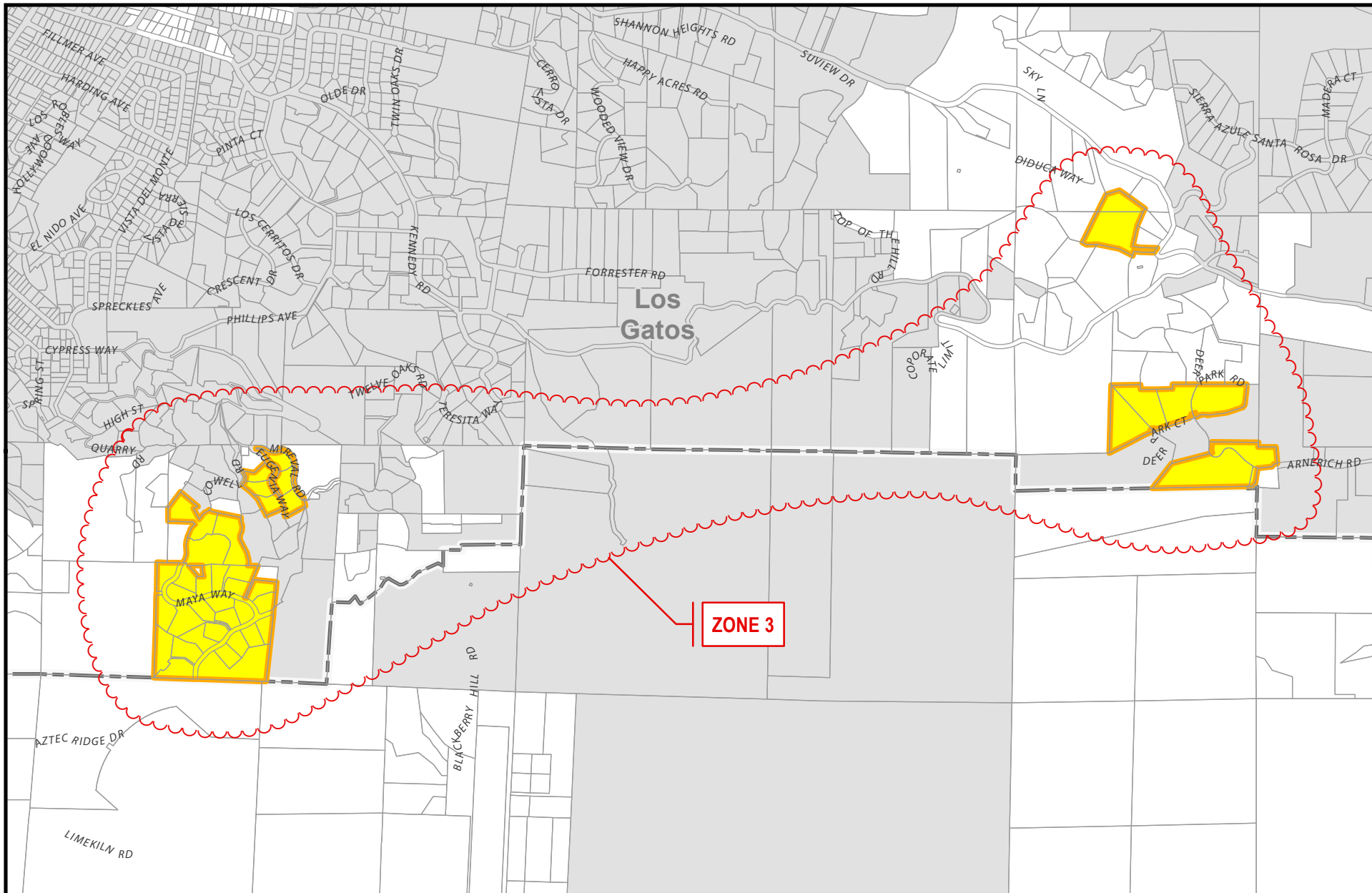
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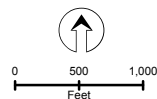




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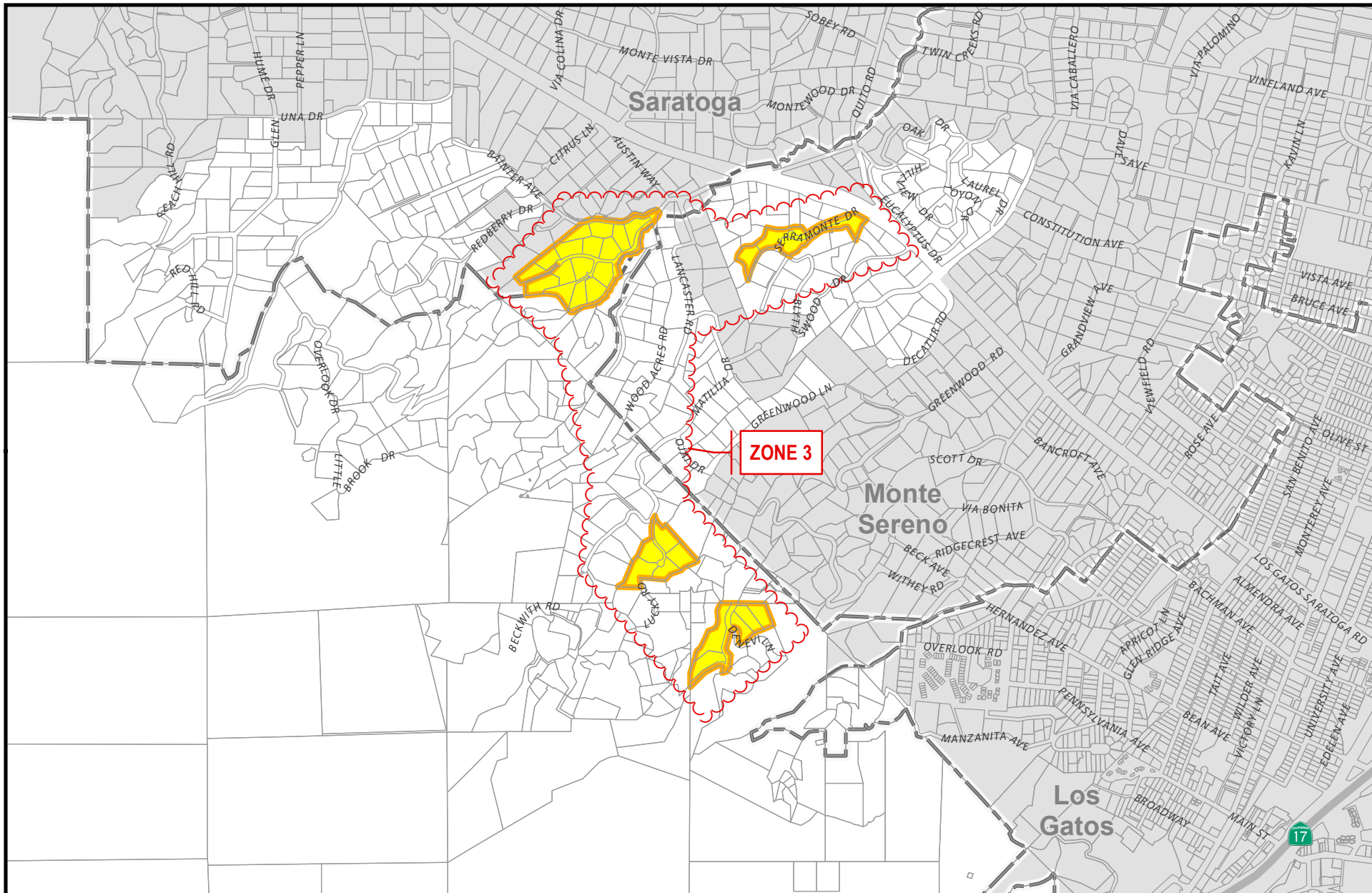
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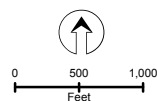




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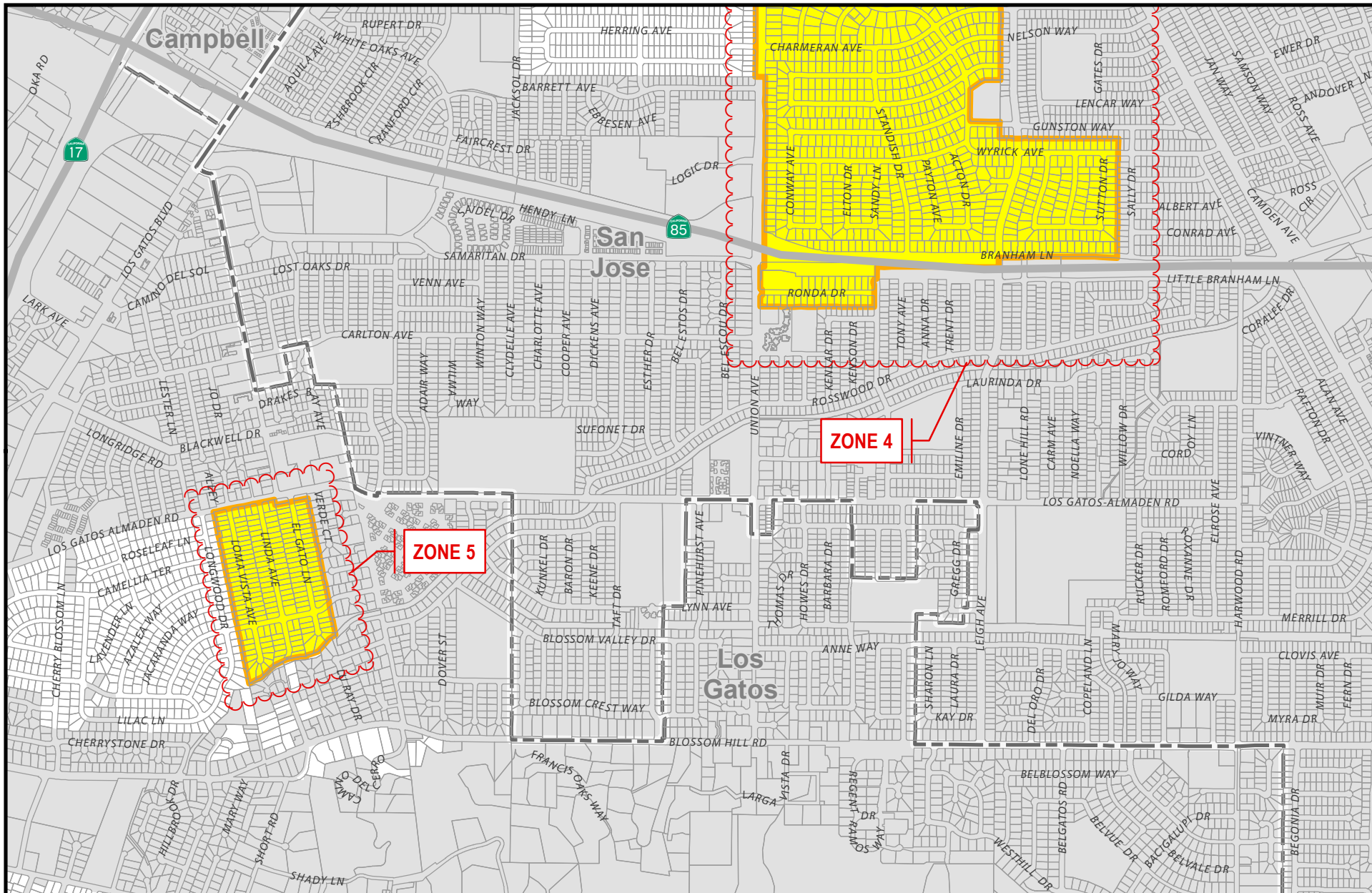
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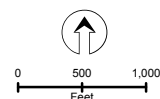
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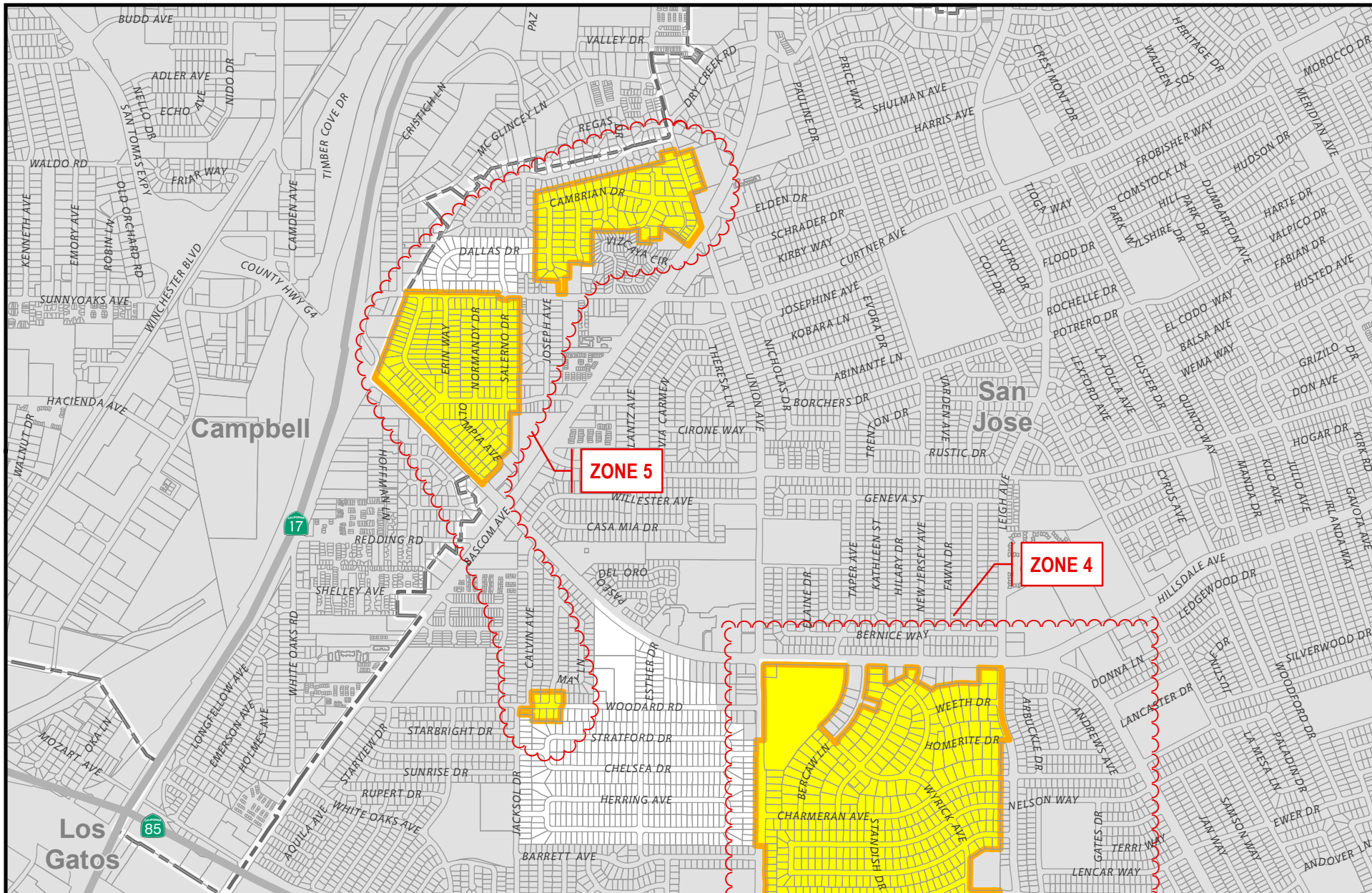
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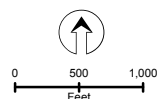




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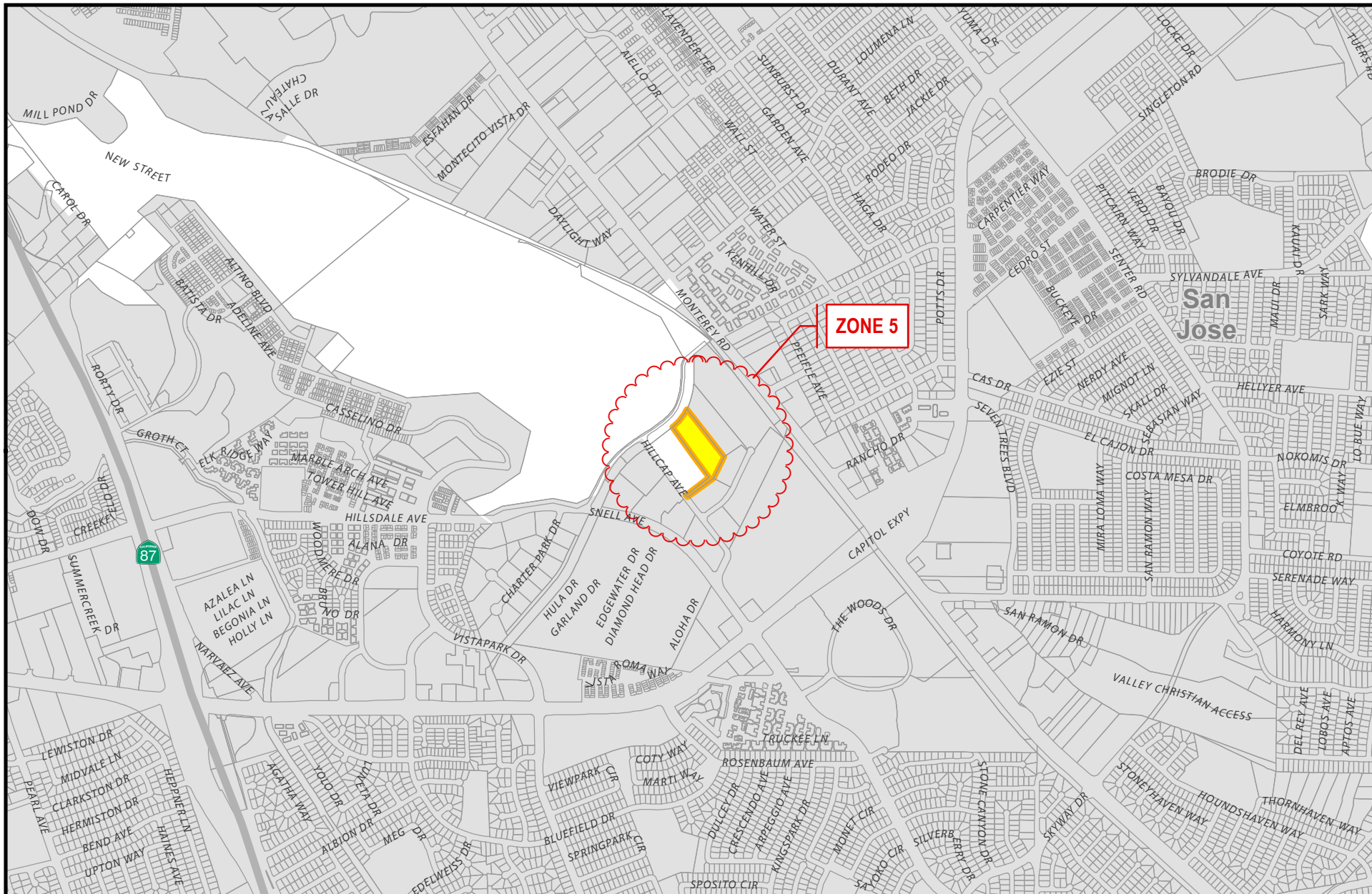
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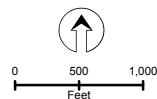




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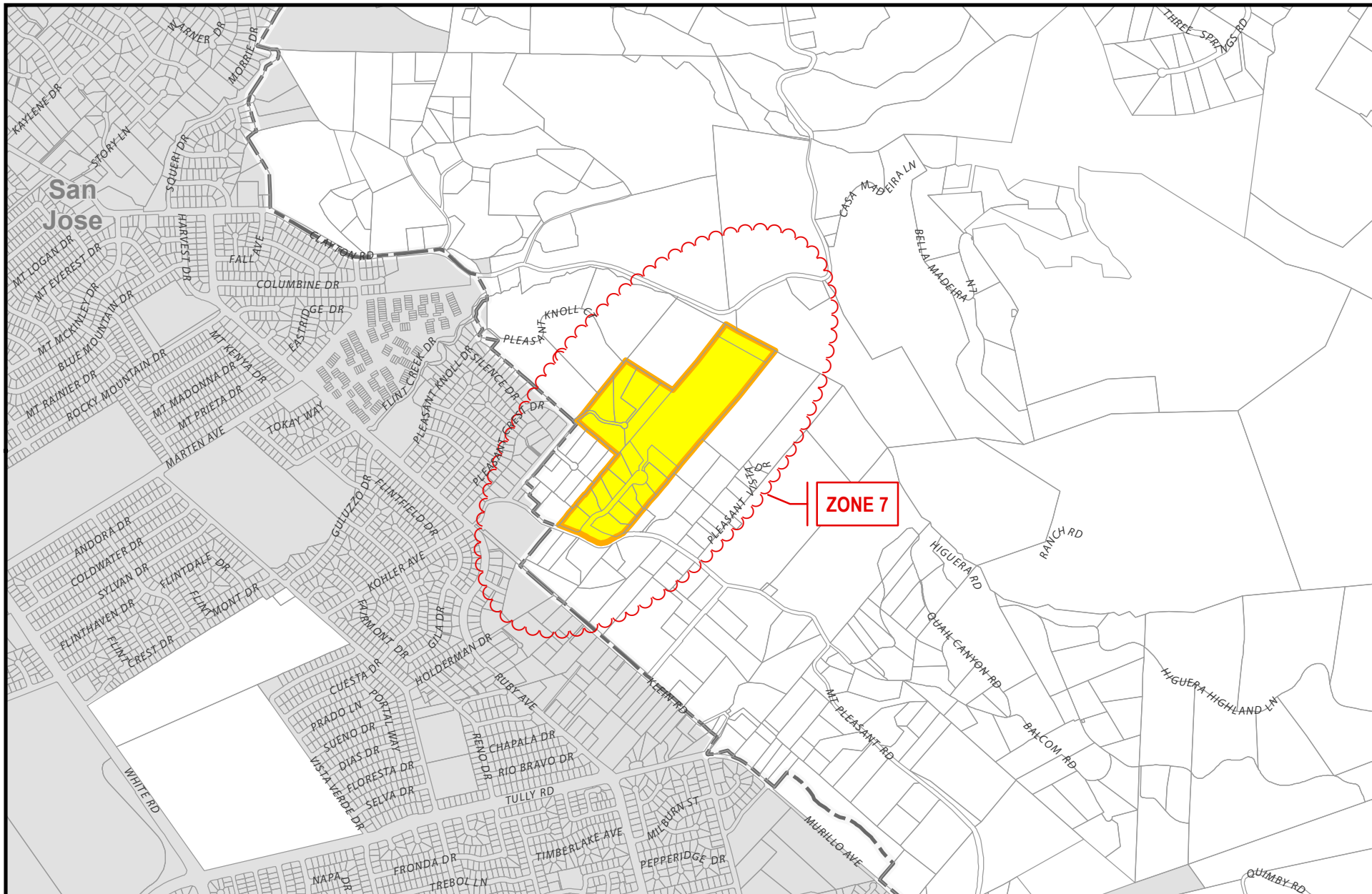
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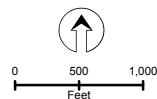




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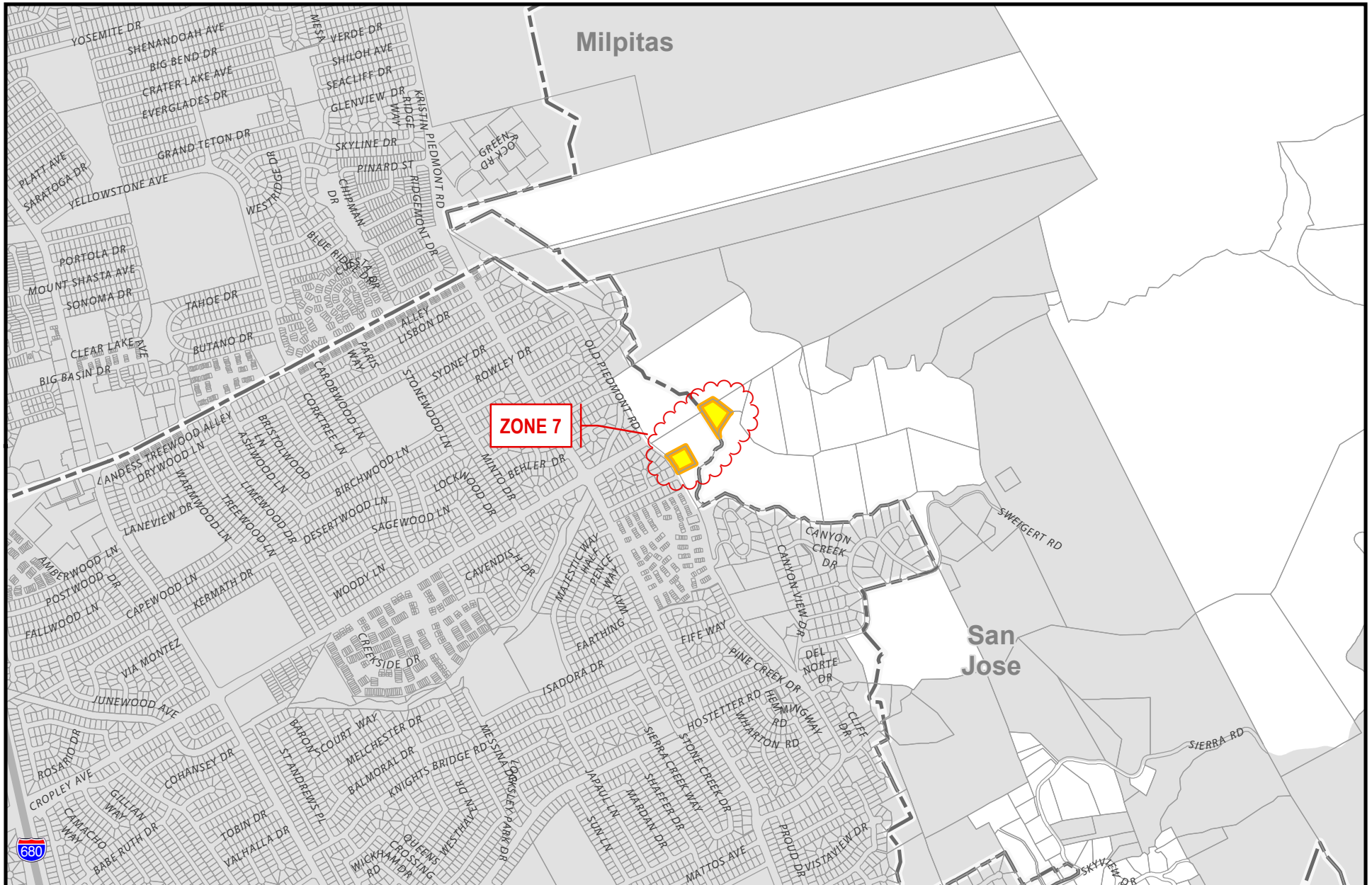
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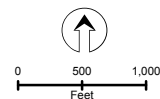




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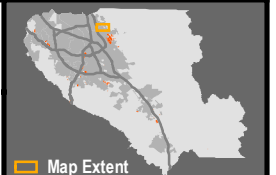
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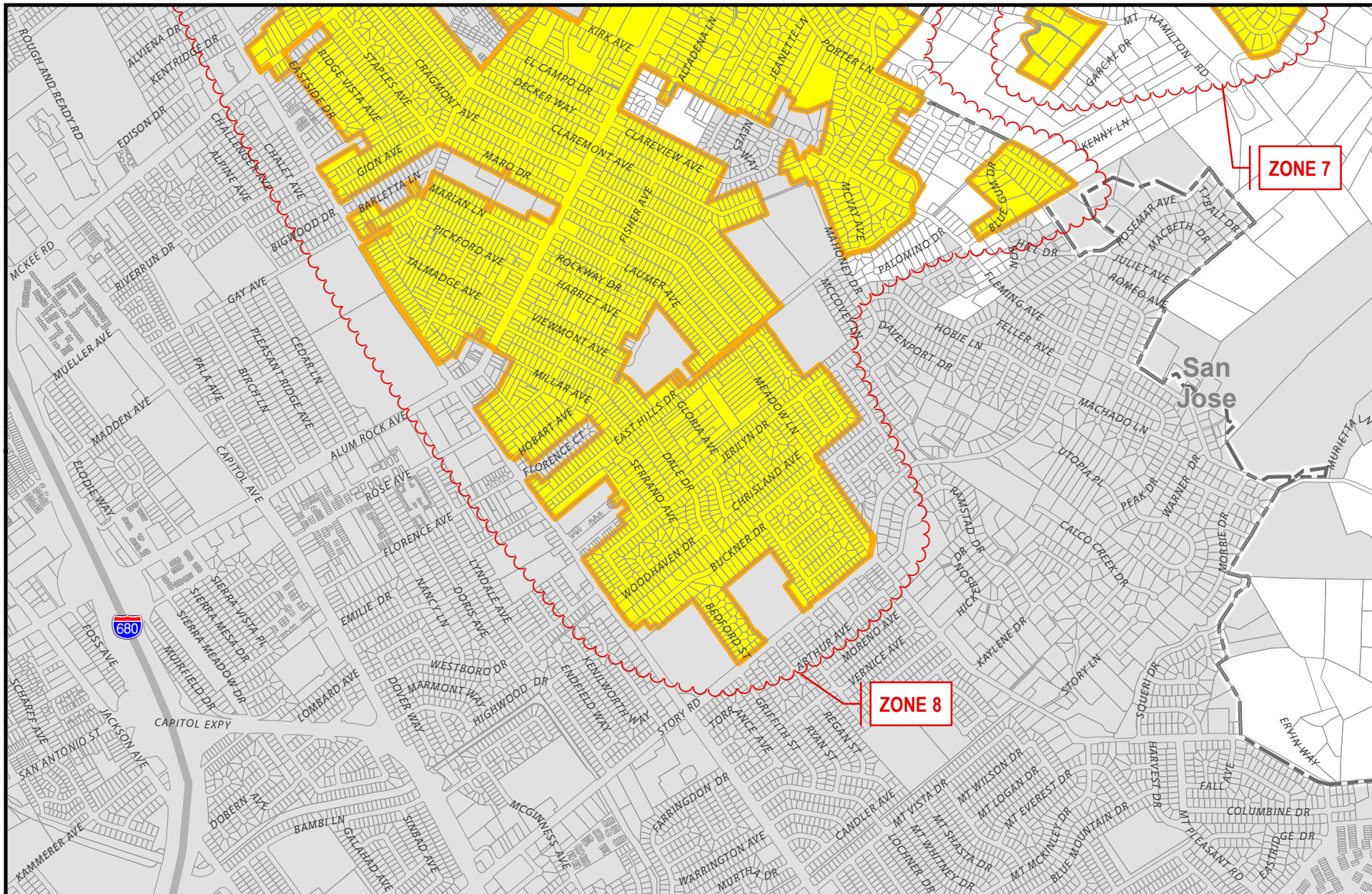
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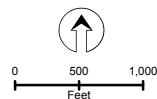




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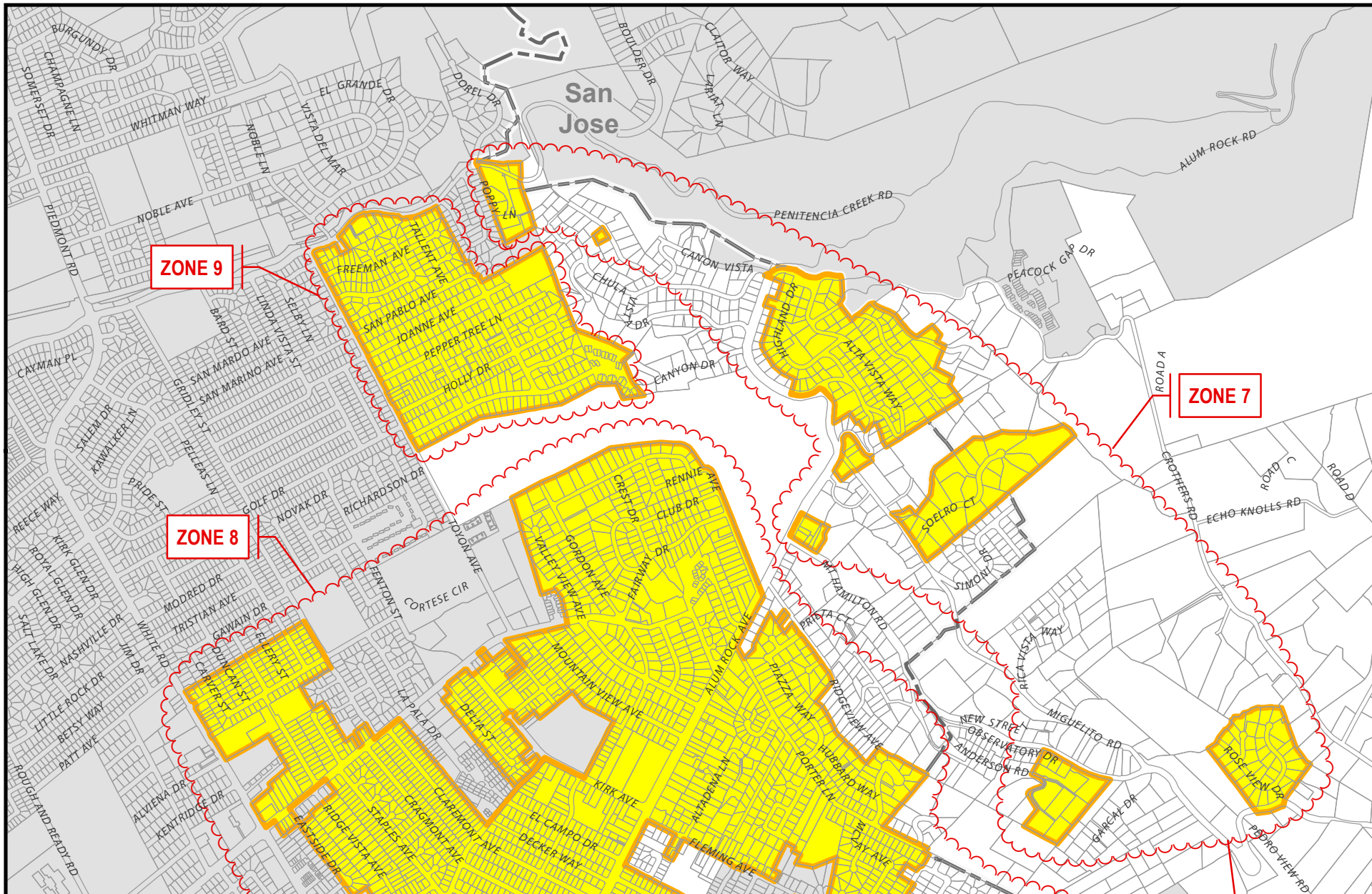
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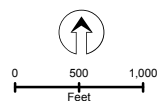




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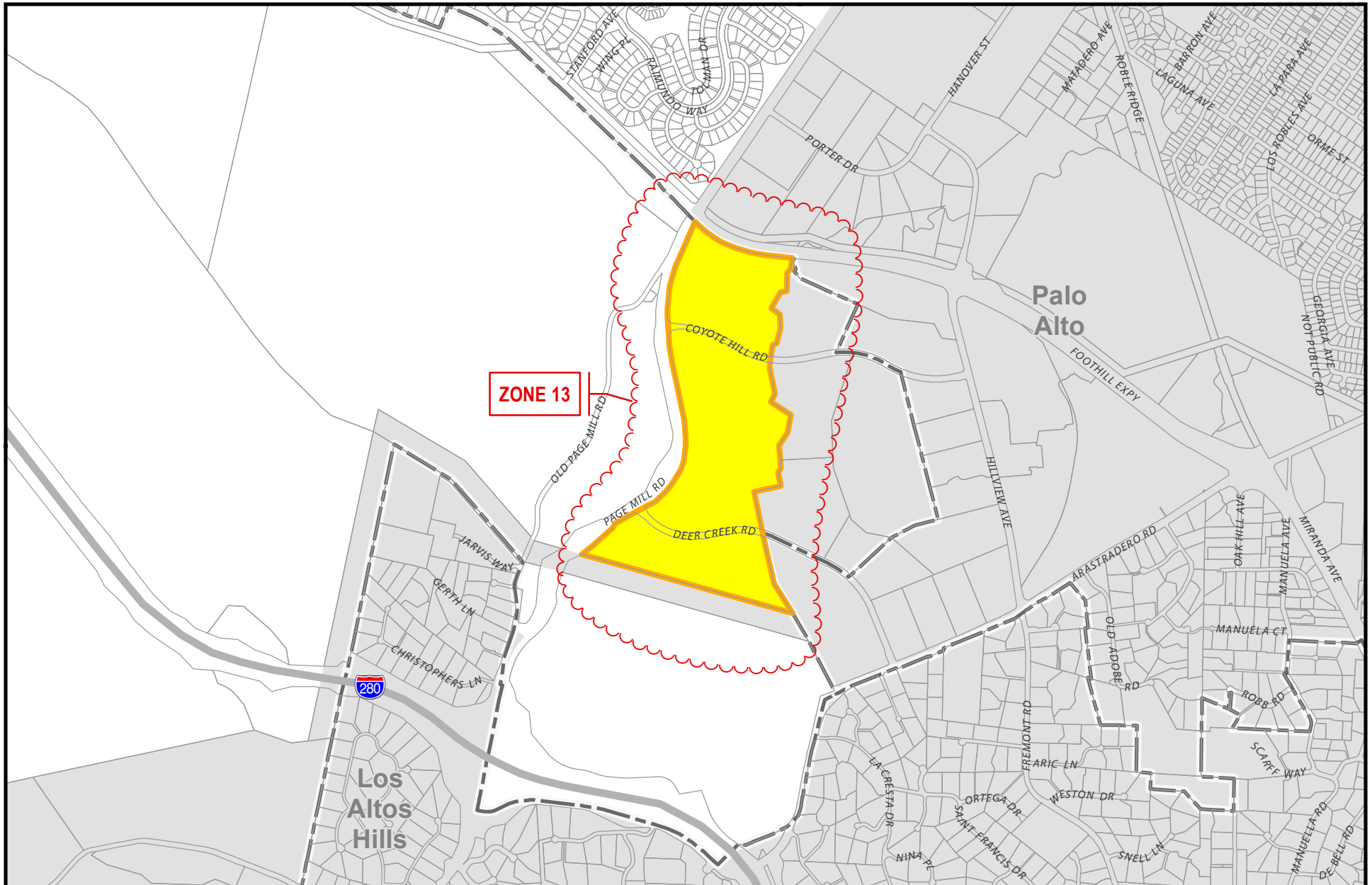
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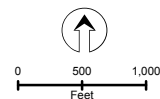




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ACCOUNTABILITY AND GOVERNANCE

The District was formed as a dependent special district with the Santa Clara County Board of Supervisors as its governing body. The five county supervisors are elected to four-year terms of office with a three-term limit. Current board member names, positions, and term expiration dates are shown in Figure 2-22.

Figure 2-22: SCCLSA Governing Body

Figure 2-27: SCCCLTA Governing Body

Santa Clara County Lighting Service Area					
District Contact Information					
Contact:	Dawn Cameron, County Transportation Planner				
Address:	101 Skyport Drive, San Jose, CA 95110-1302				
Telephone:	408-573-2465				
Email:	dawn.cameron@rda.sccgov.org				
Website:	www.countyroads.org				
Board of Directors					
Member Name	Position	Began Serving	Term Expires	Manner of Selection	Length of Term
Mike Wasserman	District 1	2010	November 2014	Elected	4 years
Vacant	District 2	NA	November 2016	NA	4 years
Dave Cortese	District 3	2008	November 2016	Elected	4 years
Ken Yeager	District 4, President	2006	June 2014	Elected	4 years
Joe Simitian	District 5	2012	November 2016	Elected	4 years
Meetings					
Date:	Tuesdays at 9:00 am (Every other Tuesday)				
Location:	County of Santa Clara Board of Supervisors' Chambers at 70 West Hedding Street., San Jose				
Agenda Distribution:	Posted online and at the County Government Center				
Minutes Distribution:	Posted online and at the County Government Center				

The Board of Supervisors meets every other Tuesday morning at the Board of Supervisors' chambers in the County Government Center located at 70 West Hedding Street in San Jose. Each member of the Board of Supervisors receives \$143,000 annually in salary. Government Code §53235 requires that if a local government provides compensation or reimbursement of expenses to its board members, that local government must establish a written policy on reimbursements, and the board members must receive two hours of training in ethics at least once every two years. The County has adopted policies related to expense reimbursements, and the members of the Board of Supervisors have completed biennial ethics training as required.

Agendas and minutes for the meetings are posted on the bulletin board at the County Government Center, and are published online on the county website. The website also contains video archives of previous Board of Supervisors' meetings.

The county website has several pages dedicated to information regarding SCCLSA, including "Frequently Asked Questions" and a form for reporting a streetlight problem. The website does not include information regarding how to request installation of a streetlight, assessment methodology regarding the different benefit zones, the rates for

each zone, the location of each benefit zone on a map, the District's budget, nor the District's assessment report for FY 13.

The Board of Supervisors has adopted a policy manual that articulates the ethical standards and administrative policies for the Board. This policy manual was updated in July 2012 and is published on the county website.

Government Code §87203 requires persons who hold office to disclose their investments, their interests in real property and their incomes, and file these forms with the Fair Political Practices Commission each year. All four of the current members of the Board of Supervisors have filed the Form 700 Statement of Economic Interest forms in 2012.

MANAGEMENT AND STAFFING

The County Roads and Airports Department administers SCCLSA and provides necessary staffing for administering, maintaining, and servicing of County-owned streetlights within the District's bounds. Staff are allocated to the District on a part-time basis, as workload requires. Department personnel are used for program management and administration of the District and electrical maintenance of the streetlights. Given that the Department provides similar services in other unincorporated areas and for the Expressway System within incorporated areas, this specialized staffing is available to the District as well. Figure 2-23 lists the authorized positions that the County Roads and Airport Department has available to allocate to SCCLSA, when necessary. In FY 12, the Department charged 365 hours to SCCLSA for work performed in the maintenance and repair of streetlights and program management of the District.

Figure 2-23: Santa Clara County Roads and Airport Department Authorized Positions, FY 13

Division	# of Positions
Program Management	3
Maintenance	11
Total	14

Source: Reported by the Santa Clara County Roads and Airport Department

As a dependent special district of the County, all administrative services are provided by county departments, including legal counsel and compilation of financial transaction reports for the State Controller's Office required under Government Code Section §53891. Also as a dependent district of the County, SCCLSA jointly receives accounting services from the same certified public accountant with other county departments. The County's accountant conducts an annual audit of the District's finances as part of the County's audit.

The County Roads and Airports Department has adopted a mission statement as part of the County's annual budget. The Department has not adopted goals, objectives, and performance measures specific to SCCLSA. However, the Department's five-year plan and budget for Road Fund funded street lights does make goals and statement of standards regarding street lighting services in general. The 5-Year Plan includes the following goal statement: "Maintain County street lights in optimum operating condition." For the lights

funded out of the Road Fund, the constrained budget service level is as follows: “Respond to street-light outages and other problems on a complaint driven basis only. Install new inductive fluorescent street lights on all signal poles only. Replace failed street lights with IF fixtures.” The unconstrained budget service level is listed as: “Annually inspect, repair, and replace all expressway maintained and operated street light with energy efficient fixtures (inductive fluorescent).”

Other documents that the District uses to guide efforts and services include the County’s annually adopted budget, as SCCLSA is included as part of the County’s compiled budget. The County has adopted a budget for FY 12-13, which is available online.

Government Code §53901 states that within 60 days after the beginning of the fiscal year each local agency must submit its budget to the county auditor. These budgets are to be filed and made available on request by the public at the county auditor’s office. While, the County has reported that in recent years, it has not been the practice for special districts to file their budgets with the County, SCCLSA’s budget is part of the County’s budget and is readily available online.

Special districts must submit a report to the State Controller of all financial transactions of the district during the preceding fiscal year within 90 days after the close of each fiscal year, in the form required by the State Controller, pursuant to Government Code §53891. If filed in electronic format, the report must be submitted within 110 days after the close of the fiscal year. The District has complied with this requirement.

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.²⁹ The District is not required to submit audits to the County, as the District’s finances are included in the County’s Comprehensive Annual Financial Reports (CAFR) which are audited annually. The District’s most recent audit was completed for FY 12.

POPULATION AND PROJECTED GROWTH

Land Uses

SCCLSA consists of multiple noncontiguous unincorporated areas that are scattered throughout the County. The areas that receive services are developed with a range of urban land uses, but primarily residential or commercial uses, that require (or desire) lighting services.

²⁹ Government Code §26909.

Current Population

As of 2010, there were approximately 26,528 residents in SCCLSA, based on GIS analysis of 2010 Census data.

Disadvantaged Unincorporated Communities

LAFCO is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community is defined as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.³⁰

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged communities median household income definition. DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. However, the DWR data can be used for the purposes of this report as an indicator of any larger communities that may meet the income definition of disadvantaged. Based on mapping information from DWR, there are no disadvantaged unincorporated communities within or adjacent to SCCLSA.³¹

Projected Growth

While population projections specific to the District are not available, future population may be imputed from the Association of Bay Area Government's (ABAG) projections for the unincorporated areas of the County. ABAG projects that unincorporated areas will grow by 19 percent over the period from 2010 to 2035.³² Should the area within SCCLSA experience growth as projected by ABAG, then the District is anticipated to have the same overall growth of 19 percent over the 25-year period with a population of 31,568 in 2035.

FINANCING

Financial Adequacy

The Roads and Airports Department reported that the current level of financing for SCCLSA is adequate to provide services. Revenues exceeded expenditures for each of the

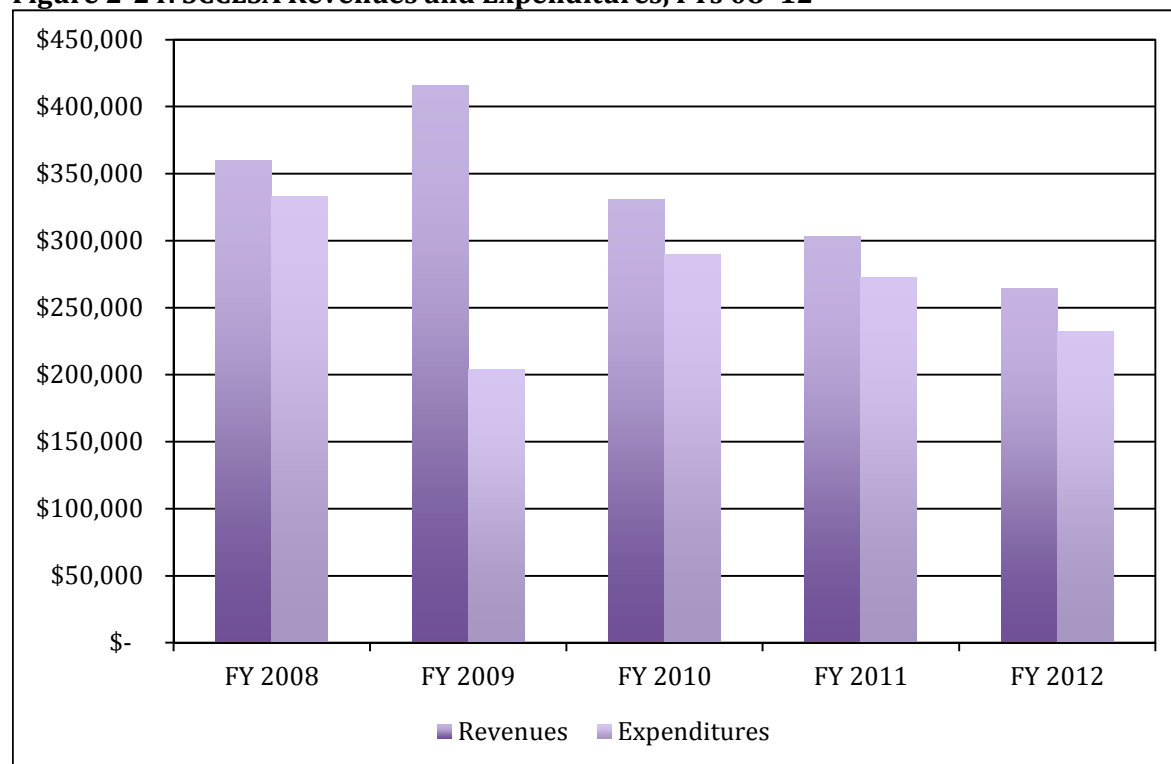
³⁰ Government Code §56033.5.

³¹ DWR maps and GIS files are derived from the US Census Bureau's American Community Survey (ACS) and are compiled for the five-year period 2006-2010.

³² ABAG, Projections 2009, 2009.

past five fiscal years (FYs 08-12). In FY 09, revenues were higher than other years, due to a one-time return from the County's Road Fund to SCCLSA for a historical street lighting program. In that same year, expenditures were reduced by \$75,293 to correct for overcharges by the County Roads and Airports Department from FY 2004 to FY 2008. Figure 2-24 represents the revenues and expenditures for SCCLSA over the past five fiscal years.

Figure 2-24: SCCLSA Revenues and Expenditures, FYs 08-12



Source: Roads and Airports Department

Revenue Sources

The District's primary income source is benefit assessment revenue. The District also receives minimal income from interest on savings. In FY 13, the District budgeted for \$263,097 in revenue from the benefit assessment, which was the estimated revenue from the assessment in FY 12. The District also anticipates approximately \$5,000 in additional revenue from interest income in that year. The District's FY 13 budgeted revenue sources are shown in Figure 2-25.

Figure 2-25: SCCLSA Revenue Sources, FY 13

Revenue Category	Revenue	% of Total Revenue
Estimated FY 12 Assessments	\$263,097	98%
Estimated Interest Earnings	\$5,000	2%
Total	\$268,097	100%

Source: FY 2013 County Lighting Service Area Assessment Report

Revenues and expenditures for the District are anticipated to decline in future years as areas are annexed into cities and the areas are detached from SCCLSA. Over the last year (2012), over 300 streetlights have been removed from the SCCLSA billings, due to annexations and over \$61,000 in PG&E billings have been credited back to the District.

Rates

District property owners passed a benefit assessment in 11 of the 12 zones in 2000. These assessments are based upon a formula established by County ordinance defining the benefit to each zone depending on the ownership of the streetlights, the type of land use, and the placement of the streetlights (i.e., corner, mid-block) in the zone. The assessment may be inflated annually according to the Consumer Price Index up to three percent. There is no sunset for the assessment. Figure 2-26 shows the assessment rate for each benefit zone.

Figure 2-26: SCCLSA Benefit Assessment per Benefit Unit by Benefit Zone, FY 13

Benefit Zone	Level #1 Assessment Rate per BU	Level #2 Assessment Rate Per BU	Level #3 Assessment Rate per BU
Benefit Zone No. 1	\$12.00	\$36.85	N / A
Benefit Zone No. 2	No assessment approved in 2000.		
Benefit Zone No. 3	\$28.00	\$68.12	N / A
Benefit Zone No. 4	\$10.35	\$32.67	N / A
Benefit Zone No. 5	\$9.94	\$30.89	N / A
Benefit Zone No. 6	\$8.46	\$27.71	N / A
Benefit Zone No. 7	\$12.15	\$60.48	N / A
Benefit Zone No. 8	\$7.36	\$26.42	N / A
Benefit Zone No. 9	\$7.82	\$23.85	N / A
Benefit Zone No. 10	\$9.29	\$28.86	N / A
Benefit Zone No. 11	\$8.99	\$20.38	\$36.53
Benefit Zone No. 12	Area detached from the District.		
Benefit Zone No. 13	\$0.65	\$2.58	\$7.12

Source: FY 11-12 County Lighting Service Area Assessment Report

Expenditures

The District's primary expenditure is payment to PG&E for electricity for all lights and maintenance for all PG&E-owned lights. In FY 13, the District budgeted for \$260,000 in payments to PG&E of a total budget of \$365,000. Reimbursements to the Roads and Airports Department for maintenance of county-owned lights was budgeted to be about \$40,000 or approximately 11 percent of expenditures for the year. Figure 2-27 presents the District budget for FY 13.

Figure 2-27: SCCLSA Expenditures, FY 13

Expenditure Category	Expenditures	% of Total Expenditures
Pacific Gas and Electric charges (Electricity for all lights and maintenance for all PG&E-owned lights)	\$260,000	71%
Maintenance of county-owned streetlights	\$40,000	11%
Land development services	\$20,000	5%
Professional consulting services	\$35,000	10%
Intra-county professional services	\$10,000	3%
Total	\$365,000	100%

Source: FY 2013 County Lighting Service Area Assessment Report

Capital Outlays

There is no schedule or cycle for replacing the District's street lights and/or parts. A majority of the infrastructure (e.g., poles, wiring) have a long life span and tend to need replacement, due to damage rather than wearing out. Therefore, the light fixtures are replaced only when badly damaged and the poles are replaced when knocked down. To ensure there are adequate resources to keep the fixtures, poles, and wiring in good repair, the District maintains a healthy reserve in its account.

Reserves

SCCLSA has adopted a policy that the equivalent of 50 percent of operating expenditures shall be kept as operating reserves for contingency purposes, given that revenues are received every six months. In FY 14, the District plans to add to the budget that in addition to the contingency reserves, 50 percent of the capital replacement costs of the lights maintained by the County should be maintained as a capital reserve.

The District's fund balance as of June 30, 2012 amounted to \$481,765, or 132 percent of operating expenditures in that year. While the reserve greatly exceeded the District's adopted contingency reserve policy, the excess is considered its capital reserve.

Debt

SCCLSA does not have any long-term debt.

INFRASTRUCTURE AND FACILITIES

SCCLSA is responsible for a total of 1,429 streetlights within its bounds. Of these lights, 1,313 are in residential areas and 116 are in commercial areas. PG&E owns 1,133 or 79 percent of the streetlights, while the County owns the others.

As Figure 2-28 indicates, there are different levels of lighting within each benefit zone. The different levels of lighting are presented below.

- ❖ Level 1 includes parcels that receive only a special benefit from intersection and cul-de-sac streetlights.
- ❖ Level 2 includes parcels that receive special benefits from intersection, cul-de-sac and mid-block streetlights. Mid-block streetlights are spaced approximately 300 to 500 feet apart along a street.
- ❖ Level 3 includes all parcels that receive special benefit from intersection, cul-de-sac, mid-block, and mid-mid block streetlights. Mid-mid block streetlights are spaced less than 300 feet apart along a street.

Figure 2-28: Number of Streetlights per Benefit Zone, FY 11-12

Benefit Zone	# of Level 1 Lights (Inter & Cul-de-sac Only)		# of Level 2 Lights (Mid Block Only)		# of Level 3 Lights (Mid-Mid Block Only)		Total # of Lights
	Res.*	Comm.	Res.	Comm.	Res.	Comm.	
Benefit Zone No. 1	20	1	14	1	0	0	36
Benefit Zone No. 2	No assessment approved in 2000.						
Benefit Zone No. 3	27	2	22	2	0	0	53
Benefit Zone No. 4	44	2	87	2	0	0	135
Benefit Zone No. 5	23	5	50	9	0	0	87
Benefit Zone No. 6	12	3	29	7	0	0	51
Benefit Zone No. 7	12	1	43	3	0	0	59
Benefit Zone No. 8	120	4	310	10	0	0	444
Benefit Zone No. 9	77	0	158	0	0	0	235
Benefit Zone No. 10	16	0	48	0	0	0	64
Benefit Zone No. 11	48	18	57	20	74	26	243
Benefit Zone No. 12	Area annexed into San Jose and detached from the District.						
Benefit Zone No. 13	2	0	6	0	14	0	22
Total	401	36	824	54	88	26	1,429

*Res. = Residential, Comm. = Commercial

Source: FY 11-12 County Lighting Service Area Assessment Report

The County Roads and Airport Department makes use of county facilities to provide services on behalf of SCCLSA. The County Roads and Airport Department administration building is located at 101 Skyport Drive in San Jose and houses administrative staff of SCCLSA.

The Roads and Airports Department staff that perform the maintenance of the streetlights for the District are based at the East Yard located at 1505 Schallenberger Road in San Jose. The entire yard is 11.3 acres with buildings comprising 93,888 square feet. Staff that perform streetlight maintenance occupy approximately 21,416 square feet or 23 percent of the facility.

Infrastructure Needs

For FY 13, SCCLSA has set aside \$214,976 for capital replacement of streetlights infrastructure. SCCLSA does not replace street light fixtures unless badly damaged. There is no schedule or cycle for replacing the fixtures, wire, or poles. The last time streetlight fixtures were systematically replaced was to complete the conversion from Mercury Vapor to High Pressure Sodium type fixtures, which occurred about 20 years ago.

Additionally, the District will be investing in a Street Light Pilot Project to retrofit the street lights with more energy efficient fixtures. The types of fixtures to be studied are inductive fluorescent (IF) or light emitting diode (LED). The costs of the pilot project includes purchasing the IF or LED fixtures and labor to install the fixtures. SCCLSA is in the process of identifying a pilot location to install some different types of bulbs and have local residents evaluate the options and perceived quality, brightness, and color of the lights on their streets. It is anticipated that there will be electrical savings by transitioning to IF or LED; however, the level of savings cannot be estimated until the type of bulb is chosen. Factors that will determine the return on investment include the purchase and installation costs of the new bulbs, savings in PG&E monthly charges, and for County-maintained street lights, the reliability and life-span of the new bulbs compared to the current bulbs. The pilot project is expected to help answer these questions.

Shared Facilities

SCLSA shares facilities with the County Roads and Airports Department, including the County Roads and Airport Department administration building and the County's East Yard.

DEMAND FOR SERVICES

Overall, the District submits approximately 60 service requests for the PG&E-maintained streetlights each year. For the County-maintained lights, the Roads and Airports Department staff perform approximately 20 streetlight repairs per year.

GOVERNANCE STRUCTURE OPTIONS

No governance options were identified with regard to SCCLSA.

SANTA CLARA COUNTY LIGHTING SERVICE AREA SERVICE REVIEW DETERMINATIONS

Growth and Population Projections

- ❖ Based on a GIS analysis of 2010 Census data, the Santa Clara County Lighting Service Area (SCCLSA) provides service to a population of approximately 26,528.
- ❖ Based on ABAG population projections, the District is anticipated to have a population of 31,568 in 2035.

Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

- ❖ There are no disadvantaged unincorporated communities within or adjacent to SCCLSA.

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

- ❖ SCCLSA appears to be a well-run professional agency. No significant accountability, administrative, operational, financial, or infrastructure deficiencies were identified.
- ❖ Overall, the District submits approximately 60 service requests for PG&E-maintained streetlights each year. For County-maintained lights, the Roads and Airports Department staff perform approximately 20 streetlight repairs per year. County staff appears to have sufficient capacity to address this minimal level of demand.
- ❖ SCLSA does not replace street light fixtures, unless badly damaged. There is no schedule or cycle for replacing the fixtures, wire, or poles. It is recommended that the District establish a preventive maintenance program for its streetlights. This program should include the periodic inspection of streetlights at night for lamp failures and other defects, and a periodic preventive maintenance inspection of streetlights and their associated fixtures.
- ❖ The District plans to invest in a street light pilot project to retrofit the street lights with more energy efficient fixtures. SCCLSA is in the process of identifying a pilot location to install some different types of bulbs and have local residents evaluate the options and perceived quality, brightness, and color of the lights on their streets. It

is anticipated that there will be electrical savings by transitioning to these bulbs; however, the level of savings cannot be estimated until the type of bulb is chosen.

Financial Ability of Agency to Provide Services

- ❖ SCCLSA appears to have sufficient financial resources to provide an adequate level of service. Income levels have been adequate to generate sufficient revenues to cover operating and capital expenditures in each of the last five fiscal years and meet the District's policy for reserves.
- ❖ Opportunities for enhanced revenue are constrained by the District's ability to increase annual assessments. These assessments may be increased based on the prior year's change in the Consumer Price Index, not to exceed three percent. Any increase beyond this adjustment would require approval of the property owners in the District's benefit zones, as required by Proposition 218.
- ❖ SCCLSA has adopted a policy that the equivalent of 50 percent of operating expenditures shall be kept as operating reserves for contingency purposes. In FY 14, the District plans to add that an additional 50 percent of the capital replacement costs of the lights maintained by the County should be maintained as a capital reserve. The District's reserve level at the end of FY 12 appears appropriate to these reserve policies.

Status and Opportunities for Shared Facilities

- ❖ SCCLSA shares facilities with the County Roads and Airports Department, including the County Roads and Airport Department administration building and the County's East Yard.

Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

- ❖ SCCLSA demonstrated accountability and transparency in its various aspects of operations. The governing body updates constituents, broadcasts its meetings, solicits constituent input, discloses its finances, and posts some public documents and information on its website. SCCLSA keeps its financial reporting and budgets up-to-date and readily available to the public. The District fully cooperated with LAFCO requests for information.
- ❖ While the District maintains a website where some information is made available to the public, it is recommended that the website be enhanced to include additional information, such as how to request installation of a streetlight, assessment methodology information regarding the different benefit zones, the rates for each

zone, the location of each benefit zone on a map, the budget for the District, and the most recent assessment report.

- ❖ The Board of Supervisors has adopted a policy manual that articulates the ethical standards and administrative policies for the Board. All current members of the Board of Supervisors have filed the Statement of Economic Interest forms in 2012 and completed biennial ethics training. The County has adopted an ordinance on expense reimbursements for the Board of Supervisors.
- ❖ No government structure options were identified for the SCCLSA.

SANTA CLARA COUNTY LIGHTING SERVICE AREA SPHERE OF INFLUENCE UPDATE

Existing Sphere of Influence Boundary

Santa Clara County Lighting Service Area's existing SOI is coterminous with its boundaries.

Recommended Sphere of Influence Boundary

It is recommended that LAFCO reaffirm the District's coterminous SOI.

Proposed Sphere of Influence Determinations

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

- ❖ SCCLSA operates, maintains, and services the County-owned streetlights located in areas of public right-of-way in a number of different unincorporated communities of the County. Maintenance of the streetlights includes repair, removal or replacement of all, or part of, any streetlight. SCCLSA reimburses PG&E for services rendered to PG&E-owned streetlights, including the cost of electricity for all lights within the District.
- ❖ The County Roads and Airports Department provides the maintenance, repair, and program management services on behalf of the District. The District acts as a financing mechanism to reimburse the County and PG&E for these services, and does not maintain its own dedicated staff.

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

- ❖ SCCLSA consists of multiple noncontiguous unincorporated areas that are scattered throughout the County. The areas that receive services are developed with a range of urban land uses, but primarily residential or commercial uses, that require (or desire) lighting services.

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

- ❖ Unincorporated areas of the County are anticipated to experience 19 percent growth over the period from 2010 to 2035. However, as areas are planned for urban density levels the areas would generally be annexed into a city and removed from the District. It is anticipated that as growth occurs, demand for street lighting services provided by the District will decline.

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

- ❖ SCCLSA appears to be a well-run professional agency. No significant accountability, administrative, operational, financial, or infrastructure deficiencies were identified.
- ❖ Overall, the District submits approximately 60 service requests for PG&E-maintained streetlights each year. For County-maintained lights, the Roads and Airports Department staff perform approximately 20 streetlight repairs per year. County staff appears to have sufficient capacity to address this minimal level of demand.

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

- ❖ The residents within each zone of the SCCLSA are considered communities of interest, given that they pay for the enhanced street lighting services and have an economic interest in the operations of the District.