

**Final
Santa Clara LAFCo
Service Reviews and Sphere of Influence
Recommendations**

for the

South Central Santa Clara County Area

City of Gilroy

City of Milpitas

City of Morgan Hill

City of San Jose

City of Santa Clara

Burbank Sanitary District

County Sanitation District 2-3

Lions Gate Community Services District

Santa Clara County Library Service Area

Santa Clara County Lighting Service Area

Santa Clara County Open Space Authority

Santa Clara County Vector Control District

South Santa Clara Valley Memorial District

Sunol Sanitary District

August 2006



**FINAL
SERVICE REVIEW AND SPHERE OF INFLUENCE
RECOMMENDATIONS
FOR THE
SOUTH CENTRAL SANTA CLARA COUNTY AREA**

SANTA CLARA COUNTY LOCAL AGENCY FORMATION COMMISSION

August 2006

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ACRONYM LIST

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

1.0 INTRODUCTION

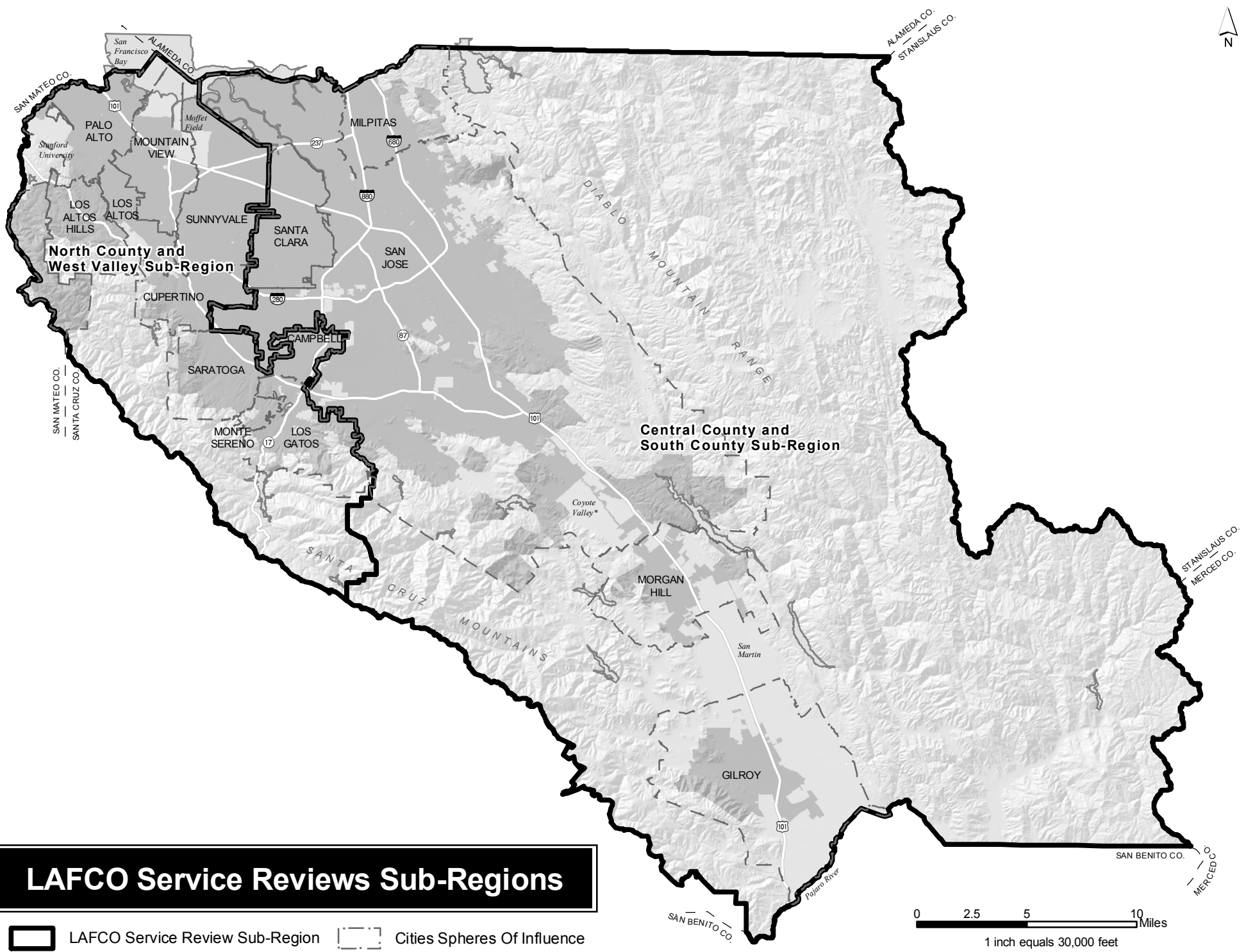
1.1 SOUTH CENTRAL SERVICE REVIEW OF SANTA CLARA COUNTY INCLUDING SPHERE OF INFLUENCE REVIEW / UPDATE RECOMMENDATIONS

The South Central Santa Clara County Service Review includes a comprehensive review of services (with the exception of fire and water services which were covered in recently completed service review reports) provided by cities and special districts located within the South Central region of the county as well as recommendations for sphere of influence updates for the agencies included in this study. The agencies covered in this report include the following 5 cities and 9 special districts:

- City of Gilroy
- City of Milpitas
- City of Morgan Hill
- City of San Jose
- City of Santa Clara
- Burbank Sanitary District
- County Sanitation District No. 2-3
- Lion's Gate Community Services District
- Santa Clara County Library Service Area
- Santa Clara County Lighting Service Area
- Santa Clara County Open Space Authority
- Santa Clara County Vector Control District
- South Santa Clara County Valley Memorial District
- Sunol Sanitary District

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

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



LAFCO Service Reviews Sub-Regions

LAFCO Service Review Sub-Region
 Cities Spheres Of Influence

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

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

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

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

1.1.2 Service Review and Sphere of Influence Requirements

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

1. Infrastructure needs or deficiencies
2. Growth and population projections for the affected area
3. Financing constraints and opportunities
4. Cost-avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for shared facilities
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers
8. Evaluation of management efficiencies
9. Local accountability and governance

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

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

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

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

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

1.1.3 LAFCO's Service Review / SOI Work Plan

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

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

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

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

1.2.1 Boundary Agreement Lines

In 1967, LAFCO adopted "boundary agreement lines". These lines were intended to end the "annexation wars" in which cities were competing amongst themselves to annex additional lands.

These boundary agreement lines divided up the entire county into 15 pieces, indicating the maximum geographic extent to which each city could potentially annex. (These boundaries were initially labeled as “sphere of influence” boundaries but later re-named “boundary agreement lines” when other “sphere of influence” boundaries were adopted in the 1970s.)

1.2.2 Urban Service Areas

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

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

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

1.2.3 Spheres of Influence

In 1972, State law was amended to require that LAFCOs adopt sphere of influence boundaries for all agencies within its jurisdiction, indicating the physical boundary and service area each agency is expected to serve. Since Santa Clara LAFCO’s SOIs were lines which divided the county into 15 pieces, one for each city, these lines were renamed “boundary agreement lines” and new “spheres of influence” were adopted, which corresponded generally to the outer boundaries of a city’s general plan area. In 1985, LAFCO formally adopted spheres of influence for the cities and special districts after completing comprehensive review and analysis necessary to make the required findings in state law. State law defines spheres of influence as the probable physical boundaries and service areas of a

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

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

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

1.2.4 City Urban Growth Boundaries and City General Plan Boundaries

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

- In 1996, the Morgan Hill City Council adopted a UGB. The City of Morgan Hill defines the area within the UGB as the land that is appropriate for and likely to be needed for urban purposes within the next 20 years. The City of Morgan Hill General Plan allows adjustment of the UGB at the time of a major General Plan update, assumed to occur approximately every 10 years or in conjunction with the Urban Limit Line/Greenbelt Study. The City of Morgan Hill UGB is intended to provide greater stability of future land use patterns.
- In June 2002, the Gilroy City Council adopted an update of the General Plan and a 20-Year Planning Boundary that identifies lands intended for urbanization and service provision. The

objective of the boundary is to guide long-term land planning and development decision-making. Likewise, the General Plan Land Use Plan Map covers the area within the 20-Year Boundary of the General Plan. However, the 20-year boundary can be amended in the context of a comprehensive update of the General Plan or a specific plan that takes into account citywide land availability and the objectives of the long-term growth boundary.

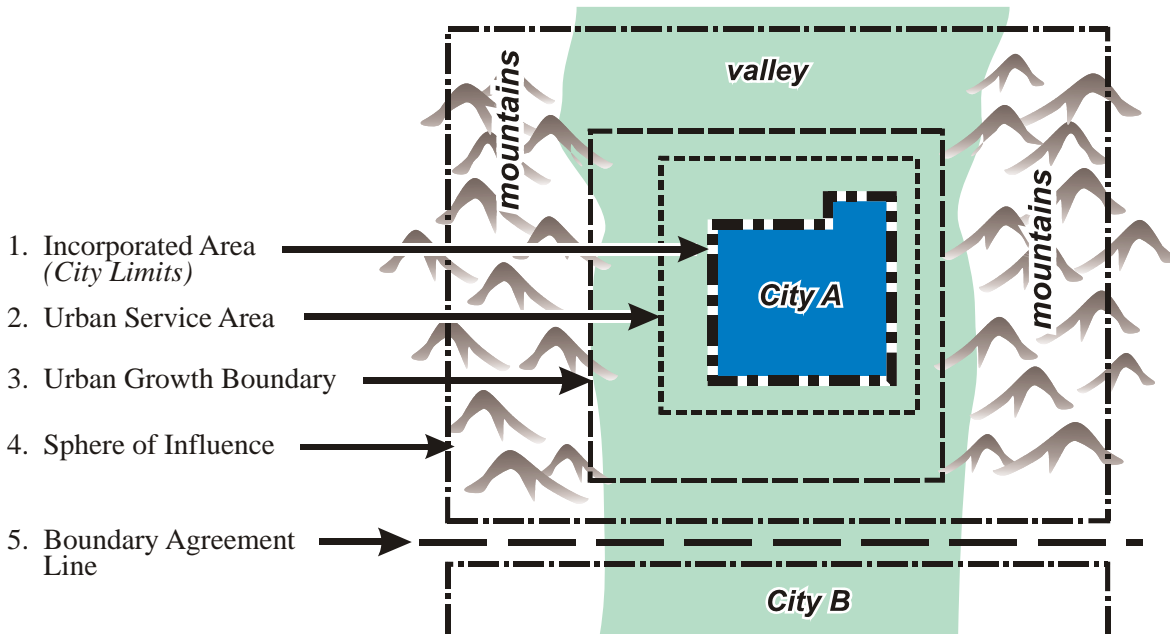
- In November 1996, the City of San Jose established a UGB, which was adopted and incorporated into the City's General Plan by a unanimous vote of the City Council. The UGB findings and modification procedures were also codified under Title 18 of the City's Municipal Code. The intent of San Jose's UGB is to augment and solidify the City's longstanding policy of discouraging urban sprawl and preventing further encroachment of urban development into the hillsides surrounding the City. This reinforces other General Plan policies that encourage infill development within urbanized areas where facilities and services are available, thus minimizing the cost of providing services. The UGB contains all lands within the City's USA and its two Urban Reserves, one in Coyote Valley and the other in South Almaden Valley. The City's UGB is intended to be the ultimate limit to urban development. Lands outside of the UGB have been identified by the City as those intended to remain permanently rural in character and should remain under the jurisdiction of the County. Due to this, City policies and codes strongly discourage significant modifications to the UGB and its supporting policies. Significant modifications can only be considered in the context of a major, comprehensive update of the General Plan, which fully considers all of the implications of expanding the limits of urbanization. The City Council is also required to make specific findings for approval. These include fiscal and service considerations in addition to the modification providing an overwhelming public benefit.
- In 1998, the City of Milpitas established a UGB with the passage of a ballot initiative. The City designated this as a 20-year growth boundary. The Measure and UGB delineation will be effective until December 31, 2018. Although the boundary is scheduled to expire at the end of 2018, the city intends for the boundary to be a permanent. Therefore, the City anticipates that the timeframe for the boundary would be extended through another ballot initiative. The City's USA currently extends past the UGB.

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

Table 1.A: Santa Clara County Boundary Terms

Boundary	General Description
Incorporated City—City Limits	Delineates lands currently within or annexed to a city
Urban Service Area (USA)	Delineates incorporated and unincorporated areas authorized to receive urban services or proposed to receive urban services within five years
Urban Growth Boundary (UGB)	Areas delineated by the city that are appropriate for and likely to be needed for urban purposes within a city-designated time frame
Sphere of Influence (SOI)	Defined by the California Government Code as the probable physical boundaries and service area of an agency. In Santa Clara County inclusion of an area in a city’s SOI is not necessarily an indication that the area would be annexed to the City or receive urban services. Specific uses are detailed in Section 1.2.3.
Boundary Agreement Line	Delineates limits beyond which a city will not be allowed to annex territory

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



1.2.5 Urban Unincorporated Pockets

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

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

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

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

Recent changes in State law provide an opportunity for cities to annex urban unincorporated islands through a streamlined process that does not require protest proceedings or elections, provided that the island meets specific criteria. In 2001, when the legislation was first passed, the changes applied to islands up to 75 acres. In 2004, the legislation was expanded to include islands up to 150 acres or less. However, this streamlined annexation opportunity will expire at the end of 2006. To encourage cities to take advantage of this opportunity, LAFCO adopted Island Annexation Policies in February 2005. The policies include additional fee waivers, collaborative efforts, and city workshops. The existence of the unincorporated pockets and current annexation efforts is discussed within each City’s section of this service review.

2.0 POPULATION AND GROWTH

2.1 Population

The California Department of Finance estimates the 2005 population of the County of Santa Clara to be 1,759,585. In the 10 years between 1990 and 2000, the population of the County increased from 1,497,577 to 1,682,585, a total of 1.24 percent. During the same 10-year period, the housing stock increased from 540,240 to 579,329 units, which was 0.72 percent.

Table 2.A shows past population and housing growth within the cities included within this MSR, unincorporated areas, and the County as a whole. Growth within these cities from 1990 through 2004 has been much higher than growth within other areas or within the County as a whole. The Cities of Gilroy and Morgan Hill have the highest growth since 1990.

Table 2.A: Population and Housing (1990, 2000, 2005)

Year	Population	Annual Percent Change	Housing	Annual Percent Change
City of Gilroy				
1990	31,487	—	9,767	—
2000	41,464	3.17	12,152	2.44
2005	47,671	2.99	14,054	3.13
City of Milpitas				
1990	50,690	—	14,466	—
2000	62,698	2.37	17,364	2.00
2005	64,998	0.73	18,095	0.84
City of Morgan Hill				
1990	23,928	—	8,157	—
2000	33,586	4.04	11,100	3.61
2005	36,423	1.69	12,092	1.79
City of Santa Clara				
1990	93,613	—	37,873	—
2000	102,361	0.93	39,630	0.46
2005	109,106	1.32	42,454	1.43
City of San Jose				
1990	782,224	—	259,358	—
2000	895,131	1.44	281,937	0.87
2005	944,857	1.11	298,901	1.20

Year	Population	Annual Percent Change	Housing	Annual Percent Change
Countywide Unincorporated Areas				
1990	106,173	—	35,102	—
2000	99,813	-0.60	32,038	-0.87
2005	98,473	-0.27	31,507	-0.33
Total Santa Clara County				
1990	1,497,577	—	540,240	—
2000	1,682,585	1.24	579,329	0.72
2005	1,759,585	0.92	607,035	0.96

Source: State of California, Department of Finance, E-5 City/County Population and Housing Estimates, 2005, Revised 2001–2004, with 2000 DRU Benchmark. Sacramento, California, May 2005.

2.2 Average Household Size

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

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

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

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

County Area	2000	2010	2020	2030
Gilroy	3.49	3.45	3.52	3.47
Milpitas	3.66	3.60	3.63	3.57
Morgan Hill	3.09	3.05	3.11	3.07
Santa Clara	2.66	2.62	2.66	2.63
San Jose	3.24	3.20	3.23	3.21
Unincorporated	3.24	3.25	3.24	3.24

Source: Association of Bay Area Governments, Projections, 2005.

2.3 Growth Projections

The most recent growth projections adopted by ABAG indicate that population growth in the County between 2005 and 2025 is expected to be 20,785 persons annually, or 1.19 percent, which is slightly

less than what occurred in the 1990s (1.24 percent annually). The number of households will have slightly more growth than in the recent past (6,477 households annually or 1.09 percent).

ABAG has broken down the most recent growth projections by each city's boundary SOI areas. These projections are shown in Table 2.C. The projected growth within the different geographical areas of the County varies from a low growth rate of 1.14 percent annually in Morgan Hill to a high of 1.64 percent annually in Milpitas. The areas with the lowest projected growth rate include Gilroy, Morgan Hill, and Santa Clara. The areas with the highest projected growth rate include Milpitas and San Jose.

2.4 Jobs/Housing Balance

The jobs/housing balance is the relationship between the number of jobs provided by a community and the number of housing units needed to house the workers in those jobs. The measure of jobs/housing balance is the jobs/employed resident ratio. A ratio of 1.00 indicates that there is a numeric balance between the number of jobs and the number of employed residents in a community. A ratio of less than 1.00 indicates that a community is "job poor" and its economic development has not kept pace with its housing growth. A jobs/housing balance indicates whether (1) a community's housing costs match worker incomes, (2) travel distances between homes and jobs are not excessive, and (3) the environment and quality of life are maintained at an acceptable level. A jobs/housing imbalance can create both environmental problems (increased traffic congestion, decreased air quality) and fiscal problems (insufficient resources to provide services since housing cannot pay for all its service needs). Santa Clara County as a whole is relatively well balanced (slightly "jobs rich") in terms of employment and resident workers. However, there are differences among the geographical areas evaluated within this MSR. The balance between jobs and employed residents within the cities (from 2000 to 2025) are shown in Table 2.D.

Table 2.D shows that Santa Clara and Milpitas are jobs rich. What is not evident in the Table is that a majority of the jobs within the City of San Jose are located in the northern portion of the City toward the jobs rich cities of Santa Clara and Milpitas. This land use pattern creates a regional imbalance, as a large percentage of jobs are located in the north central area. This regional land use pattern indicates that employees will be commuting in from other areas. The fact that there is peak-hour congestion on routes to this area is directly attributable to the jobs and housing imbalance. As indicated in Table 2.D, the land use pattern is not expected to change within the short-term.

Table 2.C: ABAG Growth Projections for Santa Clara County Cities and SOI Areas

	Gilroy		Milpitas		Morgan Hill		Santa Clara	San Jose		Total County
	Boundary	SOI	Boundary	SOI	Boundary	SOI	Boundary	Boundary	SOI	
Population										
2005	46,100	53,500	65,400	65,500	35,600	41,000	108,700	935,300	985,000	1,750,100
2015	53,700	62,300	76,400	76,500	40,900	46,800	123,600	1,062,500	1,118,800	1,959,100
2025	56,800	65,600	86,800	86,900	43,700	49,700	135,400	1,202,100	1,264,400	2,165,800
Annual Growth Rate (%)	1.16	1.13	1.64	1.63	1.14	1.06	1.23	1.43	1.42	1.19
Housing Units										
2005	13,400	15,450	18,130	18,170	11,730	13,330	41,520	293,600	309,020	595,550
2015	15,480	17,870	21,180	21,220	13,320	15,090	46,870	331,640	349,210	660,850
2025	16,210	18,690	24,080	24,120	14,070	15,890	51,090	373,410	392,800	725,090
Annual Growth Rate (%)	1.05	1.05	1.64	1.64	1.00	0.96	1.15	1.36	1.36	1.09
Employment										
2005	18,080	22,430	50,910	50,980	13,600	14,520	110,030	361,330	375,750	903,840
2015	23,180	30,420	58,400	58,490	17,800	19,170	127,780	440,750	464,040	1,077,050
2025	26,370	33,970	65,370	65,480	22,690	24,330	144,030	531,100	564,510	1,249,090
Annual Growth Rate (%)	2.29	2.57	1.42	1.42	3.34	3.38	1.55	2.35	2.51	1.91

Source: ABAG Projections 2005

Table 2.D: Jobs and Employed Resident Balance

	2000			2005			2015			2025		
	Jobs	Employed Residents	Jobs/Emp*	Jobs	Employed Residents	Jobs/Emp Ratio	Jobs	Employed Residents	Jobs/Emp Ratio	Jobs	Employed Residents	Jobs/Emp Ratio
Gilroy	20,770	22,785	0.91	22,430	20,740	1.08	30,420	25,670	1.19	33,970	28,500	1.19
Milpitas	53,980	31,063	1.74	50,980	26,490	1.92	58,490	32,880	1.78	65,480	39,390	1.66
Morgan Hill	15,220	18,913	0.80	14,520	16,620	0.87	19,170	20,160	0.95	24,330	22,580	1.08
Santa Clara	131,690	56,989	2.31	110,030	49,500	2.22	127,780	59,810	2.14	144,030	69,090	2.08
San Jose	432,480	470,027	0.92	375,750	401,970	0.93	464,040	486,860	0.95	564,510	580,690	0.97
Total County	1,044,130	863,432	1.21	903,840	734,000	1.23	1,077,050	874,300	1.23	1,249,090	1,019,210	1.23

Source: Association of Bay Area Governments, Projections, 2005.

*Emp = employed resident

3.0 CITY OF GILROY

The services that are provided by the City and evaluated within this service review include:

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

3.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The City of Gilroy is located approximately 20 miles south of the City of San Jose and 10 miles south of Morgan Hill. The City is bisected by State Highway 101 in a north-south direction and by State Highway 152 in an east-west direction. The City limits encompass approximately 14,610 acres. The City's location and planning boundaries are shown in Figure 3.1.

The City of Gilroy was incorporated in 1870 and operates under a Council-Administrator form of government. The City Council consists of six members and a mayor who are elected to four-year terms. The City Council meets in the Council Chambers on the first and third Monday of each month at 7:00 p.m. The public is encouraged to participate in City Council meetings and other City activities. Meeting agendas are posted pursuant to the Brown Act at City Hall and on the City's website. Both City Council and Planning Commissions meetings are also shown live (and replayed) on cable Channel 17. A video of the meetings can also be downloaded and viewed from the City's website. In addition, the City has Info Express, which is a dial-in service that provides callers with prerecorded information regarding various city questions or issues of concern.

The City prepares an annual financial budget, a Capital Improvement Budget (CIB), and a five-year financial plan. Before adopting these documents, the Council holds a noticed public hearing for discussion and comment. The City's 2005–2006 through 2009–2010 Financial Plan states that since 2003, the City has been dealing with fiscal problems, which have generally resulted from a slower economy in the area, State budgeting issues, and increasing employee benefit costs. The City's costs for retirement and medical insurance have increased two and one-half times within three years. Due to this, the City has reduced expenses by \$16.4 million since FY 2003–2004 and has projected no new employees over the next five years. This will result in an overall reduction of services. The City has utilized the following objectives to financially plan for the future.

- Attempt to maintain “core” services and their corresponding standards as much as possible
- Reduce/eliminate those services that can be easily reinstated first
- Reductions of full-time employees should be accomplished through planned attrition and retirements
- Make every attempt to maintain full-time staffing levels at 2002–2003 levels for the 2005–2006 fiscal year
- Use the City Council priority list of services as a guide in service reductions

The Financial Plan also states that the City will go through an “incremental degradation” of its services. The City is expected to continue to grow at the same rate as in recent years and not having any new police, fire, and park workers would eventually lower service provision. To provide funding for infrastructure and facilities related to new development within the City, development impact fees are assessed. The impact fees include water, sewer, public facilities, library, traffic, police, fire, recreation, drainage, and parks. The City has also adopted resolutions providing for annual adjustments in the impact fees based upon the increase in construction costs.

Due to the City’s existing financial issues, the 2005 capital improvement budget is focused on competing projects that began six years ago such as construction of a police station, Santa Teresa Expressway widening, Gilroy Sports Complex, and three neighborhood parks. The funding for these projects is from enterprise funds and impact fee funds.

The City has adopted purchasing policies and procedures, which control costs by outlining approved purchases, dollar thresholds, and specific procedures for all needed products and services. The City’s Municipal Code establishes a decentralized purchasing system to be utilized Citywide. This means that for most purchases, the department with the request would solicit quotations and place orders directly with suppliers. However, the policy details the methods that should be used for each type of purchase. The City uses a Purchasing Card Program for low-dollar items. The Program is intended to ensure that allowable goods/services acquired are accomplished in accordance with the Purchasing Program and to ensure that the appropriate internal controls are implemented. The overall objective of the Purchasing Card Program is to ensure that the City operates efficiently and effectively and provides accountability.

The City has also adopted an Investment Policy with the three basic objectives of safety, liquidity, and maximum yield. The policy identifies policies, types of investments, and the manner in which the City will invest idle funds. In addition, the policy details the Investment Committee’s responsibilities and the contents of the City Treasurer’s quarterly investment report.

The City has cooperative agreements with other agencies in the County, which provide for service provision in a cost-effective manner. This includes the agreement between the Cities of Gilroy and Morgan Hill to jointly own and operate the wastewater treatment facility in Gilroy. This agreement provides cost savings for both cities in that they share the financial responsibility for one facility versus having one facility for each City.

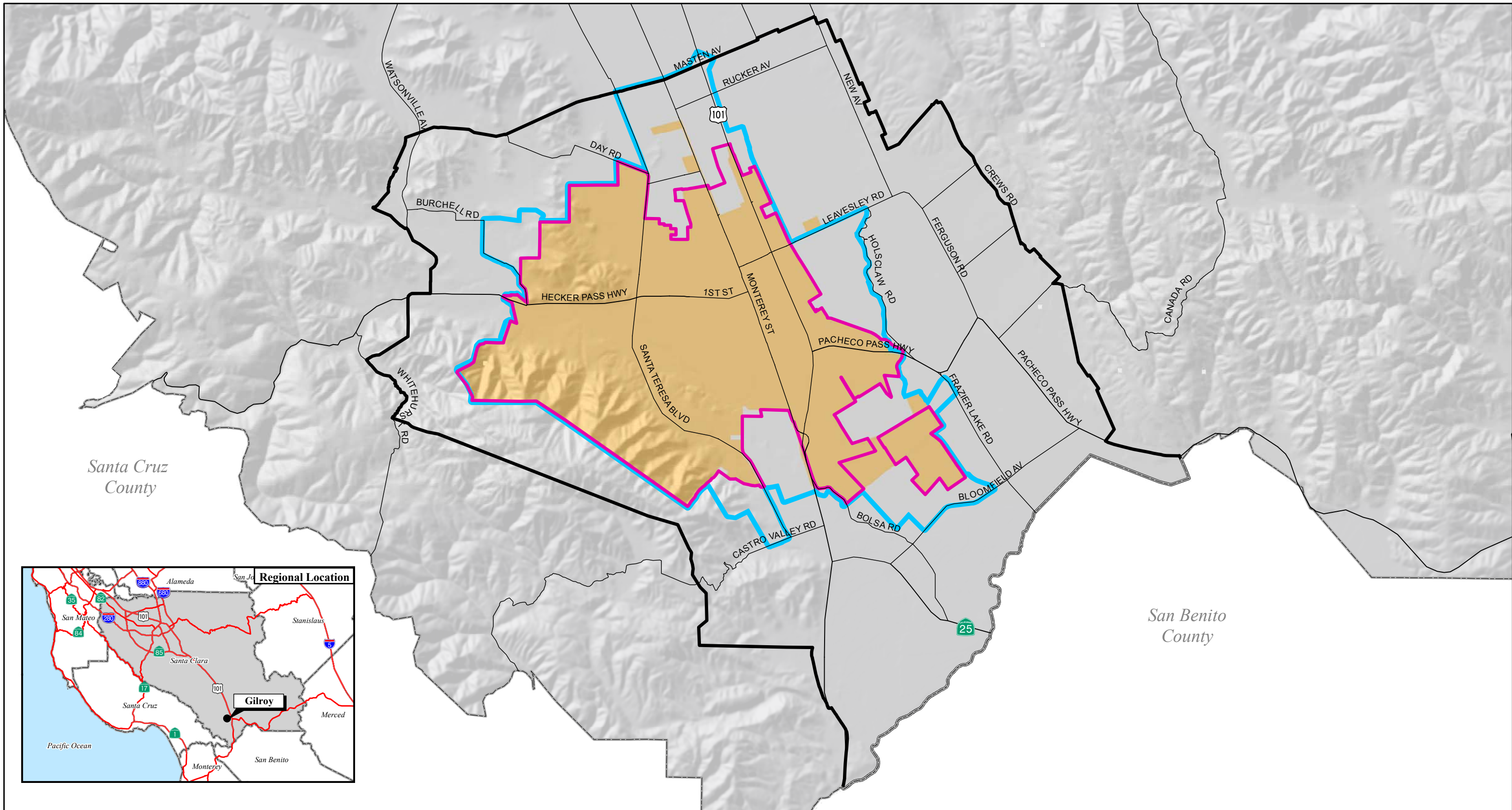
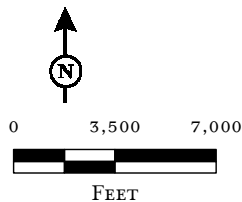


FIGURE 3.1

LSA



Legend

- County Boundary
- City of Gilroy
- City of Gilroy Sphere of Influence
- Gilroy 20-Year Planning Boundary
- Gilroy Urban Service Area
- Unincorporated Areas

SOURCE: Santa Clara County
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3.2 CITY PLANNING BOUNDARIES AND GROWTH

3.2.1 Planning Boundaries

The City of Gilroy first adopted a 20-year Planning Boundary in the early 1980s. In the fall of 1996, after a three-year process, the “Strategies to Balance Planned Growth and Agricultural Viability” was adopted by the City of Gilroy, County of Santa Clara, and LAFCO. This inter-jurisdictional agreement is unique in that the three agencies were able to develop important agricultural strategies that are supportable by each agency, as well as by the Santa Clara County Farm Bureau and Greenbelt Alliance.

Intending to strike a balance between accommodating growth and preserving agricultural lands, the “Strategies to Balance Planned Growth and Agricultural Viability” document recommended that the City of Gilroy re-affirm its 20-Year Planning Boundary to serve as the long term urban growth boundary east of U.S. 101 and that LAFCO in turn re-examine its policies regarding USA expansions east of U.S. 101 within the 20-Year Planning Boundary.

The City of Gilroy amended its General Plan on February 18, 1997 to adopt specific policies to implement the “Strategies to Balance Planned Growth and Agricultural Viability” action recommendations and on February 12, 1997 LAFCO adopted a set of policies relating specifically to the Gilroy Agricultural Lands Area in accordance with the agreement. These policies were adopted by LAFCO at a public hearing after soliciting comments from the City of Gilroy, the County, the Farm Bureau and Greenbelt Alliance.

These policies acknowledge that lands within the 20-Year Planning Boundary are less likely to remain in long-term agricultural uses and that a stable 20-Year Planning Boundary may be considered an effective protection/mitigation for loss of agricultural lands within the boundary. These policies also state that LAFCO supports the City’s 20-Year Planning Boundary as it existed in 1996 and that any revision to the boundary is required to be endorsed by LAFCO before LAFCO can approve any USA expansions in the area. The policies then go on to establish criteria for LAFCO endorsement of a revised boundary.

During the City’s 2002 General Plan update, the City expanded the 20-Year Planning Boundary in several areas. The expansion included small areas along the southern and eastern boundaries of the planning area; the area north of Day Road and Buena Vista Road; and, most notably, the area east of the Outlets (located at the city limit and Leavesley Road) south of Leavesley Road, north of Ronan Channel, and west of Llagas Creek, which is within the Agricultural Lands Area and beyond the 20-Year Planning Boundary that was deemed six years previously to be the long-term urban growth boundary in that area of the City.

Urban Pockets

As discussed in Section 1.2.5, the County and LAFCO have adopted policies, which state that urban islands and pockets should be annexed. LAFCO identified eight unincorporated areas that are less than 150 acres within the City of Gilroy’s USA. LAFCO has provided maps of the islands to the City and are also available on the LAFCO website. Three of the eight islands have recently been annexed and two other areas are expected to be annexed soon. The City does not anticipate initiating any additional annexations for the remaining pocket areas.

3.2.2 City Growth

The City has adopted a Residential Development Ordinance (RDO), which limits the number of residential units that can be built in the City each year and provides a process to evaluate which proposed residential projects best meet the City’s overall needs. The RDO goal for the 1994–2003 period was 4,000 new units. The goal for the 2004–2013 period is 3,450 new units or approximately 345 units per year. The City periodically holds a competition for development projects (typically every two to three years) when allocations are available. The RDO has a rating scale that is used to evaluate and rank competing projects each year. Projects that best meet the City’s overall goals, as established in the General Plan, receive the highest ranking and are thus more likely to be approved. (The City Council, however, is not obligated to approve projects based solely on the point totals.) The rating scale can be used as an incentive for developers to incorporate trails, parks, or other amenities into their projects, consistent with the City General Plan or Master Plans.

The population projections for the City of Gilroy that are listed in Table 3.A are provided in the City’s 2004 Police Department Master Plan. The Master Plan states that these projections are based on the “Adjusted General Plan Land Use Buildout Projections” adopted by the City, the City’s review of every type of residential parcel in the General Plan, market considerations, anticipated timing of residential permits, and the City approved RDO.

Table 3.A: City of Gilroy Population Projections Based Upon the RDO

Year	Population
2010	56,407
2015	60,820
2020	65,082
2025	69,344
2030	73,606
2035	77,869
2040	82,136

Source: Gilroy Police Department Master Plan Update and Nexus Report, August 2004.

The City’s 2002 General Plan states that the population growth projection from ABAG (a population of 56,800 for 2025) was lower than what would result if the current RDO allocation were granted and built each year for the next 20 years. Further, the General Plan states that in essence, the regional forecast indicates that demand will slow over the 20-year period to a rate that’s actually lower than that allowed by the RDO. These General Plan statements are consistent with the growth projections included in the Gilroy Police Master Plan, as provided in Table 3.A.

3.2.3 Availability of Vacant Land

The City's 2002 General Plan notes that the City has ample available land to accommodate growth within the 20-Year Planning Area. The General Plan states that more than 3,000 acres of land are either vacant or in non-permanent agricultural use (more acreage than currently occupied by all of the City's existing residential, commercial, and industrial development). However, in January 2005 the City completed a Vacant Residential Land Survey that indicates an approximately 11 year supply of vacant residential land exists. Table 3.A1 shows the City's vacant acreage within all land use categories within the 20-Year Planning Area as detailed in the 2002 General Plan and Table 3.A2 provides the vacant residential land within the Urban Service Area as detailed in the 2005 Vacant Residential Land Survey.

Table 3.A1: Acreage of Vacant Land within the Gilroy 20-Year Planning Area

Land Use Designation	Total Acres	Undeveloped Acres ¹
Residential	6,053	1,551
Rural	350	120
Hillside	1,460	305
Low	2,240	135
Medium	285	60
High	95	25
Neighborhood District	1,623	1,210
Commercial	1,559	458
General Services	1,116	433
Professional Office	15	2.6
Visitor Serving	243	87.5
Downtown	160	7.6
Neighborhood	25	25
Industrial	2,006	1,492
Campus Industrial	497	495
Industrial Park	364	207
General Industrial	1,145	790
Total	9,618	3,501

¹ Gilroy defines undeveloped acres as those currently vacant or in agricultural use. Does not include underutilized parcels

Source: General Plan EIR Addendum, May 30, 2002.

Table 3.A2: Acreage of Vacant Residential Land within the Gilroy Urban Service Area

General Plan Designation	Net Acres Vacant	Average Net Density	Probable Units	Build Out Rate	Supply in Years
Neighborhood District	101.94	9.25	943	345	2.7
Low Density	24.02	5.13	123	314	< half year
Rural Residential	27.68	0.4	11	314	< half year
Hillside Residential	47.79	2.25	106	314	< half year
Hecker Pass	145.00	-	530	345	1.5
Glen Loma	178.90	-	1,641	345	4.8
Country Estates	8.20	-	15	314	< half year
Medium Density	0	12	0	9	0
High Density	0	23	0	22	0
Total	497.02	-	3,354	-	About 11

Source: Vacant Residential Land Survey, January 20, 2005.

3.3 WASTEWATER SERVICES

The City of Gilroy operates its own sewer system and associated infrastructure facilities and provides services to residents and businesses within the City limits. As of 2004, the City's sewer collection system consisted of approximately 110 miles of 6- to 33-inch-diameter sewers. The "backbone" of the system consists of the trunk sewers, generally 12-inches in diameter and larger, that convey the collected wastewater flows to the wastewater treatment plant, which is located at the southernmost end of the City on Southside Drive.

The wastewater treatment plant and associated joint trunk sewer is owned by the South County Regional Wastewater Authority (SCRWA), which is a Joint Exercise of Powers Agreement between the Cities of Gilroy and Morgan Hill for the shared use and responsibility of the facility. The plant is operated via contract with Operations Management International, Inc. In accordance with the Agreement, Gilroy's wastewater flow discharges into a joint trunk that conveys wastewater south to the plant. The agreement includes capacity allocations for each city for both the joint trunk and the plant.

The plant is currently permitted for an average dry weather flow of 7.5 million gallons per day (mgd). A re-rating to 8.5 mgd is expected to be completed next year. The City of Gilroy owns 58.1 percent of this capacity. The build out capacity of the plant with expansions is estimated to be 15 mgd. During 2004, the average and peak-hour flows from the City are 4.63 and 8.33 mgd, respectively. This equaled 62 percent of the plant's flow. At build out conditions of the 2002 General Plan, the average and peak-hour dry weather flows are anticipated to approach 7.7 and 16.6 mgd, respectively, as shown in Table 3.B.

Table 3.B: City of Gilroy Sewer System Design Flows

Weather Conditions	Average Flow (mgd)	Peak Flow (mgd)
2002 Dry Weather Conditions	3.6	7.9
General Plan Build Out Dry Weather Conditions	7.7	16.6
2002 Wet Weather Conditions	5.8	14.5
General Plan Build Out Wet Weather Conditions	9.8	20.4

Source: City of Gilroy Sewer System Master Plan.

The SCRWA has a Master Plan for the treatment Plant that provides for the following infrastructure needs: treatment capacity, effluent disposal capacity, recycled water capacity, and solids handling. The following expansion projects are currently scheduled in the Master Plan:

- Expand plant treatment capacity (to 12.75 mgd); scheduled to begin in 2009–2010.
- Implement a river discharge disposal program to increase total disposal capacity to 19.8 mgd; scheduled to begin 2007–2008.
- Expand the reclamation plant to 12 mgd; currently under construction.
- Upgrade and expand the solid-handling facilities for increased capacity; scheduled to begin 2009–2010.

In May 2004, the City of Gilroy completed a Sewer System Master Plan. The report includes master planning assumptions, existing sewer system capacity evaluation, recommended facility improvements, and a Capital Improvement Program (CIP) through 2020. The Master Plan states that the City’s existing sewer system was well planned to meet the needs of existing customers. In fact, in anticipation of future growth, the City has planned and constructed sewer facilities in conjunction with new street construction.

The Master Plan includes several proposed projects, which consist of new or increased capacity pipelines that will be needed to extend service to currently undeveloped areas. These proposed improvements are phased to provide capacity enhancements as needed to serve future anticipated developments.

The City has a CIP and CIB that are used to plan and finance wastewater system improvements. In the CIP, pipelines that are larger than 12-inches are funded by sewer development impact fees. The installation/cost for any pipelines up to 12-inches in diameter is the responsibility of the developer. The City has adopted Sewer Development Impact fees to provide funding to expand the sewer system and wastewater treatment plant to accommodate the new development. These fees are to be paid on a proportional basis in relation to the projected demand.

Wastewater Rate Comparison

The City’s wastewater rates are set monthly fees as shown below. Commercial and industrial rates are dependant upon the amount and type of flow. Table 3.C compares Gilroy’s sewer rates to those of nearby jurisdictions. As shown, Gilroy’s existing rates are similar to those of other jurisdictions.

Table 3.C: Monthly Wastewater Rates

	Morgan Hill	Gilroy	Milpitas
Residential: single-family	\$32.57	\$29.74	\$25.13
Residential: multifamily	\$22.33 per unit	\$21.12 per unit	\$18.24 per unit
Commercial and industrial	Calculated depending on use	Calculated depending on use	Calculated depending on use

3.4 SOLID WASTE SERVICES

Solid waste service is provided by the City via contract with South Valley Disposal & Recycling, Inc. The existing contract is through 2013. The solid waste that is collected within the City of Gilroy is hauled to the landfills listed below. These facilities are Class III, which accept construction/ demolition waste and mixed municipal refuse. Additional detail regarding these facilities is located in Appendix A.

- Billy Wright Disposal Site
- Newby Island Sanitary Landfill
- Guadalupe Sanitary Landfill
- Forward Landfill, Inc.
- Vasco Road Sanitary Landfill
- John Smith Road Landfill
- Zanker Material Processing Facility
- Kirby Canyon Recycling & Disposal Facility
- Monterey Regional Waste Management District/Marina Landfill

According to the most recent information posted by California Integrated Waste Management Board (CIWMB), the City of Gilroy disposed of 52,870 tons of solid waste. CIWMB shows that the solid waste disposal generation factor for the City is 2 pounds per resident per day and 18.8 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) requires all jurisdictions to achieve 50 percent solid waste diversion after the year 2000. Per CIWMB, the City exceeded this goal and had a 54 percent diversion rate in 2003, which is the most recent data posted.

The City has varying rates for residential solid waste services, which are dependent upon the type of residence (e.g., single-family, multi-family, low income). Commercial rates are based on the larger refuse bin size and by number of pickups per week. The City has increased solid waste rates by 4.73 percent as of July 1, 2005. Table 3.D provides a comparison of City solid waste service rates.

Table 3.D: Monthly Solid Waste Rates

	Gilroy	Milpitas	Santa Clara
Residential			
Single-Family	32 gallon can at \$22.79	\$47.10	32 gallon can at \$13.25
Hillside	32 gallon can at \$27.52	\$59.50–\$1,275.55	32 gallon can at \$13.25
Low-Income Senior	32 gallon can at \$19.19	—	—
Commercial			
	\$22.79–\$2,367.57 Dependent on size of bin and number of pickups per week	\$25.51–\$1,636.68 Dependent on size of bin and number of pickups per week	\$8.53–\$1,889.67 Dependent on size of bin and number of pickups per week

3.5 PARK AND RECREATIONAL SERVICES

The City of Gilroy has 17 existing parks, which provide a total of 125.67 acres of developed parkland to the community. These parks are listed and detailed in Table 3.E. In addition, the City has several special use facilities within the community, as listed in Table 3.F.

Table 3.E: Gilroy’s Existing City Park Inventory

Park and Location	Amenities	Acres
Christmas Hill Park Miller Avenue at Uvas Park Drive	play equipment, picnic area, reservable group picnic area, restrooms, ball fields, basketball, amphitheater, community event center	50.00
Las Animas Park Wren and Mantelli	play equipment, picnic area, reservable group picnic area, restrooms, ball fields, basketball, horseshoes pit, volleyball, handball, tennis	30.58
Miller Park 2nd Street between Carmel and Princevalle Streets	play equipment, picnic area, restrooms	4.14
San Ysidro Park Murray Avenue at 2nd Street	play equipment, picnic area, basketball, handball, soccer, community center	9.25
Del Rey Park Calle del Rey at Partridge Drive	play equipment, picnic area, basketball	3.00
El Roble Park Wren Avenue between Perrelli & 3rd Street	play equipment, picnic area, handball	3.50

Park and Location	Amenities	Acres
Rainbow Park Mantelli at Hirasaki	play equipment, picnic area	2.25
Babbs Creek Park Preserve Babbs Creek at Thomas Road	public sidewalk parallel to the creek	4.00
Uvas Creek Park Preserve between Santa Teresa Boulevard & Thomas Road Bridge	nature preserve, trails	125.00
Butcher Park East End Old Gilroy Street	picnic area	0.10
Forest Street Park Forest Street between 6th & 7th	play equipment, picnic area, horseshoes pits, bocce ball courts	0.78
Renz Park Hanna Street at Oak Court	open grass area, benches	0.52
Wheeler Tot Lot 6th and Church	play area	0.15
Gavilan Sports Park Gavilan College	restrooms, ball fields	8.30
Carriage Hills Park Carriage Hills Way & Valley Oaks Court	basketball court, playground equipment, shade structure, bike racks, benches, picnic tables, turf area	3.00
Los Arroyos Park Hirasaki Avenue & Martiri Court	basketball court, playground equipment, water playground, gazebo, bike racks, benches, picnic tables, turf area	2.10
Sunrise Park Saddler Avenue & Hogan Way	basketball court, tennis courts, playground equipment, water playground, exercise area, recreation building, bike racks, benches, picnic tables, turf area	8.00
Total City Park Developed Acreage		125.67
Park Preserve Acreage		129.00

Source: City of Gilroy Parks and Recreation System Master Plan, September 2004.

Table 3.F: City of Gilroy Special Use Facilities

Facility and Location	Lot Acreage	Building Square Footage	Amenities
Senior Center 7371 Hanna Street	1.19	10,653	kitchen, gift shop, meeting rooms
Wheeler Community Center 250 W. 6th Street	1.31	14,950	gymnasium, weight room, craft room, dance room
Willey Cultural Center 5th Street	0.26	2,350	Victorian house, meeting and reception rooms
Youth Center 7100 Railroad Street	1.23	5,732	meeting rooms, courtyard, gymnasium
Gilroy Golf Course	90 acres	2,880 (clubhouse)	11 holes; par 69, 5,939 yards;

Facility and Location	Lot Acreage	Building Square Footage	Amenities
2695 Hecker Pass			driving range
Gilroy Historic Museum	0.13	3,600	museum
Ascension Solovasno Middle School Gymnasium	—	—	joint-use gymnasium developed with school district
Total Special Use Facilities Acreage	4.12		

Source: City of Gilroy Parks and Recreation System Master Plan, September 2004.

The City also has a bicycle track scheduled to begin construction during fiscal year (FY) 2007–2008, and a Center for the Arts is scheduled to begin construction in 2006–2007. Undeveloped parks within the City include Gilroy Sports Park, Farrel Avenue Park, and Santa Teresa and Third Street. In addition, three park sites (Murray Avenue, Hecker Pass, and Glen Loma Ranch) are scheduled for purchase during 2006–2010.

The City has several adopted standards for the provision of park facilities. The City has adopted a standard of 5 acres per 1,000 residents (includes special use facilities except for the golf course). “Limited Use” park preserves (such as Uvas Creek and Babbs Creek Park Preserves) are included at 10 percent of their total acreage. The City’s standard also includes that all residents should live within walking distance of a neighborhood park. Based upon the 2005 California Department of Finance population estimates for the City (47,671), the City currently has 2.9 acres of parkland per 1,000 population. Hence, the City’s current park and recreational facility acreage is lower than the adopted standard. Based on the 2002 General Plan, the City will need a total of 410.68 parkland acres to achieve the standard at build out of the General Plan.

The City has a Park and Recreation Master Plan, which was updated in 2004. The Master Plan was coordinated to ensure consistency with the City’s General Plan and to analyze the future facility demand that would occur with build out. The plan identifies future park sites and the following existing infrastructure needs:

- Several existing parks and special use facilities are in need of renovation and completion. Also, some parks have approved Master Plans that have never been fully implemented. Completion and renovation of the existing parks will help to accommodate existing and future recreation needs.
- New special use facilities are needed to accommodate existing and future recreation (including preschool and afterschool) programs. Several existing facilities have reached impacted levels of use, and waiting lists are being utilized. Likewise, existing programs cannot be expanded nor new programs offered.

To assist in financing new parks or recreational facilities, developers are required to dedicate land and/or pay fees in lieu of dedication. Each year, through the City’s CIB process, the City establishes and updates priorities for funding of park and recreational facilities.

In addition to the City’s parks, several County park facilities are located in and near the City. These parks supplement the facilities that are provided by the City. These County Parks are detailed below in Table 3.G.

Table 3.G: County Parks Within or Nearby Gilroy

Parks and Locations	Amenities	Acreage
Coyote Lake-Harvey Bear Ranch County Park 10840 Coyote Lake Road, Gilroy	635-acre lake, boat launch facilities, visitor center, 75 family picnic sites, campground with 74 reservable sites and associated facilities, 13 miles of multiuse trails	4,595
Uvas Reservoir 14200 Uvas Road, Morgan Hill	286-acre man-made reservoir	626
Uvas Canyon County Park 8515 Croy Road, Morgan Hill	six miles of hiking trails, picnic sites, 25 campsites	1,133
Mt. Madonna County Park 7850 Pole Line Road, Watsonville	118 campsites, 14 miles of trails, picnic areas, amphitheater, archery range	3,688

Trails

Several regional, subregional, local, and connector trails exist within the City. The City of Gilroy has an adopted Trails Master Plan, which is intended to provide long-term recommendations for development of a comprehensive and coordinated trails system within the City. The objective of the Trails Master Plan is to plan, design, and implement a network of trails that, together with the City’s on-street bikeways and pedestrian sidewalks, will connect the community, its park and open space system, schools, employment centers, and other community destinations. The Gilroy trails system will be an integral part of and provide links to the existing and proposed regional trail system.

Recreation

Since 1960, the City has been providing recreation programs to residents of all ages. The City publishes a Community Services Activity Guide three times per year (December, May, and August), which provides a comprehensive listing of all the programs. The Activity Guide is mailed to all Gilroy households. The types of programs that the City offers are as follows:

- Kindermusic
- Senior athletic activities
- Summer playground program
- Preschool enrichment programs
- Youth center activities

- Health and fitness programs
- Senior center clubs
- Youth sports clinic & camps
- Aquatics classes
- Senior trips/tours/events
- Therapeutic recreation
- Summer day camps
- CPR training
- Drivers education classes

The City has working relationships with numerous public and private agencies and organizations that expand recreation opportunities. In fact, the Park and Recreation Master Plan includes the goal of maximizing recreation resources through positive working relationships, partnering, and collaborative efforts with other public agencies, nonprofit organizations, and the private sector. The following are other facilities utilized by the City's programs:

- Gavilan College: theater, tennis courts, sports park, gymnasium, pools
- Gilroy High School: gymnasium, theater, classrooms, pools, athletic events
- South Valley Jr. High: gymnasium, classrooms, pool, athletic fields
- Brownell Jr. High: gymnasium, classrooms, playground, athletic fields
- Luigi Aprena School: classrooms, athletic fields
- Glen View School: classrooms, playground
- Rod Kelly School: classrooms, playground
- Ascencion Solovasno Middle School: gymnasium
- Ochoa Migrant Housing Multi-purpose Room
- Kaiser Permanente Meeting Rooms
- Gilroy Health & Fitness: fitness room
- Predators Archery Range

3.6 STORM WATER DRAINAGE SERVICES

The City of Gilroy operates its own storm drainage system within City limits, which flows into existing channels and creeks that are owned and operated by the Santa Clara Valley Water District. The City lies within two major watersheds: Uvas Creek and Llagas. These watersheds are divided into several hydrologically distinct drainage areas. Each drainage area has a system of conveyance facilities to collect and dispose runoff. The storm water runoff from these areas is ultimately discharged into creeks that flow through the City and eventually reach Monterey Bay via the Pajaro River.

The City of Gilroy's storm drainage system consists of underground pipelines that drain to the nearest creek or manmade channel. City staff requires developers to construct storm drainage facilities in compliance with the Storm Drain Master Plan. In May 2004, the City updated the Master Plan, including master planning assumptions, existing storm drainage system capacity evaluation, recommended facility improvements, and a CIP through 2020.

The 2004 Master Plan indicates that the existing capacities of some of the conveyance facilities are adequate to accommodate 10-year design storms for the General Plan build out. However, the Master Plan found that other facilities were deficient in existing conditions. The Master Plan also indicated that backwater levels in Uvas Creek and Llagas Creek did not significantly influence the storm drainage system during the 100-year storm design. The Master Plan provides infrastructure recommendations to mitigate the existing deficiencies and provide for growth within the City.

The City maintains a CIP and CIB that are used for effectively planning and financing storm drainage system improvements. In the CIP, pipelines larger than 12 inches in diameter are recommended for future construction, and as such, the City provides funding for these pipelines. Developers are responsible for constructing pipelines less than 12 inches in diameter.

3.7 LAW ENFORCEMENT SERVICES

The City's Police Department provides law enforcement services to the City of Gilroy. The existing police station is located on a portion of the Civic Center site. The current police department staff consists of 61 sworn officers (including a chief, an assistant chief, 3 captains, 10 sergeants, and 8 corporals) and 43 nonsworn personnel. In addition, the police department has two police canines: Kimbo and Cento, both German Shepards. The Department personnel is divided into several divisions, listed below.

The Patrol Operations consist of six patrol teams that cover all calls for service 7 days a week, 24 hours a day. The City is currently divided into four beats, or districts, that are routinely patrolled by members of these teams. Each team works 4 days a week, 10 hours per day. Several days a week, the patrol teams overlap to provide maximum coverage answering calls for service during peak-activity periods. Patrol Operations are supported by the Anti Crime Team and the Detective Unit.

There are currently five detectives in the Detective Unit that are responsible for the follow-up on major crimes. The detectives cover several areas such as Crimes against Persons, Property Crimes, Missing Persons, and Sexual Assaults. They often serve as the liaison between the Gilroy Police Department and the District Attorney's Office. In addition, the Investigations Unit also writes search warrants as needed by the Department.

The Gilroy Police Department formed the Anti-Crime Team in 1992 in response to gang violence. The team has a total of eight full-time members, including a sergeant, a corporal, narcotics investigators, an intervention officer, gang investigators, and a probation officer. The team's main responsibility is to investigate gang crimes, graffiti, and narcotic-related crimes.

The Bicycle Patrol Unit was formed approximately three years ago to assist officers with many of the community-oriented policing projects they have undertaken. The Police Department also has a Mounted Enforcement Unit, which began in 1993 to address a need to provide crowd control via mounted units. The Mounted Enforcement Unit has eight riders. The Unit works part-time to provide support for ground officers during riot and crowd-control situations. In addition, the officers are also used in patrolling downtown, the local parks, the Uvas Creek levee area, and retail stores during busy holiday weekends. The unit also specializes in search-and-rescue and fugitive-recovery operations.

The City has a formal mutual aid agreement with the County Sheriff’s Department. In addition, the City has an informal agreement with the City of Morgan Hill Police Department to ensure adequate response to large-scale emergencies and multiple, simultaneous incidents that might exceed the capabilities of the Department’s resources, specifically incidents requiring special weapons and tactics. In addition, the Department has an arrangement with the County to assign one full-time probation officer to the Department’s Anti Crime Team. The Department also assigns one officer to the Regional Auto Theft Task Force and one officer to the Regional Narcotics Task Force.

The Department’s number of service calls for FY2004–2005 was 54,461. The General Plan includes policies related to the provision of law enforcement services. The policy states that the average emergency response times for police services should be approximately 4.5 minutes. Currently, the response time is averaging 5 minutes. In addition, the City’s standard for personnel is a ratio of 1.5 sworn officers per 1,000 population and a nonsworn staff ratio of 0.43 to total employees. Based upon the 2005 California Department of Finance population estimates for the City (47,671), the City currently has 1.28 sworn officers per 1,000 population and 0.41 nonsworn staff to total employees. Hence, the Department’s current staffing levels are slightly below the standards. The City has also compiled the anticipated future staffing needs of the Department based on the standards and the City’s growth projections (Table 3.H).

Table 3.H: Anticipated Police Department Personnel Needs

Year	Sworn	Nonsworn	Total Staff
2010	85	53	138
2015	91	56	147
2020	98	61	159
2025	104	64	168
2030	110	68	178
2035	117	72	189
2040	123	76	199

Source: Master Plan for Gilroy Police Facility.

The operations of the Department have been evaluated by the County’s Civil Grand Jury along with other law enforcement agencies in the County. Specifically, the evaluation has included the Department’s Communications/9-1-1 Center, Jail, and Evidence/Property operations. In addition, the Department’s Command Staff and supervisors evaluate present and future operations at

annual team-building workshops. The evaluations have resulted in numerous changes to the Department's structure and operations.

The Department has several noteworthy accomplishments to recognize. The Department's Special Weapons and Tactics (SWAT) Team recently placed second in a regional competition, which earned an invitation to the World SWAT Competition where the Team placed in the top 10. Additionally, two of the Department's Command staff serve on different State (CA POST) subject-matter expert committees to produce state-wide guidelines. A Captain serves on the subcommittee for Emergency Vehicle Operations, and the Assistant Chief serves on the Executive Committee for SWAT.

The Department has developed a Master Plan in order to forecast its needs to accommodate the build out of the City's General Plan. This includes the evaluation and development of a new police facility. The existing police facility is 17,665 square feet and, per the Master Plan, is overcrowded and functionally inefficient. Following are some of the deficiencies of this existing facility:

- The facility has an inefficient layout and lack of operating and storage space
- The Detention area is in noncompliance with the State Board of Corrections for the required separation of adult males, adult female, and juveniles
- The structural system does not meet current seismic requirements

Due to these issues, the City has acquired a site and is currently constructing a new police facility. Final completion and occupancy is scheduled for Fall 2006. The new facility will be a one-level, 48,970-square-foot police station over a 58,000-square-foot level of on-grade parking. The first-floor parking garage will house a jail facility of approximately 3,500 square feet. The City's CIB has set aside funding for the development of this facility. Funding has also been acquired from development impact fees for law enforcement services. The General Plan includes a policy to update the Impact Fee Schedule on a regular basis to ensure that public safety facilities and services required by new development are paid for by those developments.

3.8 LIBRARY SERVICES

Library services within the City are provided by a joint effort between the City and the Santa Clara County Library. The City provides the library facility and the County library operates, staffs, and supplies the materials for the library. The County Library owns all furniture and equipment within the library, including shelving, desks, chairs, computers and peripherals, telephones, security gates, self-check machines, and the collection of books and other materials. Due to funding issues, in 2004 the County Library cut library hours and closed all of its branches every Monday.

The existing library within Gilroy is a 12,800-square-foot facility that is located at 7387 Rosanna Street. The facility is currently inadequate to meet the needs of Gilroy. The City would like to develop a new facility and has completed 90 percent of a facility design. The new facility is proposed to be 52,000 square feet and would be located on the same site. However, the project is currently on hold due to insufficient funding. The City was not successful in obtaining a 2000

State Library Construction Bond Grant. In 2006, the measure will again be on the ballot, and the City anticipates that it will then be passed by the voters. If the ballot is passed, construction would begin after State plan review in 2007 or 2008.

3.9 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF GILROY

The service review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. The Sewer Master Plan states that the existing sewer system was well planned to meet the needs of the City. In anticipation of future growth, the City has planned and constructed sewer facilities in conjunction with new street construction.
2. The Sewer Master Plan includes several proposed projects, consisting of new or increased-capacity pipelines that will be needed in order to extend service to currently undeveloped areas as development occurs.
3. The City currently provides 2.9 acres of parkland per 1,000 population, which is lower than the adopted standard. However, the City is in the process of developing a bicycle track, a center for the arts and is purchasing three additional park sites. The new facilities will move the City closer to achieving its standard of 5 acres per thousand population. In addition, several County park facilities are located within and near the City and supplement the City facilities.
4. The Park and Recreation Master Plan states that existing park and recreational facilities are in need of renovation and completion. In addition, new special use facilities are needed to accommodate existing and future recreation programs. Several existing facilities have reached impacted levels of use so that existing programs cannot be expanded nor new programs offered.
5. The City currently has 1.28 sworn police officers per 1,000 population and a ratio of 0.41 nonsworn police department staff to total employees. These staffing levels are slightly below the City's adopted standards of 1.5 sworn officers per 1,000 population and a ratio of 0.43 nonsworn staff to total Department employees.
6. The existing police facility is 17,665 square feet and is overcrowded and functionally inefficient. Therefore, the City has acquired a site and is currently constructing a new police facility. Final completion and occupancy is scheduled for Fall 2006.
7. The City's 2004 Storm Water Master Plan found that some facilities were deficient. The Master Plan also provides infrastructure recommendations to mitigate the existing deficiencies and to provide for growth within the City.

8. The existing library is currently inadequate to meet the needs of Gilroy. The City anticipates developing a new facility; however, the project is currently on hold due to insufficient funding.

Growth and Population

1. The City has adopted an RDO, which limits the number of residential units that can be built within the City each year and provides a process to evaluate which proposed residential projects best meet the City's overall needs. The RDO also provides that growth would not outpace the ability of the City to provide services.
2. The City's 2002 General Plan and 2004 Police Department Master Plan indicate that the adopted regional projections are lower than what would result if the current RDO allocation is granted and built each year for the next 20 years.
3. The City's 2002 General Plan notes that the City has ample available land to accommodate growth within the 20-Year Planning Area. This includes more than 3,000 acres of land that was either vacant or in non-permanent agricultural use. In January 2005, the City completed a Vacant Residential Land Survey that indicates an approximately 11 year supply of vacant residential land exists within the Urban Service Area.
4. The Police Department has developed a Master Plan in order to forecast the Department's needs to accommodate the build out of the City's General Plan. The needs are based on the Department's adopted standards and the City's adopted growth projections.

Financing Constraints and Opportunities

1. The City's 2005–2006 through 2009–2010 Financial Plan states that since 2003, the City has been dealing with fiscal problems. Therefore, the City has reduced expenses by \$16.4 million since FY 2003–2004 and has projected no increase in employees over the next five years.
2. The City's Financial Plan states that the City will go through an "incremental degradation" of its services. The City is expected to continue to grow at the same rate as in recent years and not having any additional police, fire, and park employees would eventually lower service levels.
3. To provide funding for infrastructure and facilities related to new development within the City, development impact fees are assessed for water, sewer, public facilities, library, traffic, police, fire, recreation, drainage, and parks.
4. The City's library facility project is on hold due to insufficient funding. A State Library Construction Bond Grant will be on a ballot measure in 2006. If passed, the measure would provide funding for development of the new facility.

Cost-Avoidance Opportunities

1. The City has adopted purchasing policies and procedures in an effort to control costs and provide for efficiency and accountability.
2. The City has several cooperative arrangements with other agencies that provide services at a reduced cost.

Opportunities for Rate Restructuring

1. The General Plan includes a policy and the City has adopted a resolution to update the Impact Fee Schedule annually to ensure that facilities and services required by new development are paid for by those developments.
2. The City regularly reviews rates for services. The City has recently implemented a 4.73 percent rate increase for solid waste services.

Opportunities for Shared Facilities

1. The City has several cooperative agreements with other agencies in the County that provide for service provision in a cost-effective manner. This includes the wastewater treatment plant and joint trunk sewer, library services, emergency mutual aid, and numerous agreements with public and private agencies that provide recreation opportunities.

Government Structure Options

1. LAFCO has identified eight unincorporated areas that comprise less than 150 acres within the City of Gilroy USA. Three of the eight areas have recently been annexed and two are in the annexation process. In order to implement more efficient planning boundaries and take advantage of the current streamlined annexation opportunity, the City should consider pursuing annexation of the remaining unincorporated pocket areas.

Evaluation of Management Efficiencies

1. The City's cooperative projects with other agencies provide management efficiencies in the provision of services.
2. The operations of the City's Police Department have been evaluated by the County's Civil Grand Jury along with other law enforcement agencies in the County. In addition, the Department's Command Staff and supervisors evaluate present and future operations at annual team-building workshops. The evaluations have resulted in numerous changes to the Department's structure and operations, which provide for efficiencies and ensure adequate service provision. The Police Department has achieved several noteworthy regional and worldwide accomplishments. This is indicative of an efficiently managed department.

Local Accountability and Governance

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

3.10 SOI RECOMMENDATION FOR THE CITY OF GILROY

Current SOI Boundary

In December 1984, LAFCO established the Gilroy SOI Boundary. The City's SOI Boundary was delineated to be considerably larger than the City's 1984 General Plan Planning Area and to comprise the flat valley floor (including an agricultural preserve), and the adjoining foothills. LAFCO concluded in 1984 that the City's SOI Boundary was not a commitment to staging urban expansion but rather a planning tool for LAFCO to use as a framework in considering expansion actions. The City's SOI Boundary also delineated areas in which the City and the County have shared interests in preserving non-urban land uses. Since 1984, Gilroy's SOI Boundary has remained significantly unchanged.

SOI Boundary Recommendation

It is recommended that LAFCO reaffirm the City of Gilroy's existing SOI Boundary because the SOI Boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests
- Areas in which the County and Gilroy may have shared interests in preserving non-urban levels of land use. Specific examples include the Gilroy Agricultural Lands Area, SCWRA Area, and the foothills and ridgelines surrounding the City. Furthermore, both the City and the County share a mutual interest in protecting viewsheds and natural resources, as well as, protecting agricultural areas.
- Areas where Gilroy and the County have significant interaction. A specific example of such interaction includes areas where the City receives discretionary planning application referrals from the County.
- Areas that contain social or economic communities of interest to Gilroy such as Gilroy's Agricultural Lands Area.

Although the City of Gilroy adopted a 20-year Planning Boundary in the early 1980s which was last amended in 2002 and is intended to represent the 20-year limit for City urban development, the City's existing SOI Boundary continues to perform several important functions as discussed above. Therefore, it is recommended that LAFCO re-affirm Gilroy's existing SOI Boundary. In making this recommendation, it should be made clear that inclusion of an area within the City's SOI Boundary should not necessarily be seen as an indication that the city will either annex or

allow urban development and services in the area. The City's USA Boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided urban services.

3.11 SOI DETERMINATIONS FOR THE CITY OF GILROY

As detailed in Section 1.1.2, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the City's existing SOI.

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

Land within Gilroy's SOI but outside of its City limits is largely designated agricultural large scale, ranchlands, and open space reserve. Smaller areas that are designated hillsides and agricultural medium scale are located on the northwest side of the SOI. In addition, a small area that is designated major public facilities is located around the wastewater treatment plant southeast of the City.

Per the City's 2002 General Plan, existing land uses within the City's 20-year Planning Boundary are largely agricultural (42.2 percent) and residential (16.6 percent). In addition, smaller commercial and industrial areas exist along the Highway 101 corridor. A large amount of vacant land currently exists within the City's 20-year Planning Boundary. Planned land uses for these vacant lands are similar to those within City.

Finding: A variety of urban uses are planned within Gilroy's USA Boundary and Gilroy's 20-year Planning Boundary. However, both the County and City's General Plans call for the continuation of non-urban uses beyond these boundaries.

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

The City is expected to experience modest growth through continued implementation of the City's Residential Development Ordinance, which limits the number of residential units that can be approved each year. Similarly, the need for a full range of public facilities and services is expected to grow modestly in the future.

However, there is a low probable need for public facilities and services within most of the City's existing SOI area because (1) more than 3,000 acres of land are either vacant or in agricultural use within the City limits that will provide suitable lands to accommodate considerable growth within the City. Therefore, the City would not need to extend services into the SOI; (2) the City has adopted a 20-year Planning Boundary that does not substantially extend into the existing SOI; and (3) a large portion of the City's SOI includes lands within the Agricultural Lands Area, a floodplain, and/or permanent agricultural easements, which would constrain development that would require service provision.

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

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

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities appears to be adequate. However, the adequacy of public facilities is limited due to (1) the need for renovation of existing park and recreation facilities; (2) the fact that the Police Department is currently staffed lower than the City standards; (3) some storm water drainage facilities are deficient; and (4) the existing library is inadequate to meet the needs of the community.

Finding: The present capacity of public facilities and public services is generally adequate. However, some City park and recreation facilities require renovation, the City's Police Department is staffed lower than City standards, some City storm drainage facilities are deficient, and the existing City library is inadequate to meet the needs of the community.

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

Gavilan College is located south of the existing City limits and USA Boundary; however, it is within the City's 20-year Planning Boundary. Due to its location and the shared use of facilities with the City, the college could be considered a community of interest.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Gilroy and the areas proposed as its SOI.

4.0 CITY OF MILPITAS

The services that are provided by the City and evaluated within this service review include:

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

4.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The City of Milpitas is located in the northernmost area of Santa Clara County. The City is bounded on the south and west by the City of San Jose and on the north by Alameda County. The Milpitas incorporated limits encompass approximately 13.6 square miles.

The City of Milpitas was incorporated as a “general law” city on January 26, 1954, and operates under a council/manager form of government. The community elects the Mayor for a two-year term and the four Council members are elected to serve staggered four-year terms. Council elections are in November of even-numbered years. Regularly scheduled Council meetings are held at 7:00 p.m. on the first and third Tuesday of each month in the City Hall Council Chambers. Complete agenda packets, including the supporting staff reports, are available for review in the City Clerk’s office and at the Milpitas Library on the Friday before each Council meeting. In addition, residents can receive a copy of Council meeting agendas and minutes in the mail before each meeting. The City has a \$30.00 annual charge for this service to defray the cost of postage and handling. The City provides citizens opportunities at each meeting to address the Council on items of concern. The City also has 14 advisory committees in which residents can participate. In addition, the City publishes a newsletter several times per year to reach out to residents regarding City activities, services, and issues of concern to the community.

The City adopts an operating budget on or before June 30 each year. The proposed budget details each department’s objectives and significant policy issues for Council direction. After reviewing the proposed budget, the City Council holds public hearings to provide opportunity for public comment. The City Council then adopts the proposed budget as it is amended during the public hearings. The operating budget is subject to supplemental appropriations throughout the year in order to provide flexibility to meet changing needs and conditions. Expenditures cannot exceed the appropriated budget at the Department level without City Council approval. Along with budget preparation, the City reviews utility and service rates and fees annually. The City has a policy that directs setting rates and fees at a level that fully supports the total direct and indirect costs of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects. Pursuant to State law, the City also implements an annual independent audit of financial records.

The City is currently facing fiscal challenges as increases in expenditures continue to outpace revenue growth. Thus, the FY 2004–2005 General Fund Budget utilized approximately \$2 million in reserve funds. In order to balance the FY 2005–2006 budget without using any General Fund reserves and have reserve fund balances that are in compliance with the City’s policy of maintaining a 15 percent reserve, the proposed budget includes the following cost savings:

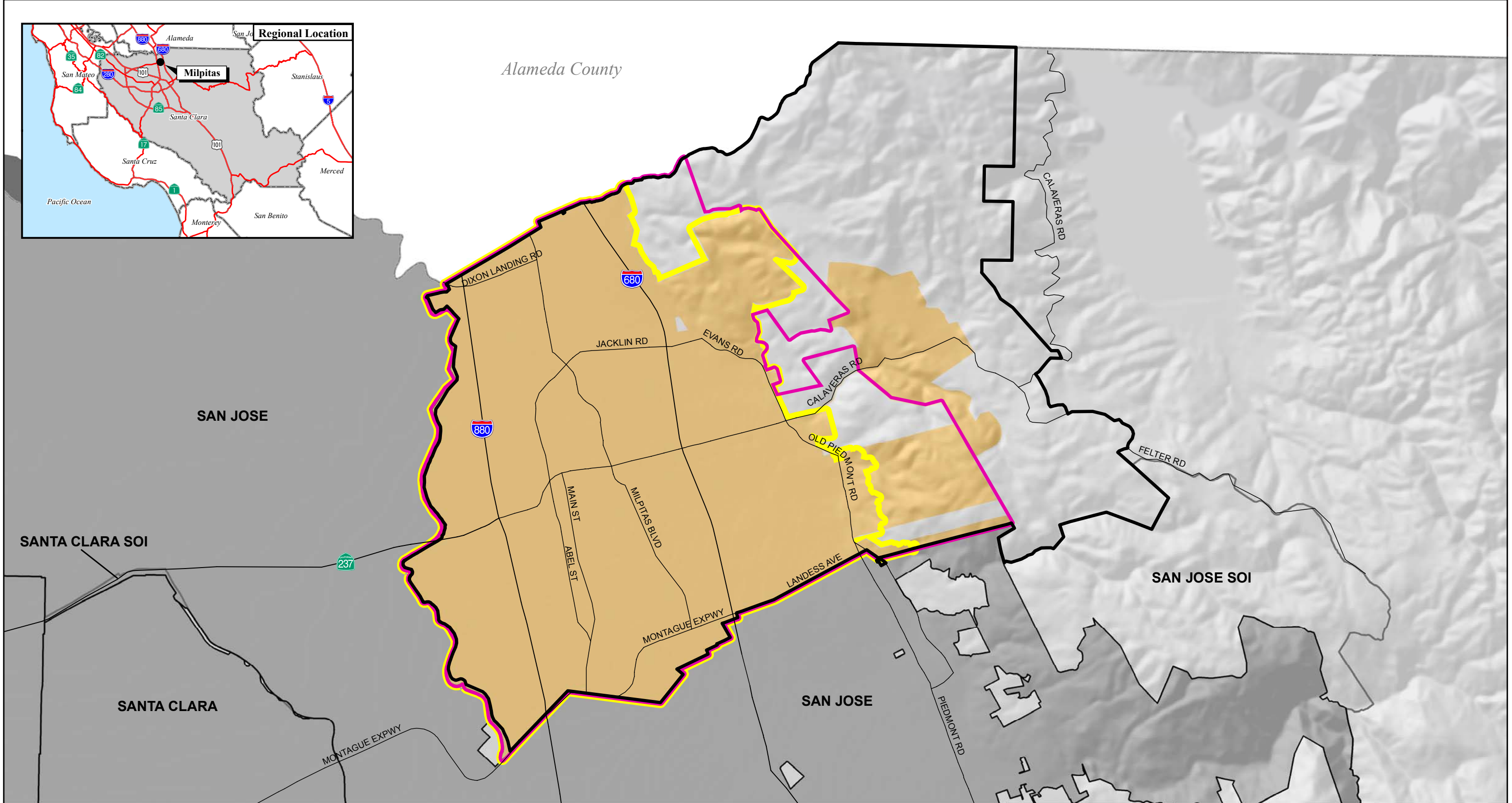
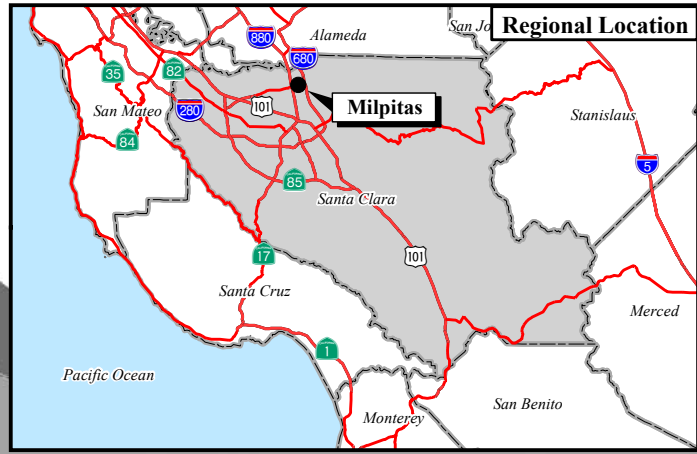
- Continue the present hiring freeze, as it is projected to provide more than \$4 million in savings this fiscal year
- Reduce the City work force through attrition
- Fund 95 percent of the operating budget, which would allow each City department to prioritize expenditures

The City also adopts a separate CIP budget annually that provides a detailed description of each project. The CIP document includes all projects for the budget year, in addition to detailing anticipated needs over the subsequent four years. Due to the existing fiscal issues, the 2005–2006 budget was prioritized to provide needed services and projects that are expected to bring economic benefits to the City.

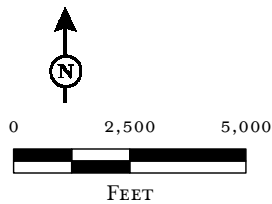
The City has maintained an AA credit rating with “Standard and Poor,” and the City has received the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2004. This award is presented to agencies with budgets that meet the criteria as a policy document, operations guide, financial plan, and communication device. In addition, the City has received an Excellence in Operational Budgeting Award for FY 2004–2005 from the California Society of Municipal Finance Officers. This award reflects outstanding budget documents and the budgeting process through which the budget is implemented.

The City has a formal investment policy that is subject to annual review and approval by the City Council. The purpose of the Investment Policy is to establish the investment objectives of safety, liquidity, and yield. The City’s investments are in the State Treasurer’s Local Agency Investment Fund, corporate notes, money market funds, commercial paper, and governmental securities. The City Treasurer provides quarterly investment reports to the City Manager and City Council.

As a cost savings measure, the City participates in ABAG Plan Corporation, a nonprofit public benefit corporation that provides liability insurance, claims and risk management, and legal defense to its participating members. This method of insurance provision is less costly than other forms of insurance coverage.



LSA



Legend

- | | | |
|--------------------------------------|--------------------------------|--------------------------------------|
| County Boundary | Milpitas Urban Service Area | Surrounding City Sphere of Influence |
| City of Milpitas | Milpitas Urban Growth Boundary | Unincorporated Areas |
| City of Milpitas Sphere of Influence | Surrounding City Limits | |

FIGURE 4.1

4.2 CITY PLANNING BOUNDARIES AND GROWTH

4.2.1 Planning Boundaries

In 1998, the City established a UGB with the passage of a ballot initiative. The City designated this as a 20-year growth boundary. The Measure and UGB delineation will be effective until December 31, 2018. The following are the objectives of the UGB:

- Preserve the predominately natural character of the hillsides
- Protect the view of the hillsides as seen from the valley floor
- Conserve environmental resources
- Minimize public service and infrastructure costs associated with development

As shown on Figure 4.1, the location of the voter-approved UGB is either coterminous or within the existing City limit, which indicates that the City would not propose any annexations through 2018. It should also be noted that the City's USA extends past the UGB. The ballot initiative that approved the UGB also included a provision to retract the USA boundary to be coterminous with the UGB. However, the voter approved USA retraction has not been implemented by the City. The existing location of the USA (being beyond the UGB) creates an inconsistency between planning boundaries and could create confusion regarding where urban development can occur and where City services would be provided. Therefore, it would be appropriate for the City to apply to LAFCO to retract the USA to be coterminous with the UGB.

Urban Pockets

As discussed in Section 1.2.5, the County and LAFCO have adopted policies that state that urban islands and pockets should be annexed. LAFCO has identified six unincorporated islands that are less than 150 acres and two islands that are greater than 150 acres within the City of Milpitas. When the USA is retracted only two island areas will remain, as the other areas will be outside of the Milpitas USA. LAFCO has provided maps of the islands to the City and are also provided via the LAFCO website.

4.2.2 Growth and Availability of Vacant Land

A majority of the City is currently developed. The areas remaining to be developed include very low density hillside areas and industrial park areas, as shown in Table 4.1 below. Other than the hillsides and the industrial areas, the remaining vacant developable lands are mostly small parcels that are scattered throughout the City.

Per the City's 2002 General Plan, approximately 15 percent of the land in the Valley Floor area of the City is vacant and available for development. However, most of the vacant land in this area includes the industrial area mentioned above and the Midtown Specific Plan Area. The Specific Plan focuses on redevelopment of old industrial and commercial areas. The Specific Plan has been implemented and is anticipated to be 50 percent complete by 2007 and 100 percent complete by 2020.

Table 4.1: Acreage of Vacant Land within the Milpitas City Limits

Land Use Designation	Total Acres	Undeveloped Acres¹
Hillside	5,625	3,747
Hillside Medium Density	105	16
Hillside Low Density	372	154
Hillside Very Low Density	3,618	3,577
Ed. R. Levin County Park	1,530	0
Valley Floor	6,792	623
Single Family Low Density	2,099	7
Single Family Mod. Density	215	30
Multi-Family Med. Density	165	0
Multi-Family High Density	351	27
Town Center	91	9
Office	14	2
Retail Subcenter	60	4
General Commercial	412	27
Highway Service	271	44
Industrial Park	950	272
Manufacturing	854	57
Public	311	13
Parks and Greenways	347	83
Major Streets, Freeways, Rail	652	48
Total	12,417	4,370

¹ Milpitas defines undeveloped acres as those currently vacant or underdeveloped in terms of their potential under the current General Plan land use designation. Source: Milpitas General Plan, March 2002.

Milpitas, please provide the average vacant land absorption rate. Need to include information here.

4.3 WASTEWATER SERVICES

The City provides wastewater services within the City limits. The sanitary sewer system collects wastewater through approximately 860,640 linear feet of sewers. The flows are conveyed mostly by gravity to the Milpitas Main Pump Station, which pumps all the flow to the San Jose/Santa Clara Water Pollution Control Plant, which is operated and maintained by the City of San Jose. A second pump station, located on Venus Way, connects a low-elevation portion of the City to the gravity sewer system.

The Plant treats wastewater from eight cities and districts. The Plant's treatment capacity is allocated through contract to each discharger on the basis of the peak five-day dry weather flow, also referred to as the peak-week flow. The City's current contract with the plant allows for a peak-week flow capacity of 12.5 mgd. In 2001, the City discharged 9.0 mgd. The City's contracted capacity of 12.5 mgd is projected to be reached by approximately 2015.

The City prepared and adopted a Sewer Master Plan Revision in 2004, which is an update to the 2002 Sewer Master Plan. The Master Plan analyzed both the system’s design and projected flows through 2018 at the Milpitas Pump Station, as shown in Tables 4.A and 4.B.

Table 4.A: Wastewater Design Flows

	Estimated Flow MGD			
	2004	2008	2018	2018 with Midtown Build Out
Design Base Wastewater Flow	8.2	9.2	10.3	10.9
Design Groundwater Infiltration	1.48	1.84	1.93	1.93
Design Rainfall Infiltration	4.76	5.45	5.81	5.81
Total	14.44	16.49	18.04	18.64

Source: City of Milpitas 2004 Sewer Master Plan Revision.

Table 4.B: Wastewater Flow Projections at Milpitas Main Pump Station

	Estimated Flow MGD			
	2004	2008	2018	2018 with Midtown Build Out
Average Dry-Weather Flow	9.5	10.5	11.7	12.3
Peak Wet-Weather Flow	19.3	21.5	23.3	24.4

Source: City of Milpitas 2004 Sewer Master Plan Revision.

The projected flows in Table 4.B are higher than the system’s design capacity, shown in Table 4.A. The design flows were based upon the City’s wastewater generation factor of 85 gallons per person per day. The Master Plan has considered this a conservative number for use as a maximum, and actual flows are expected to be less. Likewise, an evaluation (during preparation of the Master Plan Revision) of the flows at the Main Pump Station and the flow-monitoring readings during the monitored rainfall storm events show that the peak flows during those events were much lower than the projected flows listed in Table 4.B (13.3–14.7 mgd versus 19.3 mgd). This leads to the conclusion that the Master Plan Revision is conservative in its estimation of peak wet-weather flow and that the actual capacity would be higher.

The Master Plan has identified 10 areas where pipelines or manholes are potentially deficient in wet-weather conveyance capacity. To remediate these potential deficiencies, seven sewer conveyance capacity improvement projects were identified within the Plan. The recommended projects consist of pipeline replacements to alleviate the potential capacity deficiency. In addition to evaluating the existing sewer infrastructure conditions, the Master Plan defines the system improvements that are necessary to accommodate the City’s future land use development plans and projected growth to 2018. In addition, the Master Plan includes a CIP and cost information to provide for project implementation.

4.3.1 Wastewater Rate Comparison

The wastewater rates for residential service are set as monthly fees as shown below. Commercial and industrial customer rates are dependant upon the amount and type of flow. Table 4.C compares Milpitas’s sewer rates to those of nearby jurisdictions. It should also be noted that the City’s FY

2005–2006 proposed budget includes a 9 percent sewer rate increase for single-family residential customers in 2005–2006 and 2006–2007. The 2005–2006 rates are as follows.

Table 4.C: Monthly Wastewater Rates

	Morgan Hill	Santa Clara	Milpitas
Residential: Single-Family	\$32.57	\$9.94	\$27.39
Residential: Multifamily	\$22.33 per unit	\$9.94 per unit	\$19.75 per unit
Commercial and Industrial	Calculated depending on use	Calculated depending on use	Calculated depending on use

4.4 SOLID WASTE SERVICES

Solid waste services are provided by the City via a contract with Browning-Ferris Industries (BFI). The solid waste that is collected within the City of Milpitas is hauled to the landfills that are listed below. These facilities are Class III, which accept construction/demolition waste and mixed municipal refuse. Additional detail regarding these facilities is located in Appendix A.

- Keller Canyon Landfill
- Newby Island Sanitary Landfill
- Guadalupe Sanitary Landfill
- Zanker Material Processing Facility
- Vasco Road Sanitary Landfill
- Altamont Landfill & Resource Recovery
- Kirby Canyon Recycling & Disposal Facility

In 2000, the City of Milpitas disposed of 65,979 tons of solid waste. CIWMB shows that the solid waste disposal generation factor for the City is one pound per resident per day and five pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) requires all jurisdictions to achieve 50 percent solid waste diversion after the year 2000. Per CIWMB, the City was below this goal and had a 39 percent diversion rate in 2003, which is the most recent data posted. Based upon this information, the City has not met the required levels of solid waste diversion.

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

Table 4.D: Monthly Solid Waste Rates

	Milpitas	Gilroy	Santa Clara
Residential			
Single-Family	\$23.55	32 gallon can at \$22.79	32 gallon can at \$13.25
Multi-Family	\$59.50–\$1,275.55 Dependent upon size of bin and number of pickups per week	32 gallon can at \$22.79	32 gallon can at \$13.25
Low-Income Senior	\$11.77	32 gallon can at \$19.19	-
Cart Rental	\$2.62	-	-
Commercial			
	\$25.51–\$1,636.68 Dependent on size of bin and number of pickups per week	\$22.79–\$2,367.57 Dependent on size of bin and number of pickups per week	\$8.53–\$1,889.67 Dependent on size of bin and number of pickups per week

4.5 PARKS AND RECREATION

The City of Milpitas provides park and recreational services within the City. Table 4.E lists all of the existing facilities within the City. Many of these facilities may be rented. Rental fees vary by facility type, and reservations are available on a first-come, first-served basis.

Table 4.E: City of Milpitas Park and Recreational Facilities

Facility and Location	Amenities	Acreage
Milpitas Community Center 457 E. Calaveras Boulevard	Community center	—
Milpitas Sports Center 1325 E. Calaveras Boulevard	Locker room and showers; fitness room with weights, stairmasters, and lifecycles; basketball court; pool	—
Teen Center next to the Sports Center 1325 E. Calaveras Boulevard	pool, ping-pong, foosball tables, a big screen TV, video games, computers	—
Senior Center 540 S. Abel Street	auditorium, small kitchen, small classroom and patio area	—
Ben Rodgers Park Grand Teton at Sequoia	barbecue pits, picnic tables, a backstop, play equipment	7.5
Calle Oriente Mini-Park Calle Oriente off N. Park Victoria	two handball courts, two tables, play equipment	2.0
Cardoza Park Kennedy Drive at N. Park Victoria	barbecue pits, picnic tables, restrooms, play equipment, lighted ball diamond, horseshoes pits, volleyball poles, outdoor amphitheater	10.0
Creighton Park Olympic west of S. Park Victoria	barbecue pits, picnic tables, play equipment	5.0

Facility and Location	Amenities	Acreage
Dixon Landing Park Dixon Landing and Milmont	tennis courts, barbecue pits, picnic tables, a basketball hoop, play equipment, restrooms	11.0
Foothill Park Roswell Drive at Roswell Court	barbecue pits, picnic tables, play equipment	4.0
Gill Memorial Park Paseo Refugio and Santa Rita	lighted ball diamond, tennis courts, handball courts, a basketball court, barbecues, picnic tables, play equipment, restrooms	5.1
Hall Memorial Park LaHonda and Coyote	barbecue pits, picnic tables, tennis courts, play equipment, restrooms	9.5
Hidden Lake Park N. Milpitas Boulevard	barbecue pits, picnic tables, lake with ducks	1.5
Higuera Adobe Park Wessex off N. Park Victoria	barbecue pits, picnic tables, play equipment	5.5
Hillcrest Park Fieldcrest off Crescent	barbecue pits, picnic tables, tot lot	5.2
Murphy Park Yellowstone off S. Park Victoria	open space, restrooms, play equipment, barbecue pits, picnic tables	8.7
Pinewood Park Lonetree and Starlite Drive	tennis courts, barbecue pits, picnic tables, basketball court, tot lot	8.0
Sandalwood Park Escuela Parkway and Russell	barbecue pits, picnic tables, play equipment	1.5
Selwyn Park Selwyn Drive off Dempsey Road	playground, picnic tables, barbecue pits	0.25
Sinnott Park Clear Lake and Tahoe	par course, play equipment, barbecue pits, picnic tables	4.7
Starlite Park Rudyard and Abbott Avenue	horseshoes pits, play equipment, barbecue pits, picnic tables	4.0
Strickroth Park Martil and Gemma	play equipment, barbecue pits, picnic tables	5.7
Augustine Memorial Park Cortez and Coelho off Escuela	open space, play equipment, barbecue pits, picnic tables	6.0
Jones Memorial Park Jacklin at Hillview	par course, play equipment, barbecue pits, picnic tables	5.2
Yellowstone Park Yellowstone and S. Park Victoria	lighted courts, open space, par course, restrooms	4.0
Total Park Land Acreage		114.35

The City has adopted a guideline requirement of 0.375-mile service radius for neighborhood or community parks. In addition, the City has adopted park standards requiring 5 acres of parkland per 1,000 residents for areas outside of the Midtown Specific Plan area and a standard of 3.5 acres of parkland per 1,000 residents within the Midtown Specific Plan. It is difficult to determine the number of residents within the Specific Plan area; therefore, it is also difficult to determine whether the City is meeting these standards. However, based on the California Department of Finance 2005 population

for the City (64,998) and the information listed in Table 4.E, the City is currently providing an overall average of 1.76 acres of parkland per 1,000 population, which is lower than the adopted standard.

In addition to the City’s parks, several County park facilities are located within and near the City. These parks supplement the facilities that are provided by the City. These County parks are detailed below in Table 4.F.

Table 4.F: County Parks within or near Milpitas

Park and Location	Amenities	Acreage
Ed Levin County Park 3100 Calaveras Road Milpitas	Picnic areas, play areas, 19-mile trail system, Sandy Wool Lake, 18-hole Spring Valley Golf Course, Laguna Cemetery	1,539
Alviso Marina County Park Mill Street, Alviso	Picnic areas and launch ramp; facility is currently closed due to current renovations	17
Penitencia Creek County Park Maybury & Jackson Avenue San Jose	Four miles of trails, nature center, picnic areas	134

Recreation

The City provides recreation programs to residents of all ages. The City publishes a recreational brochure several times per year. The brochure provides a comprehensive listing of all programs. The types of programs that the City offers are as follows:

- Youth art and theater
- Youth music and theater
- Youth enrichment programs
- Youth summer camps
- Cheerleading and dance
- Youth and adult fitness
- All ages sports camps
- Adult art
- Family enrichment programs
- Adult dance and music
- Adult sports
- All ages aquatics classes
- Preschool programs
- Teen programs
- Senior programs

In addition to the recreation programs that are listed above, the City provides numerous community activities such as summer concerts, parades, and sporting events.

4.6 STORM WATER DRAINAGE SERVICES

Storm water drainage in Milpitas is generally westward. Six intermittent streams (Scott, Calera, Tularcitos, Piedmont, and Berryessa Creeks and Arroyo de los Coches) flow out of the foothills and across the flatlands. In the western part of the City, Lower Penetencia and Coyote Creeks carry water from these streams northward into San Francisco Bay.

Santa Clara Valley Water District owns and maintains most of the major drainage facilities in Milpitas and the City provides the smaller local facilities. The City's storm drainage network consists of catch basins, conveyance piping, pump stations, and outfalls to creeks. The City has approximately 123 miles of storm pipe, 3,000 catch basins, and approximately 4 miles of drainage ditches and creeks. These facilities direct runoff to ultimately discharge to San Francisco Bay.

The City prepared a comprehensive Storm Drainage Master Plan in 2001. The Master Plan includes a prioritized CIP and drainage standards for new development. However, much of the existing collection system does not strictly meet these criteria; so when new systems tie into existing systems, it may not be possible to provide a design that meets the desired standard. Therefore, each project must be designed on a case-by-case basis.

The Master Plan identifies existing deficiencies within the City, which generally consist of inadequate capacities of the existing facilities. The Master Plan provides infrastructure upgrade recommendations, based on ultimate build out of the General Plan. The recommendations are provided by priority, pursuant to the Master Plan analysis. The proposed improvements generally utilize parallel relief drains unless site constraints favor the actual replacement of pipe. Generally, installing new parallel drains should be more cost-effective than replacing pipes in most cases, since the required pipe size is smaller and the existing pipe does not need to be removed.

4.7 LAW ENFORCEMENT SERVICES

The City of Milpitas has a Police Department that provides law enforcement services to the City. The Department has 130 employees, including 95 sworn officers. The Department is organized into three patrol shifts: Watch I = midnights; Watch II = days; and Watch III = swings. Each shift includes a supervisory team consisting of a Lieutenant, and two Sergeants. The City is divided into six geographical beats, and on most shifts and most days, each beat is filled.

The Traffic Safety Division of the Department manages 43 crossing guards and 12 sworn officers who provide traffic enforcement, investigation of traffic accidents, implementation of the vehicle abatement program, and management of tow companies. In addition, one officer is specifically assigned to investigate stolen cars. Eight of the Traffic Safety sworn officers are assigned as motorcycle officers, responsible for enforcing traffic laws and the investigation of traffic accidents. These officers must take and pass advanced accident investigation courses up to and including accident reconstruction. Many of the motorcycle officers have ancillary duties including firearms instruction, defensive tactics instruction, and SWAT.

One officer in charge of Driving Under the Influence (DUI)-related offenses is assigned to patrol the city and enforce drunk-driving laws, primarily by means of enforcement. The Department participates in special educational events designed to prevent drunk driving, including the Sober Graduation and Reality Check programs conducted in alliance with local schools. Traffic Safety also conducts 12 DUI/driver's license checkpoints per year.

The Milpitas Police Department has had a police reserve program for many years. The City Council has authorized 15 reserve police officers. Police reserves are required to complete a minimum of 18 hours per month. The Department provides initial uniforms and safety equipment as well as ongoing training.

The Department has recently implemented a School Resource Officer Program, which involves sworn officers being dedicated to school facilities. Last year the Department had one School Resource Officer; in FY 2005–2006, the Department will have two.

The Department has several joint response/mutual aid agreements with other law enforcement agencies within the County. The Department is a participant in the Child Abuse Protocol Program, which involves a coordinated effort to resolve child abduction incidents. This program is coordinated with the Santa Clara County Sheriff's Office, Alameda County Sheriff's Office, and police departments throughout both Counties. The Department will participate in a program that is currently being developed. The new program will involve the police department sending a specific number of officers to assist in events such as riots or disasters wherever they occur within the County. The County Sheriff's Office will be the coordinator of this program.

Likewise, the Department has several arrangements for sharing service functions. All of the police departments within the County have an arrangement with the District Attorney's Crime Lab to process all evidence. The police departments are charged a fee for these laboratory services. This arrangement is mutually beneficial: (1) the police department saves the cost of equipping and staffing its own laboratory; and (2) the District Attorney's Office has more control over the timing and functions of the lab, which is a benefit because the District Attorney is responsible for prosecuting the crimes. The Department also has an arrangement for the California Highway Patrol (CHP) to provide services to the High Occupancy Vehicle (HOV) lanes within the City. The roadways with HOV lanes that are within the City are County-owned and maintained roads. The CHP patrols and investigates accidents on these roadways. The CHP and the City have a cost-sharing agreement for this service. Depending upon the revenue generated from citations and the expenses of providing services, either the City will receive funds, pay funds, or break even annually. Within the history of this agreement, all three cost-sharing circumstances have occurred. The Department is expecting to break even during this fiscal year. In addition, the City has an Operational Agreement with the District Attorney's Office, Probation Office, and other police departments within the County to deter drug-related crime. The program largely involves information sharing and coordinated investigations. Likewise, the program has an asset forfeiture sharing agreement, which divides any money seized in drug raids among the agencies. The program is administered by the County Sheriff's Office.

The Department has also identified future opportunities for shared staff and equipment in implementing homeland security efforts. Potential opportunities include standardizing and sharing equipment, programs, and training among all of the law enforcement agencies within the County.

In FY 2003–2004, the Department responded to 79,480 calls for service. The Department does not have specific standards for the number of officers per population or the number of officers per call.

Department staffing is determined upon the specific programs that are approved by the City Council such as the DARE and Drunk Driving Programs and by growth and development within the City. For example, the development of the Great Mall resulted in four additional officers due to the number of service calls involving incidents at the stores. Another service level indicator the Department utilizes is the response time to emergency calls. The Department has adopted a standard response time of four minutes or less for all emergency calls. In FY 2003–2004, the Department had an average response time of 3 minutes and 41 seconds to all emergency calls, meeting the adopted standard.

The operations of the Department are routinely evaluated utilizing a “Comp Stat” comparison, which is a standardized method of law enforcement review. The Police Department Chief and high-ranking officers meet every two weeks to evaluate efforts in fighting crime trends. The objective of the meeting is to analyze crime and to deploy resources effectively. In addition, the Department has received COP awards and in 2004 received an honorable mention for the Helen Putnam Award for Excellence in Public Safety from the Institutionalized Community Policing and Partnership Program. The Department has also been featured in an article in Police Chief Magazine in 2003. The article titled “Proactive Policing Strategies that Work” discussed the Department’s shopping center program, in which officers interact with merchants to help reduce crime.

Due to City budget constraints, the City is under a hiring freeze and the Police Department has several staff vacancies, including five sworn officers, one dispatch supervisor, and two records positions. The Department has taken steps to ensure that the personnel constraints do not affect response times and patrolling the City. The constraints have been limited to administrative services. Specific facility and equipment needs for the Department are determined either during the budget and CIP preparation process or during the grant-writing process.

The Department provides comments and insight regarding growth projections, which may result from development within the City. The Department is involved in the development review process and provides the City Council projections of department staffing or equipment needs that may occur with project implementation. For example, the Department was active in the development of the Great Mall and during the development of the Midtown Specific Plan.

4.8 LIBRARY SERVICES

Library services within the City are provided by a joint effort between the City and the Santa Clara County Library. The City provides the library facility and the County Library operates, staffs, and supplies the materials for the library. The County Library owns all the furniture and equipment within the library, including shelves, desks, chairs, computers and peripherals, telephones, security gates, self-check machines, and the collection of books and other materials. Due to funding issues, in 2004 the County Library cut library hours and closed all of its branches every Monday. However, the Milpitas City Council has authorized additional funding to provide for the Library to be open an additional 13 hours per week, which began on August 29, 2005.

The existing library facility within the City is 19,500 square feet and was built in 1982. The facility is currently inadequate to meet the needs of community. The facility was designed to accommodate 100,000 volumes but currently houses over 210,000. It is estimated that the library has 50,000 monthly visitors and circulates over 165,000 items each month. The library has the highest circulation per square foot in Santa Clara County.

In November 2000, City voters approved two ballot measures that provide funding to assist in implementing a new library and arts facilities and services. The City is currently designing a new 60,000-square-foot library, which will be located at the corner of North Main Street and Weller Street. The new facility is expected to open in 2009.

4.9 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF MILPITAS

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. The Sewer Master Plan has identified 10 areas where pipelines or manholes are potentially deficient. The plan also includes a CIP and cost information, which detail the recommended system upgrades.
2. Per the CIWMB, the City had a 39 percent solid waste diversion rate in 2003, which are the most recent data posted. Based upon this, the City has not met the State-mandated levels of solid waste diversion.
3. The City is currently providing an overall average of 1.76 acres of parkland per 1,000 population, which is lower than the City-adopted standard. However, Ed Levin County Park is located both within and adjacent to the City and supplements the City's facilities.
4. Some areas of the existing storm water drainage system do not meet the City's drainage standards. In order to avoid further impacting the existing system, all new projects that would affect drainage must be designed on a case-by-case basis and may also be constrained against meeting the standards.
5. The existing library facility is inadequate to meet the needs of community. The City is currently in the process of developing a new facility. The new library is expected to open in 2009.

Growth and Population

1. A majority of the City is developed. The remaining vacant lands are generally located in very low density hillside areas and industrial park areas. However, the City is also projecting redevelopment related growth to occur as a result of implementation of the Midtown Specific Plan area.
2. ABAG population projections show the City growing at a slightly higher rate than the cities within this service review and the County as a whole. This rate of growth may not occur because a majority of the City is currently developed.

Financing Constraints and Opportunities

1. The operating budget is subject to supplemental appropriations throughout the year in order to provide flexibility to meet changing needs and conditions. This provides the City with flexible financing opportunities.
2. The City is currently facing fiscal challenges as increases in expenditures continue to outpace revenue growth. Due to this, the FY 2005–2006 budget includes specific cost-savings measures that are expected to balance the budget without using any General Fund reserves and have reserve fund balances that are in compliance with the City’s policy.
3. The FY 2005–2006 budget was prioritized to provide needed services and projects that are expected to bring economic benefits to the City.
4. The City has a formal investment policy to provide for future financing needs. The policy is subject to annual review and approval by the City Council.
5. Due to City budget constraints, the City is under a hiring freeze. This hiring freeze constrains the Police Department’s operations; however, the Department has taken steps to ensure that the constraints do not affect response times and patrolling of the City.
6. The Police Department applies for grants to provide funding for additional resources or programs.
7. The City is financing a new library and arts facilities and services through a voter-approved bond measure that was passed in 2000.

Cost-Avoidance Opportunities

1. As a cost-savings measure, the City participates in ABAG Plan Corporation, a nonprofit public benefit corporation that provides liability insurance, claims and risk management, and legal defense to its participating members. This method of insurance provision is less costly than other forms of insurance coverage.
2. The FY 2005–2006 budget includes several specific cost-savings measures, including continuation of the present hiring freeze, reduction the City work force through attrition, and funding 95 percent of the operating budget.
3. The Milpitas Police Department has several arrangements for sharing service functions with other agencies, which produce cost savings.

Opportunities for Rate Restructuring

1. The City reviews utility and service rates and fees annually. The City has recently implemented a two-year rate increase for wastewater services.
2. The City has a policy that directs setting rates and fees at a level that fully supports the total direct and indirect costs of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

Opportunities for Shared Facilities

1. The Police Department has a cost-sharing agreement with the CHP to provide services to the HOV lanes within the City.
2. The Police Department has identified future opportunities for shared staff and equipment in implementing homeland security efforts. Potential opportunities include standardizing and sharing equipment, programs, and training among all of the law enforcement agencies within the County.
3. Library services within the City are provided by a joint effort between the City and the Santa Clara County Library. The City provides the library facility, and the County Library operates, staffs, and supplies the materials for the library. Because the County Library operates many libraries throughout the County, this structure provides for efficient service delivery.

Government Structure Options

1. In order to implement more appropriate planning boundaries, the City should propose a retraction of the City's USA to be coterminous with the voter-approved UGB.
2. The City should consider pursuing annexation of any remaining unincorporated pockets after retraction of the USA.

Evaluation of Management Efficiencies

1. The operations of the Police Department are evaluated every two weeks to analyze efforts in fighting crime trends. The objective of the meeting is to analyze crime and to efficiently manage resources.
2. The Police Department has received awards and nationwide recognition for its successful programs.

Local Accountability and Governance

1. The City holds meetings pursuant to the Brown Act, has 14 advisory committees, and publishes a newsletter several times per year.

4.10 SOI RECOMMENDATION FOR THE CITY OF MILPITAS

Current SOI Boundary

In October 1984, LAFCO established the Milpitas SOI to be coterminous with the existing Boundary Agreement line and the City's General Plan that existed in 1984. The watershed lands that are owned by the San Francisco Water Department define the eastern side of the Boundary Agreement line and SOI boundary. These lands form a natural boundary for Milpitas growth. The other sides of the City limit and SOI boundary are contiguous with the San Jose city limits and the County Line. Milpitas' 1984 SOI boundary includes lands that are planned for both urban uses, as well as, lands planned for permanent open space uses. Therefore, LAFCO concluded in 1984 that the City's SOI boundary was

not a commitment to staging urban expansion but rather a planning tool for LAFCO to use as a framework in considering expansion actions. The City's SOI also delineated areas in which the City and the County have shared interests in preserving non-urban land uses. Since 1984, San Milpitas' SOI boundary has remained significantly unchanged.

SOI Boundary Recommendation

It is recommended that LAFCO reaffirm the City of Milpitas' existing SOI boundary because the City of Milpitas' SOI boundary serves multiple purposes including serving as:

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

Although the City of Milpitas adopted a 20-year UGB in 1998 which is intended to represent the 20-year limit for City urban development, the City's existing SOI boundary continues to perform several important functions as discussed above. Therefore, it is recommended that LAFCO re-affirm the City of Milpitas' existing SOI boundary. In making this recommendation, it should be made clear that inclusion of an area within the City's SOI boundary should not necessarily be seen as an indication that the City will either annex or allow urban development and services in the area. The City's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided urban services.

4.11 SOI DETERMINATIONS FOR THE CITY OF MILPITAS

As detailed in Section 1.1.2, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the City's existing SOI.

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

Land outside of the City but within the Milpitas SOI boundary is largely undeveloped and designated either park and open space or hillside very low density. Lots with the hillside very-low density designation have an allowable development density of 1 unit per 10 acres. The City does not intend to extend services to the SOI area and planned land uses within the SOI are the same as existing land uses.

The City of Milpitas is largely developed with residential community. Approximately 45 percent of the City is within the hillsides very-low, low, or medium density. The remaining non-hillsides areas are largely low-density residential. However, there are significant industrial/manufacturing areas and smaller commercial areas. A majority of the City is developed and planned land uses are similar to that of the existing City. Likewise, the City has adopted the Midtown Specific Plan, which is focused on redevelopment of old industrial and commercial areas.

Finding: A variety of urban uses are planned within Milpitas' USA and Milpitas' UGB. However, both the County of Santa Clara and the City of Milpitas General Plans call for the continuation of non-urban uses beyond these boundaries.

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

Although a majority of the City is developed, the City is expected to experience modest growth through infill development, redevelopment, and very low-density residential development within the hillsides. Similarly, the need for a full range of public facilities and services is expected to grow modestly in the future.

However, there is a low probable need for public facilities and services within most of the City's existing SOI area because (1) the topography of the SOI and location of the County park may create constraints to the extension of infrastructure; (2) the voters have approved a 20-year UGB that is within the existing USA and does not extend into the existing SOI; and (3) extensive hillside areas exist between the USA and the far edge of the existing SOI.

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

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

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities and provision of service appears to be adequate. However, the City is not in compliance with solid waste diversion rates, the Sewer Master Plan has identified 10 areas where pipelines or manholes are potentially deficient, and some areas of the existing storm water drainage system do not meet the City's drainage standards

Finding: The present capacity of public facilities and public services is generally adequate. However, some areas of the City's storm water drainage system are below City standards, and some areas of the City have pipelines or manholes that are potentially deficient.

4. Existence of Any Social or Economic Communities of Interest

The City of Milpitas has annexed territory that may never be in the City's USA Boundary or Milpitas' UGB, but which is within the proposed SOI. These areas are to the east of the urban area and include areas such as portions of Ed R. Levin County Park, the Spring Valley Golf Course, and some lands east of Piedmont Road. While these areas will not generally be considered for urban development, they are none the less located within the jurisdiction of the City.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Milpitas and the areas proposed as its SOI.

5.0 CITY OF MORGAN HILL

The services that are provided by the City and evaluated within this service review include:

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

5.1 LOCATION, ADMINISTRATION, AND OPERATIONS

Morgan Hill is located south of San Jose, 10 miles north of Gilroy, and 15 miles inland from the Pacific Coast. The City is bisected by State Highway 101 in a north-south direction. The City is approximately 11.67 square miles. The City's location and planning boundaries are shown in Figure 5.1.

Morgan Hill was incorporated November 10, 1906, as a general-law city with a council-manager form of government. The four Council members are elected by resident voters to four-year terms. The Mayor is directly elected to serve a two-year term. In addition to the Council, the City Clerk and City Treasurer are also elected to four-year terms. The City has a Planning Commission made up of seven members appointed by a majority vote of the Council to four-year terms. The City also has six advisory boards, including Architecture and Site Review, Bicycle Advisory, Library, Mobile Home Rent Control, Parks and Recreation, Senior Advisory, and Youth Advisory commissions.

The City Council meets on the first and third Wednesday of each month at 7:00 p.m. in the Council Chambers. Agendas and minutes for City Council meetings are available on the City's website and posted pursuant to the Brown Act. The meetings are also televised on Morgan Hill's Channel 17. Additionally, to increase public participation and awareness regarding City activities, the City publishes a newsletter (City Connection) several times per year. The newsletter discusses community events, advisory committee activities, projects within the City, and recreational activities.

The City adopts an annual budget, which is based upon an in-depth analysis of actual and projected fund balances, revenues, and expenditures. Each City department prepares line-item detail for each of their activities and recommends certain service levels and activity goals for the upcoming budget year. The Finance Department prepares revenue projections based upon input from other departments. In addition, the City Manager gives each General Fund department an initial target based upon departmental expenditures and revenues. The City Manager then reviews individual departmental requests, prioritizes activities based upon City Council policy, and makes adjustments as necessary.

At the conclusion of this process, the proposed budget is submitted to the City Council for review, public hearing, and adoption. The City's FY 2004–2005 Budget has received awards from the Government Finance Officer Association and from the California Society of Municipal Finance Officers for excellence in operational budgeting.

The City maintains budgetary control through monthly reports of revenue and expenditure accounts. These reports are reviewed by the City Manager, each Department Director, the City Council, and the Audit and Finance Committee. In addition, a midyear budget review and adjustment process is completed each January and submitted to the Council for review and approval in February. Budgetary adjustments are only considered within the framework of the adopted budget and the City Council directions, goals, and policies. New programs and new appropriations are not considered as part of the midyear budget review.

As discussed within the City's budget, the City is currently faced with the budget challenge that the local economy is not generating sufficient revenue to sustain current services on an ongoing basis. The City's costs, especially for employee benefits, have increased significantly. The City's Budget for FY 2005–2006 states that because the City has built up financial reserves over the previous decade, Morgan Hill is in a position to respond to this without having to reduce service levels. Over the past three years, General Fund reserves have been used to balance the budget. In the current fiscal year, it will be necessary to use \$1.4 million in reserves even after expenditure reductions.

The City Council adopted a Sustainable Budget Strategy in January 2004. This Strategy provides for a combination of expenditure reductions and new revenues. Additional revenues will be achieved in various funds through adjustments to Library development impact fees, City processing fees related to development applications, water fees, and fire inspection fees. The City implemented the first phase of this strategy by cutting \$900,000 in expenditures in 2004–2005. The following list details some of the budget cuts that are related to services addressed in this service review:

- Eliminate City funding for community events
- Reduce expenditures for employee events, training, travel, conferences, and advertising
- Continue the annual \$125,000 transfer from the Park Maintenance Fund to the General Fund
- Use approximately \$1.2 million in General Fund reserves in FY 2005–2006
- Eliminate various contract services
- Eliminate General Fund transfers to fund street repairs affecting the quality of street maintenance
- Eliminate subsidy for the summer recreation program
- Reduce front office hours at the Community and Cultural Center
- Eliminate afterschool program at Village Avante
- Eliminate various contract services and reduce special counsel services
- Invest in a comprehensive new Financial Software System to be more efficient and effective
- Eliminate one police officer position and other police support staff
- Stop watering certain green areas of City parks

- Eliminate recycling calendar, solid waste audits and studies, and six issues of City Visions

To assist in cost savings, the City applied for and received numerous grants. Recent and future grants are listed below.

In FY 2004–2005, the City was approved to receive the following grants:

Recycling Grant	\$9,690
Supplemental Law Enforcement Funding Grant	\$100,000
Community Development Block Grant	\$166,640
OTS Sobriety Checkpoint Grant	\$2,069
Local Law Enforcement Block Grant	\$4,277
Homeland Security Grant	\$8,406
Medical Reserve Corps Grant	\$7,628
Taser Grant Program	\$10,000
RATTF Grant	\$70,917
SRO Grant	\$56,700
COPS in School Grant	\$29,452
Monterey Rd. @ UPRR Crossing (Federal Congestion Management Grant)	\$301,356

The City will receive the following grants in FY 2005–2006:

Recycling Grant	\$9,700
Supplemental Law Enforcement Funding Grant	\$100,000
OTS Sobriety Checkpoint Grant	\$8,276
Community Development Block Grant	\$156,491
RATTF Grant	\$30,000
SRO Grant	\$57,720
Medical Reserve Corps Grant	\$44,000
COPS in School Grant	\$15,000

Likewise, in order to offset the costs related to new development within the City, the City assesses development impact fees. The impact fees include water, sewer, public facilities, library, traffic, police, fire, recreation, drainage, and parks.

In accordance with Section 53646 of the Government Code, the City Council reviews and updates annually the City’s investment policy. The primary purpose of this policy is to set forth the City’s investment philosophy and objectives. The City’s investment objectives are, in order of priority: (1) safety, (2) liquidity, and (3) yield. The policy also specifically outlines authorized investments and the acceptable percentages and maximum maturities allowed for each investment instrument. The City Treasurer will generate a monthly report to the City Council. The City’s independent auditors, in

conjunction with their annual audit, will audit the cash and investment balances in conformance with generally accepted accounting principles.

In addition, the City has adopted several financial policies related to general purchasing, computer purchasing, consultant selection, and a credit card usage policy. The purpose of these policies is to provide the City with a means of assuring continuity and uniformity in its purchasing operations. Within these policies, the City has committed to purchasing supplies, services, and equipment in a fair, open, and equitable manner and at the lowest possible cost. The policies include purchasing limits and a competitive bid process. Similarly, the City is a member of the ABAG plan, which is a self-insured risk pool that helps to lower the overall cost of providing insurance for general liability claims.

The City of Morgan Hill partners with many agencies/entities in order to provide public services in a cost-effective manner. These cooperative agreements are listed below:

- Morgan Hill Corporation Yard Commission: A Joint Powers Authority (JPA) between the Morgan Hill School District and the City to facilitate the sharing and maintenance of public facilities. A portion of the Corporation Yard is leased to the school district for bus storage and fueling.
- South County Regional Wastewater Authority: A JPA between the City of Gilroy and the City of Morgan Hill for the sharing of sewer transport and treatment.
- Association of Bay Area Governments: A JPA of multiple Bay Area cities to provide efficient and effective liability insurance pools.
- Local Agency's Worker's Compensation Excess Liability: A JPA of multiple Bay Area cities and districts to obtain cost-effective excess worker's compensation insurance.
- California Disaster and Civil Defense Mutual Aid: Disaster assistance.
- YMCA of Santa Clara County/Friendly Inn: \$1.00 per year lease payment for facilities to operate youth and senior centers.
- El Toro Youth Center: City leases facility to Community Solutions for afterschool youth programs and family counseling.
- Woodland Estates: \$1.00 per year lease payment for open space near Llagas Creek in the Woodland Estates neighborhood. The City provides maintenance and upkeep of property.
- Morgan Hill Historical Society: City leases the building to historical society. The City Redevelopment Agency has provided funding for rehabilitation and moving the facility.
- South County Housing: Three \$1.00 per year leases for properties providing single- and multifamily residences, commercial space, and daycare facilities.
- Library: Library site and building are provided by the City/Redevelopment Agency. The Library facility will be operated by the Santa Clara County Library.
- Community and Cultural Center: One building is leased to Gavilan College.
- Morgan Hill Courthouse: City-owned land is leased to Santa Clara County.

5.2 CITY PLANNING BOUNDARIES AND GROWTH

5.2.1 Planning Boundaries

In 1996, the Morgan Hill City Council adopted a long-term UGB, which identifies lands intended for future urbanization within the SOI. The City of Morgan Hill defines the area within the UGB as the land that is appropriate for and likely to be needed for urban purposes within the next 20 years. The Morgan Hill General Plan allows adjustment of the UGB at the time of a major General Plan update, assumed to occur approximately every 10 years. Agricultural, open space, and low to very low-density residential uses are the primary uses intended for lands outside of the UGB. The UGB is intended to provide greater stability of future land use patterns than is currently provided by the existing short-term USA boundaries.

The City is currently proposing to adopt an Urban Limit Line/Greenbelt. The Urban Limit Line/Greenbelt separates urban and future urban areas from rural areas. The Urban Limit Line is a longer-term version of the UGB and is intended to reflect the City's long-term policy for growth beyond the 20-year timeframe of the UGB. The purpose of the Urban Limit Line is to encourage more efficient growth patterns, minimize public costs, and protect environmental resources. In most areas, the recommended Urban Limit Line closely follows the existing UGB, as shown in Figure 5.1.

Urban Pockets

As discussed in Section 1.2.5, the County and LAFCO have adopted policies, which state that urban islands and pockets should be annexed. LAFCO has identified 16 unincorporated islands within the City of Morgan Hill. LAFCO has provided maps of the islands to the City and are also provided on the LAFCO website. On August 3, 2005, the City Council approved staff to initiate and complete the annexation of all of the identified islands that have not already been annexed.

In addition, LAFCO has recently approved a USA extension to include the Holiday Lakes Estates Unit 1 area. Because of this USA extension the City is able to move forward with an island annexation process for the Holiday Lake Estates Unit 1 area. The changes for this area are directly related to existing wastewater infrastructure issues (discussed in Section 5.3).

5.2.2 City Growth

In 1977, Morgan Hill first adopted a Residential Development Control System through a voter initiative. An amended version of this growth management system was approved by voters in 1990 to extend through 2010. In 2004, the voters approved another measure that amended and extended the Residential Development Control System through 2020. The Development Control System is a part of the General Plan and regulates growth by limiting the number of new homes to 250 units per year. The regulations also state that the City cannot apply to LAFCO to expand the USA (except for projects determined to be "desirable infill") until less than a five-year supply of residential land remains. In addition, it restricts the City from granting new extensions of urban services for residences beyond the USA.

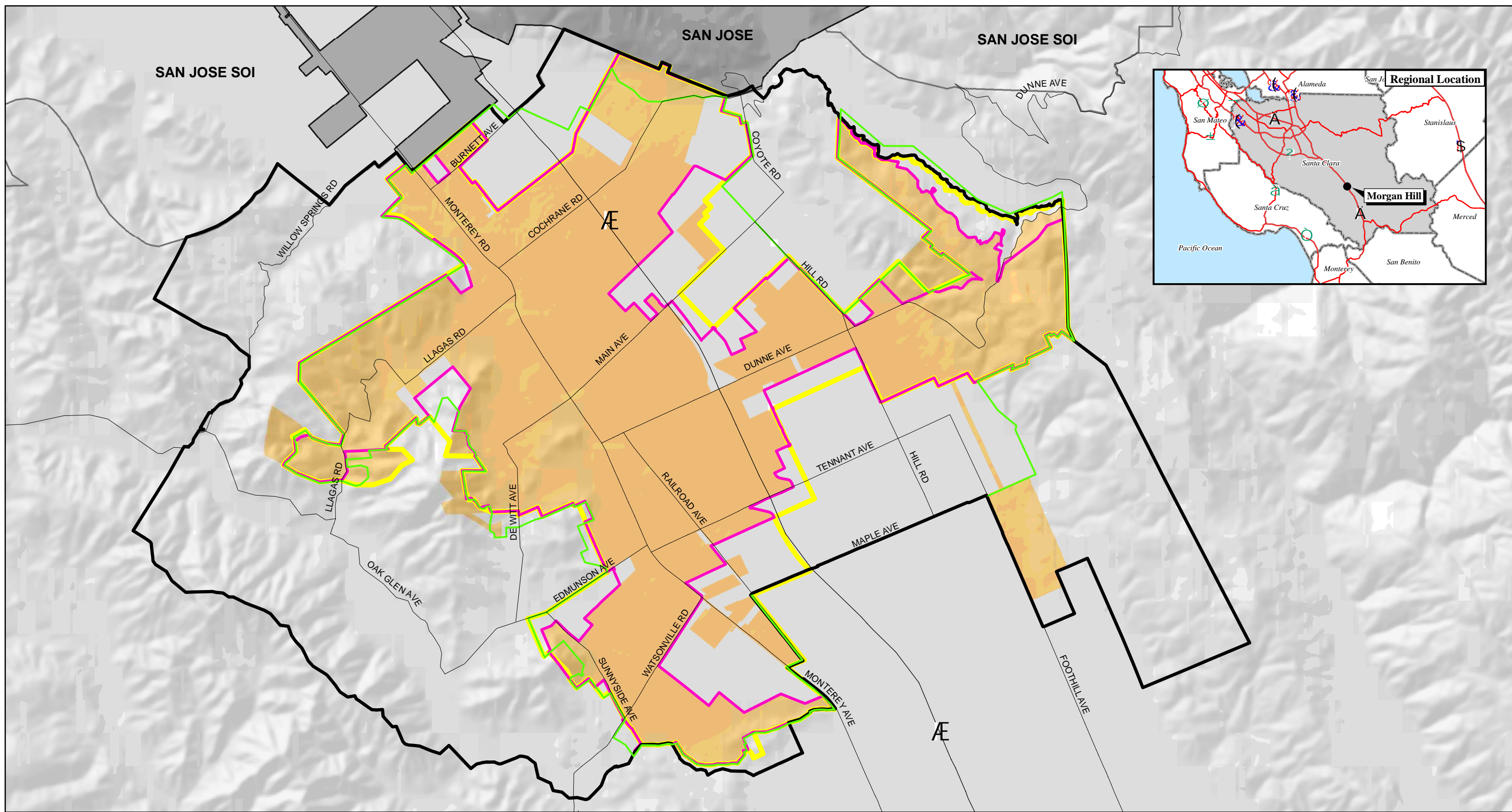
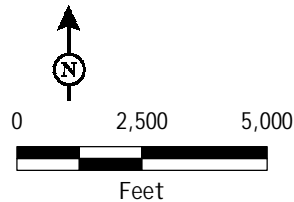










FIGURE 5.1

LSA



Legend

- | | | |
|---|---|--|
|  City of Morgan Hill |  Morgan Hill Urban Service Area |  Surrounding City Sphere of Influence |
|  City of Morgan Hill Sphere of Influence |  Morgan Hill Urban Growth Boundary |  Unincorporated Areas |
|  Proposed Urban Limit Line (July 2005) |  Surrounding City Limits | |

SOURCE: Santa Clara County
I:\SNF530\GIS\Morgan_Hill_v2.mxd (11/7/2007)

Under this system, new residential development proposals are subject to a two-part rating system, with those proposals earning the highest number of points receiving development allotments. Part 1 awards points for a proposed project’s relation to and impact on local public facilities and services, while Part 2 allots additional points for such factors as the provision and design quality of parks and open space, public facilities, architectural and site features, and affordable housing units.

Hence, the City’s growth rate is determined largely by the Development Control System. As shown in Table 5.A, ABAG projects population growth at approximately 1.14 percent from 2005 to 2025. According to the City’s projections with the Development Control System in effect, total population increases through 2020 are expected to exceed ABAG projections. The City projections assume that the 250 housing unit permits allowed each year would be allocated each year, since this has been largely the case since the Development Control System was implemented.

Table 5.A: City of Morgan Hill Population Growth Projections

Year	City (RDCS) Projections	ABAG City Projections	ABAG City and SOI Projections
2005	36,423	35,600	41,000
2010	39,900	39,300	45,100
2015	43,900	40,900	46,800
2020	48,000	42,900	48,900

Source: City of Morgan Community Development Department, March 2006; ABAG Projections 2005.

5.2.3 Availability of Vacant Lands

The City Council Staff Report for the Urban Limit Line/Greenbelt Study states that there is a large amount of vacant land within the UGB. If the development trends of the past decade continue, vacant land inside of the UGB is sufficient for the following growth:

- Single-Family Residential: development to the late 2020s/early 2030s (approximately 1,700 acres)
- Multiple Family Residential: development to the late 2020s/2030s (approximately 230 acres)
- Commercial: development to the mid 2040s to the early 2060s (approximately 230 acres)
- Industrial: development to the late 2020s/early 2030s (approximately 640 acres)
- Public and Quasi-Public Facilities (e.g., parks, schools, churches): development to 2020 (approximately 75 acres)

The City’s average vacant land absorption rate and acreage of vacant land is provided below.

Table 5.1: City of Morgan Hill Vacant Land Absorption Rates By Land Use

Land Use Designations	Average Absorption Rate	Acres Absorbed Annually
Single Family Residential	150 units per year at 5 units per acre	30 acres
Multi-Family Residential	100 units per year at 15 units per acre	7 acres
Commercial	50,000 sq. ft. per year at 0.25 FAR	5 acres
Industrial	300,000 sq ft per year at 0.33 FAR	21 acres
Parks	5 acres per 1,000 residents at 750 residents per year	4 acres
Schools and Churches	8 acres per 1,000 residents at 750 residents per year	6 acres
Total Annual Absorption		73 acres

Source: City of Morgan Hill Community Development, based on data from the Urban Limit Line Study.

Table 5.2: City of Morgan Hill Vacant Land Within the Urban Service Area

Land Use Designation	Vacant Acreage May, 2004	Land Absorbtion June 04 – Dec 05	Vacant Acreage Jan, 2006
Rural County	9	0	9
Open Space	94	0	94
Single Family Residential	1010	47	963
Multi Family Residential	239	11	228
Commercial	243	8	235
Industrial	409	33	376
Public / Quasi-public	74	16	58
TOTAL	2078	115	1960 (rounded)

Source: City of Morgan Hill Community Development, February 2006.

5.3 WASTEWATER SERVICES

The City of Morgan Hill operates its own sewer system and associated infrastructure facilities. The sewer collection system consists of approximately 135 miles of 6- to 30-inch-diameter sewers and includes 15 sewage lift stations and associated force mains. The “backbone” of the system consists of the trunk sewers, generally 12-inches in diameter and larger. Wastewater generally flows from the north to the south through the City before it is collected into a single main trunk sewer (Joint Trunk). The Joint Trunk starts at the intersection of Monterey Avenue and California Avenue and continues south to the City of Gilroy where it joins the City of Gilroy trunk sewer for conveyance to the wastewater treatment plant in Gilroy.

The wastewater treatment plant and Joint Trunk are owned and operated by SCRWA under a Joint Exercise of Powers Agreement between the Cities of Morgan Hill and City of Gilroy. The agreement, dated May 19, 1992, establishes the creation of SCRWA. The agreement includes capacity allocations for the Joint Trunk and the treatment plant. Additional information regarding the wastewater treatment plant’s operations and capacities is located in Section 3.3 (City of Gilroy).

Morgan Hill provides wastewater service within the City limits in addition to some County areas adjacent to the City boundaries. The only developed areas within the City that do not receive service are the Woodland and Glen Ayre large-lot subdivisions, located at the upper end of Llagas Road. These homes utilize septic tanks for on-site disposal because the topographic conditions and low-density development make it difficult and costly to extend service to these areas.

The Holiday Lakes Subdivision on the west shore of Anderson Reservoir is the only significant area outside of the City limits that is served by the wastewater system. There are approximately 200 parcels located within the unincorporated portion of Holiday Lakes. All of the developed properties receive City water. Approximately 100 properties are connected to the City sewer system and approximately 100 are on septic systems. The average age of the septic systems is over 30 years old, and the typical lifespan of a septic system is 30–40 years. There are significant constraints that could preclude new or replacement septic systems. These constraints include the inability to meet current standards, including proximity to Anderson Reservoir, small lots, steep slopes, and soil type.

An interagency group is currently working with Holiday Lake Estates Unit 1 property owners to determine the manner in which sewer services to lots currently on septic or vacant would be financed. The group is comprised of representatives of Morgan Hill Planning and Public Works Departments, County Planning, County Environmental Health, the Santa Clara Valley Water District, LAFCO, and the County Supervisor. This group has met with the property owner representatives and has held an informational meeting for all Holiday Lake Estate Unit 1 property owners. The interagency effort is being conducted to assist the property owners in exploring options to septic, with the expectation that a sewer engineering and assessment district formation study would be completed, which would allow the City to annex the area after property owners commit to fund extension of the sewer system. In November 2004, voters approved a measure that allows the Holiday Lake Estates Unit 1 area to be annexed to the City.

The City has also approved by resolution to provide \$15,000 from the sewer fund. Likewise, the County and Santa Clara Valley Water District have agreed to provide \$15,000 each. The total \$45,000 would be utilized to conduct a feasibility study of the formation of a sewer assessment district. Any funds that are not used in the feasibility study would be used toward the creation of the sewer assessment district. In addition, technical assistance would be provided by the City's Public Works and Planning staff.

Wastewater Master Plan

In January 2002, the City completed a Sewer System Master Plan study that identified existing flows and provided future flow projections. This was prepared concurrently with water distribution and storm drainage Master Plans. The Wastewater Master Plan identifies the infrastructure necessary to service developed lands within the UGB. The analysis within the Master Plan indicates that the collection system was well planned to meet the needs of existing customers. In addition, in anticipation of future growth, the City has planned and constructed sewer facilities in conjunction with new street construction.

The City's design criteria calculates average residential flows on a per capita basis using a minimum of 90 gallons per day per capita. Commercial and light industrial designations are computed at 1,500

gallons per gross acre per day, and industrial designations are computed using 2,500 gallons per gross acre per day.

The Master Plan evaluates the projected 2020 design flows, which consist of the General Plan build out conditions of the UGB. The Master Plan includes several proposed projects to accommodate future growth within the City’s UGB. The majority of these proposed projects consist of new or increased capacity pipelines that are needed to extend service to currently undeveloped areas. These proposed improvements are phased to provide additional capacity to the collection system before the anticipated developments. In addition, the City has an aggressive wet weather program to reduce infiltration and inflows that are currently experienced by the system. Implementation of this program is expected to reduce infiltration and inflows by approximately 50 percent by 2020, which in turn will provide additional capacity.

The Master Plan also includes CIP and cost estimates, which provide guidance in project evaluation and implementation. The City levies utility rates and connection fees to pay off debt financing, fund capital improvements, and pay operations and maintenance costs. In addition, developers are responsible for paying an equitable cost allocation for the infrastructures needed to extend service from their developments to the Master Plan facilities.

Wastewater Rate Comparison

The City’s wastewater rates are set monthly fees as shown below. Commercial and industrial rates are dependant upon the amount and type of flow. Table 5.B compares Morgan Hill’s sewer rates to those of nearby jurisdictions. As shown, Morgan Hill’s existing rates are similar to those of other jurisdictions.

Table 5.B: Monthly Wastewater Rates

	Morgan Hill	Gilroy	Milpitas
Residential: single-family	\$32.57	\$29.74	\$25.13
Residential: multifamily	\$22.33 per unit	\$21.12 per unit	\$18.24 per unit
Commercial and industrial	Calculated depending on use	Calculated depending on use	Calculated depending on use

5.4 SOLID WASTE SERVICES

Solid waste services within the City of Morgan Hill are provided by South Valley Disposal & Recycling, Inc. via a franchise agreement with the City. The California Integrated Waste Management Board’s (CIWMB) data indicates that solid waste collected within the City of Morgan Hill is hauled to the landfills that are listed below. These are Class III facilities that accept construction/demolition waste and mixed municipal refuse. Additional detail regarding these facilities is located in Appendix A.

- Altamont Landfill & Resource Recovery
- Newby Island Sanitary Landfill

- Guadalupe Sanitary Landfill
- Zanker Material Processing Facility
- Kirby Canyon Recycling & Disposal Facility
- Monterey Regional Waste Management District/Marina Landfill

The City has stated that all of the solid waste collected by South Valley Disposal & Recycling, Inc. is hauled to the Crazy Horse Landfill in Monterey County and that the solid waste that is self-hauled by residents and contractors is disposed of at a variety of facilities around the State. Further, the City has stated that the majority of the self-hauled solid waste is disposed of at the following facilities: San Martin Transfer Station, Kirby Canyon Disposal Facility, Newby Island Sanitary Landfill, Guadalupe Sanitary Landfill, and the Zanker Material Processing Facility.

CIWMB data shows that in 2000 (the most recent data posted), the City of Morgan Hill disposed of 34,324 tons of solid waste and that the solid waste disposal generation factor for the City is 2 pounds per resident per day and 8.9 pounds per employee per day. The City has stated that in 2004 Morgan Hill disposed of 32,553 tons, which is 1,771 tons less than reported by the CIWMB for 2000.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) requires all jurisdictions to achieve 50 percent solid waste diversion after the year 2000. Per the CIWMB, the City had a 50 percent diversion rate in 2002, which is the most recent CIWMB approved data posted. The City's Annual Report for 2004 indicates that 54 percent of the solid waste was diverted.

The City has varying rates for residential solid waste services, which are dependent upon the type of residence (e.g., single-family, multi-family, low-income). Commercial rates are based on the larger refuse bin size and by number of pickups per week. Morgan Hill adopted a 3.29 percent rate increase to all of their services effective on October 1, 2005. The new rates are listed in Table 5.C, which provides a comparison of City solid waste service rates.

Table 5.C: Monthly Solid Waste Rates

	Morgan Hill	Milpitas	Santa Clara
Residential			
Single-Family	\$21.82	\$23.55	32 gallon can at \$13.25
Low Income	\$17.46	–	–
Side/Backyard Service	\$8.85	–	–
Commercial			
	\$13.65–\$2,642.75 Dependent on size of bin and number of pickups per week	\$25.51–\$1,636.68 Dependent on size of bin and number of pickups per week	\$8.53–\$1,889.67 Dependent on size of bin and number of pickups per week

5.5 PARK AND RECREATION SERVICES

The City of Morgan Hill provides park and recreational services to its residents. The City's existing park and recreational facilities are listed below in Table 5.D.

Table 5.D: City of Morgan Hill Park and Recreational Facilities

Facility and Location	Amenities	Acreage
Community Park 225 W. Edmundson Avenue	Play equipment, picnic areas, restrooms, ball fields, horseshoes pits, tennis courts, pond	24.38
Galvan Park/Friendly Inn/Senior Center Crest Avenue	Play equipment, picnic area, restrooms, ball field, handball, soccer fields, senior center	8.00
Diana Park Diana Avenue	Play equipment, picnic area, basketball court	3.08
Oak Creek Park Prancer Court	Play equipment, picnic area, horseshoes pits, basketball, tennis courts	3.50
Nordstrom Park Murphy Avenue	Play equipment, picnic area	4.57
Paradise Park LaCrosse Drive	Play equipment, ball field, exercise course, trail link to Llagas Creek	15.00
Belle Estates Park Calle Caballeria	Play equipment	0.46
Conte Gardens Park Conte Way	Play equipment, picnic area, basketball court	0.50
Diana Estates Park Diana Avenue	Tennis court	0.50
Fox Hollow Park Fox Hollow Circle	Play equipment, picnic area, basketball court	0.20
Hamilton Square Park Via Corfinio	Play equipment, picnic area, basketball court	0.57
Howard Weichert Park Via Del Castille	Play equipment, basketball court	0.90
Jackson Park Trail Drive	Play equipment, picnic area	1.30
La Grande Estates Park Via Castana Drive	Bench, grassy area	0.10
Mill Creek Park La Arboleda Way	Play equipment, picnic area	0.93
Murphy Springs Park Murphy Springs Court	Play equipment, picnic area	0.49
Rose Haven Park San Ramon Drive	Play equipment	0.65
Sanchez Park Sanchez Drive	Play equipment	0.41
Stone Creek Park	Play equipment, picnic area	0.95

Facility and Location	Amenities	Acreage
Morgan Hill Aquatic Center 16200 Condit Road	50-meter olympic pool, two water slides, play pool, spray ground, locker rooms	8.00
Morgan Hill Community and Cultural Center 17000 Monterey Road	Amphitheater, kitchen, playhouse, recreation facility, water play feature, meeting and arts and crafts rooms	3.00
Total		77.49

The City also has several future facilities including the following:

- Indoor recreation center: will be located adjacent to Community Park on Edmundson Avenue on a 9-acre parcel. The recreation center will include an indoor pool, locker rooms, fitness rooms, a gymnasium, a senior computer room, a senior game room, a youth game room, and a kitchen. The facility is scheduled to open in September 2006.
- Sports complex: will be 38-acres and located on Condit Road at the site of the existing soccer complex. The complex will include four softball fields, four baseball fields, six soccer fields, six sand volleyball courts, batting cages, a playground, and picnic area. This facility is still in the early stages of development and will be developed in five phases. Phase one design development and construction documents are scheduled to be completed in 2006.

The City's park development impact fee is based on a standard of 3 acres of parkland per 1,000 population and 3.36 persons per dwelling unit. However, the City's objective is to provide 5 acres per 1,000 population. Based upon the parkland listed above in Table 5.D and the California Department of Finance 2005 population data for the City (36,423), the City currently provides 2.13 acres of parkland per 1,000 population. Upon completion of the indoor recreation center and sports complex the City will provide approximately 3.20 acres per 1,000 population. The FY 2005–2006 Operating and CIB states that the City of Morgan Hill is actively working to increase the amount of parkland within the City. This is evidenced by the development of the Indoor Recreation Center and Sports Complex that are listed above.

In addition to the City's parks, several County park facilities are located in and near the City. These parks supplement the facilities that are provided by the City. These County Parks are detailed below in Table 5.E.

Table 5.E: County Parks Within Or Near Morgan Hill

Park and Location	Amenities	Acreage
Anderson Lake County Park 19245 Malaguerra Avenue Morgan Hill	Reservoir, Coyote Creek Parkway, multiple-use trails, equestrian staging area, nature trail, Jackson Ranch historic park site, Moses L. Rosendin Park, Burnett Park area, picnic facilities, rest areas	3,109
Coyote Lake-Harvey Bear Ranch County Park 10840 Coyote Lake Road Gilroy	635-acre lake, boat launch facilities, visitor center, 75 family picnic sites, campground with 74 reservable sites and associated facilities, 13 miles of multiple-use trails	4,595

Park and Location	Amenities	Acreage
The Calero County Park 23201 McKean Road San Jose	Reservoir, picnic areas, barbecues, 18.6 miles of trails, horse stables	3,476
The Chesbro Reservoir County Park Oak Glen Road Morgan Hill	Reservoir	216
Uvas Reservoir 14200 Uvas Road Morgan Hill	286-acre man-made reservoir	626
Uvas Canyon County Park 8515 Croy Road Morgan Hill	6 miles of hiking trails, picnic sites, 25 campsites	1,133
Mt. Madonna County Park 7850 Pole Line Road Watsonville	118 campsites, 14 miles of trails, picnic areas, amphitheater, archery range	3,688
Santa Teresa County Park 260 Bernal Road San Jose	Santa Teresa Golf Club, equestrian staging area, picnic areas, Bernal-Gulnac-Joice Ranch and Santa Teresa Springs, archery range, 18 miles of trails	1,627
Almaden Quicksilver County Park South San Jose	34.2 miles of trails, picnic areas	4,147
The Motorcycle County Park 300 Metcalf Road San Jose	Over 20 miles of OHV trail and tracks, picnic areas	459
The Field Sports County Park 9580 Malech Road San Jose	Firing range	

Recreation

The City provides recreation programs to residents of all ages. The City publishes a recreational brochure several times per year. The brochure provides a comprehensive listing of all programs. The types of programs that the City offers are as follows:

- Youth art and theater
- Youth music
- Youth enrichment programs
- Youth camps
- Cheerleading and dance
- Youth and adult fitness
- All ages sports camps

- Adult art
- Family enrichment programs
- Adult dance and music
- Adult sports
- All ages aquatics classes

5.6 STORM WATER DRAINAGE SERVICES

The City of Morgan Hill operates its own storm drainage system within the City that flows into existing channels and detention ponds. The detention ponds are individually owned and maintained by private development, the City, or the Santa Clara Valley Water District.

The City is divided into several drainage areas. Each drainage area consists of a combination of different drainage facilities as necessary. The storm water runoff from these areas is collected and ultimately discharged into creeks that flow through the City and are tributary to either Monterey Bay or San Francisco Bay. The drainage areas include Coyote Creek, Fisher Creek, Tennant Creek, Madrone Channel, Butterfield Channel, West Little Llagas Creek, and Llagas Creek.

The City's current development approval process requires developers to construct storm drainage facilities (pipelines, ponds, pump station) as part of their proposed developments. Additionally, new subdivisions are required to construct interim or permanent site retention and detention ponds to limit the amount of storm runoff.

Recognizing the importance of planning, developing, and financing storm drainage system facilities, the City has implemented and adopted several Storm Drainage Master Plans over the years to guide future system extensions and upgrades. The most recent Master Plan was adopted in 2002. The analysis of the City's storm drainage system within the Master Plan indicates that the City has a system of retention and detention ponds that were well planned to meet the City's drainage needs.

The Master Plan recommends several improvements that are needed to enhance the City's drainage system capabilities as new areas develop. The vast majority of the proposed projects consist of new or increased capacity pipelines and new ponds in currently undeveloped areas. The recommended improvements are phased to provide additional capacity to the system before the anticipated developments occur. The City is currently planning the construction of many of the recommended storm drainage enhancements. The Master Plan includes a CIP and cost estimates to provide guidance in project evaluation and implementation.

5.7 LAW ENFORCEMENT

The Morgan Hill Police Department provides law enforcement service to the City. The Police Department also coordinates the City Office of Emergency Services and manages the City's Animal Control Program. The City opened a new police facility in June 2004. The new facility is located at 16200 Vineyard Boulevard.

Currently, the Department employs 35 authorized sworn police officers, 20 full-time and 5 part-time civilian employees, 3 volunteer reserve officers, and 11 civilian volunteers. The Department is comprised of three Divisions:

- **Patrol Division:** Officers in this Division are assigned to teams that work a combination of 10- and 12-hour shifts for 80 hours every 2 weeks. This provides for a patrol system with a minimum of 1 supervisor and 3 officers and a maximum of 1 supervisor and 5 officers to accommodate peak activity periods.
- **Police Special Operations:** This Division provides specialized, nonpatrol police services to the community, including the investigation of major crimes and coordinated special enforcement. The Division consists of one police sergeant, two police officers assigned as investigators, two School Resource Police Officers, one officer assigned to special enforcement activities such as gangs and narcotics, one officer assigned to a regional auto theft task force, and one community services officer who provides crime prevention and vehicle abatement services.
- **Police Support Services:** Members of the Police Support Division provide records, communications, evidence, and information management support. The Department operates a 911 Public Safety Answering Point communications center that is responsible for dispatching 24-hour police service and Public Works personnel during nonbusiness hours.

In FY 2004–2005, the Department responded to approximately 32,000 self-initiated calls for service and responded within five minutes to all life-threatening calls. The Police Department determines adequate service levels by evaluating a number of factors, including the number of officers and population of the City, the average time to respond to service calls, and the ratio of sworn officers to calls for service. Historically, an average of 900 calls or events per sworn officer per year has provided fair levels of service. To supplement services as high-demand situations arise, the Department has mutual aid agreements with all of the surrounding law enforcement agencies: Santa Clara County Sheriff's Department, San Jose Police Department, and the City of Gilroy Police Department.

Along with the FY 2005–2006 budget, the City adopted a Police Department Reorganization Plan. The objective of the plan is to enhance the Department's capacity for problem solving; improve the development and retention of staff; improve traffic enforcement capabilities; strengthen relationships with the schools; and develop a regular reporting process to support these changes. The reorganization includes the following changes:

- A new Sergeant's position in the Special Operations Division with responsibilities that include management of special events and direction and guidance to Detectives, School Resource Officers, Crime Suppression Officers, and the Community Services Officer.
- A new Communications Supervisor position in the dispatch center.
- A new Motorcycle Traffic Enforcement program in the Field Operations Division to better detect and cite traffic violators
- An increased Police Reserve program to provide support to uniformed officers due to staffing challenges. Support is provided in crime investigations, training commitments, and special events.

After implementation of this reorganization, the Department will have five Sergeants instead of the current four, four Corporals instead of the current five, and one Supervisor in Dispatch Services but no Lead Dispatcher. The Department staffing levels would remain constant.

Due to budget constraints, the Department has been directed to avoid layoffs but reduce the FY 2005–2006 budget by \$76,676. This is being accomplished by elimination of the Police K-9 program that costs approximately \$26,600 annually; reduced firearms and defensive tactics training from three sessions per year to two sessions for a savings of approximately \$11,800; and reduced SWAT and Hostage Negotiator training from 12 sessions to 6 per year for a savings of \$28,000.

5.8 LIBRARY SERVICES

Library services within the City are provided by a joint effort between the City and Santa Clara County Library. The City provides the library facility and the County Library operates, staffs, and supplies the materials for the library. The County Library owns all furniture and equipment within the library, including shelves, desks, chairs, computers and peripherals, telephones, security gates, self-check machines, and the collection of books and other materials. Due to funding issues, in 2004 the County Library cut library hours and closed all of its branches every Monday.

The existing library within the City was built in 1973 and is currently inadequate to meet the needs of Morgan Hill. The City is in the process of developing a new facility. The new facility will be 28,000 square feet and will be located at the Civic Center site. Construction is scheduled to begin in April 2006 and be completed in April 2007.

5.9 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF MORGAN HILL

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. The following written determinations for the City are based on the above information.

Infrastructure Needs and Deficiencies

1. The Holiday Lakes Subdivision is the only significant area outside of the City limits that is served by the City's wastewater system. Over 100 properties within this subdivision are utilizing old septic systems. An interagency effort is currently being conducted with the expectation that a sewer engineering and assessment district formation study would be completed that would allow for the extension of the City's sewer system.
2. The analysis within the City's Wastewater Master Plan indicates that the sewer collection system was well planned to meet the needs of existing customers. In addition, in anticipation of future growth, the City has planned and constructed sewer facilities in conjunction with new street construction.

3. The City's Wastewater and Storm Water Drainage Master Plans evaluate the build out conditions of the existing UGB. The Plans include proposed projects to accommodate future growth within the City's UGB. The majority of these proposed projects consist of new or increased capacity facilities that are needed to extend service to currently undeveloped areas.
4. All of the City's Master Plans include CIP and cost estimates to provide guidance in project evaluation and implementation.
5. The City currently has 1.83 acres of parkland per 1,000 population. The City has stated that it is actively working to increase the amount of parkland within the City. In addition, there are several County park facilities that are located within the City and supplement the City facilities.
6. The City has implemented and adopted a Storm Drainage Master Plan to guide future system extensions and upgrades. The Master Plan analysis indicates that the City has a system of retention and detention ponds that were well planned to meet the City's drainage needs.
7. The City's existing library is inadequate to meet the needs of Morgan Hill. The City is in the process of developing a new facility. Construction is scheduled to begin in April 2006 and be completed in April 2007.

Growth and Population

1. A large amount of vacant land exists within the Morgan Hill UGB. The City is currently absorbing an average of 73 acres per year of vacant lands. Based upon this absorption rate, it is expected that vacant land inside of the UGB will be sufficient to meet the City's expected development until at least 2020.
2. The City has a voter-approved Residential Development Control System that limits the number of new homes to 250 units per year and restricts the extension of the City's USA. Hence, the City's growth is largely determined by this system.

Financing Constraints and Opportunities

1. The City maintains budgetary control through monthly reports of revenue and expenditure accounts. These reports are reviewed by the City Manager, each Department Director, the City Council, and the Audit and Finance Committee. In addition, a mid-year budget review and adjustment process is completed each January and submitted to the Council for review and approval in February.
2. The City is currently faced with budgeting challenges. Over the past three years, General Fund reserves have been used to balance the budget. In the current fiscal year, it will be necessary to use \$1.4 million of reserves.
3. Due to financing constraints, the Police Department has been directed to reduce the Department's budget significantly. This is being accomplished by elimination of the Police K-9 program and a reduction of officer training.

4. To provide funding for services, the City applies and receives numerous grants.

Cost-Avoidance Opportunities

1. The City adopted a Sustainable Budget Strategy in January 2004, in addition to reducing expenditures, in an effort to eliminate any unnecessary costs.
2. In order to offset the costs related to new development, the City assesses numerous development impact fees. Developers are responsible for paying an equitable cost allocation for the infrastructures needed to extend service from their developments to the City's existing facilities.
3. The City has adopted several financial policies, which provide that services and supplies would be obtained at the lowest possible cost.
4. The City is a member of a self-insured risk pool that helps to lower the cost of providing insurance.

Opportunities for Rate Restructuring

1. The City regularly reviews rates for services and increases them as necessary in order to cover the costs of service provision and provide for infrastructure upgrades.
2. The City's rates for wastewater and solid waste services are comparable to those of nearby cities.

Opportunities for Shared Facilities

1. The City partners with several agencies and organizations in order to provide services in a cost-effective manner. These partnerships allow for the provision of more facilities and services than would be possible without the partnerships.
2. The Joint Exercise of Powers Agreement between Gilroy and Morgan Hill for the ownership and operation of the wastewater treatment plant and Joint Trunk sewer provides both Cities the ability to adequately provide for wastewater services while sharing the costs of the facilities. The Cities are planning to cooperatively expand the facilities as necessary.

Government Structure Options

1. In order to assist in the provision of adequate wastewater services to the Holiday Lakes Estates Unit 1 area, the City has expanded the USA to include this area. The inclusion of this area into the USA allows the City to annex Holiday Lake Estates Unit 1 area as an unincorporated island and provide urban services.
2. The City Council has approved the initiation of the process to annex all of the remaining unincorporated island areas.

Evaluation of Management Efficiencies

1. The City achieves management efficiencies in various ways. The cooperative method of facility provision such as library and recreation facility provision and sharing the wastewater treatment plant provides for both operational and management efficiencies.
2. The City's Sustainable Budget Strategy provides for efficient management, efficient service provision, and cost avoidances.

Local Accountability and Governance

1. The City provides information about activities by televising City meetings on Morgan Hill's Channel 17, maintaining the City's website, and publishing a newsletter several times per year.

5.10 SOI RECOMMENDATION FOR THE CITY OF MORGAN HILL

Current SOI Boundary

In January 1985, LAFCO established the Morgan Hill SOI Boundary. The City's SOI Boundary was delineated to be considerably larger than the City's General Plan Planning Area in order to include existing scattered residential uses that are located outside of areas planned for within the City's existing General Plan. LAFCO determined that the clearest way to define a logical SOI Boundary for Morgan Hill was to include all areas located between the existing City limits within the City's SOI Boundary, in order to eliminate any future service inefficiencies and duplications, and to promote orderly development and growth of the City. Therefore, LAFCO concluded in 1985 that the City's SOI Boundary was not a commitment to staging urban expansion but rather a planning tool for LAFCO to use as a framework in considering expansion actions. The City's SOI Boundary also includes areas in which the City and the County have shared interests in preserving non-urban land uses. Since 1985, Morgan Hill's SOI Boundary has remained significantly unchanged.

SOI Boundary Recommendation

It is recommended that LAFCO reaffirm the City of Morgan Hill's existing SOI Boundary because the City of Morgan Hill's SOI Boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests.
- Areas in which the Morgan Hill and the County may have shared interests in preserving non-urban levels of land use. Specific examples include the Paradise Valley Area, the San Bruno Canyon Area, some agricultural lands on the valley floor, and the foothills and ridgelines surrounding the City. Furthermore, both the City and the County share a mutual interest in protecting viewsheds and natural resources, as well as, enhancing greenbelt areas.

- Areas where Morgan Hill and the County have significant interaction. A specific example of such interaction includes areas where the City receives discretionary planning application referrals from the County.
- Areas that contain social or economic communities of interest to Morgan Hill such as areas within the City's jurisdiction and urbanized communities adjacent or near the City (e.g. Holiday Lake Estates Unit 1).

Although the City of Morgan Hill adopted a 20-year UGB in 1996, which is intended to represent the 20-year limit of the City's urban development and although the City is currently in the process of adopting an Urban Limit Line which is intended to reflect the City's long-term policy for growth beyond the 20-year timeframe of the UGB, the City's existing SOI boundary continues to perform several important functions as discussed above. Therefore, it is recommended that LAFCO re-affirm the City of Morgan Hill's existing SOI boundary. In making this recommendation, it should be made clear that inclusion of an area within the City's SOI boundary should not necessarily be seen as an indication that the city will either annex or allow urban development and services in the area. The City's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided urban services.

Lastly, proponents for the incorporation of San Martin identified some potential minor modifications to Morgan Hill's SOI Boundary during the Service Review and SOI Recommendation process. However, these minor modifications relate directly with the potential incorporation boundary for San Martin and will be considered at a later time in conjunction with a potential San Martin incorporation proposal.

5.11 SOI DETERMINATIONS FOR THE CITY OF MORGAN HILL

As detailed in Section 1.1.2, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the City's existing SOI.

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

Land located within the Morgan Hill SOI Boundary but outside its City limits is designated as either open space or rural county. Lots with the rural county designation generally are 5–20 acres in size with one single-family home and/or agricultural operation per parcel. Five acres is generally the minimum acceptable lot size for new development.

The City of Morgan Hill is a largely residential community. The City is characterized as semi-rural with residential, agricultural, and commercial uses. A large amount of vacant land currently exists within the City's UGB. Planned land uses within the City limits and UGB are similar to that of the existing City.

Finding: A variety of urban uses are planned within Morgan Hill's USA Boundary and Morgan Hill's UGB. However, both the County and the City's General Plans call for the continuation of non-urban uses beyond these boundaries.

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

The City is expected to experience modest growth through continued implementation of the City's Residential Development Control System. Similarly, the need for a full range of public facilities and services is expected to grow modestly in the future.

However, there is a low probable need for public facilities and services within the City's existing SOI area because (1) the City's Residential Development Control System limits the ability of the City to apply for an extension of the City's USA; (2) the City has adopted a 20-year UGB that does not substantially extend into the existing SOI; and (3) the City is currently proposing to adopt an Urban Limit Line that, in most areas, closely follows the existing UGB.

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

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

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities appears to be adequate. However, the adequacy of park facilities is limited due to the City having a low amount of parkland acres per capita and the existing City library is inadequate to meet the needs of the community. Also, wastewater infrastructure upgrades are needed in the unincorporated portion of Holiday Lake Estates Unit 1 area that is located within the Morgan Hill SOI Boundary. The City has requested that unincorporated property owners in Holiday Lake Estates Unit 1 area fund wastewater infrastructure upgrades through the formation of a sewer assessment district before the City will annex Holiday Lake Estates Unit 1.

Finding: The present capacity of public facilities and public services is generally adequate. However, City park facilities are limited due to the low amount of parkland acres per capita, the existing City library is inadequate to meet the needs of the community, and new wastewater infrastructure and upgrades are needed in the unincorporated portion of Holiday Lake Estates Unit 1 area.

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

Holiday Lake Estates Unit 1 is located within the City's USA, and within the current and proposed City SOI Boundary. The City of Morgan Hill has agreed to annex the area contingent on the unincorporated property owners in Holiday Lake Estates Unit 1 forming and funding a sewer assessment district in order to finance City sewer extension to the area. The City is currently providing water service to the entire area and wastewater services to some properties within this area. Hence, Holiday Lake Estates Unit 1 is considered both an economic and social community of interest.

In addition, other small, low-density developed areas exist within the City's SOI and outside of the UGB. These areas are located between incorporated City areas and either the Anderson Reservoir or unincorporated hillsides. Due to the location of the existing development, the residents of these areas must utilize City streets to travel to and from their homes. Therefore, these areas are an economic and social community of interest.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of Morgan Hill and the areas proposed as its SOI.

6.0 CITY OF SAN JOSE

The services that are provided by the City of San Jose and evaluated within this service review include:

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

6.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The City of San Jose occupies the central eastern portion of Santa Clara County. The City is bounded by San Francisco Bay to the north, Diablo Mountain Range to the east, and Santa Cruz Mountains to the southwest. Surrounding cities include Milpitas, Sunnyvale, Santa Clara, Cupertino, Saratoga, Campbell, Los Gatos, and Morgan Hill. The City encompasses 178 square miles and is the largest within the County.

The City of San Jose was incorporated on March 27, 1850, and was the first incorporated City in the State and the first State capitol. San Jose is a charter City and operates under a Council/Manager form of government. The City Council is comprised of the Mayor, who is elected by the voters at-large, and 10 Council members, who are elected by the voters in each council district. The City Charter limits the Mayor and Council members to serve only two consecutive terms. The City Manager and City Attorney are appointed by the Council.

The City Council's regularly scheduled meetings are held every Tuesday at 1:30 p.m., and evening sessions are held on the first and third Tuesdays of every month. The meetings are held in compliance with the Brown Act. The agenda is posted at the City and on the City's website on Friday, 11 days before the Council meeting. The City Council has 6 Standing Committees and 19 Citizen Advisory Committees. All of the Committees were established for the purpose of advising the City Council and providing ongoing input into policies and issues affecting the community. All committee members are appointed by the City Council, usually for a four-year term. All committee meetings are open to the public, and copies of agendas are available at least 72 hours prior to any regularly scheduled meeting.

The City's annual budget development process begins in October when the finance staff reports the budgeting results of the prior year to the City Council. The Council provides feedback and guidance to the City departments regarding service priorities and direction for the new budget. The City

Administration then updates the five-year strategic business plans, two-year action plans, and proposed fiscal year budget. The Mayor and Council then review the proposed budget. Public hearings are conducted to receive public input on the proposed budget. By June, the Mayor releases the final proposed budget with changes based on feedback from the Council and public. A final public hearing is held before final City Council adoption.

The City's budget has received the following awards: Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2004, presented by the Government Finance Officers Association, and the Excellence in Operational Budgeting 2004-05, presented by the California Society of Municipal Finance Officers. The City has received these awards for 13 and 10 consecutive years, respectively.

Due to revenue constraints, the City is facing a fourth year of budget reductions. The FY 2005–2006 Proposed Budget states that since June 2003, the City has had funding shortfalls totaling \$173.3 million. In June 2003, the General Fund gap was \$81.3 million with an additional \$10.8 million caused by State budget decisions added two months later. Last year's challenge began with a \$69.8 million shortfall that was closed in June, followed by another \$11.4 million in October to close the shortfall caused primarily by the first of two annual payments to the State. In FY 2005–2006, San Jose's expenditures are expected to exceed revenues by approximately \$58 million. In addition, the City anticipates a shortfall of \$60 million for FY 2006–2007. The FY 2005–2006 Proposed Operating Budget states that due to these issues, the City will be forced to implement severe and unavoidable service reductions. The FY 2005–2006 Proposed Operating Budget recommends a combination of ongoing cost reductions, prudent fee increases, and the strategic use of reserves and one-time revenues. It should be noted that San Jose has continued to receive a strong AA+ bond rating through these budgeting issues.

Due to the revenue issues detailed above, the City implemented a hiring freeze in 2002, which is currently still in place. The total number of positions proposed for FY 2005–2006 is decreased by approximately 2.5 percent. Since 2002, positions have been reduced by 593 to a total of 6,619 City employees. Likewise, the FY 2005–2006 Proposed Operating Budget proposes a 12.9 percent funding reduction from the previous year. In addition, recommendations within the FY 2005-2006 proposed budget would significantly lower the City's reserve funds. The FY 2005–2006 use of reserves, one-time revenues, and service reductions are listed below.

- Use \$12.5 million of FY 2005–2006 Future Deficit Reserve
- Use of the entire Economic Uncertainty Reserve (\$10.4 million)
- Business Tax Amnesty (\$1 million)
- Transfer from Other City Funds, including \$2 million from Construction Excise Tax Fund

The following are Service Reductions in the Proposed FY 2005–2006 Budget:

- Reduction in branch library hours from 51 to 47 hours.
- Reduction of staff hours at King Library.

- One-half of the City’s community centers would be considered for alternative programming, in which community organizations would be recruited to provide neighborhood and community services. If no tenant could be found, centers would be considered for closure.
- Reduction in park maintenance (two days per week reduction in neighborhood parks, one day per week reduction in regional parks and reduced watering cycles).
- Staffing would be eliminated for the Citywide theater program. Parents of theater participants would be encouraged to form a nonprofit group to operate the program.
- Fee increase at Happy Hollow Park and Zoo.
- Decreased preventative maintenance on pavement, landscaping, and traffic signals.
- Reductions to sidewalk repairs.
- Elimination of 12 percent of staffing in the Police Department Traffic Enforcement Unit.
- Elimination of crime prevention programs, including Challenges and Choices and the Neighborhood Action and WATCH programs.
- Elimination of a hose wagon at Fire Station 6, and relocation of other apparatus for more efficient coverage.
- Elimination of the Fire Department’s dedicated Hazardous Incident Team.
- A 3 percent reduction in staffing for the Police Department’s Property Investigations Unit.

Following are fee increases for residential land uses within the Proposed FY 2005–2006 Budget:

Service	Percent Increase	Current Monthly Fee	Proposed Monthly Fee
Storm Sewer	4.5%	3.82	3.99
Wastewater	4.5%	19.81	20.70
Solid Waste	3%	18.30	18.90
Water	2.6%	30.43	31.33

The City adopts a five-year CIP, which guides the City in the planning, scheduling, and budgeting of capital projects. The CIP is updated annually and approved by the City Council. In FY 2005–2006, there are numerous significant projects that will be underway, including the new City Hall, four new libraries, five community centers, numerous park and trail improvements, fire station upgrades, traffic improvements, utility infrastructure improvements, and airport expansion. A large portion of these projects will be funded from the use of one-time funding sources that support particular efforts. For instance, voter-approved bond revenues are earmarked for parks, library, or public-safety purposes; the new City Hall facility is funded by lease revenue bonds limited to that project; and the Airport expansion is primarily funded by the issuance of debt that will be supported by Airport revenues.

Likewise, in order to offset the costs related to new development within the City, the City has a policy that states that infrastructure extension costs to serve the new development will be borne by the developers. Hence, a significant portion of the costs for infrastructure such as streets, sewers, storm drains, parks, fire stations, and libraries are funded by fees and charges paid by new development.

The City-assessed development impact fees include water, sewer, library, traffic, police, fire, drainage, and parks and recreation.

In an effort to reduce costs and streamline the acquisition of goods and services, the City has adopted a purchasing policy. The policy states that the director of general services is responsible for the provision of supplies, materials, equipment, and services for the City. The policy details procedures for bidding requirements, open market purchases, and open purchase orders. The County Grand Jury has recently completed an investigation and report regarding the City's procurement procedures. The investigation resulted in five findings and four recommendations, which include revising the City's procurement policies to ensure all City, State, and federal requirements are adequately addressed, updating the Municipal Code with more specific guidelines, strengthening the standards for purchasing documentation, and increasing the threshold for requiring City Council approval. In response to the Grand Jury Report, the City is currently in the process of preparing a report proposing specific revisions to purchasing procedures and purchasing-related language in the Municipal Code.

The City has also adopted an investment policy to establish guidelines and management of the City's funds. The primary objectives of the policy are safety, liquidity, and yield. The policy establishes an Investment Committee to discuss investment activity, strategy, and procedures. The Committee consists of the City Manager, the City's financial directors, and three private-sector investment experts. The policy details authorized investments, internal controls, and the requirement of the Finance Director to prepare and submit quarterly investment reports.

The City of San Jose partners with several agencies and organizations to provide public services in a cost-effective manner. These include cooperative agreements for recreation and park facilities with the school district, wastewater treatment plant ownership and operation with the City of Santa Clara, and the joint operation of the Dr. Martin Luther King, Jr. Library with San Jose State University.

6.2 CITY PLANNING BOUNDARIES AND GROWTH

6.2.1 Planning Boundaries

In November 1996, the City of San Jose established a UGB. The intent of the UGB is to augment and solidify the City's longstanding policy of discouraging urban sprawl and preventing further encroachment of urban development into the hillsides surrounding the City. The UGB contains all lands within the City USA and two areas currently outside of the USA where planned development is expected to occur. The planned development areas are located in Coyote Valley and South Almaden Valley. The City's UGB is intended to be the ultimate limit to urban development. Lands outside of the UGB have been identified by the City as those intended to remain permanently rural in character and should remain under the jurisdiction of the County. The San Jose General Plan states that the objective of the UGB is to provide greater long-term certainty regarding future land uses outside of the UGB than is provided by the USA boundary. Likewise, the City General Plan has a policy that states that no expansion of the USA should be permitted outside of the UGB. The General Plan also states that the City of San Jose and the County of Santa Clara have a long tradition (since 1970) of cooperative land use planning and urban growth management.

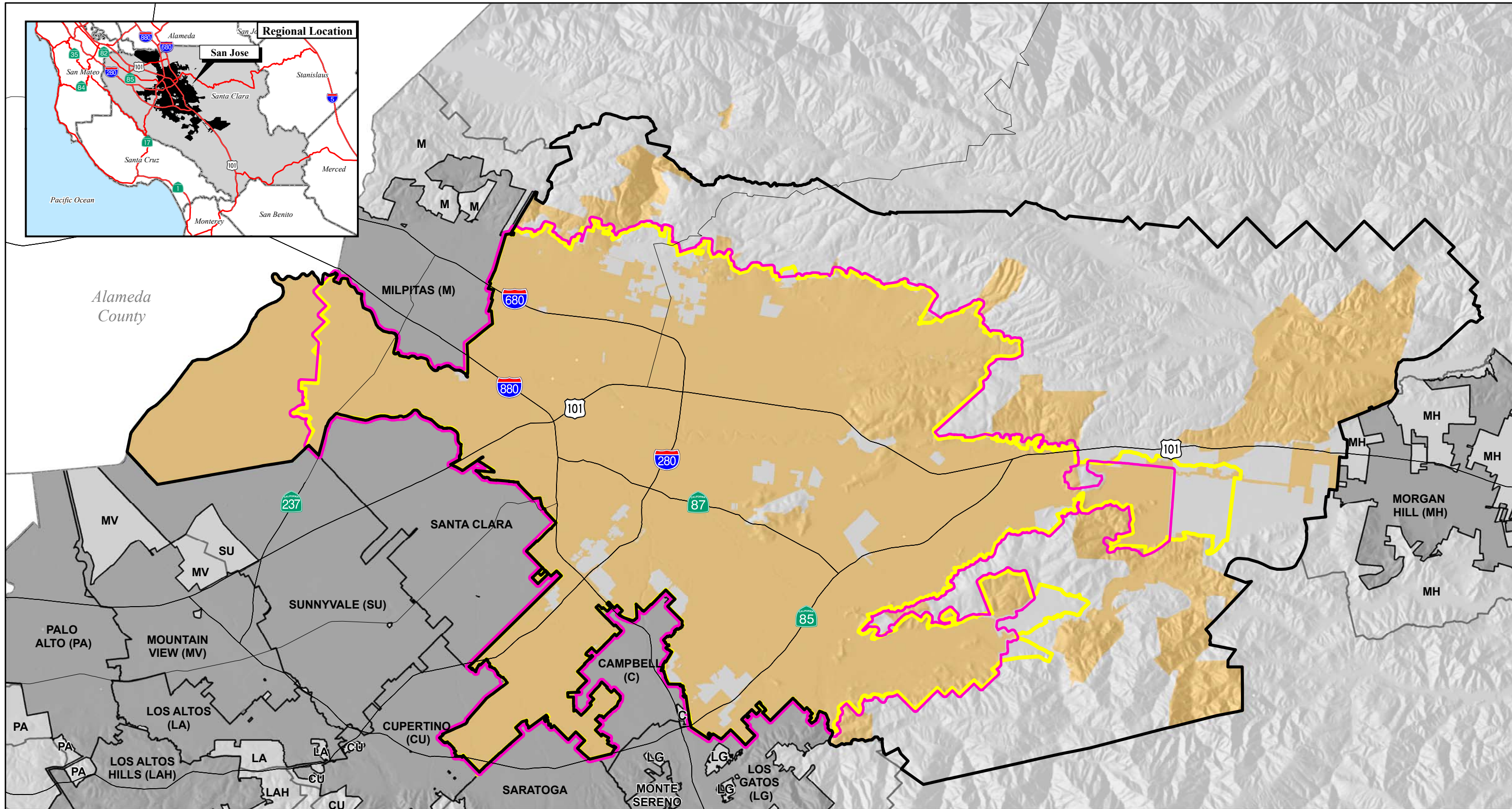
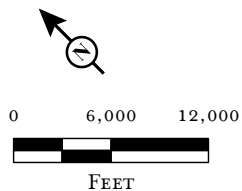


FIGURE 6.1

LSA



Legend

- County Boundary
 - City of San Jose
 - City of San Jose Sphere of Influence
- San Jose Urban Service Area
 - San Jose Urban Growth Boundary
 - Surrounding City Limits
- Surrounding City Sphere of Influence
 - Unincorporated Areas (not within San Jose SOI)

SOURCE: Santa Clara County, Dept. of Conservation (1996)
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Urban Pockets

As discussed in Section 1.2.5, the County and LAFCO have adopted policies that state that urban islands and pockets should be annexed. LAFCO has identified 81 unincorporated islands within the City of San Jose. LAFCO has provided maps of the islands to the City and maps are also provided on the LAFCO website. A large majority of these islands are less than 150 acres and could be annexed prior to the end of 2006, under the State's and LAFCO's streamlined procedures for island annexations. LAFCO has adopted a policy to encourage island annexations prior to outward expansions. To date no islands have been annexed.

6.2.2 City Growth

The City is currently in the process of developing a Specific Plan for the Coyote Valley area, which comprises approximately 7,000 acres of primarily undeveloped land located within the SOI of the City, approximately 12 miles south of downtown. Part of the Specific Plan area is currently outside of the City USA. Hence, development approval would require the City to propose and obtain an expansion of the City USA and annex this area into the City. Approval and implementation of this Specific Plan will comprise a majority of the City's future growth. This growth is beyond the growth that has been projected by ABAG in the most recently adopted regional growth projections. Because the Specific Plan is currently being developed, the timing of the growth is unknown. Likewise, the City does not have growth projections other than those adopted by ABAG.

The Specific Plan would provide for a minimum development of 50,000 jobs and 25,000 dwelling units. It is anticipated that the development will ultimately be a community ranging between approximately 70,000 to 80,000 residents. The actual population at build out will depend upon the number of persons per household and the actual mix of the different residential densities.

The Coyote Valley Specific Plan Area is relatively isolated from the rest of the City. Therefore, the development is proposed to be in the form of an independent community with a full range of services and community facilities. Parks and recreation areas are proposed throughout the development area at a ratio of approximately 3.5 acres per 1,000 residents. The Specific Plan also includes community centers, two libraries, and three fire stations. In addition, the proposed Specific Plan would require the extension of sewer, water, and storm drainage facilities.

6.2.3 Availability of Vacant Land

The following vacant land information is from the City of San Jose's Vacant Land Inventory (July 2005).

Residential

The rate of absorption of vacant residential land within the San Jose Urban Service Area experienced a great deal of variability over the past two decades, averaging roughly 320 acres per year, however, this varied by as much as 50 percent to 100 percent in consecutive years. This variability is a result of changes in the pace of construction of low-density, single-family detached homes, which historically comprised close to half of all new housing units. In the FY 2004-2005, the vacant land absorption rate for residential land was 129.6 acres; single-family residential at 73.8 acres and multi-family

residential at 55.8 acres. The rate of residential land absorption during FY 2004-2005 was the lowest that it has been in the last 25 years. The current availability of vacant residential land is approximately 1,090 acres. Approximately two-thirds of the vacant residential lands are designated for single-family development, as shown below.

Vacant Residential Land within the Urban Service Area in FY 2004-2005

Residential General Plan Designation	Acres
Urban Hillside	195.3
Rural Residential	7.4
Estate Residential	55.9
Very Low Density Residential	163.0
Very Low Density Residential	4.2
Low Density Residential	102.8
Medium Low Density Residential	174.2
Medium Density Residential	92.3
Medium High Density Residential	38.1
High Density Residential	132.5
Transit Corridor Residential	119.3
Residential Support for the Core Area	5.4
Total	1,090.2

The City is expecting the future rate of land absorption to be much slower and more consistent than in the past. Slower rates of land absorption will not necessarily translate into a reduced supply of new housing units because development is now commonly occurring on already developed land and residential densities are increasing. Currently, only about one-fifth of San Jose's new housing is made up of single-family detached units, with the large majority being higher density apartments, condominiums, and town-homes.

Commercial

Absorption of vacant commercial land in San Jose over the last twenty years has proceeded at a steady rate averaging about 35 acres per year. The majority of the City's commercial lands were developed prior to 1975, while more recent activity has shifted towards the reuse of property with prior improvements. The rate of commercial land absorption during FY 2004-2005 was the lowest that it has been in the last 25 years (5.2 acres). The City is expecting the rate to slow even further as the available vacant land supply continues to diminish (just under 150 acres). The vacant commercial land supply (in acres) as designated by the General Plan FY 2004-2005, is shown below.

Vacant Commercial Land within the Urban Service Area in FY 2004-2005

Commercial General Plan Designation	Acres
Office	27.4
Neighborhood Community Commercial	21.5
General Commercial	87.5
Regional Commercial	1.0
Core Area	2.1
River Commercial	6.7
Combined Residential/Commercial	0.8
Total	146.9

Industrial

The rate of absorption of vacant industrial land in San Jose has closely paralleled variations in the local high-tech industry over the last twenty years, ranging from 4 to 500 acres annually. The last few years have shown the lowest rate of absorption over the last twenty years, with the FY 2004-2005 absorbing approximately 17.5 acres of industrial land. The variation in the absorption rate is expected to continue because the demand for new industrial space is expected to eventually return to the Silicon Valley and the City has vacant industrial land available for development, as shown below.

Vacant Industrial Land within the Urban Service Area in FY 2004-2005

Industrial General Plan Designation	Acres
Industrial/Commercial	145.5
Campus Industrial	1659.0
Industrial Park	895.3
Industrial Core Area	76.5
Light Industrial	208.2
Heavy Industrial	38.9
Total	3023.4

6.3 WASTEWATER SERVICES

The City of San Jose provides wastewater collection and treatment within the City. The City's collection system is 2,200 miles in length. Sewer laterals, ranging in size from six to eight inches in diameter convey flows by gravity to sewer mains. Sewer mains vary in size from 10 to 90 inches in diameter. Approximately 85 percent of the sewer lines are 10 inches or smaller in diameter. The sewers primarily flow by gravity to a major sewer interceptor system. Sewer lift stations and force

mains are used at several locations to transport sewer flows that cannot be conveyed by gravity to the San Jose/Santa Clara Water Pollution Control Plant (WPCP).

The San Jose/Santa Clara WPCP is one of the largest advanced wastewater treatment facilities in California. It treats the wastewater that is generated in the 300-square-mile area encompassing San Jose, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno. In 1959, the Cities of San Jose and Santa Clara entered into an agreement to jointly own and operate the WPCP. Under this agreement, San Jose serves as the administering agency and is responsible for operating and maintaining the WPCP. The cities share in the capital and operating costs on a pro rata basis. For the year ended June 30, 2004, San Jose's share was approximately 80 percent.

The WPCP has the capacity to treat 167,000,000 gallons of wastewater per day. It is located in Alviso, at the southernmost tip of the San Francisco Bay. The WPCP provides primary, secondary, and tertiary treatment of wastewater. The existing capacity of the WPCP is 167 mgd. The WPCP currently treats an average of 116 mgd (dry weather average). There is no anticipated increase in WPCP capacity planned for the next 10–15 years.

Most of the treated water from the San Jose/Santa Clara WPCP is discharged as fresh water through the Artesian Slough and into South San Francisco Bay (100 mgd dry weather). About 16 mgd is recycled through South Bay Water Recycling pipelines for landscaping, agricultural irrigation, and industrial needs around the South Bay.

The Regional Water Quality Control Board has designated a flow trigger for the wastewater treatment plant of 120 million gpd. If average discharges from the WPCP exceed this level during the May–October dry weather season, the Board could order a number of more stringent measures such as a building moratorium. Due to successful conservation programs, the growth of the recycled-water market and the effect of the economy in reducing the influent to below the effluent trigger, the City has not exceeded the flow trigger. The flow trigger was implemented due to concerns over the effects of additional freshwater discharges from the WPCP on saltwater marsh habitat and pollutant loading to San Francisco Bay from the WPCP.

The City CIP includes the South Bay Water Reclamation Project. This is a regional project to recycle treated wastewater for irrigation and industrial uses. The project is part of an action plan to control the amount of effluent into San Francisco Bay. The recycled water distribution system includes approximately 60 miles of pipe, a 4 million gallon reservoir, a transmission pump station, and 2 booster pump stations. The recycled water is sold to the City of Santa Clara, the San Jose Municipal Water System, the City of Milpitas Water Company, and the San Jose Water Company.

To supplement the existing recycled water system, a new five million gallon reservoir, which will enhance reliability and improve system operations, is scheduled for construction completion in 2005–2006. In addition, recycled water pipelines to the new City Hall and along Coleman Avenue toward the City of Santa Clara are under construction.

The following are several capital projects currently underway at the treatment plant:

- A multiyear Plant Reliability Improvements Project that will increase the peak wet-weather flow capacity from 271 mgd to 400 mgd. Construction of this project began in spring 2005.

- Design for the rehabilitation of WPCP's electrical distribution system to replace aging infrastructure and ensure redundancy for its operations. The design will be based on the Electrical System Improvements Study that was completed in October 2004. Due to present funding constraints, the design will be completed; however, construction of the electrical upgrades will be deferred until 2008–2009.
- An Alternative Disinfection Project Study began in 2004. This project will evaluate and construct the facilities required in order for the WPCP to switch from gaseous chlorine to alternative disinfection methods. A Gas Chlorine Conversion Plan was completed in October 2004. Construction is scheduled to begin in FY 2005–2006.

The City completed a Sanitary Sewer Master Plan for the north, south, and central areas in June 2004. This was the first comprehensive sewer system capacity evaluation in 25 years. The Master Plan identified existing and potential future system capacity deficiencies and developed a prioritized list of capital improvement projects to address the capacity issues. For each capacity deficiency, three improvements were identified, including upsizing pipes, construction of parallel pipes, and flow diversions to other sewers with available capacity. The Master Plan's Capacity Improvement Program includes 37 projects totaling 135,000 feet of sewer pipelines ranging in size from 10 to 72 inches in diameter. This program does not include trunk or inceptor rehabilitation projects that are not related to capacity needs. The Master Plan also provides other recommendations such as reinstating a permanent flow-monitoring program, revising the City's sewer level of service policy from 1982, updating design guidelines, and preparing for additional regulatory requirements. The Sanitary Sewer Master Plan for the east and west areas is anticipated to begin in future years. Once the East and West Master Plan is completed, it will help identify sewer capacity deficiencies in the entire existing system, and projected additional capacities required to meet future demands.

The majority of funds in the Sanitary Sewer System CIP are used to construct sewer improvement projects. Construction projects in the proposed CIP fall into one of two categories: (1) enhance sewer capacity in substantially built out areas and/or less developed areas; or (2) rehabilitate existing sewers, with higher priorities given to those with extensive, severe deterioration. In the current CIP, expenditures for capacity-enhancement projects total 37 percent of projects and rehabilitation projects total 63 percent projects.

The primary funding sources for the Sanitary Sewer System CIP are the Sewer Service Fee, Sanitary Sewer Connection Fee, and "Joint Participation" contributions from the City of Santa Clara, the County Sanitation Districts 2–3, and the West Valley Sanitation District for the shared use of San Jose sewer lines.

The Sanitary Sewer Connection Fee is charged for connecting to the City's sewer system. The fees collected may only be used for the construction and reconstruction, including land acquisition, of the sanitary sewer system. The fee is based on the number of single- and multifamily residential units built and the acres developed on commercial and industrial properties.

6.3.1 Wastewater Rate Comparison

Residential customers are charged a set monthly rate for services, while commercial and industrial customers are charged rates that are based on the type of business and the percentage of sewage

compared to the amount of water used. Table 6.A compares San Jose’s wastewater rates to those of nearby jurisdictions.

Table 6.A: Existing Monthly Wastewater Rates

	Santa Clara	San Jose	Milpitas
Residential: single-family	\$9.94	\$20.70	\$25.13
Residential: multifamily	\$9.94	\$11.84	\$18.24 per unit
Commercial and industrial	\$0.761–\$2.686 per HCF ¹ ; calculated depending on use	\$1.66–\$4.88 per HCF ¹ ; calculated depending on use	Calculated depending on use

6.4 SOLID WASTE SERVICES

Solid waste service is provided by the City through several contracts with different solid waste service companies. Norcal Waste Systems serves approximately 80 percent of the City’s single-family homes. GreenTeam of San Jose serves approximately 45,000 single-family homes and all of the multifamily homes within the City. GreenWaste Recovery also collects yard trimmings and sweeps residential streets for half of the City. The solid waste that is collected within the City of San Jose is hauled to the landfills listed below. These facilities are Class III, which accept construction/demolition waste and mixed municipal refuse. Additional detail regarding these facilities is located in Appendix A.

- Billy Wright Disposal Site
- Forward Landfill, Inc.
- Zanker Material Processing Facility
- Altamont Landfill & Resource Recovery
- Foothill Sanitary Landfill
- Potrero Hills Landfill
- Newby Island Sanitary Landfill
- Vasco Road Sanitary Landfill
- Kirby Canyon Recycling & Disposal Facility
- Keller Canyon Landfill
- Hillside Class III Disposal Site
- Redwood Sanitary Landfill
- Guadalupe Sanitary Landfill
- John Smith Road Landfill
- Monterey Regional Waste Management District/Marina Landfill
- Fink Road Landfill
- Ox Mountain Sanitary Landfill

In 2000 (the most recent data posted by the CIWMB) the City of San Jose disposed of 773,527 tons of solid waste. The CIWMB shows that the solid waste disposal generation factor for the City is 1 pound per resident per day and 7.6 pounds per employee per day.

¹ Hundred Cubic Feet

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) requires all jurisdictions to achieve 50 percent solid waste diversion after the year 2000. Per the CIWMB, the City exceeded this goal and had a 59 percent diversion rate in 2003 (the most recent data posted).

The City has recently undergone an intensive Grand Jury investigation regarding contracts for services with Norcal Waste Systems. At issue is the knowledge and public disclosure of potentially large labor-cost increases prior to City Council approval of a contract agreement with Norcal for services. This is relevant to the service review as it involves potential cost savings, opportunities for rate restructuring, management efficiencies, and local accountability and governance.

The City's rates for solid waste services are dependent upon the size of the garbage cart used. The service includes monthly street sweeping service and weekly garbage, recycling, and yard trimmings collection. Table 6.B provides a comparison of City solid waste service rates.

Table 6.B: Monthly Solid Waste Rates

	San Jose	Milpitas	Santa Clara
Residential			
Single-Family	20-gallon cart at \$17.22	\$47.10	32 gallon can at \$13.25
Multi-Family	32-gallon cart at \$18.30	\$59.50–\$1,275.55	32 gallon can at \$13.25
Townhouse/condo	64-gallon cart at \$36.60	—	32 gallon can at \$7.78
Low income	96-gallon cart at \$54.90	—	
Commercial			
	Dependent on size of bin and number of pickups per week	\$25.51–\$1,636.68 Dependent on size of bin and number of pickups per week	\$8.53–\$1,889.67 Dependent on size of bin and number of pickups per week

6.5 PARK AND RECREATIONAL SERVICES

The City of San Jose provides park and recreational services to its residents. The City's existing park and recreational facilities are listed below in Table 6.C.

Table 6.C: City of San Jose Park and Recreational Facilities

Facility and Location	Amenities	Acreage
Aborn Park East of Renfield & Pentland	Picnic tables	3.1
Albertson Parkway Purple Hills Drive at PG&E Easement	Open space	2.7
Almaden Meadows Park Camden & Meridian	Picnic tables, barbeques, playground	15.5

Facility and Location	Amenities	Acreage
Almaden Lake Park Almaden Expressway & Coleman	Restrooms, picnic tables, barbeques, playground	64.9
Almaden Winery Chambertin & Blossom Hill	Picnic tables, playground	5.3
Alviso Park Wilson Way & N. 1st Street	Restrooms, picnic tables, barbeques, playgrounds	7.5
Avenida Espana Park Downs & Rawls	Open space	1.0
Backesto Park 13th & Empire	Restrooms, picnic tables, barbeques, playgrounds, basketball courts, tennis courts, lighted softball field, soccer fields	13.0
Basking Ridge Park Basking Ridge Avenue near Bernal Road	Picnic tables, playground	8.0
Bernal Park Hedding & 7th Street	Restroom, picnic tables, playground, softball field	2.8
Berryessa Creek Park Messina & Isadora	Picnic tables, barbeques, playground, softball field	13.7
Bestor Art Park	Playground, community garden, turf, tables	0.7
Biebrach Park Delmas & West Virginia	Restroom, picnic tables, barbeques, playground, basketball court	6.4
Boggini Park Remington & Millbrook	Picnic tables, barbeques, playground, softball field, soccer field	10.0
Branham Park Ross & Branham	Picnic tables, barbeques, playground, basketball court, exercise course	7.0
Brigadoon Park Brigadoon & Maloney	Picnic tables, barbeques, playgrounds	5.5
Brigadoon Tot Lot Threadneedle & 5th Street	Picnic table, playground	0.5
Brooktree Park Fallingtree at PG&E Easement	Picnic table, barbeques, playground, soccer field	7.7
Butcher Park Camden & Ross	Restroom, picnic tables, barbeques, playgrounds, basketball court, softball field, soccer field	10.0
Cahalan Park Cahalan & Pearlwood	Restrooms, picnic tables, barbeques, playgrounds, basketball courts, tennis courts, softball field	9.5
Cahill Park W. San Fernando Street & Wilson Street	Picnic tables, basketball court	3.7
Calabazas Park Rainbow & Blaney	Restrooms, picnic tables, barbeques, playgrounds, basketball courts, tennis court, lighted softball field	17.2
Calero Park Calero & Lean	Picnic tables, playground	4.6
Camden Park Camden & Union	Picnic tables, barbeques, playground, basketball courts, softball and soccer fields	6.0

Facility and Location	Amenities	Acreage
Canoas Park Wren & Kingfisher	Picnic tables, barbeques, playground, tennis court	3.8
Canyon Creek Park	Playlot, picnic tables, and turf	1.5
Capitol Park Bambi & Peter Pan	Restrooms, picnic tables, barbeques, playgrounds, basketball courts, tennis courts, softball field, soccer field	11.6
Carrabelle Park Camden & Villagewood	Picnic tables, playground	2.9
Cassell Park Leeward Drive & Foxdale	Picnic tables, barbeques, playground	1.4
Cataldi Park Morril Avenue & Cataldi Drive	Restrooms, picnic tables, barbeques, playgrounds, tennis courts, soccer field, exercise course	33.5
Cathedral Oaks Park Falcon Ridge Court & Falcon Knoll Drive	Open space	16.8
Children of the Rainbow Park Madden & Elodie	Picnic tables, barbeques, playground, basketball court, softball field	1.3
Chris Hotts Park Via Monte Drive & Almaden Expressway	Picnic tables, playground	0.5
Chynoweth Park Chynoweth & Lean	Picnic tables, barbeques, playground	2.4
Cimarron Park Pellas & Orange	Picnic tables, playground, basketball court	7.2
Columbus Park Spring & Taylor	Open space	9.9
Comanche Park Comanche & Shawnee	Playground	3.0
Coy Park Coy & Judith	Picnic tables, playground	4.5
Danna Rock Park Houndshaven & Valleyhaven	Picnic tables, barbeques, playground	11.0
De Anza Park Princeton & Meridian	Restroom, picnic tables, playground, basketball courts, tennis courts, softball field	9.6
Doerr Park Potrero & Park Wilshire	Restroom, picnic tables, barbeques, playgrounds, basketball courts, tennis courts, softball fields	11.7
Dovehill Park Carick & Ravens	Picnic tables, barbeques, playground, softball field	3.9
Edenvale Garden Park Edenvale & Saddlebrook	Tennis courts	19.7
Emma Prush Farm Park Story & King	Restrooms, picnic tables, barbeques	43.5
Erickson Park Pearl & Oyster Bay	Picnic tables, barbeques, playground	1.6

Facility and Location	Amenities	Acreage
Evergreen Park Yerba Buena & San Felipe	Restrooms, picnic tables, barbeques, playground	16.4
Fernish Park Fernish & Rubion	Picnic tables, barbeques, playground	6.0
Flickinger Park Tourney & Stratton	Restrooms, picnic tables, playgrounds, basketball courts, softball and soccer fields	14.4
Foothill Park Foothill & Cahalan	Open space	6.9
Forestdale Tot Lot Forestdale & Highway 280	Picnic tables, playground	0.4
George Page Park Santa Teresa & Miyuki	Picnic tables, playground, tennis courts, softball field	4.0
Gleason Mini Park	Playlot, benches	0.2
Glenview Park McCall & Hollow Park	Picnic tables, playground	4.2
Graystone Park Mt. Carmel & Camden	Picnic tables, barbeques, playgrounds	4.7
Great Oaks Park Guisti & Snow	Picnic tables, barbeques, playground, basketball court, softball and soccer fields	12.3
Gregory Plaza Tot Lot Gregory & Helen	Picnic tables, playground	0.2
Groesbeck Hill Park Klein & Norwood	Picnic tables, playgrounds, basketball court, tennis court, exercise course	26.6
Guadalupe Oak Grove Park McAbee & Thorntree	Restrooms, picnic tables	62.7
Gullo Park Moorpark & Williams	Picnic tables	0.7
Hamann Park Central & Westfield	Restrooms, picnic tables, barbeques, playground, tennis courts, softball field	10.5
Happy Hollow Park & Zoo Senter & Story	Restrooms, picnic tables, barbeques, playground	12.0
Hathaway Park Columbo & Vallejo	Restrooms, picnic tables, barbeques, playground, basketball court, softball field, exercise course	7.7
Hester Park Naglee near Dana	Picnic tables, barbeques, playground	0.4
Hillview Park Adrian & Ocala	Restrooms, picnic tables, barbeques, playground, basketball court, softball field	11.6
Houge Park Twilight & White Oaks	Restrooms, picnic tables, barbeques, playgrounds, basketball court, exercise	12.5
Huerta Tot Lot Hillsdale at PG&E Easement	Playgrounds	0.3
Hummingbird Park Bird Avenue & Fisk Avenue	Picnic tables, playground	0.4
Jeffrey Fontana Park Golden Oak & McAbee	Playgrounds, exercise course	10.0

Facility and Location	Amenities	Acreage
Kelley Park Senter & Story	Restrooms, picnic tables, barbeques, exercise course	138.0
Kirk Park Briarwood & Foxworthy	Restrooms, picnic tables, barbeques, playgrounds, basketball courts, softball field	8.5
La Colina Park Los Pinos & Ansdell	Picnic tables, playground	25.5
Lo Bue Park Muirfield & Sierra Meadow	Picnic tables, barbeques, playground, basketball courts	6.1
Lincoln Glen Park Lincoln & Curtner	Restrooms, playgrounds	6.2
Lone Hill Park Michon & Vintner	Restrooms, picnic tables, barbeques, playgrounds, basketball court	7.9
Los Paseos Park Avenida Grande & Via Vista	Restrooms, picnic tables, barbeques, playground, lighted tennis courts, exercise course	10.8
Martin Park Melbourne near Jeanne	Picnic tables, barbeques	9.3
Mayfair Park Kammerer & Sunset	Picnic tables, barbeques, playground, basketball courts	6.5
McEnery Park San Fernando & Guadalupe River	Lighted tennis courts	1.8
McLaughlin Park McLaughlin & Clemence	Picnic tables, barbeques, playground	2.1
Meadowfair Park Corda & Leyva Middle School	Picnic tables, playground	8.4
Meadows Park Bluefield & Bliss	Picnic tables, barbeques, playground	5.2
Melody Park La Torre & Keywadin	Picnic tables, barbeques, playground	4.0
Metcalf Park Forsum & Urshan	Restrooms, picnic tables, playground, basketball courts	6.2
Miner Park Lean & Copco	Playground, exercise course	5.2
Mise Park Mitty & Moorpark	Restrooms, picnic tables, barbeques, playground, basketball courts, lighted softball field	11.7
Miyuki Dog Park Miyuki Drive & Santa Teresa	Open space	3.8
Moitozo Park North First Street & Descanso Drive	Picnic tables, playground, tennis court	5.0
Montgomery Hill Park Yuerba Buena Road & Murillo	Open space	59.6
Mt. Pleasant Park Aramis & Park Pleasant	Picnic tables, barbeques, playground, tennis court	5.4

Facility and Location	Amenities	Acreage
Municipal Golf Course Brokaw & Gish	Open space	158.4
Municipal Stadium E. Alma & Senter	Open space	21.1
Murdock Park Wunderlich & Castle Glen	Restroom, picnic tables, barbeques, playground, lighted tennis courts	11.5
Nancy Lane Plaza Nancy Lane & Florence	Picnic tables, playground	1.4
Noble Park Noble & Colette	Picnic tables, playground, softball field	8.4
Northwood Park Cardington & Lakewood	Picnic tables, barbeques, playground	3.9
O'Connor Park Auzerais Avenue between Meridian & Race	Picnic tables, playground	1.7
Our Park Van Winkle & Story	Open space	0.5
Overfelt Gardens Educational Park & McKee	Picnic tables	32.6
Pal Stadium King 101, 680 & Virginia	Restrooms, lighted softball field, soccer field	16.1
Palmia Park Primrose Drive & Palmia Drive	Picnic tables, barbeques, playground, basketball courts, tennis courts	4.4
Parkview I Bluefield & Virginia	Playground	2.6
Parkview II Sposito & Greenpark	Playgrounds	2.6
Parkview III Monet Circle & Monet Drive	Open space	5.4
Parma Park Camden & Little Falls	Picnic tables, barbeques, playgrounds	5.5
Parque de la Amistad Vollmer & Mayfair School	Picnic tables, playground, exercise course	1.0
Parque de los Pobladores 1st & Market	Open space	0.2
Paul Moore Park Hillsdale & Cherry	Restrooms, picnic tables, barbeques, playgrounds, basketball courts, lighted tennis courts, softball field	8.4
Pellier Park Terraine & St. James	Open space	0.2
Penitencia Creek Park Berryessa Road & Adams Drive	Restrooms, picnic tables, playgrounds	40.0
Pfeiffer Park Pfeiffer Ranch Road & Boulder Mountain Way	Picnic tables, playgrounds	1.2

Facility and Location	Amenities	Acreage
Plata Arroyo Park King & McKee Road	Picnic tables, barbeques, playground, basketball court, exercise course	10.6
Playa del Rey Park Sunny Oaks & Glenburry	Picnic tables, barbeques, playgrounds, basketball court	3.7
Plaza De Cesar Chavez Park Market & San Carlos	Restrooms	2.3
Rainbow Park Johnson & Rainbow	Restrooms, picnic tables, barbeques, playground	9.6
Ramblewood Park Kinsule & Dundale	Restrooms, picnic tables, barbeques, playground	9.3
River Glen Park Bird & Pine	Restrooms, picnic tables, barbeques, playground, basketball court, tennis court, softball field, exercise course	9.2
Rocksprings Tot Lot Rock Spring & Needles	Picnic tables, playground, basketball half-court	1.7
Roosevelt Park Santa Clara & 21st Street	Picnic tables, barbeques, playgrounds, basketball courts, softball field	10.8
Rose Garden Dana & Naglee	Restrooms, picnic tables	10.7
Rosemary Gardens Park Sonora Avenue & Forrestal Avenue	Picnic tables, playground, exercise course	1.3
Roy Avenue Park Roy & Almaden Expressway	Playground	1.0
Rubino Park Desmet Drive off Rubino Circle	Picnic tables, barbeques, playgrounds, basketball courts	3.4
Ryland Park San Pedro & 1st	Restrooms, picnic tables, barbeques, playgrounds, basketball courts, exercise courts	3.2
Ryland Dog Park 1st & Jackson	Open space	0.2
San Tomas Park Valerie & Fenian	Restrooms, picnic tables, barbeques, playgrounds, basketball court	4.8
Santana Park Tisch & Monroe	Restrooms, picnic tables, playgrounds, softball field	5.3
Saratoga Creek Park Hoyet & Cordelia	Restrooms, picnic tables, barbeques, playgrounds, exercise course	10.4
Scottsdale Park Branham & Tampico	Open space	0.3
Selma Olinder Park Williams Street & Brookwood Drive	Open space	13.0
Shady Oaks Park Coyote & Broderick	Picnic tables, barbeques, playground, basketball courts	7.0
Silver Creek Linear Park Silver Creek & Yerba Buena	Restrooms, picnic tables, barbeques, playgrounds, basketball court, tennis courts, exercise course	53.8

Facility and Location	Amenities	Acreage
Silver Creek Linear Picnic Meadow Yerba Buena between Silver Creek Road and Silver Creek Valley Road	Restrooms, picnic tables, barbeques, playground, exercise course	Included in acreage above
Silver Leaf Park Silver Leaf & Palmwell	Picnic tables, barbeques, playgrounds, basketball court, exercise course	5.8
Solari Park Cas & Los Arboles	Restrooms, picnic tables, barbeques, playground, basketball courts, lighted tennis courts, lighted softball field	8.8
St. James Park St. John & 1st	Restrooms, picnic tables, basketball courts	6.8
Starbird Park Boynton & Williams	Restrooms, picnic tables, barbeques, playground, basketball courts, lighted softball field	8.2
Stonegate Park Gassman & Tuers	Picnic tables, barbeques, playgrounds	4.0
T.J. Martin Park Burchell & The Strand	Picnic tables, playground, soccer field	23.6
Terrell Park Kenton & Normington	Picnic tables, barbeques, playgrounds, softball field	5.4
Thousand Oaks Park Thousand Oaks & Downswick	Picnic tables, playground	10.0
Townsend Park Lundy & Townsend	Picnic tables, playgrounds, tennis courts, exercise course	8.0
Turtle Rock Park Malden & Boa Vista	Picnic tables, barbeques, playground	1.1
Vinci Park Vinci Park & Donahue	Picnic tables, barbeques, playground	3.0
Vista Park New Compton & New Glasgow	Picnic tables, barbeques, playground, basketball courts, softball field	9.9
Wallenberg Park Curtner & Cottle Avenue	Restrooms, picnic tables, barbeques, playground, lighted tennis courts, exercise course	9.0
Waterford Park Sand Pebble & Vista Park	Picnic tables, barbeques, playground	2.8
Watson Park East Jackson & 22nd	Restrooms, picnic tables, barbeques, playgrounds, soccer field	26.3
Watson Soccer Bowl East Jackson & 22nd	Restrooms, soccer field	5.9
Welch Park Clarice & Santiago	Restrooms, picnic tables, barbeques, playgrounds, softball field, soccer field	11.1
Wilcox Park Winona & Wilcox	Open space	2.0
William Street Park 16th Street & William Street	Picnic tables, barbeques, playground, basketball court	15.9

Facility and Location	Amenities	Acreage
Willow Street Frank Bramhall Park Willow Street & Camino Ramon	Restrooms, picnic tables, barbeques, playground, basketball courts, tennis courts, softball field	18.0
Windmill Springs Park Baysmill & PG&E Easement	Picnic tables, barbeques, playgrounds, soccer field	8.3
Zolezzi Park King Road & Hermocilla Way	Playgrounds	2.0
Total Park Acreage		1,684.5

The City also has the following future facilities:

Table 6.D: New Park Projects

New Park Name	Location
Brenda Lopez Plaza Park	Unknown
Cilker Park	Winfield Boulevard & Chenowith (turf/walkway, benches): 1.8 acres
Coyote Creek Park	William Street Park to Hellyer Park
Gleason Mini Park	Gleason & San Tomas Parkway (playlot, benches): 0.2 acres
Guadalupe Gardens	Spring Street & Taylor (Regional Park: 145 acres)
Guadalupe River Park	Along Guadalupe River (Regional Park: 120 acres)

The City has adopted the following standards for the provision of park and recreation services:

- 3.5 acres of park lands per 1,000 population and provide equal access within a 0.75-mile radius of residents, of which a minimum are 1.5 acres of neighborhood, community, or locally serving regional/Citywide park lands and up to 2 acres of school playgrounds
- 7.5 acres of regional/Citywide park lands per 1,000 population
- 500 square feet of community center floor area per 1,000 population

As noted above, the City of San Jose relies on its partnership with the school district to meet community recreation needs. Schools provide over 1,900 acres of recreation space for both indoor and outdoor recreation programs offered by the City and other local organizations. Since 1997, the City and School District have coordinated programs and services among City departments, schools, and community-based organizations. Based upon the California Department of Finance 2005 population data for the City (944,857), the existing school acreage and City parkland acreage provide approximately 3.79 acres per 1,000 population.

The City's Greenprint for Parks and Community Facilities states that there is a limited amount of undeveloped land in San Jose that may be available for park acquisition and that funds for acquisition are also limited. The Greenprint also states that the City will be unable to acquire the total acreage needed to achieve City goals by 2020. Therefore, the City has examined access and distribution

within underserved areas to determine how service provision could be improved. The City plan contains numerous recommendations that facilities be developed at existing school or City facility locations, the development of mini and pocket parks, and the development of trails at existing creek corridors.

Per the City’s Greenprint, San Jose currently provides community centers at a ratio of approximately 330 square feet per 1,000 population, which is below the existing City objective. Additionally, of the City’s 26 community centers, 22 require modernization, renovation, or replacement. Most existing recreation buildings are also approximately 25 years old and in need of renovation. In response, the City has implemented several community center/recreation facility projects over the past 3–4 years that have been funded primarily by bond measures.

To assist in planning capital improvements, the Greenprint provides a complete project list and cost summary for improvements for 2001–2020. The City also has funding sources for park and recreation facilities, including Construction and Conveyance Taxes that are levied against new construction and Park Dedication and Impact fees. Per the City Ordinance, the City requires the dedication of parkland or the payment of in lieu impact fees based on a standard of 3 acres of parkland per 1,000 population and 3.36 persons per dwelling unit.

In addition to the City’s parks, several County park facilities are located in and near the City. These parks supplement the facilities that are provided by the City. These County Parks are detailed below in Table 6.E.

Table 6.E: County Parks within or near San Jose

Park and Location	Amenities	Acreage
Almaden Quicksilver County Park South San Jose	34.2 miles of trails, picnic areas	4,147
Alviso Marina Mill Street & Alviso North San Jose	Bird watching, hiking, mountain biking, picnic areas	17
Anderson Lake County Park 19245 Malaguerra Avenue Morgan Hill	Reservoir, Coyote Creek Parkway, multiple-use trails, equestrian staging area, nature trail, Jackson Ranch historic park site, Moses L. Rosendin Park, Burnett Park area, picnic facilities, rest areas	3,109
Calero County Park 23201 McKean Road San Jose	Reservoir, picnic areas, barbecues, 18.6 miles of trails, and horse stables	3,476
Ed Levin County Park 3100 Calaveras Road Milpitas	Multiple-use trails, fishing, hiking, cycling, horseback riding, picnic areas, hang gliding,	1,539
Field Sports County Park 9580 Malech Road San Jose	Firing range	

Park and Location	Amenities	Acreage
Hellyer County Park 985 Hellyer Avenue San Jose	Multiple-use trails, bicycling, fishing, hiking, running, skating, nine-hole public golf course, Olympic-size velodrome	205
Joseph D. Grant County Park 18405 Mt. Hamilton Road San Jose	Multiple-use trails, equestrian staging area, fishing, hiking, mountain biking, picnic areas, campsites (by reservation)	9,553
Los Gatos Creek County Park 1250 Dell Avenue Campbell	Multiple-use trail, fishing, hiking, picnic area, remote-control model boating	80
Motorcycle County Park 300 Metcalf Road San Jose	Over 20 miles of trail and tracks, picnic areas	459
Penitencia Creek County Park	Multiple-use trail, cycling, equestrian staging area, hiking, nature center, picnic areas	134
Santa Teresa County Park 260 Bernal Road San Jose	Santa Teresa Golf Club, equestrian staging area, picnic areas, Bernal-Gulnac-Joice Ranch and Santa Teresa Springs, archery range, 18 miles of trails	1,627
Vasona Lake County Park 333 Blossom Hill Road Los Gatos	Multiple-use trails, cycling, fishing, hiking, miniature train rides, nonpower boating, Youth Science Institute	150

Recreation

The City provides recreation programs to residents of all ages. The City publishes a recreational brochure several times per year. The brochure provides a comprehensive listing of all the programs. The following programs are offered by the City:

- Aquatics classes
- Ballet
- Ceramics
- Cheerleading
- Cooking classes
- Dancing
- Drama/theater
- Drawing
- Early childhood classes
- Fitness
- Guitar
- Gym/fitness program
- Gymnastics
- Martial arts
- Knitting/sewing
- Painting
- Parent/tot classes
- Piano
- Salsa dancing
- Scrapbooking
- Self-defense
- Senior programs
- Soccer
- Sports classes
- Stained glass
- Tai Chi
- Tap dance
- Tennis
- Yoga

6.6 STORM WATER DRAINAGE SERVICES

The City of San Jose provides storm drainage system services within the City. The City's storm drainage facilities route storm runoff into local storm drains, which then empty into local creeks and waterways. The existing system is approximately 900 miles long and the underground drainage storm lines range in size from 12 inches to 144 inches in diameter.

The FY 2006–2010 CIP states that the City's storm water drainage system capacity in most areas can accommodate a three-year storm event. However, there are certain areas in which the storm system has a one-year or less storm capacity. The design standard for new and replacement storm drain pipelines is 10-year storm capacity. In addition, one-third of the storm sewer pump stations throughout San Jose are over 40 years old and require significant rehabilitation. Storm sewer systems in newly developed areas are primarily constructed by the developers as a condition of development.

In accordance with the City General Plan, the City has a Storm Sewer System CIP with the objective of reducing the risk of drainage-related surface damage and protecting the quality of storm water runoff. The CIP provides for projects to enhance existing capacity and improve operations and maintenance of the system. In previous years, the storm water drainage CIP had directed the majority of its resources toward the design and construction of storm sewer systems that serve large drainage basins. Only a modest portion of its resources had been allocated to the resolution of localized ponding, primarily in residential neighborhoods. The 2006–2010 Proposed CIP includes additional funding that would address local ponding and neighborhood drainage issues such as damaged or inadequate curbs and gutters. Revenue for the CIP is derived from transfers from the Storm Sewer Operating Fund, Storm Drainage Fees, interest earnings, and joint-participation revenues.

The Storm Sewer Operating Fund receives funding from annual property assessments. A three-year rate increase strategy was approved by the City Council in June 2002 to increase the Storm Sewer Service Charge Fee by 4 percent in 2002–2003 and 4.5 percent in 2003–2004 and 2004–2005 to ensure adequate funding. For 2005–2006, a new three-year 4.5 percent annual rate increase strategy (from 2005–2006 to 2007–2008) is proposed to fund additional capacity and neighborhood Storm improvements.

Table 6.F: City of San Jose Storm Water Service Charges

Land Use	Service Charge
Single-Family Residential	\$3.99
Mobile Home Residential	\$2.00
Small Multifamily Residential (3–4 units)	\$7.56
Residential Condominium	\$2.19
Large Multifamily Residential (5 or more units)	\$2.19
Other Land Uses	Charges are based on land use type and acreage

In addition, a Storm Drainage Fee is charged as a connection fee to the owner/developer of any project that will discharge storm water, surface water, or ground water runoff into the City's storm drainage system. This fee provides for the additional capacity that the connection will utilize.

6.7 LAW ENFORCEMENT SERVICES

The City of San Jose Police Department provides law enforcement services throughout the City. The Department provides services by dividing the City into 16 districts, which are further divided into a total of 83 beats. In 2004-2005 the Police Department received approximately 213,000 9-1-1 calls and 288,700 3-1-1 non-emergency calls.

The Police Headquarters is located at 201 W. Mission Street. In addition, the Department has three Community Policing Centers, which are listed below.

- Foothill Community Policing Center – 1155 South King Road
- Central Community Policing Center – 1060 Taylor Street
- Southern Community Policing Center – 947 Blossom Hill Road

The Department is divided into five divisions, which include: Office of the Chief, Bureau of Administration, Bureau of Field Operations, Bureau of Investigations, and Bureau of Technical Services. A description of each division is listed below.

- Office of the Chief: Units answering directly to the Office of the Chief include the Internal Affairs Unit, Intelligence/Vice Unit, Crime Analysis Unit, and the Research and Development Unit
- Administration: responsibilities include personnel, recruiting, training, evidence, psychological services, fiscal issues
- Field Operations: this is the largest division and responsibilities include: Patrol Division answering calls for service, Special Operations, Airport Division, Crisis Management Unit, Community Services Division, and the Patrol Divisions (Central, Foothill, Southern, Western)
- Investigations: responsibilities include investigation of crimes against persons and/or property. There are multiple Department Units that are under the Investigations Division, these include Assault/juvenile/missing persons Unit, Court Liaison Unit, Financial Crimes/Burglary Unit, Hi Tech Unit, Narcotic Covert Investigations Unit and Regional Auto Theft Task Force, Family violence Unit, Gang Investigations Unit, Homicide Unit/Crime Scene, Sexual Assault Investigations Unit, Auto Theft and Accident Investigations, Police Artist, Children's Interview Center.
- Technical Services: Communications Division (dispatch operations), Operations Support Services Division and Systems Development.

There are approximately 1,350 sworn officers in the Department. Of these sworn officers 1,046 are dedicated to immediate field response. There are also 233 sworn personnel assigned to the Bureau of Investigations. Additionally, over 272 civilians are dedicated to emergency dispatch and "officer in the field" direct support. There are a total of 447 authorized civilian positions that provide various support services.

The City's Police Department objectives include the following:

- Maintain an 89 percent average of 9-1-1 calls being answered within 10 seconds of the average response times of at least 6 other cities of similar size
- Maintain an average call answering time of 2.5 seconds for 9-1-1 calls
- Maintain an average call processing time of 45 seconds for 3-1-1 calls
- Maintain an average call answering time of 9 minutes for Telephone Reporting Automation Center calls
- Maintain an average response time of 6 minutes from service call to officer arrival when there is a present or imminent danger to life or major damage/loss of property (Priority One)
- Maintain an average response time of 8 minutes from service call to officer arrival where there is injury or property damage, or potential for either to occur (Priority Two).

It is unclear whether the Police Department is currently meeting the objectives that are listed above. However, it is known that in calendar year 2003, the San Jose crime rate was 34.7% below the national level of 4,063 incidents per 100,000 inhabitants with only 2,652 incidents per 100,000 inhabitants. When compared to the California crime rate during the same period, San Jose was well below the State level of 4,004 incidents per 100,000 inhabitants (33.8%). Similarly, the San Jose crime rate for 2003 was considerably lower than 12 similar cities with a crime rate at 57.6% below the level of 6,250 incidents per 100,000 inhabitants for 12 similar cities.

The Police Department has recently implemented a new computer aided dispatch system. The County Grand Jury received multiple complaints that the system has deficiencies that affect public's safety and that of police officers. The complaints led to a Grand Jury investigation and report. The report included seven findings and eight recommendations. The recommendations included: assigning more information technology staff and less law enforcement staff to these types of projects, having a more proactive management approach, having a method for obtaining improvement suggestions, and improving the technical and mapping functions of the project. In its response to the Grand Jury Report, the City has partially agreed with the findings. Some of the Grand Jury identified deficiencies have been corrected and others are currently being researched.

Due to citywide budget constraints, the Police Department is concentrating on providing 'street-ready' staff by drawing on staff from other less critical areas to maintain response service levels. As a result, support areas such as recruiting, administrative tasks, traffic enforcement, training, and community services will operate with reduced staff. Likewise, Crime Prevention and Community Education programs, particularly in the areas of neighborhood and adult programs will be negatively affected. The 2005-2006 proposed budget eliminates 10 sworn positions and 12 Crime Prevention Specialist positions. Table 6.H provides detail on the sworn officer position changes that are within the Proposed 2005-2006 Operating Budget. To supplement Department funding, the City continues to apply for and receive grant funding.

Table 6.G: Changes in Sworn Officer Staffing Levels

Position	2004-2005 Adopted	2005-2006 Proposed	Change
Airport Police Officer	6	4	-2
Crime Prevention Specialist	12	12	0
Police Captain	11	10	-1
Police Lieutenant	53	51	-2
Police Officer	1,055	1,036	-19
Police Sergeant	247	239	-8
Total	-	-	-32

The Department currently has several capitol projects in various stages of development. These projects are summarized below.

- The South San Jose Substation project is a \$65 million project, which will develop a 100,000 square foot, full-service police facility on a 10.5 acre parcel in south San Jose. The land is currently in escrow. The facility is in the design phase and completion is expected in late 2008.
- A driver safety training facility is being developed on the buffer lands of the San Jose/Santa Clara Water Pollution Control Plant. The facility will mimic driving situations that Public Safety personnel could encounter. There will be a heavy vehicle portion and light vehicle portion of the track to serve both Police and Fire apparatus. The facility is expected to be completed in the summer of 2008.
- Four new Community Policing Centers are proposed for development, one facility in each of the Patrol Divisions. The proposed Policing Centers are approximately 2,000 square feet and would primarily be used for crime-prevention services, report taking, and community meetings. The four centers are in various stages of land acquisition, design and construction.
- The Police and Fire Dispatch areas are proposed for renovation and the Department of Transportation's Traffic Information Management Center would move to the building. The Traffic Information Management Center monitors traffic throughout major roadways and has the ability to manipulate the traffic signals to help move traffic after a major event. This project is in the design phase and is scheduled to begin construction in August of 2006.

The Police Department has a number of joint response/mutual aid agreements with other agencies, which include: Agreement with the California Highway Patrol for traffic enforcement services on expressways; San Francisco Joint Terrorism Task Force, Santa Clara County Regional Sexual Assault Felony Enforcement Team, City and San Jose University Operational Responsibility Agreement, City and County Undocumented Immigrant Fugitive Agreement, City and County Adult Crossing Aide Services Agreement; County and City DUI Campaign, City and County Probation Department Operational Agreement, City of San Jose Violent Criminal Apprehension Program, Rapid Enforcement Allied Computer Team, City and County Regional Auto Theft Task Force.

6.8 LIBRARY SERVICES

San Jose provides library services to its residents through the San Jose Public Library System. The system consists of 1 main library and 19 branch libraries. The Dr. Martin Luther King, Jr. Main Library is operated jointly with San Jose State University. During FY 2003–2004, the City and university library circulated 14,170,776 items.

The 19 neighborhood branch libraries are distributed throughout the City. All of the City’s library facilities are listed below in Table 6.H. As noted in the table, many of the libraries are either under renovation and construction, in the renovation design phase, or have recently been renovated.

Table 6.H: City of San Jose Libraries

Library and Location	Facility Information
Almaden Branch Library 6455 Camden Avenue	This 18,000-square-foot facility is currently under construction and is scheduled to open in spring 2006.
Alviso Branch Library 5050 North First Street	This 4,460-square-foot branch opened in September 1999.
Berryessa Branch Library 3355 Noble Avenue	The new 26,000-square-foot branch opened on March 12, 2005, replacing the original 8,367-square-foot facility from 1968.
Biblioteca Latino-Americana Branch Library 921 South First Street	This 15,100-square-foot branch opened on November 20, 1999, and is a Citywide resource for Spanish-language materials.
Calabazas Branch Library 1230 Blaney Avenue	The 5,880-square-foot branch opened in 1966. The branch has four primary language collections: Chinese, Japanese, Korean, and Russian.
Cambrian Branch Library 1780 Hillside Avenue	This 28,000-square-foot facility is currently under construction and is scheduled to open in fall 2006.
Dr. Martin Luther King, Jr. Library 150 E. San Fernando Street	The branch is the largest library west of the Mississippi and includes a collection of roughly 1.5 million items.
East San Jose Carnegie Branch Library 1102 E. Santa Clara Street	This branch has been serving the public since January 14, 1908. The original building was renovated in 1981 and is currently 7,281 square feet.
Educational Park Branch Library 1770 Educational Park Drive	This 14,084-square-foot branch was constructed in 1976 and has a large selection of items in Chinese, Vietnamese, and Spanish.
Evergreen Branch Library 2635 Aborn Road	This facility is currently under construction. It is scheduled to open in late 2006 and will be 21,000 square feet.
Hillview Branch Library 2255 Ocala Avenue	This branch opened in August 1965 and is currently under construction. The remodeled building will be 21,000 square feet.
Joyce Ellington Branch Library 491 E. Empire Street	This branch is currently closed for renovation. The new facility is expected to be open in 2007 and will be 15,000 square feet.
Pearl Avenue Branch Library 4270 Pearl Avenue	This 7,116-square-foot branch opened in December 1971, and renovation design plans are currently underway.

Library and Location	Facility Information
Rose Garden Branch Library 1580 Naglee Avenue	This facility is currently under construction. It is scheduled to open in December 2005 and will be 19,000 square feet.
Santa Teresa Branch Library 290 International Circle	This 13,860-square-foot branch opened in November 1984.
Seventrees Branch Library 3597 Cas Drive	This 6,769-square-foot branch opened in 1967 and has recently been renovated.
Tully Community Branch Library 880 Tully Road	This 24,300-square-foot branch opened on January 22, 2005.
Vineland Branch Library 1450 Blossom Hill Road	This 24,000-square-foot branch opened on January 17, 2004.
Willow Glen Branch Library 1157 Minnesota Avenue	The existing 5,330-square-foot rebuilt library was opened in 1975. Renovation design plans are currently underway.
West Valley Branch Library 1243 San Tomas Aquino Road	The branch first opened in 1964, then was renovated to triple in size. The new facility opened in May 2003.

Two additional City libraries are planned for development. A property on Bascom Avenue will be acquired for the new West Side Branch, and a location for a new Southeast Branch is currently being determined.

There are three other library providers within the City:

- The Santa Clara County library owns and operates the Alum Rock Library, located at 3090 Alum Rock Avenue.
- San Jose State University libraries have two facilities within the City, including Clark Library on the University campus and the Special Collections Library on Senter Road. These facilities are open to all members of the community with purchased borrowing cards.
- The San Jose City College library is located within the City; however, the facilities are only accessible to college faculty, students, and staff.

Throughout its history, the San Jose Library System has received numerous awards and noteworthy recognitions. The most recent awards and noteworthy accomplishments are listed below.

- 2004 Library of the Year, from Thomson Gale and *Library Journal*
- 2004 AIASCV Honorable Mention for the Dr. Martin Luther King, Jr. Library, from the American Institute of Architects—Santa Clara Valley Chapter
- 2004 CAPIO Award of Excellence for the Grand Opening of the Dr. Martin Luther King, Jr. Library, from the California Association for Public Information Officials
- 2004 CASE Circle of Excellence Silver Award for Best Practices in Public or Governmental Relations, from the Council for Advancement & Support for Education

- 2004 Eye’s “Best” for Public Art—Editor’s Choice, from the San Jose Mercury News
- Green Building Certification and Awards for West Valley Branch Library
- Guinness World Record—Reading Aloud for surpassing the previous World Record for a Reading Aloud Marathon
- 2004 Helen Putnam Award of Excellence for Intergovernmental Relations & Regional Cooperation, from the League of California Cities
- 2004 John Cotton Dana Award for the Building Dedication Campaign, “Dr. Martin Luther King, Jr. Library—Check it out!” from the HW Wilson Co. & the Library Administration and Management Association
- Savings by Design Award for Energy-Efficient Design of the Dr. Martin Luther King, Jr. Library, from PG&E
- 2004 Savvy Award for Best Special Event, “Dr. Martin Luther King, Jr. Library—Check it out!” from the City-County Communications and Marketing Association
- 2004 Silver Anvil Award and 2004 Best of Silver Anvil Award for Events/Observances, 7 or Less Days (Government Category), from the Public Relations Society of America
- 2004 STAR Award for Community Event, “A Community of the Curious,” from the States of California and Nevada Chapter/National Association of Telecommunications Officers and Advisors
- 2004 Year in Review Feature for “Recolecciones,” the Dr. Martin Luther King, Jr. Library’s public art project by Mel Chin, from the Americans for the Arts Public Art Network

In September 2000, the City adopted a Library Master Plan to provide information regarding how the library system could be expanded to meet the needs of the City in 2020. The plan recommends facility service guidelines, policies to guide facility improvements, specific branch improvement recommendations, recommendations for new branches, and funding methods. Specifically, the plan recommends that the system expand to provide 2.75 volumes and 0.43 square feet for every resident by 2020.

To meet these objectives, a bond measure was approved in November 2000 that funded 6 new branch libraries and 14 expanded branch libraries over 10 years. These projects were identified, and the bond measure was based on recommendations from the Library Master Plan. The projects that have been funded by the bond are detailed in Table 6.H. As shown, many of the projects are currently underway, have been completed, or are in the design phase.

In addition, to provide increased funding for library materials, voters approved a 10-year Library Assessment District in November of 1994, which included a \$25 per year parcel fee for single-family residences. Multifamily, commercial, and industrial uses are charged based on the acreage of the facility or number of units. The Library Assessment District funds two-thirds of the library’s annual materials, and because of this, collections have been greatly strengthened and diversified. The voters approved renewed funding for the parcel tax in November 2004. This funding approval will provide supplemental library funding for another 10 years via the parcel fee.

6.9 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF SAN JOSE

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the previous information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. Budget issues have resulted in service reductions by affecting the availability and maintenance of the following City facilities: parks, libraries, community centers, pavement and sidewalks, traffic signals, and landscaping.
2. The Coyote Valley Specific Plan, if approved, would require a full range of community facilities. The plan currently includes parks and recreation areas at a ratio of approximately 3.5 acres per 1,000 residents, community centers, two libraries, and three fire stations. The proposed Plan would require the extension of sewer, water, and storm drainage facilities.
3. There are several capital projects currently underway at the wastewater treatment plant. These include a Plant Reliability Improvement Project, design for upgrading the Plant's electrical system, and an Alternative Disinfection Project Study.
4. The City completed a Sanitary Sewer Master Plan for the north, south, and central areas in June 2004. The Sanitary Sewer Master Plan for the east and west areas is anticipated to begin in future years. With completion of the East and West Master Plan, the City would be able to identify sewer capacity deficiencies in the entire existing system and would be able to project additional capacities required to meet future demands.
5. San Jose currently provides community centers at a ratio that is below the existing City objective of 500 square feet per 1,000 residents. In addition, a majority of the City's community centers and recreation buildings require modernization, renovation, or replacement. In response, the City has recently implemented several community center/recreation facility projects.
6. The City's storm water drainage system has deficiencies in certain areas that have a one-year or less storm capacity. In addition, one-third of the City's storm sewer pump stations require significant rehabilitation. The CIP includes additional funding that would address local drainage issues such as damaged or inadequate curbs and gutters.

Growth and Population

1. The City is currently in the process of developing a Specific Plan for the Coyote Valley area, which, if implemented, will comprise a majority of the City's future growth. The Plan would provide for a minimum development of 50,000 jobs and 25,000 dwelling units. The development is expected to ultimately have between approximately 70,000 to 80,000 residents. The Specific Plan cannot be implemented without LAFCO approval because a USA expansion would be required to provide services to the Specific Plan Area. Also, per the San Jose General Plan, certain triggers must be met to implement the Coyote Valley Specific Plan.

2. ABAG projections indicate that growth in the existing City would average 1.43 percent annually through 2025.
3. The rate of absorption of vacant lands within the San Jose Urban Service Area has varied largely over the past twenty years. The vacant land absorption that occurred within FY 2004-2005 was low in comparison to the past. The City is projecting the rate of absorption for residential and commercial lands to continue to be low, as less vacant land is available and more redevelopment of land is occurring. However, the City is expecting the absorption of industrial lands to continue to vary along with economic trends of the region.

Financing Constraints and Opportunities

1. For the past several years, the City of San Jose has been facing serious budget issues. The FY 2005–2006 Proposed Budget states that since June 2003, the City has had funding shortfalls totaling \$173.3 million dollars. Likewise, the FY 2005–2006 expenditures are expected to exceed revenues by approximately \$58 million and a shortfall of \$60 million is anticipated for FY 2006–2007.
2. The City’s budget issues have resulted in service reductions. In response to revenue constraints, the City has implemented a combination of ongoing cost reductions, prudent fee increases, and the strategic use of reserves and one-time revenues.
3. The City funds capital projects by utilizing one-time funding sources that support particular efforts such as voter-approved bond measures, lease revenue bonds, and the issuance of debt.
4. Due to present funding constraints, construction of electrical upgrades at the wastewater treatment plant will be deferred until 2008–2009.
5. In order to offset the costs related to new development, the City requires that infrastructure extension costs be borne by the developers. Likewise, the City requires the dedication of parkland or the payment of in lieu impact fees.
6. To provide funding for storm water drainage upgrades and maintenance, the City levies storm water charges on annual property assessments.
7. Due to budget constraints, the Police Department has eliminated sworn positions in nonresponse areas. As a result, support areas such as Recruiting, Backgrounding, Investigations, Administration, Traffic Enforcement, Training, Crime Prevention, and Community Education programs have been negatively affected.
8. The Police Department continually applies for and receives grant funding to support the existing provision of services.
9. To meet City service objectives, a library bond measure was approved in November 2000 that funded 6 new library branches and 14 library expansions over a 10-year period.

10. Two-thirds of the City library's annual materials are funded by a voter-approved Library Assessment District. This funding has greatly strengthened and diversified library collections.

Cost-Avoidance Opportunities

1. To reduce costs, the FY 2005–2006 Proposed Operating Budget proposes a 12.9 percent funding reduction from the previous year. Cost reductions include continuation of the hiring freeze, elimination of staff positions, elimination of City service programs, reduction of library hours, community center reuse, reduction of park maintenance, and decreased pavement maintenance.
2. To offset the costs related to new development, the City's policy states that infrastructure extension costs to serve the new development will be borne by the developers. Additionally, the City assesses development impact fees, including water, sewer, library, traffic, police, fire, drainage, and parks and recreation.
3. The City of San Jose partners with many different agencies/entities in order to provide public services in a cost-effective manner.

Opportunities for Rate Restructuring

1. The City has recently increased service rates for water, wastewater, solid waste, and storm water drainage in order to provide financing to continue adequate service provision.
2. Solid waste service rates should be analyzed and revised as necessary, pursuant to a resolution of the City's solid waste service contract issues.
3. A three-year storm water rate increase was approved by the City Council in June 2002. The increases were levied to fund infrastructure upgrades.

Opportunities for Shared Facilities

1. The City of San Jose partners with several agencies to provide public services in a cost-effective manner. These include cooperative agreements with the school district, City of Santa Clara, and San Jose State University.

Government Structure Options

1. In order to implement more efficient planning boundaries and take advantage of the current streamlined annexation opportunity, the City should pursue the annexation of the unincorporated islands within San Jose prior to further expansion.

Evaluation of Management Efficiencies

1. The County Grand Jury recently completed an investigation regarding deficiencies in a new computer aided law enforcement dispatch system. A large part of the Grand Jury Report focused

on improvements to management efficiencies and implementation of these types of projects. The Report included several recommendations regarding project management efficiencies. In its response to the Grand Jury Report, the City has partially agreed with the findings. Some of the identified deficiencies have been corrected and others are currently being researched.

2. Throughout its history, the San Jose Library System has received numerous awards and noteworthy recognitions. This is indicative of an efficiently managed service.

Local Accountability and Governance

1. The City holds City meetings pursuant to the Brown Act and has standing committees and citizen advisory committees.

6.10 SOI RECOMMENDATION FOR THE CITY OF SAN JOSE

Current SOI Boundary

In November 1984, LAFCO established the City's SOI to be coterminous with the Planning Area delineated in the City's 1984 General Plan. The 1984 General Plan distinguished this line as the first ridgeline of the foothills' rise from the valley floor. San Jose's 1984 SOI boundary includes lands that are planned for both urban uses as well as lands planned for permanent open space uses. Therefore, LAFCO concluded in 1984 that the City's SOI Boundary was not a commitment to staging urban expansion but rather a planning tool for LAFCO to use as a framework in considering expansion actions. The City's SOI also delineated areas in which the City and the County have shared interests in preserving non-urban land uses. Since 1984, San Jose's SOI boundary has remained significantly unchanged.

SOI Boundary Recommendation

It is recommended that LAFCO reaffirm the City of San Jose's existing SOI boundary because the City of San Jose's SOI boundary serves multiple purposes, including serving as:

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

Although the City of San Jose adopted a UGB in 1996 that is intended to be the ultimate limit for City urban development, the City's existing SOI boundary continues to perform several important functions, as discussed above. Therefore, it is recommended that LAFCO re-affirm San Jose's existing SOI boundary. In making this recommendation, it should be made clear that inclusion of an area within the City's SOI boundary should not necessarily be seen as an indication that the City will either annex or allow urban development and services in the area. The City's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the area will be annexed and provided urban services.

6.11 SOI DETERMINATIONS FOR THE CITY OF SAN JOSE

As detailed in Section 1.1.2, Government Code Section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the City's existing SOI.

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

Land outside of the City but within the San Jose SOI is largely designated non-urban hillsides, regional parkland, and ranchlands by the County. Smaller areas that are located outside of the City but within the San Jose SOI are designated by the County as agricultural large-scale, rural residential, and open space reserve and are located to the east and south of the City.

A large percentage of the existing land use acreage within the City of San Jose is residential. The majority of residential areas comprise low, medium-low, and medium density development. Significant industrial areas also exist in the northern portion of the City to the east and west of Interstate 880 and in the southern portion of the City along Highways 85 and 101. In addition, commercial areas are dispersed throughout the City, generally near transportation routes. Planned land uses within the City are similar to what currently exists, with the exception of the proposed Coyote Valley Specific Plan Area. The Coyote Valley Specific Plan Area is currently not fully within San Jose's USA or its City limits, and major portions of the Area are currently undeveloped. If approved, the Specific Plan Area would need to be included in the USA boundary and annexed into the City. At build out, the Specific Plan would create an urban community within south San Jose comprising a minimum development of 50,000 jobs and 25,000 dwelling units.

Finding: A variety of urban uses are planned within San Jose's Urban Service Area and San Jose's Urban Growth Boundary. However, both the County of Santa Clara and the City of San Jose General Plans call for the continuation of non-urban uses beyond these boundaries.

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

ABAG expects the City to experience modest growth through 2025 that would require a full range of public facilities and services. In addition to this growth, the City is in the process of developing a Specific Plan for the Coyote Valley area, which, if implemented, is anticipated to ultimately be a community of approximately 70,000–80,000 residents. The Plan Area is relatively isolated from the

rest of the City and would require provision of a full range of services and community facilities at City-adopted levels of service standards.

Apart from this, there is a low probable need for public facilities and services outside of the City limits or outside of the City's UGB. The UGB is intended to be the ultimate limit to urban development. The City has stated that lands outside of the UGB are intended to remain permanently rural in character and should remain under the jurisdiction of the County. To reinforce this objective, the City's General Plan has a policy that states that no expansion of the USA should be permitted outside of the UGB. Additionally, the land outside of the City limits and outside of City's UGB but within the City's SOI is largely designated non-urban hillside, regional parkland, and ranchlands and would not require the extension of urban services.

Finding: The type of public services and public facilities required in the proposed San Jose SOI will not change. The development of the Coyote Valley Area will require a full range of City services and community facilities and could have an impact upon existing City services and community facilities.

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

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities is adequate. However, the adequacy of community centers and recreation facilities is limited due to the need for renovations of some existing facilities. Furthermore, some storm water drainage facilities are deficient.

Finding: The present capacity of public facilities and public services is generally adequate. However, some City community centers and recreation facilities require renovations, and some City storm water drainage facilities are deficient.

4. Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

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

Additionally, San Jose has annexed territory that may never be in the USA boundary or the UGB, but is within the proposed SOI. These areas are distributed to the north, east, and south of the urban area. Many of these areas were annexed back in the 1950s and 1960s during a time when cities competed actively with one another to annex and develop as much land as they could, based on the assumption that the larger the city, the larger its tax base, and the more prosperous it would be. Other areas were annexed to the City but are prohibited from being developed such as the San Francisco National Wildlife Refuge Area. While these areas will not generally be considered for urban development, they are located within the jurisdiction of the City.

Finding: There exist social and economic conditions that cause interaction and interdependence between the City of San Jose and the areas proposed as its SOI.

7.0 CITY OF SANTA CLARA

The following services provided by the City are discussed within this service review:

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

7.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The City of Santa Clara is located approximately 45 miles southeast of San Francisco and 3 miles north of downtown San Jose. It is situated in the northern part of the County and occupies approximately 19.3 square miles. The City's sphere is coterminous with its boundary, and the City is completely bounded by other cities, as shown in Figure 7.1.

The City of Santa Clara is a charter city incorporated in 1852. The City has a Council/Manager form of government. City voters elect six councilpersons and a Mayor, who serve a term of four years each and who, in turn, appoint a City Manager. City Council meetings are regularly held two times per month on Tuesdays at 7:00 p.m. at City Hall in the Council Chambers. Complete agenda packets with back-up reports for the meetings are available at the City library beginning on Saturday before the Tuesday meetings and at the City Clerk's office on weekdays. To provide for public participation, the City has the following advisory committees to assist in meeting City objectives:

- Citizens Advisory Committee
- Board of Library Trustees
- Civil Service Commission
- Cultural Advisory Committee
- Historical and Landmarks Commission
- International Exchange Commission
- Parks and Recreation Commission
- Senior Citizens Advisory Commission
- Youth Commission

Registered voters (and young residents for the Youth Commission) who reside within the City are eligible for participation on these committees. All of the committees meet publicly on a regularly scheduled basis. Agendas and minutes for these meetings are available in the same manner as City Council meetings. The City also reaches out to residents by the use of surveys such as the recent Cable Customer Survey, which was used to help assess the cable service needs of the community. In

addition, the City publishes a recreational activity guide three times per year and a quarterly newsletter. The newsletter provides information on topics such as new developments within the City, the City budget, public meetings, City services, and community activities.

Per the City Charter, the City Council adopts an annual operating budget on or before June 30. The budget is prepared by City staff and reviewed by the City Manager, who then submits the draft to the City Council for review and revision. Public hearings are conducted to obtain public comments. Following the hearing, the budget is adopted by the City Council.

The Proposed FY 2005–2006 Budget states that the City is facing a long-term financial challenge, which includes its fourth straight year of deficits in the General Operating Fund. The City had deficits of \$2.9 million and \$9.2 million in FY 2002–2003 and 2003–2004, respectively. FY 2004–2005 and 2005–2006 are forecast to have deficits of \$9.4 million and \$2.1 million, respectively. The deficits are to be funded from the use of working capital reserves.

Likewise, the City's 2006–2007 through 2010–2011 Financial Plan projects that the Working Capital Reserves will be essentially depleted by the end of FY 2009–2010. It also forecasts that the City will not be able to maintain its Working Capital Reserves, equal to 90 days of budgeted expenditures during the 2006–2007 through 2010–2011 period.

The proposed budget states that it will take sustained efforts over several budget cycles to successfully resolve these issues. The City has implemented several measures to address the financial situation: holding operating budgets flat, which incorporates previous expenditure reductions, fee increases, delay or elimination of capital projects, hiring freeze, and the use of City reserves. Since FY 2003–2004, a total of 33.75 full-time equivalent positions have been deleted from the budget or frozen. The proposed FY 2005–2006 budget freezes an additional 2.17 positions and deletes 2.0 positions. All of the vacant positions have resulted from retirements or resignations, none of which have resulted from layoffs. City staff is continually identifying long-term measures that can be taken to address the City's financial situation.

The City also adopts an annual CIB. The projects that are included in the FY 2005–2006 CIB are a result of a formal review process. In light of the existing budget issues, the review has ensured that only those projects that have a direct impact on the health and safety of the public or are essential to maintaining existing levels of service and either replace aging infrastructure or have a contractual or regulatory obligations are included. The CIB document provides a description of each project as well as project justification, project status, and revenue source. Some of these projects are listed below:

- Replacement of Fire Station No. 4
- Street resurfacing projects
- Repairs and improvements to recreational facilities
- Utility system repairs
- Repairs and maintenance to historic and City buildings
- Construction of a ballroom for the convention center
- Continue construction of the San Tomas Aquino Creek Trail

The City has received the Excellence in Budgeting Award for the FY 2004–2005 CIP Budget and the Excellence in Operational Budgeting Award from the California Society of Municipal Finance Officers. Recipients of these rewards must exceed criteria regarding comprehensiveness and quality of the budget documents. It is the fifth year that the City has received this award for its annual budget and ninth year for its CIB.

The City has adopted a purchasing policy in order to guide procurement of City-needed goods and services. The policy details procedures for bidding and contracts. This involves having a centralized Purchasing Division that is under the supervision of the City Manager. The objective of the policy and structure of purchasing is to maximize cost-savings opportunities.

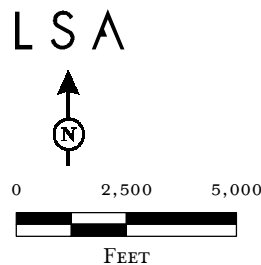
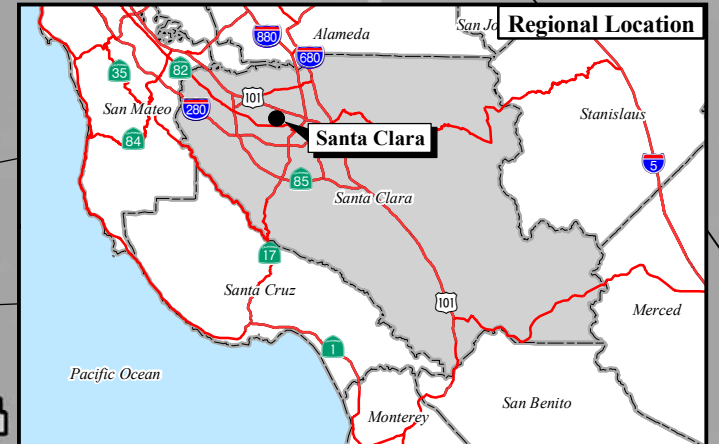
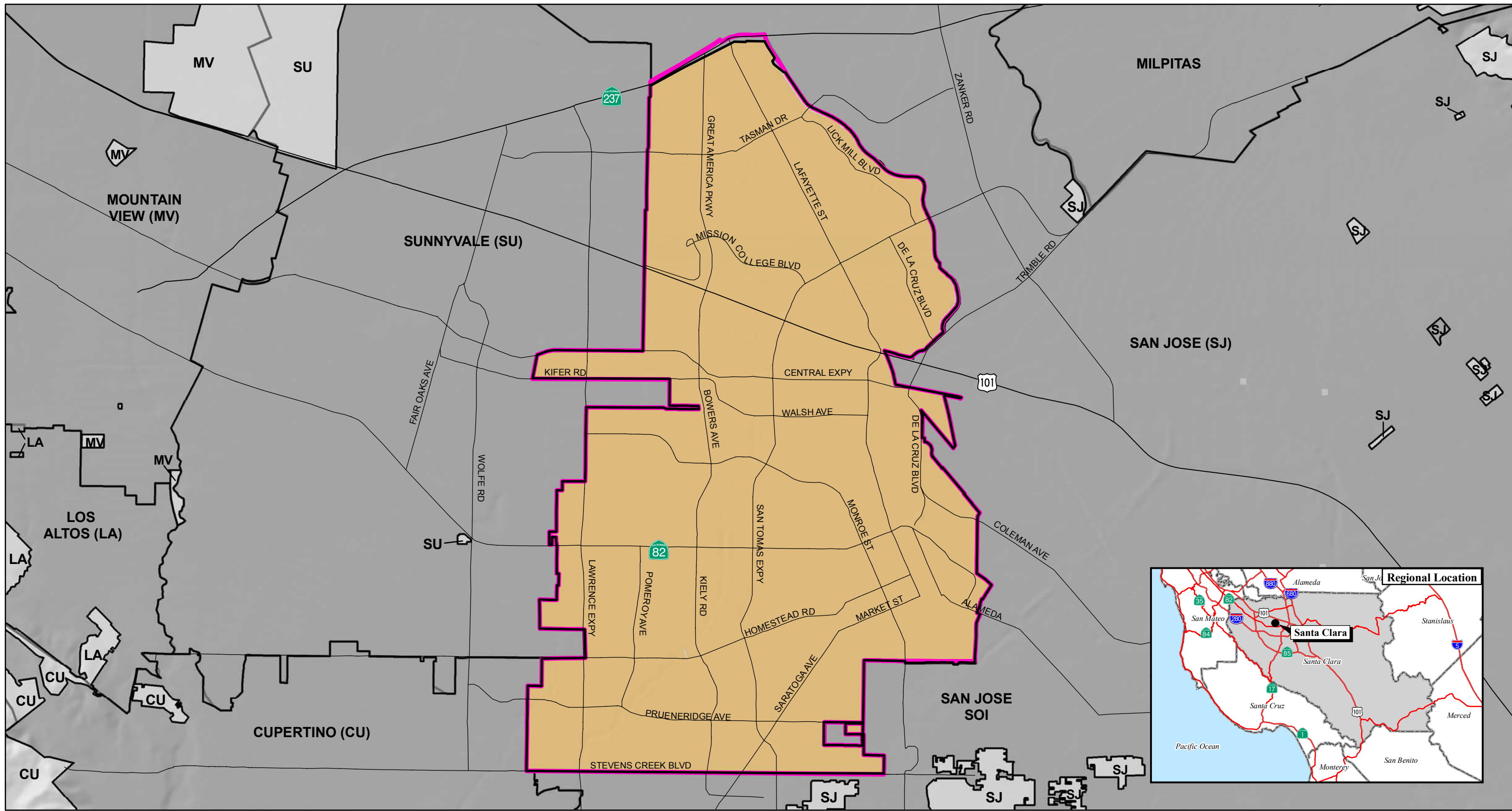
Likewise, the City has an investment policy that directs the investment of funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash-flow demands of the City. The primary objectives of the policy are safety, liquidity, and return on investment. The policy also requires the Director of Finance to provide monthly investment reports to the City Council.

In an effort to provide the numerous services in the most cost-effective manner, the City has several joint projects with other agencies to provide additional services. For example, the City and the Santa Clara Unified School District have several cooperative agreements to provide community facilities. The agreements between the City and District provide the community with greater recreational opportunities at costs much below what would otherwise be required. These agreements are listed below:

- The agencies are currently developing a new 350-seat community theater at the Wilcox High School located at 3250 Monroe Street. Construction of this facility is currently underway. The project is being administered by the District.
- The agencies have an agreement to utilize a portion of the Curtis school site as a dog park.
- The District has provided land at the Cabrillo Intermediate School property, and the City has constructed a Community Youth Activity Center. The City operates and maintains the facility.
- The agencies have a general cooperative agreement for the shared use of facilities, including playground areas, gymnasiums, meeting rooms, and other facilities.

The City also has an agreement with the West Valley College District for the joint development and use of multipurpose athletic facilities at Mission Campus. The facility was developed in 1977, and the City and District still jointly use and maintain the facility.

The San Jose-Santa Clara Water Pollution Control Plant is owned and operated by a JPA, which is comprised of the Cities of San Jose and Santa Clara. San Jose is the administering agency for the plant. The agreement allows for the cities to share one wastewater treatment facility.



- Legend
- City of Santa Clara
 - Surrounding City Limits
 - City of Santa Clara Sphere of Influence
 - Surrounding City Sphere of Influence
 - Santa Clara Urban Service Area
 - Unincorporated Areas

FIGURE 7.1

SOURCE: Santa Clara County
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7.2 CITY PLANNING BOUNDARIES AND GROWTH

7.2.1 Planning Boundaries

Urban Pockets

LAFCO has identified seven urban unincorporated pockets within the City. All of these are less than 150 acres and may be annexed under the streamlined provisions of State law. LAFCO has provided maps of the islands to the City and are also available on LAFCO's website. As of the time of this service review, the City is not actively pursuing annexation of these island areas.

7.2.2 City Growth

As discussed, the City cannot expand outwardly because it is bounded by other cities. In addition, the City is essentially built out. The 2002 General Plan states that in 2000, the City had 498 acres of vacant land, which is 4 percent of the City's total acreage. However, most of the vacant land had already been approved for specific development.

The growth potential that remains is for in-fill development, redevelopment and expansion, which would result in an increase in density. For example, some industrial plants in the City have reserved land for future expansion at their current sites. Parking structures are becoming more common as buildings replace surface parking.

As shown in Table 2.C, ABAG's growth projections are 1.23 for population and 1.55 for employment annually through 2025. This is an average growth rate compared to the other cities reviewed in this service review.

7.3 WASTEWATER SERVICES

Wastewater services within Santa Clara are provided by the City. There are approximately 25,531 service connections. Wastewater flows are collected and transported through more than 277 miles of sewer mains by way of six pumping stations to the San Jose-Santa Clara Water Pollution Control Plant located in the City of San Jose. The City's current average daily flow and peak flow to the wastewater treatment plant are 15.2 and 22 mgd, respectively.

The San Jose-Santa Clara Water Pollution Control Plant is one of the largest advanced wastewater treatment facilities in California. It has the capacity to treat 167 mgd. It treats the wastewater generated in a 300-square-mile area encompassing San Jose, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno. The cities share in the capital and operating costs on a pro rata basis. In 1959, the Cities of San Jose and Santa Clara entered into a JPA to jointly own and operate the plant. Under this agreement, San Jose serves as the administering agency and is responsible for operating and maintaining the Plant. Because San Jose is the administering agency, additional detail regarding the plant is located in Section 6.3.

The City of Santa Clara integrates growth projections into the City's Urban Water Management Plan by utilizing City standard generation factors for residential, commercial, and industrial land uses. The City then develops projections for wastewater flows based on a proportion of the projected water

demand. To ensure adequate capacity, the City requires all new development to be reviewed to determine the projected wastewater demand and available capacity before zoning approval or permits are granted. New or upgraded infrastructure that is necessary for new development is financed by developers based upon the increased demand that would be created by the project.

The City has stated that there are no existing wastewater infrastructure deficiencies. Likewise, the City stated that as long as infrastructure is upgraded and expanded in conjunction with new development, growth will continue to be accommodated adequately.

Wastewater Rate Comparison

Residential customers are charged a set monthly rate for services, while commercial and industrial customers are charged rates that are based on the type of business and the percentage of sewage compared to the amount of water used. Table 7.A compares Santa Clara’s sewer rates to those of nearby jurisdictions.

Table 7.A: Existing Monthly Wastewater Rates

	Santa Clara	San Jose	Milpitas
Residential: single-family	\$9.94	\$20.70	\$25.13
Residential: multifamily	\$9.94 per unit	\$11.84 per unit	\$18.24 per unit
Commercial and industrial	\$0.761–\$2.686 per HCF ¹ ; calculated depending on use.	\$1.66–\$4.88 per HCF ¹ ; calculated depending on use.	Calculated depending on use.

On May 13, 2003, the Santa Clara City Council approved a two-year increase of 6 percent each year. These increases were required to fund several capital projects to upgrade facilities at the San Jose-Santa Clara Water Pollution Control Plant. Hence, effective July 1, 2006, the residential rates listed above will increase to \$10.54 per month per unit, and commercial and industrial rates will also increase. Even with these increases, Santa Clara’s sewer rates remain the lowest when compared to other cities.

7.4 SOLID WASTE SERVICES

Solid waste service is provided by the City via contract with Mission Trail Waste Systems. The solid waste that is collected within the City of Santa Clara is hauled to the following landfills. These facilities are Class III, which accept construction/demolition waste and mixed municipal refuse. Additional detail regarding these facilities is located in Appendix A.

¹ Hundred Cubic Feet

- Foothill Sanitary Landfill
- Forward Landfill, Inc.
- Zanker Material Processing Facility
- Ox Mountain Sanitary Landfill
- Newby Island Sanitary Landfill
- Vasco Road Sanitary Landfill
- Kirby Canyon Recycling & Disposal Facility
- Guadalupe Sanitary Landfill
- John Smith Road Landfill
- Altamont Landfill & Resource Recovery

In 2000 (the most recent data posted by CIWMB) the City of Santa Clara disposed of 197,306 tons of solid waste. CIWMB shows that the solid waste disposal generation factor for the City is 1 pound per resident per day and 7.4 pounds per employee per day.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) requires all jurisdictions to achieve 50 percent solid waste diversion after the year 2000. Per CIWMB, the City was slightly below this goal and had a 49 percent diversion rate in 2003 (the most recent data posted).

The City's rate for solid waste services is dependent upon the type of residence (e.g., single unit, multiunit, condo), number of trash bins, and number of pickups per week. Commercial rates are based on the refuse bin size and by number of pickups per week. The City has recently approved a rate increase for solid waste services. The rate increase is 1.8 percent and became effective July 1, 2005. The new rates are reflected in the Table 7.B below, which provides a comparison of City solid waste service rates.

Table 7.B: Monthly Solid Waste Rates

	Santa Clara	Gilroy	Milpitas
Residential			
Single-Family	32 gallon can at \$13.25	32 gallon can at \$22.79	\$47.10
Multi-Family	32 gallon can at \$13.25	32 gallon can at \$22.79	\$59.50-\$1,275.55
Townhouse/Condo	32 gallon can at \$7.78	—	—
Commercial			
	\$8.53-\$1,889.67 Dependent on size of bin and number of pickups per week	\$22.79-\$2,367.57 Dependent on size of bin and number of pickups per week	\$25.51-\$1,636.68 Dependent on size of bin and number of pickups per week

7.5 PARK AND RECREATION SERVICES

The City of Santa Clara provides park and recreational services to its residents. The City has numerous existing park and recreational facilities, as listed in Table 7.C.

Table 7.C: City of Santa Clara Park and Recreational Facilities

Facility and Location	Amenities	Acreage
Agnew Park 2150 Agnew Road	Building, picnic area, restrooms, basketball courts, play area	2
Bowers Park 2582 Cabrillo Avenue	Building, picnic area, barbeques, restrooms, play area	7
Bracher 2560 Alhambra Drive	Picnic area, barbeques, restrooms, basketball courts, play area	3.5
Central Park 909 Kiely Boulevard	Building, picnic area, barbeques, restrooms, swimming pool, lighted basketball courts, lighted softball fields, lighted tennis courts, play area	52
City Plaza Park Lexington Street & Main Street	Picnic area	1
Civic Center Park Lincoln Street & El Camino Real	Passive park	3
Earl R. Carmichael Park 3445 Benton Street	Picnic area, barbeques, restrooms, basketball courts, lighted tennis courts, play area	10.5
Everett Alvarez Park 2280 Rosita Drive	Picnic area, restrooms, basketball courts, play area	1.5
Fairway Glen Park 2051 Calle de Primavera	Picnic area, barbeques, basketball courts, tennis courts, play area	4
Fremont Park 1303 Fremont Street	Play area	7
Fuller Street Park 61 Fuller Street	Picnic area, barbeques, restrooms, play area	2.4
Henry Schmidt Park 555 Los Padres Boulevard	Building, picnic area, barbeques, restrooms, basketball courts, softball fields, lighted tennis courts, play area	8
Homeridge Park 2985 Stevenson Street	Picnic area, barbeques, restrooms, basketball courts, play area	6
Jenny Strand Park 250 Howard Drive	Picnic area, barbeques, restrooms, basketball courts, tennis courts, play area	5
Larry J. Marsalli Park Lafayette Street & El Camino Real	Picnic area, barbeques, restrooms, lighted softball fields, play area	7
Lick Mill Park 4750 Lick Mill Boulevard	Building, picnic area, barbeques, restrooms, basketball courts, tennis courts, play area	7.5

Facility and Location	Amenities	Acreage
Live Oak 4025 Rivermark Parkway	Play area, picnic area, restroom, large turf areas	11
Machado Park 3360 Cabrillo Avenue	Building, picnic area, barbeques, restrooms, basketball courts, play area	3.5
Mary Gomez Park & Pool 651 Bucher Avenue	Picnic area, barbeques, restrooms, swimming pool, basketball courts, tennis courts, play area	8
Marywood Park 3330 Pruneridge Avenue	Building, picnic area, barbeques, restrooms, lighted tennis courts, play area	9.5
Memorial Cross Park Martin Avenue & De La Cruz Boulevard	Passive park	0.5
Montague Park 3595 MacGregor Lane	Building, picnic area, barbeques, restrooms, swimming pool, basketball courts, tennis courts, play area	5.5
Parkway Park 3675 Forest Avenue	Picnic area, barbeques, restrooms, play area	3.5
Rotary Park 1490 Don Avenue	Picnic area, barbeques, play area	1
Sesquicentennial Park 1590 El Camino Real	Passive park	0.25
Steve Carli Park 1045 Los Padres Boulevard	Restrooms, basketball courts, play area	3
Thamien Park Lick Mill Boulevard	Currently under construction; will have play areas, restrooms, tennis court, basketball court, turf areas	3.5
Ulistac Natural Area 4901 Lick Mill Boulevard	Walking trails	40
Warburton Park 2250 Royal Drive	Picnic area, barbeques, restrooms, swimming pool, basketball courts, play area	6
Westwood Oaks Park 460 La Herran Drive	Building, picnic area, barbeques, restrooms, basketball courts, play area	1.5
Total Park Acreage		224.15

The City's park development impact fee is based on a standard of 3 acres of parkland per 1,000 population and 3.36 persons per dwelling unit. Based upon the parkland listed above in Table 7.C and the California Department of Finance 2005 population data for the City (109,106), the City currently provides 2.05 acres of parkland per 1,000 population, and is below this standard for provision of facilities.

In addition to the City's parks, several County park facilities are located near the City. These parks supplement the facilities that are provided by the City. These County parks are detailed below in Table 7.D.

Table 7.D: County Parks Near the City of Santa Clara

Park and Location	Amenities	Acreage
Alviso Marina Mill Street & Alviso North San Jose	Bird watching, hiking, mountain biking, picnic areas	17
Ed Levin County Park 3100 Calaveras Road Milpitas	Multiple use trails, fishing, hiking, cycling, horseback riding, picnic areas, hang-gliding	1,539
Hellyer County Park 985 Hellyer Avenue San Jose	Multiple-use trails, bicycling, fishing, hiking, running, skating, nine-hole public golf course, Olympic-size velodrome	205
Los Gatos Creek County Park 1250 Dell Avenue Campbell	Multiple-use trail, fishing, hiking, picnic area, remote-control model boating	80
Motorcycle County Park 300 Metcalf Road San Jose	Over 20 miles of OHV trail and tracks, picnic areas	459
Penitencia Creek County Park	Multiple-use trail, cycling, equestrian staging area, hiking, nature center, picnic areas	134
Sunnyvale Baylands Park Sunnyvale	Over 70 acres of developed parkland, including picnic areas and pathways	70
Vasona Lake County Park 333 Blossom Hill Road Los Gatos	Multiple-use trails, cycling, fishing, hiking, miniature train rides, nonpower boating, Youth Science Institute	150

The City park system is augmented by agreements to utilize the facilities of the local school district. Almost all of the elementary schools provide space for a softball field, two basketball and two volleyball courts, and grass playground for free play. The elementary school playgrounds are never locked. Intermediate schools have at least one baseball and one football field, 8–10 basketball courts, and a large gym. The high schools have the same facilities plus a swimming pool and gym that seats 700 people. All of these facilities are available to the City recreation program and private groups when not needed by the school district.

Recreation

In addition to the facilities listed above, the City has a Senior Center, Youth Activity Center, and Golf and Tennis Club. The 18,000-square-foot Senior Citizens Center is located in Fremont Park. The facility has many activity rooms, a large auditorium, billiards and card rooms, lapidary room, kitchen, woodshop, and fitness center. The Senior Center offers a variety of recreation and social service programs.

The Youth Activity Center is located on the Cabrillo Middle School campus. The 20,000-square-foot facility was developed jointly by the City and the Santa Clara Unified School District. The facility consists of a gymnasium, two recreation activity rooms, and offices.

The Santa Clara Golf & Tennis Club was developed by the City on 155 acres of City-owned property. The golf and tennis facility is operated under a management agreement with American Golf Corporation. The facility includes an 18-hole golf course, a lighted driving range, practice putting green, 7 lighted tennis courts, a golf and tennis pro shop, locker room and shower facilities, and a restaurant.

The City offers a wide variety of recreation programs throughout the year for City residents. Programs are advertised three times per year in the City Activity Guide that is mailed to all City residences. In addition, the City holds special events such as the Easter Egg Hunt, July 4th Celebration, International Swim Meet, the Art and Wine Festival, concerts in the park, and the Halloween Party. The types of programs that the City offers are below.

- Aerobics
- Aquatics classes
- Art
- Ceramics
- Dancing
- Day camps
- Drama/theater
- Fine arts camp
- Fitness
- Golf
- Gymnastics
- Library services
- Preschool learning
- Senior Citizens Center
- Skate park
- Sports classes
- Tennis
- Youth activities

7.6 STORM WATER DRAINAGE SERVICES

The City of Santa Clara provides local storm water drainage services within the City. The majority of storm water runoff is collected by an underground piping system and drained into local streams through several pump stations. Additionally, flood-prone areas within the City occur in low-lying lands between stream levees; these areas are mainly located north of the Bayshore Freeway. Due to this, storm water in this area is conveyed into two large retention basins prior to being pumped into the streams. Throughout the City, runoff in excess of a 10-year storm is carried in the streets.

Storm water infrastructure deficiencies exist in southern areas of the City that were annexed from the County having no drainage infrastructure. Other areas within the City have also been identified as needing infrastructure upgrades in order to provide a 10-year flow capacity. A Citywide Master Storm Drain System Study is currently being planned that will analyze and identify the inadequacies of the system. The study will determine the system improvements necessary to provide 10-year capacity throughout the City and the system improvements needed to mitigate areas that are subject to 100-year flooding.

The current FY 2005–2006 CIB identifies several storm water drainage projects that consist of constructing supplemental lines and various pump station upgrades. Generally, facilities that would be needed for infill development are not expected to require major infrastructure because most of the City has storm drainage facilities that should accommodate infill development. New development within the City is required, through a Development Ordinance, to provide drainage that is capable of carrying runoff from a 10-year storm and to provide development impact fees.

New or upgraded storm water drainage facilities are currently financed by either development impact fees or the City CIB. However, some of the needed new or upgraded facilities are beyond the scope of the City's current financing capabilities. The existing revenue sources are not adequate to maintain and/or supplement the existing system to the City's desired standards. In addition, major capital facilities may be required to reduce storm water runoff from entering the San Francisco Bay.

An Assessment District is currently under consideration to help finance needed facilities. This is specifically needed to provide infrastructure in the large areas located in the southern end of the City. However, implementation of the Assessment District can only occur with two-thirds voter approval, and the City's Public Works Department has stated that currently the interest to proceed is low.

7.7 LAW ENFORCEMENT SERVICES

The City of Santa Clara provides law enforcement services to the area within the City limits. The Department has 148 sworn officers, 48 civilian employees, and 32 reserves. The Police Department responds to approximately 56,000 calls for service each year and is divided into several divisions, as detailed below.

The Field Operations Division (Patrol) responds to the vast majority of calls for service and is made up of patrol teams, a motorcycle traffic unit, traffic and hit-and-run investigators, community service officers, parking control and abandoned vehicle abatement personnel, and the Special Enforcement Team. Also in Field Operations is the Reserve Police Officer program, which consists of 32 sworn Reserve Officers. Of the Department's 148 sworn officers, 100 are in the Field Operations Division.

The Administrative Services Division is made up of the Chief's Office, the Community Services Unit, the Professional Standards Unit, the Temporary Holding Facility, and the Records Unit. Community Services Unit is responsible for Neighborhood and Business Watches, Crime Prevention, Police Activities League, permits, and various school services (DARE, School Resource Officers, and crossing guards). Professional Standards Unit is charged with hiring and training all departmental personnel, conducting Internal Affairs investigations, and cataloging, storing, and arranging for the disposition of all property and evidence. The Temporary Holding Facility is used to process individuals arrested in the City. Records tracks and processes all police-related paperwork and the numerous requests received from outside agencies for copies of documents.

The Emergency Communications Division is the primary 9-1-1 public safety answering point for the City of Santa Clara. The Division is staffed by 18 dispatchers, an Operations Manager, and an Administrative Analyst. All dispatchers are trained to handle police, fire, and medical emergencies. The center is manned by a minimum of four Dispatchers at all times. All Dispatchers are certified in Emergency Medical Dispatch, which means that they have the specialized training to triage medical calls based on a series of questions. They can also deliver detailed instructions for CPR, childbirth, and minor first aid. The City is currently planning to construct a dispatch center at the Police Administration building. Dispatch currently operates out of the Emergency Operations Center.

The Department utilizes a combination of response times and ratio of service calls to officers to ensure adequate service levels. The Department's standard response time and maximum acceptable response time is 2-4 minutes.

The Department participates in the Law Enforcement Mutual Aid Plan coordinated by the State Office of Emergency Services. The Department also implements the Santa Clara County 15 response protocols that include active shooters, child abuse, elder abuse, officer-involved accidents, and missing persons. Likewise, the Department has several cooperative agreements with other agencies to enhance services. For example, the Department is a member of the Silicon Valley Regional Radio Interoperability Project and has an agreement to allow this project to operate out of a City facility. In addition, the Department has been an active member in several regional task forces, including Santa Clara County Specialized Enforcement Team, Regional Hi-Tech/Technology Crime Unit, Regional Auto Theft Task Force, and the Sexual Predator Unit. However, due to current funding and personnel shortages, the Department withdrew from these task forces in September 2005. The Department anticipates additional opportunities for sharing facilities and equipment in implementing Homeland Security measures.

The operations of the Department are evaluated internally on a periodic basis through audits on systems and performance. The evaluations are generally performed at the mid-management level. In the past five years, the Department has accomplished several noteworthy achievements, including the 2001 recipient of Cop West's "Best Police Building Design," and in 2004, the Department implemented the "Every 15 Minutes" Anti-DUI Program for the Santa Clara Unified School District.

7.8 LIBRARY SERVICES

The City provides library services to the community. The library currently has the following two branches.

Central Park Library
2635 Homestead Road
Santa Clara, CA 95051

Mission Library
1098 Lexington Avenue
Santa Clara, CA 95050

The Central Park Library is the largest and newest Santa Clara City Library facility. The library opened in 2004 and has 80,000 square feet of floor space and, as of August 2005, 363,698 items, which is the majority of the Library's collection. Some of the Central Park Library's amenities include group study rooms, large community rooms accommodating 100 and 125 persons, public art, more than 100 public computers, high-speed Internet connection for personal laptops, a computer training facility, a café, and a bookstore.

The Mission Library Branch is 8,500 square feet and opened in 1956. It currently has 26,288 items. This facility was the first library in the City. However, since the opening of the Central Park Library, it serves as a smaller branch. It currently has a family reading center program.

The City's Library System objective is to provide 3.0 books per capita. In FY 2004–2005, the library system had 2.84 books per capita. City library resources are heavily used, particularly at the Central Library. Within the last year, the usage of the library has increased by approximately 20 percent. In the FY 2003–2004 the Library's total circulation was 2,187,318, and in FY 2004–2005, the circulation increased to 2,630,001. In addition to material and facility usage, the library provides programs for people of all ages. In FY 2003–2004, 26,482 people attended programs at the library; over 95 percent of the participants were children.

An additional library facility of 15,708 square feet has been proposed to serve the Northside area of the City. The branch is proposed to contain approximately 62,745 items. Per the Northside Branch Building Program, a collection of this size will enable the library to provide 3.5 volumes per capita at build out of this neighborhood. A branch in this area has been considered for many decades. There are currently redevelopment agency funds proposed to build the library, but funding for operations has not been identified. Per the FY 2005–2006 CIP Budget, this branch is budgeted for FY 2010–2011, with design to begin in 2010.

The City’s Library System has several agreements and partnerships with other agencies to supplement services, as detailed below.

- Silicon Valley Library System Joint Exercise of Powers Agreement: This is a consortium of some city and the County libraries that allows residents to search and use materials at all of the libraries. A website has been implemented that provides information on all of the facilities and materials that are available. This provides for streamlined research.
- Santa Clara County Historical and Genealogical Society Agreement: The Society donates genealogy materials to the library and provides volunteer assistance in the Local History Pavilion.
- Kaiser Permanente Hospital Agreement/Partnership. This partnership established and maintains the Health and Wellness Library, which is a health education resource that is located in the Central Park Library.
- Santa Clara Unified School District Partnership. Even Start Family Literacy Program is a partnership in which classes are held twice per week for 60 adults and their preschool children, all of whom have limited English language skills.
- Foundation and Friends of the Santa Clara City Library. This is a non-profit organization that supplements public funding to expand and enhance the library’s programs and services.

7.9 ELECTRIC SERVICES

The City of Santa Clara’s Electric Department, known as Silicon Valley Power, serves the residents and businesses of the City by providing reliable, low-cost electricity services. Silicon Valley Power was founded in 1896. The basic service information is listed below in Table 7.E.

Table 7.E: City of Santa Clara’s Electricity Services

Number of meters	48,573 meters
Miles of high voltage lines	475 miles
Number of substations	14
Maximum annual demand	405,000 megawatts (mW)
Total annual energy	2,507,000 mW
Number of industrial accounts	1,800
Industrial account percentage of total load	87 percent
Electric department staff	144 employees

The City of Santa Clara's municipal electric utility owns, operates, and participates in more than 380 mW of electric-generating resources and serves a peak load of approximately 460 mW. Although the City has been providing electricity since 1896, in 1980 Santa Clara launched its 6 mW Cogen No. 1 power plant, making the City a generator of electricity for the first time. In 1983, the 110 mW Northern California Power Agency Geothermal Joint Agency Project began providing service with Santa Clara as a lead partner, having a 55 percent share of electricity. The City also operates a network of substations and distribution lines to supply electricity. In addition, the City purchases wholesale electric power from various participants of the Western Systems Power Pool (WSPP), M-S-R Public Power Agency, Pacific Gas & Electric (PG&E) Company, and Western Area Power Administration. The City has many fixed-price power purchase contracts with various suppliers, with terms ranging from six months to five years.

Much of the electricity the City provides is obtained through the following joint electricity projects:

- The Northern California Power Agency: was formed in 1968 as a JPA in the State of California. Its membership consists of 11 cities, 1 irrigation district, 1 public utility district, 1 port authority, and 7 other associate member entities. This agency is generally empowered to purchase, generate, transmit, distribute, and sell electrical energy.
- The Transmission Agency of Northern California is a JPA entered into by 15 California utilities. The purpose of this agency is to plan, acquire, construct, finance, operate, and maintain facilities for electric power transmission.
- The M-S-R Public Power Agency is a JPA formed in 1980 by the Modesto Irrigation District, City of Santa Clara, and the City of Redding to develop or acquire and manage electric power resources. The participation share in this agency is as follows: Modesto Irrigation District: 50 percent; City of Santa Clara: 35 percent; and City of Redding: 15 percent.

In addition, Silicon Valley Power is a participant in mutual aid agreements with numerous electric utilities throughout California. These agreements include California Utilities Emergency Association Mutual Assistance Agreement and the North/South Municipal Utilities.

To meet power needs by utilizing self-generated power, the City has recently completed constructing a \$165 million 147 mW power generation facility, the Donald Von Raesfeld Power Plant. The gas turbine plant began operating in June 2005 and produces approximately one-third of Santa Clara's electricity. In addition, the City has finished construction of a 115 kilovolt (kV) Northern Receiving Station to upgrade the electric distribution system and to meet additional demand for service.

Another major project for Silicon Valley Power was to design and construct 230 kV bus and transmission lines to connect to the Northern Receiving Station. Interconnecting the distribution system to the area transmission system at 230 kV increased the load-carrying capacity and reduced transmission access charges. This project was completed on May 18, 2005.

In addition to the conventional methods of producing electricity as discussed above, in 1975 the City of Santa Clara took a leading role in the development and promotion of the use of solar energy. The City supplies, installs, and maintains solar water-heating systems for residents and businesses within Santa Clara, recovering the costs through monthly utility charges. In addition, the City also installed solar energy equipment at its own municipal facilities. Central Park has two of the largest solar

systems in the country: the Community Recreation Center heating system and the International Swim Center solar-heated pool.

Electricity Rates

The City of Santa Clara is a not-for-profit municipal electric utility, and the City Council oversees pricing. Thus, it is able to keep rates lower than other service providers without sacrificing quality and availability. All of the providers below utilize a tiered rate system based on usage. The system encourages conservation because rates increase as usage increases. Tables 7.F and 7.G below compares the City’s electricity rates to the State-regulated rates of PG&E, Edison, and San Diego Gas and Electric.

Table 7.F: City of Santa Clara Electricity Rates

Rates	Per Meter Per Month
Customer charge	\$2.17
Energy charge (to be added to the customer charge) first 300 kilowatt hours (kWh)	\$0.06456 per kWh
Excess over 300 kWh	\$0.07458 per kWh

Source: www.siliconvalleypower.com

Table 7.G: Electricity Rates for PG&E, Edison, and San Diego Gas and Electric

Tiers	PG&E	Edison	San Diego Gas & Electric
Tier 1	\$0.126 per kWh	\$0.13 per kWh	\$0.134 per kWh
Tier 2	\$0.143 per kWh	\$0.152 per kWh	\$0.159 per kWh
Tier 3	\$0.193 per kWh	\$0.197 per kWh	\$0.168 per kWh
Tier 4	\$0.236 per kWh	\$0.237 per kWh	\$0.177 per kWh
Tier 5	\$0.258 per kWh	\$0.259 per kWh	\$0.193 per kWh

Source: www.cpuc.ca.gov

7.10 CEMETERY SERVICES

The City owns and operates a 30-acre cemetery that is located on North Winchester Boulevard. The cemetery is one of only a few municipally owned and operated cemeteries in California. The services offered for cemetery needs include placement, records, and cemetery maintenance. The cemetery includes an office, a chapel, two mausoleums, Sarah Fox community vault, and a service center. Personnel are available for cemetery arrangements and needs, including in-ground burial, in-ground or niche placement of cremated remains, or mausoleum placement. The cemetery includes a children’s area, and the chapel is available for cemetery-related services. Gravesite services are allowed.

7.11 SERVICE REVIEW DETERMINATIONS FOR THE CITY OF SANTA CLARA

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, following are the written determinations for the City.

Infrastructure Needs and Deficiencies

1. In light of existing City budget issues, the City CIP only includes projects that have a direct impact on the health and safety of the public, are essential to maintaining existing levels of service, replace aging infrastructure, or have a contractual or regulatory obligations.
2. The City currently provides 2.05 acres of parkland per 1,000 population, which is below the City standard of 3 acres of parkland per 1,000 population.
3. Storm water infrastructure deficiencies exist in southern areas of the City that have no drainage infrastructure. Other areas within the City have also been identified as needing infrastructure upgrades in order to provide a 10-year flow capacity. A Citywide Master Storm Drain System Study is currently being planned that will analyze and identify the inadequacies of the system.
4. In FY 2004–2005, the City’s libraries had 2.84 books per capita, which is slightly lower than the City’s objective to provide 3.0 books per capita.
5. A library facility has been proposed to serve the Northside area of the City. A branch in this area has been considered for many decades because this area is far from the City’s existing branches. Per the Northside Branch Building Program, the proposed library would provide 3.5 volumes per capita at build out of this neighborhood.

Growth and Population

1. The City of Santa Clara is essentially built out and cannot expand outwardly because it is bounded by other cities. The growth potential that remains is for in-fill development, redevelopment, and expansion on underdeveloped parcels.
2. The growth projections most recently adopted by ABAG show population in the City growing by 1.23 percent annually. This is an average growth rate compared to the other cities reviewed in this service review.

Financing Constraints and Opportunities

1. The Proposed FY 2005–2006 Budget states that the City is facing a long-term financial challenge, which includes its fourth straight year of deficits in the General Operating Fund. The deficits have been and will continue to be funded from the use of working capital reserves. However, the City’s 2006–2007 through 2010–2011 Financial Plan projects that the City’s Working Capitol Reserves will be essentially depleted by the end of FY 2009–2010. These issues may constrain

the City's ability to continue to provide services at existing service levels and finance future infrastructure needs.

2. Due to current funding and personnel shortages, the Police Department withdrew from all regional task forces in September 2005.
3. A library facility is proposed to serve the Northside area of the City. There are currently redevelopment agency funds proposed to build the library, but funding for operations has not been identified. This funding issue has constrained development of the new facility.
4. The City levies development impact fees to offset the cost of service increases related to development within the City.
5. The City has identified needed storm water infrastructure projects that are beyond the scope of current financing capabilities. The existing revenue sources are not adequate to maintain and/or supplement the existing system to the City's desired standards.
6. An Assessment District is currently under consideration to finance needed storm water drainage facilities. However, the Public Works Department has stated that public approval is currently below the two-thirds vote needed for implementation.

Cost-Avoidance Opportunities

1. The City has implemented several cost-avoidance measures to address the existing financial situation, including holding operating budgets flat in order to incorporate previous expenditure reductions, delay or elimination of capital projects, and implementing a hiring freeze.
2. City staff is continually identifying long-term measures that can be taken to address the City's financial situation and reduce costs.
3. The City has numerous cooperative agreements with both public agencies and private organizations that provide and/or supplement services to the community while avoiding costs. The services that benefit from these agreements include police, wastewater, library, and park and recreation.
4. The objective of the City's centralized purchasing division is to maximize cost-savings opportunities.
5. The City's participation in joint electricity projects supplies electricity in a cost-effective manner, as multiple agencies share costs.

Opportunities for Rate Restructuring

1. The City regularly reviews rates for services and adjusts them as necessary. The City recently approved rate increases for both wastewater and solid waste services. Even with these increases, Santa Clara's rates remain low when compared to other cities.

2. The City of Santa Clara is a not-for-profit municipal electric utility and is able to keep rates lower than other service providers. The City utilizes a tiered rate system, which encourages conservation because rates increase as usage increases. The City evaluates electricity rates regularly.

Opportunities for Shared Facilities

1. In an effort to provide the numerous services in the most cost-effective manner, the City has several joint projects with other agencies to provide additional services. Partnering agencies include Santa Clara Unified School District, West Valley College District, and the City of San Jose.
2. The Police Department has several cooperative agreements with other policing agencies to share facilities, knowledge, and training. Likewise, the Department anticipates additional opportunities for sharing facilities and equipment while implementing Homeland Security measures.
3. The City is a participant in several joint electricity projects that supply much of the electricity that the City distributes. Likewise, the City is a participant in mutual aid agreements with numerous electric utilities throughout California.

Government Structure Options

1. In order to implement more appropriate and efficient service and planning boundaries, the City should consider pursuing the annexation of the seven existing urban unincorporated pockets that have been identified by LAFCO.

Evaluation of Management Efficiencies

1. The operations of the Police Department are evaluated internally on a periodic basis through performance audits, which are generally performed at the mid-management level.
2. The structure of the City's centralized purchasing division provides for efficient management of City purchases.
3. The City's joint projects with other agencies provides management efficiencies in the provision of services.

Local Accountability and Governance

1. The City actively solicits community input through advisory committees, use of surveys, and publication of a quarterly newspaper and recreational activity guides.

7.12 SOI RECOMMENDATION FOR THE CITY OF SANTA CLARA

Current SOI Boundary

The City's existing SOI, which was adopted in 1984, is coterminous with its boundary. The City of Santa Clara is completely bounded by the City of Sunnyvale to the west and the City of San Jose to the north, south, and east.

SOI Recommendation

As the existing Santa Clara SOI is coterminous with the City limit and fully bounded by other cities, no further outward expansion is possible. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the City of Santa Clara.

7.13 SOI DETERMINATIONS FOR THE CITY OF SANTA CLARA

As detailed previously in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing Santa Clara SOI.

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

The Santa Clara SOI is coterminous with the boundaries of the City; therefore, all of the land within the SOI is within the City. The City's existing land uses, as listed in the 2002 General Plan, include 37 percent residential, 26 percent industrial, and 6 percent commercial. A substantial portion of land use (30 percent) is for public facilities. Approximately 4 percent of land within the City is vacant. Planned land uses in the City include a similar mix of land uses.

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

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

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

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

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

The properties within the City receive a full range of public services from the City. For the most part, the present capacity of public facilities appears to be adequate. However, storm water infrastructure upgrades are needed in some areas of the City, and a library facility located in the Northside area of the City would increase service provision in the community.

Finding: For the most part, the present capacity of public facilities appears to be adequate.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

The City's SOI is coterminous with the City limit and USA, which is fully bounded by other cities.

Finding: All communities of interest within the USA and City limit are included within the SOI.

8.0 BURBANK SANITARY DISTRICT

The wastewater and solid waste services that are provided by the Burbank Sanitary District are evaluated within this service review.

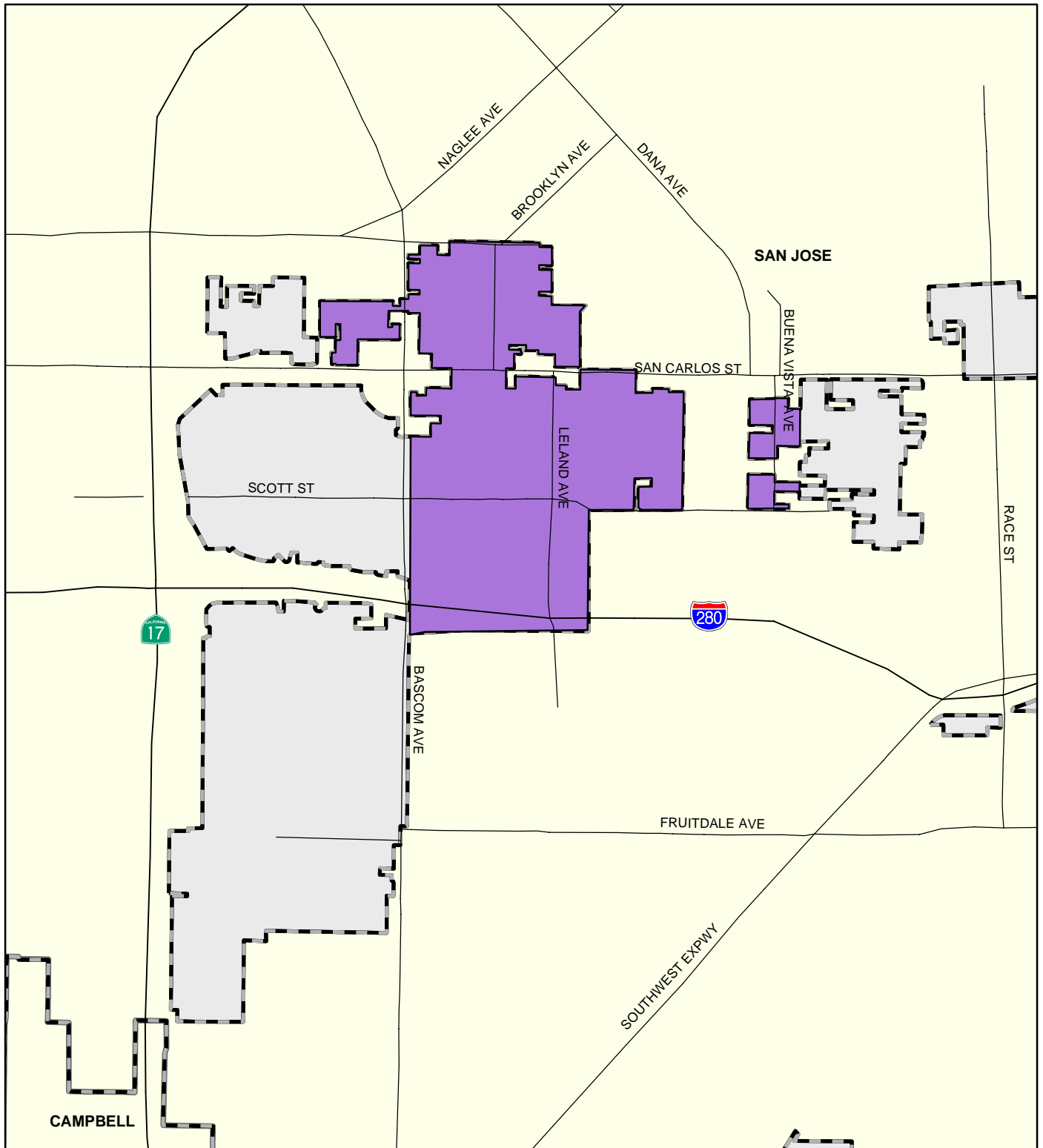
8.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The Burbank Sanitary District was established in 1940 pursuant to Health and Safety Code 4700 et seq. to acquire, build, operate, and maintain a wastewater disposal system and provide solid waste and street sweeping services within an unincorporated area of Santa Clara County. The District is located within unincorporated pockets of the City of San Jose, as shown on Figure 8.1. A five member voter elected Board of Directors governs the District. The Board meets regularly on the first and third Thursdays of each month. Meeting agendas are posted at the District office and on the District's website 72 hours prior to each meeting.

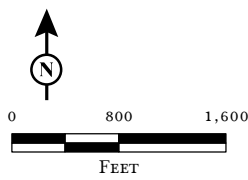
The existing development within the District is a mix of predominately single-family residential and some commercial uses. The District is not expected to grow significantly, as a majority of the land within the District's boundaries is already developed. In addition, the District is located within an unincorporated pocket of the City of San Jose and is expected to shrink in size as the unincorporated areas it serves are annexed into the City. Hence, the probable maximum service area of the District is defined by its current boundaries.

The District owns and maintains the sewer lines within the District boundaries. Wastewater that is collected within the District flows to the City of San Jose's facilities for treatment and disposal. The District contracts with the City of San Jose and pays its proportionate cost for use of the City owned sewer lines between the District and the treatment plant, and for the treatment and disposal of waste. The District does not have any employees of its own. Management services are provided by contract with an engineering consulting firm. Sanitary sewer maintenance work is provided by contract with service providers. The maintenance contractors must provide insurance limits required by the District, hold appropriate licenses, and exhibit good safety records.

The District adopts an annual budget, which is submitted to the County Controller's Office by the beginning of the District's fiscal year. All of the District's revenue is generated from service charges and connection fees. Along with budget preparation, rates for services are reviewed annually. The District has stated that no revenue or operating constraints currently exist. In FY 2004-2005 the District's revenues totaled \$500,457 and expenditures totaled \$338,516; meaning that revenues exceeded expenditures by \$161,941. At the end of FY 2004-2005 the District had an unreserved, undesignated fund balance of \$1,077,210, which is available to meet the District's needs; and a reserved fund balance of \$773,393. Of this reserve fund balance \$13,953 is reserved for debt service and \$759,440 is reserved for infrastructure improvements, which are detailed below.



LSA



- Legend**
- Surrounding City Sphere of Influence
 - Surrounding City Limits
 - Unincorporated Areas
 - Burbank Sanitary District

FIGURE 8.1

*Santa Clara County
LAFCO Municipal Service Reviews*

Burbank Sanitary District

The District has independent financial audits completed on a regular basis. The audit for the FY ending 2004-2005 notes certain matters involving significant deficiencies in the operation of internal control that could adversely affect the District's ability to initiate, record, process, and report financial data. The audit also provides several opportunities for strengthening internal controls and operating efficiency, which include:

- The District should keep written policies and procedures including job responsibility descriptions and a disaster recovery plan.
- The District's budget should be presented in financial statement format in order to facilitate comparisons to actual amounts reported in the financial statements. Reporting the District's original and final budgets is a required part of audited financial statements.
- At the time of the FY 2003-2004 and FY 2004-2005 audits, the District's Board did not review financial statements. As stated in the audit, financial reporting helps ensure oversight. This is especially important when one person is responsible for multiple office and accounting functions. The Board should regularly include review of financial statements and budget versus actual results in its meetings.

The District has funds that are invested by the County Treasurer in accordance with the County's Investment Policy, which stipulates the type, mix, and quality of investments. The investment criteria are designed to minimize the risk of loss.

The Burbank Sanitary District currently has approximately 1,000 sewer connections. It operates approximately 10 miles of sewer lines and transports approximately 336,000 gallons of wastewater per day to the San Jose/Santa Clara Water Pollution Control Plant. The District has stated that the existing infrastructure has the ability to accommodate infill development within the District's service area. However, overall growth is expected to be minimal, as the District lands are generally built out.

Approximately, 95 percent of the District's collection system was installed prior to 1955. The District's FY 2003-2004 financial audit references the District's annual engineer's report, which states that approximately half of sewer lateral lines are in poor condition and in need of rehabilitation. Due to this, the District had planned to begin a sewer rehabilitation project in the fall of 2004 with an estimated cost of approximately \$1.5 million. This project has not yet begun. The District expects the first \$750,000 to be paid out of the District's reserve fund and the remainder to be funded from a potential new bond issuance or possibly from a different loan source.

The District is also empowered to acquire, build, operate, and maintain garbage dump sites, disposal treatment systems, as well as collect solid waste and provide street sweeping services. Street sweeping services are provided through a service contract with Enviro-Commercial Sweeping, Inc. Streets within the District are cleaned once a week. Charges for street sweeping services are levied and contained within property tax bills. The current charge for street sweeping services is \$13.08 annually per parcel. Currently, the District does not anticipate any changes in the rates that are levied for street sweeping.

Solid waste collection services (including billing services) are currently provided through a service contract with Waste Management Inc. In the third quarter of 2004, Waste Management collected 679

tons of solid waste. Utilizing this amount as an estimate, approximately 2,716 tons annually can be expected to be collected.

Diversion rates are defined as the percentage of total solid waste that a jurisdiction diverted from being disposed in landfills through reduction, reuse, recycling programs, and composting programs. The California Public Resources Code (PRC 41780) requires all jurisdictions to achieve 50 percent solid waste diversion after the year 2000. Of the waste collected in the third quarter of 2004, approximately 37 percent was diverted. Based upon this information provided by disposal reports, the District was below this goal.

The District’s contract for solid waste services expires in late 2006. Renegotiation of the service contract could result in District cost increases that may require an increase service rates. The District’s rates for solid waste services are dependent upon the size of the garbage cart used. The service includes recycling, and disposal of yard trimmings. Table 8.A provides a comparison of agency solid waste service rates.

Table 8.A: Monthly Solid Waste Rates

	Burbank Sanitary District	San Jose	Santa Clara
Residential			
Single-Family	(1) 32-gallon can \$14.90	20-gallon cart \$17.22	32 gallon can \$13.25
Multi-Family	(2) 32-gallon cans \$18.45	32-gallon cart \$18.30	32 gallon can \$13.25
Townhouse	(3) 32-gallon cans \$21.95 +\$2.00 to rent a can (not required)	64-gallon cart \$36.60 96-gallon cart \$54.90	32 gallon can \$7.78
Commercial			
	N/A	Dependent on size of bin and number of pickups per week	\$8.53–\$1,889.67 Dependent on size of bin and number of pickups per week

Wastewater Rate Comparison

Residential customers are charged a set monthly rate for wastewater services, while commercial and industrial customers are charged rates that are based on the type of business and the percentage of sewage compared to the amount of water used. Table 8.B compares the District’s wastewater rates to those of nearby jurisdictions.

Table 8.B: Existing Monthly Wastewater Rates

	Burbank Sanitary District	San Jose	County Sanitation District 2-3
Residential: single-family	\$26.04	\$20.70	\$22.50
Residential: multifamily	\$14.81	\$11.84	\$12.66
Commercial and industrial	From \$18.49 up depending on use	\$1.66 - 4.88 per HCF ¹ . Calculated depending on use	From \$16.88 up depending on use

¹Hundred Cubic Feet

8.2 SERVICE REVIEW DETERMINATIONS FOR THE BURBANK SANITARY DISTRICT

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Act. Based on the above information, the following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. The District’s facilities have existing infrastructure deficiencies. A large majority of the sewer system was installed prior to 1955. Due to the age of the system, approximately half of the lines are in poor condition and in need of rehabilitation.

Growth and Population

1. ABAG has adopted a population growth rate of 1.43 percent annually through 2025 for the City of San Jose. As the District is an unincorporated island within the City, this could be applied to the District lands. However, the District is generally built out, and most future growth would be limited to infill development and redevelopment, which can only occur following annexation to San Jose. Therefore, the actual growth within the District is expected to be minimal.
2. The District encompasses unincorporated islands within the City of San Jose and will shrink in size as portions are annexed to the City. Hence, the maximum service area of the District is defined by its current boundaries.

Financing Constraints and Opportunities

1. The District’s revenue is gained solely from service charges and connection fees. Currently, there are no revenue constraints that affect the District’s service provision.
2. There is an existing need for infrastructure rehabilitation. The District will finance half of the project from the District’s reserve fund. However, a specific funding source for the other half of the project has not yet been identified.

3. As the District lands are expected to eventually become a part of the City of San Jose, the District should coordinate with San Jose regarding the financing of infrastructure upgrades.

Cost Avoidance Opportunities

1. Cost savings may occur if the District area were annexed into the City of San Jose and the District were dissolved. This may save administrative and Board of Director costs.

Opportunities for Rate Restructuring

1. Service rates are evaluated annually along with preparation of the budget. The District's current rates for services are similar to other wastewater service providers in the San Jose area.
2. The District's contract for solid waste services expires in late 2006. Renegotiation of the service contract could result in District cost increases that may require an increase or restructuring of service rates.

Opportunities for Shared Facilities

1. The District shares trunkline and wastewater treatment plant capacity with the City of San Jose. As the District's facilities are limited, no other opportunities for sharing facilities have been identified.

Government Structure Options

1. It has been the long-term goal of LAFCO and the County that unincorporated pockets should be annexed to the Cities. Likewise, the City of San Jose has a General Plan policy that states that unincorporated pockets should be annexed. Therefore, it is recommended that the City annex these unincorporated areas, provide service directly to these new City areas, and the District be dissolved.

Evaluation of Management Efficiencies

1. The overall management of wastewater service provision to the District area would appear to be more efficient if the areas were annexed into the City of San Jose and the District were dissolved.
2. The District's financial audit for the FY ending 2004-2005 notes significant deficiencies in the operation of internal control that could adversely affect the District's ability to initiate, record, process, and report financial data. The audit provides recommendations for strengthening internal controls and operating efficiency. The recommendations involve keeping written policies and procedures, providing the annual budget in a financial statement format, and having the Board review financial statements.

Local Accountability and Governance

1. The District has an elected Board of Directors and notices meetings by typically posting the agenda two weeks prior to the meeting date.

8.3 SOI RECOMMENDATION FOR THE BURBANK SANITARY DISTRICT

Current SOI Boundary

The Burbank Sanitary District consists of unincorporated areas that are surrounded by the City of San Jose and within San Jose's USA. LAFCO adopted the existing zero SOI for the District in 1983. This was done to recognize the long-term policy of LAFCO and the County that unincorporated pockets within cities' USAs should annex to cities and receive city services.

SOI Recommendation

As LAFCO and County policies regarding pocket areas and service provision have remained the same since adoption of the existing SOI, it is recommended that LAFCO reaffirm the existing zero SOI for Burbank Sanitary District.

8.4 SOI DETERMINATIONS FOR THE BURBANK SANITARY DISTRICT

As detailed in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing District SOI.

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

The District area is located within an unincorporated pocket of the City of San Jose. The District is generally built out and comprised of predominately single-family residential and some commercial uses. Planned land uses throughout the District area are generally similar to those of the existing uses.

Finding: Future Development within the District is expected to be minimal and consist of infill development and redevelopment, which can only occur after annexation to the City of San Jose.

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

The population of San Jose is projected by ABAG to grow 1.43 percent annually through 2025. As the District is within an unincorporated pocket of the City, this could be applied to District lands. However, the District is generally built out, and most future growth would be limited to infill development and redevelopment, which can only occur after annexation to the City of San Jose. Therefore, actual growth within the District boundaries would be low.

Finding: The need for additional wastewater facilities and services is expected to be low in the future.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

For the most part, the present capacity of public facilities and provision of service appears to be adequate. However, due to the age of the District's infrastructure, approximately half of sewer lateral lines are in poor condition and in need of rehabilitation. Due to this, the District is actively soliciting bids on a sewer rehabilitation project.

Finding: The present capacity of public facilities and provision of service appears to be adequate.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

The District encompasses unincorporated islands that are predominately surrounded by the City of San Jose.

Finding: The District is part of the social and economic community of San Jose.

9.0 COUNTY SANITATION DISTRICT 2-3

The wastewater services that are provided by County Sanitation District 2-3 are evaluated within this service review.

9.1 LOCATION, ADMINISTRATION, AND OPERATIONS

County Sanitation District No. 2-3 is located within two unincorporated areas that are surrounded by the City of San Jose. The District was consolidated in December 1977 from District 2 and District 3, which were formed in May 1948 and May 1953, respectively, pursuant to Health and Safety Code 4700 et seq. The District is governed by the Santa Clara County Board of Supervisors. The Board meets regularly on the first and third Tuesday of each month. When the District has public matters to be heard at the meetings, the Chair of the Board announces that they are now acting as directors of the District. On more routine matters, the Chair announces at the beginning of the meeting that they are sitting as the County Board of Supervisors and the governing board for the various special districts in the County. District meetings and activities are held pursuant to the Brown Act. Meeting agendas are posted on the County's website and outside of the County Board Chambers. If special noticing is required, a local newspaper is also utilized.

The District prepares an annual budget and periodically has an independent auditor's report prepared. The most recent audit was compiled for the fiscal year ending June 30, 2005. The District's revenue is gained solely from service charges and connection fees. Service charges are evaluated annually along with preparation of the budget. Currently, there are no revenue or operating constraints that affect the District's services. In FY 2004-2005 the District's revenues totaled \$2,038,712 and expenditures totaled \$1,632,799; meaning that revenues exceeded expenditures by \$405,913. At the end of FY 2004-2005 the District had an unrestricted fund balance of \$6,537,430; and a restricted fund balance of \$86,545, which is reserved for debt service. The District has stated that the unrestricted fund balance has been accrued over time to be used for funding of the District's CIP and that the District currently allocates approximately \$300,000 per year to upgrade old infrastructure. Based on this figure the District has ample funds for necessary improvements. The District has adopted a 5-year CIP, which projects expected improvements for 20 years. The Santa Clara County Grand Jury is currently compiling information regarding these reserve funds for a Grand Jury Report. Information gathered will include a detailed cost of expected future improvements.

The District provides sanitary sewer services to approximately 8 square miles, with approximately 90 miles of sewer lines and 7,000 connections. The District is also empowered to operate solid waste disposal facilities and sell water. However, these services are not provided by the District. Wastewater that is collected within the District flows to the City of San Jose's facilities for treatment and disposal. The District contracts with the City of San Jose and pays its proportionate cost for use of the City owned sewer lines between the District and the treatment plant, and for the treatment and disposal of waste.

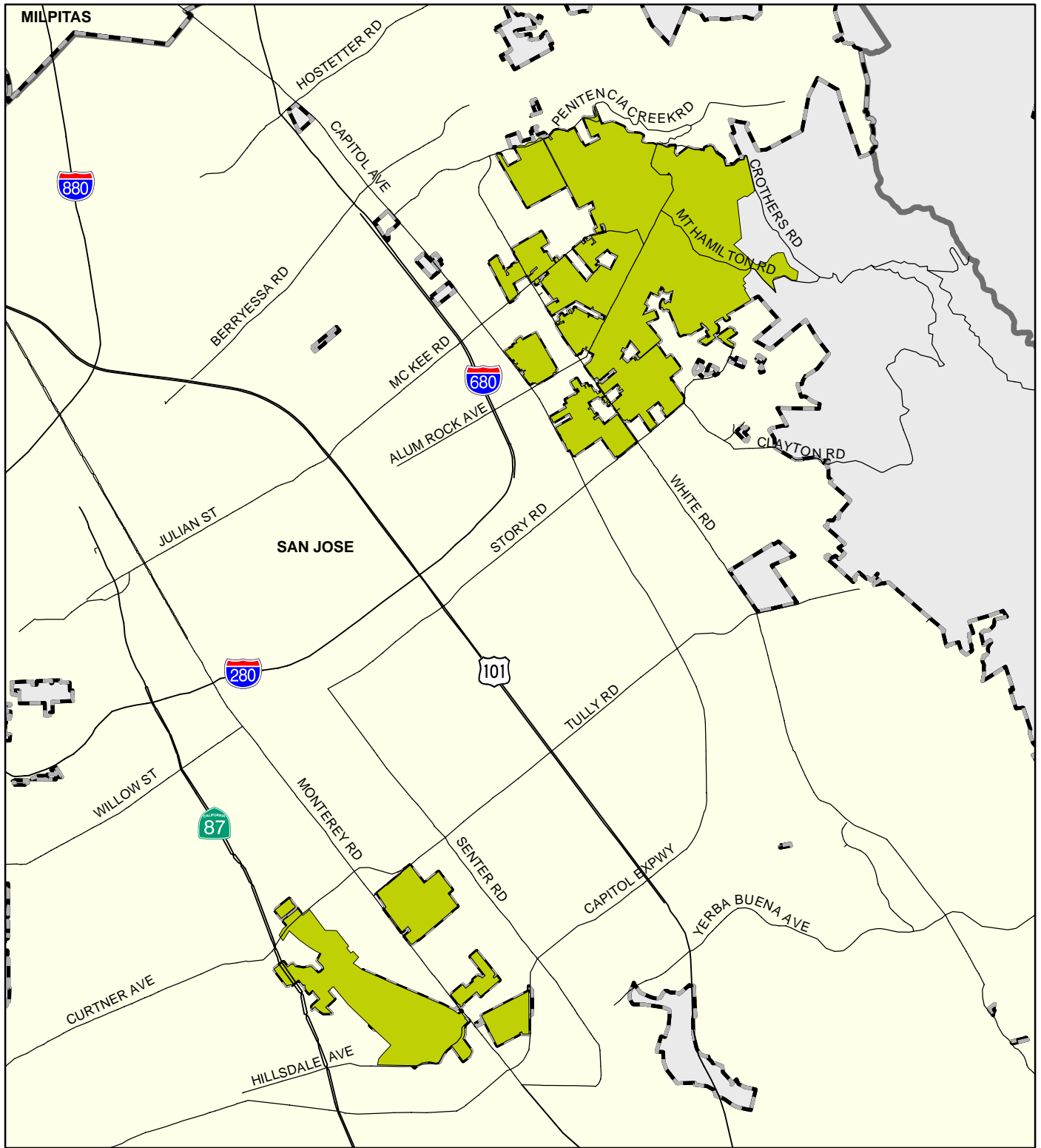
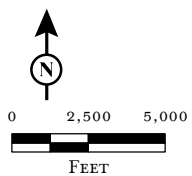






FIGURE 9.1

LSA



Legend

-  Surrounding City Sphere of Influence
-  Surrounding City Limits
-  Unincorporated Areas
-  County Sanitation District No. 2-3

*Santa Clara County
LAFCO Municipal Service Reviews*

County Sanitation District No. 2-3

SOURCE: Santa Clara County

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The District does not have any employees of its own. Management services are provided by contract with an engineering consulting firm. Sanitary sewer maintenance work is provided by contract with service providers. The maintenance contractors must provide insurance limits required by the District, hold appropriate licenses, and exhibit good safety records.

The District has stated that the average daily flow is approximately 1.5 mgd and that the existing system has the capacity to accommodate growth and infill development within the existing boundaries. The District’s facilities have existing infrastructure deficiencies, which include several mains that need to be upgraded from six- to eight-inch mains. This increase in main size is needed because the existing six-inch mains flow into the City of San Jose’s system which consists of eight-inch mains. The City of San Jose has proposed a joint venture with the District to increase the line size because it would ensure proper functioning of the wastewater system and allow for increased densities when the area is annexed into the City. In addition, the District has planned to upgrade and replace the pump station. The District has stated that it would finance these upgrades by utilizing allocated reserve funds.

The majority of the District is surrounded by the City of San Jose. The District will shrink in size as the unincorporated areas it serves are annexed to the City. Hence, the probable maximum service area of the District is defined by its current boundaries. The District lands are predominately developed with a mix of industrial, commercial, and varied residential uses, including trailer parks.

Wastewater Rate Comparison

Residential customers are charged a set monthly rate for services, while commercial and industrial customers are charged rates that are based on the type of business and the percentage of sewage compared to the amount of water used. Table 9.A compares the District’s wastewater rates to those of nearby jurisdictions.

Table 9.A: Existing Monthly Wastewater Rates

	County Sanitation District 2-3	Burbank Sanitary District	San Jose
Residential: single-family	\$22.50	\$26.04	\$20.70
Residential: multifamily	\$12.66	\$14.81	\$11.84
Commercial and industrial	From \$16.88 up, depending on use.	From \$18.49 up, depending on use.	\$1.66–\$4.88 per HCF ¹ ; calculated depending on use.

¹ Hundred Cubic Feet

9.2 SERVICE REVIEW DETERMINATIONS FOR THE COUNTY SANITATION DISTRICT 2-3

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. The District's facilities have existing infrastructure deficiencies, including several mains that need to be upgraded and a pump station that the District has planned to replace.

Growth and Population

1. ABAG has adopted a population growth rate of 1.43 percent annually through 2025 for the City of San Jose. As the District is surrounded by the City, this could be applied to the District lands. However, the District is generally built out, and most future growth would be limited to infill development and redevelopment, which can only occur following annexation to San Jose. Therefore, the actual growth within the District can be expected to be minimal.
2. The District will shrink in size as portions are annexed to the City. Hence, the maximum service area of the District is defined by its current boundaries.

Financing Constraints and Opportunities

1. The District's revenue is gained solely from service charges and connection fees. Currently, there are no revenue or operating constraints that affect the District's services.
2. The District finances infrastructure upgrades by utilizing reserve funds. The District has ample funds for infrastructure upgrades in its reserve funds. The District is in the process of preparing information detailing the need and potential use of reserve funds for a Grand Jury report.

Cost-Avoidance Opportunities

1. The County provides many administrative financial services to the District. This structure provides cost savings because the District only pays for its portion of administrative overhead expenses and the specific services that are needed.
2. The District is governed by the Santa Clara County Board of Supervisors. District matters are heard during the same meeting as other County agenda items. This governing structure avoids the cost of having a separate Board of Trustees for the District.

Opportunities for Rate Restructuring

1. Service charges are evaluated annually along with preparation of the budget. The District's current rates for services are similar to other wastewater service providers in the San Jose area.

Opportunities for Shared Facilities

1. The District shares trunkline and wastewater treatment plant capacity with the City of San Jose. As the District's facilities are limited, no other opportunities for sharing facilities have been identified.

Government Structure Options

1. It has been the long-term goal of LAFCO and the County that unincorporated pockets should be annexed to the cities. Likewise, the City of San Jose has a General Plan policy that states that unincorporated pockets should be annexed. Therefore, it is recommended that the City annex the District areas, provide service directly to the new City areas, and that the District be dissolved.

Evaluation of Management Efficiencies

1. The District does not have employees of its own, and it contracts for services with either the City of San Jose or with private contractors. This is an efficient management structure, as the District does not need to pay for the cost of employees and only pays for the services that are rendered.
2. The overall management of wastewater service provision to the District area would appear to be more efficient if the areas were annexed into the City of San Jose and the District were dissolved.

Local Accountability and Governance

1. The County Board of Supervisors is the governing body for the District in addition to other various special districts in the County. Meeting agendas are posted on the County's website and outside of the County Board Chambers along with the Board's other agenda items.

9.3 SOI RECOMMENDATION FOR COUNTY SANITATION DISTRICT 2-3

Current SOI Boundary

The County Sanitation District No. 2-3 is located within two unincorporated areas that are largely surrounded by the City of San Jose and within San Jose's USA. LAFCO adopted the existing zero SOI for the District in 1982. This was done to recognize the long-term policy of LAFCO and the County that unincorporated pockets within cities USAs should be annexed to cities and receive city services.

SOI Recommendation

As LAFCO and County policies regarding pocket areas and service provision have remained the same since adoption of the existing SOI, it is recommended that LAFCO reaffirm the existing zero SOI for County Sanitation District 2-3.

9.4 SOI DETERMINATIONS FOR COUNTY SANITATION DISTRICT 2-3

As detailed previously in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing District SOI.

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

The unincorporated District area is primarily surrounded by the City of San Jose. The District is an urban area that is developed with a mix of industrial, commercial, and varied residential uses. Planned land uses throughout the District area are generally similar to those of the existing uses.

Finding: Future Development within the District is expected to consist of infill development and redevelopment, which can only occur after annexation to the City of San Jose.

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

The population of San Jose is projected by ABAG to grow 1.43 percent annually through 2025. As the District is primarily surrounded by the City, this could be applied to District lands. However, the District is generally built out, and most future growth would be limited to infill development and redevelopment, which can only occur after annexation to the City of San Jose. Therefore, actual growth within the District boundaries would be low.

Finding: The need for additional wastewater facilities and services is expected to be low in the future.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

The properties within the District receive wastewater services. For the most part, the present capacity of public facilities and provision of service appears to be adequate. However, several of the District's sewer mains need to be upgraded to a larger capacity, and the pump station is planned to be replaced and upgraded. The increase in sewer capacity is needed as the lines flow into the City of San Jose's system. San Jose has proposed this as a joint venture to ensure proper functioning and allow for increased densities when the area is annexed into the City.

Finding: For the most part, the present capacity of public facilities and provision of service appears to be adequate.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

The District encompasses unincorporated islands that are predominately surrounded by the City of San Jose.

Finding: The District is part of the social and economic community of San Jose.

10.0 LION'S GATE COMMUNITY SERVICES DISTRICT

10.1 LOCATION, ADMINISTRATION, AND GOVERNANCE

The Lion's Gate Community Services District was formed in May 1998 pursuant to Government Code Section 61100. The original provision of services that were authorized by Santa Clara LAFCO includes the following for the Lion's Gate Reserve Residential and Golf Course Community:

- Sewage Collection System
- Wastewater Treatment Facility
- Potable water system

The District's approval allows additional services be extended upon voter approval. In August 2000 the District expanded the services being provided pursuant to a petition of the property owners. The additional services include the following:

- Maintenance of roadways, landscaping, gates, and other common improvements
- Maintenance of the lake system and agricultural wells
- Maintenance of storm drains and drainage easements
- Maintenance of utilities within the streets, as streets are private

The Community Services District law that took effect on January 1, 2006 includes a list of 31 services that a Community Services District may provide. All of the services and facilities that a District did not provide prior to January 1, 2006 are considered latent powers. Pursuant to Government Code Section 61106, if a District's Board of Directors decides to exercise a latent power, the Community Services District shall first receive the approval of LAFCO.

The District consists of 1,450 acres of land located in southern Santa Clara County between the Cities of Morgan Hill and Gilroy and southwest of the unincorporated community of San Martin, as shown in Figure 10.1. The District is bounded on the east by Coolidge Avenue (Santa Teresa Boulevard) and Turlock Avenue and on the west by Watsonville Road. The northern and southern boundaries are generally defined by two ranges of east-west hills, which form a nearly enclosed valley (Hayes Valley) in the central portion of the District. The District's boundary and SOI are coterminous.

The Lion's Gate Community consists of 41 residential lots, an 18-hole golf course, 110-acre vineyard, clubhouse, 45 overnight lodging units at the golf course, a swim and tennis center, and an equestrian center. Of the 41 residential lots there are currently 16 completed homes and several under construction. There are currently 12 full-time residents within the District. The community is a master planned development and is not expected to grow beyond the 41 residential lots.

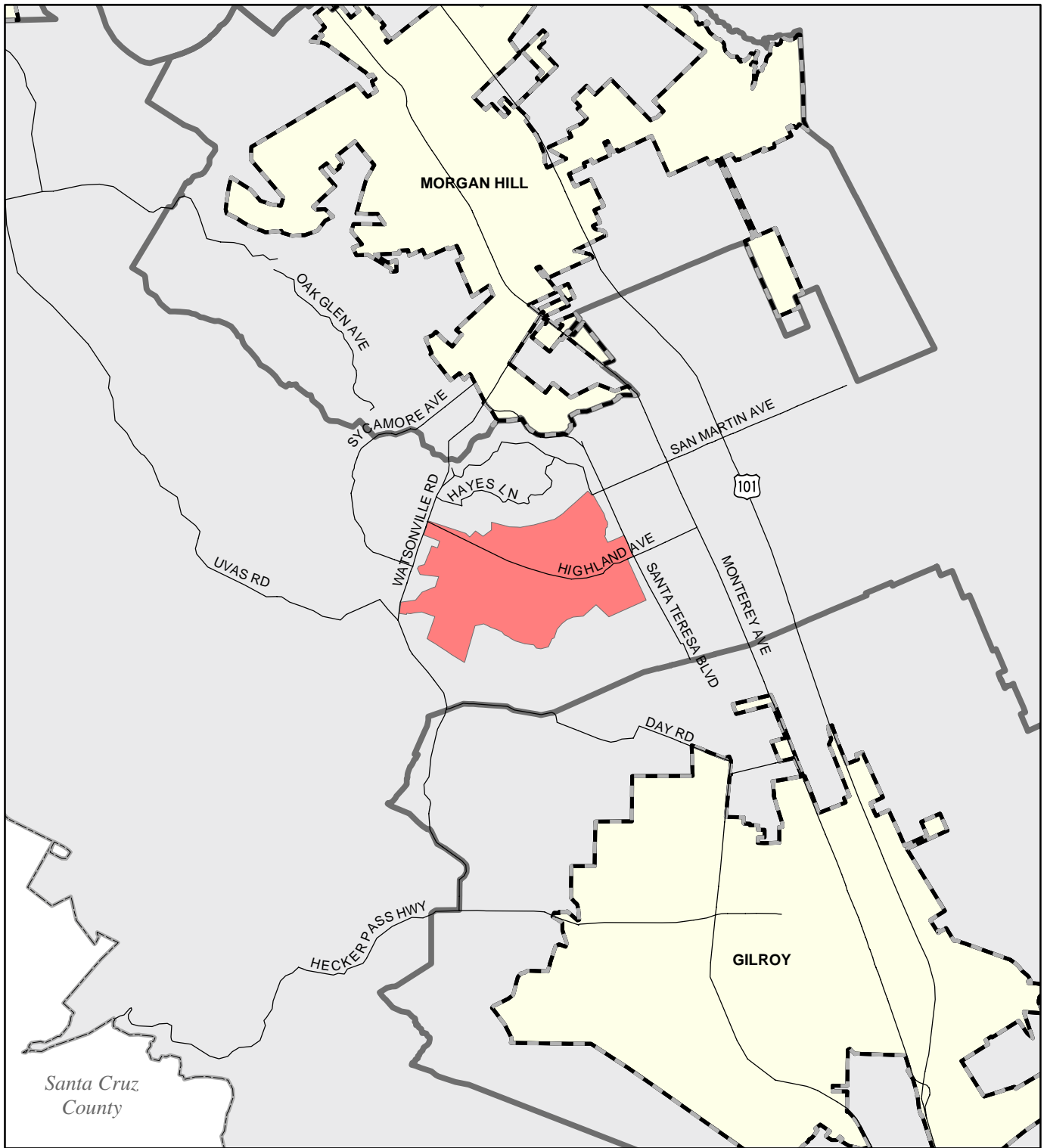
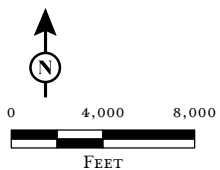


FIGURE 10.1





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SOURCE: Santa Clara County

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Legend

-  Surrounding City Sphere of Influence
-  Surrounding City Limits
-  Unincorporated Areas not within the District
-  Lion's Gate Community Services District

*Santa Clara County
LAFCO Municipal Service Reviews*

**Lion's Gate
Community Services District**

The District is currently governed by a 3 member Board of Directors comprised of members appointed by the County as a part of formation of the District because there were no residents when the District was formed. The District is planning to hold an election before November 2006. Thereafter, all of the District's Board members will be residents of the District and elected by the registered voters of the District.

Board meetings are currently held at infrequent intervals. Board meetings are held at the CordeValle Resort and Hotel conference room. The District's procedure for noticing meetings is to mail agendas to the owners of each parcel. The District is anticipating that regularly scheduled meetings will be held following election of the new board.

The District does not have any employees and all services are provided through contracts with outside service providers. The District is currently managed via a contract with Beatty & Associates, a management consulting firm. Prior to the November election, the Board of Directors anticipates hiring a permanent manager for the District and reviewing each of the contracts administered by the District. The review of contracts will include the bidding process for each service being provided to the District (i.e., accounting; legal representation; maintenance of lakes, roadways, and landscaping; and operation of the wastewater treatment facility).

The District adopts an annual operating budget. The District's revenues are from assessments and interest income. The property owners are assessed each year. The District's assessments are established by the Board of Directors at a public hearing. Increases in the District's assessments would need to be levied pursuant to the requirements of Proposition 218, which requires the level of assessment to each property owner to be determined by an engineer's report and a mailed ballot protest proceeding. The assessment shall not be imposed if ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. The ballots are weighted according to the proportional financial obligation of the property. In fiscal year 2005-2006, each residential parcel is assessed \$8,125.60 and the golf resort is assessed \$325,898.50. The District's 2005-2006 operating budget shows an annual income of \$659,048, which funds the expenses incurred in service delivery, a capital reserve of \$48,000, and a contingency of \$50,000. The assessments are levied by inclusion on property tax bills.

The District has not completed a financial audit. The County has provided the District with a list of approved audit firms, and the District has contracted for the audit to be prepared. However, as of April 2006, it has not been completed.

The District has completed a reserve study that provides an analysis of the repair and replacement requirements for the District's infrastructure and recommends a funding plan to meet those obligations. The premise of the reserve funding approach is to establish a contribution level that will allow the District to maintain a positive balance in the reserve fund while meeting all anticipated maintenance obligations. The District had a zero reserve fund balance on January 1, 2006, and has budgeted for a contribution of \$48,000 during the 2006 fiscal year. The findings of the study indicate that it will be necessary to increase the District's annual reserve contribution by 3 percent in fiscal years 2007-2035. The study also provides projected reserve fund balances through the next 20 years. In summary, the study shows a reserve fund balance of \$320,311 in 10 years and \$740,271 in 20 years. In addition, the study contains a 5 percent unscheduled or contingency funding allocation. As mentioned above, the District's 2005-2006 budget provides for a contingency of \$50,000. This fund provides for any unforeseen or out of the ordinary repair or replacement expenses.

10.2 INFRASTRUCTURE AND SERVICE PROVISION

The District owns and operates, via a contract, the wastewater collection and treatment system that was developed and sized to provide services to the Lion's Gate Community. The wastewater infrastructure is not designed to be expanded to adjacent properties. All residences and facilities within the community, except the golf course maintenance building, are served by a central wastewater collection, treatment, and disposal system. Because the maintenance building is located remotely, it is served by a separate septic and leachfield system.

The system collects wastewater in approximately four miles of 8-inch gravity flow sewers and conveys it to the wastewater treatment facility located near the eastern site boundary, approximately 200 feet west of Turlock Avenue. The wastewater is collected by gravity flow; therefore, step pumps, lift stations, and force mains are not utilized. The treatment facility, which provides tertiary treatment, began operation in 2001. The current average daily wastewater flow to the treatment facility is approximately 26,000 gallons per day (gpd). The maximum demand capacity of the facility is 46,000 gpd. The operator of the treatment facility has stated that there are no existing infrastructure deficiencies or operating constraints. The treatment plant operator provides monthly operations reports to the Regional Water Quality Control Board, which inspects the treatment facility at least once annually.

Every month, approximately 3,000 gallons of liquid sludge is transported by a local hauler via a tanker truck to either the Gilroy wastewater treatment plant or the Watsonville wastewater treatment plant for sludge processing and disposal. Treated wastewater (reclaimed water) is disposed of entirely by spray irrigation of restricted-access turf grass. This includes three to four acres of open-space grasslands on the west side of the storage pond.

The District has installed infrastructure for providing domestic water service. However, the District does not provide potable water services. Potable water services are provided by West San Martin Water Works Inc.

The District is maintaining approximately 2.5 miles of roadways within the community. As part of the roadway maintenance system, the District also maintains the stormwater drainage system. The stormwater drainage system within the community consists of detention basins and underground storm drains. Some of the stormwater facilities are owned by the District. In addition, there are several agricultural wells within the community that are owned by the golf club and maintained by the District. These wells provide water for irrigation of the common areas within the community. This includes the entrance, roadways, lakes, and vineyard amenities. The costs for maintaining the roadways, stormwater system, agricultural wells, and other common improvements are apportioned between the golf club and District.

10.3 SERVICE REVIEW DETERMINATIONS FOR THE LION'S GATE COMMUNITY SERVICES DISTRICT

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Act. Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. It does not appear that the District has any existing infrastructure deficiencies. All of the existing infrastructure was developed less than 10 years ago to serve this specific development.

Growth and Population

1. The District encompasses a specific planned community, which includes 41 residential lots, an 18-hole golf course, 110-acre vineyard, clubhouse, 45 overnight lodging units at the golf course, a swim and tennis center, and an equestrian center. Of the 41 residential lots there are currently 16 completed homes and several under construction. The maximum service area of the District is defined by its current boundaries.

Financing Constraints and Opportunities

1. The District's revenue is gained solely from assessments and interest income. The District will need to comply with Proposition 218 for approval of the assessments.

Cost Avoidance Opportunities

1. No cost avoidance opportunities have been identified.

Opportunities for Rate Restructuring

1. Future increases in the District's assessments would need to be levied pursuant to the requirements of Proposition 218.

Opportunities for Shared Facilities

1. The District provides services to a private community that is distinctly separate from other communities within the County and does not currently share any facilities. Because the District's facilities are limited and due to the location of the community, no opportunities for shared facilities have been identified.

Government Structure Options

1. Based upon the current provision of service it is reasonable to conclude that services can continue to be provided by the District under this government structure. As the District is not adjacent to any existing city boundary or SOI, annexation to a city is not feasible.

Evaluation of Management Efficiencies

1. The District is currently managed via a contract with a management consulting firm. Prior to the upcoming election, the Board of Directors anticipates hiring a permanent manager for the District and reviewing each of the contracts administered by the District.

Local Accountability and Governance

1. Board meetings are currently held at infrequent intervals. The District's procedure for noticing meetings is to mail agendas to the owners of each parcel within the District. The District is anticipating that regularly scheduled meetings will be held following election of the new board.
2. The District is planning to hold an election in November 2006. Thereafter, all of the District's Board members will be residents of the District and elected by the registered voters of the District.

10.4 SOI RECOMMENDATION FOR THE LION'S GATE COMMUNITY SERVICES DISTRICT

Current SOI Boundary

The existing SOI is coterminous with the District's boundaries.

SOI Recommendation

There are no SOI issues that have been identified. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the Lion's Gate Community Services District.

10.5 SOI DETERMINATIONS FOR THE LION'S GATE COMMUNITY SERVICES DISTRICT

As detailed in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are recommended to update the existing District SOI.

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

The District is located within an unincorporated area of the County. The District was established to provide services to a master planned development, which consists of 41 residential lots and a golf course/resort facility.

Finding: The community is not expected to grow beyond the 41 residential lots. Hence, future development within the District is expected to be minimal and consist of development of vacant parcels that are planned for single-family residences.

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

The maximum demand for District services was defined upon creation of the District and development of the infrastructure serving the community.

Finding: The District was established to provide services to the master planned development. Future growth within the District would be minimal and limited to development of vacant parcels.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

Because the District serves a master planned development, the infrastructure serving the community has been designed to serve the full build out of all parcels.

Finding: The present capacity of public facilities and provision of service appears to be adequate.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

The District is located within an unincorporated area of the County and provides services to a private community that is distinctly separate from other communities within the County. The services provided by the District have been designed to only serve this specific community and not be extended to adjacent properties.

Finding: The Lion's Gate Reserve Residential and Golf Course Community is a distinct community of interest.

11.0 SANTA CLARA COUNTY LIBRARY SERVICE AREA

The purpose of the Santa Clara County Library Service Area is to provide funding for public library services to a large portion of Santa Clara County. The Service Area includes the Cities of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Milpitas, Monte Sereno, Morgan Hill, and Saratoga and the unincorporated County area. The Service Area's existing SOI is coterminous with its boundary.

11.1 HISTORY OF THE SANTA CLARA COUNTY LIBRARY

In 1912, the State legislature declared that a County Library should be created in every county of the State to serve all residents. The legislature also gave each County's Boards of Supervisors the authority to levy a property tax rate specifically for funding this purpose. Shortly thereafter, the Santa Clara County Board of Supervisors levied a tax for the establishment of the Santa Clara County Library. Cities that had municipal libraries had the choice of continuing to operate a library at their own expense or of joining the County Library. The property tax levy for the County Library was not imposed upon properties within cities that chose not to be a part of the system. Since the tax was not levied county wide, the Library has its own geographically defined tax district.

Following the passage of Proposition 13 in 1978 the Library lost approximately half of its property tax revenue. A year later the State passed AB 8, which resulted in the State redefining how the remaining property tax revenue was to be divided between county, cities, county libraries, schools, and special districts. This structure adequately funded the library until the State shifted funds in 1993-1994 from local governments to fund schools at a specified level. This created a funding constraint for the Library as property tax was the largest revenue source and this legislation resulted in a 44 percent reduction in operating revenue.

In response, the Santa Clara County Board of Supervisors initiated both the creation of a Joint Powers Authority (JPA) in order to share governance of the Library with the city members, and the creation of a County Service Area (pursuant to Government Code 25210 et seq.) for the purpose of levying a benefit assessment to provide funding for the County Library. In August 1994, LAFCO approved the County Board of Supervisor's request to create the County Service Area, as this was necessary to levy a benefit assessment. In November 1994, 68 percent of voters within the County Service Area approved an advisory measure to finance library services by levy of a benefit assessment. This benefit assessment began in 1995 and expired in 2005.

It should be noted that the only function of this County Service Area is to provide funding in the form of a benefit assessment. The creation of the County Service Area did not affect other aspects of the Library's governing structure, operations, or revenues. All other revenues (including property tax) continue to be received by and are under the authority of the JPA, which has full governing authority of the Library. The area included in the County Service Area is the same area as the Library's tax district. Specifically this includes all of the unincorporated territory in the County and the cities of

Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Milpitas, Monte Sereno, Morgan Hill, and Satatoga.

11.2 GOVERNING STRUCTURE OF THE SANTA CLARA COUNTY LIBRARY AND THE COUNTY LIBRARY SERVICE AREA

In 1994 the Santa Clara County Board of Supervisors initiated establishment of a Library JPA to share governance of the Library with the city members. The JPA is a separate public agency that is responsible for the development, administration, and operation of the County Library. This includes the authority to develop funding sources such as special taxes and Mello-Roos Community Facilities Districts. The members of the JPA also act as the governing body of the County Service Area and County Library and actions related specifically to the County Service Area (which are funding actions) are discussed and determined at the regularly scheduled JPA Board meetings.

The JPA Board consists of 11 members. Each city participating in the County Library selects one elected City Council member, and the Santa Clara County Board of Supervisors selects two of its members. The JPA Board meets at least four times per year in regular meetings and calls Special meetings as required. Regularly scheduled meetings are held in the months of January, April, June, and October. All meetings are held on the fourth Thursday of the month at 1:30 p.m. at the Library Administrative Offices, with the exception of June. The June JPA meeting is customarily set at the first Thursday of the month. Meeting agendas are posted on the library's website and at the administrative offices in accordance with the Brown Act. Additionally, all of the JPA meeting minutes are posted on the website along with the contact information for Board members.

11.3 FUNDING SANTA CLARA COUNTY LIBRARY SERVICES

The Santa Clara County Library has historically been funded by property taxes, State grants, Motor Vehicle in Lieu Tax, contributions from cities, and fines and fees. As detailed in Section 11.1, due to legislative changes that resulted in a reduction of revenue from property taxes, (in 1994) the County Board of Supervisors initiated the establishment of a County Library Service Area for the purpose of levying a benefit assessment to provide additional funding for the County Library. Also in 1994 voters approved an advisory measure to levy a benefit assessment to provide funding for the Library. Per the measure, the benefit assessment began in 1995 and expired in 2005.

However, in 1996 Proposition 218 was enacted, which stated that "No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners." Hence, the passage of Proposition 218 disallowed the use of a benefit assessment to fund library services. However, Proposition 218 also states that "Any general tax imposed . . . shall continue to be imposed only if approved by a majority vote of the voters voting in an election on the issue of the imposition." Therefore, because of the voter approval in 1994 the County Library Service Area benefit assessment was allowed to continue until the June 2005 expiration date. Because the benefit assessment expired in June 2005, the County Library Service Area is no longer levying assessments and no longer has any function.

In order to continue funding library services after expiration of the benefit assessment in June 2005, the JPA formed a Community Facilities District in October 2003 pursuant to the Mello Roos Community Facilities Act of 1982. Mello Roos Districts are not subject to the requirements of Proposition 218 because they are required to be approved by a two-thirds vote of residents within the Community Facilities District area. Specifically, Government Code section 53313 states that a Mello Roos Community Facilities District may fund library services on a pay-as-you-go basis. The Community Facilities District has the sole purpose of funding Library services and is also under the authority of the JPA. Similar to the County Service Area, the Community Facilities District does not affect the governing structure of the JPA, operation of services, or revenues other than those levied by the Community Facilities District. Additionally, the area of the Community Facilities District is the same geographical area included in the County Service Area and Library tax district.

In May 2005, residents voted to continue funding of library services through the Community Facilities District at the same Special Tax rate that had been approved in 1994 for the County Service Area benefit assessment. However, an additional measure to increase funding failed to pass, receiving less than the two-thirds required approval.

Implementation of the Community Facilities District and voter approval of the Special Tax will provide funding for the continuation of library services within the same geographical area that the County Library Service Area covers. However, service delivery capacity of the County Library may be less over time because funding has not been increased.

The County Library's annual budget and annual audit are contained within the financial documents of the County. The County Library's FY 2004–2005 revenue sources (which includes the Library Service Area benefit assessment and not the Community Facilities District Special Tax) are listed below.

- Property tax: 59 percent
- Benefit assessment: 21 percent
- State grants: 6 Percent
- Motor vehicle in lieu tax: 6 percent
- Contributions from cities: 2 percent
- Fines and fees: 3 percent
- Miscellaneous (grants, contributions, and donations): 3 percent

Library services throughout California are free. However, libraries do have fees for extraordinary services such as community room rental, copy machine use, and the placement of more than three holds at one time. Libraries also charge fines for overdue and lost materials. The County Library's fines and fees schedule is reviewed periodically and approved by the JPA Board.

11.4 LIBRARY SERVICES

As mentioned previously, the County Library provides services to nine cities and the unincorporated County areas. The following list and the information in Table 11.A provide information regarding the size and scope of library services that are being provided:

- 1.7 million items in the collection
- 350 public access computers
- 9.5 million items circulated annually
- 3.3 million visitors annually
- 267,000 people with library cards
- 255 full-time equivalent positions; 440 people employed

The County Library does not own any facilities. All of the library facilities are located within cities and each city owns their respective library buildings. The County Library owns all of the furniture and equipment within the buildings including shelves, desks, chairs, computers and peripherals, telephones, security gates, self-check machines, and the collection of books and other materials. The Headquarters' Literacy Program operates out of leased facilities. The Library Headquarters contains the system-wide computer servers and telephone system, which are owned. The County Library leases its vehicles through the County Fleet Services. These vehicles include two bookmobiles, two box-trucks, two vans, and one sedan.

The County Librarian has stated that due to the universal access to libraries, residents within the geographical service boundaries do not truly delineate the service population, as many people who utilize the libraries' resources do not reside within the geographical service area of the County Library. Therefore, the County Library has not utilized land use patterns or growth projection to ascertain future service demands. The County Library has also stated that the provision of library services is resource driven. As funding, other resources, and space are available, additional materials, computers, and employees are provided.

The County Library system has a website that is updated regularly. The website contains the catalogue of 1.7 million items. It also provides well-organized information regarding many topics including each library location. The site averages 15,000 separate visits weekly. The site contains a "Contact Us" feature that is used by the public to ask questions, make suggestions, and pass along complaints or praise. Every contact receives a response from the appropriate staff member. Additionally, each community library has prominently displayed suggestion/comment cards and a deposit box. These cards are regularly received and reviewed. The library also sends a newsletter to most households in the Library Service Area.

The County Library system has received numerous awards throughout its history. Most recently, it has been rated Number 1 in the United States by Hennan's American Public Library Rating Index.

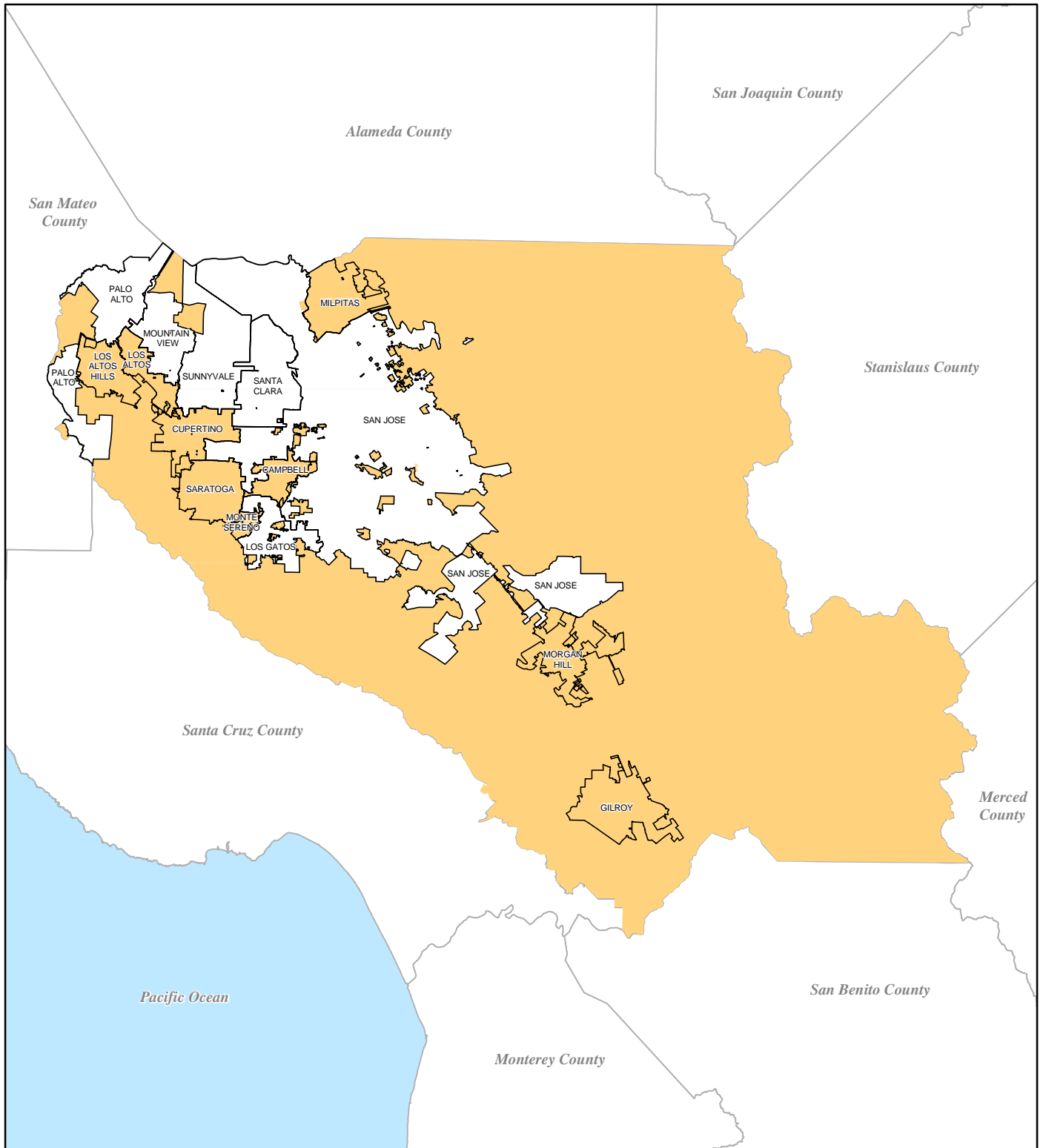
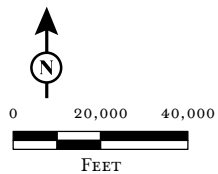


FIGURE 11.1

LSA



Legend

- Surrounding County Boundaries
- Library Service Area
- Cities within Library Service Area
- Cities outside the Library Service Area

*Santa Clara County
LAFCO Municipal Service Reviews*

Santa Clara County Library Service Area

SOURCE: Santa Clara County, Dept. of Conservation (1996)

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Table 11.A: Santa Clara County Library Information Sheet, FY 2004–2005

Library	Address	Hours Open Weekly	Building	Date Opened	Square Feet	Volumes in Collection	Size of Staff	Annual Circulation
HEADQUARTERS	14600 Winchester Blvd. Los Gatos, CA 95032	8–5 Mon–Fri	Leased warehouse	In location since 2004	23,000	6,790	52.4	11,467
BOOKMOBILE	33 stops	(biweekly)				56,011	4.5	79,562
ALUM ROCK¹	3090 Alum Rock Ave. San Jose, CA 95127	48	City owned	6/30/1978; New branch 7/9/2005	26,000	123,000	10.5	323,674
CAMPBELL	77 Harrison Ave. Campbell, CA 95008	47	City owned	2/22/1975; Remod. 1989	24,000	181,169	23.5	991,908
CUPERTINO	10800 Torre Ave. Cupertino, CA 95014	47	City owned	10/30/2004	54,000	307,006	35.0	1,711,577
GILROY	7387 Rosanna St. Gilroy, CA 95020	46	City owned	2/1/1975	12,800	147,879	18.8	454,251
LOS ALTOS	13 S. San Antonio Rd. Los Altos, CA 94022	58	City owned	5/3/1964; Remod. 1993	28,050	242,445	34.7	1,800,994
WOODLAND (L.A. Branch)	1975 Grant Rd. Los Altos, CA 94024	32	City owned	2/29/1976; Remod. 1997	4,600	48,211	Included above	Included above
MILPITAS	40 North Milpitas Blvd. Milpitas, CA 95035	53	City owned	3/1/1983	19,500	239,253	35.7	2,107,993
MORGAN HILL	17575 Peak Ave. Morgan Hill, CA 95037	46	City owned	8/19/1973	13,900	153,572	17.7	590,955
SARATOGA	13650 Saratoga Ave. Saratoga, CA 95070	50	City owned	2/1/1978; Remod. 2003	48,500	222,644	22.5	1,406,230
TOTALS						1,727,980	255.3	9,478,611

Source: Santa Clara County Library 2005.

- Staff size includes all FY 2004–2005 funded positions (coded and uncoded), including those funded by the cities for a total of 255.3 full-time employees (FTE).
 - Circulation figures are for Calendar Year 2004.
 - Collection figures are as of January 1, 2005.
 - Cupertino was in a temporary building from January through September 2004 and was closed from September 14 through October 30, 2004; circulation figures are actuals for the calendar year.
 - Headquarters includes administrative, business office, stores (18.25 FTE), outreach, collection development services (5.85 FTE), and technical services and systems (28.3 FTE).
 - The total population figure includes 36,102 persons in the unincorporated areas who are not assigned to a particular community library.
- ¹ Alum Rock ceased operation as a County Library on June 30, 2005 and began operation as a facility operated by the City of San Jose

11.5 SERVICE REVIEW DETERMINATIONS FOR THE COUNTY LIBRARY SERVICE AREA

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, the following are the written determinations for the Library Service Area.

Infrastructure Needs and Deficiencies

1. The County Library does not own any facilities. Each city owns the library building in which the County Library operates and the County Library owns all of the furniture and equipment within the libraries.
2. There are no apparent infrastructure deficiencies within the County Library System. Many of the libraries have recently been remodeled, and two new library buildings have recently been constructed.

Growth and Population

1. The County Library has stated that many people who utilize libraries do not reside within the Library Service Area. Therefore, the County Library has not utilized land use patterns and growth projections to develop projections for service demands. The County Library provides additional materials and services as resources become available. As funding, equipment, and space are available, additional materials, computers, and employees are provided.
2. As detailed within each city's section of this service review, cities have various methods of evaluating and planning for future growth. As the cities own and develop library facilities within their urban service areas, each city utilizes different criteria and funding sources to provide library facilities as needed to adequately meet service demands.

Financing Constraints and Opportunities

1. The County Library's financing constraints limit the number of hours that each facility is open, the number of staff, and book purchases. Library services are provided based upon the financial resources that are available. Hence, with more financial resources more services could be provided.
2. In May 2005, residents voted to continue funding of library services through the Community Facilities District at the same Special Tax rate that had been approved in 1994 for the County Service Area benefit assessment. However, an additional measure to increase funding failed to pass, receiving less than the two-thirds required approval. The lack of additional funding may lead to diminished service delivery over time as the costs of providing services increase.

Cost-Avoidance Opportunities

1. The JPA allows for efficient use of resources and for coordination of service provision among the participating cities. Coordination activities, such as financing mechanisms and resource sharing could be utilized to maximize cost-avoidance opportunities.
2. The continued use of State grants and donations to provide additional services is a cost-avoidance opportunity.

Opportunities for Rate Restructuring

1. General Library services within the State are free. However, the libraries do have fees for specific services such as room rental and copy machine use, in addition to fines for overdue or lost materials. The fines and fees schedule is reviewed periodically by the JPA Board.
2. The provision of most library services are free. Therefore, minimal opportunity exists for rate restructuring.

Opportunities for Shared Facilities

1. The governing structure of the JPA and coordination among the cities provide for ample opportunity to share library facilities and resources.

Government Structure Options

1. The role of the County Library Service Area was simply to provide financing through the levy of benefit assessments. Due to implementation of Proposition 218 and because the voter-approved assessment expired in June 2005, the County Library Service Area no longer has legal authority to levy benefit assessments and has no function. Therefore, it may be appropriate for the County Board of Supervisors and JPA to consider dissolution of the County Library Service Area.
 - A. The advantage of dissolving the Library Service Area would be eliminating a County Service Area that has no function, as it does not have authority to levy benefits and it does not directly provide services.
 - B. There are no apparent disadvantages to dissolving the Library Service Area. If dissolution were to occur, no change to service provision, governing structure, or revenues would result.
2. Based on the current provision of service, it is reasonable to conclude that library services can continue to be provided under the governance of the JPA.

Evaluation of Management Efficiencies

1. The County Library has received numerous awards throughout its history. Most recently, the County Library was rated Number 1 in the United States by Hennen's American Public Library Rating Index.
2. The Library's annual budget and accounting practices are audited annually.

Local Accountability and Governance

1. All JPA meeting agendas are noticed in accordance with the Brown Act.
2. The County Library's website is updated regularly and contains information that includes JPA meeting agendas and minutes, contact information for the JPA members, and a "contact us" feature to which all comments or questions receive a response.
3. Each library branch has a suggestion/comment box, which is received and reviewed regularly.
4. The County Library regularly produces and mails a newsletter to households within the service area. The newsletter is also posted on the County Library's website.

11.6 SOI RECOMMENDATION FOR THE COUNTY LIBRARY SERVICE AREA

Current SOI Boundary

The County Library Service Area's existing SOI is coterminous with its boundary. The County Library Service Area includes the Cities of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Milpitas, Monte Sereno, Morgan Hill, and Saratoga and the unincorporated County area.

SOI Recommendation

The role of the County Library Service Area is to provide financing through the levy of benefit assessments. Due to implementation of Proposition 218 and because the voter-approved assessment expired in June 2005, the County Library Service Area no longer has legal authority to levy benefit assessments and has no function. To continue providing County Library services within the same geographical area, the JPA formed a Community Facilities District and the voters approved a Special Tax to provide funding. Due to these changes, it would appear appropriate for the County Board of Supervisors and JPA to consider dissolution of the County Library Service Area. For the same reasons, a zero SOI is recommended for the County Library Service Area. A zero SOI, which includes no territory, assumes that the function of the agency should be (or is in this case) reassigned to another entity and that the agency be dissolved.

11.7 SOI DETERMINATIONS FOR THE COUNTY LIBRARY SERVICE AREA

As detailed in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing County Library Service Area SOI.

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

The Service Area encompasses nine cities and all of the unincorporated areas within the County. The area contains a wide range of land uses, including all types of urban uses to large areas of hillside, open space, and agricultural uses. Generally, unincorporated areas within the County are designated Rural County. Development within the cities ranges from fully developed urban areas to expansive hillside, open space, and agricultural lands.

Finding: Planned land uses throughout the County are generally similar to that of the existing uses.

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

The County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. Similarly, the need for library facilities and services is expected to grow modestly in the future. Even though the County Library has stated that many people who utilize the libraries do not reside within the County Library Service Area, it can be assumed that a majority of users would reside somewhere within the County.

The County Library does not own any facilities. Each city owns the library building in which the County Library operates and the County Library owns all of the furniture and equipment within the libraries. The County Library provides additional materials and services as resources become available. As funding, equipment, and space are available, additional materials, computers, and employees are provided.

Finding: Implementation of the Community Facilities District and voter approval of the Special Tax will provide funding for the continuation of library services within the same geographical area that the County Library Service Area covers.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

The current provision of services provided by the County Library appears to be adequate. However, the County Library Service Area no longer has legal authority to levy benefit assessments and has no function. To continue providing County Library services within the same geographical area, a Community Facilities District was formed and a Special Tax to provide funding was approved by voters.

Finding: The County Library system has no apparent capacity or service deficiencies.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

Due to the County Library's recent funding changes the County Library Service Area has no function. Due to this, there are no social or economic communities of interest that have been identified for the County Library Service Area.

Finding: There are no social or economic communities of interest that have been identified for the County Library Service Area.

12.0 COUNTY LIGHTING SERVICE AREA

Lighting services that are provided by the District are evaluated within this service review.

12.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The County Lighting Service Area was created in 1964 pursuant to Government Code 25210.1 et seq. to provide street lights to the unincorporated areas of Santa Clara County. Currently, the Service Area provides lighting to multiple small developed unincorporated areas that are scattered throughout the County. The Service Area is governed by the Board of Supervisors and administered by the County Roads and Airport Department. The Board of Supervisors meets most Tuesdays at 9:30 a.m. When the Service Area has public matters to be heard at the meetings, the Chair announces that they are sitting as the County Board of Supervisors and the governing board for the various special districts in the County. Meeting agendas are posted on the County's website and outside of the County Board Chambers. If special noticing is required, a local newspaper is also utilized.

The Service Area includes 1,627 residential lights and 153 commercial lights, all of which are serviced by PG&E. Most of the lights are also owned by PG&E. In order to receive lighting from the Service Area, property owners must petition LAFCO to annex to the Service Area.

Because the County Lighting Service Area consists of noncontiguous unincorporated County areas that receive different levels of lighting services, affected property owners requested that the County establish benefit zones to ensure that assessments are levied accurately. Hence, 12 Benefit Zones were approved by the Board of Supervisors. A 13th zone was established (Benefit Zone 2); however, the assessments were not approved by the landowners and services are not being provided.

Within each benefit zone, three separate and distinct levels of service have been created. Level of Service No. 1 includes all parcels that receive special benefit from intersection and cul-de-sac street lighting only. Level of Service No. 2 includes all parcels that receive special benefit from intersection, cul-de-sac, and mid-block (street light spaced approximately 300 to 500 feet apart along a street) street lighting. Level of Service No. 3 includes all parcels that receive special benefit from intersection, cul-de-sac, mid-block, and mid-mid block (street light spaced less than 300 feet apart along a street) street lighting. A special fund has been set up for the revenues and expenditures for each benefit zone within the County Lighting Service Area Assessment. The number of street lights associated with each level of service for each benefit zone is listed in Table 12.A.

Table 12.A: Number of Street Lights per Benefit Zone

Benefit Zone	Level 1 Lights		Level 2 Lights		Level 3 Lights		Total
	Residential	Commercial	Residential	Commercial	Residential	Commercial	
Zone 1	22	1	14	1	0	0	38
Zone 2	0	0	0	0	0	0	0
Zone 3	30	2	26	2	0	0	60
Zone 4	56	2	119	3	0	0	180
Zone 5	45	9	88	16	0	0	158
Zone 6	39	9	85	21	0	0	154
Zone 7	13	1	43	3	0	0	60
Zone 8	128	4	326	11	0	0	469
Zone 9	78	0	160	0	0	0	238
Zone 10	19	0	59	0	0	0	78
Zone 11	48	18	57	20	74	26	243
Zone 12	24	1	52	3	0	0	80
Zone 13	2	0	6	0	14	0	22
Total	504	47	1,035	80	88	26	1,780

Source: Final Assessment Report for Santa Clara County Lighting Service Area Assessment FY 2005–2006.

The Service Area is funded by user assessments that are included in property tax bills. Assessments are based upon a formula established by County ordinance. The formula establishes assessments to individual parcels based upon their varying land use, parcel size, and degree of street light illumination. This information is translated into a Benefit Unit structure. The costs of providing each level of service within each Benefit Zone is calculated and then divided by the number of Benefit Units within each zone to come up with the assessment rate per Benefit Unit. Assessment rates for FY 2005–2006 are listed in Table 12.B.

Table 12.B: Assessment Rates for Lighting Services

Benefit Zone	Level 1 Assessment Rate per Benefit Unit	Level 2 Assessment Rate per Benefit Unit	Level 3 Assessment Rate per Benefit Unit
Zone 1	\$11.12	\$34.15	N/A
Zone 2	N/A	N/A	N/A
Zone 3	\$25.95	\$63.12	N/A
Zone 4	\$9.58	\$30.27	N/A
Zone 5	\$9.22	\$28.62	N/A
Zone 6	\$7.83	\$25.67	N/A
Zone 7	\$11.26	\$56.03	N/A
Zone 8	\$6.82	\$24.48	N/A
Zone 9	\$7.25	\$22.09	N/A
Zone 10	\$8.60	\$26.73	N/A
Zone 11	\$8.33	\$18.87	\$33.85
Zone 12	\$4.45	\$15.01	N/A
Zone 13	\$0.59	\$2.39	\$6.59

Source: Final Assessment Report for Santa Clara County Lighting Service Area Assessment FY 2005–2006.

In order to comply with Proposition 218, any future increases in assessments (except for the current authorized annual increases based upon the annual increase in the Consumer Price Index) need to be approved by property owners prior to adoption by the Board of Supervisors. The opportunities for rate restructuring are limited due to the requirements of Proposition 218.

The County ordinance also requires the preparation of an Assessment Report for each subsequent fiscal year. The Report is required to contain a description of each parcel receiving street lighting service and the amount of assessment for each parcel.

Current County development policies discourage intensive land uses in the unincorporated areas. Hence, much of the development in the unincorporated County is rural residential in nature and incompatible with the urbanized ambiance created by street lights. The unincorporated areas within the Service Area are predominately built out. In addition, it has been the long-term goal of LAFCO and the County that unincorporated pockets and new areas of urban development should be annexed into cities. Hence, if additional urbanization would occur in the Service Area, the newly urban area would generally be annexed into a city and detached from the Lighting Service Area. Therefore, the future need for more lighting services by the Lighting Service Area is expected to be low.

12.2 SERVICE REVIEW DETERMINATIONS FOR THE COUNTY LIGHTING SERVICE AREA

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. Property owners decide, through petition, the level of lighting services that is desired within each specific community. No infrastructure needs or deficiencies have been identified.

Growth and Population

1. Based upon ABAG projections, the County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. However, County development policies provide that if areas within the Service Area were further developed with urban land uses, the areas would generally be annexed into a city and removed from the Lighting Service Area. Therefore, minimal growth resulting from limited infill development or redevelopment can be expected.

Financing Constraints and Opportunities

1. The Service Area only receives revenue from assessments. Property owners decide the level of service that is desired, and with that decision they determine the amount of assessment that would be levied. No financing constraints have been identified.

2. Due to the requirements of Proposition 218, future increases in assessments need to be approved by property owners prior to adoption by the Board of Supervisors. Therefore, financing opportunities are limited.

Cost-Avoidance Opportunities

1. The Service Area is governed by the County Board of Supervisors and services are provided by PG&E through a contract.

Opportunities for Rate Restructuring

1. Due to the requirements of Proposition 218, any increase in assessments needs to be approved by property owners prior to adoption by the Board of Supervisors. Therefore, opportunities for rate restructuring are limited.

Opportunities for Shared Facilities

1. The Service Area does not have buildings or equipment, and most of the lights are owned by PG&E. Therefore, no opportunities for shared facilities have been identified.

Government Structure Options

1. The Lighting Service Area is governed by the County Board of Supervisors. This is an effective and efficient structure for the District.
2. Because the Lighting Service Area serves many unincorporated pocket areas and County and LAFCO policies direct unincorporated pockets to annex into cities and new urbanization of lands to occur in cities' service areas, the Lighting Service Area is expected to shrink in size. However, some of the areas currently being served by the Lighting Service Area are not within Urban Service Areas. These areas are expected to remain part of the Lighting Service Area.

Evaluation of Management Efficiencies

1. The Service Area does not have employees of its own, and it contracts for services with PG&E. This is an efficient management structure, as the District does not need to pay for the cost of employees and only pays for the services that are rendered.
2. The overall management of lighting services would appear to be more efficient if the unincorporated pocket areas were annexed into cities.

Local Accountability and Governance

1. The County Board of Supervisors is the governing body for the Lighting Service Area. Meeting agendas are posted on the County's website and outside of the County Board Chambers along with the Board's other agenda items.

12.3 SOI RECOMMENDATION FOR THE COUNTY LIGHTING SERVICE AREA

Current SOI Boundary

The County Lighting Service Area consists of noncontiguous unincorporated County areas that are scattered throughout the County. LAFCO adopted the existing zero SOI for the County Lighting Service Area in 1982. This was done to recognize that Lighting Service Area lands within cities' USAs should annex to cities and lands outside USAs should not receive urban types of services.

SOI Recommendation

LAFCO and County policies regarding urbanization and provision of urban services have remained the same since adoption of the existing SOI. Hence, County Lighting Service Area lands within cities' USAs should continue to annex to cities and receive City services. However, it is possible that additional lands outside of cities' USAs may be annexed into the County Lighting Service Area. To provide for possible future annexations, it is recommended that LAFCO update the existing zero SOI to be coterminous with the existing boundaries of the County Lighting Service Area.

12.4 SOI DETERMINATIONS FOR THE COUNTY LIGHTING SERVICE AREA

As detailed in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing County Lighting Service Area's SOI.

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

The Lighting Service Area 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 that require (or desire) lighting services. County development policies provide that if an intensification of land uses were to occur, the area would generally be annexed into a city and removed from the County Lighting Service Area.

Finding: Planned land uses throughout the Service Area are similar to that of the existing uses.

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

The County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. However, only minimal growth resulting from limited infill development or redevelopment can be expected within the County Lighting Service Area because if an overall intensification of land uses were to occur, the areas would generally be annexed into a city and removed from the Lighting Service Area.

Finding: The need for additional lighting services within the Service Area is expected to be low in the future.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

Finding: The present capacity of services provided by the Lighting Service Area appears to be adequate.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

The Lighting Service Area consists of multiple noncontiguous unincorporated areas that are scattered throughout the County. Property owners from all urban developed areas can petition LAFCO to annex to the Service Area. Hence, all lands within the County that have existing urban development could be considered a community of interest. In addition, LAFCO and the County have policies stating that unincorporated islands should be annexed to cities. Due to the island annexation policies, any cities that are adjacent to or surrounding the Lighting Service areas would be considered an economic and social community of interest.

Finding: All lands within the County that have existing urban development could be considered a community of interest. Additionally, any cities that are adjacent to or surrounding the Lighting Service areas would be considered an economic and social community of interest.

13.0 SANTA CLARA COUNTY OPEN SPACE AUTHORITY

The open space services that are provided by the District are evaluated within this service review.

13.1 LOCATION, ADMINISTRATION, AND OPERATIONS

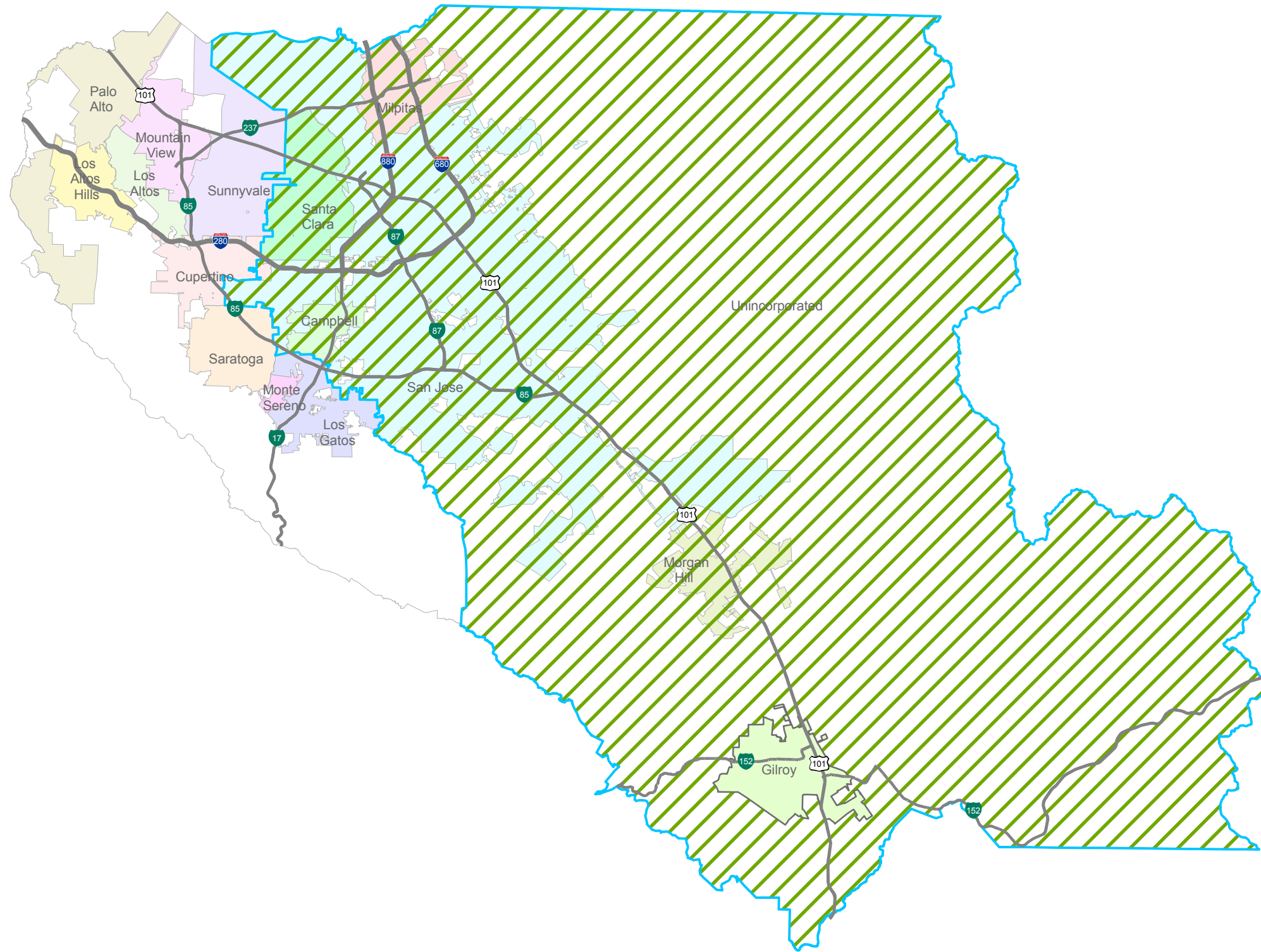
The Santa Clara County Open Space Authority was created on February 1, 1993 by the State Legislature pursuant to Public Resources Code 35100 et sec. The purpose of the Authority is to preserve hillsides, creek corridors, and other undeveloped land through acquisition of fee or conservation easements. The Authority is comprised of the Cities of Campbell, Milpitas, Morgan Hill, Santa Clara, and San Jose as well as the unincorporated area of the County that is not within the Midpeninsula Regional Open Space District. The Authority's SOI is generally coterminous with its boundary, except for the City of Gilroy. The City of Gilroy is within the Authority's SOI, but not within the Authority's boundaries.

The Authority currently owns 9,549 acres of land and has assisted in preserving 1,276 acres of conservation easements and mitigation lands, including open space, parklands, wildlife areas, recreation areas, and watershed areas. These lands are scattered throughout the County within the following areas: the northern most portion of San Jose adjacent to the County line, northeast of Milpitas surrounding Calaveras Reservoir, to the east of San Jose, within the southeastern portion of San Jose south of Campbell, adjacent to the western County line west of Morgan Hill and Gilroy, and adjacent to the eastern County line east of Morgan Hill and Gilroy. Within these lands two facilities are currently open to the public, as detailed below.



- Rancho Canada del Oro Open Space Preserve is open to the public and located adjacent to Calero County Park (southwest of San Jose). The facility includes two existing trails, the Longwall Canyon Trail (2.7 miles) and Bald Peaks Trail (1.1 miles), in addition to a parking area, restrooms, and an equestrian staging area. The Authority is currently developing an additional five miles of trails within this preserve. The new trails are expected to be completed in the summer of 2006.
- The Boccardo Trail Corridor is open to the public and located adjacent to the north of San Jose's Alum Rock Park. The facility includes a 1.5-mile trail, which is open to hikers, bicyclists, and equestrians, is designated as a portion of the Bay Area Ridge Trail. The Authority is currently developing an additional 10-12 miles of trails adjacent to the existing trail. The new trails are expected to be completed in 2007.

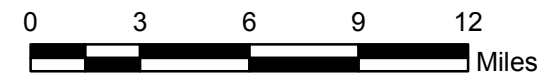
In addition to the above facilities the Authority is in the process of developing a guided hiking program on Palassou Ridge, which is located at the eastern edge of Coyote Reservoir at the intersection of Gilroy Hot Springs and Reservoir Road. The program is in the development stage and guided hikes are expected to begin in the summer of 2006.

Santa Clara County Open Space Authority (OSA)



Legend

-  OSA Boundary
-  OSA Sphere of Influence



LAFCO
Local Agency Formation Commission of Santa Clara County
70 West Hedding Street - 11th Floor, East Wing - San Jose, CA 95110
(408) 299-5127 - (408) 295-1613 Fax www.santaclaralafco.ca.gov

Adopted by the LAFCO of Santa Clara County
April 2006

The Authority is governed by a directly elected seven-member Board of Directors. The Authority Board meets on the second and fourth Thursday of every month at the Authority's administrative office. Meetings are held pursuant to the Brown Act. The Authority has a Citizen's Advisory Committee with 17 members who are appointed by the Board of Directors. Each member meets criteria specific to the seat they are appointed to and are appointed to serve a two-year term. The Advisory Committee assists the Board in special projects and meeting Authority goals. The Open Space Authority staff consists of 10 employees, including 7 administrative staff and 3 field staff.

The Authority adopts an annual budget, which begins with a Board workshop where board members outline goals for the upcoming fiscal year. The preliminary budget for FY 2005–2006 estimates that approximately \$4,240,900 will be available for acquisition projects by the Authority, \$742,960 will be available for projects by participating jurisdictions under the 20% Funding Program (as described below), and approximately \$380,000 will be available for the improvement, maintenance, and servicing of properties owned or maintained by the Authority.

The Authority receives its revenue through benefit assessments (98 percent of revenue) that are levied by the Authority and from interest income. In FY 2003–2004 the District's revenues totaled \$12,336,437 and expenditures totaled \$4,811,801; meaning that revenues exceed expenditures by \$5,020,246. Approximately, 18 percent of the fund balance at the end of FY 2003–2004 (\$3,738,803) consisted of an unreserved fund balance, which is available to meet the Authority's current and future needs. The remainder of the fund balance (\$16,582,193) is reserved to indicate that it is not available for new spending because it has been committed to outstanding encumbrances.

In June 1994, the Authority proposed a ballot measure for the levy of a benefit assessment to provide funding for the acquisition of open space areas. This measure passed with a majority vote approval. Due to a significant increase in property values and the increasing development pressure within nonpreserved open space areas in the County, the Authority determined that its funding was insufficient to meet its open space preservation goals. Therefore, in 2001, the Authority proposed another assessment ballot, which also passed.

The Authority's assessment includes an annual adjustment in the assessment levied equal to the annual change in the Consumer Price Index for the San Francisco Bay Area as of January of each succeeding year, with the maximum annual adjustment not to exceed 4 percent. To levy the assessments, the Authority is required to prepare an Engineer's Report, budget, and proposed assessments for the upcoming fiscal year. After the Report is completed, the Board may preliminarily approve the Report and proposed assessments and establish the date for the public hearing on the continuation of the assessments.

Assessments are levied based upon Benefit Points that are assigned to properties based on a land use formula. The annual assessment per Benefit Point for FY 2005–2006 will be \$12.00. This rate of assessment is not proposed to increase from the previous fiscal year and is the same rate that was levied in the District in previous fiscal years.

Acquisition funds may be used for the preservation of open space lands that are of regional significance and are within the boundaries of the Authority as defined below.

- The preservation or restoration of the natural environment

- Outdoor recreation areas with minimal structures and environmentally compatible development of land
- Agriculture areas
- Greenbelts and urban buffers
- The preservation of significant scenic resources and view sheds

Similarly, the Authority has a Five-Year Plan, which states that it should complete at least one acquisition representing each of the following open space goals:

- Hillside preservation that is visible from the valley floor
- Valley floor preservation that includes wetlands, baylands, riparian corridors, or other unique habitats
- Agricultural preservation
- Segment of regionally significant trail
- Segment of a greenbelt between cities
- Urban open space

The Authority's acquisition priorities are set through recommendations from the Citizens Advisory Committee and cities that are within the Authority. Prior to finalizing any acquisition, the Board makes public the terms of any proposed acquisition agreement, including cost, legal land description, and landowners and provides for public comment regarding the acquisition. Acquisitions are discussed as an agenda item at a regularly scheduled Board meeting or at a specially scheduled public hearing. The Authority welcomes recommendations from the public regarding lands that may be appropriate to consider for acquisition.

The Open Space Authority's objectives include helping the cities within its boundaries preserve open space. To assist in creating preserved open space areas within cities, the Authority has developed the 20% Funding Program. Each year, 20 percent of the net proceeds of the Authority's capital funds are earmarked for distribution to cities within the Authority's boundaries for assistance with open space projects. The 20% Funding Program helps provide a balance between large-scale open space acquisition and smaller park and trail acquisition and development within urban areas.

The District has developed study areas for the different geographic regions within its boundaries. The study areas are intended to be contiguous or shared with many other jurisdictions, making the preservation objectives regional and multiagency in nature. The following are objectives of the study areas:

- To help clarify specific geographic areas of interest to the Authority
- To identify the types of natural resources (e.g., Open Space, Agricultural Land, View Shed, Habitat) for preservation in that geographic vicinity

The Study Areas are briefly discussed below:

Milpitas-Berryessa Study Area: Consisting of approximately 7,000 acres, this Study Area is adjacent to both Ed R. Levin County Park and watershed lands of the San Francisco Public Utilities Commission (PUC) and drains into Calaveras Reservoir. The area itself includes the primary watershed for the Berryessa and Penitencia Creeks. Urban development has already made inroads nearby and, in fact, constitutes the western boarder of this Study Area.

Arroyo Aguague Study Area: This 5,400-acre Study Area adjoins Joseph D. Grant County Park to the south and Nature Conservancy-protected lands to the east, while urban development makes up its western boundary.

Evergreen Study Area: East San Jose Foothills comprise this 8,100-acre Study Area, which is a watershed for Silver Creek and its many small feeder and tributary creeks.

Coyote Ridge Study Area: This is a 10,000-acre Study Area that includes East Coyote Foothills and lands to the east of Anderson Lake. It also adjoins the proposed Evergreen Study Area to the East, Coyote Creek County Park to the west, and Anderson Lake County Park to the south.

Upper Coyote Creek Study Area: This 13,000-acre Study Area includes the east Gilroy foothills, Palassou Ridge, and Canada de los Osos.

Western Watershed Study Area: The 30,000-acre Western Watershed Study Area is bordered to the north by Almaden Quicksilver and Calero County Parks and extends west and south to the Santa Clara County line. To the east is Coyote Valley and to the south is Uvas Reservoir.

Baylands Study Area: The Authority's Baylands Study Area consists of over 16,500 acres of shoreline hugging the San Francisco Bay north of Route 237 in northern San Jose.

Santa Teresa Ridge Study Area: This 1,500-acre Study Area is a prominent ridge that abuts Santa Teresa County Park.

South Coyote Valley Greenbelt Study Area: This 3,300-acre Study Area is located just north of the City of Morgan Hill. The City of San Jose's General Plan shows that this area is located between Palm Avenue and Madrone Avenue on the west side of Monterey Highway and between the Morgan Hill City Limit line and Metcalf Avenue on the east side. In addition, the General Plans of Santa Clara County and Morgan Hill also indicate this general area as Greenbelt or Urban Buffer. The San Jose General Plan calls for this Greenbelt to be a "permanent non-urban buffer between San Jose and Morgan Hill." In addition, the General Plans of the County and Morgan Hill also indicate this general area as Greenbelt or Urban Buffer. Already, 840 acres are in public ownership. The remaining land consists of parcels that range in size from 5 to 100 acres.

The District implements the following volunteer programs:

Trail Patrol: Members of this program actively participate in the protection of open space lands and assist in monitoring visitor use. Trail Patrol members distribute information, brochures, and maps to trail users; educate visitors about proper trail use and safety; and provide staff with information on trail conditions and visitor use patterns. Trail patrol can be done on foot, bicycle, or horseback.

Land Stewardship: Members of the Land Steward Program actively participate in the protection and restoration of open space lands and assist in providing opportunities for low-impact public enjoyment. They assist Authority staff with many helpful projects.

- Trail construction & maintenance
- Land restoration
- Fencing
- Clean-up

Community Outreach: These volunteers further the Authority's community relations and public information goals by representing the Authority and distribution information at festivals, health fairs, and other public events.

Special Project Volunteers: These volunteers assist with long- or short-term projects on Authority properties and/or in the office. This may include using specialized skills the individuals may already have such as conducting plant or wildlife inventories; fence and gate repairs; gathering and compiling mapping, geographic information system data, or ArcInfo data; or helping with clerical tasks in the office.

13.2 SERVICE REVIEW DETERMINATIONS FOR THE SANTA CLARA COUNTY OPEN SPACE AUTHORITY

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, the following are the written determinations for the Authority.

Infrastructure Needs and Deficiencies

1. The Authority provides open space preservation services and currently has two facilities that are open to the public and include trails. Within the existing facilities no infrastructure needs or deficiencies have been identified.

Growth and Population

1. Based upon ABAG projections, the County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. The Authority's service provision is not directly related to population growth. However, population growth could increase development pressure on nonpreserved open space lands, making the Authority's acquisition of these areas more difficult.

Financing Constraints and Opportunities

1. The Authority's revenue is limited to benefit assessments and the constraints of Proposition 218.

2. The Authority's existing benefit assessment is sufficient to provide for acquisition projects, continuation of the existing programs, and servicing properties that are owned and maintained by the Authority. With additional funding, more lands could be acquired; however, financing constraints do not hinder the provision of services.

Cost-Avoidance Opportunities

1. The Authority has minimal employees and implements several volunteer programs. No cost-avoidance opportunities have been identified.

Opportunities for Rate Restructuring

1. The Authority's assessment provides for an annual adjustment based upon the Consumer Price Index for the San Francisco Bay area. Additional increases to benefit assessments, which are the only rates that the District levies, must be approved by two-thirds of the voters. Hence, no opportunities for rate restructuring have been identified.

Opportunities for Shared Facilities

1. The Authority provides open space preservation and trail/recreation services, which is based upon the provision/ownership of open space lands. As lands are not jointly owned or jointly provided with other agencies no shared facilities exist and future opportunities for shared facilities are limited. However, the Authority does preserve lands adjacent to open space and park facilities owned by other agencies and the Authority's lands provide linkages to these other facilities. Therefore, the opportunity may exist for the Authority to jointly plan with other agencies for future facilities to provide expanded open space land areas.

Government Structure Options

1. The Authority is governed by a directly elected Board of Directors. As the District's objective is to acquire open space lands throughout a large area of the County, it appears that an elected Board is an appropriate and effective structure for the Authority. No government structure options have been identified.

Evaluation of Management Efficiencies

1. Activities of the Authority are evaluated annually within the required Engineer's Report, which is submitted to the Authority Board for review and adoption.

Local Accountability and Governance

1. The Authority has a directly elected Board that meets pursuant to the Brown Act and has an Advisory Committee that recommends priorities and acquisition goals.

13.3 SOI RECOMMENDATION FOR THE SANTA CLARA COUNTY OPEN SPACE AUTHORITY

Current SOI Boundary

The Open Space Authority's existing SOI includes all of the County area, except for lands within the Midpeninsula Regional Open Space District's SOI. Specifically, the Authority's SOI is coterminous with its boundary, except for the City of Gilroy. The City of Gilroy is within the Authority's SOI, but not within the Authority's boundaries.

SOI Recommendation

Any expansion of the Authority's SOI would overlap with areas of the Midpeninsula Regional Open Space District's SOI. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the Santa Clara County Open Space Authority.

13.4 SOI DETERMINATIONS FOR THE SANTA CLARA COUNTY OPEN SPACE AUTHORITY

As detailed previously in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing Open Space Authority's SOI.

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

The District encompasses the Cities of Campbell, Milpitas, Morgan Hill, Santa Clara, and San Jose as well as the unincorporated area of the County that is not within the Midpeninsula Regional Open Space District. These areas contain a wide range of land uses, including all types of urban uses to large areas of hillside, open space, and agricultural uses. Generally, unincorporated areas within the County are designated Rural County. However, numerous unincorporated pocket areas exist that are developed with urban uses. Development within the cities ranges from fully developed urban areas to expansive hillside, open space, and agricultural lands.

Finding: Planned land uses throughout these areas are generally similar to those of the existing uses with the exception of the proposed Coyote Valley Specific Plan Area located in southern San Jose. The Specific Plan Area is currently undeveloped. If implemented, the Specific Plan would create an urban community comprising a minimum development of 50,000 jobs and 25,000 dwelling units.

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

The County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. The Authority's service provision is not directly related to population growth. However, population growth could increase development pressure on nonpreserved open space lands, making the Authority's acquisition of these areas more difficult.

Finding: The Authority is expected to continue to acquire lands for open space preservation throughout its boundary.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

Finding: The present capacity of service provided by the Open Space Authority appears to be adequate.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

Due to the unique service that the Authority provides, all lands within the Authority's boundary could be considered a community of interest. Specifically, the Study Areas, as identified above, and nonpreserved open space areas that are of regional significance would be considered communities of interest.

Finding: All lands within the Authority's boundary are considered a community of interest.

14.0 SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

The vector control services that are provided by the District are evaluated within this service review.

14.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The Santa Clara County Vector Control District was formed in May 1988 pursuant to Government Code Section 25842.5, Health and Safety Code Section 2200, et seq., Health and Safety Code Section 1800, et seq., California Penal Code, Title X, and Uniform Housing Code Section 1001 (b) 12. The District provides mosquito and general vector control. The District encompasses the entire County. The District's SOI is coterminous with the District's boundary. The District is the largest of the 10 Bay Area mosquito and vector control districts.

The District is governed by the Santa Clara County Board of Supervisors. The Board meets regularly on the first and third Tuesday of each month. When the District has public matters to be heard at the meetings, the Chair of the Board announces that they are acting as trustees of the District. On more routine matters, the Chair announces at the beginning of the meeting that they are sitting as the County Board of Supervisors and the governing board for the various special districts in the County. District meetings and activities are held pursuant to the Brown Act. Meeting agendas are posted on the County's website and outside of the County Board Chambers. If special noticing is required a local newspaper is also utilized.

Mission Statement

Santa Clara County Vector Control District's mission is to detect and minimize vector-borne diseases, to abate mosquitoes, and to assist the public in resolving problems with rodents, wildlife, and insects of medical significance. Primary services include the following:

- Detection of the presence/prevalence of vector-borne disease through planned tests, surveys, and samples
- Inspection and treatment of known mosquito and rodent sources
- Response to customer-initiated service requests for identification, advisory, and/or control measures for mosquitoes, rodents, wildlife, and miscellaneous invertebrates (e.g., ticks, yellowjackets, cockroaches, bees, fleas, flies)
- Promotion of public awareness through outreach and educational services

The District ensures disease and illness prevention by ensuring that sources of vector development are identified, inventoried, inspected, and treated as often as needed. This includes 300 miles of streams, 5,000 acres of marshlands, and 27,000 storm drain catch basins. Prevention focuses on eradicating the water and vegetative conditions that are conducive to breeding. Mosquito fish are used as a control

technique and, as a last resort, chemical agents are used. The District also conducts disease surveillance activities for such vector-borne diseases as encephalitis, plague, hantavirus, Lyme disease, and other insect and animal-borne pathogens. The District conducts education and outreach activities to inform the community about vector-borne diseases. The District has 32.5 professional and technical staff members who are responsible for providing services.

For its operations, the District divides the County into 13 smaller districts. Field workers target between 500 and 600 inventory sources of mosquitoes in the County; these are places where, based on historical data, mosquitoes are likely to breed. Staff members visit high-risk sources once a week, sometimes checking strategically located traps; other sources are visited once or twice a month. ABAG projects the County to experience a moderate growth rate of 1.19 percent annually through 2025. This is not expected to impact the District's service operations.

The Vector Control District is required to report its activities to the County's Department of Environmental Health. The District also submits an annual report to the County Board of Supervisors in their role as the District's Board of Trustees. The District's financial activities are also independently audited on an annual basis. In addition, the 2003–2004 Grand Jury evaluated District activities and concluded that the District has a well-developed plan to meet the threat of West Nile Virus.

The County provides many administrative services to the District, and the District's annual budget is contained within the County's budget. This structure provides cost savings for the District because it only needs to pay for the District's portion of administrative overhead expenses. The District also participates in joint financing and purchasing efforts to minimize costs. For example, the District has a new Vector Control Service Yard that was partially financed by the County, and the District participates in the County's buying power by utilizing the County Procurement Department for all purchases. The District does not have specific arrangements for sharing facilities with other agencies; however, the District does (from time to time) share equipment and staff with the County of Santa Clara Department of Environmental Health. In addition, the District has an unwritten mutual-aid agreement with respect to materials and supplies from other mosquito and vector-control districts within the region.

The District's revenue is limited to benefit assessments (97.8 percent of revenue) and interest income. The District has been facing budget constraints as expenditures have exceeded revenues for several years. Due to the budget constraints, the District has utilized a small "temporary facility" since 1992. Funding issues have constrained the move into a new facility. In FY 2003-2004 the District's revenues totaled \$2,692,162 and expenditures totaled \$3,169,551; meaning that expenditures exceeded revenues by \$477,389. Approximately 98 percent of the District's fund balances at the end of FY 2003-2004 (\$1,990,977) consisted of unrestricted fund balance, which is available to meet the District's needs. The remainder of the fund balance (approximately \$35,000) is reserved for encumbrances. The District's most recent audit states that this reserve amount is sufficient for the next several years to adjust for economic uncertainty and anticipated increases to staff salaries and benefits.

The Vector Control District uses a system of assessment units, benefit zones, benefit units, and benefit factors to determine what each property owner pays. Depending upon the use of the property

and the amount of service dispensed, a parcel receives a specific level of vector-control benefit. Assessment units are assigned in proportion to the benefit received. These different assessments are reflected in annual rates that vary from \$.67 to \$27.02. However, the great majority of landowners currently pay \$5.08 annually per parcel on their property tax bill. The District has recently implemented a benefit assessment increase that was approved by voters in August 2005. This is the first increase in rates since 1997. The new assessment begun in 2006 and is \$8.36 annually for the majority of landowners. The increase will provide the District with an additional \$4 million in funding annually. In addition to other uses, this funding would allow the District to begin to look for a more permanent facility that would better accommodate the District's activities.

14.2 SERVICE REVIEW DETERMINATIONS FOR THE SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. The District moved into a small "temporary facility" in 1992, and funding issues have constrained the move into a new larger facility. However, the recent passage of the increased assessment will provide financing to obtain a larger, more functional facility.

Growth and Population

1. Based upon ABAG projections, the County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. This growth is not expected to impact the District's service provision capabilities.

Financing Constraints and Opportunities

1. The District has been facing budget constraints. Expenditures have exceeded revenues for several years. However, voters have recently approved a benefit assessment increase. The increase will provide the District with an additional \$4 million in funding annually.
2. The District's revenue is limited to benefit assessments and interest income. No additional financing opportunities have been identified.

Cost-Avoidance Opportunities

1. The County provides many administrative services to the District, and the District's annual budget is contained within the County's budget. This structure provides cost savings for the District because it only pays for the District's portion of administrative overhead expenses.

2. The District participates in several joint financing and purchasing efforts to minimize costs.

Opportunities for Rate Restructuring

1. The District has recently implemented a benefit assessment increase that was approved by voters in August 2005. This is the first increase in rates since 1997.
2. Increases to benefit assessments, which are the only rates that the District levies, must be approved by two-thirds of the voters. Hence, no opportunities for rate restructuring have been identified.

Opportunities for Shared Facilities

1. The District shares equipment and staff with the County of Santa Clara Department of Environmental Health.
2. The District has an unwritten mutual-aid agreement with respect to materials and supplies from other mosquito and vector-control districts within the region.

Government Structure Options

1. The District is governed by the County Board of Supervisors. No government structure options have been identified.

Evaluation of Management Efficiencies

1. The 2003–2004 Grand Jury evaluated District activities and concluded that the District has a well-developed plan to meet the threat of West Nile Virus.
2. An evaluation of management efficiencies of the District is implemented through activity reports to the County Department of Environmental Health. The District also submits an annual report to the County Board of Supervisors in their capacity as the Board of Trustees.

Local Accountability and Governance

1. The County Board of Supervisors is the governing body for the Vector Control District in addition to other various special districts in the County. Meeting agendas are posted on the County's website and outside of the County Board Chambers along with the Board's other agenda items. Local accountability and governance standards are met through this established process.

14.3 SOI RECOMMENDATION FOR THE SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

Current SOI Boundary

The District encompasses the entire County and has an existing SOI that is coterminous with the County boundaries.

SOI Recommendation

As the existing SOI for the Vector Control District is coterminous with the County boundaries, no further outward expansion is possible. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the Santa Clara County Vector Control District.

14.4 SOI DETERMINATIONS FOR THE SANTA CLARA COUNTY VECTOR CONTROL DISTRICT

As detailed previously in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing District's SOI.

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

The District encompasses the entire County. The County of Santa Clara contains a wide range of land uses, including all types of urban uses to large areas of hillside, open space, and agricultural uses. Generally, unincorporated areas within the County are designated Rural County. However, numerous unincorporated pocket areas exist that are developed with urban uses. Development within the cities ranges from fully developed urban areas to expansive hillside, open space, and agricultural lands.

Finding: Planned land uses throughout the County are generally similar to those of the existing uses, with the exception of the proposed Coyote Valley Specific Plan area located in the unincorporated area south of San Jose. The Specific Plan Area is currently undeveloped. If implemented, the Specific Plan would create an urban community comprising a minimum development of 50,000 jobs and 25,000 dwelling units.

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

The County is expected to experience a moderate growth rate of 1.19 percent annually through 2025. The need for vector-control services may grow in the future. However, this is largely dependant upon the potential creation of new water and vegetative and other conditions that are conducive to vector breeding.

Finding: The need for vector-control services may grow in the future depending on the creation of conditions that are conducive to vector breeding.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

The District's "temporary facility" is inadequate; however, passage of an increased assessment will provide financing to obtain a larger, more functional facility.

Finding: The present level of services provided by the District appears to be adequate.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

The District encompasses the entire County.

Finding: The District currently encompasses all of the communities of interest in the County.

15.0 SOUTH SANTA CLARA VALLEY MEMORIAL DISTRICT

The veteran facility services that are provided by the District are evaluated within this service review.

15.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The South Santa Clara Valley Memorial District was created on August 26, 1946, pursuant to the California Military and Veterans Code Section 1170 et seq. As shown in Figure 15.1, the District area is generally bounded on the north by Church Avenue, which is north of the City of Gilroy; and on the east, south, and west by the Santa Clara County line. The existing District SOI is coterminous with its boundary.

Memorial Districts through their principal act are empowered to provide and maintain memorial halls and buildings for use by veterans and may issue general obligation bonds to fund such activities. The South Santa Clara Valley Memorial District's current operations are limited to one memorial building, which is approximately 19,000 square feet and located at 74 W. Sixth Street in Gilroy. The District has stated that the building's roof has deficiencies due to age and is being replaced and solar panels are being added, which will provide hot water. The restroom has limited access for disabled persons. The District does not have plans to remodel the restroom. However, the District has stated that it would like to sell the existing building and purchase a larger and more adequate facility.

The District facility is utilized by local posts of the American Legion, Veterans of Foreign Wars, and auxiliaries of these groups that are located within the District. These organizations have formed a Bar Council, which operates the bar and clubroom in the building. In addition, the District rents the facility (by utilizing a property management firm) to non-veteran organizations and persons several times a month (annual average of 2-3 times per month). Any person or organization is able to rent this facility for use. The facility's base rent is \$1,000 per use. However, if the facility is being rented for a funeral of a veteran's family member, the rent is much lower, as long as the veteran is a member of one of the organizations that regularly utilize the facility. If the District rents the facility to a veterans' organization that is located outside of the District's boundary, the full rental rate would be charged. The District and Property Management Firm have stated that because most of the rental demand is on Saturdays and because the facility is used extensively for the activities of the veterans' organizations, limited availability exists for additional rentals.

An elected five-member Board of Directors oversees District activities. Regularly scheduled Board meetings are held on the third Wednesday of each month at 7 p.m. at the memorial building. Agendas for the meetings are posted pursuant to the Brown Act at the memorial building the Friday before each meeting. Meeting minutes are also available for anyone who requests them. The District has three contract employees that consist of two building caretakers and one gardener.

The District provides a specific service to a specific segment of the population. Thus, the District does not have any joint agreements for sharing facilities or costs. Because of the facility's current use schedule, the District has stated that it would not be possible for the District to share the facility with

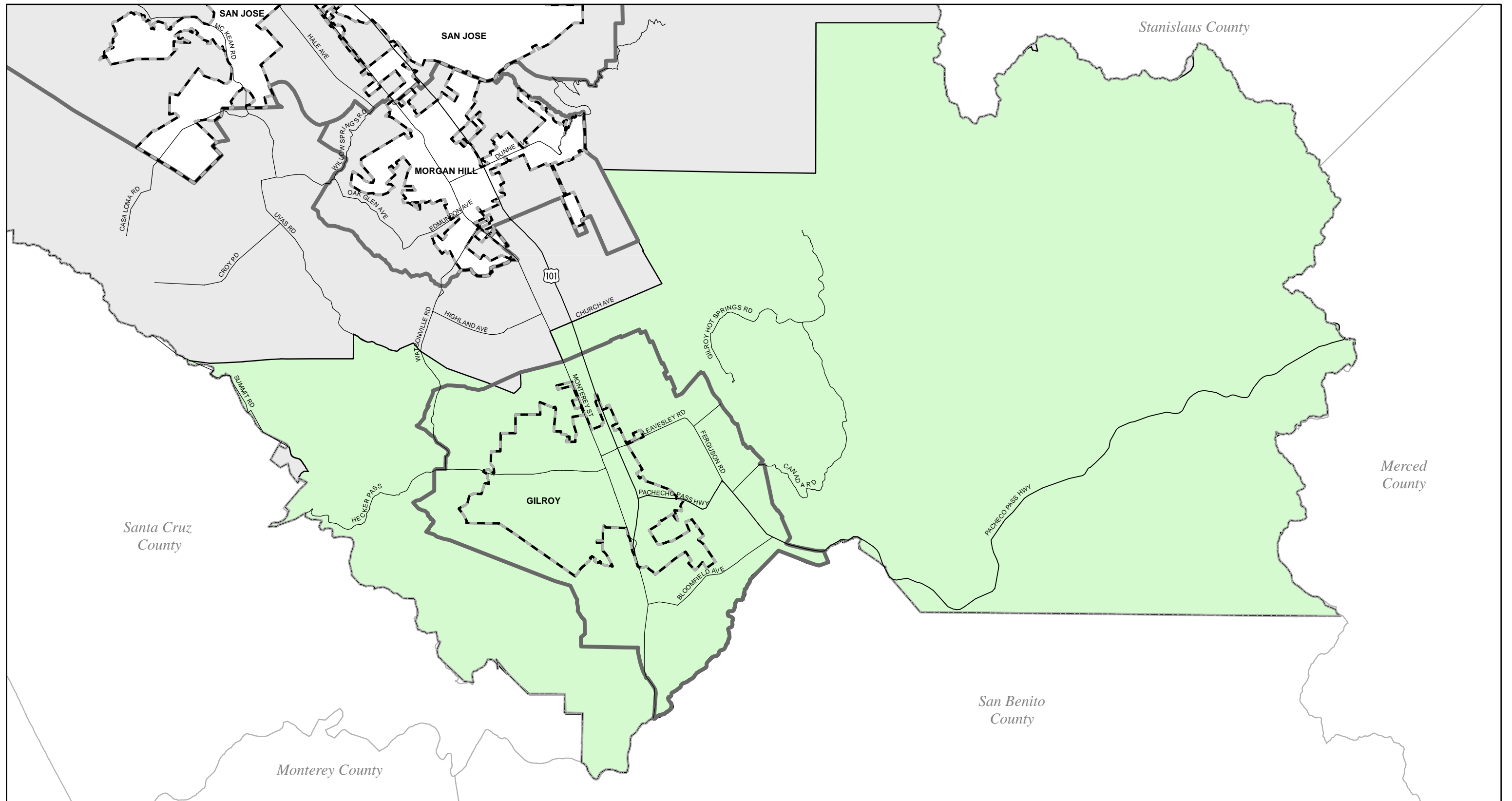
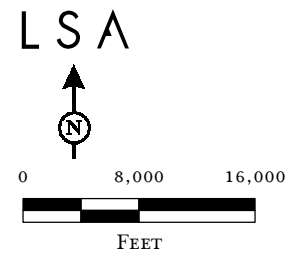


FIGURE 15.1



- Legend**
- County Boundary
 - Unincorporated Areas not within the District
 - Cities Spheres of Influence
 - South Santa Clara Valley Memorial District
 - Cities outside the South Santa Clara Valley Memorial District
 - City within Santa Clara Valley Memorial District

SOURCE: Santa Clara County, Dept. of Conservation (1996)
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another agency on a regular or full-time basis. However, the District has had agreements with the City of Gilroy and organizations to use the facility when not being used by the veterans' organizations.

The District deposits all revenue in the County Treasury, where the District's financial services are implemented. The District's revenue is obtained through a percentage of property taxes, interest income, and fees from facility rentals. Between the fiscal years ending 2000 and 2003 an average of 77.3 percent of the District's revenue was from property taxes, 9.9 percent was from interest income, and 12.7 percent was from facility rentals. Within the same timeframe the District's revenues averaged \$78,904 annually, which exceeded expenditures by an average of \$30,784 annually. In addition, in June 2003 the District had \$224,802 in cash in the County Treasury, which is available for capital expenditures.

The County Board of Supervisors has indicated to the District in the past that the District should only utilize one account with the Treasury. Due to this, the District does not have a separate reserve account and any funds remaining after the end of each fiscal year remain in the County Treasury account. The District completes financial audits on a five year schedule. Within the 2005-06 fiscal year budget, the District has budgeted 85 percent of its revenue to be gained from property taxes and interest income, and 15 percent to be gained from rental fees.

The District's service provision is specific to veterans; hence, the demand for services provided by the District is not directly related to either population growth or land use within the District. It is related to the size of the veteran population within the District, which is difficult to project. However, population growth within the District's boundaries may create an additional demand for renting the facility.

The District is unique, with a specialized function that is specific to the provision and maintenance of facilities for the use of veterans and veteran associated organizations. The District is currently providing the services in which it was intended to provide. Having a public agency provide a facility for veterans use is unique within the Santa Clara County. All other veteran's facilities within the County are privately funded, whereby membership dues and activities provide funding for meeting places.

It should be noted that the County of Santa Clara has a Veterans Services Office that is a State and County funded agency established in 1946 to assist Veterans, military retirees, and their families in obtaining benefits and services accrued through military service. This office does not have the authority to provide facilities for the use of veterans and veteran associated organizations. The Veteran Service Office is limited to providing the following services:

- Information, training and assistance to organizations helping Veterans
- Outreach to hard to contact elements of the veterans community
- Benefits Claim Assistance
- Telephone Claims Assistance
- Notary Public Services
- Survivors Assistance

Specific service examples include:

- Client Advocacy
- Claims Filing
- Case Management
- Information and Referral
- Program Liaison with: VA Health Services, VA Veterans Centers, Veterans Administration, Veteran Service Organizations, Employment Development Department, and Cal Vet Home Loan Assistance
- Processing Appeals
- Interfacing with other Organizations
- In-Home Visitation and Outreach for Elderly, Disabled, Incarcerated and Mobility

The Veteran Service Office and the South Santa Clara Valley Memorial District provide two different types of services that do not overlap and are funded in different manners. Due to this, an overlapping of service provision does not exist. However, because the Veteran Service Office provides information, training and assistance to organizations helping veterans and outreach to hard to contact elements of the veterans community, the opportunity may exist for the two organizations to work together to provide services to veterans and dependants of deceased veterans.

15.2 SERVICE REVIEW DETERMINATIONS FOR THE SOUTH SANTA CLARA VALLEY MEMORIAL DISTRICT

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, the following are the written determinations for the South Santa Clara Valley Memorial District.

Infrastructure Needs and Deficiencies

1. The size and location of the District's facility appears to be adequate to meet the needs of the veteran population in southern Santa Clara County and, specifically, the activities of the District.
2. The building's roof has deficiencies due to age and is being replaced and solar panels are being added. The restroom has limited access for disabled persons. The District does not have plans to remodel the restroom. However, the District has stated that it would like to sell the existing building and purchase a larger more adequate facility.

Growth and Population

1. The District's service provision is specific to veterans. The demand for services provided by the District is not directly related to either population growth or land use within the District but is related to the size of the veteran population, which is difficult to project.

Financing Constraints and Opportunities

1. The District's revenue is gained from property taxes, interest income, and rental fees. In June 2003 the District had \$224,802 in cash in the County Treasury, which is a financing opportunity.

Cost-Avoidance Opportunities

1. The District recoups the expenses of owning and maintaining the memorial building by renting it out to the public.

Opportunities for Rate Restructuring

1. The District rents out the memorial building and rental prices are based upon the rental market within Gilroy, as determined by a property firm.

Opportunities for Shared Facilities

1. The District does not have any joint agreements for sharing its facility. Because of the facility's current use schedule, the District has stated that it would not be possible to share the facility with another agency. However, the District has had agreements with the City of Gilroy and organizations to use the facility when not being used by the veterans' organizations.

Government Structure Options

1. The following two government structure options have been identified.
 - A. Dissolution of the District without naming a successor agency: The service being provided by the District would no longer be provided by a public agency and property tax funds would not be used to fund the services. A private organization may provide the services in the area using private funds.

Advantages: Property tax funds currently used to fund the District could be redistributed to other agencies; and the cost of operating a separate public agency to provide the service would be eliminated.

Disadvantages: There is no existing feasible successor agency to take the place of the District; and a private veterans' organization may provide the service but it would not receive a share of the property tax and would have to rely on private funds to provide the service.

- B. No change to the existing government structure: The District would continue to provide a unique service to a specific segment of the population and receive a share of the property taxes to fund its services.

Advantage: This would allow for continuity of service as no other existing public agency could provide the service.

Disadvantage: The District would be using public funds to provide services; and such services are provided and funded privately elsewhere in the County.

Evaluation of Management Efficiencies

1. The District's financial records and activities are audited every five years by an independent auditing firm.

Local Accountability and Governance

1. The District follows the provisions of the Brown Act, as meeting agendas are posted in a timely manner and meeting minutes are available to whoever requests them.

15.3 SOI RECOMMENDATION FOR THE SOUTH SANTA CLARA COUNTY MEMORIAL DISTRICT

Current SOI Boundary

The South Santa Clara County Memorial District area is generally bounded on the north by Church Avenue, which is north of the City of Gilroy; and on the east, south, and west by the Santa Clara County line. LAFCO adopted the existing SOI for the District, which is coterminous with its boundary, in 1983.

SOI Recommendation

There are no SOI issues that have been identified. Therefore, it is recommended that LAFCO reaffirm the existing SOI for the South Santa Clara County Memorial District.

15.4 SOI DETERMINATIONS FOR THE SOUTH SANTA CLARA COUNTY MEMORIAL DISTRICT

As detailed previously in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing District's SOI.

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

The District encompasses the City of Gilroy and the adjacent unincorporated County areas, which extend to the County boundary to the south, east, and west. The City of Gilroy is a largely residential and agricultural community. The unincorporated County areas are largely ranchlands, hillsides, regional parkland, and agricultural areas. However, smaller areas consisting of open space reserves also exist adjacent to Gilroy.

Finding: Planned land uses throughout the District are generally similar to those of the existing uses.

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

The County and the City of Gilroy are expected to experience a growth rate of slightly above 1 percent annually through 2025. However, the District's services are specific to veterans and are not directly related to the overall population growth. However, a potential increase in the veteran's population can be assumed.

Finding: The need for District services is expected to exist in the future.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

Finding: The District is looking for an opportunity to move to larger more adequate facility.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

Finding: There are no social or economic communities of interest that have been identified for the Memorial District.

16.0 SUNOL SANITARY DISTRICT

The wastewater services that are provided by the District are evaluated within this service review.

16.1 LOCATION, ADMINISTRATION, AND OPERATIONS

The Sunol Sanitary District is located within three unincorporated areas that are surrounded by the City of San Jose. The District was organized in 1940 pursuant to the California Health and Safety Code Section 4700 et seq. The District provides wastewater services to lands within its boundaries. The District is also empowered through the enabling legislation to acquire, build, operate, and maintain refuse facilities as well as to collect solid waste. However, the District does not provide these services. A five-member elected Board of Directors oversees operation of the District. The Board is elected at large for staggered four-year terms; thereby two or three members are up for election every two years. The Board meets every 2nd and 4th Thursday of each month at 6 p.m. at the Foundry School, which is located on Sunol Street in the City of San Jose. Meetings are noticed by posting the meeting agenda at the school entrance two weeks prior to the meeting date. The agenda provides the meeting date, time, and place.

The District is required to adopt an annual budget, which is submitted to the County Controller's Office by the beginning of each fiscal year. All of the District's revenue is gained from user fees and interest that is earned on reserves. It appears that only portions of the District's budget and financial audit were provided by the District for review in this Service Review. From the information available, it appears that the District has a history of operating at a net profit. However, in FY 2003-2004 the District's revenues totaled \$120,006 and expenditures totaled \$174,029; meaning that expenditures exceeded revenues by \$54,023. The District has stated that the net loss in FY 2003-2004 was due to an unexpected infrastructure repair and lower interest income on cash reserves. At the end of FY 2003-2004 the District's audit shows that the total cash on hand was \$568,071, which includes an unreserved fund balance of \$143,266 that is available to meet the District's needs; and a reserved fund balance of \$5,060 that is reserve for debt service. The District does not have any specific policies related to the use of reserve funds or the level of reserve funds that should be maintained.

The District owns approximately 3.88 miles of sewer lines that are mostly six inches in diameter. The District provides wastewater services to 418 connections. The District owns and maintains the sewer lines within the District boundaries. Wastewater that is collected within the District flows to the City of San Jose's facilities for treatment and disposal. The District contracts with the City of San Jose and pays it proportionate cost for the use of the City owned sewer lines between the District and the San Jose/Santa Clara Wastewater Treatment Plant, and for treatment and disposal of the waste. The District has stated that the existing system has the capacity to accommodate infill development within the District. The District has also stated that the existing infrastructure has some normal deterioration but this does not currently require rehabilitation or upgrades. If new or upgraded infrastructure were needed, the District would utilize reserve funds and increase wastewater rates to finance them.

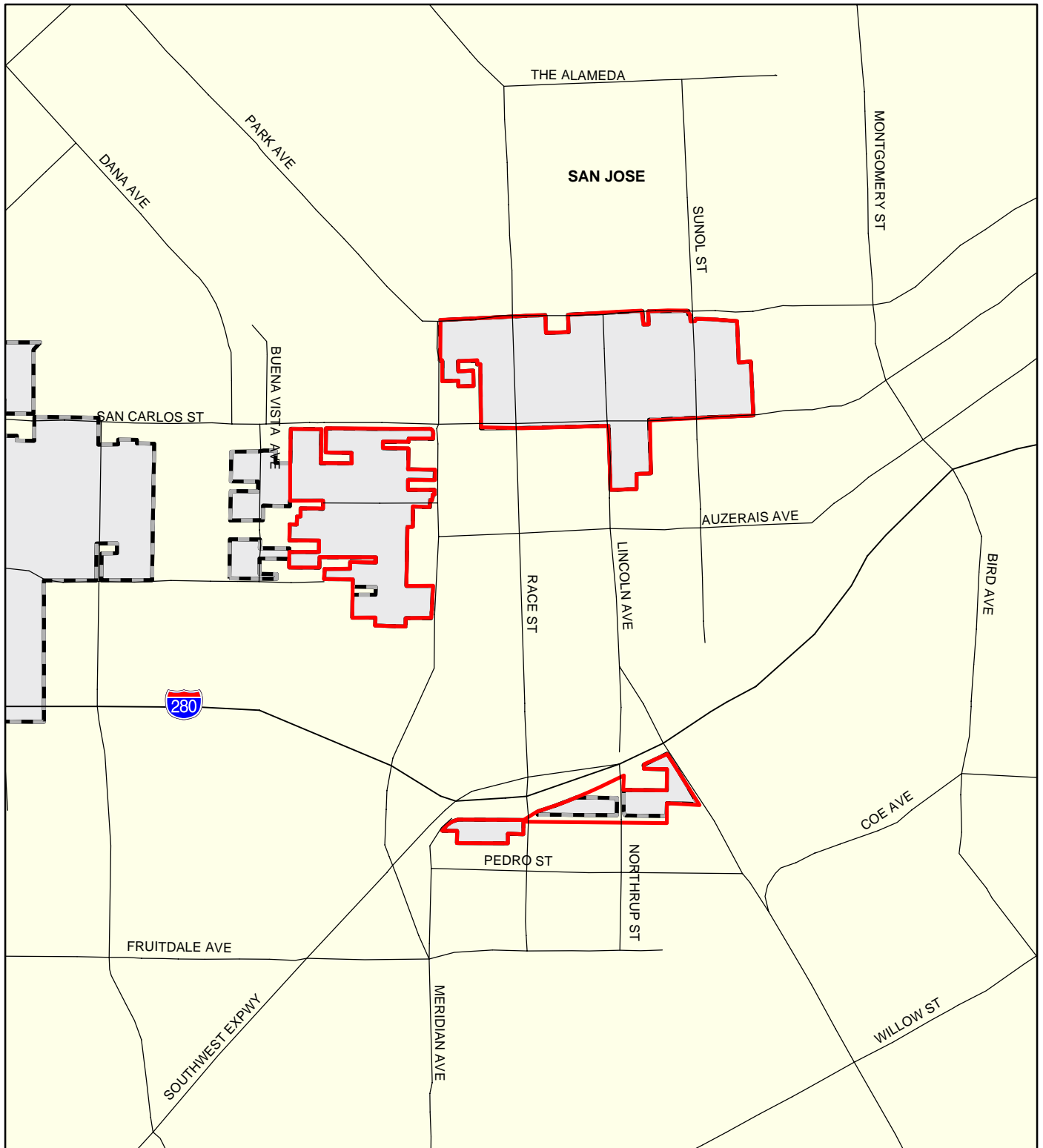
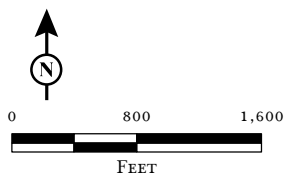





FIGURE 16.1

LSA



Legend

-  Surrounding City Limits
-  Unincorporated Areas
-  Sunol Sanitary District

*Santa Clara County
LAFCO Municipal Service Reviews*

Sunol Sanitary District

SOURCE: Santa Clara County

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The District does not have employees of its own. Engineering services are provided by contract with an engineering consulting firm. Sanitary sewer maintenance work is provided by contract with service providers. The maintenance contractors must provide insurance limits required by the District, hold appropriate licenses, and exhibit good safety records.

The District encompasses small unincorporated island areas that are primarily surrounded by the City of San Jose. The District will shrink in size as portions are annexed to San Jose. Hence, the maximum service area of the District is defined by its current boundaries. The area within the District is developed, with a mix of existing industrial, commercial, office, and single-family residential uses.

Wastewater Rate Comparison

The District adopts wastewater rates annually, prior to the beginning of the new fiscal year. The current rates, which are listed in Table 16.A, were adopted on May 25, 2005. Residential customers are charged a set monthly rate for services, while commercial and industrial customers are charged rates that are based on the type of business and the percentage of sewage compared to the amount of water used. Table 16.A compares the District’s wastewater rates to those of nearby jurisdictions. As shown, Sunol Sanitary District’s rates are much lower than other wastewater service providers in the San Jose area.

Table 16.A: Existing Monthly Wastewater Rates

	Sunol Sanitary District	San Jose	Burbank Sanitary District
Residential: single-family	\$13.42	\$20.70	\$26.04
Residential: multifamily	\$7.63	\$11.84	\$14.81
Commercial and industrial	\$1.20 per HCF ¹ ; calculated depending on use.	\$1.66–\$4.88 per HCF ¹ ; calculated depending on use.	From \$18.49 up, depending on use.

16.2 SERVICE REVIEW DETERMINATIONS FOR THE SUNOL SANITARY DISTRICT

The Service Review guidelines prepared by the State Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the CKH Act. Based on the above information, following are the written determinations for the District.

Infrastructure Needs and Deficiencies

1. The District’s existing infrastructure has some normal deterioration; however, according to the District this does not currently require rehabilitation or upgrades.

¹ Hundred Cubic Feet

2. The existing system has the capacity to accommodate infill development within the existing District boundaries.

Growth and Population

1. ABAG has adopted a population growth rate of 1.43 percent annually through 2025 for the City of San Jose. As the District is surrounded by the City, this could be applied to the District lands. However, the District is generally built out, and most future growth would be limited to infill development and redevelopment, which can only occur following annexation to San Jose. Therefore, the actual growth within the District can be expected to be minimal.
2. The District is surrounded by the City of San Jose and will shrink in size as portions are annexed to the City. Hence, the maximum service area of the District is defined by its current boundaries.

Financing Constraints and Opportunities

1. The District's revenue is gained solely from service charges and interest earned on reserves. In FY 2003-2004 the District's expenditures exceeded revenues by \$54,023. The District has stated that this loss was due to an unexpected infrastructure repair and lower interest income on cash reserves.
2. The District has planned to utilize reserve funds and increase wastewater rates to finance new or upgraded infrastructure when needed. It appears that the District's reserve funds are adequate to finance typical infrastructure upgrades or maintenance projects.

Cost-Avoidance Opportunities

1. Cost savings may occur if the District area were annexed into the City of San Jose and the District were dissolved. This may save administrative and Board of Director costs.

Opportunities for Rate Restructuring

1. Sunol Sanitary District's rates are much lower than other wastewater service providers in the San Jose area. It appears that in most recent years, the District's rates have provided for overall profits and a substantial reserve fund.

Opportunities for Shared Facilities

1. The District shares trunkline and wastewater treatment plant capacity with the City of San Jose. As the District's facilities, operations, and service areas are limited no other opportunities for sharing facilities have been identified.

Government Structure Options

1. It has been the long-term goal of LAFCO and the County that unincorporated pockets should be annexed to the Cities. Likewise, the City of San Jose has a General Plan policy that states that unincorporated pockets should be annexed. Therefore, it is recommended that the City annex these unincorporated areas and the District be dissolved.

Evaluation of Management Efficiencies

1. The overall management of wastewater service provision to the District area would appear to be more efficient if the areas were annexed into the City of San Jose and the District were dissolved.

Local Accountability and Governance

1. The District has a five member directly elected Board of Directors and notices meetings by posting the agenda two weeks prior to the meeting date at the entrance of the District's meeting location.

16.3 SOI RECOMMENDATION FOR THE SUNOL SANITARY DISTRICT

Current SOI Boundary

The Sunol Sanitary District consists of three unincorporated areas that are surrounded by the City of San Jose and within San Jose's USA. LAFCO adopted the existing zero SOI for the District in 1982. This was done to recognize the long-term policy of LAFCO and the County that unincorporated pockets within cities' USAs should annex to cities and receive city services.

SOI Recommendation

As LAFCO and County policies regarding pocket areas and service provision have remained the same since adoption of the existing SOI, it is recommended that LAFCO reaffirm the existing zero SOI for Sunol Sanitary District.

16.4 SOI DETERMINATIONS FOR THE SUNOL SANITARY DISTRICT

As detailed previously in Section 1.1.2, Government Code section 56425 requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information above, the following determinations are provided to update the existing District's SOI.

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

The unincorporated District area is surrounded by the City of San Jose. The District is an urban area that is developed with a mix of industrial, commercial, office, and single-family residential uses. Planned land uses throughout the District area are generally similar to those of the existing uses.

Finding: Future development within the District is expected to consist of infill development and redevelopment, which can only occur after annexation to the City of San Jose.

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

ABAG projects that the population of San Jose will grow 1.43 percent annually through 2025. As the District is surrounded by the City, this could be applied to District lands. However, the District lands are developed, and most future growth would be limited to infill development and redevelopment, which can only occur after annexation to the City of San Jose. Therefore, actual growth within the District boundaries would be low.

Finding: The need for additional wastewater facilities and services is expected to be low in the future.

3. The Present Capacity of Public Facilities and Adequacy of Public Services That the Agency Provides or Is Authorized to Provide

The present capacity of public facilities and provision of service appears to be adequate and would be able to accommodate infill development and redevelopment. However, infrastructure deficiencies exist that have been created by normal deterioration. The District has stated that these deficiencies do not currently require rehabilitation or upgrades.

Finding: The present capacity of public facilities and provision of service appears to be adequate.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They Are Relevant to the Agency

The District encompasses unincorporated islands that are surrounded by the City of San Jose.

Finding: The District is part of the social and economic community of San Jose.

17.0 SAN MARTIN

The unincorporated community of San Martin is approximately 5.5 square miles and is located between the Cities of Morgan Hill and Gilroy. The population of the community in 2000 was approximately 4,230. The San Martin Planning Area boundary encompasses the area between Maple Avenue on the north; Masten Avenue on the south; the East Foothills and West Foothills (excluding those areas within Morgan Hill). It excludes the area that lies west of Monterey Road and between the hill crest north and paralleling California Avenue and West Middle Avenue. The north and south planning boundaries are coterminous with the existing SOI of Morgan Hill and Gilroy.

San Martin is an unincorporated community governed by the County Board of Supervisors. San Martin receives nonurban levels of service from the County or from Countywide service districts such as the Vector Control District. There have been discussions among residents regarding a proposal to incorporate the Community. As of this time, no incorporation applications have been filed with LAFCO.

The community has a unique rural identity and character, and the County General Plan states that San Martin should be viewed as a distinct geographic entity. The County General Plan states that care should be taken to prevent premature commitment of land for uses that would restrict or preclude future land use options for the Community. Likewise, a General Plan policy states that in order to best preserve future options for the San Martin community and environs, San Martin shall remain a rural community, predominantly nonurban and residential in nature.

Prior to any significant increase in the types or densities of land use in the San Martin area, a master plan addressing both land use and infrastructure issues is required by the General Plan. The master utility/infrastructure component of this plan would include provision for fire protection, street improvements, a unified water distribution system, a wastewater management system, and area-wide drainage improvements. Methods of financing the master-planned improvements and designation of the government entities that would provide services should be included in the adopted plan.

Currently, sewer services are not provided within the Community. The General Plan regulates the provision of sewer services within the area. It states that connections to sewers will be subject to the following conditions:

1. No sewer connections will be allowed for private projects in the San Martin area until such time as an area-wide plan for infrastructure has been approved by the Board of Supervisors.
2. Public facilities and services operated by either a public or nonprofit agency may be granted a sewer connection without being required to develop a master utility/infrastructure plan if it can be found that such a connection would not induce significant growth within the community.

The County General Plan also states that new or significantly expanded industrial and commercial uses within San Martin may only be allowed if they can be served adequately by the infrastructure within the community and comply with the current regulations within County ordinances.

Because San Martin is neither an incorporated City nor a service provider, MSR and SOI determinations have not been included.

18.0 ORGANIZATIONS AND PERSONS CONTACTED

LAFCO Staff, County Staff, and MSR Technical Advisory Committee

Bill Shoe, Principal Planner, County of Santa Clara
Don Gage, LAFCO Commissioner
Dunia Noel, LAFCO Analyst, LAFCO of Santa Clara County
Edward Tewes, City Manager, City of Morgan Hill
Jim Foran, Director District 2, Santa Clara County Open Space Authority
Kathy Kretchmer, Counsel for LAFCO, LAFCO of Santa Clara County
Laurel Prevetti, Deputy Director Planning Services, City of San Jose
Neelima Palacherla, Executive Officer, LAFCO of Santa Clara County
Rick Smelser, Engineering Division, City of Gilroy

Districts

Dave Pasquinelli, Engineer, Sunol Sanitary District
David Ross, District Manager/Engineer, County Sanitation District 2-3
Gay Strand, Administrative Services Manager, Santa Clara County Library
John Beatty, John Beatty & Associates
Joseph Polverari, President, Lion's Gate Community Service District
Patrick Congdon, District Manager, Santa Clara County Open Space Authority
Raluca Nitescu, Santa Clara County Lighting Service Area
Sid Nash, Consultant to Burbank and County Sanitation District 2-3
Stephen Oster, Secretary, Sunol Sanitary District
Tim Mulligan, Manager, Santa Clara County Vector Control District
Tom Yamano, Secretary-Treasurer, South Santa Clara Valley Memorial District
William Lee, Senior Civil Engineer, Santa Clara County Lighting Service Area

Gilroy

Gerry Dutra, Engineer I, City of Gilroy
Lanny Brown, Assistant Chief, City of Gilroy Police Department
Patricia Bentson, Financial Analyst, City of Gilroy
Phyllis A. Ward, Certified Crime Analyst, Gilroy Police Department
Rick Smelser, Engineering Division, City of Gilroy
William Faus, Planning Division Manager, City of Gilroy

Milpitas

Cynthia Maxwell, Planning Department, City of Milpitas
Dennis Graham, Captain, City of Milpitas Police Department

Kathleen P. Yurchak, Recreation Services Supervisor, City of Milpitas
Kathleen P. Yurchak, Recreation Services Supervisor, City of Milpitas
Robert Wang, Engineering Department, City of Milpitas

Morgan Hill

Bruce Cumming, Police Chief, City of Morgan Hill
Edward Tewes, City Manager, City of Morgan Hill
Julie Spier, Recreation and Community Service Manager, City of Morgan Hill
Kathleen Molloy Previsich, Community Development Director, City of Morgan Hill
Mori Struve, Deputy Director Public Works, City of Morgan Hill

San Jose

Bob Wilson, Municipal Water, City of San Jose
Bonnie Kobayashi, Finance Department, City of San Jose
Brad Brown, Parks and Recreation Department
Carl Mosure, Director of Environmental Services, City of San Jose
Dave Mitchell, Director of Parks and Recreation
Jane Light, Library Director, San Jose Public Library, City of San Jose
Katy Allan, Director of Public Works, City of San Jose
Ken Rock, San Jose/Santa Clara Water Pollution Control Plant, City of San Jose
Laurel Prevetti, Deputy Director Planning Services, City of San Jose
Michael O'Connell, Division Manager, Engineering and Construction Services Department, City of San Jose
Shelly Guo, Program Manager for Wastewater Master Planning, City of San Jose
Stan Ketchum, Planning Department, City of San Jose
Stephen Haase, Director of Planning, Building & Code Enforcement, City of San Jose
Timm Borden, Deputy Director, City of San Jose Department of Public Works
Walter Rossman, Chief Purchasing Officer, City of San Jose

Santa Clara

Darrell Mackie, Civil Engineer II, City of Santa Clara Engineering Department
Douglas Handerson, Associate Planner/Advance Planning, City of Santa Clara
Karen L. Saunders, Acting City Librarian, City of Santa Clara
Larry Wolf, Director Parks and Recreation, City of Santa Clara
Patricia Ann Flanery, Office Specialist III, Department of Finance, City of Santa Clara
Robin Saunders, Director of Water and Sewer Utilities, City of Santa Clara
Stephen Lodge, Chief of Police, City of Santa Clara
Steve Yoshino, Director of Public Works, City of Santa Clara

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APPENDIX A

SOLID WASTE FACILITIES

APPENDIX A

SOLID WASTE FACILITIES

Solid waste that is generated within the cities in this MSR is disposed of in the landfills that are listed below. This detail is in addition to the information within each city's section. The facility information below has been compiled utilizing data from the California Integrated Waste Management Board.

Altamont Landfill & Resource Recovery Facility. This facility was located at 10840 Altamont Pass Road in the City of Livermore. The facility encompasses 1,528 acres and is permitted to accept 11,150 tons per day. The operator is the Waste Management of Alameda County. The closure date of this facility was January 1, 2005.

Billy Wright Disposal Site. This disposal site is located one mile west of Interstate 5 on Billy Wright Road in the City of Los Banos. The facility encompasses 172 acres and is permitted to accept 800 tons per day. The operator is the County of Merced. The estimated closure date of this facility is January 1, 2010.

Fink Road Landfill. This landfill is located at 4000 Fink Road in the City of Crows Landing. The facility encompasses 164 acres and is permitted to accept 1,500 tons per day. The operator is the County of Stanislaus Department of Public Works. The estimated closure date of this facility is January 1, 2011.

Foothill Sanitary Landfill. This landfill is located at 6484 North Waverly Road in the City of Linden. The facility encompasses 800 acres and is permitted to accept 1,500 tons per day. The operator is the Foothill Sanitary Landfill Inc. The estimated closure date of this facility is January 1, 2054.

Forward Landfill, Inc. This landfill is located at 9999 S. Austin Road in the City of Manteca. The facility encompasses 567 acres and is permitted to accept 8,668 tons per day. The operator is Forward, Inc./Allied Waste North America. The estimated closure date of this facility is January 1, 2020.

Guadalupe Sanitary Landfill. This landfill is located at 15999 Guadalupe Mines Road in the City of San Jose. The facility encompasses 411 acres and is permitted to accept 3,650 tons per day. The operator is the Guadalupe Rubbish Disposal Co., Inc. The estimated closure date of this facility is January 1, 2010.

Hillside Class III Disposal Site. This disposal site is located at 1 Sandfill Road (1500 Hillside Boulevard) in the City of Colma. The facility encompasses 42 acres and is permitted to accept 400 tons per day. The operator is the Cypress-Amloc Land Company, Inc. The estimated closure date of this facility is December 31, 2010.

John Smith Road Class III Landfill. This landfill is located at 2650 John Smith Road in the City of Hollister. The facility encompasses 47 acres and is permitted to accept 500 tons per day. The operator is the San Benito County Integrated Waste Management Department. The estimated closure date of this facility is January 1, 2024.

Keller Canyon Landfill. This landfill is located at 901 Bailey Road in the unincorporated area of Pittsburg. The facility encompasses 1,399 acres and is permitted to accept 3,500 tons per day. The operator is Keller Canyon Landfill. The estimated closure date of this facility is December 31, 2030.

Kirby Canyon Recycling & Disposal Facility. This facility is located at 910 Coyote Creek Golf Drive in the City of Coyote. The facility encompasses 827 acres and is permitted to accept 2,600 tons per day. The operator is Waste Management of California Inc. The estimated closure date of this facility is December 31, 2022.

Monterey Regional Waste Management District/Marina Landfill. This landfill is located two miles north of the City of Marina on Del Monte Boulevard. The facility encompasses 470 acres and is permitted to accept 1,200 tons per day. The operator is the Monterey Regional Waste Management District. The estimated closure date of this facility is May 30, 2090.

Newby Island Sanitary Landfill. This landfill is located at 1601 Dixon Landing Road in the City of Milpitas. The facility encompasses 342 acres and is permitted to accept 4,000 tons per day. The operator is the International Disposal Corporation. The estimated closure date of this facility is December 31, 2020.

Ox Mountain Sanitary Landfill. This landfill is located two miles northeast of the City of Half Moon Bay. The facility encompasses 2,786 acres and is permitted to accept 3,598 tons per day. The operator is the Allied Waste Industries, Inc. The estimated closure date of this facility is January 1, 2018.

Potrero Hills Landfill. This landfill is located at 3675 Potrero Hills Lane in Suisun City. The facility encompasses 320 acres and is permitted to accept 4,330 tons per day. The operator is the Potrero Hills Landfill, Inc. The estimated closure date of this facility is January 1, 2058.

Redwood Sanitary Landfill. This landfill is located four miles northeast of the City of Novato. The facility encompasses 420 acres and is permitted to accept 2,300 tons per day. The operator is the Redwood Sanitary Landfill Inc. The estimated closure date of this facility is January 1, 2039.

Vasco Road Sanitary Landfill. This landfill is located at 4001 North Vasco Road in the City of Livermore. The facility encompasses 326 acres and is permitted to accept 2,518 tons per day. The operator is the Republic Services of California I, LLC. The estimated closure date of this facility is January 1, 2015.

Zanker Material Processing Facility. This facility is located at 675 Los Esteros Road in the City of San Jose. The facility encompasses 52 acres and is permitted to accept 350 tons per day. The operator is the Zanker Road Resource Management, Limited. The estimated closure date of this facility is December 31, 2018.

APPENDIX B

SANTA CLARA LAFCO SERVICE REVIEW POLICIES

SERVICE REVIEW POLICIES

Background

Section 56430 of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires LAFCO to conduct municipal service reviews prior to establishing or updating spheres of influence. The service reviews are intended to serve as a tool to help LAFCO, the public and other agencies better understand the public service structure and evaluate options for the provision of efficient and effective public services.

These policies, along with the State Office of Planning and Research's Municipal Service Review Guidelines will provide guidance to LAFCO in preparing and conducting service reviews.

1. Service Review

A service review is a comprehensive review of municipal services within a designated geographic area and includes steps to:

- Obtain information about municipal services in the geographic area,
- Evaluate the provision of municipal services from a comprehensive perspective, and
- Recommend actions when necessary, to promote the efficient provision of those services.

LAFCO is not required to initiate boundary changes based on service reviews. However, LAFCO, local agencies or the public may subsequently use the service reviews to pursue changes in jurisdictional boundaries or spheres of influence.

2. Services to be Reviewed

Service reviews will cover a range of services that a public agency provides or is authorized to provide (examples include fire, water, sewer, lighting, library, police, storm water and solid waste collection/ disposal, gas and electricity). General government services such as social and health services, courts and criminal justice will be excluded from the reviews. Service reviews are triggered by requirements to create or update the Sphere of Influence (SOI) for public agencies. Therefore, LAFCO will review services that are provided by public agencies that have, or are required to have, SOIs. In doing so, LAFCO will also take into consideration other services (e.g., emergency response along with fire protection services) and the operation of other providers that service the same region (e.g., private water providers or volunteer fire crews).

3. Service Providers to be Included:

Agencies that are required to have SOIs will be the focus of service reviews. The agencies with SOIs in Santa Clara County include cities (15), and special districts (30) such as but not limited to, county service areas, community service districts, fire protection districts, sanitary districts, water districts, vector control districts, open space districts and resource conservation districts. Please see attached list of cities and special districts in Santa Clara County.

Agencies that do not have SOIs include school districts, private providers, state or federal agencies and other agencies that provide complementary, joint, support or overlapping services in the region. These agencies will also be reviewed to the extent necessary to establish relationships, quantify services, designate or map service locations / facilities and provide a complete overview of services in the area. These agencies may be requested to participate and provide information necessary to conduct the review.

4. Service Review Preparation and Update

- a. The first set of service reviews should be completed by 2006 to enable timely SOI updates as required by the CKH Act.
- b. Service review reports will be reviewed and updated as necessary every five years in conjunction with or prior to SOI reviews and updates. LAFCO will determine if a new service review is required or not. CKH Act requires SOIs to be updated every five years. Minor amendments of a SOI, as determined by LAFCO, will not require a service review.
- c. Service reviews may need to be updated independent of SOI reviews, to facilitate review of a pending application or other LAFCO action, unless LAFCO determines that prior service reviews are adequate for the purpose.

5. Service Review Boundaries

A service review may be conducted for sub-regional areas within the county or on a countywide basis, it may review a single agency or multiple agencies and it may review a single service or multiple services. LAFCO will determine how service reviews will be organized and conducted in Santa Clara County.

Generally, LAFCO will include in a service review the geographic area and agency(ies) that best facilitate a logical, comprehensive and adequate review of services in the area. LAFCO may need to include a service provider in more than one service review area, only review services of some providers to

the extent that they affect the service review area and services under study, or only review a portion of services provided. Service reviews may extend beyond the county boundary in some cases, to provide a more useful and accurate analysis of service provision, especially where multi-county service providers are involved.

6. Service Review Funding

- a. LAFCO will include the funding for LAFCO initiated service reviews in its annual work plan and budget development process. Sufficient funds necessary to satisfactorily complete the required reviews including consultant costs will be allocated in the LAFCO budget for each fiscal year service reviews are to be conducted.
- b. An application-processing fee for conducting the service reviews will be charged when LAFCO applications (such as, but not limited to sphere of influence amendments, urban service area amendments or out of agency contract for service applications) trigger the service review requirement and an applicable service review does not exist.

7. Stakeholder Outreach and Public Participation

- a. LAFCO will encourage collaboration, cooperation and information sharing among service review stakeholders.
- b. LAFCO will encourage public participation in the service review process.

8. Service Review Process

- a. As an initial step, LAFCO will develop and mail a questionnaire to the agencies included in the service review. The questionnaire will request information pertinent to the nine evaluation categories stated in Policy #10 herein. Meetings may be held as necessary, or additional questionnaires may be sent out to gather further input.
- b. LAFCO Executive Officer will prepare and issue a draft service review report which includes draft determinations required by state law. Notice of availability of the draft service review will be provided to all affected agencies and to interested persons who have submitted a written request for notice.
- c. LAFCO will distribute and provide a 21-day public review period for the draft service review.
- d. LAFCO will conduct a noticed public hearing to consider and accept comment on the draft service review and appropriate CEQA review. At the hearing, LAFCO may:

1. Take the necessary CEQA action and find that the draft service review report is adequate and final and adopt written determinations,
 2. Direct staff to address comments and concerns and prepare a final service review report, or
 3. Continue the hearing.
- e. A draft service review may be considered final if no substantive comments are received prior to the end of the hearing and LAFCO determines it satisfactory.
 - f. If a revised final service review is necessary, the LAFCO Executive Officer will prepare it including comments received during the public review period.
 - g. LAFCO will distribute the final service review report 21 days prior to the LAFCO public hearing
 - h. LAFCO will conduct a noticed public hearing to act on the CEQA document and adopt the service review report. Any service review determinations will be adopted by resolution. LAFCO may also adopt other staff recommendations and direct staff to further study issues raised in the service reviews.
 - i. LAFCO may also take action on a SOI update or initiate a reorganization proposal based on the approved service review at the same hearing, if the service review supports the action and if LAFCO has complied with all required processes.
 - j. LAFCO will distribute the Final Service Review Report to all participating and interested local and regional agencies for use as a resource in their work.

9. Applicability of CEQA to Service Reviews

LAFCO will consider service reviews as projects for CEQA purposes. They will be processed consistent with the requirements of CEQA and LAFCO's CEQA procedures.

10. Service Review Evaluation Categories

As part of the service review process, the CKH Act requires LAFCO to make written determinations on nine evaluation categories. The following is a general description of the categories and criteria used to evaluate these categories. It should be noted that how these categories apply to each of the service reviews may vary and will depend mostly on the nature of the service being reviewed

a. *Infrastructure needs or deficiencies*

One of LAFCO's goals is to encourage the efficient provision of public services. Any area needing or planned for services must have the infrastructure necessary to support the provision of those services. Infrastructure needs and deficiencies refers to the adequacy of existing and planned infrastructure and its relationship to the level of service that is being provided or needs to be provided in an area.

Infrastructure can be evaluated in terms of capacity, condition, availability, quality and levels of service and quality of plans and programs.

b. *Growth and population projections for the affected area*

A plan for service provision to an area should take into consideration the existing as well as future need for public services in the area. Service reviews will examine the existing and future need for public services and will evaluate whether projections for future growth and population patterns are integrated into an agency's planning function. This analysis may be used to determine whether the SOI / USA boundaries reflect the expected growth boundaries, if future SOI changes are necessary or feasible and if agencies are aware of, and planning for anticipated changes in service demand.

In order to examine the existing and future levels of demand for a service, the service review will contain and consider existing and projected population changes and their relationship to agency plans, planning boundaries and existing and proposed land uses.

c. *Financing constraints and opportunities*

A community's public service needs should be viewed in light of the resources available to fund the services. Through a service review, the financing constraints and opportunities affecting service provision will be identified and analyzed to determine if agencies are capitalizing on financing opportunities and collaborative strategies to deal with financial constraints will also be identified. The service review will contain information on current and planned financing mechanisms, funding practices and revenue sources.

d. Cost avoidance opportunities

Efficient delivery of services depends, in part, on eliminating unnecessary costs. The service reviews will explore cost avoidance opportunities including but not limited to:

1. Reducing or eliminating duplicative services;
2. Reducing high administration to operation cost ratios;
3. Replacing outdated or deteriorating infrastructure and equipment;
4. Reducing inventories of underutilized equipment, buildings and facilities;
5. Redrawing overlapping or inefficient service boundaries;
6. Implementing economies of scale; and
7. Efficiently using outsourcing opportunities.

e. Opportunities for rate restructuring

When applicable, service reviews may identify strategies to positively impact rates charged for public services, without adversely affecting service quality. In order to examine opportunities for rate restructuring, the service reviews will consider information such as but not limited to:

1. Rate setting methodologies;
2. Relationship between service rates, service boundaries and district boundaries; and
3. Rates per unit and reasons for rate variances among service providers.

f. Opportunities for shared facilities

The service review will identify opportunities for service providers to share facilities with the intent of lowering current and potential infrastructure / capital improvement costs. When applicable, the service review will inventory facilities within the study area to determine if facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies. Options for planning for future shared facilities and services may also be considered.

g. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers

The objective is to study existing and future public service conditions and evaluate organizational alternatives for accommodating growth, preventing urban sprawl and ensuring efficient delivery of services. While the service review does not require LAFCO to initiate any changes

of organization as part of the review, LAFCO, the public or local agencies may pursue subsequent changes to government structure. LAFCO may evaluate the advantages and disadvantages of amending or updating the SOI, annexations to or detachments from cities or special districts, formation of new special districts, incorporation of cities, dissolutions, mergers, consolidations and other reorganization options found in the CKH Act.

h. Evaluation of management efficiencies

Management efficiency refers to the effectiveness of an agency's internal organization to facilitate the provision of efficient public services. An efficiently managed local entity implements improvement plans and strategies for, among others:

1. Budgeting, managing costs and maintaining adequate contingency reserves;
2. Training, maintaining and utilizing qualified personnel;
3. Customer service; and
4. Encouraging public involvement.

The service review will evaluate management efficiencies taking into consideration local circumstances, resources and issues identified during review of other evaluation categories.

i. Local accountability and governance

Local accountability and governance refers to a public agency's decision making processes and operational and management practices. Ideal local government is marked by processes and actions that:

1. Include accessible and accountable elected or appointed decision-making body and agency staff;
2. Encourage public participation;
3. Disclose budgets, programs and plans;
4. Solicit public input in the consideration of work plans, rate changes; and
5. Evaluate plans, programs, operations and disclose results to the public.

The objective of this analysis is to positively impact the public's knowledge of and involvement in local decision-making processes and actions and use this information when evaluating potential government structure changes which could improve accountability or governing practices.

APPENDIX C

SANTA CLARA LAFCO SPHERE OF INFLUENCE POLICIES

SPHERE OF INFLUENCE POLICIES

A. GENERAL GUIDELINES

1. Pursuant to Government Code Section 56425, LAFCO must adopt and maintain a Sphere of Influence (SOI) for each local governmental agency.
2. Santa Clara LAFCO shall use SOIs to:
 - a. Promote orderly urban development
 - b. Promote cooperative planning efforts among cities, the county and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands and efficient provision of services.
 - c. Serve as a master plan for future local government reorganization by providing long range guidelines for efficient provision of public services; shaping logical government entities able to provide services in the most economical manner, avoiding expensive duplication of services or facilities.
 - d. Guide consideration of proposals and studies for changes of organization or reorganization
3. Inclusion of territory within a SOI should not necessarily be seen as an indication that the city will either annex or develop to urban levels such territory. The Urban Service Area boundary will serve as LAFCO's primary means of indicating a city's intention of development and provision of urban services.
4. Each adopted SOI will be reviewed as necessary, but not less than once every five years.
5. A service review pertaining to the SOI will be prepared prior to, or in conjunction with each SOI adoption, update or amendment unless LAFCO determines that a prior service review is adequate. A minor SOI amendment will not require a service review. A minor SOI amendment is one that does not have any adverse regional, planning, economic or environmental impacts.
6. LAFCO will consider service review determinations and recommendations when rendering SOI findings.
7. While LAFCO encourages the participation and cooperation of the subject agency; the determination of the SOI is a LAFCO responsibility.

B. ADOPTION AND AMENDMENT POLICIES FOR SOI

1. LAFCO will require consistency with city / county general plans and SOIs of affected local agencies when adopting or amending a SOI. Joint City/County Specific Plans and factors such as density policies, development standards, geology, and future use will be considered by the Commission when establishing Spheres of Influence.
2. Pursuant to Government Code Section 56425, LAFCO will consider and make a written finding regarding the following, in adopting or amending a SOI for a local agency:
 - a. The present and planned land uses in the area, including agricultural and open space lands
 - b. The present and probable need for public facilities and services in the area
 - c. The present capacity of public facilities and adequacy of public services, which the agency provides or is authorized to provide;
 - d. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
3. LAFCO will consider fiscal impacts of proposed SOI amendments upon the County, affected cities, special districts and school districts. Where such amendments may have negative fiscal impacts upon the County or other local agencies, LAFCO may require mitigations thereof from the city / district proposing the amendment.
4. LAFCO will consider city annexation proposals outside the Urban Service Areas, but within the Sphere of Influence, only if such annexations will promote LAFCO's mandate to preserve open space areas, including agricultural open space and greenbelts.
5. Spheres of Influence for cities and special districts may overlap when both agencies expect to provide different service to the area.
6. Spheres of Influence for special districts which provide urban services will generally be tied to city growth plans.
7. LAFCO will discourage duplications in service provision in reviewing new or amended SOI proposals. Where a special district is coterminous with, or lies substantially within, the boundary or SOI of a city which is capable of providing the service, the special district may be given a zero sphere of influence which encompasses no territory.

C. ADDITIONAL REQUIREMENT FOR A CITY SOI ADOPTION / UPDATE / AMENDMENT**

1. At least thirty days prior to submitting an application for a new city SOI or a city SOI update, city and County representatives must meet to discuss SOI issues, boundaries and methods to reach agreement on such boundaries, and development standards and zoning requirements within the SOI. The purpose is to consider city and county concerns and ensure orderly development within the SOI. Discussions may continue an additional 30 days, but no longer than 60 days.

If an agreement is reached, it must be forwarded to LAFCO. LAFCO will seriously consider the agreement when determining the city's SOI. If LAFCO's final SOI determinations are consistent with a city/County agreement, the city and the County must adopt the agreement at noticed public hearings. After the agreement and related General Plan amendments are adopted, County-approved development within the SOI must be consistent with the agreement terms.

If no agreement is reached, LAFCO will render determinations and enact policies consistent with its policies and the Cortese Knox Hertzberg Act.

- ** This requirement pursuant to Government Code section 56425 expires on January 1, 2007.

D. ADDITIONAL REQUIREMENT FOR A SPECIAL DISTRICT SOI ADOPTION / UPDATE / AMENDMENT

1. LAFCO shall require the special districts to provide written statements specifying the functions or classes of service provided and establish the nature, location, and extent of any functions or classes of services provided.