

6.0 TOWN OF LOS ALTOS HILLS

The services that are evaluated in this service review include:

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

6.1 TOWN LOCATION

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

6.2 GOVERNANCE AND PUBLIC PARTICIPATION

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

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

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

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

6.3 FINANCE

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

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

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

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

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

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

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

Source: Town of Los Altos Hills 2006–2007 Budget

Reserves

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

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

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

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

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

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

Investment Policy

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

Rates for Service

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

6.4 LAND USE AND PROJECTED GROWTH WITHIN THE CITY

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

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

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

Unincorporated Pockets

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

6.5 WASTEWATER

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

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

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

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

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

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

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

Wastewater Rates

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

6.6 SOLID WASTE SERVICES

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

- Newby Island Sanitary Landfill

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

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

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

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

6.7 PARKS AND RECREATION

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

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

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

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

Recreation

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

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

Fitness	Horseback riding	Fencing
CPR	First aid	

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

6.8 STORM DRAINAGE

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

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

6.9 LAW ENFORCEMENT

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

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

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

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

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

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

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

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

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

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

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

6.10 LIBRARY

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

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

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

6.11 SERVICE REVIEW DETERMINATIONS FOR THE TOWN OF LOS ALTOS HILLS

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

Infrastructure Needs and Deficiencies

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

Growth and Population

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

Financing Constraints and Opportunities

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

Cost-Avoidance Opportunities

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

Opportunities for Rate Restructuring

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

Opportunities for Shared Facilities

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

Government Structure Options

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

Evaluation of Management Efficiencies

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

Local Accountability and Governance

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

6.12 SOI RECOMMENDATION FOR THE TOWN OF LOS ALTOS HILLS

Current SOI Boundary

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

SOI Boundary Recommendations

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

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

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

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

6.13 SOI DETERMINATIONS FOR THE TOWN OF LOS ALTOS HILLS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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