# **LAFCO**

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February 3, 2011 (Agenda)

Local Agency Formation Commission 105 East Anapamu Street, Room 403 Santa Barbara CA 93101

#### Adoption of a Sphere of Influence for the Santa Ynez River Water Conservation District Improvement District No. 1

Dear Members of the Commission:

#### **RECOMMENDATION**

It is recommended the Commission after consideration of this report and any testimony:

- A. Determine that adopting a Sphere of Influence for the Santa Rita Hills CSD that follows the District external boundary has no environmental impact.
- B. Approve the determinations set forth below and adopt a Sphere of Influence for the Santa Ynez River Water Conservation District Improvement District No. 1.

#### DISCUSSION

#### Introduction and Background

There has been a question in the past as to whether the Ynez River Water Conservation District Improvement District No. 1 (hereafter ID 1) is a special district subject to LAFCO jurisdiction.

Historically the District took a position that since the words "improvement district" are in its title it is exempt from LAFCO review of annexations to the District and it is exempt from paying its proportionate "share" of the annual LAFCO budget.

On October 5, 2006 LAFCO Legal Counsel Bill Dillon presented an analysis to the Commission concluding this agency is a special district that is subject to the jurisdiction of the Commission and is not an "improvement district" as that term is defined in LAFCO statutes.

For the past several years ID 1 has paid its proportionate share of LAFCO financial support either directly or through the Santa Ynez River Water Conservation District.

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#### Relationship of Municipal Service Review to Sphere of Influence

The law requiring LAFCOs to develop and determine Spheres of Influence dates from 1971 and is set forth in Government Code Section 56425. The law requiring LAFCOs to prepare Municipal Service Reviews was enacted in 2000 and states:

In order to prepare and to update spheres of influence in accordance with Section 56425, the Commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission.

The Municipal Service Review and Recommended Sphere of Influence for the Santa Ynez River Water Conservation District are enclosed as Attachment A and describe the services provided by the District. Attachment B is a resolution of the Commission to adopt the District Sphere of Influence.

#### Recommended Sphere Determinations

ID 1 was formed in 1960 as an "improvement district" of Santa Ynez River Water Conservation District (SYRWCD). That District had been formed in 1939. As a true "improvement district" ID 1 it was governed by the SYRWCD Board of Directors.

The District became a separate entity in 1968 after its separate governing board was established in accordance with the California Water Code, though a number of contractual provisions govern the relationship between ID 1 and the SYRWCD.

The boundaries of the recommended Sphere are identical to the external boundaries of ID 1 which consists of approximately 10,850 acres as shown on the enclosed map.

In adopting spheres of influence of local agencies, LAFCO is required by Section 56425 to prepare a written statement of its determinations in specific areas. The staff proposes that the Commission approve the following Sphere of Influence determinations:

1. Present and planned land uses in the area, including agriculture and open space.

Of the 10,850 acres within the District, approximately 5,000 are residential at densities up to five acres per parcel, 150 acres are commercial, 400 acres are schools, parks and cemeteries, 3,137 are irrigated agriculture and 2,163 are used for grazing or are unused.

It is expected that undeveloped land within the District will continue to be developed in accordance with County and City of Solvang zoning designations.

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2. The present and probable need for public facilities and services in the area.

The existing and planned land uses within the District require a variety of public services which are provided by the County, the City of Solvang within its boundaries and by the special districts that serve the area.

Fire protection is provided by the Santa Barbara County Fire Protection District. The County Sheriff provides law enforcement, including services under contract to the City.

Wastewater collection services are provided by the Santa Ynez Community Services District and City of Solvang, with the City providing treatment and disposal services.

With the exception of the City of Solvang, four small mutual water companies and a small number of private wells the District is the sole public water purveyor within its boundaries, providing both domestic and agricultural water services.

Productive agricultural lands do not require the same range and level of services as do urbanized or suburban uses.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

Detailed information attached as Exhibit B to the Municipal Service Review and Sphere of Influence indicates the District has sufficient capacity to provide services.

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.

ID#1 encompasses the majority of the Santa Ynez Valley. Although it is recognized there are various identified sub-areas or neighborhoods, the Santa Ynez Valley is considered to be a social and economic community of interest as evidenced by the County-adopted land use plans for the area,

5. The present and probable need for public facilities and services in the area

The existing and planned land uses within the District require a variety of public services which are provided by the County, the City of Solvang within its boundaries and by the special districts that serve the area.

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#### **Environmental Documentation:**

The proposed Sphere is identical to the external boundaries of the existing District. Adopting a sphere coterminous with the existing District boundaries may not be a "project" under CEQA and would, at any rate, have insignificant environmental impacts.

#### **Alternative Commission Actions**

The Commission has latitude in adopting spheres of influence for local agencies. Alternatives for the Santa Ynez River Water Conservation District Improvement District No. 1 include the following.

Option 1 – Adopt this report and APPROVE a sphere as follows.

- A. Determine that adopting a Sphere of Influence for Santa Ynez River Water Conservation District Improvement District No. 1 that adheres to the existing District boundary has no environmental impact.
- B. Approve the determinations set forth above and adopt a Sphere of Influence for the Santa Rita Hills CSD of territory within District's exterior boundaries.

Option 2 – CONTINUE this proposal to a future meeting for additional information.

#### RECOMMENDED ACTION:

Approve OPTION 1.

Please contact the LAFCO office if you have any questions.

Very truly yours,

BOB BRAITMAN Executive Officer

#### Attachments:

- A. Municipal Service Review and Sphere of Influence Report for the Santa Ynez River Water Conservation District Improvement District No. 1 (February 2011)
- B. Proposed LAFCO resolution to adopt the District Sphere of Influence.

# SANTA YNEZ RIVER WATER CONSERVATION DISTRICT IMPROVEMENT DISTRICT NO. 1

# MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE

Report to the

Santa Barbara Local Agency

Formation Commission

February 2011

#### 1. INTRODUCTION

This report regarding the Santa Ynez River Water Conservation District, Improvement District No. 1 was prepared by the Santa Barbara Local Agency Formation Commission ("LAFCO") in accordance with Section 56430 of the California Government Code. It responds to the requirement that LAFCO conduct a Municipal Service Review (MSR) to study the delivery of municipal services and adopt and update spheres of influence.

This report reports on services for LAFCO to consider, determinations as required by law and issues regarding the District sphere of influence. The decision to approve or disapprove any determinations or policies rests entirely with the Commission.

Written determinations regarding the MSR and sphere of influence update are provided for the Commission's consideration. This report is an informational document and does not substitute for discretionary decisions that can only be made by the Commission.

This Report is subject to reconsideration and revision as directed by the LAFCO staff or by the Commission during the course of its deliberations.

### 2. MUNICIPAL SERVICE REVIEW

#### Description of District

The Santa Ynez River Water Conservation District, Improvement District No. 1 was formed in 1960 as an improvement district of the Santa Ynez River Water Conservation District. That "parent district" was formed in 1939.

The District became a separate entity in 1968 after its governing board was established in accordance with Water Code Section 75165. A number of statutory and contractual provisions govern the relationship between the District and the Santa Ynez River Water Conservation District.

The District was created to furnish retail water services within its boundaries. It was formed and operates under provisions of the California Water Conservation Law of 1931, Water Code Section 74000 et seq.

The District is governed by a five-member board of directors, which is elected by divisions. A General Manager is responsible for District administration and operations.

A map of the District is enclosed as Exhibit A.

#### **District Services**

The District provides water service. It currently serves approximately 2,220 municipal and industrial customers and approximately 117 agricultural customers.

Water supplied by the District is obtained primarily from the Cachuma Project with the remainder coming from other sources including District wells.

Detailed information about the District and its operations is enclosed as Exhibit B.

### Other Governmental Agencies within the District

Local agencies that overlap the District include Cachuma Resource Conservation District, City of Solvang, County Service Area 32 (Unincorporated Law Enforcement), Oak Hill Cemetery District, Mosquito and Vector Control District of Santa Barbara County, Santa Barbara County Fire Protection District, Santa Ynez Community Services District and Santa Ynez Water Conservation District.

#### 3. MSR DETERMINATIONS

### Growth and population projections for the affected area

Santa Barbara County Association of Government's growth projections are used in preparing Municipal Service Reviews for agencies within the Santa Ynez Valley. The District accepts these growth projections for planning purposes.

# Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

Detailed information about the District's water sources, distribution system facilities and adequacy to provide services is set forth in Exhibit B

#### Financial ability to provide services

The majority of District revenues are derived from water sales and Authority Revenue from Solvang, with lesser revenues from capital facilities fees, interest and taxes. These revenue sources seem adequate at present and from projections into the future to continue to allow the District to provide adequate services.

#### Status of, and opportunities for, shared facilities

There are no obvious opportunities for shared facilities in the operations of the District.

# Accountability for community service needs, including governmental structure and operational efficiencies

The District is governed by a board of directors that is elected by and accountable to the voters residing within the District boundaries.

Public service economies might be achieved if a single agency provided water supply and wastewater collection services within the District's service area. This would require a detailed evaluation by affected agencies including the Santa Ynez Community Services District and possibly the City of Solvang. Thus far no or little interest has been expressed by these local agencies in considering such reorganization.

#### 4. SPHERE OF INFLUENCE REVIEW

### <u>Description of Recommended Sphere of Influence</u>

It is recommended the Commission adopt a Sphere of Influence that is consistent with the District's exterior boundaries and thereby includes all of the territory within the District and within "islands" of land that are within the exterior boundaries but are not currently within the District itself. A map of the District and its recommended sphere is included.

#### Sphere of Influence Determinations

In determining the sphere of influence of each local agency, the commission is required to prepare a written statement of its determinations with respect to specific subjects as set forth below. The staff's recommended determinations are presented under each heading.

# Present and planned land uses in the area, including agriculture and open space.

Of the 10,850 acres within the District, approximately 5,000 are residential at densities up to five acres per parcel, 150 acres are commercial, 400 acres are schools, parks and cemeteries, 3,137 are irrigated agriculture and 2,163 are used for grazing or are unused.

It is expected that undeveloped land within the District will continue to be developed in accordance with County and City of Solvang zoning designations.

## The present and probable need for public facilities and services in the area

The existing and planned land uses within the District require a variety of public services which are provided by the County, the City of Solvang within its boundaries and by the special districts that serve the area.

Fire protection is provided by the Santa Barbara County Fire Protection District. The County Sheriff provides law enforcement, including services under contract to the City.

Wastewater collection services are provided by the Santa Ynez Community Services District and City of Solvang, with the City providing treatment and disposal services.

With the exception of the City of Solvang, four small mutual water companies and a small number of private wells the District is the sole public water purveyor within its boundaries, providing both domestic and agricultural water services.

Productive agricultural lands do not require the same range and level of services as do urbanized or suburban uses.

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

Detailed information provided by the District (Exhibit B) indicates it has sufficient capacity to provide the services the District is providing.

# 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 Santa Ynez Valley is considered to be a social and economic community of interest as evidenced by the County-adopted land use plans for the area, although it is recognized there are various sub-areas or identified neighborhoods. ID#1 encompasses the majority of the Santa Ynez Valley.

#### **Environmental Considerations**

A Municipal Service Review is not a "project" subject to the California Environmental Quality Act. The adoption of a Sphere of Influence with boundaries contiguous to the local agency has no environmental impact.

### 5. ACKNOWLEDGEMENTS & REFERENCES

The Santa Barbara LAFCO staff prepared this Municipal Service Review. Responsibility for any errors or omissions rests with those who prepared the report.

The Santa Ynez River Water Conservation District, Improvement District No. 1 provided the basic information and documents upon which the study is based. General Manager Chris Dahlstom was instrumental in providing data.

#### 6. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review it is recommended the Commission find the proposal has no environmental impact and adopt the Sphere of Influence contiguous with the District's exterior boundaries as shown on the enclosed map.

