

**Draft Recommended MSR/SOI Determinations
North County Cities and Special Districts
August 5, 2015**

City of Brisbane

Recommended Municipal Service Review Determinations

Based on the information, issues, and analysis presented in this report, proposed MSR determinations pursuant to Government Code Section 56430 are presented below for Commission consideration:

<i>Growth and population for affected area</i>	According to the most recent US Census Data, the City of Brisbane has 4,443 residents, making it San Mateo County’s second-smallest city. Only the Town of Colma, with 1,403 residents, has a smaller population. According to the Association of Bay Area Governments (ABAG), Brisbane is expected to grow by 1,000 residents over the next 25 years.
<i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i>	There are no disadvantaged unincorporated communities within or contiguous to Brisbane’s sphere of influence.
<i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i>	There are no disadvantaged unincorporated communities within or contiguous to Brisbane’s sphere of influence.
<i>Financial ability of agencies to provide services.</i>	The City has managed to stabilize revenues and expenditures over the past five years and has a reasonable unrestricted reserve of funds. Staffing levels have been adjusted to control personnel costs and future benefit expense liabilities.
<i>Status of, and opportunities for, shared facilities.</i>	<p>The City has engaged in a number of cooperative and contractual arrangements to increase management and /or operational efficiencies. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Along with the Cities of Daly City and Pacifica, Brisbane participates in the North County Fire Authority Joint Powers Authority (JPA) to enhance the quality of fire protection services and better utilize available resources. • The City is a member of the San Mateo County Pre-Hospital Emergency Medical Services Group JPA, which provides

	<p>countywide paramedic first-responder services.</p> <ul style="list-style-type: none"> • Brisbane, along with 20 incorporated cities and the County of San Mateo, is a member of the San Mateo County Emergency Services Council JPA, which provides emergency training and a hazardous response team for its member agencies. • The Brisbane Police Department currently contracts for dispatch and records services with San Mateo County. • The City has a contract with the City of South San Francisco to provided traffic signal maintenance and street sweeping services; Brisbane also contracts with the City and County of San Francisco for purchase of wholesale water sewage treatment services. • Brisbane has outsourced Information Technology (IT) and network support services. • The City is a member of a JPA which provides liability and Workers Compensation management oversight.
<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>Brisbane is governed by a five-member City Council, elected at large. The Council meets on the first and third Thursdays of each month. Meeting agendas and staff reports are posted at least 72 hours in advance of the meetings. All meetings are held at 7:30 PM in the Community Meeting Room located at City Hall. Meetings are televised through a live video stream that can also be viewed on most mobile devices. Brisbane has a comprehensive, user-friendly website that provides the public with Internet access to City Council agendas and minutes, archived meeting videos, public notices, announcements, budgets, audits, and capital improvement programs. The City’s website also provides contact information for key City personnel.</p> <p>Two governance options have been identified for the City of Brisbane:</p> <p><i>Status Quo:</i></p> <p>Brisbane, with a population of 4,443 residents, is the second-smallest city in San Mateo County. The City is an employment magnet with employees at office parks and commercial areas nearly doubling the City’s population during working hours. While the City has successfully navigated through the 2007-2013 recession and dissolution of the redevelopment agency, the long-term fiscal challenges of other post-employment benefits and capital improvement projects remain ongoing challenges.</p> <p><i>Dissolution of Bayshore Sanitary District with Cities of Brisbane and Daly City Becoming Successor Agencies for Sanitary Service:</i></p> <p>The Bayshore Sanitary District serves small portions of both the City of Brisbane and the City of Daly City. The City of Brisbane provides its own sewer service to its residents, and the City of Daly City provides sewer service to its service population through the North San Mateo County</p>

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

	Sanitation District, a subsidiary district of Daly City. Dissolution of the Bayshore Sanitary District, with the Cities of Brisbane and Daly City becoming successor agencies within their respective city boundaries, may offer administrative and operational benefits. The Cities of Brisbane and Daly City and the Bayshore Sanitary District should consider pursuing a joint study to evaluate the fiscal and operational impacts of this or other governance alternatives.
<i>Any other matter related to effective or efficient service delivery, as required by commission policy.</i>	No additional issues have been identified.

Recommended Sphere of Influence Update/Determinations

Based on the information, issues, and analysis presented in this report, proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<i>Present and planned land uses in the area, including agricultural and open-space lands.</i>	Brisbane includes a mix of land uses, including residential, a significant concentration of office parks, a municipal marina, and commercial areas in Brisbane Village Shopping Center and along Visitacion and Bayshore Avenues. A developer has submitted plans to the City of Brisbane to remediate and regenerate the 680-acre Baylands site into a mixed-use development incorporating open space, commercial/retail uses, and 4,400 new housing units. This project is still undergoing environmental review and has not been considered by the City Council.
<i>Present and probable need for public services and services in the area.</i>	Based on a review of ABAG population projections, growth within the City of Brisbane is expected to be 1,000 persons over the next 25 years. The City has adequate capacity to serve the projected population increase.
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	The City is providing an acceptable level of service through in-house operations for most services and some contract services. Water and sewer facilities are being maintained and an updated Master Plan is being developed.
<i>Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.</i>	None have been identified.
<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the City of Brisbane sphere of influence.

Draft Recommended MSR/SOI Determinations
North County Cities and Special Districts
August 5, 2015

Recommended Sphere of Influence: Reaffirm the current City's sphere of influence which includes the City's present jurisdictional boundary, the unincorporated areas of the Guadalupe Valley Quarry, and the California Fish and Wildlife lands in Owl and Buckeye Canyons.

Guadalupe Valley Municipal Improvement District

Recommended Municipal Service Review Determinations

Based on the information, issues and analysis presented in this report, proposed MSR determinations pursuant to Government Code Section 56430 are presented below for Commission consideration:

<i>Growth and population for affected area.</i>	Currently, the GVMID serves a population of approximately 973. At build-out, expected to be in or before 2035, the service area population will grow to approximately 1,817 persons, according to City staff. This represents an increase of approximately 87 percent.
<i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the GVMID.
<i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCS) located within, or contiguous to, the GVMID.
<i>Financial ability of agencies to provide services.</i>	The GVMID's revenues are primarily derived from water and sewer service charges (95 percent) and property taxes and interest income (5 percent). The District's revenue and expense management over the past five years has improved the financial condition of the agency and set aside adequate reserves for future needs.
<i>Status of, and opportunities for, shared facilities.</i>	Wholesale water supply and sewage treatment services for the Guadalupe Valley Municipal Improvement District are provided by contract with the City and County of San Francisco Public Utilities Commission (SFPUD). Traffic signal maintenance and street-sweeping services are provided through a contract with the City of South San Francisco.

<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>GVMID is a subsidiary district of the City of Brisbane and is governed by the Brisbane City Council. The City Council meets the first and third Thursdays of the month. Meeting agendas and staff reports are posted at least 72 hours in advance of the meetings. All meetings are held at 7:30 PM in the Community Meeting Room located at City Hall. Meetings are televised through a live video stream that can also be viewed on most mobile devices. Brisbane has a comprehensive, user-friendly website provides the public with Internet access to City Council agendas and minutes, public notices, announcements, budgets, audits, and capital improvement programs. The City’s website also provides contact information for key City personnel.</p> <p>As a subsidiary district of the City, the City Council is the Board of Directors of the District. They should meet under a separate noticed agenda for the specific purpose of transacting the business of the GVMID. A review of the City Council agendas for 2014 reveals that most meeting actions for the GVMID are placed within the Brisbane City Council agenda and not separately noticed as for the GVMID. This includes the adoption of the 2014-15 FY Budget and Gann Appropriations Limit Resolution on June 19, 2014.</p> <p>Two government structure alternatives have been identified for the Guadalupe Valley Municipal Improvement District (GVMID):</p> <p><i>Maintain the status quo:</i> GVMID was formed in 1959 to serve a concentration of new office/industrial development (“Crocker Park”) that was geographically distant from the community’s core and prior to the City’s incorporation in 1961. The District’s revenue and expense management over the past five years has improved the financial condition of the agency and set aside adequate reserves for future needs. As a subsidiary district of the City, it is governed by the Brisbane City Council. No significant service issues have been identified.</p> <p><i>Dissolve GVMID and merge with City of Brisbane:</i> According to the City, the draft 2015-2022 Brisbane General Plan Housing Element designates the eastern edge of Crocker Park for rezoning to allow new residential and mixed used development along Park Place and Park Lane. Under this development scenario, the District’s service area population will grow to approximately 1,817 persons at build-out, which is expected by 2035. This represents an increase of 87 percent over the current service population. A full merger of GVMID with the City could result in long-term operational and administrative cost savings to the City and customers. A study of potential efficiencies and savings should be undertaken to determine the feasibility of this government structure alternative.</p>
----------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

<i>Any other matter related to effective or efficient service delivery, as required by commission policy.</i>	None have been identified.
---------------------------------------------------------------------------------------------------------------	----------------------------

Recommended Sphere of Influence Update/Determinations

Based on the information, issues, and analysis presented in this report, proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<i>Present and planned land uses in the area, including agricultural and open-space lands.</i>	The District includes a concentration of industrial parks (“Crocker Park”) and residential development (“Northeast Ridge”). The City has identified the southeasterly edge of Crocker Park as a future mixed-use (residential and commercial) site. The Northeast Ridge residential development comprises approximately 250 acres and includes 422 multi-family dwelling units constructed in the late 1990s/early 2000s. Of the total 250 acres, 14 acres remain for development.
<i>Present and probable need for public services and services in the area.</i>	According to the City, potential rezoning of the southeastern edge of Crocker Park (referenced in the City’s current Draft Housing Element), could double the District’s service area to approximately 1,888 persons at build-out (which is expected in or before 2035). This population increase would significantly increase the District’s service responsibilities.
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	The GVMID facilities are sized and constructed to handle build-out of the developed district area. Both water and wastewater treatment is provided off site by master-planned facilities. Pipelines and pump stations are properly maintained.
<i>Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.</i>	None have been identified.
<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the GVMID.

Draft Recommended MSR/SOI Determinations
North County Cities and Special Districts
August 5, 2015

Recommended Sphere of Influence: Reaffirm the current zero sphere of influence for the Guadalupe Valley Municipal Improvement District (GVMID), which means that the public service responsibilities and functions of GVMID should be reallocated to the City of Brisbane at some point in the future.

Bayshore Sanitary District

Recommended Municipal Service Review Determinations

Based on the information, issues and analysis presented in this report, proposed MSR determinations pursuant to Government Code Section 56430 are presented below for Commission consideration:

<p><i>Growth and population for affected area.</i></p>	<p>The Bayshore Sanitary District (BSD) serves a population of approximately 5,152 over a 1.6-square-mile area. According to the District, only limited growth is projected for the District in the near future. However, both Daly City and the City of Brisbane have General Plan updates in process and proposed changes in land use impacted by the dissolution of the Redevelopment Agency in 2012. Increased development in the two cities served by BSD may increase the District’s service population in the longer range future.</p> <p>Specifically, the Daly City 2030 General Plan references the proposed redevelopment of the State-owned Cow Palace (70 acres) and an adjacent 22 acres of both privately owned and City owned property. For purposes of the Daly City traffic model, the City assumes 1,700 dwelling units and 300,000 square feet of retail/office/commercial uses for this 92 acre property. Prior to development of this project, however, a General Plan amendment and zone change would require approval of the City of Daly City.</p> <p>The City of Brisbane’s Baylands project encompasses the largest undeveloped parcel on the San Francisco Peninsula. Universal Paragon Corporation, a real estate design and development firm based in San Francisco, has submitted plans to the City of Brisbane to remediate and regenerate the 680-acre Baylands site into a mixed-use development incorporating open space, commercial/retail uses and 4,400 new housing units. City approval of a Specific Plan would be required prior to development of the site.</p>
<p><i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the North San Mateo County Sanitation District.</p>

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

<p><i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the North San Mateo County Sanitation District.</p>
<p><i>Financial ability of agencies to provide services.</i></p>	<p>The District has more than adequate financial reserves for operations and currently identified capital replacement needs. Reserves are approximately 300 percent of the annual operating expenses, an amount on the high side of most sanitary districts of its size and budget. The District has no long-term debt and has historically funded capital replacement projects on a pay-as-you-go basis.</p>
<p><i>Status of, and opportunities for, shared facilities.</i></p>	<p>The District currently contracts with the San Francisco Public Utilities Commission for wastewater treatment services. Additionally, the District reports that the organization is staffed at minimal levels and contracts out several functions, including District Engineer, Clerk and Legal Counsel.</p>
<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>Bayshore Sanitary District is governed by a five-member Board of Directors, elected at large by voters within the District. Board meetings are open to the public and are usually held the fourth Thursday of the month at 7:00 PM at the District Headquarters located at 36 Industrial Way, Brisbane. Agendas are posted on the District’s website, at Lawson Hall, and on the District’s bulletin board at least 72 hours in advance of the meeting.</p> <p>The District’s website (www.bayshoresanitary.org) is adequate and provides the public with agency contact information, budget/audit information, Board agendas and minutes, public notices, service area maps and educational/environmental information.</p> <p>Three government structure alternatives have been identified for the Bayshore Sanitary District:</p> <p>Maintain Status quo: The Bayshore Sanitary District (BSD) uses contract employees and, as a result, has low administrative overhead costs. The District has no long-term debt and budgets annually for major system repairs and upgrades. A capital improvement plan (CIP) update has been budgeted for the current year.</p>

	<p><i>Provide operation and maintenance service for the Guadalupe Valley Municipal Improvement District:</i> The District has indicated it has capability to take over operation and maintenance services for the Guadalupe Valley Municipal Improvement District, if requested.</p> <p><i>Implement a Joint Powers Agreement, Service Contracts or Dissolve/Expand Bayshore Sanitary District:</i> BSD provides sewer service for portions of the Cities of Daly City and Brisbane. The City of Brisbane has its own wastewater treatment department and the City of Daly City provides a majority of its residents' sewer service through the North San Mateo County Sanitation District, a subsidiary district¹ of Daly City. A joint study should be undertaken by BSD, Daly City, and Brisbane to determine the operational and fiscal feasibility of governance/management structure opportunities for the provision of sewer service in the area. Options should include, but not be limited to, a joint powers agreement, contracts for services (either by BSD to one of the cities or by one of the cities to BSD) and dissolution or expansion of BSD.</p>
<p><i>Any other matter related to effective or efficient service delivery, as required by commission policy.</i></p>	<p>No additional issues have been identified.</p>

Recommended Sphere of Influence Determinations

Based on the information, issues, and analysis presented in this report, proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<p><i>Present and planned land uses in the area, including agricultural and open-space lands.</i></p>	<p>Bayshore Sanitary District's 1.6 square-mile service area covers portions of two cities and includes a wide variety of land uses, including open space/recreation, single and multi-family housing, commercial, industrial and retail development.</p>
<p><i>Present and probable need for public services and services in the area.</i></p>	<p>The Bayshore Sanitary District (BSD) serves a population of approximately 5,152 over a 1.6 -square-mile area. According to the District, only limited growth is projected for the District in the near future.</p> <p>However, both Daly City and the City of Brisbane have General Plan updates in process and proposed changes in land use impacted by the</p>

¹ A subsidiary district is a district in which a city council is designated as the governing body of the district. A subsidiary district may include territory outside city boundaries as long as at least 70% of the land area and 70% of the registered voters are located with city boundaries.

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

	<p>dissolution of the Redevelopment Agency in 2013. Increased development in the two cities served by BSD may increase the District's service population in the future.</p> <p>Specifically, the proposed redevelopment of the State-owned Cow Palace (70 acres) and an adjacent 22 acres in Daly City may result in an additional 1,700 dwelling units and 300,000 square feet of retail/office/commercial. Additionally, the City of Brisbane's Baylands project could result in the development of new commercial/retail uses and 4,400 new housing units. Both projects, however, require City review and approvals, and it is speculative at this time to project if and when these projects will be built.</p>
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	<p>The District budgets annually for system repairs and upgrades and has budgeted for a Capital Improvement Plan update this fiscal year.</p>
<i>Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.</i>	<p>None have been identified.</p>
<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	<p>There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the North San Mateo County Sanitation District service territory.</p>

Recommended Sphere of Influence: Reaffirm a zero sphere of influence for the Bayshore Sanitary District, indicating the District should be dissolved and the Cities of Brisbane and Daly City would become "successor agencies."

City of Daly City

Recommended Municipal Service Review Determinations

Based on the information, issues and analyses presented in this report, proposed MSR determinations pursuant to Government Code Section 56430 are presented below for Commission consideration:

<p><i>Growth and population for affected area.</i></p>	<p>According to the most recent Census Data, Daly City has 104,739 residents, making it San Mateo’s largest city by population. The Association of Bay Area Governments (ABAG) projections indicate that the City is expected to remain in this position for the next 25 years. According to ABAG growth estimates, Daly City is projected to add approximately 19,000 more residents between 2010 and 2030, or about 950 residents per year.</p>
<p><i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>State law requires identification and analysis of service issues within disadvantaged unincorporated communities (DUCs) as part of the Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) reviews. State law also places restrictions on annexations to cities if a proposed annexation is adjacent to a DUC.</p> <p>Census Tract 6008 has a median household income of \$48,424. Residential in nature, the Census Tract contains 2,967 homes with a population of approximately 7,258 residents, according to the County of San Mateo and recent US Census data. It is located generally west of I-280 and northwest of the Lake Merced Golf Club. Because the area is incorporated (located within Daly City), no additional DUC analysis is required as part of this MSR/SOI update.</p>
<p><i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>No disadvantaged unincorporated communities (DUCs) are located within or adjacent to the City of Daly City sphere of influence.</p>
<p><i>Financial ability of agencies to provide services.</i></p>	<p>Based upon the events of the past eight to 10 years impacting the State and local economy, and the dissolution of redevelopment agencies (RDAs), the City of Daly City appears to be moving forward with improved revenues and controlled expenditures resulting in net positive year-end balances in Fiscal Years 2013-14 and 2014-15. The challenges of the RDA payments into the next decade, and payment of other employee benefit obligations, are expected to continue to place pressure on all local</p>

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

	governments. The City of Daly City appears to be moving in a positive direction in handling these challenges.
<i>Status of, and opportunities for, shared facilities.</i>	<p>The City has engaged in a number of cooperative and contractual arrangements to increase management and /or operational efficiencies. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Daly City is a member of the Peninsula Library System which manages a joint reference catalog, a reference back-up service, and a “borrow and return” program for 35 member libraries throughout San Mateo County. • The City is one of 16 members of the Regional Training Consortium of San Mateo County (SMCRTC), which provides City staff with career training and development opportunities at a low cost. • Daly City has a cooperative agreement with area school districts to provide bus and vehicle fuel, landscaping and custodial services. • The North County Fire Authority JPA, which includes Daly City, Brisbane and Pacifica, was established as a single public authority to manage and coordinate the provision of fire and emergency medical services. It also has the authority to coordinate fire and medical services with jurisdictions outside the JPA, when advisable, to achieve the most effective and efficient delivery of services for all the communities involved. • Daly City is a member of the San Mateo County Pre-Hospital Medical Services Group JPA, which provides countywide ambulance/paramedic first-responder services. • The City is a member of the San Mateo County Emergency Services Council JPA, which provides emergency planning and training for 20 incorporated cities and the County of San Mateo. It also funds the San Mateo County Hazardous Materials Response Team, which provides services to all members of the JPA. • The City has joint use agreements with: the Jefferson Union High School District for the Giamonna Pool at Westmoor High School; Jefferson Elementary School District for soccer field and gym use at TR Pollicita School and the gymnasium at Ben Franklin School; and St. Ignatius High School for the use of the baseball field at Marchbank Park. • The City’s NSMCS D has a wastewater treatment services agreement with the Westborough Water District (WWD) and a wastewater treatment services agreement with the San Francisco Sheriff’s Department for flows received from jail facilities in San Bruno.

	<ul style="list-style-type: none"> • Daly City is a member of a JPA administered by the County to operate a countywide animal control program. • The City’s NSMCSD currently contracts with the San Mateo Harbor District for inspection of sewer outfall facilities.
<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>Daly City Council meetings are held in the City Council chambers at City Hall, which is ADA-accessible. City Council meetings are carried live on local cable channels and can also be streamed via the City’s website.</p> <p>Daly City’s comprehensive, user-friendly website provides the public with Internet access to City Council agendas and minutes, public notices, announcements, budgets, audits, and capital improvement programs. The City’s website also provides contact information for key City personnel. The City’s <i>Fog Cutter Newsletter</i> is published three times per year and provides residents updates on key City events and programs.</p> <p>Four government structure alternatives were identified for the City of Daly City:</p> <p><i>Maintain the status quo:</i> The City is currently providing adequate municipal services within its boundaries. The City is financially sound, has entered into a number of shared service and cooperative service agreements, and has managed its outstanding debt effectively. Given the economic uncertainty facing all local jurisdictions, Daly City has been strategic in moving forward with key capital improvements to help maintain the City’s infrastructure.</p> <p><i>Annex the unincorporated islands of Broadmoor and unincorporated Colma:</i> Over the years, Daly City has successfully annexed parcels within unincorporated Broadmoor and Colma when initiated by landowners. Annexation has also resulted in the concurrent detachment of the annexed areas from the Broadmoor Police Protection District and the Colma Fire Protection District. Continued annexation of unincorporated territory within the Broadmoor and unincorporated Colma areas by the City has the potential to provide an equal or enhanced level of services while lowering the overall cost to residents. Annexation of these areas (with concurrent detachment from the Broadmoor Police Protection District and the Colma Fire Protection District) are consistent with LAFCo adopted spheres of influence, however the City has a stated policy of not initiating annexation and accepts pre-zoning applications from property owners in anticipation of annexation.</p>

	<p><i>City of Daly City provision of street sweeping, streetlight and pavement maintenance services to unincorporated Broadmoor and unincorporated Colma through a contract with the County of San Mateo:</i></p> <p>As suggested in the Request for Information survey prepared for this study by the City, the opportunity may exist for provision of street sweeping, street lighting and pavement management services to unincorporated Broadmoor through a contract with the County of San Mateo. Such an arrangement may have the potential to increase efficiency and cost effectiveness for both Daly City and the County. Further study to determine the fiscal and operational feasibility of this alternative should be pursued jointly by the City of Daly City and the County of San Mateo if there is demonstrated consensus on the part of the County, City, and community.</p> <p><i>Reorganization involving Formation of a County Service Area and dissolution of Broadmoor Police Protection District, Colma Fire Protection District and detachment from Colma Highway lighting District to consolidate service provision by contract with City of Daly City:</i></p> <p>Indicators that support investigating consolidating municipal service under a County Service Area and contract are the comparative cost per call and cost per capita data for BPPD and CFPD and taking into consideration the need for these agencies to levy parcel taxes over and above their share of the 1 percent property tax. Absent annexation to the City of Daly City, a full service provider, it is recommended that the community pursue fiscal analysis of the benefits of formation of a County Service Area and contracting for services currently provided by single-purpose special districts be studied if there is demonstrated support from the Community and/or future fiscal conditions merit such a change.</p>
<p><i>Any other matter related to effective or efficient service delivery, as required by commission policy.</i></p>	<p>No additional issues have been identified.</p>

Recommended Sphere of Influence Update/Determinations

Based on the information, issues, and analyses presented in this report, proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<p><i>Present and planned land uses in the area, including agricultural and open-space lands.</i></p>	<p>The predominant land use in Daly City remains residential, with over 56 percent of the existing land uses developed with a range of low-, medium- and high-density homes. Very little vacant land exists in Daly City today. According to the City’s General Plan, approximately 98 percent of the area within Daly City is built out, and there is no vacant land of any significant size surrounding Daly City that could be annexed for development.</p>
-------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

	The Sullivan Corridor is currently undergoing revitalization and has been a major effort of the City over the past 30 years. Daly City adopted the Sullivan Corridor Specific Plan in 1998 to guide development. Since the adoption of the Specific Plan, several new construction projects are in the development stages, including new government office buildings, an 86-room hotel, and a large mixed-use development that is presently under construction at the southwest corner of Piece Street and Sullivan Avenue.
<i>Present and probable need for public services and services in the area.</i>	Based on a review of ABAG population projections, growth within the City of Daly City is expected to be limited over the next 20 years. The City has adequate capacity to serve the projected population increase.
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	The City is providing an acceptable level of service with present facilities and contract services. Water and wastewater services are provided through in-house and subsidiary district cooperation.
<i>Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.</i>	None have been identified.
<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the City of Daly City.

Recommended Sphere of Influence: Reaffirm the City’s current sphere of influence, which includes the unincorporated islands of **Unincorporated** Colma and Broadmoor.

North San Mateo County Sanitation District

Recommended Municipal Service Review Determinations

Based on the information, issues and analysis presented in this report, proposed MSR determinations pursuant to Government Code Section 56430 are presented below for Commission consideration:

<p><i>Growth and population for affected area.</i></p>	<p>The North San Mateo County Sanitation District’s (NSMCSD) collection, treatment and disposal systems serve the majority of the residents of Daly City, Broadmoor Village, a portion of the Town of Colma, the Westborough Water District in South San Francisco, and the San Francisco County jail in San Bruno. According to the District, it currently serves a population of approximately 120,000 in its service area (22,694 residential accounts) as well as hundreds of commercial businesses. By 2035, the NSMCSD’s service population is expected to grow to 126,074, according to District projections.</p>
<p><i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the North San Mateo County Sanitation District.</p>
<p><i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the North San Mateo County Sanitation District.</p>
<p><i>Financial ability of agencies to provide services.</i></p>	<p>The NSMCSD maintains a positive net position of assets and cash reserves. The facilities are planned and maintained within a 20-year Master Plan and CIP plan that is currently funded.</p>
<p><i>Status of, and opportunities for, shared facilities.</i></p>	<p>The NSMCSD provides sewer collection and treatment services, by contract, to the Town of Colma, the Westborough Water District and the San Francisco County Jail.</p>

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>The City Council as governing body of the District meets twice monthly (on the second and fourth Mondays of the month) in the Daly City Council Chambers at 6:45 PM. The Council Chambers are ADA accessible. Meetings are open to the public.</p> <p>The District uses the Daly City website and has its own link where NSMCSD meeting agendas, minutes and notices are posted. The City's website provides a comprehensive overview of wastewater collection, treatment and disposal processes, a list of key contacts and a calendar of upcoming NSMCSD meetings and events. Meeting notices and packets are posted on the Thursday prior to the Monday meeting. The City Manager serves as the District's General Manager.</p> <p>Two government structure alternatives have been identified for the North San Mateo County Sanitation District:</p> <p>Status Quo NSMCSD's finances are generally stable; the Daly City Council, acting as the District's Board of Directors, recently adopted a three-year sewer rate increase plan of nine percent annually for FY's 2013-14 through Fiscal Year 2015-16. The District (City Council) has also adopted an aggressive Capital Improvement Program totaling almost \$114 million for Fiscal Year 2014-15. Current residential sewage rates for NSMCWD customers are the lowest of the four sewer agencies included in this MSR study.</p> <p>Merge North San Mateo County Sanitation District with City of Daly City upon annexation of unincorporated areas to the City The merger of the NSMCSD within the City of Daly City could result in some efficiencies of administration and a single point of contact for city residents and businesses and could be considered upon annexation of all unincorporated areas to the City</p>
<p><i>Any other matter related to effective or efficient service delivery, as required by commission policy.</i></p>	<p>No additional issues have been identified.</p>

Recommended Sphere of Influence Updates/Determinations

Based on the information, issues, and analysis presented in this report, proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<p><i>Present and planned land uses in the area, including agricultural and open-space lands.</i></p>	<p>NSMCSD's service boundaries total 7.66 square miles and includes a wide variety of urban uses including open space/recreation, single and multi-family housing, commercial, industrial and retail development. According to the District, the area is largely developed with limited planned growth in the foreseeable future.</p>
-------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

<i>Present and probable need for public services and services in the area.</i>	According to the District, it currently serves a population of approximately 120,000 within its service area (22,694 residential accounts) as well as hundreds of commercial businesses. By 2035, the NSMCS D’s service population is expected to grow to 126,074, according to District projections. The District’s Capital Improvement Program incorporates sufficient infrastructure improvements to serve the projected population increase.
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	The District has adequately planned treatment facilities and maintains its pump stations and sewer mains adequately. Sufficient capacity is available for future connections as part of the Master Plan adopted by the agency.
<i>Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.</i>	None have been identified.
<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the North San Mateo County Sanitation District service territory.

Recommended Sphere of Influence: Reaffirm the current coterminous sphere of influence for the North San Mateo County Sanitation District, which means the District’s service boundary and sphere of influence boundary remain identical.

Town of Colma

Recommended Municipal Service Review Determinations

Based on the information, issues and analysis presented in this report, proposed MSR determinations pursuant to Government Code Section 56430, are presented below for Commission consideration:

<p><i>Growth and population for affected area.</i></p>	<p>According to the most recent Census data, the Town of Colma has 1,492 residents, making it San Mateo’s smallest city by population. Colma’s small population grew from 1,187 in 2000 to 1,403 in 2010, increasing by 216 residents or 18 percent. The Association of Bay Area Governments (ABAG) predicts that Colma will continue modest growth over the next 20 years to reach a population of 2,151 in 2035. However, since the 1980s, Colma’s economy has become increasingly diversified with a variety of retail businesses, a card room facility, and one of Northern California’s largest collections of car dealerships serving a regional market. These factors result in a significant spike in daytime population and have impacts on police services and fire protection (provided through the Colma Fire Protection District).</p>
<p><i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) located within or contiguous to the Town of Colma’s sphere of influence.</p>
<p><i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) located within or contiguous to the Town of Colma’s sphere of influence.</p>

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

<p><i>Financial ability of agencies to provide services.</i></p>	<p>As a low property tax city, Colma is highly dependent on sales taxes (59 percent) and cardroom taxes (27 percent). The remaining 14 percent is derived from property taxes and other revenue sources. Colma has adopted a Strategic Plan that includes development strategies to increase business investment to generate additional taxes and fee revenues. The cardroom revenues have stayed generally consistent in recent years and are not expected to increase substantially.</p> <p>Colma is in a unique situation of having set aside reserves over several prior years and being able to draw on those reserves during the past seven to eight years. The Town’s reserve balance as of June 30, 2014 was \$34,429,833.</p> <p>The Town’s leadership continues to look toward improving its financial situation through incorporating economic development as a key component of its Strategic Plan implementation. Deteriorating infrastructure and a delay of major maintenance over the past seven to eight years has built up a backlog of maintenance projects. Public pension and benefit liabilities have been calculated to be about \$8.2 million over the next five years, and increased retirement and medical costs are projected.</p>
<p><i>Status of, and opportunities for, shared facilities.</i></p>	<p>The Town of Colma has engaged in a number of cooperative and contractual arrangements to increase management and/or operational efficiencies. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • The Town contracts with the City of South San Francisco for streetlight and signal maintenance. • Sanitary sewer maintenance within Colma is provided by the North San Mateo County Sanitation District by contract. • Fire suppression services are provided by the Colma Fire Protection District. • Public Works, Planning and Building Department services are provided by CSG Consultants, Inc. • The Town contracts with the City of South San Francisco Police Department to provide dispatch services in off-peak hours. • Animal Control services are provided through contract with San Mateo County JPA with the Peninsula Humane Society (PHS).
<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>The Town of Colma is governed by a five-member City Council, elected at large. The Council meets on the second Wednesday of each month at 7:30 pm. Councilmembers are compensated \$924 per month for their service. Meeting agendas are posted on three public bulletin boards, and the Town’s website on the third business day in advance of any regular meeting of the City Council. Agendas for special meetings are posted at least 24 hours in advance of the meeting. Citizens may also request to be sent agendas and any agenda packet materials via USPS or email.</p>

	<p>Colma’s website provides the public with Internet access to City Council agendas and minutes, public notices, announcements, budgets, audits, and capital improvement programs. The website also includes a “transparency” link that offers the public an interactive tool to explore the Town’s budget in various graphical formats.</p> <p>Two alternative governance options were identified for the Town of Colma:</p> <p>Maintain status quo:</p> <p>Colma has the smallest service population (1,492 residents) of any city in San Mateo County. Despite a backlog of maintenance projects (largely due to the recession of the past seven to eight years), the City has managed to maintain a substantial reserve of approximately \$34.4 million. Services are adequate for the current service population and limited growth is projected in the future. The City is highly dependent on sales tax and cardroom revenues. Like many cities, Colma faces growing pension and employee obligation costs.</p> <p>Merge the Town of Colma and the Colma Highway Street Lighting District:</p> <p>The Colma Highway Lighting District (CHLD), currently a County-governed district, provides street lighting services for a portion of the Town of Colma, Olympic Country Club, Broadmoor Village, unincorporated Colma, and a portion of San Bruno Mountain Park. The District, formed in 1909, is governed by the five-member San Mateo County Board of Supervisors. Merging the CHLD within Town boundaries with the Town of Colma may realize operational and fiscal efficiencies and result in a reduced assessment for Colma residents. Both agencies should pursue a detailed study of this option, taking into consideration the maintaining lighting district funds segregated from the Towns general property tax revenue in the form of a subsidiary district.</p>
<p><i>Any other matter related to effective or efficient service delivery, as required by commission policy.</i></p>	<p>No additional issues have been identified.</p>

Recommended Sphere of Influence Update/Determinations

Based on the information, issues, and analysis presented in this report, proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<p><i>Present and planned land uses in the area, including</i></p>	<p>Approximately 76 percent of the land within Colma’s town boundaries remains committed to cemetery and agricultural land uses. Since the</p>
--------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

<i>agricultural and open-space lands.</i>	1980s, however, Colma’s economy has become more diversified with a variety of retail businesses, a cardroom facility, and one of Northern California’s largest collections of car dealerships that serve a regional market.
<i>Present and probable need for public services and services in the area.</i>	Colma’s population grew from 1,187 in 2000 to 1,403 in 2010, increasing by 216 residents or 18 percent. The Association of Bay Area Governments (ABAG) predicts that Colma will continue modest growth over the next 20 years to reach a population of 2,151 in 2035. Even given a daytime population spike due to Colma’s increasingly diverse economy, the City has adequate capacity to serve the projected population increase.
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	The overall public services are provided at an adequate level based upon fiscal resources. Under police services, the Composite Crime Rate level is statistically high and should be monitored to determine if additional focus on police services is warranted.
<i>Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.</i>	None have been identified.
<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the Town of Colma.

Recommended Sphere of Influence: Reaffirm the current Town of Colma’s coterminous sphere of influence.

Colma Fire Protection District

Recommended Municipal Service Review Determinations

Based on the information, issues, and analysis presented in this report, proposed Municipal Service Review (MSR) determinations pursuant to Government Code Section 56430 are presented below for Commission consideration:

<i>Growth and population for affected area.</i>	The Colma Fire Protection District (CFPD) serves an estimated population of approximately 5,668 . By 2035, the Association of Bay Area Governments (ABAG) projects that the service area population will grow by approximately 10 percent to 6,235 .
<i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the Colma Fire Protection District sphere of influence.
<i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the Colma Fire Protection District sphere of influence.
<i>Financial ability of agencies to provide services.</i>	The District maintains a financial reserve roughly equal to one year of operating costs. The costs of operation are based upon a primary “volunteer” paid call staffing organization structure, thereby providing services at a relatively low cost. There are not adequate revenue sources to increase the level of service to full-time staffing of the department.
<i>Status of, and opportunities for, shared facilities.</i>	The District is a member of the San Mateo County Pre-hospital Emergency Services Joint Powers Authority (JPA), which provides countywide ambulance/paramedic first-responder services. CFPD is also a member of the San Mateo County Emergency Services Council JPA, which provides emergency planning and training for participating cities and towns within San Mateo County.

<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>The CFPD is governed by a three-member Board of Directors elected at large by voters residing within the service district. The Board meets on the third Tuesday of each month. Meetings are open to the public and agendas are posted at three different locations within the District at least 72 hours prior to the start of meetings. The District’s website is very basic and needs improvement. No public meeting notices, agendas, meeting minutes or budgets/audits are available for public review on-line. Agency websites have become an important tool to inform the public about agency operations, finances, and actions, and to improve overall transparency. The District should upgrade its website content. The District should prepare audits in a more timely manner.</p> <p>Three government structure alternatives have been identified for the CFPD:</p> <p>Status Quo:</p> <p>Historically, CFPD has developed strong ties with its service area, which includes the unincorporated Broadmoor/Garden Village, the Town of Colma, and adjacent unincorporated areas. However, the FY 2009-10 San Mateo Civil Grand Jury Report concluded that the Colma Fire Protection District (CFFD), among others, has opportunities to significantly reduce the cost of services to taxpayers by aggressively pursuing consolidations and mergers. CFPD is surrounded almost entirely by the City of Daly City, which has its own fire department.</p> <p>District Dissolution and County Contract:</p> <p>Dissolution of Colma Fire Protection District (CFPD), with the County of San Mateo as the successor agency, would allow the area to become part of the County Fire Protection Fund. The County, in turn, could contract with the City of Daly City to provide fire services to the CFPD service area. The County has such an arrangement for a portion of Unincorporated North Fair Oaks that is adjacent to Redwood City and a nearby Redwood City fire station. A potential benefit of this government structure alternative could be a lower parcel tax for current CFPD customers while maintaining a similar or higher level of service. In addition, the CFPD fire station could be repurposed as a community benefit (e.g., community center, senior center, library facility). The CFPD, the County of San Mateo, the Town of Colma and the City of Daly City should consider undertaking a joint study to evaluate the fiscal and operational impacts of this option if it is determined that there is community support for this alternative and/or future fiscal conditions merit examining this alternative. .</p>
----------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p><i>Reorganization involving Formation of a County Service Area² and dissolution of Broadmoor Police Protection District, Colma Fire Protection District and detachment from Colma Highway lighting District to consolidate service provision by contract with City of Daly City:</i></p> <p>Unincorporated Broadmoor Village is designated an existing urban neighborhood in the County of San Mateo General Plan. The Community has a very active Property Owners Association. An existing urban residential neighborhood is defined as unincorporated areas which are primarily devoted to residential land uses and are general functionally integrated with adjacent incorporated areas.</p> <p>General Plan Policy 7.24 encourages cities to annex urban unincorporated areas within designated city spheres of influence. The Broadmoor Village subdivision receives services from the County of San Mateo, Broadmoor Police Protection District and Colma Fire Protection District. The County maintains 8.8. centerline road miles in Broadmoor Village and 1.41 centerline road miles in Unincorporated Colma and as well as street lights in both areas. Broadmoor Village is included in the City of Daly City garbage franchise. In addition, residents benefit from City of Daly City library and park facilities.</p> <p>Service delivery by multiple single-purpose and multi-purpose providers typically results in a total higher cost of municipal service. Indicators that support investigating consolidating municipal service under a County Service Area and contract are the comparative cost per call and cost per capita data for BPPD and CFPD and taking into consideration the need for these agencies to levy parcel taxes over and above their share of the 1 percent property tax. Absent annexation to the City of Daly City, a full service provider, it is recommended that agencies pursue fiscal analysis of the benefits of formation of a County Service Area and contracting for services currently provided by single-purpose special districts.</p>
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

² A County Service Area is a county-governed special district authorized to provide all municipal services that a city can provide. Formation of a county service area would facilitate contracting for municipal service to achieve efficiencies, offers the potential to reduce costs and eliminate parcel taxes and capture municipal service revenues and expenditures for an unincorporated area in a single budget.

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

	A potential benefit of this government structure alternative could be a lower parcel tax for current CFPD customers while maintaining a similar or higher level of service. In addition, the CFPD fire station could be repurposed as a community benefit (e.g., community center, senior center, library facility). Consolidating the three services in the form of a County Service Area would streamline contract management and provide for transparency and accountability for municipal services. The CFPD, the County of San Mateo, and the City of Daly City should consider undertaking a joint study to evaluate the fiscal and operational impacts of this option if it is determined that there is community support for this alternative and/or future fiscal conditions merit examining this alternative.
<i>Any other matter related to effective or efficient service delivery, as required by Commission policy.</i>	No additional issues have been identified.

Recommended Sphere of Influence Determinations

Based on the information, issues, and analysis presented in this report, proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<i>Present and planned land uses in the area, including agricultural and open-space lands.</i>	The District’s boundaries are irregular and include non-contiguous areas that were created over time as areas were annexed to the City of Daly City (which has its own fire department). The CFPD service territory includes a wide range of land uses, including single- and multi-family residential, commercial, retail, and cemetery uses. The area is largely developed with limited planned growth in the foreseeable future.
<i>Present and probable need for public services and services in the area.</i>	Based on a review of ABAG population projections, growth within CFPD service territory is expected to be limited over the next 20 years.
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	The CFPD provides services using a primarily volunteer paid call staffing system supplemented by an on-duty paramedic position. Based upon a relatively low level of calls for service, this structure has adequately served the community. The fire station is aged and in need of upgrade or replacement to current National Fire Protection Association Standards. The District should consider a long-term solution to its facilities needs and improving service levels by converting to a full-time staffing model when funding is available.
<i>Existence of any social or economic communities of interest in the area if the Commission determines they are relevant to the agency.</i>	None have been identified.

Draft Recommended MSR/SOI Determinations
North County Cities and Special Districts
August 5, 2015

<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the Colma Fire Protection District sphere of influence.
---------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------

Recommended Sphere of Influence: Reaffirm the current zero sphere of influence for the Colma Fire Protection District, which indicates that the District’s public service responsibilities and functions should be reallocated to another unit of government and that, ultimately, the District should be dissolved.

Broadmoor Police Protection District

Recommended Municipal Service Review Determinations

Based on the information, issues and analysis presented in this report, proposed MSR determinations, pursuant to Government Code Section 56430, are presented below for Commission consideration:

<i>Growth and population for affected area.</i>	The District serves a population of approximately 4,633 residents according to recent US Census data. By 2035, the Association of Bay Area Governments (ABAG) projects that the service population will grow by approximately 10 percent to 5,096 .
<i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the Broadmoor Police Protection District.
<i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the Broadmoor Police Protection District.
<i>Financial ability of agencies to provide services.</i>	The District currently provides a minimum level of service, two officers on duty, using a combination regular officer and reserve officer staffing model. Funding is adequate for the current level of service.
<i>Status of, and opportunities for, shared facilities.</i>	Dispatch services for BPPD are provided by the County of San Mateo through a joint powers agreement. The District uses the Colma Police Department's rifle range through mutual agreement. All vehicle repair services for the BPPD fleet are provided by an outside vendor.
<i>Accountability for community service needs, including government structure and operational facilities.</i>	BPPD is governed by a three-member Board of Commissioners elected by voters within the service district. The Commission meets monthly on the second Tuesday of each month. Meetings are open to the public and are held in the BPPD headquarters. Agendas are posted on the District's website and in three additional locations: BPPD headquarters, Colma Fire Department headquarters, and the Broadmoor Community Center. The BPPD's website provides basic contact information, meeting notices, agendas, and minutes, and a community events calendar. No District

	<p>budget or audit information is posted. Including budget and audit information on the website would increase public access to important financial data and enhance District transparency. The District should upgrade its website accordingly. The District should calculate the District’s appropriations or spending limit. The District should prepare audits in a more timely manner.</p> <p>Three government structure alternatives have been identified for the Broadmoor Police Protection District:</p> <p><i>Status Quo</i></p> <p>BPPD has a long history with the unincorporated Broadmoor and Colma areas and has developed strong community ties with its service population. Response times, as reported by the District, are generally comparable to other police departments within the study area. District finances, supported by property taxes and special parcel tax revenue, are generally stable. Over time, as additional annexations to Daly City occur, and territory is removed from BPPD, BPPD may incur additional fiscal stress which could impact service levels or create additional pressure to increase the special parcel tax.</p> <p><i>Merge Broadmoor Police Protection District with City of Daly City</i></p> <p>Merging BPPD with the City of Daly City (with concurrent annexation of BPPD’s service territory) has the potential benefit of reducing overall service costs by eliminating duplicative staffing, administrative, and facility expenses. San Mateo LAFCo has identified Daly City (through adoption of the City’s current sphere of influence) as the long-term, logical service provider for both Broadmoor and unincorporated Colma. Daly City has its own full-service police department with its headquarters located less than one-quarter mile from the BPPD headquarters. The merger option provides the potential for Broadmoor and unincorporated Colma residents to receive a similar or higher level of police services with a potential of reduction or elimination of their current assessment fee. Although such a merger may be politically infeasible at this time, consideration should be given by both Daly City and the BPPD to jointly studying the long-term benefits to the tax payers of this government structure alternative. The study recognizes Daly City’s stated policy of not initiating annexation and that the City accepts pre-zoning applications from individual property owners in anticipation of annexation.</p> <p><i>Form a County Service Area (CSA) and Contract with the County or Daly City for Services</i></p> <p>Unincorporated Broadmoor Village is designated an existing “urban neighborhood” in the County of San Mateo General Plan. The community</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

	<p>is represented by an active property owner’s association. An existing urban residential neighborhood is defined as unincorporated areas which are primarily devoted to residential land uses and are general functionally integrated with adjacent incorporated areas. General Plan Policy 7.24 encourages cities to annex urban unincorporated areas within designated city spheres of influence.</p> <p>The Broadmoor Village subdivision receives services from the County of San Mateo, Broadmoor Police Protection District and Colma Fire Protection District. The County maintains 8.8 centerline road miles in Broadmoor Village and 1.41 centerline road miles in Unincorporated Colma and as well as street lights in both areas. Broadmoor Village is included in the City of Daly City garbage franchise. In addition, residents benefit from City of Daly City library and park facilities.</p> <p>Service delivery by multiple single-purpose and multi-purpose providers typically results in a total higher cost of municipal service. Indicators that support investigating consolidating municipal service under a County Service Area and contract are the comparative cost per call and cost per capita data for BPPD and CFPD and taking into consideration the need for these agencies to levy parcel taxes over and above their share of the 1% property tax. Absent annexation to the City of Daly City, a full-service provider, it is recommended that the County pursue a fiscal analysis of the benefits of formation of a County Service Area and contracting for services currently provide by single-purpose special districts.</p> <p>A potential benefit of this government structure alternative could be a lower parcel tax for current BPPD taxpayers while maintaining a similar or higher level of service. Consolidating the three services under in the form of a County Service Area would streamline contract management and provide for transparency and accountability for municipal services. The BPPD, the County of San Mateo, and the City of Daly City should consider undertaking a joint study to evaluate the fiscal and operational impacts of this option if there is demonstrated community support or future fiscal circumstances that merit examining this alternative.</p>
<p><i>Any other matter related to effective or efficient service delivery, as required by commission policy.</i></p>	<p>No additional issues have been identified.</p>

Recommended Sphere of Influence Update/Determinations

Based on the information, issues, and analysis presented in this report, proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<i>Present and planned land uses in the area, including agricultural and open-space lands.</i>	The Broadmoor Police Protection District’s service boundaries total 0.55 square miles and include single- and multi-family housing, and commercial and retail development. The area is largely developed with limited planned growth in the foreseeable future.
<i>Present and probable need for public services and services in the area.</i>	Based on a review of ABAG population projections, growth within the unincorporated areas of Broadmoor and Colma is expected to be limited over the next 20 years.
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	The single small police facility appears to be adequate for routine police operations with the present two-patrol operation plan. Joint or mutual aid response capability should be enhanced for increased reliability of the District’s service plan.
<i>Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.</i>	None have been identified.
<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the Broadmoor Police Protection District service territory.

Recommended Sphere of Influence: Reaffirm the current zero sphere of influence for the Broadmoor Police Protection District, which indicates that the District’s public service responsibilities and functions should be reallocated to another unit of government and that, ultimately, the District should be dissolved.

City of Pacifica

Recommended Municipal Service Review Determinations

Based on the information, issues and analysis presented in this report, proposed MSR determinations pursuant to Government Code Section 56430 are presented below for Commission consideration:

<p><i>Growth and population for affected area.</i></p>	<p>According to the most recent US Census data, Pacifica has 38,606 residents. The Association of Bay Area Governments (ABAG) projections indicate that the City will grow to approximately 40,285 residents by 2040, a relatively modest increase of 1,679 residents over the next 25 years.</p>
<p><i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the Pacifica’s sphere of influence.</p>
<p><i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the Pacifica’s sphere of influence.</p>
<p><i>Financial ability of agencies to provide services.</i></p>	<p>The City’s unique geography and large proportion of lands within the City dedicated to open space, while a valuable natural resource and asset to the region, presents a constraint to the City’s financial health because as publicly owned lands, they do not contribute to the City’s property tax base. And unlike other San Mateo County cities, Pacifica lacks the diversity of land use that would enable the City to pursue economic development to augment key revenue sources of property tax, sales tax and transient occupancy tax.</p> <p>The City’s financial condition is not clear due to lack of verified data and a delayed Fiscal Year 2013-14 audit. As of the last audit report, unrestricted fund reserves are below levels generally considered acceptable to adequately address emergency or ongoing economic downturn conditions. Several specific funds are in a negative balance and should be corrected. A plan for improving revenues and containing expenditures should be prepared to address future financial needs. Audits should be</p>

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

	<p>completed in a timely manner to fully understand the status of the City's fiscal situation.</p>
<p><i>Status of, and opportunities for, shared facilities.</i></p>	<p>The City has engaged in a number of cooperative and contractual arrangements to increase management and /or operational efficiencies. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • The Police Department currently outsources its communication services to the South San Francisco Police Department. • The City contracts with Burke, Williams & Sorensen for legal services and has been able to reduce the budget for legal counsel. • Pacifica contracts with Regional Government Services (RGS), a Joint Powers Authority, for interim staff resources. Currently, the City's Interim Recruitment Services Manager is working through a service contract with RGS. • Building Official, plan check, inspection services, and interim engineering services are all provided to the City through contract with a private consulting firm. • The North County Fire Authority (NCFA) JPA, which includes Pacifica, Brisbane and Daly City, was established as a single public authority to manage and coordinate the provision of fire and emergency medical services. NCFA also has the authority to coordinate fire and medical services with jurisdictions outside the JPA, when advisable, to achieve the most effective and efficient delivery of services for all the communities involved. The City of Pacifica provides all fire agency facilities and operations personnel to respond to calls for services. • Pacifica is a member of the County's Pre-Hospital Medical Services Group JPA, which provides countywide ambulance and paramedic first-responder services. • The City is a member of the San Mateo County Emergency Services Council JPA, which provides emergency planning and training for 20 incorporated cities and the County of San Mateo. The JPA also funds the San Mateo County Hazardous Materials Response Team, which provides services to all members of the JPA. • The Pacifica Police Department, on an annual basis, enters into agreements with other San Mateo agencies to jointly provide traffic enforcement and alcoholic beverage law enforcement services; the Department also has agreements with the County's Narcotics Task Force and Gang Investigation Unit. • The Pacifica Police Department has a Memorandum of Understanding (MOU) with the Daly City Police Department and the Colma Police Department for the shared tactical police response as part of the Daly City Police Department's Special Weapons and Tactics (SWAT) team. • Pacifica is a member of the San Mateo County Library JPA.

	<ul style="list-style-type: none"> • The City participates in a pool with other cities for Worker’s Compensation coverage through the Municipal Pooling Authority (MPA) and participates in the “Plan Corporation” administered by the Association of Bay Area Governments (ABAG) for risk management and insurance coverage. • Pacifica is a member of the Housing Endowment and Regional Trust JPA, which provides affordable housing resources and services.
<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>City Council meetings are held in the City Council chambers and are open to the public. City Council meetings are also broadcast live on the City’s local cable channel. Pacifica’s comprehensive, user friendly website provides the public Internet access to City Council agendas and minutes, public notices, announcements, events, budgets, audits and capital improvement programs. The City’s website also provides contact information for key City personnel. The website has an interactive calendar that provides a useful tool for tracking all City-related meetings.</p> <p>Three government structure alternatives were identified for the City of Pacifica:</p> <p>Status Quo:</p> <p>With the exception of municipal water, Pacifica is a full-service city. The City faces fiscal challenges in terms of expenses outpacing revenues. As reported in the City Budget transmittal report, revenue shortfalls have resulted in City leaders implementing a series of actions to reduce fiscal stress, including, but not limited to, employee reductions, fee increases, salary freezes, and increased employee contributions for pension and healthcare benefits. Many of the City’s needed infrastructure improvements have been delayed due to budget constraints. Drawing new business to Pacifica, encouraging development where possible, and a slightly improving economy have been identified by the City as the primary avenues at this time for growing revenues. Steps taken over the last two to five years to balance revenues and expenditures should result in a status quo situation for the City barring any new challenges.</p> <p>Merge the City of Pacifica and the North Coast County Water District:</p> <p>The boundaries of the City of Pacifica and the North Coast County Water District (NCCWD) are almost identical. Both agencies have developed a strong relationship through the joint development of recycled water resources. Dissolution of the NCCWD with the City of Pacifica assuming operations and maintenance of the water system may have the potential to realize overall operational efficiencies while reducing overall administrative overhead. By having the water system operations in house, Pacifica may also benefit in their land use and infrastructure</p>

	<p>planning activities. Once the City of Pacifica has regained financial stability, Pacifica and NCCWD should consider a joint study to determine the operational and fiscal feasibility of this alternative.</p> <p>Consider a reduction in the City’s SOI to remove permanent open space areas south and southeast of the City’s boundaries:</p> <p>Currently, the City of Pacifica’s sphere of influence includes territory south and southeast of the current City’s boundaries. These areas are predominantly open space lands, including units of the Golden Gate National Recreational Area, the State and County park systems and protected watersheds. No extension of City services is required to serve these areas in the near or long term. The City already includes a substantial amount of open space and park lands within city limits. The City, property owners and LAFCo should consider a reduction in the City’s SOI to remove those properties in which municipal services will never be needed.</p>
<p><i>Any other matter related to effective or efficient service delivery, as required by commission policy.</i></p>	<p>No other issues have been identified.</p>

Recommended Sphere of Influence Update/Determinations

Based on the information, issues, and analysis presented in this report, proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<p><i>Present and planned land uses in the area, including agricultural and open-space lands.</i></p>	<p>Almost one-half (47 percent) of the land within Pacifica is preserved as permanent open space, which includes the Golden Gate National Recreation Area, Sharp Park Golf Course, San Pedro Valley County Park, and the Pacifica State Beach. According to the City’s General Plan, residential uses make up 26 percent of the City and are the predominant land use in the Pacifica’s five valleys, along the coast, and in the highlands bordering Daly City and South San Francisco. Commercial uses comprise 108 acres, which are located primarily within the City’s shopping centers. Pacifica also has a small amount of office uses (4.3 acres) and industrial land (18 acres). The balance of the City’s land uses consist of public and institutional uses – schools, libraries, police and fire stations.</p>
<p><i>Present and probable need for public services and services in the area.</i></p>	<p>The City of Pacifica grew rapidly in the 1950s and 1960s, and most of its current housing was built during those decades. Growth slowed in the 1970s and then slowed further in the following decades due to a scarcity of developable land and infrastructure constraints. In the 20-year span between 1990 and 2010, approximately 1,210 residential units were constructed in the City.</p>

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

	According to the most recent Census data, Pacifica has 38,606 residents. The Association of Bay Area Governments (ABAG) projections indicate that the City will grow to approximately 40,285 residents by 2040, a relatively modest increase of 1,679 residents over the next 25 years
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	The City services for police, fire and general services are adequate. Fire and emergency medical services response times appear to be close to the national standard measurement criteria. The City should review the response capabilities and consider ways to improve response times to calls for services where possible. The roadway infrastructure condition is deteriorating due to lack of sufficient capital replacement and repair during the recent financial recession. Additional funds should be allocated to roadway repair to offset the deterioration cycle.
<i>Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.</i>	None have been identified.
<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the City of Pacifica.

Recommended Sphere of Influence: Currently, the City of Pacifica’s sphere of influence includes territory south and southeast of the current City’s boundaries, which are predominantly open space lands, including units of the Golden Gate National Recreational Area, the State and County park systems and protected watersheds. No extension of City services is required to serve these areas in the near term. These areas should be evaluated by the City and LAFCo to consider the impacts of removing them from the current City of Pacifica sphere of influence boundary.

North Coast County Water District

Recommended Municipal Service Review Determinations

Based on the information, issues and analysis presented in this report, the following proposed MSR determinations pursuant to Government Code Section 56430 are presented below for Commission consideration:

<p><i>Growth and population for affected area.</i></p>	<p>According to US Census data, between 1980 and 1990, the District’s service population grew by 771 people; between 1990 and 2000, the population increased by 610 people; and between 2000 and 2010, there was also a population growth of 610 people. By 2035, the service area population is expected to grow to 42,400 according to the District’s Urban Water Management Plan (2011).</p>
<p><i>Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the North Coast County Water District (NCCWD).</p>
<p><i>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</i></p>	<p>There are no disadvantaged unincorporated communities (DUCs) located within, or contiguous to, the NCCWD.</p>
<p><i>Financial ability of agencies to provide services.</i></p>	<p>The NCCWD is an enterprise retail water delivery district with close to a built-out service area. The District’s revenue sources are primarily service charges and water sales (90 percent), and property tax (6 to 7 percent) plus miscellaneous revenues. The revenue versus expenditure trends are positive overall with the cost of purchasing water increasing gradually over the past five to 10 years along with pumping electrical charges and other related expenses. The District has established an unallocated reserve fund and been investing in repair and upgrade of its infrastructure. The District appears to be operating in a positive financial manner overall.</p>

<p><i>Status of, and opportunities for, shared facilities.</i></p>	<p>NCCWD has a number of agreements with other agencies and private companies to increase operational efficiencies, including:</p> <ul style="list-style-type: none"> • Interties with Westborough Water District to serve both agencies • Interties with the City of Daly City for emergency water needs • Intertie agreement with the City of San Bruno and service to a housing complex in the City • Contract services for legal counsel (Hanson Bridgett), IT support (Clear Design), District engineers, billing software support (Incode), audits (JJACPA, Inc.), and mail support (Data Prose)
<p><i>Accountability for community service needs, including government structure and operational facilities.</i></p>	<p>The NCCWD is governed by a five-member Board of Directors elected at large from residents within the District. The Board meets every third Wednesday of the month at 7:00 PM in the District’s Board Room. All meetings are open and accessible to the public. Meeting agendas are posted five calendar days prior to meetings on the NCCWD website. Regular and Special Board Meetings are held in the evenings; Committee and Advisory Committee meetings are held in the afternoon.</p> <p>The NCCWD website is both comprehensive and user friendly. Among other items, it includes agency agendas and minutes; budgets, audits, and capital improvement plans; educational resources; agency contacts; and a district calendar of events.</p> <p>The District received the Special District Leadership Foundation (SDLF) Transparency Certificate of Excellence, the first public agency to do so in San Mateo County.</p> <p>Four government structure alternatives have been identified for the North Coast County Water District (NCCWD):</p> <p><i>Status Quo</i></p> <p>The NCCWD is an enterprise retail water delivery district with close to a built-out service area. The District’s revenue sources are primarily service charges and water sales (90 percent), and property tax (6 to 7 percent), all of which have been consistent over time. The District has established an unallocated reserve fund and been investing in repair and upgrade of its infrastructure. The District appears to be operating in a positive financial manner overall.</p> <p><i>Establish NCCWD as a subsidiary district of the City of Pacifica</i></p> <p>The District’s boundaries are almost identical to the City of Pacifica. Reorganizing NCCWD as a subsidiary district of the City of Pacifica may have long-term operational and fiscal benefits by eliminating the District’s Board of Directors expenses and associated administrative overhead. Placing the Pacifica City Council as the legal authority for the District’s budget and operations may also benefit the City in aligning the</p>

	<p>City’s long-term land use planning and water supply needs under one agency. The City of Pacifica and NCCWD should consider pursuing a joint study evaluating the long-term merits of this alternative once the City stabilizes the budget and has up to date financial information.</p> <p><i>Merge NCCWD with the City of Pacifica</i></p> <p>A complete merger of the District and City could result in long-term savings from efficiencies from coordinating administrative and operational functions within the City. A study of potential savings should be implemented to determine if feasible once the City stabilizes the budget and has up to date financial information.</p> <p><i>Provide Water Service to Shamrock Ranch area Per Section 56133 to mitigate damaged water source</i></p> <p>Shamrock Ranch, consisting of 200 acres at the southern boundary of Pacifica, has been under the same family ownership since 1944 and presently includes an active dog kennel, boarding facility, and two residences served by wells. Since the construction of the Caltrans bridge for the Tom Lantos Tunnel, the property owners have raised concerns about the viability of the wells and inquired about water service on several occasions. Most recently the staff from the Regional Water Board has contacted LAFCo about the process for a water connection for the Ranch. NCCWD and the landowner should jointly study the fiscal and operational benefits of water extension to Shamrock Ranch to the District.</p>
<p><i>Any other matter related to effective or efficient service delivery, as required by commission policy.</i></p>	<p>No additional issues have been identified.</p>

Recommended Sphere of Influence Update/Determinations

Based on the information, issues, and analysis presented in this report, the following proposed SOI determinations, pursuant to Government Code Section 56425, are presented below for Commission consideration:

<p><i>Present and planned land uses in the area, including agricultural and open-space lands.</i></p>	<p>The North Coast County Water District’s service area is primarily residential with limited retail commercial uses and significant amounts of recreation/open space areas.</p>
-------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Draft Recommended MSR/SOI Determinations
 North County Cities and Special Districts
 August 5, 2015

<i>Present and probable need for public services and services in the area.</i>	Limited growth is expected with the District’s boundaries in the next 25 years. The District’s Capital Improvement Program incorporates sufficient infrastructure improvements to serve the projected population increase.
<i>Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.</i>	The district has adequate facilities and is implementing identified repairs and upgrades as needed to operate efficiently. The supply of water is adequate until at least 2035. Both NCCWD and the wholesale agency (SFPUC) have implemented appropriate measures to improve conservation efforts and system reliability.
<i>Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.</i>	None have been identified.
<i>Present and probable needs for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.</i>	There are no disadvantaged unincorporated communities (DUCs) within or contiguous to the North Coast County Water District service territory.

Recommended Sphere of Influence: Reaffirm the North Coast County Water District’s coterminous sphere of influence (meaning its service boundary and SOI boundary are identical) with a recommendation that the District be established as a subsidiary district of the City of Pacifica.