

# Attachment A

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County of Monterey  
Resource Management Agency  
2018-19 Special District Annual Report

## COUNTY SERVICE AREAS

### Background

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The County of Monterey currently manages thirty-seven (37) active County Service Areas. These are areas of local government that were formed to provide one or more enhanced or extended services that the County does not provide to the same extent on a countywide basis. CSAs are administered by County Resource Management Agency (RMA) staff under the direction of the County Board of Supervisors.

County Service Area (CSA) law was established in 1953, to allow counties to provide a wider variety of services in unincorporated areas where residents are willing to pay for the extra service. Initially, services include extended police protection; structural fire protection services; local park, recreation, local parkway facilities and services; extended library facilities and services; and miscellaneous extended services defined as streetlighting, street sweeping, street and sidewalk maintenance, storm drain maintenance, surface water disposition, collection and disposal of sewage, collection and disposal of garbage, and the supply and distribution of water. The law was expanded by SB 1458 in 2008 to provide funding for land use planning, soil conservation, animal control, transportation, flood control and drainage, graffiti abatement, emergency medical services, and other services.

### Current CSAs and Services

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In 1959, CSA 1 – Carmel Point was the first County Service Area formed by the Board of Supervisors. In the following decade, twenty-seven (27) additional CSAs were created. By the 1970s, formation of new CSAs slowed and only nine (9) new areas were created between 1970 and 1993. CSAs are created by resolution and services are distinguished as “authorized” and “active.” *Authorized services* are those services that are authorized to be provided by the County. *Active services* are those that are currently provided by the County at a level that can be funded by the CSA. Nearly all CSAs were enabled to provide a full suite of CSA services authorized under the 1953 law, although active services vary among the CSAs. A list of the CSA Authorized and Active Services is shown in Exhibit 1. CSA location maps are shown in Exhibit 2.

Of the currently active thirty-seven (37) CSAs, sixteen (16) provide storm drain maintenance and six (6) provide storm drain maintenance and streetlighting. Three (3) CSAs provide streetlighting only. Eleven (11) CSAs provide a combination of those services plus street & sidewalk maintenance and/or parks maintenance (which includes open space). In addition to the services listed above, three (3) CSA’s also provide additional extended services; CSA 50 – Lower Carmel River provides levee maintenance and repair, CSA 72 – Las Palmas provides soil conservation and drainage control and CSA 75 – Chualar Consolidated provides sewage collection and disposal. The size of CSAs varies from 16 to 1039 parcels. Most CSAs consist of one contiguous area, although due to annexation, there are CSAs with parcels that are not contiguous and located some distance from each other.

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Historically, the Monterey County Public Works Department (now Resource Management Agency – Division of Public Works, Facilities and Parks) performed repairs and maintenance services within the CSAs. Due to funding reductions, subsequent decreased staffing levels, and reduction in equipment over the years, maintenance and repairs have generally become more reactive and are typically provided by outside vendors. Advisory committees have been created for five (5) CSAs; CSA 1 – Carmel Point, CSA 15 – Toro Park/Serra Village, CSA 45 – Oak Hills, CSA 47 – Carmel Views and CSA 50 – Lower Carmel River. Regular meetings are held in accordance with the Board of Supervisors Resolutions which formed the Advisory Committees. Additionally, staff has established a rapport with Home Owner Associations (HOAs) and individual property owners within several CSAs which has resulted in more consistent communication and proactive maintenance and repairs of infrastructure.

Over the last four years, RMA staff has worked to better identify and inventory specific CSA infrastructure needs. However, engineering and infrastructure reports are necessary for most if not all CSAs to fully understand annual maintenance requirements as well as future capital upgrades.

### **Financing**

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There is no impact to the General Fund to receive this report. The following is a summary of overall CSA revenue sources.

CSAs receive revenue from various funding sources. Typically, assessments were established at the time of creation to fund active services within the specific CSA. Currently, 31 CSAs receive funding from separate assessments collected on their property tax bills. Average annual assessment income for individual CSAs ranges from \$288 to \$118,000. Total annual assessment currently for all CSAs is \$300,443. In 2001, CSA 45 – Oak Hills passed an additional assessment to fund maintenance of open space within a specific area of the CSA. All other assessments have remained unchanged since 2001. Six (6) CSAs receive no funding from assessments and include CSA 17 – Rancho Tierra Grande, CSA 25 – Carmel Valley Country Club, CSA 34 – Rancho Rio Vista, CSA 55 – Buena Vista Del Sol, CSA 57 – Los Tulares, CSA 67 – Corral de Tierra Oaks,

The largest source of CSA funding is from general property tax allocation, commonly referred to as “AB 8 funding,” after State Assembly Bill 8, California Property Tax Apportionment. Following passage of California Proposition 13 in 1978, the State Legislature found it necessary to adopt additional procedures to assist local agencies with the allocation of property taxes. In 1979, AB 8 was adopted and outlined an allocation procedure for the countywide one percent (1%) property tax. An established percent of general property tax is allocated to the specific CSA in which the property is located based on a complex formula. This allocation varies among the individual CSAs and falls within a range from \$375 to \$140,000 annually. Based on preliminary data, the total FY 2018 AB 8 revenue is estimated to be \$506,000. In recent years, AB 8 revenue has increased on an annual basis as valuations change when property is sold or transferred. Four (4) CSAs do not receive AB8 funding including CSA 37 – Colonial Oak Estates, CSA 66 – Monterra Ranch, CSA 68 – Vierra Canyon, CSA 72 Las Palmas Ranch, and CSA 45 – Open Space. (It should be noted that CSA 45 has two separate funds. The first fund was established at the time the development was built in 1966 and currently receives AB 8 funds. However, a portion of the residents of the CSA voted to establish a second assessment specifically for open space. A separate fund was established specifically for open space maintenance and does not receive AB 8 funds.)

A third source of CSA funding is interest on fund balances, which is generally a very low percentage of revenue. In FY 2017-18, this interest accounted for approximately \$64,000, or seven percent

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(7%) of total CSA revenue. Finally, a very small revenue stream results from Homeowners Property Tax Relief. This source provides less than one percent (1%) of CSA revenue.

Individual CSA fund balances range from \$700 to \$2.6 million. Fund balances are not indicative of the overall sustainability of each CSA. For example, a CSA whose only active service is streetlighting is not required to maintain the same level of reserves as a CSA with a complex storm drainage system. Until engineering reports are completed, the management strategy is to preserve existing fund balances to address emergency repairs prior to proposing appropriate rate adjustments.

Exhibit 3 provides currently funding and sustainability status of the individual CSAs. These designations are based on available information for each CSA and may change once an Engineer's Report is completed that identifies necessary and potential projects.

The health grade of each CSA is currently based on a CSA's ability to fund annual maintenance and repair expenditures with annual revenue combined with the level of fund balance. A good health grade is assigned to those CSAs that currently have high fund balances relative to annual expenses and are able to preserve or increase fund balance levels on an annual basis. A fair health grade is assigned those CSAs that have been able to fund annual maintenance and repair costs with annual revenue, however, have low fund balances or have had to reduce the fund balance due to emergency repairs. A poor health grade is assigned to CSAs that have insufficient revenue to fund annual expenses, have depleted or severely reduced fund balance due to annual maintenance that exceeds annual revenue, emergency repairs, or have required General Fund or Measure X funding assistance to pay for emergency repairs.

These health grades are based on what information is available about each CSA at the time of this report and will be refined during the preparation of individual Engineer's Reports to determine the necessary action to establish long term financial sustainability for each CSA.

### **Process for CSA Analyses and Assessment Rate Setting**

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County Service Area law was established in 1953, revised in 2008 by Senate Bill No. 1458, and is included in the California General Government Code under Section 25210 et seq. Procedures and requirements for imposing assessments are further defined in the Section 4 of Article XIID of the California Constitution. Engineer's reports are required to estimate the amount of special benefit landowners will receive from a project or service. To determine the benefit, this report may also include, but not be limited to, the condition of existing infrastructure, costs for maintenances and recommended or required repairs, upgrades and potential capital improvements. This data is used to determine service levels and the appropriate assessment rates necessary to fund these services.

In November 1996, California voters passed Proposition 218, the "Right to Vote on Taxes Act." This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees, and charges without taxpayer consent. It is estimated that all Monterey County CSAs, except for CSA 66 – Oak Tree Views, will require a Proposition 218 election to set rates that will allow for an appropriate level of CSA services. For CSA 66 – Oak Tree Views, an agreement between Monterey County and the Developer allows for assessments to be increased to a capped minimum that includes provisions for annual increases based on the Consumer Price Index (CPI).

There may also be recommendations to consider consolidation of CSAs that currently have adjacent boundaries and/or expansion of CSA boundaries where appropriate. The Engineer's Reports and associated community outreach may also prompt property owner support for increased

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assessment and activation of additional services with corresponding increased assessments to do so.

Upon completion of a successful Proposition 218 election, that CSA will be considered financially stable and is not anticipated to have future impacts on the County General Fund. However, if a Proposition 218 Election is not a viable option or fails to pass due to lack of support by property owners, there may be insufficient revenue and fund balance to provide special services. Depending on the existing services, there may be grant and/or loans available. If not, then services may be discontinued or funded by the County General Fund. In such cases, the County may choose to provide minimal services to provide funds for emergencies or future capital projects.

The work plan of Special Districts staff is to evaluate the facility and financial needs of every County CSA and develop and implement appropriate strategies to ensure each CSA is financially sustainable over the next 7 to 10 years. Current fiscal year goals are to select three CSAs to begin with and complete Engineer's Reports and hold Proposition 218 elections if they are deemed appropriated. This will allow staff to better understand the time and resources that will be required for each report and subsequent Prop 218 election. It is anticipated that once the first few CSAs are completed staff will be able to complete at least complete this work for an average of five CSAs each year. Larger CSAs will take more time and resources and smaller CSAs will take less so it may be that some years may result in more than five and other less than five completed reports. All activities will be provided in subsequent annual reports.

### **Prior Year Accomplishments – Fiscal Year 2017-2018**

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#### *Engineer's Report*

- CSA 66 – Oak Tree Views Engineer's Report completed in April 2018 and supports an increase in annual assessment to provide adequate yearly maintenance services and establish an adequate reserve level for capital projects. A community meeting is tentatively scheduled for October 23, 2018. This is one of the more active CSAs and staff has been in contact with a number of property owners on a regular basis. When established, the fee for this CSA was capped at \$1,000 with annual CPI increases. The current annual fee is \$408.96.

*Completed projects for emergency and deferred maintenance situations, costs include contractor amount and staff project management:*

- CSA 9 – Bolsa Knolls/Rosehart:
  - Removal of two large hazardous black walnut trees from right-of-way, \$3,800. (Funded by CSA)
- CSA 15 – Toro Park/Serra Village:
  - Removal of illegal bike trails and motorcycle tracks in three County-owned open space areas, \$3,000. (Funded by CSA)
  - Removal of twelve (12) dead, diseased and hazardous trees and pruning of approximately twenty (20) trees in County open space areas, right of ways and neighborhood parks, two projects \$8,000 and \$27,000. (Funded by CSA)
  - JOC project for sidewalk repair and replacement at six (6) locations, \$51,000. (Funded by CSA)
  - Neighborhood parks improvement project including replacement of broken bender boards, repair of decomposed granite trails and addition of one hundred (100) cubic

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- yards of certified playground bark, \$8,000 (Funded by CSA with Toro Park Estates HOA reimbursement of for contractor labor and supplies for an amount of \$7,875)
- Removal of illegal encroachments from property owners adjacent to County owned open space, typically small structures, gardens, arbors and fence misalignment, multi-month process, cooperative effort with Code Enforcement on some cases, twenty-four (24) violators brought into compliance, five (5) fence line cases that required surveying paid for by property owner with fence removal being complete by December 2018, staff costs of approximately \$4,000. (Funded by CSA)
- CSA 17 – Rancho Grande
  - Removal of three (3) trees in County-owned open space, \$1,700. (Funded by CSA)
- CSA 25 – Carmel Valley Golf & Country Club
  - Pruning of large historic oak tree, \$2,300. (Funded by CSA)
  - County Public Works project for Valley Greens speed table safety painting, two (2) locations, \$10,500. (Work completed by Road Crews, funded by CSA)
- CSA 34 – Rancho Rio Vista & Carmel Knolls
  - Culvert replacement and road repair at Tolando Trail & Rio Vista Road, \$32,000. (\$5,400 funded by CSA with balance funded by Measure X funds due to insufficient annual revenue and fund balance.)
- CSA 45 – Oak Hills
  - Phase 1 open space wildfire fuel reduction project utilizing three hundred (300) goats, twenty-six (26) acres cleared for \$11,300. (Funded by CSA)
  - Phase 2 open space wildfire fuel reduction project utilizing six hundred (600) goats, six (6) acres cleared for \$7,600. (Funded by CSA)
  - Cathedral Oak and Canyon Oak Roads storm drainage project to locate buried storm drain line and reestablish the Hwy 156 drainage channel that leads through CSA 45 to Moro Cojo Slough, cooperative effort between County, Cal Am Water and Northern Salinas Valley Mosquito Abatement District. Required vegetation removal with goats on both County and Cal Am property, followed by NSVMAD excavation on County property, \$14,200. (\$9,600 funded by CSA, with reimbursement from Cal Am in the amount of \$4,600 for 50% of the goat grazing portion of the project)
  - Brush and fallen tree removal in open space, \$7,500. (Funded by CSA)
- CSA 47 – Carmel Views
  - Removal of large pine tree in right-of-way, \$4,000. (Funded by CSA)
  - Outlook Drive guardrail replacement and Pine Hills Drive guardrail repair, \$105,000. (Funded by CSA)
- CSA 51 – High Meadows
  - JOC project for road and valley gutter repair project, six (6) locations on Outlook Drive and Greenfield Place, \$75,000.
- CSA 66 – Oak Tree Views
  - JOC project for Oak Tree Place sink hole and road repair, \$47,000

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### *Reoccurring annual maintenance projects:*

- CSA 15 – Toro Park/Serra Village:
  - Year two (2) of multi-year landscaping agreement, weekly maintenance, \$37,725 annually. (CSA Funded)
  - Testing for seven (7) backflow prevention devices for parks and open space areas, annual testing required by Cal Water Service, \$700 annually. (CSA Funded)
- CSA 23 – Carmel Rancho
  - Carmel Rancho Boulevard and Rio Road median and sidewalk maintenance, quarterly maintenance, \$2,480 annually. (CSA Funded)
- CSA 45 – Oak Hills
  - Weed abatement, litter removal and vegetation control for Oak Hills Rancho Bolsa Nueva right-of-way and median areas, monthly maintenance, \$9000 annually. (CSA Funded)
- CSA 50 – Rioway Tract
  - Vegetation management for Mission Fields storm water detention ponds and Rio Road drainage ditch, \$5,000 annually. (CSA Funded)
- CSA 66 – Oak Tree Views
  - Weed abatement, storm drain channel cleaning and open space maintenance, two mowings per year, \$5000 annually. (CSA Funded)

### **Fiscal Year 2018 -2019 Accomplishments and Work Plan**

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#### *Develop a 5 to 7-year work plan for all County Service Areas*

#### *Planned assessment increases*

- CSA 66 - Outreach is planned at a community meeting scheduled on October 23, 2018 to present the Engineer's Report findings to property owners to gain support for an assessment increase that will go into effect in FY 2019-20. The initial annual assessment per property owner for CSA 66 was established with a not-to-exceed amount of \$1,000, to be increased annually based on the annual Consumer Price Index (CPI). The current assessment is \$408.96, and the maximum assessment including the CPI increase through 2017 is \$1,450.88. It is anticipated that the increase will not be more than this maximum assessment. Therefore, no Proposition 218 election will be required.

#### *CSA Analyses and Engineers' Reports*

RMA is in the process of hiring a civil engineer with expertise in water and wastewater systems that will be able to support Special Districts and Parks. It is likely the Special Districts may still need on-call contract engineer services, and is evaluating the need to prepare a Request for Proposals (RFP) for these services.

Staff will conduct visual inspection of infrastructure for all CSAs prior to the end of December 31, 2018.



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RFP for multiyear professional services agreements with one or more consulting firms to complete Engineer's Reports. Though the County has existing on-call agreements with three consulting firms, staff anticipates the need to solicit RFPs to standardize product quality and obtain more competitive or batched pricing for these studies. Based on the cost of the recent CSA 66 Engineer's Reports it is estimated that the range for future reports will run approximately \$5,000 to \$10,000, depending on the size, condition, and current active services of individual CSAs. Once a civil engineer is hired, it is anticipated that Engineer's Reports for smaller and/or underfunded CSAs can be completed in-house.

In advance of completing the RFP process for Engineer Reports, staff is preparing a scope of work for future Engineers' Reports with a goal to complete reports for three (3) CSAs with the most critical needs during FY 2018-19. Target completion date for these reports is December 31, 2018.

- CSA 17 – Rancho Tierra Grande: CSA 17 has need for substantial drainage work, activations of streets for road repairs, striping, and right-of-way tree maintenance. Staff has established a rapport with HOA representatives and property owners who have expressed concerns for infrastructure needs and have requested repairs and upgrades. This rapport will likely prove critical to a successful outcome of Proposition 218 elections, anticipated in fiscal year 2019-20.
- CSA 25 – Carmel Valley Country Club (Quail Lodge). CSA 25 needs substantial drainage work, road repair, striping, and right-of-way tree maintenance. RMA staff has established a rapport with HOA representatives and property owners who have expressed concern regarding infrastructure needs and have requested repairs and upgrades. This rapport will likely prove critical to a successful outcome of Prop 218 elections, anticipated in fiscal year 2019-20.
- CSA 75 – Chualar: An income study was recently completed for CSA 75 establishing it as a *severely disadvantaged community*. RMA staff is working with the Rural Community Assistance Corp (RCAC) to determine loan and grant options to utilize for possible improvement projects to cover all potential CSA services. (Current active services include sewer, streetlighting, and storm-drain maintenance.) The Chualar sanitation system is subject to ongoing negotiations to transfer ownership of the system. Once the system is separated from the CSA, the focus will be on other active services.

*Projects for deferred maintenance and emergency situations, costs include contractor amount and staff project management:*

- CSA 15 – Toro Park/Serra Village
  - JOC project for removal of redwood tree and repair of raised/offset sidewalk, \$8,000. (CSA Funded)
- CSA 17 Rancho Tierra Grande
  - JOC project for installation of perforated drainage stand pipe on existing storm drainage inlet, \$4,200. (CSA Funded)
  - JOC project for installation of perforated drainage stand pipe on existing storm drainage inlet, \$4,200. (CSA Funded)
- CSA 37 – Colonial Oak Estates
  - JOC project for removal and replacement of twenty-five (25) feet of valley gutter, completed, \$5,200. (CSA Funded)

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- CSA 45 – Oak Hills:
  - JOC project for installation of riprap for erosion and sediment control at drainage outfall on Cathedral Oak Dr., \$20,000. (CSA Funded)
- CSA 47 – Carmel Views
  - JOC project for repair of above-ground eighteen (18) inch storm drain culvert that and installation of metal lids on two (2) storm drain inlets, \$6,000. (CSA Funded)
- CSA 72 – Las Palmas
  - JOC project for vegetation and debris removal from concrete drainage channel, \$10,000-20,000. (CSA Funded)
- CSA 75 – Chualar
  - JOC project for sewer lateral repair, completed, \$7,500. (CSA Funded)

### *Reoccurring annual maintenance projects:*

- CSA 15 – Toro Park:
  - Year two (2) of multi-year landscaping agreement, weekly maintenance, \$37,725 annually. (CSA Funded)
  - Testing for seven (7) backflow prevention devices for parks and open space areas, annual testing required by Cal Water Service, \$700 annually. (CSA Funded)
- CSA 23 – Carmel Rancho
  - Carmel Rancho Boulevard and Rio Road median and sidewalk maintenance, quarterly maintenance, \$2,480 annually. (CSA Funded)
- CSA 45 – Oak Hills
  - Weed abatement, litter removal and vegetation control for Oak Hills Rancho Bolsa Nueva right-of-way and median areas, monthly maintenance, \$9000 annually. (CSA Funded)
- CSA 50 – Rioway Tract
  - Vegetation management for Mission Fields storm water detention ponds and Rio Road drainage ditch, \$5,000 annually. (CSA Funded)
- CSA 66 – Oak Tree Views
  - Weed abatement, storm drain channel cleaning and open space maintenance, two mowings per year, \$5000 annually. (CSA Funded)

### *Prioritization of County Service Areas Engineer's Report schedule:*

Subsequent annual reports will be prioritized based on a screening criterion that includes a visual inspection of infrastructure, current health grade, history of service requests, potential infrastructure failure, annual revenue, reserve fund balance, and community feedback. Ultimately, as Engineers' Reports are completed for each CSA, capital projects will be identified and added to the County's Capital Improvement Project list for completion as funding becomes available. Staff will actively seek grants and loans for CSAs identified as *Disadvantaged Communities* and leverage annual assessments and reserve funds as matching funds as necessary.

## **COUNTY SANITATION AND WATER DISTRICTS**

### **Background**

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The County of Monterey currently manages two (2) active County Sanitation Districts: the Pajaro County Sanitation District (PCSD) and the Boronda County Sanitation District (BCSD). The PCSD provides for sanitation collection in the communities of Pajaro, Las Lomas, Bay Farms, and a portion of Sunny Mesa. Wastewater is collected and pumped to the Watsonville Treatment Plant. The BCSD provides for sanitation collection in the community of Boronda. Wastewater is collected and pumped to the Monterey One Water treatment plant via City of Salinas sanitation distribution lines. The San Jerardo Cooperative community was annexed into the BCSD as Zone 2 – San Jerardo in 2011 to provide potable water service to the Community. The County Sanitation Districts were formed under the County Sanitation District Act, under Health and Safety Code section 4700.

Previously, the County managed other County Sanitation and Water Districts including the Carmel Valley Sanitation District (transferred to the Carmel Valley County Sanitation District in 2002), CSA 14 – Castroville Water District (dissolved and reformed as the Castroville Community Services District), and the Moss Landing Sanitation District (reorganized into the Castroville Community Services District in 2014).

In 2016, an RFQ was released to sell/transfer the PCSD, BCSD, CSA 75 – Chualar Sewer Systems and the BCSD – Zone 2 San Jerardo Water System. The County received responses from certain entities and is currently in negotiations for the sale/transfer of the PCSD, BCSD and CSA 75 – Chualar. The San Jerardo Cooperative, Inc. recently received approval by the State Waterboard to take ownership of the BCSD – Zone 2 San Jerardo Water System the terms of such a transfer are being defined. Updates on these transfer negotiations will be provided as appropriate.

## **COMMUNITY SERVICES DISTRICTS**

### **Background**

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The East Garrison Community Services District (EGCSD) was created in 2006 to provide for regional and neighborhood park and open space maintenance, storm drain and flood control system maintenance, and maintenance perimeter road. The Monterey County Board of Supervisors was established as the Board of Directors for the EGCSD until a specific time that an election would occur to allow property owners the option of electing an independent board of directors. On August 29, 2017, an All-Mailed Ballot Election was held on Tuesday, August 29, 2017 for voters residing within the boundaries of the East Garrison Community Services District to decide if the EGCSD should have a directly elected board of directors. The election did not receive sufficient votes to establish an independent Board of Directors and the Monterey County Board of Supervisors acts as the Board of Directors for the district. The EGCSD is governed by the Community Services District Law, Government Code Sections 61000-61850).

Since the election, the EGCSD has established an Advisory Committee consisting of five (5) members and three (3) alternates appointment by the Monterey County Board of Supervisors acting as the Board of Directors of the East Garrison Community Services District.

Active services for public road maintenance (including streets, sidewalks, street lighting and landscaping in the right-of-way), stormwater and flood control, and parks and open space annual

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maintenance are currently provided through a Temporary Maintenance Agreement between East Garrison Community Services District (EGCSD) and UCP East Garrison, LLC (Developer). Services are approved by Special Districts staff and are implemented and paid for by UCP East Garrison, LLC with quarterly reimbursement from EGCSD. Special Districts staff provides oversight of service work through direct communication with the UCP East Garrison, LLC project manager and during monthly development meetings.

On September 12, 2017, Lincoln Park was accepted by EGCSD and the Temporary Maintenance Agreement was amended to include the park. By the end of November 2018, EGCSD will accept Phase 1 and 2 neighborhood parks as directed in the Second Amendment to the Urban Services Agreement between the County of Monterey and EGCSD. At the time of acceptance, the Temporary Maintenance Agreement will be amended to add the newly transferred neighborhood parks.

All financing for services, reimbursements and projects are provided through the EGCSD fund, with no General Fund impact. EGCSD Temporary Maintenance Agreement reimbursements to UCP East Garrison, LLC for FY 17/18, total \$161,268. The first reimbursement request for FY 18/19, is anticipated to arrive in October 2018.

FY 17/18: In addition to regularly scheduled annual maintenance within EGCSD, numerous improvements to Lincoln Park were completed following the transfer of ownership. Improvements include:

- Installation of skate blocks on all railings, benches and flat surfaces to inhibit skateboarding damage
- Installation of a twenty-foot (20') backdrop fence behind the basketball court to limit balls from entering the adjacent storm water detention basin
- Plastic coated chain replaced metal chain on the swings to alleviate damage to the powder coated swing set standards
- Numerous irrigation alterations were made to improve water coverage and reduce runoff in the turf and landscaping areas
- Installation of a weather-proof message board on the concession stand for posting of park rules, County and community notices and contact information
- Replacement of plants and trees which died after the thirty (30) day contractor warranty period
- Installation of a turf-block ramp for mower access
- Janitorial services provided twice per week

FY 18/19: EGCSD improvement projects outside of regularly scheduled annual maintenance.

- Poison oak eradication and wildfire fuel reduction project utilizing three hundred (300) goats for the County owned Inter-Garrison open space areas
- Improvements for storm water basins to increase functionality
- Inclusion of street landscaping into the Temporary Maintenance Agreement for the newly completed Watkins Gate Road
- Improvements and repairs to Phase 1 and 2 neighborhood parks following acceptance in October 2018

A separate Annual Report will be provided for the EGCSD beginning at the close of fiscal year 2018-19.

# Exhibit 1

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**EXHIBIT 1**  
**INVENTORY OF COUNTY SERVICE AREAS ENABLED AND ACTIVE SERVICES**

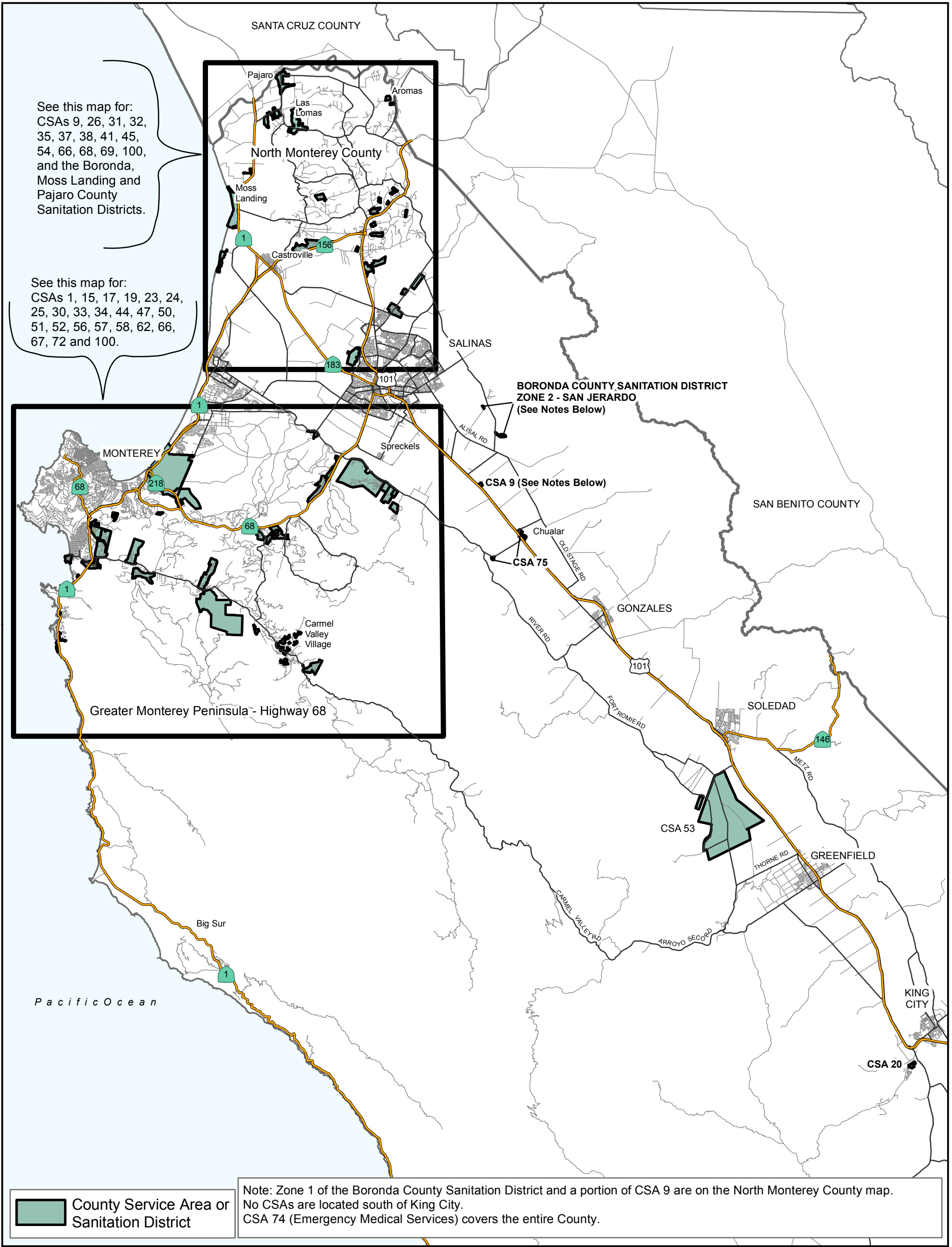
| CSA # | County Service Area Name              | Streetlighting | Storm Drain & Surface Water | Street & Sidewalk Maintenance | Park/Recreation/ Parkway Facilities | Levee Maintenance | Sewage Facilities |
|-------|---------------------------------------|----------------|-----------------------------|-------------------------------|-------------------------------------|-------------------|-------------------|
| 1     | Carmel Point                          | A              | E                           | E                             | E                                   |                   | E                 |
| 9     | Oak Park & Annexations                | A              | A                           | E                             | E                                   |                   | E                 |
| 15    | Serra Village/Toro Park & Annexations | A              | A                           | A                             | A                                   |                   | E                 |
| 17    | Rancho Tierra Grande                  | E              | A                           | E                             | A                                   |                   | E                 |
| 19    | Carmel Meadows                        | E              | A                           | E                             | E                                   |                   | E                 |
| 20    | Royal Estates                         | A              | A                           | E                             | E                                   |                   | E                 |
| 23    | Carmel Rancho & Annexations           | A              | A                           | A                             | E                                   |                   | E                 |
| 24    | Pedrazzi & Annexations                | E              | A                           | E                             | E                                   |                   | E                 |
| 25    | Carmel Valley Golf & Country Club     | A              | A                           | A                             | E                                   |                   | E                 |
| 26    | New Moss Landing Heights              | A              | E                           | E                             | E                                   |                   | E                 |
| 30    | Rancho Mar Monte                      | E              | A                           | E                             | E                                   |                   | E                 |
| 31    | Aromas Hills                          | E              | A                           | E                             | E                                   |                   | E                 |
| 32    | Green Valley Acres                    | A              | A                           | E                             | E                                   |                   | E                 |
| 33    | Coast Ridge                           | E              | A                           | E                             | E                                   |                   | E                 |
| 34    | Rancho Rio Vista & Carmel Knolls      | E              | A                           | E                             | E                                   |                   | E                 |
| 35    | Paradise Park & Rancho Borromeo       | A              | A                           | E                             | E                                   |                   | E                 |
| 37    | Colonial Oaks Estates                 | E              | A                           | E                             | E                                   |                   | E                 |
| 38    | Paradise Lake Estates                 | E              | A                           | E                             | E                                   |                   | E                 |
| 41    | Gabilan Acres & Boronda               | A              | E                           | E                             | E                                   |                   | E                 |
| 44    | Corral de Tierra Oaks                 | A              | A                           | A                             | E                                   |                   | E                 |
| 45    | Oak Hills                             | A              | A                           | E                             | A                                   |                   | E                 |
| 47    | Carmel Views & Mar Vista              | A              | A                           | A                             | E                                   |                   | E                 |
| 50    | Lower Carmel River                    | E              | A                           | E                             | E                                   | A                 | E                 |
| 51    | High Meadows                          | A              | A                           | E                             | E                                   |                   | E                 |
| 52    | Carmel Valley Village                 | E              | A                           | E                             | E                                   |                   | E                 |
| 53    | Arroyo Seco                           |                | A                           |                               |                                     |                   | E                 |
| 54    | Manzanita                             | E              | A                           | E                             | E                                   |                   | E                 |
| 55    | Robles Del Rio                        | E              | A                           | E                             | E                                   |                   | E                 |
| 56    | Del Mesa Carmel                       | E              | A                           | A                             | E                                   |                   | E                 |
| 57    | Los Tulares                           | E              | A                           | E                             | E                                   |                   | E                 |
| 58    | Vista Dorado                          | A              | A                           | E                             | E                                   |                   | E                 |
| 62    | Rancho Del Monte                      | E              | A                           | E                             | E                                   |                   | E                 |
| 66    | Oak Tree Views                        | A              | A                           | A                             | A                                   |                   | E                 |
| 67    | Corral de Tierra Oaks 4               | A              | A                           | A                             | E                                   |                   | E                 |
| 68    | Vierra Canyon                         | E              | A                           | E                             | A                                   |                   | E                 |

|    |                              |          |          |   |   |  |   |
|----|------------------------------|----------|----------|---|---|--|---|
| 72 | Las Palmas                   | E        | <b>A</b> | E | E |  | E |
| 75 | Chualar                      | <b>A</b> | <b>A</b> | E | E |  | E |
| 10 | Laguna Seca Ranch (INACTIVE) |          |          |   |   |  |   |
| 53 | Ralph Lane (INACTIVE)        |          |          |   |   |  |   |



## Exhibit 2

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**LAFCO of Monterey County**

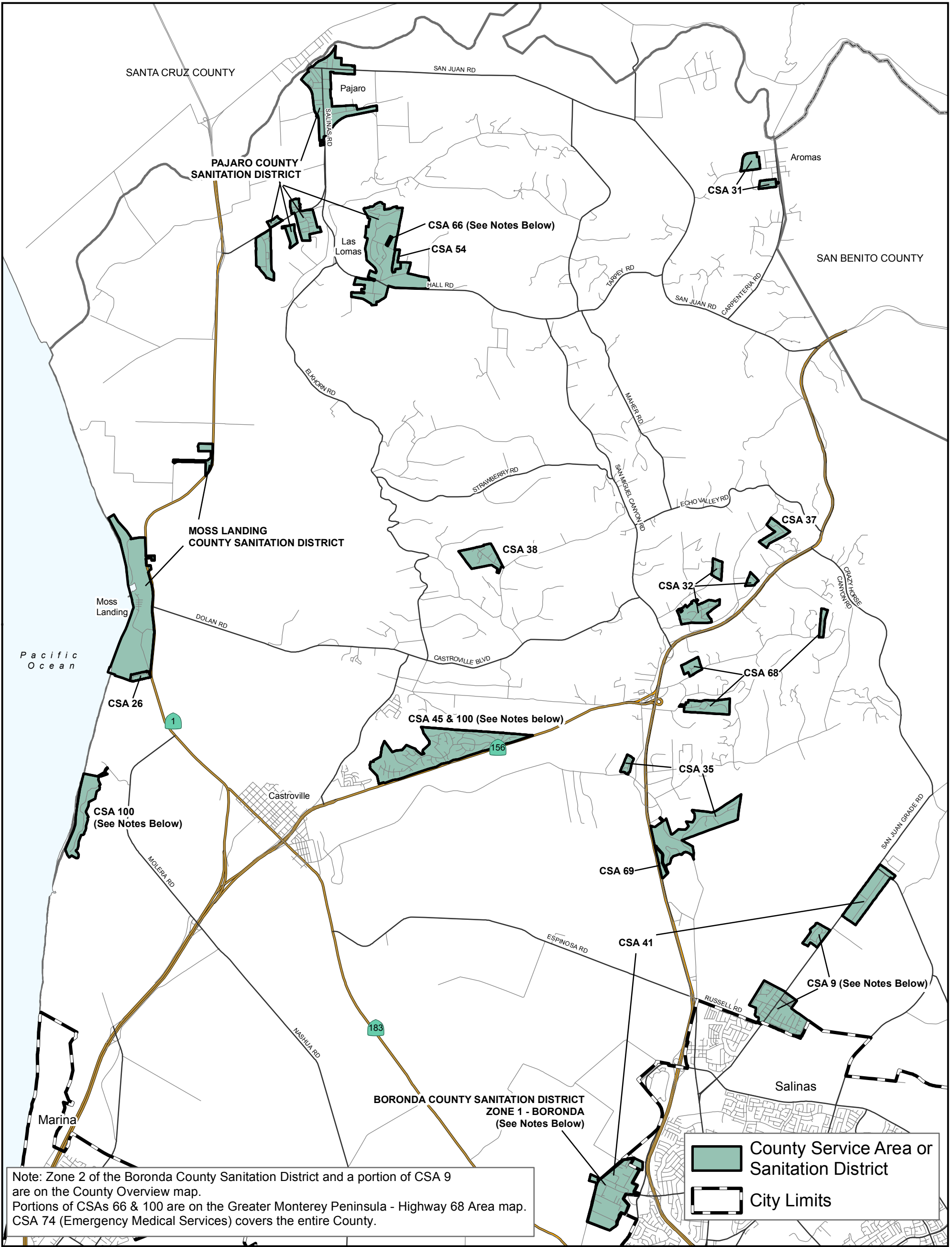
LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369      132 W. Gabilan St., Suite 102  
Salinas, CA 93902      Salinas, CA 93901  
Telephone (831) 754-5838      FAX (831) 754-5831



**OVERVIEW OF  
COUNTY SERVICE AREAS (CSAs) &  
COUNTY SANITATION DISTRICTS**

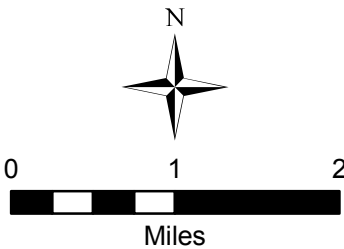
(Map Produced on 2/6/13)



**LAFCO of Monterey County**

LOCAL AGENCY FORMATION COMMISSION

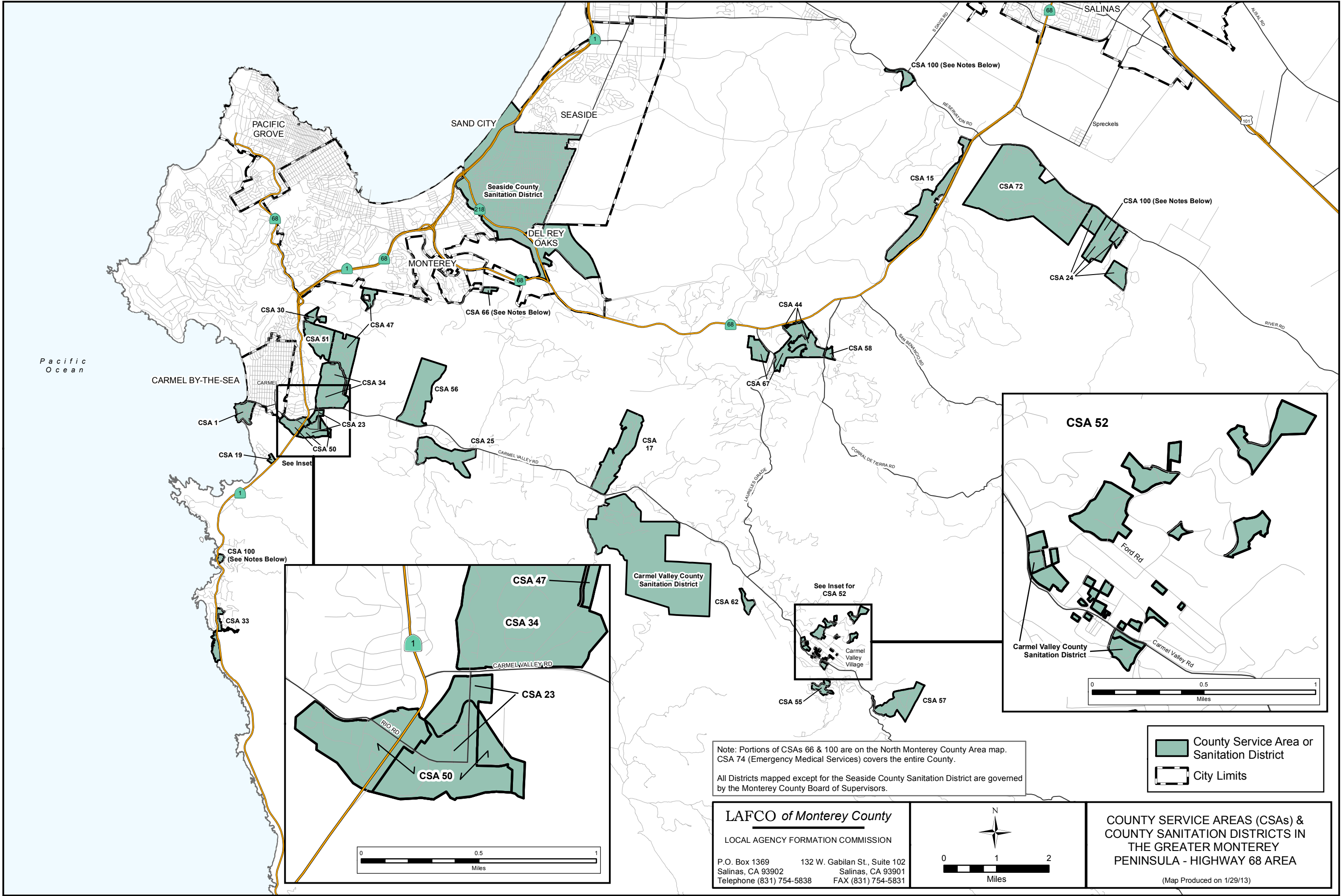
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**COUNTY SERVICE AREAS (CSAs) &  
COUNTY SANITATION DISTRICTS  
IN NORTH MONTEREY COUNTY**

(Map Produced on 2/6/13)





## Exhibit 3

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**Exhibit 3**

|  | # of<br>Parcels | Revenue<br>5-Year<br>Average | Expenditure<br>5-Year<br>Average | Fund<br>Balance<br>2018 | Health<br>Grade* | Notes  |
|--|-----------------|------------------------------|----------------------------------|-------------------------|------------------|--|
| CSA 01 - Carmel Point  | 355             | \$32,633                     | \$34,582                         | \$184,943               | G                | Revenue sufficient to fund annual expenditures.  |
| CSA 09 - Oak Park/Adjacent Annexations   | 725             | \$44,812                     | \$34,191                         | \$258,785               | P                | Storm drainage project needs exceed annual revenue and fund balance levels.  |
| CSA 15 -Serra Village/Toro Park & Adjacent Annexes                               | 813             | \$160,650                    | \$160,543                        | \$76,293                | F                | Annual revenue equals annual maintenance needs. Storm drainage, road and sidewalk deferred projects exceed fund balance.   |
| CSA 17-Rancho Tierra Grande 1,2, & 3 Mercurio Subd                               | 242             | \$12,432                     | \$32,579                         | \$18,949                | P                | Storm drainage needs exceed annual revenue and fund balance levels. Engineer's Report anticipated complete by June 2019.   |
| CSA 19 - Carmel Meadows 6 & 7  | 31              | \$765                        | \$413                            | \$17,163                | F                | Annual revenue sufficient to fund annual storm drainage maintenance; however, fund balance insufficient to cover potential emergency drainage projects.                                |
| CSA 20 - Royal Estates 1, 2, 3, & 4  | 139             | \$7,028                      | \$4,936                          | \$61,411                | F                | Annual revenue sufficient to fund annual expenditures  |
| CSA 23 -Carmel Rancho 1, 2, & 3 Subdivisions/Annexes                             | 251             | \$13,930                     | \$21,192                         | \$236,644               | F                | Annual expenditures have exceeded annual revenue. Deferred storm drainage and road projects likely to exceed fund balance.   |
| CSA 24 - Pedrazzi Subdivision 2/Indian Springs/Vista Del Rio/Pine Canyon Estates | 377             | \$6,566                      | \$956                            | \$132,214               | G                | Revenue and fund balance sufficient to fund annual expenditures.   |
| CSA 25 - Carmel Valley Golf & Country Club                                       | 210             | \$36,459                     | \$83,623                         | \$85,010                | P                | Annual storm drainage and road repair needs exceed annual expenditures. Fund balance insufficient to fund deferred road projects. Engineer's Report anticipated complete by June 2019. |
| CSA 26 - New Moss Landing Heights  | 63              | \$4,713                      | \$2,323                          | \$62,222                | G                | Annual revenue exceeds annual expenditures.  |
| CSA 30 - Rancho Mar Monte 1, 2, & 3  | 33              | \$1,613                      | \$2,440                          | \$27,384                | P                | Annual expenditures exceed annual revenue. Fund balance insufficient to fund potential deferred storm drainage projects.   |
| CSA 31 - Aromas Hills Subdivision  | 29              | \$1,645                      | \$942                            | \$37,017                | P                | Annual expenditures exceed annual revenue. Fund balance insufficient to fund potential deferred storm drainage projects.   |
| CSA 32 - Green Valley Acres & Moon Subdivision                                   | 125             | \$9,177                      | \$5,925                          | \$85,528                | G                | Annual revenue exceed annual expenditures. Fund balance likely sufficient for any deferred maintenance.  |
| CSA 33 - Coast Ridge Subdivision & Carmel Sur                                    | 39              | \$2,795                      | \$2,478                          | \$21,819                | P                | Annual revenue and fund balance insufficient to fund identified storm drainage projects.   |
| CSA 34 - Rancho Rio Vista & Carmel Knolls 1/2/3/4                                | 443             | \$2,087                      | \$5,843                          | \$7,147                 | P                | Annual revenue and fund balance insufficient to fund identified storm drainage projects.   |
| CSA 35 - Paradise Park & Rancho Borromeo   | 189             | \$10,237                     | \$7,280                          | \$56,709                | F                | Annual revenue currently exceeds annual expenditures; however, fund balance levels likely insufficient to fund deferred maintenance.   |
| CSA 37 - Colonial Oak Estates  | 45              | \$1,055                      | \$451                            | \$24,836                | F                | Annual revenue currently exceeds annual expenditures, however, fund balance levels like insufficient to fund deferred maintenance.   |
| CSA 38 - Paradise Lake Estates   | 66              | \$2,504                      | \$323                            | \$54,313                | F                | Annual revenue currently exceeds annual expenditures; however, fund balance levels likely insufficient to fund deferred maintenance.   |
| CSA 41 - Gabilan Acres   | 593             | \$19,835                     | \$15,794                         | \$174,308               | G                | Annual revenue exceeds annual expenditures. Fund balance sufficient to fund inactive CSA services.   |
| CSA 44 - Corral &Tierra Oaks 1, 2, & 3   | 109             | \$6,199                      | \$3,581                          | \$42,103                | P                | Annual revenue currently exceeds annual expenditures; however, fund balance levels insufficient to fund identified road maintenance projects.  |
| CSA 45 - Oak Hills Subdivision   | 617             | \$28,244                     | \$31,192                         | \$100,765               | F                | Annual expenditures exceed annual revenue. Fund balance insufficient to fund potential deferred storm drainage and road maintenance projects.  |



**Exhibit 3**

|  | # of<br>Parcels | Revenue<br>5-Year<br>Average | Expenditure<br>5-Year<br>Average | Fund<br>Balance<br>2018 | Health<br>Grade* | Notes   |
|--|-----------------|------------------------------|----------------------------------|-------------------------|------------------|---|
| CSA 45 - Oak Hills (Open Space)                    | 346             | \$20,228                     | \$34,515                         | \$109,556               | F                | Annual expenditures exceed annual revenue. Fund balance insufficient to fund deferred open space projects.  |
| CSA 47 - Carmel Views 1/2/3/4 & Mar Vista          | 200             | \$24,310                     | \$44,771                         | \$188,723               | P                | Annual expenditures exceed annual revenue. Fund balance insufficient to fund deferred road and storm drainage projects.   |
| CSA 50 - Lower Carmel River Zones 1/2/3/4/5        | 452             | \$125,665                    | \$163,764                        | \$664,044               | P                | Annual expenditures exceed annual revenue. Fund balance insufficient to fund identified flood-control projects.   |
| CSA 51 - High Meadow 1 & 2                         | 284             | \$17,572                     | \$22,109                         | \$164,608               | G                | Annual expenditures exceed annual revenue; however, fund balance sufficient to fund potential deferred storm drainage maintenance.  |
| CSA 52 - Carmel Valley Village                     | 97              | \$7,297                      | \$1,286                          | \$165,247               | G                | Annual revenues exceed annual expenditures. Fund balance sufficient to fund potential deferred storm drainage projects.   |
| CSA 53 - Arroyo Seco, Los Coches, & Guidotti Annex | 33              | \$9,065                      | \$10,390                         | \$119,477               | F                | Annual revenues exceed annual expenditures; however, fund balance insufficient to fund potential deferred storm drainage projects.  |
| CSA 54 - Manzanita Subdivision & Sarsi Subdivision | 16              | \$1,504                      | \$196                            | \$27,318                | F                | Annual revenues exceed annual expenditures. Fund balance insufficient to fund potential deferred storm drainage projects.   |
| CSA 55 - Robeles Del Rio Carmelo Subdivision       | 58              | \$8,822                      | \$429                            | \$150,212               | G                | Annual revenues exceed annual expenditures. Fund balance sufficient to fund potential deferred storm drainage projects.   |
| CSA 56 - Del Mesa Carmel                           | 290             | \$10,975                     | \$531                            | \$185,766               | G                | Annual revenues exceed annual expenditures. Fund balance sufficient to fund potential deferred storm drainage and road projects.  |
| CSA 57 - Los Tulares Subdivision                   | 80              | \$1,809                      | \$170                            | \$23,564                | P                | Annual revenues exceed annual expenditures. Fund balance likely insufficient to fund deferred storm drainage projects.  |
| CSA 58 - Vista Dorado Subdivision                  | 17              | \$3,870                      | \$1,796                          | \$56,439                | F                | Annual revenues exceed annual expenditures. Fund balance likely insufficient to fund deferred storm drainage projects.  |
| CSA 62 - Rancho Del Monte No. 14                   | 30              | \$12,794                     | \$4,493                          | \$218,637               | G                | Annual revenues exceed annual expenditures. Fund balance sufficient to fund deferred storm drainage projects.   |
| CSA 66 - Zone 2 Oak Tree                           | 42              | \$17,711                     | \$30,098                         | \$51,444                | P                | Annual revenues exceed annual expenditures. Fund balance insufficient to fund deferred road maintenance and repair projects.  |
| CSA 67 - Corral de Tierra Oaks                     | 99              | \$113,867                    | \$14,180                         | \$2,601,658             | G                | Annual revenues exceed annual expenditures. Fund balance sufficient to fund deferred projects.  |
| CSA 68 - Vierra Canyon & Knolls Tract 811          | 73              | \$2,724                      | \$265                            | \$76,160                | F                | Annual revenues exceed annual expenditures. Fund balance likely sufficient to fund deferred storm drainage projects.  |
| CSA 72 - Las Palmas                                | 1039            | \$55,977                     | \$37,125                         | \$147,925               | F                | Annual revenues exceed annual expenditures. Fund balance likely sufficient to fund deferred storm drainage projects.  |
| CSA 75 - Chualar                                   | 179             | \$195,183                    | \$191,501                        | \$111,292               | P                | Annual revenue able to meet annual expenditures only with General Fund Loans. Phased-in rate increase implemented; however, current rates unable to fund deferred maintenance projects. Facilities Assessment portion of Engineer's Report anticipated complete by June 2019. |

\*Health Grades: G (Good), F (Fair), P (Low)