



***STREET LIGHTING
COUNTY SERVICE AREA
MUNICIPAL SERVICE REVIEW FINAL***

November 29, 2012

Prepared for the
Local Agency Formation Commission of Alameda County
by
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1. AGENCY OVERVIEW

The Street Lighting County Service Area (SLCSA) provides street lighting services to most of Alameda County's unincorporated urbanized areas, including Ashland, Cherryland, San Lorenzo, Castro Valley, and Fairview. A municipal service review was most recently completed for SLCSA in May 2006.

FORMATION

SLCSA was initially formed in 1970 as a dependent special district in response to property owner requests for street lighting in three residential areas: David Street and San Miguel Avenue in Castro Valley and Somerset Avenue in Eden. Since then, SLCSA has reorganized with other street lighting county service areas (CSAs) and has grown to include other communities, as discussed in more detail below.

The principal act that governs SLCSA is the CSA law.¹ The principal act authorizes CSAs to provide a wide variety of municipal services, including street maintenance, fire protection, extended police protection, water and sewer services.² A CSA may only provide those services authorized in its formation resolution unless the County Board of Supervisors adopts a resolution authorizing additional services. Additionally, all districts must apply and obtain LAFCo approval to exercise latent powers (those services authorized by the principal act but not provided by the district at the end of 2000).³

BOUNDARY

In the late 1970s, the County was faced with demands for increased street lighting services, a decline in funds available for existing street lighting and escalating energy costs. In late 1978, in order to meet ongoing demands for increased street lighting, the County Board of Supervisors implemented a reorganization of the existing street lighting CSAs.

On January 18, 1979, LAFCo annexed the territory in the San Lorenzo Lighting District and a separate Castro Valley Street Lighting CSA into the existing SLCSA and dissolved those agencies.⁴ The result was the establishment of a CSA composed of four geographic

¹ California Government Code §25210 et seq

² California Government Code §25213.

³ Government Code §56824.10.

⁴ After annexing their territory to the CSA, LAFCo dissolved the San Lorenzo Lighting District and the Castro Valley Street Lighting CSA (SL-1972-1).

service zones based on the bounds of the Eden Consolidated, Fairview, Castro Valley and Dublin-San Ramon Fire Districts, and the Castro Valley Boulevard Commercial Zone.

The boundary area presently includes the unincorporated areas of Ashland, Cherryland, San Lorenzo, Castro Valley, Fairview, and a large portion of the City of Dublin (although services are not presently provided by this CSA within the City of Dublin). The total land area within the boundary of SLCSA is 27.8 square miles.

Extra-territorial Services

Street light maintenance services are provided within SLCSA's bounds as well as outside its bounds in the Five Canyons unincorporated community. SLCSA began providing services there in July 1999, after Government Code §56133 became effective (1994) requiring local agencies to obtain LAFCo approval prior to extending services beyond their boundaries. It was not apparent that this area was outside of the SLCSA's bounds until recent mapping efforts demonstrated the extra-territorial service area. LAFCo staff plans to work with SLCSA to annex this territory into its boundaries.

Unserved Areas

SLCSA does not provide services in the City of Dublin portion of its boundary area. This area is considered unserved.

SPHERE OF INFLUENCE

The SOI was established in 1984, to be the same as the SOIs of the former Eden Consolidated Fire District, Castro Valley Fire District, and Fairview Fire Protection District as they existed at that time. The territory in the City of Dublin was excluded from the SOI, as LAFCo was anticipating Dublin's termination of street lighting services received from SLCSA because of Dublin's successful incorporation effort. The territory in Dublin remained in the bounds of SLCSA at the City's request. At the start of FY 84-85, the City stopped receiving services from SLCSA, and subsequently began providing street lighting services directly. The area is now served by the City of Dublin and no longer needs services provided by SLCSA.

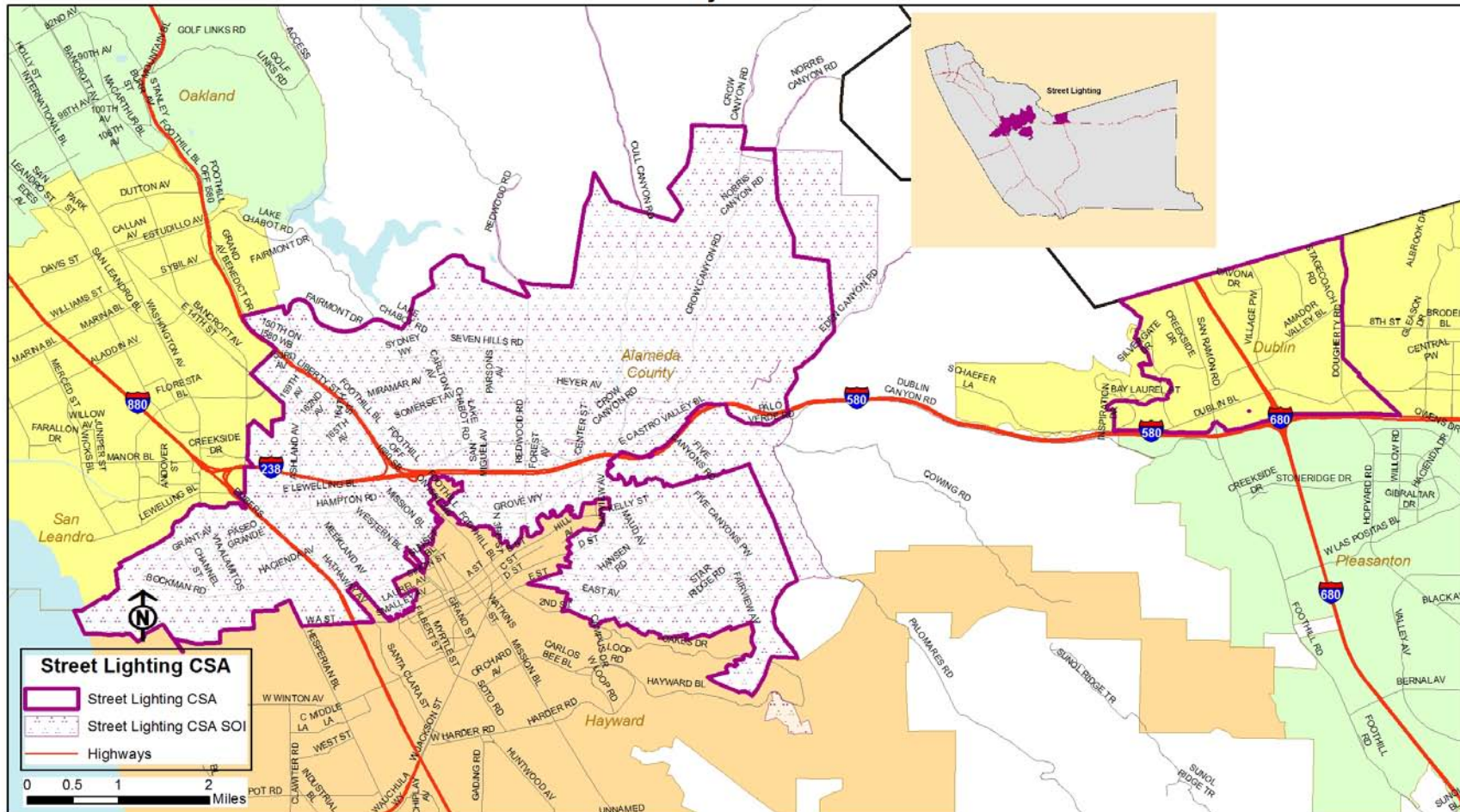
As part of the Portofino Development Annexation in 1985, a small area (a few acres) was detached from the SLCSA when annexed into the City of San Leandro. No corresponding SOI amendment was adopted at that time. During the latest SOI updates, the Commission reduced SLCSA's SOI to exclude the Portofino area previously detached from SLCSA.

As it presently exists, SLCSA's SOI extends beyond its bounds in three areas. To the southeast of SLCSA, near Fairview, the SOI includes the northern portion of the developed community of Five Canyons, which extends outside of SLCSA and is presently being served, as well as residential areas just south of Interstate 580 and south along Palomares Road in the community of Palomares Canyon that are not receiving services from SLCSA. To the

north of SLCSA, along Crow Canyon Road in Castro Valley, the SOI includes an undeveloped area where County staff has identified the potential for future service provision. The SOI excludes the non-contiguous boundary area in the City of Dublin that is no longer being served by SLCSA.

Figure 1-1: Street Lighting CSA Boundaries and SOI

Street Lighting CSA Service Boundary and SOI*
May 2012



*Agency sphere differs from the service area boundary

Created for Alameda LAFCo by the Alameda County Community Development Agency

ACCOUNTABILITY AND GOVERNANCE

Accountability of a governing body is signified by a combination of several indicators. The indicators chosen here are limited to 1) agency efforts to engage and educate constituents through outreach activities, in addition to legally required activities such as agenda posting and public meetings, 2) a defined complaint process designed to handle all issues to resolution, and 3) transparency of the agency as indicated by cooperation with the MSR process and information disclosure.

SLCSA was formed as a dependent special district with the Alameda County Board of Supervisors as its governing body. There are five members of the governing body of SLCSA. The five supervisors are elected to four-year terms of office.

The governing body meets weekly. Agendas for each weekly meeting are posted by the Board Clerk on the Internet and at the County Administration building. The Board Clerk provides notice for meetings and disseminates minutes. Board actions and meeting minutes are available on the internet. Through the County website, the public has access to live audio/visual webcasts and archived audio and/or visual webcasts of regular Board meetings for viewing online at their convenience. The County also discloses finances, plans and other public documents via the internet. Current board member names, positions, and term expiration dates are shown in Figure 1-2.

Figure 1-2: Street Lighting CSA Governing Body

Street Lighting CSA				
<i>District Contact Information</i>				
Contact:	Daniel Woldesenbet, Director, Alameda County Public Works Agency			
Address:	399 Elmhurst Street, Hayward, CA 94544			
Telephone:	(510)670-5480			
Fax	(510)670-5541			
Email/website:	http://www.acgov.org/pwa/			
<i>Board of Directors</i>				
Member Name	Position	Term Expiration	Manner of Selection	Length of Term
Scott Haggerty	Supervisor, Dist. 1	January 2013	Elected	4 years
Richard Valle	Supervisor, Dist. 2	January 2015	Elected	4 years
Wilma Chan	Supervisor, Dist. 3	January 2015	Elected	4 year
Nate Miley, President	Supervisor, Dist. 4	January 2013	Elected	4 years
Keith Carson, Vice President	Supervisor, Dist. 5	January 2013	Elected	4 years
<i>Meetings</i>				
Date:	Every Tuesday at 9:30am.			
Location:	Meetings are held in the Board Chambers at 1221 Oak Street, 5th floor in Oakland.			
Agenda Distribution:	Posted on the internet and County Administration Building.			
Minutes Distribution:	Available on the County website.			

To keep constituents informed of SLCSA activities, annual service reviews are conducted and submitted to the Board, which conducts public meetings for constituents to attend.

Customer complaints and requests for services and information are received by telephone, email, in writing, or in person. All requests and complaints are tracked together. A response is either immediate or within two working days. The types of requests include plan reviews, maintenance requests, service changes, or information on either services provided or service charges. In FY 10-11, SLCSA completed 1,948 service requests.

SLCSA demonstrated accountability in its disclosure of information and cooperation with the LAFCO questionnaires and interview requests.

MANAGEMENT AND STAFFING

While public sector management standards vary depending on the size and scope of the organization, there are minimum standards. Well-managed organizations evaluate employees annually, track employee and agency productivity, periodically review agency performance, prepare a budget before the beginning of the fiscal year, conduct periodic financial audits to safeguard the public trust, maintain relatively current financial records, conduct advanced planning for future service needs, and plan and budget for capital needs.

SLCSA is staffed by the Alameda County Public Works Agency (PWA) on an as-needed basis.

SLCSA conducts performance evaluations through annual service reviews on site at the SLCSA facilities and in the service area with interested property owners and residents. The results are discussed at public meetings and a recommendation is sent to the County Board of Supervisors regarding possible changes in service or service charges. Monthly and quarterly reports are provided to PWA management regarding work plans and performance.

SLCSA indicated that it monitors productivity with the results reported monthly and quarterly in reports provided to the PWA management, as discussed above.

Management practices conducted by PWA (on behalf of SLCSA) include performance-based budgeting and annual financial audits. SLCSA did not identify benchmarking practices.

Neither SLCSA nor PWA has a strategic plan. However, the Board of Supervisors adopted Alameda County's Strategic Vision in 2008 to provide a multi-year, comprehensive, and far-reaching roadmap with high-level strategic direction for the County's agencies and departments, who are responsible for implementation through their own strategic plans and activities. PWA has a Capital Improvement Plan specific to road service needs with a planning time horizon of seven years. SLCSA presents an Annual Report to the Alameda County Board of Supervisors in compliance with County Service Area law and the Alameda County Ordinance code.

SLCSA's finances are managed by the County. While County finances are audited annually, the SLCSA finances are not isolated in the audited financial statements but are grouped with other CSAs under non-major governmental funds.

GROWTH AND POPULATION PROJECTIONS

This section discusses the factors affecting service demand, such as land uses, and historical and anticipated population growth.

Land Use

SLCSA's boundary area is approximately 27.8 square miles. The County is the land use authority for the unincorporated areas within SLCSA's bounds. The City of Dublin is the land use authority for SLCSA's territory that still lies within the City. SLCSA's bounds encompass developed areas consisting of primarily residential and commercial land uses.

Existing Population

As of 2010, the population of the area in SLCSA was estimated to be 135,063. Its population density—4,824 residents per square mile—is higher than the countywide density of 1,840 people per square mile.

Projected Growth and Development

Based on ABAG growth projections and SLCSA's 2010 Census population, the population of the area within SLCSA is anticipated to reach 164,237 by 2035, with an average annual growth rate of 0.8 percent. Per ABAG population projections, the rate of growth in SLCSA is expected to be similar to the unincorporated growth rate through 2035. From 2010 to 2035 the population of unincorporated area of Alameda County is estimated to grow by 22 percent, while in the County as a whole it is anticipated to grow by 27 percent.

The County reported that growth patterns have not been affecting service demand for SLCSA in the last few years. Slow or no growth is anticipated by the County within SLCSA's boundary area in the next several years; however, no formal projections have been made. There is the potential for development of some undeveloped territory in the Five Canyons area; however, no specific proposal has been made to date. Also within SLCSA is the Tract 8057 Residential Subdivision, which consists of a 10.1-acre vacant property on the north side of Fairview Avenue in unincorporated Alameda County, and is proposed to have 15 single family residences.

A potential governance structure option for SLCSA is the detachment of the territory within the City of Dublin. SLCSA no longer provides services within the City, and the current SOI excludes the City of Dublin territory. During the SOI updates of 2006, LAFCO

adopted a policy encouraging the County to initiate detachment of territory within the Dublin city limits from SLCSA.⁵ No efforts toward detachment have been made to date.

FINANCING

The financial ability of agencies to provide services is affected by available financing sources and financing constraints. This section discusses the major financing constraints faced by the SLCSA and identifies the revenue sources currently available to SLCSA.

SLCSA reported that current financial levels were adequate to deliver services. No challenges to financing or impacts from the recent economic recession were identified.

Revenues

The revenues for SLCSA in FY 10-11 were \$899,046. The revenue sources included service charges (98 percent), and interest on investments (two percent). Another comparatively insignificant source of income was a portion of the one percent ad valorem property tax.

Service charges have not changed since FY 92-93. Service charges have been kept constant by taking advantage of savings realized by use of energy-efficient lighting, the purchase of the street lighting system from Pacific Gas and Electric Company (PG&E), and by the implementation of the pro-active maintenance program. Other cost saving measures included computerization of street lighting maintenance and administrative records systems.

Street lighting service charges for the Castro Valley, Eden and Fairview street lighting zones are based on the land use, as categorized by the Assessor's Office. All service charges are based on the single family residence and condominium property charge, which is the base rate. Charges for the various land use categories are single family residences and condominiums, miscellaneous commercial property, vacant commercial, industrial or institutional, small multiples (2-4 units) or vacant apartment properties, apartment property minimum charge plus, and industrial, institutional or commercial property.

For the Castro Valley Boulevard Commercial Zone the service charges are based on the cost of street lighting in the zone. This cost is broken into three portions. Each portion is spread over the properties as follows: one-third of the service charge for each parcel is based on the parcel's proportionate share of total frontage feet in the zone; one-third is based on the parcel's proportionate share of lot area; the last third is spread equally between all non-exempt zone parcels.

⁵ LAFCo Resolution No. 2006-33.

Depending on the zone and land use, service charges range from \$7.52 to \$584.96 per year.

Expenditures

Expenditures in FY 10-11 for SLCSA were \$650,420, which consisted of electricity (55 percent), administration (42 percent), and supplies (two percent). Other minor expenditures included professional services, financial services, membership dues, and publication/legal notices. Total revenues exceeded total expenditures by \$248,626.

Liabilities and Assets

SLCSA does not have any long-term debt.

SLCSA had a fund balance of \$2,836,873 at the end of FY 10-11.

SLCSA's capital financing approach is pay-as-you-go. SLCSA relies on current revenues and reserves to finance capital projects.

Financing Efficiencies

SLCSA participated, in the past, in joint financing for the original purchase of the system from PG&E and for the purchase of power through the Association of Bay Area Governments (ABAG). ABAG created and implemented a joint powers authority (JPA) to purchase electricity through direct access and procure related services on behalf of public entities in the Pacific Gas & Electric Company's (PG&E) service area. SLCSA was formerly a member of this JPA; however, the CSA withdrew from the ABAG JPA, as no cost savings materialized. The County engages in joint financing arrangements related to insurance. The County receives excess workers compensation and liability coverage through the California State Association of Counties Excess Insurance Authority—a joint powers authority.

2. MUNICIPAL SERVICES

STREET LIGHTING SERVICES

Service Overview

SLCSA provides street lighting maintenance service by reimbursing PWA—the direct service provider. Services include installation, relocation, maintenance, and operation of street lighting, as well as removal of lights and shielding of the light emitted.

Demand for Services

There were 1,948 service requests in FY 10-11 compared to 2,656 in FY 04-05. This decrease in demand for services is cyclical as requests for services diminish after the street lights have been relamped, which occurs every four years.

Infrastructure and Facilities

There are 7,084 public street lights within SLCSA's boundaries.

When the Board established SLCSA, it also established the levels of street lighting to be maintained. The goal was to provide uniform lighting levels for vehicular and pedestrian traffic, police protection and commercial street lighting. Residential street lighting was placed approximately every 200-300 feet. This placement was dependent on such factors as street width, type of lighting fixture, property lines, existing poles, and other physical factors. Commercial street lighting was established at approximately twice the residential level, except in the Castro Valley Boulevard Zone where a higher illumination level had been requested.

Infrastructure Needs or Deficiencies

As a result of the purchase of the street lighting system in 1996, the agency continues to review and implement revised design maintenance and construction standards. Street lights are routinely relamped every four years. This replacement includes photocell replacement and is an ongoing process. Relamping and replacing the photocells minimizes street light outages and ensures a more consistent illumination level.

In FY 06-07, an upgrade project was undertaken to increase the lighting levels on the most heavily traveled roadways within SLCSA. The project was completed in three phases beginning with upgrading the streetlights on all arterial roads from the standard 70 watt to 150 watt fixtures. Next, collector roadways were upgraded from 70 watt to 100 watt, and

lastly, infilling was completed with upgraded lighting in various locations as identified by county staff.

In April 2011, Alameda County entered into an agreement with a contractor, Honeywell International, to replace approximately 6,800 streetlights with light emitting diode (LED) lighting. The LED street light project goal was to reduce energy consumption, create energy savings, reduce greenhouse gas emissions, and improve lighting throughout the Alameda County unincorporated area.

SLCSA personnel continue to review potential types and styles of street lights, computerized record systems and various long-term capital and maintenance programs.

Shared Facilities and Regional Collaboration

The County engages in joint financing arrangements related to insurance. No further facility sharing practices were identified.

Service Adequacy

This section reviews indicators of service adequacy, including response time policy, average response time, and percentage of street light service calls resolved.

SLCSA's response time policy is three to five days. SLCSA usually responds to service requests within two working days, which is well within the response time policy. The percentage of street light-related calls resolved within 24 hours was unavailable, but call resolution was described as "frequently" by agency staff.

3. MSR DETERMINATIONS

Growth and Population Projections

- ❖ As of 2010, the population within Street Lighting County Service Area (SLCSA) was 135,063.
- ❖ Based on ABAG growth projections the population of SLCSA is anticipated to be 164,237 by 2035.
- ❖ There is one planned development of 15 single family homes within SLCSA's bounds.

Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

- ❖ Using Census Designated Places, Alameda LAFCo determines that there are no disadvantaged unincorporated communities that meet the basic state-mandated criteria within the County. Alameda LAFCo recognizes, however, that there are communities in the County that experience disparities related to socio-economic, health, and crime issues, but the subject of this review is municipal services such as water, sewer, and fire protection services to which these communities, for the most part, have access.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- ❖ Based on SLCSA's response times to service requests, SLCSA presently appears to have the capacity to address demand for services within its bounds.
- ❖ Any increase in demand for services would likely need to be addressed with further Alameda County Public Works Agency (PWA) staffing.
- ❖ SLCSA has 7,084 street lights, which are maintained by the PWA. Street lights are routinely relamped every four years, minimizing street light outages and ensuring a more consistent illumination level. There are no immediate or deferred infrastructure needs related to street lighting within SLCSA.
- ❖ In 2012, most streetlights were replaced with LED lights.

- ❖ Agency personnel continue to review the types and styles of street lights, computerized record systems and various long-term capital and maintenance programs in order to maximize efficiency and minimize deferred maintenance.

Financial Ability of Agency to Provide Services

- ❖ SLCSA reported that its financing level was adequate to deliver services.
- ❖ In FY 10-11, SLCSA's revenues exceeded expenses. The fund balance at the end of the fiscal year was \$2,836,873.
- ❖ The main source of revenue for SLCSA is service charges.
- ❖ Service charges have not changed since FY 92-23, due to cost savings.

Status and Opportunities for Shared Facilities

- ❖ SLCSA contracts with PWA for maintenance of private roads and, in that sense, shares facilities.
- ❖ The County engages in joint financing arrangements related to insurance.

Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

- ❖ SLCSA is governed by the Alameda County Board of Supervisors. The Board updates constituents, broadcasts its meetings, solicits constituent input, discloses its finances, and posts public documents on its website.
- ❖ Detachment of the City of Dublin portion of SLCSA is a governance structure option.
- ❖ SLCSA demonstrated accountability in its cooperation with LAFCo information requests.

4. SPHERE OF INFLUENCE UPDATE

Existing Sphere of Influence

SLCSA's SOI extends beyond its bounds in three areas. To the southeast of SLCSA, near Fairview, the SOI includes the northern portion of the developed community of Five Canyons, which extends outside of SLCSA and is presently being served, as well as residential areas just south of Interstate 580 and south along Palomares Road in the community of Palomares Canyon that are not receiving services from SLCSA. To the north of SLCSA, along Crow Canyon Road in Castro Valley, the SOI includes an undeveloped area where County staff has identified the potential for future service provision. The SOI excludes the non-contiguous boundary area in the City of Dublin that is no longer being served by SLCSA.

SOI Options

One option was identified with respect to SLCSA's SOI.

Option #1 – Retain existing detachable SOI

The SOI was established in 1984 and excluded the City of Dublin. During the most recent SOI update, the Commission continued to exclude the City of Dublin territory from SLCSA's SOI to encourage the County to initiate detachment of this area from the CSA. Such an SOI would generally reflect the current service area (including the extra-territorial service area in the Five Canyons community), with the addition of two areas outside of SLCSA's bounds that have the potential for development and a need for street lighting services in the future.

Recommended Sphere of Influence Boundary

SLCSA has reported that it prefers no changes to its existing SOI, as the areas that lie outside of its bounds but in the SOI have the potential need for services in the future. Such an SOI would continue to promote the annexation of the extra-territorial service area in Five Canyons and encourage the detachment of the unserved City of Dublin territory. For these reasons, it is recommended that the Commission maintain the existing SOI.

Additionally, it is recommended that LAFCo staff work with PWA staff to update SLCSA's boundaries such that they reflect the CSA's actual service area and comply with legal requirements regarding service outside bounds.

Proposed Sphere of Influence Determinations

Nature, location, extent, functions, and classes of services provided

- ❖ The Street Lighting County Service Area (SLCSA) provides street lighting services to most of Alameda County's unincorporated urbanized areas, including Ashland, Cherryland, San Lorenzo, Castro Valley, and Fairview. Services include installation, relocation, maintenance, and operation of street lighting, as well as removal of lights and shielding of the light emitted.

Present and planned land uses, including agricultural and open-space lands

- ❖ The boundary area includes a diverse mix of land uses. The proposed SOI is consistent with planned land uses.
- ❖ There are some agricultural and open space lands within SLCSA's boundaries. However, no impacts on agricultural resources, open space or Williamson Act contracts will occur as no service changes are proposed.

Present and probable need for public facilities and services

- ❖ The population in SLCSA is expected to continue to grow, particularly when the economy recovers. It is expected that there will be a continued or increased need for street lighting services from SLCSA as the area continues to develop.

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

- ❖ Based on SLCSA's response times to service requests, SLCSA presently appears to have the capacity to address demand for services within its bounds.
- ❖ Service levels appear to be adequate, based on response times and routine maintenance.
- ❖ The service provider conducts performance evaluations, productivity monitoring and benchmarking to improve service efficiency.
- ❖ SLCSA investigates options for possible grants or other funding mechanisms to support large-scale changes that would result in energy efficiency and cost effectiveness.

Existence of any social or economic communities of interest

- ❖ The social and economic communities of interest within SLCSA are Ashland, Cherryland, San Lorenzo, Castro Valley, and Fairview.