

Tuolumne Community Services District Formation
November 17, 2021 Video Meeting

Background:

For a number of years, the various public agencies in Tuolumne City have discussed the formation of a Community Services District in order to consolidate local functions to allow for better public communication, improved services delivery, enhanced accountability, and greater financial stability for the participating agencies. Currently, there are five districts that provide services primarily, if not exclusively, to the Tuolumne City community. These agencies include: the Tuolumne City Sanitary District (sewer services), Tuolumne Park & Recreation District (recreation services), Tuolumne Fire District (fire protection), Carters Cemetery District (interment services), and the Tuolumne Lighting District (streetlights).

Over a year ago in September, 2020, the Tuolumne City Sanitary District (TCSD) and the Tuolumne Park & Recreation District (TPRD) filed an application with the Local Agency Formation Commission (LAFCo) to form a Community Services District (CSD). A draft report was prepared by LAFCo consultants recommending the formation of the new Tuolumne Community Services District. Under consideration is the consolidation of the TCSD, TPRD, the Tuolumne Lighting District (TLD) and the Tuolumne Underground Utility District (TUUD). The TLD is an “independent” special district that has the County Board of Supervisors as its “Board of Directors.” The TUUD is a “Rule 20A” project designated area for purposes of using monetary credits collected by PG&E to underground utilities in areas in a community used most by the general public. Rule 20A underground projects are designated for cities and counties.

Meeting Purpose:

The purpose of this meeting is to discuss the level of support from the County Board of Supervisors to transfer the TLD to the new CSD and to support the creation of district-wide underground utility district under the new CSD.

Proposed Transfer of County Activities to New CSD:

The Tuolumne Lighting District is an independent special district subject to the jurisdiction of LAFCo. Currently, County staff manage and administer this District and maintain the budget as directed by the Board of Directors (see attached map). Under the provision of Government Code § 61100 (g), Community Services Districts are authorized to provide street lighting services within their jurisdictions. It is requested that the TLD Board of Directors support the transfer of these functions to the new CSD. Local control of these activities will allow for greater local participation in decisions affecting the district and provide for additional revenues to cover the cost of overhead of the new CSD.

County staff has raised two issues related to this transfer. The first is that the lights are PG&E owned/maintained and the lighting district pays the electric bill at an LS-1 rate. This may change to a CSD owned/maintained with the electricity billed at an LS-2 rate. The New CSD Board of Directors will need to evaluate what makes sense for the local community in continuing the current relationship with PG&E ownership or ownership by the New CSD. The second issue relates new streetlights will need to be purchased once the underground utility project is constructed. It is contemplated by the County that the TLD would pay for these new streetlights. In order to address this issue, LAFCo could condition the

transfer to the New CSD by including that a specific amount of funds be set aside to purchase these streetlights once the underground utility project is under construction. This would give the New CSD Board of Directors the ability to decide the type and location of these new streetlights after community input.

The provisions of Government Code § 61100 (m) allows community services districts to provide for the conversion of overhead utilities to underground facilities. Currently, the County created an underground district under the provisions of California Public Utilities Commission Rule 20A (see attached map). This should not preclude LAFCo from authorizing the New CSD from performing underground utility services. Rule 20A projects are typically in areas of a community that are used most by the general public and involve an agreement between PG&E and the governing body of a city or county. However, the New CSD could manage both Rule 20B and Rule 20C projects. In addition, the County could transfer the long-term management of the underground district to the new CSD once the underground project is complete.

Rule 20B projects are usually done with larger developments. The majority of the costs are paid for by the developer or applicant. Undergrounding under Rule 20B is available for circumstances where the area to be undergrounded does not fit the Rule 20A criteria, but still involves both sides of the street for at least six hundred feet. Under Rule 20B, the applicant is responsible for the installation of the conduit, substructures, and boxes. Rule 20C projects are usually smaller projects involving a few property owners and the costs are almost entirely borne by the applicants. Undergrounding under the provisions of Rule 20C is available where neither Rule 20A nor Rule 20B applies (*Information from PG&E website*).

Request for County Support:

The applicants are requesting that the County Board of Supervisors support the transfer of the Underground Utility District to the New CSD once the project is complete or upon a date certain in the future. In addition, the applicants are requesting that the Tuolumne Lighting District Board of Directors support the transfer of the Lighting District to the New CSD. The form of support would be in letter form or by resolution.