

TUOLUMNE CITY SANITARY DISTRICT

TCSD
18050 BOX FACTORY ROAD
TUOLUMNE, CA 95379

REGULAR MEETING STAFF REPORT JULY 7, 2021

PHONE: 209.928.3517
FAX: 209.928.4550
EMAIL: brendatsd@frontier.com

Agenda Item No. VII

To: Board of Directors

From: Dave Andres, General Manager

Subject: Response to Draft Special Services Report – CSD Formation

Date: June 27, 2021

Background: At your last meeting we provided copies of the administrative draft “*Special Service Report for the Consolidation of Existing Services* dated May 2021” prepared by Jonnie Lan of QK Consulting, 2816 Park Avenue, Merced, CA 95348. District staff has been working with County LAFCo staff on responding to the draft report. The purpose of this review is to identify any errors in the draft report and comment on the report’s conclusions.

Discussion: The attached response letter is a consensus of the issues identified by both the Tuolumne City Sanitary District (TCSD) and the Board President of the Tuolumne Park & Recreation District (TPRD). The letter combines the issues raised by the agencies in one correspondence. District staff generally agrees with the findings and conclusions in the report with the main exceptions outlined in chronological order below.

Issue 1.): The forming districts requested that the *Tuolumne Townsite Underground Utility District* also be included in the initial formation. There is no discussion of this entity in the report.

Issue 2.): While the forming agencies concur that the Tuolumne Utilities District and Tuolumne County Resource Conservation District will continue to provide services outside of the authority exercised by the new CSD, there is a concern about other potential services. The joint resolution approved by the applicant agencies and submitted to the Tuolumne Local Agency Formation Commission (LAFCo) identified 10 specific services as “*latent powers*” for the CSD, including, but not limited to, Fire Protection and Cemetery Services. It was anticipated that the consultant would provide a robust discussion of the proposed additional services to allow LAFCo to approve and authorize these latent powers as part of the current CSD application approval process. This would avoid the expense and

time delays inherent in an extensive review and analysis that would be required in the event the new CSD and the responsible agency wished to initiate CSD provided services at a future date.

Issue 3.): This section needs to be rewritten in order to clarify the status of the community as disadvantaged. The current area served by the TCSD is in fact a *Severely Disadvantaged Community* (SDAC) having less than 60% of the state's *Median Household Income*. The TCSD serves approximately 676 residential connections and an estimated population of 1583. In terms of overall population this core area identified in the census block represents the vast majority of households within the proposed CSD. It can therefore be concluded that in terms of actual households the entire service areas for both the existing districts are a *disadvantaged unincorporated community* (DUC). The report states the opposite in terms of the "majority of area." This conclusion should only be determined by the "number of households" not on "land area." Language should be inserted to indicate that the entire service area is a DUC.

Staff is requesting concurrence by the Board with the attached letter that was sent by the District on June 25th, 2021.

Fiscal Impact: Approximately \$50,000 this fiscal year in LAFCo application, processing, and consulting costs.

Attachment(s): LAFCo response letter dated June 25, 2021.

Recommendation: Move to concur with the response letter

Recommended Motion: I move that the Board of Directors concurs with the attached response letter dated June 25th, 2021 to the Administrative draft entitled *Special Service Report for the Consolidation of Existing Services* dated May 2021.

BOARD ACTION:

<input type="checkbox"/> Resolution No ____	Moved by: _____	Second by: _____
____ AYES	____ NOES	____ ABSTAINED
____ ABSENT	<input type="checkbox"/> No Action Taken	