



# Municipal Service Review Report

Los Alamitos/Seal Beach/Rossmoor/  
Sunset Beach

March 9, 2005

---



# Table of Contents

<b>TABLE OF CONTENTS</b> .....	<b>I</b>
<b><u>EXECUTIVE SUMMARY &amp; DETERMINATIONS</u></b> .....	<b>1</b>
EXECUTIVE SUMMARY .....	2
DETERMINATIONS .....	3
CITY OF LOS ALAMITOS .....	3
CITY OF SEAL BEACH .....	4
ROSSMOOR/LOS ALAMITOS SEWER DISTRICT .....	5
ROSSMOOR COMMUNITY SERVICES DISTRICT .....	6
SUNSET BEACH SANITARY DISTRICT .....	7
<b><u>INTRODUCTION</u></b> .....	<b>8</b>
<b><u>SECTION 1:</u></b> .....	<b>12</b>
DESCRIPTION OF MSR STUDY AREA .....	12
<b><u>SECTION 2:</u></b> .....	<b>15</b>
<b>AGENCY PROFILES</b> .....	<b>15</b>
CITY OF SEAL BEACH .....	19
ROSSMOOR/LOS ALAMITOS SEWER DISTRICT .....	20
ROSSMOOR COMMUNITY SERVICES DISTRICT .....	22
SUNSET BEACH SANITARY DISTRICT .....	24
UNINCORPORATED COMMUNITY OF ROSSMOOR .....	26
UNINCORPORATED COMMUNITY OF SUNSET BEACH .....	26
<b><u>SECTION 3:</u></b> .....	<b>27</b>
THE VISIONING PROCESS .....	27
<b><u>SECTION 4:</u></b> .....	<b>32</b>
LAFCO'S MSR REPORT .....	32
<b><u>SECTION 4.1:</u></b> .....	<b>34</b>
POPULATION GROWTH & POPULATION PROJECTIONS .....	34



<b>SECTION 4.2:</b> .....	<b>43</b>
<b>INFRASTRUCTURE NEEDS &amp; DEFICIENCIES</b> .....	<b>43</b>
WATER .....	44
WASTEWATER .....	46
POLICE PROTECTION .....	50
FIRE PROTECTION .....	53
PARKS, RECREATION, & OPEN SPACE .....	55
<b>SECTION 4.3:</b> .....	<b>59</b>
<b>FINANCING CONSTRAINTS &amp; OPPORTUNITIES</b> .....	<b>59</b>
<b>SECTION 4.4:</b> .....	<b>65</b>
<b>COST AVOIDANCE, SHARED FACILITY OPPORTUNITIES, &amp; MANAGEMENT EFFICIENCIES</b> .....	<b>65</b>
<b>SECTION 4.5:</b> .....	<b>70</b>
<b>OPPORTUNITIES FOR RATE RESTRUCTURING</b> .....	<b>70</b>
<b>SECTION 4.6:</b> .....	<b>75</b>
<b>GOVERNMENT STRUCTURE &amp; SERVICE OPTIONS</b> .....	<b>75</b>
GOVERNMENT STRUCTURE OPTIONS.....	76
SERVICE DELIVERY OPTIONS .....	82
PUBLIC WORKS/ROAD MAINTENANCE.....	84
PARKS & RECREATION SERVICE .....	85
ANIMAL CONTROL .....	86
WATER SERVICE .....	87
SEWER SERVICE .....	87
<b>SECTION 4.7:</b> .....	<b>89</b>
<b>LOCAL ACCOUNTABILITY &amp; GOVERNANCE</b> .....	<b>89</b>

**APPENDICES**

- APPENDIX A: GOVERNMENT CODE SECTIONS 56425 & 56430
- APPENDIX B: STAKEHOLDER WORKING GROUP VISION PLAN
- APPENDIX C: DEMOGRAPHIC & FISCAL DATA
- APPENDIX D: POLICE COMPARISON STUDY
- APPENDIX E: CHANGES IN LOCAL GOVERNMENT FUNDING



# Executive Summary & Determinations



# EXECUTIVE SUMMARY

## Background

In 1997, the State Legislature convened a special commission to study and make recommendations to address California's rapidly accelerating growth. The Commission on Local Governance for the 21<sup>st</sup> Century focused their energies on ways to empower the already existing County LAFCOs, originally established in 1963. One of the major new responsibilities of LAFCO is to conduct regional studies of municipal services (Municipal Service Reviews, or MSR) every five years. MSR are a way to assist agencies and residents by: (1) evaluating existing municipal services, and (2) identifying any future constraints or challenges that may impact service delivery in the future. The time horizon for MSR is 15 to 20 years.

The five agencies reviewed in the MSR include: the City of Los Alamitos, the City of Seal Beach, the Rossmoor/Los Alamitos Sewer District, the Rossmoor Community Services District, and the Sunset Beach Sanitary District

The MSR report is only a starting point for the residents. It is a "high level" overview of the issues and is not intended to comprehensively analyze all options and issues discussed. Detailed analyses by the agencies and residents within the MSR study area will be required prior to implementation of any of the alternatives discussed in the MSR report.

## The Commission's MSR Responsibilities

The Commission's sole responsibility is to adopt nine determinations as they relate to each of the five agencies reviewed in the MSR. The determinations are statements that draw conclusions, based on service and infrastructure data, growth projections, agency profiles and fiscal data. The nine determinations address population, infrastructure needs, financing constraints, rate restructuring, government reorganization options and local accountability.

## Determinations

The determinations are listed by agency on the pages that follow.



# DETERMINATIONS

<b>CITY OF LOS ALAMITOS Determinations</b>	
<b><i>Growth and Population Projections</i></b>	The City of Los Alamitos is nearly 100% built out. The current population is 12,340 and projected to be 13,490 by year 2020. The extension of infrastructure and services is expected to be minimal. However, future reuse of the 1,400-acre US Joint Forces Training Center, which was not addressed in the service review report, would have a significant impact on the agency.
<b><i>Infrastructure Needs or Deficiencies</i></b>	Water is provided to the City by Southern California Water Company. Sewer service is provided by the Rossmoor/Los Alamitos Sewer District. The City is 17 acres short of meeting its General Plan goal of 2.5 acres per 1,000 residents. No significant infrastructure issues were noted.
<b><i>Financing Constraints and Opportunities</i></b>	Total revenues and expenses for the past three fiscal years remained constant. However, the City may be challenged by increased service costs to maintain existing level of City services in the future.
<b><i>Opportunities for Cost Avoidance and Shared Facilities, &amp; Management Efficiencies</i></b>	The City contracts with private companies for various services and is a member of a joint powers authority (WESTCOM) for police dispatch services. The City may benefit from exploring shared services and/or joint use of facilities for police, animal control, sewer and park and recreation services.
<b><i>Opportunities for Rate Restructuring</i></b>	No significant issues regarding rate restructuring were noted.
<b><i>Government Structure Options</i></b>	The costs and efficiency of providing services could potentially be improved through some form of reorganization with other agencies. All possibilities need to be objectively analyzed including, but not limited to, concepts set forth on Page 77 of the MSR report.
<b><i>Local Accountability and Governance</i></b>	No significant issues regarding local accountability were noted.



<b>CITY OF SEAL BEACH            Determinations Summary</b>	
<b><i>Growth and Population Projections</i></b>	The City is nearly 100% built out with a current population of 27,210 and a projected increase by 2,034 by year 2020. The extension of infrastructure and services is expected to be minimal. However, future reuse of the 5,256-acre US Naval Weapons Station, which was not included in this report, could have a significant impact on the agency.
<b><i>Infrastructure Needs or Deficiencies</i></b>	The City provides water and sewer services to the northeast and southwest sections of the City and the unincorporated Sunset Aquatic Park. No significant issues regarding infrastructure deficiencies were noted.
<b><i>Financing Constraints and Opportunities</i></b>	The City faces significant financing constraints. The City's FY 2003-2004 budget projects a budget deficit of \$6,802,367 with total expenses of \$30,716,300 and total revenues of \$23,888,933.
<b><i>Opportunities for Cost Avoidance and Shared Facilities, &amp; Management Efficiencies</i></b>	The City is a member of a JPA (WESTCOM) for police dispatch services. The City may benefit from exploring other options for implementing shared services and/or use of facilities. Police, sewer, beach maintenance, road and drainage maintenance, animal control and park and recreation services should be explored with other agencies in the MSR study area.
<b><i>Opportunities for Rate Restructuring</i></b>	No significant issues relating to rate restructuring were noted.
<b><i>Government Structure Options</i></b>	The costs and efficiency of providing services could potentially be improved through some form of reorganization with other agencies. All possibilities need to be objectively analyzed including, but not limited to, concepts set forth on Page 77 of the MSR report.
<b><i>Local Accountability and Governance</i></b>	No significant issues regarding local accountability were noted.



<b>ROSSMOOR/LOS ALAMITOS SEWER DISTRICT Determinations Summary</b>	
<b><i>Growth and Population Projections</i></b>	The District has a current population of 24,800 which includes the City of Los Alamitos, Rossmoor, and portions of the City of Seal Beach, Long Beach and Cypress. According to the District's 2001 Sewer Master Plan Update, at build-out, the sewer system will serve a population of approximately 30,530. Any additional infrastructure required to serve the additional population is projected to be minimal.
<b><i>Infrastructure Needs or Deficiencies</i></b>	No significant issues regarding infrastructure needs or deficiencies were noted.
<b><i>Financing Constraints and Opportunities</i></b>	Based on audited financial statements, the District experienced a decrease of approximately 3% in revenues for periods ending in 2001 and 2002. No other significant financing constraints were noted.
<b><i>Opportunities for Cost Avoidance and Shared Facilities, &amp; Management Efficiencies</i></b>	The District currently contracts with private companies for video inspection, sewer line maintenance, engineering, legal and emergency services. The District may benefit from exploring other options for implementing shared sewer services and/or use of facilities with the Cities of Los Alamitos and/or Seal Beach.
<b><i>Opportunities for Rate Restructuring</i></b>	Of the three sewer agencies within the MSR study area, the RLASD has the lowest cost per capita operation. No significant issues regarding rate restructuring were noted.
<b><i>Government Structure Options</i></b>	The District may benefit from exploring future opportunities to share services and/or use of facilities with the Cities of Los Alamitos and/or Seal Beach.
<b><i>Local Accountability and Governance</i></b>	No significant issues regarding local accountability were noted.



<b>ROSSMOOR COMMUNITY SERVICES DISTRICT            Determinations Summary</b>	
<b><i>Growth and Population Projections</i></b>	The territory served by the CSD is built-out. No changes are anticipated, and the extension of infrastructure and services is expected to be minimal.
<b><i>Infrastructure Needs or Deficiencies</i></b>	The District provides street lighting and sweeping, median landscaping, tree trimming, park and recreational services, and maintenance of perimeter wall. No significant issues were noted.
<b><i>Financing Constraints and Opportunities</i></b>	Based on audited financial statements, revenues/expenditures have increased by approximately 9-10% in the previous three fiscal years. The primary funding is the 1% property tax that the County collects for the Rossmoor area; the County returns all property tax revenues collected to the district. Activation of District's latent powers to provide additional services will require additional revenues most likely in the form of fees.
<b><i>Opportunities for Cost Avoidance and Shared Facilities, &amp; Management Efficiencies</i></b>	The District should explore cooperative recreation programs with adjacent cities to achieve economies of scale.
<b><i>Opportunities for Rate Restructuring</i></b>	No significant issues regarding rate restructuring were noted.
<b><i>Government Structure Options</i></b>	The costs and efficiency of providing services could potentially be improved through some form of reorganization with other agencies. All possibilities need to be objectively analyzed including, but not limited to, concepts set forth on Page 77 of the MSR report.
<b><i>Local Accountability and Governance</i></b>	No significant issues regarding local accountability were noted.



<b>SUNSET BEACH SANITARY DISTRICT            Determinations Summary</b>	
<b><i>Growth and Population Projections</i></b>	The area served by the district is largely built-out. The District also provides refuse collection and disposal through a contract with Rainbow Disposal, a private company. Any additional infrastructure required to accommodate growth is expected to be minimal.
<b><i>Infrastructure Needs or Deficiencies</i></b>	In 2002 OCSD identified 20 areas of concern primarily due to fats, oils and grease. For FY 2003-2004, the District has budgeted \$54,000 for capital improvements to the sewer system.
<b><i>Financing Constraints and Opportunities</i></b>	Based on audited financial statements, the District's revenues are constant and expenditures have slightly increased. Annual deficits appear to be resolved with funds from reserves. Per capita expenses for sewer services (\$138) are higher than the other sewer agencies serving the MSR study area (\$17).
<b><i>Opportunities for Cost Avoidance and Shared Facilities, &amp; Management Efficiencies</i></b>	District operating expenses per foot of pipeline (\$10.46) are higher than other agencies serving the MSR study area. Economies of scale could reduce the overall cost of service.
<b><i>Opportunities for Rate Restructuring</i></b>	Per capita expenses are significantly higher than other sewer agencies. District should explore alternatives to lower expenses, including shared services and/or joint use of facilities.
<b><i>Government Structure Options</i></b>	The costs and efficiency of providing services could potentially be improved through some form of reorganization with other agencies. All possibilities need to be objectively analyzed including, but not limited to, concepts set forth on Page 77 of the MSR report.
<b><i>Local Accountability and Governance</i></b>	The District should consider maintaining a website to allow easier public access.



# Introduction





# INTRODUCTION

## Background

In 1997, the State Legislature convened a special commission to study and make recommendations to address California's rapidly accelerating growth. The Commission on Local Governance for the 21<sup>st</sup> Century focused their energies on ways to empower the already existing LAFCOs, originally established in 1963. The Commission's final report, *Growth within Bounds*, recommended various changes to local land use laws and LAFCO statutes. Assembly Speaker Bob Hertzberg folded the recommendations of the Commission in Assembly Bill 2838 into the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The new law provides LAFCO with more responsibilities.

One of the major new responsibilities of LAFCO is to conduct comprehensive, regional studies of municipal services (Municipal Service Reviews, or MSRs) every five years in conjunction with reviews of city and district spheres of influence. Spheres of influence (SOIs) are boundaries, determined by LAFCO, which define the ultimate service area for cities and special districts. Municipal Service Reviews, at minimum, must address at least the following nine issues:

1. Growth and population projections for the affected area
2. Infrastructure needs or deficiencies
3. Financing constraints and opportunities
4. Cost avoidance opportunities
5. Opportunities for rate restructuring
6. Opportunities for shared facilities
7. Government structure options, including the advantages and disadvantages of consolidation or reorganization of service providers
8. Evaluation of management efficiencies
9. Local accountability and governance

A copy of Government Code Sections 56425 and 56430, which set forth the procedural requirements for conducting sphere of influence updates and municipal service reviews, is included in this report as **Appendix A**.



## What are LAFCO's?

LAFCOs were created in the early 1960s primarily as boundary agencies. Significant population growth in California following World War II resulted in the proliferation of new cities and districts. Unfortunately, many of these cities and districts were formed with little forethought which led to a multitude of overlapping, inefficient jurisdictional and service boundaries. To respond to California's sprawling growth, Governor Pat Brown created LAFCOs (one in each of California's 58 counties) to oversee the orderly creation of new cities and districts and the annexation of new territory to these agencies. More recently, state and local agencies have been wrestling with how to accommodate a projected statewide population increase of 11 million people by 2020. For LAFCO, the key challenge has been how to address an array of social and economic policy issues such as affordable housing, water supply, protection of agricultural and open space lands, environmental quality, and an increasing aging infrastructure (e.g. roads, pipelines, bridges, etc.).

## What LAFCOs Can and Cannot Do

LAFCOs cannot, on their own, initiate annexation of unincorporated territory to a city, form a new city, or consolidate two or more cities into a single city. In addition, LAFCOs cannot, on their own, form Joint Powers Authorities (JPAs) or Community Services Districts (CSDs). For LAFCO to even consider these types of proposal, they would have to be initiated by either the affected agencies (i.e., districts or cities) or the residents of the affected areas, and an application would have to be filed with LAFCO. LAFCOs do, however, have the authority to reorganize special districts, approve and amend agency spheres of influence, and among its other duties, conduct Municipal Service Reviews.

## Purpose of Municipal Service Reviews

The statutory intent of a municipal service review process is for LAFCO to evaluate how agencies currently provide municipal services within the MSR study area and to evaluate the impacts on those services from future growth and other changes that may occur in the MSR area over the next 15 to 20 years. The MSR report is also required to identify potential opportunities to address any shortfalls, gaps and/or impacts on services and governmental structure that may exist currently or are anticipated in the future.



From a practical standpoint, LAFCO staff has found that the most valuable part of the Orange County MSR process has been the opportunity to bring key community and agency leaders together (some for the first time) to begin a dialogue about their area's future. This MSR report documents both the community's and LAFCO staff's assessments of the existing and future challenges facing the study area. *This report is only a starting point.* It is a "high level" overview of the issues, and is not intended to comprehensively analyze all options and issues discussed. Further detailed analyses will be required to implement any of the alternatives discussed in this report. It is also hoped that further discussion of the options outlined in the report will spur new ideas and new alternatives that were not even contemplated by the working group or LAFCO staff during the MSR process. That task will be the responsibility of the affected agencies and residents themselves should they choose to do so.

## Organization of MSR Report

This report is organized as follows:

- ❖ Section One: Description of the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach MSR area
- ❖ Section Two: Profile of each of the affected agencies
- ❖ Section Three: Visioning process, findings and alternatives developed by the Stakeholder Working Group
- ❖ Section Four: LAFCO MSR staff report



# Section 1:

## DESCRIPTION OF MSR STUDY AREA

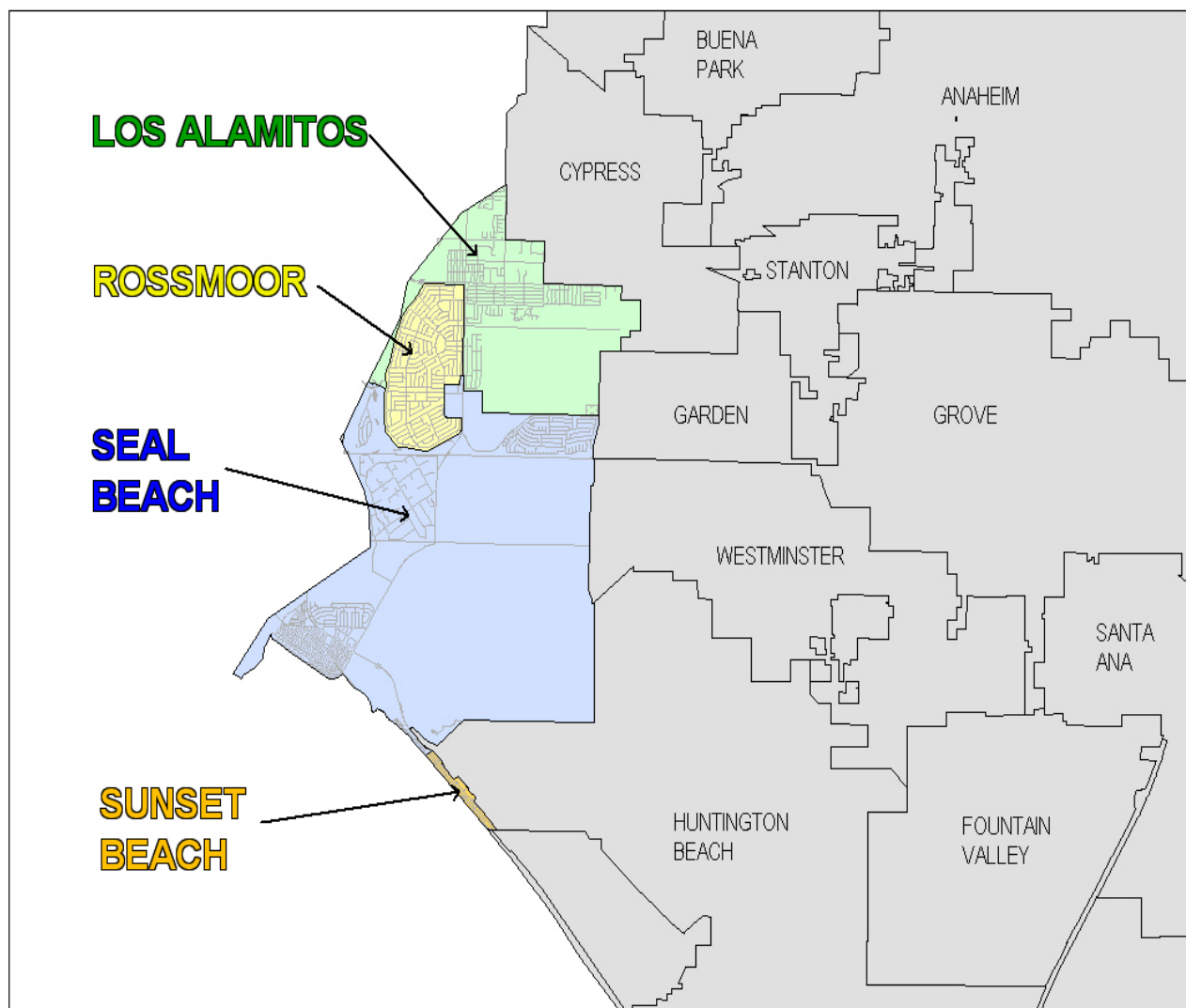




# SECTION ONE: DESCRIPTION OF MSR STUDY AREA

The Los Alamitos/Seal Beach/Rossmoor/Sunset Beach MSR study area includes the current boundary for two cities, three special districts, and the unincorporated communities of Rossmoor and Sunset Beach. In total, the area is approximately 17 square miles and has a population of approximately 51,929. Located in the northwestern portion of Orange County, the study area boundary is depicted below in *Figure 1.1*.

*Figure 1.1 – Study Area Boundary*





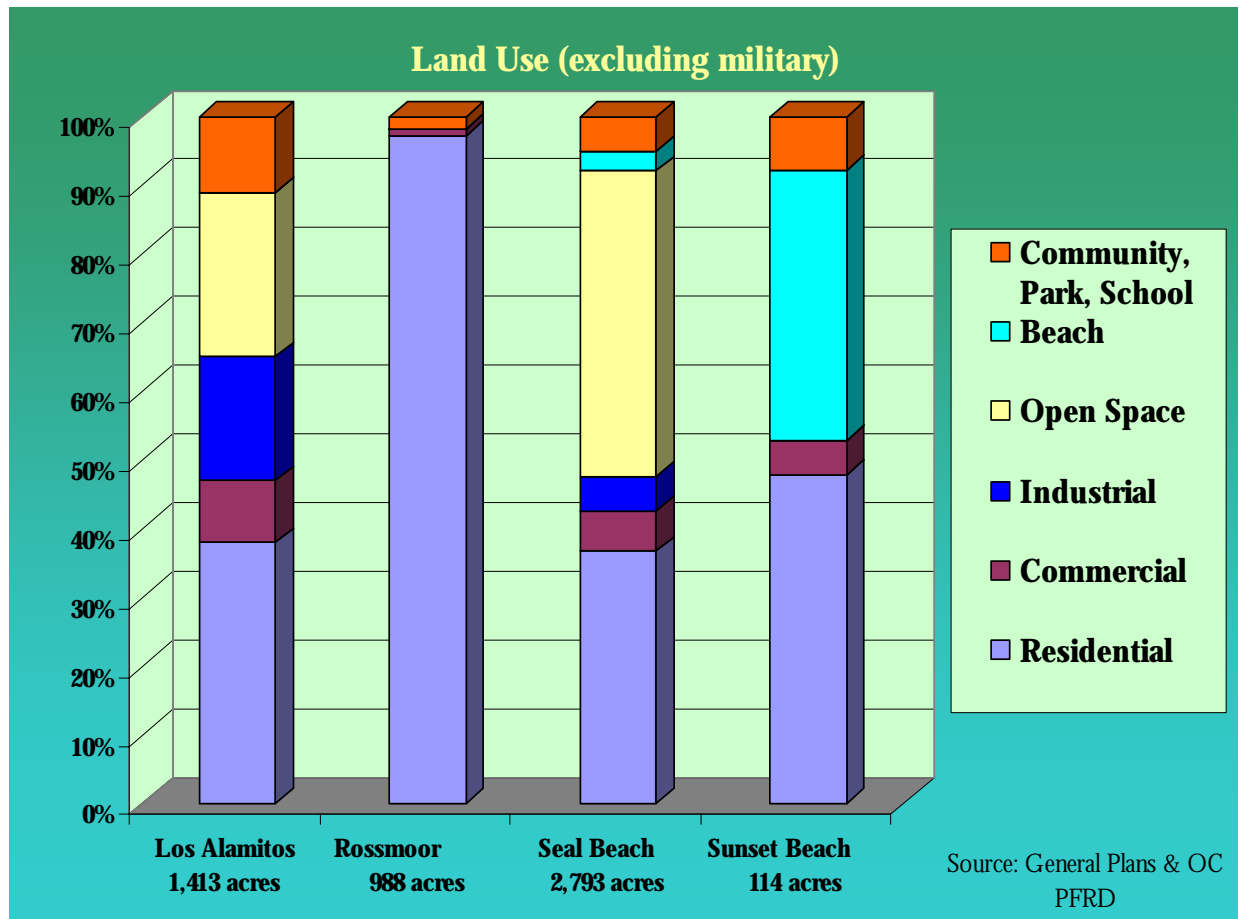
A demographic and land use “snapshot” of the four communities comprising the study area is shown in *Tables 1.2 and 1.3.*

**Table 1.2 – Study Area Demographics**

Area	Population	Housing Units	Size of Avg. Household	Owner/Renter
City of Los Alamitos	12,340	4,329	2.8	45%/55%
City of Seal Beach	27,210	14,267	1.9	76%/24%
Rossmoor	10,560	3,752	2.8	90%/10%
Sunset Beach	1,319	545	2.4	37%/63%
<b>TOTALS:</b>	<b>51,929</b>	<b>22,893</b>	<b>2.5</b>	<b>62%/38%</b>

Source: Orange County Projections (OCP) 2004, CSUF, Center for Demographic Research

**Table 1.3 – Study Area Land Use Composition**





# Section 2:

## AGENCY PROFILES





## SECTION TWO: AGENCY PROFILES

The following provides a “snapshot” profile of the services and infrastructure systems for the agencies and communities represented in the MSR study area. LAFCO gave a questionnaire to each stakeholder agency at the outset of the MSR program process. The questionnaire included specific questions regarding how each agency/community currently plans for future growth-related impacts to municipal services, governance and infrastructure systems. The questionnaire also requested information on any existing agreements, and/or cooperative arrangements that have resulted in more efficient, cost effective service provision.



## City of Los Alamitos (incorporated March 6, 1960)

### Demographics:

- ❖ Population (2000 Census): **12,340**
- ❖ Projected 2020 Population: **13,490**
- ❖ Size of service area: **4 sq. miles, which includes Joint Forces Military Base** (see attached map)

### Governance:

- ❖ Incorporated in 1960
- ❖ 5-member City Council; elected at-large to staggered 4-year terms; Ceremonial Mayor selected annually

### FY 2002-2003:

#### Revenues:

\$12,850,066

#### Expenditures:

\$11,827,466

#### Reserves:

\$11,979,635

### Infrastructure/Public Facilities:

- ❖ Employees: 58
- ❖ Services provided by district:
  - Sewer collection services
  - Police
  - Community development
  - Public services
  - Parks, recreation, and community services
  - Self Insurance Center
  - Street maintenance
- ❖ Services provided by other agencies:
  - Sewer (Rossmoor/Los Alamitos Sewer Dist)
  - Water (Southern California Water Company)
- ❖ Services Provided by City through Contract:
  - Animal control (City of Long Beach)
  - Police dispatch (JPA with Cypress and Seal Beach)
  - Solid waste (Briggmann)





## City of Seal Beach (incorporated 1915)

### Demographics:

- ❖ Population (2000 Census): **27,210**
- ❖ Projected 2020 Population: **29,244**
- ❖ Size of service area: **13.23 sq. miles** (refer to map on page 18)

### Governance:

- ❖ Incorporated in 1915
- ❖ 5-member City Council; elected by district to 4-year terms; council-manager government

### FY 2002-2003:

**Revenues:**

\$29,852,941

**Expenditures:**

\$26,043,170

**Reserves:**

\$35,699,256

### Infrastructure/Public Facilities:

- ❖ Employees: 75 full-time; 20-70 part-time
- ❖ Services provided by city:
  - Legislative/executive
  - Police
  - Sewer
  - Water
  - Community development
  - Public services
  - Parks, recreation, and community services
  - Self insurance
  - Street maintenance
  - Beach maintenance
  - Animal control
  - Lifeguard Services
- ❖ Services provided by other agencies: Fire and paramedic services (OCFA)
- ❖ Services provided by city contract:
  - Police dispatch (JPA through contract with Cypress and Los Alamitos)
  - Solid waste (through contract with Consolidated Disposal)
  - Self-Insurance services (JPA)



## Rossmoor/Los Alamitos Sewer District (formed May 1952)

### Demographics:

- ❖ Population served: **24,800 (which includes Los Alamitos, portions of Seal Beach, Long Beach, and Cypress)**
- ❖ Projected population served at build out: **26,800**
- ❖ Size of service area: **6.2 sq. miles** (see attached map)

### Governance:

- ❖ Enabling Act: 1952
- ❖ 5-member Board; elected to staggered 4-year terms

### FY 2002-2003:

Revenues:  
\$326,892

Expenditures:  
\$302,139

Reserves:  
\$1,872,010

### Infrastructure/Public Facilities:

- ❖ Employees: 1
- ❖ Services provided by district: Sewer collection services
- ❖ Miles of sewer mains: 56.4 miles
- ❖ Age of infrastructure: 72% is 45 years old  
23% is 35 years old





## Rossmoor Community Services District (formed 1986)

### Demographics:

- ❖ Population served: **10,560**
- ❖ Size of service area: **1.54 sq. miles** (see attached map)

### Governance:

- ❖ Enabling Act: 1986
- ❖ 5-member Board; elected at large to 4-year terms

### FY 2002-2003 (projected):

#### Revenues:

\$865,607\*

#### Expenditures:

\$764,293\*

#### Reserves:

\$1,278,001\*

### Infrastructure/Public Facilities:

- ❖ Employees: 4
- ❖ Services provided by district:
  - Street lighting
  - Median landscaping
  - Street sweeping
  - Maintenance of parkway trees
  - Maintenance of signature wall

### \*NOTE:

Because the RCSD did not provide financial statements for FY 02/03, the revenues, expenditures, and reserves indicated above are projections and are based on the prior seven years of financial statements.



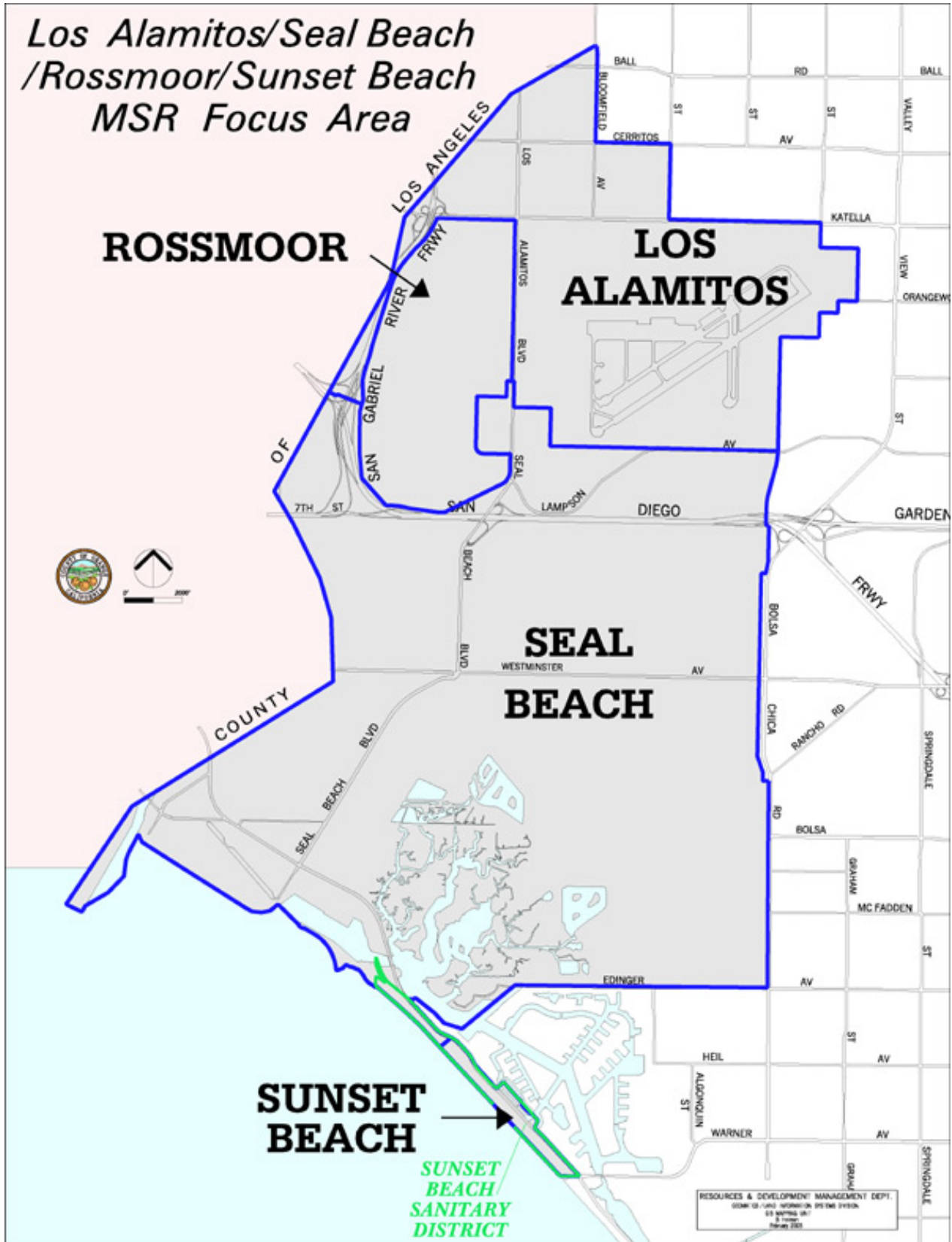


<b>Sunset Beach Sanitary District (formed November 5, 1930)</b>		
<b><u>Demographics:</u></b>		
❖ Population served: <b>2,500 (which includes Sunset Beach, portion of Seal Beach (Surfside Colony) and portion of Huntington Beach)</b>		
❖ Size of service area: <b>160 acres</b> (see attached map)		
<b><u>Governance:</u></b>		
❖ Enabling Act: 1930		
❖ 5-member Board; elected at large to 4-year terms		
<b><u>FY 2002-2003:</u></b>		
<b><u>Revenues:</u></b>	<b><u>Expenditures:</u></b>	<b><u>Reserves:</u></b>
\$550,436*	\$554,451*	\$731,796*
<b><u>Infrastructure/Public Facilities:</u></b>		
❖ Employees:	1 full-time; 3 part-time	
❖ Services provided by district:	Sewer collection services Refuse Collection	
❖ Age of infrastructure	68 years old	

**\*NOTE:**

SBSD issues bi-annual audited financial statements. The above numbers represent 50% of the information presented in the audit.

Expenditures include regional wastewater charges by Orange County Sanitation District.





## Unincorporated Community of Rossmoor

### Demographics:

- ❖ Population served: **10,560 (currently not within any city's sphere of influence)**
- ❖ Size of service area: **989 acres** (refer to map on page 18)

### Governance:

- ❖ Rossmoor is represented by the Orange County 2nd Supervisorial District and the Rossmoor Community Services District

### Infrastructure/Public Facilities:

- ❖ Municipal services provided by the County of Orange and Rossmoor Community Services District
- ❖ Water services provided by private company (Southern California Water Company)
- ❖ Sewer services provided by the Rossmoor/Los Alamitos Sewer District

## Unincorporated Community of Sunset Beach

### Demographics:

- ❖ Population served: **1,319 (currently not within any city's sphere of influence)**
- ❖ Size of service area: **84 acres** (refer to map on page 18)

### Governance:

- ❖ Sunset Beach community is represented by the Orange County Supervisor Second District

### Infrastructure/Public Facilities:

- ❖ Municipal services provided by the County of Orange
- ❖ Water services provided by the City of Huntington Beach
- ❖ Sewer and refuse services provided by the Sunset Beach Sanitary District



# Section 3:

## THE VISIONING PROCESS





# SECTION THREE: THE VISIONING PROCESS -- HOW DO YOU SEE YOUR FUTURE?

## Stakeholder Visioning Process

The statutory requirements for MSRs offer a certain amount of flexibility in how individual LAFCOs conduct MSRs within their respective counties. Orange County LAFCO specifically designed their municipal service review process to include a “stakeholder” visioning process to provide LAFCO with a clear picture of how residents, cities, and special districts themselves view the challenges and opportunities facing their own communities over the next 20 years. To develop a vision plan, a Stakeholder Working Group (SWG) was formed. The SWG was composed of representatives from the cities, unincorporated communities, and special districts within the MSR study area. Over the past year, the SWG worked with LAFCO staff and consultants with expertise in demographics, public finance, and government organization. Using these resources, the SWG identified key community issues and challenges and developed a plan to address how their “quality of life” can be maintained and/or enhanced over the next two decades. A copy of the SWG’s Vision Plan is included as **Appendix B** to this report.

The SWG was comprised of the members as shown in *Table 3.1*.

**Table 3.1 - Stakeholder Working Group Members**

Agency	Representatives
City of Los Alamitos	Henry Taboada, City Manager John Godlewski, Director of Community Development Will Daniel, Public Representative (appointed by City Manager)
City of Seal Beach	John Bahorski, City Manager Nick Rini, Public Representative (appointed by City Manager)
Rossmoor Community Services District	Erwin Anisman, President (appointed by Board Supervisor)
Rossmoor/Los Alamitos Sewer District	Susan Bell, General Manager



Agency	Representatives
<b>Sunset Beach Sanitary District</b>	Bob Hendler, Director (appointed by Board Supervisor)
<b>Unincorporated Community of Rossmoor</b>	Russ Lightcap, Public Representative (appointed by Board Supervisor)
<b>Unincorporated Community of Sunset Beach</b>	Gretchen Hoad, Public Representative (appointed by Board Supervisor)
<b>County of Orange</b>	Don McIntyre (appointed by Board Supervisor to represent County)
<b>LAFCO</b>	Bob Aldrich, Assistant Executive Officer Carolyn Emery, Project Manager

## SWG Identification of Key Issues/Challenges

The SWG began its yearlong visioning process in January 2004. The working group met approximately every six weeks, and all meetings were open to the public. SWG representatives agreed to keep their respective city councils, boards and constituents informed of the vision plan process and to provide feedback from their respective agencies and communities to the working group for consideration. In its early meetings, the SWG identified the following issues and challenges facing the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach communities in the next 20 years:

- ❖ **Financial Stability** - maintaining the long-term fiscal health of the agencies within the MSR area so that they can continue to provide efficient and high quality services to residents.
- ❖ **Self Governance** - empowering local residents so their voices and concerns can be heard and addressed by decision makers.
- ❖ **Public Safety, Schools, Parks and Recreation** - providing adequate funding to ensure that quality schools, park and recreation services, and public safety programs are maintained or enhanced.
- ❖ **Maintaining the Current Quality of Life** - providing quality public services, compatible land uses, and responsive governance to ensure the high quality of life presently enjoyed in the MSR area will continue into the future.



- ❖ **Maintaining Individual Community Independence and Identity** – ensuring that individual communities within the MSR area maintain their unique identity and character.

The SWG, using LAFCO staff and selected consultants, compiled extensive demographic and fiscal data for the focus area (**Appendix C**). Data was compiled individually for each community and agency. Using this data, and comparing it to evaluative “quality of life” criteria developed by the group, “gaps” were identified which could potentially threaten the study area’s quality of life over the next 20 years. Each of the gaps can be characterized as either “fiscal” or “governance” related as depicted in *Table 3.2*.

**Table 3.2 – SWG Identification of Gaps**

Fiscal Gaps	Governance Gaps
<ul style="list-style-type: none"> <li>❖ Lack of funding for agencies</li> <li>❖ Maintaining existing quality of life given funding constraints</li> </ul>	<ul style="list-style-type: none"> <li>❖ Maintaining distinct community identities</li> <li>❖ Lack of agency/community coordination</li> <li>❖ Lack of leadership</li> </ul>

## Identification of Alternatives for Further Study

In developing a list of potential governance and service alternatives for the MSR area, the SWG examined a wide range of options. *Table 3.3* identifies the alternatives selected by the SWG as potential options for improving services and governance within their area.

**Table 3.3 – SWG Alternatives**

Community/Agency	Issues/Problems	Options/Alternatives/Future Strategies
<b>Sunset Beach</b>	<ul style="list-style-type: none"> <li>❖ Maintain individual identity</li> <li>❖ Address long-term funding Issues</li> <li>❖ Maintain quality of life</li> </ul>	Form a Community Services District to provide: <ul style="list-style-type: none"> <li>❖ Parking enforcement services to increase revenue</li> <li>❖ Road and drainage maintenance</li> <li>❖ Enhanced law enforcement</li> <li>❖ Park and recreation programs</li> <li>❖ Enhanced beach maintenance services</li> <li>❖ Landscape maintenance</li> </ul>



Community/Agency	Issues/Problems	Options/Alternatives/Future Strategies
<b>Rossmoor</b>	<ul style="list-style-type: none"> <li>❖ Provide enhanced police services</li> <li>❖ Maintain quality of life</li> <li>❖ No formal voice in planning/code enforcement</li> </ul>	<ul style="list-style-type: none"> <li>❖ Activate Rossmoor CSD latent powers to provide enhanced police protection services.</li> <li>❖ Establish a Planning Advisory Committee (PAC) in Rossmoor to act as a formal voice to the County on planning issues in Rossmoor; or, request that Orange County Planning Commission's review and approval authority for local planning matters in Rossmoor be transferred to local community representatives.</li> </ul>
<b>City of Los Alamitos</b> <b>City of Seal Beach</b> <b>Rossmoor</b> <b>Sunset Beach</b>	<ul style="list-style-type: none"> <li>❖ Lack of community/agency coordination</li> <li>❖ Lack of leadership</li> </ul>	<ul style="list-style-type: none"> <li>❖ Establish an Ad Hoc Elected Officials Committee to address ongoing service and governance issues.</li> </ul>
<b>City of Los Alamitos</b> <b>City of Seal Beach</b> <b>Rossmoor</b> <b>Sunset Beach</b> <b>County of Orange</b>	<ul style="list-style-type: none"> <li>❖ Address long-term funding issues</li> <li>❖ Maintain quality of life</li> <li>❖ Provide enhanced services</li> </ul>	Explore formation of Joint Powers Authorities to achieve cost efficiencies and improve service levels in the following areas: <ul style="list-style-type: none"> <li>❖ Landscape maintenance</li> <li>❖ Recreation programs</li> <li>❖ Road and drainage maintenance</li> <li>❖ Law enforcement</li> <li>❖ Animal control</li> </ul>

## Alternatives *Not* Addressed by SWG

As part of their process of visioning, the SWG also discussed several other options but did not choose to address them in the Vision Plan as alternatives. These alternatives included annexation of both unincorporated communities, incorporation of the unincorporated communities and formation of a new “super” city comprised of the unincorporated communities and both cities. The SWG also chose not to address alternatives to the existing system of providing water and sewer services to the majority of the study area through special districts. While these alternatives were not explored in depth by the SWG, LAFCO staff has addressed them in the “Government Structure and Service Options” section of this report.



# Section 4:

## LAFCO's MSR REPORT





# SECTION FOUR: LAFCO'S MSR STAFF REPORT

## The Nine Determinations

### Introduction

As part of its review of municipal services, LAFCO is required (pursuant to Government Code Section 56430) to prepare a written statement of its determination with respect to each of the following:

- ❖ Growth and population projections for the affected area
- ❖ Infrastructure needs or deficiencies
- ❖ Financing constraints and opportunities
- ❖ Cost avoidance opportunities
- ❖ Opportunities for rate restructuring
- ❖ Opportunities for shared facilities
- ❖ Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers
- ❖ Local accountability and governance

The determinations are statements that draw conclusions, based on the service and infrastructure data, population and growth projections, agency profiles and fiscal data. The nine municipal service review determinations are interdependent. Some of the issues related to each of the nine determinations may overlap, and information about one determination may substantially affect other determinations.

The LAFCO Commission will be asked to adopt the determinations for each agency. However, adoption does not require the Commission to take action on any of the options presented in the vision plan or in the MSR report. The Orange County LAFCO MSR process was designed to be collaborative and to allow residents the opportunity to work together to find solutions to issues raised in their own Vision Plan and in this report.



# Section 4.1:

## POPULATION GROWTH & POPULATION PROJECTIONS





# GROWTH & POPULATION PROJECTIONS

## Countywide Growth

As of January 1, 2003, the official population estimate for Orange County from the California State Department of Finance for Orange County was 2,978,816. This population estimate ranks Orange County as the second most populous county in California and the fifth most populous in the nation. Population growth is expected to reach 3,340,282 people by the year 2020. The most significant factor contributing to Orange County's population growth is natural increase (births minus deaths). In terms of density, Orange County ranks second within California, just behind the County/City of San Francisco. *Table 4.1 County Population and Density Comparisons*, below, shows Orange County's size in comparison to other nearby counties.

**Table 4.1 - County Population and Density Comparisons**

	Population	Unincorporated Percentage 2000	Unincorporated Percentage 2004	Land Area (acres)	Simple Density (persons/acre)
<b>Alameda</b>	1,466,900	9.3%	9.3%	472,060	3.11
<b>Contra Costa</b>	963,000	19.2%	15.7%	460,740	2.09
<b>Los Angeles</b>	9,716,000	10.5%	10.5%	2,598,980	3.74
<b>Orange</b>	2,978,816	7.7%	3.7%	505,220	5.73
<b>Riverside</b>	1,577,700	26.4%	26.8%	4,612,740	0.34
<b>Sacramento</b>	1,242,000	53.1%	45.7%	618,050	2.01
<b>San Bernardino</b>	1,742,300	17.3%	15.9%	12,833,600	0.14
<b>Santa Clara</b>	1,709,500	6.1%	5.7%	826,050	2.07
<b>San Diego</b>	2,856,300	16.1%	15.6%	2,687,940	1.06

Source: Center of Demographic Research, CSUF



## Growth within the MSR Study Area

Within the MSR study area, the cities of Los Alamitos and Seal Beach and the unincorporated communities of Rossmoor and Sunset Beach are largely built-out. This area will experience only limited growth. Total population for the MSR study area in 2004 is estimated to be 51,929. By 2020, population in the MSR area is projected to increase by approximately 7 percent (3,871) to 55,800.

Two federal defense facilities are located within the MSR area – the United States Naval Weapons Station in Seal Beach and the Joint Forces Training Center in Los Alamitos. The Naval Weapons Station is 5,256 acres in size and is nearly twice the size of the remaining portion of Seal Beach. The Joint Forces Training Center is approximately 1,400 acres and occupies approximately 50 percent of the City of Los Alamitos. These facilities are not currently included on a federal base closure list and the projected population/growth figures for the MSR area do not anticipate alternative land uses for either site.

The table below, *Table 4.2, Growth in the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach MSR Area*, shows the current and projected population, housing and employment data for the cities and unincorporated communities referenced in this report.

**Table 4.2 - Growth in the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach MSR Area**

	2005 Population	2020 Population	2005 Housing	2020 Housing	2005 Employment	2020 Employment
<b>City of Los Alamitos</b>	12,540	13,490	4,579	4,606	16,069	16,644
<b>City of Seal Beach</b>	27,210	29,244	12,620	14,709	11,035	13,055
<b>Rossmoor</b>	10,560	11,467	N/A	N/A	N/A	N/A
<b>Sunset Beach</b>	1,319	1,599	N/A	N/A	N/A	N/A

Source: Center for Demographic Research, CSUF

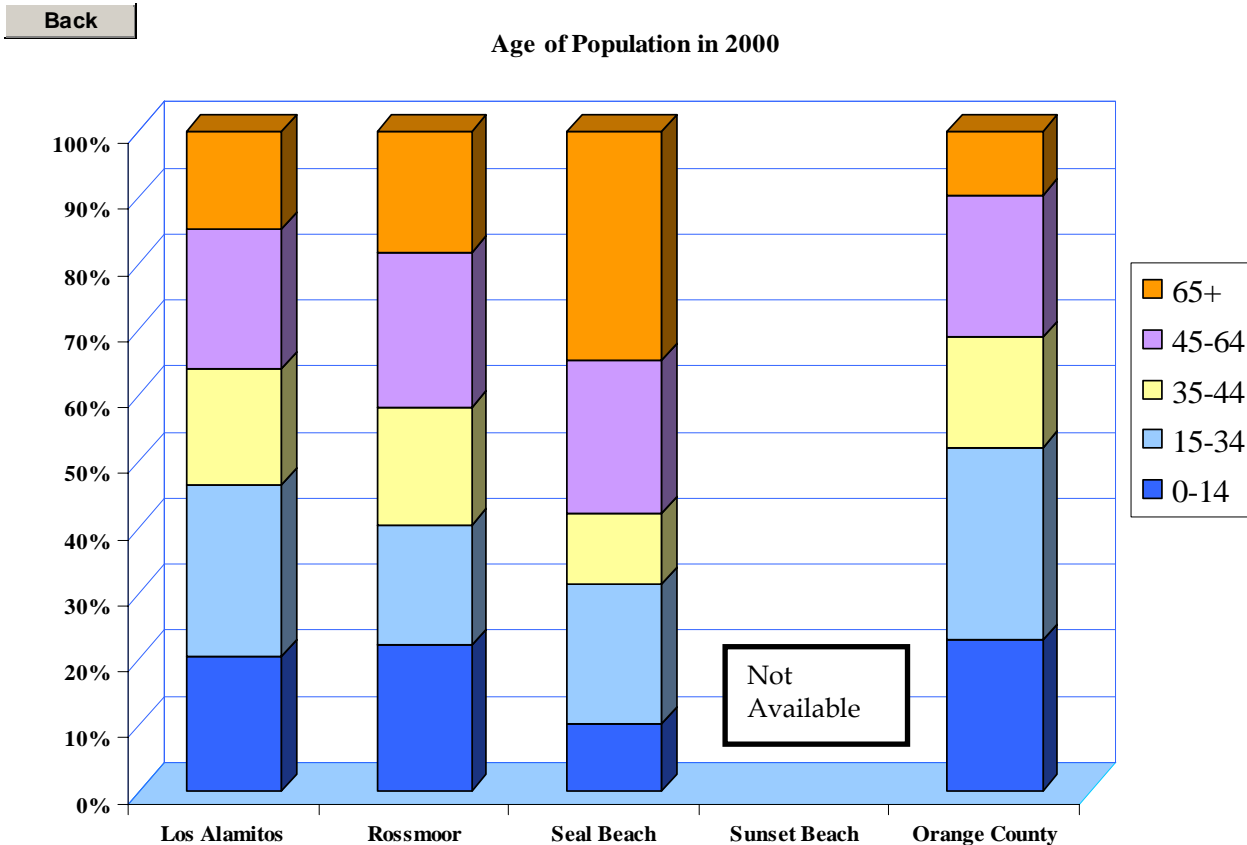
## Population and Aging within the MSR Study Area

When compared to countywide figures, the current population within the MSR study area has a higher percentage of residents 65 years and older. In Orange County, 10% of the residents fall within that age range. Within the City of Seal Beach alone, home to the Leisure World retirement community, over 38% of the current residents are 65 or older. Residents 65+ years in the City of Los Alamitos and Rossmoor comprise 15% and 19% of those communities' populations, respectively. The table below, *Table 4.3, Age of*



*Population in 2000*, depicts the age composition of Orange County residents and residents within the MSR study area. The higher percentage of residents over 65 can create additional demands for some services such as paramedics and police.

**Table 4.3 - Age of Population in 2000**



Source: 2000 Census

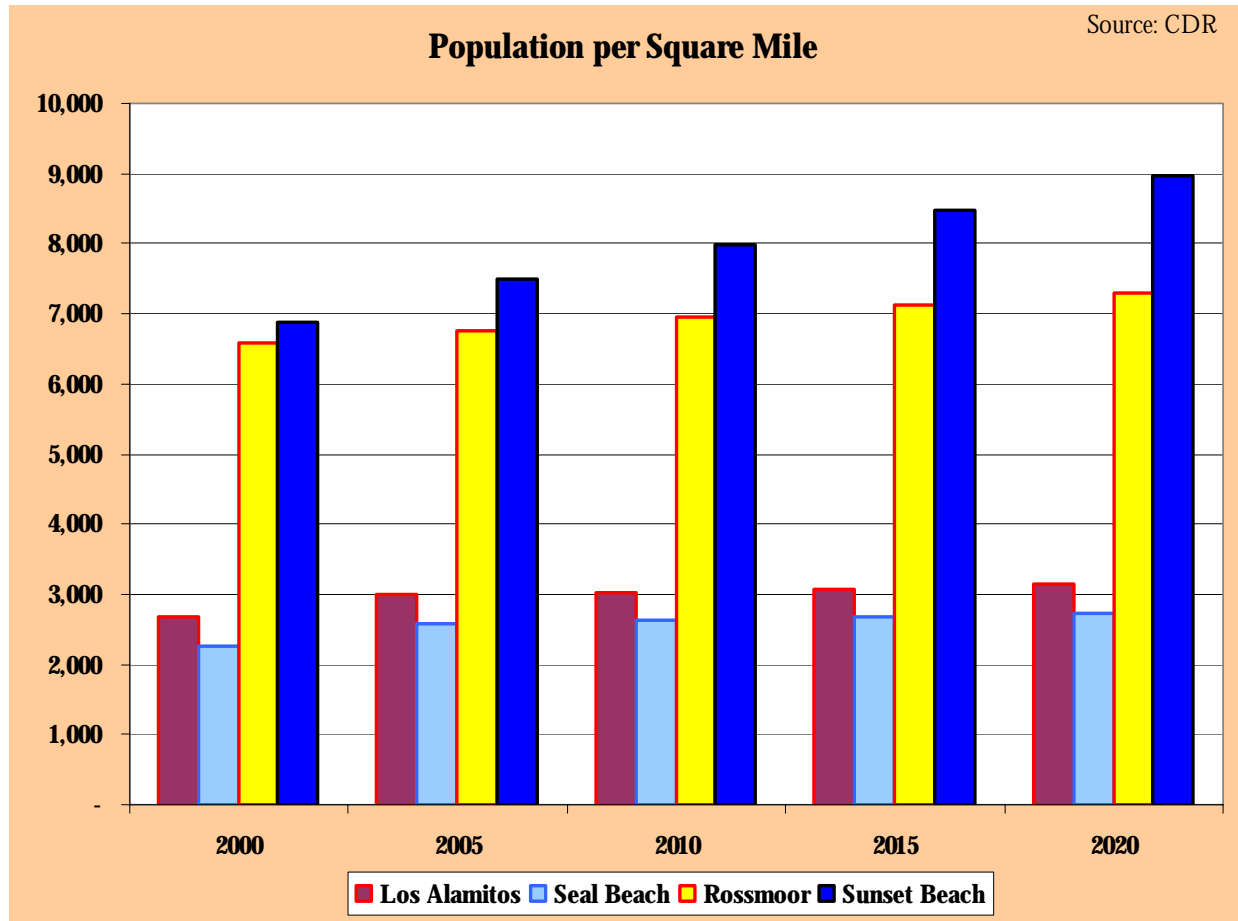
## Size and Density within the MSR Area

The MSR study area totals almost 17 square miles. In size, the City of Seal Beach is the largest with 10.7 square miles, followed by the City of Los Alamitos (4.3 square miles), Rossmoor (1.57 square miles) and Sunset Beach (.18 square mile). The population density for each of the communities within the MSR area is depicted on *Table 4.4 Population per Square Mile*, below. Lower population densities within both the Cities of Los Alamitos and Seal Beach are primarily due to the presence of two federal defense facilities located within these cities. These facilities contain large amounts of



undeveloped territory and, if ever closed, could have a significant impact on services in the area. It would be prudent for the cities, agencies and communities to begin to plan on a regional basis how to deal with the potential future closure of either or both facilities.

Table 4.4 - Population per Square Mile



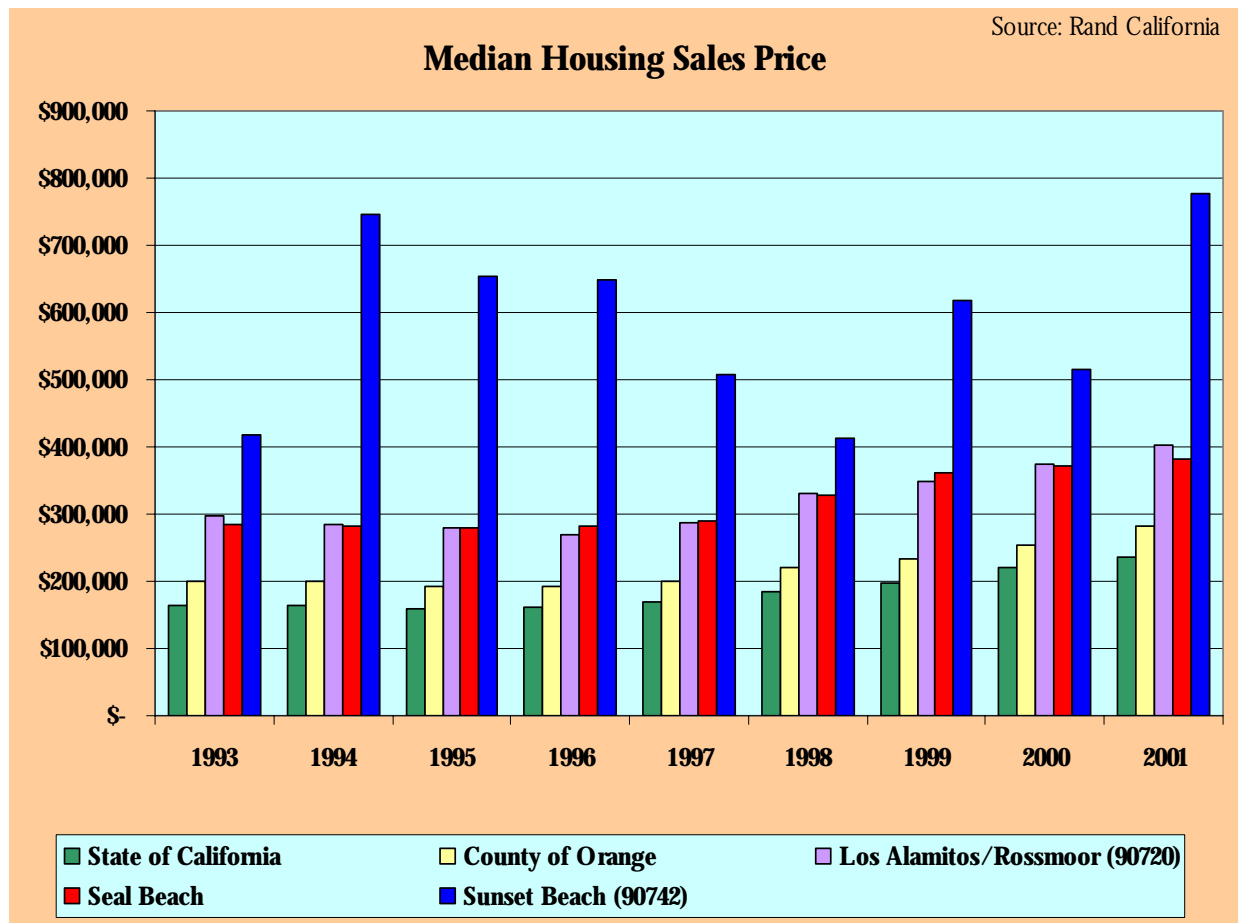
## Housing Costs/Type/Occupancy

Skyrocketing housing prices within California, and in Orange County in particular, continue to set records nationwide. Median sales prices for homes in the City of Los Alamitos, the City of Seal Beach, Rossmoor and Sunset Beach all surpass the countywide 2001 median home sales price figure of \$283,333. The median sales price for a home in Sunset Beach in 2001, for example, was over twice the countywide median.



Table 4.5 Median Sales Price compares the median sales price for homes in the MSR area for 1993 through 2001.

Table 4.5 - Median Sales Price (1993-2001)



The vast majority of homes within the MSR study area were originally built between 1950 and 1970. Rossmoor, one of the area's first "planned communities," was almost entirely built during the 1950s. The majority of homes within the study area are single family detached, although the City of Los Alamitos, the City of Seal Beach and Sunset Beach have substantial amounts of multi-family housing. Table 4.6 Age of Housing, Table 4.7 Housing Type, and Table 4.8 Occupancy, below provide an overview of the housing stock within the MSR study area.

The age of the housing stock and of the residents also has implications for the future of the MSR area. As homes are re-sold, many are often remodeled and enlarged for the needs of younger families. Many homes in the Rossmoor community, in particular,



have undergone significant remodeling efforts that are changing the size, “footprint” and appearance of many houses in this community. Some community residents have raised concerns about the aesthetic impact of these larger, multistory homes in a neighborhood that is predominantly single-story, ranch style homes. This trend will also impact the way services are provided.

Table 4.6 - Age of Housing

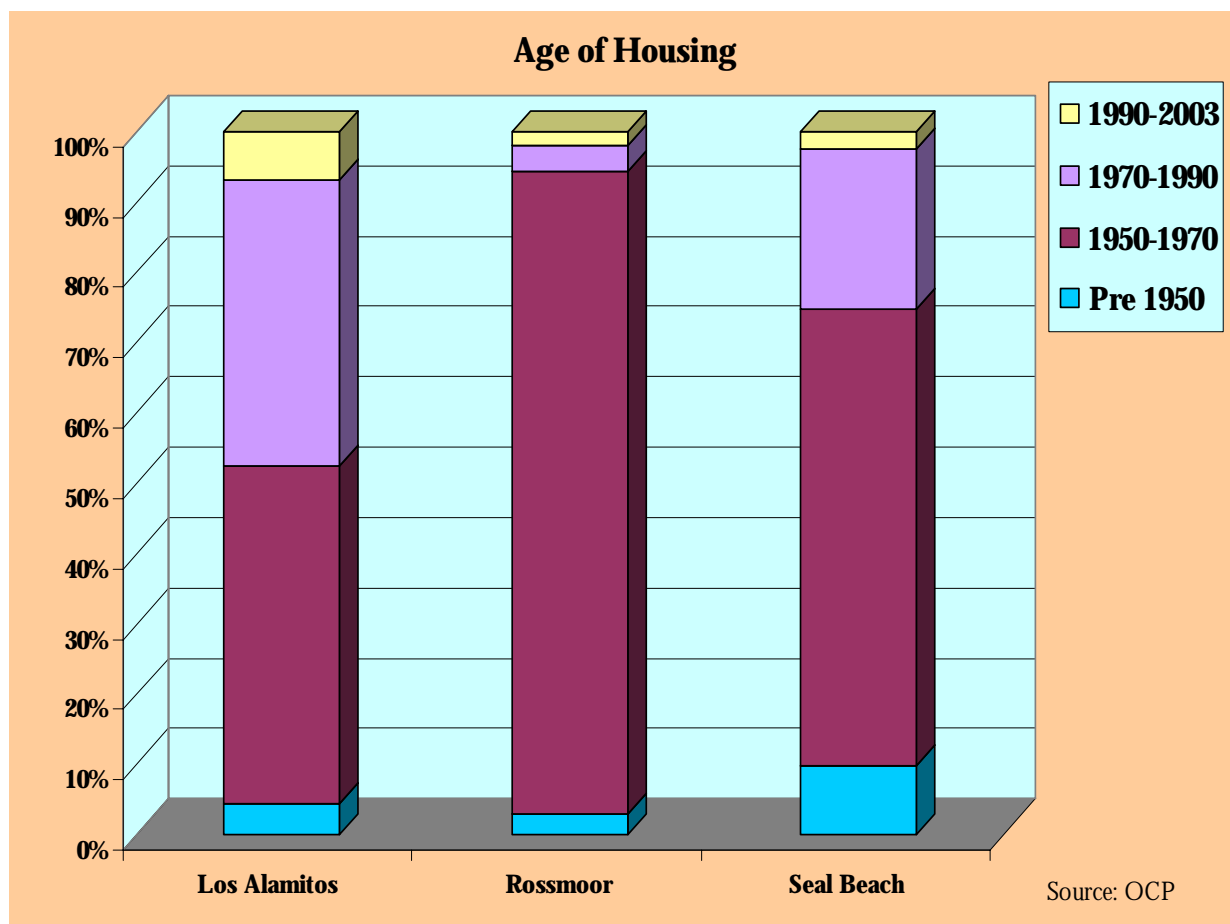




Table 4.7 - Housing Type

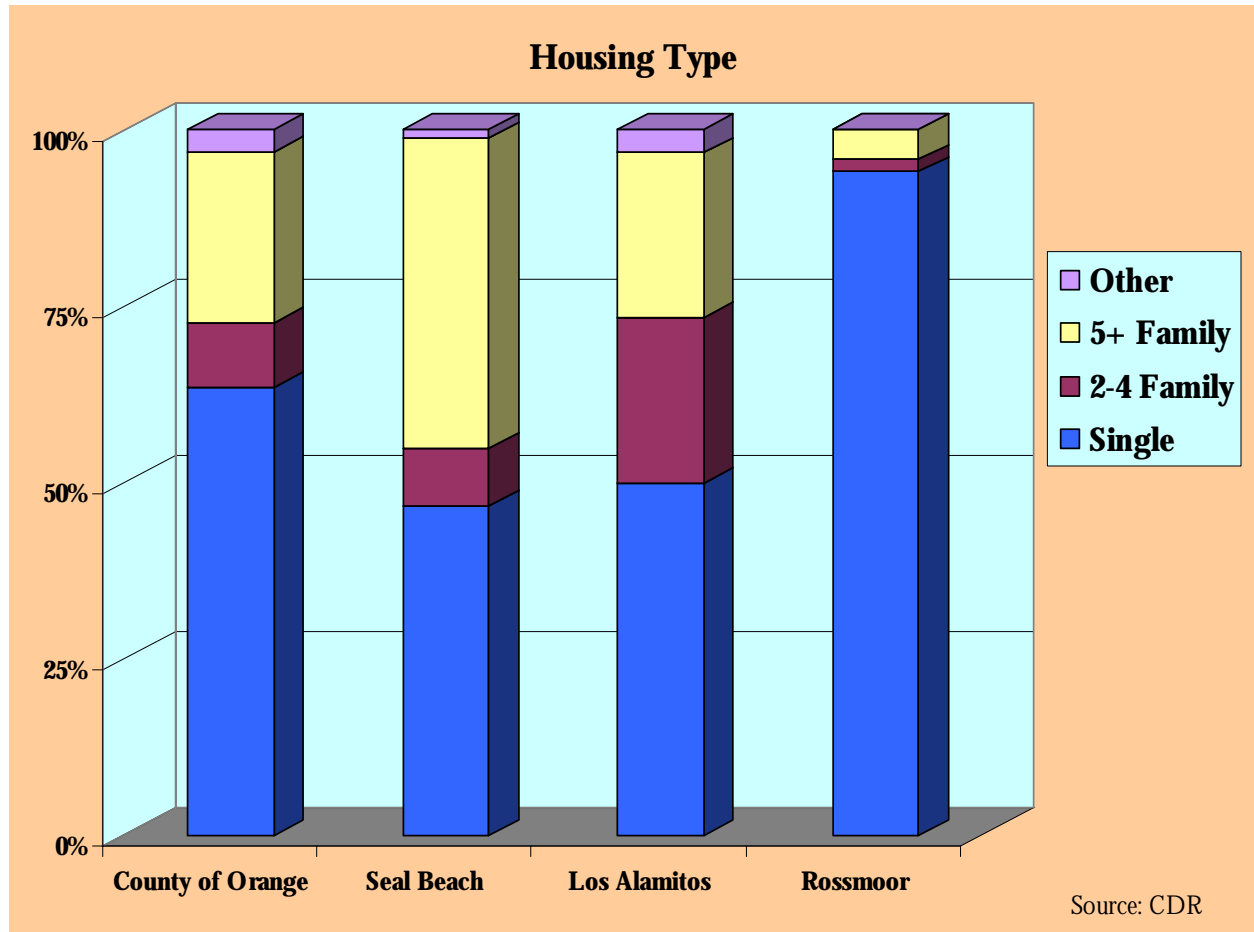
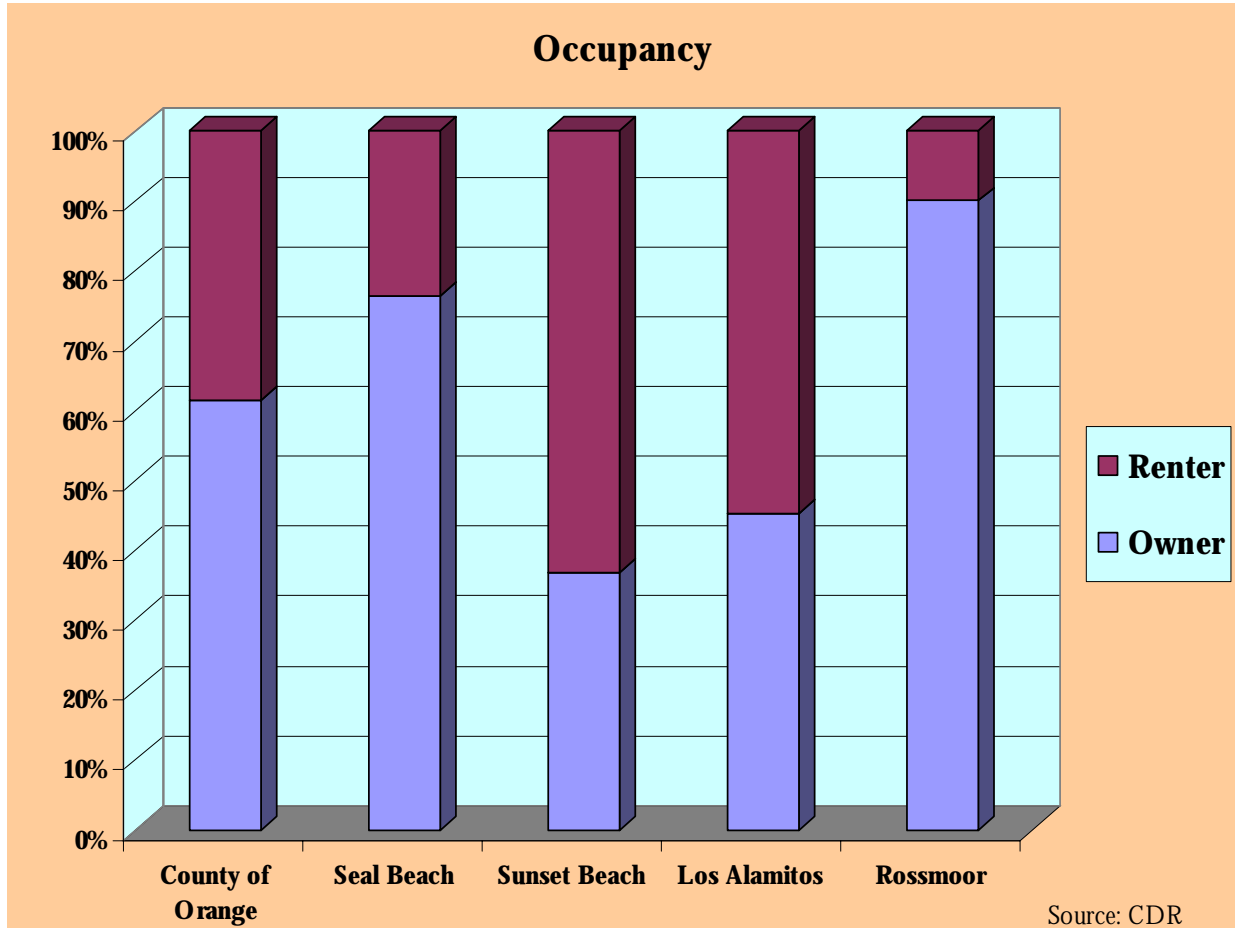




Table 4.8 - Occupancy





# Section 4.2:

## INFRASTRUCTURE NEEDS & DEFICIENCIES





# INFRASTRUCTURE NEEDS & DEFICIENCIES

This section of the MSR report provides an overview of the existing infrastructure in the MSR study area. Staff gathered the majority of the information used to complete this section from master plans, budget documents, and capital improvement plans supplied by the agencies. Infrastructure needs and deficiencies will be addressed by service in the following order:

- ❖ Water
- ❖ Wastewater
- ❖ Police
- ❖ Fire
- ❖ Parks, recreation & open space

## Water

### Overview

Three agencies (two public and one private) provide water service to the MSR study area: the City of Huntington Beach, City of Seal Beach, and the privately owned Southern California Water Company. The average age of the MSR study area's water infrastructure system is approximately 45 years. Water-related services provided by each of these agencies are shown in *Table 4.9* below.



**Table 4.9 – Water Services**

AGENCY	Water Service	Retail Domestic Potable Water	Wholesale Water	Water Treatment	Recycled-Reclaimed Water	Agricultural Water	Groundwater Management	Water Replenishment	Water Conservation
City of Huntington Beach	X	X							
City of Seal Beach	X	X							X
Southern California Water Company	X	X		X					

*Source(s): City of Huntington Beach; City of Los Alamitos; City of Seal Beach; Municipal Water District of Orange County; Southern California Water Company*

## Existing Water Service Providers

### City of Huntington Beach

The City of Huntington Beach provides water service to approximately 200,000 people. The city’s water service area includes the territory within its current boundaries as well as the Sunset Beach unincorporated area. The city receives 42% of its water supply from the Santa Ana River groundwater basin and 58% of its water supply is imported from the Metropolitan Water District and the Municipal Water District of Orange County.

Production of the city’s water comes from nine wells that vary in depth from 250 feet to 1,020 feet, with production varying from 450 gallons per minute to 4,000 gallons per minute. The water system has 537 miles of pipeline ranging in size from two inch to 42 inch.

### City of Seal Beach

The City of Seal Beach provides water service to approximately 29,000 people. The City receives 75% of its water from wells and pumping stations located within the city and imports 25% of its water from the Metropolitan Water District supplied and the Municipal Water District of Orange County.



The Seal Beach Water Division of the Department of Public Works maintains 66 miles of pipeline, three active groundwater wells, an active service connection with Metropolitan Water District, emergency interconnects, two reservoirs, and two booster stations.

### Southern California Water Company

The Southern California Water Company (So Cal) is a privately owned water purveyor that provides water to various communities throughout Southern California. So Cal's "Region II" is primarily based in Los Angeles County, serving more than 100,000 customer connections in 29 Los Angeles County cities and several unincorporated communities. A small portion of Region II extends into Orange County, providing private water service to the City of Los Alamitos and the unincorporated Rossmoor area.

Region II operates seven separate water systems consisting of more than 895 miles of distribution pipelines, meters and hydrants. Water delivered to customers' homes is surface water, groundwater pumped from local underground basins or a blend of the two sources. On average, 41 percent of the Region II water supply is pumped from 64 active, company-owned wells. The remaining water supply is surface water purchased from the Metropolitan Water District of Southern California through the West Basin and Central Basin Municipal Water Districts.

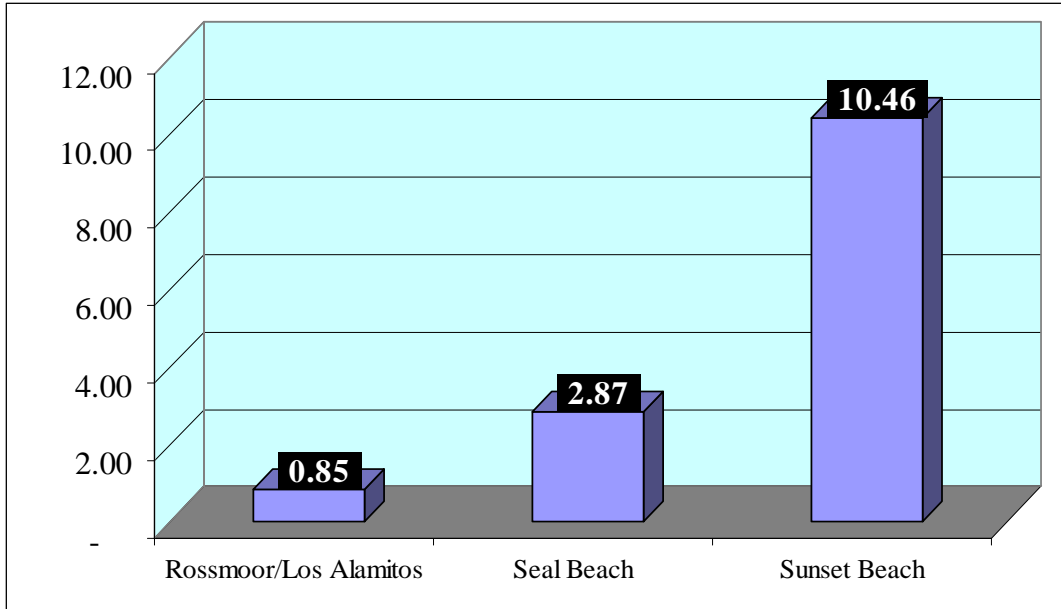
## Wastewater

### Overview

The areas located within the MSR boundary are served by public sewer infrastructures that flow through the City of Seal Beach, the Rossmoor/Los Alamitos Sewer District and the Sunset Beach Sanitary District. *Table 4.10* reflects operating expenditures per feet of pipeline. *Table 4.11* displays the feet of pipeline per capita.

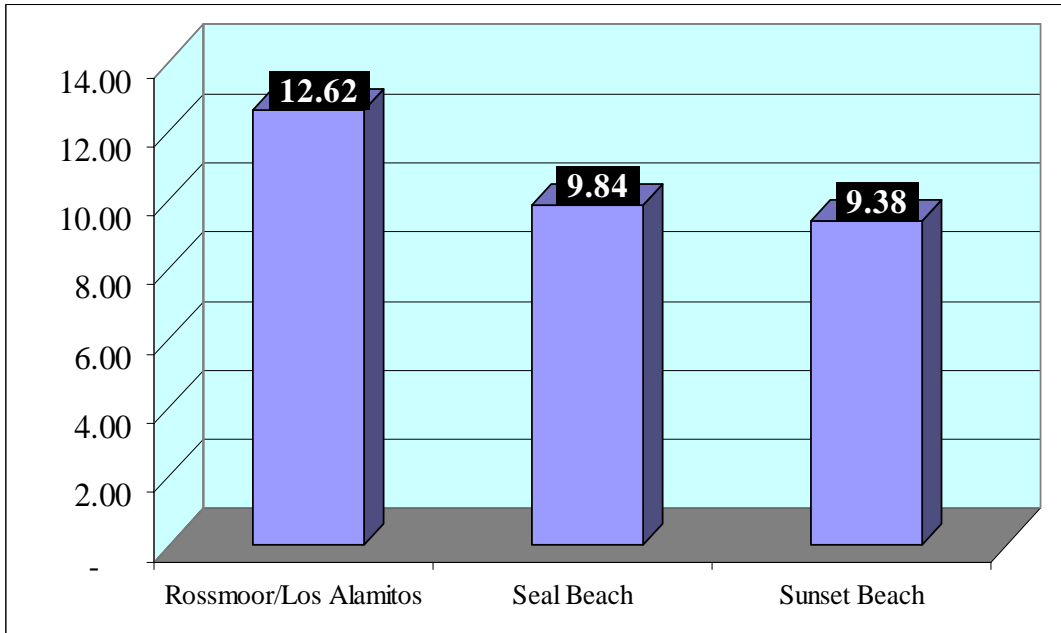


**Table 4.10 – Operating Expenditures per feet of pipeline (Dollars)**



Source(s): Sewer Master Plans for Los Alamitos, Seal Beach, Rossmoor/Los Alamitos Sewer District; Agencies' Audited Financial Statements (1994-2003); OCSD City and Agency Collection Facilities O&M Survey FY '02-03 Data

**Table 4.11 – Feet of pipeline per capita (Linear Feet)**



Source(s): Sewer Master Plans for Los Alamitos, Seal Beach, Rossmoor/Los Alamitos Sewer District; OCSD City and Agency Collection Facilities O&M Survey FY '02-03 Data



## Existing and Future Wastewater Service

### City of Seal Beach

The City of Seal Beach Public Works Department provides local sewer service to the northeast and southwest sections of Seal Beach and the unincorporated Sunset Aquatic Park, a County-owned recreation and boat launch facility located in the Huntington Harbour area. Within the current city limits but not served by the city's system are the communities of Leisure World, College Park West and Surfside. According to the OCSD City and Agency Collection Facilities O&M Survey FY '02-03 Data, the age range for the City of Seal Beach sewer system is from 1927-2000. Estimated population in the sewer service area is currently 15,751 and is expected to grow to 15,962 by the year 2020.

For over 50 years, Seal Beach was served by its own wastewater treatment plant located at the southwestern edge of the City. In 1972, this plant was demolished and the system was rerouted to the Orange County Sanitation District. Today, the City's system, made up of a network of gravity sewers, pump stations, and sewer force mains, consists of approximately 155,000 feet of pipe and 633 manholes.

The City of Seal Beach released its updated sewer master plan in February 1999 detailing the city's current and future sewer needs. The city identified various "hot spots", which include problem areas and sections of pipe that have been found to require frequent maintenance and cleaning or have experience recent breaks that require repair. The City's master plan states that many of these problems are related to grease. The City has adopted a new Fats, Oils and Grease Ordinance to set policy and enforcement of FOG in the City's sewer system.

Further, as part of its sewer master plan, the City of Seal Beach adopted a Capital Improvement Program to serve as a long-range planning tool for the wastewater infrastructure. The CIP identifies, prioritizes and includes cost analysis for several future projects.

### Rossmoor/Los Alamitos Sewer District

The Rossmoor/Los Alamitos Sewer District (RLASD) provides wastewater service to a population of approximately 24,780. Its service boundary encompasses the City of Los Alamitos, portions of the Cities of Seal Beach and Cypress, and the unincorporated community of Rossmoor. Approximately 33 percent of the District's service boundary is occupied by the United States Joint Forces Training Center. According to the OCSD City



and Agency Collection Facilities O&M Survey FY '02-03 Data, the age range for the Rossmoor/Los Alamitos Sewer District system is from 1954-2000.

Portions of the RLASD sewer system include approximately 297,740 lineal feet of pipe ranging from 8 to 18 inches in diameter and 1,086 manholes. According to the District's 2001 Sewer Master Plan Update, the ultimate build-out of the RLASD sewer system is projected to serve a population of approximately 30,530.

According to the OCSD City and Agency Collection Facilities O & M Survey for FY 02-03, the RLASD identified ten trouble spots within their system. The District identified roots, fats, oil, and grease to be the main causes of these troubled areas. RLASD stated that these problems are being addressed through their FOG control program and a Root X treatment test site.

It the District's 2001 Sewer Master Plan Update, RLASD identifies the life expectancy of the sewer system to be at least 30 years. With no major plans for additions or expansions, RLASD's expected annual operation and maintenance needs were approximated at \$57K in their most recent Master Plan.

#### Sunset Beach Sanitary District

The Sunset Beach Sanitary District provides wastewater service to a service population of approximately 2,500 persons that include the unincorporated Sunset Beach community and Surfside Colony (located in City of Seal Beach). According to the OCSD City and Agency Collection Facilities O&M Survey FY '02-03 Data, the age of the Sunset Beach Sanitary District sewer system ranges from 4 to 68 years.

The original sewer system and treatment plant (abandoned by the District in 1970) for the Sunset Beach Sanitary District was completed in 1937 and included 159.5 acres of service territory (including 44 acres located within the corporate limits of Seal Beach). The initial system included a gravity sewer system consisting of 6-inch, 8-inch, and 10-inch pipes, 64 manholes, and 24 lamp holes. Since initial installation of the system, the District has entered into an agreement involving the City of Huntington Beach and the Orange County Sanitation District regarding the abandoned treatment plant. The Sunset Beach Sanitary District currently provides wastewater collection along with refuge collection and disposal for its service population.

The Sunset Beach Sanitary District's most recent sewer master plan was released in February 2001. With a system that is currently built-out, the new PVC force main, which is used as the primary discharge line to transport wastewater from the District to the



sewer line of the City of Huntington Beach, is estimated to have a useful life of 35 years with little or no repair required. The secondary force main (constructed in 1936) has a present useful life exceeding ten years as it is presently used. In response to the FY 2002-2003 Orange County Sanitary District Survey, the District identified approximately 20 areas as “hot spots.” The District recognized fats, oils, and grease as the main causes of these troubled areas and stated that they are addressed through their control program for these issues. For FY 2003-2004, the District identified a budget of approximately \$54,000 for capital improvements to the sewer system.

## Police Protection

### Overview

Currently, four agencies provide police services to the MSR study area – the City of Los Alamitos Police Department, City of Seal Beach Police Department, Orange County Sheriff, and California Highway Patrol. The city police departments provide police protection for their respective boundaries as well as mutual aid upon request to its neighbors, while the Orange County Sheriff Department is responsible for providing patrol and investigative services to the Rossmoor and Sunset Beach areas. The California Highway Patrol is responsible for providing traffic enforcement and accident investigation *only* for Rossmoor and Sunset Beach.

Scott P. Bryant and Associates, a management consulting firm, completed a comparison study of the police agencies currently serving the MSR study area. The study includes an overview of the services provided by each agency and the associated costs. The information is based on a survey completed by the following agencies: The City of Los Alamitos Police Department and Orange County Sheriff Department. Information for the City of Seal Beach provided in this study was obtained from an independent study completed by the City of Seal Beach. The study is attached to this report and referenced as **Appendix D**.

### Existing Police Services

#### City of Los Alamitos

During 2003, the City of Los Alamitos Police Department provided police protection for a population of 11,536 persons. With a staff of 33 sworn officers, the department



responded to approximately 9,000 calls in 2003, ranging from low to high priority in nature, with an average response time of approximately 3 to 4 minutes for high priority incidents. The City maintains its own police department with an annual per capita expenditure of \$189.75. This per capita cost for police protection services, while higher than both the City of Seal Beach (\$106.32) and Rossmoor (\$106.71), is significantly lower than Sunset Beach (\$727.68).

### City of Seal Beach

During FY 2003-2004, the City of Seal Beach Police Department provided police protection for a population of 24,157 residents. The city maintains a staff of 24 sworn officers and responded to approximately 26,299 calls during FY 2003-2004 at an average of 4 to 5 minutes for high priority calls. The City of Seal Beach's annual per capita expenditure for police services is \$106.52, the lowest of the four communities within the MSR study area.

### Orange County Sheriff Department

During FY 2003-2004, the Orange County Sheriff Department provided patrol and investigative services to the Rossmoor and Sunset Beach communities (approximately 12,763 persons). With slightly less than 5,000 calls from both communities, the average response time of the OC Sheriff to these areas was approximately 11 minutes for high priority calls.

### California Highway Patrol

Comparable information regarding traffic and accident services provided by the California Highway Patrol for the Rossmoor and Sunset Beach areas was not available.

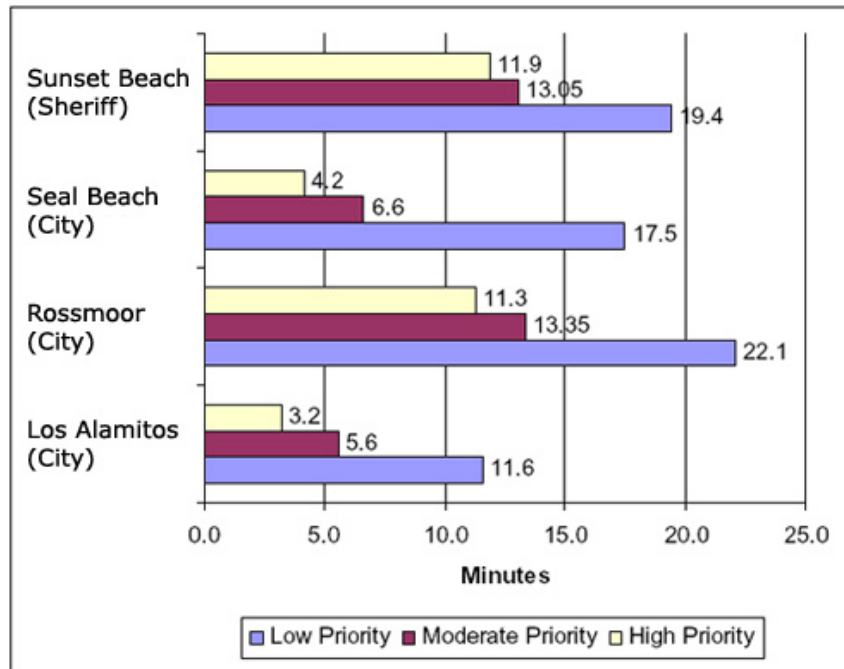
The following tables represent some of the comparison data provided in the study for the MSR study area.



**Table 4.12 – Response Time to Call for Service for MSR Study Area**

**Patrol Service Comparison**

*Response Time to Calls for Service*



**Table 4.13 – Patrol Calls for Service Per Capita for MSR Study Area**

**Patrol Service Comparison**

*Calls for Service per 1,000 population*

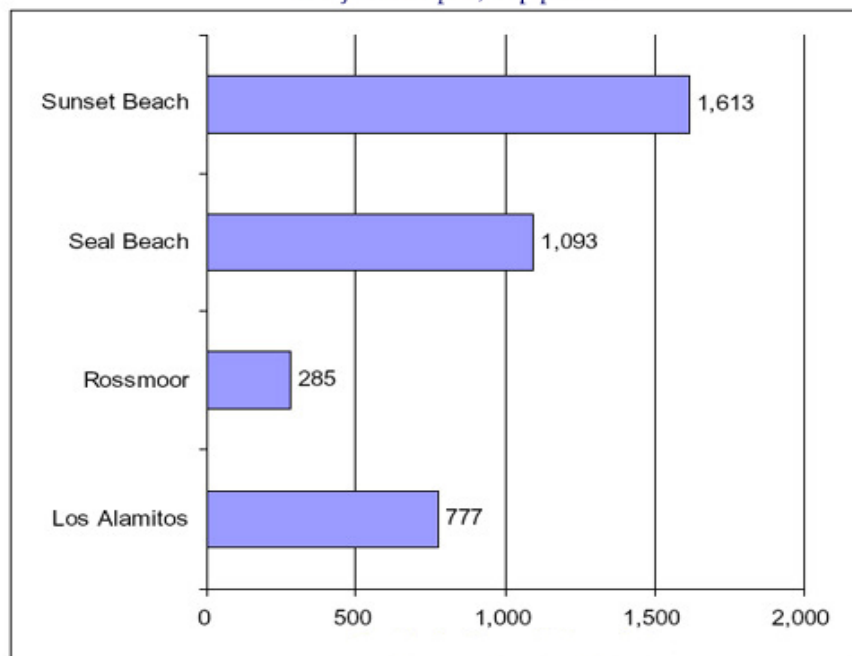
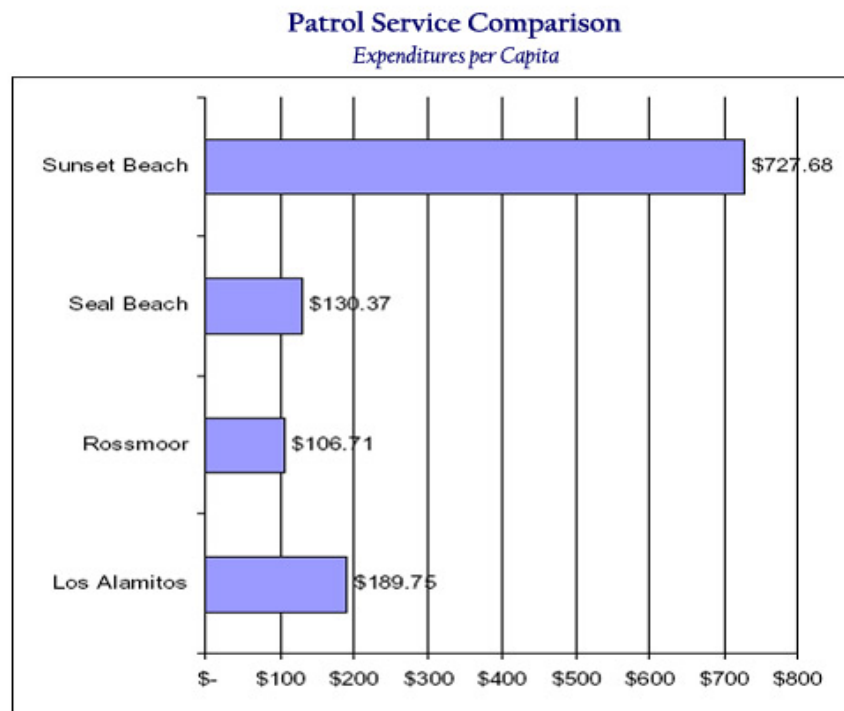




Table 4.14 – Costs Per Capita for Patrol Services for MSR Study Area



## Fire Protection

### Existing Fire Services

The Orange County Fire Authority (OCFA) provides fire protection services to the entire MSR study area. Funding for these services for the City of Los Alamitos and the unincorporated areas of Rossmoor and Sunset Beach are provided for through an apportionment of the property taxes paid by the residents of these areas. The City of Seal Beach receives fire protection services from OCFA through a contractual agreement that is updated and revised annually.

Currently, there are four OCFA stations located within the MSR study area. One of the stations (located within the Sunset Beach community) is maintained by civilian staffing. The average response time of OCFA within the MSR study area is up to 5 minutes. Table 4.15 displays the costs of fire services compared with the revenue allocated for these services for the Los Alamitos, Rossmoor, and Sunset Beach areas. Table 4.16 includes the costs of services for these areas and the City of Seal Beach.



Table 4.15 - OCFA Property Tax Pass, Through vs. Expenses

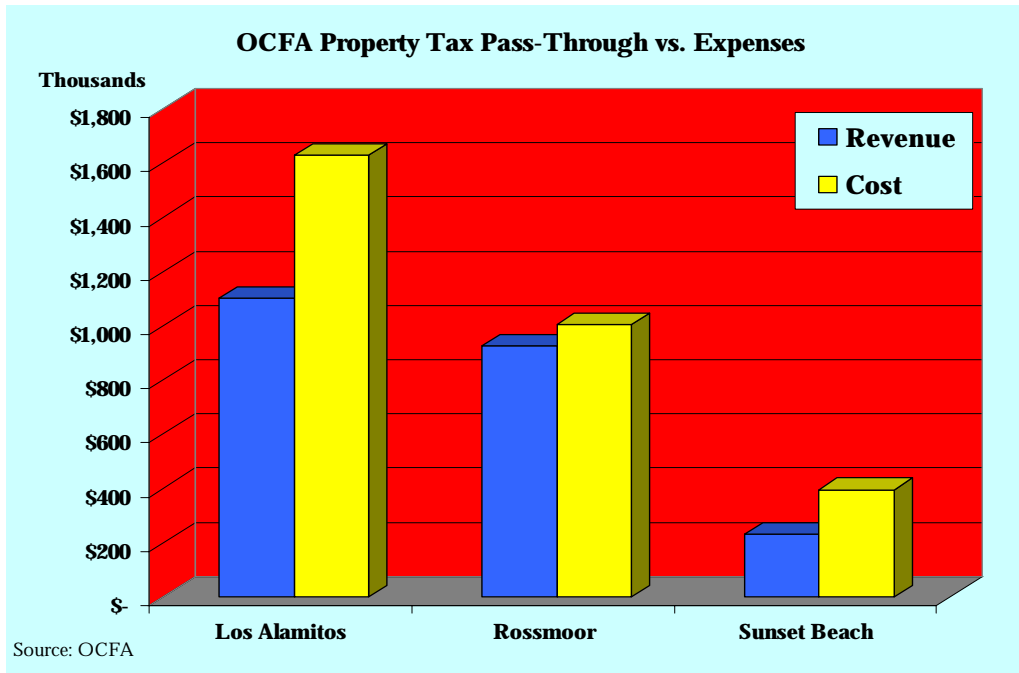
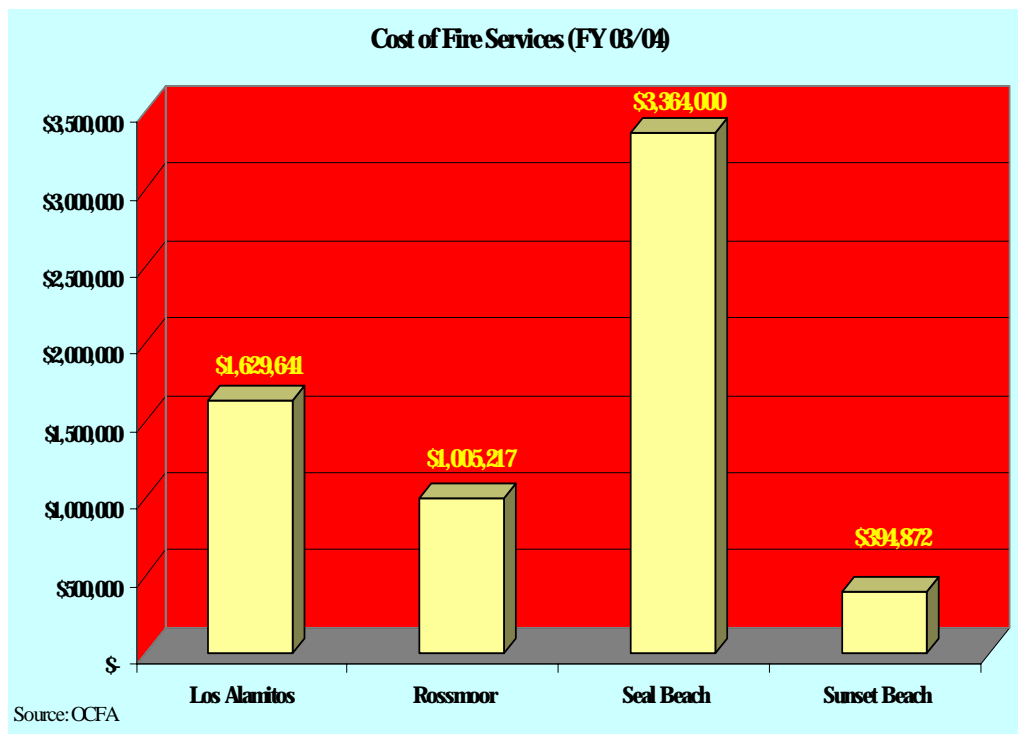


Table 4.16 - Cost of Fire Services (FY 03/04)





## Parks, Recreation, & Open Space

### Overview

The MSR study area includes approximately 184 acres of parks, recreation and open space. Parks and recreational facilities account for 89 of this total acreage and approximately 95 acres include the beach areas located within the City of Seal Beach and Sunset Beach. *Table 4.17* represents a comparison of the parks and recreational programs and services offered by agencies and communities within the MSR study area. *Table 4.18* and *Table 4.19* represent the total acreage per 1,000 residents for each area and the annual maintenance costs per acreage for parks, recreation and open space lands.

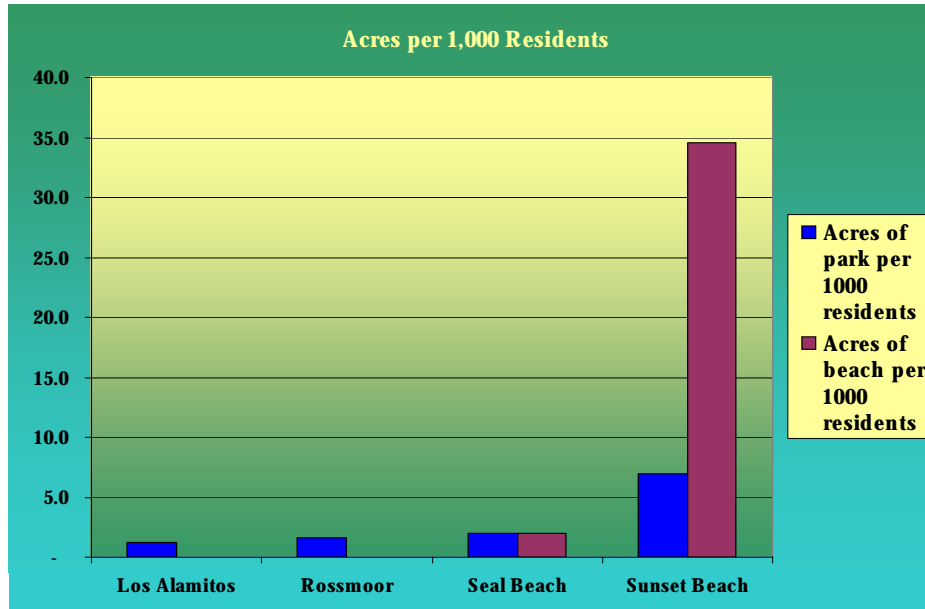
**Table 4.17 - Comparison of Parks and d Recreational Services and Programs**

Service	Los Alamitos	Seal Beach	Rossmoor	Sunset Beach
Sports Clubs:				
Acquatics	X	X		
Tennis	X	X		
Basketball	X	X		
Skate park		X		
Access to sports facilities	X	X	X	X
Classes	X	X		
Senior Services:				
Meals	X	X		
Other services	X	X		
After school programs	X	X		
Special events	X	X	X	X
Summer camp	X	X	X	
Private parties		X	X	X
FY 03/04 Budget	\$ 1,182,900	\$ 689,000	\$ 15,000	

Source(s): *General Plans for Los Alamitos, Seal Beach; LAFCO MSR Questionnaires; Seal Beach, Los Alamitos, Rossmoor/Los Alamitos Sewer District Websites; Agencies' Audited Financial Statements (1994-2003)*

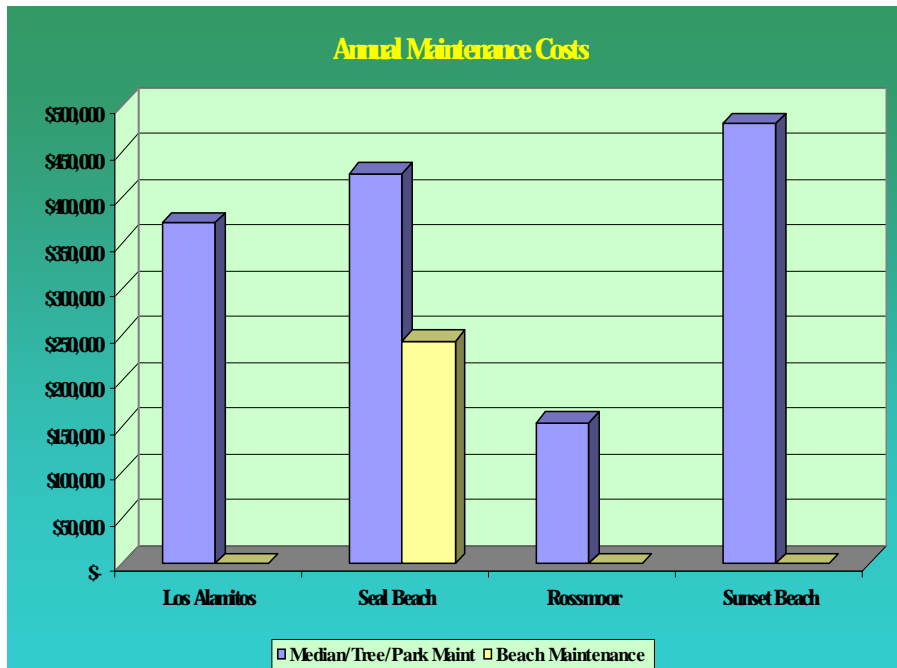


**Table 4.18 – Acreage of Parks and Beaches per 1,000 Residents**



Source: Cities' General Plans; Rossmoor Community Services District; Cities' Websites; County of Orange, Planning Facilities and Resource Development Division (2001)

**Table 4.19 – Parks and Beaches Annual Maintenance Costs**



Source: Cities' & Agencies' Audited Financial Statements; Cities' & Agencies' Budgets; County of Orange, Planning Facilities and Resource Development Division (2001)



## Existing Park and Recreation Services

### City of Los Alamitos

Currently, the City of Los Alamitos has 14.27 acres of land devoted to public park use in eight different parks. An additional 17 acres of parkland would be required to meet the City's General Plan goal of 2.5 acres of park per 1,000 residents. Five of the parks are less than one-acre in size and are largely devoted to children's play areas. The City has also secured additional park and recreational facilities for public use through the adoption of "facilities/joint use agreements" with the Los Alamitos School District. Use of these facilities is limited and none are available during school hours when school is in session. The City of Los Alamitos also includes a community center and the US National Polo Training Center. The city provides recreational services that include but are not limited to after-school programs, summer camps, and senior services. For FY 2003-2004, the budget for parks and recreational services was \$1,182,900.

### City of Seal Beach

The City of Seal Beach has approximately 49 acres of parks and recreational lands and 50 acres of open space that consists of public beach lands. The City maintains 15 public parks and facilities that include community and senior centers and a skate park. In addition to City-owned facilities, the following private recreation facilities and open space areas exist within the community: Sunset Marina, 19.2 acres operated by the County of Orange; Old Ranch Country Club, 146.4 acres operated by Bixby Ranch Company; and Seal Beach National Wildlife refuge, 920 acres, located within the Seal Beach Naval Weapons Station and managed by the United States Department of Fish and Wildlife. Seal Beach provides a number of recreational services to residents that include sports and after-school programs, summer camps, and senior services. For FY 2003-2004, the budget for parks, recreational services and maintaining of beach areas was approximately \$1,697,676.

### Rossmoor Community Services District

The Rossmoor Community Services District (RCSD) provides parks and recreation services, street lighting, median landscaping maintenance, street sweeping and parkway tree planting, trimming and removal services to the residents of Rossmoor. The Rossmoor area includes two parks and a community center. The RCSD hosts events and activities that include summer camps, access to sporting facilities and other special



community events. For FY 2002-2003, the RCSD costs for providing the above services was approximately \$154,000.

#### County of Orange – Sunset Beach

The Sunset Beach community includes approximately 54 acres of parks, recreation and open space lands. Approximately nine acres consist of park area, and the beach area accounts for 45 acres. The funding of the maintenance of these areas within the Sunset Beach community is provided by the County of Orange, Harbors, Beaches and Parks service area fund (CSA 26) which boundary is coterminous with the County of Orange boundary, including both unincorporated and incorporated areas. For FY 2002-2003, approximately \$481,000 was expended on maintenance of the park and open space areas within Sunset Beach.



# Section 4.3:

## FINANCING CONSTRAINTS & OPPORTUNITIES





# FINANCING CONSTRAINTS & OPPORTUNITIES

This determination addresses the various costs to agencies to provide municipal services and the resources available to fund these services. LAFCO, with the assistance of professional consultants, completed a preliminary assessment of the fiscal condition of the public agencies serving the MSR study area. Additionally, LAFCO evaluated how potential changes in service provision, government organization and funding may help these agencies continue to provide quality municipal service levels.

As referenced earlier in this report, the two key challenges for the MSR study area identified by the SWG are “fiscal” and “governance.” Because of the correlation of the fiscal and governance issues, a more detailed discussion of the financing opportunities is included in the “Governance Structure and Services Options” section.

## Statewide/Regional Fiscal Trends

Currently, local governments at all levels find themselves under considerable stress as they try to maintain municipal services while struggling with growth and development, dynamic economic conditions, and the continued reduction or shifting of revenues due to State’s budget difficulties. The funding structure for local government, including cities, counties and special districts, significantly changed in 2004. The Budget Act of 2004, and subsequently the voters’ approval of Proposition 1A, implemented a number of changes in how local revenues are allocated both permanently and temporarily to help the State address its ongoing budget crisis. The four primary tax and revenue funds involved are Sales Tax, Vehicle License Fees (VLF), property taxes, and Educational Revenue Augmentation Funds (ERAF). Cities, counties, special districts and redevelopment agencies will be contributing \$1.3 billion each year for two years (FYs 04-05 and 05-06) to help the State’s finances. This \$2.6 billion in local revenue will *not* be repaid to any of the agencies. A detailed description of the changes in local government funding and its impacts on incorporations and annexations, prepared by the consulting firm of Dudek & Associates, is included as **Appendix E** to this report.



Against this background of declining or, at best, modestly increasing revenues, costs of services continue to increase, driven by resident and business demands for improved and expanded services and increased employee costs associated with increasing health care and retirement costs. To the extent that these adverse trends continue in the future, it is likely that service levels will be adversely affected. Changes in service provision, government organization and the way services are funded can potentially offset declines in levels of service.

## Background

With population increasing along with the need for services, public agencies struggle with how to continue to provide quality level of services amidst a declining revenue stream. As the growth and demand for service increase, many local agencies are experiencing fiscal stress and are looking at opportunities to address the adverse impacts on their service levels.

Tables 4.20-4.26 provide a brief financial overview for the public agencies and communities within the MSR study area. The information shown below includes the "Total Revenue" generated and "Total Expenses" incurred each fiscal year by the respective agencies. The "Surplus/Deficit" category represents the total revenues less the total expenses for the fiscal year. The "Reserves" category indicates the fund balance ( $Total Revenue - Total Expenses + CIP Expenses$ ).

**Table 4.20 - City of Los Alamitos**

Based on the information provided below, the City of Los Alamitos' revenues appear to be declining while expenditures are generally static.

Fiscal Year	Total Revenue	Total Expenses	Surplus/ (Deficit)	Reserves
2000-2001 (actual)	\$11,886,483	\$10,237,719	\$1,987,266	\$9,251,501
2001-2002 (actual)	\$13,672,960	\$11,967,426	\$3,468,331	\$10,957,035
2002-2003 (actual)	\$12,850,066	\$11,827,466	\$3,130,830	\$11,979,635
2003-2004 (projected)	\$11,859,490	\$11,656,818	\$2,918,294	\$12,182,307

Source(s): City of Los Alamitos Audited Financial Statements (1994-2003)  
 City of Los Alamitos 2004 Budget



**Table 4.21 - City of Seal Beach**

Based on the information provided below, it appears that the City of Seal Beach has declining operating revenues and has been reducing non-capital improvement costs revenues. The city appears to be operating in a deficit annually, supplementing the budget with reserves to end up with a balanced budget.

Fiscal Year	Total Revenue	Total Expenses	Surplus/ (Deficit)	Reserves
2000-2001 (actual)	\$35,611,448	\$36,602,954	(\$991,506)	\$529,598
2001-2002 (actual)	\$37,490,008	\$33,896,653	\$2,593,355	\$3,122,953
2002-2003 (actual)	\$29,852,941	\$26,043,170	\$3,847,927	\$35,699,256
2003-2004 (projected)	\$23,888,933	\$30,716,300	(\$6,802,367)	

Source(s): City of Seal Beach Audited Financial Statements (1994-2003)  
City of Seal Beach 2004 Budget

**Table 4.22 - Rossmoor Community Services District**

Based on the information provided below, revenue resources for the Rossmoor CSD have increased by approximately 9% and expenditures have increased by almost 10% in the previous three fiscal years.

Fiscal Year	Total Revenue	Total Expenses	Surplus/ (Deficit)	Reserves
2000-2001 (actual)	\$717,750	\$625,932	\$91,818	\$1,126,332
2001-2002 (actual)	\$821,561	\$771,183	\$50,378	\$1,176,687
*2002-2003 (projected)	\$865,607	\$764,293	\$101,314	\$1,278,001
2003-2004 (projected)	\$915,656	\$768,675	\$146,981	\$1,424,982

Source(s): Rossmoor Community Services District Audited Financial Statements (1997-2002)

\*Note: Because the RCSD did not provide financial statements for FY 02/03, the revenues, expenditures, and reserves indicated above are projections and are estimated based on the prior seven years of financial statements.



**Table 4.23 – Rossmoor/Los Alamitos Sewer District**

Based on the information provided below, Rossmoor/Los Alamitos Sewer District experienced a decrease of approximately 3% in revenues for periods ending in 2001 and 2002. The District experienced a slight increase in revenues of less than 1% during the most recent three fiscal years.

Fiscal Year	Total Revenue	Total Expenses	Surplus/ (Deficit)	Reserves
2000-2001 (actual)	\$444,392	\$386,586	\$57,806	\$1,735,876
2001-2002 (actual)	\$303,807	\$192,426	\$111,381	\$1,847,257
2002-2003 (actual)	\$326,892	\$302,139	\$24,753	\$1,872,010
2003-2004 (projected)	\$336,901	\$217,792	\$119,109	\$1,991,119

Source(s): Rossmoor/Los Alamitos Sewer District Audited Financial Statements (1994-2003)

**Table 4.24 – Sunset Beach Sanitary District**

Based on the information provided below, the Sunset Beach Sanitary District revenues appear to remain stagnant with slight increases to the expenses. The annual deficits indicate that the District is supplementing with funds from reserves to achieve a balanced balance.

Fiscal Year	Total Revenue	Total Expenses	Surplus/ (Deficit)	Reserves
2000-2001 (actual)	\$653,747	\$586,498	\$67,249	\$739,825
*2001-2002 (actual)	\$550,436	\$554,451	(\$4,015)	\$735,811
*2002-2003 (actual)	\$550,436	\$554,451	(\$4,015)	\$731,796
2003-2004 (projected)	\$622,940	\$632,901	(\$9,961)	\$721,835

Source(s): Sunset Beach Sanitary District Audited Financial Statements (1993, 1995, 1997, 1999, 2001, 2003)

\*Note: Because SBSB issues multi-year audited financial statements, the amounts indicated above for FYs 2001-2002 and 2002-2003 were divided by 2.



**Table 4.25 – Community of Rossmoor (\*Services provided by the County of Orange)**

FY 2002-2003 REVENUES	
Property Taxes	\$540,319
Sales Tax	\$212,100
Motor Vehicle	\$567,180
Other Revenues	\$669,961
<b>TOTAL REVENUE:</b>	<b>\$1,989,560</b>
FY 2002-2003 EXPENSES (Costs to County)	
Police Services	\$1,102,674
Street Maintenance	\$519,075
Other (Planning, Insurance)	\$642,182
<b>TOTAL EXPENSES:</b>	<b>\$2,263,931</b>
<b>SURPLUS/DEFICIT:</b>	<b>(\$272,371)</b>

Source(s): County of Orange – Auditory Controller Revenue Impact Analysis (February 27, 2004); County of Orange – Resources & Development Management Department (March 23, 2004); August 21, 2001 Fiscal Feasibility Report (prepared by Rosenow Spevacek Group, Inc.)

**Table 4.26 – Community of Sunset Beach (\*Services provided by the County of Orange.)**

FY 2002-2003 REVENUES	
Property Taxes	\$169,416
Sales Tax	\$175,180
Motor Vehicle	\$70,254
Other Revenues	\$154,709
<b>TOTAL REVENUE:</b>	<b>\$569,559</b>
FY 2002-2003 EXPENSES (Costs to County)	
Police Services	\$892,864
Street Maintenance	\$92,627
Other (Planning)	\$92,220
Beach and Park Maintenance	\$480,760
<b>TOTAL EXPENSES:</b>	<b>\$1,558,471</b>
<b>SURPLUS/DEFICIT:</b>	<b>(\$988,912)</b>

Source(s): County of Orange – Auditory Controller Revenue Impact Analysis (February 27, 2004); County of Orange – Resources & Development Management Department (March 23, 2004)



# Section 4.4:

## COST AVOIDANCE, SHARED FACILITY OPPORTUNITIES, & MANAGEMENT EFFICIENCIES





# COST AVOIDANCE, SHARED FACILITY OPPORTUNITIES, & MANAGEMENT EFFICIENCIES

This determination addresses administrative, operational or management practices that result in cost savings or efficiencies or that improved the provision of services. In addition, instances where agencies collaborated, shared staff, processes or facilities to save costs or promote more efficient service provision has also been included. LAFCO assessed general processes and procedures for maintaining the agency and delivering services to the public. LAFCO also looked for quality improvement programs, a short/long range strategic plan and other processes agencies use in making improvements to services, operations and programs.

*Table 4.27 - Shared Facilities/Cost Avoidance*

Shared Facilities, Cost Avoidance Opportunities and Management Efficiencies	Prepares Annual Audit or CAFR	Number of Employees	Prepares Master Plan for Services Provided	Currently Participating in Shared Facilities
City of Los Alamitos	X	58	X	X
City of Seal Beach	X	79FT; 20-70PT	X	X
Rossmoor CSD		4		
Sunset Beach Sanitary District		1FT; 3PT	X	
Rossmoor/Los Alamitos Area Sewer District	X	1	X	
County of Orange	X	18,000	X	

The following sections describe the current services provided by the agencies and notes areas where the agencies reduce costs and improve efficiencies. Some services are provided on a regional basis. For example, the Orange County Fire Authority (OCFA) provides fire protection services to the entire MSR study area.



## City of Los Alamitos

The City of Los Alamitos contracts with private companies for tree trimming, engineering, building permit and plan check services. Recently, the City entered into a joint powers agreement with the Cities of Seal Beach and Cypress to form a centralized police dispatch center (WESTCOM) which serves all three cities from a single dispatch center located in Seal Beach. A single branch library, operated by the County, which is located within Seal Beach, serves the City.

The City contracts with the City of Long Beach for animal control services.

The City of Los Alamitos may benefit from exploring other options for implementing shared services and/or use of facilities. Police, sewer, animal control and park and recreation programs should be explored with other agencies in the MSR area.

## City of Seal Beach

The City of Seal Beach is a full service city, but does contract for certain municipal and administrative services: building and safety, parks maintenance, street sweeping and human resources. Recently, the City entered into a joint powers agreement with the Cities of Los Alamitos and Cypress to form a centralized police dispatch center (WESTCOM) which serves all three cities from a single dispatch center located in the Seal Beach Police Department Headquarters. The City provides its own retail water and sewer service as well as providing its own animal control department. Two branch libraries, operated by the County, and a library acquired by the Leisure World Community and privately operated by Leisure World serves the City.

The City of Seal Beach may benefit from exploring other options for implementing shared/services and/or use of facilities. Police, sewer, park, beach maintenance, animal control and recreation programs should be explored with other agencies in the MSR area.

## Sunset Beach Sanitary District

The Sunset Beach Sanitary District was formed in 1930 and provides sewer and refuse collection services to Sunset Beach and the Surfside Colony (located adjacent to Sunset Beach but within the City of Seal Beach), and a small portion of Huntington Beach adjacent to Huntington Harbour. The district provides 890 sewer connections in Sunset



Beach, 273 connections in Surfside Colony and 31 connections in Huntington Beach. The total service area is approximately 160 acres and the number of residents served total approximately 2,500.

The Sunset Beach Sanitary District employs four employees, one full-time and three part-time. The district contracts for refuse collection with a private company, Rainbow Disposal, and to private companies for sewer line cleaning, maintenance and equipment repair. Annual expenditures per capita for the Sunset Beach Sanitary District (\$138) far outpace the other sewer agencies within the MSR study area that average \$17 per capita.

The Sunset Beach Sanitary District may benefit from exploring other options for implementing shared services and/or use of facilities. The district's high per capita expenditures compared to other sewer agencies in the area suggest that economies of scale could reduce the overall per capita cost of service.

## Rossmoor/Los Alamitos Area Sewer District

The Rossmoor/Los Alamitos Area Sewer District provides sewer collection services for the City of Los Alamitos, Rossmoor, and small portions of Seal Beach, Cypress and Long Beach. Formed in 1952, the district service approximately 25,000 residents over a 6.2 square mile service area.

The district contracts with private companies for video inspection, sewer line maintenance, engineering, legal and emergency services. The Rossmoor/Los Alamitos Area Sewer District Sunset Beach Sanitary District may benefit from exploring other options for implementing shared sewer services and/or use of facilities with the Cities of Los Alamitos and/or Seal Beach.

## Rossmoor Community Services District

The Rossmoor Community Services District (CSD), formed in 1986, serves the unincorporated community of Rossmoor and provides the following services: park and recreation services, street lighting, median landscape maintenance, street sweeping, parkway tree maintenance and maintenance of the Rossmoor community wall. The CSD serves approximately 10,300 residents in an area approximately 1.54 acres in size. The CSD contracts with private companies to provide street sweeping and landscaping services.



The Rossmoor CSD may benefit from exploring other options for implementing shared services and/or use of facilities to expand and enhance park and recreation activities and increase the level of police/sheriff service in Rossmoor.

## County of Orange

The County of Orange is responsible for providing planning, code enforcement, street maintenance, parks maintenance, median landscaping, beach maintenance, and sheriff services to the unincorporated communities of Rossmoor and Sunset Beach. The County operates two of the three branch libraries located in the Seal Beach area. The Orange County Fire Authority provides fire protection services to the entire MSR study area.

The County may benefit from exploring other options for shared services and/or facilities. Sheriff/police, parks and recreation, beach maintenance, and other services should be explored, including contracting with adjacent cities to provide municipal services to both Sunset Beach and Rossmoor.



# Section 4.5: OPPORTUNITIES FOR RATE RESTRUCTURING





# OPPORTUNITIES FOR RATE RESTRUCTURING

## Introduction

Funding for municipal services generally fall into two categories – fee-based services (e.g., water service, sewer service, building permits, recreation classes, development impact fees, etc.) and those services funded through a combination of property taxes, general fund revenues, grants, proceeds from bonds, and other income sources (e.g., police and fire protection). This section of the MSR report examines the study area's fee-based services for water and sewer service.

A fee, or rate, is a charge imposed on an individual or group for a service provided. A fee may not exceed the estimated reasonable cost of providing the particular service or facility for which the fee is charged, plus overhead. In the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach MSR, fees are primarily collected for water and sewer services.

## Water Rates

Water service is capital intensive, and capital needs, financing costs, and the revenue available to an agency directly affect service providers' rates. Specific water rates are dependent upon a variety of factors unique to each agency. In determining its retail water rates, a service provider must factor in both its external and internal costs. External costs include things such as water treatment, purchase and storage. Internal costs include the water delivery system and customer service (e.g., billing, meter reading, etc.), as well as general and administrative expenses, including insurance, facilities, and staff costs.

Water agencies typically receive their funding from water sales, service charges, fees and investment earnings on funds set aside. For some agencies, tax revenues from the general 1% property tax levy are another funding source. Certain funding sources – connection charges, voter authorized taxes and assessments, development impact fees, standby charges, redevelopment funds, and grants among them – are restricted for



capital improvements. However, if a water agency lacks adequate funds for the required capital improvements, it may increase fees charged to the ratepayer including charges for capital investments and repairs.

**Table 4.28 - Retail Water Agencies**

Retail Water Agency	Area Served
Southern California Water (private)	City of Los Alamitos, Rossmoor
City of Seal Beach	City of Seal Beach
City of Huntington Beach	Sunset Beach

## Water Agencies in the Los Alamitos/Seal Beach/Sunset Beach/Rossmoor Focus Area

In Orange County, and particularly in the Seal Beach/ Los Alamitos/Seal Beach/ Rossmoor MSR area, rates are impacted by other factors unique to the region. Specifically, the area’s three retail water providers purchase water wholesale at rates determined annually by the Municipal Water District of Orange County (MWDOC)

Other factors impacting the water agencies’ rates within the focus area include the individual agency’s proximity to MWD lines, pumping required to lift the water to higher elevations (especially significant given increases in electricity), provision of sufficient storage, age of system, recycling and treatment.

The following chart shows the sources of water used by the retail agencies in the MSR study area. All three providers are located within the Santa Ana River Basin and receive their water from OCWD.

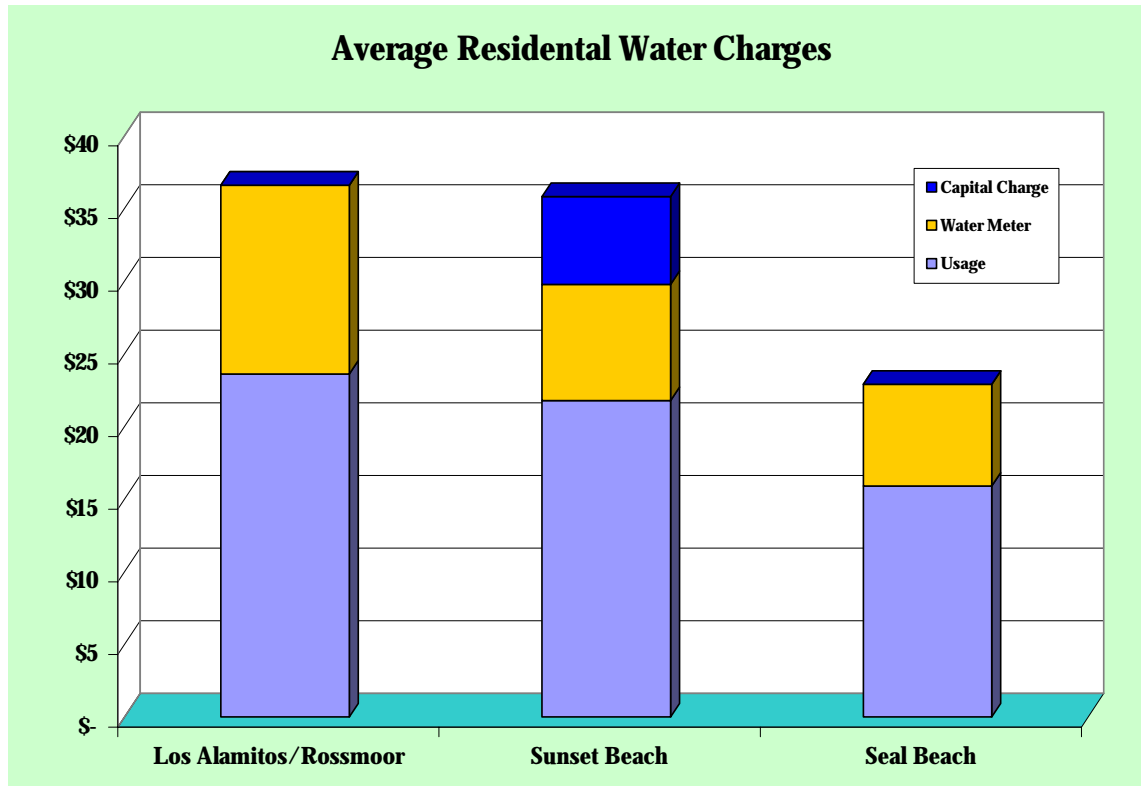
**Table 4.29 - Sources of Water**

Agency	MWD	Groundwater	Surface	Recycled
SC Water Co. (private)	44%	56%	0%	0%
City of Seal Beach	25%	75%	0%	0%
City of Huntington Beach	58%	42%	0%	0%



Given the wide range of factors that affect the rates set by water agencies, *Table 4.31 Retail Water Rate Comparison in Los Alamitos/Seal Beach/Sunset Beach/Rossmoor Area* should be used as a generalize comparison of water rates among agencies.

**Table 4.30 – Retail Water Rate Comparison**



Source(s): City of Huntington Beach; City of Los Alamitos; City of Seal Beach; Municipal Water District of Orange County; Southern California Water Company

## Wastewater

The Orange County Sanitation District (OCSD) operates and maintains a 475-mile long regional wastewater conveyance system as well as some local sewer lines and facilities. Three other local sewer agencies currently provide sewer service in the MSR study area, the City of Seal Beach, the Rossmoor/Los Alamitos Area Sewer District, and the Sunset Beach Sanitation District. The table below depicts the service area for each of the three local sewer providers.



**Table 4.31 – Sewer Agencies**

Sewer Agency	Service Area
Rossmoor Los Alamitos Area Sewer District	Rossmoor City of Los Alamitos City of Seal Beach (portion)
City of Seal Beach	Seal Beach
Sunset Beach Sanitary District	Sunset Beach, Surfside, Huntington Beach (portion)

Table 4.32 provides a comparison of sewer operations and costs per capita among the three sewer agencies within the MSR study area.

**Table 4.32 – Sewer District Comparison**

	RLASD	City of Seal Beach	SB Sanitary District
<b>No. of Employees</b>	1	3.9	2.5
<b>Service Population</b>	23,600	15,750	2,500
<b>No. of Pump Stations</b>	0	8	2
<b>FY 02/03 Cost*</b>	\$252,429	\$444,904	\$213,295**
<b>Cost per Capita</b>	\$10.69	\$28.24	\$138.12

\* Excludes capital projects

\*\* Cost shown does not include regional wastewater charges.

Source: OCSD Survey, Agencies' Audited Financial Statements



# Section 4.6:

## GOVERNMENT STRUCTURE & SERVICE OPTIONS





# GOVERNMENT STRUCTURE & SERVICE OPTIONS

One of the nine determinations required to be addressed in a municipal service review is an assessment of all possible government structure options, including the advantages and disadvantages of consolidation or reorganization of service providers. This section addresses a range of governmental structure options including those that would require approval by LAFCO (reorganizations, changes in jurisdictional boundaries of the agencies, annexation of unincorporated territory to cities). *The discussion of these options is intended to be a starting point for the public regarding municipal services and options for providing these services.*

While applications for reorganizations and changes in government structure may be an outcome of the municipal review process, Orange LAFCO is not required to take any action on the possible government structure options listed. Although LAFCO has the authority to initiate some changes in governmental structure, any subsequent requests for changes in government structure can come from the local agencies and the people they serve. Any such request would be preceded by detailed analysis and study.

This section is divided into two parts:

- ❖ Government Structure Options – addresses specific governmental structure options for the MSR region
- ❖ Service Delivery Options – addresses possible change in the current structure of specific services

## Government Structure Options

*Table 4.33 Service Delivery Options* provides a broad overview of the different options for changes in service delivery and governance and is followed by a description of service/governance options by individual municipal service.



**Table 4.33 – Governance Options**

Options	Description
<b>“Status Quo” Maintain Current Service Providers</b>	The providers currently providing services in the MSR area would continue without change. This option would not address issues described in other sections of this report such as the changing fiscal climate for public agencies, inequities in service provision or funding or potential efficiencies.
<b>Functional Consolidation</b>	A “functional consolidation” is finding potential economies of scale among service providers by agreeing to share certain functions rather than separately providing duplicate and redundant functions. Functional consolidation could be implemented through service contracts or a formal JPA which is a legal mechanism by which existing government agencies can agree to deliver services in a coordinated manner, taking advantages of the resources of each.
<b>Creation of New Agencies</b>	This change in governance involves the creation of entities, such as a Community Services District, to provide additional funding for services that do not currently exist, or to provide funding to augment or expand existing facilities. This option can potentially facilitate future annexation or other form of consolidation by reducing inequities in funding or service levels. Funding is generally from special taxes or assessments, and less commonly, from property tax transferred from another entity.
<b>Single Provider</b>	A single provider could be formed by consolidating some existing agencies. A single provider for a particular service would be in a position to provide service to the entire area and possibly be able to take advantages of the economies of scale and reduce costs to local residents and businesses. An alternative would be for one agency to provide service to other agencies/communities by contracting for services.
<b>Annexation</b>	Portions of the MSR area that are currently unincorporated (Rossmoor and Sunset Beach) could be annexed to one of the adjoining cities. Annexation may be facilitated by prior creation of a special district; the existence of a district can help provide funding for services at the same level and cost as within the annexing city.
<b>Municipal Merger and Annexation</b>	Municipal merger and annexation is the most aggressive approach to governance in the MSR area wherein the entire area would be consolidated into a single new city. Existing cities and special districts would all be merged and these services provided by the new city.



## Annexation of Rossmoor and Sunset Beach to Adjacent Cities (Los Alamitos, Seal Beach, or Huntington Beach)

In response to concern from Rossmoor residents to the County's position regarding divesting itself from providing municipal services, LAFCO conducted a preliminary fiscal analysis of the annexation of Rossmoor to the City of Los Alamitos to determine if annexation was even fiscally feasible. Using Fiscal Year 2001-2001 revenues and expenditures, annexation of Rossmoor to the City of Los Alamitos would result in a General Fund operating deficit for the City of Los Alamitos of \$400,215. Although this would be partially offset by a road fund surplus of \$168,808, annexation would still result in an overall net fiscal loss to the City of Los Alamitos. Because of Rossmoor's low per capita sales tax revenue, and predominantly residential land use, LAFCO staff concluded that annexation of Rossmoor to the City of Seal Beach would also result in a similar net fiscal loss to the City of Seal Beach.

LAFCO staff also concluded that the annexation of Sunset Beach to the City of Seal Beach or City of Huntington Beach would result in a fiscal loss to the either City. Sunset Beach's high per capita public safety costs and relatively low sales tax generation would present significant fiscal challenges for an annexing city.

The uncertainty of local governance finance and the probability of further uncertainties at the state level create fiscal barriers for annexation of unincorporated areas to adjacent cities. Although the funding structure for local government, including cities, counties and special districts, significantly has been changed through Proposition 1a, sufficient financial resources are not available to compensate cities for taking on additional service area.

Yet, as County funding becomes more constrained and multiple service demands compete for funds, maintaining adequate levels of service for unincorporated areas will become more challenging. While shifting services to other entities appears to be an obvious response, particularly for services that are local in nature, other approaches may be viable in the short-term. For example, creation of joint exercise of powers and special districts with the addition of new revenue sources might provide some financing opportunity for annexing these areas to adjacent cities whereby services could be more efficiently provided. A way to make this option more viable may be legislative effort that would yield financial incentives to cities seeking to annex unincorporated territories.



## Joint Powers Agreement (consisting of the cities of Seal Beach and Los Alamitos, special districts, and the County of Orange)

Joint exercise of powers (JPA) could present economies of scale and cost reductions for the existing MSR study area entities. JPAs could be organized between the public agencies within the MSR study area to deliver municipal services through a coordinated manner. Participating agencies of the JPA would benefit by taking advantage of the resources of each of the participating entities. As well, a JPA might expand needed services, as well as achieve cost efficiencies and savings. For example, departmental overhead of public agencies, which can comprise 10-15% of costs, potentially can be reduced by up to one-third, depending on the specific services and types of savings (e.g., staffing, etc.). Other savings may be achieved through consolidated contracts and improved bid competition; efficiencies may occur to the extent that facility costs are more broadly shared.

The following are examples of service areas for which JPAs could be formed:

- ❖ Landscape maintenance. Joint approach to landscape maintenance might allow the individual communities to pool resources and to contract for services. It is assumed that such an approach would offer ways to improve services and lower unit costs.
- ❖ Recreation programs. Existing recreation programs in the individual communities could be expanded and enriched through cooperation. Sharing of facilities, creating a single staff and program offerings might improve recreation opportunities in each of the communities and potentially reduce unit costs.
- ❖ Road and drainage maintenance. Each of the participating communities faces similar problems with road and drainage maintenance. A cooperative approach to maintenance might allow lower unit costs (through economies of scale in contracting) and improve opportunities for attracting outside (state and federal) funding.
- ❖ Law enforcement. While the two cities will retain their independent police forces, higher levels of cooperation between the incorporated and unincorporated areas (beyond standard mutual aid) has the potential for lowering costs and improving services. Such opportunities could be explored to determine whether cost savings or service improvements are possible.



## Formation of a Community Services District (CSD) for Sunset Beach

The formation of a CSD for Sunset Beach offers an opportunity to fund improvements in service levels. The additional revenue provided by a CSD would help to reduce potential fiscal shortfalls and facilitate a longer-term opportunity involving annexation to an existing city.

One of the ways additional revenue may be raised is a charge per residential unit within the Sunset Beach area. The per residential unit cost will vary depending on the specific level and type of services funded; by way of illustration, if the community desired to increase the level of patrol services by an additional officer, a special tax of approximately \$150 per capita would be required. Other services could similarly be augmented, at a cost to be determined based on service level enhancement, for example parking enforcement; road and drainage maintenance; parks and recreation; beach and landscape maintenance.

One of the challenges may be the recognition by residents that additional services may require higher costs. A two-thirds vote from the registered voters/landowners within the affected area would be required for approval of a per residential unit tax.

## Rossmoor Community Services District (CSD) Activation of Latent Powers

The existence of a CSD in Rossmoor, with activation of its latent powers, could enable the CSD to provide enhanced services, for example, road and drainage maintenance, and enhanced law enforcement. Currently the revenue for the Rossmoor CSD (approximately \$387K) is apportioned by the County of Orange from the 1% property tax allocation that the County collects for the Rossmoor area. As noted in the Sunset Beach CSD opportunity above, additional revenue to enhance services may be raised through a cost per residential unit which will depend upon the level and type of augmented services.

## Municipal Merger/Consolidation

One of the most aggressive reorganization options would be a municipal merger/consolidation in which both cities, the two unincorporated communities and the three special districts would be combined into a single city. Although considered



politically infeasible and strongly opposed by the MSR Stakeholder Working Group, a municipal merger is a government structure option that must be at least considered in the MSR. An MSR report is not designed to provide the level of analysis necessary to determine if a “single city” governance structure would be fiscally viable. A comprehensive, detailed fiscal and municipal service analysis would be required to adequately answer that question. However, some general conclusions can be drawn based on studies done by both private and public agencies studying municipal mergers.

Consolidation and merger of the entire MSR study area into one city could potentially offer economies of scale and improve the efficiency of service delivery. Several privately funded studies by the Brookings Institute and other firms suggest that agencies with 50,000 to 100,000 populations are operating near maximum economies of scale. The combined MSR study area population, at approximately 52,000, falls within that range. The studies have also shown that smaller populations generate higher charges due to minimum infrastructure requirements, and an inability to efficiently distribute overhead and operating costs. As population grows beyond 100,000, the effects of bureaucracy, operating inefficiencies, and demands for increase services contribute to higher unit costs.

However, despite the potential efficiencies, significant obstacles to a municipal merger/consolidation exist within the MSR study area. Differences in revenue generation and service costs among the potential consolidation areas create potential fiscal inequities between existing residents of cities and the unincorporated areas. *Table 4.34* illustrates differences among key revenues, showing significantly less revenue available to fund services to unincorporated areas.

Consolidation and merger of the entire area (Los Alamitos, Seal Beach, Rossmoor, and Sunset Beach) into one city potentially could offer financial opportunities. These opportunities could occur through a functional or full consolidation of the municipal services currently provided to the study area. As an example, through a functional consolidation, the existing entities would remain in place but form an agreement to share certain functions among a combined service area. The cities of Los Alamitos and Seal Beach currently have a JPA for police dispatching which is estimated to save approximately \$30,000 per year.

Through a full consolidation, a particular service would be provided by and governed by a single entity, such as the formation of a new city constituting the entire MSR area. The financial opportunities could come through the reduction and elimination of administrative, management and overhead costs and other areas. An intermediate



implementation of CSDs or other districts to establish special taxes for services could help mitigate fiscal differences, and make the prospects of consolidation, merger, or annexation more fiscally viable in the future.

**Table 4.34 – Revenue Comparison**

Jurisdiction	2003 Population	Prop. Tax		Sales Tax		GF Budget	
		\$\$	Per cap	\$\$	Per cap	\$\$	Per cap
City of Seal Beach	24,900	\$3,600,000	\$145	\$2,600,000	\$104	\$17,900,000	\$719
City of Los Alamitos	11,800	\$1,300,000	\$110	\$2,300,000	\$195	\$8,400,000	\$712
Rossmoor (uninc.)	10,500	\$937,860	\$89	\$212,101	\$20	N/A	N/A
Sunset Beach (uninc.)	1,300	\$127,532	\$98	\$175,179	\$135	N/A	N/A

Source: Orange LAFCO; audited financial statement; EPS

In addition to the revenues shown, the cities have access to other revenue sources including Transient Occupancy Taxes from visitor accommodations. As unincorporated areas are added to a city’s service area responsibility, funding from the unincorporated areas will be inadequate to achieve the same level of service provided to the incorporated residents. Consequently, unless additional revenues are available, the level of service to the incorporated residents will decline assuming all residents receive the same level of service. This situation can create significant fiscal as well as political challenges to a consolidation, merger and/or annexation.

## Service Delivery Options

### Police Services

Police service in unincorporated communities currently is provided by four agencies. The California Highway Patrol provides traffic enforcement, accident investigation for the area. The Orange County Sheriff Department provides police services to the unincorporated communities of Sunset Beach and Rossmoor while the Cities of Los Alamitos and Seal Beach each maintain their own police department.

Current service demands and levels vary among Cities and the unincorporated communities. *Table 4.35 Comparison of Calls for Service by Jurisdiction* illustrates key indicators of police services in the MSR study area. Annual calls for service vary



significantly in the unincorporated areas, ranging from 285 calls per 1,000 population in Rossmoor, to over 1,600 calls per 1,000 population in Sunset Beach.

*Table 4.35 - Comparison of Calls for Service by Jurisdiction*

Jurisdiction	Calls for Service	Patrol Expenditures Per Capita
City of Seal Beach	551	\$106
City of Los Alamitos	777	\$190
Rossmoor	285	\$107
Sunset Beach	1,613	\$728

Source: Police Service Comparison Survey; Scott Bryant & Assoc., Nov. 2004

The delivery of police services can lend itself to economies of scale. Larger departments are able to provide a broader range of services, and administrative, management and other overhead costs can be spread over a larger staff. At the same time, local communities value control over the level and type of police services they provide their residents, and often prefer to maintain their own force for these reasons.

Governance options for police service delivery include:

- ❖ Modifications to the current service providers
- ❖ Functional consolidation of existing providers
- ❖ Providing police services through a single provider.

## Modifications to Current Service Providers

Under this option, current service providers would continue to provide services but a new local special district, e.g., a Community Services District (CSD) or a County Service Area (CSA), could be formed in the unincorporated communities to provide a stable funding source and contracting entity to contract with the County Sheriff. Service would be enhanced through the new funding provided by the CSD/CSA.

Unincorporated areas, if annexed to an existing city, would be served by the existing city departments but a CSD, formed in advance of the annexation, could provide funding to pay for the increased city service levels and to mitigate the recent changes in the fiscal incentives for cities to annex developed areas. This option could reduce costs and improve service levels while maintaining local control.



## Functional Consolidation

Certain functions of existing providers could be consolidated to help reduce costs and inequities in service levels and/or provided enhanced service. For example, fleet maintenance functions, training and investigations could be implemented through the creation of a JPA between the cities or among the cities and the County. Currently the Cities have a JPA for dispatch which has reduced costs for each of the cities involved.

## Single-Provider Contract

Under this option, one entity currently providing police service (City of Los Alamitos, City of Seal Beach or the Sheriff) could become the primary provider to unincorporated areas and to cities. A single service provider potentially could achieve greater economies of scale through shared overhead. A single regional provider would also offer greater flexibility in terms of resource deployment, and increased range of services and specialized training and equipment. Unincorporated areas could help fund increased services through a CSA or CSD. Incorporated areas, including any areas annexed to cities, could enter into a contract with the County Sheriff to specify a service plan, management and financial arrangements.

# Public Works/Road Maintenance

Road maintenance includes operation and maintenance of traffic signals, street trees and medians, storm drains, curbs and gutters, and sidewalks. Due to limited opportunities for economies of scale, and a desire to direct resources locally, typically cities provide some level of road maintenance services and contract with private firms for maintenance and capital projects

In Sunset Beach, the County's Resources Development and Management Department is currently responsible for street maintenance, traffic signals and street sweeping. In Rossmoor, the Rossmoor Community Services District (RCSD) is responsible for street lighting and median and landscape maintenance, in addition to providing parks and recreation services. The County is presently responsible for street maintenance, traffic signals and street sweeping within Rossmoor.

In the City of Los Alamitos, the City's Public Services Department plans, designs, constructs, operates and maintains the public infrastructure of the City, including streets, parks, buildings, and City equipment. The City of Seal Beach Public Works



Department handles road maintenance through its street maintenance division. The City's budget reflects a transition to increased contracting for maintenance services. A significant \$6 to \$8 million backlog of maintenance has prompted revisions to its pavement management plans.

Since many road maintenance services are typically contracted to private firms, there are limited opportunities to gain economies of scale. One option is formation of a new local special district (a CSA or CSD) in the Sunset Beach area to provide funding for an enhanced level of service from the County. Consolidating certain specialized services (e.g., pavement assessment and management services) is another option that might reduce costs and disparities in service levels while increasing collaboration among the agencies and communities. Such a consolidation could also include an option where a single provider, either the County or one of the cities, could provide contract road maintenance services, including administration, contract management, planning, engineering and maintenance.

## Parks & Recreation Service

The City of Los Alamitos operates and maintains approximately 28 acres of parks, including sports fields, picnic areas, and playground facilities. The Los Alamitos Community Center provides space for community events and activities. The City also offers recreation programs, classes and activities for children. The City of Seal Beach operates a number of facilities including sports fields and courts, an aquatics facility and skate park, and offers classes, sports leagues and other recreation programs. The City of Seal Beach's Public Works Department maintains 12 separate park areas totaling approximately 49 acres. Maintenance is provided through a landscape contract.

The County provides no park and recreation programs in Sunset Beach, but the County is responsible for the maintenance of 9 acres of parks and 45 acres of beach. County Service Area 26, which is a Countywide CSA established to maintain regional recreation assets, provides funding for harbor and beach maintenance throughout the County, including Seal Beach. The Rossmoor Community Services District (CSD) maintains several community parks within the CSD area with playground facilities, picnic areas and sports fields. The CSD also operates and maintains Rush Park Auditorium and the Montecito Center.



Governance options for park and recreation services include:

- ❖ A new local special district, e.g., a CSA or CSD, could be formed in the Sunset Beach area to help fund enhanced levels of service. Potentially, a zone of the existing CSA 26 could be created to provide funding for additional beach maintenance. Funding is critical and it is unlikely that Orange County would subsidize increased levels of service through diversion of additional property tax revenues. If residents want increased parks and recreation services, the most likely source of revenue is a parcel tax or fees paid for by the recipients of the higher level of service.
- ❖ Cities could cooperate to achieve economies in various programs and services, such as senior programs, and after school programs, through sharing of facilities, equipment, and staff where possible, and minimizing duplicative programs.

## Animal Control

The delivery of animal control services, similar to police services, lends itself to economies of scale; large departments are able to provide a broader range of services, and administrative, management and other overhead costs can be spread over a larger staff. At the same time, local communities value control over the level and type of animal control services, facilities, and programs they provide their residents, and often prefer to maintain their own animal control department for a these reasons.

### City of Los Alamitos

The City of Los Alamitos contracts with the City of Long Beach to provide animal control services.

### City of Seal Beach

The City of Seal Beach provides its own animal control services.

### Rossmoor and Sunset Beach

Animal control services are provided by the Orange County Animal Control Services, which is a division of Regulatory Health Services. Animal Care Services provide pet



licensing and patrol services to 19 contract cities and all the unincorporated areas of the County. The Orange County Animal Care Center houses and provides medical care for impounded dogs, cats and exotic animals, and also provided adoption services.

The options for animal control are also similar to police services and include formation of a new local special district, e.g., a CSA or CSD, to provide for an enhanced level of service for the unincorporated communities. A CSA or CSD in the unincorporated areas could help provide any additional funding required for enhanced services.

Certain functions potentially could be consolidated to take advantage of specialized services, facilities and programs. Currently, there is no legal entity allowed under State law that could function as a fully consolidated district. Therefore, the primary provider could be either the County or the City of Seal Beach. As noted above, a CSA or CSD in the unincorporated areas could help provide any additional funding required for enhanced services.

## Water Service

Because of the relatively uniform manner in which water services are provided, and because of the large investment in fixed infrastructure, regional provision of services and economies of scale can offer opportunities for governmental structure options. However, the current mix of public and private water service providers limits opportunities for consolidation.

Currently water service to Sunset Beach is provided by the City of Huntington Beach while the City of Los Alamitos and the Rossmoor Community are served by the Southern California Water Company, a private company. The City of Seal Beach provides its own water service.

No significant issues with water service provision were noted during the service review process. In addition, opportunities for other government structure options are limited by the mix of public and private providers.

## Sewer Service

Currently the Sunset Beach Sanitary District provides sewer services to the Sunset Beach area, Surfside and a small portion of Huntington Beach. While wastewater



services to the City of Los Alamitos and Rossmoor are provided by the Rossmoor/Los Alamitos Sewer District. The City of Seal Beach is the primary provider of sewer services to its residents although a portion of the City (Rossmoor Shopping Center and a small residential area) is served by the Rossmoor/Los Alamitos Area Sewer District and a small residential area within the City (Surfside) is served by the Sunset Beach Sanitary District.

Table 4.36 illustrates the range of expenditures per capita for the three entities providing wastewater services. These costs suggest that economies of scale, particularly with respect to administration, management and overhead, potentially could reduce the overall average per capita costs of service. Further analysis would be necessary to identify specific areas of potential savings as a result of some form of shared activity. Such reorganization could provide expanded and more stable funding sources and facilitate cooperative efforts between existing jurisdictions. Seeking “economies of scale”, i.e., lower “unit” costs through expanded services or increased cooperation among existing providers could help achieve fiscal savings.

**Table 4.36 – Summary of Wastewater Service Expenditures**

District or City	Service Population	Expenditures	Annual Expenditures per Capita
<b>Rossmoor/Los Alamitos Area Sewer District</b>	22,300	\$538,800 (1)	\$24
<b>Sunset Beach Sanitary District</b>	2,500	\$554,500 (2)	\$138*/\$85.32
<b>City of Seal Beach</b>	15,751	\$239,700 (3)	\$15
<b>City of Huntington Beach</b>	198,000	\$3.6 mil (4)	\$18

\*Includes regional wastewater charges from Orange County Sanitation District.

Sources:

- (1) Fiscal year 2002 – 03; includes sewer repair/replacement final (source: general purpose final statements).
- (2) Financial statements for the period July 1, 2001 through June 30, 2003 (note: totals divided by two periods to provide estimate of annual expenditures).
- (3) Comprehensive Annual Financial Report for the year ended June 30, 2003; sewage is pumped to an Orange County Sanitation District treatment plant,
- (4) Based on 02 – 03 actuals.



# Section 4.7:

## LOCAL ACCOUNTABILITY & GOVERNANCE





# LOCAL ACCOUNTABILITY AND GOVERNANCE

Two cities, the County of Orange and two special districts were reviewed for general governance structure, accessibility by the public and local representation. LAFCO addressed some of the following factors to measure local accountability and governance including:

- ❖ Compliance with state disclosure laws and the Brown Act
- ❖ Level of public participation, outreach to the public, accessibility of meetings
- ❖ Election process
- ❖ Public access to budgets and/or audited financial statements

## General Governance

The MSR area represents a mix of coastal-oriented, urban development with corresponding governance structures. Of the five agencies addressed by this service review report, three (City of Seal Beach, Sunset Beach Sanitary District, and County of Orange) were formed between 75 and 100 years ago. The two newest agencies, the City of Los Alamitos and the Rossmoor Community Services District, were formed in 1960 and 1986, respectively. Each agency was created to address specific needs at the time of formation and the role and governance structure of each agency has evolved over time consistent with the changing needs of the area. Whether a city, county government or special district, each agency was formed under specific governmental statute and carry out powers and functions as provided under its enabling act.

## Local Accountability

Generally, all the agencies follow standard processes for accountability to the public. Each agency has a formal governing body that is elected and all the agencies conduct regularly scheduled public hearings. The majority of the agencies maintain websites that include:



- ❖ Name and contact information for governing board representatives
- ❖ Access to budget information
- ❖ Posted meeting schedules, agendas, and minutes

No significant issues were noted for local accountability and governance.

**Table 4.37 - Local Accountability & Governance**

	Governing Structure	# Elected Members	Terms of Office	Regular Election Cycle	Regular Meeting Schedule	Postings: Agendas, Meetings, & Minutes	Website
<b>City of Los Alamitos</b>	C/M	5	4 yrs	X	X	F&W	X
<b>City of Seal Beach</b>	C/M	5	4 yrs	X	X	F&W	X
<b>County of Orange</b>	BOS	5	4 yrs	X	X	F&W	X
<b>Rossmoor/Los Alamitos Sewer District</b>	B	5	4 yrs	X	X	F	X
<b>Rossmoor Community Services District</b>	B	5	4 yrs	X	X	F&W	X
<b>Sunset Beach Sanitary District</b>	B	5	4 yrs	X	X	F	

\*C/M - Council/Manager form of government  
 \*B - Board  
 \*BOS - Board of Supervisors (County only)  
 \*F - Facility  
 \*W - on website

The following provides detailed accountability and governance information for each agency with the MSR study area:

## City of Los Alamitos

### General Agency Information

Agency Address: 3191 Katella Avenue, Los Alamitos, CA 90720  
 Website: [www.ci.los-alamitos.ca.us](http://www.ci.los-alamitos.ca.us)  
 Incorporation: 1960



### Governance Processes

Governance Structure: Council/Manager  
5 member Council  
Council & Mayor elected at large

Term: 4 years

Election Cycle: In even numbered years – member elections are staggered

Meeting Schedule: 1st and 3rd Mondays

Postings: Facility and website

### Local Representation

Council Members	Date Term Expires	Stipend
Kenneth Parker	2008	\$300/month
Frederick Freeman	2006	\$300/month
Alice Jempsa	2006	\$300/month
Catherine Driscoll	2008	\$300/month
Marilyn Poe	2006	\$300/month

Interim City Manager: Henry Toboada

The City follows basic processes for governance and operations. The City Council conducts meetings twice monthly that are open to the public. Agendas and meeting minutes are posted on the City's website. The City's elected body is a 5-member Council elected by registered voters within the City.

The City's website provides accessible information for the public through its website. City budget and financial documentation, demographic data, and other general information are also available through the website. The website also features specific information on each Council member, direct email contacts, a seasonal City newsletter updating residents on City projects and events and a welcome address from the City Mayor.

## City of Seal Beach

### General Agency Information

Agency Address: 211 8th Street, Seal Beach, CA 90740  
Website: [www.ci.seal-beach.ca.us](http://www.ci.seal-beach.ca.us)  
Incorporation: 1915



### Governance Processes

Governance Structure: Council/Manager  
Council & Mayor, elected by district  
5 member Council

Term: 4 years

Election cycle: In even numbered years, member elections are staggered

Meeting schedule: 2nd and 4th Mondays

Postings: Facility and website

### Local Representation

Council Members	Date Term Expires	Stipend
Michael Levitt	2006	\$300/month
John Larson	2008	\$300/month
Charles Antos	2006	\$300/month
Paul Yost	2006	\$300/month
Ray Ybaben	2008	\$300/month

The City follows basic processes for governance and operations. The City Council conducts meetings twice monthly that are open to the public. Agendas and meeting minutes are posted on the City's website. The City's elected body is a 5-member Council elected by registered voters within councilmanic districts within the City.

The City's website provides accessible information for the public through its website. City budget and financial documentation, demographic data, and other general information are also available through the website. The website also features specific information on each Council member, direct email contacts, press releases, and information from the City Manager on budget issues at the state and local level.

## County of Orange

### General Agency Information

Agency Address: 10 Civic Center Plaza, Santa Ana, CA 92701  
Website: [www.oc.ca.gov](http://www.oc.ca.gov)  
Formation: 1889



Governance Processes

Governance Structure: Five-member Board of Supervisors  
 Directly elected by Supervisorial District  
 Term: 4 years  
 Election Cycle: In even numbered years – member elections are staggered  
 Meeting Schedule: Weekly, on Tuesdays  
 Postings: Facility and website

Local Representation

Council Members	Date Term Expires	Stipend
Lou Correa	11/08	Salaried appointment
James Silva	11/06	Salaried appointment
Bill Campbell	11/08	Salaried appointment
Chris Norby	11/06	Salaried appointment
Thomas Wilson	11/06	Salaried appointment

County Executive Officer: Thomas Mauk

The chief governing body for the County is a five-member Board of Supervisors. The Board members are elected by district, and the Board selects officer positions of chair and vice chair each January. With the passage of Measure V in March 2002, the County of Orange became a charter County. As a charter County, mid-term vacancies are filled by electoral process rather than through gubernatorial appointment under a general law process. The County operates as a general law County in all other respects.

The Board conducts weekly meetings that are open to the public. Additionally, Board meetings are broadcast live on the Internet. Past and current meeting agendas and minutes are posted on the Board of Supervisors portion of the County website.

The County maintains a comprehensive website with links to all County departments and other public agencies. Extensive contact information, budget and financial documentation, demographic and economic data and other general information is available through the website. Additionally, each Board office maintains a separate website with district-specific information as well as links to other information/sites.



## Rossmoor/Los Alamitos Area Sewer District

### General Agency Information

Agency Address: 3242 Katella Avenue  
Website: [www.rlasd.org](http://www.rlasd.org)  
Formation: 1952

### Governance Processes

Governance Structure: 5-member Board of Directors  
Elected at large  
Term: 4 years  
Election Cycle: In even numbered years – member elections are staggered  
Meeting Schedule: 2nd Monday of the month  
Postings: Facility  
Enabling Act: County Water District Law, Water Code 30000 et seq,

### Local Representation

Council Members	Date Term Expires	Stipend
Jim Bell	2009	\$100/month
Linda Habermahl	2007	\$100/month
William Poe	2009	\$100/month
Jack Rosenthal	2006	\$100/month
Charles E. Sylvia	2009	\$100/month

The agency follows basic processes for governance and operations allowed under its enabling act. The Board conducts regular monthly meetings that are open to the public. District elections are held every two years with two Board positions being elected on election cycle and three members during the subsequent cycle. The board members select board officer positions annually.

The City's website provides limited information for the public through its website. Board members are identified, but no terms of office or direct email contacts for Board members are included on the website. No budget information, meeting agendas or meeting minutes are currently available through the website.



## Rossmoor Community Services District

### General Agency Information

Agency Address: 3001 Blume Drive, Rossmoor, CA  
Website: [www.rossmoor-csd.org](http://www.rossmoor-csd.org)  
Formation: 1986

### Governance Processes

Governance Structure: 5-member Board of Directors  
Elected at large  
Term: 4 years  
Election Cycle: In even numbered years – member elections are staggered  
Meeting Schedule: 2nd Monday of the month  
Postings: Facility and Website  
Enabling Act: District Principal Act (Code Section 61000 et seq.)

### Local Representation

Council Members	Date Term Expires	Stipend
Erwin Anisman	2008	\$100/month
Steve Thronson	2006	\$100/month
Alfred Coletta	2006	\$100/month
Joseph Astrahan	2008	\$100/month
Tom Poe	2008	\$100/month

General Manager: Jami Doyle

The agency follows basic processes for governance and operations allowed under its enabling act. The Board conducts regular monthly meetings that are open to the public. District elections are held every two years with two Board positions being elected on election cycle and three members during the subsequent cycle. The board members select board officer positions annually.

The City's website provides limited information for the public through its website. The website identifies current Board members with direct email addresses, but does not include Board members' terms of office. No budget information or meeting minutes are posted on the website. Meeting agendas are accessible through the website, but the most recent agenda posted is over one-year old.



## Sunset Beach Sanitary District

### General Agency Information

Agency Address: P.O. Box 1185, Sunset Beach, CA 90742  
Website: N/A  
Formation: 1930

### Governance Processes

Governance Structure: 5-member Board of Directors  
Elected at large  
Term: 4 years  
Election Cycle: In even numbered years – member elections are staggered  
Meeting Schedule: Monthly, 2nd Thursday  
Postings: Facility  
Enabling Act: Sanitary District Act of 1923

### Local Representation

Council Members	Date Term Expires	Stipend
John Woods, President	2006	\$110/month
Robert Hendler, Secretary	2005	\$55 month
Gregory Griffin, Treasurer	2005	\$55 month
Bill Bruton	2006	\$55 month
Rob Argetsinger	2006	\$55 month

General Manager: John Woods

The agency follows basic processes for governance and operations allowed under its enabling act. The Board conducts regular monthly meetings that are open to the public. District elections are held every two years with two Board positions being elected on election cycle and three members during the subsequent cycle. The board members select board officer positions annually.

The agency does not have a website, making public access to Board members, meeting agendas, minutes, and agency budget and capital improvement information more challenging than agencies that provide Internet access to their customers.