

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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November 12, 2025

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer
Sarah Flamm, Management Analyst

Subject: Consideration of the Final Municipal Service Review for CSA 7, Los Trancos County Maintenance District and La Honda Lighting Maintenance District

Summary and Background

In 1985, San Mateo LAFCo first prepared comprehensive Sphere of Influence (SOI) studies and adopted SOIs for the County's cities and special districts. Subsequently, LAFCo reviewed and updated spheres on a three-year cycle. SOI updates focus on changes in service demand within the boundaries of cities and special districts. In 2003, in order to comply with the newly enacted CKH Act, LAFCo began the process of preparing SOI updates in conjunction with or following a Municipal Service Review (MSR).

This report reviews three special districts in South San Mateo County: County Service Area 7 (CSA 7), Los Trancos County Maintenance District (LTCMD), and La Honda Lighting Maintenance District (LHLMD).

CSA 7: In 1965, the San Mateo County Board of Supervisors formed CSA 7. CSA 7 operates according to Government Code Section 25210 et seq. and is authorized to provide domestic water services within its boundaries. For the past 60 years, CSA 7 has sold potable water to 68 residential customers in two non-contiguous areas near La Honda, totaling 1 square mile.

LTCMD: In 2015, the Board of Supervisors formed the LTCMD as the successor agency to the Los Trancos County Water District. LTCMD was formed according to Section 5820 et.seq. of the Streets and Highways Code to carry out enhanced fire safety, storm drain and road improvements, and land stewardship in 335 acres of land in the unincorporated San Mateo County neighborhoods of Los Trancos Woods, Vista Verde, and Oak Forest Court.

LHLMD: In 1960, the Board of Supervisors formed the LHLMD under Section 5820 et. Seq. of the CA Streets and Highways Code to provide street lighting for a portion of the La Honda

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unincorporated community by maintaining 34 streetlights. LHLMD is one of 11 street lighting districts within the County.

Updates to the Circulation Draft Municipal Service Review

San Mateo LAFCo received comments from the County Department of Public Works, CSA 7 Customer Advisory Committee, and a member of the public regarding the LTCMD report. The following information was incorporated into this final report: The LTCMD fund balance is \$1,751,797 as of September 2025; the duration of the LTCMD Blue Oaks loan is 69 years; the Department of Public Works does not have a webpage for LTCMD; and the LTCMD FY 2025-26 Adopted Budget amount is \$534,000.

Current Key Issues

- CSA 7 serves 68 connections in the La Honda area. The primary source of revenue for CSA 7 (nearly 100%) is from charges for water service and usage for residential customers. Due to the small ratepayer base, having sufficient funding for needed capital projects has been challenging. In several instances, funding for these projects has been from the County. While the District did adopt an updated rate schedule in 2021, fund balance and reserve amounts for CSA 7 are still insufficient to fund most of the identified capital costs along with any emergency costs such as broken water lines or the hauling in of water to customers.
- CSA 7 is in a remote portion of the County with limited opportunities for additional shared services. Any governance change, such as the formation of a Community Services District or the transfer of service to another entity, would still require significant rate payer funding for capital improvements and is unlikely to occur.
- LTCMD provides enhanced fire safety, storm drain and road improvements, and land stewardship. The funding for projects and services comes from property taxes from parcels within the District. While there is sufficient funding to pay for a contract with the Woodside Fire Protect District for enhanced fire safety services, funding for the construction and operation of stormwater projects has presented a greater challenge. Due to limited funding set aside for storm drain projects, they are typically only funded when there is sufficient fund balance.
- No issues were identified for La Honda Lighting Maintenance District.

Proposed Municipal Service Review Determinations and Recommendations for CSA 7¹

As required by State law, there are seven areas of MSR determination, including local policies as set forth in Section 56430. LAFCo has the following determinations and recommendations:

- 1. Growth and Population Determination:** Over the next 5-10 years, no significant population change or new development is expected within the current CSA 7 boundaries, based on a review of planning documents from the County of San Mateo and the Association of Bay Area Governments. As of 2020, the population count for CSA 7 is approximately 176 people. Growth in the CSA 7 area is substantially constrained by

¹ MSR/SOI Determinations are only for CSA 7. Neither LTCMD or LHLMD are under LAFCo jurisdiction and so a review of these agencies was conducted but there are no official determinations.

limited water supply, land use policies, use of septic systems, and geography, amongst other factors. The projected population growth will not directly impact the District's service needs and demands.

Recommendation: None.

- 2. Disadvantaged Unincorporated Communities Determination:** The District's sphere and corporate boundaries are contiguous. County Service Area 7's sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities.

Recommendation: None

- 3. Capacity and Adequacy of Public Facilities and Services Determination:** In 2015, the County completed a Water System Feasibility Study, Seismic Retrofit, and Water System Improvement Recommendation Report to address CSA 7 infrastructure needs. Based on the analysis in the Report, a Capital Improvement Program priority list was established, which estimated that the total cost for all projects was \$6.2M. Upgrades to the water distribution system remain incomplete as of November 2025. The cost of recommended improvements has always been disproportional to the size of the rate payer base.

Recommendation 1: CSA 7 should periodically update the capital improvement project list and evaluate funding sources for outstanding projects.

- 4. Financial Ability Determination:** The San Mateo County Board of Supervisors serves as the official governing board of CSA 7, in which business is agendized and conducted at the Board of Supervisor's regular meetings. The budget for CSA 7 is within the Department of Public Works' purview and is consistently adopted on time and presented to the Board in a public meeting. Independent audits of CSA 7 occur indirectly as part of the Department of Public Works' internal auditing process.² The Customer Advisory Committee publishes on its website quarterly, line-item CSA 7 budget reports, available from 2020 to the present.

The primary source of revenue for CSA 7 (nearly 100%) is from charges for water service and usage for residential customers. Most expenditures are allocated to water system operational services, performed via contract with the competitively procured independent contractor, Bracewell Engineering, Inc.. CSA 7 does not directly employ any staff.

Since water rates do not provide sufficient revenue to cover all necessary capital projects, the County Board of Supervisors periodically approves appropriations to fund CSA 7 projects. The County has spent at least \$3.8M on capital projects for CSA 7 since 2018. CSA 7 water rates have built-in amounts appropriated towards reserves. However, reserves are not sufficient to protect against unexpected events such as major waterline breaks, hauling in water during a drought, or infrastructure repair. CSA 7 relies on County appropriations for support and is currently researching whether grants can fund other capital projects.

Recommendation 2: CSA 7 should evaluate ways to fund specific long-term capital projects. Estimates for CSA 7 CIP projects should be updated as part of this process. CSA 7 might also explore other possible revenue sources, such as a fee to customers for funding related infrastructure replacement projects.

² [Department of Public Works Summary \(4500D\) | San Mateo County Performance](#)

Recommendation 3: CSA 7 should continue to review water rates on a regular basis. Current water rates do not support the completion of capital improvement projects for the system.

5. **Shared Service and Facilities Determination:** Through this MSR process, staff has not identified any new opportunities for shared facilities. CSA 7 currently partners with multiple agencies, including CSA 11, CAL FIRE, the community of La Honda, and other regional organizations.

Recommendation: None

6. **Accountability, Structure, and Efficiencies Determination:** Alternative models to the current governance of a County Service Area in which the Board of Supervisors is the governing body and the County of Public Works Department operates the water system, include: Community Services District, transfer of the system to a private utility or entity such as Cal Water, or the formation of a mutual water company. These alternatives may be subject to consideration if the County determines that it is not feasible to continue operating the system due lack of rate payer support resulting in inadequate revenues. According to the County, there is no proposed change to the current structure of CSA 7.

The CSA 7 Customer Advisory Committee publishes quarterly line-item budget reports for CSA 7 on its website, available from 2020 to the present. There are many documents that are available on the CSA 7 Advisory Committee's website, but not on the County CSA 7 website, which can lead to conflicting information.

Recommendation 4: To enhance transparency, it is recommended that CSA 7 staff and the CSA 7 Customer Advisory Committee review information on the Advisory Committee website to confirm accuracy of the documents and data. It is also recommended that County DPW post timely information about the CSA 7 Advisory Committee on the County's website, such as agendas and meeting minutes.

7. **Other Issues Determination:** CSA 7 and the County are exploring alternative water sources to Alpine Creek, such as La Honda Creek, however, efforts have not been successful. The stationing of CAL FIRE at Glenwood Camp since August 1, 2025 will help curtail the risk of devastating fire in the area. The crews stationed at the Glenwood Fire Center are focusing on fuel reduction, prescribed burns, community projects, and other wildfire prevention efforts.

Recommendation: None

Proposed Sphere of Influence Determinations for County Service Area 7

As required by State law, LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency as set forth in Government Code Section 56425(e) that addresses the following:

- I. **The present and planned land uses in the area, including agricultural and open-space lands:** CSA 7 land is primarily for low-density residential use, along with public recreation and institutional uses at the County-owned facilities. CSA 7 land is surrounded by, but does not include, open space and agricultural lands.
- II. **The present and probable need for public facilities and services in the area:** There are approximately 176 residents that live year-round in CSA 7 and require water services. Minimal population growth is expected in the next 5-10 years, and so the demand for

water services will likely remain steady. During periods of extreme weather events, such as drought or a storm in which the water becomes too muddy to run through the filtration systems, the County has hauled in water purchased from private suppliers, such as Cal Water. There is no “backup” water source in the area, and neighboring Cuesta La Honda Guild does not have enough water to serve its own population and to share. Efforts to find a secondary water source have been deprioritized relative to other capital projects but remain ongoing.

- III. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:** Since 2011, the County has successfully contracted with Bracewell Engineering, Inc. for operation and management of CSA 7. Bracewell in partnership with the County Public Works Department has implemented capital improvement projects as funding becomes available. The water distribution system was constructed in the 1920’s and still needs upgrades and improvements to provide reliable water services to residents.
- IV. **The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency:** CSA 7 includes Sam McDonald Park which hosts occasional events that attracts visitors. Glenwood Camp facilities is hosting CAL FIRE for an initial two-year period beginning August 2025.
- V. **For an update of a SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence:** No change to the SOI for CSA 7 is proposed at this time.

VI. Summary Review and Recommendations for the Los Trancos County Maintenance District

The Department of Public Works provides operations management of LTCMD. Oversight and governance is provided by the County Board of Supervisors. The enhanced improvements and services to properties in the LTCMD are primarily funded through a share (approximately 10%) of the 1 percent property tax collected within the District. These funds are allocated to several services, including a contract with the Woodside Fire Protection District. LTCMD is currently utilizing the 2013 Storm Drainage Master Plan for stormwater improvements. Capital projects are funded by LTCMD on an as needed basis. Due to the limited funding sources, it may take several years for sufficient funds to be available for these capital projects.

Recommendation 5: LTCMD should review and update the 2013 Storm Drainage Master Plan, particularly related to cost estimates for recommended projects, as well as evaluate whether existing projects should be updated or new projects added. The timelines for the capital projects should also be reviewed against the existing use of funds for LTCMD, such as the use of funds for the fire protection services. An ongoing list of priority projects or services could also may assist in decisions regarding fund allocation.

Recommendation 6: To enhance transparency, it is recommended the Department of Public Works (DPW) and the LTCMD Advisory Committee review information on the Vista Verde Community Association website to confirm accuracy of the documents and data. It is also

recommended that DPW explore posting information about the LTCMD Advisory Committee, such as agendas and meeting minutes, on the County's website, or to link to the existing Vista Verde Community Association website for existing meeting notes and other related documents.

Summary Review of La Honda Lighting Maintenance District: No significant findings.

Public/Agency Involvement: The primary source of information used in this report was collected from publicly available agency-adopted plans, budgets, reports, and policies. Information received by San Mateo LAFCo in response to requests for data from the County Department of Public Works, the CSA 7 Customer Advisory Committee, and the Los Trancos County Maintenance District Community Advisory Committee has been incorporated into this report.

LAFCo staff held a virtual community workshop for this MSR on October 7, 2025 at 6:30pm to allow the public to ask questions and provide additional comments on the report. There were no attendees.

Environmental Review/CEQA: The MSR is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the basic data collection, research, experimental management, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. The MSR collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The MSR is also exempt from CEQA under section 15061(b)(3), the commonsense provision, which states that CEQA applies only to projects which have the potential to cause a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

The MSR and SOI update will not have a significant effect on the environment as there are no land use changes associated with the documents.

Staff Recommendations to Commission

1. Open the public hearing and accept public comment.
2. Accept the Final Municipal Service Review and Sphere of Influence Update for CSA 7.
3. Adopt the Determinations and Recommendations contained in this report.

Attachments

- A. Final Municipal Service Review for CSA 7, Los Trancos County Maintenance District and La Honda Lighting Maintenance District
- B. Public Comment from Tom Uridel received on Sept. 17, 2025 and the CSA 7 Customer Advisory Committee received on Oct. 16, 2025
- C. Resolution 1345

Municipal Service Review and Sphere of Influence Review Report

County Service Area 7, Los Trancos County Maintenance District, and La Honda Lighting Maintenance District

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EXECUTIVE SUMMARY

Section I: Report Overview

This report is a Municipal Service Review (MSR) and Sphere of Influence (SOI) study for San Mateo County Service Area 7 (CSA 7), as well as a review of the Los Trancos County Maintenance District (LTCMD) and La Honda Lighting Maintenance District (LHLMD).

California Government Code Section 56430 requires that Local Agency Formation Commissions (LAFCo's) complete MSR and SOI reviews on all cities and special districts. These state-mandated reports are studies of an agency's service provision and logical boundaries. The review process is intended to identify municipal service delivery challenges and opportunities, provide the public and affected agencies with a platform to comment on an agency's services and finances, and review opportunities to share governmental resources. Once the MSR determinations are adopted, the SOI—the plan for the boundaries of a city or special district— is reviewed, pursuant to Section 56425.

San Mateo Local Agency Formation Commission

San Mateo LAFCo is a State-mandated, independent entity with county-wide jurisdiction over the boundaries and organization of cities and special districts. LAFCo reviews annexations, detachments, incorporations, formations, and dissolutions. LAFCo also has authority over extensions of service outside city or district boundaries, and activation or divestiture of special district powers. The purpose of LAFCo includes discouraging urban sprawl, preserving open space and prime agricultural lands, planning for the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

LAFCo operates pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in California Government Code Sections 56000 and 57000. The Commission is comprised of two members of the County Board of Supervisors, two city councilmembers from two of the County's 20 cities, two special district board members from two of the 21 independent special districts, one member of the public, and four alternate members (county, city, special district, and public).

In 1985, San Mateo LAFCo first prepared comprehensive SOI studies and adopted SOI's for the County's cities and special districts. Subsequently, LAFCo reviewed and updated SOI's on a three-year cycle. SOI updates focus on changes in service demand within the boundaries of cities and special districts. In 2003, in order to comply with the newly enacted CKH Act, LAFCo began the process of preparing SOI updates/reviews in conjunction with or following an MSR.

Local Government in San Mateo County

Municipal service providers in San Mateo County include the County of San Mateo, 20 cities, 21 independent special districts, six subsidiary districts governed by city councils, and 33 County-governed special districts. Independent special districts provide a limited set of services based on their enabling legislation (i.e., fire, water, sanitation, etc.), while cities generally provide a wider array of basic services including police, recreation programs, planning, street repair, and building inspection. The County, as a subdivision of the State, provides a vast array of services for all

residents across its cities, special districts and subsidiary districts, including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety. The County also provides basic municipal services for residents who live in unincorporated areas who are not part of any city of special district. According to Census 2020 data, 63,205 of the County’s total 765,417 residents live in unincorporated areas.

MSR and SOI Determinations

LAFCo prepared an MSR and SOI update for CSA 7. LAFCo conducted a review but issued no determinations for LTCMD and LHLMD, as these jurisdictions are not under LAFCo jurisdiction.

Per Government Code Section 56430, LAFCo is required to include MSR Determinations that address the following areas for any local agency:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities¹ within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of the agency to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.
 - a. Water Resiliency and Climate Change
 - b. Impact of Natural Hazards and Mitigation Planning

MSR Determinations must be adopted before the Commission updates or amends a SOI. Per Government Code Section 56425, LAFCo is required to make the following five written determinations when establishing, amending, or updating an SOI for any local agency:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

¹ “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the Statewide annual median household income. This area of determination does not apply to the study area.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Report Review Process

A hearing for the Draft Report was held at LAFCo’s September 17, 2025 meeting. The report was subsequently circulated for comment to the agencies under study as well as interested individuals and groups. The Final Report is now presented before the Commission for consideration during its public meeting, and includes the comments on the circulation draft, as well as LAFCo staff’s Determinations and Recommendations. This report has been written based on source documents that included Adopted Budgets, Capital Improvement Plans, Meeting Minutes, Staff Reports, Consultant Reports, and information provided by County staff and special district advisory committees.

Disadvantaged Unincorporated Communities

In 2011, SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of MSR determination #2 and SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUC’s,” are inhabited, unincorporated territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. There are no DUC’s within the current boundaries or service areas of CSA 7, LTCMD, or LHLMD.

Section II. Summary of Key Issues

County Service Area 7

CSA 7 serves 68 water connections in the La Honda area. The primary source of revenue for CSA 7 (nearly 100%) is from charges for water service and usage for residential customers. Due to the small ratepayer base, having sufficient funding for capital projects has been challenging. In several instances, funding for these projects has come from the County. While the District did adopt a rate schedule in 2021 which covered increased operational costs, fund balance and reserve amounts for CSA 7 are still insufficient to cover most of the identified capital costs along with any emergency costs such as broken water lines or the hauling in of water to customers.

CSA 7 is in a remote part of the County with limited opportunities for additional shared services. Any governance change, such as the formation of a Community Services District or the transfer of service to another entity, is unlikely to occur and would still require significant funding from rate payers for capital improvements.

Los Trancos County Maintenance District

LTCMD provides enhanced fire safety, storm drain and road improvements, and land stewardship. The funding for these services and projects comes from property taxes on parcels within the District. While there is sufficient funding to pay for a contract with the Woodside Fire

Protection District for enhanced fire safety services, funding for the construction and operation of stormwater projects has presented a greater challenge. Storm drain projects are typically funded only when there is sufficient fund balance.

La Honda Lighting Maintenance District

No significant issues.

Section III: Municipal Service Review for County Service Area 7

Background

On December 28, 1965, the San Mateo County Board of Supervisors formed CSA 7 for the purpose of operating the existing water system serving a portion of the unincorporated La Honda community, and the County-owned and operated Camp Glenwood Youth Facility² and Sam McDonald Park.³ CSA 7 is operating pursuant to the County Service Area Law under CA Government Code Section 25210.1 et seq.⁴ to provide water facilities and services.⁵

CSA 7 was originally known as the La Honda Community Water System, formed in the 1920's when private developers diverted surface water from Alpine Creek to serve a small subdivision consisting primarily of vacation homes. In 1958, the water system was acquired by San Mateo County, at the same time as the County acquired Sam McDonald Park. The water system was subsequently expanded to serve Camp Glenwood and the visitor facilities at Sam McDonald Park. The County performed repairs and upgrades to the system, including constructing a 500,000-gallon steel water storage tank in 1967 (General Fund appropriation) and building a water treatment plant in 1994 (County Prop. 86 Fund appropriation).

Water for CSA 7 residents, Camp Glenwood (County Probation Department), and Sam McDonald Park requires treatment, and the three entities share the operation and maintenance costs associated with one treatment facility. Much of the CSA 7 water distribution system, treatment facility, and storage facility are located on Sam McDonald Park land. CSA 7 does not rent these lands or own easements for these facilities, which affords an in-kind contribution from County Parks and a savings to CSA 7. In the recently approved lease agreement for Camp Glenwood

² Camp Glenwood is a 25,922 square foot facility within a 60-acre parcel of land located at 400 Log Cabin Road. This facility was a former County Youth Detention Center but the County discontinued operations there in 2019. As of June 2025, the site will host the Glenwood Fire Center, a CAL FIRE facility, for 9 months each year.

³ "Whereas, the area known as McDonald Park presently contains many residences originally intended for summer use, but... are now being used year round, thus requiring more extensive water services. It is necessary and desirable to provide water facilities and services..." County of San Mateo RES-21962
And County of San Mateo RES-22014

⁴ "25210.7 (e) Except as provided in this chapter, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5) shall govern any change of organization or reorganization of a county service area. In the case of any conflict between that division or this chapter, the provisions of this chapter shall prevail." CA GOV CODE

⁵ Government Code Section 56425 (i) and (j) requires that in conducting MSRs, LAFCo's prepare an inventory of all authorized powers under a district's enabling legislation and identify those powers that are active versus inactive. Government Code Section 56824.12 requires that before a District activates an inactive service or divests of an active service, it must first apply to LAFCo and obtain LAFCo approval.

between the County of San Mateo and CAL FIRE, CAL FIRE as the new tenant of Camp Glenwood, will be required to pay for any costs associated with water service to the site.

In 1997, the County Board of Supervisors established via ordinance the CSA 7 Customer Advisory Committee. While the Board of Supervisors serves as the official governing board of CSA 7 in which business is agendized and conducted at the Board of Supervisor’s regular meetings, the Advisory Committee is intended to represent the best interests of CSA 7 customers.⁶ The Advisory Committee makes recommendations to the Public Works Director regarding water rates, plans for system improvements, and organizational and operational issues. The Advisory Committee holds regular meetings via Zoom on a quarterly basis, typically on Saturdays at 11AM. To attend the meeting, the public must email request the Zoom link from an Advisory Committee Member. The Advisory Committee’s website provides the public with historical meeting minutes, quarterly budget reports showing monthly expenditures, and details on capital improvement schedules and expenses, among other information.⁷

Enabling Legislation

CSA 7 operates according to Government Code Section 25210 et seq. and is authorized to provide domestic water services within its boundaries. Districts formed under this section may provide a broad set of municipal services, in essence all the services a city may provide (except land use), *if* these powers are activated by LAFCo. Services can include police and fire protection, parks and recreation, sewer and water services, and flood control and drainage.

Inventory of Active Services

Provisions of the CKH Act require that LAFCo identify which services a multi-purpose district is actively providing, and which are inactive. Pursuant to Government Code Section 56425(i), in preparing a MSR and SOI update, LAFCo is required to prepare a statement of the nature and location of functions and services provided. If a district proposes to add a new service permitted under district enabling legislation, the District must apply to LAFCo for approval. CSA 7 provides the following services in the areas as specified, and any other services authorized by County Service Area enabling legislation are inactive:

- District-wide Water Service

If in the future it is determined that other services permitted in CSA enabling legislation should be provided and funded by CSA 7, the County Board of Supervisors as governing body of the District could apply to LAFCo. The application would include a plan for providing services and a proposed budget, including revenues to fund service and any associated revenue sources such as an assessment, fee, or tax.

⁶ CSA7 operating by-laws last amended in March 2020.

⁷ CSA7 Customer Advisory Committee, La Honda, California Home Page

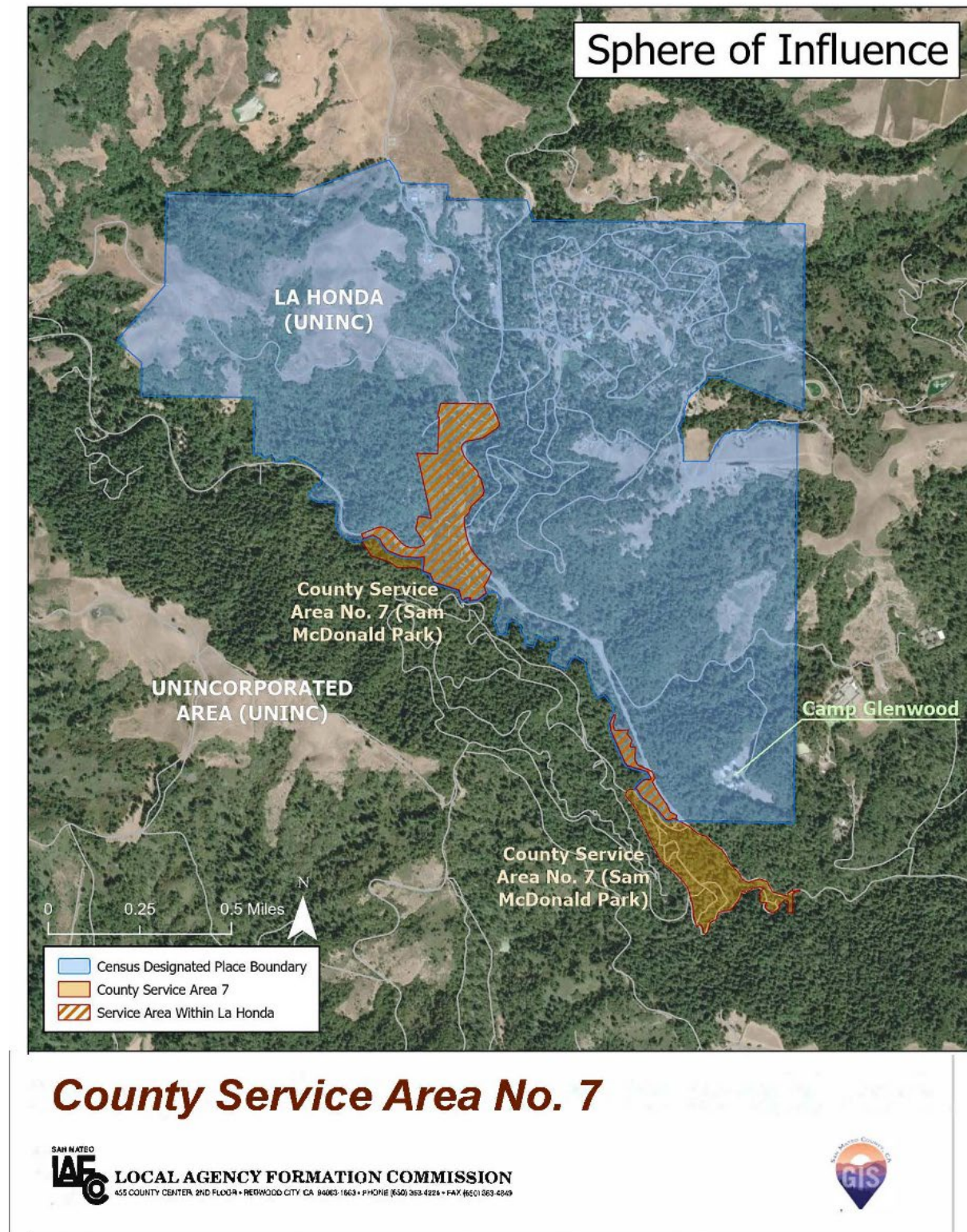
Overview

CSA 7 delivers potable water to 68 residential customers in two non-contiguous areas totaling 1 square mile.⁸ CSA 7 shares water infrastructure and a treatment plant with Sam McDonald County Park and Camp Glenwood, which is a County facility outside CSA 7 boundaries. CSA 7’s primary water source is surface water from Alpine Creek—a five-mile-long perennial creek. The property owners within the boundaries of CSA 7 own their water rights, individually but the water distribution system is owned by CSA 7. The neighboring properties that are not served water by CSA 7 are served by either the Cuesta La Honda Guild or individual wells. CSA 7 boundaries are contiguous with its sphere of influence, as shown in Figure 1. LAFCo last conducted an MSR and SOI review for CSA 7 in 2011. The two County-owned facilities are not entirely within CSA 7’s boundaries or sphere of influence. There is no discussion of annexing the County-owned facilities into CSA 7.

While CSA 7, Camp Glenwood, and Sam McDonald Park share certain infrastructure and a water treatment facility, each entity has separate daily maximum volumes within the adjudication of their separate water rights. All three entities share Alpine Creek as their water source, and therefore are similarly impacted by the availability of water. Sam McDonald Park has a visitor center offering public restrooms with flush toilets and a drinking water fountain. The amount of water used by Camp Glenwood will likely increase starting in August 2025, coinciding with the commencement of a two-year lease (August 1, 2025, to July 31, 2027) with CAL FIRE for the new “Glenwood Fire Center”. Since 2019, Camp Glenwood, a former San Mateo County Probation facility, has been vacant. According to the agreement, CAL FIRE will pay a monthly base rent of \$24,999 to the County. The agreement contains a clause stating that the State (CAL FIRE) shall comply with the daily maximum volume of water allowed (4,000 gallons per day), and if it exceeds that amount, it must “immediately make such improvements or modifications to its operations to prevent further overuse of water.”

⁸ CSA 7 is considered, by State Standards, to be a small water supplier, serving 15 to 2,999 service connections, inclusive, and that provides less than 3,000 acre-feet of water annually (Water Code §10609.51 subd. (k)).

Figure 1. Sphere of Influence Map of CSA 7



1) Growth and Population: CSA 7

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist. If most or all determinations are not significant, the Commission may find that an MSR update is not warranted.

Growth and population projections for CSA 7	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?			X
b) Will population changes have an impact on the subject agency’s service needs and demands?			X
c) Will projected growth require a change in the agency’s service boundary?			X

a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?

Over the next 5-10 years, no significant population change or new development is expected within the current CSA 7 boundaries, based on a review of planning documents from the County of San Mateo and the Association of Bay Area Governments. As of 2020, the population count for CSA 7 is approximately 176 persons.⁹ The projected population growth rate for this area for the ten-year period from 2025-2035 is between 1-5%.¹⁰ This is below the growth rate of San Mateo County. Growth in the CSA 7 area is substantially constrained by limited water supply, land use policies, use of septic systems, and geography, amongst other factors. According to the County of San Mateo 2023-31 Housing Element, there are no developable housing sites identified in CSA 7. According to the County Assessor’s Office, the average assessed value of a parcel in CSA 7 is amongst the lowest in the County at \$287,280.

CSA 7 land is primarily for low-density residential use, along with public recreation and institutional uses at the County-owned facilities, along with numerous vacant parcels. CSA 7 also contains a privately owned trailer park located on the west side of the intersection of La Honda Road (State Hwy 84) and Pescadero Creek Road. The trailer park is served by two water connections, but according to the Master Plan of 1998 for CSA 7, there are 22 household units in the trailer park. CSA 7 land is surrounded by but does not include open space and agricultural lands.

b) Will the population changes have an impact on the subject agency’s service needs and demands?

⁹ This figure is an estimate by LAFCo staff. Census 2020 reports 2.33 persons per household for the census designated place La Honda (pop. 979), of which CSA 7 partially overlaps. CSA 7 serves 68 water connections. Two of those water connections are for the Trailer Park, which has around 22 housing units, with an estimated 1 person per unit. Therefore, 66*2.33=154+22, rounded up to 176.

¹⁰ Association of Bay Area Governments (ABAG) Projections 2040 - Forecasts for Population Households and Jobs

The population of CSA 7 is projected to remain relatively flat, therefore should not impact service needs and demands. No increase in the number of water connections is expected. Indeed, the number of water connections has remained at 68 (plus or minus one connection) since inception in 1965.

c) Will projected growth require a change in the agency’s service boundary?

No.

MSR Determination No. 1: Over the next 5-10 years, no significant population change, or new development is expected within the current CSA 7 boundaries, based on a review of planning documents from the County of San Mateo and the Association of Bay Area Governments. As of 2020, the population count for CSA 7 is approximately 176 people. Growth in the CSA 7 area is substantially constrained by limited water supply, land use policies, use of septic systems, and geography, amongst other factors. The projected population growth will not directly impact the District’s service needs and demands.

Recommendation: None.

2) Disadvantaged Unincorporated Communities: CSA 7

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	X		
b) Are there any “inhabited unincorporated communities” within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the Statewide median household income)?			X

a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?

Yes, CSA 7 provides municipal water service to a portion of the La Honda area in unincorporated San Mateo County. CSA 7 does not provide any other services, such as sewer or structural fire protection.

b) Are there any inhabited unincorporated communities within or adjacent to the subject agency’s sphere of influence that are considered disadvantaged (80% or less of the statewide median household income)?

No. CSA 7 does not service and is not adjacent any disadvantaged unincorporated communities.

MSR Determination No. 2: CSA 7 sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities.

Recommendation: None.

3) Capacity and Adequacy of Public Facilities and Services CSA 7

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.	Yes	Maybe	No
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?		X	
b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?		X	
c) Are there any concerns regarding public services provided by the agency being considered adequate?			X
d) Are there any significant infrastructure needs or deficiencies to be addressed?	X		
e) Are there changes in State regulations on the horizon that will require significant facility and/or infrastructure upgrades?		X	
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?			X

a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?

The system relies on Alpine Creek’s water flow, which has historically run low or disappeared during extreme weather events. CSA 7 has a drought contingency plan which guides processes and procedures for periods of low or no-flow.¹¹ The plan specifies that if necessary, County Public Works Roads Division will coordinate hauling water to CSA 7 from an outside water supplier, such as Cal Water. However, CSA 7 does not have funds budgeted to pay for hauling water; funds must be secured from a state emergency grant, or a County budget appropriation.¹² For example, in

¹¹ County Department of Public Works, *Public Meeting Regarding Drought and Water Conservation*, August 22, 2014.

¹² In July 2014, CSA 7 requested a grant from the State Water Resources Control Board’s Public Water System Drought Emergency Funding Program. Drought Emergency Grant Funding Request for San Mateo County Service Area (CSA) #7. The state DWR offers a variety of grants: New DWR Grants Funded by Proposition 4

the winter storm of 2017, water hauling was necessary, with costs amounting to \$24,674, of which \$19,995 was reimbursed by FEMA and CAL OES, funded by the County General Fund. Suffice it to say, the limited and fragile water supply in Alpine Creek impacts the reliability of water service for CSA 7 residents and visitors.

b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?

With little to no increase in population or development expected in CSA 7 in the foreseeable future, it is probable that demand for water services will continue to be met. Like many water systems in the Western United States, the primary threat to CSA 7’s capacity to meet service demands of residents and visitors is influenced by the increasingly unpredictable availability of water.

c) Are there any concerns regarding public services provided by the agency being considered adequate?

LAFCo does not have any concerns regarding the adequacy of public service currently being delivered by CSA 7. The US Environmental Protection Agency (EPA) requires community water systems to deliver the Consumer Confidence Report to customers by July 1, every year. The system is currently in compliance with all state and federal regulations. However, it is worth noting that during the period from January 1, 2017-October 10, 2019, CSA 7’s drinking water quality was out of compliance with state regulations, testing for excessive amounts of trihalomethanes (TTHM).¹³ According to County Department of Public Works staff, CSA 7 completed the Water System Seismic Retrofit and Disinfection Byproduct Control Project in 2019 that addressed the TTHM levels. No lead pipes are present in the system.

Boil Water Notices

Over the approximately 3.5-year period from June 1, 2021- Jan. 31, 2025 (the period for which data was available), CSA 7 issued twelve Boil Water Notices to customers. The Boil Water Notices were issued due to water main breaks, distribution system shutdown or repairs, or loss of water pressure events, and were not necessarily associated with violations of the Safe Drinking Water Act or the National Primary Drinking Water Regulations. As noted elsewhere, the CSA 7 water distribution lines were originally installed in the 1920s and are vulnerable and subject to rupture, given their age, construction materials and poor installation. Three of the Boil Water Notices were applicable to the entire CSA 7 water system, while the remaining nine were for specific neighborhoods. The median duration of the Boil Water Notice was six days.

¹³ COUNTY SERVICE AREA 7 Consumer Confidence Report

Table 1. CSA 7 Boil Water Notices¹⁴

Date Issued and Cancelled	Duration (Days)	Area
1/15/2025-1/21/2025	6	Neighborhoods
6/25/2024-6/28/2024	3	Specific Properties
2/5/2024-2/16/2024	11	Neighborhoods
11/1/2023-11/3/2023	2	Neighborhoods
10/24/2023-10/30/2023	6	Neighborhoods
10/14/2023-10/20/2023	6	Entire CSA 7 system
9/30/2023-10/5/2023	6	Neighborhoods
3/23/2023-4/03/2023	10	Neighborhoods
12/3/2022-12/9/2022	9	Neighborhoods
11/21/2022-12/02/2022	11	Neighborhoods
6/22/2021-6/30/2021	8	Entire CSA system
6/7/2021-6/10/2021	3	Entire CSA system

*Notices were from the County or System Operator (Bracewell Engineering, Inc.)

d) Are there any significant infrastructure needs or deficiencies to be addressed?

Yes. In 1996, the County commissioned a “Master Plan” report to provide a big picture, long term framework for the maintenance, improvement, and sustainability of the CSA 7 water system.¹⁵ The environmental engineering and consulting company that wrote the plan, Brown and Caldwell, conducted a system-wide inspection and assessment of all elements of the water system. The main components of the water system include a diversion on Alpine Creek at Pescadero Creek Road bridge that collects water to pump to a 70,000-gallon redwood storage tank (unknown construction date). From there, the water is then processed through the water treatment plant (constructed in 1994) and then delivered to customers and/or stored in a 500,000-gallon treated water storage tank (built in 1967).

In 2015, the County completed a Water System Feasibility Study, Seismic Retrofit, and Water System Improvement Recommendation Report for CSA 7.¹⁶ The Report re-evaluated the findings and recommendations made in the 1998 Master Plan. Based on the analysis in the Report, a Capital Improvement Program priority list was established, which estimated a total cost of \$6.2M to complete all projects. However, the cost of recommended improvements has always been disproportional to the size of the rate payer base. There are at least two significant capital improvement projects that remain incomplete as of June 2025: 1) Securing an alternate water source and 2) Upgrades to the water distribution system. Work on these two projects remains ongoing. Pipeline improvements are occurring in phases, with some neighborhoods completed.¹⁷

¹⁴ Past CSA7 County Notices — CSA7 Customer Advisory Committee, La Honda, California

¹⁵ Brown and Caldwell, County Service Area No. 7 La Honda Water System Master Plan, April 1998.

¹⁶ Waterworks Engineers, CSA No. 7 – Water System Feasibility Study and Seismic Retrofit Project Water System Improvement Recommendation Report, October 2015

¹⁷ CSA 7 Water System Distribution Pipeline Improvement Project | County of San Mateo, CA

Attempts to secure an alternative water source have not succeeded: DPW has drilled one exploratory well to no avail. While there are some customers in CSA 7 that have water rights to La Honda Creek and could allow for an intake for CSA 7 along this water way, there would need to be an evaluation of how much water could be pulled from the Creek based on these water rights and the rights of other property owners along the Creek. Currently, CSA 7 does not have adequate funding to undertake the water tank replacement and County staff are exploring potential grant funding for this project.

e) Are there changes in State regulations on the horizon that will require significant facility and/or infrastructure upgrades?

There are no specific changes in state regulations on the horizon that CSA 7 is aware of which would require significant upgrades. The State Water Resources Control Board and Federal Environmental Protect Agency have instituted various new reporting requirements of public water systems in recent years, such as the monthly Water System Monitoring Report, annual Consumer Confidence Report, annual Small Water System Annual Report to the Drinking Water Program, and others. Staff time spent completing these and any other new reports would not significantly impact CSA 7, as Bracewell Engineering Inc. completes all reports as part of its ongoing contract agreement as system operator. If there were any new metrics required in a new report that CSA 7 is not currently tracking, the infrastructure to capture that metric would need to be procured by CSA 7.

f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency's sphere of influence?

No. No disadvantaged unincorporated communities are identified within or adjacent to CSA 7.

MSR Determination No. 3: To address CSA 7 infrastructure needs, in 2015 the County completed a Water System Feasibility Study, Seismic Retrofit, and Water System Improvement Recommendation Report. Based on the analysis in the Report, a Capital Improvement Program priority list was established, which estimated that the total cost for all projects was \$6.2M. Upgrades to the water distribution system remain incomplete as of November 2025. The cost of recommended improvements has always been disproportional to the size of the rate payer base.

Recommendation:

1. CSA 7 should periodically update the capital improvement project list and evaluate funding sources for outstanding projects.

4) Financial Ability: CSA 7

Financial ability of agencies to provide service	Yes	Maybe	No
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?			X
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?	X		
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?		X	
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	X		
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?		X	
f) Is the organization’s debt at an unmanageable level?		X	

a) Does the District routinely engage in budgeting practices that may indicate poor financial management such as overspending its revenue, failing to commission independent audits, or adopted its budget late?

The Board of Supervisors serves as the official governing board of CSA 7, in which business is agendized and conducted at the Board of Supervisor’s regular meetings. The budget for CSA 7 is within the Department of Public Works’ purview and is consistently adopted on time and presented to the Board in a public meeting. Independent audits of CSA 7 occur indirectly as part of the Department of Public Works internal auditing process.¹⁸ The Customer Advisory Committee publishes quarterly, line-item budget reports for CSA 7 on its website, available from 2020 to the present. The Advisory Committee’s website provides valuable archives specific to CSA 7 business.

Budget

The primary source of revenue for CSA 7 (nearly 100%) is from charges for water service and usage for residential customers (revenue is comprised of a “Service Charge”, which is a flat monthly charge and a “Volume Charge”, which is based on the amount of water used). Water

¹⁸ Department of Public Works Summary (4500D) | San Mateo County Performance

service charges totaled \$139,736 in FY 2021-22, \$157,829 in FY 2022-23, and \$155,021 in FY 2023-24. As of June 30, 2023, the fund balance available to the district is \$28,696.

Most expenditures are allocated to water system operational services, performed via contract with Bracewell Engineering, Inc..

Table 2. Net Budget (Actuals) for CSA 7, FY2021/22- FY2023/24

	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Water Sales	\$70,920	\$87,294	\$83,225	\$88,042
Water Service Charges	\$66,965	\$68,175	\$69,897	\$71,789
Surcharges & Penalties	\$1,575	\$1,960	\$1,575	\$1,470
Other	\$595	\$800	\$2,764	\$1,721
Subtotal Revenue	\$140,055	158,229	\$157,461	\$163,022
Water System Maintenance	\$92,322	\$92,142	\$92,655	\$80,133
Electric & Gas Utilities	\$7,043	\$5,665	\$8,099	\$6,988
Engineering Services (Public Works)	\$24,078	\$17,091	\$41,512	\$38,433
Other	\$12,014	\$22,100	\$16,395	\$25,144
Subtotal Expenses	\$135,457	\$136,998	\$158,661	\$150,698
Net	\$4,598	\$21,231	\$(1,200)	\$12,323

Source: County of San Mateo, Department of Public Works

Operations & Maintenance

CSA 7 does not have staff. All CSA 7 operations and maintenance work is conducted by the competitively procured independent contractor, Bracewell Engineering, Inc. (Bracewell). The County (as governing body of CSA 7) utilizes the County Department of Public Works to manage the contract with Bracewell, including all billing and oversight. The contract with Bracewell includes the “Treatment Plan Operations and Maintenance Services Contract” for CSA 7 as well as “Operations, Monitoring, and Reporting Services Contract” for CSA 11 in Pescadero.

Table 3. Bracewell Engineering, Inc. Contract History for CSA 7 and CSA 11, 2015-present

Contract Term	Not-to-Exceed Amount	% Change
5/20/2025*-5/19/2030	\$990,000	-
10/20/2020-10/19/2025	\$875,000	13%
11/3/2015-10/22/2020	\$850,000	3%

* Note: According to DPW, DPW issued an RFP prior to the expiration date of the current contract as staff determined that the remaining balance in the contract would be insufficient to cover the

operational and maintenance costs of the water systems through the full contract term ending in October 2025.

Since 2011, CSA 7 and CSA 11 have had all operations and maintenance performed by Bracewell.¹⁹ Bundling the contract may result in efficiency gains from the two County Service Areas. The two districts also share one licensed water operator staff,²⁰ so the County does not have to procure and manage two separate contracts, and the County Service Areas do not have to provide salary or benefits, including retirement benefits. Prior to 2011, the County had an in-house certified water system operator. The County tracks the costs for CSA 7 and CSA 11 separately to ensure there is no comingling of funds between the two districts.

For the CSA 7 contract component, Bracewell is responsible for managing daily operations including routine water quality testing and monitoring, ensuring compliance with State water diversion and domestic water supply permits, monitoring creek conditions to ensure sufficient storage supply, providing maintenance on pumps and other equipment, annually flushing the water mains, quarterly meter reading, ~~customer billing~~, and responding to water line breaks, customer complaints, and public noticing. County Public Works administers customer billing and fields customer service requests and complaints.

Capital Expenditures

Since water rates do not provide sufficient revenue to cover all necessary capital projects (identified in the 2015 report at an estimated \$6.2M), the County Board of Supervisors periodically approves appropriations to fund CSA 7 projects. The County has spent at least \$3.8M on capital projects for CSA 7 since 2018. The majority of County funds are appropriations from Measure K²¹ or County General Fund. For example, in September 2024, the Board of Supervisors appropriated \$1.4M to be spent over the subsequent three fiscal years for CSA 7 and CSA 11 emergency response plan development and other infrastructure improvements to address emergency preparedness. Table 4 shows the status of recent County-funded capital improvement projects in CSA 7.

¹⁹ The CA Department of Water Resources requires certified operators for small water systems.

²⁰ The US Safe Drinking Water Act establishes minimum professional standards for the operation and maintenance of public water systems. About Operator Certification | US EPA

²¹ Measure K is a half-cent countywide sales tax. The measure was placed on the November 2016 ballot to extend a previously approved (Measure A) half-cent tax until 2043.

Table 4. County-Funded Capital Improvement Projects for CSA 7

Priority	Project	Status	Expenditure to Date	Funding Source
				County Measure K (Measure A)
1	Water Tank Retrofit	Completed 2019	\$1,109,482	\$1,109,482
2	Change Sand Media of Sand Filters	Completed 2025	\$1,340,782	\$1,340,782
2	Flocculation Chamber Recoating	Completed 2025	\$440,219	\$440,219
2	Northern Area Water Distribution System	Ongoing	\$835,049	\$835,049
3	Looping Water Main	Ongoing	\$102,445	\$102,445
4	Additional Water Source	Ongoing	\$150,199	\$150,199
5	System-wide Water Meter Replacement	TBD		
Total			\$3,896,565	

Source: Department of Public Works via Customer Advisory Committee website

CSA 7 also maintains and completes its own list of capital improvement projects. The projects are prioritized and discussed during quarterly Advisory Committee meetings, and funded through incremental revenue from water rates. The total net capital reserve is \$146,276 as of June 26, 2025. Below, Table 5 shows recent projects funded by CSA 7. All capital projects and expenditures to date are publicly available on the Advisory Committee website.

Table 5. CSA 7 Capital Improvement Projects, FY2020/21- FY2024/25

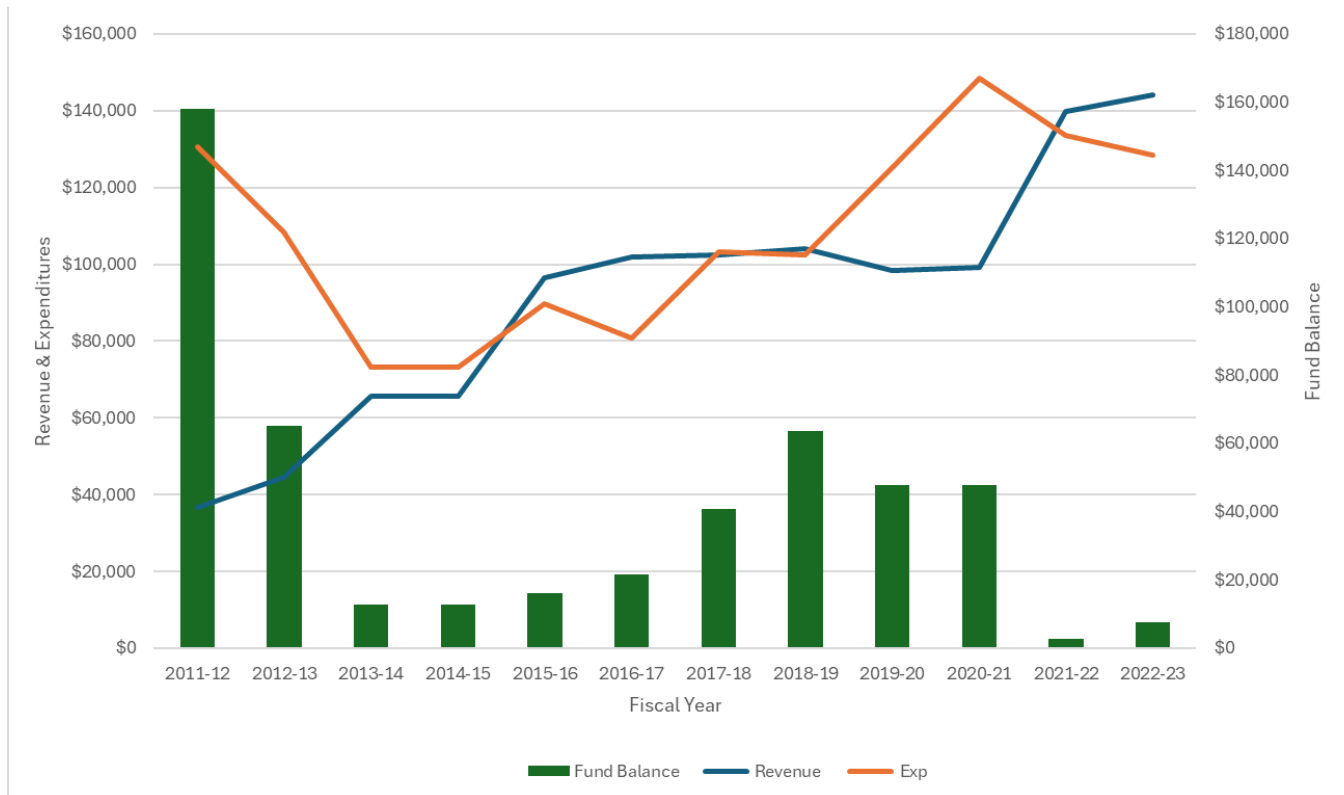
	CSA 7 funded Projects	Cost
FY 20/21	Replacement pH Probe and Flush Line Strainer Hose Bibb	\$503
FY 20/21	Replacement heater in treatment plant	\$146
FY21/22	Truck Mount Crane	\$298
FY 22/23	Water meter replacement at 8125/8129 La Honda Rd	\$390
FY 22/23	Analog output module for Sensaphone Controller	\$136
FY 23/24	New pH probe and diaphragm for CL pump	\$599
FY 24/25	Sulfuric Acid for Treatment Plant	\$588
FY 24/25	Materials for water main break at 14 Pope Road	\$296
FY 24/25	Sensaphone repair, creek pump renewal	\$605
<i>Total</i>		\$3,561

Source: CSA 7 Customer Advisory Committee website

b) Is the organization lacking adequate reserves to protect against unexpected events or upcoming significant costs?

CSA 7 water rates have built-in amounts appropriated towards reserves. However, reserves are not sufficient to protect against unexpected events such as major waterline breaks, hauling in water during a drought, or infrastructure repair. CSA 7 has relied on County appropriations for support.

Table 6. CSA 7 Fund Balance, FY 2011/12-2022/23



Source: Department of Public Works

c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?

CSA 7 customers are billed quarterly for a flat service charge and a volume charge (not tiered). On May 4, 2021, the County Board of Supervisors (the CSA 7 governing body) approved a resolution (No. 078145) to set the CSA 7 water service charges for the five-year period from FY 2021/22- FY 2025/26, with both the service charge and usage charge set to increase 3% annually (see Table 7. As of September 2025, CSA 7 is in year five of the five-year rate increases. The County will be reviewing a new rate schedule in the near future.

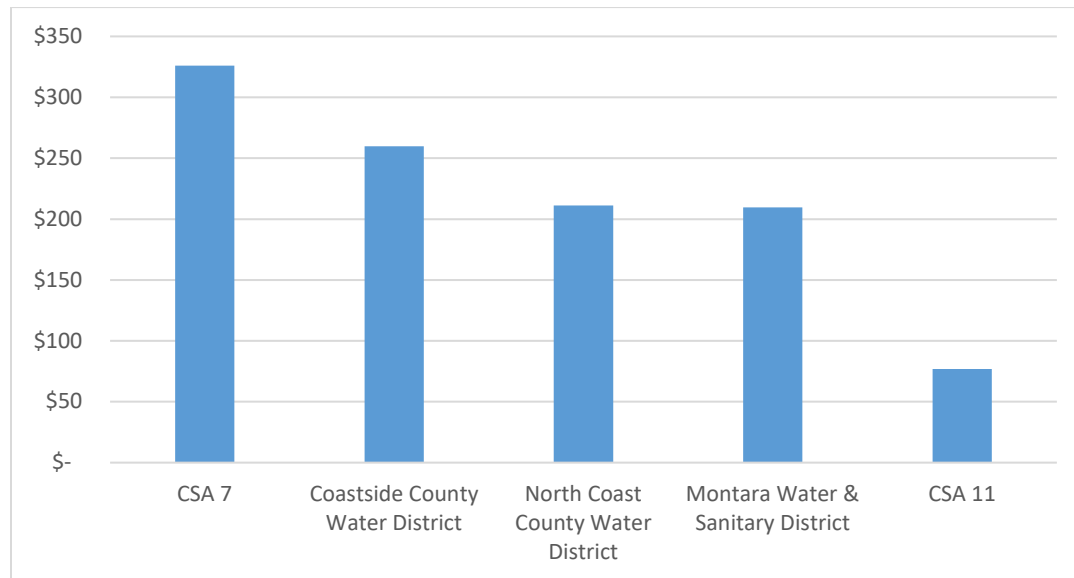
Table 7. CSA 7 Rate Information, FY2021/22- FY2025/26

	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26
Service Charge (per month)	\$85.16	\$87.71	\$90.34	\$93.05	\$95.84
Usage Charge (per unit)	\$20.45	\$21.06	\$21.69	\$22.34	\$23.01

Source: San Mateo County Public Works

The CSA 7 water rates for FY 2025-26 are higher than neighboring water systems (Table 8). This is largely because CSA 7 relies on ratepayers to support operational costs and a share of capital improvement costs, while other water districts in the County (i.e. Montara Water and Sanitary District, Coastside County Water District, and North Coast County Water District) receive a share of property tax revenue. CSA 11 also relies primarily on ratepayers to support operational costs, however CSA 11 has not yet raised rates, as of September 2025.

Table 8. CSA 7 Water rates vs. Neighboring Rates, FY 2025-26



Note: Comparison is of monthly bill (service plus usage charge) for residential water services.

d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?

CSA 7 is unable to afford the improvements necessary due to the magnitude of needed capital improvement projects and small customer base. There are unfunded capital improvement projects that are in the queue. For example, replacing water meters throughout the system. Several recent capital projects have had to rely on grant funding or funding from the County.

e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?

County DPW has a rate setting policy in place for CSA 7.

f) Is the organization’s debt at an unmanageable level?

During FY 2015-16 the Department of Public Works secured a \$43,000 water system loan to assist with the restoration of services for the system due to a mainline break which rendered the water system un-operational for several days. CSA 7’s revenues from water sales will be used in repaying the loan. There are no other outstanding loans. As of July 2025, the current debt level for CSA 7 is \$21,256.32.

MSR Determination No. 4: The San Mateo County Board of Supervisors serves as the official governing board of CSA 7, in which business is agendized and conducted at the Board of Supervisor’s regular meetings. The budget for CSA 7 is within the Department of Public Works’ purview and is consistently adopted on time and presented to the Board in a public meeting. Independent audits of CSA 7 occur indirectly as part of the Department of Public Works internal auditing process. The Customer Advisory Committee publishes quarterly, line-item budget reports for CSA 7 on its website, available from 2020 to the present.

The primary source of revenue for CSA 7 (nearly 100%) is from charges for water service and usage for residential customers. Most expenditures are allocated to water system operational services, performed via contract with the competitively procured independent contractor, Bracewell Engineering, Inc. CSA 7 does not have any directly employed staff.

Since water rates do not provide sufficient revenue to cover all necessary capital projects, the County Board of Supervisors periodically approves appropriations to fund CSA 7 projects. The County has spent at least \$3.8M on capital projects for CSA 7 since 2018. CSA 7 water rates have built-in amounts appropriated towards reserves. However, reserves are not sufficient to protect against unexpected events such as major waterline breaks, hauling in water during a drought, or infrastructure repair. CSA 7 relies on County appropriations for support and is looking at grants for capital projects.

Recommendations:

2. CSA 7 should evaluate ways to fund specific long-term capital projects. Estimates for CSA 7 CIP projects should be updated as part of this process. CSA 7 could also explore other possible revenue sources, such as a fee to customers for funding related infrastructure replacement projects, when reviewing water rates.
3. CSA 7 should continue to review water rates on a regular basis. Current water rates do not support the completion of capital improvement projects for the system.

5) Shared Services and Facilities

Status of, and opportunities for, shared facilities	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	X		

<p>b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?</p>		X	
<p>c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?</p>		X	

a) Is the agency currently sharing services or facilities with other organizations?

Much of the CSA 7 water distribution system and storage tanks are located on County-owned Sam McDonald Park land. CSA 7 does not rent these lands or own an easement for these facilities. The County Probation Department, which operated Camp Glenwood, has shared 50% of treatment plant operation and water supply source related costs with CSA 7. The lease will CAL FIRE requires that they pay CSA 7 for their water service.

In June 2025, the County Board of Supervisors approved an Agreement with CAL FIRE to lease property at Camp Glenwood for the establishment of the Glenwood Fire Center.²² The crews stationed at the Glenwood Fire Center will focus on fuel reduction, prescribed burns, community projects, and other wildfire prevention efforts. The Agreement is for two years (August 1, 2025 to July 31, 2027) with a monthly base rent of \$24,999.

CSA 7 and CSA 11 continue to share the County contract for operations and maintenance with Bracewell Engineering. The two County Service Areas share staff, equipment, and other resources. County Public Works tracks all costs to ensure there is no comingling of funds.

CSA 7 occasionally holds public meetings at the La Honda Fire Station, home of the all-volunteer La Honda Fire Brigade.

Furthermore, the CSA 7 Advisory Committee participates in regional discussions related to water concerns.

CSA 7 does not have any intertie agreements in place with other water systems.

b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?

LAFCo does not identify any opportunities that are not currently being utilized, or that have not been attempted in the past. For example, CSA 7 has reached out to Cuesta La Honda Guild to purchase water during periods of drought but was rejected by the Guild. CSA 7 had also reached out to Cal Water, but Cal Water did not express interest in the system. There does not appear to be opportunity for coordination between other water systems.

²² County of San Mateo - File #: 25-518

- c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?

If the County determines that it is not feasible to continue to operate CSA 7 due lack of ratepayer revenue, the County may consider several alternative models to the current governance structure of a County Service Area in which the Board of Supervisors is the governing body and the County Department of Public Works operates the water system. These alternatives include:

- Community Services District governed by a locally elected board that would either employ staff directly or contract for services. The board would set rates, operate the system, and maintain compliance with State regulations concerning public water systems;
- Transfer of the system to a private utility or entity, such as Cal Water; or
- Formation of a mutual water company.

A Community Services District (CSD) that would need to employ staff for the sole purpose of operating one small system does not appear feasible at this time based on the condition of the aged distribution system, lack of adequate revenues to fund improvements, and small ratepayer base. A CSD would face similar issues that the CSA currently faces. An additional hurdle would be that the CSD would be an independent entity from the County and would not be able to rely on any County funding. For these same reasons (condition of the system, needed improvements, and lack of revenue available to complete improvements) CSA 7 is not a candidate for transfer to another private entity. At this time, there is no reasonable foreseeable governance change that could occur for CSA 7. According to the County of San Mateo, there is no proposed change to the current structure of CSA 7.

MSR Determination No. 5: Through this MSR process, staff has not identified any new opportunities for shared facilities. CSA 7 currently partners with multiple agencies, including CSA 11, CAL FIRE, the community of La Honda, and other regional organizations.

Recommendation: None

6) Accountability, Structure, and Efficiencies: CSA 7

Accountability for community service needs, including governmental structure and operational efficiencies	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?			X
b) Are there any issues with staff turnover or operational efficiencies?			X
c) Is there a lack of regular audits, adopted budgets and public access to these documents?		X	
d) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency?			X
e) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?			X
f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?			X

a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?

None. The governing body for CSA 7 is the County Board of Supervisors. The Board of Supervisors meets regularly and generally on the second and fourth Tuesday of every month. All meetings are held at the Board of Supervisors’ Chambers, 500 County Center, Redwood City. Meetings are also teleconferenced online via Zoom, and the public can provide live comment on items using the “raise hand” feature.

b) Are there any issues with staff turnover or operational efficiencies?

CSA 7 has no direct staff, rather operations are handled by Bracewell Engineering, Inc.. According to the contract, Bracewell’s Operations Manager conducts monthly internal performance audits to “ensure regulatory and contractual obligations are being met and identify areas for efficiency or reliability improvements”.

c) Is there a lack of regular audits, adopted budgets, and public access to these documents?

Because CSA 7 is governed by the County Board of Supervisors, all budget information and department-wide audit reports are available to the public on the Controller’s Office website. There are several documents that are available on the CSA 7 Advisory Committee’s website, but not on the CSA 7 County website, which can lead to conflicting information.

d-f) Changes in governance structure?

There are no proposed changes in governance structure.

MSR Determination No. 6: Alternative models to the current governance by a County Service Area in which the Board of Supervisors is the governing body and the County of Public Works Department operates the water system, include: Community Services District, transfer of the system to a private utility or entity such as Cal Water, or the formation of a mutual water company. These alternatives may be subject to consideration if the County determines that it is not feasible to continue operating the system due lack of rate payer support resulting in inadequate revenues. According to the County, there is no proposed change to the current structure of CSA 7.

The CSA 7 Customer Advisory Committee publishes quarterly line-item budget reports for CSA 7 on its website, available from 2020 to the present. There are many documents that are available on the CSA 7 Advisory Committee’s website, but not on the County CSA 7 website, which can lead to conflicting information.

Recommendation

4. To enhance transparency, it is recommended that CSA 7 staff and the CSA 7 Advisory Committee review information on the CSA 7 Advisory Committee website to confirm accuracy of the documents and data. It is also recommended that County DPW post timely information about the CSA 7 Advisory Committee, such as agendas and meeting minutes, on the County’s website.

7) Other Issues: CSA 7

Any other matter related to effective or efficient service delivery, as required by commission policy.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?			X
b) Water Resiliency and Climate Change			
i) Does the organization support a governance model that enhances and provides a more robust water supply capacity?		X	

ii) Does the organization support multi-agency collaboration and a governance model that provide risk reduction solutions that address sea level rise and other measures to adapt to climate change?	X		
c) Natural Hazards and Mitigation Planning			
i) Has the agency planned for how natural hazards may impact service delivery?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provides risk reduction for all natural hazards?	X		

a) Other service delivery issues that can be resolved by the MSR/SOI process.

None.

b) Water Resiliency and Climate Change

CSA 7 and the County are exploring alternative water sources to Alpine Creek. This process is complicated by surface water rights legal issues. Drilling for well water has so far been fruitless.

The stationing of CAL FIRE at Glenwood Camp since August 1, 2025 may help curtail the risk of devastating fire in the area. The crews stationed at the Glenwood Fire Center will focus on fuel reduction, prescribed burns, community projects, and other wildfire prevention efforts.

c) Natural Hazards and Mitigation Planning

CSA 7 has a drought contingency plan which guides processes and procedures for periods of low or no-flow. CSA 7 property owners pay property taxes that include fire services from the County Fire Department and policing services from the County Sheriff. CAL FIRE will provide brush clearing and fire hazard prevention services at its Glenwood Camp location.

CAL FIRE has identified CSA 7 is in a “high” fire severity zone, as of April 1, 2024. CSA 7 is in a State Responsibility Area, meaning the financial responsibility of preventing and suppressing wildfires is primarily CAL FIRE’s responsibility.²³ According to County Public Works, all fire hydrants in the District are “dry hydrants” for filling tanks only. The CSA 7 water system is not able to support fire-fighting activities as may be available in other water systems.

MSR Determination No. 7: CSA 7 and the County are exploring alternative water sources to Alpine Creek. CSA 7 and the County are exploring alternative water sources to Alpine Creek, such as La Honda Creek, however, efforts have not been successful. The stationing of CAL FIRE at Glenwood Camp since August 1, 2025 will help curtail the risk of devastating fire in the area. The

²³ CAL FIRE Fire Hazard Severity Zones | OSFM

crews stationed at the Glenwood Fire Center will focus on fuel reduction, prescribed burns, community projects, and other wildfire prevention efforts.

Recommendation: None

Section IV: Sphere of Influence Review for CSA 7

- 1. The present and planned land uses in the area, including agricultural and open space lands:** CSA 7 land is primarily for low-density residential use, along with public recreation and institutional uses at the County-owned facilities. CSA 7 land is surrounded by, but does not include, open space and agricultural lands.
- 2. The present and probable need for public facilities and services in the area:** There are approximately 176 residents that live year-round in CSA 7 and require water services. Minimal population growth is expected in the next 5-10 years, and so the demand for water services will likely remain steady. During periods of extreme weather events, such as drought or a storm in which the water becomes too muddy to run through the filtration systems, the County has hauled in water purchased from private suppliers, such as Cal Water. There is no “backup” water source in the area, and neighboring Cuesta La Honda Guild does not have enough water to serve its own population and to share. Efforts to find a secondary water source have been deprioritized relative to other capital projects but remain ongoing.
- 3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:** Since 2011, the County has successfully contracted with Bracewell Engineering, Inc. for operation and management of CSA 7. Bracewell, in partnership with the County Public Works Department, has implemented capital improvement projects as funding becomes available. The water distribution system was constructed in the 1920’s and still needs upgrades and improvements to provide reliable water services to residents.
- 4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.** CSA 7 includes Sam McDonald Park which hosts occasional events that attract visitors. Glenwood Camp facilities will host CAL FIRE for an initial two-year period that started in August 2025.
- 5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.** There are no disadvantaged unincorporated communities within CSA 7 boundaries.

On the basis of the Municipal Service Review:

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency’s SOI is recommended and SOI determinations HAVE NOT been made.

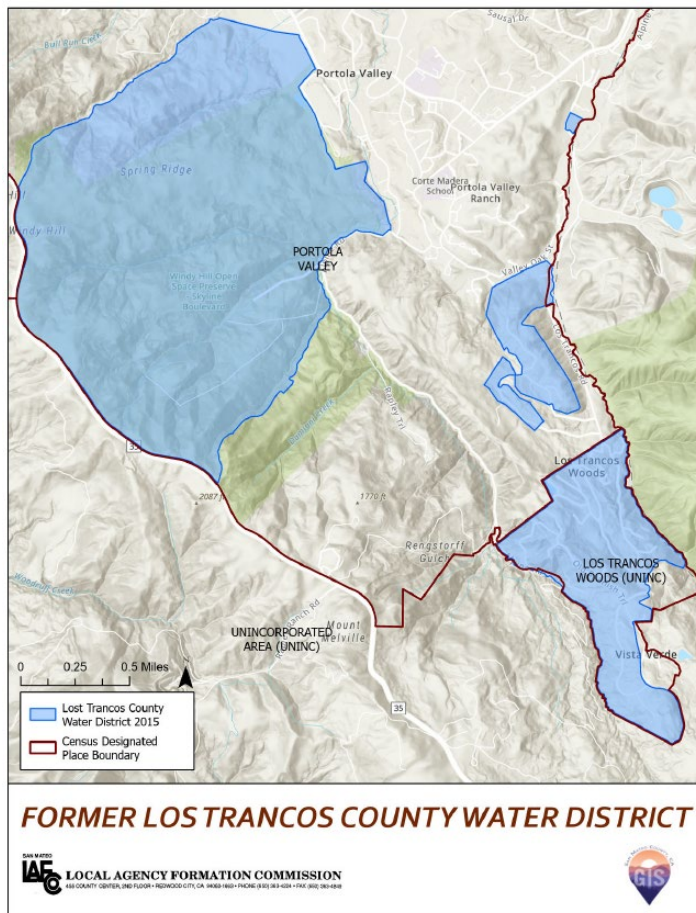
Section V: Review of the Los Trancos County Maintenance District

Background

On October 1, 2015, the San Mateo County Board of Supervisors formed the Los Trancos County Maintenance District (LTCMD) as the successor agency to Los the Trancos County Water District (LTCWD). LTCMD was formed according to Section 5820 et.seq. of the Streets and Highways Code to carry out enhanced fire safety, storm drain and road improvements, and land stewardship in the unincorporated San Mateo County neighborhoods of Los Trancos Woods, Vista Verde, and Oak Forest Court. The enhanced improvements and services to properties in the LTCMD are funded through a share (approximately 10%) of the 1 percent property tax collected within district boundaries. As such, there is no mechanism to collect funds from any additional parcels that could want to annex into the LTCMD.

The Los Trancos County Water District was an independent district formed in 1954 to improve water service to a portion of Los Trancos Woods. Subsequent annexations between 1962 and 1972 resulted in the LTCWD including all of Los Trancos Woods and Vista Verde and several non-contiguous areas. See Figure 2, below. Passage of Proposition 13 in 1978 resulted in the LTCWD receiving a share of the 1 percent property tax within LTCWD boundaries from parcels that were in the LTCWD at that time.

Figure 2. Los Trancos County Water District, 2015



In the 1990s, the Blue Oaks subdivision in the Town of Portola Valley was annexed to Los Trancos County Water District. The Blue Oaks developers extended a zero-interest loan to the LTCWD in the amount of \$617,762 that the LTCWD used to fund infrastructure improvements. The loan provides that quarterly payments of \$2,250 are due at such time that 32 homes are constructed, and quarterly payments increase to \$2,750 at such time that 36 homes are constructed. The Town of Portola Valley last reported that there are now a total of 32 lots in the subdivision due to merger of lots and dedication of one merged lot to open space. As of May 2025, 32 homes have been constructed and the LTCMD has begun repayment of the loan at \$9,000 annually.

In 2005, LTCWD sold its water distribution system to the California Water Service Company (Cal Water). Following the sale, the LTCWD ceased to operate as a water provider, but continued to collect property tax revenues.²⁴ The tax dollars were used for enhanced vegetation management and storm water conveyance system studies and improvements. In March 2006, San Mateo Local Agency Formation (LAFCo) recommended dissolution of the LTCWD, as the property taxes were originally intended to support the management of a water purveyor and not additional services that the LTCWD was not authorized to perform.²⁵ The 2006 LAFCo report stated: “A district that no longer delivers the service for which it was formed and collects property tax that is no longer needed to fund services should consider dissolution.” Amidst these discussions, the Los Trancos, Vista Verde, and Oak Forest Court community identified the need for continued enhanced services including fire safety, storm drain and road improvements, and land stewardship.

In 2015, San Mateo LAFCo approved a proposal from the LTCWD Board to dissolve the LTCWD and subsequently form the LTCMD. This action stemmed from several years of discussion between LTCWD, LAFCo, the County of San Mateo, Woodside Fire Protection District, and Midpeninsula Regional Open Space District. As part of the dissolution, two LTCWD owned parcels were transferred the County of San Mateo (APN 080-100-060 and APN 080-071-010) and one parcel to Woodside Fire Protection District (APN 080-060-580). These three parcels were to remain undeveloped and conservation easements from Midpeninsula Regional Open Space District were placed on the parcels.²⁶

The LTCMD was formed to fund and carry out these enhanced services. As a successor agency to the dissolved LTCWD, the property tax base and increment was transferred to the newly formed LTCMD for parcels within LTCMD. For parcels that were in LTCWD, but were not included in LTCMD, property tax was redistributed proportionately to the other agencies that share the territory, including the Town of Portola Valley and the Woodside Fire Protection District.

Overview of LTCMD

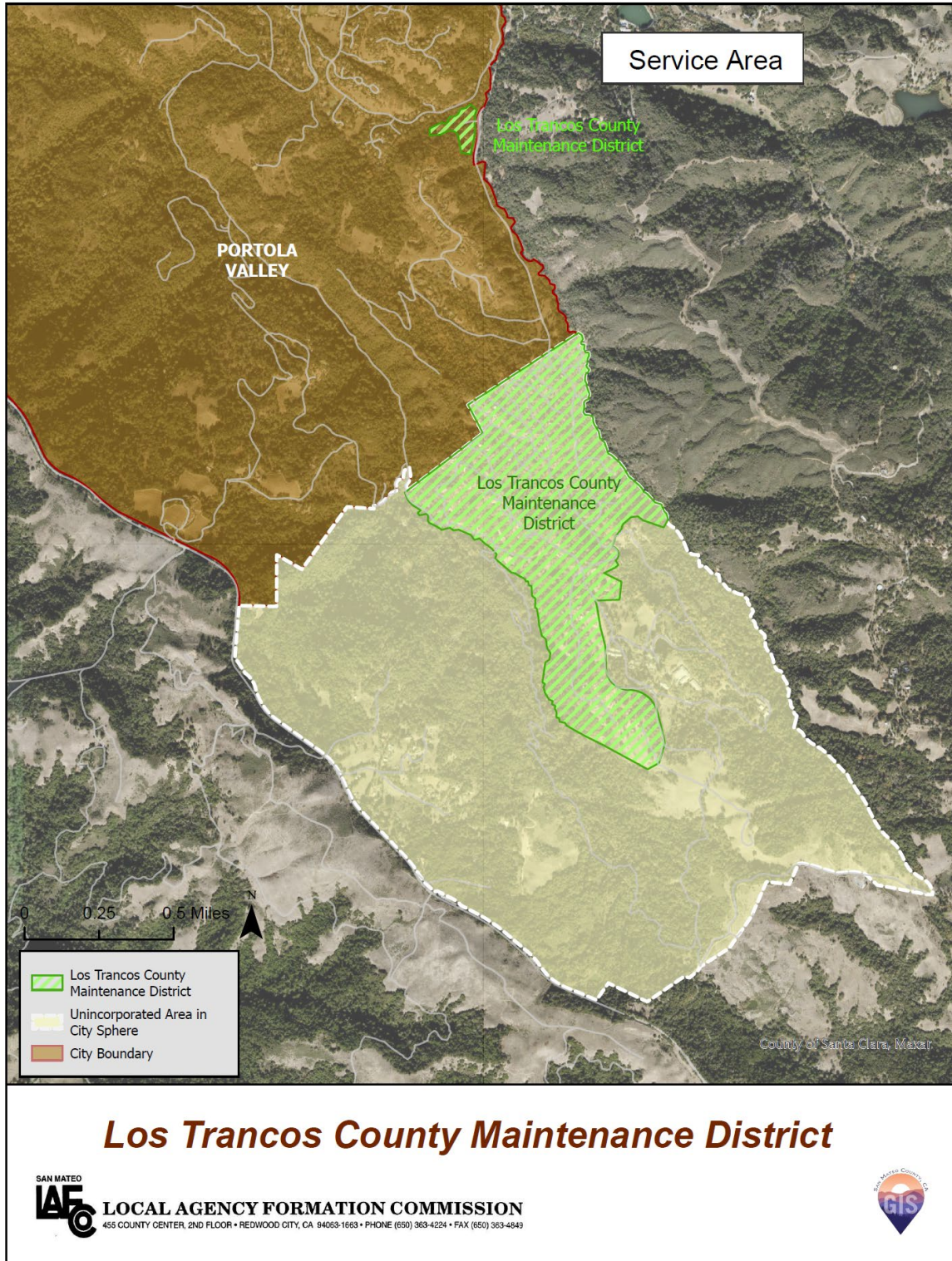
The County Board of Supervisors is the governing body of the LTCMD which is comprised of 335 acres of low-density residential land in unincorporated San Mateo County, as shown in Figure 3. The San Mateo County Department of Public Works (DPW) provides administrative and operational support to the LTCMD.

²⁴ San Mateo County Civil Grand Jury Report, “A Water District Without Water”, 2009, Title (14 pt, Arial, bold)

²⁵ San Mateo LAFCo Municipal Service Review for Los Trancos County Water District, March 8, 2006.

²⁶ Midpeninsula Regional Open Space District Board of Directors Meeting, August 12, 2015, Item 4.

Figure 3. Los Trancos County Maintenance District Service Area



Services

LTCMD currently provides enhanced fire safety under a contract with the Woodside Fire Protection District, enhanced storm drain and road improvements, and land stewardship within the unincorporated areas of Los Trancos Woods and Vista Verde and to five parcels located on Oak Forest Court within the Town of Portola Valley. A portion of property tax from these parcels are allocated to LTCMD. The Blue Oaks subdivision did not contribute property tax to LTCWD and was not included in LTCMD, but LTCMD is the successor to the outstanding loan from the Blue Oaks subdivision that was made to LTCWD.

The Los Trancos-Vista Verde Community Advisory Committee

The Los Trancos-Vista Verde Community Advisory Committee (CAC) was created upon formation of the LTCMD to serve as a liaison between the residents of the LTCMD and the Department of Public Works, which manages the LTCMD. The CAC is comprised of seven members who are LTCMD residents, to serve a four-year term, appointed by the County Board of Supervisors. The Committee meets at least twice annually; at least once privately with DPW and Woodside Fire District staff, and at least once with the public.²⁷ The CAC maintains a website containing policies, historical information, and a recently updated archive of meeting minutes and supporting documents for years 2022-2025.²⁸ LTCMD budget and capital expenditure decisions are made in close consultation with the CAC. DPW communicates to the CAC a prioritized list of improvement projects to be funded by the Enhanced Funds. Fund balance information is shared by DPW with the CAC, who subsequently shares with the LTCMD residents.

1) Growth and Population

The population of LTCMD is 650, according to the 2020 US Census, with most residents in the Los Trancos Woods and Vista Verde neighborhoods. Over the next 5-10 years, no significant population change or development is expected within this portion of unincorporated San Mateo County based on a review of planning documents from the County of San Mateo and the Association of Bay Area Governments.²⁹ No foreseen population changes will directly impact the LTCMD's service needs and demands.

2) Disadvantaged Unincorporated Communities

LTCMD's sphere of influence and boundaries do not include disadvantaged unincorporated communities.

3) Capacity and Adequacy of Public Facilities and Services

Enhanced Stormwater Control Program: County of San Mateo

San Mateo County Department of Public Works administers enhanced storm drain services in the LTCMD with input from the Los Trancos Community Advisory Committee (CAC). The program is funded through enhanced funds that are intended to improve existing storm drainage systems

²⁷ Policies and Procedures of the Community Advisory Committee to the Los Trancos County Maintenance District. Revised October 2023.

²⁸ Meeting Notes and Recordings, Maintenance District – Vista Verde Community Association.

²⁹ Association of Bay Area Governments (ABAG) Projections 2040 - Forecasts for Population Households and Jobs

and/or associated roadways that have reached the end of their useful service life. The current storm drainage system passes through County right-of-way and private properties. The County does not currently have plans to upgrade the roads. The current County-provided maintenance schedule includes clearing gutters, mowing, tree trimming in the public right of way.

In December 2013, the LTCWD contracted with the San Francisco-based consulting civil engineering firm Schaaf & Wheeler to compose a “Storm Drainage Master Plan” (Master Plan).³⁰ Nearly 15 years later, the Master Plan is still the guiding document for the area in establishing a prioritized capital improvement program to mitigate the impacts of stormwater runoff. DPW is ultimately responsible for project selection and scope. The following table outlines several stormwater improvements that have been completed or are in progress. In addition to these projects, there have been stormwater projects that have occurred in the area either on private property or have been undertaken by private property owners.

Table 9. LTCMD Capital Improvement Projects

Project Description	Construction Costs	Status
Complete Alpine Rd. berm in County area; install runoff improvements; remove private property trees that threaten road, replace private driveway culverts on Alpine Rd.	\$66,033	Completed FY 16/17
Storm drain and culvert system on Ramona Rd. to replace open ditch system	\$156,934	Completed FY 17/18
Construct curbs and install pipes and drop inlets between 1083 and 1035 Los Trancos Rd.	\$123,305	Completed FY 17/18
Clear or repair culverts at 1207 Los Trancos Rd. to eliminate system blockage. Install new inlet and junction structures to improve water capture off Los Trancos Rd. and towards Foxwood through 1207 Los Trancos and 108 and 112 Foxwood	TBD	In Progress (Conceptual Design Phase)
Combination of culvert and gutter improvements on Los Trancos Rd. between 1090 and 1103 Los Trancos Rd., extending downstream to 1061 Los Trancos Rd.	TBD	In Progress (Conceptual Design Phase)
Divert water to Blue Oaks subdivision from Los Trancos Circle	TBD	In Progress (Conceptual Design Phase) Easements required.

Source: Project list provided by CAC, confirmed by DPW

³⁰ Schaaf & Wheeler Storm Drainage Master Plan – December 2013

According to the CAC, in June 2025, DPW awarded HDR Engineering, Inc. a contract for \$125,000 to study the feasibility of storm drain system improvement projects in LTCMD deemed high priority by the CAC and DPW. These projects include the three “In Progress” projects listed in Table 9, above, which DPW has estimated will cost at least \$1,500,000 to complete construction. The feasibility study will include cost estimates for capital improvements as appropriate. The five priority projects include: PRJ25, PRJ27, PRJ28, PRJ29B, and PRJ31 as outlined in the Master Plan.

Also, while there to five parcels located on Oak Forest Court within the Town of Portola Valley that are within LTCMD and contribute property tax dollars to the District, no work has occurred within this area.

Enhanced Fire Protection Services: Woodside Fire Protection District

The Woodside Fire Protection District (WFPD) provides general fire protection services to 32 square miles area including the Los Trancos Woods and Vista Verda communities. WFPD receives a share of property tax to provide general fire services within its boundaries. According to the CAC, the enhanced services are well received by the community and program improvements have resulted in increased participation and improved safety throughout the LTCMD.

In addition to these general fire services, LTCMD’s predecessor, the LTCWD, contracted with the WFPD for enhanced fire protection services. County Department of Public Works and CAC agreed that Woodside Fire should be selected to continue providing services for the newly formed LTCMD. Table 4 below shows the contract history, which is funded entirely by property tax revenue from parcels within the LTCMD. According to the contract, Woodside Fire services to LTCMD include:³¹

- Home Hardening and Defensible Space Fire Safety Incentive Program: offers property owners 50% reimbursement of the money they spend on pre-approved wildfire prevention work, up to a maximum of \$7,500 per household each fiscal year (e.g., spend \$3,000, receive \$1,500; spend \$170,000, receive \$7,500, the maximum).
- Land Stewardship and Maintenance: Weed abatement, vegetation management adjacent to roads within the community and roads in the Town of Portola Valley leading to Los Trancos Woods/Vista Verde
- Alpine Road shaded fuel break
- Home inspections and defensible space program administration
- Community emergency preparation
- Chipper Day Program

³¹ Agreement Between County of San Mateo and Woodside Fire Protection District 2024-26

Table 10. WFPD- LTCMD Enhanced Services Contract History

Term	Annual Amount	Not-to-Exceed (NTE) Amount
3 Years (July 25, 2017-July 24, 2020)*	\$158,167	\$474,500
4 years (July 1, 2020-June 30, 2024)**	\$264,000	\$1,056,000
2 years (July 1, 2024-June 30, 2026)	\$300,000	\$600,000

Notes: *Contract amended once to increase NTE

**Contract amended three times to increase the NTE and exercise two one-year term extensions.

Land Management: Woodside Fire and Community Volunteers

The County of San Mateo and the Mid-Peninsula Open Space District manage a small lake and an undeveloped parcel at 126 Lake Road. This land was transferred to a conservation easement upon dissolution to the LTCWD to ensure they remain undeveloped and preserved. According to the CAC, Woodside Fire Protection District supports community work days to remove invasive plants and keep the land in fire safe condition with ecologically-sensitive management techniques.

Summary

LTCMD provides enhanced stormwater control, enhanced fire protection, road maintenance, and land management services. The District does have a masterplan related stormwater improvements, that was last update in 2013. LTCMD contracts with the Woodside Fire Protection District for enhanced fire protection services such as a Home Hardening and Defensible Space Fire Safety Incentive Program, defensible space programs, and Alpine Road shaded fuel break.

Recommendation:

- 5. LTCMD should review and update the 2013 Storm Drainage Master Plan, particularly related to cost estimates for recommended projects, as well as evaluating whether existing projects should be updated or new projects added. The timelines of the capital projects should also be reviewed against the existing use of funds for LTCMD, such as the use of funds for the fire protection services. An ongoing list of priority projects or services could also assist in decisions regarding fund allocation.

4) Financial Ability

The enhanced improvements and services to properties in the LTCMD are primarily funded through a share (approximately 10%) of the 1 percent property tax collected within LTCMD boundaries. The LTCMD also receives Educational Revenue Augmentation Funds (ERAF), which are encompassed in the property tax revenue category. As shown in Table 11, in FY 2023-24, the property tax amount totaled \$412,014, or 89% of total revenue to the LTCMD. The ERAF amount

varies annually, so it is not budgeted annually as revenue because it is not a dependable revenue source. Unspent funds are placed into the reserve fund, which has become a significant contributor to the revenue and fund balance of the LTCMD. As of June 30, 2025, the fund balance available to the LTCMD is \$1,768,953.

Table 11. LTCMD Budget Actuals, FY 2021/22-FY2024/25

	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Taxes	\$372,679	\$392,448	\$412,014	\$428,397
Use of Money & Property	\$7,761	\$23,024	\$48,717	\$63,280
Intergovernmental				
Revenue	\$789	\$790	\$744	\$742
Misc. Revenue	0	\$54,022	0	0
Subtotal Revenue	\$381,229	\$470,284	\$461,475	\$492,419
Services & Supplies*	\$49,950	\$235,625	\$149,078	\$248,472
Subtotal Expenditures	\$49,950	\$235,625	\$149,078	\$248,472
Net	\$331,279	\$234,659	\$312,397	\$243,947

Source: County of San Mateo, Department of Public Works

* Includes contract with the Woodside Fire Protection District and Blue Oaks Loan Repayment

The usage of enhanced funds is restricted. For instance, enhanced funds cannot be used towards routine maintenance or improvements to existing facilities that could be otherwise funded through regular appropriations of County monies, or other publicly available funding. Enhanced funds may be used on loan for emergency repairs for a maximum of three years, but such damage should be covered by other funding sources.

Capital Improvement Projects

Enhanced drainage improvement projects are funded as needed using the LTCMD budget. No General County funds are used. However, given the estimated costs of some capital projects, it will take several years in order to have sufficient fund balance to construct and maintain new stormwater infrastructure.

Debt

As successor agency, LTCMD inherited the dissolved LTCWD’s rights, property interests, duties, and obligations including payment of the outstanding interest-free Blue Oaks loan. For the Blue Oaks loan, LTCMD will now be paying \$9,000 on an annual basis to the Blue Oaks HOA as the development of the subdivision has now met the repayment terms of the loan. The duration of the term is 69 years. LTCMD has no other outstanding debts. As of September 2025, the LTCMD fund balance is \$1,751,797.³²

³² DPW and the LTCAC agreed to maintain a minimum District fund balance (reserve) of \$200,000 per Amendment No. 3 of the Woodside Fire Protection District Agreement. If the fund balance falls below \$200,000, the County will pause on all work related to LTCMD.

Summary: Enhanced improvements and services to properties in LTCMD are primarily funded through a share (approximately 10%) of the 1 percent property tax collected within the District. These funds are allocated to several services, including a contract with the Woodside Fire Protection District. Capital projects are funded by LTCMD on an “as-needed” basis. Due to the limited funding sources, it may take several years for sufficient funds to be available for these capital projects.

5) Shared Services

The LTCMD shares fire protection services from Woodside. The Department of Public Works provides operations management of the LTCMD. Oversight and governance is provided by the County Board of Supervisors.

6) Accountability, Structure, and Efficiencies

Because the LTCMD is governed by the County Board of Supervisors, all budget information and department-wide audit reports are available to the public on the Controller’s Office website. The Department of Public Works does not have a webpage for LTCMD. Information regarding the Community Advisory Committee (CAC) can be found on the Vista Verde Community Association website. The CAC provides input and recommendations to the Department of Public Works and to Woodside Fire Protection District regarding potential programs and the annual budget for LTCMD. However, the last meeting notes and recordings are from 2023 and there are no other public available documents on the website regarding other past meetings.

Recommendation:

6. To enhance transparency, it is recommended that the Department of Public Works (DPW) and the LTCMD Advisory Committee review information on the Vista Verde Community Association website to confirm accuracy of the documents and data. It is also recommended that DPW explore posting information about the Community Advisory Committee, such as agendas and meeting minutes, on the County’s website, or to link to the existing Vista Verde Community Association website for existing meeting notes and other related documents.

7) Other Issues

The LTCMD has increased the scope and funding for the Home Hardening and Defensible Space Fire Safety Incentive Program (Program) in recent years. The Program has helped align the LTCMD’s properties with the Woodside Fire Protection District’s fire code requirements. According to the CAC, as of July 2025, over 40% of the 260 households within the LTCMD have participated in the fire safety incentive program.

Section VI: Review for La Honda Lighting Maintenance District

Background

La Honda Lighting Maintenance District (LHLMD) was formed on December 20, 1960 under Section 5820 et. Seq. of the CA Streets and Highways Code to provide street lighting for a portion of the La Honda unincorporated community by maintaining 34 street lights. LHLMD is one of 11 street lighting districts within the County. The San Mateo County Board of Supervisors is the governing body of LHLMD. The County Department of Public Works oversees District operations. The LHLMD boundaries have not changed since the LHLMD formation in 1960 (see Figure 4). The District area covers a portion of the La Honda area, including La Honda Rd/Hwy 84, Sears Ranch Rd, and Entrada Way. San Mateo LAFCo last conducted a review for the LHLMD in 2011, as part of the MSR for CSA 7. Lighting districts formed under Section 5820 of the CA Streets and Highways Code are not under the jurisdiction of LAFCo and no Sphere of Influence is assigned to the LHLMD.

Figure 4. Original Map of La Honda Lighting Maintenance District, Dec. 1960

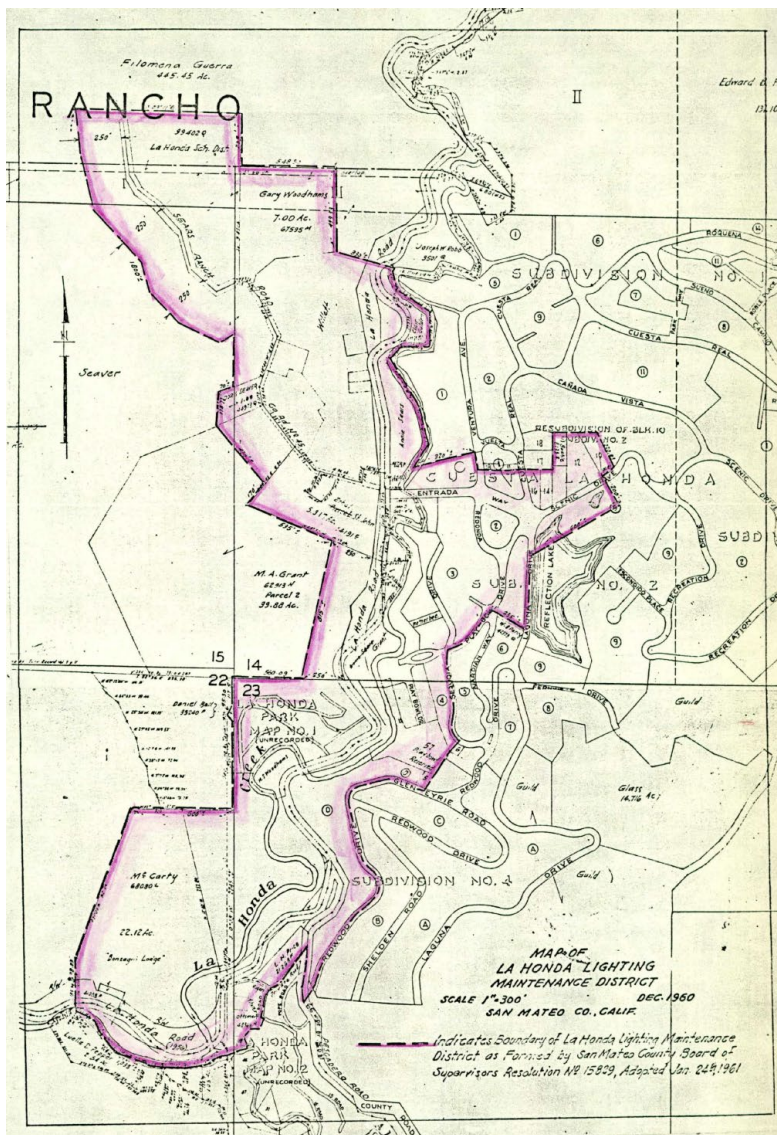
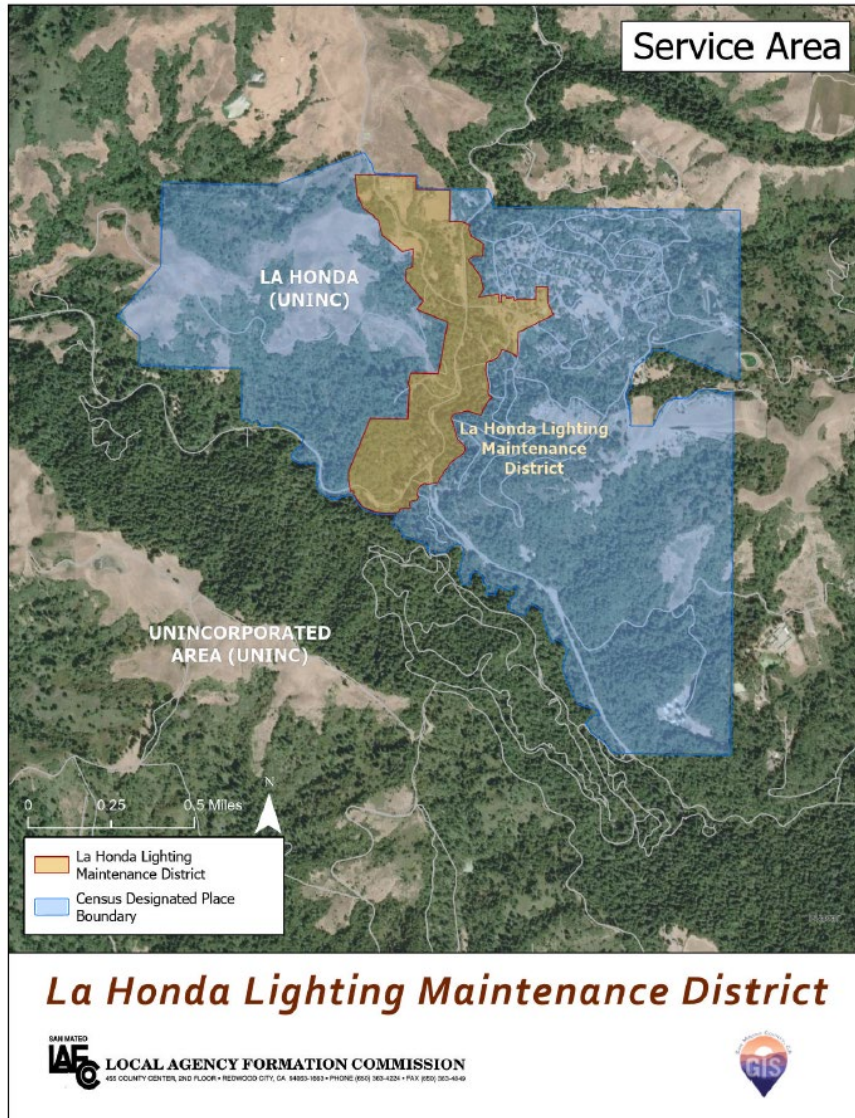


Figure 5. La Honda Lighting Maintenance District, August 2025



1) Growth and Population

According to the 2020 Census, the Census Designated place of La Honda has a population of 979. Over the next 5-10 years, no significant population change or development is expected within La Honda, and, by extension, the LHLMMD boundaries, based on a review of planning documents from the County of San Mateo and the Association of Bay Area Governments.³³ No foreseen population changes will directly impact the LHLMMD's service needs and demands.

2) Disadvantaged Unincorporated Communities

LHLMMD's sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities.

³³ Association of Bay Area Governments (ABAG) Projections 2040 - Forecasts for Population Households and Jobs

3) Capacity and Adequacy of Public Facilities and Services

The LHLMD supports the costs associated with maintaining and operating all 34 existing lights and any new poles, posts, wires, pipes, conduits, tunnels, lamps and other suitable or necessary appliances for the purpose of lighting streets, places, or public ways in the LHLMD. Funds are also to be used for necessary repairs, replacements, fuel, power, electric current, care, supervision, and any other items. Public Works personnel maintain and service county-maintained streetlight fixtures on both PG&E and County owned poles. Public Works does not maintain PG&E poles or any other PG&E or utility company equipment that the poles contain. PG&E provides electricity and an electrical connection to each county-maintained streetlight. PG&E is paid a fixed monthly fee for electrical energy to these fixtures.

4) Financial Ability

Most LHLMD revenue is from property taxes. The LHLMD receives a share (approximately 8%) of the 1% property tax as a result of Proposition 13. The FY 2023-24 budget included \$43,024 in property tax and other revenue, and \$7,148 in expenditures, for a net revenue of \$35,876 (see Table 12 below). Refunds from the Educational Revenue Augmentation Fund (ERAF) are not budgeted annually as a revenue source because it is not a dependable revenue source, but it has become a significant contributor to the revenue and fund balance of the District. As of June 30, 2023, the Fund Balance for the LHLMD was \$413,919. All net funds are allocated to the Fund Balance the following year. Total expenditures doubled from FY 2022-23 to FY 2023-24 from \$3,113 to \$7,148 due to the costs associated with paying PG&E to replace a wooden streetlight pole in La Honda adjacent to Hwy 84 that had fallen in October 2023.

Table 12. Net Budget (Actuals) for La Honda Lighting Maintenance District, FY2021/22-FY23/24

	FY 2021-22	FY 2022-23	FY 2023-24
Property Tax	\$13,342	\$13,631	\$14,508
ERAF Rebate	\$12,319	\$10,989	\$12,050
Other Taxes	\$947	\$1,034	\$977
Interest Earned	\$3,522	\$8,584	\$15,489
Total Revenue	\$30,130	\$34,238	\$43,024
Services & Supplies	\$3,118	\$3,113	\$7,148
Total Expenditures	\$3,118	\$3,113	\$7,148
Net	\$27,012	\$31,125	\$35,876

Source: SMC Public Works (OFAS)

Capital Improvement Projects

According to County Public Works, there is no capital improvement plan for LHLMD. Projects occur as needed: outages are reported by residents or property owners, or by night surveys performed by Public Works staff. The most recent project in the District was performed by PG & E to replace 34 HPSV/LPSV/MH³⁴ lights with LED lights, to number any light poles that were not numbered, and to update the streetlight rates to LED rates. Funding is provided from the District Operations and Maintenance funds.

5) Shared Services

LHLMD shares operations and maintenance staff with the 10 other County Lighting Districts. Oversight and governance is provided by the County Board of Supervisors. Per DPW staff, the relationship with PG&E has been challenging. In cases where PG&E has replaced poles within the District they have removed the streetlights and then require the District to go through a separate process to add the streetlight back to the power poll. DPW has tried to better coordinate with PG&E on this issue, but PG&E has not seemed willing to engage.

6) Accountability, Structure, and Efficiencies

Because LHLMD is governed by the County Board of Supervisors, all budget information and department-wide audit reports are available to the public on the Controller's Office website. The Department of Public Works provides operations management of the District and maintenance.

7) Other Issues

PG&E performs proactive tree trimming to help mitigate the potential danger that falling tree limbs could pose on its power lines.

³⁴ HPSV's are High Pressure Sodium Vapor lights. LPSV's are Low Pressure Sodium Vapor lamps. MH's are metal-handle lamps.

Appendix A. Fact Sheets

County Service Area 7

Governing body: San Mateo County Board of Supervisors

Contact: Neli Avramova, San Mateo County Public Works Engineering and Resource Protection, Principal Civil Engineer, (650) 599-1489

Advisory Body: Customer Advisory Committee, <https://csa7.org>

Date of Formation: 1965

Area Served: Unincorporated La Honda, Camp Glenwood and Sam McDonald Park

Services Provided: Water services and facilities

Agency staff: None

Population: Approximately 176

Sphere of Influence: Contiguous with corporate boundary, status quo.

Public Meetings: Matters relating to CSA 7 are agendaized and heard during the regular San Mateo County Board of Supervisors meetings. Meetings are held twice a month on Tuesday at 9:00AM in person at the Board of Supervisors Chambers, 500 County Center, Redwood City, CA 94063. Regular meetings are also accessible to the public by Zoom. Public comment is accepted both in person and via Zoom. Recordings of meetings are available on the Board of Supervisors website.

FY 2025-26 Adopted Budget: \$176,781

Los Trancos County Maintenance District

Governing body: San Mateo County Board of Supervisors

Contact: Tim Cheng, San Mateo County Public Works Roads Services, Senior Civil Engineer, 650-599-1414

Advisory Body: Community Advisory Committee, <https://vistaverdepv.org/maintenance-district/>

Date of Formation: 2015

Area Served: Unincorporated Los Trancos Woods, Vista Verde, and Oak Forest Court

Services Provided: Enhanced fire safety, enhanced storm drain and road improvements, and land stewardship.

Agency staff: None

Population: Approximately 1,050

Sphere of Influence: N/A

Public Meetings: Any matters relating to the District are agendaized and heard during the regular San Mateo County Board of Supervisor's meetings. Meetings are held twice a month on Tuesday at 9:00 am, in person at the Board of Supervisors Chambers, 500 County Center, Redwood City, CA 94063. Regular meetings are also accessible to the public by Zoom. Public comment is

accepted both in person and via Zoom. Recordings of meetings are available on the County Board of Supervisors website.

FY 2025-26 Adopted Budget: \$534,000 (projected)

La Honda Lighting Maintenance District

Governing body: San Mateo County Board of Supervisors

Contact: Neli Avramova, San Mateo County Public Works Engineering and Resource Protection, Principal Civil Engineer, (650) 599-1489

Advisory Body: None

Date of Formation: 1961

Area Served: Unincorporated La Honda

Services Provided: Street Lighting

Agency staff: None

Sphere of Influence: N/A

Public Meetings: Any matters relating to the District are agendaized and heard during the regular San Mateo County Board of Supervisors meetings. Meetings are held twice a month on Tuesday at 9:00 am, in person at the Board of Supervisors Chambers, 500 County Center, Redwood City, CA 94063. Regular meetings are also accessible to the public by Zoom. Public comment is accepted both in person and via Zoom. Recordings of meetings are available on the Board of Supervisors website.

FY 2025-26 Adopted Budget: \$473,579