Grappling with Rural Growth
By John Hopkins, Institute for Ecological Health

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Rural sprawl development is spreading across many areas of California, from San Diego to the North Coast counties. “The Sierra foothills will be the sprawl capital of California next,” Bill Stewart, assistant deputy director of the California Department of Forestry and Fire Protection, told the Sacramento Bee in 2005. In the decades ahead, rural sprawl could have very significant impacts on the viability of agriculture, local government budgets, wildlife management, water quality, wildlife habitat and the functioning of ecosystems, as well as a host of other social and economic factors. However, this rural residential growth receives little attention as a statewide issue. We lack the big picture of current and potential development. Californians are not examining the topic and developing creative solutions.

This form of development consumes vast amounts of land. For example, in 1990, 31 percent of the Sierra Nevada population lived on lots ranging from 40 to 32 acres and encompassing a total of 1,484 square miles. In contrast, 9 percent of the population lived on lots less than an acre, totaling only 89 square miles.

Nationwide, rural residential development consumes about seven times more land than urban and suburban residential areas according to Colorado State University’s David Theobald. Between 1994 and 1997, 90 percent of the growth in housing acreage in the U.S. occurred on parcels of one acre or larger. 59 percent on parcels 10-22 acres in size, states a report by the Economic Research Service of the U.S. Department of Agriculture.

Some areas of California already have extensive rural residential development. Examples are Sonoma, Santa Cruz and El Dorado Counties, where there are large acreages partially built out with parcel sizes such as five acres.

Growth often occurs by the creation of new rural residential subdivisions, either adjacent to existing rural ranchette areas or as leapfrog development. This is occurring on the western slope of the Peninsula Range in San Diego County, along the Sierra Nevada foothills, and at scattered sites in many other counties.

In many rural areas, small legal parcels were created through major subdivisions before passage of California’s Subdivision Map Act in 1973. A lot of these parcels are not yet built on and often are “substantial,” including lots that are too small for septic tank systems.

Impacts of Rural Development
Ranchette development can have significant negative impacts on agriculture. Rural growth, whether scattered or clustered, increases a “zone of conflict” between residential area and farms. Agriculture’s new neighbors often have problems with aspects of farming such as night-time tractor work, odors, smells and spraying.

California counties have Right-to-Farm ordinances in order to protect agriculture from complaining neighbors. However, the future viability of these ordinances is not assured. In 1996 the Iowa Supreme Court overturned that state’s Right-to-Farm law, declaring it unconstitutional because it prevented neighbors from suing under nuisance laws and so was removing Fifth Amendment rights. The next year the U.S. Supreme Court refused to hear an appeal of the Iowa ruling, sending a message of uncertainty across the nation.

Another key factor is the price of land. Ranchette development increases land values, including the values of entire farms and ranches as well as small parcels. This can both encourage agricultural operators to sell their land and make it harder for the buyer to be a farmer or rancher—an agricultural income just won’t pay for the land and ranches as well as small parcels.

Solutions to Rural Sprawl
Rural sprawl is a difficult challenge to both county governments and the state. Strong land use restrictions by county governments, such as very large minimum parcel sizes and areas zoned exclusively for agriculture or timber, can have a very beneficial effect. But these are difficult to achieve where they are not already in place.

At the state level, growth management law is largely limited to requirements for the General

Continued on back cover
Have you heard the joke about two rabbis with three opinions? No matter how much we try to get everyone “on the same page,” differences of opinion will occur. While we often think negatively of the conflict that emerges from those differences, dealing well with conflict can often lead to better decisions and richer relationships. Here are some techniques to consider when you find yourself in a conflict situation, or you are helping to facilitate a conflict between stakeholders.

Value Constructive Controversy

Leadership often means making people uncomfortable by asking them to address hard questions. Thoughtful dissent (what may appear to be interpersonal conflict) results in reaching better decisions. Conflict resolution is not about eliminating disagreements. Effective leaders build dissent and controversy into their decision-making process so people are more willing to speak out and offer ideas contrary to their own. Take the time—and encourage others—to listen to ideas, information, facts, or concepts that are contrary to your own. Too often ‘conflict resolution’ takes the form of suppressing disagreements, rather than using them as decision improvement opportunities.

Before Work On A Conflict

Keep in mind these ideas before you start working with a group on an issue:

- Be sure it’s a real problem worth spending the time to resolve.
- Look for root causes of the problem—not just the symptoms or personalities.
- Prepare to work towards a mutually agreeable solution—not just winning individual points of view.
- Keep some perspective. Disagreement and conflict are expected (even desirable) in the workplace and political environment. Relationships are not destroyed—and are often enhanced—by working towards mutually agreeable solutions.
- Remember that it is all right to disagree, and the other person is not wrong to disagree with you.

Listen For Perspective

Understanding each other’s perspectives are key to finding resolution. Use reflective listening techniques such as:

- Paraphrasing
- Repeating back
- Positive nonverbal confirmations

While we’re on good communication skills, remember:

- Maintain eye contact
- Use the person’s name
- Take notes, if appropriate, to show interest
- Don’t interrupt—let people fully express their thoughts and feelings
- Ask questions to clarify and confirm details

Stay Objective

In the heat of the discussion it’s easy to display feelings and emotions to a point they block the possibility of resolution. Work on not letting your own feelings hinder you from effectively participating or facilitating. Encourage the use of “I messages” and other techniques to talk about feelings rather than acting them out.

One Issue At A Time

Maintain your focus on the point of disagreement or conflict. There will be a temptation to bring up other unresolved issues from the past in an attempt to divert attention or catch others off guard. This can start a second conflict unrelated to the first.
CALAFCO Conference 2006 will change how you think about LAFCO. This year’s conference is focused on solutions, responsibilities and risk. Our San Diego site opens with a mobile workshop focused on redevelopment and urban infill. The three days of conference workshops will include LAFCO’s potential role as the umpire in determining water availability, fair-or-foul discussions on ethics for LAFCo’s, state pressures for urbanization, and social equity in annexations.

Many other current topics challenging our LAFCo’s, as we move beyond studies to implementation of CKH, will be available with panelists of statewide expertise. Our keynote speakers again come from leadership positions in the state Senate, the Governor’s commissions, water authorities and academia.

I am especially excited to have a fellow Ventura County resident, Lynn Jacobs, the newly appointed Director of the state Department of Housing and Community Development, provide a keynote address on LAFCO’s role in the housing crisis. Lynn has been in the affordable housing business for almost 30 years and has also served as President of the Building Industry Association of Southern California. Understanding both sides of the fence, Lynn brings common sense and thoughtful ideas to developing solutions to the housing crisis, and LAFCO’s role.

Our business meeting for your state association includes voting on the 2006-2007 Board of Directors; voting on raising membership dues to support the ongoing benefits of technical support, legislative advocacy, and providing educational tools; and finally the awards night, where we thank the statewide leaders of LAFCO work for their outstanding accomplishments.

So, we have fully packed nine innings plus of opportunities to learn, share, have fun (September 5th Padres vs. Colorado Rockies) and enjoy beautiful San Diego.

On to the Conference – BATTER UP!

Legal Corner
ATTORNEY GENERAL ISSUES NEW OPINIONS

The California Attorney General has issued two recent opinions that may be of interest to LAFCOs.

1. A community services district may terminate road maintenance and snow removal services to an existing zone within the district’s boundaries after the property owners within the zone have rejected a proposed benefit assessment increase necessary to cover the district’s increased costs in providing such services; the district may also dissolve the zone by following specified statutory procedures.

2. A community services district does not have a continuing duty to provide road maintenance and snow removal services to streets and roads that have not been officially accepted into any public road system under its jurisdiction.

The Attorney General concluded:

1. A community services district may terminate road maintenance and snow removal services to an existing zone within the district’s boundaries after the property owners within the zone have rejected a proposed benefit assessment increase necessary to cover the district’s increased costs in providing such services; the district may also dissolve the zone by following specified statutory procedures.

2. A community services district does not have a continuing duty to provide road maintenance and snow removal services to streets and roads that have not been officially accepted into any public road system under its jurisdiction.

Attorney General Opinion 05-710 issued 12 July 2006

General Tax as a Condition of Incorporation

County Counsel of San Diego County requested an opinion on whether a LAFCo may condition an incorporation on voters also approving a general tax. It also asked whether the Commission’s resolution imposing the condition be approved by majority vote.

The Attorney General concluded:

1. A local agency formation commission may condition its approval of the incorporation of a city upon voters within the proposed city approving a general tax.

2. A local agency formation commission’s resolution imposing a condition that the voters of a proposed city approve a general tax may be adopted by majority vote.


Complete analysis and conclusions of Attorney General Opinions are available on the web at http://ag.ca.gov/opinions.
The destructive forces of a wildfire, a hazardous materials spill, an earthquake, or major flood, pay no attention to jurisdictional boundaries. In the recent past, California has experienced all of these events. For example, the fire in the Oakland hills swept across communities at an incredible rate fanned by winds and fueled by heavy vegetation. Steep terrain and limited access added to the problems of fire personnel and evacuating home owners. The Loma Prieta earthquake was also not limited to one community.

Problems of this nature require a high level of coordination of government services and community involvement. Any single local government agency has difficulty addressing a countywide issue. The composition and legislative mandate of the Local Agency Formation Commission provides a unique structure to address these issues. LAFCo has the authority to study issues regarding coordination of local government services, and compliance to Commission requests is required by law.

This can be a powerful tool to resolve countywide issues. Meaningful resolution can occur once the community is aware of the problem and of possible options to address issues. Immediate solutions and long range goals can be addressed.

The fire districts in Solano County have done an amazing job of providing fire protection while facing incredible odds. They face increased calls, types of service, and expectations. The majority of the districts rely on the dedication of their volunteers. Unfortunately, the volunteer ranks continue to decline. These regular citizens give up their time to respond to emergency calls and attend training sessions. However, the districts are faced with the difficult task of providing service as costs increase, while funding is becoming more unpredictable.

Generally these problems result from forces outside the districts’ control and are affecting fire districts across California. The tipping point occurs when fire districts, designed to provide a rural level of fire are faced with fast changing demographics and expectations of suburban or even urban service levels.

Telecommuting has brought more urban residents to the County’s rural areas. Generally, these new residents expect an urban level of fire and rescue service. The rural residents’ independence gives way to increased dependency on government services. Shorter response times are expected. Larger homes create additional challenges. Retirees require more emergency medical calls. Can Solano County fire districts keep pace with the rapid changes occurring and increasing demands on their ability to provide service?

Overall Solano County fire districts have done an admirable job providing fire and rescue service at minimal costs. However, that does not diminish the need to seek improvements and develop strategies for changing to meet newly emerging needs.

The largest percentage of revenue sources allowed by law for fire districts are property related. These include a portion of the one percent property tax revenue collected by the County, new development impact fees, and special taxes/assessments. Each local government agency shares a portion of the property tax based upon a formula established by law (allocation factor). In some cases, districts have fees related to new development, but these usually end once the land is developed. Solano fire districts receive from 70 to 96 percent of their revenue from their share of property taxes.

The Solano County Orderly Growth Initiative requires that urban development occur within urban areas. This has been effective in controlling urban sprawl and protecting agricultural land. However, it has been detrimental to fire districts. Since fire districts rely heavily on property tax revenues to fund services, annexations to cities steadily erode this revenue source. The combined effect of numerous district detachments and city annexations can result in significant cumulative impacts on the district’s ability to provide service to the remaining jurisdiction. Although the service area of the district may have been reduced, it does not always correlate to reduced costs. Districts cannot purchase half a fire engine or reduce hours of operation. Other operational costs remain the same such as insurance, mandated training, and required safety clothing.

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**AGENDA**

1. **Call to Order/Roll Call of the LAFCos** – Kathy Long, Chair

2. **Election of the Board of Directors**
   2.1. Elections Committee report from Mel McLaughlin and Elliot Mulberg, Co-Chairs, Elections Committee
   2.2. Nomination from the floor
   2.3. **Candidates Forum**
   2.4. Initiate voting process to elect members of the Board

3. **Approve Minutes from the September 8, 2005, CALAFCO Business Meeting at the Portola Plaza Hotel, Monterey, CA.**

4. **Report from Kathy Long, Chair, Board of Directors, on significant Board and Association activities in 2006**

5. **New Business**
   5.1. Approve Board of Directors Recommended Changes to Association Dues, Dues Structure, and By-Laws
   5.2. Other new business

6. **Announcements**


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**CALAFCO BOARD OF DIRECTORS ELECTIONS**

**Recruitment Committee Announces Candidates**

The CALAFCO Board’s Recruitment Committee solicited nominations from member LAFCOs for the Board of Directors. Co-Chairs Elliot Mulberg (Sacramento) and Mel McLaughlin (Kern) announced the following slate of candidates.

**CITY MEMBER**

Two seats
- Matt Gourley (Monterey)*
- David McKay (Nevada)
- Sepi Richardson (San Mateo)*
- Sophia Scherman (Sacramento)

**COUNTY MEMBER**

Two seats
- Mary Jane Griego (Yuba)
- Gary Lewis (Lake)*
- Kathy I. Long (Ventura)*

**PUBLIC MEMBER**

Two seats
- Roger Anderson (Santa Cruz)*
- Chuck Leavitt (Madera)
- Chris Tooker (Sacramento)*

**SPECIAL DISTRICT**

Three seats
- Jerry Gladbach (Los Angeles)*
- Gay Jones (Sacramento)

* Incumbent

The Board consists of 15 members who serve two-year terms. According to the By-Laws, there are four seats each for city, county, and special district members, and three seats for public members. Board members must be either current Commissioners or Alternate Commissioners on their LAFCO. Due to a resignation, there are three special district seats up for election this year. Nominations may also be made from the floor during the CALAFCO Annual Business Meeting.

A **Candidates Forum** is scheduled at 8:30 a.m. on Wednesday at the Business Meeting during the annual conference in San Diego. It is a great chance to hear from the candidates and their vision for CALAFCO.

Continuing Board members include Paul Biane (San Bernardino), Jocelyn Combs (Alameda), Peter Herzog (Orange), Jerry Smith (Monterey), Josh Susman (Nevada), and Susan Vicklund-Wilson (Santa Clara).
For 2006, the focus of the CALAFCO Board of Directors and staff has been two-fold: enhancing member services and the professional management of the association. A number of milestones were reached in this, our 35th year of service. Here are some of the highlights.

EDUCATIONAL SERVICES
♦ Conference and Workshop
Continued our tradition of quality, educational annual conference and staff workshop.
♦ Publications
Published the quarterly journal, The Sphere, now with a circulation of over 800. Published the annual Membership Directory with regular updates of the on-line version.
♦ Website
Significant improvements were made to the website, including the addition of a content-rich members section, downloadable daily legislative reports, and expansion of educational and resource materials available on-line. Timely updates are made at least twice a week. The website now receives on average 4,072 visits a week. Visitors download an average of 545 documents off the website every week.
♦ ListServes
Provide communication vehicle among LAFCOs through maintenance of four email listserves: Executive Officers, Counsel, Clerks, and all members.
♦ CALAFCO University
Three successful courses have been offered this year to over 135 participants: CEQA for LAFCo; Priming the Pump: Using Water Information Effectively in LAFCo Decision-Making; and A New Form of Government: Homeowner Associations and Local Governments Working Together.

LEGISLATIVE SERVICES
♦ Legislative Agenda
Sponsored or supported five pieces of legislation: 1) VLF fix for incorporations and annexations, 2) Island Annexation sunset extension, 3) services in previously unserved sunset extension, 4) LAFCo SOI and policies considered in RHNA calculations, and 5) the C-K-H Omnibus bill.
♦ Legislative Resource
Serve as an educational resource to Members and legislative staff on LAFCo issues, such as the survey on statewide progress with island annexations. Added Capital-Trak legislative monitoring and report feature to website.
♦ Legislative Committee
Provide staff support to the CALAFCO Legislative Committee and follow-up on issues with member LAFCOs, peer associations and legislative staff.

OUTREACH SERVICES
♦ Presentations and Exhibits
Provide presentations and exhibits on LAFCo to peer association members (League of Cities, CSDA, CASA), state agency staff (OPR, HCD), and other groups, such as the State Grand Jury Association.
♦ State Coalition and Work Group Participation
Represent LAFCo interests with workgroups working on CEQA reform, statewide housing and land use policy reform, resource development and orderly growth, RHNA formulas, and regional blueprint plans.
♦ CALAFCO Workgroups
Established workgroups to work with the Department of Housing and Community Development and the California Public Utilities Commission on issues of mutual interest.

ASSOCIATION MANAGEMENT
♦ Fiscal Management
Migrated all fiscal systems and records to a standard software with regular reports and review by a C.P.A. Incorporated a standard not-for-profit agency accounting system.
♦ Dues Restructure
Developed new dues structure and bylaw change for approval of members based on member services, member feedback and organizational needs.
♦ State and Federal Regulatory Compliance
Brought association into compliance with state and federal tax and regulatory agencies, updating 7 years of records.
♦ Records Management
Consolidated all CALAFCO files and records into the office.
♦ Policies and Procedures Guide
Prepared CALAFCO’s first complete guide to association policies and procedures.
CALAFCO Board Recommends Dues Restructure
Membership to vote on sustaining and growing association

At the 2005 annual CALAFCO conference in Monterey, the Board of Directors shared with the membership its concern that current dues are not sufficient to sustain the current level of association services. At that meeting, the Board presented a draft change to the dues structure for review and discussion by the membership.

Members provided helpful input and suggestions. The Board explicitly sought an answer to the dues structure question and the need to continue to support and expand the services that CALAFCO offers. The Board and the membership agreed that while the dues structure could be enhanced, the Board would have to cut services without an increase in dues, the Board will have to cut services without an increase in dues, the dues structure would need to be revised. The Board adopted a recommended dues restructure to present to the membership for approval. Members will vote on the proposal at the annual business meeting on 6 September.

Background
Since its creation 35 years ago, CALAFCO has operated with volunteer staff officers from member LAFCos. These valuable volunteers have used their spare time to build CALAFCO into the organization that exists today. But as LAFCo workload demands have increased—particularly since CKH in 2000—time for staff to serve as volunteers has diminished. At the same time, the credibility of CALAFCO continues to grow and with it increased demand for services, educational and informational resources, and participation in statewide work groups and activities. These demands were recognized in 2004 when the Board conducted its recruitment for the current executive director. The Board explicitly sought an individual to take on the professional management of the association.

Since that time, progress has continued in the growth of CALAFCO. The association now has a permanent office in Sacramento, our communications and member services have expanded, and we are sought as a resource and participant in statewide policy discussions on growth, housing, service provision, and governance.

Yet, all of this has been done without a dues increase (except an occasional COLA) since 2000. On top of that, costs for several CALAFCO services which had been generously underwritten by individual LAFCos (legal counsel, newsletter) were shifted to CALAFCO as individual members could no longer afford the costs. Additionally, as LAFCo workload has increased for volunteer staff, association services were transferred to the executive director. The website, newsletter and legislative chair are examples.

In 2005, the Board recognized that it could no longer sustain the current level of services with the current revenue, and it had limited options for new revenue sources. Fortunately, the well-managed conferences in 2004 and 2005 provided the resources to sustain services through last fiscal year. But without an increase in dues, the Board will have to cut services in the current and future years.

Board Recommendation
At the 2005 annual meeting rural members expressed concerns about paying dues that were not proportional to the population of their county; urban members expressed concerns about paying a disproportional share for services. Staff and the Board worked to craft an approach that provides a reasonable funding base to CALAFCO and is sensitive the financial realities facing members. The plan the Board recommends for approval includes:

- Three-year phase-in of the new dues structure beginning in FY 2006-07
- A hybrid population-based formula with a first year minimum of $650 for rural and $1,800 for suburban members, and a maximum of $4,000 for urban members. Minimum dues increase to $725 (rural) and $2,200 (suburban) in the final year of the phase-in period, with a ceiling of $7,000 for urban members.
- No COLA for dues until FY 2010-11

Also during the past year, we have taken extraordinary steps to upgrade the fiscal management of the association to assure members that CALAFCO resources are well-managed. Some of the steps include:

- Migrate all financial records to QuickBooks
- Adopted standard not-for-profit organization financial practices and policies
- Regular QuickBooks reports for the Board
- Independent CPA review of financial records and preparation of annual tax and reporting documents

This is an important element in the growth of the association, the profession, and the role of LAFCos in achieving the goals of Cortese-Knox-Hertzberg. As the complexity and demands of our work grows, so does the expectation for a responsive, state-of-the-art association to be there to support the needs and interests of its members. We recognize that for many LAFCOs this represents a significant increase in dues. We hope that you see this as an investment in the association and your Commission, and that we have demonstrated through our actions the value of your membership.

CALAFCO Boardmembers and staff stand ready to answer your questions, and look forward to your support of this commitment to the LAFCo mission and ideals.
Thank you to our associate members
for their support of CALAFCO’s mission and educational activities

Gold Associate Members

Silver Associate Members

Burke, Williams & Sorensen
Burr Consulting
City of Fontana
Citygate Associates
County Sanitation Districts of L.A. County
Dudek & Associates
Emergency Services Consulting, Inc.
Graichen Consulting
The Irvine Company
Lamphier-Gregory
LSA Associates
Christy Leighton
Michael Brandman Associates
P+D Consultants, Inc.
Pacific Municipal Consultants (PMC)
Quad Knopf
Rancho Mission Viejo
Solano Fire District MSR
(Continued from page 4)

In essence, there is no such thing as free fire protection – you either have it and you pay for it; or you don’t pay for anything and you get nothing. Even with a totally volunteer fire agency, there are costs. Fire apparatus, equipment, and the stations that house them cost money. Training costs money. Liability insurance costs money. In short, there is a need for an economic footprint to support every level of fire service from the minimalist of a totally volunteer fire department to the highest level of service with full time personnel.

The California Environmental Quality Act (CEQA) has long recognized the importance of cumulative impact. Basically, the concept is that individual projects alone might not have significant impact. However, several projects together can result in a significant impact. Agencies must take into account the cumulative impact of these combined separate actions when conducting environmental review and in the decision making process.

CEQA requires an initial study to determine the level of environmental review necessary for a project. Boundary changes and consolidation of fire districts have been identified to result in significant impact in the initial study process. This finding is based on potential budget (economic) effects which result from the project (CEQA Guidelines, Section 15064). Specifically, a project can impact maintenance of adequate fire protection service including the ability to respond to fire, health, and emergencies which all depend on adequate funding. This situation may contribute to the creation of a potentially significant health hazards in the affected community, and contribute to significant interference with emergency response plans. LAFCOs can play a significant role in preventing the detrimental impact on fire districts resulting from city annexations.

Solano LAFCO Action
The Commission took a strong stance to address these issues. At its July 10, 2006 meeting the Commission took action to adopt a policy regarding city annexations which include detachment from fire protection districts. The purpose of the policy is to develop a method to mitigate negative fiscal impacts on fire districts. Details of the policy will be defined within this year.

Dawn Mittleman is a senior consultant with Emergency Services Consulting, Inc. She can be reached through ESCI’s California office at 707-539-0900. ESCI is a CALAFCO Associate Member.

ALAMEDA LAFCO COMPLETES MSR REQUIREMENTS
First LAFCo in State to Announce Completion of All MSRs

Alameda LAFCo is pleased to report that it has completed its comprehensive review of municipal services (MSRs) for Alameda County, and we believe that we may be the first in the state to do so. This three year process was a collaborative venture which included 48 local agencies: 14 cities, including Oakland, Berkeley, and Pleasanton; 15 independent special districts, including East Bay Municipal Utility District, and East Bay Regional Park District; and 19 dependent districts and county service areas.

Alameda LAFCo is grateful to our districts and cities for contributing extensively to this effort, as well as the MSR working group (comprised of county, city and special district representatives). Lou Ann Texeira directed the project team, first as the Alameda LAFCo Executive Officer, then, after she took another job, as a consultant to the project. The project team also included Barbara Graichen of Graichen Consulting, Beverly Burr of Burr Consulting, and LAFCo staff.

Alameda’s MSR is divided into three volumes: Volume I (Public Safety Services), Volume II (Utility Services) and Volume III (Community Services). Each volume was prepared as a stand-alone document, with subsequent review and adoption of Determinations and related SOI updates. Alameda LAFCo’s MSRs are available to view online at http://www.acgov.org/lafco.

From beginning to end, the Alameda LAFCo Commissioners have been engaged in the process. Through the MSR process, challenging issues relating to potential consolidation and dissolution options were identified. The Commission recently accepted a master list of SOI and government structure options from which they will determine and prioritize future actions.

Submitted by: Crystal Hishida Graff, Alameda LAFCo Executive Officer
“As the Sewer Turns:” The Los Osos Community Services District

By Paul Hood, Executive Officer, San Luis Obispo LAFCo

Well, I bet you can’t wait to hear what has happened in the continuing saga of “As the Sewer Turns”? As I mentioned in the previous episode (see The Sphere, Feb 2006), the proponents of dissolving the Los Osos CSD, had submitted a notice of intent to circulate a petition of application and were ready to begin gathering signatures (minimum 10% required). Well, guess what? A petition signed by 17.4% of the registered voters (1,741 valid signatures) was filed with LAFCo. If a district is dissolved in the unincorporated area of the county, the CKH Act designates the county as the successor agency for the purpose of winding up the dissolved district’s affairs. As successor agency, the county succeeds to all the rights and liabilities of the dissolved district.

The underlying issue is that the RWQCB has required that a sewer be built in Los Osos because studies documented that septic tanks are polluting the groundwater and subsequently the Morro Bay Estuary. The LOCSD was formed in 1998 to manage the sewer project, among other services. The sewer project was previously the county’s responsibility. The CSD secured a $135 million low interest rate loan from the State for sewer project construction financing and acquired a “downtown” location.

Opponents of the downtown sewer plant location filed a recall petition and three of the five CSD board members were recalled in September 2005 (two other board members, who were also opposed to the downtown location, were elected in November 2004). Several weeks before the recall election results were certified, the old board majority authorized the contractors to begin work on the sewer plant and collection system. Upon assuming office, the new Board issued a “stop-work order.” A measure was also passed at the recall election that removed the CSD’s authority to build on the downtown site without a vote. Both the recall and plant location measure votes were close, 51-49%.

Following the stop-work order, the Regional Water Quality Control Board ordered the new CSD Board to restart the project or default on the low interest rate loan. The RWQCB also threatened to impose up to $12 million in fines if the new CSD Board did not immediately restart the sewer project at the downtown location. The new CSD Board refused, the RWQCB rescinded the loan, fined the District $6.6 million for non-compliance, and ordered them to repay $6 million that had been advanced on the loan.

As you can imagine a number of lawsuits have been filed. One lawsuit invalidated the measure to site the plant downtown. Other lawsuits opposing the site have been settled by the new board using proceeds of the state loan. The courts have frozen use of the remaining funds pending an audit. The CSD’s current financial situation is grim. Insolvency or municipal bankruptcy are possibilities.

The first LAFCo hearing on the dissolution was held on June 15, 2006, and continued until July 6, 2006, because of a noticing error by the local newspaper. Two weeks before the July 6, Commission hearing, our local Assemblyman Sam Blakeslee, introduced legislation (AB 2701) to relieve the County of liability if it takes over the sewer project from the CSD. To allow the urgency legislation to progress through the legislative process, and after three hours of public comment, the Commission again continued the item until August 17. In August the matter was yet again continued to September 21. The Commission supports the legislation in concept. The CALAFCO Board of Directors took a similar position on June 30.

By supporting AB 2701, SLO LAFCo is hoping that a solution to the environmental and service issues in Los Osos can be resolved without dissolution of the Los Osos Community Services District. If a legislative solution is not possible, LAFCo staff has identified a number of options, some of which do not need LAFCo approval. These include:

1. Deny the dissolution.
2. Request that the LOCSD divest itself of the sewer power, with LAFCo approval, and transfer it to the county. This option requires cooperation by both agencies, and was rejected by the county and the district.
3. Request the county and the district enter into a joint powers agreement and create a joint powers agency to manage the sewer project. As in #2 above, this option requires cooperation by both agencies and was also rejected by the county and the district.
4. Approve the dissolution, without conditions. The mandatory condition in GC 57450 et. seq. would still apply.
5. Approve the dissolution, with certain conditions set forth in GC 56886, such as a Prop 218 election that, if passes, would limit sewer financing to the Los Osos area. The mandatory conditions in GC 57450 would still apply as in #4.
6. Close the LAFCo office for the summer.

Stay tuned for the next episode of “As the Sewer Turns.”
Managing Conflict with Comfort
(continued from page 2)

If such a situation occurs, don’t respond except to say that it is not what you are discussing now. Suggest placing it in a parking lot to deal with at a later time. Often these other issues become insignificant once the key conflict is resolved. An exception is when the secondary issue is—in fact—the root cause and blocking resolution of the current issue. If so, suggest moving to resolve the secondary issue first.

Search for Common Ground
When facilitating a group, a key role is to help participants find and seek common ground. Often there is much more agreement than disagreement; however, participants may not see that common ground. Constantly search for and point out areas of agreement or common ground among the participants. Help pinpoint the specific areas of conflict by highlighting where there is in fact agreement.

Focus on Interests not Positions
Focus on what is wanted rather than why it is wanted. Clearly establish what each party wants and how the objectives differ. Spending energy on why each party wants what he or she wants is a waste of time and an invitation to a psychological melee. In fact, few people know exactly why they want what they want. Most are not too concerned with their own motivation—for them, it’s simply enough that they want it. The best strategy is to avoid asking or answering questions about motivation, and instead concentrate on meeting the specific goals of each party.

Avoid Simplistic Solutions
When an issue is resolved too quickly or a simple but incomplete resolution is agreed to, the negative side effects are usually more painful and damaging in the long run than the original issue itself. Unfinished elements do not go away and will surface later, or a party who later feels unsatisfied with the resolution will feel free to create future conflict on the same issue. The easiest solution is not always the best one because it tends to treat symptoms and thereby obscure the real problem.

Allow enough time for the participants to explore the disagreement and all possible resolutions. As each piece of an agreement is reached, check for other options. Look for any signs of concern and check if all involved can live with it. Abandon ideas—no matter how good they may appear—that receive little commitment or enthusiasm. Search for the second or third ‘right’ answer.

Timing
Find a time when all parties are ready, able and willing to work on dealing with the conflict. Give everyone a little time to deal with anger or the “heat of the moment” and prepare themselves to discuss the issues. Finding the right time helps prevent unnecessary defensiveness, resentment or personal animosity that occurs when one of the parties feels dragged into the discussion.

Focus on what is wanted, rather than why it is wanted.

Reactions to Unintentional Remarks
In the heat of discussion things are said that are regretted an instant later. This is particularly true when the issue is of deep personal significance to one or more of the parties. It occurs because often people don’t know precisely what they think or feel until they hear themselves verbalizing them. When such a questionable comment is made, determine whether it accurately conveys what the speaker meant. If not, ignore it and move on. If yes, it may indicate a root cause of the conflict and should be further explored.

Disagreement and conflict are inevitable in LAFCO’s work.

Keep Your Sense of Humor
A conflict can be viewed as serious and grim business. However it’s important that participants not lose their perspectives. One of the best ways to retain perspective is to use positive humor. A well-timed funny remark (about content, not people) is a great way to recognize the humor of the situation. Participants may be unable to control their laughter and may find the conflict has disintegrated. It’s important to remember to take the issues and conflict seriously—not yourselves.

Disagreement and conflict are inevitable in the work that LAFCOs perform. If all the answers were easy, there would not be the need for our work. While uncomfortable, conflict can often lead to better outcomes, strengthen relationships, and enhance understanding among parties that likely will need to continue working together long into the future.

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Plan process, without a set of state policies that the local jurisdictions must follow. Furthermore, much of the problem lies in grassland, oak woodland and scrub habitat, where there is little emphasis on conserving natural resource-based economies.

The most effective way to conserve the rural landscape is to maintain private working lands, farms, ranches and timber lands across large landscapes. Purchase of agricultural or conservation easements, where willing landowners sell the development rights to all or part of their land, is growing in popularity. For example, the California Rangeland Trust (CRT), established by cattlemen in 1996, has bought easements on over 140,000 acres of rangeland. Currently the main drawback to the conservation easement approach is insufficient funding. Thus CRT has a backlog of ranchers interested in selling easements on over 400,000 acres of land.

Private land must be economically viable, unless the owner is independently wealthy or has an adequate outside source of income. A recent Sacramento Bee article quotes Allen Edwards, owner of 500 acres of timberland in the Sierra Nevada: “You could liquidate it for $10,000 an acre, or you make $150 an acre if you’re just looking at timber.” Edwards’ neighbor is seeking to sell three estate lots on 997 acres of a former working forest. This economic reality leads to predictions that an additional one million acres of California private forest and woodland will be developed by the year 2040.

Use of Growth Management Tools

The geographic limitation of development is essential to protect farm, range and timber lands, wildlife habitat and the ecological functions and services upon which we depend.

A key solution to rural sprawl is to restrict additional rural development to defined Rural Communities, primarily areas that already have a significant level of development. Any additional areas designated for rural development should have low farming, ranching, timber, biodiversity, ecological process, open space and other values.

Outside of these areas, counties should utilize an array of growth management tools to avoid new rural residential development, designating lands for agriculture, grazing, timber and the protection of a variety of natural resources from groundwater recharge areas to wildlife habitat.

For example, Marin County has an “Agricultural District” designation, where only agricultural uses are allowed. Dwellings “shall be incidental to the agricultural use of the land for the residence of the owner or lessee of the land and the family of the owner or lessee, or for their employees engaged in the agricultural use of the land.” Agricultural use of the land “means agriculture as the primary or principal use of the land as demonstrated by the applicant to the satisfaction of the planning director.” (Marin County Code, Section 22.10.020). This land use restriction, together with a 60-acre minimum parcel size and the purchase of easements by the Marin Agricultural Land Trust, has maintained most of West Marin as rangeland and dairy farms.

Zoning with large minimum parcel sizes is a necessary companion to Agriculture, Timber or Natural Resource Zones. Parcels of 40 and even 80 acres in size can convert to very large lot rural residential, which complicates the use of zoning to restrict development. In rangeland, timber and other wildlife habitat areas a very large minimum parcel size would make sense. For example, economically viable cattle ranching requires thousands of acres and a rancher cannot operate easily by leasing a great number of small parcels from many different owners.

Minimum parcel sizes of 320, 240 or 120 acres occur in some counties and are consistent with ranching. However many rangelands are zoned at a smaller parcel size and local politics preclude downzoning. For example, the grasslands and oak woodlands of eastern Sacramento County are zoned at an 80-acre minimum parcel size and it is clear that there is no political will in the County government to downzone even to 120 acres. A large minimum parcel size is not feasible in some cropland areas, however. The minimum parcel size must reflect local agricultural reality. A small, 20-acre farm can be economically viable with high-value crops.

Another approach is the use of transfer of development rights (TDRs). San Luis Obispo County adopted a TDR ordinance in 1985 in order to retire “antiquated” (that is pre-Subsidiation Map Act) rural subdivisions. Developers can purchase development credits from willing landowners in designated receiving areas of natural habitats or agricultural lands and use those credits to increase the density of their projects in existing urban areas.

Conclusion

The spread of rural residential development poses a tremendous challenge to the future of California. In many areas the future viability of farming and ranching is at stake. Conservation of biodiversity and effective wildlife habitat, and the long-term ecological health of many treasured California landscapes is also threatened by rural sprawl. Over the next few years we need to delineate the magnitude of the threat, adopt county-level solutions and model programs, and also fashion state policies, including incentives for the conservation of working landscapes.

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