

**MUIR BEACH AREA
SERVICE REVIEW AND
SPHERE OF INFLUENCE UPDATE**

Marin Local Agency Formation Commission

October 2007

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ACKNOWLEDGEMENT

The staff of Marin LAFCO gratefully acknowledges the time and effort of the County of Marin and Muir Beach Community Services District who provided information and insight during the preparation of this report.

I. INTRODUCTION

This report is presented as part of a process mandated by Section 56425 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. As stated in that section, "In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county." As used in this section, "*sphere of influence*" means a plan for the probable physical boundaries and service area of a local government agency.

In determining a sphere of influence, the Commission is required to consider and make written findings with respect to the following factors:

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

Changes to State law effective on January 1, 2001 require LAFCOs to study the service relationships between agencies providing municipal services within different sub-regions in each county prior to the periodic review of adopted spheres of influence. In this report, discussion of service review determinations precedes recommendations for the sphere of influence of the public agency under study, the Muir Beach Community Services District.

The actual effect of these or any other adopted spheres of influence will be to provide LAFCO and local communities with policy guidance on matters relating to the boundaries and organization of local government agencies. In short, the purpose of the Commission's sphere determinations is to answer the question, "What local agencies should provide which services to what geographical area as communities change?" More information on LAFCO and on all of Marin County's local governments, services and boundaries may be found on the Commission's website at <http://lafco.marin.org>.

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II. MUNICIPAL SERVICE REVIEW

Description of Community

The unincorporated residential community of Muir Beach is located in the southwestern part of Marin County. It is bounded on the west by the Pacific Ocean, on the east by Highway 1, and on the north and south by Federal park land under the Golden Gate National Recreation Area (GGNRA). The main access is through Highway 1.

Description of District

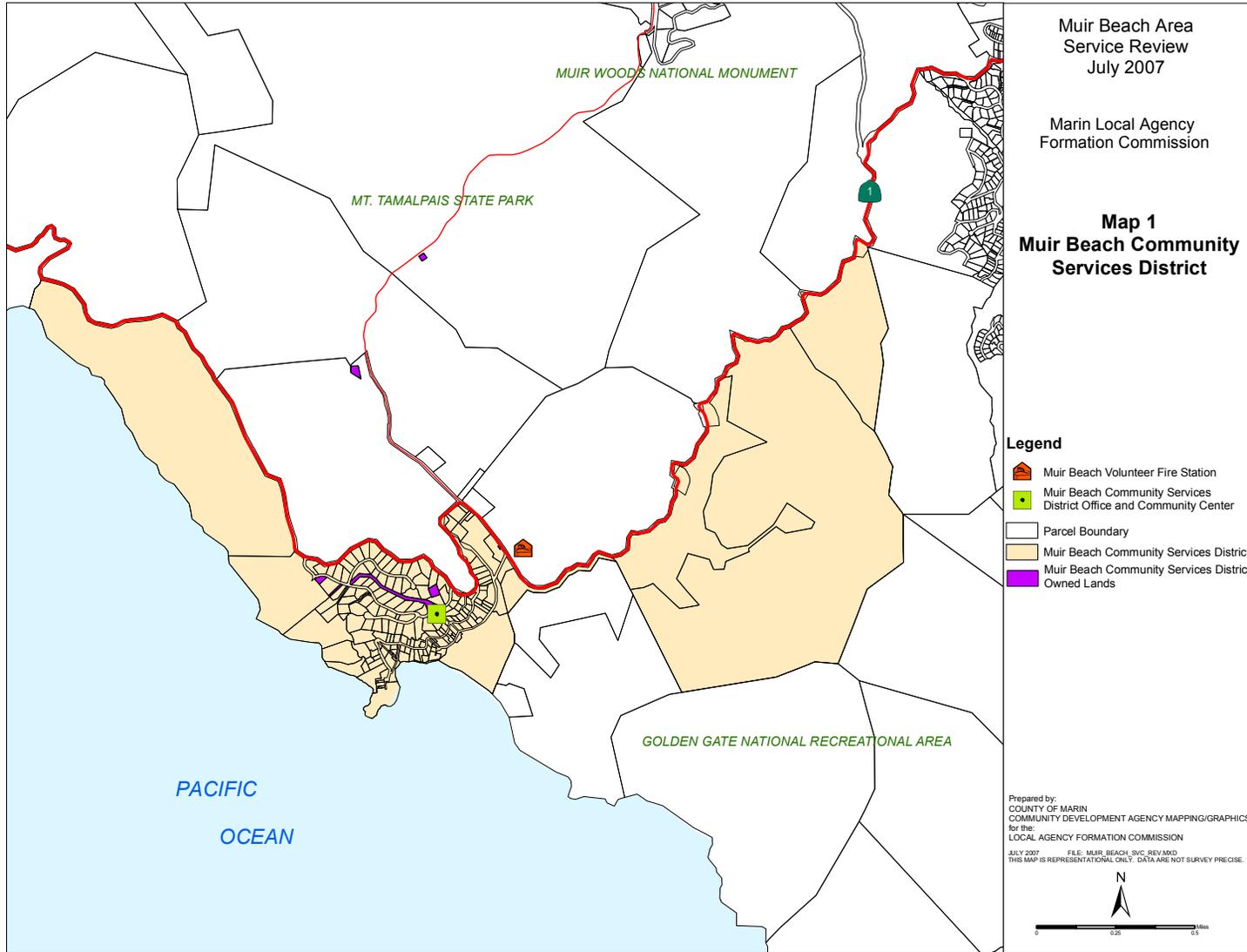
The Muir Beach Community Services District (MBCSD) was formed in 1958 under Section 61600 and 61601 et seq. of the California Government Code.

The district is responsible for water distribution, supply and treatment; road and access easement maintenance; recreation and assists the Muir Beach Volunteer Fire Department in the provision of supplemental fire protection service. A five-member Board of Directors, elected at-large, governs the MBCSD. A District Manager is responsible for administrative functions.

The MBCSD is located within the community of Muir Beach and encompasses approximately 820 acres. The District's service area includes the Muir Beach residential area, Green Gulch Zen Center agricultural lands, Pelican Inn, and public lands of GGNRA (including Muir Beach). Facilities operated by the District include water wells, storage and distribution system, a community center and pedestrian trails. The MBCSD's boundaries and sphere of influence are coterminous. A map of the MBCSD boundaries and its coterminous sphere of influence is shown on the following page.

Water System

The purpose for the District's formation in 1958 was to take over the assets of the Muir Beach Water Company, which had been formed in 1928 to furnish water to the original Bello Beach Subdivision. In 1970, the District acquired the assets of the Seacape Mutual Water Company, which served the Seacape Subdivision properties.



The current distribution system is divided into two service zones. The High Zone serves the uphill properties of the Seacape Subdivision and the Low Zone serves the properties of the Bello Beach Subdivision. The combined High Zone and Low Zone systems have a total of 147 water connections, including two commercial connections; one connection to the District's community center; one connection to the State Park lands on Frank Valley Road; one connection to the Muir Beach public park area ; and 142 individual residential meters. ¹

The source of the District's water supply is a well field located at Santos Meadow adjacent to Redwood Creek as shown on Map 1.

An engineering study and evaluation of the District's water system was conducted in 1987 by Harris Consultants, Inc. in response to concerns regarding the marginal water quality, system reliability and fire flow capacity. The failure of one of the two Low Zone redwood storage tanks in 1986 called attention to severe problems with the District's system. This evaluation included a review of water supply requirements for domestic use and fire protection, the condition and adequacy of the well supply, water storage requirements and alternatives, the physical condition and hydraulic adequacy of the transmission and distribution system, and a review of water quality.

Since that study, a 20 Year Plan for Water System Capital Improvements (1997-2016) was written by Henry Hyde and Associates and the Associated Business and Community Consultants, Inc. This study laid out a schedule for needed capital improvements for the water system including funding mechanisms for each.

Fire Protection Services

In 1971, MBCSD agreed to aid a private organization, the Muir Beach Volunteer Fire Department (MBVFD), in providing fire protection service to supplement service from County Fire. The District requested and received voter approval to expand its functions to include fire protection. No special tax or other measure was approved to expand the financial resources of the District. The Muir Beach Volunteer Fireman's Association (MBVFA) is responsible for generating and managing funding for the MBVFD. MBVFA is a private, non-profit 501(c)3 corporation governed by a separate eight-person board.

¹ Muir Beach Community Services District, Twenty Year Plan for Water System Capital Improvements, 1997-2016, Henry Hyde and Associates, Associated Business and Community Consultants, Inc. Section 1, Page 1

Neither MBVFD nor MBVFA retains paid professional, administrative or support personnel. The funds generated by the private MBVFA from its annual barbecue, clothing sales and grants are transferred to Muir Beach CSD under a 1994 agreement to provide a proportional share of the costs of the District's general manager, worker's compensation insurance, general liability and vehicle liability insurance covering all of the District's services, including fire protection. MBCSD holds title to all assets of MBVFD.

In February 2008, MBCSD will seek voter approval for a special tax of \$200 per parcel to maintain existing fire protection services. If approved, the special tax will generate \$30,000 to be added to the approximately \$70,000 in net annual revenue raised by MBVFA. Neither the County (CSA#31) nor MBCSD allocates property tax revenue for emergency services in the Muir Beach community.

The MBVFD is a 17 person, 100% volunteer fire department. MBVFD supplements services provided by County Fire (CSA #31) from the station at Throckmorton Ridge. That station is distant from the Muir Beach community, particularly during weekend and holiday periods of high traffic and high demand for emergency services related to visitors to coastal recreation areas. Given the distance to the County's Throckmorton Ridge station, MBVFD provides a crucial supplement to the emergency services that would otherwise not be available to Muir Beach residents and visitors. MBVFD volunteers are trained and equipped to the same standards as professional firefighters as required by State Law.

County Fire remains officially responsible for structural and wildland fire protection in the Muir Beach area. Emergency service calls to 911 in the Muir Beach area are dispatched by the County Sheriff's dispatch center. Both County Fire and MBVFD resources are dispatched for calls in the area with MBVFD usually arriving first at the scene. Where both agencies respond, fire incidents are managed under a "unifying command" protocol, a cooperative process between County Fire and the local fire agency intended to ensure efficient use of County Fire resources to aid in structural fire protection and protection of wildlands.

In addition to training for structural fires, the MBVFD volunteers are also trained to respond to wildland fires, medical emergencies, vehicle accidents, biking and hiking accidents, floods, mudslides, earthquakes, and other emergencies. The response area includes Muir Beach, Green Gulch Farm, Slide Ranch, Muir Woods National Monument, and Mt. Tamalpais State Park. Many of the incidents involve tourists unfamiliar with Highway 1.² The U.S. Park Service also provides

² Muir Beach Volunteer Fire Department website; <http://www.muirbeachfire.com/about.html>

a building to house MBVFD's apparatus, recognizing the Department's value in responding to wildland fires in Golden Gate National Recreation Area.

The MBVFD and MBVFA have developed, with the support of grant funds, a substantial fuel abatement program for the wildland-urban interface location. This service requires ongoing funding for the operation, maintenance, replacement and acquisition of the required equipment.

The MBVFD and the MBVFA are working with the Muir Beach residents and the neighboring communities of West Marin to develop an emergency/disaster preparedness program, including shelters, training, supplies and equipment to respond to a long-term isolating event. This service requires ongoing funding for the operation, maintenance, replacement and acquisition of the required equipment.

Municipal Service Review Determinations for Muir Beach Community Services District

1. Government Structure Alternatives

According to the 1984 Marin LAFCO Special District Sphere of Influence Study, no alternative government structures were feasible for either the water system or fire department.

Since the 1984 LAFCO study, there were studies that looked at government structure alternatives. As a requirement of the issuance of a water rights permit, the District prepared a report to review water source alternatives for the Muir Beach area. In 2003, a Technical Advisory Committee completed the *Adaptive Management Plan for Well Operations and Water Conservation* (adopted in 2005) and looked at alternative water sources including relocation of the District's wells, importation of water from MMWD, water reclamation, and desalination.

The main outcome of the study was an agreement to increase water storage capacity from 250,000 to 300,000 gallons unless alternative funding sources became available and the capacity could increase. The District's small size and rate potential limits its ability to fund significant improvements for providing alternative water facilities and increasing water storage. For this reason, it was generally agreed that if and when such improvements are to be done, the funding will be from sources outside the District, including but not limited to grant sources.³

³ Adaptive Management Plan for Well Operations and Water Conservation. July 2005

2. Infrastructure Needs and Deficiencies

Water System

According to the Twenty Year Plan for Water System Capital Improvements (1997-2016), the Muir Beach water system is comprised of the following major components:

- Two wells (drilled in 1996 and 2002) located at Santos Meadow between California State Parks and GGNRA on MBCSD property adjacent to Frank Valley Road. The wells draw from an aquifer that flows parallel to Redwood Creek, flowing from Muir Woods to the ocean.
- Chlorination, booster pumping and metering facilities. These are located in a small building adjacent to the wells that also serves as a field office.
- A four inch transmission main running from the wells to the service area.
- A 150,000 gallon redwood storage tank serving the high zone of the system. The high zone tank is located on Seacape Drive adjacent to the Muir Beach Overlook.
- A 100,000 gallon redwood storage tank serving the low zone of the system. The low zone tank is located adjacent to a private road extending from the cul-de-sac at the end of Starbuck Drive.

For infrastructure replacement, MBCSD staff has contracted with outside consulting engineering firms to develop and prioritize recommendations for capital improvements.

Fire Protection

The MBVFD owns and maintains engine 676, a donation from the County, with capabilities of fighting wildland and structural fires. Also owned and maintained at that location is apparatus 606, a 4-wheel drive with squad capabilities. All equipment in support of those vehicles, such as turnouts, hoses, nozzles, medical, air tanks, is maintained in the Department's single fire house.

The MBVFD and the MBVFA are working with the U.S. National Park Service (USNPS) to relocate the MBVFD fire house from the inadequate dairy building to the adjacent barn. If this arrangement cannot be made with the USNPS, then the cost of retrofitting the barn will be substantial.

The MBVFD is trying to replace its antiquated and deteriorating squad truck to provide its firefighters with safer and more effective quick attack capabilities. The cost of this fire squad truck replacement is approximately \$150,000.

The MBVFA in collaboration with the MBVFD has developed a 20 year long-range needs analysis that includes all infrastructure and service needs. This long-range budget is then annualized with operating items budgeted for one year, capital and non-consumable items budgeted for up to 20 years (e.g., fire truck, ladders). This long-range budget is re-evaluated and adjusted annually. At this time, all non-consumable and capital acquisitions are made with grant funds and donations.

3. Growth and Population Projections

Based on the 2000 U.S. Census information, the Muir Beach CDP (Census Designated Place) planning area had a population of approximately 295. According to the Marin County Community Development Agency, there were 144 existing units in 2005. It is projected that there will be 31 additional units by 2030 with 13 of them being second units. The 2030 total buildout projection is 175 units. The estimated maximum population projection (2030) is 389, an increase of 31.9%.

The District's service area is prevented from expansion as it is surrounded by federal and state park lands and agricultural preserves. According to the Marin County Local Coastal Plan, the Muir Beach area will experience limited expansion of its single-family residential housing.

4. Financing Constraints and Opportunities

Water System

Since 1997, the MBCSD has imposed an annual parcel tax to fund capital improvements to its water system. In November 2005, they secured voter approval for a four year extension of a \$300 per household (and \$3,250 per commercial property) parcel tax. With the extension of the parcel tax, the district now has a reserve account balance of over \$400,000 (FY 05/06).

Fire Protection

With 148 homes and 295 residents, Muir Beach is one of the smallest communities in the area. As noted above, local property tax revenue is not available for fire protection provided by MBCSD. The private Muir Beach

Volunteer Firemen's Association raises funds for volunteer training, equipment and operations of the Muir Beach Volunteer Fire Department. The MBVFA transfers privately donated funds to MBCSD to pay for the Volunteer Fire Department's administrative costs and insurance as described elsewhere in this report.

There has been a significant increase in the Volunteer Fire Department's annual budget due to the following factors:

- California legislation now requires volunteer fire departments to provide equipment, training and proficiency levels equal to the State's paid firefighting units.
- MBVFD recently added emergency preparedness (\$8,750/year) and fuel abatement programs (\$11,250/year) to its list of responsibilities.
- There are no regular funding sources to replace major capital equipment used by the volunteers (two fire trucks, chipper, splitter, tractor and trailer). Both fire trucks have outlived their 20 year life expectancy. At least \$35,000 needs to be set aside annually for funding to replace capital equipment.⁴

With this increase in financial requirements, funds raised by the MBVFA are no longer adequate. The MBCSD is proposing a supplemental \$200 annual parcel tax to help fund fire service responsibilities for Muir Beach. A ballot measure to impose a special tax will be submitted to the voters in February, 2008. If approved, the District's parcel tax will represent the first significant public funding allocation generated for fire protection in the area and the first budget allocations for fire protection by MBCSD.

Should the \$200/year assessment be rejected, the emergency preparedness and fuel abatement projects would be abandoned and there would be no funding for equipment replacement.

5. Cost-Avoidance Opportunities

Staff has not identified significant cost avoidance opportunities in fire or water services in the Muir Beach study area that could result from changes to the adopted spheres of influence or other organizational changes to local agencies.

⁴ Tax Assessment Overview, Fire Department website: <http://www.muirbeachfire.com/news.html>

6. Opportunities for Rate Restructuring

Revenue sources for water service for FY 2005/06 came from water fees (\$88,388); property taxes (\$70,776 plus ERAF of \$19,817); voter-approved parcel tax of \$300 per year for water capital improvements (\$52,703); and investment income (\$17,863).

All water customers (residential and commercial) are charged according to the same rate schedule. Water rates may be adjusted by the MBCSD board as necessary to pay costs of water service delivery. The District may not allocate water service fee revenues to other purposes and therefore may not address funding needs for fire protection by adjusting water rates.

7. Opportunities for Shared Facilities

MBCSD has arrangements with the US National Park Service to use its dairy facility at Muir Beach to house the MBVFD fire trucks and equipment. They have a contract with the USNPS for mutual aid and informal aid agreements with Stinson Beach Fire District and Southern Marin Fire. They share purchasing opportunities with County Fire, Stinson Beach Fire District and Bolinas Fire District. They receive Worker's Compensation insurance through County Fire.

No further opportunities for shared facilities have been identified in the course of this study.

8. Management Efficiencies, Local Accountability and Governance

MBCSD functions primarily as the provider of domestic water for the Muir Beach community. Though operating on a very small scale, the District has actively confronted significant water storage and supply problems in recent years as the only agency with local responsibility for water service. Up to now, the District provides no direct public funding for fire protection and its manager does not direct the activities of volunteer firefighters.

County Fire/CSA#31 has legal, jurisdictional responsibility for emergency services (structural, wild land) in Muir Beach with the semi-autonomous Muir Beach Volunteer Fire Department (and its private 501c3 fund-raising arm Muir Beach Volunteer Firemen's Association) following up in an important supplementary emergency service role, given the distance to the nearest County Fire station at Throckmorton Ridge and the heavy visitor traffic in the Muir Beach area.

The MBCSD has been involved to a much lesser degree in fire protection and does not bear primary responsibility for fire protection service, only for aiding the Volunteer Fire Department in ways that only a public agency can: accept donations of equipment from other public agencies, hold title to vehicles, providing liability insurance and for the February 2008 election, to organize a local tax measure to provide modest additional financial support for new fire safety programs that the MBVFA cannot raise as a charity. By gaining new financial responsibility for fire safety programs through the proposed parcel tax, the District will be required to take a more active role in the management and oversight of fire protection activities than it has in the past.

Although the Volunteer Fire Department is described as a department of MBCSD, the volunteer firemen are not employees of the District. The volunteers are not subject to the District's governance authority, other than being dependent on the District for certain administrative functions. It is not clear how the District's new financial responsibility for fire protection programs will change the governance and management relationships between the District and the Muir Beach Volunteer Fire Department board and membership.

III. SPHERE OF INFLUENCE REVIEW AND UPDATE

Description of Current Sphere of Influence

The boundaries and sphere of influence of MBCSD are coterminous. A map of the district and its sphere are shown on page 4.

Service Relationships

Table 1 summarizes the sources of municipal services for the Muir Beach area.

Table 1. Sources of Municipal Service: Muir Beach Area

Area	Police	Fire/Emergency. Medical	Water	Wastewater Disposal	Solid Waste	Comm. Development	Street Maintenance	Parks & Recreation	Library
Muir Beach Area	County Sheriff	Co Fire/CSA 31 Muir Beach VFD Muir Beach CSD	Muir Beach CSD	On-site	Waste Management	County	County	County/ MBCSD	County -no local branch

The Muir Beach area receives water services from Muir Beach Community Services District. Fire protection services are provided by County Fire (at Throckmorton Ridge) and the Muir Beach Volunteer Fire Department with support from Muir Beach CSD. The residences in the Muir Beach area are on septic systems for wastewater disposal. Library services are available through the County, with the nearest branch library located in Stinson Beach. A public library is also located in Mill Valley on Throckmorton Avenue. Muir Beach has a wide range of recreational opportunities available to residents from Federal, State, and County park facilities.

Need/Demand for Services

Existing and potential housing units and population for the Muir Beach area are shown in Table 2.

Table 2. Estimated Population and Development Potential - Muir Beach Area

	Land Area (acres)	2000 Population	2005 Existing Housing Units	2030 Buildout Housing Units	Estimated Maximum Population	% Potential Area Population Increase
Muir Beach Area	345	295	144	175	389	31.9%

Note: Muir Beach Area 2030 Buildout based on Countywide Plan scenario most likely to be adopted. Second unit projection is based on State and local policy.

The 2000 population of the greater Muir Beach area was approximately 295 within a land area of 345 acres. According to the Marin County Community Development Agency, there are currently 144 housing units with a future development potential of 31 additional units (which includes 13 second units), with maximum population of 389 under current zoning designations.

Ability to Extend Services

Muir Beach is a very small unincorporated area surrounded by state and federal parklands. The Muir Beach community is thereby located in a critical urban-wildland interface area that must work pro-actively in concert with County, State and Federal agencies to address an abundant and increasing fuel load as well as structural fire protection in an isolated area. The community by itself is far too small to support a professionally staffed fire station. The Muir Beach Volunteer Fire Department and the supporting role of the Muir Beach Community Services District continue to evolve as the best available responses to a difficult situation.

Because of the very limited resources of MBCSD, fire protection responsibility for areas beyond the immediate boundaries of the District must fall primarily on the County, State and Federal agencies. The Volunteer Fire Department does respond to emergency calls beyond its boundaries at the request of other agencies. MBCSD provides important support services, but is not itself able to extend emergency service to areas outside its jurisdiction.

MBCSD's water system provides service to only 147 connections within the District's boundary. Residents are subject to reasonable conservation measures during periods of drought. The district has sufficient water supply, storage and transmission capacity for existing customers and the very limited development potential allowed by current zoning and land use regulations. The number of potential new customers is limited due to Muir Beach being surrounded by national park lands. According to the District Manager, there is potential for five to eight possible new service connections.⁵ The County Community Development Agency estimates an additional 31 units possible under the current general plan and zoning ordinance, including 13 second units.

According to the District Manager, the only possible external demand for the District's water service would be a request to expand service to Muir Woods National Monument, currently served by Marin Municipal Water District.

⁵ Email correspondence with Muir Beach Community Services District General Manager Leighton Hills, 9/19/07

Extension of service to the National Monument would not be feasible due to insufficient storage capacity and the need to construct new storage facilities not needed under current service arrangements.

However, it should be noted that the District's well site is outside of the District's boundaries. Property owned by public agencies outside their boundaries may be subject to property tax. In order to provide the District with the ability to annex the well site (and avoid paying property tax), the Commission should consider amending the District's sphere of influence to include the well site as suggested in information provided by MBCSD.⁶

City and County General Plans

The 1978 Muir Beach Community Plan was prepared pursuant to the requirements of the California Coastal Act and the Marin County Local Coastal Program.

The Community Plan was written shortly after the drought of 1975-77 which caused a severe water shortage in Marin County and highlighted the District's limited water supply from Redwood Creek. The Community Plan states that it is the responsibility of MBCSD to educate the community in water conservation and it is the policy of the District to discourage the sale of water outside the boundaries of the District or to enlarge the District's boundaries. Also, because of potentially negative impacts on water supply, recreational development in Frank Valley is strongly opposed.

The policies of the Local Coastal Program and the Marin Countywide Plan are aimed at preserving the physical integrity of the coastal villages, keeping them from expanding into the agricultural lands and other open spaces designated for preservation. According to the Local Coastal Program, because there is no potential for additional visitor-serving uses in Muir Beach, additional water use is limited to the build out of the residential lots and increased demand from the beach park. The community is essentially built out and surrounding lands are planned for agricultural use. No future commercial use is recommended by the Local Coastal Program.

The content of the adopted community plan has no direct implications for possible changes to the boundaries and organization of the Muir Beach Community Services District.

⁶ Leighton Hills, District Manager, Questionnaire and Data Request, 6/12/07

Recommendation

Staff recommends that the Commission amend the District's coterminous sphere of influence designation to include the District's well site. No other amendments are proposed due to a lack of advantage of organizational alternatives, the public ownership of surrounding territory and lack of demand for extension of service beyond existing district boundaries.