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A Water District Without Water

Issue

Should the Los Trancos County Water District dissolve since it no longer provides water to its service area but still receives property taxes from the residents in its district?

Background

The Los Trancos County Water District (LTCWD) was formed in 1954 as a water district in accordance with the California Water Code, Section 30000 (Water Code). LTCWD initially provided water to the residents of the Los Trancos Woods, an unincorporated section of San Mateo County (County) near the incorporated Town of Portola Valley. The service area was later expanded to provide water to two neighboring housing developments: Vista Verde in an unincorporated section of the County, and Blue Oaks which is inside the boundaries of the Town of Portola Valley.

When the LTCWD was formed in 1954, property tax rates were set by district boards. Under the law at that time, use of the taxes had no impact outside of a district. Proposition 13, passed in 1978, limited the total property tax, and tax revenue was allocated according to the previous percentage allocation. At the time of Proposition 13, the State Legislature requested that enterprise special districts, i.e. districts able to generate fees for service, remove themselves from the tax rolls in order to support essential services having no other sources of revenue. Continuation of LTCWD meant less revenue to others outside the district than otherwise. LTCWD did not dissolve, even though, in 2005, it sold its water system to California Water Service Company, Inc. (CalWater), a private water provider. LTCWD has since rebated a portion of its property tax revenue to its residents as conservation incentives which has raised questions of fairness to others in the county and adequate funding for other local services. It should be noted that approximately one-half of the ESDs in California, including LTCWD, continue to receive property tax revenues.

Even after its expansion, LTCWD remained a small water district servicing the needs of 260 residences. The cost of pumping water to this small district was the second highest in the County. This cost was passed on to residents as water use fees. LTCWD realized that it needed to increase the budget by 25% to cover additional costs associated with the testing and reporting requirements of State and Federal governments.

LTCWD attempted to find a more cost-effective way to provide water to its residents. In 2005, LTCWD finalized a sales agreement with CalWater for \$125,000. CalWater assumed the responsibility of providing water to the residents. The agreement also included the sale of the telemetry system, pipes, pumps, tanks, and the land on which the pumps and tanks were situated. The sale excluded two unimproved parcels of land and a small reservoir. Since the sale to CalWater, LTCWD has focused on wild-land fire prevention, emergency preparedness, and water conservation.

LTCWD is an enterprise special district, which is a separate local governmental agency formed to provide local services. LTCWD is subject to review by the Local Agency Formation Commission (LAFCo).¹ In August 2006, LAFCo completed a Municipal Service Review of LTCWD and recommended that it dissolve because it no longer performed the services for which it was formed. (Appendix 1) Nevertheless, LTCWD has not dissolved.

As a water district, LTCWD receives a portion of the property taxes paid by its residents in accordance with state law. This, in addition to the fact that LTCWD was not providing water service, was noted recently in a report by the California State Legislative Analyst's Office. (Appendix 2)

Investigation

The San Mateo County Civil Grand Jury interviewed members of the LTCWD Board of Directors and a representative of LAFCo.

Numerous documents were consulted, including all LTCWD Board meeting minutes from the last two years, correspondence between the LTCWD Board and other agencies, LAFCo reports, relevant California Government Code, Tax and Revenue Code, and Water Code material and related California legislation. (Appendix 3)

Findings

The 2008-2009 San Mateo County Civil Grand Jury found that:

1. Since the sale of the water system to CalWater in 2005, LTCWD has not been involved in any manner in the delivery of water to its residents.
2. Although it no longer provides water, LTCWD is still considered a water district. It continues to receive a portion of the property taxes paid by residents. The LTCWD

¹ LAFCo's legislatively mandated role is to oversee orderly growth and development of the various agencies. LAFCo is required to review periodically the agencies and make a determination of whether an agency should be considered as: a) Status Quo, the entity does not want or cannot exceed the current area of service, b) Expanded, the entity is expected to expand its physical boundaries and service area at some time, or c) Zero, the district is planning on or should take steps to dissolve.

Board recognizes that it receives property tax revenue because it is a water district, which is chartered to deliver and remove water as a service to its residents.

3. In the most recent fiscal year, 2007, LTCWD revenue from property taxes was \$209,966.
4. The water rates in the LTCWD decreased by 14% for Los Trancos Woods and Vista Verde residents, and 39% for Blue Oaks residents following the sale to CalWater.
5. Since the transfer of the water distribution business to CalWater in 2005, CalWater, in conjunction with LTCWD, has been responsible for setting water rates for Los Trancos residents. At the time of transfer, CalWater agreed to administer rebate programs on behalf of LTCWD.
 - a. Under the Water Cost Offset Program, approximately 40% of LTCWD's share of property tax revenue is rebated to Los Trancos and Vista Verde residents in the form of reductions in water charges.
 - b. Another 10% of LTCWD's share of property taxes is rebated to residents in the form of incentives related to homeowner water conservation investments.
6. Section 30000 of the Water Code does not limit a water district solely to the acquisition and delivery of water. A water district may provide services, including wastewater collection and disposal, garbage collection, fire protection, and recreational services related to district owned lands.
7. Two unimproved parcels and a small reservoir were excluded from the CalWater sale. These properties are currently zoned as residential. LTCWD primarily focuses on the areas of wild-land fire prevention, emergency preparedness, encouraging water conservation, and managing the three properties retained after the CalWater transaction.
8. The LTCWD reservoir is located near a pond owned by the Town of Portola Valley. The reservoir can be reached by a short trail that is owned by LTCWD and is connected to longer recreational trails owned by the Town of Portola Valley.
9. According to LTCWD Board meeting minutes, residents wish to maintain the land and reservoir, which were retained by LTCWD in a natural state for recreational use. The LTCWD's board has made unsuccessful attempts to reach an agreement with a potential successor agency to maintain the property.

10. The Town of Portola Valley, the Woodside Fire District, San Mateo County, and the Mid-Peninsula Regional Open Space District are agencies in the Los Trancos area which could provide services now provided by LTCWD.
11. The LTCWD Board is the only governmental body currently representing the specific and unique needs of Los Trancos Woods and Vista Verde residents.
12. California State Revenue and Tax Code Section 99.02 permits an agency to transfer property tax to another agency if the original agency determines that it no longer needs the tax revenue.
13. An opinion from the State Attorney General, #05-809, published February 9, 2006, said, “Hence, it is evident from this legislative history that the current language of section 99.02 is intended to authorize local agencies to enter into agreements changing the property tax revenue allocation as between them in the absence of a jurisdictional change.” The opinion quoted the analysis of AB 241 which said, “The purpose of this bill is to give local government more flexibility in their own fiscal affairs. There could be a number of reasons why an agency would want to give some of its property tax to another. Its revenue picture or service needs may change over time so the fixed amount of property tax is no longer needed.” (Assem. Floor, 3d reading analysis of Assem. Bill No. 241 (1985-1986 Reg. Sess.) as amended July 9, 1985, pp. 1-2.)
14. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code § 56000), specifies that procedures for a dissolution of a special district may be commenced by the district, by petition of voters or by LAFCo. In the case of a dissolution initiated by LAFCo, Section 57113 requires LAFCO to submit a dissolution measure to the voters if LAFCo receives a petition prior to the conclusion of the protest hearing signed by at least 10% of the landowners or voters in the affected territory. If a district initiates dissolution procedures for itself, LAFCo must still submit the dissolution to the voters if a petition of protest is submitted, signed by at least 25% of the landowners or voters in the affected territory. (California Government Code Section 57081).
15. Prior to Proposition 13, a special district that had reduced costs or decided to dissolve would decrease or eliminate its property tax. In the post-Proposition 13 environment, if an ESD is dissolved, property tax rates for district residents are not decreased. Instead, the tax revenue from that district is then reallocated to other agencies serving the area previously served by the dissolved agency. Because the property taxes are not reduced, this can act as a disincentive for a district to dissolve, even if its primary role has ceased.

16. In 2006, LAFCo documented a number of determinations regarding LTCWD in its Municipal Service Review (Appendix 1), including:
- a. “Water rebates benefiting Los Trancos customers of California Water Service Company detract from the District’s ability or a successor agency’s ability to fund other services it might be able to provide and from the ability to pay down existing debt.”
 - b. “Use of property tax to provide rebates conflicts with the legislature’s intended use of property tax and competes with other potential uses for property tax to fund services that might more equitably benefit the broader community.”
 - c. “Opportunities exist to partner with the Town of Portola Valley, Mid-Peninsula Regional Open Space District, and the Woodside Fire Protection District in pursuing goals of land stewardship and these agencies also have the potential to respond to other identified needs such as emergency preparedness and passive recreation.”²
 - d. “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.”
 - e. “The District is encouraged to actively pursue transfer of land with potential successor agencies.”
 - f. “Continued existence of the district should include consideration of a sunset date for use of property tax as rebates in order to fund necessary services the district is authorized to provide.”

Conclusions

The 2008-2009 San Mateo County Civil Grand Jury concludes that:

1. Since the sale of its water system to CalWater, LTCWD has had no role in supplying water to its residents.
2. Water districts are given a share of the property tax collected from the residents of the service area to reduce a district’s cost in acquiring and delivering the water consumed by

² “Passive recreation” may be defined as a non-motorized activity that: offers constructive, restorative, and pleasurable human benefits and fosters appreciation and understanding of open space and its purpose; does not significantly impact natural, cultural, scientific, or agricultural values; requires only minimal visitor facilities and services directly related to safety and minimizes passive recreation impacts.

the residents. Contrary to the original purpose of the property tax revenue, LTCWD is using 50% of its tax revenue share to reduce water rates to LTCWD residents.

3. If a legislative budget committee is aware that a district, such as LTCWD, is no longer providing water service but is receiving a share of property taxes, the Legislature may legislate dissolution of the district. In the event of dissolution, LTCWD may or may not have the opportunity to transfer a portion of future tax revenue to another agency for services directly benefiting Los Trancos Woods residents.
4. The Water Code authorizes water districts to engage in a variety of secondary activities, such as waste collection and disposal, management of passive recreation facilities, and operating fire protection facilities.
5. In the case of a district like LTCWD, where the agency is no longer involved in its primary activity, which is the delivery of water, it is questionable whether the agency should engage in secondary activities.
6. The two unimproved parcels of land and small reservoir still owned by LTCWD are currently zoned as residential, thus subject to potential development. Rezoning of the properties as “passive recreation” or dedicated open space would protect the land from development.
7. LTCWD has made a good faith attempt in previous years to locate a steward for the two unimproved parcels of land and the reservoir for the benefit of the residents by entering into discussions with the Town of Portola Valley, the Woodside Fire District, San Mateo County, the Mid-Peninsula Open Space District and the Peninsula Open Space District.
8. The California Revenue and Tax Code provides a mechanism for a special district to transfer some or all of its future property tax revenue to another agency. This transfer could enable services that are now provided by LTCWD, and which are important to the residents of the District, to continue after dissolution.
9. Revenue transfer to another agency might not be available to LTCWD if dissolution or reallocation of property tax revenue from water districts resulted from a legislative act.
10. Some current LTCWD services overlap with services of other agencies, such as wild-land fire prevention by the Woodside Fire Prevention District.

11. The residents of the LTCWD service area would be best served by the LTCWD Board working with other agencies to transfer its land and reservoir, the delivery of services, and appropriate funding from property tax revenue.
12. Once the transfer of services, property, and property tax revenue has been successfully completed, the LTCWD Board should be able to gain resident support for agency dissolution. Then, the LTCWD Board can present its plan for dissolution to LAFCo.

Recommendations

The 2008-2009 San Mateo County Civil Grand Jury recommends that:

1. The San Mateo County Local Agency Formation Commission (LAFCo) work directly with the Los Trancos County Water District Board in identifying an agency that will take over the ownership and management of the two unimproved parcels and the reservoir.
2. The Los Trancos County Water District Board (LTCWD) seek advice from legal counsel on the most appropriate approach to the property tax transfer to one or more agencies to ensure the tax transfer remains in effect for the benefit of the residents after dissolution. This will then enable the Board to:
 - a. Secure an agreement with another agency to own and manage the three parcels of property,
 - b. Apply for the re-zoning of the property to assure that the wishes of the residents are achieved,
 - c. Identify those activities it is currently engaged in that are deemed essential to Los Trancos Woods residents and pursue agreements with other agencies to continue those activities. Agreements may need to include the transfer of some LTCWD property tax revenue to fund these activities on behalf of Los Trancos Woods residents into the future,
 - d. Determine how the needs of local residents would best be served, i.e. by transforming LTCWD into a “recreation and parks district”³, or working with a residents association to encompass some LTCWD activities, and

³ A “recreation and parks district” is a class of special districts that provides community recreation, park, and open-space facilities and recreation services within specified boundaries and under local control.

- e. Work with LAFCo to pursue dissolution of LTCWS as a water district, once successor agency agreements and property tax transfers are completed to the satisfaction of the residents.

Appendix 1

The August 11, 2006, Report & Recommended Sphere of Influence Determinations – Los Trancos County Water District can be found at:

http://www.sanmateolafo.org/vgn/images/portal/cit_609/40/31/739489433081606_LTCWD_sir.pdf

Appendix 2

The report from the Legislative Analyst's Office can be found at:

http://www.lao.ca.gov/analysis_2008/2008_pandi/pi_anl08007.aspx

Appendix 3

Key reference documents

1. *Los Trancos County Water District – Profit & Loss Statement*; July 2007 through June 2008
2. *California Water Code Sections 30000, 35401 & 35500*
3. *Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code § 56000)*
4. *California State Revenue and Tax Code Section 99.02*
5. *Water and Waste Disposal Enterprise Special District Property Taxes; Analysis of the 2008 – 2009 Budget Bill*, California Legislative Analyst's Office (Appendix 2)
6. Opinion from the State Attorney General, #05-809, published February 9, 2006
7. *Guide to Special District Laws and Related Codes*; California Special Districts Association, 2007
8. Los Trancos County Water District Board Meeting Minutes, 2006 – 2008



los trancos county water district

February 9th, 2009

Honorable George A. Miram
Judge of the Superior Court
Hall of Justice
400 County Center, 2nd Floor
Redwood City, CA 94063-1655

Re: Response to 2008-2009 Grand Jury Report

Dear Judge Hall:

In response to the 2008-2009 Grand Jury report, the Los Trancos County Water District (LTCWD) ("District") reviewed all of the recommendations of the report affecting the District.

In summary, we offer the following responses:

Grand Jury Recommendation #1.

The San Mateo County Local Agency Formation Commission (LAFCo) work directly with the Los Trancos County Water District Board in identifying an agency that will take over the ownership and management of the two unimproved parcels and the reservoir.

District Response #1.

1. The Los Trancos County Water District agrees with the finding. The District has previously worked with LAFCo and several potential successor agencies to determine the potential for transfer of ownership and/or management of District property. The District will continue to work with interested agencies toward overcoming previously identified obstacles to property ownership and/or management transfers. These obstacles include resident support for continued District ownership, and significant agency concerns about liability, long-term management costs, and discontinuity with their holdings. The District continues to invest resources to improve the condition of our holdings and address some of these concerns.

Grand Jury Recommendation #2.

The Los Trancos County Water District (LTCWD) seek advice from legal counsel on the most appropriate approach to the property tax transfer

to one or more agencies to ensure the tax transfer remains in effect for the benefit of the residents after dissolution. This will then enable the Board to:

- a. Secure an agreement with another agency to own and manage the three parcels of property,
- b. Apply for the re-zoning of the property to assure that the wishes of the residents are achieved,
- c. Identify those activities it is currently engaged in that are deemed essential to the Los Trancos Woods residents and pursue agreements with other agencies to continue those activities. Agreements may need to include the transfer of some LTCWD property tax revenue to fund these activities on behalf of Los Trancos Woods residents into the future,
- d. Determine how the needs of local residents would best be served, i.e. by transforming LTCWD into a "recreation and parks district", or working with a residents association to encompass some LTCWD activities, and
- e. Work with LAFCo to pursue dissolution of LTCWD as a water district, once successor agency agreements and property tax transfers are completed to the satisfaction of the residents.

District Response # 2

The District partially agrees with the finding as noted below. The District has and continues to seek legal advice on appropriate uses of property taxes and mechanisms for transfer of taxes where appropriate.

District Response # 2a

The District partially agrees with the finding. The District continues to improve District property and over the next year will re-open discussions with potential successor agencies to discuss their concerns about accepting District property.

District Response # 2b

The District agrees with the finding. County zoning options are limited in their effectiveness for preventing development, thus the District is also pursuing additional avenues (e.g. conservation easements) to more fully protect District property.

District Response # 2c

The District partially agrees with the finding. The District plans to conduct a second survey of District

residents to determine essential activities and unmet services, and to engage appropriate agencies in discussions to provide those services, including property tax revenue transfers. Where not possible the District will continue to provide services within the District purview.

District Response # 2d

The District agrees with the finding. The District has initiated a process to fully study options for transformation of the District, focusing initially on a community services district. The above survey will inform the board as to community preference.

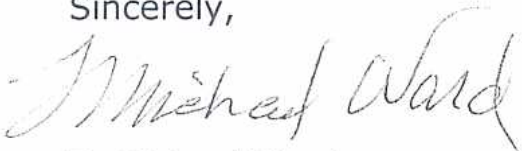
District Response # 2e

The District partially disagrees with the finding because dissolution was rejected by residents, based upon our 2006 survey. Upon completion of the new resident survey, the District will re-consider this finding if dissolution is preferred by a majority of residents.

Note that dissolution will require, the resolution of District debt that does not encumber District residents, and resolution of land ownership. As noted above, the District will work with LAFCo to fully explore opportunities to transform the District, transfer property tax revenue where equal or greater benefit can be realized by residents, and to retain tax revenues where required to serve the unmet needs of residents.

Please let me know if you require additional information.

Sincerely,



T. Michael Ward
District President, 2009

**LOCAL AGENCY FORMATION COMMISSION**

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

February 4, 2009

Honorable George A. Miram
Judge of the Superior Court
Hall of Justice
400 County Center, 2nd Floor
Redwood City, CA 94063-1655

Re: Los Trancos County Water District

Honorable Judge Miram;

In accordance with the California Penal Code, the Local Agency Formation Commission (LAFCo) considered the above noted report at the January 21, 2009 Commission meeting and directed staff to submit the following response.

The Commission agrees that an active effort should be made to identify an agency/organization or agencies/organizations to assume ownership and stewardship of the lands in question. The Commission is prepared to direct the Executive Officer, within the next sixty days, to implement a facilitation process that would include inviting representatives of Los Trancos County Water District, County of San Mateo, Midpeninsula Regional Open Space District, Woodside Fire Protection District, Town of Portola Valley, CalWater, Peninsula Open Space Trust, and the school districts to discuss transfer and stewardship of the lands in question.

Sincerely,

A handwritten signature in black ink that reads 'Martha Poyatos'.

Martha Poyatos
Executive Officer

Attachment: January 14, 2009 Staff Report

CC: Michael Murphy, County Counsel
Members, Formation Commission
Carol L Woodward, Deputy County Counsel



January 14, 2009

TO: Members, Formation Commission

FROM: Martha Poyatos
Executive Officer

SUBJECT: Proposed Response to Recommendations of the
2008-2009 Civil Grand Jury

Summary

The Report of the 2008-2009 Grand Jury included a recommendation addressed to the Commission involving Los Trancos County Water District. The State Penal Code requires the Commission to respond to the Presiding Judge of the Superior Court within 90 days, in this case by April 5, 2009. The Commission may take action at your January 21 meeting, or if additional time is needed, at the February 18 or March 18 Commission meetings. The response must state whether the Commission agrees with the Grand Jury recommendation or, if the Commission disagrees, an explanation of any disputed portions of the recommendation. In addition, the response must also include a report on whether the recommendation has or will be implemented, including a time frame. Explanation should also be provided if any portion of the recommendation will not be implemented.

The Grand Jury's recommendation and a proposed response as well as background information on Los Trancos County Water District are included in the following report. Staff recommends that the Commission provide direction on the proposed response and direct staff to transmit it to the Presiding Judge of the Superior Court.

Background

Los Trancos County Water District (LTCWD) was formed in 1954 pursuant to State Water Code Section 30000¹ in order to improve water service to a portion of Los Trancos Woods, an unincorporated area now in the sphere of influence of the Town of Portola Valley. Subsequent annexations included the balance of Los Trancos Woods and Vista Verde, and other areas including the Blue Oaks Subdivision in the Town of Portola Valley.

In 1985 the Commission adopted a "zero" sphere of influence for the District indicating that the District could be dissolved. Escalating costs to provide water to a small service area resulted in the District's selling the water system to California Water Service Company (CalWater)² in April of 2005 and including the District's 278 connections in the CalWater Service Area of over 17,000 connections. In 2006, LAFCo completed a municipal service review and sphere of influence update that reaffirmed the District sphere designation for dissolution and in response to community concerns about possible development of District lands, the report recommended that the District pursue transfer of District-owned undeveloped lands to an entity that would retain the lands in an undeveloped and natural state. Since that time the District has pursued land management, water conservation and fire safety activities.

Grand Jury's Recommendation and Recommended LAFCo Response

The following discussion includes the Grand Jury's recommendation in bold, brief discussion and staff's recommended response in italics.

¹Section 30000 of State Water Code provides for provision of water, sanitary sewer, garbage collection, fire protection and recreation services related to district owned lands

² CalWater is an investor owned water company. It is not a special district and is therefore not subject to the CKH Act requirements for municipal service and sphere of influence review or LAFCo boundary regulation. For more information on water agencies in San Mateo County please see

That LAFCo:

- **Work directly with the Los Trancos County Water District Board in identifying an agency that will take over the ownership of the two unimproved parcels and the reservoir.**

The March 8, 2006 Municipal Service Review acknowledged concerns that District-owned lands remain undeveloped, and the report identified opportunities for the District to work with the Town of Portola Valley, Midpeninsula Regional Open Space District³ and the Woodside Fire Protection District in pursuing goals of land stewardship. Other entities with jurisdictional boundaries that include the parcels in question include County of San Mateo, Portola Valley School District, Sequoia Union High School District, and San Mateo County Community College District. Potential private entities include California Water Service Company (CalWater), Peninsula Open Space Trust (POST) and Stanford University.⁴ The Los Trancos and Vista Verde neighborhoods are also in the sphere of influence of the Town of Portola Valley indicating the area should be annexed to the Town. District-owned lands are also adjacent to Town-owned lands.⁵

While LAFCo routinely plays a role in facilitating and coordinating dialogue between public agencies or between agencies and the community, activities such as real property and resource management are not within LAFCo's expertise or jurisdiction. Staff believes that while LAFCo staff could facilitate meetings of interested parties, a successful process and outcome will be dependent upon the willingness of Los Trancos County Water District to participate and having participation from agency representatives knowledgeable in areas of real property and resource management.

³ In response to the Civil Grand Jury report, further study of location of LTWCD lands in relationship to trails and land owned by other entities indicates trail links between LTCWD lands, MROSD open space lands, and open space lands under the jurisdiction of the Town of Portola Valley.

⁴ CalWater acquired other lands from the District upon transfer of the system.

⁵ While land use is beyond the scope of LAFCo authority, concern about disposition of the property is inherently linked to land use provisions that would protect the lands from development. A discussion of re-zoning versus easements is included in Attachment A.

Recommended response:

The Commission agrees that an active effort should be made to identify an agency/organization or agencies/organizations to assume ownership and stewardship of the lands in question. The Commission is prepared to direct the Executive Officer, within the next sixty days, to implement a facilitation process that would include inviting representatives of Los Trancos County Water District, County of San Mateo, Midpeninsula Regional Open Space District, Woodside Fire Protection District, Town of Portola Valley, CalWater, Peninsula Open Space Trust, and the school districts to discuss transfer and stewardship of the lands in question.

Staff Recommendation:

Staff recommends that the Commission consider the above-proposed response to the Grand Jury and provide direction to staff on final language for transmittal to the Presiding Judge of the Superior Court.

Respectfully submitted,



Martha Poyatos
Executive Officer

/mp

Attachments

c: Michael Murphy, County Counsel
Carol Woodward, Deputy County Counsel
Affected Agencies

Attachment A: Land Use Discussion of Los Trancos County
Water District parcels

Land use accomplishing the community's stated goals of preserving natural resource access and public recreational opportunities could potentially be accomplished by a General Plan Amendment and rezoning. Possible General Plan designations might be Open Space (OS) or Public Recreation, depending upon the specific goals of the applicant. For example, if the ultimate goal is to create a publicly accessible park, Public Recreation might be a more suitable designation than Open Space. The County Parks Department or other open space organization such as MidPeninsula Regional Open Space District (MROSD) could be contacted if the creation of publicly accessible recreation lands is the goal. Most of the unincorporated lands surrounding Los Trancos Woods are designated OS, although there are also nearby lands designated Public Recreation.

Possible zoning designations would include Resource Management (RM), although this zone does permit residences at a low density. Most of the unincorporated lands surrounding Los Trancos Woods are zoned RM, and RM is also the zoning for most of the unincorporated publicly-owned recreational and/or open space land outside the Coastal Zone. The General Plan Designation and zoning should also be consistent. RM zoning would be consistent with either an OS or Public Recreation designation.

It might be possible to accomplish the goal of limiting development on these lands with an conservation or open space easement, perhaps in conjunction with a rezoning and General Plan Amendment. However, the property owner or potential property owner should explore whether their goals can fully be accomplished with an easement alone. Likewise, they should also explore whether their goals can be fully accomplished by a rezoning and General Plan amendment without an easement, given that the RM district does allow residential uses.