

# City Not Out To Strangle Live Oak

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The same thing holds true with water, he observed. Santa Cruz has offered Scotts Valley and Soquel county water districts the sale of bulk water on a standby basis, and the offer still is valid.

Of the mid-county sewer offer, Koester reported, "Some people have said this is some kind of scheme whereby the city would take control of their system. I don't think this is the intent at all, and even if the city had such an evil intent, I don't see how this could be carried out."

"There's no way this can be forced on them if they don't want it."

"There may be this fear of annexation, but the annexation laws of California are very restrictive, among the most restrictive in the country."

"Legally, no city can force an inhabited area to join it. There has to be consent of the people, and there are many opportunities for protest before an election."

But the people of the mid-county aren't talking about legalities. They think if Santa Cruz can get control of their vital services the city can charge so much for them they will be forced into cityhood to avoid the oppressive costs.

For instance, Santa Cruz bought Live Oak's water system a few years ago and set up a rate schedule 35 per cent higher than that paid by Santa Cruz residents.

But the differential is justified, Koester claimed, pointing out that in many cities a 100 per cent differential is charged for out-of-city water.

The higher price charged Live Oak "is calculated as a reasonable return of 6 per cent on an investment by the people of Santa Cruz," Koester claimed. He pointed out that Santa Cruz residents had bonded themselves to improve and extend their water system and they carry the full risk of that investment.

He noted, too, that money paid by Live Oak residents for water stays in the water department and does not go to fatten the general fund coffers of the city.

Pinned down on the full reason for the price differential, however, Koester admitted, "Annexation could be part of the consideration, and it might have that effect."

But he said, "In my opinion, this feeling of distrust is largely based on misunderstanding and lack of information. I really feel that in some cases there are a few people who might try to exploit this situation because of their own interests or desires."

Asked who those people were, Koester said only, "They can figure it out if they want to read between the lines."

But it is common knowledge that Santa Cruz wants Live Oak — and the 41st Avenue business strip — and had embarked on a full-fledged annexation campaign before it was brought up short by an annexation freeze on the area imposed by the Local Agency Formation Commission.

What about that?

"Our general plan calls for annexation as far as 41st Avenue," Koester said. "That's the plan submitted three or four years ago as our ultimate boundary to the east. It's the area served by the city water system

and appears a logical extension of our boundaries."

Capitola submitted a plan to expand to the west, annexing that portion of Live Oak up to Rodeo Gulch and leaving a large portion of Live Oak unincorporated between the gulch and Santa Cruz.

Would Santa Cruz consider annexing to the east only as far as Rodeo Gulch, leaving the rich 41st Avenue strip to Capitola?

Hardly.

"The only thing that would make Live Oak feasible for Santa Cruz would be the whole area to 41st Avenue," Koester said. "Without that, annexation would be of questionable finan-

cial advantage and maybe it would be a liability if we were to do all the things that are needed in the area and that people would expect if it were to become part of the city."

In any event, Koester thinks Santa Cruz won't attempt to push annexation in Live Oak in the near future. "I think our attitude will be, if this (incorporation as a separate city) is what they want to do, that's their choice."

He added, "It's really in the hands of LAFAC now. If the incorporation election fails, LAFAC will have to make the decisions on the ultimate boundaries on the basis of how the people there can most economically

and effectively be served.

"The City of Santa Cruz has submitted its case; now it's their decision to make. We couldn't afford to take the area just to Rodeo Gulch. You have to balance revenues along with the needs of an area."

In last analysis, Koester thinks the distrust and downright distaste many mid-county persons feel for Santa Cruz is not the fault of government relationships. It started a long time ago when the whole north county was virtually dependent on Santa Cruz for goods and services.

"Santa Cruz dominated the area," the city manager con-

cluded. "It may sometimes have abused that position, and people have never forgotten."