

COUNTY SERVICE AREA NO. 18 (CALWA)

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the
Fresno Local Agency Formation Commission

MSR-16-18 / SOI-169

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COUNTY SERVICE AREA NO. 18 (Calwa)

Street lighting

Contact Information

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Management Information

District Formation: 1966
Principal Act: County Service Area Law, Government Code section 25210-25217.4
Special District Powers: Prescribed in Government Code section 25212-25212.4
LAFCo
Authorized Services:¹ Street lighting

Governing Body: Fresno County Board of Supervisors, dependent special district

Board Members:

Buddy Mendes, Chairman	Elected 2015-Expires 2018
Brian Pacheco, Vice Chairman	Elected 2015-Expires 2018
Henry Perea	Elected 2013-Expires 2016
Andreas Borgeas	Elected 2013-Expires 2016
Debbie Poochigian	Elected 2013-Expires 2016

Board Meetings: On scheduled Tuesdays, the dates which have been approved at a regularly scheduled board meeting in the Board of Supervisors Chambers

Citizen Advisory Committee: None

Staffing: Fresno County Public Works and Planning, Special Districts Administration: District Administrator, three Staff Analysts, one office assistant, and Administrative and Technical Support Staff

Service Information

District Activity: No service currently provided by the District, Inactive
Population Served: 1,420 residents
Acres Served: 119 Acres
Infrastructure: 36 street lights and associated infrastructure

Fiscal Information

Budget: \$0
Sources of Funding: District collects no revenue
Rate Structure: No rate is charged

Administrative Policies

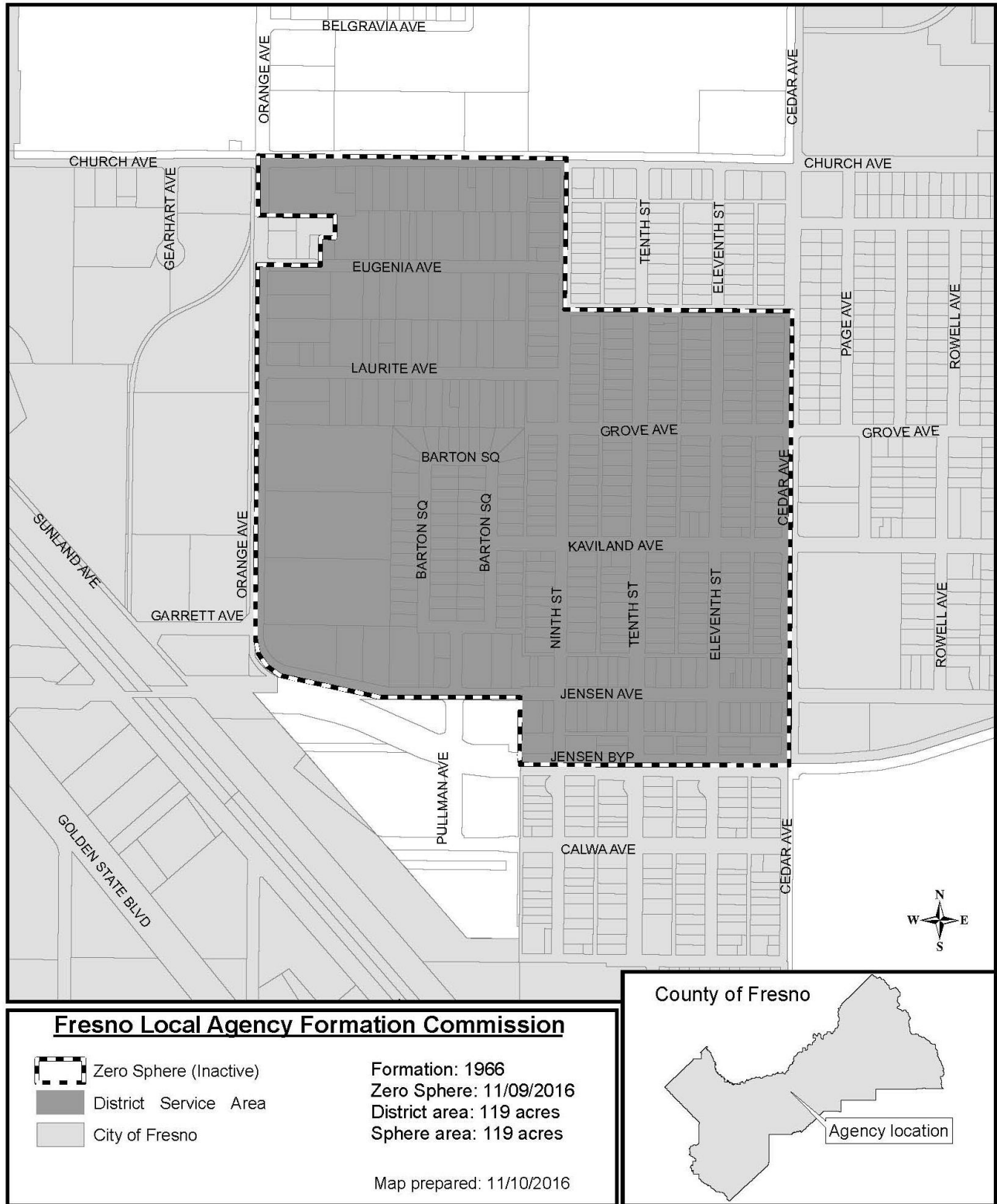
Master Plan: No	Policies/Procedures: Yes	By-laws: No
Boundary Updated: 1966	SOI Updated: 2016	Other: No

¹ Pursuant to Government Code Section 56425(i)

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Figure 1-County Service Area No. 18 Map
County Service Area No. 18 (Calwa)
 Authorized Services: Street Lighting



1. MUNICIPAL SERVICE REVIEW

Principal Act

County Service Area No. 18 (Calwa) was formed in 1966 pursuant to County Service Area Law (Government Code sections 25210-25217) as a single-purpose District to provide street lighting within the unincorporated community of Calwa. The District is authorized to provide street lighting and associated maintenance services within the District boundaries. The District is a dependent special district governed by the Fresno County Board of Supervisors (BOS). Fresno County Public Works and Planning Department, Special Districts Administration (Special Districts Administration), provides staff support for the District's administration.

The District's service area and sphere of influence (SOI) are coterminous, and encompass 119 acres located south of Church Avenue and east of Orange Avenue. The District boundaries include 401 parcels, of which 320 parcels are residential lots and 81 parcels area non-residential lots. The District leases 36 light poles from the Pacific Gas and Electric Company (PG&E); additional infrastructure includes lights and appurtenant equipment to provide street lighting service.

The Fresno Local Agency Formation Commission (LAFCo) has prepared two previous service reviews on CSA No. 18, first in 2007 and a subsequent update in 2011.² During the preparation of this Municipal Service Review (MSR) LAFCo observed that soon by 2013 the District presented the following characteristics that are of concern to Fresno LAFCo:

- District ceased providing a service;
- District had no adopted annual budget;
- District did not charge any users rates/fees;
- District had depleted its reserve;
- District was unable to fund capital improvements, operations, or staffing critical to its mission; and
- No recent financial audit had been performed.

Special District inactivity is of concern to LAFCo because it is inefficient and disorderly, resulting in a burden to the public:

Inefficient: a special district exists solely to provide one or more services to residents or property owners within its boundaries. When the special district fails to provide the service, or when the service is no longer needed or necessary, the district should then be dissolved. An inactive district frequently burdens the public treasury because state laws require regular monitoring, reporting, and compliance by the special district to other state, county, and local agencies. Mandated activities include but are not limited annual reports to the California State Controller's Office, conflict of interest filings, preparation for special district elections, and Form 700 filings by District officers. As

² CSA No. 18 (Calwa) First MSR, adopted on November 7, 2007, MSR Update adopted on March 16, 2011.

these other agencies seek to fulfill their own related administrative mandates an inactive special district causes them to incur unnecessary expenses.

Disorderly: a special district provides service(s) as authorized by its principal act. The principal act, or other supporting regulation, establishes minimal operational standards for board, budget, services, and management. When one or more of the principal act's standards is interrupted, it is the responsibility of special district management to remedy this condition by either attempting to restore the service, resolving the issue that prevented the service from being provided, or by taking responsibility to begin dissolution of the special district. When special district management fails to take such actions it is not acting in accordance with its principal act.

This MSR provides a District background, highlights the circumstances known to have contributed to the District's current inactivity, examines the state of the District, and what district modifications are available to LAFCo to resolve the situation.

District Service Area and Sphere of Influence

The District is located in southeast Fresno and is bounded by Church Avenue to the north, the Jensen Avenue bypass to the south, Cedar Avenue to the east, and Orange Avenue to the west. The City of Fresno's incorporated boundaries nearly surround the District on all four sides. State Route (SR) 99 and SR 41 are the closest highways near the District within approximately half a mile west of the District. The District's service area and SOI are coterminous and measure 119 acres.

There are 401 parcels within the District of which 320 parcels are residential parcels and 81 non-residential parcels with an estimated population of 1,805 residents. Prior to its inactivity, the District mainly served the unincorporated portions of the Calwa community.

Authorized District Services

Government Code Section 56425(i) states, "when adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts." Under the County Service Area principal act, CSAs have the potential to provide up to 26 types of municipal services within their boundaries.³

The District is currently authorized to provide street lighting service, levy and collect tax assessments, perform agreements, enter into contracts, and provide governmental services necessary to maintain these public facilities. However, at the time LAFCo prepared this service review the District was inactive, not exercising any of its authorized powers. The District previously performed its service through a contract with PG&E, which provided the street lights, poles, and appurtenant equipment.

³ GC sec. 25213-25213.6.

The initial contributor to the District's inactivity appears to be a cessation of its annual allocation of property tax revenue. The Special Districts Administration's research revealed that the annual assessment was not levied on properties within the District after FY 1986-87. However, independent analysis by LAFCo staff found that the District's tax rate area accounts received revenue until FY 1997-98. LAFCo staff inquiry with both Special Districts Administration and County Auditor-Tax Collector resulted in no conclusive documentation to determine why CSA No. 18's assessment revenue was terminated. Information gathered during this MSR indicates that the District's reserve account was used to fund expenses until it was exhausted in 2013. The Special Districts Administration informed LAFCo that the County has not provided administrative support to CSA No. 18 after 2013. Additional information is provided later in this report under the District Finances section.

All other services or powers enumerated in the District's principal act are herein determined to be "latent," meaning that they are authorized by the principal act, but are not currently being exercised by the agency. Activation of these latent powers and services not currently provided by the District will require LAFCo authorization as indicated in Government Code section 25213.5.^{4,5}

Fresno LAFCo MSR Policy Designation

Fresno LAFCo MSR policy designates the District as a "level three" special district that provides "non-municipal" services to its constituency. Non-municipal special districts typically do not request or experience modifications to their district service area or request an update or revision to the Commission's adopted SOI. A level three non-municipal local agency designation means, in Fresno LAFCo's judgment, that services provided by the agency do not facilitate, host, or induce population growth.

In accordance with Government Code (GC) section 56066, Fresno County is the Principal County. Fresno LAFCo is responsible for processing the agency's request to reduce the Commission's determined SOI for District. Fresno LAFCo has prepared this service review consistent with GC sections 56425(g) and 56430.

District Growth and Population Projections

The County of Fresno is the land use authority for territory within the District's service area and the County of Fresno General Plan Land Use Element designates land within the District for residential, limited industrial land uses, and neighborhood commercial. The District is within the County's Roosevelt Community Plan which designates the District's service area with land uses compatible with the County's General Plan. Based on copies of the Roosevelt Community Plan provided by County staff it appears that plan was last updated or amended in 1993.

⁴ GC sec. 56050.5, "Latent service or power."

⁵ GC sec. 25213.5 (a) "Services and Facilities."

The District service area is located within the City of Fresno's SOI and is planned for urban uses. City of Fresno's General Plan designates these territories as medium density residential, business park, and community commercial land uses. The District is identified in the City of Fresno's Roosevelt Community Plan. Both Fresno County and City policy documents anticipate minimal additional growth and support existing land uses within the District's boundaries.

Using the Commission's 20 to 25-year planning horizon for SOIs,⁶ Special Districts Administration does not expect any growth to occur as it relates to including additional territory to the District, population, or expansion of the District's type of services. The District is currently within an unincorporated portion within the City of Fresno's metropolitan area, future population growth will be directed to the City of Fresno.⁷ For this reason, and notwithstanding the District's inactivity or future annexations to the City of Fresno, within the next 20-25 years the District is not expected to experience any modification of its authorized service.

As a matter of Fresno LAFCo policy and the terms of the City/County memorandum of understanding, the City should be the service provider within its SOI. If the District service area is annexed, the City of Fresno would assume responsibility for street lighting services provided within the District. With respect to the District's service area, approximately half of the larger Calwa Community is in the City of Fresno and half remain unincorporated; the CSA only provides street lighting in the unincorporated portions of Calwa, as shown on *Figure 1 - District Map*. Land in the District is already substantially developed with residential, commercial, and industrial land uses.

It was noted during the City of Fresno's 2016 MSR update, that the City expressed its interest in not pursuing annexation of inhabited unincorporated land contiguous to the city limits and within the Fresno SOI due to the belief that such annexations potentially pose unfunded fiscal impacts.

Disadvantaged Unincorporated Communities

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires LAFCo to make determinations regarding "disadvantaged unincorporated communities" ("DUCs") when considering a change of organization, reorganization, SOI expansion, and when conducting municipal service reviews.

For any updates to a SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any disadvantaged unincorporated community within of contiguous to the SOI of a city or special district.

⁶Fresno LAFCo policy 107-03.

⁷County of Fresno and City of Fresno Memorandum of Understanding, Section 4.1, which states that the County shall refer any new development proposals within one-half mile of the City's boundary.

Government Code sec. 56033.5 defines a DUC as: i) all or a portion of a “disadvantaged community” as defined by sec. 79505.5 of the Water Code (territory with an annual median household income (MHI) that is less than 80 percent of the statewide annual median household income and as defined in Government Code sec. 56046 and Water Code sec. 79505.5); and a status of ii) “inhabited territory” (12 or more registered voters), as defined by GC sec. 56046, or as determined by Commission policy. Fresno LAFCo policy further refines a DUC as having at least 15 dwelling units at a density not less than one unit per acre.

Geographic Information System (GIS) files were derived from the US Census Bureau's American Community Survey (ACS) compiled for the five-year period 2010-2014 to identify the demographic composition for the various census geographies. Although the ACS provides annual and three-year estimates, the five-year reports between years 2010-2014 provide more precise data and mapping information for analyzing small populations. The five-year reports are the most reliable form of information generated by the US Census.⁸ The statewide MHI reported for years 2010 through 2014 was \$61,489 and hence the calculated threshold for a DUC is any geographic unit with a reported MHI that is less than \$49,191.⁹ The census block group data was utilized to provide the economic and population backgrounds for this section of the MSR.

Although the District does not provide services related to sewer, municipal and industrial water, or structural fire protection, LAFCo has identified areas within the District as DUC.¹⁰ A substantial portion of the District’s service area is located within US census tract 12.01-block group 1 and tract 12.01-block group 2. The US Census ACS five-year estimate reports show census tract 12.01-block group 1 had an MHI of \$19,730, while tract 12.01-block group 2 had an MHI of \$19,619 between 2010 through 2014. For the purpose of this section, it is Fresno LAFCo judgment that services provided by the District do not support growth or induce population growth.

District Infrastructure

Lighting infrastructure is leased to the District by PG&E and it is believed to be limited to 36 street lights, poles and fixtures, and other equipment required to provide lighting services.¹¹ Street light fixtures within the District service area are fixed onto pressure treated wood posts, approximately 20 feet above ground level, and powered by overhead utility lines. On May 5, 2016, LAFCo staff surveyed the District boundaries and counted 36 street lights within the District boundaries. Furthermore, there are multiple wooden utility poles that support utility lines powering the light fixtures, as well as, interconnecting the residential and commercial customers to the power grid. The single purpose utility support poles were not counted by LAFCo.

⁸ US Census Bureau, http://www.census.gov/acs/www/guidance_for_data_users/estimates/.

⁹ Department of Water Resources- Disadvantaged Communities.

¹⁰ City of Fresno Municipal Service Review, October 20, 2015. (Adoption May 11, 2016) Page 69, Area 18.

¹¹ Based on May 5, 2016 field survey by LAFCo staff and information provided by Special District Administration staff.

District Finances

This section of the MSR includes District financial information provided by Special Districts Administration, County Assessor, and District background data in the public record to evaluate the District's finances.

The District's financial challenge stems from the cessation of annual property assessments on parcels in the District. As noted earlier, it has not been determined why the property assessments stopped being collected by the County. In 2010, the Special Districts Administration staff researched why the District tax assessment of \$13.16 appeared to cease in FY 1986-87, however the investigation was inconclusive.¹²

On July 22, 2016, LAFCo requested all of the District's financial information between 1985 to the present from the Fresno County Auditor-Controller/Treasure-Tax Collector Special Accounting Division. Based on analysis of the data, there is a discrepancy between dates identified by the Special Accounting Division and the Special District Administration as to the last year property assessments were collected by the County for the District.

Special District Administration informed LAFCo that its assessment of the District's fund account is non-existent; District information does not display a fund account and/or subclass numbers. During the preparation of this report, LAFCo requested Special Accounting to verify whether or not the District's "fund number" account, as established with the Fresno County Treasurer, was active with a balance or deactivated. The County's Special Accounting Division informed LAFCo that the District's original fund number existed in the County's Special Accounting database though it had neither funds nor showed any activity.¹³

Information provided by Special Accounting Division indicates that the District actually last levied property taxes FY 1997-98, almost ten years after the Special Districts Administration's presumed the levy had ceased. The District's distributive factor of the County's 1997-98 property tax revenues was 0.0000220. This factor was derived pursuant to the provisions of Assembly Bill 8 and Senate Bill 180 as adjusted for the 1992-93 and 1993-94 property tax shift which shifted local property tax revenues from counties, cities, special districts, and redevelopment agencies to K-12 schools and community colleges. Therefore, in order to have been amended due to the Assembly and Senate Bills, the levy would have to have been in effect at that time.

For FY 1997-98, the District's total net levied amount was \$6,692.¹⁴ As previously noted, the County Special Accounting Division and Special Districts Administration could not determine a specific reason as to why the District ceased participating in the County's tax exchange program.

¹² County of Fresno Board of Supervisor, January 15, 2013 Hearing, Audio.

¹³ Electronic Mail Communication with Auditor-Controller/Treasure-Tax Collector Special Accounting Division.

¹⁴ County of Fresno Revised Schedule of Levies for FY 1997-98, date April 9, 1998.

During the preparation of this MSR, LAFCo observed that the County did not have an adopted District budget for FY 2016-17. In fact, Fresno County has not prepared or adopted a District operating budget since FY 2012-13 due to indirect liabilities associated with formally adopting annual budgets for dependent special districts lacking revenue. Indirect liabilities include but are not limited to the expenses associated with the preparation of subsequent audited financial statement, compliance with California State Controller's Office, providing evidence of District liability insurance, and financing District administration costs.

In the absence of annual property tax revenues, CSA No. 18 Calwa had supported its operational expenses using its reserve account until those funds were exhausted. In 2011, the Special District Administration informed the District's property owners and citizenry that it needed to reinstate a property special assessment in order to avoid exhausting its financial reserves which would result in discontinuation of its service. As noted, FY 1997-98 was the last year the District participated in the County Assessor's schedule of levies. Due to changes in the tax code, it was not possible to simply reinstate the District's previously-levied assessment of \$13.16 per parcel.

A review of the California State Controller's Office, Government Financial Reports data between years 2003 to 2014 indicates that the District did not charge customers for service, nor collect any portion of property taxes during that time period. The District's total fund equity balance, the difference between the District's assets (including capital assets) and its total liabilities, was \$60,414 in 2004. The State Controller's data shows the District's fund equity balance gradually declining after 2004 by a ratio of approximately \$5,000 annually. As of 2014, State Controller information shows the District's fund equity balance had dropped to zero.¹⁵

In 2012, the Special Districts Administration sought to reinstate the District's special assessment to secure a revenue source. By that year, such action was subject to GC sec. 53750, also known as the Proposition 218 Omnibus Implementation Act. These proceedings required Special District Administration to hold a protest hearing, attain majority property owner approval in order to impose a special assessment on properties within the District. Special Districts Administration prepared an Engineering Report ("Study") that quantified a proposed annual property assessment figure projected to be levied over a 10-year period and detailed the Proposition 218 proceedings needed to bring the matter to a protest hearing for property owners in the District. The proposed special assessment was proportionately divided by number of parcels and type of land use within the District.¹⁶

The Study proposed that the District's annual assessment for the 10-year period should be set at \$24.85 for residential parcels and \$56.22 for non-residential parcels. The assessment rates were anticipated to adjust with inflation not to exceed two percent annually. For example, by FY 2016-17, the special assessments were shown at \$28.76 for residential parcels and \$65.08 for non-residential parcels. The Study identified a sufficient revenue stream that would have funded the District operation costs well through FY 2022-23.

¹⁵ Government Financial Reports, Special Districts, JPAs, and Nonprofits, County Service Area No. 18.

¹⁶ It was the Study that established that property tax revenue collection had ceased after FY 1986-87. The Study's conclusion does not appear consistent with information provided to LAFCo by Special Accounting Division.

The Special Districts Administration made efforts to form a citizens advisory committee (CAC) to communicate with District residents the importance of supporting a special assessment. During the early stage of the Proposition 218 proceedings, Special Districts Administration sent letters to all District property owners requesting volunteers to serve on the CAC. Out of three selected property owners to serve on the CAC, only one CAC member attended the scheduled meeting held on July 24, 2012.

The Special Districts Administration held a successive community meeting at the Calwa Elementary School site on November 28, 2012, to give the public an opportunity to provide relevant testimony and ask questions with regard to the Proposition 218. Special Districts Administration answered all questions submitted, and asked for community testimony. County information indicates that there were approximately 20 members of the public that attended the meeting.

Overall, the record presented by Special Districts Administration reflects limited response by residents and property owners in the District to the County's attempt at early education of the Proposition 218 proceedings.

On January 15, 2013, Fresno County BOS conducted a protest hearing to consider the property owner ballots pursuant to Proposition 218 process. The hearing resulted in a majority protest by the District's property owners. Over 400 ballots were sent to property owners within the District. At the BOS hearing, Special Districts Administration staff reported 95 official ballots were received during the voting period. Of the 95 total ballots, 23% were Yes votes, while 77% were No votes. A majority protest existed with the Proposition 218 proceeding; the BOS was unauthorized to impose the proposed annual property special assessment.

The failed Proposition 218 proceedings resulted in the BOS making a finding to abandon the proceedings for reinstating the annual assessment to fund the District's operation. As of FY 2012-2013, or shortly thereafter, the District's financial reserves were exhausted, leaving no financial resource to fund future expenditures. The Special Districts Administration sent a follow-up notice to District's property owners informing them of the Proposition 218 results. The notice informed property owners that the County intended to stop paying for PG&E utilities bills with the expectation that the District's lights would be shut off. Special District Administration informed LAFCo that it was the County's understanding that by not paying the PG&E bill, all lighting infrastructure leased to the District would automatically revert back to PG&E for its management and maintenance. It has been over three years since the BOS held the protest hearing, and no interruption of lighting service has occurred; lights within the District remain on, funded by PG&E.

LAFCo staff obtained a copy of the District's last proposed operating budget for FY 2012-13. Based on the FY 2012-13 budget, the District's operating cost was estimated at \$8,928 for the first year after the Proposition 218 proceedings. The District's budget includes line items such as \$319 for PeopleSoft Financial charges (the County's internal billing charges), \$4,570 professional & specialized services, and \$4,039 for utilities (PG&E bill). As previously noted, after FY 1997-98 the District's operating costs were paid for several years by the District's reserves account

without a source of revenue stream. The District's has not performed a financial audit since 2013.

Special District Administration informed LAFCo that the County expected that once it stopped payment of the PG&E bill the lease would be nullified. It is LAFCo's observation that Special District Administration assumed that PG&E would then assume responsibility for the ongoing maintenance, liability, and expense of street lighting within the defunct District.

On May 18, 2016, June 2, 2016, and on June 20, 2016, LAFCo contacted PG&E's Service Planning Department at its Fresno headquarters to obtain additional information on the District's means of financing, lighting information, and status of services after 2013.

On June 24, 2016, PG&E personnel communicated with LAFCo that it had not received a County payment for the District's lighting service for several years. In fact, PG&E initially assumed that the City of Fresno was paying for the District's lighting bill; however, based on the identification plaque number on light poles in the District it was determined that neither the District, City, nor the County had paid the PG&E bill. During a phone conversation with PG&E, PG&E staff could not confirm the date of the last County payment received by PG&E. In any event, the District's street lights remain operational and functioning, though clearly not funded by the District.

Nevertheless, PG&E informed LAFCo that in the short term it does not plan to shut off service, remove lighting infrastructure, or stop maintaining lights within District boundaries. Prior to the preparation of this MSR, PG&E and LAFCo were unaware that the light bill was not being paid by the District, Special District Administration. As noted earlier, the District operated for many years with no incoming revenue, but relied solely on its reserve account. PG&E advised LAFCo staff it could consider identifying the last payment date made by CSA No. 18, and take an inventory of District boundaries, examine the light poles leased to the District, log each pole's unique identification number, and then calculate a past-due invoice for Fresno County. This is problematic for the County as there is no funding to pay the invoice. Other sources of funding appear to not exist; Special Districts Administration informed LAFCo that because a CSA in place to serve a specific population within a defined boundary, the County is prohibited by statute from loaning funds from another source to provide financial assistance.

LAFCo asked PG&E whether District dissolution would affect the lighting services within CSA No. 18. PG&E informed LAFCo staff that the lighting infrastructure would remain intact; however, PG&E would consider billing the County directly as opposed to the CSA. At that point, PG&E administration staff would need to be engaged to identify the protocol if lighting service is determined to be shut off or remain on within the District's boundaries. LAFCo notes that during the past three years there has been no indication that PG&E intends to shut off the District's lights. PG&E requested to be included on any Commission discussions regarding the District.

On August 11, 2016, LAFCo staff met with Sandra Celedon-Castro, a District property owner and Calwa community advocate,¹⁷ to brief her on the MSR in progress. Ms. Celedon-Castro noted that the District as a Disadvantaged Unincorporated Community, may have the opportunity to secure various federal and state grant programs to improve living conditions in Calwa. She suggested that the County will need to pursue funding by making application on behalf of the CSA. LAFCo observes that this course of action will require BOS, District 3, to pursue grant opportunities such as Community Development Block Grant (CBDG) funding assistance through the U.S. Department of Housing and Urban Development. One issue that may interfere with this course of action is that grant funding for capital improvements is more prevalent than for ongoing, operational expenses.

During the preparation of this service review, Fresno LAFCo learned of Fresno County's Debt Advisory Committee (DAC). The County's Auditor-Controller/Treasurer-Tax Collector (AC/TTC) informed LAFCo that the DAC is comprised of five members, the County Administrator Officer, County Legal Counsel, AC/TTC, and two County Supervisors. The DAC's mission is to ensure financial stability of the County, to reduce the County's cost of borrowing, and to protect the County's good credit quality through proper debt management. The DAC is responsible for overseeing the County's "revolving fund" account, reviewing and identify all potential financing issues issued to the County, consider and make recommendations to the Board of Supervisors for further actions. The County reviews its outstanding debt annually during the County's "recommended budget" process to determine whether to retire collectable debt.¹⁸

LAFCo staff requested information from the DAC for this MSR, and informally briefed the County AC/TTC on CSA No. 18's financial state.

It is Special District Administration's stated opinion that the District's current status is not eligible to be considered for any DAC action. As a defunct special district, it does not accumulate debt, furthermore CSA No. 18 has not formally received a past due bill from PG&E. Therefore, without an actual negative number it is premature for the DAC to consider the disposition of the District. The District's inactive status, up to this point, has not created any expenses that the Special District Administration would need to find financing for.

District Financial Analysis

Conversations with Special Districts Administration regarding the CSA No. 18 indicate that the successful protest of the 2013 Proposition 218 was the key factor to the District's existing inactive status. For many years, property owners in the District have benefited from street lighting services at no cost, and there is a question whether District property owners will be amenable to again begin paying for District services. The County's ability to reconsider a new Proposition 218 proceeding depends on adequate funds to prepare another engineering report and to administer the Proposition 218 procedures. The Special Districts Administration informed LAFCo that the engineer's report must be prepared by a professional licensed

¹⁷ The California Report "Street Lights Likely to go Dark in Central Valley Community" February 22, 2013 episode, www.californiareport.org/archive/R201302220850/c.

¹⁸ County of Fresno, Fresno County Debt Policy Document, as of December 13, 2005.

engineer. The lack of District funds means that unless funding is secured by other means a second Prop 218 election will not take place.

LAFCo has observed through the current MSR process that there is limited financial information available to it, and to the general public, regarding CSA No. 18. Specifically, no record was found available to explain the removal of the District's fund number account from the County Auditor-Controller/Treasurer-Tax Collector schedule of levies after FY 1997-98; there is no record made available that demonstrates interagency communication between Special Districts Administration, Fresno LAFCo, or PG&E that informed these agencies of the consequences of the majority protested Proposition 218 proceedings. Furthermore, there is a discrepancy between data maintained by Special Accounting Division and Special District Administration in regard to the last year that the District collected property assessments.

The result of lack of funding in the District's account precludes staff activities that must otherwise be fully funded. As a result, since the unsuccessful Proposition 218 proceedings, there has been minimal interaction between the Special Districts Administration staff and CSA No. 18 property owners.

With respect to District's finances, it appears that property owners in the District have not contributed to the District's ongoing operating budget since the County Tax Assessor stopped collecting the annual property assessments FY 1997-98, or in the Special District Administration findings FY 1986-87. Since the end of FY 2012-13, the District has not shown any financial activity other than expenditures. There is no evidence that the residents in the District have paid for the service provided by PG&E.

Public Facilities, Opportunities for Shared Facilities

Opportunities for shared facilities are limited. The District leased its infrastructure from PG&E; it did not own any lighting infrastructure. At the time this MSR was prepared, the Special District Administration informed LAFCo that the lighting infrastructure should have reverted back to PG&E because it no longer planned to pay for service. Although the CSA boundaries remain, it appears that PG&E has jurisdiction over the lighting infrastructure.

PG&E has told LAFCo staff that it expects the County will begin its repayment plan for service within CSA No. 18. No additional opportunities for shared facilities have been identified by LAFCo. There are no other similar types of Districts near CSA No. 18 that could present an opportunity for shared facilities.

LAFCo observes that the City of Fresno's growth during the mid-late 1980s significantly reduced the District's boundaries through various reorganizations initiated by the City's policy to unify the Fresno Metropolitan Area. Over time, the District experienced various detachments that shaped the current County island where the District's service area now exists. The purpose of the urban unification policy was to evaluate areas where municipal service delivery networks can be more effectively delivered by annexing into the City of Fresno.

LAFCo's record reveal various communications amongst County Public Works and Planning officials and LAFCo circa 1986 that the City of Fresno was in the best position to assume responsibility for the District's street lighting service. However, no formal LAFCo resolution or contract between City/County acknowledges the subject recommended actions. During the preparation of this MSR LAFCo staff could not confirm if the City of Fresno agreed to the said recommendations. Absent of a specific condition or contract, the discussions between County, City, and LAFCo is considered a vision that did not materialize.

The District overlaps with the following special districts:

- Calwa Parks and Recreation District
- Fresno County Fire Protection District
- Fresno Metropolitan Flood Control District
- Fresno Mosquito and Vector District
- Fresno Unified School District
- Kings River Conservation District
- West Fresno County Red Scale Protective District
- City of Fresno provides water and sewer services to residents in the District

Government Accountability

This section of the MSR considers various topics, such as compliance with state disclosure laws, the Brown Act, public participation, i.e. open meetings, accessible staff, election processes, and the agency's governing structure. Additionally, this considers the agency's level of participation with the Commission MSR program.

CSA No. 18 Calwa operated under GC sec. 25210-25217 which enables the District to provide lighting services within its boundaries. Government code offers limited restructuring options for dependent special districts such as CSA no. 18 to address the cessation of revenue and termination of operational service delivery. CSA No. 18 is a dependent special district, whose legislative body consists, in whole or part, of ex officio members who are officers of the County. The Fresno County Board of Supervisors sits as the District's governing body.

Under GC sec. 25212.4, the Board of Supervisors may appoint one or more citizens advisory committees to provide advice to the Board regarding the District's services. At the time this MSR was prepared the District did not have an appointed citizens advisory committee.

During the course of the MSR preparation, LAFCo made the following observations regarding accountability for community service needs:

- Fresno County Public Works and Planning, Special Districts Administration halted administrative support services on, or shortly after June 2013.
- LAFCo recognizes that a pivotal factor contributing to the Special Districts Administration's action stems from a majority property owner protested Proposition 218 proceeding held in January 2013, which sought to levy an annual special assessment for 10 years that would have financed the District's operation.

- On January 15, 2013, based on District property owners' majority protest, the County abandoned Proposition 218 proceedings which lead to the District's inactive status.
- At the January 15, 2013 hearing, Fresno County Resources staff reported to the BOS:
 - The County received 95 property owner ballots. The weighed totals were summarized as follows:
 - Yes 36.15% which was 23% of the total ballot value received
 - No 121.58% which was 77% of the total ballot value received
- LAFCo observes that Fresno County is ultimately accountable for community service needs within the District boundaries; however, the District does not have a secured funding stream to finance its daily administrative costs.
- LAFCo observes that street lighting within the District is maintained by PG&E. It is assumed that PG&E would continue to provide service, however the duration is unknown.

Special District Administration staff provides District administration support to 22 CSAs, six waterworks districts, and five maintenance districts in Fresno County. Special District Administration is responsible for 128 total annual budgets.

As noted, the County's efforts to form a citizens advisory committee (CAC) to communicate met with very limited community participation.

The Board creates policies by adopting resolutions through duly noticed public hearings. The Fresno County board of supervisors meets on every scheduled Tuesday, or dates which have been approved at regular scheduled board meetings with the exception of holidays and or planned recesses. Fresno County board meetings are held at Fresno County Hall of Records located at 2281 Tulare Street, Room 301 Fresno, CA 93721. Fresno County Board hosts morning sessions beginning at 9:00 a.m. and/or the afternoon sessions at 2:00 p.m. on Tuesdays. The Board meeting agendas are posted on the east entrance doors on first floor in the Hall of Records building and on the Fresno Count website at least 72 hours prior to the Board of Supervisors meeting.

Board meetings are open to the public and the residents are invited to attend. Opportunity to address the board of supervisors on items not on the agenda is provided on each meeting agenda. If a public member desires to present to the board, the person is encourage to contact the Clerk to the board in advance. Meetings are noticed consistent with Brown Act requirements, which include postings in public places.

As of the date of preparing this report, the District's government structure appears to be absent in regards to conducting or addressing the District's specific responsibilities. The District's residents, property owners, and Special District Administration staff appear to have limited to no communication. LAFCo observes that Fresno County, Special Districts Administration is ultimately accountable for community service needs within the District boundaries. Because the District street lights have remained on at no direct cost to property owners, catalyst to address

the District's status has been absent. As such, at the present time PG&E is the key stakeholder with regard to keeping the lights on within the District's boundaries.

It is important to note that if Special Districts Administration is unable to identify a future funding source, the County should consider submitting a request to LAFCo to formally dissolve the District.

Any Other Matter Related to Effective or Efficient Service Delivery

LAFCo notes that CSA No. 18's inactive status is caused by various events presented in this report. For this reason, based on information collected through the MSR program, it is recommended that LAFCo consider the following alternatives that could result in a significant improvement of the District. The Commission may consider the following options:

- A. Maintain the status quo, update the SOI as it is currently configured;
- B. Determine a "zero SOI" as a provisional measure toward district dissolution; or
- C. Initiate District dissolution proceedings.

A. Maintain the Status Quo: This option would maintain the District's boundaries and SOI in their existing form. The District service area and SOI would continue to exist in the same manner as it stands today. Given that the Special Districts Administration is unlikely to engage the District's property owners without funds to balance staff expenses, it is likely that the District will continue to be non-operational. From the Special District Administration's perspective, the status quo will maintain the District at a \$0 account balance, no net loss or net gain. County anticipates that PG&E will continue to be responsible for the lighting service within CSA No. 18 since the District is non-operational. According to Special District Administration, a non-operational District such as CSA No. 18 cannot collect additional debt because there are no activities, or services that could possibly accrue a negative balance.

The status quo will continue to burden PG&E with utility and maintenance costs for services that the District was formed to provide and fund. The status quo option may be expected to result in the 2012 assumption that PG&E will eventually "turn off" the lights within Calwa, although there is no action plan to do so. The status quo will disregard that the PG&E bill has not been paid since FY 2012-13, and tacitly acknowledges that no funding is available to Special District Administration to conduct any business. Without a District funding source, the status quo will not address many of the CSA No. 18's deficiencies. Taking nothing else into account, the status quo is not consistent with LAFCo's responsibility to promote orderly, logical, and efficient delivery of service provisions by all local agencies under Fresno LAFCo's authority.

B. Determine a "Zero SOI:" In order to plan and shape the logical and orderly development and coordination of local agencies so as to advantageously provide for the present and future needs of Fresno County's local agencies, GC sec. 56425 requires LAFCos to develop, determine, and adopt a SOI for each local agency within the County under their jurisdiction.

It is the practice of many LAFCos to delete a local agency's SOI when, after due consideration of all factors, they have determined that the local agency should be dissolved and either cease providing service or have the responsibility of providing those services allocated to another local

agency. Removing an agency's SOI is not, by itself, dissolution, but it is a provisional action by a LAFCo. This action, termed a "zero SOI," signals the Commission's intent to take some form of district modification to address the issue at hand.

A zero SOI option reflects the Commission's 20-to 25-year planning horizon for SOIs.¹⁹ Absent substantive actions to restore funding it is highly unlikely that growth of this District or any District-driven services will occur; and given the limited options for shared facilities, determining a "zero SOI" would be considered a precursor to District dissolution.

Staff concludes that the District's underperformance is directly attributed the lack of funding. A zero SOI determination would reflect the Commission's determination that the District does not create have a public benefit without a funding source as the District will continue to be non-operational. The Commission may also determine that without funding, PG&E will likely continue to provide lighting, although it is unknown how long PG&E will continue this service without charge to the properties in the District.

The zero SOI alternative is distinct from the "status quo" option in that the Commission will request a formal response from the County Board of Supervisor to direct its Special Districts Administration staff to address CSA No. 18 Calwa, and take resolution action to request that LAFCo conduct dissolution proceedings.

C. Initiate District Dissolution Proceedings: In contrast to the zero SOI's provisional nature, another option is for the Commission to initiate dissolution proceedings on its own. GC sec. 56375 permits LAFCos to initiate a proposal to dissolve a special district provided the change is consistent with a recommendation or a conclusion of a study prepared by the Commission. GC sec. 56035 defines "dissolution" as the disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers, except as the commission may otherwise provide pursuant to GC sec. 56886.

In compliance with GC sec. 56375, this MSR provides the foundation for the Commission to consider the dissolution of CSA No. 18. If the Commission considers this alternative, the procedure to dissolve a special district involves,

- 1) initiating proceedings by adopting a Commission resolution;
- 2) conducting a duly-noticed public hearing by the Commission where all interested parties and affected agencies can be heard; and
- 3) adopting Commission resolution ordering the dissolution of the District.

Typically, district dissolution of a special district requires approval by the voters in the district; however, pursuant to GC sec. 57102(b), the Commission may initiate the dissolution of a register voter district if the Commission makes certain finding specified under GC sec. 57077.1. The District dissolution alternative will require collaborative participation between agencies - Special District Administration, PG&E, and LAFCo.

¹⁹ Fresno LAFCo policy 107-03.

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews and provides analysis in conformance with GC sec. §56425 and Fresno LAFCo policy. Pursuant to GC sec. §56430, the Commission has prepared the following written determinations.

1. GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

- The District’s service area and sphere of influence (SOI) are coterminous, and encompass 119 acres located south of Church Avenue and east of Orange Avenue.
- The County of Fresno is the land use authority for territory within the District’s service area. The County of Fresno General Plan Land Use Element designates land within the District for residential, limited industrial land, and neighborhood commercial uses.
- The District is identified in the County of Fresno’s and the City of Fresno’s Roosevelt Community Plan. Based on copies of the Roosevelt Community Plan provided by County staff it appears that plan was last updated or amended in 1993.
- The District is within the City of Fresno’s SOI and is planned for urban uses by the Fresno General Plan and the City of Fresno’s Roosevelt Community Plan.
- Both Fresno County and City policy documents anticipate minimal additional substantive growth within the District’s boundaries.
- Fresno LAFCo MSR policy designates the District as a “level three” special district that provides “non-municipal” services to its constituency. A level three non-municipal local agency designation means, in Fresno LAFCo's judgment, that services provided by the agency do not facilitate, host, or induce population growth.

2. THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

- The District is located within a US census geographic unit whose MHI threshold between 2010 through 2014 meets the definition of a Disadvantaged Unincorporated Community.
- The District owns no public facilities and does not provide services related to sewer, municipal and industrial water, or structural fire protection.

3. PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND INFRASTRUCTURE NEEDS OR DEFICIENCIES

- The District is non-operational and does not provide a service.

- Lighting infrastructure is leased to the District by Pacific Gas and Electric (PG&E) and it is believed to be limited to 36 street lights, poles and fixtures, and other necessary equipment required to provide lighting services.
- Special District Administration informed LAFCo that the County's lease with PG&E was assumed to be nullified after the County stopped paying the light bill.
- Special District Administration assumed that PG&E would become responsibility for the ongoing maintenance, liability, and the utility bill for maintaining the lights within CSA No. 18.
- PG&E has continued to provide street lighting and maintenance through the District boundaries since the County ceased payment of the utility bill.
- It is not known how long PG&E will continue to provide street lighting and maintenance.

4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

- Fresno County has not prepared or adopted a District operating budget since FY 2012-13.
- The District does not levy annual special assessments and has not levied annual property assessments from properties in the District since FY 1997-98.
- County Special Accounting Division and Special Districts Administration could not determine a specific reason as to why the District discontinued its participation in the County's tax exchange program after FY 1997-98.
- In early 2012, Special Districts Administration prepared an Engineering Report in support of a proposed annual property assessment projected to be levied over a 10-year period. The Proposition 218 proceedings required a majority support of the property owners in the District so that the District could begin levying annual special assessments.
- The Engineering Report found that the District discontinued its participation in the County's tax exchange program after FY 1986-87, data that is not consistent with records of the Special Accounting Division.
- On January 15, 2013, Fresno County conducted a protest hearing to consider the property owner ballots pursuant to Proposition 218 process. The hearing resulted in a majority protest by the District's property owners. The County was unable to enforce the collection of annual special assessments to fund the District's operation.
- The failed Proposition 218 proceedings resulted in the Board of Supervisors making a finding to abandon the proceedings to reinstating the annual assessment.

- As of FY 2012-2013, or shortly thereafter, the District's financial reserves were completely exhausted, leaving no financial resource to fund future expenditures.
- Special District Administration informs LAFCo that by not paying the PG&E bill anymore that all lighting infrastructure leased to CSA No. 18 should have automatically reverted back to PG&E for their management and maintenance. Lights within the District remain on, and it is likely that PG&E will not receive any payment for the utility bill and/or infrastructure maintenance costs.
- PG&E personnel communicated with LAFCo that it had not received a County payment for the District's lighting service for several years. PG&E's verification of the identification plaque number on light poles determined that neither the District nor the County had paid the PG&E bill. PG&E staff could not confirm the date of the last County payment received by PG&E.
- Property owners in the District have not contributed to the District's ongoing operating budget since the County Tax Assessor stopped collecting the annual property assessments FY 1997-98.
- Special District Administration informs that CSA No. 18 has not been able to financially support itself since the County Board of Supervisors abandoned the Proposition 218 proceedings, January 2013.

5. STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

- Opportunities for shared facilities are limited to none.
- The District leases its infrastructure from PG&E; it does not own any lighting infrastructure. At the time this report was prepared, the Special District Administration informed LAFCo that PG&E carries out any maintenance services associated with public street lights within CSA No. 18.

6. ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

- Special District Administration staff administers all functions of CSAs, waterworks districts, and maintenance districts within Fresno County. The District is a dependent special district whose legislative body consists, of the Fresno County Board of Supervisors
- The Fresno County Board of Supervisors meets on every scheduled Tuesday, or dates which have been approved at regular scheduled board meetings with the exception of holidays and or planned recesses.
- Opportunity to address the board of supervisors on items not on the agenda is provided on each meeting agenda. Meetings are noticed consistent with Brown Act requirements, which include postings in public places.

- The District did not have an appointed citizens advisory committee.
- Fresno County Public Works and Planning, Special Districts Administration halted administrative support services on or shortly after June, 2013.
- Fresno County is ultimately accountable for community service needs within the District boundaries; however, the District does not have a secured funding source to finance daily administrative costs, or any service at all.
- LAFCo observes that street lighting within the District is maintained by PG&E, at no evident cost to District customers/landowners. It is assumed that PG&E would continue to provide service, however the duration is unknown.
- Special Districts Administration is ultimately accountable for community service needs within the District boundaries. Because the District street lights have remained on at no direct cost to property owners, District provides no evident public service or value.
- At the present time PG&E is the service provider within the District's boundaries in regard to keeping the lights on or shutting them off.
- Because of lack of funding, and regulatory impediments to loan funds to the District, the District appears to be non-operational.

7. ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY

- Special District inactivity is of concern to LAFCo because it is inefficient and disorderly, resulting in a burden to the public.
- Without a secured funding source Fresno County Special District Administration opportunities to take further action to evaluate the District service provisions are limited to none.
- CSA No. 18 is a non-operational special district whose status is largely attributed to the cessation of annual property assessments from properties in the District since FY 1997-98.
- The district has been in existence since 1966 and based on information provided to LAFCo, by 2013, the corporate powers of the district have not been used. Further, since that time, the following conditions have existed:
 - (1) The board of directors has not furnished or provided services or facilities of substantial benefit to residents, landowners, or property within the district;
 - (2) The board of directors has not levied or fixed and collected any taxes, assessments, service charges, rentals, or rates or expended the proceeds of those levies or collections for district purposes; and
 - (3) The district currently has no assets.

3. SPHERE OF INFLUENCE DETERMINATIONS

In order to carry out the Commission’s purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to its jurisdiction, the Commission shall develop and determine the sphere of influence of each city and each special district within the County and enact policies designed to promote the logical and orderly development of areas within the sphere. A sphere of Influence is defined as “a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

In determining a sphere of influence, the Commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. The Commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

When adopting, amending, or updating a sphere of influence for a special district, the Commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts. The Commission may require existing districts to file written statements with the Commission specifying the functions or classes of services provided by those districts.

Section 1 of this MSR provides the foundation for the SOI determinations. In determining the sphere of influence of each local agency, the Fresno LAFCo shall consider and prepare a written statement of its determinations with respect to each of the following:

- 1. PRESENT AND PLANNED LAND USES, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS**
 - The District’s service area and SOI are coterminous and encompass 119 acres. Land within the District is considered fully built-out and no substantive additional growth is anticipated to occur as it relates to expansion of services.
 - Land within the District is within a larger unincorporated island bounded by the City of Fresno limits.
 - Fresno County is the land use authority for land inside the District; however, the District’s service area is also located within the City of Fresno’s SOI, and identified for urban uses by the City of Fresno General Plan and its Roosevelt Community Plan.
 - Both Fresno County and City policy documents anticipate minimal growth and support existing land uses within the District’s boundaries.
- 2. PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA**
 - Formation of the District is evidence of the community’s desire, and therefore its present and future need, for street lighting service.

- A Proposition 218 election resulted in a successful protest of reestablishing the tax assessment to restore District service.
- The District is non-operational, provides no service, and regulatory constraints preclude Special District Administration and Fresno County from correcting this condition.
- PG&E has been providing service to the District territory from the time that the District became non-operational.
- It is not known when PG&E will either discontinue service or charge customers in the District a fee for service.

3. PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE

- There are 36 light poles owned by PG&E along with additional infrastructure and appurtenant equipment to provide street lighting service. No information has been provided to determine whether this is adequate nor inadequate.
- The District is non-operative and provides no services to residents and property owners within the District.
- PG&E has continued service to District properties since the County ceased payment of the utility bill following the protested Proposition 218 election.
- Property owners within the District do not pay for street lighting services, and the District is unable to legally reinstate a property assessment program without landowner approval. LAFCo presumes that PG&E will continue to provide public street lighting, and perform maintenance services when requested.
- The District is non-operational. It does not operate within the scope of its principal act, and no longer exercises its powers as authorized by the Fresno LAFCo.
- Without a secured funding source the Fresno County Special District Administration is restricted from taking further action to evaluate options to restore District services.

4. EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY

- The District meets the definition of a Disadvantaged Unincorporated Community.

5. THE PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE

- LAFCo has identified areas within the District as DUC.²⁰ A substantial portion of the District’s service area is located within US census tract 12.01-block group 1 and tract 12.01-block group 2. The US Census ACS five-year estimate reports show census tract 12.01-block group 1 had an MHI of \$19,730, while tract 12.01-block group 2 had an MHI of \$19,619 between 2010 through 2014.
- Based on a lack of evidence to the contrary, it is presumed that the District residents and property owners continue to desire street lighting.

²⁰ City of Fresno Municipal Service Review, October 20, 2015. (Adoption May 11, 2016) Page 69, Area 18.

4. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review, it is recommended the Commission:

1. Accept public testimony regarding the proposed Municipal Service Review.
2. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.
3. Approve the recommended sphere of influence determinations, together with any changes deemed appropriate.
4. Determine a “zero SOI” for CSA No. 18 as provisional status for the District in preparation for dissolution of the District.
5. Recommend that this Municipal Service Review be provided to the Fresno County Board of Supervisors, the CSA’s governing body, for its consideration, and if the Board concurs that the District is non-operational, provides no service, and is no longer necessary to provide street lighting service, that it initiate a proposal to LAFCo requesting dissolution of the District.
6. In recognition of the limited funding available to the County, authorize the executive officer to negotiate reduced LAFCo application fees related to district dissolution proceedings pursuant to LAFCo policy 350-07.

5. ACKNOWLEDGMENTS

This Municipal Service Review update was prepared by Fresno LAFCO. County of Fresno Public Works and Planning, Special District Administration provided substantial information included in this service review. Supporting documentation was made available through the effective partnership between the Special District Administration and Fresno LAFCo. Fresno LAFCo staff extends its appreciation to the staff of the Fresno County Public Works and Planning, Special Districts Administration, and the Fresno County Auditor-Controller/Treasurer-Tax Collector, Special Accounting Division, for their assistance in the development of this Municipal Service Review.

Available Documentation – documents used for the preparation of this report consist of public records and are available at the Fresno Local Agency Formation Commission Office located at:

Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B
Fresno, California 93721

The Municipal Service Review is available on Fresno LAFCo's website, <http://www.fresnolafco.org/default.asp>

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