
**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT**

AGENDA ITEM No. 15

DATE: **September 28, 2011**

TO: **Fresno Local Agency Formation Commission**

FROM: **Jeff Witte, Executive Officer**

SUBJECT: **Consider Adoption – Municipal Service Review and Sphere of Influence Update Prepared for the Big Creek, Bluffs, Caruthers, Easton, Laton, and Sierra Cedars Community Service Districts.**

Recommendations:

- A. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to adopting the written determinations, the Municipal Service Reviews and Sphere of Influence determinations under consideration are Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15306, "Information Collection" and Section 15320, "Changes in Organization of Local Agencies".

- B. Find that the Municipal Service Reviews and Sphere of Influence Updates prepared for each of the Community Service Districts are complete and satisfactory.

- C. Find that the written determinations within the Municipal Service Reviews and Sphere of Influence Updates satisfy State Law.

- D. Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Reviews and Spheres of Influence Updates, adopt the Municipal Service Reviews prepared for these Community Service Districts, and update the Sphere of Influence for said Districts by reaffirming their current boundaries or approving the recommended changes.

Summary / Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, special district Spheres of Influence (SOIs) every five years. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct a *Municipal Service Review* (MSR) for each agency.

Municipal Service Reviews provide a comprehensive review of the services provided by a city or district and present recommendations with regard to the condition and adequacy of these services and whether or not modifications to a city or district's SOI are necessary. MSRs can be used as informational tools by LAFCo and local agencies in evaluating the efficiencies of current district operations and may suggest changes in order to better serve the public.

Sphere of Influence updates may involve an affirmation of the existing SOI boundaries or recommend modifications to the SOI boundaries. LAFCo is not required to initiate changes to an SOI based on findings and recommendations of the service review, although it does have the power to do so.

State law requires that the Commission adopt written MSR determinations for each of the following six criteria:

1. Growth and population projections for the affected area.
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
3. Financial ability of agencies to provide services.
4. Status of, and opportunities for, shared facilities.
5. Accountability for community service needs, including governmental structure and operational efficiencies.
6. Any other matter related to effective or efficient service delivery, as required by commission policy.

As part of the SOI update, the Commission is required to consider the following four criteria and make appropriate determinations in relationship to each:

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

Environmental Determination

The California Environmental Quality Act ("CEQA") requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. The MSRs are categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." Indeed, these MSRs collect data for the purpose of evaluating municipal services provided by the agencies. There are no land use changes or environmental impacts created by such studies.

Furthermore, the MSRs qualify for a general exemption from environmental review based upon CEQA Regulation section 15061(b)(3), which states: "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Additionally, the SOI updates qualify for the same general exemption from environmental review based upon CEQA Regulation section 15061(b)(3).

There is no possibility that these MSR or SOI updates may have a significant effect on the environment because there is no land use changes associated with the documents. If the Commission approves and adopts the MSR and SOI updates and determines that the projects are exempt from CEQA, staff will prepare and file a notice of exemption with the County of Fresno, as required by CEQA Regulation section 15062.

Discussion / Summary of Determinations

Big Creek Community Service District encompasses approximately 29 acres and provides street lights, water, road maintenance, and snowplowing services to the 63 parcels in the Big Creek subdivision.

Bluffs Community Service District encompasses approximately 34 acres in northeast Fresno. They provide landscape maintenance and lighting services to the 53 parcels in the Bluffs subdivision.

Caruthers Community Service District encompasses approximately 361 acres and provides street lighting, water, sewer, storm drainage, recreation and park, and landscape maintenance services to the community of Caruthers.

Easton Community Service District encompasses approximately 701 acres and provides street lighting, storm drainage, recreation and park, and landscape maintenance services to the community of Easton.

Laton Community Service District encompasses approximately 500 acres and provides street lighting, water, sewer, solid waste, and fire protection services to the community of Laton.

Sierra Cedars Community Service District encompasses approximately 115 acres and provides water, snow removal, and road maintenance services to the community bounded by Bretz Mill Road, Black Oak Road, Hanging Branch, Saddleback Road, and Rockledge.

There does not appear to be a need nor are there any readily available opportunities to change the government structure. Consolidation would not appear to be practical due to the size and distance between the existing Districts.

BIG CREEK COMMUNITY SERVICE DISTRICT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

**Report to the
Fresno Local Agency Formation Commission**

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September 2011

BIG CREEK COMMUNITY SERVICE DISTRICT

Street lights, road maintenance, snowplowing, water

Contact Information

Manager: Annette Carroll
Address: P.O. Box 178
Big Creek, CA 93605
Phone: (559) 246-9162

Management Information

Governing Body: Board of Directors
Board Members: Mary Ann Fitzgerald Appointed in Lieu of Election 2007-Expires 2013
Susan Robinson Appointed in Lieu of Election 2007-Expires 2011
Joe Tanski Appointed in Lieu of Election 2007-Expires 2011
Vacant Expires 2013
Vacant Expires 2013
Board Meetings: One Thursday of Each Month at 7:00 pm
Staffing: Three part-time personnel including a manager/secretary, water master, and plow driver

Service Information

Empowered Services: Street lights, water, road maintenance, snowplowing, and fire service
Services Provided: Street lights, municipal water, road maintenance, and snowplowing
Area Served: Big Creek subdivision
Population Served: 63 parcels and 67 water connections
Acres Served: 29.17 Acres
Infrastructure: A snowplow truck and a garage in which to store it

Fiscal Information

Budget: \$20,115
Sources of Funding: Assessments and fees for metered water
Rate Structure: Land assessments are \$175 for each parcel, metered water fees are \$25 per month for 4000 gallons of water and \$2.50 per each one-thousand gallons over 4000

Administrative Policies

Master Plan: No
Boundary Updated: 1973
Policies/Procedures: No
SOI Updated: 2007
By-laws: No
Other: No

1. MUNICIPAL SERVICE REVIEW

Description of District

The Big Creek Community Service District was formed in 1973 to provide street lighting, road maintenance, snowplowing, and municipal water services for Track No. 2373. It includes about 29.17 acres in the community of Big Creek. Its boundaries and Sphere of Influence are coterminous as shown on the enclosed map.

District Services and Background

There are currently 67 water connections on 63 parcels within the District's boundaries. The District chooses not to exercise its latent power of fire service because the community has a volunteer fire department.

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews.

Growth and Population Projections

According to the District, no land is available for growth. Therefore, the District does not anticipate any expanded future service demands. All residents receive the same level of service.

Present and planned capacity

According to District staff, infrastructure includes a snow plow truck and a garage in which to store it; this is sufficient to meet the needs of the District. The equipment is in optimal condition and therefore no plans for upgrades have been made. Day to day maintenance occurs as necessary.

The District was assigned water rights through the Regional Water Quality Control Board in 1962. The District has rights to 60,000 gallons/day. This water comes from a tributary to the San Joaquin River. The water permit does not have an expiration date. The District did not provide information or respond to inquiries regarding the operation or maintenance of water delivery infrastructure, nor treatment facilities.

The damage done to roads resulting from snow removal is minimal and is patched as needed. Additionally, the last time the District performed chip seal coating was in 2005.

The District provides street lighting services, but did not indicate the types of street lighting infrastructure maintained by the District. They budgeted \$3,000 for street lighting in the 2010-2011 budget.

Financial Ability of Agencies to Provide Services

The District has provided its approved 2010-2011 budget. No audits were made available; thus a comparison between projected budget items and actual revenues and expenditures is impossible at this time. All information provided by the District was reviewed to determine fiscal status, assess financial practices, and review pertinent management findings.

The FY 2010-11 operating budget states that major revenues are expected to come from assessments (\$17,325). The total budgeted income is \$20,425. Major expenditures are expected to go toward the provision of services (\$10,300) and professional fees (\$4,000). The total budgeted expense is \$20,115. The budget is expected to be balanced, with a net addition to reserve funds of \$310.

The District is financed through yearly assessments levied on each parcel of land. Other sources of income include fees for metered water. With the inclusion of fund transfers this revenue is sufficient for the services provided by the District.

The District's user fees were established in 2003. The land assessments are \$150 for each parcel which covers the cost of streetlights, road maintenance, and snowplowing. The metered water fees are \$25 per month for 4000 gallons of water and \$2.50 per each one-thousand gallons over 4000. The District does not have any debt at this time.

Status of, and Opportunities for, Shared Facilities

There does not appear to be opportunities to share facilities with other agencies. The District does utilize the Big Creek Elementary School's facilities.

Governmental Structure and Operational Efficiencies

California Government Code § 61000 - 61934 enables the formation of Community Service Districts to provide various services to the community. The District currently provides street lighting, road maintenance, snowplowing, and municipal water services. Big Creek CSD is an independent special district which has a separate board of directors not governed by other legislative bodies (either a city council or a county board of supervisors). The District, under its current legal form, is able to function under its current government structure. Transitioning the CSD to an alternative service provider, such as another district or other form of local government, would be unlikely to result in significant efficiencies. Additionally, such a transition to an alternative government structure would be extremely difficult due to the cost, time, and administrative complexity. The existing structure of the District as a community service district is sufficient to allow the District to continue service provision in the foreseeable future. There are no legal or administrative limitations on the District that would affect the provision of service in the future. Therefore, a reorganization of the current government structure is not likely to significantly improve services. The current government structure is able to provide adequate service within district boundaries. As there is no land

available for growth, there is not a projection for a change of boundary, or a need for additional future services.

The District is independent and served by five Board members. Board members serve four year terms; two of the Board positions are currently vacant.

The District employs three part-time personnel. These positions are currently adequate to provide services to the District. Additionally, the District utilizes volunteers on an as needed basis.

Future service demands are planned for discussion at bi-monthly Board meetings as needed.

The District does not have a mission statement.

3 . SPHERE OF INFLUENCE REVIEW AND UPDATE

Government Code Section 56076 defines Sphere of Influence as “A plan for the probable physical boundaries and service area of a local agency, as determined by the commission.”

Description of Current Sphere of Influence

The District boundary and Sphere of Influence are coterminous and encompass approximately 29 acres as shown on the enclosed map.

Proposed Sphere Changes

This District’s sphere boundary was adopted in 1975 and updated in 1983 and re-affirmed in 2007. It is recommended that the Commission re-affirm the current sphere of influence.

Sphere of Influence Recommendation and Determinations

It is recommended the Commission approve the following determinations and re-affirm the Sphere of Influence.

1. Present and planned land uses in the area, including agriculture and open-space.

The present and future uses for the District are mostly residential with limited commercial, and forest land.

2. Present and probable need for public facilities and services in the area.

There is not likely to be any change in the need for facilities in the foreseeable future.

3. Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide.

Currently services are adequate to serve the District’s residents.

4. Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

There are no communities of interest within the District.

4. ACKNOWLEDGEMENTS & REFERENCES

This draft Municipal Service Review was prepared by Fresno LAFCo staff using information provided by the Big Creek Community Service District. Responsibility for any errors or omissions rests with those who provided information for the report.

5. 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 Sphere of Influence determinations and re-affirm the current Sphere of Influence.