
**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.

BLUFFS 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

BLUFFS COMMUNITY SERVICE DISTRICT

Landscape Maintenance and Lighting Services

Contact Information

Chairman: Susan Natali
Address: 1352 W Moraga
Fresno, CA 93711
Phone: (559) 351-1734

Management Information

Governing Body: Board of Directors
Board Members: Susan Weber-Natali Appointed 2007-Expires 2011
Elizabeth Mitchell Appointed 2007-Expires 2011
Robert Bagdasarian Appointed 2007-Expires 2013
Candy Hansen Gage Appointed 2009-Expires 2013
Lawrence L. Pickens Appointed 2009-Expires 2013
Board Meetings: As Needed
Staffing: A contracted gardener

Service Information

Empowered Services: Landscape Maintenance and Lighting Services
Services Provided: Landscape Maintenance and Lighting Services
Area Served: Bluffs Area in North Fresno
Population Served: 53 Residential Parcels
Acres Served: 34 Acres
Infrastructure: None

Fiscal Information

Budget: \$7,000
Sources of Funding: From residual monies of the sale of property a number of years ago
Rate Structure: None

Administrative Policies

Master Plan: No **Policies/Procedures:** No **By-laws:** No
Boundary Updated: 1988 **SOI Updated:** 2007 **Other:** No

1 . MUNICIPAL SERVICE REVIEW

Description of District

The Bluffs Community Service District was formed in 1959 to provide street lighting and landscape maintenance services for the 53 residential parcels in north Fresno known as the Bluffs. Its boundaries and Sphere of Influence are coterminous and contain about 35 acres, as shown on the enclosed map.

District Services and Background

There are currently two primary landscaping service areas within the District: a 0.33-acre park and an easement used by the Flood Control District along Toletachi Road. Lighting services are provided at the park, only. The District is located wholly within the Sphere of Influence of the City of Fresno.

2 . MSR DETERMINATIONS

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

Growth and Population Projections

The District is surrounded on three sides by the City of Fresno and on the north side by the San Joaquin River. It is on the list of island annexations proposed by the City and would be dissolved upon annexation to the City.

Present and Planned Capacity

The District does not own any buildings, and did not provide any additional information regarding landscape or lighting facilities or equipment. According to the District staff, the infrastructure and services being provided are adequate to serve the needs of the District.

There are no long-range planning documents in use by the District.

Financial Ability of Agencies to Provide Services

The District has not provided its budget and no audits were made available. The District does not appear to have an operating income; however operating expenses were partially off-set by interest income.

The District does not have any debt; however, the District is currently operating in deficit spending. The District does not charge fees at this time and there are no property assessments. The District is financed by residual monies from the sale of property a number of years ago.

The Board of Directors is not compensated. Additionally, the District does not have any paid staff; rather it contracts with a gardener to provide landscaping services to the District. There are no Joint Powers Agreements in place.

Status of, and Opportunities for, Shared Facilities

There are no opportunities for sharing facilities with other entities.

Governmental Structure and Operational Efficiencies

California Government Code section 61000 - 61934 enables the formation of Community Service Districts to provide various services to the community. The District currently provides street lighting and landscape services. This District is an independent special district that 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. However, the District is currently operating under deficit spending.

As this District is located within the Sphere of Influence of the City of Fresno (City), transitioning the CSD to the City may result in significant efficiencies. The City of Fresno could finance the services through existing revenue sources and would capitalize on economies of scale given their existing sources.

The District is governed by a five-member Board of Directors. The Board does not have regular meetings, instead they convene as business necessitates. The District has not conducted any customer satisfaction surveys. The District did not provide information related to the noticing of meetings, or whether public comments are accepted. The statement that the District does not hold regular meetings suggests that it is likely that the CSD does not comply with Brown Act requirements.

The District has contracted with a gardener to perform landscape maintenance.

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 34 acres as shown on the enclosed map.

Proposed Sphere Changes

This District sphere boundary was adopted in 1975 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 District is completely subdivided into residential lots with no changes in land use in the foreseeable future.

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

The District staff does not anticipate major infrastructure upgrades or necessary increases in service in the future.

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

According to the District staff, the infrastructure and services being provided are adequate to serve the needs of the District.

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 did not indicate that there are any communities of interest within the District's boundaries.

4. ACKNOWLEDGEMENTS & REFERENCES

This draft Municipal Service Review was prepared by Fresno LAFCo staff using information provided by the Bluffs 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.