

Shasta Local Agency Formation Commission



Final Municipal Services Review & Sphere of Influence Update County Service Area #14 – Belmont

December 18, 2014

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1. EXECUTIVE SUMMARY

Local agency formation commissions have been tasked with updating local agency municipal service reviews (MSR) and sphere of influence boundaries (SOI) every five years since 2008 [Government Code Section 56425 *et seq.*]. This study presents a baseline review of the CSA #14 – Belmont’ services and SOI needs, satisfying the requirements of this statute.

A good portion of LAFCO’s original in-house information regarding formation of this District was unavailable. As a result, this baseline review seeks to associate the original formation purposes and activities of the District with an understanding of its current day operations and future plans.

2. GENERAL BACKGROUND

The service area for County Service Area #14 - Belmont (CSA #14) is located in eastern Shasta County, near the unincorporated community of Burney. It is approximately 70 miles from Redding travelling east on State Route 299 East. The District is located adjacent to and slightly southwest of State Route 299 East, just south of Park Avenue.

CSA # 14 - Belmont was formed to provide for maintenance of storm drain facilities at the request of landowners within the Belmont Subdivision.

Once approved by LAFCO in 1982, CSA #14 – Belmont was authorized to provide only these services. Should the Board of Directors wish to activate additional services authorized by California Government Code Section 25210.1 *et seq.* an application to LAFCO would be required before services could be added to CSA #14.

The CSA currently provides drainage services to 18.55 acres with a population of 88. Originally CSA encompassed 9.5 acres and 4 parcels; the subsequent annexation of 9.05 acres and 33 additional parcels within the Burney Meadows subdivision, increased the total District service area to 18.55 acres.

CSA #14 – Belmont does not have a designated sphere of influence. County Service Areas may annex lands or areas that are not coterminous to its boundaries, and thus with CSA #14 we find these District boundaries encompass two separate and distinct areas.

3. AGENCY SERVICES

a. Infrastructure, Facilities and Services

Under the administration of the County Public Works Department, administration of the systems within CSA #14 - Belmont began shortly after District formation in 1972.

A need for drainage infrastructure was established when two subdivision associated with the CSA were designed and constructed. If a developer proposes a new subdivision in the adjacent area, they may apply for annexation, and then be conditioned by the Public Works Department to provide any infrastructure subsequently needed for the expansion of services.

No change is anticipated to the need for service expansion over the life of the two subdivisions. Should annexation requests come forward, developers would be responsible for the design and construction of any infrastructure associated with the development. Approval of annexation by LAFCO would be a condition requested during the permit process for such development.

b. Administration, Management and Operations

When preparing or updating a municipal service review, information about administrative, management and operational functions, including assuring internal organization and agency policies, rules, and regulations are evaluated with respect to efficiencies and/or cost avoidance opportunities.

The CSA #14 - Belmont is governed by the Shasta County Board of Supervisors acting as the Board of Directors, operating as the administrative and financial manager of the District. The day-to-day management of the District is the responsibility of the Public Works Department, who may use maintenance contractors as needed.

The District currently has no distinct employees, but is supported by Public Works staff, consisting of: an operations supervisor, and five part-time non-licensed employees which are shared with multiple county service areas. All County employees operate according to Shasta County policies and employment guidelines.

c. Fiscal

This is an enterprise fund district. Most operating revenue is derived from by-monthly service charges for water service. An annual parcel charge was established at the time of District formation. Available resources are maintained within the County's general operating budget.

Most agency revenue streams are subject to Proposition 218, which sets forth various constraints on the generation of revenues for infrastructure services. Bond financing is not subject to Proposition 218 per se, but is subject to a parallel administrative process.

Customers are charged according to existing rate structures. No rebates have been issued during the past three years. Delinquent amounts are placed on the tax bill associated with the property at the end of the year. Occasionally, after diligent effort, delinquent accounts may be deemed uncollectable. This requires an action by the Board of Supervisors.

A flat fee was established at the time the subdivisions were formed (1982 and 1984) and have remained unchanged since then. Proposition 218 requires CSA #14 to adopt a rate structure which is reflective of the actual cost of service. The current rate structure meets this standard.

The Budget to Actual reports a cash deposit of \$33,051, total budgeted revenue of \$2,439 and total budgeted expenses for the fiscal year of \$15,122. The District manages a very conservative budget, providing due diligence on all fiscal matters and records. The District's budget details are included as Exhibit D at the end of this narrative.

d. Governance

The Shasta County Board of Supervisors operates as the governing body for CSA #14 - Belmont, and they do not receive compensation for sitting as the board of director of this District. District board meetings follow the rules and protocol for the Shasta County Board, including noticing and accessibility. Public participation is encouraged. Meetings are held as needed. Board meetings are held quarterly, or more often as may be needed.

Matters pertaining to District operations that require action by the Board are placed on an agenda for a regular meeting of the Board. Meetings are subject to the Ralph M. Brown Act and all State laws pertaining to notification of public meetings on District matters. Meeting notices are given to all customers that include the date, time, place and purpose of the meeting. The CSA #14 - Belmont is a registered-voter district.

4. REGIONAL CONTEXT/RELEVANT SERVICES BY OTHER AGENCIES

Land use and building regulation services are provided by the County of Shasta, as are law enforcement, road services and other general services provided to the unincorporated areas of the county by various county departments. The Burney Fire Protection District and the Burney Water District provide services to the area of CSA #14 – Belmont.

5. AGENCY BOUNDARY AND PROPOSED SPHERE OF INFLUENCE UPDATE MAPS.

The District's service area is physically situated in a mountainous region where the natural terrain limits the areas where extension of water service would be practical. The current sphere of influence coincides with the boundaries of the district. Any request for an expansion of the SOI boundary would require a concurrent examination as to whether it could be deemed economically feasible. Any subsequent LAFCO application would be the responsibility of the requestor.

It is proposed the Commission set the SOI boundary remain coterminous with existing district boundaries, as shown on the enclosed map of proposed Exhibit A - SOI Boundary Update at the end of this report.

6. WRITTEN DETERMINATIONS FOR THE MUNICIPAL SERVICE REVIEW

a. Growth & Population Projections

Development and growth within the District will be primarily guided by the number of available parcels currently within the District. District operations and program growth will be included and evaluated during development permit processes for these areas so as to effectively meet expected service needs.

The general area is currently experiencing a minus 13% population change, indicating more people are leaving than arriving. Unemployment rates are at 9.5%. Job growth rests at 1.04%, with many people working people employed outside the area.

b. Disadvantaged Unincorporated Communities (DUCs)

The area serviced by the District has more than 12 registered voters and therefore - qualifies as a "Disadvantaged Unincorporated Community." California State Parks (www.parks.ca.gov) provides a Community Locator tool which helps with identifying the general income within one-half mile of the town center. It usually sufficient to provide a guideline for this classification (see attached sheets). The population counts shown on these reports only encompass a one mile diameter and do not reflect the actual population assigned to those communities.

The median per capita income for the state is \$46,477, and a local community would qualify for designation as a DUC if their median income falls below 80% of this figure. The median per capita income calculation for the Belmont area is estimated to be near \$20,278. Median household income is estimated at \$38,377. Current population is estimated at 88.

c. Present and Planned of Public Facilities

District staff monitors capital improvement needs to maintain and upgrade service systems. Future development will pay its pro rata share of costs for services.

d. Adequacy of Public Services

District facilities are adequate for current service needs. It also has sufficient access to needed resources and capacity to serve the areas within the proposed sphere of influence boundaries. Any cost of extension of services will be tied to development permits for future growth.

e. Infrastructure Needs or Deficiencies

District monitors and evaluates water service infrastructure for capacity, condition, availability, and quality water services. Correlation of operational, capital improvement, and finance plans are appropriate for the size of the District and its service area at this time. No current deficiencies have been noted.

f. Financing Constraints and Opportunities

As an “enterprise” district, CSA #14 – Belmont derives its service funding primarily from fees and charges levied for services provided. As such, the District must maintain a reasonable nexus between fees and charges levied and the cost of the service provided. The District maintains a positive balance in the treasury and seeks to be as efficient and innovative as possible in maximizing use of existing fiscal resources.

g. Opportunities for Rate Restructuring

As noted above, there are inherent statutory limitations on the District’s ability to restructure rates. With that in mind, District should regularly review fees and charges levied so as to maintain a reasonable nexus between rates and actual costs.

District will also want to employ effective rate setting procedures, identify conditions that could impact future rates, and give due consideration to timely restructuring opportunities without impairing the quality of services.

h. Status of and Opportunities for Shared Facilities

There are presently inherent limitations – geographically, jurisdictionally, and operationally – on District water service facilities being extended to and/or shared with areas outside its proposed SOI boundary without prior annexation of the area into the District.

i. **Accountability for Community Service Needs, Governmental Structure, and Operational Efficiencies.**

The District meets quarterly (or more often if needed), notices meetings, and offers the public an opportunity to participate in their meetings, which are mainly focused on provision of water and maintenance of facilities.

District continues to strive towards an effective internal organization to provide efficient, quality services.

7. WRITTEN DETERMINATIONS FOR THE SPHERE OF INFLUENCE UPDATE

a. **Present and Planned Land Uses**

Shasta County designates much of the area served as rural residential, agricultural, and timber lands. This is a rural area, with community development either clustered around the District or scattered about on secondary roads.

b. **Present and Probable Need for Public Facilities; Adequacy of Services**

District work activities do not require capital improvement program to maintain or upgrade service systems. Future development projects will be conditioned to require payment for the extension of any services, including all necessary and related costs associated with annexing into the District. Prior annexation is a condition for receiving services from CSA #14.

c. **Present Capacity of Public Facilities and Adequacy of Services**

District facilities are adequate for current service needs. It has the capacity to serve the areas outside the District as they are brought both within the sphere of influence boundaries through the annexation process. Extension of services will be tied to development permits of parcels. Service is available and adequate to serve the undeveloped areas within the existing District boundaries.

d. **Existence of Social or Economic Communities of Interest**

The District is located due east of the City of Redding, and is also now served by the Burney Fire Protection District, the Burney Water District, and Mayers Memorial Healthcare District. The City of Redding provide a major shopping and service industry hub for local residents in Shasta County. Shingletown's commercial and public business support daily local needs of the population.

e. Present and Probable Needs of Disadvantaged Unincorporated Communities (DUCS) Within the Area.

As identified in the MSR section, the District service area may qualify as a disadvantaged unincorporated community. Shasta County is undertaking a study of these DUCs as part of their General Plan update and additional information should be available for an expanded analysis of this designation during the next MSR/SOI Update which will be due in 2019.

8. CONCLUSION

In this review, Shasta LAFCO has endeavored to accurately assess the current services and organizational status of District as a provider of water services based upon information available at this time. This is the first SOI/MSR review of CSA #14 - Belmont, and it is expected that additional data will be brought forward, especially as future development occurs. LAFCO has made what we believe are substantiated determinations based upon prescribed statutory factors.

It is recommended that the municipal service review and sphere of influence update for the CSA #14 – Belmont be coterminous with its existing boundary and be adopted as proposed on the enclosed SOI update map, Exhibit A.

9. REFERENCES

- a. District (interviews, records)
- b. County of Shasta Departments
- c. Shasta LAFCO files for this district.
- d. Internet research on various sites.

10. EXHIBITS

- A. CSA #14 - Map of Proposed SOI Boundary: Belmont
- B. CSA #14 - Formation Resolution
- C. CSA #14 – Belmont Plat Maps
- D. CSA #14 – Belmont Fiscal
- E. CSA #14 - Shasta County Community Advisory Board Ordinance
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