

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE:



MONTEREY PARK TRACT COMMUNITY SERVICES DISTRICT

Prepared By:

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STANISLAUS

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Municipal Service Review and Sphere of Influence Update for the Monterey Park Tract Community Services District

Introduction

The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 Act (CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions in the County. A Sphere of Influence is defined by Government Code §56076 as "...a plan for the probable physical boundary and service area of a local agency, as determined by the Commission." The Act further requires that a Municipal Service Review (MSR) be conducted prior to or, in conjunction with, the update of a Sphere of Influence (SOI).

The legislative authority for conducting Service Reviews is provided in Government Code Section 56430 of the CKH Act. The Act states, that "in order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area..." A Service Review must have written determinations that address the following factors:

Service Review Factors to be Addressed

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged, unincorporated communities within or contiguous to the sphere of influence
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services
5. Status of, and opportunities for, shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by commission policy

State Guidelines and Commission policies encourage cooperation among a variety of stakeholders involved in the preparation of a Service Review. This Service Review will analyze the existing and future services for the Monterey Park Tract Community Services District. The Service Review will also provide a basis for the District and LAFCO to evaluate, and, if appropriate, make changes to the Sphere of Influence.

Sphere of Influence Update Process

A special district is a government agency that is required to have an adopted and updated Sphere of Influence. Section 56425(g) of the CKH Act calls for Spheres of Influence to be reviewed and updated every five years, as necessary. Stanislaus LAFCO processes the Service Review and Sphere of Influence Updates concurrently to ensure efficient use of resources. For rural special districts, which do not have the typical municipal level services to review, this Service Review will be used to determine what type of services the district is expected to provide and the extent to which it is actually able to do so. The Sphere of Influence will delineate the service capability and expansion capacity of the agency, if applicable.

Service Review – Monterey Park Tract Community Services District

Authority

The Monterey Park Tract Community Services District was organized under Section 61000 et. seq. of the Government Code. In addition, the District is considered a “registered voter district”, as the board members are elected by the registered voters residing within the district’s boundaries.

Background

Special districts are local governments that are separate from cities and counties, yet provide public services such as fire protection, sewer, water, and street lighting. California has over 3,300 special districts, which provide over 30 different types of services. There are 50 major types of special districts ranging from airports to fire protection to mosquito abatement to water conservation. To date, there are approximately 325 Community Services Districts (CSDs) in California.

Purpose

Community Services Districts may be formed to provide water, sewer, garbage services, fire protection, public recreation, street lighting, mosquito abatement, police services, library services, street improvements, conversion of overhead electric and communication facilities to underground locations, ambulance services, airport facilities, flood control and transportation services.

Governance

Five Board members, elected by the registered voters within the District boundaries, govern the District. Meetings are held on the fourth Monday of each month at 7:00 p.m., in the Monterey Park Tract Community Center.

Formation

The Monterey Park Tract Community Services District (MPTCSD) was formed on June 18, 1984.

Location and Size

The District serves a small, rural residential subdivision known as the Monterey Park Tract located in the unincorporated area of Stanislaus County, 4.5 miles southwest of the City of Ceres. The District encompasses an area of 31 acres and serves a population of approximately 133 people.

The District is mostly comprised of 10,000 square foot residential parcels. The area within the District has a designation of Agriculture in the Stanislaus County General Plan and is completely surrounded by agricultural operations.

Characteristics

The District serves the Monterey Park Tract Community exclusively. The United States Census Bureau identifies Monterey Park Tract as a Census Designated Place (CDP). A CDP provides statistical information for settled concentrations of population that are not incorporated. According to the 2013 American Community Survey, the annual median household income within the Monterey Park Tract CDP is \$43,750.00. This amount is below 80 percent of the statewide level. Therefore, Monterey Park Tract is considered a Disadvantaged Unincorporated Community as defined in Section 56033.5 of the CKH Act.

Sphere of Influence

The District's Sphere of Influence is coterminous with its current boundaries. No amendments to the District's boundaries or sphere of influence are being proposed with this Municipal Service Review and Sphere of Influence Update.

Personnel

The District employs one part-time secretary who provides administrative services for the District and clerical services for public meetings.

Services

The District owns and operates the community's water system which currently serves approximately 47 households, a church, and a community center for a total of 49 water service connections.

The Monterey Park Tract's water supply consists of two wells: the north well (Well 1) or primary well, and the south well (Well 2) or secondary well. Water quality issues involving the two wells include high nitrates, arsenic, manganese, and Total Dissolved Solids (TDS). In order to address these issues, the District will be connecting to the City of Ceres domestic water supply.

In January of 2015, the Stanislaus County Board of Supervisors approved a Water Service Agreement (WSA) between Stanislaus County, the City of Ceres and the MPTCSD. As part of the agreement, the City of Ceres will provide water to the MPTCSD. The MPTCSD will be responsible for improvements, maintenance and operation.

The City of Ceres will supply up to 60,000 gallons of water per day at a rate no greater than 41 gallons per minute through a water delivery system consisting of underground pipes, valves, pumps and metering equipment. The water delivery system will connect to City water at a water main on Crows Landing Road approximately one-half (1/2) mile south of Service Road and extend approximately 4.5 miles to the District's delivery system.

As part of the connection, Well 1 will be abandoned and sealed off. Well 2 will receive minor modifications to existing controls and valves and will include a water line that will connect to a new steel water storage tank. The new storage tank will be located on two parcels on Monterey Avenue within the District and will receive water from both the City of Ceres and Well 2.

Support Agencies

The District maintains positive and collaborative relationships with other agencies, such as Stanislaus County and the City of Ceres.

Funding Sources

The District's source of revenue is derived from connection fees and monthly water service fees.

In 2012, MPTCSD secured a \$2.2 million Prop 84 grant to address water quality issues. The grant will help fund the construction of the water line from the City of Ceres to MPTCSD and pay for connection fees.

To support the City of Ceres rate structure, presently and in the near future, MPTCSD conducted a Prop 218 ballot procedure to increase water rates. The vote passed in May of 2012 and new rates were implemented in July that year. The new rate structure is aligned with anticipated rate increases as projected by the City of Ceres.

As part of the WSA, mentioned previously, between Stanislaus County, the City of Ceres, and MPTCSD, the District will deposit a sum of \$75,000 into a reserve account upon completion of the City of Ceres to MPTCSD connection. The purpose of the reserve account will be to ensure that the City has sufficient funds to cover MPTCSD water service billings on a monthly basis. The \$75,000 provides approximately 2.5 years of reserve utility billing.

The WSA also states that if for any reason MPTCSD is unable to meet the obligations described in the WSA, the County agrees to take formal action to assume all obligations of MPTCSD in order to provide continued water service to the residents of Monterey Park Tract. After a 15 year term, if the MPTCSD shows fiscal solvency, the obligation of the County may be reduced.

Service Review Determinations:

The following provides an analysis of the six categories or components required by Section 56430 for a Service Review for the Monterey Park Tract Community Services District:

1. Growth and Population Projections for the Affected Area

The District serves a small, rural residential subdivision known as the Monterey Park Tract. The area is designated as "Agricultural" in the Stanislaus County General Plan and does not expect any significant population growth in the near future. The District currently serves approximately 49 service connections.

2. The location and characteristics of any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

Based on annual median household income, the area within Monterey Park Tract Community Services District is identified as a Disadvantaged Unincorporated Community (DUC) as defined in Section 56033.5 of the Cortese-Knox-Hertzberg Act of 2000. No additional DUCs have been identified within or contiguous to the District's sphere of influence.

3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies Including Needs or Deficiencies Related to Sewers, Municipal and Industrial Water, and Structural Fire Protection in Any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence.

The current condition of the District's water system is in need of immediate improvement and upgrades due to poor water quality, and is of utmost importance for the community.

To address this issue, the Monterey Park Tract Community Service District (MPTCSD) will connect into the City of Ceres' domestic water supply as part of a Water Service Agreement between the MPTCSD, Stanislaus County and the City of Ceres. The MPTCSD shall be responsible for design, construction, maintenance and repair of all improvements necessary to deliver water from the City to the District.

The planned water delivery system will provide sufficient and safe drinking water for MPTCSD users.

4. Financial Ability of Agencies to Provide Services

The District has expanded its financial ability to provide services. In order to support the City of Ceres rate structure, the District has conducted a Prop 218 ballot procedure to increase water rates. The ballot item was passed by the voters. In addition, as part of the Water Service Agreement, the District will hold a \$75,000 reserve account to ensure that the City has sufficient funds to cover water service billings on a monthly basis.

5. Status of, and Opportunities for, Shared Facilities

The District has entered into a Water Service Agreement (WSA) with Stanislaus County and the City of Ceres for domestic water supply. The City of Ceres will be providing domestic water to the District. If MPTCSD is unable to meet the obligations as described in the WSA, the County agrees to take formal action to assume all obligations of MPTCSD in order to provide continued water service to the residents of Monterey Park Tract.

6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

The District is governed by a five member Board of Directors, elected by registered voters within the District. The District is subject to the provisions of the Brown Act requiring opening meetings.

7. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

None.

Sphere of Influence Update for the Monterey Park Tract Community Services District

In determining the Sphere of Influence (SOI) of each local agency, the Commission shall consider and prepare determinations with respect to each of the following factors pursuant to Government Code Section 56425:

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 they are relevant.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

This document proposes no changes to the District's existing Sphere of Influence. Rather, it serves to reaffirm the existing SOI boundary. As part of this process, Staff researched the history of the establishment of the District's SOI. A map of the current District boundary and Sphere of Influence is attached in Appendix "A".

The following determinations for the Monterey Park Tract Community Services District's Sphere of Influence update are made in conformance with Government Code §56425 and Commission policy.

Determinations:

1. The present and planned land uses in the area, including agricultural and open-space lands

The District's Sphere of Influence (SOI) encompasses a land area of approximately 31 acres (coterminous with the existing District boundaries). Territory within the District boundaries consists of rural-residential land uses. The District has a designation of Agriculture in the Stanislaus County General Plan and is completely surrounded by agricultural operations. These uses are not expected to change. In addition, the District does not have the authority to make land use decisions, nor does it have authority over present or planned land uses within its boundaries. The responsibility for land use decisions within the District boundaries is retained by the County.

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

Presently, the most critical need for the District is improved water quality. The future need for water services within the District is not expected to diminish, as residents within the District are dependent on the water services they receive.

3. The present capacity of public facilities and adequacy of public services that the agency provides, or is authorized to provide.

The capacity of the existing District facilities is hindered by the fact that the water system is in need of major upgrades. The quality of the water is poor, exceeding standards for nitrates and arsenic. There is also a build-up of manganese in the pipelines, which has restricted water flows.

In order to provide adequate and safe water, the Monterey Park Tract Community Service District (MPTCSD) will connect into the City of Ceres' domestic water supply as part of a Water Service Agreement between the MPTCSD, Stanislaus County and the City of Ceres. The WSA outlines MPTCSD responsibilities which include, design, construction, maintenance and repair of all improvements necessary to deliver water from the City to the District.

4. The existence of any social or economic communities of interest in the area if the Commission determines they are relevant.

The Monterey Park Tract, created by a subdivision map in 1941, is the only community within the boundaries of the District. The District is surrounded by large scale agricultural operations. There are no other communities of interest in the area.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The Monterey Park Tract is identified as a Disadvantaged Unincorporated Community (DUC) as defined in Section 56033.5 of the Cortese-Knox-Hertzberg Act of 2000.

The current condition of the District's water system is in need of improvement and upgrades due to poor water quality. The City of Ceres has agreed to provide domestic water to the MPTCSD through a future water line. The planned water delivery system will provide sufficient and safe drinking water for the Monterey Park Tract.

Additional services, such as sewer and structural fire protection, are provided through other special districts or by way of private systems.

APPENDIX "A" DISTRICT SUMMARY PROFILE

District: **MONTEREY PARK TRACT COMMUNITY SERVICES DISTRICT**

Contact Information: P.O. Box 1301 Ceres, CA 95307
Ph. (209) 204-4353

Location: Approximately 4.5 miles southwest of the City of Ceres, in the unincorporated area of Stanislaus County.

Service Area: 31 acres

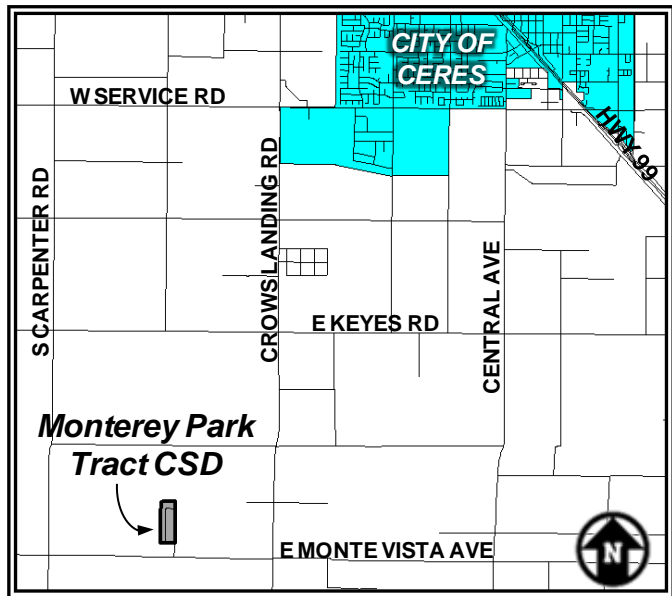
Population*: 133 persons

Land Use: Rural-residential

Date of Formation: May 29, 1984

Enabling Act: California
Government Code,
§61000, et. seq.

Governing Body: Five Member Board
of Directors, elected
by the registered
voters within the
District



Administration: One Part-time employee – a secretary

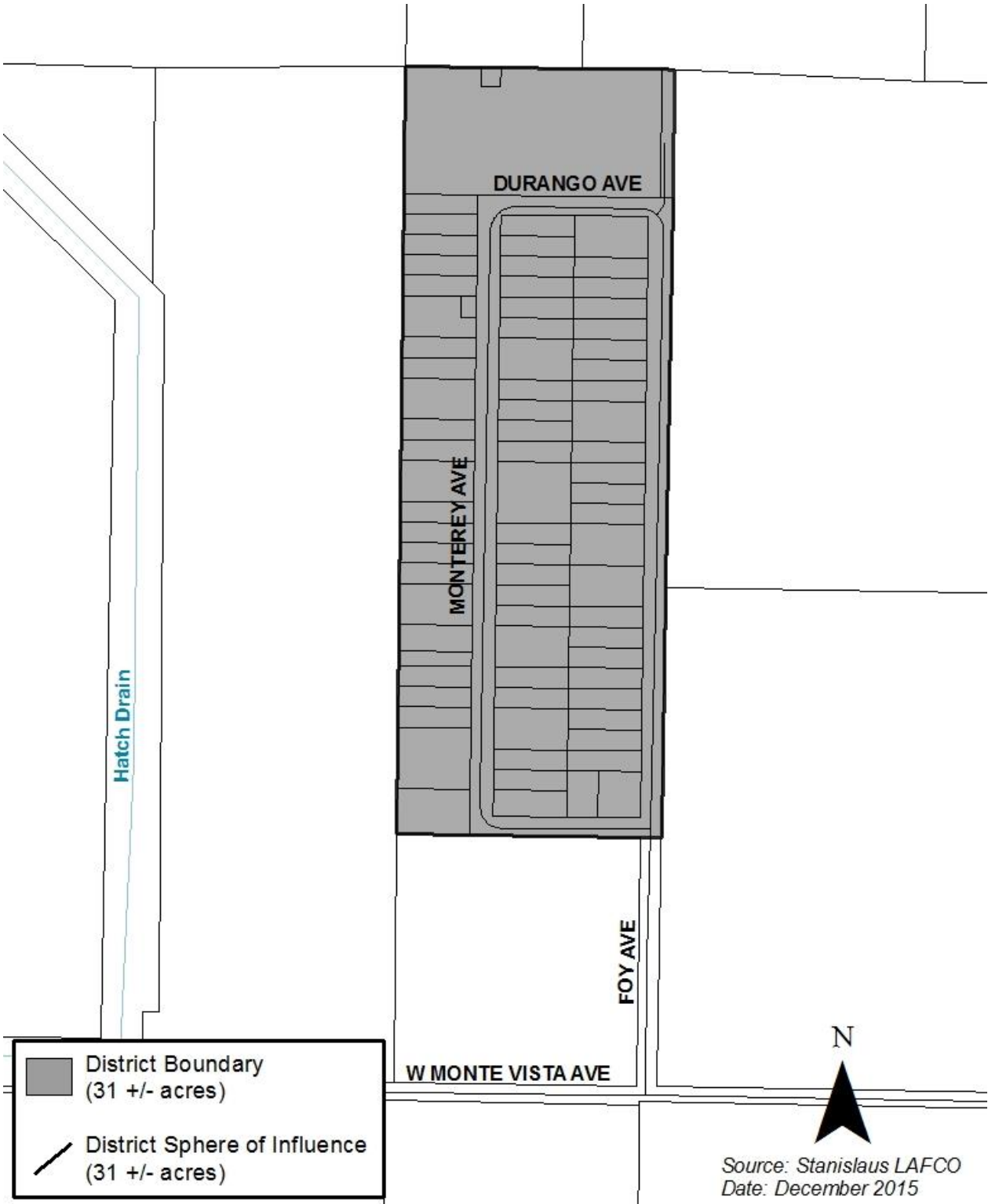
District Services: Domestic Water

Total Revenues: \$60,598 (Fiscal year 2012-2013)

Revenue Sources: Monthly service fees and connection fees

**Source: 2010 Census*

**MAP 1:
MONTEREY PARK TRACT COMMUNITY SERVICES DISTRICT
BOUNDARIES AND SPHERE OF INFLUENCE**



APPENDIX “B”

REFERENCES

1. Benziger, Jeff. “Monterey Park Water Deal Nears Final Approval”, Ceres Courier article, December 17, 2014.
2. Benziger, Jeff. “Monterey Park Tract water Deal OK’d”, Ceres Courier article, January 28, 2015.
3. California State Controller’s Office. *Special Districts Annual Report*, November, 2011.
4. Monterey Park Tract CSD. *Initial Study / Mitigated Negative Declaration*. Prepared by J.B. Anderson Land Use Planning, September 2014
5. Monterey Park Tract CSD. *Annual Financial Report*, Year Ended June 30, 2013 and 2012.
6. Stanislaus County, Board of Supervisor’s Agenda Item #C-2 Staff Report, Agenda Date January 13, 2015.
7. Stanislaus LAFCO. *Municipal Service Review and Sphere of Influence Update – Monterey Park Tract Community Services District*, Adopted June 23, 2015.
8. U.S. Environmental Protection Agency website (www.epa.gov/safewater).

INDIVIDUALS AND AGENCIES CONTACTED

1. Debbie Stanard, Clerk, Monterey Park Tract Community Services District
2. Francisco Diaz, Board President, Monterey Park Tract Community Services District
3. Eddie Ocampo, Community Development Specialist, Self-Help Enterprises