FINAL MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE PLAN FOR COUNTY SERVICE AREA 4 (SIERRA DEL ORO DRAINAGE AND STREET LIGHTING DISTRICT)

PREPARED BY THE BUTTE LOCAL AGENCY FORMATION COMMISSION ADOPTED MARCH 5, 2015
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Final Municipal Service Review and Sphere of Influence Plan
for County Service Area 4

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1.0  INTRODUCTION

1.1 LAFCO
Established in 1963, Local Agency Formation Commissions (LAFCO) are responsible for administering California Government Code Section 56000 et. seq., which is known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). CKH charges LAFCOs with encouraging the orderly formation and development of all local governmental agencies in their respective counties in a manner that preserves agricultural and open-space lands, promotes the efficient extension of municipal services, and deters urban sprawl. Principle duties include regulating boundary changes through annexations or detachments, approving or disapproving city incorporations, and forming, consolidating, or dissolving special districts. There is a LAFCO located in each of the 58 counties in California.

1.2 BUTTE LAFCO POLICIES AND CRITERIA FOR ANNEXATION
Under the CKH Act, LAFCOs are required to “develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote logical and orderly development of areas within the sphere” (Section 56425, CKH). A Sphere of Influence (SOI) is generally considered a 20-year, long-range planning tool, and is defined by Government Code Section 56425 as “. . . a plan for the probable physical boundary and service area of a local agency or municipality . . . .” According to the CKH Act, LAFCOs are required to review and update SOIs as necessary. It is the SOI Plan that provides the support for later changes of organization such as annexations.

Pursuant to Butte LAFCO’s Operations Manual Policies and Procedures (Revised May 6, 2010), the Sphere of Influence Plans for all government agencies within LAFCO’s jurisdiction shall discuss the following factors:

1. A map defining the probable 20-year boundary of its service area delineated by near-term (<10 years) and long-term (>10 years) increments and coordinated with the Municipal Service Review.

2. Maps and explanatory text delineating the present land uses in the area, including, without limitation, improved and unimproved parcels; actual commercial, industrial, and residential uses; agricultural and open space lands; and the proposed future land uses in the area.

3. The present and probable need for public facilities and services in the sphere area. The discussion should include consideration of the need for all types of major facilities, not just those provided by the agency.

4. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

5. Identification of any relevant social or economic communities of interest in the area.

6. Existing population and projected population at build-out of the near- and long-term spheres of the agency.

7. A Municipal Service Review.
1.3 **Municipal Service Reviews**

The Cortese-Knox-Hertzberg Act requires that a Municipal Service Review (MSR) be conducted prior to, or in conjunction with, the update of an SOI. An MSR is a comprehensive analysis of service provision by each of the special districts, cities, and the unincorporated county service areas within the legislative authority of the LAFCO. It essentially evaluates the current capabilities of a jurisdiction to serve its existing residents and future development in its SOI. The legislative authority for conducting MSRs is provided in Section 56430 of the CKH Act, which states “... in order to prepare and to update Spheres of Influence in accordance with Section 56425, LAFCOs are required to conduct a MSR of the municipal services provided in the County or other appropriate designated area...”

To assist in conducting an MSR, the State Office of Planning and Research developed guidelines that advise on information gathering, analysis, and organization of the study. In order to update an SOI, the associated MSR must have written determinations that address the following legislative factors:

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

Information regarding each of the above issue areas is provided in this document. Written determinations for each factor have also been prepared for the Commission's consideration. The Municipal Service Review will analyze CSA 4's services consistent with the State's Guidelines for preparing such a study, serve as an information base to update the SOI and provide a basis for discussion concerning changes to the SOI for future proposals.

1.4 **Sphere of Influence Plan Update Process**

Butte LAFCO is now in the process of updating the current Sphere of Influence for County Service Area 4 (Sierra Del Oro Drainage and Street Lighting District), which is located in the unincorporated Paradise Pines area, north of the Town of Paradise. The existing SOI Plan for CSA 4 dates from 1985, where it was a part of the Paradise Area Sphere of Influence Study (April 1985). The 1985 SOI Plan for CSA 4 is included in this SOI Plan as Appendix B.

There are numerous factors to consider in reviewing an SOI Plan, including current and anticipated land uses, facilities, and services, as well as any relevant communities of interest. Updates generally involve a comprehensive review of the entire SOI Plan, including jurisdictional and SOI boundary maps and the District’s MSR. In reviewing an agency’s sphere, the Commission is required to consider and prepare written statements addressing five factors...
enumerated under California Government Code Section 56425(e). These factors are identified below.

- The present and planned land uses in the area, including agricultural and open-space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In addition, when reviewing a sphere for an existing special district, the Commission must also do the following:

- Require the existing district to file a written statement with the Commission specifying the functions or classes of services it provides.
- Establish the nature, location, and extent of any functions or classes of services provided by the existing district.

1.5 CALIFORNIA ENVIRONMENTAL QUALITY ACT
Sphere of Influence Studies are projects subject to environmental review under the California Environmental Quality Act (CEQA) and a CEQA Exemption has been prepared for the adoption of the Municipal Service Review and SOI Plan for CSA 4. As indicated earlier, this SOI Plan is a long-range planning tool that analyzes the physical boundaries of the affected district and the present and probable need for CSA 4 within that area. As such, it does not alter or influence the land use designations of the property inside the sphere boundary nor confer any land use entitlements or development rights beyond what already exists.

1.6 CALIFORNIA COUNTY SERVICE AREAS
Authority
County Service Areas (CSAs) are dependent special districts and are organized under Section 25210 et seq. of the California Government Code, and may be established to provide any one or more of a variety of extended services within a particular area. Under LAFCo Law, CSAs are classified as "special districts"; however, CSAs differ from other types of special districts in that they have no political "existence" outside of the governmental structure of the county within which they are located. CSAs are governed by a county’s Board of Supervisors.
Purpose
CSAs may be formed to provide governmental services and facilities within a specific area that the county is authorized to perform, and which the county does not also perform to the same extent on a countywide basis. These services and facilities may include, but are not limited to any of the following: extended police protection; fire protection; local park, recreation, or parkway facilities and services; water service; the collection, treatment, or disposal of sewage, wastewater, recycled water, and stormwater; animal control; street and highway lighting; solid waste collection; ambulance service; land use planning for part of the county; soil conservation and drainage control; services provided by a municipal advisory council; transportation services; geological hazard abatement; and road maintenance and improvement.

Formation
At the time a County Service Area is established, the Board of Supervisors specifies the type or types of services to be provided within the area. An application for formation of a CSA is then forwarded to LAFCo for consideration. Only those residents who benefit from services provided by the CSA pay for the services received. The funds collected for the CSAs are maintained in the County Treasury. In Butte County, CSAs typically provide drainage services, street lighting services, and pressurized water systems for fire protection purposes.
2.0 DISTRICT DATA SHEET

COUNTY SERVICE AREA 4 (SIERRA DEL ORO DRAINAGE AND STREET LIGHTING)

Contact: Butte County Public Works Department - Land Development Division
Address: 7 County Center Drive, Oroville, CA 95965
Phone: (530) 538-7266
Webpage: http://www.buttecounty.net/

GOVERNING BOARD

Butte County Board of Supervisors

Normal Board Meeting Dates: 2nd and 4th Tuesdays of each month at 9:00 a.m.

Board Meeting Location: Board of Supervisors Chambers, 25 County Center Drive, Suite 205, Oroville, CA 95965

FORMATION INFORMATION

CSA 4 was formed by the Board of Supervisors on July 23, 1963 (Resolution No. 63-82), and was empowered to provide storm drainage maintenance and water quality testing. On February 22, 2000, LAFCo approved an expansion of powers for the CSA to include installation and maintenance of street lighting (Butte LAFCo Resolution No. 17 1999/00). On March 5, 2015, LAFCo approved an expansion of powers for the CSA to include enhanced road maintenance services on the roads within the CSA (Butte LAFCo Resolution No. 10 2014/15).

PURPOSE

1. Enabling Legislation: GC §25210.1 et. seq.
2. Authorized Services: Drainage maintenance, water quality monitoring, street lighting, and enhanced road maintenance.

AREA SERVED

1. Parcels: 4,471
2. Supervisorial District: 5
3. Acreage: 2,614 (4 Square Miles)
4. Estimated Population: 10,432
5. Location Description: Paradise Pines area
6. Sphere of Influence: Coterminous with approved district boundaries.

FINANCIAL INFORMATION

Fiscal Year 2014-15
Revenues: $116,878
Expenditures: $213,649
Fund Balance beginning of FY 2014-15: $633,373

Revenue Sources:
Property taxes. CSA 4 is subject to AB8 tax negotiations.
Figure 2.1 CSA 4 District Boundaries and Sphere of Influence

CSA 4 Sphere of Influence
Affirmed by Butte LAFCo on March 5, 2015
Butte LAFCo Resolution No. 10 2014/15

Legend
- CSA 4 SOI
- CSA 4 District Boundaries
- Town of Paradise

CSA 4

Town of Paradise

Paradise Lake
3.0 MUNICIPAL SERVICE REVIEW OF CSA 4

As a part of Butte County’s request to add road maintenance powers to CSA 4, the CSA’s Sphere of Influence (SOI) must be reviewed by Butte LAFCo and a Sphere of Influence Plan adopted. To ensure that the SOI Plan is based on current information, a Municipal Service Review (MSR) for CSA 4 must adopted by Butte LAFCo. The County is not proposing any changes to CSA 4’s existing Sphere of Influence or jurisdictional boundaries.
3.1 DISTRICT CHARACTERISTICS

County Service Area 4 (CSA 4) was established by Butte County in 1963 during the development of the Paradise Pines area to address drainage and water quality concerns. At that time a property assessment rate was established and placed on the tax bills for properties located within CSA 4’s boundary. After California approved Proposition 13 in 1978, tax bills for individual properties no longer showed the CSA 4 assessment. However, CSA 4 continued to receive an equivalent amount of the property tax to use for drainage and water quality monitoring within its boundaries. In 1998, Butte County went through the process to expand the powers of CSA 4 to include street lighting at all the major intersections on the Skyway.

County Service Area 4 consists of approximately 4,471 parcels and totals approximately 2,614 acres in size. The CSA is located in the unincorporated community of Paradise Pines, located north of the Town of Paradise. CSA 4 is developed with approximately 4,091 single-family dwellings and approximately 34 commercial uses. There are approximately 220 parcels within CSA 4 that are designated for residential uses but which are currently undeveloped. The population of CSA 4 is estimated to be 10,432 as of January 1, 2014.

CSA 4’s Sphere of Influence is coterminous with the District’s jurisdictional boundaries. The Town of Paradise’s Sphere of Influence encompasses almost all of CSA 4. Approximately 3,370 parcels within CSA 4 are within the Paradise Pines Property Owners’ Association, which is a common interest development. The property owners’ association provides various community facilities and amenities, but does not provide any type of municipal services, such as domestic water, wastewater, or road maintenance services. Approximately 600 parcels within CSA 4 are within the Firhaven Subdivision, which is located on the east side of Skyway in the Paradise Pines area. Both the Paradise Pines and Firhaven Subdivisions were established in the 1970s.

Almost all of the domestic water supply for the uses within CSA 4 is obtained from the Del Oro Water Company, which is a private water business. Parcels not utilizing water from the Del Oro Water Company obtain their water supply from on-site wells. Wastewater disposal for all uses within CSA 4 is via individual, on-site septic systems. There are 46.6 miles of public roadways within CSA 4, most of which are public roads that are maintained by Butte County. The Butte County Sheriff’s Department provides law enforcement services to CSA 4, and the Butte County Fire Department/CalFire provides fire protection services. Planning and building services are provided through the Butte County Development Services Department.

CSA 4 generally consists of rolling topography, with steeper slopes located along the natural drainages found in the area. Winter and spring storms bring precipitation to the area, and the resulting stormwater flows into Middle Butte Creek via surface flow and constructed pipes, channels, and drop inlets. Middle Butte Creek and its unnamed tributary flow southerly through the center of the CSA and into Butte Creek to the south of the CSA.
3.2 DISTRICT SERVICES

CSA 4 currently provides the following services:

- **Street lighting**
  CSA 4 funded the installation of twelve (12) streetlights, which are located at various intersections on Skyway. The Pacific Gas and Electric Company (PG&E) owns and maintains the lights and light poles. The PG&E electric bill for these lights is paid by the County, with CSA 4 funds utilized to reimburse the County.

- **Drainage**
  Surface water drainage for the CSA 4 area is via roadside ditches and underground pipes, which is discharged into various natural waterways. CSA 4 drainage infrastructure includes storm drain inlets, culverts, rock-lined discharge ditches, and black-top gutters. The Butte County Public Works road maintenance crew maintains the drainage infrastructure. There is no set schedule for drainage infrastructure maintenance other than more drainage work is usually performed in the fall season when leaves are falling to keep the drainage clear in anticipation of winter rains and snow. CSA 4 funds are used to reimburse the Public Works Department for maintenance of the CSA’s drainage infrastructure.

- **Water Quality Monitoring**
  Water quality monitoring is performed on surface water runoff from CSA 4 as required by the California Regional Water Quality Control Board Technical, Monitoring, and Report Program No. 72-238 (*Appendix C*). The water quality monitoring ensures that water runoff from CSA 4 meets all required water quality standards. Water quality monitoring is performed by the Butte County Environmental Health Division. CSA 4 funds are used to reimburse the Environmental Health Division for this service.

3.3 GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

CSA 4 consists of approximately 4,471 parcels, 4,091 of which are developed with a residential use. There are approximately 220 parcels within CSA 4 that are designated for residential uses but which are currently undeveloped. The current (2014) population of CSA 4 is estimated to be approximately 10,432.

Most of the parcels within CSA 4 are small, with an average parcel size of 0.3 acres (13,000 sq. ft.). The only residential zoning designation within CSA 4 is Rural Residential (RR), which requires a minimum parcel size of 5 acres. Based upon existing conditions (5 acre parcels and septic systems for wastewater disposal), the only potential for new residential growth within CSA 4 is on the 220 undeveloped residential-designated parcels and three large parcels located along Tika Lane in the Nimshew Ridge area of CSA 4. These three parcels range in size from 38 to 40 acres in size, which are large enough to be divided into smaller parcels for future

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1 Butte County Assessor’s Office land use data, accessed December 2014.
2 Butte LAFCo derived estimate based on the number of residential-developed parcels multiplied by 2.55 (average number of people per dwelling in the unincorporated areas of Butte County)
residential development. These three parcels, which do not appear to have any significant topographical constraints, may be able to be divided into approximately 23 5-acre parcels based upon the current RR zoning. A population growth of approximately 59 people would occur within CSA 4 if each of these 23 parcels were developed with a single-family dwelling.

Wastewater disposal for all of the parcels within CSA 4 is handled via individual, on-site septic systems, which will limit the potential for additional growth within the CSA. Depending on soil conditions and topography, parcels on septic systems usually require a minimum parcel size of one acre to allow adequate area for the septic system and area for a replacement leachfield. The average size of residential parcels within CSA 4 is approximately 0.3 acres, which in most cases would not allow for any additional development, such as a second dwelling unit. Significant new growth may be possible within the CSA if a public sanitary sewer system is installed in the Paradise Pines area. However, there are no plans at this time to install a public sanitary sewer system and it is highly speculative that one will be installed anytime soon.

The unincorporated area of Butte County is expected to have an annual population growth rate of approximately 1.1 percent over the next 20 years. This growth rate would result in CSA 4 having an approximate population of 12,427 people by 2030. However, this population growth rate appears to be unreasonable given that most of CSA 4 is already developed. New growth within CSA 4 is expected to be mainly limited to the 220 parcels that are currently undeveloped and the three larger parcels as identified above. If each of these undeveloped parcels is developed with a single-family dwelling, along with future subdivision of the three large parcels identified above, an additional 561 people would be living within CSA 4, resulting in the CSA having an estimated population of 11,050 when fully built-out.

### MSR Determination 3.1: Growth and Population

New population growth within CSA 4 will be mostly limited to the existing 220 undeveloped residential-designated parcels within the CSA, and to three large parcels that have the potential to be divided into approximately 23 new parcels, resulting in a population growth of approximately 620 people.

3.4 Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies.

CSA 4 is currently empowered to provide the following municipal services:

- Street lighting – CSA 4 funded the installation of twelve streetlights, which are located at the major intersections on Skyway (Figure 3-1). The Pacific Gas and Electric Company (PG&E) owns and maintains the lights and light poles. CSA 4 funds are used to pay PG&E for the electricity used by the streetlights. Figure 3-1 below shows the locations of the CSA 4-funded streetlights.

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3 Butte County Association of Governments, *Butte Regional Growth Projections 2006-2030*
Drainage – Surface water drainage for the CSA 4 area is via roadside ditches and underground pipes, which is discharged into various natural waterways. CSA 4 drainage infrastructure includes storm drain inlets, culverts, rock-lined discharge ditches, and
black-top gutters. The Butte County Public Works road maintenance crew maintains the drainage infrastructure. There is no set schedule for drainage infrastructure maintenance other than most drainage work is performed in the fall season when the leaves are falling to keep the drainages clear in anticipation of winter rains and snow. A street sweeper, purchased in FY 2011-12 using CSA 4 funds, is used to clean leaves and other debris from the streets within CSA 4. The street sweeper is utilized in other areas of the County by the Public Works Department. The Public Works Department reimburses CSA 4 for the use of the street sweeper when it is used outside of the CSA.

- Water Quality Monitoring – As a result of the development of the Paradise Pines area, the California Regional Water Quality Control Board requires that surface water monitoring be conducted to ensure that the numerous septic systems found in the area are not causing water pollution (California Regional Water Quality Control Board - Technical, Monitoring, and Report Program No. 72-238 for Paradise Pines (Butte County Service Area No. 4) - Butte County). The water quality monitoring program, which is managed by the Butte County Environmental Health Division, tests for total and fecal coliform, nitrate nitrogen, and dissolved oxygen on a quarterly basis, with water samples obtained from nine identified locations. The results of the quarterly tests are provided to the Regional Water Quality Control Board and are kept on file with the Environmental Health Division. CSA 4 funds are used to reimburse the Environmental Health Division for this service.

The existing services provided by CSA 4 appear to be adequate as street lighting and drainage infrastructure are functioning as designed and no significant problems concerning these services are known to exist. CSA 4 streetlights are only installed on Skyway and the County may wish to consider installing streetlights on interior streets if needed to improve road and pedestrian safety or upon the desires of CSA 4 residents and landowners. Due to the rural nature of CSA 4, residents may not desire streetlights be installed on the interior streets.

Water quality monitoring services are also adequate. No significant water quality issues have been identified since water quality monitoring began in the early 1970s.

CSA 4 does not have a capital improvement program, which would identify future infrastructure improvements. The existing drainage infrastructure was constructed in the 1970’s, when the Paradise Pines and Fir Haven subdivisions were under development, and some of the drainage infrastructure is beginning to show some signs of aging. The existing drainage infrastructure will ultimately require significant maintenance, replacement, or upgrading as it ages and deteriorates. The County, through CSA 4, should consider undertaking a comprehensive study of the existing drainage infrastructure within CSA 4 to determine current conditions and prepare a capital improvement program that identifies future drainage infrastructure improvements. To assure that adequate funds are available for any needed future improvements identified by the capital improvement program, the County should consider establishing a capital facilities and maintenance reserve fund within CSA 4’s budget.

Proposed Expansion of Powers for CSA 4
CSA 4 is currently authorized to provide stormwater drainage maintenance, street lighting, and water quality monitoring services. Butte County is requesting that the powers of CSA 4 be expanded to allow the CSA to fund augmented road maintenance activities on the public streets within the CSA. Most of the streets within CSA 4 are public roads that are maintained by Butte County on an as-needed basis, which usually means fixing potholes or other types of road damage. Most of the roads within CSA 4 were constructed in the 1970s and many of the roads have not undergone any significant improvements since being construction. Most of the roads within the CSA are local roads that do not have high traffic volumes or have significant number of heavy trucks using them.

CSA 4 contains approximately 46.6 miles of public roadways, which includes approximately 2.5 miles of Skyway, which is a major arterial roadway with high traffic volumes. CSA 4 contains approximately 2.2 miles of private roads, which are maintained by the owners of the parcels that utilize those roads. All of the public roads within the CSA are constructed with asphalt concrete, commonly called asphalt or blacktop, which consists of mineral aggregate bound together with asphalt, laid in layers, and compacted. The public roads in CSA 4 generally appear to be in good condition.

Using gas tax revenue, the County of Butte currently maintains approximately 1,034 miles of paved roads in the County’s maintained road system and without a new funding source, the County anticipates chip sealing each road once every 20 to 25 years or so. According to the County, many of the roads wait longer than that because of the need to maintain higher speed and higher volume roads first, while deferring maintenance on lower speed/volume local residential roads, such as the roads within CSA 4.

Over the next several years, the Butte County Public Works Department is planning to re-surface the County maintained roads within the Paradise Pines/CSA 4 area, but the County is challenged to find the funding to do this necessary work. The County believes that it will have sufficient funding to chip seal CSA 4’s secondary roads and numerous cul-de-sacs, but would like to perform additional maintenance on the primary roads in CSA 4 that have higher levels of vehicular and pedestrian traffic. The augmented maintenance activities on the roads within CSA 4 will help prevent deterioration of the roadways and help prevent future, costly major road reconstruction.

CSA 4 funding would be used to place asphalt concrete overlays (instead of chip sealing) on the primary roads in CSA 4, which include South Park Drive, West Park Drive, Ponderosa Way, Creston Road, Wycliff Way, Coulter Way, Carnegie Way, Lakeridge Circle, Columbine Road, a portion of Steiffer Road, and a portion of Skyway. Total length of these roads is approximately 12.5 miles. The locations of these roads are shown on Figure 3-2 below.
Figure 3-2  CSA 4 Enhanced Maintenance Roads
Funding for the proposed CSA 4 road maintenance services would be obtained from CSA 4’s budget, which currently has a large ($600,000+) fund balance because of revenues exceeding expenditures over the life of the CSA. (Note: CSA 4 finances are further reviewed in the Financial Ability of Agencies to Provide Services section of this MSR) The County has not identified the future estimated annual costs of providing the road maintenance service, but states in the Expansion of Powers application that road maintenance services will be provided after CSA 4’s accumulated fund balance reaches a level high enough to perform maintenance on a cost effective basis, which is anticipated to provide some degree of maintenance every 2 to 5 years.

Approximately 2.5 miles of Skyway are located within the boundaries of CSA 4. Skyway is a major arterial roadway that has high traffic volumes and the cost for maintenance of Skyway is much higher than a road that has low traffic volumes. Due to the potential for much higher maintenance costs, CSA 4 funds should not be used for roadway improvements on Skyway.

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<tr>
<th>MSR DETERMINATION 3.2: CAPACITY, ADEQUACY AND INFRASTRUCTURE – STREET LIGHTING</th>
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<tbody>
<tr>
<td>Street lighting services provided by CSA 4 appear to be adequate. The County may wish to consider installing streetlights on the interior roads of the CSA if needed to improve road and/or pedestrian safety or due to the desires of area residents.</td>
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<tr>
<th>MSR DETERMINATION 3.3: CAPACITY, ADEQUACY AND INFRASTRUCTURE – WATER QUALITY MONITORING</th>
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<tr>
<td>Water quality monitoring services provided by CSA 4 appear to be adequate. No significant water quality problems associated with the use of septic systems within CSA 4 have been identified.</td>
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<th>MSR DETERMINATION 3.4: CAPACITY, ADEQUACY AND INFRASTRUCTURE – DRAINAGE</th>
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<tr>
<td>Drainage services provided by CSA 4 appear to be adequate. The County may wish to consider preparing a map showing the locations and types of existing drainage infrastructure to ensure for adequate maintenance in future years.</td>
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<th>MSR DETERMINATION 3.5: CAPACITY, ADEQUACY AND INFRASTRUCTURE – DRAINAGE INFRASTRUCTURE CONDITION AND CAPITAL IMPROVEMENT PROGRAM</th>
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<tr>
<td>The County, through CSA 4, should consider undertaking a comprehensive inspection of the existing drainage improvements within CSA 4 to determine current infrastructure conditions. The County should consider preparing a capital improvement program for CSA 4 that identifies future drainage infrastructure improvements.</td>
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**MSR DETERMINATION 3.6: CAPACITY, ADEQUACY AND INFRASTRUCTURE – RESERVE FUND**

To assure that adequate funds are available for any needed future drainage infrastructure improvements identified by a capital improvement program, the County should consider establishing a capital facilities and maintenance reserve fund for CSA 4.

**MSR DETERMINATION 3.7: SKYWAY ROAD MAINTENANCE**

CSA 4 funding for roadway maintenance on Skyway should only be utilized for maintenance on those portions of Skyway that are within the jurisdictional boundaries of CSA 4 and should be based on a “fair share” calculation based on traffic counts.

### 3.5 FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

As shown in the below table, the primary source of funding for CSA 4 comes from the District’s proportionate share of the 1% overall property tax. Additional revenue for the CSA comes from use of money and property (primarily interest from CSA 4’s fund balance maintained in the County Treasury) and from State revenues (Homeowners Property Tax Relief funds). Property tax revenue varies little from year-to-year, ranging from $106,628 in FY 2011-12 to an anticipated $105,603 for FY 2014-15. Over the last eight years, the total revenues for CSA 4 ranged from a low of $104,912 in FY 2012-13 to a high of $165,067 in FY 2008-09.

**Figure 3-3 CSA 4 Annual Budget - Fiscal Years 2007-08 to 2014-15**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Current Property Taxes</td>
<td>127,639</td>
<td>129,229</td>
<td>120,871</td>
<td>113,053</td>
<td>106,628</td>
<td>105,380</td>
<td>106,174</td>
<td>105,603</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>158</td>
<td>114</td>
<td>135</td>
<td>239</td>
<td>182</td>
<td>163</td>
<td>181</td>
<td>0</td>
</tr>
<tr>
<td>Use of Money &amp; Property</td>
<td>17,123</td>
<td>33,635</td>
<td>21,259</td>
<td>10,455</td>
<td>3,192</td>
<td>-2,361</td>
<td>8,223</td>
<td>9,500</td>
</tr>
<tr>
<td>State Revenues</td>
<td>2,149</td>
<td>2,089</td>
<td>1,941</td>
<td>1,845</td>
<td>1,746</td>
<td>1,730</td>
<td>1,675</td>
<td>1,775</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$147,069</strong></td>
<td><strong>$165,067</strong></td>
<td><strong>$144,206</strong></td>
<td><strong>$125,592</strong></td>
<td><strong>$111,748</strong></td>
<td><strong>$104,912</strong></td>
<td><strong>$116,253</strong></td>
<td><strong>$116,878</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Services &amp; Supplies</td>
<td>3,714</td>
<td>6,857</td>
<td>7,334</td>
<td>7,556</td>
<td>9,014</td>
<td>1,656</td>
<td>1,704</td>
<td>20,766</td>
</tr>
<tr>
<td>Other Charges</td>
<td>40,698</td>
<td>48,881</td>
<td>67,799</td>
<td>77,131</td>
<td>119,845</td>
<td>85,964</td>
<td>131,101</td>
<td>182,883</td>
</tr>
<tr>
<td>Capital Assets - Equipment</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>240,110</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Appropriations for Contingencies</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total Expenditures/Approp.</strong></td>
<td><strong>$44,412</strong></td>
<td><strong>$55,738</strong></td>
<td><strong>$75,133</strong></td>
<td><strong>$84,687</strong></td>
<td><strong>$368,969</strong></td>
<td><strong>$87,620</strong></td>
<td><strong>$132,805</strong></td>
<td><strong>$213,649</strong></td>
</tr>
<tr>
<td><strong>Net Costs/Use of Fund Balance</strong></td>
<td><strong>$102,657</strong></td>
<td><strong>$109,329</strong></td>
<td><strong>$69,073</strong></td>
<td><strong>$40,905</strong></td>
<td><strong>($257,221)</strong></td>
<td><strong>$17,292</strong></td>
<td><strong>($16,552)</strong></td>
<td><strong>($96,771)</strong></td>
</tr>
</tbody>
</table>

Expenditures and appropriations for CSA 4 have varied significantly from year-to-year, with the expenditures dependent on what maintenance activities or major purchases occurred during the fiscal year. Total expenditures and appropriations for CSA 4 over the last eight years range from a low of $44,412 in FY 2007-08 to a high of $368,969 in FY 2011-12. The FY 2011-12 expenditures are skewed due to the use of CSA 4 funds to purchase a street sweeper.
CSA 4, which does not have any actual employees, utilizes Butte County employees to perform needed drainage maintenance and water quality monitoring services. CSA 4 funds are used to reimburse the County for the work performed by County employees on behalf of the CSA. Additionally, CSA 4 funds are used to reimburse the County for payment of the PG&E electric bill for the streetlights in the CSA. The costs for Butte County employees to perform services on behalf of CSA 4 are identified as “Other Charges” in CSA 4’s annual budget. These costs range from a low of $40,698 in FY 2007-08 to a high of $182,883 for the current year (FY 2014-15).

Figure 3-4 below shows the details for reimbursement to Butte County for Fiscal 2014-15 for work performed, or payments made, on behalf of CSA 4. The largest reimbursement to the County is for CSA 4 drainage maintenance, identified in the table as “Interfund Services – Road Fund.”

**Figure 3-4 CSA 4 Anticipated Expenditures - Fiscal Year 2014-15**

<table>
<thead>
<tr>
<th>Summary of Financing Requirements by Object Class</th>
<th>Approved FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance of Equipment</td>
<td>20,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>766</td>
</tr>
<tr>
<td>Interfund Services – Admin/Auditor</td>
<td>163</td>
</tr>
<tr>
<td>Interfund Services – Public Health</td>
<td>7,220</td>
</tr>
<tr>
<td>Interfund Services – Road Fund</td>
<td>175,000</td>
</tr>
<tr>
<td>Interfund Services – General Services</td>
<td>500</td>
</tr>
<tr>
<td>Appropriations for Contingencies</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total Expenditures/Appropriations</strong></td>
<td><strong>$213,649</strong></td>
</tr>
</tbody>
</table>

CSA 4 annual revenues have not always exceeded expenditures, which results in the use of the CSA 4 fund balance to ensure a balanced budget. Over the last eight fiscal years (including the current fiscal year), CSA 4 expenditures exceeded revenues three times – FY 2011-12, FY 2013-14, and FY 2014-15 - which required using the CSA 4 fund balance to balance the CSA’s budget. The FY 2011-12 imbalance was due to the purchase of a $240,110 street sweeper and above average expenditures ($119,845) for maintenance activities. The FY 2013-14 and FY 2014-15 imbalances is due to above average expenditures ($131,101 and $182,883, respectively) for maintenance activities and due to the inclusion of a $10,000 contingency appropriation in the budget for each of these years.

Over the life of CSA 4, CSA revenues have generally exceeded expenditures, which has resulted in the CSA having a very large fund balance. For the current (FY 2014-15) fiscal year, CSA 4 had a beginning fund balance of $633,373. Figure 3-5 below shows the CSA 4 fund balance for the last six years.
Figure 3-5  CSA 4 Fund Balances - Fiscal Years 2009-10 to 2014-15

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>$633,373</td>
</tr>
<tr>
<td>2013-14</td>
<td>$633,320</td>
</tr>
<tr>
<td>2012-13</td>
<td>$616,028</td>
</tr>
<tr>
<td>2011-12</td>
<td>$690,914</td>
</tr>
<tr>
<td>2010-11</td>
<td>$797,787</td>
</tr>
<tr>
<td>2009-10</td>
<td>$559,721</td>
</tr>
</tbody>
</table>

The large fund balance indicates that the CSA collects more revenue than is needed to provide the regular annual services provided by the CSA. Ideally, the CSA should only receive sufficient revenue to fund the provided services, fund a contingency account, and fund a capital facilities and maintenance reserve account.

As previously discussed, Butte County is proposing to expand the powers of CSA 4 to provide augmented road maintenance services on the roads within the CSA that have higher traffic volumes. The road maintenance services proposed to be provided to the CSA would be above the County’s normal road maintenance standard. Funding for the proposed road maintenance services would be obtained from CSA 4’s large fund balance. The County has not identified the future estimated annual costs of providing the road maintenance service within CSA 4, but states in the Expansion of Powers application submitted to LAFCo that road maintenance services will be provided after CSA 4’s accumulated fund balance reaches a level high enough to perform maintenance on a cost effective basis, which is anticipated to provide some degree of maintenance every 2 to 5 years.

**MSR DETERMINATION 3.8: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES**

CSA 4 funding comes primarily from the District’s proportionate share of the 1% overall property tax. The amount of property tax received remains steady, varying slightly from year-to-year.

**MSR DETERMINATION 3.9: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES**

The revenue stream for CSA 4 appears to be adequate to fund all required services. However, as a result of increased maintenance activities, funds from CSA 4’s large fund balance were utilized to ensure a balanced budget several times over the last few years.
MSR DETERMINATION 3.10: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

CSA 4 currently has a large ($600,000+) fund balance, which indicates that the CSA’s revenue has exceeded expenditures over the life of the CSA. The County should seek to reduce the large fund balance by 1) establishing a capital facilities and maintenance reserve fund to provide adequate funding for future (and inevitable) repair and replacement of existing drainage infrastructure; and, 2) utilize the excess fund balance for augmented road maintenance services for the roads within the CSA upon being granted that power by LAFCo.

MSR DETERMINATION 3.11: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

The County of Butte should ensure that funding for existing CSA 4 services continues at a level sufficient to maintain existing service levels.

3.6 STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

CSA 4 provides drainage infrastructure maintenance, street lighting, and water quality monitoring services only within its district boundaries, which encompasses a large portion of the Paradise Pines area. CSA 4 services are performed by the staff of various Butte County departments, including the Public Works Department (for preparation of the CSA’s annual budget and for drainage maintenance), the Environmental Health Division (for water quality monitoring services), and the County Administration and Auditor’s offices for providing CSA management and budgetary services. Street lighting services are performed by the Pacific Gas and Electric Company. The Butte County employees performing duties for CSA 4 do so on an as needed basis.

The equipment utilized by the Public Works Department for CSA 4 drainage infrastructure maintenance is also utilized elsewhere in the county, with the CSA reimbursing the County for use of the equipment. In Fiscal Year 2011-12, $240,100 from CSA 4’s fund balance was utilized to purchase a street sweeper, which is also used elsewhere in the county by the Butte County Public Works Department. The County reimburses CSA 4 whenever the street sweeper is used outside of CSA 4’s district boundaries. Other than the shared use of the street sweeper and other County-owned equipment, opportunities for shared facilities for CSA 4 is minimal.

MSR DETERMINATION 3.12: SHARED FACILITIES

Opportunities for shared facilities for CSA 4 with other agencies are limited due to the CSA’s location and due to the CSA’s narrow range of services, which are provided only to a specific area. The CSA is staffed by County Public Works Department staff, and shares administrative costs and staffing with other CSAs. The Butte County Public Works Department utilizes County-owned equipment for CSA 4 drainage maintenance activities and a street sweeper purchased using CSA 4 funds is used for CSA 4 drainage maintenance activities and which is also utilized by Butte County outside of CSA 4 district boundaries.
3.7 ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

CSA 4 is a dependent special district governed by the Butte County Board of Supervisors, which holds its regular meetings on the second and fourth Tuesdays of each month. The Butte County Public Works Department staff handles the day-to-day operations for CSA 4 and prepares the CSA’s annual budget, which is a part of the County’s annual budget. The Butte County Environmental Health Division performs water quality monitoring services on a quarterly basis for CSA 4.

Specific information about the services provided by CSA 4 does not appear on Butte County’s webpage, although the CSA’s budget is included in the County’s annual budget, which can be found on the County’s webpage. Residents and landowners within CSA 4 may not be aware of the services this district provides, or be aware of the CSA’s annual budget. The Butte County Public Works Department’s webpage states that the Land Development Division is responsible for administration of CSAs, but no information is provided for any of the CSAs in the County. The County may wish to consider adding information on CSA 4 to the County’s webpage to ensure that the public has easy access to information on the CSA.

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**MSR DETERMINATION 3.13: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES**

All County Services Areas within Butte County are governed by the Butte County Board of Supervisors and administered by the Butte County Public Works Department.

**MSR DETERMINATION 3.14: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES**

Accountability for CSA 4 residents is limited because there are presently no advisory bodies in which they might participate.

**MSR DETERMINATION 3.15: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES**

The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCo requests.

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4 http://www.buttecounty.net/administration/FY14-15AdoptedBudget.aspx
3.8 MANAGEMENT EFFICIENCIES

CSA 4 has a management and accountability structure in place that provides for adequate services. The Butte County Board of Supervisors governs all County Service Areas within the County. CSA 4 is administered by the Butte County Public Works Department, which prepares the CSA’s annual budget and performs or oversees operations and maintenance work required by the CSA. CSA 4 does not have any employees, although County staff in the Butte County Administration Office, Auditor’s Office, the Department of Public Works, and the Environmental Health Division perform tasks on behalf of the CSA. CSA 4 drainage maintenance is performed by Butte County Public Works Department road maintenance crew, water quality monitoring services are performed by Butte County Environmental Health Division personnel, and street lighting maintenance is performed by PG&E.

The Butte County Board of Supervisors holds an annual meeting to adopt the CSA's budget, which is a part of the County’s annual budget. The County encourages public participation for budget hearings by posting notices in accordance with the Brown Act. CSA 4's finances are held in the County Treasury and audited by the Butte County Auditor-Controller’s Office annually.
3.9 MSR CONCLUSION

As shown above, CSA 4 is a well-managed district that provides acceptable levels of service for street lighting, stormwater drainage maintenance, and water quality monitoring and no significant service delivery problems were identified. The CSA’s drainage infrastructure is aging and, as noted in the MSR analysis and determinations, the County should consider establishing and funding a capital improvement program that would allow for the future replacement of the drainage infrastructure.

The MSR determined that the proposed expansion of powers for CSA 4 to allow road maintenance services is appropriate given that the roads within CSA 4 will benefit from the augmented road maintenance services. The CSA’s large fund balance will help to fund the road maintenance services. The MSR did note that should road maintenance powers be given to CSA 4, the County of Butte should ensure that funding for existing CSA 4 services continues at a level sufficient to maintain existing service levels.

3.10 SUMMARY OF MUNICIPAL SERVICE REVIEW DETERMINATIONS

<table>
<thead>
<tr>
<th>MSR DETERMINATION 3.1: GROWTH AND POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>New population growth within CSA 4 will be mostly limited to the existing 220 undeveloped residential-designated parcels within the CSA, and to three large parcels that have the potential to be divided into approximately 23 new parcels, resulting in a population growth of approximately 620 people.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MSR DETERMINATION 3.2: CAPACITY, ADEQUACY AND INFRASTRUCTURE – STREET LIGHTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street lighting services provided by CSA 4 appear to be adequate. The County may wish to consider installing streetlights on the interior roads of the CSA if needed to improve road and/or pedestrian safety or due to the desires of area residents.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MSR DETERMINATION 3.3: CAPACITY, ADEQUACY AND INFRASTRUCTURE – WATER QUALITY MONITORING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water quality monitoring services provided by CSA 4 appear to be adequate. No significant water quality problems associated with the use of septic systems within CSA 4 have been identified.</td>
</tr>
</tbody>
</table>
MSR DETERMINATION 3.4: CAPACITY, ADEQUACY AND INFRASTRUCTURE - DRAINAGE

Drainage services provided by CSA 4 appear to be adequate. The County may wish to consider preparing a map showing the locations and types of existing drainage infrastructure to ensure for adequate maintenance in future years.

MSR DETERMINATION 3.5: CAPACITY, ADEQUACY AND INFRASTRUCTURE – DRAINAGE INFRASTRUCTURE CONDITION AND CAPITAL IMPROVEMENT PROGRAM

The County, through CSA 4, should consider undertaking a comprehensive inspection of the existing drainage improvements within CSA 4 to determine current infrastructure conditions. The County should consider preparing a capital improvement program for CSA 4 that identifies future drainage infrastructure improvements.

MSR DETERMINATION 3.6: CAPACITY, ADEQUACY AND INFRASTRUCTURE – RESERVE FUND

To assure that adequate funds are available for any needed future drainage infrastructure improvements identified by a capital improvement program, the County should consider establishing a capital facilities and maintenance reserve fund for CSA 4.

MSR DETERMINATION 3.7: SKYWAY ROAD MAINTENANCE

CSA 4 funding for roadway maintenance on Skyway should only be utilized for maintenance on those portions of Skyway that are within the jurisdictional boundaries of CSA 4 and should be based on a “fair share” calculation based on traffic counts.

MSR DETERMINATION 3.8: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

CSA 4 funding comes primarily from the District’s proportionate share of the 1% overall property tax. The amount of property tax received remains steady, varying slightly from year-to-year.

MSR DETERMINATION 3.9: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

The revenue stream for CSA 4 appears to be adequate to fund all required services. However, as a result of increased maintenance activities, funds from CSA 4’s large fund balance were utilized to ensure a balanced budget several times over the last few years.
MSR DETERMINATION 3.10: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

CSA 4 currently has a large ($600,000+) fund balance, which indicates that the CSA’s revenue has exceeded expenditures over the life of the CSA. The County should seek to reduce the large fund balance by 1) establishing a capital facilities and maintenance reserve fund to provide adequate funding for future (and inevitable) repair and replacement of existing drainage infrastructure; and, 2) utilize the excess fund balance for augmented road maintenance services for the roads within the CSA upon being granted that power by LAFCo.

MSR DETERMINATION 3.11: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

The County of Butte should ensure that funding for existing CSA 4 services continues at a level sufficient to maintain existing service levels.

MSR DETERMINATION 3.12: SHARED FACILITIES

Opportunities for shared facilities for CSA 4 with other agencies are limited due to the CSA’s location and due to the CSA’s narrow range of services, which are provided only to a specific area. The CSA is staffed by County Public Works Department staff and shares administrative costs and staffing with other CSAs. The Butte County Public Works Department utilizes County-owned equipment for CSA 4 drainage maintenance activities and a street sweeper purchased using CSA 4 funds is used for CSA 4 drainage maintenance activities and which is also utilized by Butte County outside of CSA 4 district boundaries.

MSR DETERMINATION 3.13: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

All County Services Areas within Butte County are governed by the Butte County Board of Supervisors and administered by the Butte County Public Works Department.

MSR DETERMINATION 3.14: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

Accountability for CSA 4 residents is limited because there are presently no advisory bodies in which they might participate.
MSR DETERMINATION 3.15: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCo requests.

MSR DETERMINATION 3.16: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

Butte County should consider expanding the boundaries of CSA 4 to include all of the Paradise Pines area, including the Magalia area, and consider adding additional powers to CSA 4 to allow the CSA to provide new or enhanced municipal services. As an alternative, the County should consider reorganizing CSA 4 into a Community Services District, which can provide a wide range of municipal services and would be governed by a board of directors residing within the CSD.

MSR DETERMINATION 3.17: MANAGEMENT EFFICIENCIES

CSA 4 is governed by the Butte County Board of Supervisors and is managed by the Butte County Public Works Department. All of the work performed on behalf of the CSA is by various departments of the County of Butte, including the Public Works Department and the Environmental Health Division. CSA 4 has a management and accountability structure in place that provides for adequate services.
4.0 SPHERE OF INFLUENCE ANALYSIS

As described in Section 1.4, LAFCo is required to consider and prepare written statements addressing the five factors enumerated under California Government Code Section 56425(e), including present and probable land uses in the area, present and probable need for public facilities and services, the present capacity of facilities and adequacy of services, and the existence of social or economic communities of interest. An analysis of each of these factors is provided in the following sections.
4.1 County Service Area 4

County Service Area 4 (Sierra Del Oro Drainage and Street Lighting District) is located in the unincorporated Paradise Pines area, north of the Town of Paradise. CSA 4 provides stormwater drainage infrastructure maintenance, street lighting maintenance, and water quality monitoring services to approximately 4,471 parcels. The CSA is governed by the Butte County Board of Supervisors and is administered by the Butte County Public Works Department. Additional information about CSA can be found in the attached Municipal Service Review for CSA 4.

The existing SOI Plan for CSA 4 dates from 1985, where it was a part of the Paradise Area Sphere of Influence Study (April 1985). The 1985 SOI Plan for CSA 4 is included in this SOI Plan as Appendix B.

CSA 4’s jurisdictional boundaries, which encompass approximately 2,614 acres, are conterminous with the CSA’s Sphere of Influence. The County is not requesting any changes to the current SOI or district boundaries but has requested that the powers of CSA 4 be expanded to allow for enhanced road maintenance activities.

4.2 PRESENT AND PLANNED LAND USE

Approximately 4,091 (91.5%) of the 4,471 parcels within CSA 4 are developed with a residential use. There are approximately 220 parcels within CSA 4 that are designated for residential uses but which are currently undeveloped. There are approximately 34 parcels within CSA 4 that are developed with a commercial use and approximately 49 parcels that are undeveloped but designated for a commercial use. The current (2014) population of CSA 4 is estimated to be approximately 10,432.

CSA 4 is within the unincorporated area of Butte County and the County of Butte provides various municipal services to the area, including fire and law enforcement services, building and planning services, and public works services. Development within the Paradise Pines area is governed by the Butte County General Plan and the Butte County Zoning Ordinance. Within CSA 4, 4,305 parcels are zoned Rural Residential (RR), which requires a minimum parcel size of 5 acres, although the vast majority of the residential parcels in the CSA have an average parcel size of approximately 0.3 acres.

As identified in the Municipal Service Review for CSA 4, new population growth within CSA 4 is expected to be mainly limited to the 220 parcels that are currently undeveloped and to three larger parcels that have the potential to be subdivided into 23 5-acre parcels, consistent with the current RR zoning. Additional commercial development is possible in CSA 4 due to the approximately 50 undeveloped parcels that are designated for commercial use.

The proposed expansion of powers for CSA 4 to allow for road maintenance services will not cause any changes in existing or planned land uses, nor cause an increase in population.

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5 Butte County Assessor’s Office land use data, accessed December 2014.
6 Butte LAFCo derived estimate based on number of residential-developed parcels multiplied by 2.55 (average number of people per dwelling in the unincorporated areas of Butte County)
SOI DETERMINATION 4.1: PRESENT AND PLANNED LAND USE

CSA 4 is mostly developed, with single-family residential dwellings being the predominate existing land use, along with some commercial uses. Planned land uses within CSA 4 will continue to be single-family dwellings and commercial uses.

This sphere update will not result in the addition of any new lands to the CSA’s SOI, all of which is within the County of Butte’s jurisdiction. The County's General Plan provides for a variety of uses for this territory, including residential, commercial, and open space uses.

SOI DETERMINATION 4.2: PRESENT AND PLANNED LAND USE – EXPANSION OF POWERS

The proposal to add road maintenance service powers to CSA 4 will not affect any existing or planned land uses within CSA 4, nor cause an increase in population within the CSA.

4.3 PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES

CSA 4 provides stormwater drainage, street lighting, and water quality monitoring services to the parcels within its boundaries. Other municipal services, including fire protection and emergency response, public safety, streets and traffic circulation, and general government services are provided to the territory by the County of Butte.

There is a present and future need in the territory for the existing services provided by CSA 4. Stormwater drainage is a necessary component of highly developed areas, such as CSA 4. Street lighting is also very important in order to provide for improved traffic and pedestrian safety. The water quality monitoring services provided by CSA 4 ensures that the effluent from the thousands of septic systems in the CSA are not causing any water pollution problems.

The proposal to add road maintenance powers to CSA 4 will allow the roads within the district to be maintained at a higher level than would normally occur. The roads in the CSA appear to be adequate but will soon require chip sealing, at a cost of approximately $30,000 a mile, to maintain the existing road integrity. Failure to chip-seal the roads in a timely manner could result in the need to place an over-lay over the roads, which costs approximately $250,000 a mile. Significant deterioration of the roads could result in the need to rebuild the roads, at a cost of $500,000 to $1 million a mile. The provision of road maintenance services for CSA would allow many of the roads within the CSA to be maintained at a higher level than current County funding allows for and prevent expensive road repairs. The present and probable need for the provision of road maintenance services for CSA 4 is significant.
SOI DETERMINATION 4.3: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES

The territory receives a variety of services in addition to those provided by CSA 4 (i.e., stormwater drainage, street lighting, and water quality monitoring), including fire protection and emergency response, public safety, streets and traffic circulation, and general government services, all of which are provided by the County of Butte.

SOI DETERMINATION 4.4: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES

The principal need for services in CSA 4 is keeping the existing drainage infrastructure and street lights maintained at current conditions. Additionally, the principal need for water quality monitoring in CSA 4 is to ensure that the numerous existing septic systems within the area are not causing water pollution.

SOI DETERMINATION 4.5: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES

The principal need for the proposed road maintenance powers for CSA 4 is to allow the public roads within the area that have higher traffic volumes to be maintained at increased levels than would normally occur.

4.4 PRESENT CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

CSA 4 provides stormwater drainage maintenance, street lighting, and water quality monitoring services. As determined in the MSR for CSA 4, these services are adequate and no significant service delivery issues were identified. The MSR noted that CSA 4 does not have a capital improvement program that addresses the future, and inevitable, replacement of aging drainage infrastructure. The MSR contained determinations regarding this issue, which recommended that the County should:

- Consider creating a map showing the location and type of drainage infrastructure improvements in CSA 4.
- Consider undertaking a comprehensive inspection of the existing drainage improvements within CSA 4 to determine current infrastructure conditions.
- Consider creating a capital improvement program for CSA 4 to plan for the future repair or replacement of aging drainage infrastructure.
- Consider creating a capital facilities and maintenance reserve fund for CSA 4 to ensure that adequate funding for needed drainage infrastructure improvements as identified in the capital improvement program is available.
SOI DETERMINATION 4.6: PRESENT CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

The Municipal Service Review for CSA 4 documents the capacity of the CSA 4's facilities and services and their adequacy to meet current and projected demands.

SOI DETERMINATION 4.7: PRESENT CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

The Municipal Service Review for CSA 4 contained determinations regarding the creation of a capital improvement program and the establishment of a capital facilities and maintenance reserve fund to provide for adequate funding for future infrastructure improvements. The establishment of a capital improvement program and a reserve fund for CSA 4 would provide for CSA 4 drainage infrastructure to continue to function well into the future without the need for urgent and costly repairs or replacement.

4.5 SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST

CSA 4 is located within the unincorporated community of Paradise Pines, which is located to the north of the Town of Paradise. A large majority of CSA 4 is within the Paradise Pines Property Owners’ Association, which is a common interest development. The property owners’ association provides community facilities and amenities, but does not provide any type of municipal services, such as domestic water, wastewater, or road maintenance services. Approximately 600 parcels within CSA 4 are a part of the Firhaven Subdivision, located to the west of Skyway, but which is still considered a part of the Paradise Pines area.

An elementary school, various commercial uses, including a large grocery store and a large drug store, a U.S. post office, and a fire station are located in the Paradise Pines area. Middle and high schools, along with numerous commercial uses, are found within the Town of Paradise, a five to ten minute drive from the Paradise Pines area. Most people living in CSA 4 commute to the Town of Paradise, Chico, or Oroville for work, as there are few employment opportunities within the Paradise Pines area.

SOI DETERMINATION 4.8: SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST

Social and economic communities of interest for CSA 4 includes the unincorporated community of Paradise Pines and the Town of Paradise.
4.6 THE PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE.

Approximately 62% of the parcels within CSA 4 are within an area that is considered to be a disadvantaged unincorporated community (DUC) because its median household income is slightly less than 80% of the statewide median household income ($48,706). However, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to CSA 4 as this district does not provide any public services related to sewers, municipal and industrial water, or structural fire protection.

SOI DETERMINATION 4.9: DISADVANTAGED UNINCORPORATED COMMUNITIES

Approximately 62% of CSA 4 is considered a disadvantaged unincorporated community. However, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to CSA 4 as this district does not provide any public services related to sewers, municipal and industrial water, or structural fire protection.
4.7 **Sphere of Influence Determinations Summary and Conclusion**

The CSA 4 SOI analysis and determinations indicate that there are no substantial land use or service delivery deficiencies that demand modifications to its existing SOI boundary. In addition, neither Butte County nor LAFCo has requested any modifications to the existing CSA 4 SOI boundary. Therefore, the Commission affirms the existing boundary as presented by the map in Section 2, Figure 2-1.

**SOI Determination 4.1: Present and Planned Land Use**

CSA 4 is mostly developed, with single-family residential dwellings being the predominate existing land use, along with some commercial uses. Planned land uses within CSA 4 will continue to be single-family dwellings and commercial uses.

This sphere update will not result in the addition of any new lands to the CSA's SOI, all of which is within the County of Butte’s jurisdiction. The County's General Plan provides for a variety of uses for this territory, including residential, commercial, and open space uses.

**SOI Determination 4.2: Present and Planned Land Use – Expansion of Powers**

The proposal to add road maintenance service powers to CSA 4 will not affect any existing or planned land uses within CSA 4, nor cause an increase in population within the CSA.

**SOI Determination 4.3: Present and Probable Need for Public Services and Facilities**

The territory receives a variety of services in addition to those provided by CSA 4 (i.e., stormwater drainage, street lighting, and water quality monitoring), including fire protection and emergency response, public safety, streets and traffic circulation, and general government services, all of which are provided by the County of Butte.

**SOI Determination 4.4: Present and Probable Need for Public Services and Facilities**

The principal need for services in CSA 4 is keeping the existing drainage infrastructure and street lights maintained at current conditions. Additionally, the principal need for water quality monitoring in CSA 4 is to ensure that the numerous existing septic systems within the area are not causing water pollution.
### SOI DETERMINATION 4.5: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES

The principal need for the proposed road maintenance powers for CSA 4 is to allow the public roads within the area that have higher traffic volumes to be maintained at increased levels than would normally occur.

### SOI DETERMINATION 4.6: PRESENT CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

The Municipal Service Review for CSA 4 documents the capacity of the CSA 4's facilities and services and their adequacy to meet current and projected demands.

### SOI DETERMINATION 4.7: PRESENT CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

The Municipal Service Review for CSA 4 contained determinations regarding the creation of a capital improvement program and the establishment of a capital facilities and maintenance reserve fund to provide for adequate funding for future infrastructure improvements. The establishment of a capital improvement program and a reserve fund for CSA 4 would provide for CSA 4 drainage infrastructure to continue to function well into the future without the need for urgent and costly repairs or replacement.

### SOI DETERMINATION 4.8: SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST

Social and economic communities of interest for CSA 4 includes the unincorporated community of Paradise Pines and the Town of Paradise.

### SOI DETERMINATION 4.9: DISADVANTAGED UNINCORPORATED COMMUNITIES

Approximately 62% of CSA 4 is considered a disadvantaged unincorporated community. However, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to CSA 4 as this district does not provide any public services related to sewers, municipal and industrial water, or structural fire protection.
5.0 FINAL SPHERE OF INFLUENCE PLAN ACTIONS

This Section includes the results of Butte LAFCO’s final action on the SOI Plan for County Service Area 4.
5.1 BUTTE LAFCO RESOLUTION OF ADOPTION

Resolution No. 10 2014/15

ADOPTION OF A MUNICIPAL SERVICE REVIEW AND A SPHERE OF INFLUENCE PLAN FOR COUNTY SERVICE AREA 4 AND AN EXPANSION OF POWERS FOR COUNTY SERVICE AREA 4 TO ALLOW FOR THE PROVISION OF ENHANCED ROAD MAINTENANCE SERVICES

RESOLVED, by the Butte Local Agency Formation Commission of the County of Butte, State of California, that

WHEREAS, a proposal for the expansion of powers of County Service Area 4 (CSA 4) to allow the CSA to provide enhanced road maintenance services was heretofore requested by the County of Butte and accepted by the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS, a service review mandated by Government Code Section 56130 has been prepared by the Local Agency Formation Commission of the County of Butte (hereinafter referred to as “the Commission”) for CSA 4 in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and

WHEREAS, a sphere of influence update mandated by Government Code Section 56425 has been prepared by the Commission for CSA 4 in accordance with the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), and

WHEREAS, at the time and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter, and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56128, has reviewed this proposal and prepared a report, including his recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, a public hearing by this Commission was called for March 5, 2015, and at the time and place specified in the notice of public hearing; and

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all plans and proposed changes, objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the proposal, in evidence presented at the hearing; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of Butte DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Findings

A. Acting as Lead Agency pursuant to the California Environmental Quality Act (CEQA) Guidelines, the Commission finds that the Municipal Service Review for County Service Area 4 is Categorically Exempt from the provisions of CEQA under Section 15306, “Information Collection.”
Resolution No. 10 2014/15

B. Acting as Lead Agency pursuant to the California Environmental Quality Act (CEQA) Guidelines, the Commission finds that the Sphere of Influence Plan for County Service Area 4 is Categorically Exempt from the provisions of CEQA under Section 15061(b)(3) – General Rule Exemption.

C. The Commission finds that the Categorical Exemption prepared by the County of Butte for the Expansion of Powers request for CSA 4 was prepared in accordance with the requirements of CEQA Guidelines and is consistent with State law and that the County’s environmental document is determined to be legally adequate pursuant to CEQA Guidelines Section 15301 – Existing Facilities.

Section 2. General Findings for Expansion of Powers Request and Sphere of Influence Plan

A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Sphere of Influence and General Plan consistency, Butte LAFCo Policies, and other factors as described in the staff report dated February 26, 2015.

B. Said territory includes 4,471 parcels, totaling approximately 2,614 acres in size, as shown on Figure 2.1 of the Municipal Service Review/Sphere of Influence Plan for County Service Area 4 as adopted by the Commission on March 5, 2015, and is assigned the following distinctive short term designation: 15-03 - Expansion of Powers for County Service Area 4 (Sierra Del Oro Drainage and Street Lighting District).

C. The expansion of powers for CSA 4 will allow for enhanced road maintenance services on the more heavily used roads within the CSA, resulting in these roads being maintained at a higher level that would not be possible under the County’s normal road maintenance schedule.

D. Funding for the enhanced road maintenance services provided by CSA 4 will be obtained from CSA 4’s existing revenue sources and from CSA 4’s large fund balance. No new parcel assessments will be required to fund the enhance road maintenance services.

E. No property tax exchange will be required for an expansion of powers.

F. Find that this proposal does not require filing with the State Board of Equalization.

Section 3. Terms and Conditions adopted by LAFCo

Pursuant to its authority under Part 2, Chapter 4 of the Cortese-Knox Local Government Reorganization Act of 2000, Butte LAFCo incorporates the following terms and conditions for the expansion of powers request for CSA 4:

1. Use of CSA 4 funds for road maintenance on Skyway shall be restricted to those portions of Skyway that are within the jurisdictional boundaries of CSA 4 and funding shall be based on a “fair share” calculation based on the number of vehicle
Resolution No. 10 2014/15

trips generated by the uses within CSA 4 as determined by a traffic count performed at the time any road maintenance work is planned.

2. All Commission fees must be paid in full prior to the expansion of powers for CSA 4 becoming effective.

WHEREAS, the Sphere of Influence Plan determinations for County Service Area 4 are made in conformance with Government Code Section 56425 and local Commission policy and are included in Attachment B to this Resolution; and,

WHEREAS, based on presently existing evidence, facts, and circumstances considered by this Commission, including the findings as outlined above, the Commission adopts written determinations as set forth. The Commission adopts the SOI Plan for County Service Area 4 with no changes to County Service Area 4’s current SOI boundaries; and,

WHEREAS, pursuant to §56824.14 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission approves the expansion of power request for County Service Area 4 to allow the CSA to perform enhanced road maintenance services as described in the Plan for Services submitted with the application submitted by the County of Butte and as described in the Municipal Service Review/ SOI Plan for CSA 4 adopted by the Commission on March 5, 2015, and as described in the staff reported dated February 26, 2015; and,

NOW, THEREFORE, BE IT RESOLVED, that pursuant to powers provided in §56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Local Agency Formation Commission of the County of Butte adopts the Municipal Service Review for County Service Area 4, dated March 5, 2015. Furthermore, pursuant to powers provided in §56425, the Commission adopts the SOI Plan for County Service Area 4 with no changes to County Service Area 4’s SOI boundary.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 6th day of March 2015 by the following vote:

AYES: Commissioners Connelly, Dahlmeier, Duncan, Lando, Lotter, and Chair Leverenz

NOES: None

ABSENT: Commissioner Lambert

ABSTAINS: None

ATTEST: 

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission
### 5.2 SUMMARY OF ADOPTED MSR DETERMINATIONS

<table>
<thead>
<tr>
<th>MSR DETERMINATION 3.1: GROWTH AND POPULATION</th>
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<tbody>
<tr>
<td>New population growth within CSA 4 will be mostly limited to the existing 220 undeveloped residential-designated parcels within the CSA, and to three large parcels that have the potential to be divided into approximately 23 new parcels, resulting in a population growth of approximately 620 people.</td>
</tr>
</tbody>
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<tr>
<th>MSR DETERMINATION 3.2: CAPACITY, ADEQUACY AND INFRASTRUCTURE – STREET LIGHTING</th>
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</thead>
<tbody>
<tr>
<td>Street lighting services provided by CSA 4 appear to be adequate. The County may wish to consider installing streetlights on the interior roads of the CSA if needed to improve road and/or pedestrian safety or due to the desires of area residents.</td>
</tr>
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<thead>
<tr>
<th>MSR DETERMINATION 3.3: CAPACITY, ADEQUACY AND INFRASTRUCTURE – WATER QUALITY MONITORING</th>
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<tbody>
<tr>
<td>Water quality monitoring services provided by CSA 4 appear to be adequate. No significant water quality problems associated with the use of septic systems within CSA 4 have been identified.</td>
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<thead>
<tr>
<th>MSR DETERMINATION 3.4: CAPACITY, ADEQUACY AND INFRASTRUCTURE - DRAINAGE</th>
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<tbody>
<tr>
<td>Drainage services provided by CSA 4 appear to be adequate. The County may wish to consider preparing a map showing the locations and types of existing drainage infrastructure to ensure for adequate maintenance in future years.</td>
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<tr>
<th>MSR DETERMINATION 3.5: CAPACITY, ADEQUACY AND INFRASTRUCTURE – DRAINAGE INFRASTRUCTURE CONDITION AND CAPITAL IMPROVEMENT PROGRAM</th>
</tr>
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<tbody>
<tr>
<td>The County, through CSA 4, should consider undertaking a comprehensive inspection of the existing drainage improvements within CSA 4 to determine current infrastructure conditions. The County should consider preparing a capital improvement program for CSA 4 that identifies future drainage infrastructure improvements.</td>
</tr>
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</table>
MSR DETERMINATION 3.6: CAPACITY, ADEQUACY AND INFRASTRUCTURE – RESERVE FUND

To assure that adequate funds are available for any needed future drainage infrastructure improvements identified by a capital improvement program, the County should consider establishing a capital facilities and maintenance reserve fund for CSA 4.

MSR DETERMINATION 3.7: SKYWAY ROAD MAINTENANCE

CSA 4 funding for roadway maintenance on Skyway should only be utilized for maintenance on those portions of Skyway that are within the jurisdictional boundaries of CSA 4 and should be based on a “fair share” calculation based on traffic counts.

MSR DETERMINATION 3.8: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

CSA 4 funding comes primarily from the District’s proportionate share of the 1% overall property tax. The amount of property tax received remains steady, varying slightly from year-to-year.

MSR DETERMINATION 3.9: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

The revenue stream for CSA 4 appears to be adequate to fund all required services. However, as a result of increased maintenance activities, funds from CSA 4’s large fund balance were utilized to ensure a balanced budget several times over the last few years.

MSR DETERMINATION 3.10: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

CSA 4 currently has a large ($600,000+) fund balance, which indicates that the CSA’s revenue has exceeded expenditures over the life of the CSA. The County should seek to reduce the large fund balance by 1) establishing a capital facilities and maintenance reserve fund to provide adequate funding for future (and inevitable) repair and replacement of existing drainage infrastructure; and, 2) utilize the excess fund balance for augmented road maintenance services for the roads within the CSA upon being granted that power by LAFCo.

MSR DETERMINATION 3.11: FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

The County of Butte should ensure that funding for existing CSA 4 services continues at a level sufficient to maintain existing service levels.
MSR DETERMINATION 3.12: SHARED FACILITIES

Opportunities for shared facilities for CSA 4 with other agencies are limited due to the CSA’s location and due to the CSA’s narrow range of services, which are provided only to a specific area. The CSA is staffed by County Public Works Department staff, and shares administrative costs and staffing with other CSAs. The Butte County Public Works Department utilizes County-owned equipment for CSA 4 drainage maintenance activities and a street sweeper purchased using CSA 4 funds is used for CSA 4 drainage maintenance activities and which is also utilized by Butte County outside of CSA 4 district boundaries.

MSR DETERMINATION 3.13: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

All County Services Areas within Butte County are governed by the Butte County Board of Supervisors and administered by the Butte County Public Works Department.

MSR DETERMINATION 3.14: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

Accountability for CSA 4 residents is limited because there are presently no advisory bodies in which they might participate.

MSR DETERMINATION 3.15: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCo requests.

MSR DETERMINATION 3.16: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

Butte County should consider expanding the boundaries of CSA 4 to include all of the Paradise Pines area, including the Magalia area, and consider adding additional powers to CSA 4 to allow the CSA to provide new or enhanced municipal services. As an alternative, the County should consider reorganizing CSA 4 into a Community Services District, which can provide a wide range of municipal services and would be governed by a board of directors residing within the CSD.
**MSR DETERMINATION 3.17: MANAGEMENT EFFICIENCIES**

CSA 4 is governed by the Butte County Board of Supervisors and is managed by the Butte County Public Works Department. All of the work performed on behalf of the CSA is by various departments of the County of Butte, including the Public Works Department and the Environmental Health Division. CSA 4 has a management and accountability structure in place that provides for adequate services.
### 5.3 SUMMARY OF ADOPTED SOI DETERMINATIONS

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<th>SOI DETERMINATION 4.1: PRESENT AND PLANNED LAND USE</th>
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<td>CSA 4 is mostly developed, with single-family residential dwellings being the predominate existing land use, along with some commercial uses. Planned land uses within CSA 4 will continue to be single-family dwellings and commercial uses.</td>
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<td>This sphere update will not result in the addition of any new lands to the CSA's SOI, all of which is within the County of Butte’s jurisdiction. The County's General Plan provides for a variety of uses for this territory, including residential, commercial, and open space uses.</td>
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<th>SOI DETERMINATION 4.2: PRESENT AND PLANNED LAND USE – EXPANSION OF POWERS</th>
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<td>The proposal to add road maintenance service powers to CSA 4 will not affect any existing or planned land uses within CSA 4, nor cause an increase in population within the CSA.</td>
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### SOI DETERMINATION 4.6: PRESENT CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

*The Municipal Service Review for CSA 4 documents the capacity of the CSA 4's facilities and services and their adequacy to meet current and projected demands.*

### SOI DETERMINATION 4.7: PRESENT CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

*The Municipal Service Review for CSA 4 contained determinations regarding the creation of a capital improvement program and the establishment of a capital facilities and maintenance reserve fund to provide for adequate funding for future infrastructure improvements. The establishment of a capital improvement program and a reserve fund for CSA 4 would provide for CSA 4 drainage infrastructure to continue to function well into the future without the need for urgent and costly repairs or replacement.*

### SOI DETERMINATION 4.8: SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST

*Social and economic communities of interest for CSA 4 includes the unincorporated community of Paradise Pines and the Town of Paradise.*

### SOI DETERMINATION 4.9: DISADVANTAGED UNINCORPORATED COMMUNITIES

*Approximately 62% of CSA 4 is considered a disadvantaged unincorporated community. However, the provisions of SB 244 regarding disadvantaged unincorporated communities do not apply to CSA 4 as this district does not provide any public services related to sewers, municipal and industrial water, or structural fire protection.*
5.4 ADOPTED SOI BOUNDARIES FOR COUNTY SERVICE AREA 4 (FIGURE 5-1)

Legend

- CSA 4 SOI
- CSA 4 District Boundaries
- Town of Paradise

CSA 4 Sphere of Influence
Affirmed by Butte LAFCo on March 5, 2015
Butte LAFCo Resolution No. 10 2014/15

Town of Paradise
## 6.0 GLOSSARY

**ANNEXATION**

The inclusion, attachment, or addition of a territory to a city of district.

**BOARD OF SUPERVISORS**

The elected board of supervisors of a county.

**CEQA**

The California Environmental Quality Act (CEQA) is intended to inform governmental decision-makers and the public about potential environmental effects of a project, identify ways to reduce adverse impacts, offer alternatives to the project, and disclose to the public why a project was approved. CEQA applied to projects undertaken, funded, or requiring issuance of a permit by a public agency.

**CSA**

County Service Area. A county service area is a dependent special district governed by a county’s Board of Supervisors.

**DISTRICT OR SPECIAL DISTRICT**

An agency of the state, formed pursuant to general law or special act, for the local performance of government or proprietary functions within limited boundaries. “District” or “special district” includes a county service area.

**GENERAL PLAN**

A document containing a statement of development policies, including a diagram and text setting forth the objectives of the plan. The general plan must include certain state mandated elements related to land use, circulation, housing, conservation, open-space, noise, and safety.

**LAFCO**

A state mandated local agency that oversees boundary changes to cities and special districts, the formation of new agencies including incorporation of new cities, and the consolidation of existing agencies. The broad goals of the agency are to ensure the orderly formation of local government agencies, to preserve agricultural and open space lands, and to discourage urban sprawl.

**LOCAL ACCOUNTABILITY AND GOVERNANCE**

The term “local accountability and governance,” refers to public agency decision making, operational and management styles that include an accessible staff, elected or appointed decision-making body and decision making process, advertisement of, and public participation in, elections, publicly disclosed budgets, programs, and plans, solicited public participation in the consideration of work and infrastructure plans, programs or operations and disclosure of results to the public.
MANAGEMENT EFFICIENCY
The term “management efficiency,” refers to the organized provision of the highest quality public services with the lowest necessary expenditure of public funds. An efficiently managed entity (1) promotes and demonstrates implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement, (2) has the ability to provide service over the short and long term, (3) has the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service, (4) meets or exceeds environmental and industry service standards, as feasible considering local conditions or circumstances, (5) and maintains adequate contingency reserves.

MUNICIPAL SERVICE REVIEW (MSR)
A study designed to determine the adequacy of governmental services being provided in the region or sub-region. Performing service reviews for each city and special district within the county may be used by LAFCO, other governmental agencies, and the public to better understand and improve service conditions.

PUBLIC AGENCY
The state or any state agency, board, or commission, any city, county, city and county, special district, or other political subdivision.

RESERVE
(1) For governmental type funds, an account used to earmark a portion of the fund balance, which is legally or contractually restricted for a specific use or not appropriate for expenditure. (2) For proprietary type/enterprise funds, the portion of retained earnings set aside for specific purposes. Unnecessary reserves are those set aside for purposes that are not well defined or adopted or retained earnings that are not reasonably proportional to annual gross revenues.

SPHERE OF INFLUENCE (SOI)
A plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO.

SPHERE OF INFLUENCE DETERMINATIONS
In establishing a sphere of influence, the Commission must consider and prepare written determinations related to present and planned land uses, need and capacity of public facilities, and existence of social and economic communities of interest.

ZONING
The primary instrument for implementing the general plan. Zoning divides a community into districts or “zones” that specify the permitted/prohibited land uses.
APPENDIX

A. COMMENTS RECEIVED AND RESPONSES TO COMMENTS

The Public Review Draft MSR/SOI Plan was circulated for public review for a period of 21 days beginning on February 12, 2015, and ending on March 4, 2015. During this time, the document was distributed to Butte County, LAFCo Commissioners and their alternates, and made available to the general public on Butte LAFCo’s web page, the Butte LAFCo office in Oroville, and to the Butte County Library Paradise Branch.

No written comments were received with regards to the Draft Municipal Service Review/Sphere of Influence Plan.
APPENDIX B. 1985 SPHERE OF INFLUENCE PLAN FOR COUNTY SERVICE AREA 4

COUNTY SERVICE AREA NO. 4

1. Main Office/Mailing Address:
   Butte County Public Works Department
   7 County Center Drive
   Oroville, CA 95965

2. Year Established:
   1970

3. General Location:
   Upper Eden Ridge

4. Land Area within Agency Boundary:
   Approximately 3,360 acres (5.25 square miles).

5. Population within Agency Boundary:
   Approximately 87000

6. Legal Authority:
   California Government Code Sections 25210.1 et seq.

7. Services Currently Provided:
   Storm drainage.

8. Description of Services and Facilities:
   Facilities include storm drain inlets, culverts, rock-lined discharge ditches, and black-top gutters. The County provides periodic maintenance of the system.

9. Major Service Issues:
   The County requires drainage improvements as a condition of development and has allowed annexations to the County Service Area on a case-by-case basis as drainage improvements are installed in connection with new development.

10. Sphere of Influence:
    The adopted interim sphere of influence is coterminous with the current boundary of the CSA, as depicted in Figure 4.
LAFCo recommends that territory within CSA No. 4 be eventually annexed to the Town of Paradise and that the CSA be dissolved.

The proposed interim sphere of influence does not include the Fir Haven area. This area is already developed without drainage improvements and the County does not contemplate development of the necessary drainage facilities in this area.

Determinations:

1. Present and Planned Land Uses in the Area.

   The land use pattern for the area within the interim sphere of influence, predominately low density residential, has already been well established by the existing street and road system and recorded subdivisions. Future development will be limited essentially to infill residential.

2. Present and Probable Need for Public Facilities and Services in the Area.

   CSA No. 4 provides only drainage maintenance. The need for expanded maintenance service will expand as additional development occurs and drainage improvements are installed.

3. Present Capacity of Public Facilities and Adequacy of Public Services which the Agency Provides or Is Authorized to Provide.

   Drainage maintenance services are adequate to meet current needs.

4. Social or Economic Communities of Interest in the Area.

   While the community of Paradise Pines has developed a separate identity, the area is functionally a part of the Town of Paradise.
APPENDIX C. WATER QUALITY PERMIT FOR COUNTY SERVICE AREA 4

Technical Reports

Technical reports shall be submitted for each lot on which a septic tank-leaching system is installed. The report shall contain the following information:

1. Size of lot.
2. Depth to invert or leach line or bottom of seepage pit.
3. Soil depth to first impervious strata.
4. Depth to ground water.
5. Slope of ground surface in disposal area.
6. Percolation rate at disposal site.
7. Shortest distance between leach line or seepage pit and channel of any natural water course in the vicinity.
8. Shortest distance between leach line or seepage pit and high water line of any lake or impoundment in the vicinity and from any nearby domestic water well.

Water Quality Monitoring

Surface streams, when flowing, and ground water will be sampled at stations, wells, springs and observation holes designed by the Executive Officer. Samples will be collected quarterly and analyzed for the following:

Surface Water

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stream Flow</td>
<td>CPS</td>
</tr>
<tr>
<td>Electrical Conductance (EC)</td>
<td>micromhos</td>
</tr>
<tr>
<td>Temperature</td>
<td>°C</td>
</tr>
<tr>
<td>Dissolved Oxygen</td>
<td>mg/l</td>
</tr>
<tr>
<td>Total Nitrogen</td>
<td>mg/l</td>
</tr>
<tr>
<td>Coliform Bacteria</td>
<td>MPN/100 ml</td>
</tr>
</tbody>
</table>

Ground Water

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depth to water</td>
<td>feet</td>
</tr>
<tr>
<td>Electrical Conductance</td>
<td>micromhos</td>
</tr>
<tr>
<td>Total Nitrogen</td>
<td>mg/l</td>
</tr>
</tbody>
</table>

Revised 3/21/72 wbb/jw
2. Neither the waste treatment nor discharge shall cause a nuisance.

B. Prohibitions

1. There shall be no direct discharge from any waste treatment facility to surface waters.

2. The discharge to individual septic tank-leaching systems is prohibited on lots where one or more of the following conditions exist:
   
a. Soil depths below the invert of leach lines or bottom of seepage pits to an impervious strata is less than five feet.
   
b. Depth to ground water below the invert of leach lines or bottom of seepage pits is less than ten feet.
   
c. Ground slopes are greater than 30%. (30 feet vertical rise in 100 feet horizontal).
   
d. Standard percolation tests on the disposal area show rates to be more than 60 minutes per inch.
   
e. Leach lines or seepage pits are located less than 100 feet from the high water line of any lake or impoundment or from any domestic water well.

3. The discharge to individual septic tank-leaching systems in Unit No. 2 is prohibited where leaching lines or seepage pits are located less than 50 feet from the high water line of any natural water course.

4. The discharge to individual septic tank-leaching systems in the remainder of Butte County Service Area No. 4 is prohibited where leaching lines or seepage pits are located less than 100 feet from any natural water course.

C. Provisions

1. Paradise Pines (Butte County Service Area No. 4) shall comply with the Technical, Monitoring and Reporting Program No. 72-270 and the General Provisions for Monitoring and Reporting as specified by the Executive Officer.

2. The discharger shall report promptly to the California Regional Water Quality Control Board, Central Valley Region, any proposed change from individual waste disposal systems to a community sewerage system.
I, James A. Robertson, Executive Officer, do hereby certify the
foregoing is a full, true, and correct copy of an order adopted by the
California Regional Water Quality Control Board, Central Valley Region
on: APR 28 1972

Revised 3/25/72 wbb/jw

Original signed by
James A. Robertson
Executive Officer