



***FIVE CANYONS
COUNTY SERVICE AREA
MUNICIPAL SERVICE REVIEW FINAL***

November 29, 2012

Prepared for the
Local Agency Formation Commission of Alameda County
by
Baracco and Associates,
Policy Consulting Associates, LLC

TABLE OF CONTENTS

1. AGENCY OVERVIEW	2
FORMATION	2
BOUNDARY	2
SPHERE OF INFLUENCE	3
ACCOUNTABILITY AND GOVERNANCE.....	5
MANAGEMENT AND STAFFING	6
GROWTH AND POPULATION PROJECTIONS.....	7
FINANCING	8
2. MUNICIPAL SERVICES.....	10
STREET MAINTENANCE SERVICES	10
STORMWATER SERVICES	12
4. MSR DETERMINATIONS	14
5. SPHERE OF INFLUENCE UPDATE.....	16

1. AGENCY OVERVIEW

Five Canyons County Service Area (FCCSA) provides street maintenance service, landscaping, graffiti prevention and removal, erosion control, and maintenance of retaining walls in the Fairview area north of Hayward. The most recent municipal service review (MSR) for these services was adopted in May 2006. FCCSA also provides storm drainage service. The most recent MSR for storm drainage service was adopted in November 2005.

FORMATION

FCCSA was formed on December 8, 1994 as a dependent special district. FCCSA was created to provide street maintenance, drainage and various municipal services to new developments in the Five Canyons area in Fairview.

The principal act that governs FCCSA is the County Service Area (CSA) law.¹ The principal act authorizes CSAs to provide a wide variety of municipal services, including street maintenance, fire protection, extended police protection, water and sewer services.² A CSA may only provide those services authorized in its formation resolution unless the Board of Supervisors adopts a resolution authorizing additional services. All districts must apply and obtain LAFCo approval to exercise latent powers (those services authorized by the principal act but not provided by the district at the end of 2000).³

BOUNDARY

The boundary area includes the Five Canyons unincorporated area. The total land area within the FCCSA boundary is 1.3 square miles. The FCCSA boundary area extends south from Castro Valley to Fairview Avenue in the Hayward Hills. FCCSA contains approximately 1,300 residences. FCCSA overlaps with 307 acres of East Bay Regional Park District land and Hayward Area Park and Recreation District territory, which includes two parks.

There have been two annexations to FCCSA since its formation: Canyon Terrace (2.76 acres) and Canyonwood (6.18 acres)

¹ California Government Code §25210 et seq

² California Government Code §25213.

³ Government Code §56824.10.

Extra-territorial Services

Services are provided throughout FCCSA and are not provided outside the CSA's limits.

Unserved Areas

There are no areas within FCCSA's bounds that lack street maintenance services provided by the CSA.

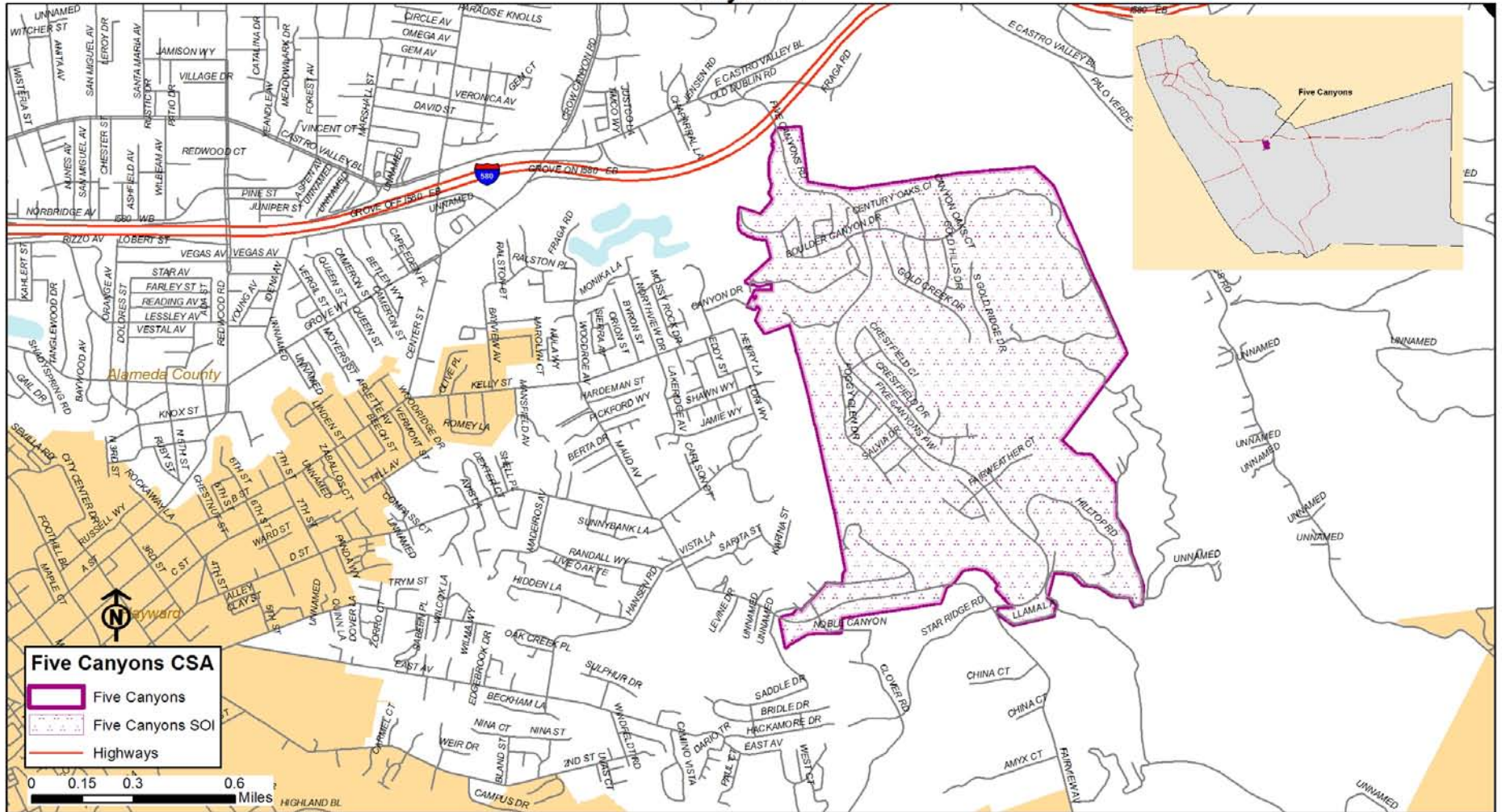
SPHERE OF INFLUENCE

The sphere of influence (SOI) was established December 8, 1994 as coterminous with FCCSA's bounds. Since SOI adoption, it has been updated twice. After each annexation the SOI was made coterminous with the boundaries.

In 2006, during the last SOI update, the Commission decided to keep FCCSA's SOI coterminous with its service boundaries.

Figure 1-1: Five Canyons CSA Boundaries and SOI

Five Canyons CSA Service Boundary and SOI*
May 2012



*Agency sphere of influence equals the service boundary

Created for Alameda LAFCo by the Alameda County Community Development Agency

ACCOUNTABILITY AND GOVERNANCE

Accountability of a governing body is signified by a combination of several indicators. The indicators chosen here are limited to 1) agency efforts to engage and educate constituents through outreach activities, in addition to legally required activities such as agenda posting and public meetings, 2) a defined complaint process designed to handle all issues to resolution, and 3) transparency of the agency as indicated by cooperation with the MSR process and information disclosure.

FCCSA was formed as a dependent special district with the Alameda County Board of Supervisors as its governing body. There are five members of the governing body of FCCSA. The five supervisors are elected to four-year terms of office.

The governing body meets weekly. Agendas for each weekly meeting are posted by the Board Clerk on the Internet and at the County Administration building. The Board Clerk provides notice for meetings and disseminates minutes and Board actions and meeting minutes are available via the internet. Through the County website, the public has access to live audio/visual webcasts and archived audio and/or visual webcasts of regular Board meetings for viewing online at their convenience. The agency also discloses finances, plans and other public documents via the internet. Current board member names, positions, and term expiration dates are shown in Figure 1-2.

Figure 1-2: Five Canyons CSA Governing Body

Five Canyons CSA				
<i>District Contact Information</i>				
Contact:	Daniel Woldesenbet, Director, Alameda County Public Works Agency			
Address:	399 Elmhurst Street, Hayward, CA 94544			
Telephone:	(510)670-5480			
Fax	(510)670-5541			
Email/website:	http://www.acgov.org/pwa/			
<i>Board of Directors</i>				
Member Name	Position	Term Expiration	Manner of Selection	Length of Term
Scott Haggerty	Supervisor, Dist. 1	January 2013	Elected	4 years
Richard Valle	Supervisor, Dist. 2	January 2015	Elected	4 years
Wilma Chan	Supervisor, Dist. 3	January 2015	Elected	4 year
Nate Miley, President	Supervisor, Dist. 4	January 2013	Elected	4 years
Keith Carson, Vice President	Supervisor, Dist. 5	January 2013	Elected	4 years
<i>Meetings</i>				
Date:	Every Tuesday at 9:30am.			
Location:	Meetings are held in the Baord Chambers at 1221 Oak Street, 5th floor in Oakland.			
Agenda Distribution:	Posted on internet and County Administration Building.			
Minutes Distribution:	Available on County website.			

FCCSA has a four-member volunteer advisory committee. The committee consists of representatives of various developments and property owner associations. The goals of the advisory committee are to ensure the best service levels possible, review service charges, and identify property owners' service-related concerns to guide FCCSA projects and

services in the upcoming years. The committee meets with FCCSA staff bi-monthly and makes recommendations for staff and Board consideration. These volunteer committee members do not receive any compensation for their services. They serve in a strictly advisory capacity and cannot authorize any expenditure of CSA funds. Committee meetings are held every one to two months, and general business meetings are held annually. Meetings are open to all CSA property owners. Public notices for these meetings are mailed to all CSA property owners by first class mail.

Requests for services, information and service complaints are received by telephone, email, letters, submittals, or in person. FCCSA maintains a special district administration hot line for service requests and inquiries. All requests/complaints are tracked together and responses are either immediate or within two working days. Service inquiries or complaints relate to plan reviews, maintenance requests and requests for changes in service. In FY 10-11, FCCSA completed 236 service requests. No complaints were filed in 2011.

FCCSA demonstrated accountability in its disclosure of information and cooperation with responses to the LAFCo questionnaires and interview requests. The agency cooperated with LAFCo's map inquiries.

MANAGEMENT AND STAFFING

While public sector management standards vary depending on the size and scope of the organization, there are minimum standards. Well-managed organizations evaluate employees annually, track employee and agency productivity, periodically review agency performance, prepare a budget before the beginning of the fiscal year, conduct periodic financial audits to safeguard the public trust, maintain relatively current financial records, conduct advanced planning for future service needs, and plan and budget for capital needs.

The PWA staffs FCCSA on an as-needed and reimbursable basis. FCCSA conducts annual onsite service reviews of CSA facilities and service area. The results are discussed at public meetings that include County staff and property owners. Staff recommendations relating to CSA service and finances are sent to the County Board of Supervisors. Monthly and quarterly staff reports are provided to the PWA management to implement work plans and improve performance.

FCCSA monitors productivity via the monthly and quarterly reports provided to the Public Works Agency management as noted above.

Management practices conducted by the PWA (on behalf of FCCSA) include performance-based budgeting and annual financial audits. FCCSA did not identify benchmarking practices.

The County has a mission statement. Neither FCCSA nor the PWA has a strategic plan. However, the Board of Supervisors adopted Alameda County's Strategic Vision in 2008 to provide a multi-year, comprehensive, and far-reaching roadmap with high-level strategic direction for the County's agencies and departments, who are responsible for

implementation through their own strategic plans and activities. The PWA has a Capital Improvement Plan specific to road service needs with a planning time horizon of seven years. The Board of Supervisors recently adopted an FY 11-12 Annual Report for FCCSA.

FCCSA's finances are managed by the County. While County finances are audited annually, the FCCSA finances are not isolated in the audited financial statements but are grouped with other CSAs under non-major governmental funds. Each CSA is maintained under a separate fund for accounting and tracking purposes.

GROWTH AND POPULATION PROJECTIONS

This section discusses the factors affecting service demand, such as land uses, and historical and anticipated population growth.

Land Use

FCCSA's boundary area is approximately 1.3 square miles. The County is the land use authority for the unincorporated areas. The agency's land uses are low-density residential.

Existing Population

As of 2010, the population of the area in FCCSA was 3,435. Its population density—2,642 residents per square mile—is higher than the countywide density of 1,840 people per square mile.

Projected Growth and Development

Based on Association of Bay Area Governments (ABAG) growth projections and the CSA's estimated 2010 Census population, the population of the area within FCCSA is anticipated to reach 4,177 by 2035, with an average annual growth rate of 0.8 percent. Per ABAG population projections, the rate of growth in FCCSA is expected to be similar to the unincorporated growth rate through 2035. From 2010 to 2035, the population in the unincorporated area of Alameda County is estimated to grow by 22 percent, while the County overall is anticipated to grow by 27 percent.

The County reported that growth patterns have not been affecting service demand for FCCSA in the last few years. Slow or no growth is anticipated by the County within the FCCSA boundary area in the next several years; however, no formal projections were made due to the small size of the CSA.

The County reported that future development potential is limited to a single subdivided property within the boundaries of FCCSA that has been subdivided but no homes built to date. The project is a private development and FCCSA reported that it will be responsible for the maintenance costs for the private roadways, open space and storm drains, and will not be considered part of the CSA.

FINANCING

The financial ability of agencies to provide services is affected by available financing sources and financing constraints. This section discusses the major financing constraints faced by FCCSA and identifies the revenue sources currently available to the CSA.

FCCSA reported that current financial levels were adequate to deliver services. No financing challenges or impacts of the recent economic recession were identified.

Revenues

The revenues for FCCSA for FY 10-11 were \$694,813. The revenue sources included service charges (97 percent), interest on investments (two percent), and other revenue (one percent).

The Board-approved charges for FY 11-12 are as follows:

- ❖ Single-family residence with street tree: \$692;
- ❖ Single-family residence without street tree: \$684;
- ❖ Single-family residence with private roads: \$455; and
- ❖ Day care center (double the private road single-family rate of \$455): \$910.

Expenditures

Expenditures in FY 10-11 for FCCSA were \$546,787, which consisted of landscape maintenance (52 percent), roads and sidewalks maintenance (22 percent), storm drainage (one percent), open space and fire buffer zones (eight percent), administration and engineering (15 percent), advisory committee insurance (two percent). Total revenues exceeded total expenditures by \$148,026.

Liabilities and Assets

FCCSA does not have any long-term debt.

At the end of FY 10-11 the fund balance was \$1,038,270. FCCSA also makes annual contributions of \$260,000 into a capital reserve program for long-term future expenditures.

FCCSA's capital financing approach is pay-as-you-go. FCCSA relies on current revenues and reserves to finance capital projects.

Financing Efficiencies

FCCSA engages in joint financing arrangements related to insurance. As a component entity of the County, FCCSA receives excess workers compensation and liability coverage through the California State Association of Counties Excess Insurance Authority—a joint powers authority.

2. MUNICIPAL SERVICES

STREET MAINTENANCE SERVICES

Service Overview

FCCSA provides supplemental street maintenance services on public roads by reimbursing the Alameda County Public Works Agency (ACPWA) for as-needed staffing.⁴ Additional CSA services include landscaping, graffiti prevention and removal, erosion control, and maintenance of retaining walls—all provided by ACPWA staff.

FCCSA does not provide services to other agencies under contract.

FCCSA receives street maintenance services and stormwater maintenance services from Alameda County Public Works Agency (PWA). FCCSA residents receive flood control services from the Alameda County Flood Control and Water Conservation District (ACFCWCD).

Demand for Services

In FY 10-11, FCCSA had 236 service requests; or 30 service calls per street mile.

Infrastructure and Facilities

The key infrastructure includes 5.5 miles of public roads in addition to 2.2 miles of private roads, and one signalized intersection. FCCSA does not own or maintain any bridges located within CSA boundaries.

The street system within FCCSA includes 37 collector and local roads (both public and private) in the Fairview area north of Hayward. The main collector street is Five Canyons Parkway, which is a public roadway.

Infrastructure Needs or Deficiencies

FCCSA private roads do not meet County Design Standards in regards to paved width. No service challenges were identified.

⁴ The homeowners association is responsible for maintenance of private roads.

There were multiple projects planned for FY 11-12. Various traffic collisions have damaged trees and other landscaping along the Five Canyons Parkway; most of the landscaping damaged by collisions is planned to be replaced by the landscapers. FCCSA is reimbursed for collisions that impact roadways within the CSA's bounds and which have traffic collision reports on file with the highway patrol. Graffiti continues to be a problem along Five Canyons Parkway and Rancho Palomares Drive. FCCSA staff works with the graffiti abatement contractor to have it removed as quickly as possible once it has been reported.

The PWA worked with the Five Canyons Volunteer Advisory Committee in FY 10-11 to have several projects completed. Bids were developed and contractors were solicited. One project was for the repair of the entry monuments. They needed to be cleaned, repaired, and the letters repaired and replaced. The second project was lighting for the waterfall and entry monuments. The waterfall lighting was old and the lights were no longer functioning. The waterfall lighting and monument lighting were replaced with lighting at ground level.

Shared Facilities and Regional Collaboration

As an Alameda County Congestion Management Agency member, FCCSA engages in joint studies and planning efforts. All street maintenance CSAs share facilities and equipment for street maintenance services.

Service Adequacy

This section reviews indicators of service adequacy, including percentage of street miles seal coated, costs per street mile, and response time policy.

None of the roads within FCCSA boundaries are seal coated. Expenditures per street mile in FY 10-11 were about \$71,011, which is slightly more than recorded in the 2006 MSR. FCCSA generally responds to service requests within two working days.

STORMWATER SERVICES

Service Overview

FCCSA reimburses the PWA for as-needed staffing to provide stormwater maintenance services, including blockage removal, the cleaning of stormwater inlets and basins, and video inspection of drains on an as needed basis. FCCSA fire buffer zones are cleared at least once per year; the need for additional clearing of buffer zones depends on the amount of foliage growth. In addition, FCCSA ditches are cleared annually.

FCCSA reimburses the County Public Works Agency to conduct inspections not only of dischargers with RWQCB permits, but also of other dischargers that may potentially be releasing pollutants into the stormwater system. Other regulatory activities involve permitting, construction site control, public information, and inspection for illicit wastewater discharge into the stormwater system. Stormwater treatment services are not provided in FCCSA or elsewhere in the County. FCCSA customers receive flood control services from ACFCWCD.

Northern residential areas along San Lorenzo Creek are located in a 100-year flood plain.

Demand for Services

The demand for stormwater maintenance services could be gauged by annual workload. Inlets are usually inspected and cleaned as needed. FCCSA maintained 151 storm drain inlets in FY 10-11. These inlets are cleaned on a yearly basis.

Demand for stormwater services is also based on the amount of impervious paved surfaces in an area that forces rainwater into stormwater drains. The amount of impervious surfaces is largely based on how urbanized an area is. In the case of FCCSA, as mentioned previously, the area is more densely populated than the County as a whole with 2,642 residents per square mile, meaning there is on average a greater demand for stormwater maintenance services than other parts of the County.

Infrastructure and Facilities

The key infrastructure related to stormwater services includes pipes and channels. Natural creeks are also critical components of the drainage infrastructure. Although stormwater flows into San Lorenzo Creek, creek maintenance is a flood control responsibility (managed by ACFCWCD) rather than a stormwater responsibility.

Infrastructure Needs or Deficiencies

FCCSA did not report any infrastructure needs or deficiencies. No challenges to adequate service provision were identified by the CSA.

Shared Facilities and Regional Collaboration

FCCSA collaborates with Alameda County on a contractual basis for stormwater management and inspection. FCCSA also contracts with ACFCWCD for flood control services.

Service Adequacy

This section reviews indicators of service adequacy, including volume of debris removed per street mile, response time for blockages and inlet inspection rate in 2011.

The volume of debris removed per street mile indicator was not available for FCCSA, as it was not tracked specifically for the CSA. Inspections and cleanings are performed on a yearly basis by FCCSA. Work orders are prepared and staff will investigate if blockages occur and are reported to the agency. Depending on the severity of the blockage, response times are typically within 24 hours.

4. MSR DETERMINATIONS

Growth and Population Projections

- ❖ As of 2010, the population within Five Canyons County Service Area (FCCSA) was 3,435.
- ❖ Based on ABAG growth projections the population of FCCSA is anticipated to be 4,177 by 2035.
- ❖ One potential development was identified within FCCSA's boundaries and SOI.
- ❖ Stormwater service providers may reduce runoff caused by new development by implementing development standards that minimize impervious surfaces and by requiring site measures (e.g., swales and bioretention basins) that direct runoff to pervious surfaces.

Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

- ❖ Using Census Designated Places, Alameda LAFCo determines that there are no disadvantaged unincorporated communities that meet the basic state-mandated criteria within the County. Alameda LAFCo recognizes, however, that there are communities in the County that experience disparities related to socio-economic, health, and crime issues, but the subject of this review is municipal services such as water, sewer, and fire protection services to which these communities, for the most part, have access.

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

- ❖ FCCSA serves 7.7 miles of five roads.
- ❖ There were 236 street maintenance service requests in FCCSA in FY 10-11.
- ❖ Private roads in the FCCSA do not meet County design standards in regards to paved width.
- ❖ Infrastructure deficiencies on private roads in unincorporated inhabited areas may affect the desirability of annexation of such areas to cities.

- ❖ Stormwater service needs are affected by pollutant loads in stormwater runoff and emerging regulatory requirements, including total maximum daily load requirements, for reducing pollutants to the maximum extent practicable.
- ❖ FCCSA reported no stormwater related infrastructure needs, due to a relatively new drainage system.

Financial Ability of Agency to Provide Services

- ❖ FCCSA reported that its financing was adequate to deliver services.
- ❖ In FY 10-11, FCCSA's revenues exceeded expenses. The fund balance at the end of the fiscal year equated to approximately two years of expenditures for contingency purposes.
- ❖ FCCSA does not have any long-term debt.

Status and Opportunities for Shared Facilities

- ❖ As an Alameda County Congestion Management Agency member, FCCSA engages in joint studies and planning efforts.
- ❖ FCCSA contracts with PWA for maintenance of roads and stormwater and, in that sense, share facilities.
- ❖ FCCSA engages in joint financing arrangements related to insurance.

Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

- ❖ The FCCSA is governed by the Alameda County Board of Supervisors. The Board updates constituents, broadcasts its meetings, solicits constituent input, discloses its finances, and posts public documents on its website.
- ❖ No alternative governance structure options with regard to FCCSA were identified.
- ❖ The agency demonstrated accountability in its cooperation with the LAFCO information requests.

5. SPHERE OF INFLUENCE UPDATE

Existing Sphere of Influence Boundary

FCCSA's existing SOI is coterminous with its boundary and includes the Five Canyons unincorporated area.

SOI Options

One option was identified with respect to FCCSA's SOI.

Option #1 – Maintain coterminous SOI

The SOI was established in 1994 as coterminous with its bounds. There have been two changes to the SOI since its formation—the sphere was expanded to include the Canyon Terrace and Canyonwood annexations.

During the previous MSR, the Commission elected to retain the existing coterminous SOI. Service was efficiently provided and no change in service area was proposed by the County. This continues to hold true during this SOI update. Should the Commission wish to continue to reflect an existing service boundary, then a coterminous SOI would be appropriate.

Recommended Sphere of Influence Boundary

Given that no change in service area or boundary area is anticipated or proposed by FCCSA, it is recommended that the Commission maintain a coterminous SOI for the agency.

Proposed Sphere of Influence Determinations

Nature, location, extent, functions, and classes of services provided

- ❖ FCCSA provides supplemental street and stormwater maintenance services on public roads by reimbursing the Alameda County Public Works Agency (ACPWA) for as-needed staffing in the Five Canyons community. Additional CSA services include landscaping, graffiti prevention and removal, erosion control, and maintenance of retaining walls, blockage removal, the cleaning of stormwater inlets and basins, and video inspection of drains.

Present and planned land uses, including agricultural and open-space lands

- ❖ The area is a low-density residential community. The recommended SOI does not conflict with planned land uses.
- ❖ No impacts upon Williamson Act protected land will occur. FCCSA already serves the entire boundary and SOI area.

Present and probable need for public facilities and services

- ❖ There is a subdivided property within FCCSA where there is the potential for growth; however, if constructed, the developer would be responsible for maintenance of the private road system and stormwater infrastructure.
- ❖ If growth occurs, it is anticipated that there will be continued wear and tear on road system and stormwater infrastructure.

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

- ❖ Services appear to be adequate. FCCSA conducts performance evaluations, productivity monitoring and benchmarking to improve service efficiency.

Existence of any social or economic communities of interest

- ❖ Five Canyons is a residential community of interest that pays service charges for service rendered by the County. Residents are the primary beneficiaries of the road network and stormwater infrastructure.