



# ***MORVA COUNTY SERVICE AREA MUNICIPAL SERVICE REVIEW FINAL***

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*November 29, 2012*

Prepared for the  
Local Agency Formation Commission of Alameda County  
by  
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# 1. AGENCY OVERVIEW

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Morva County Service Area (MCSA) provides street maintenance services on private roads in the Morva neighborhood in the Cherryland area.

## FORMATION

MCSA was formed on June 14, 1983 as a dependent special district to provide a financing mechanism for road maintenance services for two private roads, Morva Court and Morva Drive.

The principal act that governs the MCSA is the County Service Area (CSA) law.<sup>1</sup> 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.<sup>2</sup> 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 or, in other words, those services authorized by the principal act but not provided by the district at the end of 2000.<sup>3</sup>

## BOUNDARY

The boundary area includes Morva Drive and Morva Court, which are located in an unincorporated area north of Hayward called Cherryland.

The total land area within the boundary of MCSA is 0.02 square miles.

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## Extra-territorial Services

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Services are not provided outside MCSA's limits.

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## Unserved Areas

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There are no areas within MCSA's bounds that lack street maintenance services.

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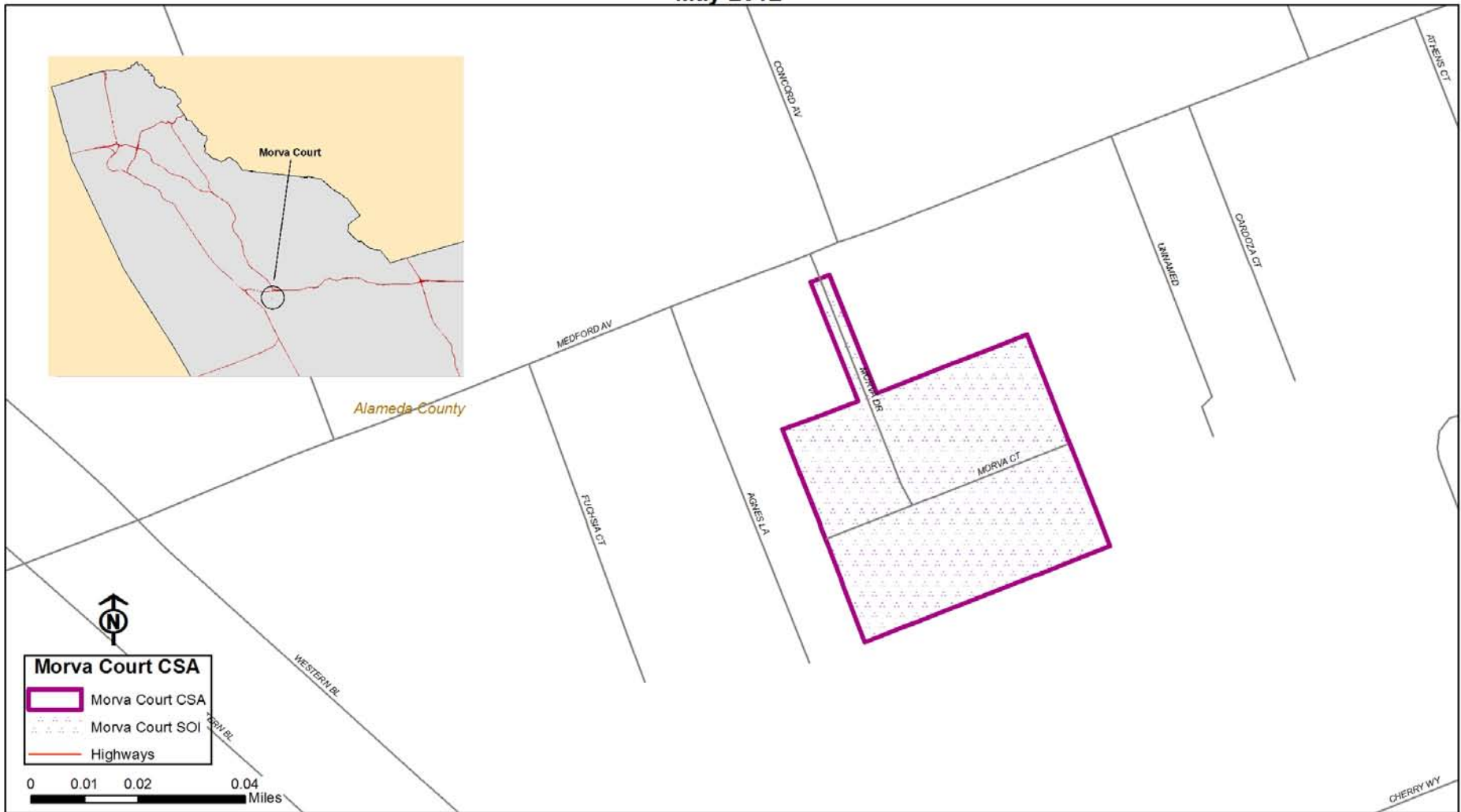
<sup>1</sup> California Government Code §25210 et seq

<sup>2</sup> California Government Code §25213.

<sup>3</sup> Government Code §56824.10.

Figure 1-1: Morva CSA Boundaries and SOI

Morva Court 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

## SPHERE OF INFLUENCE

The SOI was established on April 19, 1984 as coterminous with its bounds. It was last reaffirmed by the Commission as coterminous in 2006.

## 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.

MCSA 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 MCSA. The five supervisors are elected by district 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. Board actions and meeting minutes are available on 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. MCSA 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: Morva CSA Governing Body**

<b>Morva CSA</b>				
<b><i>District Contact Information</i></b>				
<b>Contact:</b>	Daniel Woldesenbet, Director, Alameda County Public Works Agency			
<b>Address:</b>	399 Elmhurst Street, Hayward, CA 94544			
<b>Telephone:</b>	(510)670-5480			
<b>Fax</b>	(510)670-5541			
<b>Email/website:</b>	<a href="http://www.acgov.org/pwa/">http://www.acgov.org/pwa/</a>			
<b><i>Board of Directors</i></b>				
<b>Member Name</b>	<b>Position</b>	<b>Term Expiration</b>	<b>Manner of Selection</b>	<b>Length of Term</b>
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
<b><i>Meetings</i></b>				
<b>Date:</b>	Every Tuesday at 9:30am.			
<b>Location:</b>	Meetings are held in the Board Chambers at 1221 Oak Street, 5th floor in Oakland.			
<b>Agenda Distribution:</b>	Posted on the internet and County Administration Building.			
<b>Minutes Distribution:</b>	Available on the County website.			

To keep constituents informed of CSA activities, service programs and funding are addressed directly with MCSA property owners through open public meetings, informational mailings and public workshops. The meetings are held annually. In addition, annual service reviews are conducted with interested property owners and residents. The Board receives annual reports on MCSA service and funding needs.

Customer complaints, requests for services and information are received by telephone, email, in writing, or in person. A response from MCSA is either immediate or within two working days. MCSA tracks complaints and service requests together. In FY 10-11, MCSA completed two service requests.

MCSA demonstrated accountability in its disclosure of information and cooperation with the LAFCo questionnaires and other information requests.

## **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.

MCSA is staffed by County Public Works Agency (PWA) on an as-needed basis.

MCSA indicated that it monitors productivity with the results reported monthly and quarterly in reports provided to the PWA management.

Management practice conducted by PWA (on behalf of MCSA) includes performance-based budgeting and annual financial audits. MCSA did not identify benchmarking practices.

The County has a mission statement. Neither MCSA nor the County Public Works Agency 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 County also adopted a Pedestrian Master Plan in 2006. MCSA presents an Annual Report to the Alameda County Board of Supervisors in compliance with CSA law and the Alameda County Ordinance code where capital improvement needs specific to MCSA are identified.

## GROWTH AND POPULATION PROJECTIONS

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

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### Land Use

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MCSA's boundary area is approximately 0.02 square miles. The County is the land use authority for the unincorporated areas. The land uses within MCSA are entirely residential.

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### Existing Population

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As of 2010, the population of the area in MCSA was approximately 81. Its population density—4,050 residents per square mile—is higher than the countywide density of 1,840 people per square mile.

Morva Court and Morva Drive are private roads that serve 20 residences located on 13 properties.

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### Projected Growth and Development

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Based on Association of Bay Area Governments (ABAG) growth projections and MCSA's estimated 2010 Census population, the population of the area within the CSA is anticipated to reach 99 by 2035, with an average annual growth rate of 0.8 percent. Per ABAG population projections, the rate of growth in MCSA is expected to be similar to the unincorporated growth rate through 2035. From 2010 to 2035 the population of unincorporated 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 MCSA in the last few years. Slow or no growth is anticipated by the County within the MCSA boundary area in the next several years, because the area is built out; however, no formal projections were made due to the small size of the CSA. No planned or proposed developments that may be occurring within or adjacent to MCSA's bounds or SOI were identified.

## 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 MCSA and identifies the revenue sources currently available to the CSA.

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

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## Revenues

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The revenues for MCSA for FY 10-11 were \$2,540. The revenue sources included service charges (98 percent) and interest on investments (two percent).

In the past, due to a lack of fund availability, Morva Court and Morva Drive suffered from deferred maintenance, with flooding problems during rainy periods. As a result, property owners approached the PWA and Housing and Community Development (HCD) for financial assistance to make needed road and drainage improvements. An HCD grant was approved, and over the years, MCSA found a way to collect matching funds and conduct some drainage improvements and road repairs.

To finance ongoing road maintenance, the property owners started paying a service charge of \$125 per year for each living unit. However, ongoing maintenance costs consistently exceeded estimated costs and quickly depleted MCSA funds. As a result, property owners voted to increase the service charge to \$250 per living unit starting in FY 10-11. MCSA reports that it was necessary to increase the service charges to build up the available fund balance for road maintenance work in FY 11-12 to cover deferred maintenance and anticipated future routine maintenance.

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## Expenditures

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Expenditures in FY 10-11 for MCSA were \$257, which consisted of publications/legal notices (60 percent) and administration (40 percent). Total revenues exceeded total expenditures by \$2,283.

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## Liabilities and Assets

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MCSA does not have any long-term debt.

At the end of FY 10-11 the fund balance was \$9,316.

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

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## Financing Efficiencies

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MCSA engages in joint financing arrangements related to insurance purchased through Alameda County. The County receives excess workers compensation and liability coverage through the California State Association of Counties Excess Insurance Authority—a joint powers authority.



## ***2. MUNICIPAL SERVICES***

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### **STREET MAINTENANCE SERVICES**

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#### **Service Overview**

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Street services can include maintenance activities, landscaping, street sweeping and street lighting. MCSA provides street maintenance services (not landscaping, sweeping or street lighting) on private roads by reimbursing the County Public Works Agency for as-needed staffing. MCSA acts as a financing mechanism for road maintenance services, as these private roads would not otherwise be maintained by the County. Street sweeping services are not provided by the County or MCSA, but may be provided privately.

MCSA does not provide services to other agencies through contract.

#### **Demand for Services**

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In FY 10-11, MCSA had two service requests; or 20 service calls per street mile.

#### **Infrastructure and Facilities**

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MCSA's key infrastructure includes 0.1 street miles and no signalized intersections. MCSA does not own or maintain any bridges.

#### **Infrastructure Needs or Deficiencies**

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The current condition of the roads is poor and has further deteriorated from winter rains. It was decided at the Annual Business meeting that appropriate repairs should include overlay for the roadway, due to severe alligator cracking and some isolated base failure. An overlay would cost approximately \$25,000 for both roadways and would last 15 to 20 years. On the other hand, a slurry seal could be done at a cost of \$6,500 but would probably last only one to two years at the most. The staff's recommendation at this time is to complete a slurry seal and then allow MCSA's service charges to build up over the next two to three years to save for an overlay project.

#### **Shared Facilities and Regional Collaboration**

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As an Alameda County Congestion Management Agency member, MCSA engages in joint studies and planning efforts. CSAs also share facilities for street maintenance services through the County.

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## Service Adequacy

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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 MCSA's boundaries are seal coated. Expenditures per street mile in FY 10-11 were about \$2,570, compared to \$50,930 per street mile recorded in the 2006 MSR. The difference in expenditures between the two years can be attributed to minimal administration and public notice expenditures in FY 10-11 and service and supply expenditures totaling \$4,736 in FY 04-05. MCSA generally responds to service requests within two working days.

## ***3. MSR DETERMINATIONS***

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### **Growth and Population Projections**

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- ❖ As of 2010, the population within Morva County Service Area (MCSA) was 81.
- ❖ Based on ABAG growth projections, the population of MCSA is anticipated to be 99 by 2035.
- ❖ No new developments are anticipated within MCSA's boundaries and SOI, as the area is built out.

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

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- ❖ Using CDPs, 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**

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- ❖ MCSA serves 0.1 miles of five private roads, which are maintained by the PWA.
- ❖ There were two service requests in FY 10-11.
- ❖ Private roads in MCSA do not meet County design standards in regards to paved width, paving, right-of-way width, grade, drainage, handicapped access, and sidewalk improvements.
- ❖ The roadways in MCSA require overlay, due to severe cracking and isolated base failure.
- ❖ Infrastructure deficiencies on private roads in unincorporated areas may affect the desirability of annexation of such areas to cities.

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## Financial Ability of Agency to Provide Services

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- ❖ While in previous years MCSA has been unable to finance necessary maintenance, with the recent increase in the CSA's assessment, MCSA reported that its financing level was now adequate to deliver services.
- ❖ In FY 10-11, MCSA's revenues exceeded expenses. The fund balance at the end of the fiscal year was \$9,316.
- ❖ MCSA does not have any long-term debt.
- ❖ MCSA needs \$25,000 for a roadway overlay. MCSA plans to spend \$6,500 at this time to fix the problem temporarily by applying slurry seal, and save funds over the next few years for major repairs.

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## Status and Opportunities for Shared Facilities

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

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## Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

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- ❖ MCSA 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 MCSA were identified.
- ❖ MCSA demonstrated accountability in its cooperation with the LAFCo information requests.

## ***4. SPHERE OF INFLUENCE UPDATE***

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### **Existing Sphere of Influence Boundary**

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MCSA's existing SOI is coterminous with its boundary and includes two private roads Morva Court and Morva Drive, within the unincorporated Cherryland area north of Hayward.

### **SOI Options**

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

#### **Option #1 – Maintain coterminous SOI**

The SOI was established in 1984 as coterminous with its bounds. There have been no changes to the SOI since its formation.

During the previous MSR, the Commission elected to retain the existing coterminous SOI. Since then, no change in service area has been proposed; and the CSA requested no changes to its SOI. MCSA intends to continue to provide services within its boundaries. Should the Commission wish to continue to reflect the existing service boundary, then a coterminous SOI would be appropriate.

### **Recommended Sphere of Influence Boundary**

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

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## Proposed Sphere of Influence Determinations

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

- ❖ Morva County Service Area (MCSA) provides street maintenance services on private roads in the Morva neighborhood in the Cherryland area. MCSA provides street maintenance services (not landscaping, sweeping or street lighting) on private roads by reimbursing the Alameda County Public Works Agency for as-needed staffing.

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

- ❖ The SOI is consistent with planned land uses in the small residential community with 20 residences on 13 properties.
- ❖ There are no agricultural and open space lands within MCSA's boundaries, so no impacts on agricultural and open space lands or Williamson Act contracts will occur.

### Present and probable need for public facilities and services

- ❖ Minimal growth is anticipated because the area is built out.
- ❖ There will be continued wear and tear on the road system requiring continued service by MCSA.

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

- ❖ MCSA streets do not meet standard widths, but do have sidewalk, curb and gutter improvements.
- ❖ There are additional short-term and long-term improvements planned for both roads.
- ❖ The service provider conducts performance evaluations, productivity monitoring and benchmarking to improve service efficiency.

### Existence of any social or economic communities of interest

- ❖ The Morva community is a social and economic community of interest that pays for services rendered by MCSA through service charges. The community is entirely within MCSA's boundaries and proposed SOI.