COALINGA-HURON CEMETERY DISTRICT

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

Report to the
Fresno Local Agency Formation Commission

MSR 17-12 / SOI-180

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COALINGA-HURON CEMETERY DISTRICT

Burial and interment of human remains

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Management Information

District formation: 1957
Principal act: Health and Safety Code section 9000 *et seq*., Public Cemetery District Law
Special District powers: Prescribed in Government Code Section 9040-9056
LAFCo
Authorized services:[1] Own, improve, and maintain cemeteries and provide interment of human remains

Governing body: Three-member board of trustees appointed by Fresno BOS, District 4

		Appointed	Expires
Board members:	Juanita M. Veliz	03/01/2005	01/07/2019
	Christine R. Lewis	05/18/2010	01/06/2020
	Kenneth Lee Spencer	01/11/2011	01/04/2021

Board meetings: Each second Tuesday of each month at 10:30 a.m., at the District office

Staffing: Two full-time employees, one part time employee and one account consultant

Service Information

Population served: 29,578 people, estimate
Acres served: 560,278 acres
Infrastructure: One nine-acre cemetery facility

Fiscal Information

Budget: $585,693
Sources of funding: Annual property taxes, endowment interest, burial plots, and service fees
Rate structure: Fee schedule, plot fee, and endowment

Administrative Policies

Master plan: Yes **Policies/Procedures:** Yes **SOI boundary formed:** 1976

SOI updated: 2017 **Other:** California Association of Public Cemetery
Coalinga Chamber of Commerce

[1] Pursuant to Government Code sec. 56425(i).

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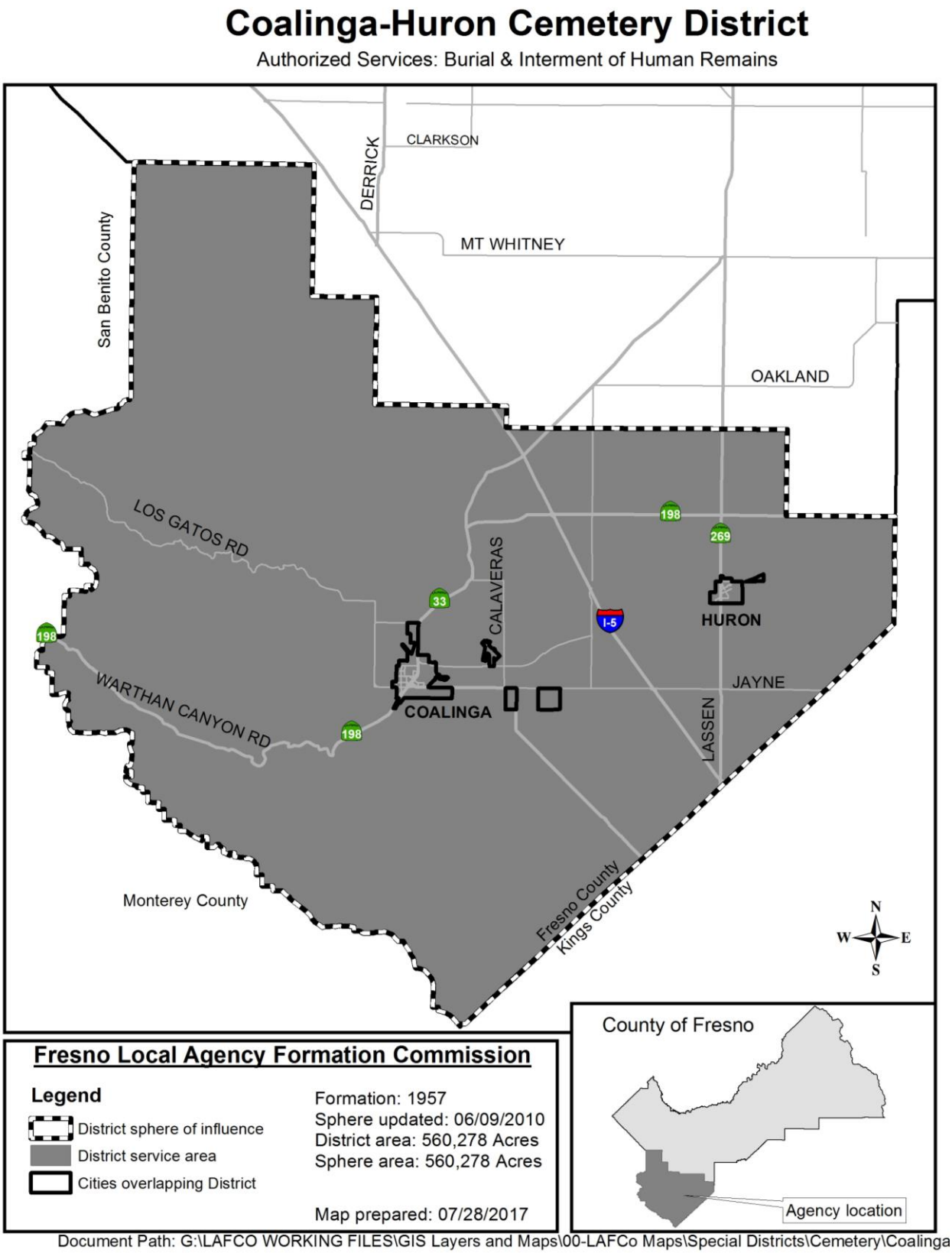
Figure 1- District Map



1. MUNICIPAL SERVICE REVIEW

PRINCIPAL ACT

The California Legislature authorized the creation of public cemetery districts in 1909 through California Public Cemetery District Law, (Health and Safety Code section 9000 *et seq*.). This law was revised in its entirety and recodified effective January 1, 2004. California Public Cemetery District Law provides broad statutory authority for public cemetery districts to own, improve, expand, and operate public cemeteries. [2]

The Coalinga-Huron Cemetery District ("District") was formed in 1957 to provide burial and interment of human remains to meet the cultural, economic, religious, and social needs within the southwest portion of Fresno County near the cities of Coalinga and Huron. The District is an independent special district governed by a three-member board of trustees. The Fresno County Supervisor representing District 4 appoints eligible trustees to four-year terms. Candidates eligible to serve as trustees must be a registered voter and resident within the District's boundaries. The board of trustees is solely responsible for all aspects of the District's operations. State legislation authorizes the board of trustees to appoint an office manager to oversee the District's daily operations. The District's office manager is assisted by two grounds persons.

DISTRICT SERVICE AREA

The District is solely within County of Fresno situated in the southwest corner of Fresno County. The District's jurisdictional boundaries abut the Fresno-Kings County line on the southeast, the Fresno-Monterey County line on the southwest, and Fresno-San Benito County line to the northwest. The District's northern boundaries are generally west of Interstate 5 and south of Oakland Avenue, as shown on Figure 1. The District's service area and sphere of influence (SOI) are coterminous and encompass 560,278 acres.

The District's jurisdictional boundaries abut with Lemoore Cemetery District (Kings County) to the south and Cholame Valley Cemetery District (Monterey County) to the west. There are no cemeteries abutting the District's northern or eastern edges; however, land immediately east of the District is located within Oak Grove Cemetery District's SOI but not inside Oak Grove Cemetery's jurisdictional boundaries. Classified street access through the District's service area include Interstate 5, State Route (SR) 33 Fresno-Coalinga Road, SR 269 Lassen Avenue, and SR 198 West Elm Avenue.

Unlike most other special districts, cemetery districts do not hold a monopoly on the services they provide within their jurisdictional boundaries. Private cemeteries, both religious and secular, can and do compete with public cemeteries particularly in more urbanized areas. As such, various private cemeteries can exist inside the jurisdictional boundaries of a public cemetery district.

[2] Health and Safety Code (HSC) sec. 9000.

AUTHORIZED DISTRICT SERVICES

Under Government Code (GC) section 56425(i), "when adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts." The scope of District services is set forth in Public Cemetery District Law, wherein a cemetery district is authorized by its principal act to exercise all rights and power, expressed or implied under HSC section 9040-9056. A cemetery district may own, operate, improve, and maintain cemeteries and provide interment services within its boundaries. The District has exclusive jurisdiction and control over its facilities maintenance and management. According to District's principal act, public cemeteries have broad authority to exercise the following powers:

- To acquire by purchase, eminent domain, grant, gift, lease any real property;
- To sell, lease, or otherwise dispose of any real or personal property ;
- To donate any surplus real or personal property to any public agency or nonprofit organizations;
- Engage necessary employees, to define their qualifications and duties, and to provide a schedule of compensation for performance of their duties;
- To engage counsel and other professional services;
- To enter into and perform all necessary contracts;
- To adopt and enforce rules and regulations for the administration, maintenance, operation, and use of cemeteries;
- To enter joint powers agreements ;
- To appoint advisory committees to make recommendations for the ownership, improvement, expansion, and the operation of cemeteries owned by the district and the provision of interment services; and
- Burial and interment of human remains.

FRESNO LAFCO MSR POLICY

A Municipal Service Review (MSR) is required in order to prepare or update a local agency's sphere of influence. It is LAFCO's observation that many special districts within Fresno County typically do not request or experience modifications to their service area or request an update or revisions to the Commission's adopted SOI for the subject agency.

While the Commission is not required by law to make any changes to a SOI, the Commission may, at its discretion, opt to reaffirm, expand, delete a SOI, or approve, deny, or approve with conditions any changes of organization or reorganization impacting the governmental agency as a result of the information gathered during the MSR update process.[3]

In accordance with GC sec. 56066, Fresno County is the principal county. Fresno LAFCo is responsible for updating the SOI for the District consistent with GC sec. 56425(g). In order to update the agency's SOI, Fresno LAFCo has prepared this service review consistent with GC sec. 56430.

[3] Fresno Local Agency Commission – Policy 107 – Municipal Service Review Policy.

DISTRICT GROWTH AND POPULATION PROJECTIONS

In this section of the MSR, demographic information gathered from the US Census - American Community Survey (ACS) five-year reports for the 2011-2014 period, as well as land use policy documents adopted by the land use authorities is used to estimate population growth within the District's service area.

Geographic Information System (GIS) files were derived from the U.S. Census Bureau to estimate a current population for territory inside the District. According to the ACS U.S. census tracts/block group units located within the District, there is an estimated total population of 29,578 people inside the District's boundaries.[4] These population estimate does not exactly match the boundaries of the District, but provides a basis for reviewing possible future demands for cemetery services in the areas served by the District.

The District primarily encompasses unincorporated land within Fresno County with the exception of the cities of Coalinga and Huron. Population concentrations within the District primarily occur inside cities of Coalinga, Huron; and, secondary within unincorporated commercial locations and rural settlement residential areas, both identified in the Fresno County General Plan.

The County of Fresno is the land use authority for all unincorporated territory inside the District's service area. The incorporated cities of Coalinga and Huron are within the District's boundaries, and each is the land use authority within their city limits. The respective general plans for the Cities of Coalinga and Huron designate a variety of urban uses within their corporate limits and for territory outside their boundaries which in their judgment bears relation to their planning.

Unincorporated Fresno County

The Fresno County General Plan designates the majority of the land within the District for Agricultural uses and land area west of City of Coalinga as Westside Rangeland. The District's service area is identified within Fresno County's Coalinga Regional Plan (CRP). According to the CRP, the County of Fresno provides for the long-term preservation of productive agricultural land. County Policy indicates that it supports the concentration of urban development within the City of Coalinga.[5]

The Fresno Council of Governments (COG) provides growth projections for Fresno County and the spheres of influence of each of its cities between 2015 and 2050. The Fresno COG anticipates a 0.4 percent annual population growth rate for unincorporated areas outside of cities' SOIs.[6] According the Fresno County General Plan, rural settlement areas surrounded by

[4] Calculated population by LAFCo based on esix US census tracts, 18 block group units within the District. July 31, 2017.
[5] Coalinga Regional Plan, Land Use Element - 2.00 Objectives (a) and (c), page 3.
[6] Table 21- Projection of Total Population: Fresno County and Local Jurisdictions: 2015-2050, Fresno County 2050 Growth Projections, Fresno Council of Governments, http://www.fresnocog.org/sites/default/files/publications/RTP/2018_RTP/Fresno_COG_2050_Projections_Final_Report_050417.pdf.

agricultural and open space have historically experienced little growth since their establishments. Substantial population growth in these areas is not anticipated in the future.[7]

City of Coalinga

The City of Coalinga contains the largest population concentration within the District's boundaries. Coalinga's city limits encompass 4,143 acres, while the Coalinga SOI encompasses 5,154 acres. There are 1,011 acres within the Coalinga SOI suitable for future urban development. According to the U.S. Census information, the City of Coalinga has an estimated population of 16,940 people, and a housing stock of 4,472 units.[8]

According to Coalinga's 2005-2025 General Plan, the City of Coalinga uses an annual growth rate of 3.5% to forecast its future growth. Similarly, the City's General Plan estimates an average household size of 3.18 persons per unit to estimate its household population. The City's general plan uses two scenarios to estimate its future population for 2025: 1) A population of 22,188 people by 2025 using a 3.5% and 2) A population of 38,850 people by 2025 using the average growth rate and completion of development projects currently proposed to the City should they be completed by 2025.[9]

COG projects population in the Coalinga SOI to grow by 5,170 people over the 35-year period of 2015-2050, the equivalent of a more conservative 0.8 percent annual population growth rate.[10] The Fresno COG projects the City of Coalinga will reach a population of 18,170 by 2025, and a population of 21,700 by 2050.

City of Huron

The City of Huron encompass 1,041 acres, while the City's SOI encompasses 1,170 acres. There are 129 acres within Huron's SOI suitable for future urban development. According to the U.S. Census information, the City of Huron has an estimated population of 6,792 people, and a housing stock of 1,861 units.[11]

According to City of Huron's 2025 General Plan Policies Statements, Huron's goal is to achieve an optimal balance of residential, commercial, industrial, and open space land uses, while preserving the City's unique character. LAFCo does not anticipate significant population growth to be generated by the City of Huron.

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[7] County of Fresno, General Plan Agriculture and Land Use Element, page 2-26.
[8] U.S. Census, American Fact Finder – American Community Survey 5 year estimates, 2011-15, Coalinga City, California. Accessed, July 31, 2017.
[9] City of Coalinga 2005-2025 General Plan, Chapter 2 Land Use Element Table 2-3, Estimated Annual Growth.
[10] Table 21- Projection of Total Population: Fresno County and Local Jurisdictions: 2015-2050, Fresno County 2050 Growth Projections, Fresno Council of Governments, http://www.fresnocog.org/sites/default/files/publications/RTP/2018_RTP/Fresno_COG_2050_Projections_Final_Report_050417.pdf.
[11] U.S. Census, American Fact Finder – American Community Survey 5 year estimates, 2011-15, Huron City, California. Accessed, July 31, 2017.

COG projects population in Huron's SOI to grow by 1,510 people over the 35-year 2015-2050 period, the equivalent of a more conservative 0.6 percent annual population growth rate.[12] The Fresno COG projects the City of Huron will reach a population of 7,600 by 2025, and a population of 8,330 by 2050.

District Interment Rate

Health and Safety Code identifies those authorized to be interred in a cemetery district's facilities.[13] The deceased must have been a resident or taxpayer of the district, or former resident or taxpayer of the district who purchased burial plots prior to leaving the area. Family members are eligible for interment, but are limited to spouses, parents, grandparents, children, and siblings.

Qualified non-residents may be interred in any cemetery in the District providing the trustees have determined there is adequate space available to meet the foreseeable needs of the District and a non-resident fee is paid. In addition, any person not otherwise eligible may be interred in a District cemetery if private facilities are not available within a radius of 15 miles of the deceased's residence.[14]

The District informed LAFCo that it annually averages 60 interments. The District informed LAFCo that only 4.8 acres of its 5.3-acre cemetery facility is developed with burial sites. The District has approximately 20 acres available for future expansion. The District's 20-acre reserve is located immediately east and south of the existing cemetery facility. Assuming an industry standard planning estimate of 550 plots per acre, the District's 20-acre reserve could accommodate approximately 11,000 future interments. Based on industry standards, the District has interment capacity beyond LAFCo's 20 to 25-year SOI planning horizon.

Communication with the District indicates that it has no plans to request an SOI expansion or annex any future territory into the District. LAFCo expects that growth of District facilities will occur through the development of its existing facilities or the purchase/lease of real property within the District boundaries.

DISADVANTAGED UNINCORPORATED COMMUNITIES

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires LAFCo to make determinations regarding "disadvantaged unincorporated communities" ("DUCs") when considering a change of organization, reorganization, SOI expansion, and when conducting municipal service reviews.

For any updates to a SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, the

[12] Table 21- Projection of Total Population: Fresno County and Local Jurisdictions: 2015-2050, Fresno County 2050 Growth Projections, Fresno Council of Governments, http://www.fresnocog.org/sites/default/files/publications/RTP/2018_RTP/Fresno_COG_2050_Projections_Final_Report_050417.pdf.
[13] HSC section 9060-9069.
[14] HSC section 9061.

Commission shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any disadvantaged unincorporated community within or contiguous to the SOI of a city or special district.

GC sec. 56033.5 defines a DUC as: i) all or a portion of a "disadvantaged community" as defined by sec. 79505.5 of the Water Code (territory with an annual median household income (MHI) that is less than 80 percent of the statewide annual median household income and as defined in GC sec. 56046 and WC sec. 79505.5); and a status of ii) "inhabited territory" (12 or more registered voters), as defined by GC sec. 56046, or as determined by Commission policy.

Fresno LAFCo policy further refines the definition of a DUC as having at least 15 dwelling units at a density not less than one unit per acre.

Geographic Information System (GIS) files were derived from the US Census Bureau's American Community Survey (ACS) compiled for the five-year period 2010-2014 to identify the demographic composition for the various census geographies. Although the ACS provides annual and three-year estimates, the five-year reports between years 2010-2014 provide more precise data and mapping information for analyzing small populations. The five-year reports are the most reliable form of information generated by the US Census bureau.[15] The statewide MHI reported for years 2010 through 2014 was $61,489. Hence, the calculated threshold for a DUC is any geographic unit with a reported MHI that is less than $49,191. The census block group data was utilized to provide the economic and population backgrounds for this section of the MSR.

For the purposes of this section, Fresno LAFCo observes that majority of the District contains rural agriculture land uses while City of Coalinga and Huron hold the majority of the District's population. A substantial portion of the District's eastern side is considered by water code as Disadvantaged Communities; however, no areas were identified that satisfied Fresno LAFCo's DUC definition.

DISTRICT INFRASTRUCTURE

The District's infrastructure consists of three contiguous parcels, combined the three parcels make up the District's 25.3-acre cemetery site located at 40054 Calaveras Avenue, Coalinga, CA 93210. The District cemetery facility is also commonly known as the "Pleasant Valley Cemetery." As previously noted, of the total 25.3-acre cemetery site only 4.8 acres are developed with burial sites. The District has approximately 20 acres on reserve available for future expansion. The District's cemetery facility has sufficient space to develop farther east and south of the existing facility.

The District also owns the District office building, a shop, equipment, and machinery needed to provide burial and interment services. The District management maintains an equipment/machinery roster that annually is reviewed by the office manager to identify potential maintenance needs, replacements, or new investments.

[15] US Census Bureau, http://www.census.gov/acs/www/guidance_for_data_users/estimates/.

The District's office building and visitors building are plumbed to the City of Coalinga. The District pays a monthly user fee of $1.85 per 1,000 cubic foot of water used to the City of Coalinga. The District informed LAFCo that it does not have an active District well, so the cemetery facility is currently not irrigated. In the past, the District irrigated its cemetery facility; however, Coalinga's water fees became excessive for the District to continue irrigating.[16] The District informed LAFCo that prior to California's driest years 2014-2016, the District reduced irrigation times to avoid exhausting its funds in keeping the cemetery green.

During the preparation of this report, the District informed LAFCo that it previously relied on a neighboring well located less than a mile from the cemetery for its irrigation water; however, the well broke down early 2000s.

The District then transferred its connection from the private well to the City of Coalinga. The District informed LAFCo that it previously considered drilling a new well site within the cemetery facility, and even received construction estimates from well drilling companies in the Coalinga area. The District was advised that a potential well would need to be drilled at a greater depth than 2,000 feet to find water, and this project ran the risk of potentially not producing an adequate long-term water supply for the District.

The District informed LAFCo that to drill a new well for the District it would cost close to $250,000 up to $300,000. The estimates account for securing necessary permit approvals, well pump equipment, and necessary irrigation water system and connections improvements. The District informed LAFCo that under its current circumstances the risk for drilling a potentially nonfunctional well is high and the District is not in position to fund a potential liability. The District is not supportive of passing well construction costs to its customers.

LAFCo observes that the District should take steps to secure a more reliable and affordable water source; whether it is contracting with City of Coalinga to obtained reclaimed water to irrigate, or transition to a low watering - drought tolerant landscape.

DISTRICT FINANCES

This section of the MSR includes financial information provided by District management. The District provided financial data to LAFCo so that it can determine if the District has sufficient revenues and financial systems to continue its provision of services to its customers. The following information and analysis is based on annual budgets and supportive documents made available by the District.

Consistent with the District's bylaws, prior to June 30 of the preceding year, the District prepares a budget for the next succeeding year beginning July 1. The District adopts an annual budget on or before August 30th of each year.[17] The District's budget projects anticipated revenues and expenditures using line items for the upcoming fiscal year. The District reports its budget to the County of Fresno each upcoming fiscal year.

The District reports its financial activities using two major governmental funds:

[16] LAFCo communication with District Office Manager, July 13, 2017.
[17] HSC sec. 9070-9079 *et seq*.

- General Fund – the District's major operation fund that accounts for all the agency's financial activities.
- Endowment Care Fund – a legislatively-mandated fund that accounts for maintenance activities of District facilities.

The District's primary source of revenue is the annual property tax charged to all parcels within the District's boundaries. The District receives its share the 1% property tax based on its pre-Proposition 13 level of taxation through the Fresno County Auditor-Controller/Treasurer–Tax Collector. Taxes are levied on January 1 of each year for the Fiscal Year beginning July 1. Taxes are due by August 15 for personal property and by December 10 and April 10 of the following year for real property.

Additionally, the District receives revenue from plot sales and services, intergovernmental agreements, and land interest generated by sold plots, from fees charged for services provided, operation grant funding and contributions.[18]

During fiscal year (FY) 2015-16, the District budget amounted to $585,600. The District's expenditures amount to approximately $264,655. At the time this MSR was prepared, the District's FY 2015-2016 budget presented there were no anticipated deficits. During FY 2015-16, the District showed a total reserve account of $320,945.

The District has approximately $567,086 in its available cash and reserves. According to the District's budget, the District has a total of $557,086 with the Fresno County Treasury, of which approximately $220,386 is in reserve and $336,700 not in reserve.

The District's annual property tax revenue amounts to an average of approximately $120,000. Additional revenues are generated from interest rates earned on District bank accounts and the endowment fund. The District's budget identifies $7,600 of interest earned from its bank accounts. The District's revenue program for the year anticipates $111,300 to be generated from goods and services provided by the District. As previously indicated, the District's FY 2015-16 budget amounted to $585,600 with no anticipated deficit.

The District's budget identifies several expenditures that are summarized in three large categories: Employee Salaries, Service and Supplies, and Fixed Assets. The District's employee salary and benefits category is the largest expenditure at $169,000 of the District's budget. It includes the District's payroll, social security, employee retirement plans, workers compensation, professional training and insurance costs. The District's service and supplies budgets identifies $81,655, which allocates funding toward liability insurance, and facility maintenance and operational costs. Under the District's fixed assets category, $14,000 are allocated toward District equipment, improvement of cemetery sites, and property purchases. The District's total expenditures for FY 2015-16 amount to approximately $264,655. The District showed $320,945 in its total reserves, which is also known as the Endowment Care Fund.

The District has annual audits performed by independent certified public accountants. The audits are submitted to the Fresno County Auditor and State Controller consistent with Health and Safety Code.

[18] Coalinga Huron Cemetery District, Report on Audit of Financial Statement for Year Ended June 30, 2015.

The District provided LAFCo with its three most current independent financial statements for the years ended on June 30, 2013, June 30, 2014, and June 30, 2015, prepared by an Auditor-independent Certified Public Accountant. The auditor's report provides LAFCo an overview representation on the District's financial practices.

According to the auditor's report, District accounts are organized on the basis of fund accounting, and it utilizes a "general fund" structure for its appropriations. Under fund accounting, different types of District operations are accounted for in different funds, each with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate.

The auditor's report indicates that at the time the financial audit was preformed, the District's financial practices conformed with Government Accounting Standards Board (GASB). The GASB is an organization whose main purpose is to improve and create accounting reporting standards or generally accepted accounting principles.

The District has an established endowment fund that could be used to maintain burial lots and the cemetery in perpetuity. The endowment fund is financed from user fees.

In the auditor's report dated June 30, 2015, the District reported a total net assets balance of $666,300, which represents a $400 increase compared to the previous year. The entire amount is either invested in capital assets or restricted for maintenance of the cemetery facilities.

As of the end of June 30, 2015 FY, the District's income was $119,000, which represents a $4,400 increase compared to the previous year. According to the District's financial statements, the District had an expense increase of $21,200 that created a net decrease of approximately $16,800 in the overall operation loss at the end of June 30, 2015.

For the year ending on June 30, 2015, the District's tax revenue category increased by $5,300 and interest rates increased by $300.

As of the end of June 30, 2015 FY, the District's pooled money investments included the following cash balances: $57,776 in the Fresno County Treasury and $500,693 in the Endowment Care Fund. All investments are interest producing and interest earned can be redeemed by the District at full cash value. The District earned from both accounts a total of $7,671 for the year ending on June 30, 2015.

The District has an established endowment fund. California law requires public cemetery districts to maintain an Endowment Care Fund and to collect an endowment care contribution for every interment right sold in a public district cemetery.[19] The District collects contributions to the endowment with each plot sale and the contribution ranges from $90 to $215 per plot sold. The purpose of the Endowment Care Fund is to create a fund, the principal of which may never be used for any purpose, but which generates interest (additional income) which is then used for the perpetual care and maintenance of district cemeteries. Once deposits are made into the Endowment Care Fund, they can never be withdrawn or refunded to contributors. The

[19] Health & Safety Code section 9065.

District showed $500,963 in its Endowment Care Fund at the time the financial audit was performed.

Public Facilities, Opportunities for shared Facilities

This section of the MSR considers the use of shared facilities, and their potential to offset costs or promote greater efficiency in provision of services within the region. The District service area overlaps with the following types of special districts:

- Kings River Conservation District
- Fresno County Fire Protection District
- Coalinga-Huron Unified School Library District
- Coalinga-Huron Mosquito Abatement District
- West Fresno County Red Scale District
- Coalinga Hospital District
- Westside Resource Conservation District
- Pleasant Valley Water District
- Westlands Water District

The District is the only public cemetery in Southwest Fresno County. LAFCo notes that opportunities for shared facilities are limited to equipment, cemetery site, agency personnel, or office buildings.

Government Accountability

This section of the MSR considers various topics, such as compliance with state disclosure laws, the Brown Act, public participation, i.e. open meetings, accessible staff, election processes, and the agency's governing structure. Additionally, this section of the MSR considers the agency's level of participation with the Commission MSR program.

The California Legislature authorized the creation of public cemetery districts in 1909 through California Public Cemetery District Law. The Public Cemetery District Law was revised in its entirety and recodified effective January 1, 2004.

California HSC section 9000 *et seq*. requires each public cemetery district to have a board of trustees of at least three members to govern the District's operation. The Fresno County Supervisor from District 4 is responsible for appointing persons who are registered voters and residents within the District boundaries to serve on the board. Fresno County is not responsible for providing any income or support to the District.

Each trustee is required to take the oath of office prior to being appointed to the District's Board and file a Form 700s – Statements of Economic Interests—upon taking office, annually, and upon leaving office. Public Cemetery District Law requires trustees to exercise their independent judgment on behalf of the interests of the residents, property owners, and the public as a whole and to represent the interests of the public as a whole and not solely the interests of the Board of Supervisors.[20]

[20] HSC section 9022.

The District is an independent special district governed by a three-member board of trustees, and functions independently from the County. The terms of trustees must be staggered by appointments to terms of less than four years; otherwise, the term of office for trustees is four years.[21] The current District board of trustees' terms are staggered and are set to expire in consecutive years as follows 2019, 2020, and 2021. The District board of trustees do not receive compensation for attending district board meetings; however, the District does pay travel and incidental expenses incurred in the performance of official District business such as training sessions.[22] The major functions of the trustees is to set policy, define goals and objectives, and adopt rules and regulations as the custodians of the District's property. The board has appointed an office manager to carry out District policy, direct the agency's operations, provide daily supervision of staff and facilities, and administer the District's expenditures and to serve as the District secretary. The office manager is assisted by two cemetery grounds men and one accounting consultant. The District's daily operations are performed by two full-time employees and one part-time employee. The District has adopted policy that defines the District's personnel structure and its administrative hierarchy.

The office manager is responsible for the overall operation of the District, including but not limited to arranging burials, cemetery premises maintenance, preparation of the annual budget, and maintenance of financial accounts, billings, and payroll. The two grounds men are full-time employees and help to maintain the grounds and assist with burial events. The accounting consultant is a Certified Public Accountant that assists the District prepare its annual audited financial statements.

Regular board meetings are held at 10:30 a.m. on the second Tuesday of each month at the Coalinga Huron Cemetery District office located at 40054 Calaveras Avenue, Coalinga, CA 93210. The board has the discretion to shift the date, time and place of its regular board meetings provided that there is adequate notice provided to the public. Special meetings may be called by the board chair or by a majority vote of the board of trustees. All board meetings are noticed consistent with the Ralph M. Brown Act and the District's Bylaws and General Provisions.

Prior to any board meeting, an agenda listing all items to be transacted by the board is prepared as specified by the District's Policy, and posted 72 hours in advance for public review at the District office. Agendas for special meetings are posted at least 24 hours before the meeting, and interested parties are contacted by District personnel. District board meetings are open to the public. Each agenda includes an opportunity for the public to address the board on items not on the agenda, and within the jurisdiction of the District.[23]

As of January 1, 2004, statute requires that all public cemeteries adopt policies and procedures, including bidding regulations, governing the purchase of supplies and equipment.[24] The District provided LAFCo a copy of the District's policies and rules of order that outlines the District's government structure. Additionally, the District has an adopted Mission Statement, as well as, internal governance general provisions that identify the District's purpose, roles and

[21] HSC section 9024.
[22] Coaling-Huron Cemetery District Bylaws.
[23] Coalinga-Huron Cemetery District Bylaws and General Provisions.
[24] HSC section 9044 (a).

responsibilities, government culture, and structure and process. The District has adopted long-term goals that identify the District's vision and ongoing improvement projects. The District trustees annually reviews its goals and makes necessary updates on an as needed basis.

The District is a member of the California Association of Public Cemeteries (CAPC). The CAPC serves and promotes cooperation among California's public cemeteries to stimulate the healthy development of local governance by sharing emerging operation methods and procedures, share best practices information, share quarterly newsletters, and to foster education of public cemetery boards and supporting personnel.[25]

The District informed LAFCo that board members are familiar with the Brown Act, and each trustee is provided a hard copy of the Brown Act. Each board member and District officer receives bi-annual training on the Brown Act and the Fair Political Practices Commission (FPPC). The District attends Brown Act and FPPC trainings provided by either California Special District Association, or California Association of Public Cemeteries.

The District's government structure is appropriate to ensure adequate services are provided and managed.

Any Other Matters Related to Effective or Efficient Service Delivery

District Cemetery Facility

During the preparation of the service review, LAFCo was contacted by a dissatisfied family member of a person who has been interned at the District's facility. Specific complaints include lack of facility maintenance, non-irrigated grounds, and concerns with financial management of public funds.

The District's office manager informed LAFCo that the customer's dissatisfaction is directly linked with the District's decision to become a non-irrigated facility. With the lack of irrigation, the cemetery's turf has dried and deteriorated to dirt and remnants of dried grass. California's recent drought years have affected the District's irrigation practices, and the District is conservative with its water usage. Other than the aesthetic dissatisfaction, the District has not receive any additional formal written complaints.

During the preparation of the service review, LAFCo observed that the District adopted long-term goals that address plans to improve the cemetery's landscape areas, to manage its water resources, and maintain community involvement. LAFCo observes that the community's complaints about the condition of the cemetery rest are within the jurisdiction of the District board of trustees, which is solely responsible to resolve either the complaints or improve the condition of the cemetery.

[25] California Association of Public Cemeteries, http://www.capc.info/about_CAPC.html, July 27, 2017.

Sustainable Groundwater Management Act

The District does not pump groundwater, nor does it irrigate its cemetery facility. The District's office and shop buildings are connected to the City of Coalinga's public water supply system.

The District's jurisdictional boundaries overlap with the Pleasant Valley Groundwater Sustainability Agency (PVGSA).[26] The PVGSA is composed entirely by the Pleasant Valley Water District. Under State statute, a GSA is responsible for developing and implementing a groundwater sustainable plan (GSP) to meet the sustainability goal of the basin to ensure that it is operated within its sustainable yield, without causing undesirable results.[27] As such, LAFCo anticipates that within the next five years the local GSAs will work with all groundwater users to establish recharge programs to offset and balance groundwater usage within the groundwater table.

[26] California Department of Water Resources, SGMA Portal, http://sgma.water.ca.gov/portal/gsa/print/211.
[27] California Department of Water Resources, SGM Sustainable Groundwater Management, http://www.water.ca.gov/groundwater/sgm/gsa.cfm.

2. MSR DETERMINATIONS

This portion of the report addresses the factors specified in the governing statute for Municipal Service Reviews and provides analysis in conformance with GC section 56425 and Fresno LAFCo policy. Pursuant to GC section 56430, the Commission has prepared the following written determinations.

1. Growth and Population Projections for the Affected Area

- Population concentrations within the District primarily occur inside cities of Coalinga, Huron. Secondary population concentrations are within the unincorporated commercial locations and rural settlement residential areas in Fresno County.

- The County of Fresno is the land use authority for all unincorporated territory inside the District's service area. The incorporated cities of Coalinga and Huron are within the District's boundaries, and each is the land use authority within their city limits.

- Coalinga's city limits encompass 4,143 acres, while the Coalinga SOI encompasses 5,154 acres. There are 1,011 acres within the Coalinga SOI suitable for future urban development. The City of Huron encompass 1,041 acres, while the City's SOI encompasses 1,170 acres. There are 129 acres within Huron's SOI suitable for future urban development.

- According to the ACS U.S. census tracts/block group units located within the District, there is an estimated total population of 29,578 people inside the District's boundaries.

- The District informed LAFCo that it annually averages 60 interments. The District informed LAFCo that only 4.8 acres of its 5.3-acre cemetery facility is developed with burial sites. The District has approximately 20 acres available for future expansion. The District has interment capacity beyond LAFCo's 20 to 25-year SOI planning horizon.

- Communication with the District indicates that it has no plans to request an SOI expansion or annex any future territory. LAFCo expects that District growth will occur through expansion of its existing facilities or the purchase/lease of real property within the District boundaries.

2. The Location of and Characteristics of any Disadvantaged Unincorporated Community within or contiguous to the Sphere of Influence

- Fresno LAFCo observes that majority of the District contains rural agriculture land uses; however, no areas were identified that satisfied Fresno LAFCo's DUC definition.

3. Present and Planned Capacity of Public Facilities and Infrastructure Needs or Deficiencies

- The District's infrastructure consists of three contiguous parcels, combined the three parcels make up the District's 25.3-acre cemetery site located at 40054 Calaveras Avenue, Coalinga, CA 93210.

- Of the total 25.3-acre cemetery site only 4.8 acres are developed with burial sites. The District has approximately 20 acres on reserve available for future expansion.

- The District's general manager annually reviews and identified the District's infrastructure needs, repairs, and improvements expenditures and allocates funding for the upcoming year.

- The District's office building and visitors building are plumbed to the City of Coalinga. The District pays a monthly user fee of $1.85 per 1,000 cubic foot of water used to the City of Coalinga. The District informed LAFCo that it does not have an active District well, so the cemetery facility is currently a non-irrigated facility.

- The District previously relied on a neighboring well located less than a mile from the cemetery for its irrigation water; however, the well broke down early 2000s.

- The District informed LAFCo that it previously considered drilling a new well site within the cemetery facility, and even received construction estimates from well drilling companies in the Coalinga area. The District was advised that a potential well would need to be drilled at a greater depth than 2,000 feet to find water, and this project ran the risk of potentially not producing an adequate long-term water supply for the District.

- The District informed LAFCo that to drill a new well for the District it would cost close to $250,000 up to $300,000. Under the District's current circumstances the risk for drilling a potentially nonfunctional well is high and the District is not in position to fund a potential liability.

4. Financial Ability of Agency to Provide Services

- Consistent with the District's bylaws, prior to June 30 of the preceding year, the District prepares a budget for the next succeeding year beginning July 1. The District adopts an annual budget on or before August 30th of each year.

- The District's primary source of revenue is the annual property tax charged to all parcels within the District's boundaries. The District receives its share the 1% property tax based on its pre-Proposition 13 level of taxation through the Fresno County Auditor-Controller/Treasurer–Tax Collector.

- The District receives revenue from plot sales and services, intergovernmental agreements, and land interest generated by sold plots, from fees charged for services provided, operation grant funding, contributions, and capital grants.

- The District's financial practices conformed with generally accepted accounting principles (GAAP).

- During fiscal year (FY) 2015-16, the District budget amounted to $585,600. The District's expenditures amount to approximately $264,655. At the time this MSR was prepared, the District's FY 2015-2016 budget presented there were no anticipated deficits.

- The District has approximately $567,086 in its available cash and reserves. According to the District's budget, the District has a total of $557,086 with the Fresno County Treasury, of which approximately $220,386 is in reserve and $336,700 not in reserve.

- The District has annual audits performed by independent certified public accountants. The audits are submitted to the Fresno County Auditor and State Controller consistent with Health and Safety Code.

- The District has an established endowment fund. The District showed $500,963 in its Endowment Care Fund at the time the financial audit was performed.

5. Status of, and opportunities for, shared facilities

- Opportunities for shared facilities are limited to the District's administration and/or public facilities given that the District is the only public cemetery in the Coaling-Huron area.

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

- The District is an independent special district governed by a three-member board of trustees, and functions independently from the County.

- The current District board of trustees' terms are staggered and are set to expire in consecutive years as follows 2019, 2020, and 2021. The District board of trustees do not receive compensation for attending district board meetings; however, the District does pay travel and incidental expenses incurred in the performance of official District business such as training sessions.

- The board has appointed an office manager to carry out District policy, direct the agency's operations, provide daily supervision of staff and facilities, and administer the District's expenditures and to serve as the District secretary. The office manager is assisted by two cemetery grounds men and one accounting consultant.

- The District has adopted rules and regulations. The District's rules and regulations identifies agency procedures as it relates to care of graves and cemetery grounds, burials, fees and charges, legal provisions, and liabilities.

- The District's government structure appears to be appropriate to ensure adequate services are managed and provided to its ratepayers, and within the Coalinga-Huron area.

7. Any other matters related to effective or efficient service delivery, as required by commission policy

- The District has adopted long-term goals that address plans to improve the cemetery's landscape areas, to manage its water resources, and maintain community involvement. Cemetery aesthetic conditions rest within the jurisdiction of the District board of trustees, which is solely responsible for the ongoing maintenance of the cemetery facility.

- The District does not pump groundwater, nor does it irrigate its cemetery facility. The District's office and shop buildings are connected to the City of Coalinga's public water supply system.

- The District's jurisdictional boundaries overlap with the Pleasant Valley Groundwater Sustainability Agency (PVGSA). LAFCo anticipates that within the next five years the local GSAs will work with all local agencies and public cemeteries that rely on groundwater pumping to establish recharge programs to offset and balance groundwater usage within the groundwater table.

3. SPHERE OF INFLUENCE UPDATE

When Fresno LAFCO updates, amends, or revises a sphere of influence for a local governmental agency within its purview, it must adopt specific determinations with respect to the following factors:

1. PRESENT AND PLANNED LAND USES, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS

- The County of Fresno and Cities of Coalinga and Huron are the land use authorities for territory inside the District's service area. The Fresno County General Plan designates majority of the land within the District for agricultural uses. Coalinga's General Plan Land Use Element designates urban uses for the areas inside the City and its SOI. Likewise, Huron's General Plan Land Use Element designates urban uses for the areas inside the City and its SOI.

- The Fresno County General Plan designates a majority of the land within the District for agricultural uses with the exception of Cities of Coalinga and Huron.

2. PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA

- The District's infrastructure consists of three contiguous parcels, combined the three parcels make up the District's 25.3-acre cemetery site located at 40054 Calaveras Avenue, Coalinga, CA 93210.

- Of the total 25.3-acre cemetery site, only 4.8 acres are developed with burial sites. The District has approximately 20 acres on reserve available for future expansion. The District's cemetery facility has sufficient space to develop farther east and south of the existing facility.

- The cemetery is non-irrigated. The District's office building and visitors building are plumbed to the City of Coalinga.

- The District's general manager annually reviews and identified the District's infrastructure needs, repairs, and improvements expenditures and allocates funding for the upcoming year.

3. PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE

- The District's facilities are adequate to continue supporting burial and interment of human remains within the Coalinga-Huron area.

4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

- As observed by LAFCo, there no social or economic communities of interest exist near the District relevant to the agency's service provisions.

5. The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

- The District services are limited to burial and interment of human remains, and maintenance of its public cemetery. For the purposes of this section, services provided by the District do not support growth or induce population growth. Fresno LAFCo observes that services provided by the District would not present a direct benefit to a DUC as detailed in the MSR.

4. RECOMMENDATIONS

In consideration of information gathered and evaluated during the Municipal Service Review, it is recommended the Commission:

1. Receive this report and any public testimony regarding the proposed Municipal Service Review and proposed sphere of influence update.

2. Find that the Municipal Service Review is exempt from the California Environmental Quality Act pursuant to section 15306 (Information Collection).

3. Approve the recommended Municipal Service Review determinations, together with any changes deemed appropriate.

4. Approve the recommended sphere of influence determinations, together with any changes deemed appropriate.

5. Affirm the existing Coaling-Huron Cemetery District SOI.

6. Recommend that the District take steps to secure a more reliable and affordable water source; whether it is contracting with City of Coalinga or other agency to obtain reclaimed water to irrigate the cemetery facility, or transition the cemetery's landscape to a low watering - drought tolerant landscape.

5. ACKNOWLEDGEMENTS

This Municipal Service Review update was prepared by Fresno LAFCo. Supporting documentation was made available through the effective partnership between District staff and LAFCo. LAFCo extends its appreciation to the District for their assistance in the development of this Municipal Service Review.

Available Documentation – documents used for the preparation of this report consist of public records and are available at the Fresno Local Agency Formation Commission office located at:

Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B
Fresno, California 93721

The Municipal Service Review is available on Fresno LAFCo's website, http://www.fresnolafco.org/default.asp

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