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**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCO)**  
**EXECUTIVE OFFICER'S REPORT**

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AGENDA ITEM NO. 6

**DATE:** September 13, 2017

**TO:** Fresno Local Agency Formation Commission

**FROM:** David E. Fey, Executive Officer 

**BY:** George Uc, Senior LAFCo Analyst

**SUBJECT:** **Consider Adoption:** Municipal Service Review and Sphere of Influence Update for Kingsburg Cemetery District

**Recommendation:** Adopt the Municipal Service Review update prepared for Kingsburg Cemetery District and update the District's spheres of influence by taking the following actions:

- A. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines find that the MSR prepared for Kingsburg Cemetery District is Categorically Exempt from the provisions of CEQA under Section 15306, "Information Collection."
- B. Find that the Municipal Service Review prepared for Kingsburg Cemetery District is complete and satisfactory.
- C. Find that the written determinations and recommendations included within the Municipal Service Review and Sphere of Influence update for Kingsburg Cemetery District satisfy State Law.
- D. Pursuant to Government Code Sections 56425 and 56430 make the required determinations and recommendations for the Municipal Service Review and Sphere of Influence update, and adopt the Municipal Service Review prepared for the subject District, and update the Sphere of Influence for the said District by reaffirming the existing boundaries.

**Executive Summary**

The Kingsburg Cemetery District ("District") was formed in 1925 to provide burial and interment of human remains to meet the cultural, economic, religious, and social needs within the Kingsburg area. The District is a multiple county independent special district governed by a three-member board of trustees. The attached Municipal Service Review (MSR, Attachment B) provides supportive evidence and recommends the affirmation of the District's current SOI. Staff recommends that the Commission affirm the current sphere of influence (SOI).

Kingsburg Cemetery District and the District's Superintendent, Carmen Rojas Jr., actively participated in the development of the MSR and were provided a copy of this report.

## **Cemetery Districts**

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. The Public Cemetery District Law provides broad statutory authority for public cemetery districts to own, improve, expand, and operate public cemeteries.<sup>1</sup>

There are 12 cemetery districts in County of Fresno: Clovis, Coalinga-Huron, Dunlap, Fowler, Kingsburg, Oak Grove, Parlier, Reedley, Sanger/ Del Rey, Selma, Squaw Valley, and Washington Colony.

In accordance with Government Code section 56066, Fresno County is the principal county for Kingsburg Cemetery District and LAFCo is responsible for updating the SOI for the District consistent with section 56425(g). In order to update the agency's SOI, Fresno LAFCo has prepared the attached service review in accordance with section 56430.

## **Kingsburg Cemetery District - Discussion & Summary of Determinations**

The Kingsburg Cemetery District (District) is a multiple-county independent special district governed by a three-member board of trustees and functions independently from the County. The major functions of the trustees are to set policy, define goals and objectives, and adopt rules and regulations as the custodians of the District's property. The board has an appointed District General Manager to carry out District policy, direct the agency's operations, provide daily supervision of staff and facilities, and administer the District's expenditures. The District's General Manager, also referred to as the Superintendent, is assisted by one administrative assistant and three grounds persons.

The District's service area and sphere of influence (SOI) encompass portions of three counties, Fresno, Kings, and Tulare Counties. For the purposes of LAFCo proceedings, Fresno County is the principal county, meaning that County of Fresno has the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within the district for which a change of organization or reorganization is proposed (emphasis added).<sup>2</sup> The District's service area and SOI are coterminous and encompass 71,710 acres. LAFCo estimates that 33,194 acres are in Tulare County; 27,812 acres are in Fresno County; and 9,704 acres are in Kings County.

The District is centrally located along the southern border of the County of Fresno, as shown on Exhibit A. The largest population concentration within the District occurs inside the City of Kingsburg and the unincorporated community of Traver in Tulare County. With the exception of City of Kingsburg and community of Traver, majority of the land within the District is designated for agricultural use by each of the three counties' general plans. The Counties of Fresno, Tulare, and Kings are the land use authorities for unincorporated areas within the District's service area, while the City of Kingsburg is the land use authority for incorporated areas. The largest growth area anticipated to occur inside the District's service will likely be generated by the City of Kingsburg. According to the ACS U.S. census tracts/block group units located within

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<sup>1</sup> Health and Safety Code (HSC) section 9000.

<sup>2</sup> GC sec. 56066, "Principal County."

the District, there is an estimated total population of 25,955 people inside the District's boundaries.<sup>3</sup>

The District's infrastructure consist of one 38-acre cemetery facility located at 12782 E. Clarkson Avenue, Kingsburg, CA 93631. The District also owns the District office building, a shop, equipment, and machinery needed to provide burial and interment services. The District informed LAFCo that its cemetery facility is in position to grow further north when necessary.

The District informed LAFCo that it annually averages 100 to 110 interments. The District further informed LAFCo that only 20 acres of the 38-acre cemetery are developed with burial sites and 18 acres are available to the District for future expansion. The District's 18-acre reserve is located immediately north of the existing cemetery facility. Assuming an industry standard planning estimate of 550 plots per acre, the District's 18-acre reserve could accommodate about 9,900 future interments. Based on industry standards, the District has interment capacity beyond LAFCo's 20 to 25 year SOI planning horizon. The District's growth is restricted on all sides by other public cemetery districts.

### District Revenue

The District's primary source of revenue is the annual property tax charged to all parcels within the District's boundaries, including land in Tulare and Kings County. The District receives its share of the 1% property tax through the Fresno, Kings, and Tulare County Auditor-Controller/Treasurer-Tax Collector based on its pre-Proposition 13 level of taxation. The District also receives revenue from plot sales, services rendered, intergovernmental agreements, and land interest generated by sold plots, operation grant funding, contributions, and capital grants. For the 2016-17 fiscal year, the District budget amounted to \$1,288,200. At the time this MSR was prepared, the District had no outstanding long-term loans or debt.

The District has an established endowment fund. 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 income, which is then used for the perpetual care and maintenance of district cemeteries. Through June 2016, the District reports \$542,986 had been received by the fund which must remain in the endowment fund. Over \$728,286 in accumulate interest earning is available for the cemetery care and maintenance.

### Issue of Concern and Recommendation

Financial statements project a general fund budget deficit of approximately \$60,411 for the year ending on June 30, 2017. Despite LAFCo's concerns of the District's financial deficit, the District's board informed LAFCo that it strives to keep fees affordable for its customers. The MSR recommends that the District address its FY 2017-18 deficit by reducing expenses or generating sufficient revenue to create a balanced budget.

### Water Resources, Sustainable Groundwater Management Act

The cemetery obtains its irrigation water source from two underground wells; one well is situated in the cemetery's eastside and the second on the west. The eastern well pump has a rating capacity of 300 gallons per minute, and runs two valves. The western well has a similar well rating, however runs three valves. The east and west well are strictly used for irrigation

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<sup>3</sup> Calculated population by LAFCo based on 11 US census tracts, 16 block group units within the District. June 19, 2017.

purposes. The District does not monitor its irrigation groundwater pumping. The District informed LAFCo that all three underground wells have adequate capacity to continue serving the District's needs.

The District's facilities are in completely in the Central Kings Groundwater Sustainability Agency (CKGSA). The District informed LAFCo that it does not actively engage in groundwater recharge programs, nor has it entered into any participation agreements with any of the GSAs overlapping the District's boundaries. 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.<sup>4</sup> As such, LAFCo anticipates that within the next five years the local GSAs will work with all cemeteries that rely on groundwater pumping to establish recharge programs to offset and balance groundwater usage within the groundwater table.

Kingsburg Cemetery District is represented by Consolidated Irrigation District and Fresno County as it pertains to participation with future recharge programs, and interaction with the CKGSA.<sup>5</sup> Likewise, CKGSA and its member agencies together will undertake the implementation of state legislation within the portion of the Kings Sub-basin underlying the GSA's boundary.<sup>6</sup>

#### District Map Update

The 2010 Kingsburg Cemetery District MSR describes the District's service area and sphere of influence (SOI) being coterminous and encompassing 23,000 acres in Fresno County only. The 2010 service review covered only the portions of the District in Fresno County and did not depict or account for District territory within Kings or Tulare Counties. An updated map showing boundaries in all three counties was created for this MSR, and the acreage of the district is properly reflected in its description.

Using the Commission's 20 to 25-year planning horizon for SOIs, District management does not expect any boundary growth or activities to occur. The MSR update recommends the Commission to consider updating the District's SOI by reaffirming the existing boundaries.

#### Comments Received- MSR Public Review Period

Pursuant to LAFCo policy 107-03, the draft MSR shall be posted on the Commission's website with a minimum 21-day public review period. The public review period provides an opportunity for local agencies and public to submit written comments as it pertains to information presented in the draft MSR. On August 23, 2017, the Kingsburg Cemetery District's MSR was made available for public review. No public comments have been received to date.

#### Summary/Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, special districts' Spheres of Influence (SOIs) every five years. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct a *Municipal Service Review* (MSR) for each agency.

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<sup>4</sup> California Department of Water Resources, SGM Sustainable Groundwater Management, <http://www.water.ca.gov/groundwater/sgm/gsa.cfm>.

<sup>5</sup> LAFCo communication with CID General Manager, May 4, 2017.

<sup>6</sup> California Department of Water Resources, SGMA Portal, <http://sgma.water.ca.gov/portal/gsa/all>.

MSRs provide a comprehensive review of the services provided by a city or district and present recommendations with regard to the condition and adequacy of these services and whether or not modifications to a city's or district's SOI is necessary. MSRs can be used as informational tools by LAFCo and local agencies in evaluating the efficiencies of current district operations and may suggest changes in order to better serve the public.

SOI updates may involve an affirmation of existing SOI boundaries or recommend modifications to SOI boundaries. LAFCo is not required to initiate changes to an SOI based on determinations and recommendations of the service review, although it does have the power to do so.

State law requires that the Commission adopt written MSR determinations for each of the following seven criteria:

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

As part of the SOI update, the Commission is required to consider the following four criteria and make appropriate determinations in relationship to each:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The attached MSR present these determinations with District information and the analysis used in support of the Commission's determinations and recommendations.

### **Environmental Determination**

The California Environmental Quality Act ("CEQA") requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. MSRs are categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource." MSRs collect data for the purpose of evaluating municipal services provided by the agencies. There are no physical changes to the environment created by these studies.

There is no possibility that this MSR and SOI update may have a significant effect on the environment because there are no proposed changes to the environment.

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