

***GLENN
LOCAL AGENCY FORMATION COMMISSION***

***ORD BEND
COMMUNITY SERVICES DISTRICT
MUNICIPAL SERVICE REVIEW AND
SPHERE OF INFLUENCE***

**ADOPTED AUGUST 10, 2015
BY RESOLUTION 2015-02**

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GLENN LAFCO

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1 INTRODUCTION

1.1 Role and Responsibility of LAFCO

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (“CKH Act”) (California Government Code §§56000 et seq.), is LAFCO’s governing law and outlines the requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCO to satisfy its legislative charge of “discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301).

CKH Act Section 56301 further establishes that

“one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

Based on that legislative charge, LAFCO serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses.

While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the “probable physical boundaries and service area of a local agency” (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long-term time-relevant data to inform LAFCO’s SOI determinations.

1.2 Purpose of a Municipal Service Review

As described above, MSRs are designed to equip LAFCO with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCO broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services.

The purpose of a Municipal Services Review (MSR) in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. The MSR is intended to provide information and analysis to support a sphere of influence update.

A written statement of the MSR study's determinations must be made in the following areas:

1. Growth and population projections for the affected area;
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence;
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

The MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

1.3 Purpose of a Sphere of Influence

In 1972, LAFCOs were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, "sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission" (§56076). SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Likewise, they are also designed to discourage urban sprawl and the premature conversion of agricultural and open space resources to urbanized uses.

The role of SOIs in guiding the State's growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill ("AB") 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21st Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of LAFCOs to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California's residents, businesses, landowners, and visitors.

The requirement for LAFCOs to conduct MSR was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§56425(g)) with the benefit of better information and data through MSRs (§56430(a)). A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it. LAFCO is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

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.
5. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

1.4 Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

CKH Act Section 56375(a)(8)(A) prohibits LAFCO from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCO.

The legislative intent is to prohibit “cherry picking” by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

2 ORD BEND COMMUNITY

2.1 Ord Bend Area Land Use

Ord Bend¹ is a not a census-designated place (CDP) which means that census data is not available for the community. A map of the Ord Bend area is shown at the end of this report.

The majority of the land within the Ord Bend CSD is designated on the Glenn County General Plan for Agriculture as is shown in the table below. A map of the Glenn County General Plan designations for the area is shown at the end of this report.

Glenn County General Plan Land Use Designation	Acres within Ord Bend CSD and SOI	Percentage
Intensive Agriculture	16,117	99.0%
Rural Residential	47	.003%
Local Commercial	22	.0013%
Industrial	10	.0006%
TOTAL	16,196	100.0%

The zoning designations are also mostly for agricultural land use as shown on the map at the end of this report and in the table below:

Glenn County Zoning Designations	Acres within Ord Bend CSD and SOI	Percentage
Farmland Security Zone: FS-80	5,969	37.0%
Agricultural Preserve Zone: AP-80	1,518	9.0%
Agricultural Preserve Zone: AP-40	563	3.5%
Exclusive Agricultural Zone: AE-40	8,067	50.0%
Rural Residential Estate Zone: RE-1	47	.003%
Local Commercial Zone: LC	22	.0013%
Industrial Zone: M	10	.0006%
TOTAL	16,196	100.0%

The rural nature of the Ord Bend Community Services District enables the District to gain the majority of its revenue from property taxes and to maintain the community hall in this way.

¹ Durham, David L. (1998). *California's Geographic Names: A Gazetteer of Historic and Modern Names of the State*. Quill Driver Books. p. 246. [ISBN 9781884995149](https://www.amazon.com/dp/B000000000).

2.2 Ord Bend CSD Population Data

No census records are available specific for this area. However, the Glenn County Assessor reports that there are 149 houses within the Ord Bend CSD.² Based on the US Census Bureau report of 2.87 persons per household in Glenn County there would be 428 people within the Ord Bend CSD. There are 165 registered voters within the District.³

The Median Household Income is used to determine whether a community is disadvantaged. The State of California Median Household Income is \$61,400.⁴ If the median household income is less than 80% of the State Median household income (less than \$49,120) then the community is disadvantaged. In the case of the Ord Bend Community Services District, the Median Household Income cannot be determined from census records.

2.3 Ord Bend Schools

There are no public schools located within the District. Any children of school age attend schools in Hamilton City, the nearest community to the north.

2.4 Other Services in Ord Bend

2.4.1 Police Protection

Law enforcement is provided by the Glenn County Sheriff's Department.

2.4.2 Fire Protection

Fire services are provided by the Ord Bend Volunteer Fire Department and they have a mutual aid agreement with Hamilton City Fire Department, eight miles to the north, Butte County Fire and the Capay Volunteer Fire Department.

2.4.3 Storm Drains

Since the Ord Bend CSD is in the unincorporated area of Glenn County, the storm drains are maintained by the County of Glenn Public Works Department.

2.4.4 Street Maintenance

Since the Ord Bend CSD is in the unincorporated area of Glenn County, the County of Glenn is responsible for street maintenance in Ord Bend.

2.4.5 Ord Bend Water Service

The community depends on domestic wells for their potable water needs.

² Glenn County Assessor's Office, February 17, 2015 Phone: 530-934-6402.

³ Glenn County Election's Office, February 17, 2015.

⁴ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06021.html>, December 2, 2014.

2.4.6 Medical Services

The nearest service is the Ampla Health facility at 278 Main Street, Hamilton City. This facility provides medical services including physical examinations, family planning, women's health, immunizations, health education, mental health counselling, nutritional counselling and laboratory services.⁵

2.4.7 Power

Electrical power is provided by Pacific Gas and Electric Company.

2.4.8 Park and Recreation Facilities in the Area

Allowable uses at the Ord Bend Park include boat launching, picnicking, and sports activities.⁶ Improvements to the Ord Bend Boat Launching Facility at the Park began in 2014. This project was funded by a \$579,000 grant from the state Department of Boating and Waterways.⁷

On December 23, 2014, Glenn County staff opened the Ord Bend Boat Launch Facility to public use a week ahead of schedule. The project is substantially complete and included removal and replacement of an existing two-lane boat launch ramp utilizing push slab construction techniques and turbidity curtains. The lower portion of the ramp was constructed as a push-slab and the upper section was cast-in-place using a total of 162 yards of concrete. Also installed was an 8 feet wide by 20 feet long aluminum gangway with an 8 feet wide by 60 feet long aluminum boarding float. The existing back water channel was dredged from the end of the boat ramp to the main channel. At the top of the ramp, a portion of the parking lot was removed and replaced to conform to the new concrete ramp. The existing restrooms and sidewalks were also rehabilitated and new fixtures installed to meet today's ADA requirements.⁸

⁵ Ampla Health (formerly Del Norte Clinics, Inc.), Corporate Office, 935 Market Street, Yuba City, CA 95991.

⁶ http://www.sacramentoriver.org/access_site.php?access_site_id=20

⁷ <http://www.dbw.ca.gov/PressRoom/2007/071005BWC.aspx>

⁸ County of Glenn, Planning and Public Works Agency, <http://gcppwa.net/>, February 17, 2015

3 ORD BEND COMMUNITY SERVICES DISTRICT

3.1 Ord Bend CSD Background

The Ord Community Services District was formed in 1958 pursuant to the Community Services District Law (Government Code Section 61000 *et seq.*) to provide public recreation by means of parks, playgrounds, swimming pools or recreation buildings. The Board of Supervisors passed the Resolution declaring the formation of the Ord Community Services District on December 8, 1958. Although the Resolution established the Ord Community Services District, the Board of Directors prefers that the District be known as the Ord Bend CSD so that is the terminology that will be used in this report.⁹

The District was formed when the school was closed and the Community Hall is built on the site of the school. The boundaries of the District are the same as the boundaries of the old school district.¹⁰

3.2 History of Annexations to Ord Bend CSD

There have been no annexations to the District since it was formed in 1958. The District boundary map is shown at the end of this report.

3.3 Ord Bend CSD Contact Information

The Ord Bend Community Services District contact information is as follows:

Ord Bend CSD, 3241 Highway 45, Glenn CA 95943, Phone: (530) 934-4433.

3.4 Ord Bend CSD Board of Directors

3.4.1 Board of Directors Background

The Ord Bend CSD Board of Directors is as follows:

Fred A. Freitas, President	Term ends 2015	934-8102
Angela Cherry, Board Member	Term ends 2017	
John E. Orendorff, Board Member	Term ends 2015	934-9602
Corey Richards, Board Member	Term ends 2015	934-2105
April E. Richards-Senior, Secretary	Term ends 2017	934-4433

The Board meets on the third Thursday of each month (as needed) at 7:00 pm at the Community Hall. The Board members serve as volunteers. The District is fortunate to have a full five-member Board.

⁹ Debbie Lambert, LAFCO Clerk, June 18, 2015

¹⁰ Ord Bend CSD, John E. Orendorff, Board Member, Phone: 530-934-9602, February 18, 2015.

3.4.2 Board of Directors Requirements

According to the Political Reform Act of 1974 as amended each agency in California has to have a Conflict of Interest Code and each public official has to file a Form 700 "Statement of Economic Interests" every year and when assuming and leaving office. Section 87300 of the California Government Code is shown below:

87300. Every agency shall adopt and promulgate a Conflict of Interest Code pursuant to the provisions of this article. A Conflict of Interest Code shall have the force of law and any violation of a Conflict of Interest Code by a designated employee shall be deemed a violation of this chapter.

The California Attorney General's report states the following:

Under the Act, public officials are disqualified from participating in government decisions in which they have a financial interest. The Act does not prevent officials from owning or acquiring financial interests that conflict with their official duties, nor does the mere possession of such interests require officials to resign from office.

The Act's disqualification requirement hinges on the effect a decision will have on a public official's financial interests. When a decision has the requisite effect, the official is disqualified from making, participating in making, or using his or her official position to influence the making of that decision at any stage of the decision-making process.

Conflicts arising out of matters other than a financial interest, such as friendship, family, or general sympathy for a particular viewpoint, are outside the purview of the Act.¹¹

The Act applies to "public officials." (§ 87100.) As that term is used in the Act, it encompasses not only elected and appointed officials in the ordinary sense of the word, but also any "member, officer, employee or consultant of a state or local government agency," including "other public officials who manage public investments." (§ 82048; Regulation, § 18701, subd. (b)(1).)²

Virtually all officers and employees at every level of state and local government are covered, including officials of all special purpose districts in the state.

As to "members," the FPPC has interpreted the Act to apply to the members of all boards or commissions with decision-making authority. (Regulation, § 18701, subd. (a)(1).) It makes no difference whether such board members are salaried or unsalaried. (Com. on Cal. State Gov. Org. & Econ. v. Fair Political Practices Com. (1977) 75 Cal.App.3d 716.)

For example, unsalaried "public members" on boards and commissions are subject to the provisions of the Act, so long as they possess the requisite decision-making authority. (Cal. Atty. Gen. Indexed Letter, No. IL 75-58 (April 8, 1975).)¹²

¹¹ California Attorney General's Office, Conflicts of Interest, 2010, Pages 6-7.

¹² California Attorney General's Office, Conflicts of Interest, 2010, Page 8.

An example of a Conflict of Interest Code is shown at the end of this report in Appendix A. The benefit of adopting a Conflict of Interest Code would be that the code could allow the Form 700 "Statement of Economic Interest" reports to be filed with the Ord Bend Community Services District and thus kept in the District office at the Community Hall.

Even though the code section above mentions employees, the Board members are also required to file Form 700 by Government Code sections 82048 and 87200 as shown below:

82048. (a) "Public official" means every member, officer, employee or consultant of a state or local government agency.

(b) Notwithstanding subdivision (a), "public official" does not include the following:

(1) A judge or court commissioner in the judicial branch of government.

(2) A member of the Board of Governors and designated employees of the State Bar of California.

(3) A member of the Judicial Council.

(4) A member of the Commission on Judicial Performance, provided that he or she is subject to the provisions of Article 2.5 (commencing with Section 6035) of Chapter 4 of Division 3 of the Business and Professions Code as provided in Section 6038 of that article.

(5) A federal officer or employee serving in an official federal capacity on a state or local government agency.

87200. This article is applicable to elected state officers, judges and commissioners of courts of the judicial branch of government, members of the Public Utilities Commission, members of the State Energy Resources Conservation and Development Commission, members of the Fair Political Practices Commission, members of the California Coastal Commission, members of the High-Speed Rail Authority, members of planning commissions, members of the board of supervisors, district attorneys, county counsels, county treasurers, and chief administrative officers of counties, mayors, city managers, city attorneys, city treasurers, chief administrative officers and members of city councils of cities, and other public officials who manage public investments, and to candidates for any of these offices at any election.

The California Attorney General further states

When a Conflict of Interest Code is adopted by an agency, it must be submitted to the "code reviewing body" for approval. (§ 87303.)...Once the Conflict of Interest Code is approved by the code reviewing body, it must be reviewed periodically to determine whether changed circumstances necessitate its amendment. (§ 87306, subd. (a).) A review must occur at least once every two years. (§§ 87306, subd. (b) & 87306.5.) In particular, the list of designated employees and the disclosure categories should be reflective of the agency's current organization and ability to affect economic interests. (§ 87306, subd. (a).) If the agency fails to adopt a Conflict of Interest Code or to initiate

*necessary amendments, a resident of the jurisdiction can compel such amendments through a judicial action. (§§ 87305 & 87308.)*¹³

The Board of Supervisors does send out letters every two years to review the Conflict of Interest Code for the districts within the County.

3.5 Ord Bend CSD Building and Land

The Board has recently upgraded the kitchen facilities at the Community Hall. The Board reports that the Hall is used often for family events such as birthdays, weddings, funerals, and reunions; for community events such as the Fire District annual pancake breakfast; and for educational programs put on for growers by the Glenn County Department of Agriculture, various fertilizer companies or grower associations.

There is no fee for use of the Community Hall but insurance is required and is available from the Golden State Risk Management Association at a reasonable cost.¹⁴

The Ord Bend CSD owns the following buildings and land:

ORD BEND COMMUNITY SERVICES DISTRICT FIXED ASSETS¹⁵				
Asset ID	Class	Date Purchased	Description	Purchase Price
0001880	BD	01/01/1900*	Landscaping	2,990.00
0006323	BD	4/09/2012	Roof overhang extension	20,556.00
0200310	LD	01/01/1900*	Land .73 Acre	1.00
0200311	LD	06/01/1978	Land 2.77 Acres	3,024.00
0200312	BD	05/06/1988	40' x 100' Building Complete	108,079.00
0200313	BD	01/01/1900*	Grounds	1,104.00
0200672	BD	01/01/1900*	Parking lot	29,982.00
TOTAL 06700000 ORD BEND COMMUNITY SERVICES DISTRICT				165,736.00

* Use of this date means purchase date is unknown.

The fixed assets are summarized as follows:

ORD BEND COMMUNITY SERVICES DISTRICT FIXED ASSETS SUMMARY¹⁶	
(BD) Buildings	\$162,711
(LD) Land	\$3,025
Grand Total	\$165,736

¹³ California Attorney General's Office, Conflicts of Interest, 2010, Page 38.

¹⁴ Ord Bend CSD, John E. Orendorff, Board Member, Phone: 530-934-9602, February 18, 2015.

¹⁵ Glenn County Department of Finance, Susan Storz, August 29, 2014.

¹⁶ Glenn County Department of Finance, Susan Storz, August 29, 2014.

3.6 Budget

The 2014-15 budget for the Ord Bend CSD is as follows:

ORD BEND COMMUNITY SERVICES DISTRICT BUDGET 2014-2015¹⁷			
REVENUE 06700000			ACTUAL ¹⁸
14010	Property Tax-Current Secured	19,950	19,285.65
14020	Property Tax-Current Unsecured	1,000	1,014.87
14030	Property Tax-Prior Secured		-83.24
14040	Property Tax-Prior Unsecured		14.28
14046	SB813 Current Secured		372.35
14048	SB813 Prior Secured		-20.62
44300	Interest	200	167.24
52580	HOPTR (Homeowner Property Tax Relief)	250	253.21
74114	Donations		100.00
	TOTAL REVENUE	\$21,400	\$21,003.74
EXPENSES			
03120	Communications	250	0
03140	Household Expense	5,000	1,375.84
03150	Insurance	1,300	1,000.00
03170	Maintenance of Equipment	100	0
03180	Maintenance of Structures	12,500	8,491.45
03220	Office Expense	400	89.49
03230	Professional Services	1,500	0
03240	Publications	200	0
04300	Utilities	3,000	1,146.79
05700	Administrative Expense	800	839.56
05730	A-87 Cost Allocation (to other County departments)	208	190.63
09900	Contingency	4,300	0
	TOTAL EXPENSES	\$29,558	\$13,133.76

The Ord Bend CSD is fortunate that most of the District revenue comes from property taxes. Although the budget is \$8,158 over the anticipated revenue, in most cases the entire amount budgeted will not be spent. This is shown in the above table. The actual revenue for the year was only slightly less than anticipated, while the actual expenses for the year were substantially lower than the budget.

¹⁷ Glenn County Department of Finance, Parker Hunt, February 17, 2015.

¹⁸ Glenn County Department of Finance, Cathy Ehorn, June 8, 2015

3.7 Ord Bend CSD Audit

A budget is a plan for spending money but an audit examines funds actually spent. The Ord Bend CSD had an audit completed for the fiscal year ending June 30, 2008. The following information from the audit is included to show the financial picture of the District as on June 30, 2008.

3.7.1 *Ord Bend CSD Net Position and Fund Balance*

The total Net Position for the District as of June 30, 2008 is shown below:

ORD BEND COMMUNITY SERVICES DISTRICT STATEMENT OF NET POSITION JUNE 30, 2008 ¹⁹	
	Total
Assets	
Cash in Treasury	105,278
Interest received	400
Capital Assets	
Nondepreciable (land)	3,025
Depreciable (building)	54,039
TOTAL	162,742
Liabilities	
Accounts Payable	204
TOTAL	204
Net Position	
Capital Assets (land, building)	57,064
Unrestricted Assets (cash)	105,474
TOTAL	162,742

The above table shows how the Net Position for 2008 is calculated and this is then compared to the Net Position for the previous year in the following table:

¹⁹ Ord Community Services District, Ord Bend, California, Report on Audit of Financial Statements for the Fiscal Year Ended June 30, 2008, Prepared by Deborah Storz, Certified Public Accountant, Glenn County Department of Finance, February 3, 2009, Page 13.

ORD BEND COMMUNITY SERVICES DISTRICT STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE JUNE 30, 2008 ²⁰			
			Total
Operating Revenues			
Property taxes			15,699
TOTAL OPERATING REVENUES			15,699
Operating Expenditures			
Services/Supplies			9,559
County charges			4,031
TOTAL OPERATING EXPENDITURES			13,590
Operating Income (Loss)			2,109
Non-Operating Revenues and Expenditures			
Interest income			4,334
Miscellaneous revenue			720
TOTAL NON-OPERATING REVENUES (EXPENSES)			5,054
Excess (deficiency) of revenues over expenditures before transfers			7,163
Net Position at beginning of year 7-1-07	158,077		
Net Position at end of year 6-30-08	165,240		

The Net Position shows an increase from the previous year.

3.7.2 Cash²¹

The June 30, 2008 Audit reports that the District deposits all cash into the Glenn County Treasury which is pooled together with other County and special district funds. Interest from bank accounts and investments of the pool are allocated quarterly to the District based on its average daily balance. The District's cash consisted of the following:

Cash in Glenn County Treasury June 30, 2008: \$105,278

To update this information, the District had \$126,036.72 in the Glenn County Treasury on June 8, 2015.²² Thus the District has been able to save a small amount of money each year.

²⁰ Ord Bend Community Services District, Ord Bend, California, Report on Audit of Financial Statements for the Fiscal Year Ended June 30, 2008, Prepared by Deborah Storz, Certified Public Accountant, Glenn County Department of Finance, February 3, 2009, Page 14.

²¹ Ord Bend Community Services District, Ord Bend, California, Report on Audit of Financial Statements for the Fiscal Year Ended June 30, 2008, Prepared by Deborah Storz, Certified Public Accountant, Glenn County Department of Finance, February 3, 2009, Page 13.

²² Glenn County Department of Finance, Cathy Ehorn, June 8, 2015

3.7.3 Capital Assets²³

The June 30, 2008 Audit reports the Capital assets activity for the Ord Bend CSD as follows:

Ord Bend Community Services District Capital Assets Activity for the year ended June 30, 2008				
	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Nondepreciable Capital Assets				
Land	\$3,025			\$3,025
Depreciable Capital Assets				
Structures and Improvements	125,249			125,249
Total Capital assets depreciated				
Less: accumulated depreciation	(68,508)			(71,210)
Net Capital Assets	59,766		2,702	57,064

As noted in the table above, the depreciation expense for fiscal year ended June 30, 2008 was \$2,702. Even though capital assets are counted as an asset to the District, these are not funds that can be spent.

3.7.4 Risk Management²⁴

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District has entered into a Joint Powers Authority (JPA). Glenn County and the County's special districts formed the Golden State Risk Management Authority (GSRMA) for the purpose of creating a common pool of funds to be used to meet obligations of the parties to provide coverage for worker's compensation and general liability exposures and to pay for the administration of the program. The Joint Powers Agreement established for its members the Golden State Risk Management Authority Liability and Worker's Compensation Plans.

As defined by GASB Statement No. 10, The Golden State Risk Management Authority is a "risk-sharing "pool". The GSRMA manages one pool for all members. The arrangement allows its members to transfer or pool risks and share in the cost of losses. Premiums due to the Plans are reported when incurred. Each member of the Plans pays an annual premium to the Authority which is evaluated each year.

The agreement for the formation of the Authority provides that the Authority will be self-sustaining through member premiums and will reinsure through a commercial company

²³ Ord Community Services District, Ord Bend, California, Report on Audit of Financial Statements for the Fiscal Year Ended June 30, 2008, Prepared by Deborah Storz, Certified Public Accountant, Glenn County Department of Finance, February 3, 2009, Page 18.

²⁴ Ord Community Services District, Ord Bend, California, Report on Audit of Financial Statements for the Fiscal Year Ended June 30, 2008, Prepared by Deborah Storz, Certified Public Accountant, Glenn County Department of Finance, February 3, 2009, Page 18.

for claims in excess of self-insured retention amounts. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years and there have been no reduction in insurance coverage from the prior year.

3.7.5 Fund Deficits²⁵

The audit for the year ending June 30, 2008 reported no pending litigations or potential undisclosed liabilities.

3.8 Audit Requirement

Although the Ord Bend Community Services District has not had an audit since 2008, the District has not chosen to contract with a private sector public accountant to perform this function but has chosen to wait until the County will once again provide this service.

The California Government Code regarding Audits is as follows:

26909. (a)

(1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) Where an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, the provisions of this subdivision shall apply to the auditor of the county in which the treasury is located.

²⁵ Ord Bend Community Services District, Ord Bend, California, Report on Audit of Financial Statements for the Fiscal Year Ended June 30, 2008, Prepared by Deborah Storz, Certified Public Accountant, Glenn County Department of Finance, February 3, 2009, Page 19

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller, or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period, if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c)

(1) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) Notwithstanding the provisions of this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

26910. The auditor may at any reasonable time and place examine the books and records of any special purpose assessing or taxing district located wholly in the county.

4 ORD BEND CSD MUNICIPAL SERVICE REVIEW

4.1 Growth and Population Projections for the Ord Bend Area

Purpose: To evaluate service needs based on existing and anticipated growth patterns and population projections.

4.1.1 Ord Bend Area Population Projections

Glenn County population growth from 2000 to 2014 is shown below:²⁶

GLENN COUNTY POPULATION 2000 TO 2014				
Year	Glenn County	Unincorporated Area	City of Willows	City of Orland
2000	26,453	13,952	6,220	6,281
2001	26,584	14,030	6,237	6,317
2002	26,702	14,157	6,218	6,327
2003	26,974	14,340	6,247	6,387
2004	27,210	14,529	6,244	6,437
2005	27,394	14,625	6,235	6,534
2006	27,628	14,647	6,174	6,807
2007	27,872	14,661	6,203	7,008
2008	28,066	14,695	6,210	7,161
2009	28,088	14,669	6,186	7,233
2010	28,120	14,671	6,164	7,285
2013²⁷	28,238	14,504	6,137	7,597
2014	28,353	14,516	6,154	7,683

4.1.2 MSR Determinations on Growth and Population Projections for the Ord Bend Area

1-1) The population of Ord Bend is not expected to increase substantially.

²⁶ State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 and 2010 Census Counts. Sacramento, California, August 2011.

²⁷ State of California, Department of Finance, Population Estimate for January 1, 2013 and January 1, 2014, August 5, 2014.

4.2 Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to Ord Bend

Purpose: To comply with the State Law to examine any unincorporated areas which could be provided with better services by annexing to an adjacent city.

SB 244 requires LAFCOs to consider disadvantaged unincorporated communities when developing spheres of influence. Upon the next update of a sphere of influence on or after July 1, 2012, SB 244 requires LAFCO to include in an MSR (in preparation of a sphere of influence update):

- 1) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere; and
- 2) The present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated community within or contiguous to the sphere of influence.

In determining spheres of influence, SB 244 authorizes LAFCO to assess the feasibility of and recommend reorganization and consolidation of local agencies to further orderly development and improve the efficiency and affordability of infrastructure and service delivery.

4.2.1 *Determination of Ord Bend Area Disadvantaged Unincorporated Community Status*

Median household income is used to determine whether a community is disadvantaged. If the median household income is less than 80% of the State Median household income (less than \$49,120) then the community is disadvantaged. In the case of the Ord Bend area, no data is available to determine household Income.

4.2.2 *MSR Determinations on Disadvantaged Unincorporated Communities near Ord Bend*

- 2-1) It is undetermined whether the community of Ord Bend is a Disadvantaged Unincorporated Community; however, there is no city that can annex this area.

4.3 Capacity and Infrastructure Ord Bend CSD

Purpose: To evaluate the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities and service quality.

4.3.1 Ord Bend CSD Infrastructure

The Ord Bend CSD was formed to provide for public recreation by means of parks, playgrounds, swimming pools or recreation buildings. The main service provided by the District is a Community Hall.

4.3.2 MSR Determinations on Infrastructure for Ord Bend CSD

- 3-1) The Ord Bend CSD Community Hall is maintained each year and improved as needed so that no major upgrades are proposed.

4.4 Financial Ability to Provide Services

Purpose: To evaluate factors that affect the financing of needed improvements and to identify practices or opportunities that may help eliminate unnecessary costs without decreasing service levels.

4.4.1 Financial Considerations for Ord Bend CSD

The financial information for the Ord Bend CSD is shown above in this report including information on budgets and the most recent independent audit.

4.4.2 MSR Determinations on Financing for Ord Bend CSD

- 4-1) The Ord Bend CSD maintains good financial records and has an annual budget and the required independent audit when the County of Glenn is able to perform the audit.
- 4-2) The Ord Bend CSD maintains all funds with the County of Glenn.
- 4-3) The Ord Bend CSD has been able to manage budget deficits by maintaining adequate reserves.
- 4-4) The Ord Bend CSD uses the Golden State Risk Management Authority for insurance needs which is cost effective.
- 4-5) The Ord Bend CSD could work with the County of Glenn to provide financial information such as the budget and audit on a website available to the public.
- 4-6) The District should consider using a private sector public accountant to perform an audit since the County has been unable to perform this function.

4.5 Status of and Opportunities for Shared Facilities

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

4.5.1 Ord Bend CSD Facilities

The Ord Bend CSD facilities are described above in this report. The District is not located near any other population centers that can share facilities. The District does cooperate with Glenn County to manage finances. The District also cooperates with community groups to maximize the use of the Community Hall.

4.5.2 MSR Determinations on Shared Facilities for Ord Bend CSD

- 5-1) The Ord Bend CSD is located too far from any other population center in Glenn County to share facilities.
- 5-2) The Ord Bend CSD cooperates with other governmental agencies.
- 5-3) Any decisions on shared facilities would have to ensure that all entities would benefit.

4.6 Accountability for Community Service Needs, Government Structure and Operational Efficiencies

Purpose:

- 1) *To consider the advantages and disadvantages of various government structures that could provide public services.*
- 2) *To evaluate the management capabilities of the organization.*
- 3) *To evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.*

One of the most critical components of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capacity to provide services to affected lands.

Glenn LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure of the ability to provide adequate services to the SOI and potential annexation areas.

4.6.1 *Ord Bend CSD Government Structure*

The Ord Bend CSD government is described above in this report.

4.6.2 *MSR Determinations on Local Accountability and Governance*

- 6-1) The Ord Bend CSD has a full five-member Board of Directors appointed by the Glenn County Board of Supervisors in lieu of election.
- 6-2) Consideration should be given to developing a website for the District or perhaps the District could work with the County to have a page on the County's website if this could be done in a cost-effective way.
- 6-3) The Ord Bend CSD should adopt a conflict of interest code and each member of the Board should file a Form 700 "Statement of Economic Interests" as required by the State Law.

5 ORD BEND CSD SPHERE OF INFLUENCE UPDATE

5.1 SOI Requirements

5.1.1 LAFCO's Responsibilities

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) is the statutory authority for the preparation of an MSR, and periodic updates of the SOI of each local agency. A SOI is a plan for the probable physical boundaries and service area of a local agency, as determined by the affected Local Agency Formation Commission (Government Code §56076). Government Code §56425(f) requires that each SOI be updated not less than every five years, and §56430 provides that a MSR shall be conducted in advance of the SOI update.

5.1.2 SOI Determinations

In determining the SOI for each local agency, LAFCO must consider and prepare a statement of determinations with respect to each of the following:

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 which the agency provides, or is authorized to provide; and
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.
5. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

5.1.3 Possible Approaches to the SOI

SPHERE TYPE	DEFINITION
Growth sphere	Contains territory beyond the jurisdictional boundaries of the local agency and is an indication that the need for public services in the area has been established and the agency has the ability to effectively and efficiently extend the full spectrum of services provided by the agency.
Coterminous sphere	Coincides with the jurisdictional boundaries of the local agency and is an indication that the agency is landlocked, that there is no anticipated need for the agency's services outside of its existing boundaries, or the agency lacks the capacity or ability to serve additional territory or there is insufficient information to make such a determination.
Zero sphere	A zero sphere contains no territory and indicates that the Commission has determined that one or more of the public service functions of the agency are either non-existent, inadequate, no longer needed, or should be reallocated to some other agency of government. Adoption of a zero sphere indicates the agency should ultimately be reorganized or dissolved. The Commission may initiate dissolution of an agency as the law allows.
Smaller-than-agency sphere	Contains less territory than the jurisdictional boundary of the local agency. The smaller-than-agency sphere indicates that territory within the local agency, but not within its sphere, should be detached and either transferred to another local agency or not served by any agency.
Overlapping sphere	If more than one agency appears equally qualified to serve an area, and if fiscal considerations and community input do not clearly favor a specific agency, an overlapping sphere may be appropriate.
Provisional sphere	A designation indicating that LAFCO has identified in its most recent municipal service review the need for an agency to address organizational issues. Agencies given a provisional sphere will be encouraged to discuss reorganization options or alternatives to existing service provision or governmental structure and to provide LAFCO with written results of their discussions and/or studies.
Service specific zone within a sphere	To accommodate situations where territory within an agency's jurisdiction may require some, but not all of the services that the agency is authorized to provide, the LAFCO may designate an area within an SOI to which it may attach specific policies, including limiting the types of services authorized in that area. The intent of a service specific zone is to limit the types of services provided in a defined area and is not intended in any way to circumvent annexation.

5.1.4 SOI Update Process

LAFCO is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCO must update those SOIs every five years. In updating the SOI, LAFCO is required to conduct a MSR and adopt related determinations.

This report identifies preliminary SOI policy alternatives and recommends SOI options for the Ord Bend CSD. Development of actual SOI updates will involve additional steps, including opportunity for public input at a LAFCO public hearing, and consideration and changes made by Commissioners.

LAFCO must notify affected agencies 21 days before holding a public hearing to consider the SOI and may not update the SOI until after that hearing. The LAFCO Executive Officer must issue a report including recommendations on the SOI amendments and updates under consideration at least five days before the public hearing.

5.1.5 SOI Amendments and CEQA

LAFCO has the discretion to limit SOI updates to those that it may process without unnecessarily delaying the SOI update process or without requiring its funding agencies to bear the costs of environmental studies associated with SOI expansions. Any local agency or individual may file a request for an SOI amendment. The request must state the nature of and reasons for the proposed amendment, and provide a map depicting the proposal.

LAFCO may require the requester to pay a fee to cover LAFCO costs, including the costs of appropriate environmental review under CEQA. LAFCO may elect to serve as lead agency for such a review, may designate the proposing agency as lead agency, or both the local agency and LAFCO may serve as co-lead agencies for purposes of an SOI amendment. Local agencies are encouraged to consult with LAFCO staff early in the process regarding the most appropriate approach for the particular SOI amendment under consideration.

Certain types of SOI amendments are likely exempt from CEQA review. Examples are SOI expansions that include territory already within the bounds or service area of an agency, SOI reductions, and zero SOIs. SOI expansions for limited purpose agencies that provide services (e.g., fire protection, levee protection, cemetery, and resource conservation) needed by both rural and urban areas are typically not considered growth inducing and are likely exempt from CEQA. Similarly, SOI expansions for districts serving rural areas (e.g., irrigation water) are typically not considered growth inducing.

Remy et al. write

In City of Agoura Hills v. Local Agency Formation Commission (2d Dist. 1988) 198 Cal.App.3d480, 493-496 [243 Cal.Rptr.740] (City of Agoura Hills), the court held that a LAFCO's decision to approve a city's SOI that in most respects was coterminous with the city's existing

municipal boundaries was not a “project” because such action did not entail any potential effects on the physical environment.²⁸

5.1.6 Recommendation for Ord Bend CSD Sphere of Influence

The proposed Sphere of Influence for the Ord Bend CSD is shown on a map at the end of this report. The proposed Sphere of Influence is recommended to be the same as the District Boundary.

5.2 Present and Planned Land Uses in the Ord Bend CSD Area, Including Agricultural and Open Space Lands

5.2.1 Glenn County General Plan and Zoning for Ord Bend CSD SOI Area

The Glenn County land use designations and zoning for the Ord Bend CSD are shown on maps at the end of this report. The zoning is primarily agricultural.

5.2.2 SOI Determinations on Present and Planned Land Use for Ord Bend CSD Area

- 1-1] The majority of the land within the Ord Bend CSD is designated and zoned for agricultural use.
- 1-2] The Ord Bend CSD does not have authority for land use planning. The District and the Glenn County Planning and Public Works Agency should maintain communication to coordinate infrastructure improvements with land use plans.

5.3 Present and Probable Need for Public Facilities and Services in the Ord Bend CSD Area

5.3.1 Municipal Service Background

The Ord Bend CSD has served the area of Ord Bend since 1958. The District provides a community hall facility as described above in this report.

5.3.2 SOI Determinations on Facilities and Services Present and Probable Need for Ord Bend CSD

- 2-1] The residents of Ord Bend and future residents will continue to need the services provided by the Ord Bend CSD.

²⁸ Remy, Michael H., Tina A. Thomas, James G. Moose, Whitman F. Manley, Guide to CEQA, Solano Press Books, Point Arena, CA, February 2007, page 111.

5.4 Present Capacity of Public Facilities Present and Adequacy of Public Services

5.4.1 Capacity Background

The capacity of the Ord Bend CSD is described above in this report and is limited to the maintenance of the existing Community Hall. The District does not have the capacity to expand into other areas of services.

5.4.2 SOI Determinations on Public Facilities Present and Future Capacity for Ord Bend CSD

- 3-1] The Ord Bend CSD is maintaining capacity for the park and recreation facilities.
- 3-2] The Ord Bend CSD does an excellent job of maintaining the Ord Bend Community Hall and promoting the use of the Hall. Expansion into other recreation facilities or services would not be in the best interest of the District.

5.5 Social or Economic Communities of Interest for Ord Bend CSD

5.5.1 Ord Bend CSD Community Background

This area is located along State Route 45 between Glenn and Hamilton City. Much of the area is agricultural land under cultivation with rice, almonds, walnuts, olives and prunes. The community depends on Hamilton City for schools. Bus service is provided by the Hamilton Unified School District. Hamilton City, Willows and Chico are used for churches, services and shopping needs.

5.5.2 SOI Determinations on Social or Economic Communities of Interest for Ord Bend CSD

- 4-1] The community of Ord Bend has been a distinct community in the past and the neighborhood feeling remains even though there are no commercial services available.
- 4-2] The maintenance of the Community Hall contributes to the maintenance of the community spirit.

5.6 Disadvantaged Unincorporated Community Status

5.6.1 Disadvantaged Unincorporated Communities

The State requires consideration of Disadvantaged Unincorporated Communities to promote annexation of these communities to adjacent cities. In the case of Ord Bend there is no city close enough to annex this area.

5.6.2 Ord Bend CSD Disadvantaged Unincorporated Community Status

- 5-1] The area would need to conduct a household income survey to determine if it would qualify as a Disadvantaged Unincorporated Community.

ABBREVIATIONS

AB	Assembly Bill
ADA	Americans with Disabilities Act
CA	California
CEQA	California Environmental Quality Act
CFD	Community Facilities District
CIP	Capital Improvement Program
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
County	Glenn County
CSA	County Service Area
CSD	Community Services District
District	Ord Bend Community Services District
DUC	Disadvantaged Unincorporated Community
DWR	Department of Water Resources (California)
EIR	Environmental Impact Report (California)
EIS	Environmental Impact Statement (US Government)
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Maps
FY	Fiscal Year
GASB	Governmental Accounting Standards Board
GCID	Glenn-Colusa Irrigation District
GSRMA	Golden State Risk Management Authority
HOPTR	Homeowners property tax relief
JPA	Joint Powers Authority
LAFCO	Local Agency Formation Commission
MSR	Municipal Service Review (LAFCO)
OBCSD	Ord Bend Community Services District

**GLENN LAFCO
ORD BEND COMMUNITY SERVICES DISTRICT
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE**

PG&E	Pacific Gas and Electric Company
PL	Public Law
SB	Senate Bill
SOI	Sphere of Influence (LAFCO)
US	United States
USDA	United States Department of Agriculture
USFWS	United States Fish and Wildlife Service

DEFINITIONS

Agriculture: Use of land for the production of food and fiber, including the growing of crops and/or the grazing of animals on natural prime or improved pasture land.

Aquifer: An underground, water-bearing layer of earth, porous rock, sand, or gravel, through which water can seep or be held in natural storage. Aquifers generally hold sufficient water to be used as a water supply.

Bond: An interest-bearing promise to pay a stipulated sum of money, with the principal amount due on a specific date. Funds raised through the sale of bonds can be used for various public purposes.

California Environmental Quality Act (CEQA): A State Law requiring State and local agencies to regulate activities with consideration for environmental protection. If a proposed activity has the potential for a significant adverse environmental impact, an environmental impact report (EIR) must be prepared and certified as to its adequacy before taking action on the proposed project.

Community Facilities District: Under the Mello-Roos Community Facilities Act of 1982 (Section 53311, et seq.) a legislative body may create within its jurisdiction a special tax district that can finance tax-exempt bonds for the planning, design, acquisition, construction, and/or operation of public facilities, as well as public services for district residents. Special taxes levied solely within the district are used to repay the bonds.

Community Services District (CSD): A geographic subarea of a county used for planning and delivery of parks, recreation, and other human services based on an assessment of the service needs of the population in that subarea. A CSD is a taxation district with independent administration.

Environmental Impact Report (EIR): A report required pursuant to the California Environmental Quality Act that assesses all the environmental characteristics of an area, determines what effects or impact will result if the area is altered or disturbed by a proposed action, and identifies alternatives or other measures to avoid or reduce those impacts. (See California Environmental Quality Act.)

Impact Fee: A fee, also called a development fee, levied on the developer of a project by a county, or other public agency as compensation for otherwise-unmitigated impacts the project will produce. California Government Code Section 66000, et seq., specifies that development fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged. To lawfully impose a development fee, the public agency must verify its method of calculation and document proper restrictions on use of the fund.

Infrastructure: Public services and facilities such as sewage-disposal systems, water-supply systems, and other utility systems, schools and roads.

Land Use Classification: A system for classifying and designating the appropriate use of properties.

Leapfrog Development: New development separated from existing development by substantial vacant land.

Local Agency Formation Commission (LAFCO): A five-or seven-member commission within each county that reviews and evaluates all proposals for formation of special districts, incorporation of cities, annexation to special districts or cities, consolidation of districts, and merger of districts with cities. Each county's LAFCO is empowered to approve, disapprove, or conditionally approve such proposals. The LAFCO members generally include two county supervisors, two city council members, and one member representing the general public. Some LAFCOs include two representatives of special districts.

Mello-Roos Bonds: Locally issued bonds that are repaid by a special tax imposed on property owners within a community facilities district established by a governmental entity. The bond proceeds can be used for public improvements and for a limited number of services. Named after the program's legislative authors.

Proposition 13: (Article XIII A of the California Constitution) Passed in 1978, this proposition enacted sweeping changes to the California property tax system. Under Prop. 13, property taxes cannot exceed 1% of the value of the property and assessed valuations cannot increase by more than 2% per year. Property is subject to reassessment when there is a transfer of ownership or improvements are made.²⁹

Proposition 218: (Article XIII D of the California Constitution) This proposition, named "The Right to Vote on Taxes Act", filled some of the perceived loopholes of Proposition 13. Under Proposition 218, assessments may only increase with a two-thirds majority vote of the qualified voters within the District. In addition to the two-thirds voter approval requirement, Proposition 218 states that effective July 1, 1997, any assessments levied may not be more than the costs necessary to provide the service, proceeds may not be used for any other purpose other than providing the services intended, and assessments may only be levied for services that are immediately available to property owners.³⁰

Ranchette: A single dwelling unit occupied by a non-farming household on a parcel of 2.5 to 20 acres that has been subdivided from agricultural land.

Sphere of Influence (SOI): The probable physical boundaries and service area of a local agency, as determined by the Local Agency Formation Commission (LAFCO) of the county.

Urban: Of, relating to, characteristic of, or constituting a city. Urban areas are generally characterized by moderate and higher density residential development (i.e., three or more dwelling units per acre), commercial development, and industrial development, and the availability of public services required for that development, specifically central water and sewer service, an extensive road network, public transit, and other such services (e.g., safety and emergency response). Development not providing such services may be "non-urban" or "rural". CEQA defines "urbanized area" as an area that has a population density of at least 1,000 persons per square mile (Public Resources Code Section 21080.14(b)).

Urban Services: Utilities (such as water, gas, electricity, and sewer) and public services (such as police, fire protection, schools, parks, and recreation) provided to an urbanized or urbanizing area.

Zoning: The division of a city by legislative regulations into areas, or zones, that specify allowable uses for real property and size restrictions for buildings within these areas; a program that implements policies of the general plan.

²⁹ http://www.californiaataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

³⁰ http://www.californiaataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

CONFLICT OF INTEREST CODE FOR _____ DISTRICT

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730) that contains the terms of a standard conflict of interest code which can be incorporated by reference in an agency's code.

After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference.

This incorporation page, Regulation 18730 and the attached Appendix designation positions and establishing disclosure categories, shall constitute the conflict of interest code for the _____ District.

All officials and designated positions required to submit a statement of economic interests shall file their statements with the Secretary of the _____ District. The Secretary shall retain the original copy of all statements filed by the Board Members and any other designated positions and will make all retained statements available for public inspection and reproduction upon request. California Government Code Section 81008 states the following:

81008. Every report and statement filed pursuant to this title is a public record open for public inspection and reproduction during regular business hours, commencing as soon as practicable, but in any event not later than the second business day following the day on which it was received. No conditions whatsoever shall be imposed upon persons desiring to inspect or reproduce reports and statements filed under this title, nor shall any information or identification be required from these persons. Copies shall be provided at a charge not to exceed ten cents (\$0.10) per page. In addition, the filing officer may charge a retrieval fee not to exceed five dollars (\$5) per request for copies of reports and statements which are five or more years old. A request for more than one report or statement or report and statement at the same time shall be considered a single request.

APPENDIX CONFLICT OF INTEREST CODE OF THE _____DISTRICT

EXHIBIT A

The Board members of the _____District must file disclosure statements under Government Code section 87200 et seq. [Regs. Section 18730(b)(3)]

At this time there are no District Employees.

EXHIBIT B

DISCLOSURE CATEGORIES

1. All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the District.
2. All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the City.
3. All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction, or the acquisition or sale of real property within the District.
4. All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the District.

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