

COUNTY OF RIVERSIDE, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject:
FORMATION, ALTERATION AND OPERATION OF
COUNTY SERVICE AREAS

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Policy:

It is the policy of the Board of Supervisors that a County Service Area (CSA) shall be formed when it is critical to the health, safety, and welfare of residents in unincorporated Riverside County. CSA formation is dependent upon support by a two-thirds (2/3) majority of the registered voters/property owners who have demonstrated a desire for enhanced county/municipal services and a willingness to pay special taxes for such services.

The formation/annexation of a CSA can be requested by an existing community, a developer in the process of creating a new housing subdivision, or by an entity creating a specific plan for a new community. In the case of meeting the requirements imposed upon developing a specific plan, where the purpose of creating a maintenance mechanism is to satisfy the "permanent maintenance entity" condition associated with in-tract facilities (ie. drainage/storm water), perimeter/parkway landscaping, community parks, and recreation facilities it is the general policy and intent of the Board of Supervisors that:

1. The ownership and long-term maintenance of in-tract facilities required as conditions of development approval shall be the responsibility of a public agency with authority to own such facilities and with the authorization to collect fees and taxes to provide such services. In the case of parks and recreation facilities, the owner shall be the CSA. For drainage facilities and facilities within the public right of way, the owner shall be a Flood Control District or a Public Transportation Department. For joint-use recreation or landscape facilities located within a drainage facility or detention basin, the owner shall be a Flood Control District with a permanent easement and right of access granted to the CSA. In certain cases that do not fall into the previous categories, the Directors of the affected agencies shall reserve the right to negotiate the best arrangement on behalf of the County. In some cases a Home Owners Association shall retain ownership of certain facilities and grant the public agency a right of access or easement.
2. Maintenance of in-tract facilities by the CSA shall be pursuant to a perpetual maintenance easement granted by the owner of such facilities to the CSA.
3. Requests to form or annex into a road CSA for the purpose of funding improvements to rural roads will be discouraged by the Board. The provisions of Article XIID, Section 6(c) of the State Constitution (otherwise known as Proposition 218, or the Right to Vote on Taxes Act), weigh heavily against the success of a long-term, pay-as-you-go road improvement program. Proponents of such interests shall consider a traditional Assessment District or other finance mechanisms as the appropriate neighborhood or community solution.

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Operation of County Service Areas

The following County policies and guidelines apply to the operation of CSAs:

- (1) **Financial Commitment.** The CSA must be able to financially sustain the level of services anticipated upon its formation, and continue that level of service until all residents receive that reasonable and feasible level of service, as well as other services that may be added subsequent to formation. Accordingly, the Board of Supervisors shall levy a sufficient special tax and maintain a satisfactory fund balance to accomplish the basic service goals of the CSA. CSA Administration shall be responsible for managing CSA budgets and appropriating funds to accomplish the goals of each CSA.
- (2) **Role of Advisory Committees.** Except in CSAs with routine operations, such as those with street lighting functions, advisory committees may be formed to provide recommendations directly to the Economic Development Agency on policy matters within the CSA. Each advisory committee shall act within the scope of the authority specifically authorized in the enabling resolution by the Board of Supervisors. These responsibilities shall not be amended, changed, or redirected without specific approval of the Board of Supervisors. An advisory committee's responsibility shall fall within the following general areas:

 - Review and comment on the levels of service within the CSA;
 - Review and comment on CSA projects, plans, and priorities;
 - Review and comment on proposals to increase the special tax or incorporate additional services within a CSA.

Advisory committees are wholly advisory and although it is the committee's responsibility to maintain a general awareness of CSA functions, it is not intended that advisory committees become involved in the day-to-day operation of the CSA or direct staff to accomplish the goals of each CSA. Advisory Board members shall be updated with project plans and budget items on a quarterly basis.

No committee person shall profit by contracts or purchase agreements with the CSA while a committee member. Committee members shall not serve as employees of the CSA while serving on the CSA advisory committee.

"Regular meetings" shall be those meetings conducted on a quarterly basis and provided support by staff of the CSA. "Special meetings" may be held when members of an Advisory Board choose to meet without support from staff of the CSA.

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As an advisory group appointed by the Board of Supervisors, CSA meetings are subject to provisions of the Ralph M. Brown Act and all meetings are open to the public. All recommendations to the Economic Development Agency shall be based upon action taken by at least a quorum of the full advisory committee by motion or resolution (per Board Policy A-21).

It is the intent of the Board that members of such advisory committees shall be subject to the term limit provisions of Board Policy A-21, which puts an eight consecutive-year limit on individual Advisory Committee membership and a one consecutive year limit on the role of Chairman of the Advisory Committee.

- (3) **Ownership of Common Facilities.** The County of Riverside, on behalf of a CSA or County department, shall accept ownership of or receive an access easement for common areas proposed for service before a CSA can provide service or maintenance to an area. These common areas may consist of: parks, trails, recreation and community facilities, parkways, slopes, community entry features along major roadways and thoroughfares external to development, natural open space areas, and environmental mitigation corridors set aside for fire breaks and drainage areas located within the County and intended for public use or benefit. Documentation of ownership shall include provisions that do not preclude the future transfer of ownership from the County to an incorporated association, HOA, or successor governmental entity if the County determines that certain conditions exist, including but not limited to the loss of ability to assess the property.
- (4) **Road Improvement CSAs.** As noted above, under Formation/Alteration of CSAs, the Board discourages the formation and expansion of Road Improvement CSAs.

The Economic Development Agency in cooperation with the Transportation Department shall be responsible for perfecting the public right-of-way and construction of all CSA roads designated and accepted for public use to County standards for permanent/perpetual maintenance by the Transportation Department.

The Economic Development Agency in cooperation with each CSA road Advisory Board shall be responsible for developing a priority list of roads to be paved and/or improved.

All 3-Year Road Improvement Plans developed by the Advisory Committee must be approved by the Economic Development Agency. Factors such as feasibility, cost, and overall benefit shall be determined by the Economic Development Agency and the Transportation Department. In addition, all public rights-of-way for the proposed

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road system must be perfected before funds may be expended for road construction. The 3-Year Road Improvement Plan shall be updated annually by the Advisory Committee. All proposed changes shall be subject to approval by the Economic Development Agency which shall provide direct administration and approval of CSA activities and budgets.

It is the Board's intent that road CSAs should exist for as long as it takes to complete the road improvement plan and bring CSA roads into the County Maintained Road System. For this reason, road CSAs should focus their financial resources on projects which result in permanent improvements, such as right-of-way perfection, engineering, drainage improvements and paving. Maintenance grading is not considered a permanent improvement or step in the evolution of a graded road to County-paved standards, and as such should be a minor focus of Road CSAs.

All costs incurred by the County Transportation Department in the planning, design, cost estimation, and construction of road improvement projects requested by the CSA Advisory Committee and authorized by the Economic Development Agency shall be borne by the CSA.

- (5) Administrative Fee and Services.** CSAs will be assessed annually for expenses incurred in administering the CSA, including the costs of any losses occurring within the CSA or establishment of a reserve for such losses. A basic charge for administration shall be charged to each CSA, depending on administrative complexity. The standard percentage rates to be applied against new revenue earned by the CSA are as follows:

- 6.0% Street Lighting
- 8.5% Street Sweeping or CSA 152 (NPDES)
- 10.0% Road/Fire or Combined Services (without employees)
- 15.0% Combined Services (with employees)

Services which will be provided to CSAs by County staff, include but are not limited to the following:

- (1) Preparation of budgets and development of multi-year project plans
- (2) Parcel fee assessment levy of special taxes, and parcel auditing
- (3) Bookkeeping and accounting
- (4) Record keeping
- (5) Contracting and purchasing
- (6) Legal services

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- (7) Advisory committee support and public information requests
- (8) Personnel supervision and administration
- (9) Maintenance and repairs
- (10) Annexations and voting requirements

Not included in the administrative fee are services specific to each individual CSA or requested by the Advisory Committee and approved by the Economic Development Agency. Services such as elections, surveys, preparation of plans and specifications, capital improvement costs, repairs and maintenance, road improvement related charges, mapping services, information requests, and equipment charges shall be charged directly to each CSA. The Assistant County Executive Officer/ EDA or designee is authorized to contract for operational activities not too exceed \$25,000 provided that agreements are approved by County Counsel.

In CSAs with advisory committees Economic Development Agency staff will attend public meetings on a quarterly basis or as necessary by CSA Administration to accomplish the goals and responsibility of each CSA. The EDA shall provide each committee member with a quarterly financial statement (listing charges and debits). The Economic Development Agency shall guide each committee and take every precaution to ensure that such meetings conform to the provisions of the Ralph M. Brown Act.

- (6) **Annual Budget and Parcel Fee Recommendation.** CSA Administration shall be responsible for setting the annual budget and parcel fees pursuant to approval by the Board of Supervisors. If the special tax would need to be increased to balance the budget or increase services within the CSA the Economic Development Agency shall then follow procedures to set the recommended special tax for election pursuant to State law.

It is the Board's desire that, CSA special taxes maintain a level of stability from year to year (not including an annual adjustment of 2% or the cumulative CPI). Accordingly, the Economic Development Agency shall ensure that each fund balance is managed carefully and sufficient funds are carried over from year to year to assure adequate cash flow during the period between the beginning of the new fiscal year and the first installment receipt of special taxes and property taxes.

- (7) **Application of Policies and Guidelines.** Whenever possible and feasible, previously existing CSAs shall be made to conform to the above-stated policies.

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- (8) **Financial Audits.** On a regular timetable as prescribed by the Auditor-Controller, the Board of Supervisors shall examine and audit, or cause to be audited, the financial accounts and records of all officers having responsibility for the care, management, collection, or disbursement of money belonging to the CSA or money received or disbursed by them under authority of law.

Reference:

Minute Order 3.10 of 06/14/94
Minute Order 3.5 of 10/31/95
Minute Order 3.6 of 05/01/01
Minute Order 3.10 of 07/01/03
Minute Order 3.22 of 07/12/05
Minute Order 3.20 of 06/27/06
Minute Order 3.7 of 11/07/06