

**Resolution 2021-0002 of the
Colusa Local Agency Formation Commission
Colusa County, California**

A Resolution Making Determinations on Municipal Services in and near the City of Colusa

WHEREAS, the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (California Government Code §56000 et seq.) provides that a Local Agency Formation Commission (LAFCo) shall adopt Spheres of Influence (SOIs) for each local governmental agency within its jurisdiction [§56425(a)] and that it shall, as necessary, review and update each SOI every five years (§56425(g));

WHEREAS, §56430 requires that in order to prepare and to update SOIs, the Commission shall conduct a Municipal Service Review (MSR) prior to or in conjunction with the SOI update; and **WHEREAS**, the Commission prepared an MSR and adopted MSR determinations covering the City of Colusa in 2010, covering reclamation and flood control districts in 2018, and covering fire districts in 2019; and

WHEREAS, this MSR provides updates and focuses on growth, agricultural preservation, disadvantaged communities, and particularly fire, water and wastewater services and needs; and **WHEREAS**, on March 4, 2021, the Commission held a public workshop to receive an overview of the MSR findings, and provide input; and

WHEREAS, on April 1, 2021, the Commission held a public hearing to receive the MSR and recommended determinations for the City of Colusa; and

WHEREAS, at the public hearing, the Commission heard and received all oral and written protests, objections, and evidence, which were made, presented, or filed, and all persons present were given an opportunity to hear and be heard with respect to the MSR; and

WHEREAS, the MSR contains the determinations required by §56430 relative to the MSR for the City of Colusa as incorporated in this resolution; and

WHEREAS, the proposed action consists of adopting the MSR determinations for the City of Colusa; and

WHEREAS, adoption of the MSR is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA), as MSRs are feasibility and planning studies for possible future actions that have not been approved, adopted, or funded, pursuant to State CEQA Guidelines Section 15262;

NOW, THEREFORE, BE IT RESOLVED that Colusa LAFCo does hereby adopt the following MSR determinations pursuant to §56430 for the City of Colusa and its existing SOI as depicted in Exhibit A (attached):

MUNICIPAL SERVICE REVIEW (MSR) DETERMINATIONS

- 1) *Growth and population projections for the affected area*
 - a) Lands in the City limits grew substantially in the last decade from 1,174 acres in 2010 to 2,137 acres through annexation of Walnut Ranch, Sunrise Landing, Colusa Crossings, the State Recreational Area, and the City's wastewater treatment plant.
 - b) Actual development in the last decade within the City limits has been limited to 29 multi-family housing units, about 10 single-family homes, 15,000 commercial square feet and 3,000

- industrial square feet, according to the City's 2020 General Plan Housing Element and the 2018 Local Hazard Mitigation Plan.
- c) Residential development potential in the City limits is significant. The City approved development plans in the last decade for Sunrise Landing where the early phases of construction are underway and 279 housing units are approved, as well as two inactive projects, Colusa Crossings with 1,300 housing units approved, and Riverbend with 367 housing units approved. Another 783 housing units could be built on vacant lands within the city limits, according to the City's 2020 General Plan Housing Element. Other development potential in the City limits includes accessory dwelling units and subdivisions on underutilized residential lands.
 - d) Development potential in the existing SOI includes a proposal south of the high school for 161-acre Brookins Ranch Estates where 600 homes and a fire station are proposed, and an active proposal for a 13-acre Cheney-Wilson subdivision where 34 homes are proposed and annexation has been initiated.
 - e) The City of Colusa population was 6,175 residents in 2020, according to the California Department of Finance.
 - f) The annual population growth rate is likely to be in the range of 0.5 – 1.0 percent annually, according to projections by the City's General Plan Housing Element and the California Department of Finance. Even if the City were to grow at a more optimistic rate of 3.5 percent for the next 20 years, there appears to be adequate housing capacity in the City's existing SOI.
 - g) Economic development potential in the City limits and existing SOI is notable. The City staffed its economic development program in 2020 with goals of revitalizing downtown businesses, attracting bio-mass manufacturing to the abandoned Pirelli site, and growing its agriculture and tourism industry clusters. In recent years, the City has worked to enhance its appeal to tourists and visitors by annexing and operating the State Recreational Area, adding an adjacent boat ramp, expanding the marina, and encouraging hunting and fishing tourism. Colusa Industrial Park has attracted businesses engaged in milling, food and cannabis processing, and seed cleaning.
- 2) *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence*
- a) A disadvantaged unincorporated community (DUC) is a developed area where median household incomes are 20 percent lower than the statewide median. LAFCo considers DUC needs for water, sewer or fire services when processing annexations and updating the SOIs of local agencies that provide such services.
 - b) Northwest of the City is an unincorporated area north of Lurline Avenue that contains a 40-site mobile home park on Lake Avenue, about 50 older single-family residences nearby, and several businesses. Properties in the Lake Avenue DUC receive domestic water service from the City, and fire and emergency medical services from Sacramento River Fire Protection District. Area properties rely on septic systems, and are not connected to the City wastewater system.
 - c) The City as a whole is a disadvantaged community. The median income in the City is 32 percent lower than the statewide median, according to American Community Survey 2015-19 data. Incomes are lowest in the central portion of the City, and highest in the southern portion of the City. Median income data are not available for small geographic areas the size of the unincorporated areas scattered around the City limits.

- d) There may be additional DUCs in the City's SOI. A DUC is entitled to be included in annexation proposals of contiguous areas, and to be excluded if the area would not benefit from annexation or a majority of voters in the DUC are opposed. A group of 12 or more registered voters in an unincorporated community may request that LAFCo make a DUC determination for their area. LAFCo, the City or the County may identify DUCs. Statements from the affected residents, an income survey and/or analysis of property values would help clarify whether an area meets the criteria.
- 3) *Present and planned capacity of public facilities and 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*
- a) The City provides adequate police protection. The City needs to replace its police station; the estimated \$4 million cost is unfunded.
 - b) Fire and emergency medical service providers are able to provide existing service levels with a combination of career and volunteer personnel. Service challenges include a lack of financing for full-time, paid staffing, and a reliance on volunteer firefighters for service delivery. The number of volunteers has declined significantly in the last decade.
 - c) Water availability for fire protection is adequate with the development of new wells. Fire flow in the southern portion of Colusa Industrial Park needs improvement.
 - d) The City needs to consolidate its water wells, and has identified funding to do so.
 - e) There is sufficient groundwater source water available to serve the expected population growth with the development of new wells. As the City develops, an additional ground storage tank and booster pumps will be needed. To serve future growth, new water distribution conveyance and pumping facilities will need to be constructed. The City prepared a Water Master Plan, which provides a guideline for water system improvements.
 - f) The recently annexed Walnut Ranch area needs \$4.8 million in water and sewer system improvements; these needs have been funded and are planned.
 - g) Levee infrastructure needs are estimated to cost ~\$200 million with mitigation grants as a potential funding source. New levees to the north and south are needed. To the east, the existing levees experience seepage during high water events, and need seepage prevention measures along a 4-mile segment. To the west, the Colusa Basin Drain has 2 miles of levees with insufficient freeboard and inadequate levee geometry profiles, rehabilitation of 4 miles of existing levees and construction of a new levee over 3 miles in length are needed.
 - h) Localized flooding problem areas include Bridge Street, Sioc Street, central Colusa, East Clay Street, and Wilson Avenue. East Clay Street experiences chronic flooding due to seepage when the Sacramento River is at or around flood stage for extended time periods, and due to the lack of adequate storm drainage facilities downstream. Wilson Avenue (in the SOI) near SR 20 experiences frequent flooding, affecting commercial areas.
 - i) The central portion of the City experiences chronic flooding, and contains no underground storm drains. Underground and surface storm water collection and transport system is needed along approximately 14,000 lineal feet. The estimated cost of improvements is \$5 million; a funding source has not been identified.
 - j) The City provides for adequate maintenance of streets and roads, and has acceptable levels of service. The City plans to implement a pavement management system to optimize its investments in road maintenance.

- k) The City has an adequate number of parks as well as access to State and Federal recreational sites in the area.
 - l) The Lake Avenue DUC properties rely on septic systems. The City should review whether this area needs wastewater services, and identify possible funding for connection costs and septic system removal.
 - m) The City shall review whether the 5th Street unincorporated island needs City water or wastewater services, whether there is evidence the area is or is not a DUC, and whether the occupants favor or oppose annexation.
- 4) *Financial ability of agency to provide services*
- a) The City believes it can meet its obligations and provide necessary services over the next five years.
 - b) The City has established development impact fees, and implemented a Community Facilities District and special assessment to ensure that new development contributes to the costs of expanding infrastructure and staffing to serve new growth.
 - c) The City prepares timely financial reports. The City prepares, updates and publicizes its budget considerations. The City could improve its practices by preparing a comprehensive capital improvement plan.
 - d) Rising pension and OPEB costs are expected to reduce funding for other priorities. The establishment of pension and OPEB trusts can help increase earnings on deposits, and manage contributions towards growing pension and OPEB payments when needed to mitigate impacts on funding services.
 - e) Stormwater control requirements mandated by regional and state agencies are increasing the cost of treating stormwater. There is a need to create new funding sources.
- 5) *Status of, and opportunities for, shared facilities*
- a) The City Fire Department collaborates with the Sacramento River Fire Protection District through an automatic aid agreement. Prior to the Covid-19 pandemic, the agencies collaborated on training.
 - b) The City has collaborated with Colusa Industrial Park on a water intertie, and have identified opportunities to share wastewater facilities.
 - c) The City, the County and the area's Reclamation and Flood Control Districts collaborated on the 2018 Local Hazard Mitigation Plan, and should continue to collaborate to develop a financing and implementation plan to improve levees in the Colusa area to urban standards within the next five years.
- 6) *Accountability for community service needs, including governmental structure and operational efficiencies*
- a) The City's website provides information regarding public meetings, services, financial and planning documents, and opportunities for public involvement demonstrating access and accountability.
- 7) *Any other matter related to effective or efficient service delivery, as required by Commission policy*
- a) None.

Resolution 2021-0002
City of Colusa Municipal Service Review
April 1, 2021

PASSED and ADOPTED by this Local Agency Formation Commission of the County of Colusa,
on the 1st day of April 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Signed and approved by me after its passage this first day of April 2021.

Denise Carter, Vice Chair
Colusa Local Agency Formation Commission

Attest:

John Benoit, Executive Officer
Colusa Local Agency Formation Commission