

Ventura Local Agency Formation Commission

Bell Canyon Community Services District

Municipal Service Review

Prepared By:
Ventura Local Agency Formation Commission
801 S. Victoria Avenue, Suite 301
Ventura, CA 93003
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Introduction

Local Agency Formation Commissions (LAFCo) exist in each county in California and were formed for the purpose of administering state law and local policies relating to the establishment and revision of local government boundaries. According to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code § 56000 et seq.), LAFCo's purposes are to:

- discourage urban sprawl;
- preserve open space and prime agricultural land;
- encourage the efficient provision of government services; and
- encourage the orderly formation and development of local agencies.

To achieve its purposes, LAFCos are responsible for coordinating logical and timely changes in local government boundaries (such as annexations), conducting special studies that identify ways to reorganize and streamline governmental structure, and determining a sphere of influence for each city and special district over which they have authority.

A **sphere of influence** is a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCo (Government Code § 56076). Beginning in 2001, each LAFCo was required to review, and as necessary, update the sphere of each city and special district on or before January 1, 2008, and every five years thereafter (Government Code § 56425(g)). Government Code § 56430(a) provides that in order to determine or update a sphere of influence, LAFCo shall prepare a **Municipal Service Review (MSR)** and make written determinations relating to the following seven factors:

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

MSRs are not prepared for counties, but are prepared for special districts governed by a county Board of Supervisors. Additionally, while LAFCos are authorized to prepare studies relating to their role as boundary agencies, LAFCos have no investigative authority.

A MSR was completed for the Bell Canyon Community Services District (BCCSD) in 2005, and the sphere of influence was reviewed, but not updated, in 2010 and 2015. This MSR includes an updated examination of the BCCSD's services, as required by LAFCo law.

LAFCo staff prepared this MSR for the BCCSD, using information obtained from multiple sources, including:

- **Annual Budgets, Audits, and Monthly Financial Statements:** The BCCSD’s adopted annual budgets, annual audits, and monthly financial statements for the last five years provided information regarding services and funding levels;
- **Board of Directors Meeting Agendas and Minutes:** The Board of Directors (Board) meeting agendas and adopted meeting minutes for the last five years provided information regarding the BCCSD’s provision of services;
- **BCCSD Documents:** Various BCCSD documents provided supplementary information relating to service provision;
- **2005 MSR and Other Sphere of Influence Reviews:** The 2005 MSR and the 2010 and 2015 sphere of influence reviews provided certain data that remains relevant and accurate for inclusion in this MSR;
- **BCCSD Website:** The BCCSD’s website provided supplementary and clarifying information; and
- **BCCSD Staff/Board Members:** BCCSD staff and certain members of the Board provided supplementary and clarifying information.

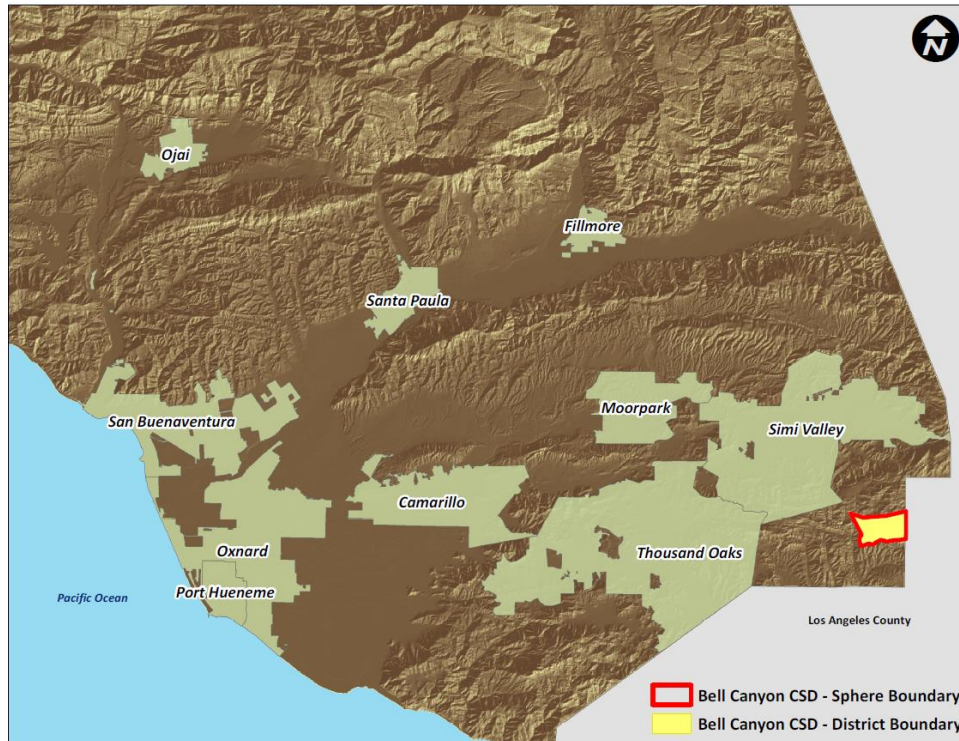
This report is divided into six sections:

- **Background:** Discussion of the history of the BCCSD and how its current authorized services were determined;
- **Profile:** Summary profile of information about the BCCSD, including contact information, governing body, summary financial information, and staffing levels;
- **Growth and Population Projections:** Details current and projected population for the BCCSD;
- **Review of Municipal Services:** Discussion of the municipal services that the BCCSD provides;
- **Relationship Between the BCCSD and HOA:** Discussion of the BCCSD’s relationship with the community’s homeowners association (HOA); and
- **Written Determinations:** Recommended determinations for each of the seven mandatory factors for the BCCSD.

The Commission’s acceptance of the MSR and adoption of written determinations will be memorialized through the adoption of a resolution that addresses each of the seven mandatory factors based on the Written Determinations section of the MSR.

Background

The land in Bell Canyon was purchased in the early 1960s by a partnership of the Spruce Land Corporation and Boise-Cascade. Several years later, a subdivision called the “Woodland Hills Country Estates” was opened and a community association created. In 1969, the property owners took control of the association and the area was renamed Bell Canyon. Bell Canyon is an unincorporated, private, gated community adjacent to the Los Angeles County boundary (near West Hills) that is geographically isolated from other communities in Ventura County.



The BCCSD was formed in 1984 under the Community Services District Law (Government Code § 61000 et seq. [CSD principal act]) to provide a local public agency for the Bell Canyon community. When the BCCSD was formed, the area was detached from the Rancho Simi Recreation and Park District (RSRPD) and its portion of property tax revenue was redirected from the RSRPD to the BCCSD. According to LAFCo records, upon its formation in 1984, the BCCSD was authorized to provide a variety of services, however, the actual services to be provided were to be determined at a later date and were contingent upon revenues and community priorities.

In 1985, LAFCo prepared a study titled “1985 Study of Special Districts in Ventura County – An Inventory and Analysis with Recommendations for Changes of Organization.” The study acknowledged that the BCCSD was not providing services, though it was authorized to provide the following services:

- Own and operate a water system and supply water
- Provide sewage disposal and salvage services
- Provide fire protection and the abatement of fire hazards
- Provide streetlights

- Operate recreational facilities
- Provide police protection
- Make street and highway improvements and construct works under or across streets, roads and highways
- Provide pest control services

In 1993, LAFCo prepared an update to the 1985 study, which identified that the only service the BCCSD was providing at that time was rubbish collection.

In 1995, the BCCSD applied for and received LAFCo approval to exercise a latent power to provide “Advance Life Support (emergency medical) services, via contract between the [community services] District and the Los Angeles City Fire Department.”

In 2001, LAFCo prepared another study titled “Special Districts Study 2001.” According to this study, at the time the study was prepared the BCCSD was providing the following services:

- Enhanced traffic patrol (under contract with the Ventura County Sheriff)
- Recreation
- Garbage collection (under contract with a private provider)
- Paramedic services (under contract with the City of Los Angeles)

In 2005, LAFCo law was amended to require that LAFCo on or before January 1, 2008, must review and update each special district’s sphere of influence and, in doing so, “establish the nature, location, and extent of any functions or classes of services provided by existing districts.” (Govt. Code §§ 56425(g) and (i)). In the 2005 MSR prepared for the BCCSD, the following services were acknowledged as those that the BCCSD was authorized to provide:

- Solid waste collection and disposal, including recycling and greenwaste removal
- Advanced life support (emergency medical and paramedic) services under the provisions of a contract with the City of Los Angeles Fire Department
- Enhanced traffic patrol under the provisions of a contract with the California Highway Patrol
- Community recreation programs

Both LAFCo law and the CSD principal act provide that any service authorized in a district’s principal act but that was not being provided as determined by LAFCo, is considered a “latent service or power” (Govt. Code §§ 56050.5¹ and 61002(h)²). Both LAFCo law and the CSD principal act provide that the exercise of a latent service or power by a CSD requires LAFCo approval (Govt. Code §§ 56375(a)(1) and 61106(a)).

¹ Govt. Code § 56050.5: “Latent service or power” means those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by the [local agency formation] commission pursuant to subdivision (i) of Section 56425.

² Govt. Code § 61002(h): “Latent power” means those services and facilities authorized by Part 3 (commencing with Section 61100) that the local agency formation commission has determined, pursuant to subdivision (i) of Section 56425, that a district did not provide prior to January 1, 2006.

In 2007, the BCCSD applied to LAFCo for approval of the exercise of the latent powers to provide certain security services and graffiti abatement (Case No. LAFCo 07-08). In the staff report and resolution approving the request, the Commission determined that the BCCSD is authorized to provide and perform the following services:

- Rubbish, recycling and greenwaste removal
- Enhanced traffic patrol under the provisions of a contract with the California Highway Patrol
- Emergency medical (advanced life support) services under the provisions of a contract with the City of Los Angeles Fire Department
- Organize, promote, conduct and advertise community recreation programs
- Security services, including but not limited to burglar and fire alarm services to protect lives and property
- Graffiti abatement

The BCCSD's authorized services have not changed since 2007; the services listed immediately above represent a complete list of the District's authorized services. All other functions/services listed in the CSD principal act are considered latent and would require LAFCo approval in order for the BCCSD to exercise them.

In 2010, LAFCo reviewed the BCCSD sphere of influence. No concerns were identified, and the Commission made no changes to the sphere of influence.

In 2015, LAFCo again reviewed the sphere of influence for the BCCSD. During the review, no issues of concern were identified and no changes to the sphere of influence were made.

Pursuant to the Commission's adopted 2018-2022 Work Plan for initiating sphere of influence reviews and/or updates, LAFCo staff commenced a third sphere of influence review in 2020, which resulted in staff's determination that the preparation of a MSR was warranted.

Profile

Contact Information

Office Address	30 Hackamore Lane, Suite #2B, Bell Canyon, CA 91307
Mailing Address	Same as office
Phone Number	No phone number is listed on the website
Website	www.bellcanyoncsd.specialdistrict.org
Employee E-mail Addresses	No email addresses are listed on the website

Governance Information

Formation Date:	July 1, 1984
Form of Government:	Board of Directors – District General Manager
Board of Directors:	Five members. Elected at-large to serve four-year terms
Board of Directors Meetings:	Fourth Monday of each month
Current Board of Directors ³ :	Dennis Roy, Board President (serving since 1/1/2016) Michael Glassman, Vice President (serving since 1/11/2021) Eric Wolf (serving since 12/5/2012) Richard Levy (serving since 1/5/2013) Judy Lantz (serving since 1/1/2015)

Authorized Services that may be Provided by the District

- Rubbish, recycling and greenwaste removal
- Enhanced traffic patrol under the provisions of a contract with the California Highway Patrol
- Emergency medical (advanced life support) services under the provisions of a contract with the City of Los Angeles Fire Department
- Organize, promote, conduct and advertise community recreation programs
- Security services, including but not limited to burglar and fire alarm services to protect lives and property
- Graffiti abatement

Staffing – Full Time Equivalent Positions

The BCCSD has no staff itself. The general manager and a bookkeeper are under contract and each is funded for 15-20 hours per month.

Public Agencies with Overlapping Jurisdiction

Calleguas Municipal Water District	Ventura County Fire Protection District
Gold Coast Transit District	Ventura County Watershed Protection Dist.
Los Virgenes Unified School District	Ventura County Waterworks District No. 17
Santa Monica Mountains Resource Conservation Dist.	Ventura Regional Sanitation District
Triunfo Water and Sanitation District	

Summary Financial Information

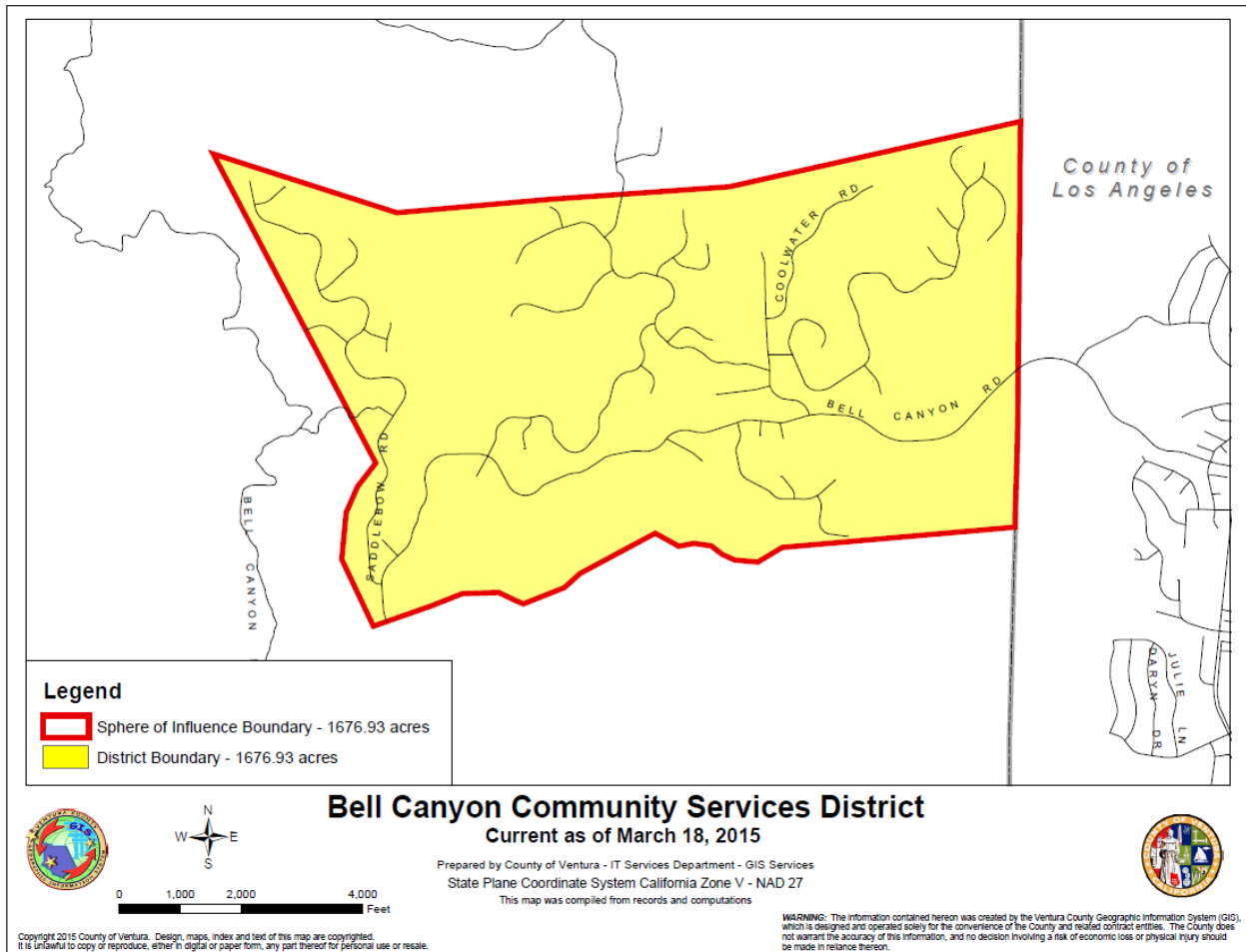
The BCCSD's budgets for fiscal years 2015-16 through 2020-21 are included as Attachments 1 through 6. All or almost all of the BCCSD's revenue each year came from property taxes and a relatively small

³ According to BCCSD website, July 2021

amount of interest income. Since 2015, actual annual revenue has ranged from a low of \$531,718 in FY 2015-16 to a high of \$650,313 in FY 2019-20. Anticipated revenues budgeted for FY 2020-21 are \$628,000. According to an annual audit, at the end of the 2019-20 fiscal year (June 30, 2020), the BCCSD had a fund balance of just over \$1,811,000.

Population and Area Information		
	Population	Area (square miles)
District Jurisdiction	2,109	2.62
Sphere of Influence	2,109	2.62

The BCCSD’s current boundary and sphere of influence are shown below:



Growth and Population Projections

Bell Canyon is an unincorporated residential subdivision that encompasses an area of approximately 1,677 acres. The boundaries of the BCCSD generally align with the those of the Bell Canyon community and its sphere of influence is coterminous with its jurisdictional boundaries. There are approximately 672 single family residential homes and the population is estimated to be approximately 2,109⁴. According to the 2005 MSR accepted by Ventura LAFCo, there are a total of 795 residential parcels; therefore, 123 have not been developed. The projected population for the community at buildout is approximately 2,500.

⁴ 2019: US Census American Community Survey estimate

Review of Municipal Services

The review of BCCSD services is based on provisions of state law which require LAFCo to make determinations regarding the present and planned capacity of public facilities, the adequacy of public services, infrastructure needs and deficiencies, and the BCCSD's financial ability to provide these services (Government Code § 56430(a)).

Enterprise vs. Non-Enterprise Services/Functions

Enterprise districts render services much like a business enterprise; services are used by individual customers. Residents of special districts typically pay a fee for the services they receive, such as water, wastewater treatment and solid waste collection/disposal. The services for which they pay are known as district "enterprise" functions. The fees are directly tied to the cost of providing the service.

Other services are considered "non-enterprise" functions because they are meant for the benefit of the community and are not funded by direct charges to special district customers. Non-enterprise functions include, but are not limited to, law enforcement, fire protection, and recreation/park services. Because customers do not pay for such services, special districts rely on property tax revenues and other types of voter-approved revenue, such as property-related assessments, fees and charges.

BCCSD Authorized Services and Functions

As discussed above, the BCCSD is authorized to provide the following services:

- Rubbish, recycling and greenwaste removal
- Enhanced traffic patrol under the provisions of a contract with the California Highway Patrol
- Emergency medical (advanced life support) services under the provisions of a contract with the City of Los Angeles Fire Department
- Organize, promote, conduct and advertise community recreation programs
- Security services, including but not limited to burglar and fire alarm services to protect lives and property
- Graffiti abatement

Each of these services are discussed in detail below.

Solid Waste Removal

The BCCSD is authorized to provide "Rubbish, recycling, and greenwaste removal." It provides solid waste services through a contract with a private service provider. The BCCSD pays the provider directly. The services funded by the BCCSD generally cover the cost for standard residential trash services (one barrel each for trash, recycling, and greenwaste, per parcel). Costs for additional trash services (e.g., additional barrels or other waste services) are borne by individual property owners. According to annual audits (fiscal years 2015-16 to 2019-20) and adopted budgets, the BCCSD expended or budgeted the following on solid waste removal:

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Solid Waste Removal	\$365,581	\$365,292	\$370,171	\$391,779	\$422,576	\$444,000 (budgeted)

Solid waste service is typically considered to be an “enterprise service” because this service is provided directly to customers (i.e., property owners), and is not a benefit to the general public. As such, enterprise services are usually provided on a fee-for-service basis. However, the BCCSD does not charge a fee for this service; instead, it is funded by property tax revenue.

The authority for a CSD to provide solid waste services is found in Govt. Code § 61100(c), which provides that a CSD may (with LAFCo authorization) “Collect, transfer, and dispose of solid waste, and provide solid waste handling services, including, but not limited to, source reduction, recycling, and composting activities, pursuant to Division 30 (commencing with Section 40000), and consistent with Section 41821.2 of the Public Resources Code.” Though the CSD principal act generally provides that a CSD may enter into contracts for services with only a public governmental entity⁵, section 40058 of the Public Resources Code provides that solid waste services may be provided by “the furnishing of the services by a solid waste enterprise.”⁶

Traffic Patrol

The BCCSD is authorized to provide “Enhanced traffic patrol under the provisions of a contract with the California Highway Patrol.” Outside of a contract with the California Highway Patrol (CHP), the BCCSD has no power or authority to provide traffic patrol or enforcement services. According to the BCCSD, the pre-existing contract with the CHP was not renewed upon its expiration in December 2013. As a result, since December 2013, the BCCSD has not provided this service.

Emergency Medical Services

The BCCSD is authorized to provide “Emergency medical (advance life support) services under the provisions of a contract with the City of Los Angeles Fire Department.” Outside of a contract with the City of Los Angeles Fire Department (LAFD), the BCCSD has no power or authority to provide or expend funds on emergency medical services. The BCCSD was unable to produce or confirm the existence of such a contract and/or provide a copy of a contract with LAFD. In addition, according to BCCSD financial documents, no funds have been expended on such contract services during at least the past five years. Therefore, it appears that the BCCSD is not exercising this power and is not receiving this service under contract with the LAFD.

Since 2008, fire protection and emergency medical services have been provided to the Bell Canyon community by the LAFD by means of a contract between the LAFD and the Ventura County Fire

⁵ Govt. Code § 61070: “A [community services] district may contract with any local agency, state department or agency, federal department or agency, or any tribal government for the provision by or to the district of any facilities, services, or programs authorized by this division, within or without the district, subject to compliance with Section 56133.”

⁶ Pub. Resources Code § 40193 defines “solid waste enterprise” as any individual, partnership, joint venture, unincorporated private organization, or private corporation, which is regularly engaged in the business of providing solid waste handling services.

Protection District (VCFPD).⁷ The closest fire station to the community is a LAFD facility located approximately three miles away. In September 2019, the Ventura County Board of Supervisors authorized the VCFPD to extend the contract with the LAFD to June 2024.

Community Recreation Programs

The BCCSD is authorized to “Organize, promote, conduct and advertise community recreation programs.” Based on BCCSD documents, it appears that the BCCSD does not plan, organize, host, or staff recreation programs or events. Community recreational programs are promoted, organized, staffed, and hosted by the HOA and held on and in HOA-owned facilities. The HOA then passes the costs to the BCCSD. These events include, but are not limited to, summer campouts, “Endless Summer” event(s), movie nights, Halloween parties, and an “HOA Kids Committee”. Prior to 2018, funding for these HOA events were not included in the BCCSD budget. However, that changed in fiscal years 2018-19, 2019-20, and 2020-21, when the BCCSD budgeted \$60,000, \$70,000, and \$70,000, respectively, for these and other recreational events organized and conducted by the HOA⁸, as depicted in the following table:

Funds Budgeted						
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Recreation and Events	--	--	--	\$60,000	\$70,000	\$70,000

It appears that between 2015-16 and 2019-2020⁹, the BCCSD spent over \$100,000 on community recreation as depicted in the following table:

Funds Spent						
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Recreation and Events	--	--	--	\$52,204	\$48,769	Unavailable

Since FY 2015-16, it appears that the BCCSD has paid over \$100,000 for recreational programs/events that are organized, hosted, and staffed by the HOA and held on private HOA property. There are no contracts or agreements in place between the BCCSD and the HOA to allow for the HOA to provide these services on behalf of the BCCSD. The BCCSD has not demonstrated that it has the legal authority to receive services from, or provide services through, the HOA.

In fact, it appears that the BCCSD does not have this authority. LAFCo law defines "Service" to mean “a specific governmental activity established within, and as a part of, a function of a local agency.” (Govt. Code section 56074). The CSD principal act provides “A [community services] district may contract with

⁷ The LAFD has been providing fire protection services to the community under contract with the VCFPD since 1979. Advanced life support services (i.e. emergency medical services) were added to the contract in 2008.

⁸ The BCCSD allocated another \$70,000 for Recreational Activities in its adopted budget for fiscal year 2021-22.

⁹ From 2015-16 through 2017-18, no funds were budgeted for recreation, yet the BCCSD spent over \$38,000 on recreation during that time. It appears that money budgeted for Community Emergency Response Team (CERT) may have been instead spent on recreation, as discussed in more detail later in this report (see CERT discussion under *BCCSD Non-Authorized Services and Functions*).

any local agency, state department or agency, federal department or agency, or any tribal government for the provision by or to the district of any facilities, services, or programs authorized by this division, within or without the district, subject to compliance with Section 56133.” (Govt. Code § 61070) (underline added).

In addition, the authority for the BCCSD to provide recreation programs is derived from the CSD principal act, specifically Government Code § 61100(f). Indeed, it is this subsection that the BCCSD cites as providing it the authority to give funds to the HOA to provide recreation program services on its behalf. Subsection 61100(f) provides that a CSD may “Organize, promote, conduct, and advertise programs of community recreation, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code.” According to Recreation and Park District (RPD) Law, specifically Public Resources Code § 5786.13, “[a] [recreation and park] district may contract with other public agencies to provide recreation facilities and programs of community recreation within the district’s boundaries. A district may contract with other public agencies to provide recreation facilities and programs of community recreation within the boundaries of other public agencies.” (underline added).

Special districts may exercise only those powers that are expressly authorized or necessarily implied therefrom. No authorization exists in CSD law or RPD law that allows contracts to be made with private parties to provide community recreation services. As a result, pursuant to both CSD law and RPD law, if the BCCSD does not provide authorized services/facilities directly, it may do so only (1) under a contract and (2) if that contract is between it and a governmental agency (a local, state, federal or tribal department or agency). As mentioned, there are no service contracts between the BCCSD and HOA and, furthermore, the HOA is not a governmental department or agency. Consequently, the BCCSD is not providing community recreation programs, and its arrangement to fund HOA community recreation activities appears to violate both CSD law and RPD law, and to be an improper use of public funds.

Security Services

The BCCSD is authorized to provide “Security services, including but not limited to, burglar and fire alarm services to protect lives and property”. According to BCCSD, as the decoy traffic enforcement car (driven by HOA staff to conduct traffic enforcement - see section on Traffic Enforcement below under “Non-Authorized Services and Functions”) and BCCSD emergency vehicle (see discussion below under Fire/Emergency Related Services) move about the community, “they are instrumental in preventing burglaries/crimes and identifying fires and sounding the alarm.” No data was provided to support this assertion. In addition, the BCCSD staffs no security personnel, budgeted no money for security services in at least the past five years, and has adopted no policies, procedures, or ordinances pertaining to how security services are to be provided.¹⁰ Furthermore, no contract or agreement is in place that would allow for HOA staff to drive the BCCSD’s decoy car to provide this service on behalf of the BCCSD. According to BCCSD staff, the patrol of the emergency vehicle is limited to the intermittent checks by the BCCSD bookkeeper to ensure that trash cans are not left on the street on trash collection day.

¹⁰ Govt. Code §61106(b): “After receiving the approval of the local agency formation commission, the board of directors may, by ordinance, order the exercise of that power.”

According to the general manager, the BCCSD does not provide this service. It appears that the BCCSD is not providing security services¹¹.

Graffiti Abatement

The BCCSD is authorized to provide “graffiti abatement” services. According to BCCSD, as the decoy traffic enforcement car (driven by HOA staff) and BCCSD emergency vehicle move about the community (driven by the bookkeeper checking that trash cans are not left on the street), they help to “prevent, remove, and receive reports of graffiti...and abate graffiti as a public nuisance”. It is unclear who removes the graffiti, how these reports are handled, how graffiti is abated on private property, or how graffiti is abated on HOA property (the BCCSD general manager confirmed that BCCSD staff do not remove graffiti or take reports of graffiti). The BCCSD has adopted no policies, procedures, or ordinances regarding graffiti abatement and no funds have been budgeted for it in at least the past five years. In addition, there is no contract or agreement in place that would allow for HOA staff to drive the BCCSD’s decoy car to provide this service on behalf of the BCCSD. It appears that the BCCSD is not providing graffiti abatement services.

BCCSD Non-Authorized Services and Functions

As discussed earlier, LAFCo law, specifically Govt. Code § 56425(g), provides that “On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.” Subdivision (i) provides that when adopting, amending, or updating a sphere of influence for a special district, “the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing district.” Once LAFCo has established the functions and services a district is exercising, all other services or functions allowed for under that district’s principal act that are not being exercised become a “latent service or power.” (Govt. Code § 56050.5). In addition, the CSD principal act further specifies that “‘Latent power’ means those services and facilities authorized by Part 3 (commencing with Section 61100) that the local agency formation commission has determined, pursuant to subdivision (i) of Section 56425, that a district did not provide prior to January 1, 2006.” (Govt Code § 61002(h)). LAFCo established the BCCSD’s currently authorized functions and services as part of the MSR process in 2005, which rendered all other functions and services allowed for in the CSD principal act to be latent, pursuant to both LAFCo law and CSD law. These authorized services were expanded by LAFCo in 2007 and have remained unchanged since.

LAFCo law provides, in relevant part, that “The exercise of new or different functions or classes of services...” by a special district [i.e. latent services or powers] is considered a “change or organization” (Govt. Code § 56021), the approval of which resides exclusively within the jurisdiction of LAFCo (Govt. Code § 56375(a)) and § 56824.10 et. seq.). In addition, pursuant to CSD law, “If a [CSD] board of directors desires to exercise a latent power, the district shall first receive the approval of the local agency formation commission, pursuant to [LAFCo law].” (Govt. Code § 61106(a)).

Since at least 2014, the BCCSD has exercised, or continues to exercise, functions and services that it has no legal authority to exercise, as they are latent services for which the BCCSD has not received LAFCo

¹¹ The BCCSD indicated to LAFCo as part of its request to activate this latent power in 2007 (LAFCo 07-08), that this service would be provided through “a contract with a private patrol service to provide scheduled random and targeted vehicular patrols... “

approval to exercise. The exercise of unauthorized services and functions violates LAFCo law and the provisions of the CSD principal act. The expenditure of public funds on unauthorized services is an improper use of public funds. These unauthorized services/functions are discussed below.

Traffic Enforcement

As discussed above, since expiration of the contract with the CHP in 2013, the BCCSD has not had the authority to provide or fund traffic patrol services, a fact apparently acknowledged by the BCCSD in 2015¹². Nevertheless, since fiscal year 2014-15, the BCCSD has budgeted approximately \$110,000 for traffic enforcement related services and has expended approximately \$62,000, including \$50,000 on “traffic enforcement equipment” at the community’s front gate and for the purchase of a “decoy” traffic enforcement car¹³. The following table identifies BCCSD expenditures on traffic enforcement related services/functions for each fiscal year beginning in 2014-15:

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Traffic Enforcement	\$5,626	\$464	\$980	--	--	--	Unavailable
Traffic Enforcement - Car	--	--	--	--	\$5,178	\$80	Unavailable
Front Gate -Traffic Enforcement Equipment	--	\$50,000	--	--	--	--	Unavailable

The BCCSD continues to own the decoy patrol vehicle. However, at its September 17, 2018 meeting, the BCCSD Board voted to authorize security personnel from the community’s HOA to utilize the “BCCSD marked unit for traffic patrol and radar enforcement.” This arrangement was reaffirmed by the Board in May 2019, with the HOA assuming costs, though not ownership, of the vehicle¹⁴.

As noted, the community is gated. The gate house is staffed 24-hours and access is strictly limited to residents, their guests, and approved vendors. The BCCSD does not own or lease the front gate/gatehouse; instead, it is owned by the HOA. According to the BCCSD, in a written response to

¹² It appears that the BCCSD was aware that it lacks authority to provide traffic enforcement itself as early as 2015. On June 8, 2015, during budget discussions, a former BCCSD Board President informed the Board that it did not possess authority to provide traffic enforcement outside of a contract with the CHP. The following day, the then-current Board President contacted LAFCo staff via email inquiring as to the BCCSD’s traffic enforcement authority and was informed by LAFCo staff that “The BCCSD is authorized to provide ‘enhanced traffic patrol under the provisions of a contract with the California Highway Patrol’.” At the next Board meeting on June 22, 2015, the Board considered agenda Item 8, which reads “Apply for latent powers for traffic enforcement vs asking the homeowners association to perform this function – Action: Motion to apply for latent power.” However, no application for activation of the latent power was submitted to LAFCo.

¹³ The “decoy” traffic enforcement car, a 2008 Crown Victoria surplus law enforcement vehicle, was outfitted to resemble a law enforcement vehicle in order to give the erroneous impression that traffic patrol/enforcement was being conducted in order to slow traffic. According to the BCCSD, due to the fact that the BCCSD does not have traffic enforcement authority, the Ventura County Sheriff’s Department requested that the decoy car be repainted (a cost of \$4,000).

¹⁴ The CSD decoy car identifies itself in large lettering as a “State of California” vehicle bearing what appears to be the official Seal of the State of California, below which is “Bell Canyon CSD”. The BCCSD is not a state agency and LAFCo staff is aware of no authority for it to represent itself as such. Moreover, the fact that the car is now being used by HOA staff to fulfill a private HOA function while giving the false impression of State authority may be a violation of the laws governing the representation of such authority and the use of the State Seal.

LAFCo staff's questions, the \$50,000 of BCCSD funds spent on Traffic Enforcement Equipment at the front gate in fiscal year 2015-16 was given as a grant to the HOA.

The BCCSD maintains that it is empowered to provide these services and funds pursuant to its power to provide "enhanced traffic patrol", without apparent regard for the fact that it may provide these services only subject to a contract with the CHP. As noted, absent a contract with the CHP, the BCCSD is not authorized to provide or fund traffic patrol/enforcement services and activities. In addition, as discussed later in this report, the BCCSD does not have the legal authority to provide grants to the HOA. The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the provisions of the CSD principal act and LAFCo law and is an improper use of public funds.

Emergency Medical Training

As discussed above, outside of a contract with the LAFD, the BCCSD has no power or authority to provide or expend funds on emergency medical services. Nevertheless, in 2015-2016 the BCCSD expended approximately \$4,000 for cardiopulmonary resuscitation (CPR) training for community members. The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the provisions of the CSD principal act and LAFCo law.

Parks and Recreation Facilities

The BCCSD is not authorized to acquire, construct, improve, maintain, or operate recreation facilities, including parks and open space. It has no legal authority to exercise these functions related to recreation facilities itself or via a contract. Though this authority is allowed for in the CSD principal act¹⁵, the BCCSD has not applied for or received LAFCo approval to exercise it and, therefore, it remains a latent power. Nevertheless, the BCCSD has expended, and continues to expend, substantial funds on recreation facilities.

Though the BCCSD does not own any parks, trails, or recreational facilities, it grants funds to the HOA that owns the community's three-acre Bell Canyon Park, hiking trails, and associated restrooms to provide these services/facilities on its behalf¹⁶. Between fiscal years 2014-15 and 2019-20, the BCCSD provided the HOA with approximately \$110,000 for the repair and/or maintenance of these privately-owned recreation facilities.¹⁷ In addition, at its November 23, 2020, meeting, the BCCSD Board approved the allocation of \$400,000 for improvements to the park and trails and an additional \$15,000 for the cleanup of a specific trail. The following table summarizes the BCCSD funds expended and approved (but not yet expended) on privately-owned HOA recreation facilities since fiscal year 2014-15:

¹⁵ Govt Code §61100(e) provides that a CSD may "Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code."

¹⁶ In correspondence, the BCCSD cites Govt. Code § 61100(f) as providing it the authority to grant these funds to the HOA; however, as explained in *Community Recreation Programs*, this subdivision applies only to recreation programs, and not recreation facilities.

¹⁷ During this five-year time period, the BCCSD budgeted \$600,000 for maintenance of the park and community center, \$305,000 for repair/maintenance of trails, and \$32,100 for the maintenance of restrooms.

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Park Maintenance/Costs	--	--	--	--	\$19,688	\$20,850 ¹⁸	\$400,000
Trail Repairs/Maintenance	--	\$9,790		\$7,200	--	--	(approved)
Restroom Maintenance	\$5,139	\$4,729	\$8,354	\$25,040	--	\$8,394	Unavailable

In October 2020, the BCCSD executed a lease agreement with the HOA in which the BCCSD leased Bell Canyon Park and two trails (Ridge Trail and Waterfall Trail) from the HOA. The \$400,000 approved for fiscal year 2020-21 is intended for the construction and maintenance of new facilities at the park¹⁹. According to adopted meeting minutes, during the review of the lease agreement by the Board in June 2019, it was explained that the intent of the lease was to enable the BCCSD to fund park improvements and maintenance, but that the HOA would be responsible for the day-to-day operations of the park and performing the maintenance while retaining ownership. In addition, Item 10 on the BCCSD’s April 19, 2021 meeting agenda (and subsequent agendas) is a discussion of the possible purchase of a parcel adjacent to the Bell Canyon Park for recreational use by the HOA.

As explained above in *Community Recreation Programs*, because the HOA is not a public agency, the BCCSD does not have the legal authority under CSD law and RPD law to designate the HOA to provide recreation services on its behalf, including the operation and maintenance of park facilities and trails it leases. Moreover, because the BCCSD has not received LAFCo approval to exercise the relevant latent power, the BCCSD does not have the legal authority under CSD law to acquire, maintain, operate, or make improvements to recreation facilities, including parks and open space, or expend funds thereon. Therefore, it appears that the BCCSD has never had the authority to execute the park/trail lease agreement with the HOA or expend any of the funds it has allocated to make improvements to the park and trails. Further, it appears to have no legal authority to purchase property to be used for recreation facilities. The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the provisions of the CSD principal act and LAFCo law and is an improper use of public funds.

Community Emergency Response Team (CERT)

In October 2015, the BCCSD applied to LAFCo to activate a latent service to allow the BCCSD to provide CERT-related services, so that community members could train and participate in disaster preparedness, disaster fire suppression, basic disaster medical operations, and light search and rescues operations (Case No. LAFCo 15-18). In early 2016, LAFCo staff informed the BCCSD that since CERT services consist of assisting emergency organizations and emergency personnel, a CSD that is not authorized to provide emergency services cannot be authorized to provide CERT services in support of those emergency services. In short, in order for the BCCSD to provide the desired CERT services, it would first need LAFCo approval to activate a latent power to allow it to operate a fully functional fire department, something the BCCSD did not wish to pursue. The application was withdrawn by the BCCSD in January 2016. The BCCSD never received approval to exercise the latent power to provide CERT services. The BCCSD Board was informed of the application’s withdrawal at its February 22, 2016 meeting.

¹⁸ According to a budget to actual report, as of April 30, 2020 the BCCSD spent \$20,850 on “Park Costs - Including Vehicle and Equipment”, however the budget comparison schedule in the audit for that year identifies no funds expended on “Park Costs”.

¹⁹ The BCCSD budgeted \$400,000 for trail repairs and park improvements for fiscal year 2021-22.

Nevertheless, between 2015 and 2019, the BCCSD approved \$51,000 to fund CERT. According to end of year budget to actual reports, as of June 30 for each of these fiscal years, the BCCSD had budgeted and expended the following amounts on CERT:

Budget to Actual Reports Operating Expenditures		
	Budgeted	June 30 Actual to date
CERT Funding – FY 2015 - 16	\$20,000	\$2,340
CERT Funding – FY 2016 - 17	\$20,000	\$3,350
CERT Funding – FY 2017 - 18	\$10,000	\$492
CERT Funding – FY 2018 - 19	\$1,000	Not included

Based on the information provided above, unspent CERT funds totaling several thousand dollars should have been present at the end of the fiscal year (\$17,660 for FY 2015-16, \$16,650 for FY 2016-17, and \$9,508 for FY 2017-18). However, the annual audits for each of these fiscal years does not identify “CERT Funding” as an expenditure nor do they identify any leftover fund balance from CERT Funding.

In these same fiscal years, the BCCSD budgeted funds for the maintenance of restrooms. According to end of year budget to actual reports, as of June 30 for each of these fiscal years, the BCCSD had budgeted and expended the following amounts on “Restroom Maintenance”:

Budget to Actual Reports Operating Expenditures		
	Budgeted	June 30 Actual to date
Restroom Maintenance – FY 2015 - 16	\$5,500	\$4,729
Restroom Maintenance – FY 2016 - 17	\$4,100	\$8,354
Restroom Maintenance – FY 2017 - 18	\$7,000	\$25,040
Restroom Maintenance – FY 2018 - 19	\$7,000	\$451

However, neither CERT Funding nor Restroom Maintenance is included in the annual audits prepared for these fiscal years. According to Budgetary Comparison Tables in each audit, the above budgeted amounts for CERT Funding are identified as only “Community” under expenditures (see red text below) and the actual amount expended match those reported above for “Restroom Maintenance” (see green text below):

Budgetary Comparison Schedules, General Fund EXPENDITURES			
	Original and Final Budget Amounts	Actual Amounts	Variance Favorable (Unfavorable)
Community - FY 2015-16	\$20,000	\$4,729	\$15,271
Community - FY 2016-17	\$20,000	\$8,354	\$11,646
Community - FY 2017-18	\$10,000	\$25,040	(\$15,040)
(Removed - FY- 2018-19)	--	--	--

Though these funds were budgeted for CERT, according to the BCCSD these funds were not spent on CERT services but on “community recreation”, as indicated in Statements of Revenue, Expenditures and Changes in Fund Balance tables in each audit. According to these tables, the actual expenditures identified in the above table as having been spent on “Community” (and on Restroom Maintenance in the budget to actual reports) exactly match those identified as expenditures for “Community Recreation” (see green text above and below):

Statement of Revenues, Expenditures, and Changes in Fund Balance EXPENDITURES	
Community Recreation - FY 2015-16	\$4,729
Community Recreation - FY 2016-17	\$8,354
Community Recreation - FY 2017-18	\$25,040
Removed - FY- 2018-19	--

For fiscal years 2015-16, 2016-17, and 2017-18 funds for “CERT Funding” and “Restroom Maintenance” were approved in each annual budget and actual expenditures on them were reported in every one of the monthly budget to actual reports prepared throughout each year. However, neither CERT nor Restroom Maintenance is mentioned as a budget item or as an expenditure in the annual audits prepared for each year. “Community Recreation” is not included as a line item in any of the budgets approved for these same years and it is not identified as an expenditure in any of the budget to actual reports. However, the annual audits identify “Community Recreation” as having been budgeted for and each audit reports that significant amounts were expended on it.

It appears that money budgeted for “CERT Funding” was used to fund “Community Recreation” but was actually spent on “Restroom Maintenance”. There appears to be no record of this transfer of funds and such a transfer was never reflected in the budget to actual reports presented to the Board for three consecutive years²⁰. According to the BCCSD, there were no budget adjustments during the subject fiscal years. The accounting is unclear for the funds budgeted for Restroom Maintenance.

It should also be noted that the audit prepared for fiscal year 2015-16 is not based on the budget adopted for 2015-16, but on the budget adopted for fiscal year 2016-17. Therefore, the budget adopted for 2016-17 is reflected in two consecutive audits (2015-16 and 2016-17). As a result, the audit prepared for 2015-16 inaccurately reports a favorable variance of \$16,807 for that fiscal year. However, when the actual budget adopted for 2015-16 is used, that variance increases to \$148,483. It is unclear why the audit for fiscal year 2015-16 used the subsequent year’s budget.

Fire/Emergency Related Services

The BCCSD is not authorized to provide or fund fire suppression/protection or emergency-related services, including the purchase of related equipment. However, BCCSD records indicate that it has participated, and continues to participate, in such services and related functions. For example:

²⁰ The CSD principal act requires that the BCCSD keep a record of all financial transactions, specifically, Govt. Code § provides “The board of directors shall keep a record of all its actions, including financial transactions.”

- At its June 24, 2019, meeting, the BCCSD Board authorized the expenditure of \$20,000 for a vehicle “equipped with specialized tools to be used in Bell Canyon during an emergency.”
- At its November 18, 2019, meeting, the Board approved the pursuit of \$325,000 in Cal Fire grant funds for: training (\$25,000), development of a community protection plan (\$100,000), and preparation of a hazardous materials plan (\$200,000). According to the BCCSD, these grants were never pursued.
- At its November 23, 2020, meeting the Board voted “to sponsor the Fire Safety Council for State Grant funds of \$37,000.”²¹ According to the BCCSD, the sponsorship allowed it to enter into a contract to receive and facilitate an approximately \$37,000 grant from the California Department of Energy and Fire Protection to be administered by the Council. The BCCSD received the grant funds beginning in December 2020 and is administering them. The funds are deposited into a BCCSD account and are then used to pay bills given to it by the Fire Safety Council. Approximately \$8,000 have been expended as of June 2021.

According to the BCCSD, these activities are within its powers because they “relate to the protection of lives and property and fire alarm services.” The BCCSD cites only a portion of the authorized service/function²², omitting that portion that specifies the authorized service/power is for security services. The BCCSD has no authority to provide fire and/or emergency related services or expend funds on such services and related equipment. It does not have the authority to enter into contracts, to receive grants, to administer grants for such services and equipment, or to sponsor any type of councils or committees related to such services/functions. The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the CSD principal act and LAFCo law.

School Bus Stop

In 2008, the County of Ventura granted to the BCCSD an approximately half-acre parcel. According to the BCCSD, it has managed, operated, and maintained the property for purposes of a school bus stop for public school students who reside in the community. The parcel has been improved with off-street paving, parking, and a shelter. The BCCSD has no authority to manage, operate, or maintain a school bus stop²³. The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the provisions of the CSD principal act and LAFCo law.

²¹ This matter was not listed on the meeting agenda and, according to the meeting minutes, the motion/vote occurred as part of an item identified only as “Financial Report”, an apparent violation of the Brown Act which prohibits any action or discussion of items not on the posted agenda (Govt. Code § 54954.2(a)(3)).

²² The BCCSD is authorized to provide “Security services, including but not limited to burglar and fire alarm services to protect lives and property.”

²³ In a January 29, 2008, letter to the BCCSD general manager, LAFCo staff informed the BCCSD that for it to develop and operate the bus stop would require LAFCo approval of an application to activate a latent power. Following receipt of the letter, on February 4, 2008, the BCCSD General Manager informed LAFCo staff that the HOA, not the CSD, would operate and maintain the bus stop, likely under a lease agreement.

Relationship Between the BCCSD and HOA

The relationship between the BCCSD and HOA appears to violate provisions of state law and to create real and/or perceived conflicts of interest.

Legal Authority for the BCCSD to Grant Funds to the HOA

It is unclear under what legal authority the BCCSD authorizes the use of its public taxpayer funds and public resources to support the activities of a private HOA. The BCCSD has stated that the payment of taxpayer funds to the HOA for recreation programs, recreation facilities, and traffic enforcement as discussed previously were given as grants. However, according to BCCSD staff, the BCCSD has not adopted any type of grant program to oversee these grants. Furthermore, the BCCSD has no policies regarding project/program eligibility requirements for such grants, and requires no terms or conditions regarding the expenditure of such funds. Once given, there appears to be little, if any, oversight to ensure that the funds are spent properly or returned if unspent. There appear to be no requirements that the HOA seek competitive bids for its projects, pay prevailing wages, maintain public records, follow accounting and disclosure rules, or adhere to any type of limitations/restrictions on the use of these public funds. As a result, there is virtually no accountability and transparency regarding the issuance of these taxpayer-funded grants by the BCCSD and the ultimate use of these funds by the HOA.

The BCCSD maintains that it is permitted to provide grants because it is authorized to provide recreation and park services and enhanced traffic patrol²⁴. However, there are no contracts or agreements in place outlining the scope, cost, duration, conditions, or other terms and conditions under which the HOA would provide services on behalf of the BCCSD. When asked if the BCCSD had any policies regulating these grants, the BCCSD responded that its policy “is to conform to law...” but cited no specific policy or any section of law that allows the BCCSD to provide repeated grant funding to the HOA.

The expenditure of public funds is proper only insofar as they are authorized, explicitly or implicitly, by legislative enactment. As explained earlier, the BCCSD has no express or implied legal authority to provide/fund recreation programs through the HOA, and no legal authority to provide/fund services related to recreation facilities, including the maintenance of and improvements to parks and trails. Further, it has no authority to provide traffic enforcement services itself. Therefore, the granting of funds to the HOA for these services appears to be an improper use of public funds.

Public Records and Meetings

A CSD is an independent governmental agency that must adhere to the provisions of its principal act and other applicable laws, such as those governing open meetings and public records. Pursuant to the Ralph M. Brown Act, board of directors meetings and public records must be accessible and available to all members of the public, not just those residing within the jurisdictional boundaries of the BCCSD (Govt. Code section 54953(a)). HOAs are not governmental entities and are governed by their own set of laws, which generally make them accountable to only members of the association. As such, meetings of the HOA Board and HOA records do not need to be made available to the public. The actions of the BCCSD should be completely transparent to the public. However, the spending of public funds by the HOA is

²⁴ As noted earlier, the BCCSD is authorized to provide recreation programs (not recreation facilities) and enhanced traffic patrol only “under the provisions of a contract with the California Highway Patrol.”

not transparent. As a result, the actual use of such public funds is essentially inaccessible to public scrutiny and accountability.

Transparency of BCCSD actions is further eroded by the fact that the meetings of the BCCSD Board take place in a facility owned by the HOA and located behind the community's gates, also owned by the HOA, which are intended to prevent public access into the community. The Brown Act requires that meeting agendas be posted in a location that is freely accessible to the public for at least 72 hours in advance of the meeting²⁵, that regular meetings must be open and accessible to the public²⁶, and that the public may not be required to divulge personal information in order to attend²⁷. The BCCSD confirmed that the public is not free to enter the community's front gate to attend meetings and that the BCCSD has no control over gate operations. It is unclear how public access to Board meetings and compliance with the Brown Act is achieved when the public is prevented from attending them.

Soon after LAFCo staff contacted the BCCSD regarding this matter, a "Brown Act Compliance Policy" was posted on the BCCSD website (available at <https://bellcanyoncsd.specialdistrict.org/brown-act-compliance-policy>). However, the policy (which does not appear to have been adopted by the Board) does not address the fact that the public is prevented from accessing posted agendas and from attending Board meetings.

Conflicts of Interest

Two members of the BCCSD Board of Directors have for several years also served as members of the Board of the HOA. In 2013, the Ventura County District Attorney's office (DA) investigated the BCCSD in response to a citizen's complaint. Included in the investigation was an issue regarding the legality of individuals serving on both Boards. In a March 2013 letter to the BCCSD, the DA offered "recommendations for areas which could be improved to ensure the BCCSD is in compliance with the law."

The DA concluded that it was aware of no facts at that time which would constitute an unlawful conflict of interest for the individuals serving as members of both the BCCSD and the HOA Board of Directors. However, the DA suggested that "public confidence would be enhanced by eliminating the appearance of impropriety created by their dual directorship." The DA points out that the interests of the BCCSD and HOA could, in the future, be in conflict with one another, "For example, it may be in the best interest of the BCCSD to receive the services under the Contract Services agreement by expending as few taxpayer funds as possible, while the best interest of the HOA may be to obtain more money under the agreement. When interests diverge, the public would best be served by public officials who are not torn between their interest in the BCCSD and their interest in the HOA..."

²⁵ Govt. Code § 54954.2(a)(1) - At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting... [the agenda] shall be posted in a location that is freely accessible to members of the public...

²⁶ Govt. Code § 54953(a) - All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency...

²⁷ Govt. Code § 54953.3 - A member of the public shall not be required, as a condition to attendance at a meeting of a legislative body of a local agency, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.

It does not appear that the BCCSD Board took any action in response to the DA's recommendations. According to the BCCSD, the two BCCSD Board members who sit on the HOA Board recuse themselves from votes having to do with BCCSD funds being given to the HOA; however, on multiple occasions the two individuals voted to grant BCCSD monies to the HOA and adopt budgets allocating funds to HOA activities according to Board meeting minutes.

Written Determinations

The Commission is required to prepare a written statement of its determinations with respect to each of the subject areas provided below (Government Code § 56430(a)).

1. Growth and population projections for the affected area

According to the 2019 U.S. Census American Community Survey estimate, there are approximately 672 single family residential homes and the population of approximately 2,109 within the Bell Canyon Community. According to the 2005 MSR accepted by Ventura LAFCo, there are a total of 795 residential parcels; therefore, 123 have not been developed. The projected population for the community at buildout is approximately 2,500.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

A disadvantaged unincorporated community is defined as a community with an annual median household income that is less than 80% of the statewide annual median household income (Government Code § 56033.5). According to the U.S Census Bureau, in 2019 the median household income in California was \$75,235. Based on the 2015-2019 American Community Survey 5-year Estimates, the annual median household income for Bell Canyon is \$212,045. There are no disadvantaged unincorporated communities within or adjacent to the BCCSD.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies

Solid Waste Removal:

- The BCCSD is authorized to provide “Rubbish, recycling and greenwaste removal.”
- The BCCSD contracts with a private service provider to provide standard residential trash service to residential properties consisting of one bin each for trash, recycling, and greenwaste.
- The cost of the contracts is paid by the BCCSD using taxpayer funds.

Enhanced Traffic Patrol:

- The BCCSD is authorized to provide “Enhanced traffic patrol under the provisions of a contract with the California Highway Patrol.” There has been no contract between the BCCSD and the California Highway Patrol since 2013 and, therefore, the BCCSD has not been exercising this function for approximately eight years.

Emergency Medical Services:

- The BCCSD is authorized to provide “Emergency medical (advanced life support) services under the provisions of a contract with the City of Los Angeles Fire Department.” There is no contract between the BCCSD and the LAFD; therefore, the BCCSD is not exercising this function.

Community Recreation Programs:

- The BCCSD is authorized to “Organize, promote, conduct and advertise community recreation programs.”
- The BCCSD does not directly provide any recreational programs, but instead grants funds to the HOA which plans, organizes, and conducts recreational programs and events that are held on HOA-owned property. These HOA programs/events are accessible to only HOA members.
- The BCCSD does not have the legal authority to provide recreation programs through or by the HOA. Doing so violates the CSD principal act and RPD law.
- The BCCSD does not have the legal authority to provide grants to the HOA and doing so appears to be an improper use of public funds.
- Because the BCCSD does not provide community recreation programs itself or through a contract with a public agency, it is not providing recreation programs.

Security Services:

- The BCCSD is authorized to provide “Security services, including but not limited to burglar and fire alarm services to protect lives and property.”
- It is unclear how the BCCSD performs this function with two contract staff members who are each limited to 15-20 hours per month. In addition, no funds have been budgeted or expended for the service for at least five years, and no ordinances, policies, or procedures have been adopted regarding how the service is to be provided. According to the general manager, the BCCSD is not providing this service.
- It appears that the BCCSD does not provide security services.

Graffiti Abatement:

- The BCCSD is authorized to provide “Graffiti abatement.”
- It is unclear how the BCCSD performs this function with two contracted staff members who are each limited to 15-20 hours per month, no funds budgeted or expended for the service for at least five years, and no ordinances, policies, or procedures have been adopted regarding how the service is to be provided. According to the general manager, the BCCSD is not providing this service.
- It appears that the BCCSD does not provide graffiti abatement services.

Unauthorized Service: Traffic Enforcement

- The BCCSD is not authorized to provide traffic enforcement/patrol services or related funding itself.
- As discussed in this MSR, the BCCSD has no authority to purchase and operate a decoy traffic enforcement car or conduct other related activities, such as giving a “grant” to the HOA to install traffic enforcement equipment at the community’s front gate.
- The exercise of an unauthorized function or service and/or expenditure of funds on that function or service violates LAFCo law and the CSD principal act and appears to be an improper use of public funds.

Unauthorized Service: Emergency Medical

- The BCCSD is not authorized to directly provide or fund emergency medical functions or services.
- As discussed in this MSR, the BCCSD had no authority to provide and fund CPR training for community members.
- The exercise of an unauthorized function or service and/or expenditure of funds on that function or service violates LAFCo law and the CSD principal act and appears to be an improper use of public funds.

Unauthorized Service: Recreation Facilities

- The BCCSD is not authorized to acquire, construct, improve, maintain, or operate recreation facilities, including parks and open space. It has no legal authority to provide or fund these services/functions itself, via a contract, or by giving grants to the HOA.
- As discussed in this MSR, the granting of funds to the HOA to improve and maintain HOA-owned recreation facilities, including a park, trails, and restrooms violates LAFCo law and the CSD principal act and appears to be an improper use of public funds.
- As discussed in this MSR, the BCCSD does not have the legal authority to execute a lease agreement with the HOA for the park and trails, expend funds to improve and maintain the park and trails, or purchase land for use as a recreation facility by the HOA.

Unauthorized Service: CERT

- The BCCSD is not authorized to provide CERT services or expend money on such services. LAFCo informed the BCCSD in early 2016 that it was not authorized to provide or fund CERT services.
- As discussed in this MSR, the BCCSD budgeted and expended funds on CERT In fiscal years 2015-16, 2016-2017, and 2017-18.
- The funds budgeted and expended on CERT and expected fund balance for CERT do not appear to be accounted for in annual audits for each of these fiscal years.
- The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the CSD principal act and LAFCo law.

Unauthorized Service: Fire/Emergency Related Services

- The BCCSD has no authority to provide fire and/or emergency related services, expend funds on such services and related equipment, apply for, receive, and distribute grant funds for such services and equipment, or sponsor any type of councils or committees related to such services/functions.
- As discussed in this MSR, the BCCSD has exercised, and continues to exercise, fire and/or emergency related services, including the sponsorship of a Fire Safety Council and the receipt, administration, and distribution of State grant funds related to fire safety.
- The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the CSD principal act and LAFCo law.

Unauthorized Service: School Bus Stop

- The BCCSD is not authorized operate transportation facilities.
- As discussed in the MSR, the BCCSD owns, manages, operates, and maintains a school bus stop.
- The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the CSD principal act and LAFCo law.

4. Financial ability of agencies to provide services

- The BCCSD appears to have adequate annual revenue and fund balance to provide the services that it currently provides. At the end of fiscal year 2019-20, the BCCSD has approximately \$1.8 million in cash and investments.
- The BCCSD has expended, continues to expend, and plans to expend significant amounts of money on functions and services it is not authorized to provide or is doing so in a manner that is not authorized under state law, including traffic enforcement, emergency medical, recreation programs, recreation facilities, CERT, fire/emergency services, and bus stop maintenance. The expenditure of public funds on unauthorized functions/services constitutes an improper use of public funds.
- The BCCSD grants funds and provides public resources to the HOA under its presumed authority to provide recreation services and traffic enforcement. The BCCSD does not have the legal authority to provide these services through the HOA and such grants to the HOA constitute an improper use of public funds.

5. Status of, and opportunities for, shared facilities

- The BCCSD owns no facilities (other than the bus stop) and has no fulltime staff. The BCCSD grant funds to the HOA for improvements to and maintenance of HOA-owned facilities, such as the community’s front gate, park, trails and other facilities.
- The BCCSD does not have legal authority to provide grants or public resources to the HOA.
- The BCCSD does not have the legal authority to acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, nor to expend public funds on such facilities.

6. Accountability for community service needs, including governmental structure and operational efficiencies

- The BCCSD is locally accountable through an elected legislative body.
- The BCCSD has and continues to exercise and/or fund services and functions that it is not authorized to exercise or fund, including traffic patrol, emergency medical services, recreation facilities, CERT, fire/emergency related services, and a school bus stop.
- The BCCSD conducts Board meetings that are not open and accessible to the public.
- The BCCSD does not record its board meetings.

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

None noted.

Attachments:

1. Adopted Budget for Fiscal Year 2015-16
2. Adopted Budget for Fiscal Year 2016-17
3. Adopted Budget for Fiscal Year 2017-18
4. Adopted Budget for Fiscal Year 2018-19
5. Adopted Budget for Fiscal Year 2019-20
6. Adopted Budget for Fiscal Year 2020-21

	<u>2015-2016</u>
<u>REVENUES</u>	
PROPERTY TAXES	492,592
TRAFFIC FINES	12,000
INTEREST	<u>1,100</u>
TOTAL REVENUE	<u>505,692</u>
<u>OPERATING EXPENDITURES</u>	
<u>BASIC SERVICES</u>	
RESIDENTIAL TRASH-SOLID WASTE	388,500
TRAFFIC ENFORCEMENT- CHP	
TRAFFIC ENFORCEMENT- CAR	2,500
TRAFFIC ENFORCEMENT- CAMERA RENT	20,000
TRAFFIC ENFORCEMENT- ADMINISTRATIVE	4,000
EMERGENCY BROADCAST	690
CERT FUNDING	<u>20,000</u>
TOTAL OPERATING EXPENDITURES	435,690
<u>GENERAL AND ADMINISTRATIVE EXP</u>	
RENT	6,000
CONTRACT SERVICES- GEN MANAGER/BCA	14,400
LEGAL	4,000
ACCOUNTING AND BOOKKEEPING	3,100
RESTROOM MAINTENANCE	5,500
ANNUAL CERTIFIED AUDIT	5,000
INSURANCE	7,000
DUES	1,500
TAX ADMIN FEES- VENTURA COUNTY	
LAFCO FEE	613
TELEPHONE	600
OFFICE SUPPLIES/ PRINTING	2,400
TRAINING	
DART EDUCATION	
OTHER ADMIN EXP	<u>1,535</u>
TOTAL GENERAL AND ADMIN EXPENSES	51,648
<u>CAPITAL EXPENDITURES</u>	
FIRE WALL- BCA	
IMPROVEMENTS PARKS AND COMMUNITY CTR	50,000
FRONT GATE- TRAFFIC ENFORCEMENT EQUIPMENT	50,000
TRAIL REPAIRS AND MAINTENANCE	50,000
TOTAL CAPITAL EXPENDITURES	<u>150,000</u>
TOTAL EXPENDITURES	637,338
NET SURPLUS/DEFICIT	<u><u>(131,646)</u></u>

BELL CANYON COMMUNITY SERVICES DISTRICT 2016-2017 PROPOSED BUDGET

REVENUES	
PROPERTY TAXES	492,592
INTEREST	3,500
TOTAL REVENUE	496,092
EXPENDITURES	
BASIC SERVICES	
RESIDENTIAL TRASH-SOLID WASTE	365,292
TRAFFIC ENFORCEMENT- CHP	20,000
TRAFFIC ENFORCEMENT- CAR	2,500
EMERGENCY BROADCAST	690
CERT FUNDING	20,000
GENERAL AND ADMINISTRATIVE EXP	
RENT	6,000
CONTRACT SERVICES- GEN MANAGER/BCA	20,000
LEGAL	3,000
ACCOUNTING AND BOOKKEEPING	2,500
RESTROOM MAINTENANCE	4,100
ANNUAL CERTIFIED AUDIT	5,000
INSURANCE	
DUES	1,500
TAX ADMIN FEES- VENTURA COUNTY	1,100
LAFCO FEE	500
TELEPHONE	180
OFFICE SUPPLIES/ PRINTING	700
CLEANUP EVENTS	1,600
OTHER ADMIN EXP	1,000
SUBTOTAL	
OTHER EXPENDITURES	
TRAIL REPAIRS	50,000
TOTAL EXPENDITURES	505,662
NET SURPLUS/DEFICIT	(9,570)

BELL CANYON CSD
BUDGET 2017-2018

	2017-2018
REVENUES	
PROPERTY TAXES	545,000
INTEREST	5,000
TOTAL REVENUE	550,000
EXPENDITURES	
BASIC SERVICES	
RESIDENTIAL TRASH-SOLID WASTE	366,000
TRAFFIC ENFORCEMENT- CAR	3,000
EMERGENCY BROADCAST	700
CERT FUNDING	10,000
SUB TOTAL	379,700
GENERAL AND ADMINISTRATIVE EXP	
RENT	6,000
CONTRACT SERVICES- GEN MANAGER/BCA	25,000
LEGAL	4,000
ACCOUNTING AND BOOKKEEPING	2,500
RESTROOM MAINTENANCE	7,000
ANNUAL CERTIFIED AUDIT	5,500
DUES	1,700
TAX ADMIN FEES- VENTURA COUNTY	1,100
LAFCO FEE	5,000
TELEPHONE AND INTERNET	600
OFFICE SUPPLIES/ PRINTING	1,600
CLEANUP EVENTS	2,000
OTHER ADMIN EXP	2,000
SUBTOTAL	64,000
OTHER EXPENDITURES	
TRAIL REPAIRS	100,000
IMPROVEMENTS- PARKS AND COMM. CENTER	300,000
SUB TOTAL	400,000
TOTAL EXPENDITURES	843,700
NET SURPLUS/DEFICIT	(293,700)

REVENUES	
PROPERTY TAXES	582,000
INTEREST	5,000
TOTAL REVENUE	587,000
EXPENDITURES	
BASIC SERVICES	
RESIDENTIAL TRASH-SOLID WASTE	369,000
TRAFFIC ENFORCEMENT- CAR	1,000
EMERGENCY BROADCAST	500
CERT FUNDING	1,000
SUB TOTAL	371,500
GENERAL AND ADMINISTRATIVE EXP	
RENT	6,600
CONTRACT SERVICES- GEN MANAGER/BCA	33,000
LEGAL	2,000
ACCOUNTING AND BOOKKEEPING	3,000
RESTROOM MAINTENANCE	7,000
ANNUAL CERTIFIED AUDIT	6,000
DUES	1,800
TAX ADMIN FEES- VENTURA COUNTY	8,000
LAFCO FEE	500
TELEPHONE AND INTERNET	1,200
OFFICE SUPPLIES/ PRINTING	400
CLEANUP EVENTS	2,000
OTHER ADMIN EXP	1,500
SUBTOTAL	73,000
OTHER EXPENDITURES	
TRAIL REPAIRS	5,000
RECREATIONAL EVENTS	60,000
SUB TOTAL	65,000
TOTAL EXPENDITURES	509,500
NET SURPLUS/DEFICIT	77,500

	2019-2020
REVENUES	
PROPERTY TAXES	560,000
INTEREST	20,000
TOTAL REVENUE	580,000
EXPENDITURES	
BASIC SERVICES	
RESIDENTIAL TRASH-SOLID WASTE	408,000
TRAFFIC ENFORCEMENT- CAR	1,000
EMERGENCY BROADCAST	500
RESTROOM MAINTENANCE	8,500
CLEANUP EVENTS	2,000
RECREATIONAL ACTIVITIES	70,000
SUB TOTAL	490,000
GENERAL AND ADMINISTRATIVE EXP	
RENT	7,000
CONTRACT SERVICES- GEN MANAGER/BCA	30,000
LEGAL	2,000
ACCOUNTING AND BOOKKEEPING	3,000
ANNUAL CERTIFIED AUDIT	6,000
DUES	1,800
TAX ADMIN FEES- VENTURA COUNTY	6,000
LAFCO FEE	500
TELEPHONE AND INTERNET	1,200
OFFICE SUPPLIES/ PRINTING	1,000
CLEANUP EVENTS	2,000
OTHER ADMIN EXP	1,500
SUBTOTAL	62,000
OPERATING SURPLUS	28,000
CAPITAL EXPENDITURES	
TRAIL REPAIRS	100,000
PARK COSTS- INCLUDING VEHICLE AND EQUIP	250,000
TOTAL CAPITAL EXPENDITURES	350,000
NET SURPLUS/DEFICIT	(322,000)

BELL CANYON COMMUNITY SERVICES DISTRICT
BUDGET 2020-2021

Attachment 6

REVENUES

PROPERTY TAXES	610,000
INTEREST	15,000
MISCELLANEOUS INCOME	3,000
<u>TOTAL REVENUE</u>	<u>628,000</u>

EXPENDITURES

BASIC SERVICES

RESIDENTIAL TRASH-SOLID WASTE	444,000
CSD VEHICLE EXPENSES	1,200
EMERGENCY BROADCAST	300
RESTROOM MAINTENANCE	8,500
CLEANUP EVENTS	2,000
RECREATIONAL ACTIVITIES	70,000
<u>SUB TOTAL</u>	<u>526,000</u>

GENERAL AND ADMINISTRATIVE EXP

RENT	6,000
PAYROLL- GENERAL MANAGER	26,000
LEGAL	3,000
ACCOUNTING AND BOOKKEEPING	3,500
ANNUAL CERTIFIED AUDIT	6,000
DUES	1,650
TAX ADMIN FEES- VENTURA COUNTY	7,700
LAFCO FEE	350
TELEPHONE AND INTERNET	1,200
OFFICE SUPPLIES/ PRINTING	1,300
INSURANCE	8,000
ELECTION COSTS	1,000
SAFETY EQUIPMENT	2,000
MEALS AND MEETINGS	1,200
<u>SUBTOTAL</u>	<u>68,900</u>

OPERATING SURPLUS 33,100

CAPITAL EXPENDITURES

TRAIL REPAIRS	100,000
PARK IMPROVEMENTS	300,000
<u>TOTAL CAPITAL EXPENDITURES</u>	<u>400,000</u>

NET SURPLUS/DEFICIT (366,900)

LAFCO 20-09S (A)

**RESOLUTION OF THE VENTURA LOCAL AGENCY FORMATION
COMMISSION ACCEPTING THE MUNICIPAL SERVICE REVIEW FOR
THE BELL CANYON COMMUNITY SERVICES DISTRICT AND
MAKING STATEMENTS OF DETERMINATION**

WHEREAS, Government Code § 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, Government Code § 56430(e) requires each LAFCo to conduct a municipal service review before, or in conjunction with, but no later than the time it is considering an action to establish or update a sphere of influence; and

WHEREAS, the Ventura LAFCo has approved a work plan to conduct municipal service reviews and sphere of influence reviews/updates for the Bell Canyon Community Services District (BCCSD) is part of that work plan; and

WHEREAS, LAFCo has prepared a report titled “Bell Canyon Community Services District – Municipal Service Review” that contains a review of the services provided by the BCCSD; and

WHEREAS, the “Bell Canyon Community Services District – Municipal Service Review” report contains recommended statements of determinations related to the BCCSD, as required by Government Code § 56430; and

WHEREAS, the “Bell Canyon Community Services District – Municipal Service Review” including the recommended statements of determination were duly considered at a public hearing on March 16, 2022; and

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony for and against the recommended exemption from California Environmental Quality Act (CEQA), the “Bell Canyon Community Services District – Municipal Service Review” report and the written determinations, the LAFCo staff report dated March 16, 2022, and recommendations.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Ventura Local Agency Formation Commission as follows:

- (1) The municipal service review report titled “Bell Canyon Community Services District – Municipal Service Review”, including the related statements of determination, are determined to be exempt from CEQA pursuant to § 15061(b)(3) of the CEQA Guidelines, and LAFCo staff is directed to file a Notice of Exemption as the lead agency pursuant to § 15062 of the CEQA Guidelines; and
- (2) The Commission accepts the “Bell Canyon Community Services District – Municipal Service Review” report as presented to the Commission on March 16, 2022, including any modifications approved by a majority of the Commission as a part of this action. The Executive Officer is authorized to make minor edits to the report for accuracy and completeness; and
- (3) The LAFCo staff report dated March 16, 2022, and recommendation for acceptance of the “Bell Canyon Community Services District – Municipal Service Review” report are hereby adopted; and
- (4) Pursuant to Government Code § 56430(a), the statements of determination contained in Exhibit A are hereby made for the BCCSD.

This resolution was adopted on March 16, 2022.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Bill-de la Peña	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Ramirez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Richards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Rooney	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Curtis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner LaVere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Zaragoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3-17-2022
Date

Carmen Ramirez
Chair, Ventura Local Agency Formation Commission

Attachment:
Exhibit A

c: Bell Canyon Community Services District

Written Determinations for the Bell Canyon Community Services District

1. Growth and population projections for the affected area

According to the 2019 U.S. Census American Community Survey estimate, there are approximately 672 single family residential homes and the population of approximately 2,109 within the Bell Canyon Community. According to the 2005 MSR accepted by Ventura LAFCo, there are a total of 795 residential parcels; therefore, 123 have not been developed. The projected population for the community at buildout is approximately 2,500.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

A disadvantaged unincorporated community is defined as a community with an annual median household income that is less than 80% of the statewide annual median household income (Government Code § 56033.5). According to the U.S Census Bureau, in 2019 the median household income in California was \$75,235. Based on the 2015-2019 American Community Survey 5-year Estimates, the annual median household income for Bell Canyon is \$212,045. There are no disadvantaged unincorporated communities within or adjacent to the BCCSD.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies

Solid Waste Removal:

- The BCCSD is authorized to provide “Rubbish, recycling and greenwaste removal.”
- The BCCSD contracts with a private service provider to provide standard residential trash service to residential properties consisting of one bin each for trash, recycling, and greenwaste.
- The cost of the contracts is paid by the BCCSD using taxpayer funds.

Enhanced Traffic Patrol:

- The BCCSD is authorized to provide “Enhanced traffic patrol under the provisions of a contract with the California Highway Patrol.” There has been no contract between the BCCSD and the California Highway Patrol since 2013 and, therefore, the BCCSD has not been exercising this function for approximately eight years.

Emergency Medical Services:

- The BCCSD is authorized to provide “Emergency medical (advanced life support) services under the provisions of a contract with the City of Los Angeles Fire Department.” There is no contract between the BCCSD and the LAFD; therefore, the BCCSD is not exercising this function.

Community Recreation Programs:

- The BCCSD is authorized to “Organize, promote, conduct and advertise community recreation programs.”
- The BCCSD does not directly provide any recreational programs, but instead grants funds to the homeowners association for the Bell Canyon community (HOA) which plans, organizes, and conducts recreational programs and events that are held on HOA-owned property. These HOA programs/events are accessible to only HOA members.
- The BCCSD does not have the legal authority to provide recreation programs through or by the HOA. Doing so violates the CSD principal act and RPD law.
- The BCCSD does not have the legal authority to provide grants to the HOA and doing so appears to be an improper use of public funds.
- Because the BCCSD does not provide community recreation programs itself or through a contract with a public agency, it is not providing recreation programs.

Security Services:

- The BCCSD is authorized to provide “Security services, including but not limited to burglar and fire alarm services to protect lives and property.”
- It is unclear how the BCCSD performs this function with two contract staff members who are each limited to 15-20 hours per month. In addition, no funds have been budgeted or expended for the service for at least five years, and no ordinances, policies, or procedures have been adopted regarding how the service is to be provided. According to the general manager, the BCCSD is not providing this service.
- It appears that the BCCSD does not provide security services.

Graffiti Abatement:

- The BCCSD is authorized to provide “Graffiti abatement.”
- It is unclear how the BCCSD performs this function with two contracted staff members who are each limited to 15-20 hours per month, no funds budgeted or expended for the service for at least five years, and no ordinances, policies, or procedures have been adopted regarding how the service is to be provided. According to the general manager, the BCCSD is not providing this service.
- It appears that the BCCSD does not provide graffiti abatement services.

Unauthorized Service: Traffic Enforcement

- The BCCSD is not authorized to provide traffic enforcement/patrol services or related funding itself.
- As discussed in this MSR, the BCCSD has no authority to purchase and operate a decoy traffic enforcement car or conduct other related activities, such as giving a “grant” to the HOA to install traffic enforcement equipment at the community’s front gate.
- The exercise of an unauthorized function or service and/or expenditure of funds on that function or service violates LAFCo law and the CSD principal act and appears to be an improper use of public funds.

Unauthorized Service: Emergency Medical

- The BCCSD is not authorized to directly provide or fund emergency medical functions or services.
- As discussed in this MSR, the BCCSD had no authority to provide and fund CPR training for community members.
- The exercise of an unauthorized function or service and/or expenditure of funds on that function or service violates LAFCo law and the CSD principal act and appears to be an improper use of public funds.

Unauthorized Service: Recreation Facilities

- The BCCSD is not authorized to acquire, construct, improve, maintain, or operate recreation facilities, including parks and open space. It has no legal authority to provide or fund these services/functions itself, via a contract, or by giving grants to the HOA.
- As discussed in this MSR, the granting of funds to the HOA to improve and maintain HOA-owned recreation facilities, including a park, trails, and restrooms violates LAFCo law and the CSD principal act and appears to be an improper use of public funds.
- As discussed in this MSR, the BCCSD does not have the legal authority to execute a lease agreement with the HOA for the park and trails, expend funds to improve and maintain the park and trails, or purchase land for use as a recreation facility by the HOA.

Unauthorized Service: CERT

- The BCCSD is not authorized to provide CERT services or expend money on such services. LAFCo informed the BCCSD in early 2016 that it was not authorized to provide or fund CERT services.
- As discussed in this MSR, the BCCSD budgeted and expended funds on CERT in fiscal years 2015-16, 2016-2017, and 2017-18.
- The funds budgeted and expended on CERT and expected fund balance for CERT do not appear to be accounted for in annual audits for each of these fiscal years.
- The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the CSD principal act and LAFCo law.

Unauthorized Service: Fire/Emergency Related Services

- The BCCSD has no authority to provide fire and/or emergency related services, expend funds on such services and related equipment, apply for, receive, and distribute grant funds for such services and equipment, or sponsor any type of councils or committees related to such services/functions.
- As discussed in this MSR, the BCCSD has exercised, and continues to exercise, fire and/or emergency related services, including the sponsorship of a Fire Safety Council and the receipt, administration, and distribution of State grant funds related to fire safety.
- The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the CSD principal act and LAFCo law.

Unauthorized Service: School Bus Stop

- The BCCSD is not authorized operate transportation facilities.
- As discussed in the MSR, the BCCSD owns, manages, operates, and maintains a school bus stop.
- The exercise of unauthorized services/functions and the related expenditure of funds by a CSD violates the CSD principal act and LAFCo law.

4. Financial ability of agencies to provide services

- The BCCSD appears to have adequate annual revenue and fund balance to provide the services that it currently provides. At the end of fiscal year 2019-20, the BCCSD has approximately \$1.8 million in cash and investments.
- The BCCSD has expended, continues to expend, and plans to expend significant amounts of money on functions and services it is not authorized to provide or is doing so in a manner that is not authorized under state law, including traffic enforcement, emergency medical, recreation programs, recreation facilities, CERT, fire/emergency services, and bus stop maintenance. The expenditure of public funds on unauthorized functions/services constitutes an improper use of public funds.
- The BCCSD grants funds and provides public resources to the HOA under its presumed authority to provide recreation services and traffic enforcement. The BCCSD does not have the legal authority to provide these services through the HOA and such grants to the HOA constitute an improper use of public funds.

5. Status of, and opportunities for, shared facilities

- The BCCSD owns no facilities (other than the bus stop) and has no fulltime staff. The BCCSD grant funds to the HOA for improvements to and maintenance of HOA-owned facilities, such as the community's front gate, park, trails and other facilities.
- The BCCSD does not have legal authority to provide grants or public resources to the HOA.
- The BCCSD does not have the legal authority to acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, nor to expend public funds on such facilities.

6. Accountability for community service needs, including governmental structure and operational efficiencies

- The BCCSD is locally accountable through an elected legislative body.
- The BCCSD has and continues to exercise and/or fund services and functions that it is not authorized to exercise or fund, including traffic patrol, emergency medical services, recreation facilities, CERT, fire/emergency related services, and a school bus stop.
- The BCCSD conducts Board meetings that are not open and accessible to the public.
- The BCCSD does not record its board meetings.

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

None noted.