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Lou Ann Texeira
Executive Officer

June 11, 2025 (Agenda)

Contra Costa Local Agency Formation Commission 40 Muir Road, First Floor Martinez, CA 94553 June 11, 2025 Agenda Item 5

#### Activation of Latent Powers - Kensington Police Protection and Community Services District

Dear Commissioners:

**BACKGROUND:** Community Services Districts (CSDs) are independent special districts formed and governed pursuant to Government Code (GC) §61000 et seq. CSDs can provide a range of municipal services pursuant to CSD statutes. CSDs are independent special districts typically governed by a five member Board of Directors.

CSDs can provide a multitude of municipal services specified in GC §61100, including, but not limited to, water, wastewater, solid waste, fire protection, recreation, streetlighting and landscaping, abatement, vector control, police protection, library services, maintenance of streets, roads, rights-of-way, culverts, drains, curbs, gutters, sidewalks, transportation, graffiti abatement, flood protection, community centers, libraries, theatres, child care facilities, animal control, pest abatement, cemetery services, and various other municipal services.

A CSD wishing to exercise latent powers in order to provide new or different services must apply to and receive LAFCO approval before providing the service(s). The LAFCO application must be submitted by the legislative body of the subject district, which in this case is the *Kensington Police Protection and Community Services District* (KPPCSD).

The requirements for exercising a new or different service by special districts, and for the LAFCO proceedings, are specified in GC §§56824.10 – 56824.14. In accordance with these provisions, the CSD submitted an application to LAFCO along with a *Fiscal Analysis* (Attachment 1) and *Plan for Services* (Attachment 2) that describes how the services will be provided, along with estimated costs and possible sources of revenues to provide the new services.

**DISCUSSION**: The Kensington community is an unincorporated town within Contra Costa County. The Kensington Police Protection and Community Services District (KPPCSD) was formed in 1946. It was initially named the Kensington Police Protection District and was reorganized under the CSD law in 1953. The name was changed to KPPCSD in 1995. The KPPCSD currently provides local law enforcement, parks and recreation, and solid waste collection to the Kensington community. The District's sphere of influence (SOI) is coterminous with its service boundary as shown on the attached map (Exhibit A). The KPPCSD encompasses  $0.97\pm$  square miles and serves a population of approximately 5,428.

The Kensington Fire Protection District (KFPD) was formed in 1937 and currently provides fire prevention and suppression and emergency medical services. The KFPD encompasses approximately 0.96± square miles with a population of approximately 5,428.

Recently, KPPCSD submitted an application to LAFCO to activate latent powers (LAFCO 25-01) to provide fire protection and emergency medical services. Also, the KFPD submitted an application to LAFCO to annex KFPD to KPPCSD and dissolve KFPD (LAFCO 25-02). Both districts adopted substantially similar resolutions in conjunction with the proposed activation of latent powers and annexation of KFPD to KPPCSD and dissolution of KFPD, which requires LAFCO to approve the proposed boundary change pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act").

In addition to the LAFCO applications, the LAFCO applications also include a *Plan for Services* which includes background information, history of the two districts, justification for proposed activation of latent powers and annexation/dissolution, a proposed transition plan, and a fiscal analysis which both districts accepted. Both districts have discussed and support activation of the latent powers and the proposed reorganization.

Plan for Services/Fiscal Analysis: In response to the community's interest, the districts retained Ridgeline Municipal Strategies ("RMG") to prepare a Plan for Services/Fiscal Analysis which include the following components: Background and Setting, History of the Reorganizing Districts, Proposed Annexation Territory Description, Justification, and Plan and Description of Services. The districts held independent and joint board meetings to discuss the proposed boundary reorganization and the fiscal study and to solicit input from the Kensington Community. The RMG report includes background, history of the reorganizing districts, justification, plan and description of services, fiscal analysis, proposed transition plan, and other components.

In summary, the study concludes the following beneficial results of the reorganization:

- **♣** Administrative economies of scale
- Operational policies and procedures will become consistent with and standardized under one organization
- ♣ Increase in effectiveness and efficiency in delivery of services and administrative functions with shared resources and cost savings achieved through reduced redundancy of certain administrative and support functions in finance, accounting, legal, emergency preparedness and by combining technology infrastructure and other administrative functions and services
- ♣ Annual operating savings projected at \$120,000 to \$290,000 per year (increasing over time)
- ♣ Increase in reserve balance
- ♣ Permanent full-time staff, which would reduce reliance on outside consultants
- Consolidation of the community's tax dollars thereby providing greater funding flexibility

**CEQA Compliance:** KPPCSD, as Lead Agency, found the proposed activation of latent powers exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Class 20, section 15320 (change in organization of local agencies).

**ALTERNATIVES FOR COMMISSION ACTION:** After consideration of this report and any testimony or additional materials that are submitted, the Commission should consider taking one of the following options:

#### Option 1

- A. Find the proposal to be exempt from CEQA pursuant to CEQA Guidelines Class 20, section 15320 (change in organization of local agencies).
- B. Approve the activation of the latent powers for KPPCSD to provide fire and emergency medical services.
- C. Given there are no protest proceedings in conjunction with the establishment of a new or different function of service, direct staff to complete the proceedings.
- **Option 2** Accept this report and DENY the proposal.
- <u>Option 3</u> If the Commission needs more information, CONTINUE this matter to a future meeting.

#### **RECOMMENDED ACTION:**

Approve Option 1.

<u> Lou Ann Texeira</u>

LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

Attachments:

Draft LAFCO Resolution

Exhibits:

KFPD – Boundary Map KPPCSD – Boundary Map

c: Distribution

#### **RESOLUTION NO. 25-01**

# RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS AND APPROVING ACTIVATION OF LATENT POWERS OF KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT (FIRE AND EMERGENCY MEDICAL SERVICES)

WHEREAS, Government Code (GC) Section 56824.12 of the Cortese-Knox-Hertzberg Local Government Reorganization Act requires that a proposal to provide a new or different function or class of services within all or part of the jurisdictional boundaries of a special district shall be made by the adoption of a resolution of application by the legislative body of the special district and shall include all of the matters specified for a petition in GC Section 56700 and be submitted with a plan for services prepared pursuant to GC Section 56653; and

WHEREAS, a proposal to activate certain latent powers (fire and emergency services) of the Kensington Police Protection and Community Services District (KPPCSD) was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission; and

**WHEREAS**, the Executive Officer examined the application and executed her certification in accordance with law, determining and certifying that the filing is sufficient; and

**WHEREAS**, at the time and in the manner required by law, the Executive Officer gave notice of the Commission's consideration of the proposal; and

WHEREAS, the Executive Officer reviewed available information and prepared a report including her recommendations therein, and the report and related information were presented to and considered by the Commission; and

WHEREAS, at a public hearing held on June 11, 2025, the Commission heard, discussed, and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendations, the environmental documents and determinations, spheres of influence, and related factors and information including those contained in GC §56668; and

WHEREAS, the applicant delivered to LAFCO an executed indemnification agreement providing for the applicant to indemnify LAFCO against any expenses arising from any legal actions to challenge the activation of latent powers; and

**WHEREAS**, the Local Agency Formation Commission determines the proposal to be in the best interest of the affected area and the organization of local governmental agencies within Contra Costa County.

## NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The Commission is a Responsible Agency under the California Environmental Quality Act (CEQA), and in accordance with CEQA, finds the proposed change of organization is exempt from review under CEQA pursuant to CEQA Guidelines Class 20, section 15320 (change in organization of local agencies).

- 2. The Commission approves the activation of the latent powers of fire and emergency services for the Kensington Police Protection and Community Services District (KPPCSD). The KPPCSD currently provides local law enforcement, parks and recreation, and solid waste collection. The latent powers are conditioned on adequate financing.
- 3. The boundary of the subject area is found to be definite and certain as approved and set forth in Exhibit A, attached hereto and made a part hereof.
- 4. The subject area is inhabited.
- 5. There is no protest proceeding or election in conjunction with this activation of latent powers.
- 6. All subsequent proceedings in connection with the activation of latent powers shall be conducted in compliance with the Commission's approval and any terms and conditions specified in this resolution.

PASSED AND ADOPTED THIS 11<sup>th</sup> day of June 2025, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

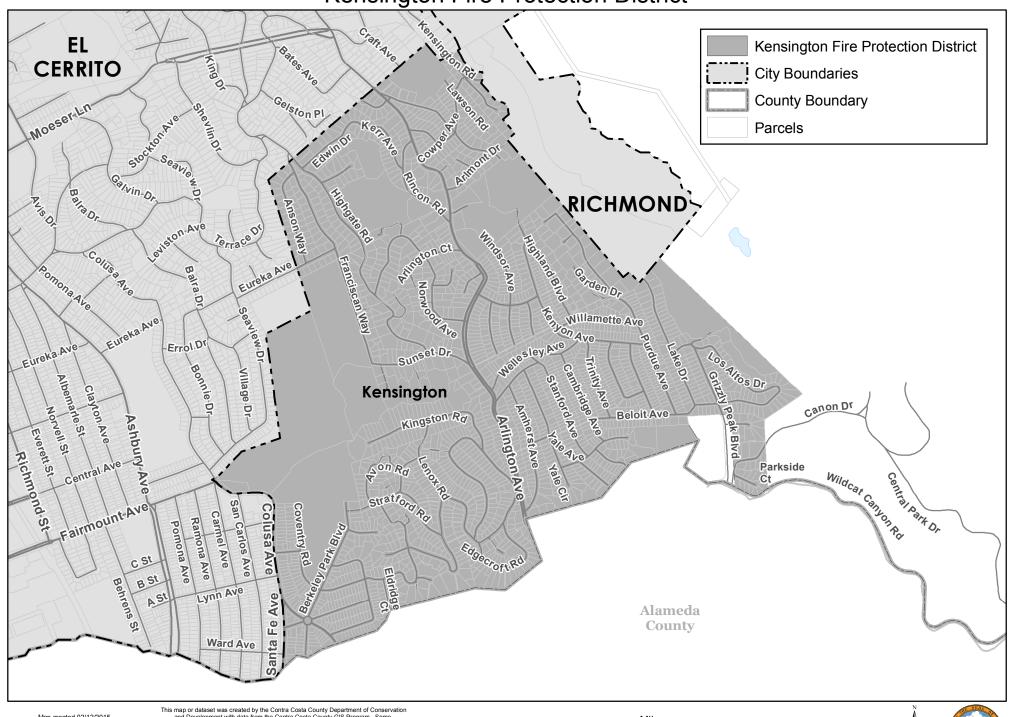
GABRIEL QUINTO, VICE CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated.

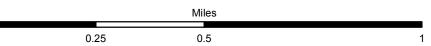
Dated: June 11, 2025

Lou Ann Texeira, Executive Officer

Kensington Fire Protection District

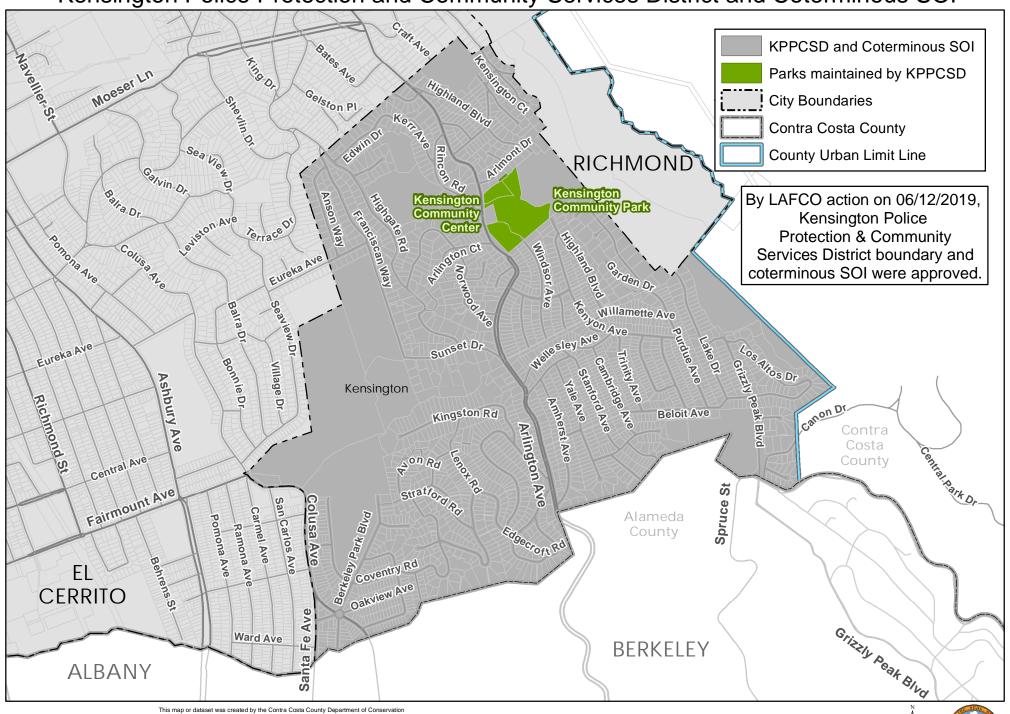


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### Kensington Police Protection and Community Services District and Coterminous SOI



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