

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF OCTOBER 23, 2019*

### *REGULAR MEETING*

**TO:** Shiva Frentzen, Chair, and  
Members of the El Dorado County Local Agency Formation  
Commission

**FROM:** José C. Henríquez, Executive Officer

**PREPARED BY:** Erica Sanchez, Assistant Executive Officer

**AGENDA ITEM #4C:** OPEN THE PUBLIC COMMENT PERIOD FOR THE DRAFT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF  
INFLUENCE STUDY FOR THE SHOWCASE RANCHES  
COMMUNITY SERVICES DISTRICT (LAFCO PROJECT NO.  
2018-05)

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#### **RECOMMENDATION**

Staff recommends that the Commission:

1. Open the Public Hearing to receive comments on the Draft Showcase Ranches Community Services District Municipal Service Review and Sphere of Influence Study; and
2. Continue the Public Hearing until the December 4, 2019 meeting to allow sufficient time and opportunity for the public and the Showcase Ranches Community Services District Board of Directors to review and comment on the study. Staff will return this item in September for final action and adoption.

#### **REASON FOR RECOMMENDED ACTION**

The Showcase Ranches Community Services District Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides a current snapshot of service delivery for the District, and also serves to identify areas of potential growth for future extension of services, or areas of potential reduction for lack of services, where appropriate. State Law requires that an MSR be performed before the Commission can update an agency's SOI.

#### **BACKGROUND**

The Showcase Ranches Community Services District (SRCSD) was originally formed in 1983 to provide road maintenance and limited recreation services (in the form of dam and

lake easement maintenance) to Showcase Ranches, a large-lot rural community. SRCSD maintains a total of 19 roads totaling just under ten miles of roadway, four small lakes and associated easements, and a 32-foot earthen dam.

Showcase Ranches CSD is located in the Outingdale / Mt. Aukum area of El Dorado County, north of Omo Ranch Road and south of Fairplay Road, approximately one-quarter mile east of Mt. Aukum Road.

### **Municipal Service Review Determinations**

The MSR provides analysis for the statutory criteria set forth within the CKH Act, as well as additional locally adopted requirements. These criteria are listed as follows:

- Growth and Population Projections
- Disadvantaged Unincorporated Communities
- Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies
- Financial Ability to Provide Services
- Status of, and Opportunities for, Shared Facilities
- Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies
- The Potential Effect of Agency Services on Agricultural and Open Space Lands

Throughout the analysis portions of the report, LAFCO staff did not identify any substantial areas for improvement or current issues faced by the District that needed to be addressed or resolved as a part of this Municipal Service Review. Overall, the MSR found that the SRCSD provides sufficient road maintenance and limited parks and recreation services within its boundaries, and the District's facilities are maintained at levels consistent with the residents' expectations, as identified by the SRCSD Board of Directors.

**MSR Determination 1** – There are currently 145 parcels and 178 registered voters within the District. All but a few of the parcels within SRCSD are designated Rural Residential and zoned Rural Lands (RL-10) or Limited Agricultural (LA-10). There are a limited number of undeveloped parcels remaining within SRCSD (approximately 10%). SRCSD does not anticipate significant future growth, population increases, or changes in land uses, nor does it have any plans for future expansion beyond the current service boundaries.

**MSR Determination 2** – Disadvantaged Unincorporated Communities (DUCs) are defined as inhabited territory (12 or more registered voters) that constitutes all or a portion of a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The 2017 statewide median household income was \$67,169 (United States Census Bureau 2017), making the median household income for a disadvantaged community as defined by the Water Code \$53,735. According to 2017 income data from the U.S. Census Bureau, the SRCSD service area is not part of an identified disadvantaged community, nor are there any disadvantaged communities in the general area surrounding SRCSD or its sphere of influence.

**MSR Determination 3** – SRCSD is empowered to provide road maintenance and limited parks and recreation services. SRCSD maintains one paved road (approximately three miles long), 18 gravel roads (totaling approximately seven miles of roadway), four small lakes totaling approximately 17 acres and respective easements, and a 32-foot high earthen dam with a capacity to hold 136 acre-feet of water. SRCSD contracts out for all services that cannot be provided by volunteers. Roadways and lake and dam facilities appear in good condition and adequate for the current demand, relative to resident preferences and expectations. District-maintained facilities which need maintenance or repair are prioritized based on need, usage, and availability of funds.

**MSR Determination 4** – SRCSD's main sources of revenue are property taxes and a voter-approved special tax. SRCSD has an average property tax increment of 5.1537%. SRCSD also collects a district-wide special assessment of \$125 per parcel, which was approved by District voters in 1984. The District has also been successful in the past in applying for and receiving FEMA/OES grants to repair roads damaged by winter storms.

These revenue streams are currently adequate for high priority maintenance and repairs; however, additional funding is necessary for lower priority, deferred improvements. The SRCSD Board is aware that District residents may need to approve an increased special tax (with a two-thirds vote) to generate more revenue. The Board has attempted at least four times to increase the special tax amount from the current \$125, but previous attempts to increase the assessments were not approved by voters.

Despite this, SRCSD appears to be financially stable and is able to recover from periodic large infrastructure and facilities expenditures. The District does not have outstanding debts. SRCSD is able to provide adequate services and the District's budget is balanced. SRCSD utilizes a sufficient range of cost avoidance opportunities, including bidding of contracted services and utilizing contract services to reduce costs, utilizing volunteers for some minor maintenance, and pooling of insurance funds.

**MSR Determination 5** – SRCSD contracts for all services. The District does not own any equipment and does not share any facilities with other service providers. SRCSD is not within close proximity to any other local entity that provides similar (road maintenance and/or dam and lake easement) services; therefore, no significant opportunities for shared facilities have been identified.

**MSR Determination 6** – SRCSD is an independent special district, governed by a five-member Board of Directors. Board meetings are held quarterly on the second Thursday of each month at 7:00 pm at Pioneer Fire Station 38, located at 7061 Mt Aukum Road, Mt. Aukum. Board meetings, notices and agendas appear to be consistent with all Brown Act requirements.

Showcase Ranches CSD does not have any paid employees, but it does have an unpaid general manager, who is responsible for administering contracts on behalf of the Board of Directors.

SRCSD has an unofficial District website that is no longer regularly maintained or regularly updated with current district information. Absent an official District website, NextDoor has been a valuable resource for community communication. SRCSD is looking into website options and costs in order to comply with new legislative requirements January 1, 2020.

SRCS D appears to operate efficiently under its existing structure; the current governmental and management structures are appropriate to allow the District to provide necessary services and operate in an efficient and effective manner. No significant issues regarding local accountability were noted.

**MSR Determination 7** – It is unlikely that SRCS D’s services would induce urban growth or the premature conversion of agricultural land to urban uses. The CSD has no plans to expand, so there should be no additional impacts to the economic viability of surrounding agricultural operations.

### **Sphere of Influence Determinations**

The MSR also includes a review of the existing SOI for the District to determine if changes should be made. Written determinations are included within the MSR consistent with the requirements of CKH that address the following:

- Present and Planned Land Uses in the Area, including Agricultural and Open-Space Lands
- Present and Probable Need for Public Facilities and Services
- Present Capacity of Public Facilities and Adequacy of Public Services
- Existence of Any Social or Economic Communities of Interest

**SOI Determination 1** – Present land uses within the District primarily rural residential with some agricultural uses; there are no designated open space lands within the District. Approximately 90% of the parcels within SRCS D are developed, consistent with the current land use designations and zoning for the area. Future land uses are anticipated to remain the same as current.

**SOI Determination 2** – Present needs for public roadway and recreational facilities, in the form of dam and lake easement maintenance, and services are currently being met. Probable needs for future public facilities and services are not anticipated to vary significantly from present needs, as future demands are expected to remain the same. No additional needs for public facilities would be created by affirming the District’s current SOI.

**SOI Determination 3** – The present capacity and condition of roadway facilities provided by SRCS D appears to be sufficient to serve the existing community, based on the level of service expected by District residents. The present condition of recreational facilities (including the lakes, easements and dam) are considered by the District to be adequate but minimal; maintenance and improvements are limited to the Aukum View Dam and are dependent on funding and resources available.

**SOI Determination 4** – Nearby communities include Outingdale and Mt. Aukum. SRCS D is located in a rural region of El Dorado County in between the Greys Corner Rural Center to the north and the Mt. Aukum Rural Centers to the south. There are no social or economic communities of interest in the immediate SRCS D area.

**SOI Determination 5** – While Showcase Ranches CSD does not provide any municipal services as defined in Government Code 56425(e)5, LAFCO has not identified any disadvantaged communities within the District’s boundaries or its sphere of influence.

**Sphere of Influence Recommendations**

The District's service area has not changed since its creation, nor has its sphere of influence, which is concurrent with the District's boundaries. The SRCSD SOI was last updated in 2008. Based upon the information contained in this report, it is recommended that no changes be made to the Showcase Ranches CSD sphere of influence at this time and that the Commission reaffirm the current SOI, which is concurrent with its service area boundaries as depicted in Map 1 of the Draft Showcase Ranches CSD MSR/SOI Study.

**Staff Outreach and Public Comment Period**

Staff reached out to SRCSD Finance Director, Lee Hodge, for additional information about the District and provided him with an Administrative Draft of the report for review prior this publishing of the Draft MSR. Minimal comments were received on the Administrative Draft other than a few clarifications, all of which were incorporated into the Draft report. The SRCSD Board, affected landowners, and the general public will have until the end of the public comment period on December 4, 2019 to submit comments for the Final MSR and SOI Update.

**Attachments:**

Attachment A: Draft Showcase Ranches CSD Municipal Service Review and Sphere of Influence Study (LAFCO Project #2018-05)