

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF JANUARY 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

**AGENDA ITEM #7:** PUBLIC HEARING TO CONSIDER AND ADOPT THE  
ENVIRONMENTAL REVIEW AND THE MUNICIPAL SERVICES  
REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE  
LAKEVIEW COMMUNITY SERVICES DISTRICT (LAFCO  
PROJECT NO. 2017-06)

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#### **RECOMMENDATION**

Staff recommends that the Commission:

1. Receive and discuss the information related to the Municipal Service Review and Sphere of Influence Update for the Lakeview Community Services District;
2. Open the public hearing on this matter;
3. Accept statutory exemption §15061(b)(3) from environmental review as the appropriate environmental review;
4. Adopt Resolution L-2019-03, adopting the Municipal Service Review and Sphere of Influence Update for the Lakeview Community Services District; and
5. Direct staff to complete the necessary filings and transmittals as required by law.

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

The Lakeview 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 identifies areas of potential growth for future extension of services, as well as areas of potential reduction for lack of services, where appropriate. Staff recommends the Lakeview Community Services District sphere of influence be updated to affirm the current sphere with the caveat that in the next MSR staff investigate the level of communication between the LVCS Board and its constituents.

The Commission opened the public comment period on the Draft MSR/SOI at the December 5, 2018 Commission meeting; the Final MSR and affirmation of the current SOI is now returned to the Commission for adoption. The Lakeview Community Services

District MSR/SOI Study is included as Attachment A. The changes made to the document from the version submitted in December are in ***bold italics*** for additions and in ~~strikethrough~~ for deletions. Most are contained in Determination 5 of the MSR.

## **BACKGROUND**

This study analyzes the agency's ability to provide existing and future residents with road maintenance and related services. The MSR was prepared to meet the requirements and standards of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The SOI study uses the data in the MSR portion to generate a guidance document for any future boundary changes to Lakeview Community Services District (LVCSO).

The District was formed in 1974 to maintain Lakeview Drive and secondary roadways to provide access to residential homes located on approximately 70 parcels within the District's boundaries. The District is located on the west side of South Shingle Springs Road, approximately one mile south of Mother Lode Drive in the Shingle Springs area.

Lakeview Drive, the District's primary roadway, connects to the County-maintained South Shingle Springs Road, and dead-ends near the western edge of the District's service boundaries. Lakeview Drive also connects to two other smaller public roadways, Pressley Lane and West Grannys Lane. There are two smaller roads that provide more direct access to residential homes - Newcomers Lane off Lakeview Drive and East Grannys Lane off Pressley Lane; however, these appear to be private driveways.

## **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

LAFCO did not identify any issues from a service standpoint. While some roads within the District were in need of repair or maintenance, they were functional. The governance piece is more problematic. LVCSO does not have a website. It took a while before staff was able to speak to someone, a former director, about the District's operations. Contact with the Board President was eventually made. He was given a copy of the administrative report for review and comment. Both were able to verify some information.

However, a perception is out there. Staff has heard from three LVCSO constituents who also indicated that the District has, at the very least, a non-functioning Board. One believed they all resigned en masse. A second thought the directors were there but had

not approved any road repairs “in seven years.” A third individual, who said he was a former member of the LVCS D Board, sent a scathing email to LAFCO saying “it needs to be taken over by someone who cares about the community and our CSD needs to be audited as to cash flow in/out.” LAFCO staff incorporated these constituents’ speculations in the report along with LVCS D Board Chair Larsen’s acknowledgement that there is room for improvement with the Board’s communication with constituents.

**MSR Determination 1** – Lakeview CSD serves the community of Lakeview, a single subdivision located adjacent to South Shingle Road. Its only active power is road maintenance services. The District currently is providing roadway services to 69 parcels within the District’s boundaries. It is difficult to determine, but LAFCO staff estimates that between one to three parcels are currently undeveloped with the possibility that two other large parcels can be further subdivided. However, any development on these parcels would have a negligible effect to the District’s population. If they were all developed to the maximum allowed under the County’s General Plan, at an average of 2.3 persons per dwelling unit, LVCS D’s population would increase by no more than 21 people over an unknown future timeframe. The territory surrounding LVCS D currently has five separate designations. To the north and northwest, the designation is Commercial. To the east, it has the same zoning as LVCS D, R1A, medium density residential, one home per acre. To the south, the designation varies by parcel. One is RE-5, medium density residential, one home per five acres. The other is R3A, medium density residential, one home per three acres. To the east and southeast, the zoning is multifamily residential; however, these parcels are currently undeveloped.

In the mid-2000s, the District representatives discussed with LAFCO plans for minor alterations to the service area. The intent would be to change District boundaries to accurately reflect the parcels currently being served by the District’s roadways. There has been no subsequent contact with LAFCO staff beyond that initial meeting. The likelihood of this occurring is unknown.

**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 which was \$51,002 as of 2016 (United States Census Bureau, 2016). The 2016 statewide median household income was \$51,002 (United States Census Bureau 2016), making the median household income for a disadvantaged community, as defined by the Water Code, \$49,454. None of the resources used by LAFCO identified LVCS D or its sphere of influence as a disadvantaged community.

**MSR Determination 3** – The District’s current infrastructure consists entirely of roadways. Lakeview Drive serves as the primary roadway for the District’s residents, with Presley Lane and West Grannys Lane serving as secondary roadways. The District does not own any roadway maintenance equipment and utilizes contract services for roadway maintenance services. The previous MSR noted that the current level of funding is not sufficient for repaving the roadways. Major roadway repairs are performed approximately every five to ten years on an as-needed basis, depending on the current condition of the roadway. Improvements are based on the need for fire safety and the availability of funding.

A driving tour by LAFCO staff through Lakeview Drive and Presley Lane showed that the roads are in a fair state, with the end of Lakeview Drive that runs east-west being in the best condition, followed by Presley Lane and the portion of Lakeview Drive that runs north-south being in the worst state of repair of these three segments of road. LAFCO staff did not encounter large potholes, sinkholes, significant road erosion or large portions of unevenly patched road. Large segments of the road were cracked, had no visible drainage culverts and, at times, the road was so narrow that two cars had to move on to the shoulder to pass.

The only thing observed that was out of the ordinary was a sign along Lakeview Drive indicating that the roadway is “not County maintained” and that the right to pass is “by permission only.” As a publicly dedicated road, the District cannot bar someone from driving on Lakeview. It can regulate movement and circulation through traffic-calming measures (speed bumps or tables, stop signs, posting speed limits), but LVCS D cannot prevent someone from using the road.

LVCS D operates similarly to other small CSDs in El Dorado County, with a volunteer Board of Directors, the use of contractors for large projects and relying on volunteers for minor maintenance. Currently, there is no designated general manager. Lakeview CSD does not have a public office, paid staff, regular publications, a website, email address or a public phone line.

**MSR Determination 4** – LVCS D’s main sources of revenue are property taxes and a voter-approved special tax. LVCS D is split within two tax rate areas, with an average property tax increment of 10.14595%. LVCS D also collects a district-wide special tax of \$120 per parcel in November 2001.

These revenue streams are probably inadequate for high priority maintenance and repairs. In terms of size and importance, both revenue sources are roughly equal. In any given year, the collected property tax amounts are somewhere between a few hundred dollars higher to about \$1,000 higher; nevertheless, both revenue streams are relatively stable and the amounts collected by the District do not fluctuate much from year to year.

**MSR Determination 5** –Lakeview CSD contracts out roadway maintenance and related services to private contractors. The District does not own any facilities and, therefore, does not have an opportunity to share any facilities with another service provider despite its proximity to other, comparable and similarly-sized districts.

**MSR Determination 6** – LVCS D is an independent special district, governed by a five-member Board of Directors. As stated earlier, the District does not have a general manager appointed, salaried or volunteer, and relies on licensed contractors to perform large and complex projects but relies on volunteers to conduct simple maintenance.

Since the meetings are infrequent and the District has no website, it is unknown the level of public involvement and input into the District’s operations. However, the District asserts it communicates with residents via mailings and an open forum during board meetings. Three individuals independently - and unprompted - reached out to LAFCO to complain about LVCS D’s operations and lack of communication. Not only is that almost unprecedented, it speaks to the District’s challenges to keep their constituents apprised when it has no formal tools of communications. The next MSR should investigate whether these challenges continue and/or whether any improvement has been made to integrate the modern tools of outreach readily available today.

**MSR Determination 7** – Lakeview CSD is surrounded by existing rural and low-density residential development to the northeast, east and south, multi-family residential to the west and by commercial properties to the north and northwest. Additionally, the District is located in the Shingle Springs Community Region. While the installation of roads can be growth inducing, it is unlikely that LVCS D’s services would induce urban growth or the premature conversion of agricultural land to urban uses. The CSD has no plans to expand and topography and lack of easements prevents Lakeview Drive and Presley Lane from being lengthened any further. There should be no additional impacts to the economic viability of surrounding agricultural operations as a result of LVCS D’s activities or actions.

### **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 are all residential, despite the presence of potentially undeveloped parcels within LVCS D’s boundaries. Planned land uses are anticipated to remain the same as current land uses. The District is not looking to expand despite prior inquiries approximately ten years ago.

**SOI Determination 2** – Present needs for public facilities and services are currently being met. Probable needs for public facilities and services are not currently anticipated to vary from present needs, as future demands are expected to remain the same.

**SOI Determination 3** – All things being equal, the District appears to have adequate capacity to provide services and facilities.

Based on a conversation had with LAFCO staff over a decade ago, the District may have a “free rider” problem with out-of-district landowners who utilize District roads to access their property. This causes wear and tear on the roads that is not appropriately offset by revenues. In addition, while there are two parcels currently within the District that do not utilize District infrastructure, they will remain in the District since LVCS D has taken no action in the past ten years to correct the situation.

**SOI Determination 4** – There are no social or economic communities of interest in the area. Nearby communities include the Shingle Springs area.

**SOI Determination 5** – Not applicable to LVCS D since this district does not provide water, wastewater or fire services. While LVCS D 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 on its sphere of influence.

**Sphere of Influence Recommendations**

This SOI was last updated on January 30, 2008. Based upon the information contained in this report, it is recommended that the Lakeview CSD sphere of influence be reaffirmed to be concurrent with its service area boundaries as depicted in Attachment B.

**Staff Outreach and Public Comment Period**

Staff reached out to John Larsen, LVCSD Board President, and Mike Mutzig, former Board member during the preparation of the report and Mr. Larsen was given a copy of the Administrative Draft of this report before it was publicly released. LVCSD was given a second opportunity to comment when the Commission opened the report for public comment on December 5, 2018. No other comments have been received since the December meeting.

**Attachments:**

Attachment A: Lakeview CSD Municipal Service Review and Sphere of Influence Study (LAFCO Project #2017-06)

Attachment B: Resolution L-2019-03 and SOI Map