

EL DORADO LOCAL AGENCY FORMATION COMMISSION

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## **I EXECUTIVE SUMMARY**

### **Background**

The Showcase Ranches Community Services District (SRCSD) was formed in 1983 to provide road maintenance and limited recreation services to Showcase Ranches, a large-lot rural community.

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. The District's service area encompasses 145 parcels, covering approximately 1,500 acres. SRCSD serves an estimated population of 400 residents.

### **Services Provided**

Special districts are limited-purpose governments which have only the powers that the Legislature has delegated to them. Showcase Ranches CSD is empowered to provide road maintenance and parks and recreation services by California Community Services District Law (Government Code §61100). SRCSD actively provides road maintenance services and limited park and recreation services in the form of dam and lake easement maintenance. SRCSD maintains a total of 19 roads totaling 9.72 miles of roadway, four small lakes and associated easements, and a 32-foot earthen dam.

Showcase Ranches CSD does not provide services outside of its enabling legislation, nor does it provide service beyond designated service boundaries. The District does not have any latent powers.

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**II AGENCY DESCRIPTION**

**Showcase Ranches Community Services District**

Contact Information

**Address:** P.O. Box 468  
Mount Aukum, CA 95656

**Phone:** (530) 409-4929

**Website:** www.showcaseranches.weebly.com (unofficial District website)

**Email:** hodgeleea@yahoo.com

Management Information

**Board of Directors:**

Roger Klemm, Chair	12/2018 – 12/2022
Karen Kleppe, Vice-Chair	12/2015 – 12/2020
Lee Hodge, Finance Director	12/2018 – 12/2022
Steven Taylor, Director	12/2018 – 12/2022
Stephen Vudragovich, Director	12/2015 – 12/2020

**Board Meetings:** Quarterly, Second Thursday of January, April, June and October, Pioneer Fire Station 38, 7061 Mt Aukum Rd, Mt Aukum, 7:00 pm

**Staff:** General Manger (unpaid), Joe Warren  
Clerk (unpaid), vacant

Service Information

**Principal Act:** Community Services District Act  
Government Code §61000 et seq.

**Empowered Services:**  
(at the time of formation) Roads and road maintenance, parks and recreation

**Services Currently Provided:** Roads and road maintenance, parks and recreation (limited)

**Latent Powers:** None  
(LAFCO approval required)

**Area Served:** 145 parcels, 1,500 acres

**Population Served:** Estimated population: 400, Registered voters: 178

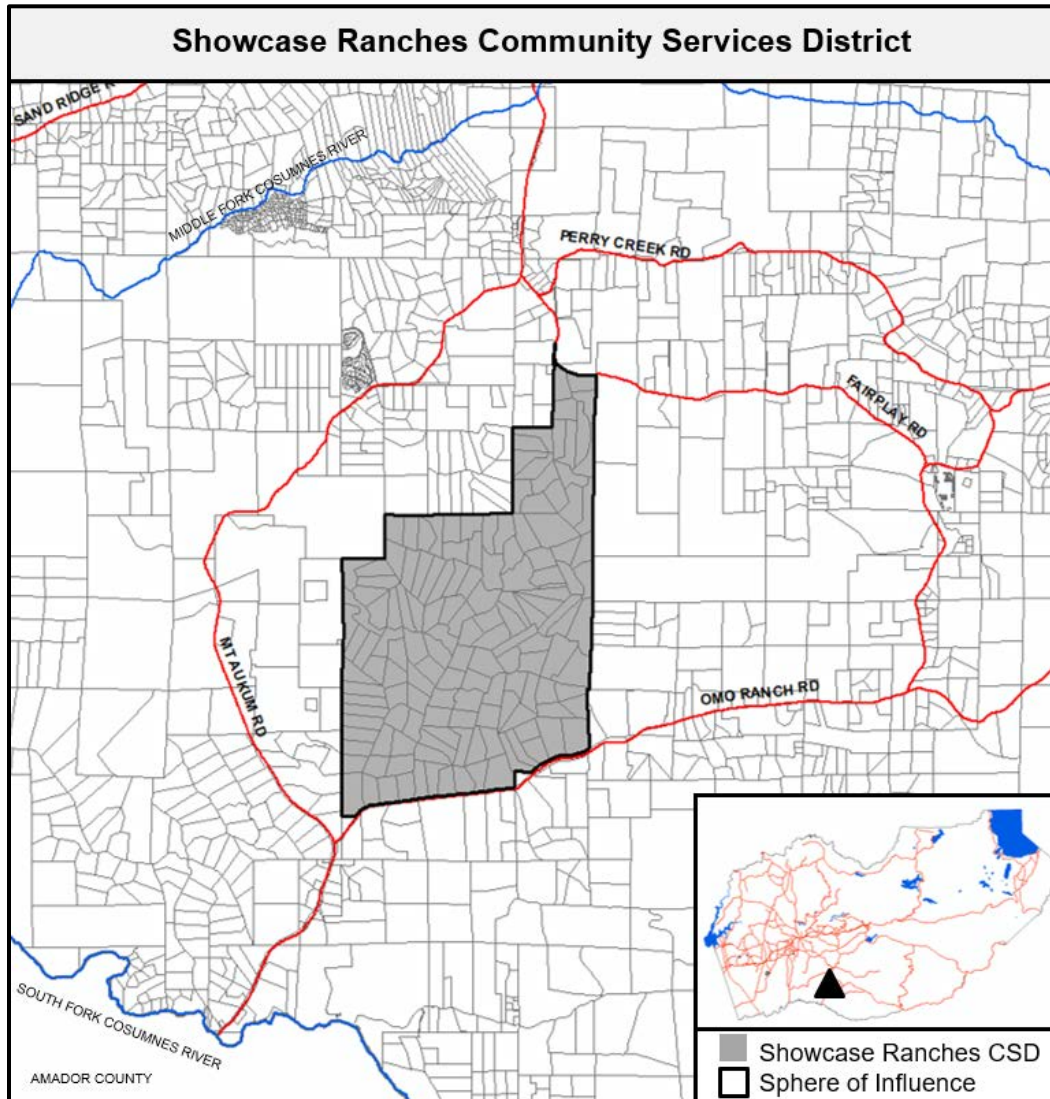
**Major Infrastructure:** 9.72 miles of roadway (3.04 paved, 6.68 gravel), four small lakes and respective easements, one 32-foot earthen dam

Fiscal Information

**2018-19 Budget:** \$54,950

**Sources of Funding:** Property taxes, special tax (\$125 per parcel)

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**Boundaries**

The Showcase Ranches CSD sphere of influence (SOI) is coterminous with the District's service boundaries. The SOI and service area have not changed since the District's formation in 1983.

SRCSO is located in a rural region of southern El Dorado County. The District is loosely bounded by Omo Ranch Road on the south, Fairplay Road on the north, and Mt. Aukum Road to the west.

The parcels within SRCSO are also within the Pioneer Fire Protection District (fire protection and emergency medical services), the El Dorado County Resource Conservation District, and County Service Areas 7 (ambulance services), 9 (cemetery, drainage, including landscaping and wetlands maintenance, street and highway lighting, and road maintenance services) and 10, Zone H (library services).

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### III **MSR DETERMINATIONS**

In preparing a municipal service review (MSR), Government Code §56430 requires the Commission to prepare a written statement of its determinations. Appendix A contains a summary of the current determinations.

In addition, the Commission's Policies and Guidelines Section 4.4 require that additional determinations be made in an MSR prior to establishing a sphere of influence. These additional determinations are included among the Government Code §56430 determinations below and in Appendix A.

To the extent that is feasible, both sets of determinations will be addressed in this section. In addition, the following sections will detail the meaning of each factor and explain how it applies to the services provided by this agency.

Please note that determination #7 below is not in Government Code. This is because the Government Code §56430(a)(7) allows for the Commission to review "any other matter related to effective or efficient service delivery as required by commission policy." El Dorado LAFCO chose to study the potential effects of service delivery and/or extension on agricultural land as its seventh determination.

<b>1. Growth and population projections for the affected area.</b>
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<i>Purpose: To evaluate service needs based on existing and anticipated growth patterns and population projections.</i>
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Information in this section addresses the following factors in LAFCO Policy 4.4:

- Topographic factors and areas of social and economic interdependencies.
- Existing and planned land uses, land use plans and policies, consistency with county and city general plans, and projected growth in the affected area.

#### **Growth and Population**

There are currently 178 registered voters within SRCSD. SRCSD's service area covers approximately 1,500 acres, comprised of 145 large, residential and agricultural parcels ranging from 10-20 acres. All but a few of the parcels within the District are designated Rural Residential (RR), six are designated Agricultural Lands (AL); zoning includes Rural Lands (RL-10), Limited Agricultural (LA-10), and Planned Agricultural (PA-20).

There are a limited number of undeveloped parcels remaining within SRCSD (approximately 10%); 130 of the 145 parcels have been developed according to their zoning in the County's General Plan. Future land uses are anticipated to remain primarily residential and no significant growth, population increases, or changes in land uses are anticipated which would affect the District's ability to provide services. SRCSD does not have any plans for future expansion beyond the current service boundaries.

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

*Purpose: To identify the communities within the agency's service area or sphere of influence that have been traditionally unserved or underserved.*

According to 2017 income data from the U.S. Census Bureau, the Showcase Ranches CSD service area is not part of an identified disadvantaged community, nor are there any disadvantaged communities in the general area surrounding the SRCSD or its sphere of influence.

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 (U.S. Census Bureau 2013-2017 American Community Survey 5-Year Estimates), making the median household income for a disadvantaged community as defined by the Water Code \$53,735.

SRCSD is split between Census Block Groups 2 and 4 of Census Tract 314.02, which includes a sizeable portion of southern El Dorado County. Census Tract 314.02 almost identically mirrors the Pioneer Fire Protection District boundaries.

According to U.S. Census data, the estimated 2017 medium household income in Census Block Groups 2 and 4 of Census Tract 314.02 was \$64,464 and \$56,875, respectively. Therefore, U.S. Census income data does not indicate the presence of a DUC in Census Block Groups 2 or 4 of Census Tract 314.02.

**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.**

*Purpose: To evaluate the infrastructure needs and deficiencies of a district in terms of capacity, condition of facilities, service quality, and levels of service and its relationship to existing and planned service users, especially those in areas that have been traditionally unserved or underserved.*

Information in this section addresses the following factors in LAFCO Policy 4.4:

- Service capacity, level and types of services currently provided by the agency, and areas where these services are provided.
- A description of the services that will be provided to any areas which may be added to the sphere and the timing and method for funding expansion of facilities or services.

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This section addresses the adequacy of infrastructure and maintenance programs within the District. There are no Countywide standards for roadway, lake easement, or dam repair and maintenance applicable to special districts, thus it is left to each agency to determine the extent of maintenance programs. The adequacy of the District’s roadways and lakes is generally based on the District’s self-assessment and resident expectations for overall quality, repair frequency, and availability of District facilities. Dam maintenance is regulated by the State of California through the Department of Water Resources Division of Safety of Dams.

**Infrastructure and Facilities**

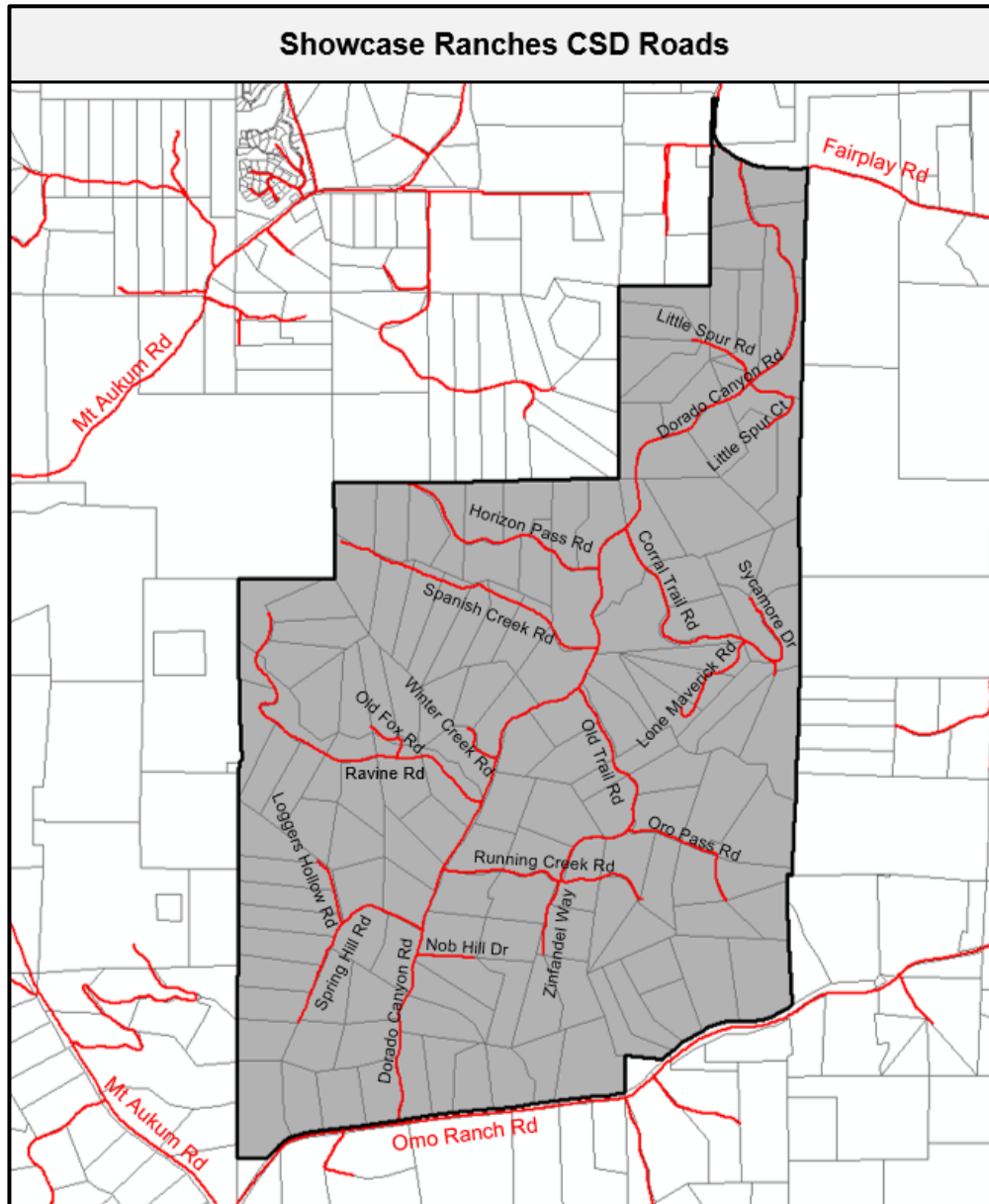
Showcase Ranch CSD’s infrastructure consists of 19 roads, a larger community lake and dam, three smaller lakes, and respective easements for each.

**Roads**

Showcase Ranch CSD is responsible for the maintenance and repair of approximately 9.72 miles of District roadways within the Showcase Ranches neighborhood. Dorado Canyon Road, approximately 3.04 miles long, is the District’s primary roadway. Dorado Canyon runs north and south, providing access in and out of the District from Omo Ranch Road to the south and Fairplay Road to the north. The District also maintains 18 secondary and tertiary roadways totaling approximately 6.68 miles that connect to Dorado Canyon.

<b>Primary Roads</b>	<b>Secondary Roads</b>	<b>Tertiary Roads</b>
<ul style="list-style-type: none"> <li>▪ Dorado Canyon</li> </ul>	<ul style="list-style-type: none"> <li>▪ Little Spur Rd</li> <li>▪ Corral Trail Rd</li> <li>▪ Horizon Pass Rd</li> <li>▪ Spanish Creek Rd</li> <li>▪ Old Trail Rd</li> <li>▪ Winter Creek Rd</li> <li>▪ Ravine Rd</li> <li>▪ Running Creek Rd</li> <li>▪ Spring Hill Rd</li> <li>▪ Nob Hill Dr</li> </ul>	<ul style="list-style-type: none"> <li>▪ Little Spur Ct</li> <li>▪ Sycamore Dr</li> <li>▪ Lone Maverick Rd</li> <li>▪ Oro Pass Rd</li> <li>▪ Rocky Knoll Ln</li> <li>▪ Old Fox Rd</li> <li>▪ Zinfandel Way</li> <li>▪ Loggers Hollow Rd</li> </ul>

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SRCSD provides road maintenance by contracting out for road construction, repairs, and maintenance services. Overall, the roads are repaired every few years, depending on the current condition of the roadway and available funding. Repairs and maintenance are contracted out on an as-needed basis. The District does not own any major roadway maintenance equipment.

Maintenance and repairs are prioritized based on an annual road survey conducted by board members. Directors do a visual inspection of each road and fill out a survey of road conditions independently, then the results are tallied to determine consensus of which roads will require the most needed repairs. The results are used to rank the roads in order of greatest need. Maintenance is performed on roads with the



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lowest rating, continuing on to other roads until the budgeted funds are exhausted. The District's primary road, Dorado Canyon, is the only paved road - the rest are gravel. Typical roadway maintenance services include paving (Dorado Canyon only), pothole repair, sign maintenance, resurfacing, and drainage and culvert maintenance. SRCSD recently obtained a large amount of asphalt grindings at no cost from a local Caltrans job on Omo Ranch Road, which was evaluated by a road contractor for use. Good quality asphalt grindings can be used to "pave" the most deteriorated sections of gravel roads, lesser quality asphalt grindings are used to fill potholes.

The District has indicated that the current condition of the roads is adequate for current roadway usage, but additional maintenance would be preferred to improve the current roadways. Maintenance on the gravel roadways is not always adequate and impacts drainage at several locations, requiring additional maintenance. Due to limited funding, the District does not provide any roadwork beyond basic maintenance. SRCSD does not have plans for future expansion of road infrastructure or construction of facilities.

#### Lakes

Showcase Ranches CSD maintains Aukum View Lake, a larger community lake (14 acres), and three smaller lakes: Deer Lake (two acres), Spanish Creel Lake (one acre) and Quail Lake (less than one acre). All four lakes have easements surrounding them, providing access from District roads. Maintenance of these amenities is considered a recreational service, however the lakes and easements are not maintained for use as traditional recreational facilities. Aukum View Lake is used by residents for fishing and small boats; the other three lakes are seasonal during dry years and are not widely used by District residents. At this time, the District performs minimal maintenance, consisting of the clearing of brush and debris, approximately every five to seven years. Showcase Ranches CSD does not have plans for expansion of recreation infrastructure or construction of facilities.

#### Aukum View Dam

Showcase Ranches CSD is also responsible for the Aukum View Dam, a 32-foot high earthen dam with a maximum capacity to hold 136 acre-feet of water. The Aukum View Dam was built in 1962 and is regulated as a jurisdictional dam by the State of California under the Department of Water Resources Division of Safety of Dams (DSOD).

Jurisdictional sized dams include dams with a height of more than 6 feet with a storage capacity of 50 acre-feet, or dams with a height of more than 25 feet with a storage capacity of 15 acre-feet of water. Jurisdictional height of a dam is used for determining the annual DSOD fee.

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*DSOD Jurisdictional Dams Report*

The Aukum View Dam is inspected annually by the DSOD and the results are published in an annual *Dams Within the Jurisdiction of the State of California* report by the Department of Water Resources DSOD. The most recent report was published September 2018. According to the 2018 DSOD report, the conditional assessment of the Aukum View Dam is satisfactory, which indicates that no existing or potential dam safety deficiencies are recognized. Satisfactory is the highest condition assessment rating given by DSOD. The Aukum View Dam is certified to safely impound water to the elevation specified on the certificate of approval (136 acre-feet) and is not under a reservoir restriction to operate at a level that is lower than the maximum storage level.

DSOD has four classifications for downstream hazards: low, significant, high, and extremely high. The downstream hazard is based solely on potential downstream impacts to life and property should the dam fail when operating with a full reservoir; this hazard is not related to the condition of the dam. Up until 2018, the Aukum View Dam had a downstream hazard classification of low.

In 2018, the DSOD changed the hazard classification for the Aukum View Dam from low hazard to significant hazard, although the DSOD specifically stated that the reclassification was not due to any changes in the condition of the dam or its history. The DSOD issued similar reclassifications to many small jurisdictional dams after the 2017 failure of the Oroville Dam.

Immediately downstream from the Aukum View Dam is a small valley with several residences sitting above the level of the valley. In the event of a dam leak or failure, the valley would be flooded, but the residences would not likely be effected. Based on this, it is the SRCSD Board's opinion that the change in classification was unwarranted. The District is currently attempting to renegotiate this change.

*Inundation Maps and Emergency Action Plans*

In 2017, the California Legislature passed a law requiring all state jurisdictional dams with a significant hazard rating or higher to develop inundation maps and emergency action plans (EAPs). An inundation map shows flooding that could result from a hypothetical failure of a dam or its critical appurtenant structure and is required to be updated at a minimum of every 10 years. An emergency action plan is based on an approved inundation map. DSOD reviews and approves inundation maps before they are made available to the public on the DSOD's Inundation webpage. The Governor's Office of Emergency Services OES reviews and approves the EAPs.

Mandated deadlines for EAPs are based on each dam's hazard classification (extremely high, high, or significant). SRCSD has until January 1, 2021 to submit its EAP for Aukum View Dam, based on its significant hazard classification. Specific deadlines apply only to the EAPs, but the EAPs are based on the approved inundation maps; therefore, the DSOD recommends dam owners submit inundation

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maps to DSOD at least six months prior to the EAP deadline to allow for enough time for review and approval.

**4. Financial ability of agencies to provide services.**

*Purpose: To evaluate factors that affect the financing of needed improvements.*

Information in this section addresses the following factors in LAFCO Policy 4.4:

- Financial capabilities and costs of service.

**Funding and Budget**

This section analyzes the financial operations of the District, including financial statements, audits, and other budgetary documents, to assess its long-term financial viability. Annual financial statements, audits, and budget actuals and projections from fiscal years (FY) 2013-14 through 2019-20 were reviewed to determine the fiscal status of the District. Some of the information was obtained from the County Auditor-Controller’s published special district budget reports, some was obtained directly from the District. For consistency, actual budget numbers included in the table below were taken directly from SRCSD budgets and financial audits, unless otherwise noted.

<b>District Revenues, Expenditures and Net Assets – FY 2013-14 to 2017-18</b>					
	<b>2015-16 (Actual)</b>	<b>2016-17 (Actual)</b>	<b>2017-18 (Actual)</b>	<b>2018-19 (Actual)</b>	<b>2019-20 (Adopted by District)</b>
<b>Beginning Fund Balance</b>	<b>\$5,457</b>	<b>\$20,974</b>	<b>\$32,060</b>	<b>\$38,723</b>	<b>\$15,259</b>
Property Taxes	\$11,636	\$12,032	\$12,725	\$13,736	\$12,000
Direct Charges – Special Tax	\$18,204	\$17,750	\$17,750	\$17,750	\$17,750
State OES Special Funds	\$0	\$0	\$3,093	\$0	\$0
FEMA Special Funds	\$0	\$0	\$12,373	\$0	\$0
Transfer from Audit Reserves	\$7,000	\$0	\$0	\$0	\$0
<b>New Revenue</b>	<b>\$36,839</b>	<b>\$29,782</b>	<b>\$45,941</b>	<b>\$31,486</b>	<b>\$29,750</b>
<b>TOTAL REVENUE</b>	<b>\$42,297</b>	<b>\$50,756</b>	<b>\$78,001</b>	<b>\$70,209</b>	<b>\$45,009</b>
SDRMA Liability / Special Event Insurance	\$936	\$939	\$1,070	\$993	\$1,000
Dam (DOSD) Fees	\$5,416	\$5,678	\$5,700	\$9,200	\$9,500
Dam Maintenance / Weed & Rodent Abatement	\$100	\$0	\$2,021	\$158	\$0
CSDA Membership	\$149	\$159	\$167	\$177	\$175
Office Expenses	\$79	\$24	\$0	\$0	\$100
Professional Services – Water Rights	\$460	\$463	\$459	\$687	\$500

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Road Construction / Maintenance	\$408	\$3,910	\$23,576	\$28,565	\$35,000
LAFCO Admin. Fee	\$47	\$28	\$25	\$26	\$30
Auditing Services	\$6,000	\$0	\$0	\$0	\$2,000
Public/Legal Notices	\$91	\$103	\$20	\$68	\$100
Rent & Lease: Equipment & PO Box	\$68	\$70	\$72	\$76	\$200
Repayment of Debt – Loan for Dam Repairs	\$1,570	\$1,570	\$1,570	\$0	\$0
<b>Total Expenses</b>	<b>\$15,323</b>	<b>\$12,945</b>	<b>\$34,860</b>	<b>\$39,950</b>	<b>\$48,605</b>
Reserves for Dorado Canyon	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Reserves for Mt Aukum View Dam	\$1,000	\$1,000	\$1,000	\$10,000	\$10,000
<b>Total Reserves</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$15,000</b>	<b>\$15,000</b>
<b>TOTAL EXPENSES / RESERVES</b>	<b>\$21,323</b>	<b>\$18,945</b>	<b>\$40,860</b>	<b>\$54,950</b>	<b>\$63,605</b>
<b>Ending Fund Balance</b>	<b>\$20,973</b>	<b>\$31,811</b>	<b>\$37,141</b>	<b>\$15,259</b>	<b>(\$18,596) (Estimated)</b>

El Dorado County handles the District’s fiscal administration. All of the District’s funds are deposited into the County Treasury. The County Auditor’s office manages the District’s receivables and payables. SRCSD submits payment requests or reimbursements to the County, which in turn sends payments to contractors.

### **Revenue**

Community services districts in El Dorado County typically rely upon property taxes, special assessments and/or special taxes, and volunteers to provide various maintenance and other services. Showcase Ranches CSD is financed primarily through property taxes and a voter-approved special tax, which are relatively stable sources of income. SRCSD does not charge any rates for services, which is appropriate for the type of services provided. Total revenues exceeding expenditures are carried over to the next fiscal year.

### Property Taxes

Showcase Ranches CSD receives an increment of 5.1537% of the property taxes collected from each of the 146 assessed parcels within the District, which amounts to approximately \$12,000-\$14,000 annually. There are 145 physical parcels within the CSD, but 146 assessed parcels, because one of the physical parcels also contains a manufactured home which is assessed separately from the land it is on. This parcel has two assigned assessment numbers, each of which are liable for ad-valorem property taxes and any direct charges levied. Ad-valorem property taxes are calculated and collected by the County and transferred to the District. Property tax revenue can fluctuate slightly from year to year as the result of normal changes in property taxes.

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Special Taxes

Special districts have the option to levy additional assessments or special taxes upon the parcels within their boundaries, subject to voter approval. Properties within SRCSD are assessed \$125 annually for the purposes of maintaining and improving the roadway, dam and lakes infrastructure and for other lawful purposes of the District. The tax amounts to approximately \$17,000-\$18,000 annually from the 146 assessed parcels in the District.

The \$125 special tax rate has been in place since it was approved by voters in 1984. Based on the annual appropriations limit for SRCSD, the current special tax is not fully sufficient to fund the activities of the District. The Board has made four previous attempts to raise the special tax amount in the past, but all attempts were rejected by the voters. The Board consistently discusses the need to raise the special tax rate, and will possibly put another measure on the ballot again sometime in the future; however no date has been determined. Residents attending District board meetings have stated that they are in favor of increasing the special tax up to \$250 per parcel; however residents who are engaged in District activities and meetings may be more likely to approve an increase over other District residents.

Grants

Showcase Ranches CSD has successfully applied for and received grant funds from the Federal Emergency Management Agency (FEMA) and the State Office of Emergency Services (OES) twice since 2006-07, under FEMA's Hazard Mitigation Grant Program (HMGP). The Public Assistance portion of the HMGP is to provide assistance to state and local governments and certain private nonprofit organizations for actions taken to prevent or reduce long term risk to life and property from natural hazards. Under the HMGP, FEMA provides up to 75 percent of the funds for mitigation projects, the remaining 25 percent can come from a variety of sources, including the state and local government. In both of these grant scenarios, funding was also provided by OES and SRCSD.

In 2006-07, SRCSD pursued disaster reimbursements through FEMA's HMGP due to storm damage under Disaster Declaration DR-1628 (California Severe Storms, Flooding, Mudslides, and Landslides), which included 13 Northern California counties. The 2006-07 disaster funding totaled \$52,421 (\$39,659 from FEMA, \$12,762 from OES).

In 2016, FEMA reached out to SRCSD after a series of winter storms to inquire whether they were interested in applying for grant funding from the HMGP again, under Disaster Declaration DR-4308 (California Severe Winter Storms, Flooding, Mudslides), which included 20 primarily Northern California counties. At FEMA's encouragement, the District filled out the required forms and submitted them to FEMA. Based on damage to at least nine of the District's gravel roads, Showcase Ranches CSD received \$15,466 in disaster funding to repair the roads (\$12,373 from FEMA, \$3,093 from OES).

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The FEMA grants were issued as a Permanent Work classification, under Category C – Roads and Bridges Repair of roads, bridges, and associated features, such as shoulders, ditches, culverts, lighting, and signs. Work under Category C is separate from, and does not include, dams.

## **Expenses**

### Roads

SRCS D's largest expense is road maintenance, which is also the least fixed of all of the District's expenses. While other expenses are all relatively stable from year to year, annual expenditures can vary significantly due to changes in the amounts spent on road maintenance. Variations in annual road maintenance also causes the District's end of year fund balance to fluctuate, which is not uncommon for smaller, limited-purpose special districts.

Typically, SRCS D accumulates funds annually and expends accumulated funds for roadway maintenance in varying amounts every few years, as needed. The District appears to be financially stable and is able to recover from periodic large roadway maintenance expenditures. SRCS D's budget is balanced and audited financial statements generally concur with the budget.

### DSOD Dam Fees

SRCS D's second largest expense are DSOD dam fees, which have steadily increased in recent years. In 2012, the DSOD fee was less than \$4,500; in 2018, the DSOD the fees increased to \$9,200, more than doubling in six years. The DSOD has only two categories of dams, non-jurisdictional and jurisdictional. Jurisdictional dam fees are based solely on dam height, not maximum capacity. This results in a system in which small dam owners like SRCS D can pay the same rate as larger dams with a much higher capacity based on lake width and depth, but a similar dam height. SRCS D currently pays more than \$40 per acre-foot, a very high rate compared to many large dam owners. According to the District, the fee increase is making it increasingly difficult to maintain regular road maintenance.

In addition, new State requirements for inundation mapping and emergency action plans are expected to be very costly for SRCS D. According to the DSOD, the cost of a map can vary significantly based on the available information and the complexity of the work involved. Based on a recent quote SRCS D obtained from a local engineering firm, the inundation map would cost the District \$8,000. SRCS D plans to prepare its own emergency action plan, based on guidelines published by the DSOD.

Showcase Ranches CSD has formally objected to the proposed regulations and fees, based on the recent significant hazard reclassification. A SRCS D Board has addressed the issue with the DSOD through multiple public hearings and written statements suggesting alternatives for small rural dams. SRCS D is working collectively with other small CSDs facing the same dam issues and its local

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Assembly District representative to mitigate the DSOD dam fees at the legislative level.

Although the DSOD has stated it is sympathetic to small dam owners, it is not clear if it can effectively change the new policies and requirements. The best recourse for avoiding the cost of the inundation mapping and EAP requirements in 2020 is to appeal the recent reclassification of Aukum View Dam from low hazard to significant hazard. If the Aukum View Dam were classified as low hazard, the new inundation mapping and EAP requirements would no longer apply. SRCSD is also working with El Dorado County's Geographic Information System (GIS) Department and the DSOD to make an appeal in 2019. While the board is hoping for the best in regards to the fees, it is budgeting for significant costs in relation to these new requirements.

Other

Showcase Ranches CSD pays the Department of Water Resources (DWR) an annual water rights fee of approximately \$500, for stream water that is diverted into the Aukum View, Deer, and Spanish Creek Lakes. SRCSD collects monthly water level data and reports the data to the DWR annually.

Debt

In FY 2012-13, Showcase Ranches CSD took out a no-interest, private loan for necessary repairs to the Aukum View Dam. The \$7,850 loan was needed to pay for dam repairs that been previously deferred. The District repaid the loan in five annual payments of \$1,570, with the final payment made in FY 2017-18. SRCSD does not currently have outstanding debts.

**Reserves**

Dorado Canyon Road Reserves

SRCSD budgets \$5,000 annually into a reserve account in order to pay for periodic maintenance and repair of Dorado Canyon Road, the CSD's single paved road. Large maintenance projects are scheduled and contracted approximately every 6-7 years, as sufficient funds become available. The Dorado Canyon reserve fund has a balance of \$25,000 as of the FY 2019-20 budget.

Aukum View Dam Reserves

Up until recently, Showcase Ranches CSD has budgeted \$1,000 annually into a reserve account for maintenance on the Aukum View Dam. Due to the increase in DSOD dam fees and the new mapping inundation and emergency action plan requirements, the Board increased that amount to \$10,000 in 2018-19. The Aukum View Dam reserve fund has a balance of \$20,000 as of the FY 2019-20 budget

**Cost Avoidance Opportunities**

SRCSD appears to be utilizing a sufficient range of cost avoidance opportunities to reduce costs. The District contracts for services through a competitive bidding

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process, utilizes volunteers for some minor road maintenance and weed abatement, and pooling of insurance funds.

The District utilizes a competitive bid process for the maintenance and upgrades of the roadways. Requests for proposals are circulated, depending on the need and the availability of funds, approximately every few years. The competitive bid process allows the District to select the lowest cost qualified contractor to provide services; however, the potential savings are often directly related to the number of responses; a shortage of responses reduces the pool of qualified contractors to choose from.

The lakes and their respective easements within are minimally maintained; primarily consisting of brush and debris clearing. SRCSD used to contract out for weed and rodent abatement, but in recent years the District has saved money by purchasing herbicide for roadside spraying and rodent traps and poison for use on the dam and having one of the Board members voluntarily do the spraying and set the traps.

Showcase Ranches CSD also utilizes community and board member volunteers to perform some minor roadway repairs to help mitigate damages to the District's gravel roadways, which helps keep costs down for all residents. Minor improvements include pothole filling and culvert clearing. The CSD organizes periodic neighborhood volunteer parties and supplies gravel for resident use on side roads.

SRCSD is a member of the California Special Districts Association (CSDA), which provides insurance services through the Special District Risk Management Authority (SDRMA), a joint powers agreement among 200 special districts and other agencies. This form of pooled insurance allows the District to reduce insurance costs for the District. SRCSD typically gets a discounted premium through SDRMA, based on submitting the annual SDRMA questionnaire on time and no claims within the past five years. CSDA also provides one hour of free legal advice annually.

Showcase Ranches CSD has also taken steps to replace its annual audits with a simpler financial reconciliation process, available through recent legislation sponsored by the CSDA.

No additional cost avoidance opportunities have been identified that would result in a significant reduction in costs associated with service provision.

### **Financing Constraints and Opportunities**

The District has been able to achieve a balanced budget by limiting some maintenance and repair work to high priority areas. Property taxes and the district-wide special tax appear to be currently adequate for high priority maintenance and repairs; however, additional funding is necessary for lower priority deferred roadway maintenance and additional recreational upgrades and maintenance.

Additional financing opportunities include increasing the special tax under Proposition 218, which requires a two-thirds voter approval in order to pass. SRCSD has made multiple attempts to increase the special tax amount from the current



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\$125, but each time any increase was voted down. No additional financing opportunities have been identified.

**5. Status of, and opportunities for, shared facilities.**

*Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.*

This section addresses the sharing of facilities by Showcase Ranches CSD, and the potential for the District to utilize additional facilities sharing options in order to reduce costs or increase efficiency within its operations.

SRCSO contracts out road construction, repairs, and maintenance services. The District does not own any equipment and does not share any facilities with other service providers. SRCSO 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.

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

*Purpose: To consider Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers; an evaluation of management efficiencies; and local accountability and governance.*

Information in this section addresses the following factors in LAFCO Policy 4.4:

- An analysis of the effects of a proposed sphere of influence on other agencies and their service capabilities.

**Administration and Management**

**Board of Directors**

SRCSO is an independent special district, governed by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board of Directors is composed of five members, required to live within District boundaries, elected by the registered voters within the District to four-year staggered terms. Board elections are held every two years, with two or three terms expiring at the same time. Board members do not receive a stipend. The District has stated in the past that there is a low level of interest among residents to serve on the board, which may affect the District's ability to operate if the board is unable to meet a quorum.

District 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. Additional meetings are held as necessary. Meeting notices and agendas are posted on the white bulletin boards at the north and south entrances to the District at either end of Dorado Canyon Road, and at the Mt. Aukum Post Office, at least 72

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hours prior to the board meeting. Board meetings and notices appear to be consistent with Brown Act requirements, which govern open meetings for local government bodies, allowing adequate opportunities for public involvement and input at meetings.

**Personnel and Staffing**

Showcase Ranches CSD does not have any paid employees, but it does have an unpaid general manager, a position which is required by Government Code Section 61240. The general manager is responsible for administering contracts on behalf of the Board of Directors. The effort and time to recruit and appoint the general manager was difficult, due to the volunteer nature of the position. The District also has an unpaid clerk position which the Board is trying to fill, but due to similar obstacles it is currently vacant.

The District hires contractors for roadway maintenance and other services when necessary, and utilizes community and board member volunteers for minor roadway repairs and weed and rodent abatement, as available and appropriate.

**District Website and District Outreach**

Showcase Ranches CSD currently has an unofficial District website ([www.showcaseranches.weebly.com](http://www.showcaseranches.weebly.com)) to post District agendas, minutes, and announcements. The website was maintained by a resident volunteer and is no longer regularly maintained or regularly updated with current district information. In order to comply with new legislative requirements, SRCSD must have a website by January 1, 2020. The Board is currently looking into a company which specializes in producing and maintaining websites for special districts which are compliant with State Law and has planned for this expense in the 2019-20 budget.

The CSD is also active on the private social network, NextDoor, under [showcaseranches.nextdoor.com](http://showcaseranches.nextdoor.com). The District posts information such as road repair and weed spraying dates, information about volunteer activities and upcoming board meeting agendas. Absent an official District website, NextDoor has been a valuable resource for community communication.

**Governmental Structure**

SRCSD appears to operate sufficiently under its existing structure; the current governmental structure is appropriate to provide adequate services, and the management structure of the District is sufficient to perform necessary services and maintain operation in an efficient and effective manner. Should financial or operational limitations lead to the District ceasing operations or pursuing options for an alternative government structures, a full analysis of the financial and operational impacts of any such transition should be made prior to formal action to change the government structure of the District.

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**7. The potential effect of agency services on agricultural and open space lands.**

*Purpose: To determine the extent in which the provision of services by the agency, or its potential expansion of services, impact agriculture and open space, both on lands within the agency or surrounding it.*

Information in this section addresses the following factors in LAFCO Policy 4.4:

- Potential effects on agricultural and open space lands.

The El Dorado General Plan directs unincorporated growth to already existing population centers, or “community regions;” Showcase Ranches CSD is not located within a Community Region or Rural Center. It is unlikely that SRCSD’s services would induce urban growth or the premature conversion of agricultural land to urban uses. SRCSD has no plans to expand, so there should be no additional impacts to the economic viability of surrounding agricultural operations.

## **IV SOI DETERMINATIONS**

In determining the sphere of influence for each local agency, Government Code §56425(e) requires the Commission to consider and prepare a written statement of determinations with respect to four factors, which are listed in Appendix A. Staff recommends the following determinations for amending the sphere for the **Showcase Ranches CSD**:

**1. The present and planned land uses in the area, including agricultural and open space lands.**

Present land uses within the Showcase Ranches neighborhood are primarily rural residential with some agricultural uses; there are no designated open space lands within the District. Approximately 90% of the parcels within SRCSD 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.

**2. The present and probable need for public facilities and services in the area.**

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.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The present capacity and condition of roadway facilities provided by SRCSD 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.

**4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.**

Nearby communities include Outingdale and Mt. Aukum. SRCSD 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 SRCSD area.

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5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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 Conclusions and 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.

Showcase Ranches CSD was previously reviewed by El Dorado LAFCO in two municipal service reviews since 2000: The *2007 Streets and Highway Services MSR* and the *2008 General Government Services I MSR* are available for review on El Dorado LAFCO's website ([www.edlafco.us](http://www.edlafco.us)). This MSR's found that while the District was providing adequate service within its existing boundaries, District resources, infrastructure and financing would not support further expansion. The CSD Board has not expressed any interest in altering the sphere of influence to expand the service area.

Based upon the information contained in this report, it is recommended that no changes be made to the Showcase Ranches Community Services District 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**.

## **V ENVIRONMENTAL REVIEW**

The California Environmental Quality Act (CEQA, Public Resources Code §21000 et seq.) requires public agencies to evaluate the potential environmental effects of their actions. OPR's Service Review Guidelines Chapter 7, *Integrating Municipal Service Reviews with the California Environmental Quality Act*, advises that "no two municipal service reviews will be exactly alike and each needs to be evaluated on its specific merits and characteristics." The environmental review for El Dorado LAFCO's service review of Showcase Ranches Community Services District is specific to this study and may differ from the environmental review of other service reviews and other LAFCOs.

Service reviews are intended to support sphere of influence updates, including the creation and amendment of SOI boundaries, as well as other government reorganization proposals. Such activities could influence future growth patterns, and as such are considered discretionary projects under CEQA. LAFCO has the principal responsibility for carrying out and approving this service review and therefore the principal responsibility for preparing CEQA documents as lead agency.

### **Exemption**

This service review and accompanying sphere of influence determinations qualify for a statutory exemption as outlined in Public Resources Code §15061(b)(3). These activities are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The MSR and sphere of influence update have no possibility for causing a significant effect on the environment. Any future projects that make use of this service review and the information contained herein will be subject to separate environmental review under CEQA.

## **VI REFERENCES AND SOURCES**

### **General Background Information:**

2004 El Dorado County General Plan: A Plan for Managed Growth and Open Roads; a Plan for Quality Neighborhoods and Traffic Relief, adopted July 2004

Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, prepared by Assembly Committee on Local Government, last updated November 2008

Local Agency Formation Commission Municipal Service Review Guidelines, Governor's Office of Planning and Research, August 2003

LAFCO Procedures Guide, 2006 Edition, San Diego County LAFCO

### **Governing and Defining Legislation:**

Government Code, Division 3 (Community Services District Act)

### **Showcase Ranches CSD:**

2007 Streets and Highways Municipal Services Review, prepared by Pacific Municipal Consultants (PMC) for the El Dorado Local Agency Formation Commission, adopted December 2007

2008 General Government Services I Municipal Services Review, prepared by Pacific Municipal Consultants (PMC) for the El Dorado Local Agency Formation Commission, adopted February 2008

Correspondence and personal communication with Lee Hodges, SRCSD Director, July-October 2019

County of El Dorado, Independent Special Districts Fiscal Budgets, Showcase Ranches Community Services District Budget Actuals, Fiscal Years 2015-16, 2016-17, 2017-18, 2018-19 and Estimated 2019-20

County of El Dorado, Showcase Ranches Community Services District Audit Report on the Financial Statements for Fiscal Years from FY 1995-96 to FY 1999-00.

Showcase Ranches Community Services District Annual Adopted and Adjusted Budgets, Fiscal Years 2015-16, 2016-17, 2017-18 and 2018-19

Showcase Ranches Community Services District unofficial district website, [www.showcaseranches.weebly.com](http://www.showcaseranches.weebly.com)

State of California Natural Resources Agency, Department of Water Resources, Division of Safety of Dams, Dams Within the Jurisdiction of the State of California, September 2018

## VII APPENDICES

### A. Appendix I: Background on MSR/SOI

State mandates enacted in 2000 establish requirements for a Local Agency Formation Commission to conduct comprehensive reviews of all municipal services (MSRs) in its county. This service review includes a summary and analysis of the Showcase Ranches CSD, along with a subsequent update to its sphere of influence. The MSR serves as a basis for the accompanying sphere of influence determinations and considerations for future government reorganizations. The information contained in this document does not explicitly plan for future services, nor will any action or change in services result directly as a result of LAFCO's adoption of the document. This service review provides a description of existing services provided by the district and is inherently retrospective, taking a "snapshot" of existing conditions. However, this document will be used as a guide for future decisions by LAFCO in determining the agency's ability to provide services. The report complies with all guidelines adopted by the Governor's Office of Planning and Research and will be available to other agencies and to the public.

As part of the inaugural cycle of municipal service reviews (2001-2008), the Showcase Ranches Community Services District was included in two reports: the *2007 Streets and Highway Services MSR*, and the *2008 General Government Services I MSR*. Review of the SRCSD in the second MSR cycle was postponed until the third cycle. For the second and third cycles, LAFCO is utilizing a different approach: Each public agency under LAFCO jurisdiction which provides public services will be reviewed in an individual MSR, instead of a single comprehensive report. For more detailed information on the other agencies which provide similar services, please refer to the previous reports.

#### Background

##### *Legislative Framework*

In 1997, the State Legislature established the Commission on Local Governance for the 21<sup>st</sup> Century (CLG). The CLG was tasked with assessing governance issues and making recommendations, directing special attention to the Cortese-Knox Local Government Reorganization Act of 1985, the then-57 Local Agency Formation Commissions governed by the Act and citizen participation in local government. CLG members included a broad spectrum of constituent groups and perspectives including counties, cities, special districts, educators, industry and elected officials.

The CLG determined that LAFCOs needed more specific information in order to make informed decisions on projects that came before them. It was recommended that LAFCOs be required to collect and review the information necessary to guide decisions before specific proposals were made. The CLG



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concluded that this information was necessary for LAFCOs to encourage orderly growth and to provide planned, well-ordered, efficient urban development patterns and to advantageously provide for the present and future needs of each county and its communities. Specifically, the CLG recommended that information on public service capacity and issues be gathered through periodic service reviews. These service reviews would ultimately constitute a statewide body of knowledge that could be used to resolve California's growth-related public service issues. Based on these recommendations, the State Legislature enacted Government Code §56430 as part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), which became effective on January 1, 2001.

Section 56430 of the CKH Act, in part, and as amended effective January 1, 2012, states as follows:

- (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:
  - (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) The potential effect of agency services on agricultural and open space lands.
- (b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. The commission may assess various alternatives for improving efficiency and affordability of

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infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.

- (c) In conducting a service review, the commission may include a review of whether the agencies under review, including any public water system as defined in Section 116275, are in compliance with the California Safe Drinking Water Act (Chapter 4 (commencing with Section 116270) of Part 12 of Division 104 of the Health and Safety Code). A public water system may satisfy any request for information as to compliance with that act by submission of the consumer confidence of water quality report prepared by the public water system as provided by Section 116470 of the Health and Safety Code.
- (d) The commission may request information, as part of a service review under this section, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code, and private utilities, as defined in Section 1502 of the Public Utilities Code.
- (e) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or Section 56426.5 or to update a sphere of influence pursuant to Section 56425.

In addition, several sections of CKH empower LAFCOs to obtain information for service reviews:

- Section 56378 authorizes LAFCOs to initiate and make studies of existing governmental agencies. “In conducting those studies, the commission may ask for land use information, studies, and plans of cities, counties, districts, including school districts, community college districts, and regional agencies and state agencies and departments. (Those agencies) shall comply with the request of the commission for that information...”
- Section 56846 states, “Every officer of any affected county, affected city, or affected district shall make available to a reorganization committee any records, reports, maps, data, or other documents which in any way affect or pertain to the committee’s study, report, and recommendation and shall confer with the committee concerning the problems and affairs of the county, city, or district.”
- Section 56844 authorizes the Commission to undertake a study or report in place of a reorganization committee, thereby transferring those access rights.

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Relationship Between Spheres of Influence and Service Reviews

The CKH Act requires LAFCOs to develop and determine the sphere of influence (SOI) for each applicable local governmental agency that provides services or facilities related to development. Government Code §56076 defines a SOI as “a plan for the probable physical boundaries and service area of a local agency.”

Service reviews must be completed prior to the establishment or update of SOIs (§56430(a)). Spheres of influence must be reviewed and updated, as necessary, not less than once every five years (§56425). El Dorado LAFCO’s policies already contain the update requirement (Policy 4.2).

The information and determinations contained in a municipal service review are intended to guide and inform SOI decisions. Service reviews enable LAFCO to determine SOI boundaries and to establish the most efficient service provider for areas needing new service. They also function as the basis for other government reorganizations. Section 56430, as noted above, states that LAFCO can conduct these reviews “before, in conjunction with, but no later than the time it is considering an action to establish a SOI.”

In addition to the factors in Government Code §§56425 and 56430, the Commission’s Policies and Guidelines Section 4.4 require that it make the following determinations prior to establishing a sphere of influence:

- (1) The service capacity, level and types of services currently provided by the agency and the areas where these services are provided.
- (2) Financial capabilities and costs of service.
- (3) Topographic factors and social and economic interdependencies.
- (4) Existing and planned land uses, land use plans and policies; consistency with county and city general plans and projected growth in the affected area.
- (5) Potential effects on agricultural and open space lands.
- (6) A description of the services that will be provided to any areas which may be added to the sphere and the timing and method for funding expansion of facilities or services.
- (7) An analysis of the effects a proposed sphere of influence on other agencies and their service capabilities.

Service Review Guidelines

The Governor’s Office of Planning and Research (OPR) was directed by statute (§56430) to prepare guidelines to assist LAFCOs in complying with the new service review requirements. In that regard, the final *Local Agency Formation Commission Municipal Service Review Guidelines* was released in August 2003. OPR’s intent in developing these guidelines was “to provide a structure to assist LAFCOs to carry out their statutory responsibility of promoting orderly growth and

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development, preserving the state's finite open space and agricultural land resources, and working to ensure that high quality public services are provided to all California residents in the most cost effective and efficient manner." These guidelines were utilized in the preparation of this service review document.

The guidelines identify several possible goals and objectives for municipal service reviews to be achieved through written determinations in the seven required areas. These goals and objectives are as follows:

- Promote orderly growth and development in appropriate areas with consideration of service feasibility, service costs that affect housing affordability and preservation of open space, important agricultural land and finite natural resources.
- Encourage infill development and direct growth to areas planned for growth in general plans.
- Learn about service issues and needs.
- Plan for provision of high quality infrastructure needed to support healthy growth.
- Provide tools to support regional perspectives or planning that address regional, cross-county or statewide issues and processes.
- Develop a structure for dialogue among agencies that provide services.
- Develop a support network for smaller or ill-funded districts that provide valuable services.
- Provide backbone information for service provider directories or inventory reference documents for counties that do not have them.
- Develop strategies to avoid unnecessary costs, eliminate waste and improve public service provision.
- Provide ideas about opportunities to streamline service provision through use of shared facilities, approval of different or modified government structures, joint service agreements, or integrated land use planning and service delivery programs.
- Promote shared resource acquisition, insurance policies, joint funding requests or strategies.

The guidelines emphasize that "LAFCOs may need to modify these recommendations to reflect local conditions, circumstances and types of services that are being reviewed." To that end, El Dorado LAFCO also utilized its own set of policies for service reviews (Policy 5 et seq.), which incorporate the goals and objectives listed above.

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Determinations for Amending the Sphere for an Agency per Government Code §56425:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

**B. Appendix II: Background on Disadvantaged Unincorporated Communities**

Senate Bill 244, which became effective on July 1, 2012, is the State Legislature's attempt to address the issue of poor fringe communities lacking in basic municipal services, despite their proximity to cities and other local agencies providing those services. Among other things, SB 244 was written to assist disadvantaged communities that have been traditionally unserved or underserved. The statute now requires an MSR to 1) identify said communities, and 2) document deficiencies in service related to basic public services, such as domestic water, sanitary sewers, paved streets, storm drains, and street lights. Beyond the MSR process, the bill also encourages local agencies to bring services to the disadvantaged communities up to the same standard as surrounding communities.

SB 244 focuses on "disadvantaged *unincorporated* communities" (DUCs) and its overall intent is to bring services up to the same standards as other communities by incorporating them (annexing them into a city). That approach is faulty as it applies to El Dorado County for two reasons. First, there are only two cities in El Dorado County and neither is in a financial or geographical position to extend services to all DUCs in the county. Second, in this county it is special districts that provide a significant amount of municipal services, not cities. For these reasons, this MSR will focus on "disadvantaged communities" (DACs), regardless of their location inside or outside a city.

"Disadvantaged communities" are defined as inhabited territory with 12 or more registered voters that constitutes all or a portion of a "disadvantaged community," which is defined in the Water Code to be "a community with an annual median household income that is less than 80 percent of the statewide annual median

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household income."

A census tract is a geographic area defined by the United States Census Bureau and used for the census. The geographic size of census tracts varies widely depending on the density of population; a census tract typically has around 4,000 residents, but can range from 1,200 to 8,000. Census tracts are further divided into census block groups, generally defined to contain between 600 and 3,000 people, and then finally census blocks for understanding locations in at a community level. Data for this report was collected from the 2013-2017 American Community Survey 5-Year Estimates, at the census block group level.

### **C. Appendix III: Environmental Justice**

State law defines environmental justice as “the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies” (Government Code §65040.12(e)). OPR explains that “as the primary agency with responsibility for approving changes in boundaries, LAFCOs play an important role in coordinating growth and ensuring that proposed changes are consistent with environmental justice obligations.” Changes of organization must be consistent with spheres of influence, and the information contained in this service review will guide future updates to agency spheres of influence.

OPR identifies several uses for data obtained in the service review process:

1. Improving the community participation process.
2. Identifying low-income/minority neighborhoods under-served by public facilities and services that enhance the quality of life.
3. Considering the equitable distribution of public facilities and services.
4. Considering infrastructure and housing needs.
5. Identifying low-income/minority neighborhoods where facilities and uses that pose a significant hazard to human health and safety may be over-concentrated.
6. Screening of issues for potential environmental justice implications.

Consideration of the issues listed above will assist LAFCO and other public agencies in identifying, preventing, and reversing historical problems of procedural and geographic inequity. In undertaking this service review and making the seven determinations, LAFCO used an open public participation process to screen for and identify environmental justice issues.

Demographic data for the study area is limited and generally does not clearly distinguish between population groups of different races, cultures, and incomes. Demographic data for the study area is limited and generally does not clearly distinguish between population groups of different races, cultures, and incomes.

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U.S. Census area boundaries do not correspond directly to the Showcase Ranches CSD boundaries, but the data provides a demographic framework for the evaluation of environmental justice issues. The most recent data available, from the 2013-2017 American Community Survey 5-Year Estimates shows the following racial populations in the census communities:

**Census Block Group 2 of Tract 314.02 Population by Race**

Area	Total	RACE							Hispanic or Latino (Of Any Race)
		White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two or More Races	
Census Block Group 2 of Tract 314.02, El Dorado County	1,598	1,367 (85.5%)	4 (0.3%)	22 (1.4%)	18 (1.1%)	1 (0.0%)	2 (0.1%)	57 (3.6%)	127 (7.9%)

Source: 2013-2017 American Community Survey 5-Year Estimates  
Percentages may not add due to rounding

**Census Block Group 4 of Tract 314.02 Population by Race**

Area	Total	RACE							Hispanic or Latino (Of Any Race)
		White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two or More Races	
Census Block Group 4 of Tract 314.02, El Dorado County	863	726 (84.1%)	8 (0.9%)	7 (0.8%)	9 (1.0%)	1 (0.1%)	2 (0.2%)	30 (3.5%)	80 (9.3%)

Source: 2013-2017 American Community Survey 5-Year Estimates  
Percentages may not add due to rounding

The demographic data from the census suggests that the unincorporated county is relatively homogenous with low numbers of racial or ethnic minorities counted. Income data available from the census does not suggest that there are low income population concentrations in the countywide study area. While service

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levels vary greatly within the county, no specific ethnic or economic neighborhoods could be identified by LAFCO staff that are underserved by public facilities. Infrastructure and housing distribution is relatively even throughout the developed areas of the county with much lower levels of infrastructure and housing in the more outlying communities. No low income/minority neighborhoods were identified where facilities and uses pose a significant hazard to human health and safety.

Data is also available from the California Department of Education regarding ethnicity of student populations within school districts and individual schools. These statistics are based on school attendance areas and school districts. The community of Showcase Ranches CSD is within the Pioneer Elementary School attendance zone of the Pioneer Union School District. For the Pioneer Elementary School in the 2018-19 academic year, whites comprise the largest racial group with approximately 67% of the student population; the largest ethnic minority populations are Hispanic/Latino with just under 14% of the student population, followed by two or more races at 13% of the student population. This demographic data somewhat matches the data from the Census, which suggests that this unincorporated portion of county is relatively homogenous with low numbers of racial or ethnic minorities counted. Income data available from the 2013-2017 American Community Survey 5-Year Estimates indicates in 2017, the median household income in Block Groups 2 and 4 of Census Tract 314.02 was \$64,464 and \$56,875, respectively. Neither of these income levels meet the criteria for a disadvantaged community, as defined by the Water Code at \$53,735 in 2017.

Income data available from the census does not suggest that there are low income population concentrations in the study area. While service levels vary greatly within the county, no specific ethnic or economic neighborhoods could be identified by LAFCO staff that are underserved by public facilities. Infrastructure and housing distribution is relatively even throughout the developed areas of the county with much lower levels of infrastructure and housing in the more outlying communities. LAFCO has not found any specific ethnic or economic neighborhoods that are underserved by Showcase Ranches CSD.

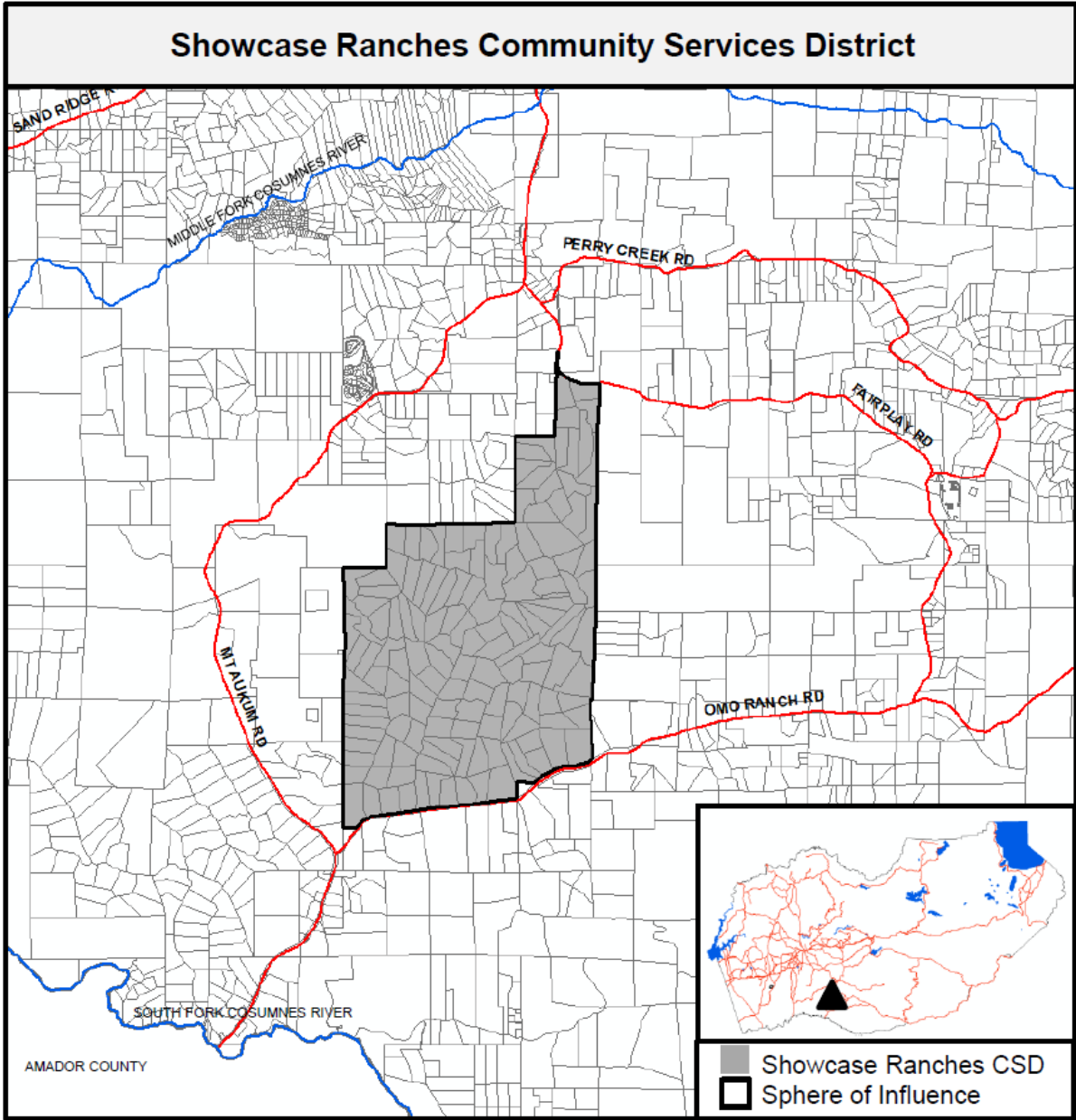
Finally, the 2004 County General Plan does not address environmental justice directly. Although the Environmentally Constrained Alternative did contain related land use and housing policies, the 1996 Alternative and the 2004 General Plan do not contain those sections. The 2004 General Plan Housing Element includes Goal HO: "To provide housing that meets the needs of existing and future residents in all income categories." The housing element also discusses the following special needs groups: people with disabilities, seniors, agricultural employees, female heads of households, homeless persons, and large families and households. Consequently, the extent that the County's planning documents address environmental justice is in its discussion of these special needs groups.



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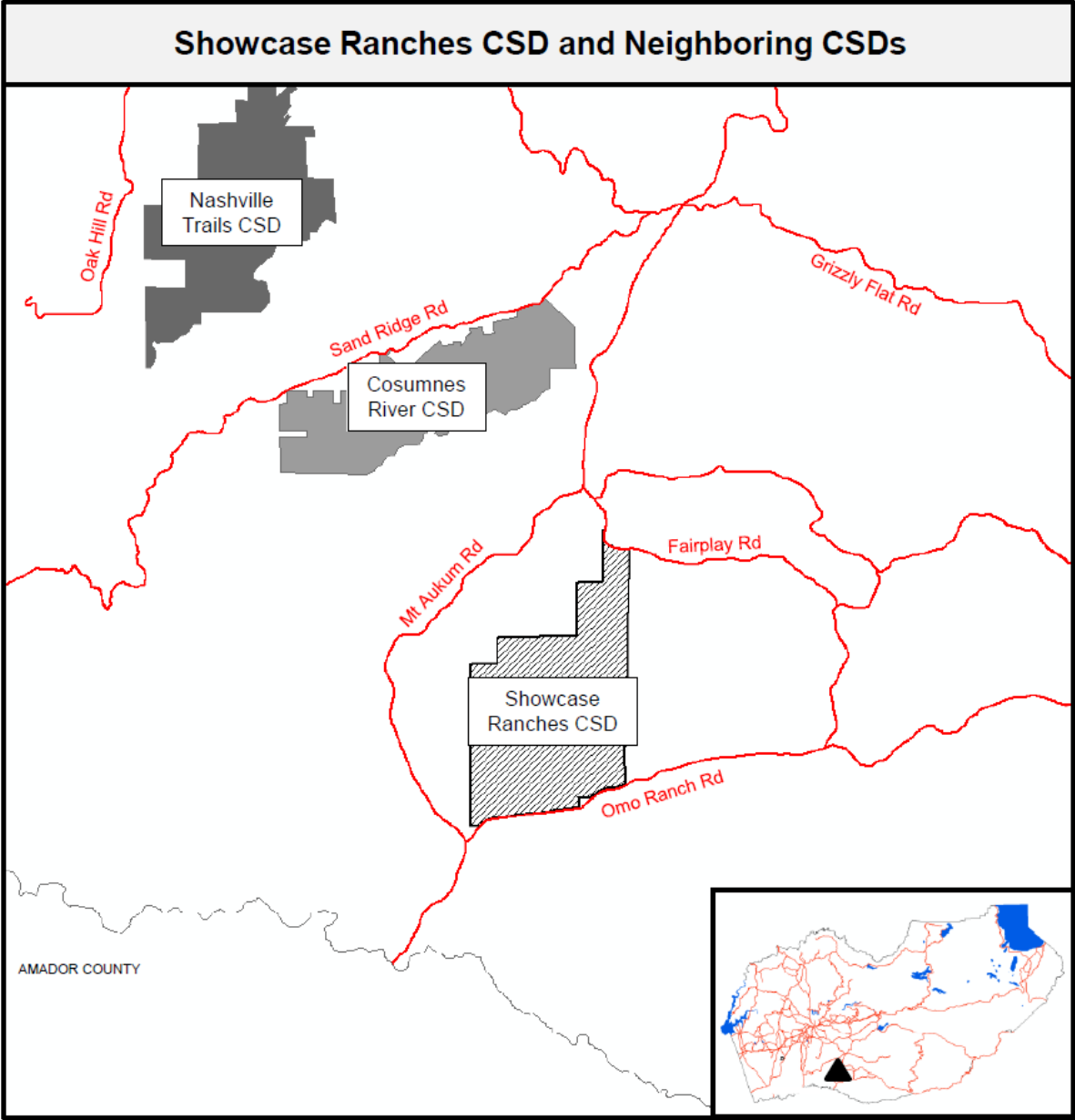
VIII MAPS

Map 1: Showcase Ranches Community Services District Current and Recommended Sphere of Influence



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**Map 2: Showcase Ranches Community Services District and Surrounding CSDs**



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**Map 3: Showcase Ranches Community Services District and Pioneer Union School District**

