

EL DORADO LOCAL AGENCY FORMATION COMMISSION

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**TABLE OF CONTENTS**

**I EXECUTIVE SUMMARY ..... 2**  
**II AGENCY DESCRIPTION ..... 3**  
**III MSR DETERMINATIONS ..... 5**  
**IV SOI DETERMINATIONS..... 12**  
**V ENVIRONMENTAL REVIEW..... 14**  
**VI REFERENCES AND SOURCES ..... 15**  
**VII APPENDICES..... 16**  
    A. Appendix I: Background on MSR/SOI..... 16  
    B. Appendix II: Background on Disadvantaged Unincorporated Communities..... 21  
    C. Appendix III: Environmental Justice..... 23

**NEW MSR TEMPLATE**

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EL DORADO LOCAL AGENCY FORMATION COMMISSION

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**I EXECUTIVE SUMMARY**

**Background**

Connie Lane CSD was formed in 1978 under California Government Code Section §61101-61120, which enables the formation of Community Services Districts to provide roadway services. As authorized in its enabling legislation and at the time of formation, the District maintains roadways to allow access to residential homes located on parcels within its boundaries. The District does not provide additional services outside of its enabling legislation and the service provided does not extend beyond designated service boundaries. The District is not contracted to provide service to other service providers.

Roadway maintenance services are necessary to ensure that roadways remain in acceptable usable condition for residents and visitors to the area. The need for services varies from year to year based primarily on roadway usage and weather conditions. Fluctuations in service demand are expected with this type of service, and maintenance activities must be adaptable and responsive to local conditions in order to be effective and efficient.

**Services Provided**

Connie Lane CSD is empowered to provide road and road maintenance services, as authorized by its enabling legislation, Government Code Sections 61101-61120, for Community Services Districts. The District does not provide additional services outside of its enabling legislation and does not extend services beyond the designated service boundaries. The District is not contracted to provide service to other service provider.

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EL DORADO LOCAL AGENCY FORMATION COMMISSION

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**II**    **AGENCY DESCRIPTION**

**Connie Lane Community Services District**

Contact Information

**Address:** PO Box 848  
Shingle Springs, CA 95682  
**Phone:** (530) 677-9060  
**Website:** N/A

Management Information

**Board of Directors:**

Elizabeth Drago, Director	2011-2015
Mary Ellingsworth, Director	2013-2017
Barbara Giddens, Director	2011-2015
Catherine Kitaura, Director	2011-2015
Carol Taggart, Secretary/Treasurer	2013-2017

**Board Meetings:** Quarterly or As Needed

**Staff:** No staff

Service Information

**Principal Act:** Community Services District Act

**Empowered Services:** Road and Road Maintenance  
(at the time of formation)

**Services Currently Provided:** Road and Road Maintenance

**Latent Powers:** N/A  
(LAFCO approval required)

**Area Served:** 38 parcels, 49.11 acres

**Population Served:** 76 Registered Voters

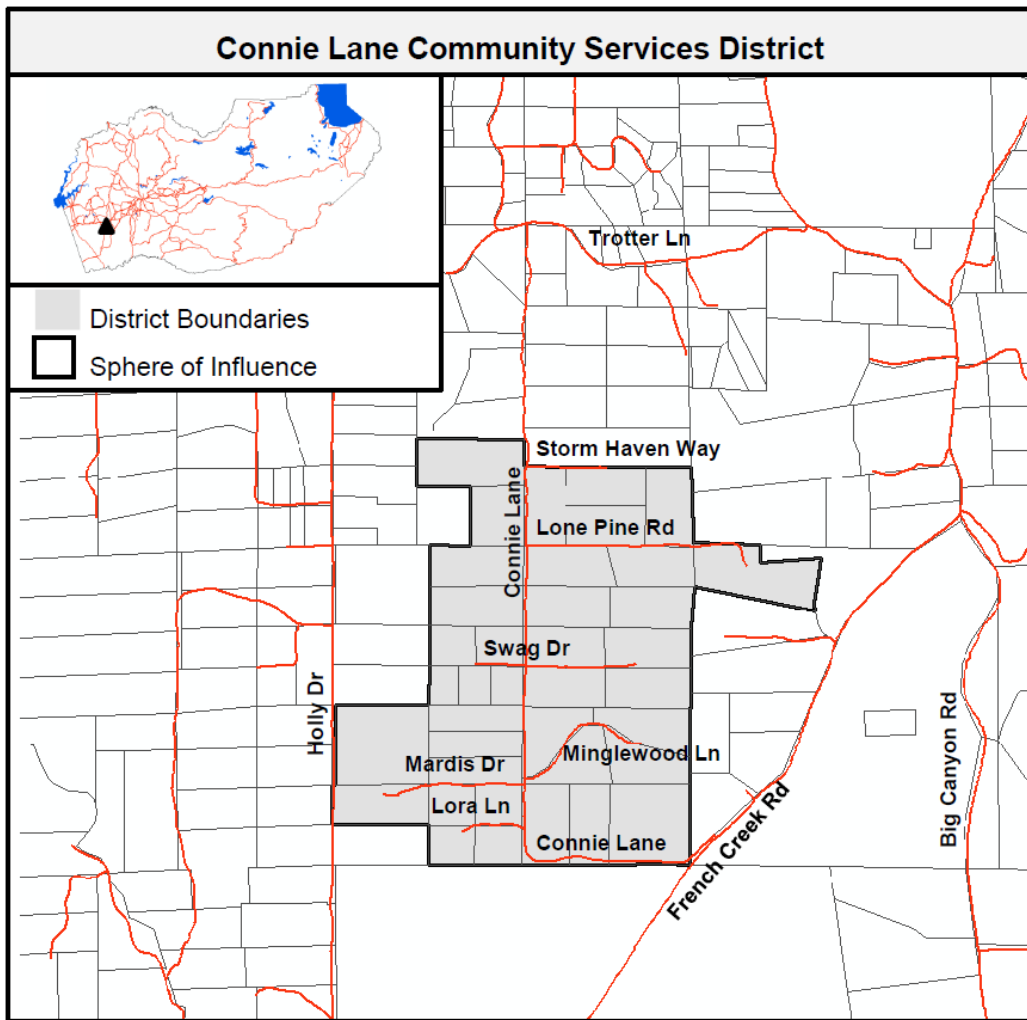
**Major Infrastructure:** Connie Lane (between French Creek Drive and Storm Haven Way), Lora Lane, Minglewood Lane, Mardis Drive, Swag Drive, Lone Pine Road

Fiscal Information

**Budget:** \$36,030

**Sources of Funding:** Property Taxes, Assessments

EL DORADO LOCAL AGENCY FORMATION COMMISSION



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EL DORADO LOCAL AGENCY FORMATION COMMISSION

**III MSR DETERMINATIONS**

In preparing a municipal service review, 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.

**1. Growth and population projections for the affected area.**

*Purpose: To evaluate service needs based on existing and anticipated growth patterns and population projections.*

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.

No significant growth or population increases are anticipated by the Connie Lane CSD. Demands for service are not increasing, although slight variations in service demand are to be expected throughout the year as weather conditions and roadway usage change. Current and future land uses are anticipated to remain primarily residential.

**Growth and Population**

Connie Lane CSD provides roadway services to 38 parcels within its boundaries; 76 registered voters reside within the District. The District does not currently anticipate any significant future growth, population increases, or changes in land uses, as 35 of the 38 parcels are already developed according to the zoning for the area. The Connie Lane CSD Board has no plans for future expansion beyond the current service boundaries.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

**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 GIS layers from the State Department of Water Resources, the Connie Lane CSD service area is not part of an identified DAC, nor are there any DACs in the general area surrounding Connie Lane CSD.

According to US Census data, the statewide median household income for 2010-2014 is \$61,489, making the median household income for a disadvantaged community as defined by the Water Code \$49,191. US Census DataFERRETT information allows LAFCO staff to extract demographic data at the Census Tract level. Connie Lane CSD falls into tract 308.04, which stretches south of US Highway 50 from Bass Lake Road to Greenstone Road, to the end of French Creek Road at Brandon Corner. According to DataFERRETT, the medium household income in Tract 308.04 is \$87,139.

Therefore, neither US Census income data at the tract level, nor DWR's data at the block level, indicates the presence of DACs in Census Tract 308.04.

**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.

Connie Lane CSD's infrastructure consists of approximately two miles of roadway including one primary and five secondary roadways. The District contracts with private providers for roadway repairs and maintenance on an as-needed basis, which allows the District to provide services without owning or maintaining any facilities or equipment.

The District does not have any adopted standards for roadway repair and maintenance; however, the road services provided appear to be adequate, as determined by resident preferences and expectations for roadway quality, repair frequency, and overall roadway operations. Connie Lane CSD does not have plans for expansion of infrastructure or facilities.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

**Infrastructure**

Connie Lane CSD's current infrastructure is approximately two miles of roadway, consisting of one primary and five secondary roadways. The District maintains slightly less than one mile of Connie Lane, from French Canyon Road to Storm Haven Way and slightly more than one mile of secondary roadways that connect to the primary road; including Lora Lane, Mardis Drive, Minglewood Lane, Swag Drive, and Lone Pine Road.

Repairs and maintenance are contracted out to private which allows the District to provide services without owning or maintaining any facilities or equipment.

**Road Maintenance**

The Connie Lane CSD is responsible for maintaining Connie Lane and its connecting roads. Typical roadway maintenance services include pothole repair, sign maintenance, crack sealing, resurfacing, and roadway reconstruction. Roads within the District are paved and resurfaced with either chip seal or asphalt.

District roadways require road maintenance approximately every eight to ten years. Due to the topography, the roadways conditions and maintenance are affected by the amount of rainfall that occurs. Above-average rainfall conditions cause roadways to require maintenance that is more frequent. Roadway repairs are done as needed when the District has accumulated sufficient reserves for repairs. Approximately every five years, the District contracts out services to trim tree limbs and remove roadside brush on an as-needed basis to reduce potential roadway hazards. Maintenance and repairs are prioritized based on the number of parcels served; roadways that serve more parcels receive higher priority.

Repairs and maintenance are contracted out on an as-needed basis to private roadway maintenance service providers, which allows the District to provide services without owning or maintaining any facilities or equipment. Connie Lane CSD utilizes a competitive bid process for the maintenance and upgrades of the existing roadways. Requests for proposals are sent out depending on the need and the availability of funds. The competitive bid process is effective in controlling costs, as it allows the District to select the lowest cost, qualified contractor to provide services.

The District has indicated that the roadway infrastructure is adequate for the current users and existing demand. The adequacy of the District's roadways is generally based on the District's self-assessment, as determined by adherence to local preferences and expectations for roadway quality, repair frequency, and overall roadway operations. There are no countywide standards for roadway repair and maintenance applicable to special districts, thus, it is left to the Connie Lane CSD Board to determine the extent of maintenance programs. The CSD has no plans for future expansion of services, major infrastructure, or facilities.

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

*Purpose: To evaluate factors that affect financing constraints and opportunities, cost avoidance opportunities, and opportunities for rate restructuring.*

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

- Financial capabilities and costs of service.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

This section analyzes the financial operations of Connie Lane CSD, including financial statements, audits, and other budgetary documents, to assess the long-term financial viability of the District. All monetary amounts cited in this section are rounded to nearest whole number and based on fiscal year (FY) 2014-15 budgetary information received from both the district and the County Auditor-Controller's Office.

The County handles the District's fiscal administration. All of the District's funds are deposited into the County Treasury and the County Auditor's office manages the District's receivables and payables. The CSD submits payment requests or reimbursements to the County, which in turn sends payments to contractors. Currently, the Connie Lane CSD does not have any outstanding debt.

The table below provides a summary of Connie Lane Community Services District's revenues, expenditures and change in net assets from FY 2010-11 to FY 2014-15:

**Table 1: District Revenues, Expenditures and Net Assets**  
(FY 2010-11 TO 2014-15)

	2010-11	2011-12	2012-13	2013-14	2014-15 (Adopted by District)
Revenues – Property Taxes	\$6,668	\$6,739	\$7,648	\$7,280	\$7,782
Revenues – Direct Assessment	\$1,850	\$1,900	\$1,850	\$1,900	\$1,900
Revenues – Other	\$195	\$183	\$207	\$197	\$0
<b>Total Revenues</b>	<b>\$8,713</b>	<b>\$8,722</b>	<b>\$9,705</b>	<b>\$9,378</b>	<b>\$9,682</b>
Expenditures – Road Maintenance	\$0	\$15,650	\$1,972	\$0	\$30,000
Expenditures – Insurance	\$0	\$346	\$1,393	\$1,216	\$1,500
Expenditures – Administrative	\$15	\$70	\$180	\$197	\$530
Expenditures – Appropriations for Contingencies	\$0	\$0	\$0	\$0	\$4,000
<b>Total Expenditures</b>	<b>\$15</b>	<b>\$16,066</b>	<b>\$3,546</b>	<b>\$1,413</b>	<b>\$36,030</b>
<b>Net Revenue (Deficit)</b>	<b>\$8,697</b>	<b>\$(7,344)</b>	<b>\$6,159</b>	<b>\$7,965</b>	<b>\$(26,348)</b>
<b>Fund Balance: \$16,362 June 30, 2010</b>	<b>\$25,060* June 30, 2011</b>	<b>\$17,716* June 30, 2012</b>	<b>\$23,875* June 30, 2013</b>	<b>\$31,840* June 30, 2014</b>	<b>\$5,492* June 30, 2015 (Estimated)</b>

\* Approximate amount estimated by LAFCO staff; County Auditor Special District Final Budget Reports no longer include Fund Balance information beyond FY 2010-11.

Revenues

Connie Lane CSD is financed primarily through property taxes and property assessments. No rates are charged and no user fees are collected. Table 1 shows that the District's



EL DORADO LOCAL AGENCY FORMATION COMMISSION

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annual revenues are relatively stable over time. There is a slight increase from year to year resulting from normal increases in property taxes. There are no additional factors that are expected to affect the District's revenues.

**Property Taxes** – During FY 2014-15, Connie Lane CSD received a property tax increment of 11.0868% from each of the 38 properties within the District service area. This is approximately eleven cents of every dollar collected in property tax revenue. The ad-valorem property taxes are calculated by the County and transferred to the District. For FY 2014-15, the total property tax collected amounted to \$7,782.

**Direct Assessments** – Subject to voter approval, special districts have the option to levy an additional assessment upon the parcels within their boundaries. Connie Lane CSD collects an annual assessment of \$50 per parcel, which amounted to \$1,900 in FY 2014-15. This annual revenue stream is relatively stable and does not fluctuate from year to year; property assessments have not been increased since the District's formation in 1978.

**Interest** – The District collects approximately \$200 annually in interest earned from the balance in its operating account. The County Treasury has an annual variable interest rate that is between 1% to 5.5%, depending on how the entire pool of County-controlled funds is invested. The amount received by each independent district whose funds are deposited in the County Treasury is apportioned by the County based on the ratio of the district's average daily cash balance to the total cash balance within the Treasury.

Expenses

District expenditures vary significantly from year to year, due to variation in the amounts spent on road maintenance annually. Connie Lane CSD expends accumulated funds for roadway maintenance every few years. In FY 2014-15, the District allocated approximately \$30,000 for side road repairs to resurface the five secondary roads with chip seal.

Fund Balance

The District's net assets change from year to year, due to the fact that some years the District has higher expenses for roadway maintenance. The District accumulates funds annually and spends the accumulated funds for roadway maintenance every few years.

Financial Audit

In addition to budget information, CLCSD provided a financial audit from FY 1994-95 to FY 2001-02, which is the most recent audit available for the District. The County Auditor's Office is responsible for preparing audits for the District and is currently working on an updated audit of the District for FY's 2002-03 to present.

Road maintenance services provided by Connie Lane CSD are financed primarily by parcel assessments and ad valorem property taxes. Assessments are presently set at \$50 per parcel and have not been increased since the District's formation in 1978. In order to continue to provide the same level of services in the future, the District may need to take advantage of additional financing opportunities, including increasing the property assessments to a level sufficient for the District to continue at the current service level.

Connie Lane CSD appears to be utilizing a sufficient range of cost avoidance opportunities such as bidding of contracted services to reduce costs. The District utilizes a competitive bid process for the maintenance and upgrades of the existing roadway. The competitive bid

EL DORADO LOCAL AGENCY FORMATION COMMISSION

process has been effective in controlling costs, as it allows the District to select the lowest cost qualified contractor to provide services. Costs not directly related to road maintenance have been reduced through the donation of access to office equipment and office supplies by district residents. No additional significant cost avoidance opportunities have been identified that would result in a significant reduction in costs associated with service provision.

**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.*

Connie Lane CSD contracts out roadway maintenance and related services to private firms. The District does not own any facilities and does not share any facilities with another service provider. In addition, the District is not in close proximity to any other local entity that provides similar 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

Connie Lane CSD appears to operate sufficiently under its existing structure; the current governmental structure is appropriate to provide adequate services. Connie Lane CSD is the only agency providing roadway maintenance services within its jurisdictional boundary and, other than the County, no other public entity providing similar services is in close proximity. The overall management structure of the District is sufficient to perform necessary services and maintain operation in an efficient and effective manner.

However, if an alternative governmental structure option becomes necessary due to financial or operational limitations, transferring roadway maintenance service responsibilities to either a homeowners' association or the County may be the next best option. 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.

District Board meetings appear to be held and noticed consistent with the Brown Act; although, meetings are not always held at least once per quarter, as required under the Brown Act. Meetings appear to provide ample opportunities for public involvement and input. However, the District's Board of Directors has not appointed a General Manager, as required of all Community Services Districts. No other significant issues regarding local accountability were noted.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

**Administration and Management**

**Board of Directors**

Connie Lane CSD 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 during odd year elections, with two or three terms expiring at the same time. Occasionally, a two-year term will be up for election when a member of the board is appointed to a vacant seat. Board positions are unpaid.

District board meetings are held as needed, typically three to four times per year. The meeting location, day and time varies, but usually meetings are held at the home of a board member in the evenings. Meeting notices and agendas are posted on the CLCSD community bulletin board at a central location along the District's primary access road, Connie Lane, a minimum of seven days 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; although, the infrequency of meetings indicates that the District may not always meet the Brown Act requirement that public meetings be held at least once per quarter. There appears to be ample opportunities for public involvement and input at meetings.

**Personnel and Staffing**

The District does not employ any staff and contracts for roadway maintenance services when necessary directly through the board of directors. Under Government Code 61050 (a), the board of directors of all CSDs must appoint a general manager who is directly responsible to the board and implements the policies established by the board; the general manager cannot be a member of the board of directors. To date, the District's board of directors has not appointed a general manager.

**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 2004 General Plan directs unincorporated growth to already existing population centers, or "community regions," such as the Shingle Springs Community Region. Connie Lane CSD is located to the south, and outside, of this community region. There is a large parcel zoned for Exclusive Agriculture (AE) directly to the south of the District; however, it is unlikely that Connie Lane CSD'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.

#### **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 Connie Lane CSD:

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

Present land uses within the District are primarily residential. The majority of parcels within the Connie Lane CSD are designated Low Density Residential (LDR) and zoned RE-5, with exception of a single 10-acre parcel within the service boundary that is designated Rural Residential (RR) and zoned RE-10. Land uses surrounding the District are primarily LDR to the north and west and RR to the south and east. Planned land uses are anticipated to remain the same.

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

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.

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

The present capacity of public facilities provided is sufficient for the current level of service demanded.

**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.**

There are no social or economic communities of interest in the area. Nearby communities include Shingle Springs to the north.

Based upon the information contained in this report, it is recommended that no changes be made to the Connie Lane Community Services District sphere of influence at this time and that the Commission reaffirm the current SOI, which was last updated in December 2007.

**Service Area and Sphere of Influence**

The Connie Lane Community Services District maintains approximately two miles of roadway within its 49-acre boundaries. The District is located in Shingle Springs, on the west side of French Creek Road, two miles south of Mother Lode Drive. The Connie Lane CSD provides roadway services to 38 parcels which are accessed through District-maintained roads.

Connie Lane is the primary roadway and connects to public roadways French Creek Drive and Trotter Lane; however, only the portion of Connie Lane that is between French Creek Drive and Storm Haven Way is within and served by the District. Secondary roadways that

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EL DORADO LOCAL AGENCY FORMATION COMMISSION

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the District maintains, each providing access to two or more parcels, include Lora Lane, Mardis Drive, Minglewood Lane, Swag Drive, and Lone Pine Road. Storm Haven Way is not maintained by the District.

**Sphere of Influence Boundaries**

The Connie Lane CSD sphere of influence (SOI) is coterminous with the District's service boundaries; the District has not expressed interest in altering the current service boundaries or sphere of influence. Residents within the District appear to be the primary users of the District's roadway, with occasional use by out of District drivers.

The Connie Lane CSD SOI was last updated in December 2007. Prior to 2007, the SOI included four parcels to the north of the District which are not accessed via District roadways. The *2007 Streets and Highways MSR* found that while the District was providing adequate service within its existing boundaries, District resources, infrastructure and financing could not support expansion. LAFCO staff recommended a reduction of the Connie Lane CSD SOI to be coterminous with its boundaries in order to prevent unreasonable expectations from landowners outside of the service area. The Connie Lane CSD Board unanimously supported the SOI reduction.

**Conclusions and Recommendations**

Based upon the information contained in this report, it is recommended that no changes be made to the Connie Lane Community Services District sphere of influence at this time and that the Commission reaffirm the current SOI, which was last updated in December 2007.

NEW MSR TEMPLATE

**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 Connie Lane CSD 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.

NEW MSR TEMPLATE

**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)

**Connie Lane Community Services District:**

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

County of El Dorado, Independent Special Districts Fiscal Budgets, Connie Lane Community Services District Budget Actuals, Fiscal Years 2010-11, 2011-12, 2012-13, 2013-14, 2014-15

County of El Dorado, Connie Lane Community Services District Audit Report on the Financial Statements for Fiscal Years from FY 1994-95 to FY 2001-02

Correspondence with Carol Taggart, Board Member, Connie Lane Community Services District

## 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 Connie Lane 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 road related 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), El Dorado LAFCO contracted with Pacific Municipal Consultants (PMC) to prepare the *Streets and Highway Municipal Services Review*, adopted by the Commission in December 2007, which reviewed all of the streets and highway service providers in the county. However, for the second cycle, LAFCO will utilize 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 *2007 Streets and Highway Municipal Services Review*.

#### 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 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



EL DORADO LOCAL AGENCY FORMATION COMMISSION

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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 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.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

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- (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.

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.”

EL DORADO LOCAL AGENCY FORMATION COMMISSION

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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 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.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

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- 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.

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.

NEW MSR

EL DORADO LOCAL AGENCY FORMATION COMMISSION

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**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 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.

Although the United States Census collects demographic information at all levels, it does not publish demographic information related to income data below the tract level, in order to protect peoples' privacy.

Consequently, for this report LAFCO relied on data from the following sources:

- GIS layers from the State Department of Water Resources (DWR), based on income data at the Census Block level; and
- The US Census' DataFERRETT (FERRETT stands for Federated Electronic Research, Review, Extraction, and Tabulation Tool), which allowed LAFCO staff to extract demographic data at the Census Tract level

EL DORADO LOCAL AGENCY FORMATION COMMISSION

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GIS Layers from the State Department of Water Resources

DWR uses American Community Survey data, presumably at the “Census block” level, which is collected at the individual parcel level and is not openly published. A Census block is two levels lower than a Census Tract, the lowest level to have data available to the public. With assistance from the County Surveyor’s Office, LAFCO staff was able to integrate the DWR’s GIS layers with the County GIS system, resulting in a map of DACs identified by DWR. According to DWR, the Connie Lane CSD service area is not part of an identified DAC, nor are there any DACs in the general area surrounding Connie Lane CSD.

Census Information from DataFERRETT

DataFERRETT only contains information at the census tract level, which is one level higher than census block group. Connie Lane CSD falls into tract 308.04, which stretches south of US Highway 50 from Bass Lake Road to Greenstone Road, to the end of French Creek Road at Brandon Corner. According to DataFERRETT, the medium household income in Tract 308.04 is \$87,139.

According to US Census data, the statewide median household income for 2010-2014 is \$61,489, making the median household income for a disadvantaged community as defined by the Water Code \$49,191. Therefore, neither US Census income data at the tract level, nor DWR’s data at the block level, indicates the presence of DACs in Census Tract 308.04.

NEW MSR TEMPLATE

EL DORADO LOCAL AGENCY FORMATION COMMISSION

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**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. The most recent data available, from the 2010-2014 American Community Survey conducted by the US Census, is displayed in the Table below. At the tract level, the Census area boundaries encompass an area much larger than the Connie Lane CSD boundaries, but the data provides a demographic framework for the evaluation of environmental justice issues in the general area.

Connie Lane CSD is within census tract 308.04, which encompasses the Shingle Springs area south of US Highway 50, from Bass Lake Road to Greenstone Road, down to Brandon Corner. The Census data shows that within this census tract, whites comprise the largest racial group with almost 92% of the population; the second largest group is Hispanic/Latino of any race at approximately 12.5% of the population (from a racial standpoint, anthropologists and demographers categorize most Latinos as white unless a person’s primary ancestry can be traced back to Africa).

EL DORADO LOCAL AGENCY FORMATION COMMISSION

**Census Tract 308.04 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 Tract 308.04, El Dorado County	6,807	6,253 (91.9%)	55 (0.8%)	198 (2.9%)	104 (1.5%)	0 (0.0%)	0 (0.0%)	197 (2.9%)	851 (12.5%)

Source: 2010-2014 American Community Survey 5-Year Estimates  
Percentages may not add due to rounding

Data is 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 Connie Lane CSD is within the Buckeye Elementary attendance zone of the Buckeye Union School District. For the Buckeye Elementary School in the (2014-15) academic year, whites comprise the largest racial group with approximately 76% of the student population; the largest ethnic minority population is Hispanic/Latino with just under 17% 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 2010-2014 Census indicates the median household income in census tract 308.04 is \$87,139, which is higher than the statewide median household income of \$61,489. Income data available from the census does not suggest that there are low income population concentrations in the countywide 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 Connie Lane CSD. No low income/minority neighborhoods were identified where facilities and uses pose a significant hazard to human health and safety.

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.