

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

**Hickok Road Community
Services District
Municipal Service Review and
Sphere of Influence Update**

**FINAL
March 2021**

El Dorado Local Agency Formation Commission

HICKOK ROAD COMMUNITY
SERVICES DISTRICT
MUNICIPAL SERVICE REVIEW
MARCH 2021

Commissioners

Tim Palmer, Chair

Cody Bass

John Hidahl

Jackie Neau

Michael Powell

Wendy Thomas

Alternates

Patricia "Patty" Borelli

Holly Morrison

Michael Saunders

George Turnboo

Staff

José C. Henríquez

Erica Sanchez

Malathy Subramanian

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

NOTICE OF EXEMPTION

COPY

TO: OFFICE OF PLANNING AND RESEARCH
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

COUNTY CLERK

County of El Dorado
330 Fair Lane
Placerville, CA 95667

FROM:
EL DORADO COUNTY LAFCO
550 Main Street, Suite E
Placerville, CA 95667
José Henriquez
(530) 295-2707
lafco@edlafco.us

Project Title: Hickok Road Community Services District Sphere of Influence Study; LAFCO Project No. 2020-03
Project Applicant: El Dorado LAFCO
Project Location – Specific: The Hickok Road Community Services District is located on the north side of Malcolm Dixon Road, approximately a quarter of a mile north of Green Valley Road in the Salmon Falls area, north of El Dorado Hills, in El Dorado County.

Project Location – City: N/A Project Location – County: El Dorado County

Description of Nature, Purpose and Beneficiaries of Project: Update the sphere of influence for the Hickok Road Community Services District to affirm the current sphere of influence, concurrent with the existing service area, which was last updated in December 2007.

Name of Public Agency Approving Project: El Dorado LAFCO

Name of Person or Agency Carrying Out Project: El Dorado LAFCO

Exempt Status: **(check one)**

- Ministerial (Sec. 21080(b)(1); 15268);
 Declared Emergency (Sec. 21080(b)(3); 15269(a));
 Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
 Categorical Exemption. State type and section number: _____
 Statutory Exemptions. State code number: 15061(b)(3)

Reasons why project is exempt: The activity is 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. This sphere of influence update has no possibility for causing a significant effect on the environment.

Lead Agency

Contact Person: José C. Henriquez

Area Code/Telephone/Extension: (530) 295-2707

Contact Email: jhenriquez@edlafco.us

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature 
José C. Henriquez

Date: March 25, 2021

Title: Executive Officer

Signed by Lead Agency

Signed by Applicant



State of California - Department of Fish and Wildlife
2020 ENVIRONMENTAL FILING FEE CASH RECEIPT
 DFW 753.5a (REV. 12/01/19) Previously DFG 753.5a

RECEIPT NUMBER: 09--03252021-032
STATE CLEARINGHOUSE NUMBER (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY EL DORADO COUNTY LAFCO	LEAD AGENCY EMAIL jhenriquez@edlafco.us	DATE 03/25/2021
COUNTY/STATE AGENCY OF FILING EL DORADO	DOCUMENT NUMBER FW2021-0032	
PROJECT TITLE		

HICKOK RD C S D SPHERE OF INFLUENCE STUDY; LAFCO PROJECT NO 2020-03

PROJECT APPLICANT NAME EL DORADO LAFCO	PROJECT APPLICANT EMAIL jhenriquez@edlafco.us	PHONE NUMBER (530) 295-2707
PROJECT APPLICANT ADDRESS 550 MAIN ST SUITE E	CITY PLACERVILLE	STATE CA
		ZIP CODE 95667

PROJECT APPLICANT (Check appropriate box)

- Local Public Agency
 School District
 Other Special District
 State Agency
 Private Entity

CHECK APPLICABLE FEES:

- Environmental Impact Report (EIR) \$3,343.25 \$ _____
 Mitigated/Negative Declaration (MND)(ND) \$2,406.75 \$ _____
 Certified Regulatory Program (CRP) document - payment due directly to CDFW \$1,136.50 \$ _____

- Exempt from fee
 Notice of Exemption (attach)
 CDFW No Effect Determination (attach)
 Fee previously paid (attach previously issued cash receipt copy)

- Water Right Application or Petition Fee (State Water Resources Control Board only) \$850.00 \$ _____
 County documentary handling fee \$ _____ \$50.00
 Other \$ _____

PAYMENT METHOD:

- Cash Credit Check Other
 TOTAL RECEIVED \$ _____ \$50.00

SIGNATURE <i>x Laurie McCormick</i>	AGENCY OF FILING PRINTED NAME AND TITLE Janelle K. Horne Recorder-Clerk, by Laurie McCormick, Dpty
--	---

FILED

MAR 25 2021

JANELLE K. HORNE, Recorder-Clerk
 By *Laurie McCormick*

APPROVED

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NUMBER L-2021-07

Update to the Hickok Road Community Services District Sphere of Influence

LAFCO Project No. 2020-03

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code §56000 et seq. (unless otherwise indicated all statutory references are to the Government Code); and

WHEREAS, §56425 et seq. provides that the local agency formation commission in each county shall develop and determine the sphere of influence of each local governmental agency within the county, and enact policies designed to promote the logical and orderly development of areas within the spheres of influence, as more fully specified in §56425 et seq.; and

WHEREAS, §56430 requires that local agency formation commissions conduct a municipal service review (MSR) prior to, or in conjunction with, consideration of actions to establish or update a sphere of influence (SOI) in accordance with §56076 and §56425; and

WHEREAS, pursuant to §56430, in order to prepare and update the sphere of influence, the Commission conducted a municipal service review of Hickok Road Community Services District and adopted a written statement of determinations in conjunction with this sphere of influence update; and

WHEREAS, the Executive Officer reviewed the sphere of influence update pursuant to the California Environmental Quality Act (CEQA), and recommended that the project is exempt from CEQA under §15061(b)(3) because it is 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, and, based thereon, the Executive Officer prepared a Notice of Exemption; and

WHEREAS, the Executive Officer set a public hearing for December 2, 2020 for consideration of the environmental review and the sphere of influence update for Hickok Road Community Services District and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, on December 2, 2020 the sphere of influence update came on regularly for hearing before LAFCO, at the time and place specified in the Notice; and

WHEREAS, the Commission continued the public hearing to January 27, 2021; and

WHEREAS, on January 27, 2021 the sphere of influence update came on regularly for hearing before LAFCO, at the time and place specified in the Notice; and

WHEREAS, the Commission continued the public hearing to February 24, 2021; and

WHEREAS, at said hearing, LAFCO reviewed and considered the sphere of influence, and the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code §56425 et seq.; LAFCO's Policies and Guidelines related to spheres of influence, starting with Policy 4.0; and all other matters presented as prescribed by law; and

WHEREAS, at that time, an opportunity was given to all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and

WHEREAS, the Commission received, heard, discussed, and considered all oral and written testimony related to the sphere update, including but not limited to protests and objections, the Executive Officer's report and recommendation, the environmental document and determinations and the service review; and

WHEREAS, on December 5, 2007, at the time of its last review, the Commission established the functions and classes of services provided by Hickok Road Community Services District as follows: road and road maintenance services; and

WHEREAS, the Commission does hereby make the following determinations regarding the proposal pursuant to Government Code §56425(e):

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

Present land uses within the District are residential, despite the presence of 17 undeveloped parcels within Hickok Road CSD's boundaries. Planned land uses are anticipated to remain the same as current land uses for 15 of those parcels. The County of El Dorado is not planning on changing the land use designation to allow for denser uses and the District is not looking to expand.

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. The District is not looking to expand road services beyond the maintenance of Hickok Road, Harlan Drive, and Sweet Valley Road. The District has not indicated it wish to expand its service boundaries; however it should consider doing so to include the parcels at the end of Hickok Road since those landowners are currently utilizing a road that they are not paying to maintain. The District is also not looking to provide additional services beyond road maintenance.

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 adequate to serve the existing community for the short term. The report noted that revenues are not keeping up with the rising costs of providing services and the Board of Directors has tried correcting that by asking voters to increase the special tax.

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 the Salmon Falls area and El Dorado Hills.

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.*

Not applicable to HRCSD since this district does not provide water, wastewater or fire services. While HRCSD 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 in its sphere of influence.

NOW, THEREFORE BE IT HEREBY RESOLVED, DETERMINED, ORDERED AND FOUND:

Section 1. Each of the foregoing recitals is true and correct.

Section 2. The Notice of Exemption prepared by the Executive Officer is approved as the appropriate environmental document for this project.

APPROVED

Section 3. Pursuant to Government Code §56425(i)(2), the Commission does hereby establish the functions and classes of services provided by Hickok Road Community Services District as follows: road and road maintenance services.

Section 4. The update to the Hickok Road Community Services District sphere of influence to affirm the current sphere is orderly, logical and justifiable.

Section 5. The Executive Officer is directed to file a Notice of Exemption under §15061(b)(3) in compliance with the California Environmental Quality Act and local ordinances implementing the same.

Section 6. The Hickok Road Community Services District sphere of influence is updated to affirm its current sphere as shown on the attached map, marked Exhibit A, attached hereto and incorporated herein by this reference.

PASSED AND ADOPTED by the El Dorado Local Agency Formation Commission at a regular meeting of said Commission, held March 24, 2021 by the following vote of said Commission.

	AYE	NO	ABSTAIN	ABSENT	NOT VOTING
Commissioner Bass	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Hidahl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Neau	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Palmer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Powell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Thomas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Borelli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Morrison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Saunders	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Turnboo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

ATTEST:


Executive Officer


Chairperson

APPROVED

**Hickok Road Community Services District
Sphere of Influence Update
LAFCO Project No. 2020-03
Resolution L-2021-07**

EXHIBIT A

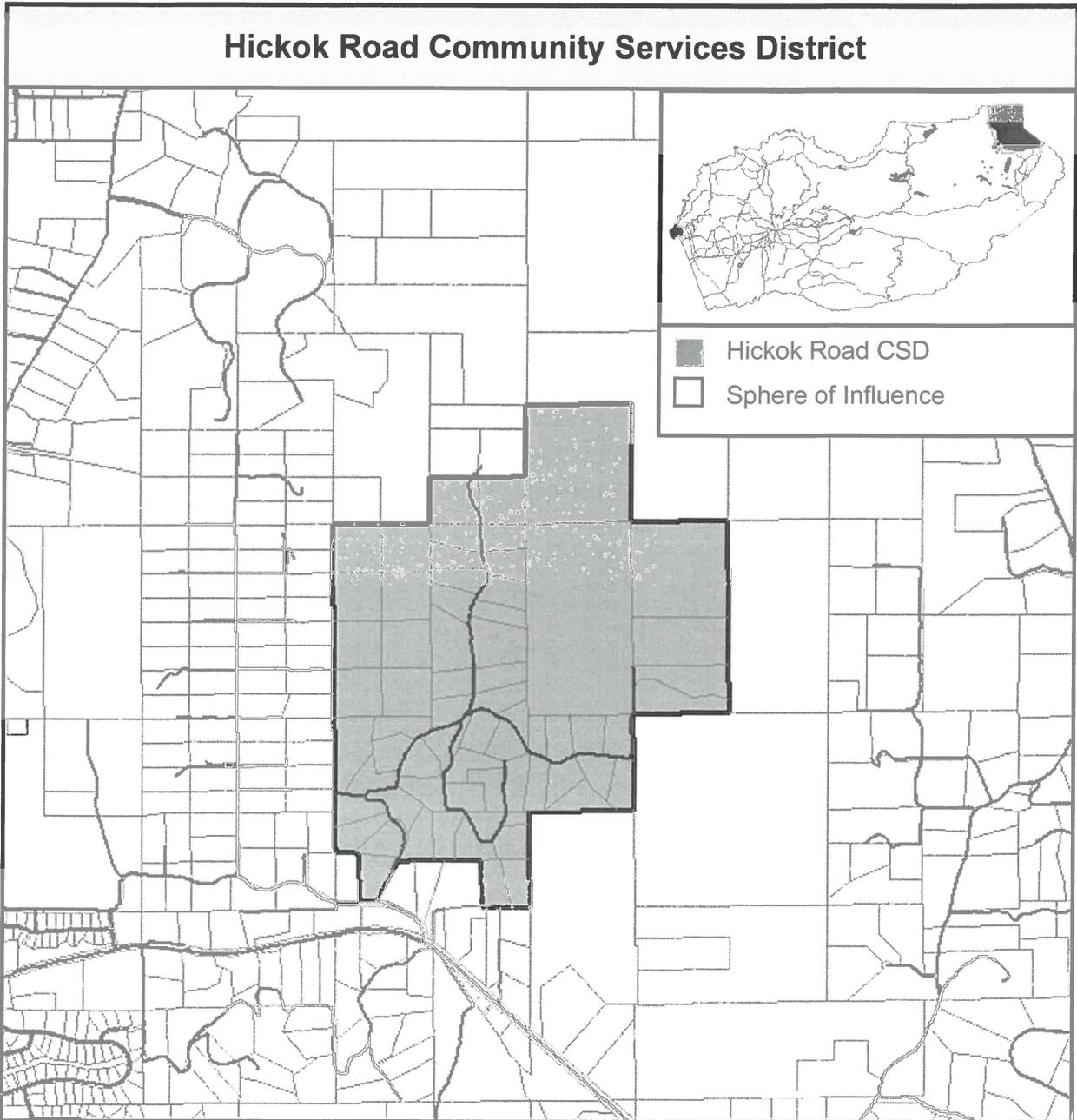


TABLE OF CONTENTS

I EXECUTIVE SUMMARY 4

II AGENCY DESCRIPTION 5

III MSR DETERMINATIONS..... 8

IV SOI DETERMINATIONS..... 23

V ENVIRONMENTAL REVIEW..... 25

VI REFERENCES AND SOURCES 26

VII APPENDICES..... 27

 A. Appendix I: Background on MSR/SOI..... 27

 B. Appendix II: Background on Disadvantaged Unincorporated Communities..... 32

 C. Appendix III: Environmental Justice..... 34

VIII MAPS..... 38

I EXECUTIVE SUMMARY

Background

Hickok Road Community Services District (HRCSD or simply District) maintains the primary road network to residential homes located on parcels within the District's boundaries. The District is located on the north side of Malcolm Dixon Road, approximately a quarter of a mile north of Green Valley Road in the Salmon Falls area, north of El Dorado Hills, in El Dorado County.

The District was formed in 1978 under Government Code Section 61000 et seq. to maintain 2.6 miles of roadway comprised of Hickok Road, Harlan Drive, and Sweet Valley Road. Hickok Road, the primary roadway for the District, connects to a public roadway, Malcolm Dixon Road, and terminates to the north. Hickok Road has several privately maintained driveways branching off of it. These provide more direct accessways to residential homes that are not immediately adjacent to Hickok Road, Sweet Valley Road or Harlan Drive.

Roadway maintenance services are necessary to ensure that roadways remain usable and safe 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. The services provided does not extend beyond designated service boundaries.

II AGENCY DESCRIPTION

Hickok Road Community Services District

Contact Information

Address: 1940 Harlan Drive
El Dorado Hills, CA 95762

Phone: (916) 933-8891

Website: None

Management Information

Board of Directors:	Eric Mercado	12/2018 – 12/2020
	Jason Pratt	12/2018 – 12/2020
	Brian McGlinchey	12/2018 – 12/2022
	Warren Sargent	12/2018 – 12/2022
	Tim Schmitt	12/2018 – 12/2020

Board Meetings: 2nd Wednesday of the 3rd month of the quarter*
except the quarter when the Board Meeting is
combined with the annual Road Maintenance Day
which is always a Saturday

Staff: None

Service Information

Principal Act: Community Services District Act

Empowered Services: Roadway maintenance
(at the time of formation)

Services Currently Provided: Roadway maintenance

Latent Powers: None
(LAFCO approval required)

Area Served: Approximately 67 parcels on 540 acres

Population Served: 110 people (estimate); 99 registered voters

Major Infrastructure: Roadways

Fiscal Information

Budget: \$12,519 (adopted 2019-20 Budget)

Sources of Funding: Property and special taxes

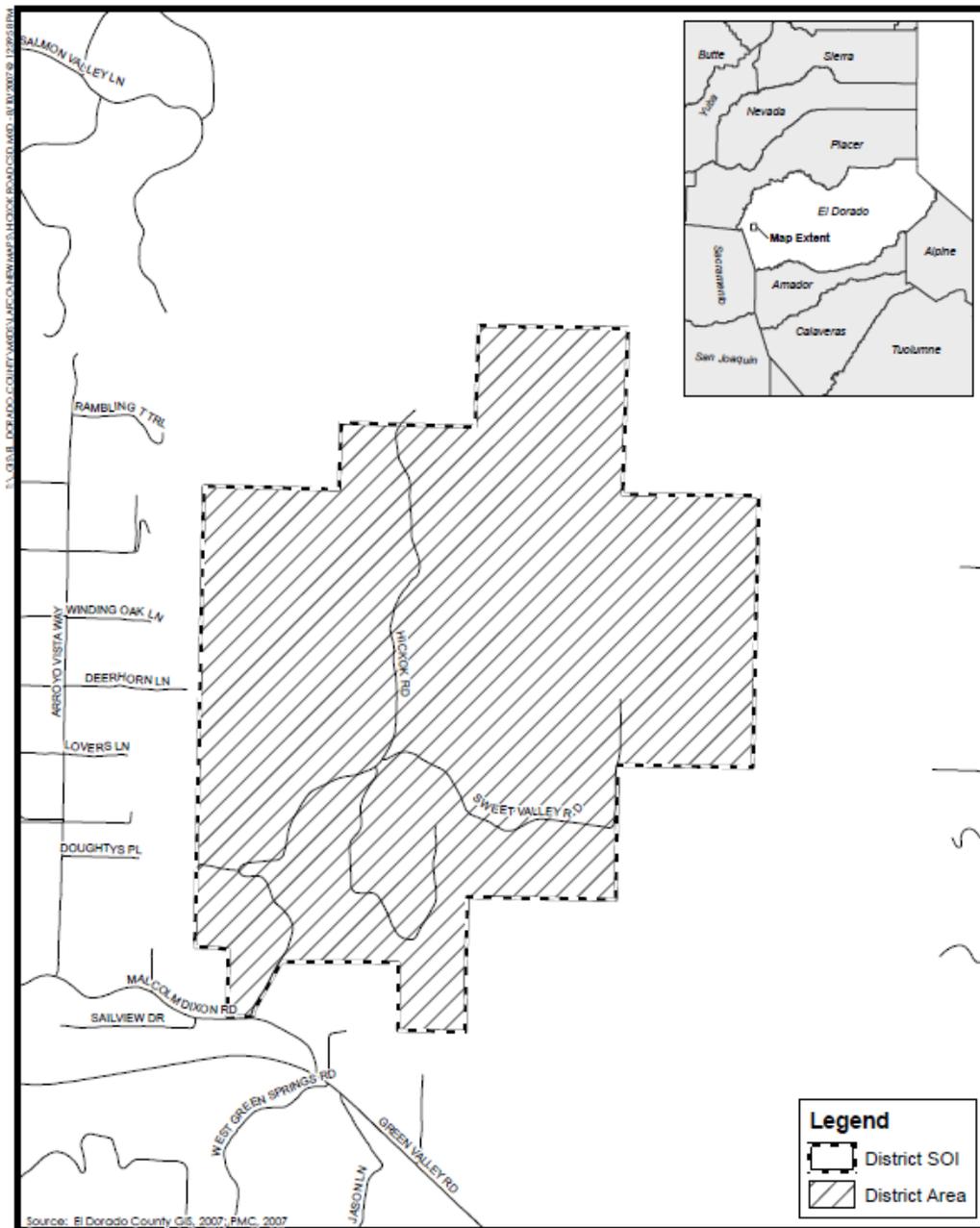


Figure 2-16.1

Hickok Road CSD

PMC

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 (SOI). These additional determinations are included among the Government Code §56430 determinations below and in Appendix A.

To the extent that it 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.

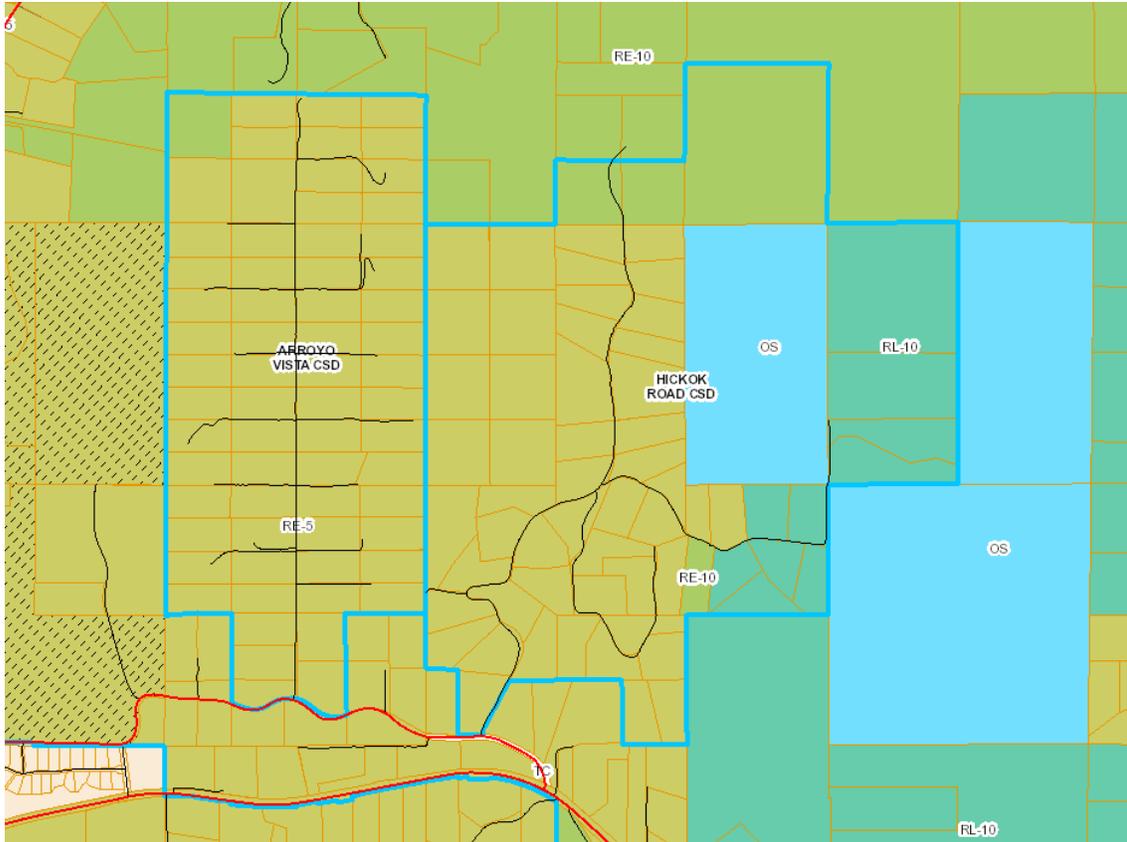
Information in this section addresses the following factors in LAFCO Policy 4.4:

- 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.

Hickok Community Services District (HRCSD or District) only maintains three roadways, Hickok and Sweet Valley Roads and Harlan Drive¹, which are the main throughways providing access within the District’s boundaries, seventeen of which are currently undeveloped. While there are other roadways that sprout off of Hickok Road, most notable McCoy Road, these are considered private driveways.

There are approximately 47 homes within the District, with an estimated population of 110 (2.3 persons per home). The 2004 General Plan designates all residential parcels within the district as low-density residential, RE-5 (residential estate, one-dwelling per 5 acres), RE-10 or RL (low density residential). One parcel is non-residential and is designated as OS (open space). The majority of the parcels are RE-5 parcels and are generally located to the west of the District. The RE-10 designated parcels are at the north save for one south of Sweet Valley Road. The RL designated parcels are east/southeast of the District along Sweet Valley Road.

¹ Various maps designate this road as “Harlan Way.” Residents prefer the name of “Harlan Drive.”



The territory surrounding HRCSD currently has three separate designations. On the north, the designation is RE-10, low-density residential. To the west, the designation is RE-5, low density residential, the same as that of the western two-thirds of HRCSD. To the south, three-quarters is also designated as RE-5 and one large parcel as RL-10. To the east, the designation is open space.

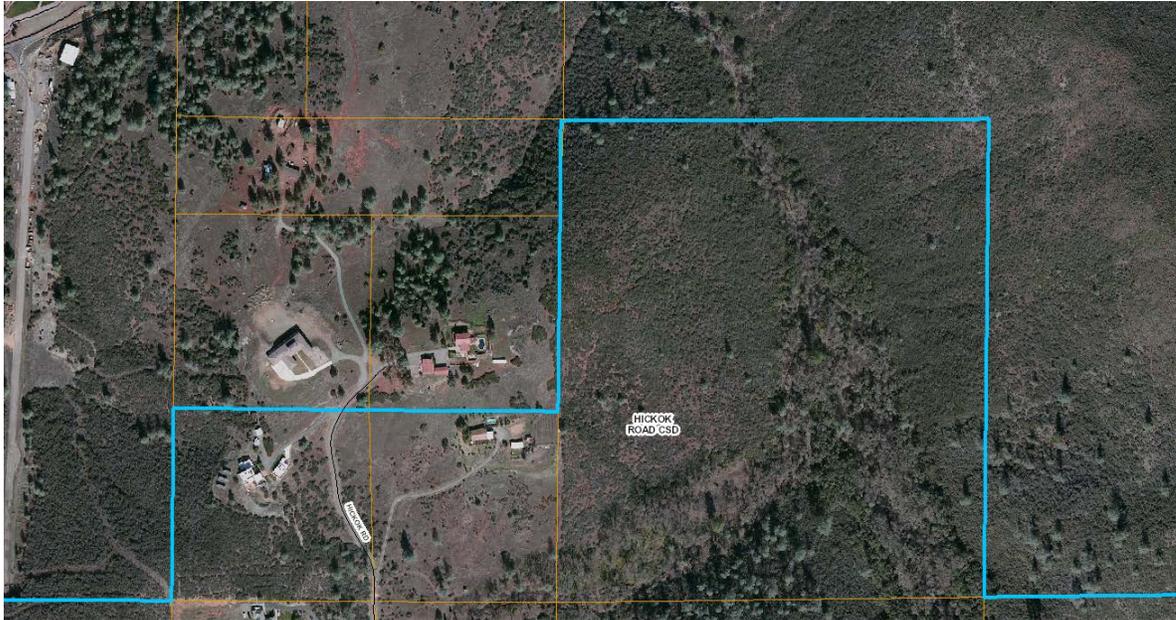
The setting described above has not changed much since the HRCSD was formed in 1978. The District does not currently anticipate any significant future growth, population increases, or changes in land uses that will affect the District's ability to provide services, as most of the parcels have been developed according to the zoning for the area. The District does not have any plans for future expansion. Current and future land uses are anticipated to remain primarily residential.

Parcels to the North

There are three parcels to the north of the District that are both outside the District and currently built out. Those landowners use Hickok Road as their primary accessway to their properties, but being outside of the District they do not pay the road maintenance special tax. This situation arose from an original plan for these parcels to have access from Salmon Valley Lane off Salmon Falls Road. This access roadway has not been built. It is unknown whether the landowners are aware that these parcels are outside of HRCSD's boundaries; but the District's Board of Directors are aware and enquired LAFCO about how to correct the situation. The District found that it was cost prohibitive to them to adjust the boundaries. It is also

unknown how the landowners feel about the situation or whether they would support annexation.

Annexing these parcels would resolve the free-rider problem for the District. LAFCO cannot initiate the annexation; either the landowners themselves or the District can do it. LAFCO can assist by considering to amend Hickok Road's sphere of influence and/or considering reducing the fees should the question be asked to the Commission. The District's SOI has been concurrent with the District's boundaries since the first (2001-2008) cycle.



Growth and Population

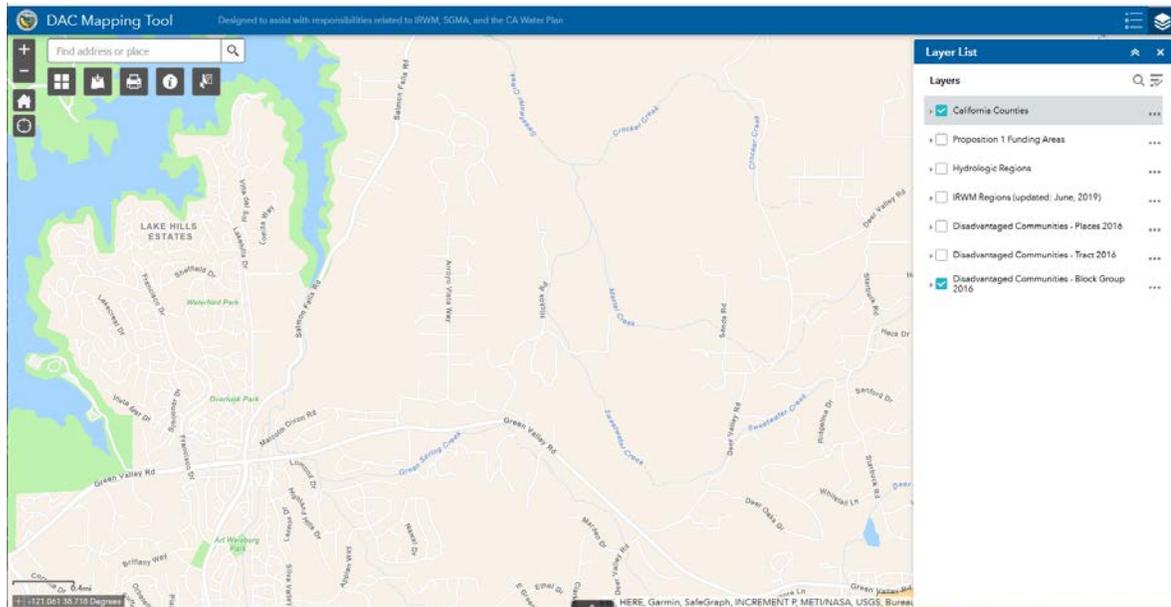
Theoretically speaking, the district's population could increase somewhat by an estimated 70+ people. This is because 16 of the 17 undeveloped parcels within the District's service area can be developed (one is designated as open space). Eight of the parcels within the RE-5 zoning are 10 or more acres, resulting in a maximum of 16 developable parcels if they are split consistent with their zoning. One parcel in the RE-10 zone is over 50 acres, resulting in a maximum of 5 developable parcels. Another parcel, in the RL-10 zone, could split into 4 developable parcels by right. Again, setting aside the one parcel that is designated as open space and the three parcels to the north discussed earlier, the remaining 6 parcels could also be developed with a home each. Compared to the estimated population of 110, the increase of 71 persons brought about by the development of these undeveloped parcels (2.3 persons per dwelling unit) translates to a maximum growth of 60% distributed over an unknown future timeframe. The projected maximum population will have a definite impact on services.

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.

As defined by the California Water Code, a Disadvantaged Unincorporated Community (DUC) is an area of inhabited territory (12 or more registered voters) located within an unincorporated area of a county in which the annual median household income is less than 80 percent of the statewide median household income. According to the most recent 5-year estimate data from the U.S. Census American Community Survey (2014-2018), the California statewide annual medium household income is \$71,228; eighty percent of the statewide median household income is \$56,982.

The Department of Water Resources did not designate the area in or around the Hickok Road CSD as belonging to a disadvantaged community.



The 2015 Census data show that HRCSD is a Census Block Group with a median household income between \$75,001-100,000, with an MHI of \$77,946. In addition, according to City-data.com, the median household income for the neighborhoods in and around Hickok Road CSD is \$95,995. In either case, it is reasonable to assume that that the MHI the District well above the median income level for a DUC.

Pursuant to Government Code Section 56430, disadvantaged unincorporated communities also lack water, waste water, and structural fire protection services. HRCSD does not provide any of these services. In addition, the Hickok Road neighborhood is already within the service boundaries of the El Dorado Hills Fire Department (El Dorado Hills County Water District). The Hickok Road subdivision, while it is currently outside the service boundaries of the El Dorado Irrigation District (which provides water and waste water services), is within the EID sphere of influence. Since its inception, the Hickok Road residents have relied on private wells

and septic for their water and wastewater needs. LAFCO staff is not aware of any problems or issues with these private systems.

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.

Infrastructure

Hickok Road CSD's infrastructure and facilities consist of 2.6 miles of roadway, consisting of Hickok Road as the primary roadway and Harlan Drive, and Sweet Valley Road as the two secondary roadways. The Hickok Road CSD does not own any roadway maintenance equipment or any facilities. HRCSD contracts for roadway maintenance services or resident volunteers perform the work.

There are no Countywide standards for roadway 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 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.

Typical roadway maintenance services include pothole repair, crack sealing, resurfacing, and roadway reconstruction. The last major expenditure to maintain the roadways were done in 2016-17; however significant funds were also expended in 2020 for some road repairs. The roadways are repaired by contractors as needed, based upon current roadway conditions and availability of funding. The District's board evaluates the roadways to determine if repairs or overall maintenance are required, and if residents or contractors are needed to perform the repairs. Repairs and maintenance are contracted out accordingly. The District has indicated that the current roadways are adequate for the current users and existing demand. The District has no plans for future expansion of services or major infrastructure and facilities.

A LAFCO staff driving tour of Harlan Drive and Hickok, and Sweet Valley Roads in early September found the roads to be in good shape, although the conditions varied

on the location and road. Hickok Road from Malcolm Dixon until the intersection with Harlan Drive and Sweet Valley Road is a two-car wide divided road. Past the Harlan/Sweet Valley intersection, it is no longer divided and slowly narrows to a one-car roadway the further you drive north until you reach the District service area boundary. It has recently been paved throughout its length. Harlan Drive and Sweet Valley Road begin at their intersections with Hickok Road and end some distance later. Sweet Valley Road is a one-and a half car wide undivided road with no bumps or cracks in the pavement. Several pothole repairs had been undertaken in the summer of 2020. Harlan Drive is a little narrower than Sweet Valley Road and it is paved for 2/3 to 3/4 of its length, turning to a stamped gravel road past a certain point all the way to its end. On the paved portions of Harlan Drive there were several cracks on the road that were repaired. While both Harlan and Sweet Valley are unmarked and narrow, they are wide enough to allow two vehicles to pass side-by-side. None of the roads had paved shoulders on either side. At some places there was a deep culvert or drainage ditch on either side of the three roads.

The only thing observed that was out of the ordinary was a sign at the intersection of Hickok Road from Malcolm Dixon indicating that Hickok Road was a “private road.” This is not the case. Hickok Road is a publicly dedicated road. While it does not lead to any specific house and terminates to the north outside of the district, Hickok is the primary throughway for landowners to access their property.

Operations

HRCSD operates similarly to other small CSDs in El Dorado County, with a volunteer Board of Directors, the use of contractors for large projects and relying on volunteers for minor maintenance. A former HRCSD Board of Directors member has been designated as the general manager. Hickok Road CSD does not have a public office, paid staff, regular publications, a website, or a public phone line.

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.

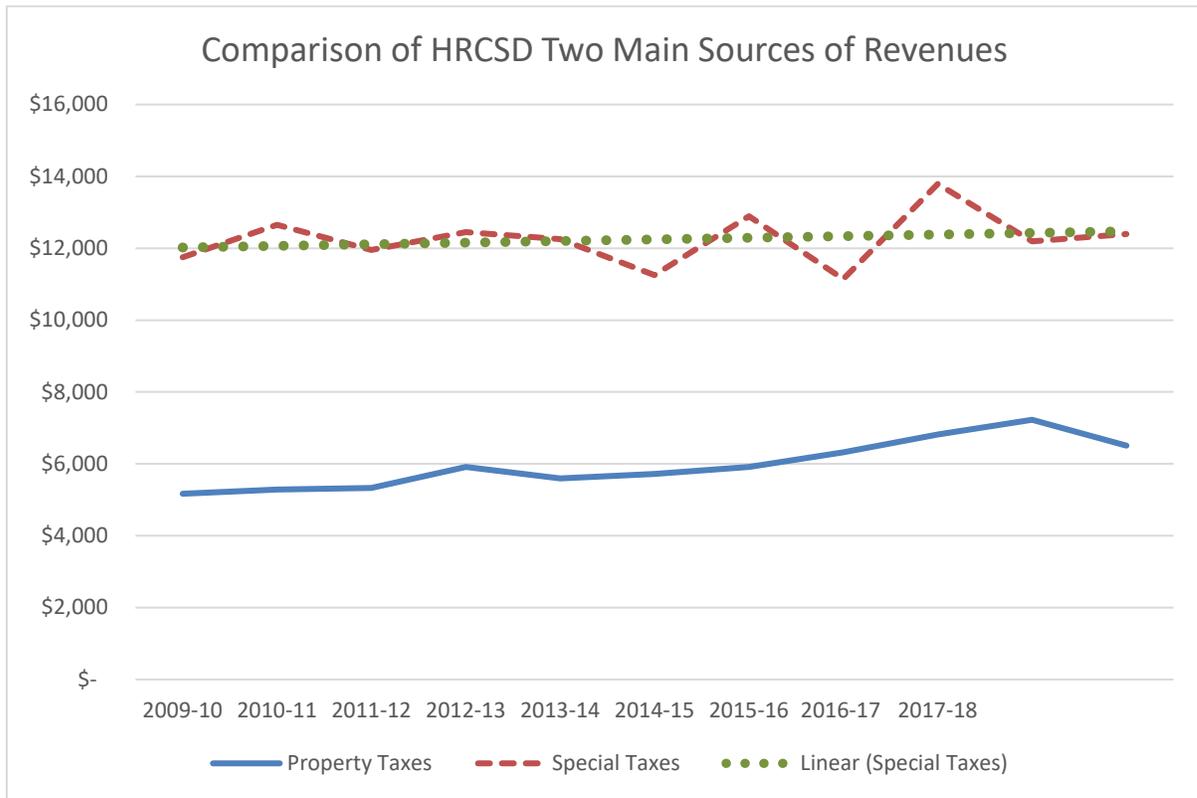
Funding and Budget

Revenue Sources

HRCSD’s revenue streams include receiving a portion of property taxes and a special tax, the latter approved in 1989. There are four tax rate areas (TRAs) within the District’s service area. The percentage of property taxes that go to the District ranges from 5.4664% (9 parcels) to 13.6094% (6 parcels, though one is designated as open space); however, the majority of parcels have an allocation of 5.9902% going to Hickok Road. District voters approved a special tax of \$200 per parcel. According to data from the Auditor-Controller’s Office, approximately 62 parcels are assessed this special tax.

In terms of size and importance, there is no question that the special taxes generate more revenue for the District. In any given year, the collected special tax amounts are about 70% of revenues. As seen in the chart below, both revenue streams are relatively stable and the amounts collected by the District do not fluctuate much from year to year.

There are three small dips in special tax revenue in 2011-12, 2014-15 and 2016-17 LAFCO staff is unable to account for in the financial data received from the Auditor-Controller’s Office. While not speaking to the specific dynamics of Hickok Road CSD, staff from the Auditor-Controller’s Office indicate that such small dips are common and likely due to delinquency on the part of some landowners. Regardless, the trend line shows that the average collection is relatively stable.



Despite the importance of the special taxes, the District’s Board of Directors is aware that the revenues collected are no longer adequate. The special tax was approved in 1989 and has not been updated since. The question of raising the special tax has been rejected twice by voters in recent elections (2016 and 2018). The Board tried again with Measure N in the 2020 election, but that measure failed to garner the 2/3 approval needed to pass.

The County handles the District’s fiscal administration. All the District’s funds are deposited into the County Treasury and the Auditor’s office manages the District’s receivables and payables. The District submits payment requests for reimbursements to the County, which in turn sends payments to contractors. The District currently does not have any outstanding debt.

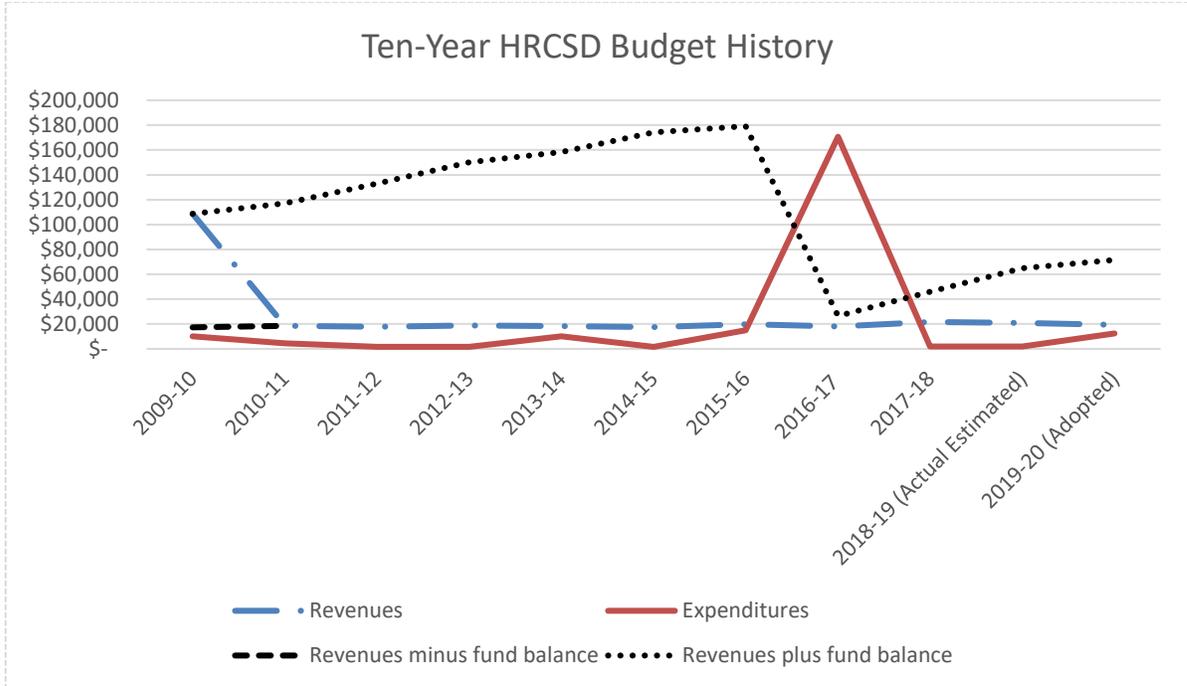
Budget and Financing Constraints and Opportunities

The District operates by accumulating funds every year to be expended on roadway maintenance every few years. It is with this practice that the District provides services and maintains financial stability. The table and chart below illustrate this pattern.

Table 1: District Revenues, Expenditures and Net Assets in Detail (FY 2015-16 to 2019-20)

	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual Estimated)	2019-20 (Adopted by District)
Revenues – Property Taxes	\$5,914	\$6,318	\$6,817	\$7,227	\$6,508
Revenues – Direct Special taxes	\$12,890	\$11,144	\$13,789	\$12,189	\$12,400
Revenues – Other	\$963	\$516	\$948	\$1,428	\$400
Total Revenues	\$19,767	\$17,978	\$21,554	\$20,844	\$19,308
Expenditures – Road Maintenance	\$13,280	\$163,930	\$1,380	\$1,675	\$11,680
Expenditures – Administrative	\$1,641	\$715	\$648	\$341	\$839
Expenditures – Professional Servs	\$0	\$6,000	\$0	\$0	\$0
Expenditures – Appropriations for Contingencies	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$14,921	\$170,645	\$2,028	\$2,016	\$12,519
Net Revenue (Deficit)	\$4,646	\$(152,667)	\$19,526	\$18,828	\$6,789
Fund Balance: \$174,281* June 30, 2015	\$179,127* June 30, 2016	\$26,460* June 30, 2017	\$45,986* June 30, 2018	\$64,814* June 30, 2019	\$71,603* June 30, 2020

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



For several years, the District spends less (solid line) than the total amount of revenues collected (dashed line). Please note the steady accumulation of funds via the fund balance (represented by the small dotted line after FY2009-10 in the chart above). In one fiscal year (in this case 2016-17) the District spends the bulk of the savings on road maintenance. After that one year, the accumulation of fund balance begins anew. This constitutes the District’s only assets: cash and cash equivalents and are generally increasing over time.

Currently, the District does not have any outstanding debt.

Financing and Rate Restructuring

Financial statements, audits, and other budgetary documents can be used to assess the long-term financial viability of the District. The District provided LAFCO with a copy of Hickok Road CSD’s annual financial statements from fiscal years (FY) 2007-15, completed in May 2017. The audit found that the District’s financial statements for the years referred to above were represented fairly.

Community Services Districts in El Dorado County typically rely upon property taxes, property assessments, and volunteers to provide roadway maintenance services. The District is financed through property assessments and ad-valorem property taxes. Properties are currently assessed \$200 annually. Assessments were last raised to \$200 in 2006. The District’s by-laws allow the board to increase assessments up to \$200 without approval by residents. Assessment increases over \$200 must go before voters for approval. As indicated earlier, the District tried for a third time in three election cycles to raise the amount of the special taxes but voters have not supported them sufficiently enough to get the 2/3 majority to pass.

Hickok Road CSD does not offer any other services, programs or special events besides maintaining the roadway. The district has no plans for expansion of its existing facilities or the future annexation of new territory

Cost Avoidance Opportunities

This section considers the potential cost avoidance opportunities available to a service provider. Cost avoidance opportunities include any potential sources of reduction in costs associated with service provision, and any other capital or operational actions or programs which may result in a more efficient and streamlined provision of services to the properties within the service area. The County handles the District's fiscal administration. All the District's funds are deposited into the County Treasury. The County Auditor's office manages the District's receivables and payables. The District submits payment requests or reimbursements to the County, which in turn sends payments to contractors.

The other available cost avoidance opportunity HRCSD is utilizing is the use of volunteers to reduce costs. Every fall, the District organizes a work committee of residents who volunteer to clean culverts, trim brush, and perform basic maintenance duties.

The previous MSR noted that the District has been using the same road maintenance contractor for many years because the size of the contract it offers is insufficient to attract multiple bidders. The District reports that that the contractor has subsequently retired. The work completed in 2016 and 2020 were performed by resident volunteers.

The District does not have any paid employees. A volunteer has been designated general manager, as required by Government Code Section 61240. Additionally, the district does not carry liability insurance.

<p>5. Status of, and opportunities for, shared facilities.</p> <p><i>Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.</i></p>

The District does not have any facilities and does not share any facilities with another service provider. The District's only assets are the public roads it maintains and the fund balance it builds up across multiple fiscal years.

What About Arroyo Vista CSD Next Door?

The District's service area is adjacent to Arroyo Vista Community Services District. Both districts provide similar roadway maintenance services. While the districts abut each other, there are no shared roads and are only connected by Malcolm Dixon Road. It is not just topography that separates the residential subdivisions (there is a shallow canyon between the two): The accessways that bisect Arroyo Vista Way on the east-west direction are private. The feasibility of consolidation is discussed below. In the onset, there would be no administrative cost savings (neither district employs staff or own equipment) should it happen. In the short term, a possible cost saving opportunity may arise if the districts can synchronize their respective finances and maintenance schedules. If it can be done, both districts can issue a joint

contract for services. This may produce savings to both districts by introducing some economies of scale by allowing the private provider to bid on a larger work area and attracting more bidders.

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.

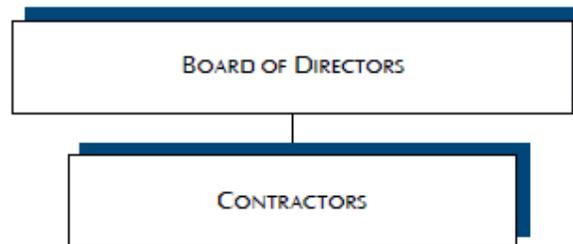
Information in this section addresses the following factors in LAFCO Policy 4.4:

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

Local Accountability

Hickok Road CSD is an independent special district which has a separate board of directors not governed by other legislative bodies (either a city council or the El Dorado County Board of Supervisors). The District's governing Board of Directors is composed of five officials elected by voters to four-year terms. The board elections are held every two years. Terms for board members are staggered, with two or three terms maximum expiring at the same time. Board members are comprised of registered voters within the District and these positions are unpaid. As stated earlier, the District has a volunteer general manager. HRCSD does not have any salaried employee, and relies on licensed contractors to perform large and complex projects but relies on volunteers to conduct simple maintenance.

HICKOK ROAD CSD ORGANIZATIONAL CHART



Notice of all meetings are posted on the community mailboxes and the community bulletin board located at the intersection of Hickok, Harlan and Sweet Valley. The Board creates policy by adopting resolutions or ordinances through duly noticed public hearings consistent with the Brown Act. District board meetings are held as needed. Meeting announcements are posted on public mailboxes 72 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. There appears to be ample opportunities for public involvement and input at meetings.

Hickok Road CSD does not own or maintain a website. In the last few years and in the wake of several local government scandals, the Legislature, the Little Hoover

Commission, the Governor's Office of Planning and Research and a host of other public and private entities have been studying local governments. Specifically, the scrutiny on locals' practices has led to more mandates and requirements for greater governmental, operational and financial transparency. In 2017, the Little Hoover Commission recommended more transparency measures to the Legislature, including the requirement that every special district have a website. The District has made an annual determination that it is not economically feasible to have a website since it does not have an office or staff.

Also in 2017, Senate Bill 448 (Wieckowski) requires all special districts to file their audits with LAFCO in addition to the State Controller's Office. The last audit for Hickok Road CSD has been filed with LAFCO.

For the past 2 years, Board member Tim Schmitt has produced and mailed a Hickok Road newsletter at his own expense to announce the road maintenance day and encourage participation as well as providing some historical information about the CSD. In 2018, some board members knocked on doors to encourage neighbors to be involved with the CSD and provided information on the special tax increase in that year's ballot.

Personnel and Staffing

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. A former member of the District's Board of Directors serves as an unpaid volunteer general manager. The District does not employ any staff and contracts for roadway maintenance services when necessary.

The District has increasingly relied on volunteers for maintenance and upkeep. Starting about a month before the annual maintenance day, signs are posted to "Save the Date." Additional signs encouraging participation are posted up to the maintenance day and then a "Thank You" is posted afterwards. Recently (June 2020) a sign was erect at the start of Hickok Road that reads "Road maintained by residents."

Is Consolidation an Option?

When most people consider the topic of "consolidation," they typically think of the highest level: the combination of one or more agencies into one. The reality is that there are several steps (both in the process towards consolidation and the types of possible consolidations) between two or more politically separate local agencies and the full combination of all of them into one. The first step can simply be an informal one. An example of this is that HRCSD reports that there is a good amount of information sharing that occurs between it and Arroyo Vista CSD. A second step is functional consolidation, where agencies share personnel and resources but remain politically separate entities. An example of this was discussed briefly in the previous section with the discussion of Arroyo Vista and Hickok Road CSDs achieving economies of scale through joint contracting. Subsequent steps intensify the level of coordination and cooperation of the involved districts. Any and all districts can

“back out” during these incremental steps. LAFCO only becomes involved as the agencies pursue steps that are in the “greater and more involved” end of the consolidation spectrum.

Skipping several steps to discuss the last step is full consolidation, where two or more agencies cease to be politically separate and form a brand new entity that will provide service to the combined service areas. At this point there is no “backing out” as the former districts are no longer separate entities with their own boards of directors. Pertinent to this discussion is whether Hickok Road and Arroyo Vista Road CSDs can achieve larger economies of scale through consolidation.

Both districts are small single purpose public agencies providing the same road maintenance service. The similarities do not end there: The two districts are next to each other, levy similar special tax amounts, use a similar approach about maintaining their respective roads and the size of their budgets are similar. While their subdivisions are different, it is not unprecedented to have comparable districts comprised of two or more separate subdivisions. Examples of this are Holiday Lake and Rolling Hills CSDs. If the concern is that the two areas have separate levels of maintenance, the combined CSD can have “zones of benefit” where service levels vary. Comparable examples include Marble Mountain and Hillwood CSDs.

On the other hand, both district spend very little on anything not related to road maintenance. Neither district pay salaries for board members or personnel. There would also be little in administrative savings since the County is already acting as HRCSD’s and AVCS D’s Treasurer. AVCS D has liability insurance but HRCSD does not.

From a technical or legal standpoint, consolidation is feasible. It is in the political realm where consolidation becomes difficult. The two districts discussed consolidation years ago but dismissed it as a possibility they would pursue. In addition, resident support for the idea plays a central role in all instances.

Full consolidation can be initiated in one of three ways:

- *Initiated By Both Districts* – While only one district can initiate the consolidation process, it would be more politically viable and advantageous for both to do so. Government Code §56853(a) states that if the agencies pursuing consolidation adopt substantially similar resolutions of application, LAFCO must either approve or conditionally approve the proposal and the reorganization could be ordered without an election unless the conditions under GC §57081(b) are met (essentially, 25% of voters within the entire territory protest the action).
- *Initiated By One District* – If only one district initiates a consolidation and the other adopts a formal resolution objecting the action, 25% of voters within either district can force an election (assuming LAFCO approves the consolidation).
- *LAFCO Initiated* – While State Law allows for LAFCO to initiate a consolidation on its own, only 10% of registered voters can force an election. Once the election begins, it would be easy for the an objecting board of directors to marshal enough voters to reject the consolidation in an election. Because of these provisions, a

LAFCO-initiated project is politically infeasible. It would be best for the districts to pursue consolidation voluntarily and through their own petition.

What About Other Governmental Structures?

Should financial or operational limitations lead to the District ceasing operations or pursuing alternatives for providing service, there are two possible options available:

- Form a homeowners' association. While a homeowners' association is considered a non-profit corporation, the association may be able to continue to provide roadway maintenance services. A homeowners' association would allow residents to retain local control and could allow greater flexibility in increasing special assessments to provide additional funding.
- Revert to County maintenance of the District's roadway. The County of El Dorado provides similar services to surrounding roadways, including roads adjacent to the District.

Either scenario involves the dissolution of the District and transferring roadway maintenance responsibilities to another organization. The first difficulty would be on whether the residents would contemplate either of these two options or the consolidation option. Needless to say, 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.

Because Hickok Road, Harlan Drive, and Sweet Valley Road are public roads, in some ways transferring the responsibilities to the County is easier. The County already has a mechanism to do this in County Service Area 9, which is its administrative arm for road maintenance. It is also not unprecedented, since Shadow Lane CSD converted to a zone of benefit under CSA 9. Since none of these roads are up to County road standards, it could become a "zone of benefit" within CSA 9, allowing the County to maintain the roads at a level that corresponds with the funds generated within the zone. The residents can raise taxes on themselves if they want the roads improved or maintained more frequently. It is unknown how this idea is viewed within the County; though County Department of Transportation staff has viewed this idea with skepticism when LAFCO staff floated it in its discussion with another CSD.

The biggest hurdle on the homeowner's association option is that Hickok Road, Harlan Drive, and Sweet Valley Road would have to be abandoned in order for private funds to be expended on them. A way to minimize this would be to enter into a contractual relationship in which the District and an HOA continue to exist independently. The District would outsource the maintenance to this HOA and the CSD would continue to exist only to set up its budget and meet its reporting requirements to the State. A few road maintenance CSDs in El Dorado County operate in this manner.

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.

Hickok Road CSD is surrounded by existing residential development to the west and south or areas designated for residential development to the east and southwest. Additionally, the District is located adjacent to, but outside of, the El Dorado Hills Community Region. While the installation of roads can be growth inducing, it is unlikely that HRCSD's services would induce urban growth or the premature conversion of agricultural land to urban uses. The CSD has no plans to expand and topography prevents Hickok Road or its subsidiary private roads from being lengthened any further. There should be no additional impacts to the economic viability of surrounding agricultural operations as a result of HRCSD's activities or actions.

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 Hickok Road Community Services District:

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

Present land uses within the District are residential, despite the presence of 17 undeveloped parcels within Hickok Road CSD's boundaries. Planned land uses are anticipated to remain the same as current land uses for 15 of those parcels. The County of El Dorado is not planning on changing the land use designation to allow for denser uses and the District is not looking to expand.

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. The District is not looking to expand road services beyond the maintenance of Hickok Road, Harlan Drive, and Sweet Valley Road. The District has not indicated it wish to expand its service boundaries; however it should consider doing so to include the parcels at the end of Hickok Road since those landowners are currently utilizing a road that they are not paying to maintain. The District is also not looking to provide additional services beyond road maintenance.

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 adequate to serve the existing community for the short term. The report noted that revenues are not keeping up with the rising costs of providing services and the Board of Directors has tried correcting that by asking voters to increase the special tax.

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 the Salmon Falls area and unincorporated El Dorado Hills.

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.

Not applicable to HRCSD since this district does not provide water, wastewater or fire services. While HRCSD does not provide any municipal services as defined in Government Code 56425(e)5, LAFCO has not identified any

disadvantaged communities within the District's boundaries or on its sphere of influence.

Service Area and Sphere of Influence

This SOI which was last updated on January 30, 2008. At the January 2020 meeting, the Commission continued this item to give the HRCSD Board of Directors some time to consider whether it would prefer that the Commission expand the SOI to include the three parcels to the north. Those homeowners are currently using Hickok Road to access their properties but their parcels are outside the District's boundaries. As such, they are not paying for the maintenance and upkeep of the road.

There is evidence to support expanding the SOI to include the parcels north of the service area, making way for a future annexation. In the past, the District has indicated that the cost of the LAFCO process would make it prohibitively expensive for them to initiate any boundary adjustments. Nevertheless, the Board considered the expansion of the SOI in February 2020 and indicated a preference to keep the SOI concurrent (as-is). However, the directors requested that LAFCO staff study their situation and recommend options on how to proceed in the near future. They also request that the Commission be open to expanding their SOI at the next periodic review, or should circumstances change, before the next MSR is conducted. The Commission can use the information in this report to adjust the SOI without the need to conduct another MSR.

Based upon the information contained in this report, it is recommended that the Hickok Road CSD sphere of influence be reaffirmed to be concurrent with its service area boundaries as depicted in Map 1 of Section VIII.

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 Hickok Road 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.

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 2017

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

LAFCO Procedures Guide, 2013 Edition, San Diego County LAFCO

El Dorado LAFCO's Streets and Highways Municipal Service Review (prepared by PMC), 2008

Governing and Defining Legislation:

Government Code §61000 et seq.

Hickok Road CSD:

Interview, Janna Buwalda, volunteer HRCSD General Manager

County of El Dorado, Independent Special Districts Fiscal Budgets for the Fiscal Year 2006-2020

CliftonLarsonAllen LLP, *Hickok Road Community Services District Financial Statements for Fiscal Years from FY 200-07 to FY 2014-15*

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 Hickok Road 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 maintenance-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.

This review is part of El Dorado LAFCO's Third Cycle of municipal service reviews (2013-2021). For a past review of AVCSD, please refer to the *2007 Streets and Highways Municipal Services Review*.

Background

Legislative Framework

In 1997, the State Legislature established the Commission on Local Governance for the 21st 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 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.

- (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.”

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.
- 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.
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 focuses on all areas meeting the definition of a "disadvantaged community", regardless of their location inside or outside a city. "DUC" is used interchangeably in this MSR to include both incorporated and unincorporated disadvantaged communities.

"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.

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
- Census information compiled by QK (fdba Quad Knopf) and purchased by El Dorado LAFCO. The information is contained in GIS layers that LAFCO can then use to generate maps.

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, Arroyo Vista CSD service area is not part of an identified DAC, nor are there any DACs in the general area surrounding Arroyo Vista CSD.

QK Compilation

Data compiled by QK is at the block group level. It contains information from the 2010 Census and from the 2015 American Community Survey, which contains a more comprehensive demographic look at some communities, but is limited in that not all households are interviewed by the US Census Bureau. Nevertheless, the information in the ACS is supposed to be statistically representative.

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 County as a whole is limited. Typically analysts rely on Census data, specifically information gleaned from the Census’ American Community Survey since that data tends to be more recent even if the pool or respondents is not as large as the pool for the decennial Census. It must be acknowledged, however, that information from the ACS is at the block group level, which is the smallest level in which ACS information can be aggregated. In a rural county, with a dispersed population and few concentrated communities, this means that census blocks can potentially cover large geographic areas.

Specific to Hickok Road CSD, we can only approximate, as the District boundaries do not conform to any demographic area in the Census. As it can be seen on Map 2 in Section VIII, while HRCSD lies on only one census tract, it is but a portion of a large tract. As a result, Census Tract 308.01 will contain demographic data from other neighborhoods and areas outside of Hickok Road CSD.

The information summarized in the below from the 2012-2016 ACS should not be interpreted as solely representing Hickok Road CSD. For comparative purposes, information from the 2012-2016 ACS on El Dorado County is also included:

Table 1: Study Area 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 308.01	4,592	3,580 (78%)	19 (0.4%)	12 (0.3%)	345 (8%)	0 (0%)	0 (0%)	238 (5%)	398 (9%)
El Dorado County	180,411	144,069 (79%)	1,576 (1%)	1,203 (1%)	7,542 (4%)	331 (0.2%)	235 (0.1%)	5,176 (3%)	22,868 (12%)

Sources: 2012-2016 American Community Survey by the U.S. Census

Percentages may not add due to rounding

It can be seen that Whites comprise the largest racial group; however there is also a statistically significant Asian population to warrant a look. Latinos are also a statistically significant ethnic population to pull additional data for Census Tract 308.01. It should be noted that Hispanic/Latino is considered an ethnic group, not a racial group. Because some Hispanic/Latinos could be racially categorized as “White,” Tables 2 and 3 gathered data for Whites who self-identified as “not Hispanic or Latino.” This was done to exclude double-counting individuals. It also explains the difference in population numbers between Table 1 and Tables 2 and 3 for Whites.

Table 2: Poverty Status in the Past 12 Months by Ethnicity, by Sex and by Census Tract

		Total Population	Total Under Poverty	Total Male	Total Male Under Poverty	Total Female	Total Female Under Poverty
Census Tract 308.01	White not Hispanic or Latino	3,577	153 (9%)	1,720	113 (7%)	1,897	40 (2%)
	Asian	345	0 (0%)	173	0 (0%)	172	0 (0%)
	Hispanic or Latino (of any race)	395	2 (0.5%)	167	0 (0%)	228	2 (1%)
El Dorado County		181,369	17,839 (10.4%)	90,390	8,477 (9.4%)	90,979	9,362 (10.2%)

Table 2 tells us that the poverty numbers for Asian and Latinos are not significant. Between the two groups, only 4 people had incomes below the poverty level. Because of this, no further analysis will be undertaken here on for the rest of the report.

Whites in Census Tract 308.01 seem to fare a little better than the County as a whole, with the percentage of women with incomes below poverty level being a much smaller percentage in this tract than in the county. Men comprise the largest gender living under poverty in the tract, but again at a percentage rate that is better than the rate of the county as a whole. Table 3 below helps us understand who is poor among Whites.

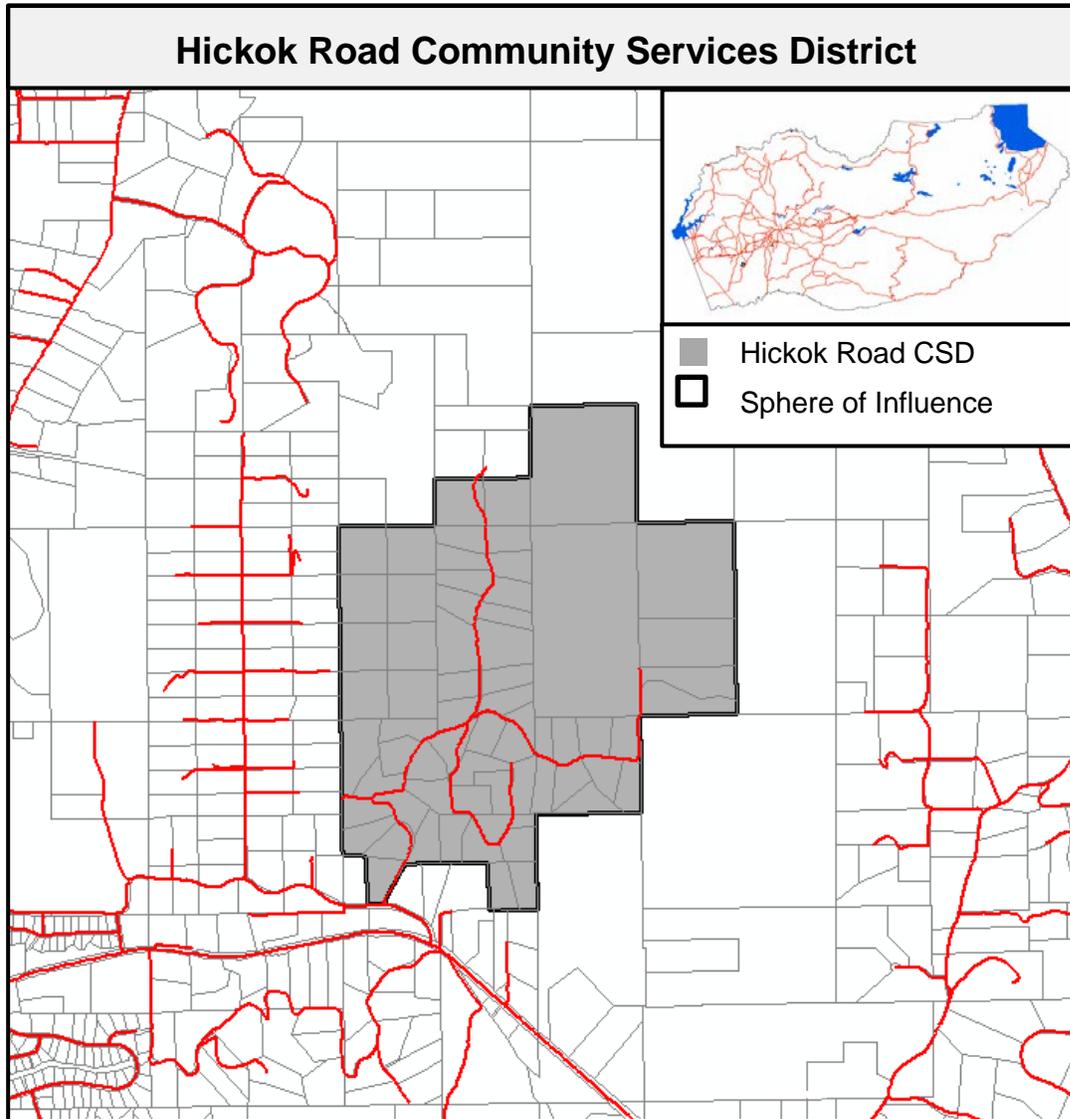
Table 3: Poverty Status in the Past 12 Months by Sex, by Age and by Ethnicity for Census Tract 308.01

Age	White not Hispanic or Latino			
	Total Male	Total Male Under Poverty	Total Female	Total Female Under Poverty
Under 11 years	145	0 (0%)	176	0 (0%)
12-17 years	112	0 (0%)	185	0 (0%)
18-24 years	194	43 (22%)	158	1 (0.6%)
25-34 years	136	0 (0%)	168	0 (0%)
35-44 years	185	0 (0%)	170	20 (12%)
45-64 years	592	30 (5%)	605	11 (2%)
65+ years	316	0 (0%)	415	8 (2%)

For White men, the poverty rate looks worse for young adults and for some in late middle-age. For White women, the poverty rate is higher among adults starting from the mid-middle age to later in life.

VIII MAPS

Map 1 – Hickok Road CSD Boundaries and Sphere of Influence



Map 2 – Census Tracts Around Hickok Road CSD

