

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF FEBRUARY 28, 2018*

### *REGULAR MEETING*

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

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

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

**AGENDA ITEM #6:** PUBLIC TO CONSIDER ENVIRONMENTAL REVIEW,  
MUNICIPAL SERVICE REVIEW AND SPHERE OF  
INFLUENCE UPDATE FOR THE CAMERON ESTATES  
COMMUNITY SERVICES DISTRICT (LAFCO PROJECT NO.  
2017-07)

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### **RECOMMENDATION**

Staff recommends that the Commission:

1. Receive and discuss the information related to the municipal services review and sphere of influence update for the Cameron Estates Community Services District;
2. Open the public hearing on this matter;
3. Accept statutory exemption §15061(b)(3) from environmental review as the appropriate environmental review;
4. Adopt the Cameron Estates Community Services District Municipal Service Review, along with one of the following options:
  - a. Adopt Resolution L-2018-04-A, adopting the following updates to the Cameron Estates Community Services District sphere of influence (**Attachment F**, staff recommendation):
    - 1) Addition of one parcel to the sphere of influence (APN 109-010-03)
    - 2) Removal of seven parcels from the sphere of influence (APNs 109-111-15, 109-111-16, 109-111-17, 109-111-18, 109-111-19, 109-161-01 and 109-161-31); or
  - b. Adopt Resolution L-2018-04-B, adopting the following updates to the Cameron Estates Community Services District sphere of influence (**Attachment G**):
    - 1) Addition of one parcel to the sphere of influence (APN 109-010-03); and
5. Direct staff to complete the necessary filings and transmittals as required by law.

## **REASON FOR RECOMMENDED ACTION**

The Cameron Estates Community Services District Municipal Service Review (MSR) and Sphere of Influence (SOI) Study provides a current snapshot of District services, finances, operations and management, and analyzes the agency's ability to provide road maintenance and park and recreation services within its service area. The MSR identifies areas of potential growth for the Cameron Estates Community Services District (CECSD) sphere of influence, where services may be extended to in the future, as well as areas of potential reduction in the CECSD sphere, for areas that may not be receiving services or the same level of services as the rest of the District. The Cameron Estates Community Services District MSR/SOI Study is included as ***Attachment C***.

Staff's recommendation to the Commission is to add one parcel to the sphere of influence (the Deubel property), and to remove seven parcels from the sphere of influence (five Cambridge Square Retail Center parcels, and two Light of the Hills Lutheran Church parcels). CECSD is opposed to removing any parcels from the District's SOI, but is not opposed to the inclusion of the Deubel parcel. If the Commission decides not to remove any parcels from the CECSD SOI, staff still recommends adding the Deubel parcel, which requires inclusion in the SOI prior to annexation (Agenda Item #7). The Commission also has the discretion to add and/or remove any other combination of parcels to or from the District's sphere of influence as it sees fit.

## **BACKGROUND**

Part of LAFCO's mission is to encourage efficient service areas for local governments. To that end, LAFCOs are responsible for periodically reviewing the services, functionality, and boundaries of local agencies through a municipal service review and sphere of influence update study.

One of the functions of an MSR is to analyze the suitability of an agency's boundaries. The MSR includes a review of the existing SOI for the District, followed by a staff recommendation to the Commission for changes, if appropriate. The Commission relies on information from the MSR when determining an agency's SOI, and uses the MSR/SOI study as a guidance document for any future boundary changes to the district.

### **Cameron Estates CSD**

The Cameron Estates Community Services District (CECSD) is empowered to provide road and trail maintenance services for the Cameron Estates subdivision. CECSD is located in the Cameron Park area, on the south side of U.S. Highway 50, between Cambridge Road and Cameron Park Drive.

The District's service area encompasses 291 assessed parcels, covering approximately 1,500 acres. CECSD maintains a total of 23 paved roads, totaling 16.5 miles of roadway, three security entrance gates within the District, and 16 miles of horse riding trails, which is considered a parks and recreation service.

CECSD is somewhat unique, in that it is a public district with gated roads. CECSD-maintained roads have never been formally dedicated to the District and are, therefore, considered private roads. Special legislation in Government Code §61105(g) authorizes CECSD to limit access to, and use of, roads within the District to landowners and residents of the District. CECSD has exercised this right by installing gates at each of the District's entrances, which require an access code, resident remote-control device, or resident approval through an electronic telephone entry system to allow entry.

### MSR Analysis

Throughout the analysis portions of the report, LAFCO staff did not identify any substantial financial, operational, or governance issues that needed to be addressed or resolved as a part of this municipal service review. Overall, the MSR found that the CECSD is financially stable, operates efficiently, and provides sufficient road maintenance services within its boundaries, maintaining the roadways at levels consistent with the residents' expectations. Park and recreation services and facilities (horse riding trails) are not provided regularly by the District, due to lack of funding.

The largest question arising from this MSR is whether certain parcels within the CECSD service area, but outside the gated roads, should be removed from the District's sphere of influence. This issue is discussed at length in the CECSD MSR under *Areas of Interest* (p. 6) and *Sphere of Influence Recommendations* (p. 22) and summarized below under *Sphere of Influence Recommendations*.

### MSR Determinations

This MSR was prepared to meet the requirements and standards of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The MSR provides analysis for the statutory criteria set forth within the CKH Act (Government Code §56425), as well as additional locally adopted requirements (El Dorado LAFCO Policies and Guidelines Section 4.4). These criteria are listed as follows:

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

**MSR Determination 1** –No significant future growth, population increases, or changes in land uses are anticipated, as approximately 270 of the 291 parcels have been developed according to the land uses specified by their zoning in the El Dorado County General Plan. LAFCO is currently processing an application to annex a 40-acre parcel (APN 109-010-03, "*Deubel Property*") into the CECSD. If annexed, future growth associated with the Deubel Property will be limited, per the terms of an annexation agreement between the landowner and the District.

**MSR Determination 2** –According to 2015 income data from the U.S. Census Bureau, there are no disadvantaged communities within the CECSD service area or in the general surrounding area. The nearest identified disadvantaged communities is in the Cameron Park area, north of U.S. Highway 50.

**MSR Determination 3** – Overall, roadway conditions appear to be adequate for the current demand, relative to adopted standards and resident expectations. There are some areas of District-maintained roadways which are in need of maintenance and repair; these areas are prioritized based on need, usage, and availability of funds. The need for

recreation facilities and services (trails) are not being adequately met, due to lack of funding.

**MSR Determination 4** – CECSO appears to be financially stable and is able to recover from periodic large roadway maintenance expenditures. The District's main sources of revenue are property taxes and a \$250/parcel special tax. While these revenue streams are currently adequate for high priority maintenance and repairs, additional funding may be necessary for lower priority deferred roadway maintenance and repairs, as well as needed trails improvements. Previous attempts to increase the special tax have been unsuccessful with voters.

**MSR Determination 5** – Since the District does not own any facilities, and is not within close proximity to any other local entity that provides similar services, no significant opportunities for shared facilities were identified in the report.

**MSR Determination 6** – CECSO appears to operate efficiently under its existing structure; the current governmental and management structures allow the District to provide necessary services and operate in an efficient and effective manner. Board meetings, notices and agendas appear to be consistent with all Brown Act requirements. No significant issues regarding local accountability were noted.

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

### **SOI Determinations**

The MSR also includes a review of the existing sphere of influence for the District to determine if changes are warranted. Written determinations are included within the MSR consistent with the requirements of CKH (Government Code §56430) that address the following:

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

**SOI Determination 1** – Present land uses within the District are low density residential; there are no designated agricultural lands within the District. Planned land uses are anticipated to remain the same as current land uses for the majority of the District. The undeveloped territory proposed for annexation into the District is expected to eventually be developed for low density residential use, consistent with the already-developed pattern of the remainder of CECSO.

**SOI Determination 2** – Present needs for roadway facilities and services are currently being met. The present need for recreation facilities and services (trails) are not being adequately met, due to lack of funding. Probable needs for public facilities and services are not currently anticipated to vary from present needs, as future demands are expected to remain the same.

**SOI Determination 3** – The present capacity and condition of roadway facilities provided appears to be sufficient for the level of service expected by District residents. Present capacity of trails is considered by the District to be less than adequate; maintenance and improvements are dependent on funding and resources available.

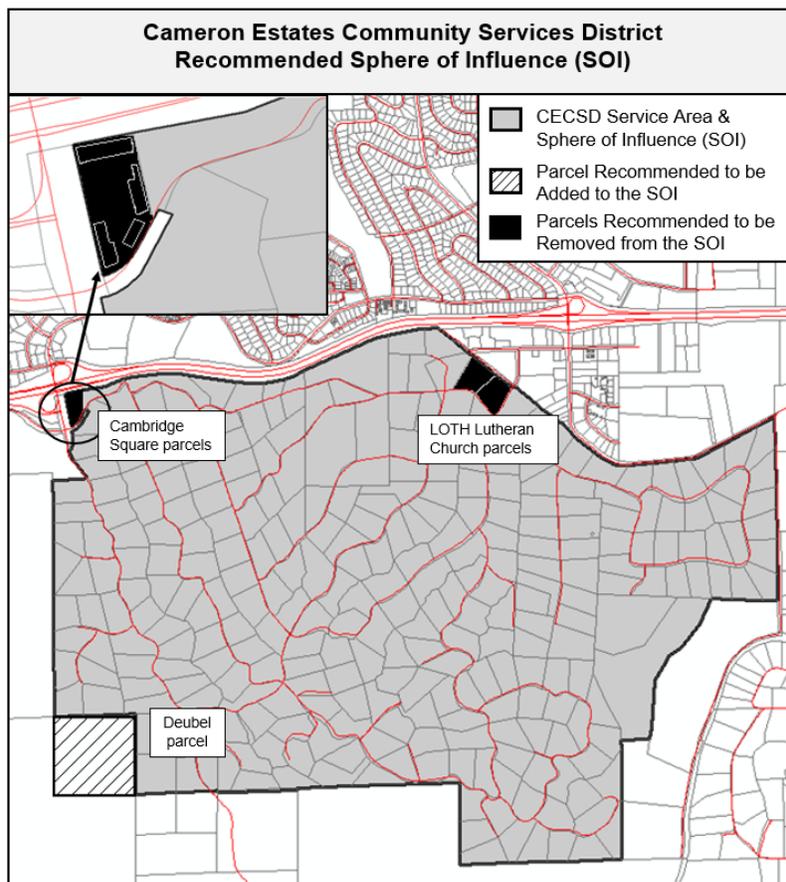
**SOI Determination 4** – Nearby communities include the Cameron Park and Shingle Springs areas. CECSO borders the Cameron Park Community Region on the north, and the commercial parcels in the northeastern corner of the District are within the Community Region.

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

**Sphere of Influence Recommendation**

This sphere of influence recommendation analyzes the suitability of the District’s SOI boundaries, relative to services currently provided, capabilities of the service provider, and expected future growth. CECSO’s sphere of influence is currently coterminous with its service area. The District’s SOI was last considered in February 2008, in conjunction with the *2007 Streets and Highways MSR* and *General Government Services I MSR*. At that time, no changes were considered for the District’s sphere of influence, which was updated to affirm the coterminous sphere. Neither MSR included a discussion of the parcels outside of the CECSO gates.

Staff recommends that the Commission make the following changes to the Cameron Estates CSD sphere of influence: 1) add the Deubel Property to the SOI, and 2) remove the Cambridge Square and Light of the Hills Lutheran Church parcels from the SOI.



- 1) Staff recommends that the Deubel parcel be added to the CECSD SOI in anticipation of annexation into the District. LAFCO is currently processing an application to annex the Deubel property into the CECSD in order to gain access to the property through gated District roads. The Deubel property is a vacant, 40-acre parcel located adjacent to the southern boundary of the CECSD. Adding the Deubel property to the CECSD SOI is necessary prior to annexation. The CECSD Board is in support of the annexation and does not oppose inclusion of the Deubel property into the SOI.

<b>Add to the Sphere of Influence:</b>		
109-010-03	Deubel Property	Residential, Undeveloped

- 2) Staff recommends the Cambridge Square parcels and the Light of the Hills Lutheran Church parcels be removed from the Cameron Estates CSD SOI. The parcels do not have access through CECSD-maintained roads, but are instead accessed through County-maintained portions of Flying C Road and Rodeo Road. The parcels recommended to be removed include:

<b>Remove from the Sphere of Influence:</b>		
109-111-15	4062 Flying C Rd.	Commercial, Cambridge Square
109-111-16	4060 Flying C Rd.	Commercial, Cambridge Square
109-111-17	4058 Flying C Rd.	Commercial, Cambridge Square
109-111-18	4064 Flying C Rd.	Commercial, Cambridge Square
109-111-19	Parking Lot (inactive)	Commercial, Cambridge Square
109-161-01	3100 Rodeo Rd.	Light of the Hills Lutheran Church
109-161-31	3100 Rodeo Rd.	LOTH Lutheran Church (ball field)

- Five commercial parcels within the Cambridge Square Retail Center are located outside of the northern entrance gate on Flying C Road. These five parcels are accessed from a County-maintained portion of Flying C Road, prior to where the CECSD-maintained portion of Flying C Road begins. Owners and tenants of these commercial parcels do not have the same unrestricted access to CECSD roads as other residents; they can and do occasionally use the District roads, but are required to call the District first to request the entrance gates be opened or to receive one-time access. A map and aerial photo of the Cambridge Square Retail Center area is included as **Attachment A**.
- Two parcels owned by the Light of the Hills Lutheran Church are located on the eastern side of CECSD, also accessed from outside the District. The parcels contain two church buildings, two parking lots, and a ball field. The Lutheran Church parcels do not share an entrance through the CECSD gates and roadways, but rather are accessed from the opposite side, from Rodeo Road, which is a County road. The two parcels are bordered by CECSD-maintained Strolling Hills and Lariat Roads, but there is not currently any access to the church or ball field from these roads. The church parking lot and overflow lot are oriented towards the front of the church, connecting to Rodeo Road. A fence runs the length of the rear and side of the church and ball field lots, separating the church parcels from Strolling Hills and Lariat Roads as well as the neighboring residential parcels inside CECSD. A map and aerial photo of the Light of the Hills Lutheran Church area is included as **Attachment B**.

A portion of the property taxes and/or special taxes from six of these seven parcels is allocated to the Cameron Estates CSD, which is primarily used to fund District road improvements. The two LOTH Lutheran Church parcels are exempt from property taxes, but are still assessed the \$250 special tax. One parcel within the Cambridge Square Retail Center is a parking lot and considered inactive; no property taxes or special taxes are collected from this parcel.

Staff's recommendation to remove these parcels is based upon its inability to identify the manner in which services are extended to these parcels by the District. This recommendation is consistent with other SOIs where staff came to similar conclusions. To-date, no information has been provided that contradicts LAFCO staff's observations and conclusion. It is important to note that removing these parcels from CECSO's SOI will not remove them from the District, nor will it have any effect on the property taxes or special taxes currently collected from these parcels.

While removal from the SOI does set the stage for possible detachment from the District in the future, this action would have to be externally instigated and detachment is neither automatic nor guaranteed. LAFCO cannot initiate a detachment. The parcels will continue to remain in the District's service area unless and until a landowner, a number of registered voters or the District itself petitions LAFCO for detachment. Even if such a proposal is received, detachment is not a foregone conclusion. The request would be subject to the LAFCO change of organization process, which requires a full analysis and LAFCO discretionary approval. The District will also have the ability to provide comment and information regarding the proposal at that time.

#### Other Areas of Interest Noted in the MSR

During the review, staff noted several additional parcels outside the CECSO gates which were also mentioned in the report as *Areas of Interest* (p. 6), including a self-storage and U-Haul rental facilities, and two residential parcels outside of the entrance gates on Flying C Road. Staff conducted a preliminary site visit of the entrance gates, then followed up with the CECSO Board President and General Manager for a tour of the District roads and to discuss all of the parcels recommended to be removed from the sphere of influence.

CECSO verified that although one of the residential parcels and the storage and rental facilities are located outside of the entrance gates, the District is responsible for maintaining the portion of Flying C Road that they are accessed from. CECSO also informed staff that the owner of the other residential parcel outside the gates has purchased and regularly uses a remote-control gate opener for entrance into the District. Subsequently, the staff recommendation does not include removal of the storage and rental facilities parcel, or the two residential parcels outside the gates from the District's sphere since evidence exists that services were provided to these areas. As a result, keeping these parcels within the service boundaries is warranted.

#### Staff Outreach and Public Comment Period

In preparing this MSR, staff requested and received various pieces of information from the CECSO General Manager, necessary for completing the report. Through the course of several email and telephone conversations LAFCO and CECSO staff discussed the MSR process, District services, boundaries, finances and operations.

Prior to the public release of the draft MSR, staff provided CECSD with an administrative copy of the draft MSR and requested the District to submit comments or corrections for accuracy. CECSD did submit some minor clarifications, and expressed disapproval of the SOI recommendation. CECSD General Manager, Karen Moonitz, addressed the Commission at the January 24 LAFCO meeting and voiced concerns over the removal of any parcels from the District's sphere.

Staff encouraged the CECSD Board to submit comments to the Commission regarding services provided to the parcels in question, and also to attend the February 28 meeting to state their opposition to staff's SOI recommendation. CECSD submitted written comments (**Attachment D**) in opposition to staff's recommendation to remove seven parcels from the District's SOI. CECSD's legal counsel also submitted comments in opposition to the SOI recommendation (**Attachment E**).

Other Comments

Letters were sent out to each affected landowner of the Cambridge Square and Light of the Hills Lutheran Church parcels on January 16, informing the landowners of the MSR/SOI study and staff's recommendation to remove certain parcels from the CECSD sphere of influence. As of this date, LAFCO has not received any comments from the affected landowners regarding the MSR or SOI recommendation. Additionally, no comments have been received from the general public on the MSR/SOI update.

Attachments:

- Attachment A: Cambridge Square Retail Center Area Maps
- Attachment B: Light of the Hills Lutheran Church Area Maps
- Attachment C: Cameron Estates CSD Municipal Service Review and Sphere of Influence Study (LAFCO Project #2017-07)
- Attachment D: 2-5-18 Letter from Cameron Estates CSD
- Attachment E: 2-12-18 Letter from David McMurchie, CECSD Legal Counsel
- Attachment F: Resolution L-2018-04-A and SOI Map
- Attachment G: Resolution L-2018-04-B and SOI Map