

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF SEPTEMBER 26, 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 HEARING TO CONSIDER ENVIRONMENTAL
REVIEW, MUNICIPAL SERVICE REVIEW AND SPHERE OF
INFLUENCE UPDATE FOR THE ROLLING HILLS
COMMUNITY SERVICES DISTRICT (LAFCO PROJECT NO.
2017-03)

RECOMMENDATION

Staff recommends that the Commission:

1. Receive and discuss the information related to the Municipal Service Review and Sphere of Influence Update for the Rolling Hills Community Services District;
2. Open the public hearing on this matter;
3. Accept statutory exemption §15061(b)(3) from environmental review as the appropriate environmental review;
4. Adopt Resolution L-2018-09, adopting the Municipal Service Review and Sphere of Influence Update for the Rolling Hills Community Services District; and
5. Direct staff to complete the necessary filings and transmittals as required by law.

REASON FOR RECOMMENDED ACTION

The Rolling Hills Community Services District Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides a current snapshot of service delivery for the District, and also identifies areas of potential growth for future extension of services as well as areas of potential reduction for lack of services, where appropriate. Staff recommends the Rolling Hills Community Services District sphere of influence be updated to affirm the current sphere.

The Commission opened the public comment period on the Draft MSR/SOI at the August 22, 2018 Commission meeting; the Final MSR and affirmation of the current SOI is now returned to the Commission for adoption. The Rolling Hills Community Services District MSR/SOI Study is included as Attachment A.

BACKGROUND

This study analyzes the agency's ability to provide existing and future residents with road maintenance, drainage, street lighting and landscaping, weed abatement, and parks and recreation services. The MSR was prepared to meet the requirements and standards of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). The SOI study uses the data in the MSR portion to generate a guidance document for any future boundary changes to Rolling Hills Community Services District (RHCS D).

Rolling Hills CSD

The Rolling Hills Community Services District (formerly Springfield Meadows CSD) was formed in 1978 to provide road maintenance, drainage, street lighting and landscaping, weed abatement, and parks and recreation services to the Springfield Meadows neighborhood. The District now also serves the Shadow Hills Estates, Stonebriar, and Sierramonte neighborhoods as well, covering 405 parcels and 255 acres. RHCS D is located in El Dorado Hills adjacent to Sacramento County, south of U.S. Highway 50 and north of White Rock Road.

RHCS D maintains a total of 30 paved roads, totaling approximately eight miles of roadway, two parks, and a number of culverts and drainages. The District's newest subdivision, Sierramonte, is gated and the internal roadways are privately owned and maintained by a homeowners' association; RHCS D does not provide road services to the Sierramonte roads.

Municipal Service Review Determinations

The MSR provides analysis for the statutory criteria set forth within the CKH Act, as well as additional locally adopted requirements. These criteria are listed as follows:

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

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 RHCS D appears to provide sufficient road maintenance, drainage, street lighting and landscaping, weed abatement, and parks and recreation services within its boundaries,

maintaining the District roadways and facilities at levels consistent with the residents' expectations.

MSR Determination 1 – All but a few of the parcels within RHCS D are designated High and Medium Density Residential and zoned Single-Unit Residential (R1) / One-Acre Residential (R1A). Recent development of the Sierramonte subdivision has resulted in a population increase for the District; however, there are limited additional undeveloped parcels remaining within the District. RHCS D does not anticipate further significant growth, population increases, or changes in land uses, as most of the parcels have been developed according to the zoning for the area.

MSR Determination 2 – According to 2015 income data from the U.S. Census Bureau, there are no disadvantaged communities within or adjacent to the RHCS D service area or in its sphere of influence, nor in the general area surrounding the District.

MSR Determination 3 – RHCS D maintains approximately eight miles of roadway, two parks totaling 13 acres, and a number of culverts and drainages. RHCS D contracts out for all services. Roadways and park facilities appear in good condition and adequate for the current demand, relative to adopted standards and resident preferences and expectations. District-maintained facilities which need maintenance or repair are prioritized based on need, usage, and availability of funds.

MSR Determination 4 – RHCS D's main sources of revenue are property taxes and a voter-approved special assessment. RHCS D has an average property tax increment of 6.3051%. RHCS D also collects a district-wide special assessment of \$200 per parcel, which was approved by District voters in 1987.

These revenue streams are currently adequate for high priority maintenance and repairs; however, additional funding is necessary for lower priority, deferred improvements. The RHCS D Board is aware that District residents may need to approve another special assessment (with a two-thirds vote) to generate more revenue, and the Board has attempted several times to increase the special tax amount from the current \$200, but previous attempts to increase the assessments were not approved by voters.

Despite this, RHCS D appears to be financially stable and is able to recover from periodic large infrastructure and facilities expenditures. The District does not have outstanding debts. RHCS D is able to provide adequate services and the District's budget is balanced. RHCS D utilizes a sufficient range of cost avoidance opportunities, including bidding of contracted services and utilizing contract services to reduce costs, utilizing volunteers for some minor maintenance, and pooling of insurance funds.

MSR Determination 5 – RHCS D does not own any equipment and does not share any facilities with other service providers. RHCS D is not within close proximity to any other local entity that provides similar (road maintenance) services; therefore, no significant opportunities for shared road maintenance facilities have been identified.

RHCS D is surrounded on three sides by the El Dorado Hills Community Services District, which also provides park and recreation services, but it does not provide road maintenance services. While there may be opportunities for sharing facilities with El Dorado Hills CSD, none have been specifically identified in the report.

MSR Determination 6 – RHCS D is an independent special district, governed by a five-member Board of Directors. Board meetings are held regularly on the third Tuesday of every other month at 7:00 p.m. at the Holiday Inn Express, located at 4360 Town Center Drive, in El Dorado Hills. Board meetings, notices and agendas appear to be consistent with all Brown Act requirements. Per District policy, the RHCS D Board has determined not to hire "employees" of the District, but rather utilizes contracted services to perform the services of General Manager and Board Secretary to foster an efficient and cost-effective means of conducting its operations.

One of the District's board members and other volunteers privately maintain an email listserv and the District's website as a benefit to residents within the District. The website and listserv are not controlled by the District or the board, and are not funded by the District. These both help to inform the District's residents about the District and services provided. RHCS D also has a volunteer sign-up page on their website, for residents who are interested in volunteering their time for various projects and work parties.

RHCS D appears to operate efficiently under its existing structure; the current governmental and management structures are appropriate to allow the District to provide necessary services and operate in an efficient and effective manner. No significant issues regarding local accountability were noted.

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

Sphere of Influence 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 include high and medium density residential and open space; there are no designated agricultural lands within the District. Planned land uses are anticipated to remain the same as current land uses. The District recently experienced a slight increase in population growth due to a new residential development; few other vacant residential parcels are available to be developed in the near future.

SOI Determination 2 – Present needs for public facilities and services are currently being met. Probable needs for future roadway services are not anticipated to vary significantly from present needs, as future demands are expected to remain the same. Probable needs for park facilities are expected to increase with the additional residents

of the Sierramonte neighborhood, but development fees and Quimby in-lieu parkland fees should mitigate the impact to the District's parks.

SOI Determination 3 – The present capacity and condition of public facilities provided by the District appears to be sufficient to serve the existing community, based on the level of service expected by District residents.

SOI Determination 4 – Nearby communities include the unincorporated El Dorado Hills community. RHCSO is partially surrounded by the El Dorado Hills Community Services District's boundaries and is wholly included within the El Dorado Hills Community Region.

SOI Determination 5 – Not applicable to RHCSO since this district does not provide water, wastewater or fire services. While RHCSO 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

Rolling Hills CSD's service area has not changed since its creation, nor has its sphere of influence, which is concurrent with the District's boundaries. The RHCSO SOI was last updated in 2008. Based upon the information contained in this report, it is recommended that no changes be made to the Rolling Hills CSD sphere of influence at this time and that the Commission reaffirm the current SOI, which is concurrent with its service area boundaries as depicted in Attachment B.

Staff Outreach and Public Comment Period

In preparing this MSR, staff reached out to the RHCSO General Manager for general background information about the District. Prior to the public release of the Draft MSR, the GM was provided with an Administrative Draft of the report to review for accuracy. No comments were received on the Administrative Draft.

RHCSO was given a second opportunity to review and comment on Draft version of the MSR during the public comment period starting on August 22, 2018. The Draft MSR was sent to the General Manager and distributed it to members of the RHCSO Board for review and discussion at their August 21 board meeting. A few minor clarifications were submitted by the District, all of which have been incorporated into the Final MSR.

As of this date, no comments have been received from the general public on the MSR/SOI update.

Attachments:

- Attachment A: Rolling Hills Community Services District Municipal Service Review and Sphere of Influence Study (LAFCO Project 2017-03)
- Attachment B: Resolution L-2018-09 and SOI Map