

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF AUGUST 22, 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 #4C: OPEN THE PUBLIC COMMENT PERIOD FOR THE DRAFT
MUNICIPAL SERVICE REVIEW AND SPHERE OF
INFLUENCE STUDY FOR THE ROLLING HILLS COMMUNITY
SERVICES DISTRICT (LAFCO PROJECT NO. 2017-03)

RECOMMENDATION

Staff recommends that the Commission:

1. Open the Public Hearing to receive comments on the Draft Rolling Hills Community Services District Municipal Service Review and Sphere of Influence Study; and
2. Continue the Public Hearing until the September 26, 2018 meeting to allow sufficient time and opportunity for the public and the Rolling Hills Community Services District Board of Directors to review and comment on the study. Staff will return this item in September for final action and adoption.

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.

BACKGROUND

The Rolling Hills Community Services District (RHCSO or District) was originally formed in 1978 as the Springfield Meadows Community Services District, to provide road maintenance services, drainage, street lighting and landscaping, weed abatement, and parks and recreation services to the Springfield Meadows subdivision. The District now also provides services to the Stonebriar and Shadow Hills Estates subdivisions, which were built after 2000, and the Sierramonte subdivision, which is just completing

construction. In 2008, the District changed its name to Rolling Hills CSD in an effort to be representative of all of the communities located within the District.

RHCSD is located in the El Dorado Hills area adjacent to the Sacramento County line on the south side of U.S. Highway 50 and on the north side of White Rock Road.

RHCSD maintains a total of 30 paved roads, totaling approximately eight miles of roadway, two parks, two flood control ponds, and a number of culverts and drainages. RHCSD is responsible for the maintenance and repair of all District roadways within the Springfield Meadows, Shadow Hills Estates, and Stonebriar subdivisions. Sierramonte is a gated subdivision, and the internal roadways are privately owned and will be maintained by a homeowners' association. RHCSD has no responsibility for maintenance or repair of these 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 areas for improvement or current issues faced by the District that needed to be addressed or resolved as a part of this Municipal Service Review. Overall, the MSR found that the RHCSD provides sufficient road maintenance, drainage, street lighting and landscaping, weed abatement, and parks and recreation services within its boundaries and the District's facilities are maintained at levels consistent with the residents' expectations, as identified by the RHCSD Board of Directors.

MSR Determination 1 – There are currently 405 parcels and 655 registered voters within the District. All but a few of the parcels within RHCSD are designated High and Medium Density Residential and zoned Single-Unit Residential (R1) / One-Acre Residential (R1A). Recent development of the 49-home Sierramonte Subdivision has resulted in a population increase for the District; however, there are limited additional undeveloped parcels remaining within the District. RHCSD 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 – Disadvantaged Unincorporated Communities (DUCs) are defined as inhabited territory (12 or more registered voters) that constitutes all or a portion of a community with an annual median household income that is less than 80 percent of

the statewide annual median household income. The 2015 statewide median household income was \$61,818 (United States Census Bureau 2015), making the median household income for a disadvantaged community as defined by the Water Code \$49,454. According to 2015 income data from the U.S. Census Bureau, the RHCS D service area is not part of an identified disadvantaged community, nor are there any disadvantaged communities in the general area surrounding RHCS D or its sphere of influence.

MSR Determination 3 – RHCS D is empowered to provide road maintenance, drainage, street lighting and landscaping, weed abatement, and parks and recreation services. RHCS D maintains approximately eight miles of roadway, two parks totaling 13 acres, two flood control ponds, 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 and 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 RHCSO 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. RHCSO 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.

RHCSO 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 RHCSO'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, 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 SOI for the District to determine if changes should be made. Written determinations are included within the MSR consistent with the requirements of CKH 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 Sierramonte residents, 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. RHCS D 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 – While Rolling Hills 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 Recommendations

The District's service area has not changed since its creation, nor has its sphere of influence, which is concurrent with the District's boundaries. The RHCS D 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

Staff reached out to the RHCS D General Manager for additional information about the District and provided her with an Administrative Draft of the report for review prior this publishing of the Draft MSR. No comments were received on the Administrative Draft. The RHCS D Board, affected landowners, and the general public will have until the end of the public comment period on September 26, 2018 to submit comments for the Final MSR and SOI Update.

Attachments:

Attachment A: Draft Rolling Hills CSD Municipal Service Review and Sphere of Influence Study (LAFCO Project #2017-03)

Attachment B: Recommended Rolling Hills CSD SOI Update Map