

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

**Garden Valley Ranch Estates
Community Services District
Municipal Service Review and
Sphere of Influence Update**

**FINAL
March 2021**

El Dorado Local Agency Formation Commission

GARDEN VALLEY RANCH ESTATES COMMUNITY SERVICES DISTRICT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

MARCH 2021

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I **EXECUTIVE SUMMARY**

Background

The Garden Valley Ranch Estates Community Services District (GVRECS D) is a single-purpose special district, formed in 1982 to provide for maintenance and improvement of the roads within the Garden Valley Ranch Estates neighborhood.

GVRECS D is located in the Garden Valley area of El Dorado County, on the east side of Mt. Murphy Road at Marshall Grade Road. GVRECS D's service area encompasses 171 parcels, covering approximately 1,312 acres, with an estimated population of 345 residents.

Services Provided

Special districts are limited-purpose governments which have only the powers the Legislature has delegated to them. GVRECS D is empowered to provide road maintenance services by California Community Services District Law (Government Code §61100, et seq.). GVRECS D maintains 14 roads, totaling 7.2 miles of roadway.

Road maintenance services are necessary to ensure roadways remain in acceptable usable condition for residents and visitors to the area. The need for services varies from year to year based on roadway usage and weather conditions. Fluctuations in 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. Maintenance projects are responsive to local conditions; service needs vary from year to year based on roadway conditions, weather and usage, available funding, and level of priority in comparison with other projects.

GVRECS D does not provide services outside of its enabling legislation, nor does it provide service beyond designated service boundaries. The District does not have any latent powers.

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II AGENCY DESCRIPTION

Garden Valley Ranch Estates Community Services District

Contact Information

Address: P.O. Box 273
Garden Valley, CA 95633
Phone: (530) 363-1323
Website: www.gardenvalleyranchestatescsd.specialdistrict.org
Email: gardenvalleyranch@hotmail.com

Management Information

Board of Directors: Don Weiland, Chair Exp. 12/06/2024
Frank Clark, Director Exp. 12/02/2022
Inge Cornett, Director Exp. 12/02/2022
Kathleen DeCurtis, Director Exp. 12/06/2024
Lee Gardner, Director Exp. 12/06/2024

Board Meetings: Quarterly, 3rd Friday of February, May, August, November
Marshall Grange Hall (4940 Marshall Rd., Garden Valley)

Staff: General Manger (volunteer), Carey Montgomery
Treasurer (volunteer), Marianne Agudo

Service Information

Principal Act: Community Services District Act
Government Code §61000 et seq.

Empowered Services: Road and road maintenance
(at the time of formation)

Services Currently Provided: Road and road maintenance

Latent Powers: None
(LAFCO approval required)

Area Served: 171 Parcels, 1,312 Acres

Population Served: Estimated population: 345, Registered voters: 262

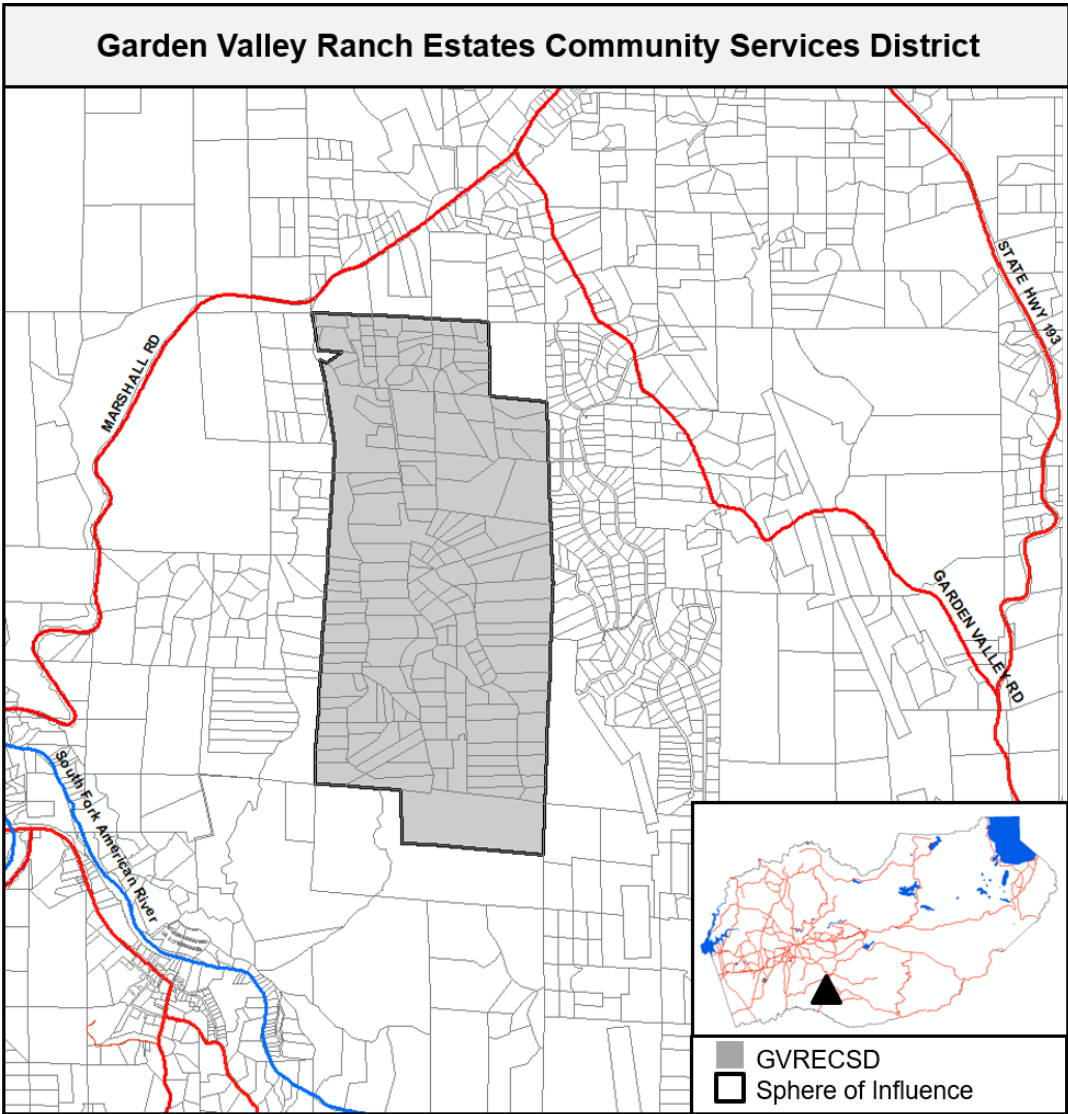
Major Infrastructure: 7.2 Miles of roadway

Fiscal Information

2019-20 Budget: \$46,815 Revenue, \$14,799 Expenditures
\$155,464 Ending Fund Balance

Sources of Funding: 7.7061% Property tax increment, \$150 Special tax

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Boundaries

GVRECSD is located in a rural region of northwestern El Dorado County, loosely bounded by Marshall Road to the west and Garden Valley Road to the east. GVRECSD's sphere of influence is coterminous with the District's service boundaries, which have not changed since GVRECSD's formation in 1982.

GVRECSD's boundaries also overlap with the service boundaries of the following agencies: Garden Valley Fire Protection District and El Dorado County Fire Protection District sphere of influence (fire protection and emergency medical services), Georgetown Divide Public Utility District (water), Georgetown Divide Recreation District (parks and recreation), Georgetown Divide Resource Conservation District (resource conservation), and County Service Areas 7 (ambulance services), 9 (cemetery, drainage, including landscaping and wetlands maintenance, street and highway lighting, and parks and recreation) and 10, Zone G (library).

III **MSR DETERMINATIONS**

In preparing a municipal service review, Government Code §56430 requires the El Dorado Local Agency Formation Commission (LAFCO) to prepare a written statement of its determinations. Appendix A contains a summary of the current determinations.

In addition, LAFCO's Policies and Guidelines Section 4.4 require additional determinations be made in an MSR prior to establishing a sphere of influence. These additional determinations are included among the Government Code §56430 determinations below and in Appendix A.

To the extent 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 LAFCO's 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.

Growth and Population

GVRECS D's service area covers approximately 1,312 acres, comprised of 171 rural residential parcels. All but a few of the parcels within the District are designated Low-Density Residential (LDR) / Residential Estate, five-acre minimum (RE-5) or Rural Residential (RR) / Rural Lands, ten-acre minimum (RL-10). The LDR parcels are generally located in the northern and the central regions of the District. The RR designated parcels are generally located in the south and along the western and eastern outer edges. There are two parcels in the northeast corner designated LDR and zoned RE-10.

According to the El Dorado County Elections Department, there are 262 registered voters in GVRECS D. Approximately 150 of the 171 parcels within the District have been developed according to their zoning in the County's General Plan, which concludes an estimated population of 345 people at 2.3 persons per dwelling unit.

The number of undeveloped parcels within the District is relatively low at approximately 12%, with an estimated 21 parcels currently undeveloped. Of the 21 undeveloped parcels, 17 could be developed with one home each and four can be split into 11 developable parcels by right, according to their size and zoning. The four splitable parcels include one 10-acre and one 20-acre parcel zoned RE-5, and one 20-acre and one 30-acre parcel zoned RL-10, resulting in a maximum of 11 developable parcels.

It is also worth noting there are two large parcels (50-acre zoned RE-5, and 90-acre zoned RL-20) each developed with one residence, that could theoretically be split and developed further, into ten 5-acre lots and four 20-acre lots, respectively. Depending on the configuration of the existing residences and driveways, steep topography, access, and landowner intent, these parcels may or may not be further developed in the future. If they were, it is not likely they would be able to be split into the maximum number of parcels allowed, for the same reasons.

For analysis purposes, under a scenario of full buildout with the maximum allowable land use under the current zoning, the District's population could conceivably increase by an additional 97 people (up to 42 new residences with 2.3 persons each) if all eligible parcels were split by right.

Compared to the estimated population of 345, the hypothetical increase of 97 persons brought about by the maximum number of parcels allowed by right and the full development of all undeveloped parcels, translates to a maximum growth of 28% distributed over an unknown future timeframe. The projected maximum population would increase road maintenance needs, which may lead to an impact on services.

Future land uses are anticipated to remain primarily residential and no significant growth, population increases, or changes in land uses are anticipated which would affect the District's ability to provide services. GVRECSO does not have any plans for future expansion beyond the current service boundaries.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

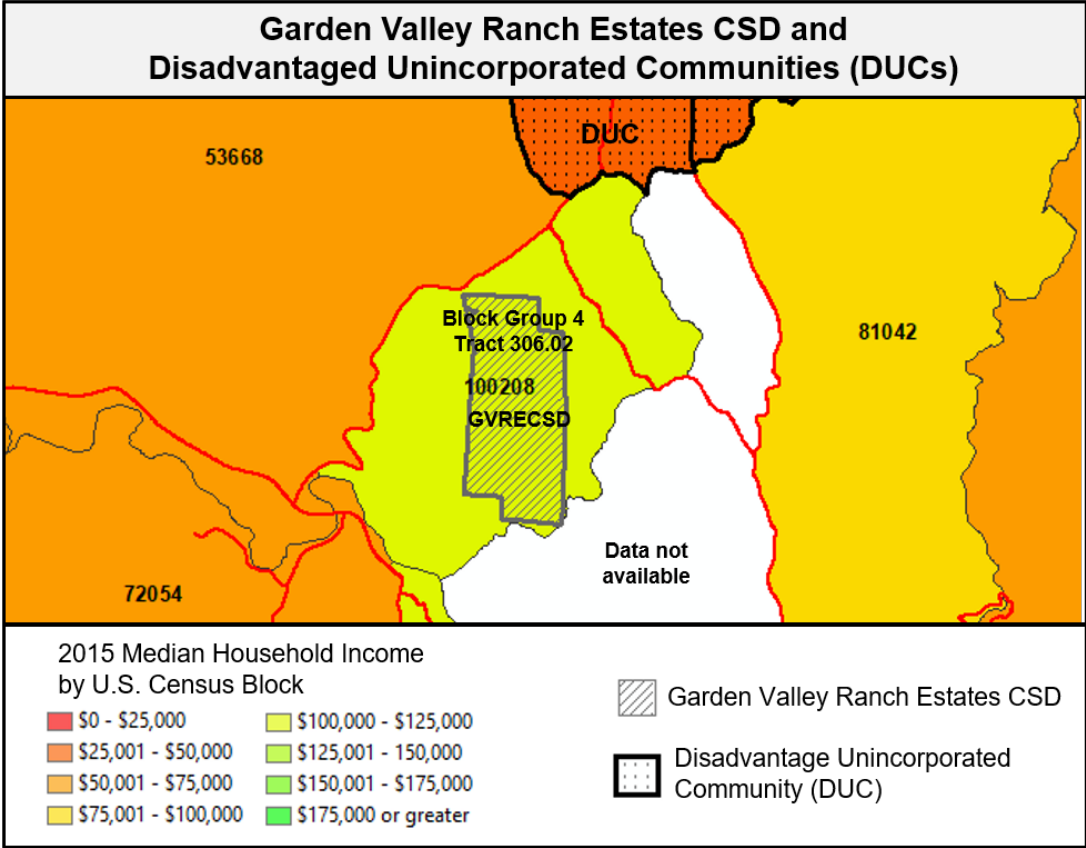
Purpose: To identify the communities within the agency's service area or sphere of influence that have been traditionally unserved or underserved.

Pursuant to Government Code Section 56430, LAFCO is required to identify the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence. Disadvantaged unincorporated community is defined as inhabited territory (12 or more registered voters), that constitutes all or a portion of a "disadvantaged community" as defined by Section 79505.5 of the Water Code. Per the Water Code, a disadvantaged community is a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

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According to the 2014-2018 U.S. Census American Community Survey 5-Year Estimate (ACS), the statewide annual median household income (MHI) was \$71,228 in 2018. Based on the definitions above, inhabited territory falling below the 2018 MHI threshold of \$56,982 qualify as disadvantaged.

GVRECS D lies entirely within Census Block Group 4 of Census Tract 306.02, which includes a larger area surrounding the District on both sides, including the Garden Valley Rural Center boundaries to the northeast and extending southwest to the South Fork of the American River in Coloma.



According to income data from the 2014-2018 ACS, the 2018 estimated MHI in Census Block Group 4 of Census Tract 306.02 was \$108,625. GVRECS D's service area is not part of an identified disadvantaged community, nor are there any disadvantaged communities in the general area surrounding the GVRECS D or its sphere of influence.

The 2018 MHI estimate is further substantiated by data from the California Department of Water Resources, census data from previous years, and City-data.com. The Department of Water Resources did not designate the area in or around GVRECS D as belonging to a disadvantaged community in their mapping tool, with data from 2016 and 2018. The 2015 Census data show GVRECS D is in a Census Block Group with a MHI between \$100,000-125,000, with an MHI of

\$100,208. Lastly, according to City-data.com, the MHI for neighborhoods in and around GVRECS D is \$102,014. Based on all available data, it is reasonable to conclude the MHI within GVRECS D is well above the median income level for a disadvantaged community.

Pursuant to Government Code §56430, disadvantaged unincorporated communities also lack water, waste water, and structural fire protection services. GVRECS D does not provide any of these services; however, the Garden Valley Ranch Estates neighborhood is within the service boundaries of other public service providers which do. The Georgetown Divide Public Utility District provides water service in the area, and the Garden Valley Fire Protection District provides structural fire protection and emergency medical services (a single, 90-acre parcel along the southern boundary of GVRECS D is not within a fire protection district, but is within El Dorado County Fire Protection District's sphere of influence). 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.

This section addresses the adequacy of infrastructure and maintenance programs within the District. 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 road maintenance programs. GVRECS D does not have any adopted standards for roadway repair and maintenance, therefore the adequacy of the District's roadways is generally based on the District's self-assessment and resident expectations for roadway quality, repair frequency, and overall roadway operations.

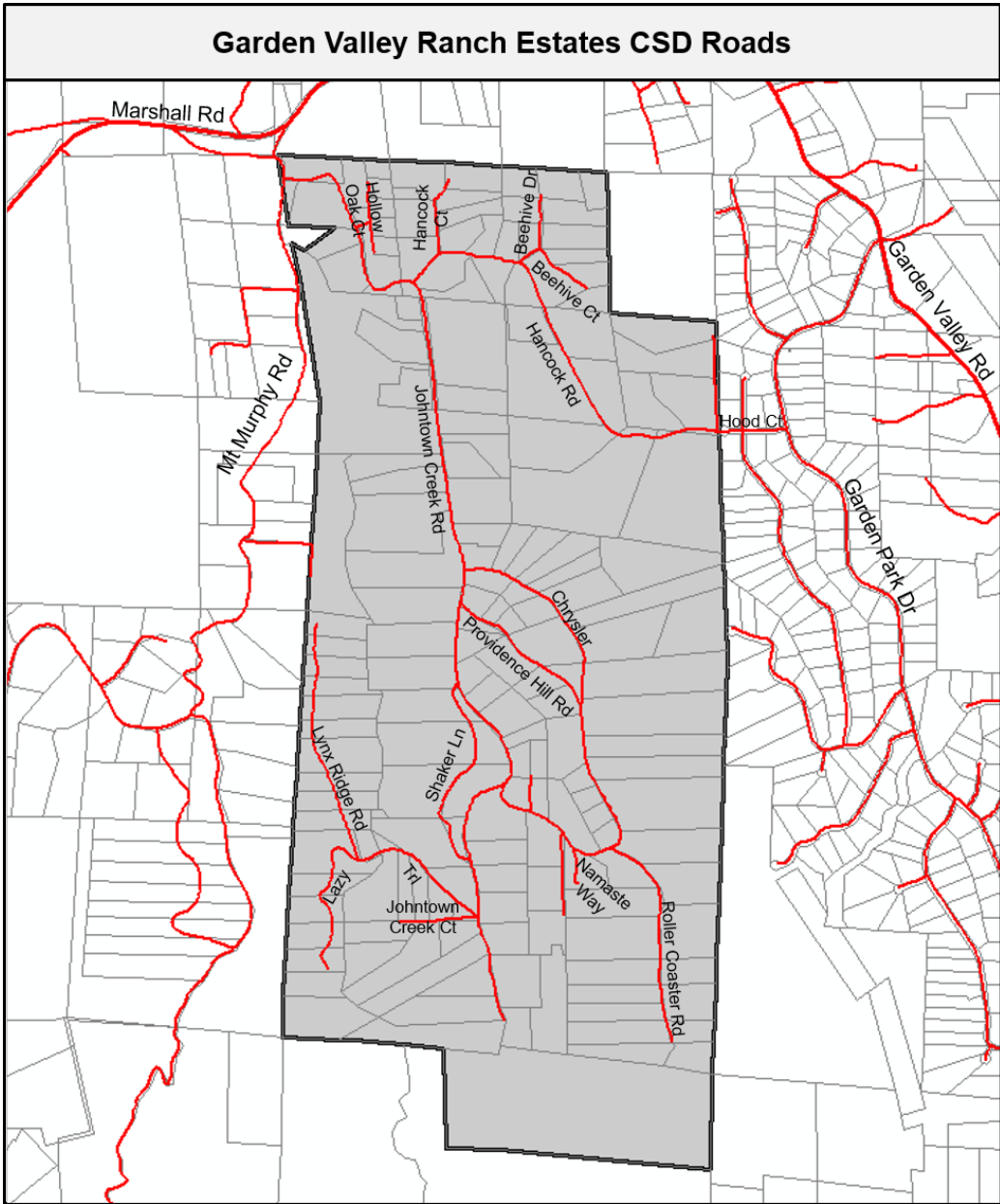
Infrastructure and Facilities

GVRECSO is responsible for the maintenance and repair of all roadways within its boundaries. GVRECSO’s infrastructure consists of one primary roadway and 13 secondary roadways, totaling approximately 7.2 miles. Johntown Creek Road is the District’s primary roadway, providing access in and out of the District from Mt. Murphy Road to the north, just off Marshall Road. Johntown Creek Road dead-ends to the south. Secondary and tertiary roadways that branch off Johntown Creek Road provide more direct access to parcels within the District. These roadways include: Chrysler Circle, Hancock Road, Hollow Oak Court, Johntown Creek Court, Lazy Brook Trail, Providence Hill Road, Shaker Lane, Beehive Court, Beehive Drive, Hancock Court, Lynx Ridge Road, Namaste Way, and Rollercoaster Road. Kahala Road, Lingering Lane, and Sailor Ridge Road are private roads not maintained by GVRECSO.

Primary Roads	Secondary Roads	Tertiary Roads
<ul style="list-style-type: none"> ▪ Johntown Creek Road 	<ul style="list-style-type: none"> ▪ Chrysler Circle ▪ Hancock Road ▪ Hollow Oak Court (unpaved) ▪ Johntown Creek Court ▪ Lazy Brook Trail ▪ Providence Hill Road ▪ Shaker Lane 	<ul style="list-style-type: none"> ▪ Beehive Court ▪ Beehive Drive ▪ Hancock Court ▪ Lynx Ridge Road ▪ Namaste Way (unpaved) ▪ Rollercoaster Road

Overall, the District maintained roadways are in good condition and appear adequate for the current demand. There are some areas that are in need of minor maintenance and repair; however, no significant road maintenance issues were detected during a LAFCO staff site visit.

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Maintenance Operations

GVRECS D provides road maintenance by contracting out for road construction, repairs, and maintenance services. Overall, the roads are repaired every few years, depending on the current condition of the roadway and available funding. Repairs and maintenance are contracted out on an as-needed basis. The District does not own any major roadway maintenance equipment.

GVRECS D does not have a formal road maintenance plan, but the General Manager is expected to submit one to the Board in the near future, to be used by the Board to prioritize road maintenance and repairs.

As noted in the table above, all but two of the District's roadways are paved; the two unpaved roadways are composed of gravel.

Typical services include maintenance and improvements of the road surface, culverts under the maintained roadways, and the bridge on Lazy Brook Trail, installation and upkeep of road name and safety signs, and elimination of hazards that threaten to damage the roadway or to create a public safety hazard on the roads, such as downed trees, flooded roadways, washouts, snow and ice. GVRECSO services do not include resident driveway culverts, cleaning and maintenance of ditches, or trees not immediately on the roadway or blocking traffic, unless their conditions create a hazardous situation for District roads or safe travel.

GVRECSO roadways are affected by steep topography and rocky terrain in certain areas, coupled with severe winter weather. Roadway repair is sometimes necessary in the District due to landslides, cave-ins, underground springs, downed trees, and wash-outs. To the extent possible, repairs of damaged roadways are scheduled after the winter weather season has passed.

Johntown Creek Road is prone to flooding near the intersection of Mt. Murphy Road during intense rain storms, covering the roadway with up to one foot of moving water. In the event Johntown Creek Road is flooded or otherwise blocked near the entrance off Mt. Murphy Road, the Garden Valley Ranch Estates Emergency Evacuation Plan directs GVRECSO residents to evacuate through the emergency gate at the end of Hancock Road to Hood Drive in Garden Park neighborhood. The emergency gate is the property of the Garden Park Homeowners' Association and is secured with a Knox Box lock; GVRECSO Board members cannot unlock the gate. If the gate is locked, residents are directed to call the Garden Valley Fire Protection District or the direct El Dorado County Emergency line.

GVRECSO indicated that the condition of the roads is adequate for roadway usage, but additional maintenance would be preferred to improve the roadways. Due to limited funding, the District does not provide roadwork beyond basic maintenance. GVRECSO does not have plans for future expansion of road infrastructure or construction of facilities.

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

This section analyzes the financial operations of the District, including financial statements, audits, and other budgetary documents, to assess its long-term financial viability. Annual financial statements, audits, and budget actuals and projections

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from fiscal years (FY) 2016-17 through 2020-21 were reviewed to determine the fiscal status of the District. Some of the information was obtained from the County Auditor-Controller's published special district budget reports, some was obtained directly from the District. For consistency, actual budget numbers included in the table below were taken directly from GVRECS D budgets and annual reports, unless otherwise noted.

GVRECS D Revenues, Expenditures and Fund Balances – FY 2016-17 to 2020-21					
	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Adopted Budget)
Beginning Fund Balance, July 1	\$75,160	\$106,481	\$99,195	\$123,448	\$155,464
REVENUES					
Property Taxes	\$16,780	\$17,842	\$18,506	\$19,297	\$18,000
Direct Charges – Special Tax	\$25,265	\$24,740	\$26,315	\$24,965	\$26,000
Interest	\$542	\$974	\$2,138	\$2,368	\$0
State Homeowners Property Tax Relief	\$160	\$162	\$162	\$159	\$0
Miscellaneous	\$27	\$34	\$669	\$27	\$0
New Revenue	\$42,773	\$43,752	\$47,790	\$46,815	\$44,000
EXPENDITURES					
Road Maintenance	\$8,249	\$48,298	\$14,420	\$11,500	\$39,305
Insurance (SDRMA)	\$1,155	\$1,055	\$1,068	\$1,175	\$2,340
Professional Services - Specialized	\$1,250	\$1,300	\$1,300	\$1,300	\$1,300
Professional Services – Audit & Accounting	\$0	\$0	\$6,000	\$0	\$0
Website	\$0	\$0	\$275	\$300	\$300
District Phone	\$0	\$0	\$0	\$108	\$110
Memberships (CSDA)	\$159	\$167	\$177	\$186	\$180
Marshal Grange Meeting Hall Rental	\$112	\$100	\$125	\$100	\$100
Publications & Legal Notices	\$94	\$27	\$72	\$30	\$100
Agency Admin. Fee (LAFCO)	\$63	\$29	\$36	\$36	\$65
Office Supplies (P.O. Box, postage, printing)	\$282	\$62	\$64	\$64	\$200
Miscellaneous	\$88	\$0	\$0	\$0	\$0
Total Expenditures	\$11,452	\$51,038	\$23,537	\$14,799	\$44,000
Net Change in Fund Balance	\$31,321	-\$7,286	\$24,253	\$32,016	\$0
Ending Fund Balance, June 30	\$106,481	\$99,195	\$123,488	\$155,464	\$155,464 (Estimate)

El Dorado County handles GVRECS D's fiscal administration. All of the District's funds are deposited into the County Treasury and the Auditor's office manages the District's receivables and payables. GVRECS D submits payment requests or reimbursements to the County, which in turn sends payments to contractors.

Revenue

Community services districts in El Dorado County typically rely upon property taxes, special assessments, and/or special taxes, and volunteers to provide various maintenance and other services. GVRECS D is financed primarily through property taxes and a voter-approved special tax, which are relatively stable sources of income. GVRECS D does not charge any rates for services, which is appropriate for the type of services provided. Total revenues exceeding expenditures are carried over to the next fiscal year.

Property Taxes

In any given year, property taxes make up about 40% of new revenue for the District. GVRECS D receives approximately 7.7061% of the property taxes collected from the 171 assessed parcels within the District, which amounts to approximately \$17,000-\$19,000 annually. Technically, there are three tax rate areas (TRAs) within the District's service area; however, the vast majority of GVRECS D (170 parcels) are within a single TRA, which receives 7.7061% of the collected property taxes. One outlier 90-acre parcel at the southern end of the District is split between two TRAs, which have an allocation of 5.3028% and 5.6115%. Ad-valorem property taxes are calculated and collected by the County and transferred to the District. Property tax revenue can fluctuate slightly from year to year as the result of normal changes in property taxes.

Special Taxes

Special taxes generate the most revenue for the District, accounting for 53-59% of new revenue from year to year. Properties within GVRECS D are assessed \$150 annually for the purposes of road improvement and maintenance. The special tax amounts to approximately \$25,000-\$26,000 annually from the 171 assessed parcels in the District.

Special districts have the option to levy additional assessments or special taxes upon the parcels within their boundaries, subject to voter approval. The \$150 special tax rate has been in place since it was approved by voters in 1997, an increase from the former \$60 annual special tax. The Board has discussed the potential need to raise the special tax rate, and plans to put a measure on the ballot again sometime in the future; however, no date has been determined. A successful bid to increase the special tax would likely require a significant effort on behalf of the Board for resident outreach and education of the District's financial situation. The 2/3 majority required to pass can be a significant hurdle for local agencies to increase funding.

Expenses

Road Maintenance

GVRECS D's largest expense is road maintenance, which is also the least fixed of all of the District's expenses. While other expenses are all relatively stable from year to year, annual expenditures can vary significantly due to changes in the amounts spent on road maintenance. Variations in annual road maintenance also causes the District's end of year fund balance to fluctuate, which is not uncommon for smaller, single-purpose special districts.

Typically, GVRECS D accumulates funds annually and expends accumulated funds for roadway maintenance in varying amounts every few years, as needed. The District appears to be financially stable and is able to recover from periodic large roadway maintenance expenditures. GVRECS D's budget is balanced and audited financial statements generally concur with the budget.

Other

Other notable expenses for the District include insurance and specialized services. GVRECS D receives general liability insurance coverage through the Special District Risk Management Authority (SDRMA). SDRMA insurance premiums nearly doubled from FY 2019-20 to FY 2020-21. SDRMA explained the sharp increase as being the result of catastrophic losses worldwide and overall pool claims costs over the past several years. The annual premium was expected to increase even more in FY 2020-21, but the GVRECS D General Manager was able to negotiate the increase down by \$500.

GVRECS D contracts with a tax administration consultant for an annual special tax report to inform the GVRECS D Board and update information to the El Dorado County Assessor for annual tax administration. The cost of this service is \$1,300 annually.

GVRECS D does not currently have outstanding debts.

Reserves

In January 2020, GVRECS D established and funded an Emergency Fund in the amount of \$40,000, to be maintained for emergency purposes. The Emergency Fund is a means to ensure there will be money set aside to cover expenses in the event of an unforeseen reduction in revenues or increase in expenses. The adopted emergency reserve spending procedure designates that the fund is to be set apart from the regular budget spending for emergency road and bill use only. As specified, an emergency is an unforeseen event that creates a safety hazard concerning the safe use of the roads located in GVRECS D. The Emergency Fund shall be used for the emergency repair or maintenance costs of roads within GVRECS D including, but not limited to snow removal, washouts, and road failures. The use of this fund requires approval by the GVRECS D Board of Directors.

Financial Audits

Financial statements, audits, and other budgetary documents can be used to assess the long-term financial viability of the District. GVRECSO provided LAFCO with a copy of the District's annual financial statements from FY 2008-09 through FY 2016-17, completed in October 2018. The audit found that the District's financial statements for the years audited were represented fairly.

All special districts are required to file annual audits with the County Auditor and the State Controller within twelve months of the end of the fiscal year or years under examination. The County Auditor is required to audit or contract with a Certified Public Accountant to audit those districts not in compliance with their audit requirement at the expense of the special district.

Audits are costly for small special districts with limited budgets. Under certain circumstances, special districts may, by unanimous request of their governing board and with unanimous approval of the county Board of Supervisors, replace the annual audit requirement with a biennial audit or a five-year financial compilation with an audit at the end of each cycle, which may result in a cost savings. GVRECSO has explored the option of switching to a financial compilation in lieu of a regular audit, but according to the District's most recent audit firm, the annual cost would not result in a significant cost savings to the District.

Cost Avoidance Opportunities

GVRECSO appears to be utilizing a sufficient range of cost avoidance opportunities to reduce costs. The District contracts for services through a competitive bidding process, utilizes volunteers for minor road maintenance projects, and pooling of insurance funds.

The District utilizes a competitive bid process for the maintenance and upgrades of the roadways. Requests for proposals are circulated, depending on the need and the availability of funds, approximately every few years. The competitive bid process allows the District to select the lowest cost qualified contractor to provide services; however, the potential savings are often directly related to the number of responses; a shortage of responses reduces the pool of qualified contractors to choose from.

In the *2007 Streets and Highways MSR*, GVRECSO reported that previously, it was not uncommon for only one local paving company to respond to a bid, due to the District's remote location. There is now more development in the area, along with more companies responding to the bids, which allows the District to be able to select the lowest cost qualified contractor to provide services.

GVRECSO also utilizes community and board member volunteers to perform some minor roadway repairs to help mitigate damages to the District's roadways, which helps keep costs down for all residents. Minor improvements include pothole filling and culvert clearing. The District also organizes periodic neighborhood volunteer days. This is a valuable strategy to reduce some maintenance costs; however, it is entirely dependent on the number of volunteers willing to donate their time and effort.

As with Board positions and volunteer staff positions, it is increasingly difficult to find volunteers willing to fill these needs.

GVRECSO is a member of the California Special Districts Association (CSDA), which provides property and liability insurance services through SDRMA, in a joint powers agreement among 500 special districts and other public agencies. This form of pooled insurance allows GVRECSO to reduce overall insurance costs for the District. SDRMA offers a discounted premium based on submitting the annual SDRMA questionnaire on time and no claims within the past five years. CSDA also provides one hour of free legal counsel annually and scholarships for small districts to use for training.

GVRECSO has explored the option to replace its annual audits with a simpler financial reconciliation process; however, the District is still looking for a better definition of minimum audit requirements to satisfy the law for small special districts using county controllers for all financial transactions. At this point, it is unclear if switching to the financial compilation system will provide a significant cost savings for the District.

No additional cost avoidance opportunities have been identified that would result in a significant reduction in costs associated with service provision.

Financing Constraints and Opportunities

GVRECSO has been able to achieve a balanced budget by limiting some maintenance and repair work to high priority areas. Property taxes and the district-wide special tax appear to be currently adequate for high priority maintenance and repairs; however, additional funding is necessary for lower priority deferred roadway maintenance and additional recreational upgrades and maintenance.

Additional financing opportunities include increasing the special tax under Proposition 218, which requires a two-thirds voter approval in order to pass. The GVRECSO Board has discussed the need to increase the special tax amount from the current \$150, but as of yet has not moved forward with a ballot measure. No additional financing opportunities have been identified.

5. Status of, and opportunities for, shared facilities.

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

This section addresses the sharing of facilities by GVRECSO, and the potential for the District to utilize additional facilities sharing options in order to reduce costs or increase efficiency within its operations.

GVRECSO contracts out road construction, repairs, and maintenance services. The District does not own any equipment and does not share any facilities with other service providers. GVRECSO is not within close proximity to any other public entity

that provides similar road maintenance services; therefore, no significant opportunities for shared facilities have been identified.

The GVRECSO boundaries are adjacent to the Garden Park neighborhood to the east, which has private roads maintained by an Homeowners' Association. Although the two neighborhoods are adjoined by a shared emergency access road, access is blocked for daily use by a locked gate on the Garden Park neighborhood side. Moreover, it is not feasible nor advisable for the GVRECSO, a public entity with public roads, to jointly contract with a private entity with private roads for road maintenance services.

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.

Administration and Management

Board of Directors

GVRECSO is an independent special district, governed by a Board of Directors, which acts as the authoritative and legislative body of the entity. The Board of Directors is composed of five members, elected by residents of GVRECSO or recommended by the General Manager and approved by the El Dorado County Board of Supervisors. Directors are required to be residents of GVRECSO for the duration of their term. Term limits are four years, staggered every two years at least two positions are up for election. Individuals servicing on the Board of Directors and Officers serve without compensation. The District has stated in the past that there is a low level of interest among residents to serve on the board, which may affect the District's ability to operate if the board is unable to meet a quorum.

District board meetings are held quarterly, on the third Friday in February, May, August, and November, at the Marshall Grange Hall, located at 4940 Marshall Road, Garden Valley. Additional meetings are held as necessary. Meeting notices and agendas are posted on the District website and at all mailbox islands throughout the District, around six to eight locations, at least 72 hours prior to the board meeting.

GVRECSO bylaws are updated as necessary, requiring a four-fifths vote of the Board of Directors. The Board creates policy by adopting resolutions or ordinances through duly noticed public hearings. Board meetings and notices appear consistent with Ralph M. Brown Act requirements (Government Code §54950 et seq.), which

govern open meetings for local government bodies, allowing adequate opportunities for public involvement and input at meetings.

Personnel and Staffing

Officers of the GVRECSO include a General Manager and Secretary/Treasurer. Officers are appointed by the Board of Directors, generally serving four year terms, but any officer may be appointed to succeed themselves. GVRECSO officers are volunteer positions, GVRECSO does not have any paid employees.

Duties performed by the General Manager include observing roadway conditions and reporting to the Board of Directors on the state of the roads, presenting bids to the Board of Directors for roadwork maintenance and repair approval, arranging for maintenance and repairs to roads as needed (including use of contractors, volunteers and sometimes self), communicating road hazards, repair and safety reminders with the community, facilitating safe travel in the event of an emergency as it pertains to the roads or emergency exit, and preparation of the quarterly Board meeting agendas. Despite the challenges of recruiting for an unpaid position which requires a considerable time commitment, GVRECSO was recently able to recruit and appoint a new General Manager in November 2020, seamlessly following the planned resignation of the previous General Manager.

The Treasurer/Secretary is responsible for all financial duties and prepares the Board meeting minutes and the preliminary budget, among other duties as required by law or prescribed by the Board of Directors. The Treasurer/Secretary reports directly to the General Manager.

District Website

GVRECSO maintains an official District website at www.gardenvalleyranchestates.specialdistrict.org, in compliance with Senate Bill 929 (McGuire, 2018), which requires all special districts to have a dedicated website. GVRECSO contracts with a private company, which specializes in producing and maintaining state compliant websites for special districts. The website contains required contact information and special district transparency requirements, and is regularly updated with Board meeting agendas and minutes, road repair dates, information about volunteer activities and other District announcements. Road hazards and general road needs can be reported on the GVRECSO website or by calling the District phone at (530) 363-1323.

GVRECSO also has a private neighborhood Facebook group, used to solicit feedback from residents and to keep residents updated on road conditions, planned maintenance and other District business. The General Manager and Secretary/Treasurer are current administrators for this group.

Volunteers

The District contracts with licensed road contractors for most roadway maintenance services, and utilizes community and board member volunteers for minor roadway

repairs and to conduct simple maintenance, as available and appropriate. GVRECS D has a General Manager Support Group of 3-5 residents to support the GM with the day to day tasks required. Tasks include minor road maintenance (pot hole repair, ditch and culvert cleaning, downed trees, hazards and emergencies), research (options for road work, jobs needed ways to generate funds or cut costs), input, and outreach (communication to residents for help with projects).

Governmental Structure

GVRECS D appears to operate sufficiently under its existing structure; the current governmental structure is appropriate to provide adequate services, and the management structure of the District is sufficient to perform necessary services and maintain operation in an efficient and effective manner. Transitioning GVRECS D to another government entity, such as another district or other form of local government, would be unlikely to result in significant efficiencies. It is unlikely a different governmental structure would result in a significant improvement in service. Should financial or operational limitations lead to the District ceasing operations or pursuing options for an alternative government structure, 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.

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.

GVRECS D is adjacent to, but outside of, the Garden Valley Rural Center (GVRC). The Rural Center lies directly to the east of GVRECS D, as does the Garden Park neighborhood, which consists of existing medium density residential development on 2-5 acre lots. GVRECS D's other sides are primarily surrounded by a mix of developed and undeveloped rural residential parcels, generally 5-10 acres or larger, which could potentially support select agricultural activities. The Garden Valley Agricultural District is located on the opposite side of the GVRC, which acts a buffer between the two areas. On the northern end of the District there is an existing brewery located just outside of the main entrance, near the intersection of Mt. Murphy and Marshall Roads. The brewery is located at the site of a former serpentine quarry. Additionally, there are at least four large parcels (50-130 acres) that are adjacent to GVRECS D boundaries. Two of those parcels are owned by the Federal Government (Bureau of Land Management); one is owned by the State (California Department of Parks and Recreation); one is under private ownership. It

is reasonable to categorize the three publicly-owned parcels as open space.

While roadways can be growth inducing, it is unlikely GVRECS D's services would induce urban growth or the premature conversion of agricultural land to urban uses. Although there is an existing emergency roadway, which connects the Garden Valley Ranch Estates neighborhood with the adjacent Garden Park neighborhood, the roadway is gated to prevent through traffic. Neither GVRECS D, nor the Garden Park HOA, has plans to open up the emergency roadway for daily use. Additionally, GVRECS D has no plans to expand its service area in any other direction. There should be no additional impacts to the economic viability of surrounding agricultural operations as a result of GVRECS D's activities or actions.

IV **SOI DETERMINATIONS**

In determining the sphere of influence for each local agency, Government Code §56425(e) requires LAFCO 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 GVRECSO:

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

Present land uses within GVRECSO are primarily rural residential with some minor agricultural uses; there are no designated open space lands within the District. Approximately 88% of the parcels within GVRECSO are developed consistent with the current land use designations and zoning for the area. Despite the presence of 21 undeveloped parcels, future land uses are anticipated to remain the same as current. There are no current plans to amend the land use designation to allow for more intense development and GVRECSO does not have plans to expand its service boundaries.

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

Present needs for public roadway facilities and services are currently being met. Probable needs for future public facilities and services are not currently anticipated to vary significantly from present needs, as future demands are expected to remain the same. GVRECSO has not indicated an intention to expand its service boundaries, nor is it looking to provide additional services beyond road maintenance. No additional needs for public facilities would be created by affirming the District's current sphere of influence.

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

The present capacity and condition of roadway facilities provided by GVRECSO appears to be sufficient to serve the existing community, based on the current level of service expected by District residents.

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 GVRECSO service area. The District is located in a rural region of El Dorado County, directly west of the Garden Valley Rural Center. Nearby communities include the general Garden Valley area and the Garden Park neighborhood directly east of the District.

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 GVRECSD since this district does not provide water, wastewater, or fire services. While GVRECSD does not provide any of the municipal services defined in Government Code 56425(e)(5), LAFCO has not identified any disadvantaged communities within the District's boundaries or its sphere of influence.

Sphere of Influence Recommendation

GVRECSD's service area has not changed since its creation, nor has its sphere of influence, which is concurrent with the District's boundaries. GVRECSD's sphere was last updated in 2008.

GVRECSD was previously reviewed by El Dorado LAFCO in the *2007 Streets and Highway Services MSR*, available for review on El Dorado LAFCO's website (www.edlafco.us). The 2007 MSR found that while GVRECSD was providing adequate service within its existing boundaries, District resources, infrastructure and financing would not support further expansion. The GVRECSD Board has not expressed any interest in altering its sphere to expand the service area.

Based upon the information contained in this report, it is recommended that no changes be made to the GVRECSD sphere of influence at this time and that the Commission reaffirm the current sphere, which is concurrent with its service area boundaries, as depicted in **Map 1**.

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. The Governor’s Office of Planning and Research 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 the GVRECSD 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, 2006 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, Division 3, §61000 et seq., Community Services District Act

Garden Valley Ranch Estates Community Services District:

Correspondence with Marianne Agudo, GVRECSD Treasurer/Secretary

County of El Dorado, Independent Special Districts Fiscal Budgets, FY 2014-15 to FY 2020-21

Vaughn Johnson, Independent Auditor's Report – FY 2008-09 to FY 2016-17, October 16, 2018

GVRECSD Annual Special Tax Reports FY 2016-17 to 2020-21

GVRECSD Bylaws, Last Updated January 17, 2020

GVRECSD website, www.gardenvalleyranchestatescsd.specialdistrict.org

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 GVRECSD, 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 services provided by the District and is inherently retrospective, taking a "snapshot" of existing conditions. 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). GVRECSD was previously reviewed in the *2007 Streets and Highway Services MSR* as part of the first cycle of municipal service reviews (2001-2008), but review of GVRECSD in the second MSR cycle (2009-2012) was postponed until the third cycle. LAFCO has utilized a different approach to the MSRs in the second and third cycles: Each public service provider under LAFCO jurisdiction is reviewed in an individual MSR instead of a single comprehensive report. For past reviews of GVRECSD, or for more detailed information on the other agencies which provide similar services, please visit the LAFCO website under the "MSRs" tab.

Background

Legislative Framework

In 1997, the California State Legislature established the Commission on Local Governance for the 21st Century (CLG), which 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.

CLG determined LAFCOs needed more specific information in order to make informed decisions on projects that came before them. It was recommended LAFCOs collect and review information necessary to guide decisions before

specific proposals were made. CLG concluded this information was necessary for LAFCOs to encourage orderly growth, provide planned, well-ordered, efficient urban development patterns, and advantageously provide for the present and future needs of each county and its communities. Specifically, 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 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 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 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, “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.

Although the United States Census collects demographic information at all levels, it does not publish demographic information related to income data below the block group level, in order to protect peoples' privacy. Consequently, for this report LAFCO relied on income data from the United States Census Bureau, 2014-2018 American Community Survey 5-Year Estimates, at the census block group level.

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The American Community Survey (ACS) is an ongoing survey conducted through the U.S. Census Bureau. The ACS regularly gathers information previously contained only in the long form of the decennial census, such as ancestry, educational attainment, income, language proficiency, migration, disability, employment, and housing characteristics. ACS data is collected at the census block group level, the lowest level to have data available to the public.

ACS provides a comprehensive demographic look at some communities, but is limited in that not all households are interviewed by the U.S. Census Bureau. Nevertheless, the information in the ACS is supposed to be statistically representative.

Table 1: Study Area Population by Median Household Income

Geographic Area Name, County	Median Household Income	Meets DUC Criteria (<80% Statewide MHI)
Census Tract 306.02, Block Group 4, El Dorado	\$108,625	No

Source: 2014-2018 5-Year American Community Survey by the U.S. Census

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 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.

U.S. Census area boundaries do not correspond directly to GVRECSD boundaries, but the data at the census tract level generally provides a demographic framework for the evaluation of environmental justice issues. Specific to GVRECSD, we can only approximate, as the District boundaries do not conform exactly to any demographic area in the Census.

As it can be seen on Map 2 in Section VIII, while GVRECSD lies within Census Block Group 4 of Census Tract 306.02, the District area represents only a portion of the larger block group area, which includes the Garden Valley Rural Center

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boundaries to the northeast and extending southwest to the South Fork of the American River in Coloma.. As a result, Block Group 4 of Census Tract 306.02 will contain demographic data from other neighborhoods and areas outside of GVRECS D. Data for the County of El Dorado is also included, for comparison purposes. The most recent data available, from the 2014-2018 ACS 5-Year Estimates shows the following racial populations:

Table 2: 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 Block Group 4 of Tract 306.02	1,831	1,669 (91.2%)	0 (0.0%)	28 (1.5%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	134 (7.3%)
El Dorado County	186,661	145,990 (78.2%)	1,432 (0.8%)	939 (0.5%)	8,237 (4.4%)	396 (0.2%)	184 (0.1%)	5,852 (3.1%)	23,631 (12.7%)

Sources: 2014-2018 American Community Survey by the U.S. Census
Percentages may not add due to rounding

The demographic data from the census suggests the GVRECS D service area is relatively homogenous, and is generally less diverse than the unincorporated portions of El Dorado County, with lower numbers of racial or ethnic minorities counted. Income data available from the census does not suggest there are low income population concentrations in the GVRECS D study area. While service levels vary greatly within the county, no specific ethnic or economic neighborhoods could be identified by LAFCO staff that are underserved by public facilities. Infrastructure and housing distribution is relatively even throughout the developed areas of the county with much lower levels of infrastructure and housing in the more outlying communities. No low income/minority neighborhoods were identified where facilities and uses pose a significant hazard to human health and safety.

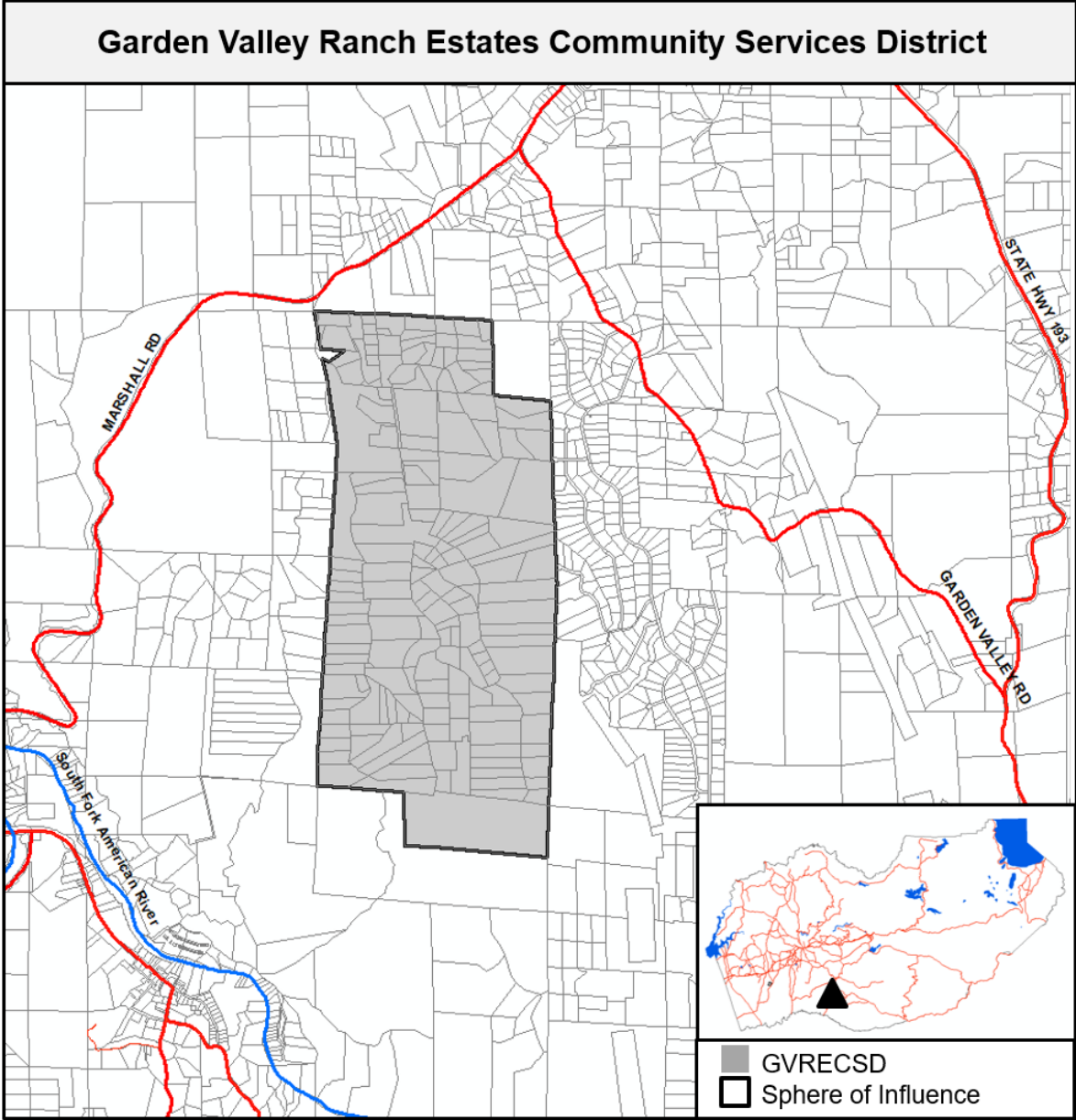
Data is also available from the California Department of Education regarding ethnicity of student populations within school districts and individual schools. These statistics are based on school attendance areas and school districts. The community of GVRECS D is within the Georgetown Elementary School attendance zone of the Black Oak Mine Unified School District. For the Georgetown Elementary School in the 2019-20 academic year, whites comprise the largest racial group with approximately 82% of the student population; the

largest ethnic minority population is Hispanic/Latino with approximately 7.4% of the student population. This demographic data somewhat matches the data from the Census, which suggests this unincorporated portion of the county is relatively homogenous with low numbers of racial or ethnic minorities counted. Income data available from the 2014-2018 ACS 5-Year Estimates indicates in 2018, the median household income in Block Group 4 of Census Tract 306.02 was \$108,625. This income level does not meet the criteria for a disadvantaged community, as defined by the Water Code at \$56,982 in 2018.

Finally, the 2004 County General Plan does not address environmental justice directly. The Environmentally Constrained Alternative contains related land use and housing policies; however, the 1996 Alternative and the 2004 General Plan do not. The 2004 General Plan Housing Element includes Goal HO: "To provide housing that meets the needs of existing and future residents in all income categories." The housing element also discusses the following special needs groups: people with disabilities, seniors, agricultural employees, female heads of households, homeless persons, and large families and households. Consequently, the extent that the County's planning documents address environmental justice is in its discussion of these special needs groups.

VIII **MAPS**

Map 1 – GVRECSD Boundaries and Sphere of Influence



Map 2 – GVRECSD and Disadvantaged Unincorporated Communities (DUCs)

