

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF JANUARY 27, 2021*

### *REGULAR MEETING*

**TO:** Tim Palmer, Vice-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 #4H:** OPEN THE PUBLIC COMMENT PERIOD FOR THE DRAFT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF  
INFLUENCE STUDY FOR THE GARDEN VALLEY RANCH  
ESTATES COMMUNITY SERVICES DISTRICT (LAFCO  
PROJECT NO. 2019-07)

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#### **RECOMMENDATION**

Staff recommends that the Commission:

1. Open the Public Hearing to receive comments on the Draft Garden Valley Ranch Estates Community Services District Municipal Service Review and Sphere of Influence Study; and
2. Continue the Public Hearing until the February 24, 2021 meeting to allow sufficient time and opportunity for the public and the Garden Valley Ranch Estates Board of Directors to review and comment on the study. Staff will return this item in February for final action and adoption.

#### **REASON FOR RECOMMENDED ACTION**

The Garden Valley Ranch Estates Community Services District (GVRECSO) 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, or areas of potential reduction for lack of services, where appropriate. State Law requires that an MSR be performed before the Commission can update an agency's SOI.

#### **BACKGROUND**

GVRECSO is a single-purpose special district, formed in 1982 to provide road maintenance services within the Garden Valley Ranch Estates neighborhood. The District is located in the Garden Valley area, on the east side of Mt. Murphy road at Marshall

Grade Road. GVRECSO is responsible for the maintenance of 14 roads within its boundaries, totaling 7.2 miles of roadway. All but two of the District's roadways are paved. GVRECSO's service area encompasses 171 parcels, covering approximately 1,312 acres. The District is financed by property taxes and a special tax, and contracts out for all road services not provided by volunteers.

### **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 GVRECSO provides sufficient road maintenance services within its boundaries and the District's facilities are maintained at levels consistent with the residents' expectations.

**MSR Determination 1** – There are currently 171 parcels and 262 registered voters within GVRECSO. All but a few of the parcels within the District are designated Low-Density Residential or Rural Residential. Future land uses are anticipated to remain primarily residential, and there are no anticipated significant changes to population or land use that would affect the District's ability to provide services. GVRECSO does not have any plans for future expansion beyond the current service boundaries.

**MSR Determination 2** – Disadvantaged unincorporated communities are defined as inhabited territory that constitutes all or a portion of a community with an annual median household income (MHI) that is less than 80% of the statewide annual MHI. According to the most recent 5-year estimate data from the U.S. Census American Community Survey (2014-2018), the statewide annual MHI was \$71,228 in 2018; 80% of the statewide MHI is \$56,982, as defined by the Water Code. None of the resources used by LAFCO identified GVRECSO or its sphere of influence as being part of a disadvantaged community.

**MSR Determination 3** – GVRECSO is responsible for the maintenance and repair of 7.2 miles of road within its boundaries. Johntown Creek Road is the primary roadway, providing access in and out of GVRECSO from Mt. Murphy Road to the north, off Marshall Road. Secondary and tertiary roadways that branch off Johntown Creek Road provide more direct access to parcels within the District.

GVRECSO contracts out for all services that cannot be provided by volunteers. Road maintenance and repair are prioritized based on need, usage, and availability of funds. 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.

**MSR Determination 4** – GVRECSO is financed primarily through property taxes and a voter-approved special tax, which are relatively stable sources of income. GVRECSO receives an average property tax increment of 7.7061%, and collects a \$150 per parcel special tax, approved by District voters in 1997. These revenue streams are currently adequate for high priority maintenance and repairs; however, additional funding is necessary for lower priority, deferred improvements. The GVRECSO 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.

Despite limited revenue, GVRECSO appears to be financially stable and is able to recover from periodic large road maintenance expenditures. The District does not have outstanding debts, its budget is balanced, and GVRECSO is able to provide sufficient road services. GVRECSO 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** – GVRECSO contracts out for all 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 local entity that provides similar road maintenance services; therefore, no significant opportunities for shared facilities have been identified.

**MSR Determination 6** – GVRECSO 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.

Board meetings, notices and agendas appear consistent with all Ralph M. Brown Act requirements. Notices and agendas are posted on the District website and at all mailbox islands throughout the District at least 72 hours prior to the board meeting. Board meetings are held quarterly at the Marshall Grange Hall in Garden Valley and remotely, as necessary, to comply with State and regional stay at home orders. The Board creates policy by adopting resolutions or ordinances through duly noticed public hearings.

Officers of GVRECSO include a General Manager and Secretary/Treasurer. Officers are appointed by the Board of Directors as volunteer positions; GVRECSO does not have any paid employees.

GVRECSO communicates with residents through an official District website, which 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. 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.

**MSR Determination 7** – GVRECSO has no plans to expand, and it is unlikely that the District's services would have any impact on the economic viability of surrounding agricultural operations. GVRECSO is adjacent to, but outside of, the Garden Valley Rural Center (GVRC). The Garden Valley Agricultural District is located on the opposite side of the GVRC, which acts a buffer between the two areas.

### **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
- Present and Probable Need for Public Facilities and Services Related to Water, Sewer, or Fire Protection, of any Disadvantaged Unincorporated Community within the Existing Sphere of Influence

**SOI Determination 1** – 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.

**SOI Determination 2** – 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.

**SOI Determination 3** – 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.

**SOI Determination 4** – 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.

**SOI Determination 5** – Not applicable to GVRECSO since this district does not provide water, wastewater, or fire services. While GVRECSO 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 its sphere of influence.

**Sphere of Influence Recommendations**

GVRECS D's service area has not changed since formation, nor has its sphere of influence, which is concurrent with the District's boundaries. GVRECS D's sphere was last updated in 2008. Based upon the information contained in this report, it is recommended that the GVRECS D sphere of influence be reaffirmed to be concurrent with its service area boundaries, as depicted in Attachment B.

**Staff Outreach and Public Comment Period**

Staff reached out to GVRECS D staff for additional information about District operations and financial documents. The General Manager and Treasurer/Secretary reviewed an administrative draft of the report and provided comments to LAFCO staff. Those comments were incorporated into the report as appropriate.

The GVRECS D Board, affected landowners, and the general public will have until the end of the public comment period on February 24, 2021 to submit comments for the Final MSR and SOI Update.

**Attachments:**

- Attachment A: Draft Garden Valley Ranch Estates CSD Municipal Service Review and Sphere of Influence Study (LAFCO Project #2019-07)
- Attachment B: Recommended Garden Valley Ranch Estates SOI Map