

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

AGENDA ITEM #4D: OPEN THE PUBLIC COMMENT PERIOD FOR THE DRAFT
MUNICIPAL SERVICE REVIEW AND SPHERE OF
INFLUENCE STUDY FOR THE ARROYO VISTA COMMUNITY
SERVICES DISTRICT (LAFCO PROJECT NO. 2017-08)

RECOMMENDATION

Staff recommends that the Commission:

1. Open the Public Hearing to receive comments on the Draft Arroyo Vista 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 Arroyo Vista 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 Arroyo Vista 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 Arroyo Vista Community Services District (AVCSD or District) was formed in 1983 to maintain Arroyo Vista Way, which is the main thoroughway that provides access to 66 parcels (totaling 335 acres) within the District's boundaries. AVCSD is located on the north side of Malcolm Dixon Road, approximately one mile east of Salmon Falls Road in the Salmon Falls area, north of El Dorado Hills.

Arroyo Vista Way connects to County-maintained Malcolm Dixon Road to the south and dead-ends to the north. Within the District's boundaries, there are several privately maintained roads that bisect Arroyo Vista Way in order to provide more direct accessways

to residential homes that are not immediately adjacent to Arroyo Vista Way. These roadways include Rambling Trail, Lake Vista Lane, Covey Way, Dusty Trail, Winding Oak Land, Deerhorn Lane, Two Eagle Lane, Lovers Lane, Arbolado Lane, Red Mountain Road, and Doughty's Place.

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 AVCS D provides sufficient road maintenance services within its boundaries and the roads are maintained at levels consistent with the residents' expectations, as identified by the AVCS D Board of Directors.

MSR Determination 1 – The Arroyo Vista Community Services District only maintains Arroyo Vista Way, which is the main throughway that provides access to 66 parcels (totaling 335 acres) within the District's boundaries. While there are other roadways that bisect and sprout off of Arroyo Vista Way, these are considered private driveways.

Five of these parcels are currently undeveloped. The 2004 General Plan designates all residential parcels within the district as low-density residential, RE-5 (residential estate, one-dwelling per 5 acres). Theoretically speaking, the district's population could increase slightly with the possible addition of no more than five single-family homes built on the five currently undeveloped parcels.

The territory surrounding AVCS D currently has three separate designations. On the north, the designation is RE-10, low-density residential. To the east and west, the designation is RE-5, low density residential, the same as that of AVCS D. To the southwest, the possibility for a fourth land use designation is up in the air. The currently-approved project called "Diamante" can subdivide the parcel into 19 homes on 114 acres, each sitting on lots 5-10 acres in size. However, the owners of that parcel have submitted a request to the County to amend the General Plan designation to increase the density for their "Vineyards at El Dorado Hills" project so that 42 homes can be built.

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 which was \$51,002 as of 2016 (United States Census Bureau, 2016). The 2016 statewide median household income was \$51,002 (United States Census Bureau 2016), making the median household income for a disadvantaged community, as defined by the Water Code, \$49,454. None of the resources used by LAFCO identified AVCS D or its sphere of influence as a disadvantaged community.

MSR Determination 3 – The Arroyo Vista Community Services District’s infrastructure and facilities consist of a one-mile roadway, Arroyo Vista Way, and a bus shelter (an 8’ by 6’ rain shed used primarily by school children waiting for the bus). Major roadway maintenance is performed approximately every two to three years, depending on the current condition of Arroyo Vista Way and available funding.

A LAFCO staff driving tour of Arroyo Vista Way in mid-February found the road to be in very good shape, with no bumps, potholes or cracks in the pavement. While the road is unmarked and narrow, it is wide enough to allow two vehicles to pass side-by-side. There are no paved shoulders on either side. The road’s highest point is in the middle, curving down slightly on the sides to allow for proper drainage. There is no deep culvert or drainage ditch on either side of the road. In addition, the bus shelter also serves as a community board where the agenda for the December 7, 2017 District Board Meeting was publicly noticed.

AVCS D operates similarly to other small CSDs in El Dorado County, with a volunteer Board of Directors, the use of contractors for large projects and relying on volunteers for minor maintenance. Currently, there is no designated general manager. Arroyo Vista CSD does not have a public office, paid staff, regular publications, a website, or a public phone line.

MSR Determination 4 – AVCS D’s main sources of revenue are property taxes and a voter-approved special tax. AVCS D is within one tax rate area, with a property tax increment of 6.1056%. AVCS D also collects a district-wide special tax of \$125 for developed parcel and \$100 for undeveloped parcels. These were approved by District voters in April 1984.

These revenue streams are currently adequate for high priority maintenance and repairs; however, additional funding is necessary for lower priority deferred roadway maintenance and repairs on all roadways, as well as needed trails improvements. In terms of size and importance, there is no question that the property taxes generate more revenue for the District. In any given year, the collected property tax amounts are about 30% larger than the funds collected from special taxes. The District survives by spending as minimal as possible on a given number of fiscal years and saving up the carryover. This accumulation of funds is then used up periodically.

MSR Determination 5 – The Arroyo Vista Community Services District does not share any facilities with another provider, even though it is next to Hickok Road CSD and is almost adjacent to El Dorado Hills CSD. Since both districts provide road maintenance services, there may be a missed opportunity with Hickok Road CSD. While there would be no administrative cost savings (neither district employs staff or own equipment), both utilize contractors for large projects. If the districts can synchronize their respective finances and maintenance schedules, there may be an opportunity for them to issue a joint contract for services. This may produce savings to both districts by introducing some economies of scale.

MSR Determination 6 – AVCSD is an independent special district, governed by a five-member Board of Directors. Board meetings, notices and agendas appear to be consistent with all Brown Act requirements; although, the District does not own a website. The District does not have a general manager appointed, salaried or volunteer, and relies on licensed contractors to perform large and complex projects, but relies on volunteers to conduct simple maintenance.

AVCSD 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 other than the District has no appointed general manager as is required by Government Code 61050(a).

MSR Determination 7 – It is unlikely that AVCSD's services would induce urban growth or the premature conversion of agricultural land to urban uses. The CSD has no plans to expand, 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 are residential, despite the presence of five undeveloped parcels within AVCSD's boundaries. Planned land uses are anticipated to remain the same as current land uses for those five parcels. The County of El Dorado is not planning on changing the land use designation to allow for denser uses and the District is not looking to expand.

SOI Determination 2 – Present needs for public facilities and services are currently being met. Probable needs for public facilities and services are not currently anticipated to vary from present needs, as future demands are expected to remain the same. The District is not looking to expand road services beyond the maintenance of Arroyo Vista Way nor expand its service boundaries. The District is also not looking to provide additional services beyond road maintenance.

SOI Determination 3 – The present capacity of public facilities provided is adequate to serve the existing community for the short term. The report noted that revenues are not keeping up with the rising costs of providing services and the Board of Directors should strategize for the next step, if it has not done so already.

SOI Determination 4 – There are no social or economic communities of interest in the area. Nearby communities include the Salmon Falls area and El Dorado Hills.

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

This SOI was last updated on January 30, 2008. Based upon the information contained in this report, it is recommended that the Arroyo Vista CSD 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 Jason Jurrens, AVCSO Board President, on May 15, 2018. In that conversation, President Jurrens indicated he would take the report to the June meeting for discussion and solicit comments from the Board and constituents. No further contact has been made since then despite follow up emails and voicemails sent in early June and late July. No comments have been received to-date via regular mail.

The AVCSO 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 Arroyo Vista CSD Municipal Service Review and Sphere of Influence Study (LAFCO Project #2017-08)
- Attachment B: Recommended Arroyo Vista CSD SOI Map