

**Municipal Service Review (MSR)
And
Sphere of Influence (SOI) Plan**

**Community Service
Districts
And
County Service Areas**

February 2006
Resolutions 2006-0001 and 2006-0002

Local Agency Formation Commission of Calaveras
County

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III. Executive Summary

III:a. Introduction

Local Agency Formation Commissions (LAFCO) were created in 1963 to assist the State of California in encouraging the orderly development and formation of local public agencies. There is a LAFCO in each California County. LAFCO has the power to conduct studies, approve or disapprove proposals, modify boundaries of cities and special districts, and impose reasonable terms and conditions on approval of proposals.

The Cortese-Knox-Hertzberg Local Reorganization Act of 2000 (CKH Act) established procedures for local government changes of organization. The CKH Act also requires LAFCO to update the Spheres of Influence (SOI) of all local agencies within the county by January 1, 2008. A Sphere of Influence is defined as a plan for the probable physical boundary and service area of a local agency or municipality. A service review must be conducted for each local agency to update the SOIs.

This Municipal Service Review addresses eight Community Service Districts (CSDs), five active County Service Areas (CSAs) and three inactive CSAs within Calaveras County.

Community Service Districts:

- ❑ Circle XX CSD
- ❑ Saddle Creek CSD
- ❑ Copper Cove Rocky Road CSD
- ❑ Appaloosa Road CSD
- ❑ Mountain Ranch Subdivision CSD
- ❑ Three-Cent Flat CSD
- ❑ Lynn Park Acres CSD
- ❑ Middle River CSD

The Wallace CSD provides water, wastewater, propane, road maintenance, street lighting, and recreational services and is addressed in a separate Municipal Service Review (February 2004).

Active County Service Areas:

- ❑ Rancho Calaveras CSA No. 1
- ❑ Bar XX CSA No. 2
- ❑ Diamond XX CSA No. 4
- ❑ Springs Hills CSA No 8
- ❑ Golden Hills CSA No 12

Inactive County Service Areas:

- ❑ Campo Seco Estates CSA No. 5
- ❑ Forest Meadows CSA No. 7
- ❑ El Rancho Loma Sera CSA No. 10

The Sunrise Point CSA No. 9 provides street lighting services and is addressed in a separate Municipal Service Review (June 2005).

III:b. Conclusions

The County of Calaveras has nearly 700 miles of County maintained roads and is not accepting additional roads into the County maintained system. The CSDs and CSAs within the County largely provide road maintenance services for residential subdivisions. A couple of CSDs also provide other services.

The districts primarily perform road maintenance on an-as-needed basis without the benefit of long-range capital improvement plans (CIPs). The preparation of and periodic updating of CIPs are important to budget for and set necessary revenue targets to adequately maintain and improve the district's facilities.

Some of the CSDs are not adequately developing budgets and annual financial statements. Such statements provide reasonable assurances that financial information is free of material misstatement, reviews internal control systems, and reports on any material weaknesses.

Most of the CSDs and CSAs do not have annexation policies.

New CSDs, CSAs and PRDs (Permanent Road Divisions) will likely be formed in the County as the County's population and second home development continues to grow and the need for extended governmental services increases.

III:c. Recommendations

It is recommended LAFCO adopt the Resolutions contained in Section VI of this report. The Resolutions contain written determinations as required by the CKH Act plus various recommendations. These recommendations are summarized as follows:

- ❑ The districts should prepare long-range Capital Improvements Plans with accompanying financial plans for adequate fees and reserve amounts.
- ❑ The districts should develop annexation policies and provisions for assessing a fair share of their costs to adjoining properties that utilize their services.
- ❑ The existing Spheres of Influences of the CSDs and active CSAs should remain as they currently exist.
- ❑ Proceedings should be initiated for the dissolution of Campo Seco Estates (CSA No 5), Forest Meadows (CSA No. 7) and El Rancho Loma Sera (CSA No. 5).
- ❑ The Board of Directors of the small CSDs should evaluate and consider the formation of a Permanent Road Division (PRD) as an organizational alternative of providing road maintenance services within their districts.
- ❑ The County of Calaveras should consider the formation of PRDs in residential subdivisions for road maintenance services rather than the formation of CSAs or CSDs.

IV. Introduction

IV:a. Local Agency Formation Commission

Local Agency Formation Commissions (LAFCOs) are quasi-legislative local agencies created in 1963 to assist the State in encouraging the orderly development and formation of local agencies. The primary purposes of LAFCO are to encourage orderly development and discourage urban sprawl. There is a LAFCO in each California County. LAFCOs are independent agencies that are not part of county government, special district or cities.

LAFCO in Calaveras County is comprised of seven Commissioners appointed by the County, City of Angels, independent special districts, and a public member appointed by the other six Commissioners. All Commissioners represent the public as a whole and when seated on the Commission do not represent the entity that appointed them.

The fundamental mission of a LAFCO is to implement the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act). LAFCO has the power to conduct studies, approve or disapprove proposals, modify boundaries of cities and special districts, and impose reasonable terms and conditions on approval of proposals.

IV:b. Local Government Reorganization Act

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) establishes procedures for local government changes of organization. Prior to 1985, LAFCO followed three previous laws that governed changes in the boundaries and organization of cities and special districts. The Knox-Nisbet Act, the Municipal Reorganization Act and the District Reorganization Act were consolidated into the CKH Act in 1985.

The CKH Act contains the following major policies:

- To encourage orderly growth and development which are essential to the social, fiscal, and economic well being of the State;
- To promote orderly development by encouraging the local formation and determination of boundaries and working to provide housing for families of all incomes;
- To discourage urban sprawl;

To preserve open space and prime agricultural lands by guiding development in a manner that minimizes resource loss;

To exercise its authority to ensure that affected populations receive efficient governmental services, to promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide the necessary services and housing;

To make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies and to shape their development so as to advantageously provide for the present and future needs of each county and its communities;

To establish priorities by assessing and balancing total community services needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions, and financial resources;

To determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary, consider reorganization with other single purpose agencies that provide related services;

To update the Spheres of Influence (SOIs) of all local agencies within the county by January 1, 2008; and

Conduct a review of all municipal services by county, region, sub-region or other geographic area prior to, or in conjunction with, SOI updates or the creation of new SOIs.

Sphere of Influence (SOI) is defined as a plan for the probable physical boundary and service area of a local agency or municipality as determined by LAFCO. Prior to the passage of the CKH Act a SOI was defined as the ultimate boundary of a service area. The SOI is an important tool for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities.

In determining the SOI of each local agency, the Commission shall consider and prepare a written statement of its determinations with respect to four factors: (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 are, (3) the present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide, and (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.

IV:c. Service Review Guidelines

The Governors Office of Planning and Research (OPR) has prepared guidelines for LAFCO to conduct reviews of California municipal services. OPR published in August of 2003 the Final Guidelines.

The CKH Act, together with OPR's guidelines, requires LAFCO to conduct a comprehensive review of all agencies that provide services within the county. The service reviews must prepare a written statement of LAFCO's determination with respect to each of the following:

- Infrastructure needs or deficiencies;
- Growth and population projections;
- Financing constraints and opportunities;
- Cost avoidance opportunities;
- Opportunities for rate restructuring;
- Opportunities for shared facilities;
- Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance.

V. Community Service Districts and County Service Areas

Calaveras County is located on the eastern side of the Central Valley east of Stockton, California. It is part of the historic Mother Lode region of the Sierra Nevada Mountains. The County encompasses 1,028 square miles and had a population of 40,554 according to the 2000 Census. There is one city in the County, the City of Angels (also known as Angels Camp), with a population of 3,004 based upon the 2000 Census.

The California Legislature has found that unprecedented growth in the unincorporated areas of a great number of rural counties of California has created many new and difficult problems for providing governmental services. As a result of large population growth in such areas, extended governmental services are needed. The Legislature has created two types of special districts to provide such needed governmental services: Community Services Districts (CSDs) and County Service Areas (CSAs).

Calaveras County, as other rural areas in the State, is experiencing unprecedented growth in new residential subdivisions. Adequate road maintenance within these subdivisions is and has been a major issue. The County has many miles of County-maintained roads with limited funding sources and is not accepting new roads into the County-maintained system. There are numerous existing subdivisions in the County with unmet road maintenance needs. Road maintenance in new subdivisions has been addressed through either the formation of homeowner associations, CSDs or CSAs. Permanent Road Divisions (PRDs) pursuant to Section 1160 et seq. of the Streets and Highways Code provides another alternative for constructing, improving and maintaining subdivision roads.

There are currently nine Community Service Districts within Calaveras County. All of the CSDs provide road maintenance services. Some of the CSDs also provide other services. CSDs are independent of County Government and have their own elected Board of Directors.

There are nine County Service Areas within Calaveras County. Six CSAs are active and three CSAs are inactive. One CSA only provides street lighting services. All of the other active CSAs provide road maintenance services. The County Board of Supervisors serves as the governing Board of the CSAs.

V:a. Community Services Districts

In response to the desire of residents and property owners to have adequate public facilities and services that promote the public peace, health, safety and welfare, The California Legislature enacted the Community Services District (CSD) Law in 1951. This law was reenacted again in 1955. Just recently the CSD law was completely revamped by Senate Bill (SB) 135 signed by the Governor on September 22, 2005. This new law will take effect January 1, 2006.

The new CSD law finds that many communities may need a permanent form of governance that can provide locally adequate levels of public facilities and services. CSDs can serve as an alternative to the incorporation of a new city to provide such services. A five member Board of Directors elected by voters within the district shall govern the CSD. The County Board of Supervisors may serve as the initial Board of Directors until such time the area is sufficiently developed. The Board of Directors shall appoint a General Manager with defined roles. The County Treasurer serves as the treasurer of the district.

CSDs by law have a number of authorized services (31 types of services) and facilities they may provide within their boundaries. These include supplying water and sewage services, solid waste management, fire protection services, recreational facilities and services, street lighting, mosquito abatement, police protection, animal control, road maintenance, emergency medical services, public airports, flood protection, and community facilities such as libraries, community centers and cemeteries. CSDs may obtain revenue from property taxes, special taxes, and charges for services and facilities.

SB 135 defines "latent powers" as those services and facilities that LAFCO determines that a CSD did not provide prior to January 1, 2006. Beginning January 1, 2006, if an existing CSD wants to activate a latent power, the district must receive approval from LAFCO.

There are nine existing CSDs within Calaveras County, most of which provide road maintenance services. Refer to the following CSD countywide map (individual CSD maps are located at the end of Section III:a). A brief description of each CSD follows.

V:a.1. Wallace Community Services District

The Wallace Community Services District (WCSD) is located within the northwestern corner of Calaveras County. WCSD was formed in 1990. The

District currently provides domestic water supply, wastewater treatment services, propane distribution services, street maintenance, street lighting, and open space and recreation.

A separate municipal service review and sphere of influence plan was prepared and adopted for the WCSD in February of 2004.

V:a.2. Circle XX Community Services District

Circle XX is located in the west central portion of the County. Circle XX CSD was originally County Service Area (CSA) No. 3. A petition was submitted to the County Board of Supervisors to replace the CSA with a CSD. The County and LAFCO in 1989 passed Resolutions dissolving the CSA and forming the CSD. Five elected Directors govern the Circle XX CSD. The Board of Directors meets monthly.

Circle XX subdivision has 145 parcels. The CSD provides road maintenance for approximately 15 miles of roads within the Circle XX residential subdivision. The roads vary in surface from asphalt, chip seal to gravel. The District has no employees or facilities and equipment. Private contractors complete all road maintenance.

The District's Financial Statements for the period ending June 30, 2004 reported \$43,966 in operating revenue and \$11,552 in operating expenditures. The total fund balance for the fiscal year was \$92,838. The District primarily obtains its revenues from assessments. The District held a successful election in 2003, establishing a \$300 per year parcel tax for a ten-year period (July 1, 2003 through June 20, 2013).

The District's boundaries and current Sphere of Influence are coterminous.

V:a.3. Saddle Creek Community Services District

Saddle Creek CSD is located in the southwestern portion of the County. The CSD was formed in 1994 and is governed by a five-member elected Board of Directors. The Board meets monthly.

The District currently provides road maintenance, storm drain maintenance, street lighting, landscape maintenance of public areas, monitoring of wildlife and wetlands easements, access gate control, and mosquito abatement. SB 135 provides for the Saddle Creek CSD to limit access to roads

within the Saddle Creek subdivision that are not formally dedicated for use by the public for exclusive use by landowners and residents of the district.

The Saddle Creek subdivision has 397 parcels. There are approximately 12 miles of paved streets within the Saddle Creek residential golf course development. The roads are fairly new and require only minor maintenance, which at this time is currently performed by the developer (Castle & Cooke). Additional streets will be added, as the development is built-out. Saddle Creek CSD at build-out will assume responsibility for road maintenance.

The District has a General Manager, a Clerk, a Maintenance Manager and four landscape maintenance workers. The District does not have any facilities or equipment for road maintenance at this time.

The District's Financial Statements for the period ending December 31, 2003 reported \$317,239 in operating revenue and \$298,632 in operating expenditures resulting in net revenue of \$18,607 for the fiscal year. The total fund balance for the fiscal year was \$244,252 excluding the value of fixed assets. The District primarily obtains its revenues from property assessments. The current property assessment for improved lots is \$788 per year.

The District's boundaries and current Sphere of Influence are coterminous.

V:a.4. Copper Cove Rocky Road Community Services District

The Copper Cove Rocky Road CSD was formed in 1984 and is located near Copperopolis in the southwestern portion of the County. The District is governed by a Board of Directors with five members who are elected by voters within the district. The Board meets monthly.

The Copper Cove Rocky Road subdivision has 569 parcels. The District provides road maintenance for approximately 16 miles of roads. The District has two employees, a Manager and a Secretary. The District does not own facilities or equipment for road maintenance but rather contracts for such services.

The District's Financial Statements for the period ending June 30, 2003 reported \$87,297 in operating revenue and \$123,174 in operating expenditures resulting in negative revenue of \$35,877 for the fiscal year. The total fund balance for the fiscal year was \$193,060. The District primarily obtains its revenues from property assessments. The current property assessments are based upon three levels of service and are assessed annually at \$225, \$250 or \$350 per lot.

The District's boundaries and current Sphere of Influence are coterminous.

V:a.5. Appaloosa Road Community Services District

The Appaloosa Road CSD is located off State Highway 4 in the southwestern portion of the County. The District was formed in 1995 and is governed by a five member elected Board of Directors.

The Appaloosa subdivision has 163 parcels. The District provides road maintenance for 17.46 miles of road, 6.36 miles that are improved and 11.1 miles that are unimproved. The District has no paid employees or physical assets. The District contracts for road maintenance services.

The District has not completed an independent audit of its finances. The District has indicated that it had budgeted \$57,550 in revenue and an equal amount in expenditures. Revenues are obtained from parcel assessments. New parcel assessments were approved in the summer of 2005. Annual parcel assessments are \$75 per lot except within the Buckskin Zone, which has a parcel assessment of \$250.

The District's boundaries and current Sphere of Influence are coterminous. The District has expressed concern regarding the subdividing and development of property surrounding the District, which relies upon the District's maintained roads for access. The District's roads are currently public roads. However, these surrounding properties are not currently subject to the District's assessments since they lie outside the District's boundaries.

V:a.6. Mountain Ranch Subdivision Community Services District

The Mountain Ranch Subdivision CSD is located outside of San Andreas and was formed in 1994. A five member elected Board of Directors that meets monthly governs the District.

The subdivision has 39 parcels. The District provides road maintenance for 1.5 miles of roads. The roads are currently chip-sealed. The District has no employees or facilities and equipment. Contractors perform road maintenance.

The District did not provide any financial information other than to state that an annual user fee is issued to each lot within the District's boundaries for road maintenance expenses.

The District's boundaries and current Sphere of Influence are coterminous.

V:a.7. Three-Cent Flat Community Services District

The Three-Cent Flat CSD is located near Glencoe and was formed in 1984. A three member Board elected by property owners within the District governs the CSD. SB 135 requires effective January of 2006 a five member Board. The Board only meets once every three or four years based upon need.

The Three-Cent Flat subdivision has 32 parcels. The District provides road maintenance for 1.28 miles of road. One-quarter mile is paved with the remaining roads being gravel. The District has no employees or facilities. Volunteers within the subdivision and paid contractors perform road maintenance.

The District does not have a budget or annual audit. The District collects through the County Treasurer \$100 per parcel per year. Funds are expended as needed.

The District's boundaries and current Sphere of Influence are coterminous. The District adopted an Ordinance in 1984 addressing various aspects of the District's operation including annexation. The Ordinance states that any parcel served by the District's roads, but lying outside the District, shall apply for annexation to the District.

V:a.8. Lynn Park Acres Community Services District

The Lynn Park Acres CSD is located outside of West Point. The District is governed by a five member Board of Directors that are elected. The Board normally meets every other month.

Lynn Park subdivision has 80 parcels. The District maintains approximately 1.5 miles of roads. The roads are chip-sealed. The District has no employees or facilities. They contract for road maintenance services.

The District did not provide any financial information.

The District's boundaries and current Sphere of Influence are coterminous.

V:a.9. Middle River Community Services District

The Middle River CSD was formed in 1999 and is located outside of West Point. A five member Board of Directors govern the District and are appointed by the County Board of Supervisors. The Board meets three times a year. The District has adopted a set of Bylaws.

The Middle River subdivision has 134 parcels. The District is responsible for 3.5 miles of road maintenance. One mile of road is paved while the remaining roads are gravel. The District has no employees or facilities and equipment. The District contracts for road maintenance services.

A Special Districts Financial Transactions Report for the fiscal year ending December 31, 2003 indicated the District had total revenues of \$67,419 and total expenditures of \$79,697 resulting in a negative balance of \$12,278. Fund equity for the end of the period was \$5,763. The District receives its revenue from an annual parcel tax of \$100 for improved parcels and \$75 for unimproved parcels. Certain parcels are not charged because of the unlikely that they will be built upon.

The District's boundaries and current Sphere of Influence are coterminous.

V:b. County Service Areas

County Service Areas (CSAs) are governed by Section 25210 of the California Government Code. CSAs provide an additional alternative method for the furnishing of extended governmental services by counties within unincorporated areas. The Code also provides that taxes may be levied within such areas in an amount sufficient to pay for the services provided.

CSAs may provide police protection, fire protection, parks and recreation, library services, television services, and other governmental services which the county is authorized to provide. The Code further defines miscellaneous extended services to include water service, sewer service, road maintenance, street lighting, and other services. CSAs may be formed by either the County Board of Supervisors or by petition of registered voters. A county service area, including the entire unincorporated area of the county, may be established to provide any or all of the services authorized in Section 25210 of the Government Code.

There are nine CSAs within Calaveras County. Refer to the following CSA countywide map (individual CSA maps are located at the end of Section III:b). Six

CSAs are active and three CSAs are inactive. All of the active CSAs provide road maintenance services with the exception of CSA No. 9 (Sunrise Point). CSA No. 9 provides street lighting services and is addressed in a separate municipal service review (Public Street Lighting Municipal Service Review and Sphere of Influence Plan, June 2005).

The County of Calaveras has nearly 700 miles of County maintained roads and is not accepting additional roads into the County maintained system due to the lack of adequate funding. The County's Public Works Department administers the CSAs that are involved in road maintenance. The Public Works Department works with a Road Committee for each CSA. The Road Committees are comprised of local residents within the CSA boundaries and range in size from two to five members. The committee members are appointed by the County Board of Supervisors. The Public Works Department and Road Committees formulate a work plan each year and review the adequacy of current assessments. The Board of Supervisors is responsible for the adoption of assessments. The CSAs reimburse the County for staff time and also pay County overhead costs (A-87). Roadwork is either done by the County Road Department or contracted out.

A brief description of each CSA that provides road maintenance follows.

V:b.1. Rancho Calaveras County Service Area No. 1

County Service Area No. 1 is located between Valley Springs and Jenny Lind on both side of State Highway 26 in western Calaveras County. The CSA was formed in 1969 to provide extended services to the Rancho Calaveras subdivision. The CSA was formed for the purposes of road maintenance, provision of water and sewer service, and park and recreation facilities. The district currently only provides road maintenance. The remaining services are presently considered latent powers. These services are permitted under the District's original charter, but no financing has been established to provide such services.

The District comprises the Rancho Calaveras subdivision that covers approximately 5,000 acres and has 3,602 parcels. Parcels range in size from one-half acre to five acres, with the average size being 1 acre. A Special Plan was adopted for the subdivision in 1985, which specified all lands as Rural Residential. Rancho Calaveras has a road network that includes both County maintained roads and County Service Area (non-County maintained) roads. The CSA is responsible for approximately 47 miles of road, 35 miles that are paved and 12 miles that are chip sealed.

The CSA collected property taxes after the passage of Proposition 13. Patchwork was performed on various roads that corrected some road problems on a temporary basis. The CSA eventually passed an assessment on the basis of benefit for all parcels to upgrade and maintain the roads. The amount of the assessment is set annually based upon the cost of performing needed road maintenance work. The current assessment amounts are \$19.00 for parcels fronting on State or County maintained roads, \$28.50 for parcels fronting on both CSA roads and State or County maintained roads, and \$38 for parcels fronting only on CSA roads.

A Special Districts Financial Transactions Report for the fiscal year ending June 30, 2005 indicated the District had total revenues of \$218,357 and total expenditures of \$9,934 resulting in a balance of \$208,423. Fund equity for the end of the period was \$787,902. The District receives its revenue from a combination of property taxes and assessments.

CSA No. 1 has an adopted Sphere of Influence as depicted on the enclosed map. Some of the CSA roads provide access to adjoining parcels located outside of the Rancho Calaveras subdivision.

V:b.2. Bar XX County Service Area No. 2

Bar XX CSA No. 2 is located between Angels Camp and Copperopolis off of State Highway 4. The CSA was formed in 1969 for the purposes of road construction and maintenance services and recreation and parkway facilities, highway lighting, structural fire protection, sewer and water services to the extent that these services are not provided by another agency of local government. The CSA currently only provides road maintenance services.

The district comprises the Bar XX subdivision, which contains 76 parcels. There are 8.78 miles of roads within the CSA.

A Special Districts Financial Transactions Report for the fiscal year ending June 30, 2005 indicated the District had total revenues of \$16,132 and total expenditures of \$8,846 resulting in a balance of \$15,286. Fund equity for the end of the period was \$41,725. The District receives its revenue from a combination of property taxes and assessments. Assessments range from \$175, \$200 or \$225 per parcel depending upon their distance from State Highway 4.

The District's boundaries and current Sphere of Influence are coterminous.

V:b.3. Diamond XX County Service Area No. 4

Diamond XX CSA No. 4 is located between Copperopolis and the County line along State Highway 4. The CSA was established in 1969 for the purposes of providing road construction and maintenance, recreation, park and parkway facilities, highway lighting, fire protection sewage and water services to the extent that these services are not furnished by another agency of local government. The CSA currently only provides road maintenance services.

The CSA comprises the Circle XX subdivision, which has 189 parcels. There are 18.2 miles of roadway that are mainly chip sealed.

A Special Districts Financial Transactions Report for the fiscal year ending June 30, 2005 indicated the District had total revenues of \$67,815 and total expenditures of \$3,305 resulting in a balance of \$64,510. Fund equity for the end of the period was \$263,054. The District receives its revenue from a combination of property taxes and assessments. Assessments range from \$300, \$325 or \$350 per parcel depending upon where the parcel is situated within the subdivision.

The District's boundaries and current Sphere of Influence are coterminous.

V:b.4. Springs Hills County Service Area No. 8

Springs Hills CSA No. 8 is located between San Andreas and Mokelumne Hill off of State Highway 49. The CSA was established in 1971 for the purposes of highway lighting, road maintenance and fire protection. The CSA currently only provides road maintenance services.

Spring Hills subdivision has 36 parcels. The CSA has 1.8 miles of roadway. The roads are paved with the exception of .19 miles of Spring Hill Drive being chip sealed.

A Special Districts Financial Transactions Report for the fiscal year ending June 30, 2005 indicated the District had total revenues of \$11,675 and total expenditures of \$1,469 resulting in a balance of \$10,206. Fund equity for the end of the period was \$53,229. The District receives its revenue only from property taxes.

The District's boundaries and current Sphere of Influence are coterminous.

V:b.5. Golden Hills County Service Area No. 12

Golden Hills CSA No 12 is located between San Andreas and Mokelumne Hill off of State Highway 49. The CSA was formed in 1983 for the purpose of road maintenance and improvement.

The Golden Hills subdivision has 71 parcels. The CSA has 3.8 miles of roadway. The main access road to the subdivision, Lombardi Drive, is paved.

A Special Districts Financial Transactions Report for the fiscal year ending June 30, 2005 indicated the District had total revenues of \$19,627 plus a forward balance of \$101,995 and total expenditures of \$89,348. Fund equity for the end of the period was \$32,274. The District receives its revenue from assessments. Assessments range from \$200. \$250 or \$300 per parcel depending upon the distance from State Highway 49.

The District's boundaries and current Sphere of Influence are coterminous.

V:b.6. Inactive County Service Areas

There are three county service areas that are currently inactive. They are the Campo Seco Estates CSA No. 5, Forest Meadows CSA No. 7, and the El Rancho Loma-Sera CSA No. 10.

The roads in the inactive CSAs are maintained through other arrangements such as private homeowners associations.

VI. Determinations

LAFCO must prepare a written statement of its determination with respect to nine factors as required by the CKH Act and OPR's Guidelines. This section of the Service Review Report addresses each of those nine factors as they may relate and be of pertinence to the Community Service Districts and County Service Areas within Calaveras County.

VI:a. Infrastructure Needs and Deficiencies

The term infrastructure needs and deficiencies refers to the status of existing and planned public facilities and services and its relationship to the quality and levels of service that are, can, and need to be provided.

The CSDs and CSAs in the County are primarily responsible for road maintenance within their respective subdivisions. The County's Public Works Department develops, in cooperation with the various CSA road committees, necessary road improvements for the coming year. The CSAs and the CSDs mostly perform road maintenance when needed and when funds are available. Road maintenance is often done on an-as-needed basis without the benefit of long-range capital improvement plans (CIP). CIPs are important to identify and budget for long-range improvements that may need addressing not only annually but also on a five or ten year basis.

The Spheres of Influence (SOI) of all of the districts are coterminous with their district boundaries, with one exception. County Service Area No. 1 (Rancho Calaveras) has an adopted SOI larger than its current service territory. Some of the roads within the districts are dedicated for public use and provide access to property outside the districts' boundaries. In these situations, the districts are providing maintained roads for property owners outside the district without the ability to assess these property owners their fair share of maintenance and improvement costs. Very few of the districts have annexation policies. Such policies would assist the districts in decisions regarding future annexations and the provision of assessments on all of those that use roads maintained by the districts.

VI:b. Growth and Population Projections

LAFCO needs to consider whether service provisions are facilitating the implementation of adopted land use plans, or alternatively inducing growth in areas not intended to be urbanized.

The County is experiencing growth in resident population and the development of second homes. The County's population in 1990 was 31,998 and in 2000 a total of 40,554. This represents a 27 percent increase or 2.7 percent per year. In 2004, the U.S. Census Bureau reported an estimated population of 45,939 for Calaveras County. The County's population is expected to continue to increase especially if current trends continue with people retiring to the County from more urban centers in the State. The state of the overall economy, interest rates, and the retirement of the baby-boomer population will in part influence the rate in which this growth occurs.

The County of Calaveras is not accepting new subdivision roads within the county maintained road system. New subdivisions will need to be responsible for their own road maintenance provisions by forming either new homeowner associations, CSDs, CSAs, or PRDs.

PRDs or Permanent Road Divisions come under the California Streets and Highways Code. They provide a mechanism for the sole purpose of constructing, improving and maintaining of roads. The County Board of Supervisors sits as the governing Board of the PRD. Funding for PRDs can be derived from a special tax approved by two-thirds of those eligible to vote within the district boundaries. Alternatively, the Board may fix and collect parcel charges. PRDs could be used in existing and new subdivisions. A PRD is not subject to LAFCO's approval.

VI:c. Financing Constraints and Opportunities

An examination of financing constraints and opportunities includes an evaluation of issues that affect the cost and implementation of financing mechanisms or practices used to fund needed improvements and enhance revenue streams.

The financing of road maintenance is primarily done by parcel assessments. Some of the districts also receive property tax revenues. The Board of Directors of each CSD sets the assessments for the CSDs. The County Board of Supervisors sets the assessments for the CSAs.

Some of the CSDs are not preparing adequate financial reports accounting for annual revenues and expenditures. For those districts that did provide financial information (refer to the Appendices), fund equity exceeded annual expenses by widely varying ratios. Some districts had fund equity of less than 10 percent of their total annual expenses. Other districts had nearly 80 times their annual expenses in fund equity. This ratio may vary given that most of the districts are involved in road maintenance and that it may take several years

of accumulating sufficient revenues to undertake major road improvement projects

A Little Hoover Commission report in 2000 raised questions why some special districts were accumulating large reserves. The report was especially critical of special districts that operate as enterprise funds having a combination of tax revenue and service fees such as water charges. Policy-makers and the public were asking why districts were setting aside so much money and how were they planning to spend it. Special districts should improve the way they report their fiscal activities and explain the purpose of the reserves.

VI:d. Cost Avoidance Opportunities

Cost avoidance opportunities include those that eliminate unnecessary costs.

The districts performing road maintenance most often contract for these services. In the case of the CSAs, road maintenance is either conducted by the County Road Department or contracted to private contractors. To assure cost avoidance opportunities are realized it is important for the districts to have competitive bidding practices when awarding contracts.

VI:e. Rate Restructuring Opportunities

Rate restructuring opportunities deal with positive rate impacts that will not adversely affect service quality or other factors.

The districts obtain the majority of their revenue from property assessments. The Board of Directors of the CSDs can restructure such assessments. The County Board of Supervisors is responsible for setting assessments of the CSAs.

VI:f. Opportunities for Shared Facilities

Public service costs may be reduced if service providers develop strategies for sharing facilities and resources. Sharing facilities and utilizing excess capacity in another agency's service system works to avoid service duplications, reduces costs, and minimizes unnecessary resource consumption.

Many miles physically separate the various districts providing road maintenance and as a result the opportunity for sharing facilities, maintenance

personnel and maintenance equipment is limited. Often local contractors in a particular area are used for road maintenance to reduce travel and haul time.

VI:g. Governmental Structure Options

LAFCO should consider the advantages and disadvantages of changes to government structure when conducting service reviews.

The current governmental structure of providing road maintenance to residential subdivisions in the County involves CSDs, CSAs, private homeowner associations, and even informal arrangements among property owners.

CSDs and CSAs provide a more formal arrangement and are guided by specific State laws. Both CSDs and CSAs have numerous governmental services that they may provide. Consideration should be given to forming PRDs in lieu of forming a CSD or CSA since most of the existing CSDs and CSAs within Calaveras County only provide road maintenance. PRDs may be more flexible, less burdensome to administer, and do not require LAFCO approval for formation.

VI:h. Management Efficiencies

Management efficiencies refers to the organized provision of the highest quality public service with the lowest necessary expenditure of public funds.

Elected officials that serve on the Board of Directors and volunteers manage many of the CSDs. Some of the larger CSDs have paid staff. CSDs are required by law to follow various government requirements such as competitive bidding processes, securing adequate general liability insurance, and having a general manager with specific duties. It is often difficult for the small CSDs to perform and comply with all requirements. Often the collection of funds and accounting of these funds are managed by the County Treasurer and County Auditor. However, management practices vary widely with the CSDs with some districts not having adopted budgets or annual financial reporting.

The County Public Works Department, under the direction of the County Board of Supervisors, administers the CSAs and follows County's departmental policy regarding finances.

VI:i. Local Accountability and Governance

Local accountability and governance refers to public agency decision making and operational and management processes.

All of the CSAs and CSDs within Calaveras County were formed under the laws of the State of California and are subject to and comply with state disclosure laws and the Brown Act. The Boards of Directors are either elected or appointed, and are required to hold periodic meetings that are open to the public, adopt annual budgets, and have regular financial audits. However, some of the CSDs are not fully complying with these provisions.

VII. Considerations for Reorganization

Considerations for reorganization of the CSDs and CSAs in the County would include the consolidation, formation or dissolution of any or all of the agencies and the annexation or detachment of territory. Each of these considerations is briefly discussed below.

VII:a. Consolidation

There does not appear to be an immediate need for the consolidation of any of the districts. The individual districts have respective funding sources, mainly property assessments, in place that are adequate to provide for the services they provide.

CSA law (Section 25210.4c.) does provide for a county service area to be established including the entire unincorporated area of the county.

VII:b. Formation

There will be the need to form new CSDs, CSAs or PRDs for road maintenance and other extended governmental service to serve new subdivisions within the County. The formation of such districts or homeowners associations should be a condition placed upon the approval of all new subdivisions.

Consideration should be given to the formation of PRDs rather than CSDs and CSAs if the only governmental service to be provided is for road maintenance. PRDs are easier to manage and do not require LAFCO approval for their formation.

VII:c. Dissolution

Consideration should be given to the dissolution of some of the CSDs and CSAs.

The Board of Directors of the small CSDs may want to consider dissolution of their districts and in its place the formation of a PRD. This may alleviate many of the governmental requirements they currently face. A PRD road committee, similar to the road committees currently active in the CSAs, would

allow the residents of the subdivision to participate in establishing road maintenance priorities and assessment levels in conjunction with the County.

There are three inactive CSAs: Campo Seco Estates (CSA No 5), Forest Meadows (CSA No. 7) and El Rancho Loma Sera (CSA No. 5). Dissolution of CSAs can be initiated by either the County Board of Supervisors or by petition. The LAFCO Executive Officer must set a public hearing on the matter and the Commission must adopt a Resolution making determinations either approving or disapproving the dissolution. If LAFCO disapproves the dissolution, the matter cannot be raised again within one year. If LAFCO approves the dissolution, the Board of Supervisors must commence proceedings for a change of organization by conducting a public hearing. After the hearing, the Board of Supervisors may order dissolution without an election if it finds that either: (1) there has been a non-user of corporate powers for three years, (2) that the district is a resident-voter district and is uninhabited, or (3) the Board of Directors of the district has consented to the dissolution.

VII:d. Annexation and Detachment

There are no reasons to consider the detachment of territory from any of the districts.

The CSDs and CSAs in the future may want to consider annexing additional territory to their districts if they are or will be providing services to that territory. It is difficult to define a SOI for each CSD and CSA without knowing when and where adjoining development may occur. It would be more beneficial for each of the districts to adopt annexation policies. When development occurs surrounding an existing CSD or CSA, the annexation policies could be applied. Likewise, the annexation policies should address those situations where adjoining properties are utilizing the services of a CSD or CSA, such as road access and maintenance, and propose the means by which those properties share in the cost of providing such services.

VIII. Conclusions and Recommendations

VIII:a. Conclusions

The County of Calaveras has nearly 700 miles of County maintained roads and is not accepting additional roads into the County maintained system. The CSDs and CSAs within the County largely provide road maintenance services for residential subdivisions. A couple of CSDs, namely Wallace CSD and Saddle Creek CSD, also provide other services.

The districts primarily perform road maintenance upon an as needed basis without the benefit of long-range capital improvement plans (CIPs). The preparation of and periodic updating of CIPs are important to budget for and set necessary revenue targets to adequately maintain and improve the district's facilities.

Some of the CSDs are not adequately developing budgets and annual financial reports. The County, because of its role as either Tax Collector and Auditor-Controller for these districts, should require all of the districts to comply with basic government accounting standards and request the preparation of periodic financial statements. Such statements provide reasonable assurances that financial information is free of material misstatement, reviews internal control systems, and reports on any material weaknesses.

Most of the CSDs and CSAs do not have annexation policies and the ability of addressing reimbursement for the benefits provided to properties outside their boundaries.

New CSDs, CSAs or PDRs will likely be formed in the County as the County's population and second home development continues to grow and the need for extended governmental services increases.

VIII:b. Recommendations

It is recommended LAFCO adopt the following Resolutions approving the updated SOIs based upon the following written determinations and recommendations.

A summary of these recommendations follows.

- ❑ The districts should prepare long-range Capital Improvements Plans with accompanying financial plans for adequate fees and reserve amounts.
- ❑ The districts should develop annexation policies and provisions for assessing a fair share of their costs to adjoining properties that utilize their services.
- ❑ The existing Spheres of Influences of the CSDs and active CSAs should remain as they currently exist.
- ❑ Proceedings should be initiated for the dissolution of Campo Seco Estates (CSA No 5), Forest Meadows (CSA No. 7) and El Rancho Loma Sera (CSA No. 5).
- ❑ The Board of Directors of the small CSDs should evaluate and consider the formation of a Permanent Road Division (PRD) as an organizational alternative of providing road maintenance services within their districts.
- ❑ The County of Calaveras should consider the formation of PRDs in residential subdivisions for road maintenance services rather than the formation of CSAs or CSDs.

**Resolution 2006-__ of the
Local Agency Formation Commission
of
Calaveras County, California**

Approving a Municipal Service Review of the the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA and adopting Written Determinations Thereon

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission (“LAFCO”) adopt and periodically review Sphere of Influence Plans for all agencies in its jurisdiction; and,

WHEREAS, California Government Code Section 56430 requires that a LAFCO conduct a review of the municipal services provided by and within an agency prior to updating or adopting its Sphere of Influence Plan; and,

WHEREAS, the Sphere of Influence Plan is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and,

WHEREAS, the Commission adopted its Work Plan and included a schedule for completion of Municipal Service Reviews (MSRs) and Spheres of Influence; and **WHEREAS**, the State of California has established guidelines for conducting MSRs, which applies to this MSR for road maintenance and other extended governmental services provided by the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA; and,

WHEREAS, at the time and in the manner provided by law, the Executive Officer gave notice of the date, time, and place of a public hearing by the Commission for the services provided including approval of the report and adoption of the written determinations contained therein; and,

WHEREAS, the Commission hereby determines that the final draft of the Municipal Service Review for road maintenance and other extended governmental services provided by and within Calaveras County and written determinations contained therein will provide information for updating the

spheres of influence for veteran and park districts managed by the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA, and is otherwise consistent with the purposes and responsibility of the Commission for planning the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities; and,

WHEREAS, in making this determination, the Commission has considered the documentation on file in this matter; and,

WHEREAS, the Commission has heard all interested parties desiring to be heard and has considered the proposal and report by the Executive Officer and all other relevant evidence and information presented at said hearing;

NOW, THEREFORE, the Local Agency Formation Commission of Calaveras County hereby resolves, orders and determines the following:

The Municipal Service Review of road maintenance and other extended governmental services provided by the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA are attached hereto as Exhibit A, is approved and the written determinations presented in the Municipal Service Review report are hereby adopted.

LAFCO staff is further ordered to proceed as appropriate with an update to the Sphere of Influence Plan for the area served by the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA.

LAFCO staff is further ordered to forward copies of this resolution containing the adopted Municipal Service Review to the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA.

The foregoing resolution was duly passed by the Local Agency Formation Commission of Calaveras County at a regular meeting held on _____, by the following roll call vote:

Ayes:
Noes:
Abstentions:
Absent:

Signed and approved by me after its passage this ____ day of _____, 2006.

Chair, Calaveras LAFCO

Attest:

John Benoit, Executive Officer
LOCAL AGENCY FORMATION COMMISSION,
Calaveras County

Exhibit A

1. Regarding infrastructure needs and deficiencies, the Commission determines that the public agencies have sufficient resources and the ability to ultimately serve the proposed SOIs. It is recommended the public agencies prepare long-range capital improvement plans for their facilities.
2. Regarding growth and population projections for the affected area, the Commission determines the proposed SOIs for the public agencies will facilitate the implementation of the County's and City's adopted land use plans.
3. Regarding financing constraints and opportunities, the Commission determines the public agencies have sufficient financing opportunities to provide their services to the proposed SOIs and/or have the capability of raising funds for these purposes.
4. Regarding cost avoidance opportunities, the Commission determines the public agencies to be the logical provider of these public services in the proposed SOIs, that there will not be an overlapping of service boundaries with other agencies, and the agencies have undertaken cost avoidance opportunities. It is recommended the public agencies prepare and adopt annexation policies.
5. Regarding opportunities for rate restructuring, the Commission determines the rates of the public agencies to be fair and equitable.
6. Regarding opportunities for shared facilities, the Commission determines that the public agencies have reduced public service costs by sharing facilities, resources and programs with other entities.
7. Regarding governmental structure options, including the advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines the current governmental structure of the public agencies are sufficient to carry out its mission without the need for consolidation or reorganization at this time.
8. Regarding evaluation of management efficiencies, the Commission determines the public agencies provide the highest quality of service with the lowest necessary expenditure of public funds.
9. Regarding local accountability and governance, the Commission determines the public agencies conduct their public agency decision making and operational and management processes in such a way that its customers and the general public have the opportunity to participate.

Resolution No. 2006-__
LOCAL AGENCY FORMATION COMMISSION
OF
CALAVERAS COUNTY

A Resolution Making Determinations and Approving a Sphere of Influence Update for the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA.

WHEREAS, Government Code Section 56425 requires each Local Agency Formation Commission to adopt and periodically review and update a sphere of influence for each local governmental agency within its jurisdiction; and

WHEREAS, the Local Agency Formation Commission of the County of Calaveras, in compliance with the aforementioned requirement, is providing a “plan for the probable physical boundaries and service area” for the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA.; and

WHEREAS, the Commission has set the hearing date of _____, for the update of the sphere of influence for the for the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56150, *et seq.*; and

WHEREAS, the Commission has heard and adopted a Municipal Services Review of services provided by the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA in accordance with Gov. Code section 56430; and

WHEREAS, the Commission has reviewed and considered the proposed Sphere of Influence update report and the proposed Sphere of Influence Update Maps which are attached hereto and incorporated herein; and

WHEREAS, Calaveras LAFCO considered project related environmental factors and determined that the subject project is not subject to the provisions of the California Environmental Quality Act pursuant to Section 15060 (c)2; and

WHEREAS, the Commission has considered those factors determined by it to be relevant to the proposed sphere of influence update, including, but not limited to, those factors specified in Government Code Section 56425, et seq., and has heard from interested parties and considered requests for amendment and/or revision of the proposed updated sphere boundary, if any;

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of the County of Calaveras does hereby find and determine as follows:

1. That the proposed sphere of influence update with respect to the for the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA comply with the provisions of Government Code Section 56000, et seq.
2. That no significant protests have been received regarding the establishment of this Sphere of Influence update.
3. That, pursuant to Government Code Section 56425, the Commission makes and adopts those determinations set forth below:
 - a. *The present and planned land uses in the area, including agricultural and open space lands.*

Planned land uses in each respective sphere of influence lands planned for urban development including residential and commercial uses. Calaveras County has approved area plans delineating boundaries of ultimate growth limits in various community areas in the territory proposed for inclusion into the Sphere of Influence. The existing land uses surrounding the subject lands consist of a variety of residential and commercial uses.
 - b. *The present and probable need for public facilities and services in the area.*

The current and planned development of properties within the proposed Spheres of Influence will require road maintenance and other extended governmental services as development occurs. Other services are to be provided either by other service providers or the same service provider.

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

The present capacity of the districts are adequate to provide services within the Sphere of Influence territory as described in Attachment "A" (the Municipal Service Review and Sphere of Influence Plan report).

c. The existence of any social or economic communities of interest.

The Commission determines the community and district areas described in Attachment "A" are each a unique social and economic community of interest and are distinct from one another.

4. The Commission makes a specific finding that there is no substantial evidence in light of the whole record before Calaveras Local Agency Formation Commission that this Sphere Update for the for the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA may have a significant adverse effect on the environment and is not subject to the California Environmental Quality Act.
5. That the Sphere of Influence Update and Municipal Service Review Report and Maps and the Executive Officer's Report, for the for the Circle XX Community Services District (CSD), Saddle Creek CSD, Copper Cove Rocky Road CSD, Appaloosa Road CSD, Mountain Ranch CSD, Three Cent Flat CSD, Lynn Park Acres CSD, Middle River CSD, Rancho Calaveras County Service Area (CSA), Bar XX CSA, Diamond XX CSA, Springs Hills CSA, and Golden Hills CSA updated Spheres of Influence are hereby adopted and approved as set forth in Attachment "A".

PASSED AND ADOPTED at a regular meeting of the Local Agency Formation Commission of the County of Calaveras, State of California, on the _____ 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairman, Local Agency
Formation Commission
of Calaveras County

Attest:

John Benoit, LAFCO Executive Officer
Calaveras LAFCO

IX. References

City of Angels General Plan, City of Angels, July 1995.

Draft City of Angels 2020 General Plan, Augustine Planning Associates, Inc., September 2005.

Calaveras County General Plan, Calaveras County Planning Department, December 1996.

Special Districts: Relics of the Past or Resources for the Future, Little Hoover Commission, May, 2000.

Financial Statements, Saddle Creek Community Services District, December 31, 2003, Larry Bain, CPA.

Financial Statements, Copper Cove Rocky Road Community Services District, June 30, 2003, Larry Bain, CPA.

Financial Statement, Circle XX Community Services District, June 30, 2004, Sherri Davis, EA.

Special Districts Financial Report, Middle River Community Services District, December 31, 2003.

X. Appendices

X:a. Financial Overview

The following provides a financial overview of the Community Service Districts and County Service Areas. The ratio between fund equity and annual expenses varies widely among the districts. This ratio may vary given that most of the districts are involved in road maintenance and that it may take several years of accumulating sufficient revenues to undertake major road improvement projects

Financial Overview					
District and Fiscal Year Ending Data	Total Revenue (\$)	Total Expenses (\$)	Revenues Over (Under) Expenses (\$)	Fund Equity End of Period (\$)	Ratio between Fund Equity and Annual Expenses
CSDs					
Circle XX CSD '04	43,966	11,552	32,414	92,838	8.03
Saddle Creek CSD '03	317,239	298,632	18,607	244,252	.81
Copper Cove CSD '03	87,297	123,174	(35,877)	193,060	1.56
Three Cent Flat CSD (1)	3,193	82	3,111	12,999	158.52
Middle River CSD '03	67,419	79,697	(12,278)	5,763	.07
CSAs (2)					
Rancho Cal. CSA '05	218,357	9,934	208,423	787,902	79.31
Bar XX CSA '05	16,132	8,846	15,286	41,725	4.71
Diamond XX CSA '05	67,815	3,305	64,510	263,054	79.59
Spring Hills CSA '05	11,675	1,469	10,206	53,229	36.23
Golden Hills CSA '05	19,627	89,348	(69,721)	32,274	.36

(1) Un-audited information

(2) Based upon Special Districts Financial Transactions Reports prepared by County of Calaveras.

Appaloosa CSD, Mt Ranch CSD, and Lynn Park Acres CSD did not provide financial information requested by LAFCO.

X:b. Current CSD Services

SB 135 provides that only the current services provided by an existing CSD may be provided after January 1, 2006, unless the CSD wants to activate a latent power (a service not currently provided). The CSD must receive LAFCO approval to provide new services within its district.

District	Current Services
Wallace	Water, wastewater, propane, road maintenance, street lighting, open space and recreation.
Circle XX	Road maintenance
Saddle Creek	Road maintenance, storm drainage, street lighting, landscape maintenance, wildlife and wetlands easements, access gate control, and mosquito abatement.
Copper Cove	Road maintenance.
Appaloosa	Road maintenance.
Mountain Ranch	Road maintenance.
Three-Cent Flat	Road maintenance.
Lynn Park Acres	Road maintenance.
Middle River	Road maintenance.