

26. SUNSET HEIGHTS COMMUNITY SERVICES DISTRICT

Sunset Heights Community Services District (SHCSD) provides street maintenance, drainage, street lighting, weed abatement, and snow removal services.

AGENCY OVERVIEW

Background

Sunset Heights Community Services District (SHCSD) was formed on July 16, 1981 as an independent special district.⁵¹³ SHCSD was originally formed to provide water distribution and road services to the residents of the District. During the 2008 SOI update the LAFCO resolution affirmed the previously authorized services that the District was allowed to provide, with the exception of water services, which had been transferred to Amador Water Agency (AWA) in 2006.⁵¹⁴

The principal act that governs the District is the Community Services District Law.⁵¹⁵ CSDs may potentially provide a wide array of services, including water supply, wastewater, solid waste, police and fire protection, street lighting and landscaping, airport, recreation and parks, mosquito abatement, library services; street maintenance and drainage services, ambulance service, utility undergrounding, transportation, abate graffiti, flood protection, weed abatement, hydroelectric power, among various other services. The CSD provides street maintenance, drainage, street lighting, weed abatement, and snow removal services. CSDs are required to gain LAFCO approval to provide those services permitted by the principal act but not performed by the end of 2005 (i.e., latent powers).⁵¹⁶

Boundary

The SHCSD bounds are located entirely within Amador County. The District is located two miles west of the community of Pine Grove, where Bowman Road intersects Ridge Road. The District bounds encompass parcels along the full length of Bowman Road, which extends south of Ridge Road for approximately 0.75 miles, in addition to several streets that branch off this main road. The boundary area encompasses approximately 114 acres or 0.2 square miles.⁵¹⁷

⁵¹³ LAFCO resolution 80-151. Formation date is from Board of Equalization records.

⁵¹⁴ LAFCO Resolution 2008-16.

⁵¹⁵ Government Code §61000-61226.5.

⁵¹⁶ Government Code §61106.

⁵¹⁷ Morlan Civil Engineering, *Road Maintenance Assessment Diagram of the Sunset Heights CSD*, October 25, 1999.

Sphere of Influence

In 2008, LAFCO adopted the District’s Sphere of Influence (SOI) to be coterminous to SHCSD’s boundaries with the addition of two parcels that were outside the boundaries but included in the SOI.⁵¹⁸ Those two parcels were annexed in 2009 (LAFCO Project #252).

Local Accountability and Governance

The principal act requires that community services districts have five-member governing boards, including a president and a vice-president.⁵¹⁹ Accordingly, SHCSD is governed by a five-member governing body. If the election is not contested, directors are nominated by the board members and appointed by the County Board of Supervisors to four-year terms.

See Figure 25-1 for information on individual directors, term expirations and contact information.

Figure 26-1: Sunset Heights CSD Governing Body

Sunset Heights Community Services District			
Governing Body			
<i>Members</i>	Name	Position	Term Ends
	Ron Kosage	President	11/30/2017
	Steve Lawson	Vice-president	11/30/2017
	Joe Lang	Director	11/30/2015
	Josh Potter	Director	11/30/2015
	Karen Crabtree	Secretary/Treasurer	11/30/2017
<i>Manner of Selection</i>	Elections		
<i>Length of Term</i>	Four years		
<i>Meeting</i>	Date: Every two months	Location: Rotated among the homes of the directors	
<i>Agenda Distribution:</i>	Posted on notice board at the intersection of Marc Drive and Lynn Lane		
<i>Minutes Distribution:</i>	By request		
Contact			
Contact	Board President		
Mailing Address	17862 Lynn Way		
Phone	209-296-2528		
Email/website:	asylum@volcano.net		

District constituent outreach efforts include community meetings and input on issues such as assessments and level of service desired. The District reported that it has had no Brown Act violations in recent history.

The District demonstrated accountability in its disclosure of information and cooperation with LAFCO. The agency responded to LAFCO’s written questionnaires and cooperated with document requests.

⁵¹⁸ LAFCO Resolution 2008-16.

⁵¹⁹ Government Code §61040, §61043.

Management

The principal act calls for community services districts to appoint a general manager to implement board policies.⁵²⁰ SHCSD did not have a general manager position as of March 2013. It should be noted that the principal act does not preclude the general manager from being a volunteer position.⁵²¹

The District employs H&R Block to perform monthly compilation reports regarding revenues and expenses. The Board contracts with private companies to perform necessary maintenance and snow removal. Maintenance and capital needs are determined by the Board at regular meetings.

District planning documents include the Sunset Heights Roadside Brush Management Plan (1985). This plan specifies a minimum of 10-foot high and two-foot setback of vegetation for all roads. It also calls for maintaining the appearance of vegetation along roads and privacy screening in front of lots.

District financial planning efforts include annually adopted budgets, monthly financial statements, and annual financial reviews. The most recent financial reviews provided by the District are for FYs 10-11 and 11-12. The District does not conduct full financial audits.

Management practices include risk management. The District carries a \$3 million commercial general liability insurance policy.

Service Demand and Growth

The existing land uses in the District are agricultural and residential. Residential uses include both suburban (five-acre lots on average) and low-density (one-acre lots on average).⁵²² The nearest economic activity is located in Pine Grove along SR 104. There are no major employers in the boundary area, as the community's Covenants, Conditions and Restrictions (CC&Rs) prohibit business activity. The District reports that there is one home-based landscaping business operating out of a residence in the area, and the District is concerned about employee truck traffic speeding on district roads.⁵²³ Reportedly, California Highway Patrol (CHP) had informed the District that a civil suit would be necessary to pursue the violation of CC&Rs. A civil suit is cost prohibitive, however, and the District has taken no action since the 2008 MSR.

There are approximately 129 residents living on the 55 parcels in the District.⁵²⁴ The District's population density is 694 per square mile, although the District is less than one-fifth of a square mile. Comparatively, the countywide density is 64 residents per square mile.

⁵²⁰ Government Codes §61050. Per §61040(e), the general manager may not be a member of the board.

⁵²¹ Government Codes §61050(e).

⁵²² Amador County, *General Plan Update, Existing (2007) Land Use Classifications Map*, 2007.

⁵²³ Interview with Chuck Lowrie, Board Member, Sunset Heights CSD, January 29, 2008.

⁵²⁴ Population estimate calculated with the number of the reported parcels and the U.S. Census 2009-2011 American Community Survey average household size for Amador County.

The District did not report an increase in growth or service demand within the District, with the exception of the truck traffic from the landscaping business. The District is expected to experience little to minimal growth in the near future, as there are no planned developments in the area. One resident would like to add four homes to his 37 acres in the southeast portion of the District. SHCSD previously installed water infrastructure in anticipation of serving the four proposed parcels; however, there have been challenges for the landowner obtaining the proper septic system approvals. Additionally, the real estate market downturn has discouraged the development. Therefore, this project is not anticipated to occur until 2018, at the earliest.

The District does not have land use authority, and does not hold primary responsibility for implementing growth strategies.

Disadvantaged Unincorporated Communities

LAFCO is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community is defined as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.⁵²⁵

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged communities median household income definition.⁵²⁶ DWR identified nine disadvantaged communities within Amador County—three of which are cities and are therefore not considered unincorporated.⁵²⁷ None of the identified disadvantaged communities are within or adjacent to SHCSD.

However, DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. Because income information is not available for this level of analysis, disadvantaged unincorporated communities that meet LAFCO's definition cannot be identified at this time.

Financing

The District has adequate financial ability to deliver services, having recently increased its road assessment and indexed future increases to inflation. The District is concerned about the impact of escalating oil prices on paving costs and the financial ramifications of being a community services district (CSD). If paving costs increase faster than inflation, the District may need to increase assessments in the future to maintain service levels. Additionally, the District reported that if costs associated with being a public agency continue to escalate, the District may have to consider returning service responsibilities to a home owners association (HOA) as recommended in the latest financial review. Among

⁵²⁵ Government Code §56033.5.

⁵²⁶ Based on census data, the median household income in the State of California in 2010 was \$57,708, 80 percent of which is \$46,166.

⁵²⁷ DWR maps and GIS files are derived from the US Census Bureau's American Community Survey (ACS) and are compiled for the five-year period 2006-2010.

the additional costs borne by public agencies are financial audits and certain regulatory reporting, such as the State Financial Transaction Report.

The District tracks finances through a single fund. The most recent financial reviews provided by the District are for FYs 11 and 12.

The District's total revenues were \$20,898 in FY 12. The primary source of revenue is assessments for road maintenance. Minor revenue sources include interest income and penalties and costs on delinquent assessments. The District does not receive a share of the one percent property tax.

In FY 14, the District increased its annual assessment rate by 2.4 percent (an adjusted rate of inflation) to \$433.22 per developed parcel. The adjustment was made to accommodate the high cost of oil and the previously mentioned costs associated with being a public agency. The assessment is adjusted for inflation, as measured by the San Francisco/Oakland Bay Area Consumer Price Index (CPI). The assessment is collected on 49 of the 55 parcels in the District's bounds.

Expenditures in FY 12 totaled \$6,059 and consisted exclusively of services and supplies.

The District had no long-term debt outstanding at the end of FY 13.

The District did not report an adopted policy on maintaining financial reserves. The District's unrestricted fund balance was \$48,528 at the end of FY 13.

ROADWAY SERVICES

Nature and Extent

The District maintains seven roads within its boundaries. SHCSD hires contractors for road maintenance, including brush management

Location

The District provides services within its boundaries, although it does not maintain Sunrise Court, which is located within its bounds. Sunrise Court is maintained privately by the homeowners along the road.

The District assessed two parcels outside of its boundaries, east of Marc Drive for road maintenance services. These two parcels are located along Gy Tam Lane, which can only be accessed via Marc Drive. In 2008, the resolution adopting an SOI for the District acknowledged the out of bounds service provision and stated that the District had the intention of coming to LAFCO and legally annexing the parcels in question.⁵²⁸ The annexation was completed in 2009, LAFCO Project #252.

Infrastructure

The District maintains a total of 1.4 miles of roadway. Primary efforts are focused on the main roads, which serve a majority of the parcels, including Bowman Road, Marc Drive, and Lynn Way. The remaining roads—Steven Lane, Sharon Court, Sunset Road East and West—each serve six or fewer parcels. All roads, with the exception of Sharon Court and Sunset Road East, are paved with two-inch thick asphalt concrete. Sharon Court roadway consists of chipseal; and Sunset Road East is a dirt road. Sharon Court and the lower portion of Bowman Road are not part of the Sunset Heights roadway infrastructure; however, property owners gave SHCSD permission to maintain them. The District is working on formally including these streets into the District's infrastructure.

Routine maintenance activities on SHCSD roadways include chip sealing, patching and crack sealing.

SHCSD leases one streetlight, which was installed over 25 years ago. The District pays PG&E \$24 per month for electricity and maintenance of the light.

The District does not presently own any equipment or infrastructure. In the 2008 MSR it was reported that road-related equipment owned by the District included a striper for road lanes and stencils for the painting of the speed limit on the roads, however these items are now known to be simply spray paint and plastic stencils, which are not significant purchases and are not technically considered equipment. The District reported no road-related infrastructure needs. The District previously developed a capital improvement plan for the period 2010 to 2026 with total expenditures of \$194,769. The plan did not outline an annual schedule for these expenditures and was used to establish the recently approved road assessment. Actual road rehabilitation is done on an as need basis

⁵²⁸ LAFCO resolution 2008-16.

according to the condition of the roads and funds available. The entire length of Bowman Road has been repaired and chip sealed, the turnaround at Lynn Way and Marc Drive has been leveled, road base installed and paved with two inches of asphalt concrete. A replacement of the culvert at the intersection of Bowman/Lynn Way/Marc Drive is being evaluated as a potential project for the summer of 2014. The condition of the CSD's road system is evaluated in the spring of every year. The need to repair, crack seal, chip seal, repave is evaluated and the form of repair recommended by the road maintenance contractors is selected by the Board and a request for proposals issued. Upon receipt of the bids, the qualifying bidder is selected and the work authorized.

Sunset Road East was previously paved at some point in time and has reportedly not been maintained. The paved portion of the road comprises only a small fraction of a dirt fire road. At present, accessibility to the dirt fire road is constrained, due to deep ruts and vegetation. There are not currently any plans to make improvements to this road. Improvements to the road will depend on future residential development of the area.

Service Adequacy

The District reports that it maintains an adequate reserve to fund needed street improvements and that preventative maintenance is provided on a regular basis.

The District identified traffic enforcement as a challenge to providing services to the area. CHP does not regulate speed in the area, because it is outside of the agency's purview. Underage drivers on ATVs and other motorized vehicles also present a problem in the District.

Figure 26-2: Sunset Heights CSD Road Service Summary

Street Service Profile			
Street Lighting Service Configuration			
Street Lighting	PG&E	Number of Street Lights	1
# Maintenance by Contract	1	Maintained by County	0
Street Maintenance Service Configuration			
Street Maintenance	Direct	Drainage Maintenance	Direct
Service Demand			
Street Sweeping Frequency:	As needed		
Circulation Description			
Bowman Road extends south of main thoroughfare, SR 104. Marc Drive extends from Bowman Road and forms a loop with Lynn Way back to Bowman Road. The remaining roads extend from Bowman Road and Marc Drive into cul-de-sacs.			
System Overview			
Street Centerline Miles	1.4	Signalized Intersections	0
Privately maintained roads	1.4	Bridges	0
Publicly maintained roads	0	Other	N/A
Infrastructure Needs/Deficiencies			
Culvert replacement at intersection of Lynn Way and Marc Drive			
Service Adequacy			
Street Miles Rehabilitated FY 12	None	Costs per Street Mile	None
FY 2010, Bowman Road Blacktop repaired/patched and chip sealed - Cost \$13,750.00. Turnaround at Lynn Way and Marc Drive paved - Cost \$4,200.00			
Service Challenges			
The District identified traffic enforcement as a challenge to providing services to the area. CHP does not regulate speed in the area, because it is outside of the agency's purview. Underage drivers on ATVs and other motorized vehicles also present a problem in the District.			
Facility Sharing			
There are no existing facility sharing practices and District sees no future sharing opportunities.			

DRAINAGE SERVICES

Nature and Extent

The District maintains culverts and drainage channels along its seven roads. Maintenance is performed directly by the Board of Directors as needed to clear leaves. One resident, Mr. Dennis Miller, takes primary responsibility for this task. All property owners are encouraged to clean ditches along their own properties.

Location

The District provides drainage maintenance services within the district bounds. Services are not provided outside of its boundaries.

Infrastructure

The District maintains the ditches and five culverts along Bowman Road, Marc Drive, Lynn Way, Stevens Lane, and Sharon Court. The District reported no infrastructure needs.

SUMMARY OF DETERMINATIONS

Growth and Population Projections

- ❖ There has been no recent growth within the District, and minimal future growth is anticipated. One resident plans to subdivide his 37-acre parcel to add four homes, although this is not anticipated to occur for another five years.

The Location and Characteristics of Disadvantaged Unincorporated Communities Within or Contiguous to the Agency's SOI

- ❖ There are no disadvantaged unincorporated communities within or adjacent to the District's service area, based upon mapping information provided by the State of California Department of Water Resources. However, given the large size of the defined community in the census data used, it cannot be discounted that a smaller community that meets the required income definition may exist within or adjacent to the District.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- ❖ Present and planned capacity of public facilities is sufficient, and service provision is adequate, as the District has performed all needed maintenance on the roadways.
- ❖ The District reports that all paved roadway segments are in good condition, and there are no major infrastructure needs or deficiencies. Sunset Road East (a dirt road for fire access) needs to be paved to improve fire truck access. At present, there is not a scheduled date for this project.

Financial Ability of Agencies to Provide Services

- ❖ The District has the financial ability to deliver services, having recently increased its road assessment and indexed future assessment increases to inflation.
- ❖ The District is concerned about the impact of escalating oil costs on paving costs. If paving costs increase faster than inflation, the District may need to increase assessments in the future to maintain service levels.
- ❖ The District is concerned about the costs of being a CSD, since it no longer supplies water to the community. One of the recommendations in the latest financial review is that the District revert back to an HOA. This option is currently being evaluated.
- ❖ The District relies on volunteers for some of the services it provides. While this is currently an effective arrangement, the long term the availability of able volunteers and the consistency of service delivery will be subject to forces outside the district's control.

Status of, and Opportunities for, Shared Facilities

- ❖ SHCSD does not share facilities and did not identify any opportunities for facility sharing.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

- ❖ The District lacks a general manager, as required by law, to implement board policies. In order for the District to comply with State legal requirements, it is recommended that SHCSD appoint a volunteer general manager.
- ❖ Roadway drainage maintenance is performed on a volunteer basis. All property owners are encouraged to clean ditches along their own properties. The District is evaluating outsourcing this task to an outside contractor.