

***LOCAL AGENCY FORMATION
COMMISSION***

MEETING

FEBRUARY 23, 2005

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

**550 MAIN STREET SUITE E
PLACERVILLE, CA 95667**

PHONE: (530) 295-2707

FAX: (530) 295-1208

lafco@co.el-dorado.ca.us

www.co.el-dorado.ca.us/lafco

AGENDA - FEBRUARY 23, 2005 - 5:30 P.M.

El Dorado County Hearing Rm. 2850 Fairlane Court, Bldg. C., Placerville, California

Time limits are three minutes for speakers

Speakers are allowed to speak once on any agenda item

1. CALL TO ORDER AND ROLL CALL

2. CONSENT CALENDAR

- A. ADOPTION OF AGENDA**
- B. MINUTES OF THE MEETING OF JANUARY 26, 2005**
- C. APPROVAL OF CLAIMS**
- D. APPROVAL OF CLAIMS (ADDITIONS)**

3. PUBLIC FORUM/PUBLIC COMMENT

Members of the public may address the Commission concerning matters within the jurisdiction of LAFCO which are not listed on the agenda. No action may be taken on these matters.

4. ADOPTION OF FISCAL YEAR 2005-2006 PROPOSED BUDGET (Pursuant to Government Code 56381(a))

5. EUER RANCH REORGANIZATION, LAFCO PROJECT NO. 03-02

Annexation of 152.7 acres into the El Dorado Hills CSD with concurrent detachment from CSA 9, Zone 17, and annexation of 4 acres into El Dorado Irrigation District and El Dorado Hills CSD., located near White Rock Rd. and Latrobe Road. CEQA: An EIR was prepared by El Dorado County as the lead agency for the Carson Creek Specific Plan, SCH #94072021. Where circumstances may have changed related to water and wastewater services, the annexation of 4 acres to EID is exempt from the provisions of the California Environmental Quality Act under Section 15061(b)(3).

6. INFORMATIONAL HEARING: FISHER ANNEXATION TO EL DORADO IRRIGATION DISTRICT; LAFCO PROJECT NO. 04-10

Annexation of .39 acres into El Dorado Irrigation District, located on Guadalupe Drive near Francisco Dr. in El Dorado Hills. No action will be taken.

*COMMISSIONERS: GARY COSTAMAGNA, TED LONG, ROBERTA COLVIN, RUSTY DUPRAY, ALDON MANARD, CHARLIE PAINE, NANCY ALLEN
ALTERNATES: MARK ACUNA, GEORGE WHEELDON, FRANCESCA LOFTIS, JAMES R. SWEENEY
STAFF: ROSEANNE CHAMBERLAIN-EXECUTIVE OFFICER, CORINNE FRATINI-POLICY ANALYST,
SUSAN STAHMANN-CLERK TO THE COMMISSION, TOM GIBSON-LAFCO COUNSEL*

7. PROPOSED INCORPORATION OF THE CITY OF EL DORADO HILLS; LAFCO PROJECT NO. 03-10

Overview of Incorporation Process and study session on the Draft EIR (SCH #2004082113) and/or the draft comprehensive fiscal analysis prepared for the project.

8. OTHER BUSINESS

A. ANNUAL FINANCIAL AUDIT - RECEIVE & FILE

B. LEGISLATION - The commission may authorize support or opposition to bills currently pending before State Legislature.

C. COMMISSIONER ANNOUNCEMENTS

D. COUNSEL REPORT

E. EXECUTIVE OFFICER REPORT

1. Correspondence

2. Miscellaneous Items

3. Project Status Report

4. *Report on Proposed Incorporation of the City of El Dorado Hills*

9. ADJOURNMENT

A Special Meeting will be held March 14, 2005. The next regularly scheduled LAFCO Commission meeting will be March 23, 2005.

Respectfully submitted,
February 10, 2005



Roseanne Chamberlain
Executive Officer

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCO action in court you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 24 hours before the hearing will be distributed to the Commission. If you wish to submit written material at the hearing, please supply 15 copies.

NOTE: State law requires that a participant in a LAFCO proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner in the past year must disclose the contribution. If you are affected, please notify commission staff before the hearing.

APPROVED

STATE OF CALIFORNIA, COUNTY OF EL DORADO

LOCAL AGENCY FORMATION COMMISSION MINUTES OF JANUARY 26, 2005

1. CALL TO ORDER AND ROLL CALL

The meeting of the Local Agency Formation Commission held January 26, 2005, was called to order at 5:40 p.m. by Tom Gibson, LAFCO Counsel in the meeting room, Building C of the Government Center, 2850 Fair Lane, Placerville, California.

COMMISSIONERS - PRESENT

Roberta Colvin, City
Ted Long, City
Rusty Dupray, County
Aldon Manard, Public
Nancy Allen, District

COMMISSIONERS - ABSENT

Richard C. Paine, County
Gary Costamagna, District

ALTERNATE COMMISSIONERS - PRESENT

Francesca Loftis, Public

ALTERNATE COMMISSIONERS - ABSENT

George Wheeldon, District
Carl Hagen, City
James R. Sweeney, County

COMMISSION STAFF - PRESENT

Roseanne Chamberlain, Executive Officer
Corinne Fratini, LAFCO Policy Analyst
Thomas Gibson, LAFCO Counsel

COMMISSION STAFF - ABSENT

Susan Stahmann, Clerk to the Commission

Mr. Gibson suggested that since there is no chair that the commission skip to Agenda Item No. 4. Ms. Chamberlain suggested that roll call be taken prior to Agenda Item No. 4.

ROLL CALL - VOTING MEMBERS: DUPRAY, MANARD, ALLEN, COLVIN, LONG

4. APPOINTMENT CHAIR/VICE CHAIR FOR 2004

Mr. Gibson called for nominations for Chair

MOTION

Commissioner Allen moved to nominate Commissioner Manard for Chair, second by Commissioner Dupray

No other nominations or public comments were received.

ACTION

The motion was supported unanimously.

Chair Manard introduced Mr. Ted Long, South Lake Tahoe as new City Member.

2. CONSENT CALENDAR

A. ADOPTION OF AGENDA

B. DISPOSITION OF MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION MEETING OF DECEMBER 2, 2004

C. APPROVAL OF CLAIMS

D. APPROVAL OF CLAIMS (ADDITIONS)

8. **MOU REGARDING EMPLOYER/EMPLOYEE RELATIONS BETWEEN THE COUNTY OF EL DORADO AND THE EL DORADO LAFCO**

Ms. Chamberlain gave overview of the MOU.

No public comment given.

APPROVED

MOTION

Commissioner Long moved to approve MOU, second by Commissioner Colvin.

ACTION

Motion Carried.

AYES: Dupray, Manard, Allen, Colvin, Long

9. **OTHER BUSINESS**

A. LEGISLATION

Ms. Fratini announced upcoming CALAFCO Leg Committee meeting March 4, 2005.

B. COMMISSIONER ANNOUNCEMENTS

Ms. Chamberlain and Commissioner Long announced retirement party for Tom Davis on January 29th in So. Lake Tahoe.

C. COUNSEL REPORT

None

D. EXECUTIVE OFFICER REPORT

Ms. Chamberlain reported on the following:

1. Highlighted packet items and gave explanation of service reviews for new commissioners.
2. Announced Nancy Allen's election win for Special District representative to LAFCO.
3. Mid Year Budget Report review
4. Highlighted progress of Incorporation.
5. Workshop conducted by Best, Best & Krieger, February 24 in Sacramento addressing the Form 700's.
6. Announcement of LAFCO workshop for foothill & Northern California LAFCO's or Special Districts for training in local government.
7. Special Meeting dates were discussed for Incorporation Fiscal Analysis and EIR. February 14th & March 14th were discussed as possibilities.

10. **ADJOURNMENT**

Chair Manard adjourned the meeting at 6:40 p.m.
The next regularly scheduled LAFCO meeting will be February 23, 2005.

**APPROVED BY THE COMMISSION
AUTHENTICATED AND CERTIFIED**


Clerk to the Commission


Chairperson

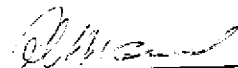
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LAFCO
APPROVAL OF CLAIMS
January 14 through February 15, 2005

APPROVED

<u>Memo</u>	<u>Amount</u>
Aldon Manard	
Stipend - December 2, 2004 LA...	-50.00
Mileage - December 2, 2004 LA...	-14.63
Best, Best & Krieger	
Legal Services thru 12/31/04	-471.67
Caltronics Business Systems-Philadelphia	
Copier Lease - January 2005	-102.87
Caltronics Business Systems-Sacramento	
Copies December 2004	-51.22
Cingular Wireless	
Cell Phone 12/18 - 1/15/2005	-20.63
El Dorado County- Information Technologie	
Web Maintenance thru Jan 2005	-60.00
El Dorado County- Recorder	
LAFCO Project Nos. 05-01 & 05...	-70.00
El Dorado County- Surveyor's Office	
Maps Project No. 98-04	-90.00
Francesca Loftis	
Stipends December 2, 2004 LA...	-50.00
Mileage December 2, 2004 LAF...	-11.25
Mountain Democrat	
One Year Sub 2005	-140.00
Legal Notice 1/26/05 LAFCO Mtg.	-24.75
Nancy Allen	
Stipend December 2, 2004 LAF...	-50.00
Mileage December 2, 2004 LAF...	-16.88
Roberta Colvin	
Stipend December 2, 2004 LAF...	-50.00
SBC	
Phone/Equip. December 2004	-157.90
FAX Line December 2004	-16.37
DSL Line December 2004	-59.00
Sharon Grewe	
Refund of LaFCO Fees 04-06	-1,237.50
Susan Stahmann - Petty Cash	
Office Supplies Dec 2004	-11.95
Ted Long	
Stipend December 2, 2004 LAF...	-50.00
Mileage December 2, 2004 LAF...	-51.75
Terrie Prod'hon	
Acctg. Services December 2004	-230.00
Walker's Business Products	
Office Supplies January 2005	-19.35
Western Sierra Bank	
Credit Card Pmt. January 2004	-104.81

Approved:



Chair

Date:

2-23-05

AGENDA ITEM NO. 4

ADOPTION OF

FISCAL YEAR

2005-2006

PROPOSED BUDGET

Local Agency Formation Commission

STAFF REPORT

Agenda of February 23, 2005

AGENDA ITEM 4:

**ADOPTION OF FISCAL YEAR 2005-2006
PROPOSED BUDGET**

Government Code Section 56831 provides that LAFCO will adopt a proposed budget and transmit it to agencies no later than May 1 each year. The approved budget calendar sets an earlier schedule with action on the proposed budget at this meeting, if possible, to allow funding agencies sufficient time to plan and prepare their own budgets.

The material in this packet divides the budget into several sections with tables and details for each subsection of the budget. The subsections are as follows: an overall summary, the one page master budget spreadsheet, fund balance summary, revenue projections, employee expense details, operating expense details. In addition, the fund balance calculations and accrued leave time detail page appear at the end of the documents.

The budget anticipates continuation of existing programs at or near the same level as in prior years. While some cost savings can be achieved or continued, there are unavoidable cost increases, particularly in salary and benefit costs. Funding from reserves will again keep the agency contribution low, but even with the maximum fund balance transfer, agency contributions increase about 11% over last year. Remaining reserves will be only \$8,256 but this low level of reserves may be sufficient for several reasons. The budget allows for a 10% operating contingency. Funds are appropriated for full payment of several costs that are unlikely to be incurred, such as health insurance and accrued leave time liability. In addition legal defense is included in our general liability insurance.

Executive Officer and Budget Committee Recommendations:

1. Approve the proposed 2005-06 budget as presented.
2. Direct staff to transmit the budget to agencies and others per Government Code §56381.

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[Online Viewing](#)

Hard copy of any attachments available upon request

BUDGET SUMMARY

Projected Operating Expense	\$198,643.54
Employee Expense	\$337,965.86
Expense Total	\$536,609.40
Non Agency Revenues	\$40,150.00
Agency Contribution	\$323,034.40
Sub Total	\$354,927.40
Transfer from Fund Balance	\$143,176.47
From Reserves (Accrued Time)	\$30,248.93
	\$181,682.00
Revenue Total	\$536,609.40

This table summarized the proposed budget. A more detailed summary page with comparison to FY 04-05 is attached.

PROPOSED LAFCO BUDGET FY 2005/2006

	SUB-OBJECT	DESCRIPTION	APPROVED 2004-2005 LAFCO BUDGET	PROPOSED 2005-2006 LAFCO BUDGET
Revenues	R1	From Fund Balance	\$164,337.03	\$143,176.47
	R2	From Reserves (Accrued Time)		\$30,248.93
	R3	Revenue Interest	\$2,000.00	\$2,000.00
	R4	Revenue (Agency Payments)	\$291,022.00	\$323,034.00
	R5	Fees	\$25,000.00	\$38,000.00
	R6	Miscellaneous Revenue	\$150.00	\$150.00
	R7	Sub-Total - Revenues	\$482,509.03	\$536,609.40
Employee Expense	A	Regular Employees (Base)	\$179,936.28	\$198,360.00
	B	Temporary Employees	\$1,000.00	\$1,000.00
	C	Overtime	\$1,000.00	\$1,000.00
	D	In-Lieu Health Insurance	\$4,500.00	\$4,500.00
	E	Retirement (20.42% of Base)	\$29,625.27	\$40,505.11
	F	Medicare (1.45% of Base)	\$2,609.06	\$2,876.22
	G	Health Insurance (Less In Lieu)	\$29,720.00	\$29,720.00
	H	Unemployment Ins.	\$1,079.60	\$0.00
	I	Disability Insurance (.53% of Base)	\$899.66	\$1,051.30
	J	Deferred Comp Match	\$800.00	\$800.00
	K	Accrued Leave	\$30,248.93	\$49,108.23
	L	Future Retirement	\$3,996.00	\$4,545.00
	M	Flex Benefits	\$4,500.00	\$4,500.00
	N	Sub-Total Employee Expenses	\$289,914.80	\$337,965.86
Operating Expense	1	Cell Phone & Telephone Services	\$3,568.28	\$3,492.00
	2	Building Lease	\$14,868.00	\$15,314.04
	3	Records Storage	\$761.00	\$761.00
	4	Office Repairs	\$100.00	\$100.00
	5	Memberships	\$550.00	\$575.00
	6	Memberships - CALAFCO	\$2,070.00	\$2,070.00
	7	Office Expense	\$1,500.00	\$2,000.00
	8	Office Equipment	\$500.00	\$500.00
	9	Copies	\$400.00	\$400.00
	10	Postage	\$720.00	\$1,000.00
	11	Lease - Copier	\$1,867.00	\$1,867.00
	12	Insurance - Workers Comp	\$2,470.00	\$2,470.00
	13	Insurance General Liability	\$4,200.00	\$13,000.00
	14	Accounting Services	\$4,500.00	\$1,000.00
	15	Annual Audit	\$4,500.00	\$3,000.00
	16	Payroll	\$1,039.00	\$842.00
	17	Publications	\$674.00	\$604.00
	18	Stipends	\$4,800.00	\$4,800.00
	19	Professional Services/SSS EIR	\$85,000.00	\$85,000.00
	20	GIS Maps	\$2,000.00	\$2,000.00
	21	Legal Services	\$24,000.00	\$24,000.00
	22	Legal Notices	\$300.00	\$300.00
	23	Staff Development	\$5,029.00	\$5,700.00
	24	Transportation	\$750.00	\$870.00
	25	Private Auto Mileage	\$2,420.00	\$2,420.00
	26	Rental Vehicles	\$500.00	\$500.00
	27	Information Services	\$6,000.00	\$6,000.00
	28	Sub-Total Operating Expense	\$192,594.91	\$180,585.04
	29	Operating Contingency (10%)	\$17,508.63	\$18,058.50
	30	BUDGET TOTAL	\$482,509.71	\$536,609.40

PROJECTED YEAR END BALANCES

Total Projected Revenues	\$513,157.25
Total Projected Employee Expense	\$235,506.27
Total Projected Operating Expense	\$95,969.27
Total Projected Remaining Balance	\$181,681.71

This table details the end of year projected balance. Precise staff calculations are attached and are optimistic estimates. Increased fee revenues (incorporation and other projects) and cost savings (preparation of Fire Service Review in house) resulted in this fund balance amount.

A total of \$173,425 is appropriated from fund balance into the 2005-06 budget to minimize the increase in agency payments. This is slightly more than last year.

The appropriation will result in only \$8,256 projected to remain in reserves at the beginning of FY 05-06. While this is a very low level of reserves, please note that the budget allows for full payment of several costs that are unlikely to be incurred and for high cost risks as follows:

- 1) employee health insurance is fully funded for 3 employees but only one employee is expected to be on full benefits;
- 2) accrued leave time is fully funded in the budget but is payable only when an employee separates;
- 3) an operating contingency of \$18,058 is built into the budget;
- 4) the risk of significant legal defense cost is covered in our general and professional insurance.

REVENUES				
	DESCRIPTION	APPROVED 2004-2005 LAFCO BUDGET	PROPOSED 2005-2006 LAFCO BUDGET	COMMENTS
R1	From Fund Balance	\$164,337.03	\$143,176	
R2	From Reserves (Accrued Time)		\$30,249	
R3	Revenue Interest	\$2,000.00	\$2,000	
R4	Revenue (Agency Payments)	\$291,022.11	\$323,034	
R5	Fees	\$25,000.00	\$38,000.00	
R6	Miscellaneous Revenue	\$150.00	\$150.00	
R7	Sub-Total - Revenues	\$482,509.03	\$536,609	

The table summarizes projected revenues for next year's budget. Agency payments would increase approximately 11% over last year's contribution. Again this year, reserves and fund balance transfers will cover much of the expenses, and will substantially deplete reserves in order to minimize agency increases.

Application fees are difficult to estimate this year. The amount shown on line R5 is projected conservatively higher than last year because we expect many more annexations once the County General Plan is legally in place. If the General Plan uncertainties persist, these revenues may not be realized. It is also possible that project applications will be much higher than these numbers reflect.

	EMPLOYEE EXPENSE	Approved FY 04-05 Budget	Proposed FY 05-06 Budget - Step 5
A	Regular Employees (Base)	\$ 179,936.28	\$198,360.00
B	Temporary Employees	\$ 1,000.00	\$1,000.00
C	Overtime	\$ 1,000.00	\$1,000.00
D	In-Lieu Health Insurance	\$ 4,500.00	\$4,500.00
E	Retirement (20.42% of Base)	\$ 29,625.27	\$40,505.11
F	Medicare (1.45% of Base)	\$ 2,609.06	\$2,876.22
G	Health Insurance (Less In Lieu)	\$ 29,720.00	\$29,720.00
H	Unemployment Ins.	\$ 1,079.00	\$0.00
I	Disability Insurance (.53% of Base)	\$ 899.66	\$1,051.30
J	Deferred Comp Match	\$ 800.00	\$800.00
K	Accrued Leave	\$ 30,248.93	\$49,108.23
L	Future Retirement	\$ 3,996.00	\$4,545.00
M	Flex Benefits	\$ 4,500.00	\$4,500.00
N	Sub-Total Employee Expenses	\$ 289,914.20	\$337,965.86

Base Salaries: The table shows the calculated cost of step raises, with a 10% increase over last year. Staff will be eligible for these raises based on performance reviews in the upcoming year.

Health Insurance and Benefits: Actual health insurance costs have increased again this year. Last year's figures were higher than actual cost because LAFCO adopted its budget before final county calculations were in. The amount budgeted last year was generous enough to cover two year's increases. Hence the budget reflects no increase in health benefits costs. While we do not expect to spend the entire amount for the two employees who are eligible to waive benefits and receive "in lieu" payments, funds are appropriated as employee circumstances could change.

Retirement Costs: Pension expense has increased approximately 37%. This is an unavoidable cost. Line item "L" shows the amount to be set aside for of future retiree health contributions, based on the actuarial calculations for the County's retiree health benefits. These funds accrue in reserves to offset the possible future retire health insurance. Eligibility for the benefit requires 12 years of service. While we may never need to pay this cost, the Commission established the accrual account to protect future budgets.

Accrued Leave (Reserves): The full liability for accrued leave time is appropriated in the budget as in prior years. The accumulated \$30,248 from prior years is booked as an offsetting revenue, for a net cost of \$18,860. It is unlikely that the full amount will be needed in this fiscal year, but the Commission established this practice to protect future budgets.

PROPOSED FY 05-06 OPERATING BUDGET

	Service	Budgeted 04-05	Proposed 05-06	Comments
1	Telephone Services	\$3,568.28	\$3,492.00	Based on Actuals
2	\$350.00 Cell Phone \$29.17/mo			
3	\$1,980.00 Base/Actuals Charge			
4	\$300.00 Fax Line			
5	\$720.00 DSL Line			
6	\$42.00 Directory Listing (Fixed)			
7	\$100.00 Telephone Repair			
8	Building Lease	\$14,868.00	\$15,314.04	3% Increase per Lease
9	Records Storage	\$761.00	\$761.00	Continue County Storage
10	Office Repairs	\$100.00	\$100.00	
11	Memberships	\$2,620.00	\$2,645.00	Fire Chief Assoc. Added
12	\$380.00 CSDA			
13	\$24.00 Sage			
14	\$146.00 Chamber of Commerce			
15	\$25.00 Fire Chief Association			
16	\$2,070.00 CALAFCO			
17	Office Expense	\$1,500.00	\$2,000.00	Increase in Cost of Supplies
18	\$2,000.00 Paper Products/Supplies			
19	Office Equipment	\$500.00	\$500.00	
20	Copies	\$2,267.00	\$2,267.00	
21	\$400.00 Copies (\$33/mo)			
22	\$1,867.00 Copier Lease (\$156/mo)			
23	Postage	\$720.00	\$1,000.00	Based on Actuals
24	\$360.00 Regular Postage			
25	\$360.00 Priority Mail			
26	Insurance - Workers Comp	\$2,470.00	\$2,470.00	CSDA
27	Insurance General Liability	\$4,200.00	\$13,000.00	Retain County Services due to Legal Coverage
28	Annual Audit	\$4,500.00	\$3,000.00	Engaged Firm at Lower 3 Year Rate
29	Payroll	\$1,039.00	\$842.00	\$32.35 X 26 paychecks
30	Publications	\$674.00	\$604.00	Subscribed to Mt. Democrat for 2 years with discount
31	\$221.00 CP&DR			
32	\$15.00 Georgetown Gazette			
33	\$39.00 Life Newspapers			
34	\$79.00 Business Journal			
35	\$250.00 Misc.			
36	Stipends	\$4,800.00	\$4,800.00	
37	Professional Services	\$89,500.00	\$86,000.00	Acctg. Support was \$4,500
38	GIS Mapping			
39	Service Reviews			
40	Staff CEQA Assistance			
41	\$1,000 Accounting Support			
42	GIS Maps	\$2,000.00	\$2,000.00	Supported by Project Fees
43	Legal Services	\$24,000.00	\$24,000.00	
44	\$15,000 Routine Counsel			
45	\$6,000 Special Assignments			
46	Legal Notices	\$300.00	\$300.00	Actuals \$25.00 per Mtg.

P. PROPOSED FY 05-06 OPERATING BUDGET

	Service	Budgeted 04-05	Proposed 05-06	Comments
	Staff Development	\$5,029.00	\$5,700.00	
48	\$4,000.00 CALAFCO (5 attendees)			
49	\$1,700.00 Clerks/Staff Workshops			
50	Transportation	\$750.00	\$870.00	
51	\$150.00 Misc. tolls/parking			
52	\$720.00 Employee City Parking			
53	Private Auto Mileage	\$2,420.00	\$2,420.00	
54	\$1,720.00 LAFCO Hearings			
55	\$600.00 Other Site Visits/Mtgs.			
56	\$100.00 Mileage/County Building			
57	Rental Vehicles	\$500.00	\$500.00	
58	Information Services	\$6,000.00	\$6,000.00	
59	\$1,140.00 Web Page Update/Assistance			
60	\$240.00 Domain Name			
61	Mainframe/Network Base Charges			
62	RAZ & Web Hosting			
63	SUB TOTAL	\$175,086.28	\$180,585.04	
64	Operating Contingency	\$17,508.63	\$18,058.50	
65	TOTAL	\$192,594.91	\$198,643.54	
	excel:05MIF_ProposedOperating.xls			

2004-2005 LAFCO BUDGET - PROJECTED YEAR END BALANCES

	DESCRIPTION	2004-2005 LAFCO BUDGET	ACTUAL REVENUES RECEIVED	TOTAL PROJECTED REVENUES	TOTAL REVENUES RECEIVED	METHODOLOGY TO OBTAIN BALANCES
	From Fund Balance	\$ 164,337.03	\$ 164,337.03		\$ 164,337.03	
	From Reserves				\$ -	
	Revenue Interest	\$ 2,000.00	\$ 1,368.78		\$ 1,368.78	
	Revenue CDBG (Agency Payments)	\$ 291,022.00	\$ 291,022.00		\$ 291,022.00	
	Fees	\$ 25,000.00	\$ 34,429.44	\$ 22,000.00	\$ 56,429.44	
	Miscellaneous Revenue	\$ 150.00			\$ -	
	Sub-Total - Revenues	\$ 482,509.03	\$ 491,157.25	\$ 22,000.00	\$ 513,157.25	
	DESCRIPTION	2004-2005 LAFCO BUDGET	ACTUAL EXPENDITURES TO DATE	ADDITIONAL PROJECTED EXPENDITURES	PROJECTED BALANCE	METHODOLOGY TO OBTAIN BALANCES
A	Regular Employees	\$ 179,936.28	\$ 86,457.00		\$ 93,479.28	Included in Intuit Payroll Service
B	Temporary Employees	\$ 1,000.00	\$ 9,324.00		\$ (8,324.00)	Included in Intuit Payroll Service
C	Overtime	\$ 1,000.00		\$ 1,000.00	\$ -	
D	In-Lieu health Insurance	\$ 4,500.00	\$ 2,188.00		\$ 2,312.00	Included in Intuit Payroll Service
E	Retirement (17.07% of Base)	\$ 29,625.27	\$ 13,971.00	\$ 15,654.27	\$ -	
F	O.A.S.D.I.		\$ 578.00	\$ 720.00	\$ (1,298.00)	Social Security for Temp Employee
G	Medicare (1.45% of Base)	\$ 2,609.06	\$ 1,412.00		\$ 1,197.06	Included in Intuit Payroll Service
H	Health Insurance (Less In Lieu)	\$ 29,720.00	\$ 2,758.00	\$ 6,084.00	\$ 20,878.00	\$234.00 X 26 Pay Periods
I	Unemployment Ins. (.6% of Base)	\$ 1,079.60			\$ 1,079.60	
J	Disability Insurance (.53% of Base)	\$ 899.66			\$ 899.66	
K	Deferred Comp Match	\$ 800.00		\$ 800.00	\$ -	
L	Accrued Leave	\$ 30,248.93			\$ 30,248.93	To Reserves
M	Future Retirement	\$ 3,996.00			\$ 3,996.00	To Reserves
O	Flex Benefits	\$ 4,500.00		\$ 4,500.00	\$ -	Included in Intuit Payroll Service
P	INTUIT Payroll Service			\$ 90,060.00	\$ (90,060.00)	\$7,505 X 12 Pay Periods
	Sub-Total Employee Expenses	\$ 289,914.80	\$ 116,688.00	\$ 118,818.27	\$ 54,408.53	
	OPERATING EXPENSE					
1	Telephone Services	\$ 3,568.28	\$ 1,360.19	\$ 1,607.85	\$ 600.24	Cell Phone 5 x \$21.57/month Office Phones 6 x \$250.00/month
2	Lease - Building	\$ 14,868.00	\$ 14,651.96	\$ -	\$ 216.04	Paid In Full for FY04-05
3	Records Storage	\$ 761.00	\$ -	\$ 761.00	\$ -	Cnty Charge - Payable in June
4	Office Repairs	\$ 100.00	\$ -	\$ 0	\$ 100.00	None Expected
5	Memberships	\$ 550.00	\$ 358.00	\$ 49.00	\$ 143.00	SAGE & Fire Chiefs Assn.
6	Memberships - CALAFCO	\$ 2,070.00	\$ -	\$ 2,070.00	\$ -	Payable in June
7	Office Expense	\$ 1,500.00	\$ 1,341.37	\$ 500.00	\$ (341.37)	(Overage) Restock from depletion of supplies during move
8	Office Equipment	\$ 500.00	\$ -	\$ 1,800.00	\$ (1,300.00)	Purchase of 2 Computers

	DESCRIPTION	2004-2005 LAFCO BUDGET	ACTUAL EXPENDITURES TO DATE	ADDITIONAL PROJECTED EXPENDITURES	PROJECTED BALANCE	METHODOLOGY TO OBTAIN BALANCES
9	Copies	\$ 400.00	\$ 548.02	\$ 300.00	\$ (448.02)	\$50.00 X 6 Mos.
10	Copier - Lease	\$ 1,867.00	\$ 632.45	\$ 618.00	\$ 616.55	\$103.00 X 6 Mos.
11	Postage	\$ 720.00	\$ 684.57	\$ 300.00	\$ (264.57)	Overage Supported by Project Fees
12	Insurance - Workers Comp	\$ 2,470.00	\$ 2,226.00	\$ -	\$ 244.00	Paid in Full
13	Insurance - General Liability	\$ 4,200.00		\$ 17,839.00	\$ (13,639.00)	Budgeted for Outside Insurance. Stayed with County due to coverage
14	Accounting	\$ 4,500.00	\$ 378.54	\$ 300.00	\$ 3,821.46	Estimate of Accounting Charges
15	Annual Audit	\$ 4,500.00		\$ 3,000.00	\$ 1,500.00	Engaged Firm at Lower Rate
16	Payroll	\$ 1,039.00		\$ 389.00	\$ 650.00	12 Paychecks X \$32.35
17	Publications	\$ 674.00	\$ 123.49	\$ 400.00	\$ 150.51	CP&DR, Life Newspapers & Mt. D.
18	Stipends	\$ 4,800.00	\$ 1,200.00	\$ 2,400.00	\$ 1,200.00	6 Mtgs. X \$400.00
19	Professional Services	\$ 85,000.00	\$ 19,934.76		\$ 65,065.24	
20	GIS Maps	\$ 2,000.00	\$ 2,376.00	\$ 350.00	\$ (726.00)	Overage Supported By Project Fees
21	Legal Services	\$ 24,000.00	\$ 4,374.61	\$ 4,950.00	\$ 14,675.39	6 Mtgs. X \$825.00
22	Legal Notices	\$ 300.00	\$ 141.75	\$ 125.00	\$ 33.25	5 Mtgs. X \$25.00
23	Staff Development	\$ 5,029.00	\$ 3,971.25	\$ 550.00	\$ 507.75	Leg Committee, CSDA Training
24	Transportation	\$ 750.00	\$ 300.00	\$ 300.00	\$ 150.00	Mileage to SAC 2/24 & 3/3
25	Private Auto Mileage	\$ 2,420.00	\$ 786.75	\$ 864.00	\$ 769.25	6 Mtgs. X \$144.00 & Workshops
26	Rental Vehicles	\$ 500.00	\$ -	\$ -	\$ 500.00	
27	County Information Services	\$ 6,000.00	\$ 551.71	\$ 555.00	\$ 4,893.29	\$60.00 Web Updates x 6 mos. \$20.00 Domain Charges x 6 mos.
28	Operating Contingency	\$ 17,508.63			\$ 17,508.63	
	Sub Total Operating Expense	\$ 192,594.91	\$ 55,941.42	\$ 40,027.85	\$ 96,625.64	
	Total Budget	\$ 482,509.71	\$ 172,629.42	\$ 158,846.12	\$ 151,034.17	

SUMMARY	
TOTAL REVENUES RECEIVED	\$ 513,157.25
TOTAL EMPLOYEE EXPENSE	\$ 235,506.27
TOTAL OPERATING EXPENSE	\$ 95,969.27
TOTAL REMAINING BALANCE	\$ 181,681.71

Date Prepared: 2/11/05
excel: 05MIFprojected.xls

Beginning 12/25/2004		12 Additional Pay Period thru end of year						
	Sick Leave Accrued	Earned Each Pay Period	Vacation Accrued	Earned Each Pay Period	Pay Rate	Percentage for Payout	Payout Hours - Sick	Payout Hours - Vac
Roseanne	512.49	3.7	223.37	6.2	\$43.59	100%	512.49	223.37
Total Cost as of 12/25/04	\$22,339.44		\$9,736.70					
6/30/054 Accrued	\$1,935.40	44.4	\$3,243.10	74.4		100%	44.4	74.4
Total Year End Payout	\$24,274.84		\$12,979.80					
Susan	16	3.7	40.37	4.7	\$22.44	20%	3.2	8.07
Payout as of 12/25/04	\$359.04		\$905.90					
12/25/04 thru 6/30/05 Accrued	\$996.34	44.4	\$1,265.62	56.4		20%	8.9	11.28
Total Year End Payout	\$1,355.38		\$2,171.52					
Corinne	155.62	3.7	107	3.1	\$24.19	20%	31.12	21.4
Payout as of 2/21/04	\$3,764.45		\$2,588.33					
12/25/04 thru 6/30/05 Accrued	\$1,074.04	44.4	\$899.87	37.2			8.9	7.44
Total Year End Payout	\$4,838.49		\$3,488.20					

Total Department Payout as of June 30, 2005

Sick Leave	Vacation	Total
\$30,468.71	\$18,639.52	\$49,108.23

excel:05accruals.xls

AGENDA ITEM NO. 5

***EUER RANCH
REORGANIZATION
LAFCO PROJECT NO. 03-02***

Local Agency Formation Commission

STAFF REPORT

Agenda of February 23, 2005

AGENDA ITEM 5: Euer Ranch Reorganization; LAFCO Project 03-02

PROPONENT: K. Hovnanian Forecast Homes

DESCRIPTION OF PROJECT

The proposed reorganization includes the entire Euer Ranch subdivision and will annex APNs 108-040-05, -28, and -34 (152.7 acres) into El Dorado Hills Community Services District with concurrent detachment from Zone 17 of County Service Area 9. The proposal will also annex APN 108-040-05 (4 acres) into El Dorado Irrigation District and El Dorado Hills County Water District.

PURPOSE

The reorganization will allow the extension of parks, recreation, solid waste management, and cable TV services to 460 planned age-restricted single family homes, a private community center, and a local commercial center. Water, wastewater, fire protection, and emergency services will be extended to the 9 homes that are outside the boundaries of EID and EDHCWD.

LOCATION

Euer Ranch is located south of White Rock Road between Latrobe Road and the Sacramento County line in the El Dorado Hills area.

CEQA

El Dorado County, the lead agency for the project, prepared and certified an Environmental Impact Report and Addendum for the Carson Creek Specific Plan on March 4, 1997 (SCH #94072021). Within the scope of this review the environmental impacts of annexation to EDHCSD and EDHCWD were addressed. The Notice of Determination is attached.

Where circumstances may have changed related to water and wastewater services, the annexation of 4 acres to EID is found to be exempt from the provisions of the California Environmental Quality Act under Section 15061(b)(3) of the California Code of Regulations (CEQA Guidelines): "A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment."

In 1996 El Dorado County Taxpayers for Quality Growth and the Environmental Planning and Information Center of Western El Dorado County filed a petition for a writ of mandate against the County to void its certification of the EIR and approval of the Carson Creek Specific Plan. In 1997 the County re-certified the EIR with an Addendum and re-approved the specific plan and tentative map. The approvals were challenged again and the lawsuit

was settled in 1999. As a result, the specific plan was amended to reduce the number of residential units and to apply the age restriction.

BACKGROUND

Euer Ranch, also known as Four Seasons El Dorado, is Phase 1 of the Carson Creek Specific Plan approved by El Dorado County on March 4, 1997. The subdivision consists of 460 planned age-restricted single family homes, a private community center, a 4.6-acre local commercial center, landscaped trails, and open space on 152.7 acres. Final maps have been recorded for the first five units and homes are currently under construction.

EDHCSD will provide parks, recreation, solid waste management, and cable TV services to the entire proposal area. A private homeowners' association will be formed to maintain the community center and common areas, enforce CC&Rs, and administer a lighting and landscaping assessment district for the trails and front yard landscaping. EDHCSD would assume these duties in the event the HOA is no longer able to meet these obligations or chooses to contract with the CSD. The territory will be detached from the recreation zone of benefit within County Service Area 9.

A small portion of the project is outside the boundaries of EID and EDHCWD. These nine homes will need annexations for fire and emergency services and will require 9 EDUs of water, recycled water, and wastewater. EID has authorized the transfer of Assessment District 3 (AD3) entitlements from the portion of Euer Ranch that is inside EID to the subject parcel enabling Forecast Homes to purchase these EDUs. The water and wastewater systems will integrate with the portion of Euer Ranch that is already inside EID, providing continuity of services.

BOUNDARY MODIFICATION

The subject territory is not contiguous to EDHCSD. LAFCO Policy 3.9.3 prohibits non-contiguous annexations. The Commission may wish to modify the proposal to include adjacent APNs 108-040-44 and -45 owned by Rolling Hills Christian Church. The modification will establish pinpoint contiguity.

Though pinpoint contiguity is discouraged by LAFCO policies, Euer Ranch is further separated from the EDHCSD boundary by Springfield Meadows CSD (inside EDHCSD sphere) and the El Dorado Hills Business Park (not in EDHCSD sphere). The Commission may wish to consider the impacts of including some or all of these additional lands to the EDHCSD annexation.

SUMMARY OF STATUTORY AND POLICY CONSIDERATIONS

Government Code §56668 and LAFCO Policies require that the review of a proposal shall consider the following factors:

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Need for organized services, probable future needs	1 Consistent	Services needed to support homes currently under construction.
Ability to serve, level and range of service, time frames, conditions to receive service	2 Consistent	All annexing agencies certify ability to provide services immediately.
Timely availability of adequate water supply	3 Consistent	Sufficient EDUs available from AD3 and recycled water system.
Alternatives to service, other agency boundaries, and local gov't structure	4 Consistent	Proposal is most logical alternative for all services.
Significant negative service Impacts	5 Consistent	None identified.
Coordination of applications	6 Consistent	Separate proposal for Carson Creek Phase 2 based on timing of development.
Present cost/adequacy of governmental services, including public facilities	7 Consistent	Present services appear adequate.
Effect of proposal on cost & adequacy of service in area and adjacent areas	8 Consistent	Proposal will mitigate impacts of new park and recreation users.
Effect of alternative courses of action on cost & adequacy of service in area and adjacent areas	9 Consistent	Proposal is most logical alternative for all services.
Sufficiency of revenues, per capita assessed valuation	10 Consistent	Sufficient impact fees for EDHCSD and EDHCWD. EID projects a net annual gain.
Revenue producing territory	11 Consistent	Residential, open space, and local commercial land uses.
56668.3 "best interest"	12 Consistent	Services needed to support new homes; all agencies support proposal.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Boundaries: logical, contiguous, not difficult to serve, definite and certain	13 Subject to Commission determination	Not contiguous to EDHCSD; inclusion of adjacent parcel will establish pinpoint contiguity. EID/EDHCWD annexations will close island.
Topography, natural boundaries, drainage basins, land area	14 Consistent	Proposal is not inconsistent with any natural features.
Creation of islands, corridors, irregular boundaries	15 Subject to Commission determination	See #13.
Conformance to lines of assessment, ownership	16 Consistent	Proposal follows parcel lines; reviewed by County Surveyor and Assessor.
Spheres of influence	17 Consistent	Within necessary spheres of influence.
Effect on adjacent areas, communities of interest	18 Consistent	Possible inclusion in the City of El Dorado Hills.
Information or comments from landowners or owners	19 Consistent	Landowner supports proposal.
Effect on other community services, schools	20 Consistent	No known effect.
Other agency comments, objections	21 Subject to Commission determination	Ag Commission recommends disapproval (see attached letter).
Fair share of regional housing needs	22 Consistent	Small decrease of water available for build-out of RHND.
Land use, information relating to existing land use designations	23 Consistent	Proposal is consistent with residential, local commercial, and open space land uses in the specific plan.
Population, density, growth, likelihood of growth in, and in adjacent areas, over 10 years	24 Consistent	Estimated population of 1,200 at build-out. Nearby planned high density growth south of Hwy. 50.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Proximity to other populated areas	25 Consistent	El Dorado Hills is rapidly developing; incorporation proposal is pending.
Consistency with general plans, specific plans, zoning	26 Consistent	Consistent with land use and zoning within CCSP.
Physical and economic integrity of agriculture lands and open space	27 Subject to Commission determination	Ag Commission concern for decreased water supply available for ag uses elsewhere.
Optional factor: regional growth goals and policies	28 Not applicable	Not applicable.

DETERMINATIONS

The Commission should review the factors summarized above and discussed below, then make its own determinations regarding the project. Staff recommends the following determinations based on project research, state law, and local policies:

1. The subject territory is "uninhabited" per Government Code §56046. Application for this reorganization is made subject to Government Code §56650 et seq. by 100% of the landowners.
2. The territory proposed for reorganization is within the spheres of influence of El Dorado Hills Community Services District, El Dorado Irrigation District, and El Dorado Hills County Water District and is contiguous to the existing boundaries of EID and EDHCWD. Modifying the proposal to include APNs 108-040-44 and -45 will establish sufficient contiguity with the existing boundary of EDHCSD and will contribute to a more logical and orderly boundary.
3. The Environmental Impact Report prepared for the Carson Creek Specific Plan by El Dorado County is adequate and complete for the annexations to EDHCSD and EDHCWD and satisfies the requirements of the California Environmental Quality Act. Where circumstances may have changed related to water and wastewater services, the annexation of 4 acres to EID is found to be exempt from the provisions of the California Environmental Quality Act under Section 15061(b)(3) of the California Code of Regulations.
4. The reorganization will not result in negative impacts to the cost and adequacy of services otherwise provided in the area, and is in the best interests of the affected area and the total organization of local government agencies.

5. The reorganization will not have an adverse effect on agriculture and open space lands.
6. The reorganization will result in a decrease in water supply available for the build-out of regional housing needs determined by the Sacramento Area Council of Governments. The reorganization will not, however, have a significant foreseeable effect on the ability of the County to adequately accommodate its fair share of those needs.

RECOMMENDATIONS

Staff recommends that the Commission take the following actions:

1. Adopt Resolution L-05-01 making determinations, adding conditions, modifying the proposal to include additional territory, and approving the Euer Ranch Reorganization, LAFCO Project No. 03-02.
2. Recognize that El Dorado County, as the lead agency, has prepared an Environmental Impact Report and CEQA determinations for the Carson Creek Specific Plan and find that these documents are adequate and complete for the annexations to EDHCSD and EDHCWD. Find that the annexation to EID is exempt from provisions of the California Environmental Quality Act under Section 15061(b)(3). Direct staff to prepare a Notice of Determination pursuant to Title 14, Chapter 3, Section 15096 (Responsible Agency) of the California Code of Regulations.
3. Authorize the Executive Officer to initiate and conduct proceedings in compliance with Resolution L-05-01, Government Code Section 57000 et seq., and local policies for conducting authority proceedings.
4. Direct staff to complete the necessary filings and transmittals as required by law.

DISCUSSION

Government Code §56668 and LAFCO Policies require that the review of an annexation proposal shall consider the following factors:

(Numbered items 1-6 relate to services)

1. ***NEED FOR ORGANIZED COMMUNITY SERVICES, PROBABLE FUTURE NEEDS::*** Applicants shall demonstrate the need and/or future need for governmental services and that the proposal is the best alternative to provide service (Policies 3.1.4(b), 6.1.7; §56668(b)).

RESPONSE: Euer Ranch is a planned subdivision consisting of 460 age-restricted single family homes, a private community center, landscaped trails, open space, and a commercial center. The first five units of the subdivision have been recorded and homes are currently under construction. The reorganization is needed to provide essential growth-supporting services for the future residents.

2. **ABILITY TO SERVE, LEVEL AND RANGE OF SERVICE, TIME FRAMES, CONDITIONS TO RECEIVE SERVICE:** Prior to annexation the applicants and proposed service providers shall demonstrate that the annexing agency(ies) will be capable of providing adequate services which are the subject of the application and shall submit a plan for providing services (Policy 3.3, §56668(j)).

RESPONSE: All annexing agencies reviewed the plan of service and certify they are able to provide the necessary services. Forecast Homes has pre-annexation agreements with EDHCSD and EDHCWD. EDHCSD's ability to serve was reviewed in the Service Review for West County Parks, Recreation, Open Space and Related Services (July 2004) and its sphere of influence was subsequently expanded to include Euer Ranch (September 2004). Out-of-agency service was approved by LAFCO on January 26, 2005.

EDHCWD is currently able to provide adequate service to Euer Ranch and service will improve after a new fire station is constructed in the adjacent El Dorado Hills Business Park. Construction is planned to start in Summer 2005. The district has approved the specifics of the improvement plans for the first five units.

EID approved the transfer of entitlements from AD3 enabling Forecast Homes to purchase the required EDUs to serve APN 108-040-05. Service to this parcel will integrate with the engineering systems for the rest of Euer Ranch and the Carson Creek Specific Plan.

For more information, please see the attached plan of service.

3. **TIMELY AVAILABILITY OF ADEQUATE WATER SUPPLY:** The Commission shall consider the timely availability of water supplies adequate for projected needs (§56668(k)).

RESPONSE: Water, recycled water, and wastewater EDUs are available to serve the project from AD3 (Folsom Lake) and the El Dorado Hills Wastewater Treatment Plant. The two larger Euer Ranch parcels currently have an allotment of 242 EDUs from AD3 and are already inside EID's boundary. These EDUs will be supplemented by a dual use recycled water system that effectively doubles the available EDUs to 484. Nine of these EDUs will be transferred to the smaller parcel, APN 108-040-05. Sufficient wastewater EDUs are available from the El Dorado Hills Wastewater Treatment Plant.

Additional water entitlements from Folsom Lake have been granted to EID. According to EID's 2004 Water Resources and Service Reliability Report, "Conditions of Permit 21112 expressly allow [this] water to be used to serve these approved [Writ-allowed] projects even without the adoption of the County General Plan...The district has submitted an application and anticipates the execution of a multiple-year Warren Act Contract with the USBR for 11,000 af of the 17,000 af water right."

Forecast Homes is responsible for construction and financing of all water, recycled water, and wastewater transmission lines and distribution facilities. The project will tie into nearby lines in Latrobe Road and the El Dorado Hills Business Park.

4. **ALTERNATIVES TO SERVICE, OTHER AGENCY BOUNDARIES, AND LOCAL GOVERNMENT STRUCTURE:** The Commission shall consider alternatives to the proposal, proximity of other agency boundaries and alternative courses of action. Where another agency objects to the proposal, LAFCO will determine the best alternative for service (Policies 3.3.2.2(g), 6.1.3).

RESPONSE: EDHCSD, EDHCWD, and EID are the logical service providers to Euer Ranch. Adjacent Springfield Meadows CSD, which also provides park and recreation services, was reviewed in the July 2004 Service Review and its park and recreation sphere of influence was subsequently reduced to include zero territory. There are no alternative providers for fire, emergency, water, or wastewater services to this high density residential area.

5. **SIGNIFICANT NEGATIVE SERVICE IMPACTS:** Services provided to the territory will not result in a significant negative impact on the cost and adequacy of services otherwise provided (Policy 6.2.4, §56668.3(b)).

RESPONSE: Annexation to EDHCSD will mitigate the impacts of future residents on the district's parks, facilities, and programs by allowing for collection of impact fees and Quimby in-lieu fees. The district strongly supports the annexation and indicates its ability to provide all necessary services.

Annexation to EDHCWD will mitigate the impacts of future residents on the district's fire and emergency services by allowing for collection of impact fees, property tax increment, etc.

Forecast Homes is responsible for construction and financing of all necessary improvements to receive EID service. No negative service impacts were identified by staff.

6. **COORDINATION OF APPLICATIONS:** If a project site can be anticipated to require additional changes of organization in order to provide complete services, the proposal shall be processed as a reorganization (§56475, Policy 3.1.9). Where related changes of organization are expected on adjacent properties, petitioners are encouraged to combine applications and LAFCO may modify boundaries, including the addition of adjacent parcels to encourage orderly boundaries (Policy 3.1.8).

RESPONSE: A former reorganization proposal that included the entire Carson Creek Specific Plan Area was closed by request of the landowners. Phase 1, Euer Ranch, was sold and the new landowners have proceeded with a separate application to coordinate with the timing of development. Phase 2, Carson Creek, does not have approved tentative maps and is proceeding on a different schedule.

(Numbered items 7-12 relate to cost and revenues)

7. **PRESENT COST/ADEQUACY OF GOVERNMENTAL SERVICES, INCLUDING PUBLIC FACILITIES:** The Commission shall consider existing governmental services and facilities and the cost and adequacy of such services and facilities (§56668(b), Policy 3.3). If service capacity and/or infrastructure will be expanded, the applicant will submit cost and financing plans (Policy 3.3.2.2).

RESPONSE: Present services and facilities appear adequate for all agencies. EDHCSD's services were reviewed in the July 2004 Service Review and EDHCWD is planning a new fire station south of Highway 50 to further improve service to new residents in this area. EID is constructing facilities south of Highway 50 as part of its Capital Improvement Plan and has increased its right of use of water in this area.

8. **EFFECT OF PROPOSAL ON COST & ADEQUACY OF SERVICE IN AREA AND ADJACENT AREAS:** The Commission shall consider existing and proposed governmental services and facilities, the cost and adequacy of such services and facilities, and probable effect of the proposal on the area and adjacent areas (§56668(b) and Policy 3.3). LAFCO will discourage projects that shift the cost of service and/or service benefits to others or other service areas (Policy 6.1.8).

RESPONSE: The reorganization will provide revenues to support future residents' use of existing EDHCSD and EDHCWD services. EID estimates a net annual gain of \$53,688 if service is extended to the nine homes planned for APN 108-040-05.

9. **EFFECT OF ALTERNATIVE COURSES OF ACTION ON COST & ADEQUACY OF SERVICE IN AREA AND ADJACENT AREAS:** The Commission shall consider the cost and adequacy of alternative services and facilities (§56668).

RESPONSE: The proposal is the most logical alternative for all services. See #4.

10. **SUFFICIENCY OF REVENUES, PER CAPITA ASSESSED VALUATION:** §56668(j)

RESPONSE: EDHCSD and EDHCWD will collect impact fees from the new development. EDHCSD will also collect Quimby in-lieu fees. EDHCSD fees are reduced due to the age-restricted status of the homes.

EID's cost/benefit analysis projects revenues from property tax, facility capacity charges, and billed consumption. Expenses consist of operation and treatment costs and pipeline replacement. EID estimates a net annual gain of \$53,688.

11. **REVENUE PRODUCING TERRITORY:** The proposed annexation shall not represent an attempt to annex only revenue-producing territory (Policy 6.1.1).

RESPONSE: The area consists of residential and open space lands. A 4.6-acre local commercial center is also planned; however, revenues to the annexing districts will not be substantially affected.

12. **"BEST INTEREST:"** The Commission shall consider whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the city/district and within the territory proposed to be annexed to the city/district (§56668.3).

RESPONSE: The reorganization is needed to provide essential growth-supporting services to future residents of Euer Ranch. The proposal is supported by the current landowner and all annexing agencies. The EID annexation will allow continuity of services to the entire Euer Ranch community.

(Numbered items 13-17 relate to boundaries)

13. **BOUNDARIES: LOGICAL, CONTIGUOUS, NOT DIFFICULT TO SERVE, DEFINITE AND CERTAIN:** The proposed boundary shall be a logical and reasonable expansion and shall not produce areas that are difficult to serve (§56001). Lands to be annexed shall be contiguous (Policy 3.9.3) and should not create irregular boundaries, islands, peninsulas or flags (Policy 3.9.4, §56109). The boundaries of the annexation shall be definite and certain and conform to existing lines of assessment and ownership (Policy 3.9.2, §56668(f)).

RESPONSE: The proposal will close an island in the boundaries of EID and EDHCWD. The territory is not contiguous to EDHCSD. Modification of the proposal to include adjacent APNs 108-040-44 and -45 will establish pinpoint contiguity. Other areas that could be included to establish better contiguity to EDHCSD at this time are Springfield Meadows CSD (inside sphere) and the El Dorado Hills Business Park (not inside sphere).

APN 108-040-44 and -45 are owned by Rolling Hills Christian Church and are part of the Carson Creek Specific Plan. No potential impacts have been identified as a result of adding this territory, and the addition will contribute to a more logical and orderly boundary. Property owners were given notice and an agenda, although to date no comments have been received.

14. **TOPOGRAPHY, NATURAL BOUNDARIES, DRAINAGE BASINS, LAND AREA:** Natural boundary lines which may be irregular may be appropriate (Policy 3.9.6). The resulting boundary shall not produce areas that are difficult to serve (Policy 3.9.7).

RESPONSE: The proposal is not inconsistent with any natural features. The territory currently consists of low rolling hills and grasslands and 7 acres of open space are set aside within the project area along the tributaries to Carson Creek.

15. **CREATION OF IRREGULAR BOUNDARIES:** Islands, peninsulas, "flags", "cherry stems," or pin point contiguity shall be strongly discouraged. The resulting boundary shall not produce areas that are difficult to serve. The Commission shall determine contiguity (Policies 3.9.3, 3.9.4, 3.9.7).

RESPONSE: See #13.

16. **CONFORMANCE TO LINES OF ASSESSMENT, OWNERSHIP:** The Commission shall modify, condition or disapprove boundaries that are not definite and certain or do not conform to lines of assessment or ownership (Policy 3.9.2).

RESPONSE: The proposal conforms to parcel lines as reviewed by the County Surveyor and Assessor and includes the entire Euer Ranch subdivision.

17. **SPHERES OF INFLUENCE:** Commission determinations shall be consistent with the spheres of influence of affected local agencies (Policy 3.9.1).

RESPONSE: The territory is within the spheres of influence of EDHCSD, EDHCWD, and EID.

(Numbered items 18-21 relate to potential effect on others and comments)

18. **EFFECT ON ADJACENT AREAS, COMMUNITIES OF INTEREST:** The Commission shall consider the effect of the proposal and alternative actions on adjacent areas, mutual social and economic interests and on the local governmental structure of the county (§56668(c)).

RESPONSE: Euer Ranch is located in the rapidly developing community of El Dorado Hills and is within the El Dorado Hills Community Region as defined by the 2004 General Plan. The territory is included in the proposed boundary of the City of El Dorado Hills. The subdivision is consistent with planned high density residential growth south of Highway 50.

Euer Ranch (Four Seasons El Dorado) is designed to be a 460-home community for older adults. As such, consistent services throughout the subdivision will foster the mutual social and economic interest of its citizens.

19. **INFORMATION OR COMMENTS FROM THE LANDOWNER OR OWNERS:** The Commission shall consider any information or comments from the landowner or owners.

RESPONSE: The landowner supports the proposal.

20. **EFFECT ON OTHER COMMUNITY SERVICES, SCHOOLS:** LAFCO's review of services refers to governmental services whether or not those services are provided by local agencies subject to the Cortese-Knox-Hertzberg Act, and includes public facilities necessary to provide those services.

RESPONSE: There are no known effects on other community services. Revenues derived from the development of the age-restricted community may enhance services.

21. **OTHER AGENCY COMMENTS, OBJECTIONS:** All affected and interested agencies are provided application related material and notified of the proposal and proposed property tax redistribution plan. Comments have been requested and shall be considered (Policy 3.1.4 (I), §56668(i)).

For district annexations and city detachments only, the Commission shall also consider any resolution objecting to the action filed by an affected agency (§56668.3(4)). The Commission must give great weight to any resolution objecting to the action which is filed by a city or a district. The Commission's consideration shall be based only on financial or service related concerns expressed in the protest (§56668.3(5b)).

RESPONSE: The following agencies were provided an opportunity to comment on this proposal:

El Dorado County Representing County Service Areas 7, 9, and 10
El Dorado County Water Agency
Los Rios Community College District
Buckeye Union Elementary School District
El Dorado Union High School District
El Dorado Irrigation District
El Dorado Hills County Water District
El Dorado Hills Community Services District

No resolutions of objection were filed. The Agricultural Commission recommends disapproval of the project unless an alternative water source is found or an impact study on local agriculture is conducted and sent to them for review (see attached comment letter). Staff notes that several similar letters were submitted to LAFCO by the former Agricultural Commissioner. The letter was prepared prior to EID's progress to secure additional water from Folsom Lake.

EDHCSD has submitted several letters indicating strong support for the proposal.

(Numbered items 22-26 relate to land use, population and planning)

22. **FAIR SHARE OF REGIONAL HOUSING NEEDS:** The Commission shall review the extent to which the proposal will assist the receiving entity in achieving its fair share of regional housing needs as determined by the Sacramento Area Council of Governments (SACOG) (§56669(l)).

RESPONSE: The reorganization will contribute to a decrease in water supply available for the build-out of the county's regional housing needs allocation but will likely not affect the county's ability to meet that allocation.

23. **LAND USE, INFORMATION RELATING TO EXISTING LAND USE DESIGNATIONS:** The Commission shall consider any information relating to existing land use designations (§56669(m)).

RESPONSE: The reorganization is consistent with the single family residential, local commercial, and open space land use designations in the Carson Creek Specific Plan and the 2004 County General Plan.

24. **POPULATION, DENSITY, GROWTH, LIKELIHOOD OF GROWTH IN AND IN ADJACENT AREAS OVER 10 YEARS:** The Commission will consider information related to current population, projected growth, and number of registered voters and inhabitants in the proposal area.

RESPONSE: The projected population of Euer Ranch is 1,200 persons based on the age-restricted status of the homes. The territory is included in the proposed boundary of the City of El Dorado Hills.

25. **PROXIMITY TO OTHER POPULATED AREAS:** The Commission shall consider population and the proximity of other populated areas, growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years (Policy 3.1.4 (a)).

RESPONSE: Territory south of Highway 50 is slated to develop through several specific plans, including Carson Creek, Valley View, and Marble Valley. The land use character of Euer Ranch is consistent with these other developments and with neighboring El Dorado Hills. The subject territory is included in the proposed boundary of the City of El Dorado Hills.

26. **CONSISTENCY WITH GENERAL PLANS, SPECIFIC PLANS, ZONING:** The Commission shall consider the general plans of neighboring governmental entities (Policy 3.1.4(g)).

RESPONSE: The proposal is consistent with the land use designations and zoning in the Carson Creek Specific Plan.

27. **PHYSICAL AND ECONOMIC INTEGRITY OF AGRICULTURAL LANDS AND OPEN SPACE LANDS:** LAFCO decisions will reflect its legislative responsibility to maximize the retention of prime agricultural land while facilitating the logical and orderly expansion of urban areas (Policy 3.1.4(e), §56016, 56064).

RESPONSE: There are no agricultural lands contained within the proposal boundaries. Open space lands are integrated throughout the subdivision and 7 acres are set aside along the tributaries to Carson Creek. Potential impacts to agricultural lands in Sacramento County to the west were discussed and mitigated in the CCSP EIR.

The Agricultural Commission recommends disapproval due to the project's potential impact on the water supply available for the future expansion of agriculture in the county. Staff notes that several similar letters were submitted to LAFCO by the former Agricultural Commissioner.

28. OPTIONAL FACTOR: REGIONAL GROWTH GOALS AND POLICIES: The Commission may, but is not required to, consider regional growth goals on a regional or sub-regional basis (§56668.5).

RESPONSE: Staff contacted both SACOG and the Sierra Planning Organization. Neither agency could provide applicable regional growth goals and policies under this provision for LAFCO consideration.

c:\shared\susan\projects\302StaffReport

Online Viewing

Hard copy of any attachments available upon request.

APPROVED
EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NUMBER L-05-01

Euer Ranch Reorganization
LAFCO PROJECT NO.03-02

WHEREAS, a petition for the proposed reorganization of certain territory consisting of annexations to El Dorado Hills Community Services District, El Dorado Hills County Water District, and El Dorado Irrigation District and detachment from Zone 17 of County Service Area 9 in the County of El Dorado was heretofore filed with the Executive Officer of this Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act, commencing with §56000, et seq. of the Government Code; and

WHEREAS, the Executive Officer has examined the petition and certified that it is sufficient and has accepted the proposal for filing on October 28, 2004; and

WHEREAS, the Executive Officer, pursuant to Government Code §56665, has reviewed this proposal and prepared a report including her recommendations, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, at the times and in the form and manner required by law, the Executive Officer has given notice of the hearing by this Commission upon the proposal; and

WHEREAS, upon the date, time and place specified in said notice of hearing and in any order or orders continuing such hearing, the Commission has received, heard, discussed and considered all oral and written testimony related to the proposal, including but not limited to protests and objections, the Executive Officer's report and recommendation, the environmental document and determination, plans for providing service, spheres of influence, and applicable General and Specific Plans;

WHEREAS, the Commission finds that the environmental impacts of the annexations to EDHCSD and EDHCWD have been disclosed and adequately addressed by the lead agency and the environmental effects have been adequately mitigated, and the Commission finds that the annexation to EID is exempt from the provisions of the California Environmental Quality Act under §15061(b)(3); and

WHEREAS, the Commission does hereby make the following determinations regarding the proposal:

1. The subject territory is "uninhabited" per Government Code §56046. Application for this reorganization is made subject to Government Code §56650 et seq. by 100% of the landowners.

2. The territory proposed for reorganization is within the spheres of influence of El Dorado Hills Community Services District, El Dorado Irrigation District, and El Dorado Hills County Water District and is contiguous to the existing boundaries of EID and EDHCWD. Modifying the proposal to include APNs 108-040-44 and -45 will establish sufficient contiguity with the existing boundary of EDHCSD and will contribute to a more logical and orderly boundary.
3. The Environmental Impact Report prepared for the Carson Creek Specific Plan by El Dorado County is adequate and complete for the annexations to EDHCSD and EDHCWD and satisfies the requirements of the California Environmental Quality Act. Where circumstances may have changed related to water and wastewater services, the annexation of 4 acres to EID is found to be exempt from the provisions of the California Environmental Quality Act under Section 15061(b)(3) of the California Code of Regulations.
4. The reorganization will not result in negative impacts to the cost and adequacy of services otherwise provided in the area, and is in the best interests of the affected area and the total organization of local government agencies.
5. The reorganization will not have an adverse effect on agriculture and open space lands.
6. The reorganization will result in a decrease in water supply available for the build-out of regional housing needs determined by the Sacramento Area Council of Governments. The reorganization will not, however, have a significant foreseeable effect on the ability of the County to adequately accommodate its fair share of those needs.

NOW, THEREFORE BE IT DETERMINED AND ORDERED as follows:

Section 1. Said reorganization is approved.

Section 2. The reorganization is assigned the following short form designation:

Euer Ranch Reorganization
LAFCO Project No.03-02

Section 3. Said territory includes approximately 152.7 acres.

Section 4. Said territory is found to be uninhabited, as defined in Government Code §56046.

Section 5. The boundaries of said territory are approved as modified by the Commission and are described in the attached legal description and map marked "Exhibit A" and by this reference incorporated herein.

Section 6. The reorganization shall be subject to the terms and conditions specified in "Exhibit B," attached and by this reference incorporated herein.

- Section 7. The applicant shall defend, hold harmless and indemnify LAFCO and/or its agents, officers and employees from any claim, action or proceeding against LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of LAFCO concerning this proposal or any action relating to or arising out of such approval.
- Section 8. All subsequent proceedings in connection with this proposal shall be conducted only in compliance with the approved boundaries and conditions set forth in the attachments and any terms and conditions specified in this resolution.
- Section 9. The Executive Officer is hereby directed to file a Notice of Determination in compliance with the California Environmental Quality Act and local ordinances implementing the same.
- Section 10. The Executive Officer is authorized to initiate and conduct proceedings as soon as feasible in compliance with this resolution and Government Code §57000 et seq. and local policies for conducting authority proceedings.
- Section 11. The effective date shall be the date of recordation.
- Section 12. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Government Code §56882.

PASSED AND ADOPTED by the El Dorado Local Agency Formation Commission at a regular meeting of said Commission, held February 23, 2005 by the following vote of said Commission.

COLVIN, LONG, MANARD

AYES: DUPRAY, SWEENEY, COSTAMAGNA,

NOES: NONE

ABSTENTIONS: NONE

ABSENT: ALLEN, PAINE

ATTEST:



Clerk to the Commission



Chairperson

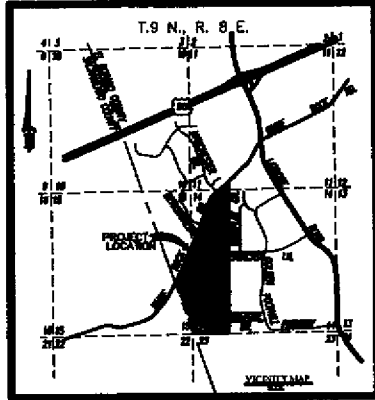
BOUNDARY MAP L.A.F.C.O. PROJECT 03-02

ANNEXATION TO EL DORADO HILLS COMMUNITY SERVICE DISTRICT
BEING A PORTION OF SECTIONS 11, 14 & 15
TOWNSHIP 9 NORTH, RANGE 8 EAST, M.D.M.

EXISTING EL DORADO
HILLS COMMUNITY
SERVICE DISTRICT
BOUNDARY

APPROVED

COUNTY OF EL DORADO, STATE OF CALIFORNIA
SCALE 1" = 300' SHEET 1 OF 1 MARCH, 2005
COOPER, THORNE & ASSOCIATES, INC.



LEGEND

- - SECTION CORNER
- - DIMENSION POINT

BASIS OF BEARINGS & COORDINATES

THE BASIS OF BEARINGS AND COORDINATES FOR THIS SURVEY IS THE NORTH AMERICAN DATUM OF 1983 (NAD83). PLANE COORDINATES SHOWN HEREON ARE IN TERMS OF THE CALIFORNIA COORDINATE SYSTEM, ZONE 2. ALL PLANE COORDINATES ARE EXPRESSED IN U.S. SURVEY FEET. THE ADJUSTMENTS AS DETERMINED BY G.P.S., CONFORMING TO "NIPM D C 03 AC" WERE ACCEPTED.

SURVEYORS STATEMENT

THIS MAP WAS PREPARED BY:

[Signature]

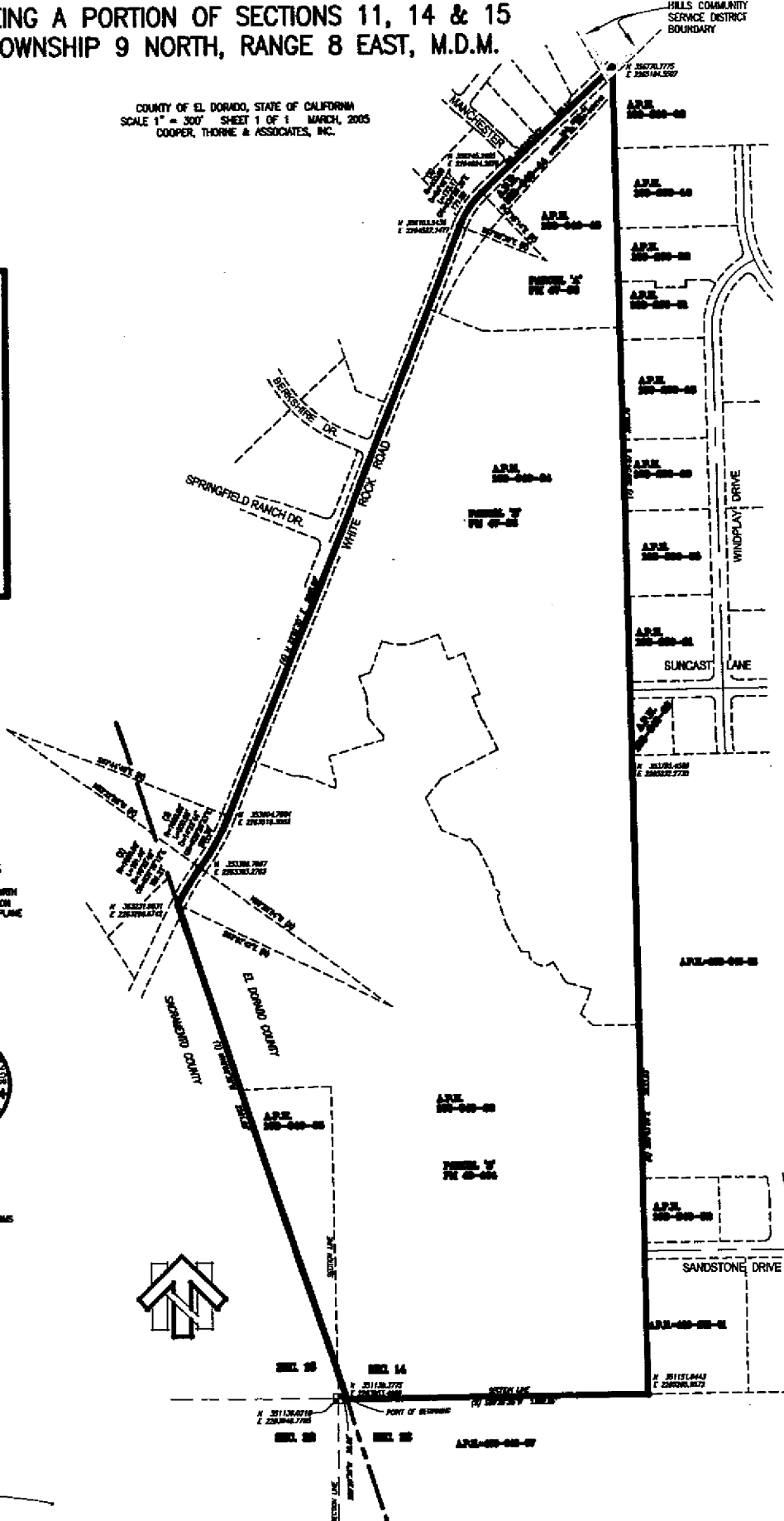

COUNTY SURVEYORS STATEMENT

THIS MAP MEETS THE REQUIREMENTS OF THE STATE BOARD OF EQUALIZATION, THE EL DORADO COUNTY RECORDERS OFFICE AND CONFORMS TO THE LINES OF ASSESSMENT. DATED: _____

REYNOLD L. BRYNER LS 5284
DEPUTY SURVEYOR
COUNTY OF EL DORADO
LICENSE EXPIRES 08-30-07

APPROVED BY
LOCAL AGENCY FORMATION COMMISSION

EL DORADO COUNTY CL 95857
DATE: 2/22/05
ATTEST: *[Signature]*
EXECUTIVE OFFICER



Boundary Description

Annexation to El Dorado Hills C.S.D.

ALL THAT PORTION OF SECTION 14 AND 15, TOWNSHIP 9 NORTH, RANGE 8 EAST, MOUNT DIABLO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE LINE BETWEEN SACRAMENTO COUNTY AND EL DORADO COUNTY FROM WHICH THE SECTION CORNER COMMON TO SECTIONS 14, 15, 22 AND 23, TOWNSHIP 9 NORTH, RANGE 8 EAST, MOUNT DIABLO MERIDIAN BEARS SOUTH 89°26'35" WEST, 36.68 FEET, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL 2, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF EL DORADO COUNTY IN BOOK 46 OF PARCEL MAPS, PAGE 104; THENCE THE FOLLOWING 9 COURSES;

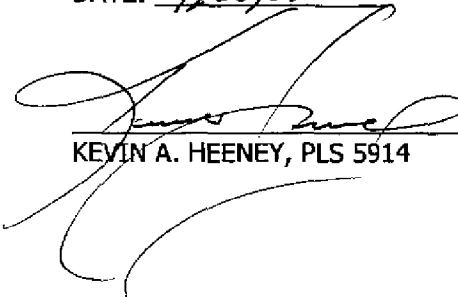
- (1) ALONG THE EL DORADO / SACRAMENTO COUNTY LINE AS SHOWN ON SAID PARCEL MAP NORTH 18°06'38" WEST, 2201.68 FEET TO THE CENTERLINE OF WHITE ROCK ROAD;
- (2) THENCE ALONG SAID CENTER LINE, BEING ALSO THE NORTHWESTERLY LINE OF SAID PARCEL 2 AND THE ARC OF A CURVE, CONCAVED TO THE SOUTHEAST, HAVING A RADIUS OF 1000.00 FEET, A DELTA OF 10°23'49", AN ARC LENGTH OF 181.46 FEET, THE CHORD OF WHICH BEARS NORTH 31°19'12" EAST, 181.21 FEET;
- (3) THENCE ALONG THE ARC OF A CURVE, CONCAVED TO THE NORTHWEST, HAVING A RADIUS OF 1000.00 FEET, A DELTA OF 14°22'44", AN ARC LENGTH OF 250.96 FEET, THE CHORD OF WHICH BEARS NORTH 29°26'33" EAST, 250.30 FEET;
- (4) THENCE ALONG THE NORTHWESTERLY LINE OF SAID PARCEL 2 AND THE NORTHWESTERLY LINE OF PARCEL 'A' AND 'B' AS SHOWN ON THAT CERTAIN PARCEL MAP, FILED IN THE OFFICE OF THE COUNTY RECORDER OF EL DORADO COUNTY IN BOOK 47 OF PARCEL MAPS, PAGE 56, NORTH 22°01'30" EAST, 2695.50
- (5) THENCE ALONG THE ARC OF A CURVE, CONCAVED TO THE SOUTHEAST, HAVING A RADIUS OF 400.00 FEET, A DELTA OF 24°48'17", AN ARC LENGTH OF 173.17 FEET, THE CHORD OF WHICH BEARS NORTH 34°25'38" EAST, 171.82 FEET;
- (6) THENCE NORTH 46°50'00" EAST 768.15 FEET TO THE NORTHERN MOST CORNER OF SAID PARCEL 'A';
- (7) THENCE ALONG THE EAST LINES OF SAID PARCELS 'A', 'B' AND '2' SOUTH 00°54'57" EAST 2985.70 FEET;
- (8) THENCE SOUTH 00°43'58" EAST, 2633.83 FEET TO THE SOUTH LINE OF SAID SECTION 14 AND THE SOUTHEAST CORNER OF SAID PARCEL '2';
- (9) THENCE ALONG THE SOUTH LINE OF SAID SECTION AND PARCEL 2, SOUTH 89°26'35" WEST, 1282.55 FEET TO THE POINT OF BEGINNING

CONTAINING 166.776 ACRES MORE OR LESS.

END OF DESCRIPTION

I HEREBY STATE THAT I AM A LICENSED LAND SURVEYOR OF THE STATE OF CALIFORNIA; THAT THIS PLAT AND DESCRIPTION WAS PREPARED UNDER MY SUPERVISION.

DATE: 4/26/05



KEVIN A. HEENEY, PLS 5914



PREPARED BY THE FIRM OF
COOPER, THORNE & ASSOCIATES
RANCHO CORDOVA, CALIFORNIA

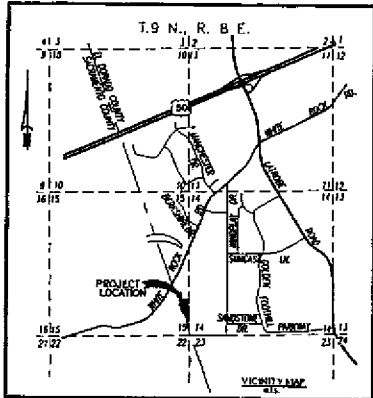
BOUNDARY MAP

L.A.F.C.O. PROJECT 03-02

APPROVED

ANNEXATION TO EL DORADO IRRIGATION DISTRICT AND
TO EL DORADO HILLS COUNTY WATER DISTRICT
A PORTION OF THE SOUTHEAST ¼ OF SECTION 15
TOWNSHIP 9 NORTH, RANGE 8 EAST, M.D.M.

COUNTY OF EL DORADO, STATE OF CALIFORNIA
SCALE 1" = 100' SHEET 1 OF 1 SEPTEMBER, 2004
COOPER, THORNE & ASSOCIATES, INC.



LEGEND

- = SECTION CORNER
- = DIMENSION POINT

BASIS OF BEARINGS & COORDINATES

THE BASIS OF BEARINGS AND COORDINATES FOR THIS SURVEY IS THE NORTH AMERICAN DATUM OF 1983 (NAD83). PLANE COORDINATES SHOWN HEREON ARE IN TERMS OF THE CALIFORNIA COORDINATE SYSTEM, ZONE 2. ALL PLANE COORDINATES ARE EXPRESSED IN U.S. SURVEY FEET. THE AZIMUTHS AS DETERMINED BY G.P.S., CONFORMED TO "NAD 83" WERE ACCEPTED.

SURVEYORS STATEMENT

THIS MAP WAS PREPARED ON



KEVIN A. HEANEY, LS 5914
LICENSE EXPIRES: 12-31-2004

COUNTY SURVEYORS STATEMENT

THIS EXHIBIT MEETS THE REQUIREMENTS OF THE STATE BOARD OF EQUALIZATION, THE EL DORADO COUNTY RECORDERS OFFICE AND CONFORMS TO THE LINES OF ASSESSMENT. DATED: _____



RICHARD L. BRUNER, LS 5064
DEPUTY SURVEYOR
COUNTY OF EL DORADO
LICENSE EXPIRES 06-30-07

APPROVED BY

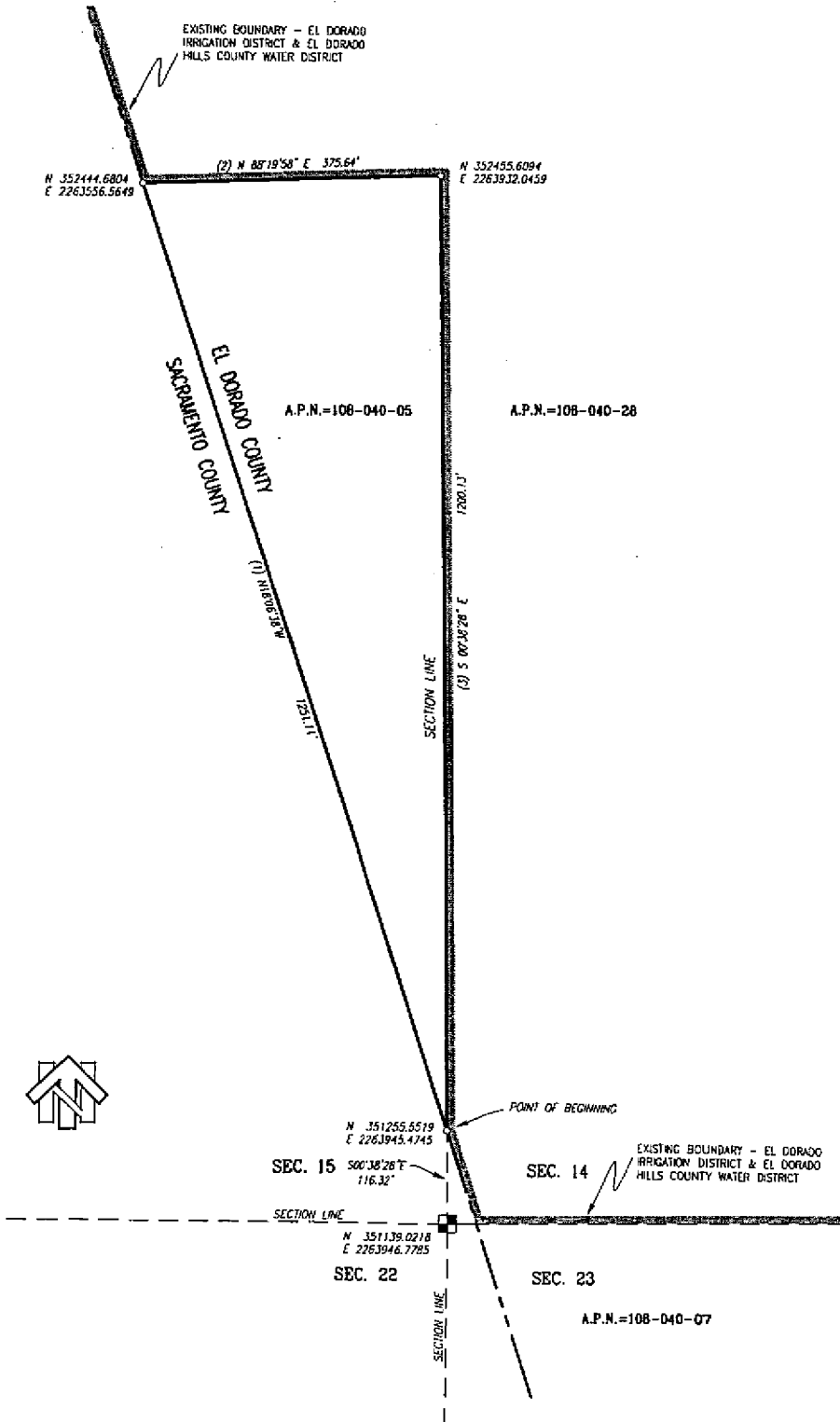
LOCAL AGENCY FORMATION COMMISSION

EL DORADO COUNTY CA 55667

DATE: 7/23/05

ATTEST: [Signature]

EXECUTIVE OFFICER



APPROVED

L.A.F.C.O. PROJECT 03-02

Boundary Description

**Annexation to El Dorado Irrigation District
& El Dorado Hills County Water District**

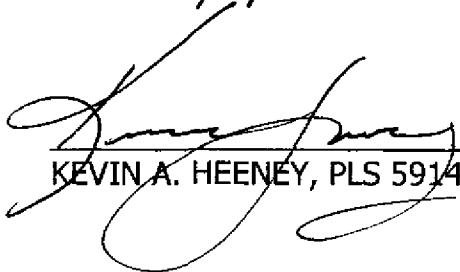
ALL THAT PORTION OF THE SOUTHEAST ¼ OF SECTION 14, TOWNSHIP 9 NORTH, RANGE 8 EAST, MOUNT DIABLO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE COUNTY LINE BETWEEN SACRAMENTO COUNTY AND EL DORADO COUNTY AND THE SECTION LINE BETWEEN SAID SECTIONS 14 AND 15 FROM WHICH THE SECTION CORNER COMMON TO SECTIONS 14, 15, 22 AND 23, TOWNSHIP 9 NORTH, RANGE 8 EAST, MOUNT DIABLO MERIDIAN BEARS SOUTH 00°38'28"EAST, 116.32 FEET, THENCE THE FOLLOWING 3 COURSES; (1) NORTH 18°06'38"WEST, 1251.11 FEET ALONG SAID COUNTY LINE TO A POINT; (2) THENCE LEAVING SAID COUNTY LINE ALONG THE NORTH LINE OF THE SOUTHEAST ¼ OF THE SOUTHEAST ¼ OF SAID SECTION 14 NORTH 88°19'58"EAST, 375.64 FEET TO SAID SECTION LINE; (3) THENCE ALONG SAID SECTION LINE SOUTH 00°38'28"EAST, 1200.13 TO THE POINT OF BEGINNING CONTAINING 5.173 ACRES MORE OR LESS.

END OF DESCRIPTION

I HEREBY STATE THAT I AM A LICENSED LAND SURVEYOR OF THE STATE OF CALIFORNIA; THAT THIS PLAT AND DESCRIPTION WAS PREPARED UNDER MY SUPERVISION.

DATE: 9/9/04



KEVIN A. HEENEY, PLS 5914



PREPARED BY THE FIRM OF
COOPER, THORNE & ASSOCIATES
RANCHO CORDOVA, CALIFORNIA

Exhibit B
Terms and Conditions of Approval

APPROVED

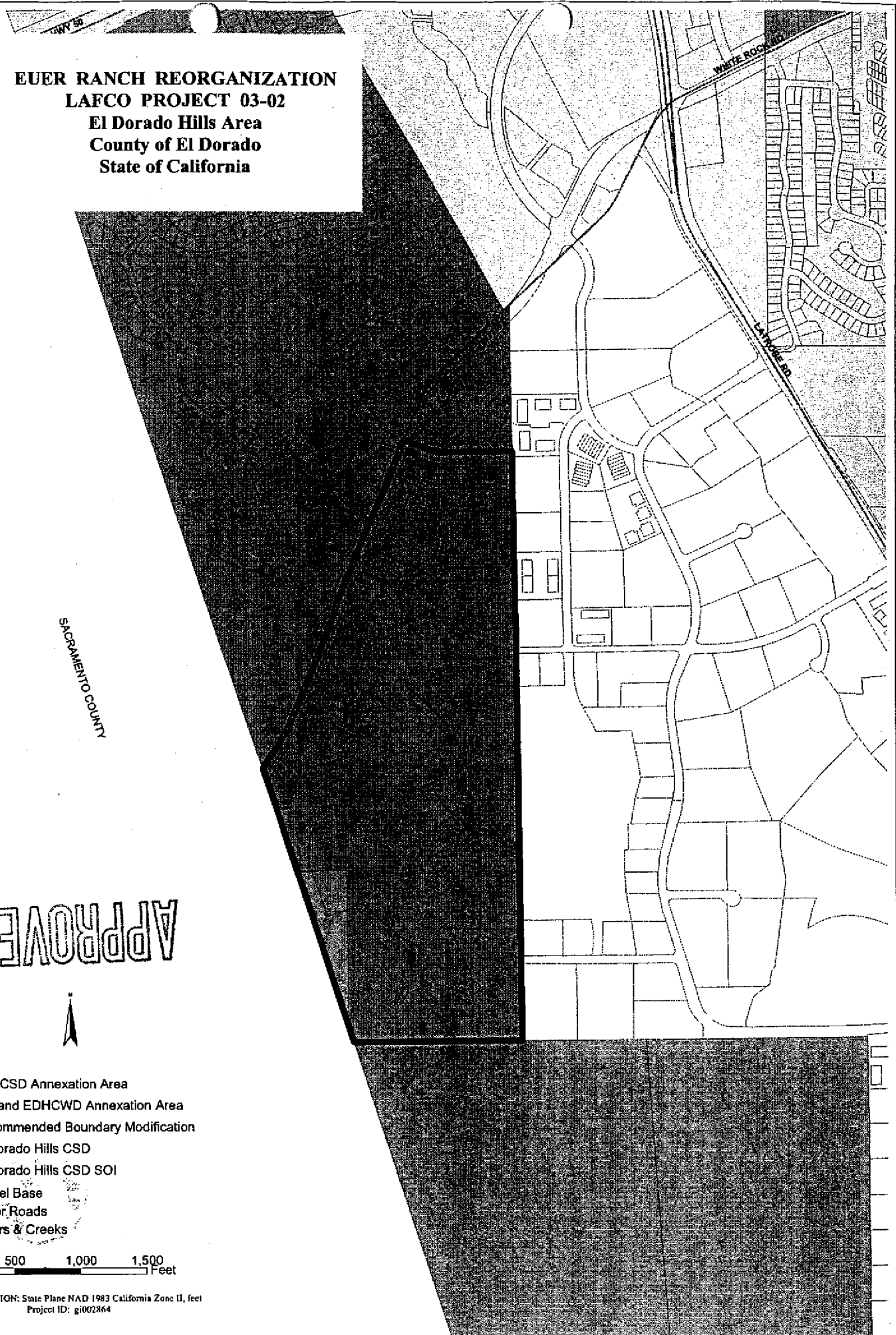
Euer Ranch Reorganization
LAFCO Project No.03-02

1. Upon and after the effective date of said reorganization, the affected territory, all inhabitants within such territory, and all persons entitled to vote by reasons of residing or owning land within the territory:
 - (a) shall be subject to the jurisdiction of El Dorado Hills Community Services District, El Dorado Hills County Water District, and El Dorado Irrigation District, hereafter referred to as the districts;
 - (b) shall have the same rights and duties as if the affected territory had been a part of the districts upon their original formation;
 - (c) shall be liable for the payment of any authorized or existing taxes, fees, assessments and any bonded indebtedness of the districts, including amounts which shall become due on account of any outstanding or then authorized but thereafter issued obligations of the districts ;
 - (d) shall be subject to the collection of all taxes, assessments, service charges, rentals or rates as may be necessary to provide for such payment;
 - (e) shall be subject to all of the rules, regulations, ordinances of the districts as now existing or hereafter amended.

2. The Certificate of Completion shall be issued and recorded subsequent to the fixing and establishment of any necessary right of use of water by El Dorado Irrigation District in the subject territory (§56886j). Nothing in this condition shall operate or be interpreted to modify priorities of use, or right of use, to water, or capacity rights in any public improvements or facilities that have been fixed and established by a court or an order of the State Water Resources Control Board.

3. Proponents shall complete all map and legal description requirements for final recording and filing, including documents required by the State Board of Equalization, within 180 days of the adoption of this resolution.

**EUER RANCH REORGANIZATION
LAFCO PROJECT 03-02
El Dorado Hills Area
County of El Dorado
State of California**



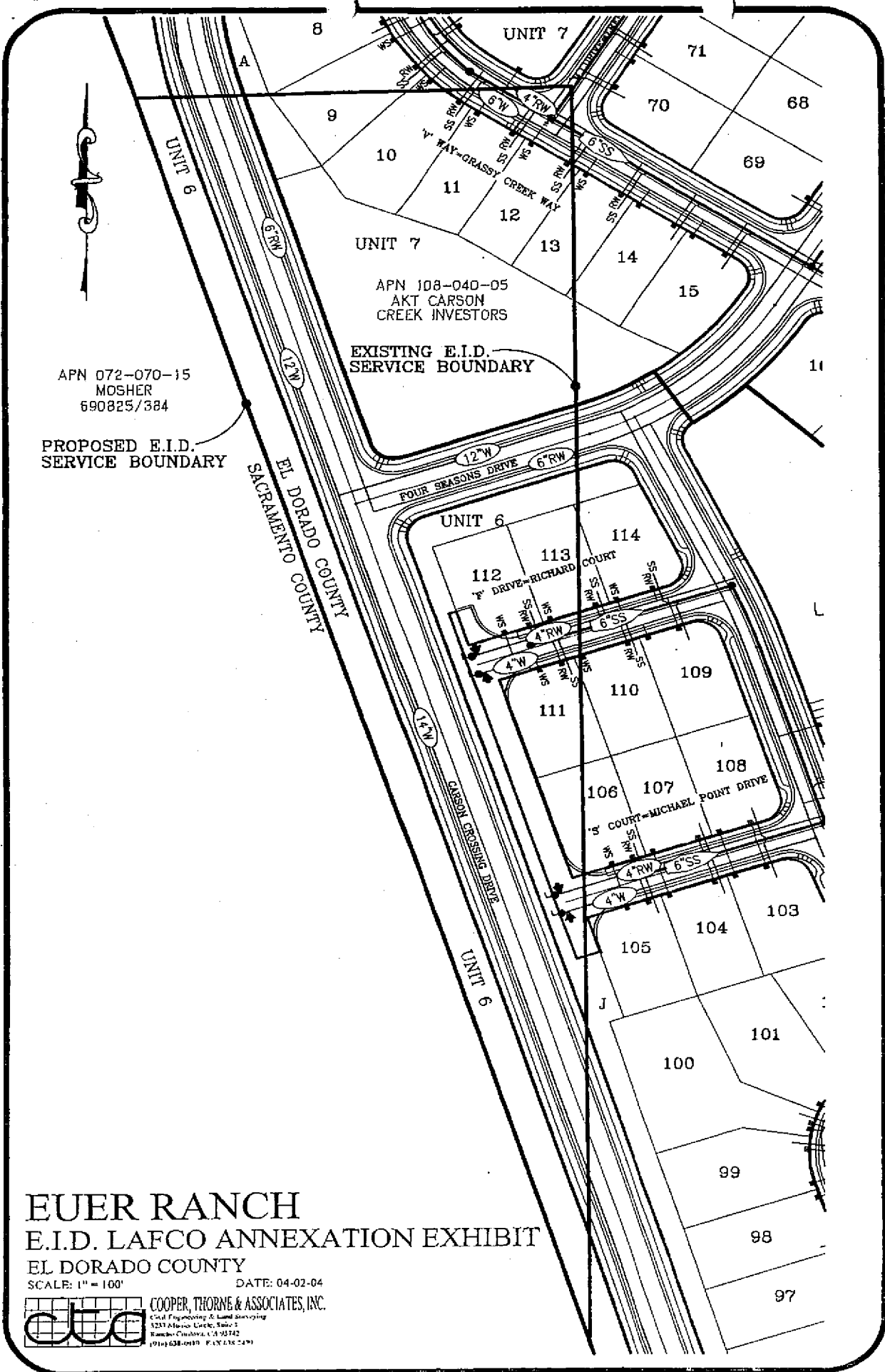
SACRAMENTO COUNTY

APPROVED



- Legend**
- EDHCSD Annexation Area
 - EID and EDHCWD Annexation Area
 - Recommended Boundary Modification
 - El Dorado Hills CSD
 - El Dorado Hills CSD SOI
 - Parcel Base
 - Major Roads
 - Rivers & Creeks





EUER RANCH
E.I.D. LAFCO ANNEXATION EXHIBIT
EL DORADO COUNTY

SCALE: 1" = 100' DATE: 04-02-04

cta COOPER, THORNE & ASSOCIATES, INC.
 Civil Engineering & Land Surveying
 1231 Alameda Street, Suite 2
 Oakland, California, CA 94612
 (916) 438-0939 FAX (916) 438-0491

**EUER RANCH
PLAN OF SERVICE
CARSON CREEK SPECIFIC PLAN (PHASE 1)**

**LAFCO ANNEXATION
EL DORADO HILLS COMMUNITY SERVICES DISTRICT
EL DORADO HILLS COUNTY WATER DISTRICT
EL DORADO HILLS IRRIGATION DISTRICT**

**PREPARED BY
K. HOVNANIAN FORECAST HOMES, INC
AUGUST, 2004**

**EUER RANCH
CARSON CREEK SPECIFIC PLAN (PHASE 1)
PLAN OF SERVICE FOR
EL DORADO HILLS COMMUNITY SERVICES DISTRICT
EL DORADO HILLS COUNTY WATER DISTRICT
EL DORADO IRRIGATION DISTRICT**

PROJECT OVERVIEW

Euer Ranch (Marketing Name: Four Seasons EL Dorado) is an age restricted Active Adult Community consisting of 460 single family residential dwelling units and a 12,500 square foot Community Center situated on approximately 154 acres in El Dorado Hills. The parent assessor parcel numbers are 108-040-05, -28, and -34. The Community Center amenities will include a swimming pool and spa, 2 lighted tennis courts, bocce ball, horseshoe pits, and shuffleboard. The Community Center will have an Exercise Room and locker facilities, Card Rooms, an Arts and Crafts Room, a Computer Room and Library, a Conference Room, and a large Ball Room. Other Community amenities include a Community Garden, and approximately 9 acres of landscaped walking trails. In addition, there is approximately 7 acres of open space adjacent to the east and west tributaries to Carson Creek. The Community will be governed by a Homeowners Association. Monthly HOA dues will cover the cost of maintaining all amenities including front yard landscaping. The Community has been designed and is being developed to use recycled water to irrigate all landscaping throughout the project.

PROJECT HISTORY

The Euer Ranch project is Phase 1 of the Carson Creek Specific Plan (CCSP). The application for the Carson Creek Specific Plan was submitted in July, 1994. The Tentative Map application (TM 96-1317) for the Euer Ranch Project was submitted in May 1996. The Specific Plan was approved by the Board of Supervisors in September 1996. The CCSP established 496 residential units in Phase 1. The Tentative Map application called for 477 single family residential units. The Tentative Map was approved in March 1997.

In October, 1996 the El Dorado County Taxpayers for Quality Growth and the Environmental Planning and Information Center of Western El Dorado County filed a Petition for Writ of Mandate requesting the Court to order the County to void its certification of the EIR and its approval of the CCSP. The lawsuit was settled in September 1999. The outcome of the settlement agreement called for a reduction in the density of residential development from 2,434 residential units to 1,700 "Age Restricted" residential dwelling units. Increased Open Space, more pedestrian friendly street designs,

and widened riparian corridors along the major streams that run through the CCSP were also conditions agreed to by all parties involved in the lawsuit. El Dorado County (i.e., Planning Staff) was designated as the responsible party to issue the "Finding of Consistency" with the Settlement Agreement.

The normal life of a Tentative Map is three years, but this Map was extended due to the litigation pursuant to Section 66452.6(c) of the Subdivision Map Act. The Map expiration was recalculated to be December 1, 2002. A one-year time extension was requested prior to the expiration date, automatically granting an additional 60 days to the life of the Map. A Final Map application was submitted on January 23, 2003, and staff determined the Final Map application had been filed in a timely manner, staying any additional time for the processing of the Final Map application.

The recording of the Unit 1 Final Map automatically extended the Tentative Map an additional three years pursuant to Section 66452.6(a) of the Subdivision Map Act due to the offsite expenditures exceeding \$125,000 (adjusted for inflation). The new expiration date will be December 1, 2005. Each subsequent Final Map will extend the Tentative Map another three years, up to a maximum total of 10 years. This potentially would extend the Tentative Map to December 1, 2009 (including initial life of the Map, but not counting time stayed for litigation).

OVERVIEW OF ANNEXATION REQUEST

K. Hovnanian Forecast Homes, Inc. is requesting that APN's 108-040-05, 108-040-028, and 108-040-034 be annexed into the El Dorado Hills Community Services District (see attached map).

K. Hovnanian Forecast Homes, Inc. is requesting that APN 108-040-05 be annexed into the El Dorado Irrigation District and the El Dorado Hills County Water District (see attached map).

EL DORADO HILLS COMMUNITY SERVICES DISTRICT ANNEXATION

The El Dorado Hills Community Services District (EDHCSD) will provide the following services for the Euer Ranch Active Adult Community:

- Park and Recreation Facilities not provided for at the Euer Ranch Active Adult Community including baseball, softball, basketball and soccer fields
- Regional Parks and Lakes
- Year-round recreational activities and sport leagues
- Special Interest Classes and Events for seniors
- Waste Management collection services at a lower rate than what is currently provided
- Curbside recycling in compliance with the State Law for diversion

- CC&R enforcement if the Euer Ranch Homeowners Association elects to contract these services to an outside agent
- Cable television and broadband internet service
- Administer and maintain a Lighting and Landscape District (LLD) should the Euer Ranch Homeowners Association fail to meet its obligations to maintain the common area landscaping and the amenities offered in the Community

The EDHCSD has the Infrastructure, Facilities, and Staff to provide these services immediately. There are no Capital Improvements required by the EDHCSD to serve the Euer Ranch Active Adult Community. K. Hovnanian Forecast Homes, Inc., the developer of the Community, is responsible for the construction of all on-site park and recreational facilities.

The Conditions of Approval for the Euer Ranch Tentative Map (TM 96-1317) calls for the subject property annex into the El Dorado Hills CSD. In the interim, K. Hovnanian Forecast Homes, Inc. has entered into a "pre-annexation agreement" that identifies the Quimby Act in-lieu Fees and Age Restricted Park Impact Fees to be paid to the EDHCSD (see attached). These fees will help finance the development of the additional parks and recreation facilities identified in the EDHCSD Capital Improvement Plan for 2004-2009.

EL DORADO HILLS COUNTY WATER DISTRICT (FIRE DEPARTMENT) ANNEXATION

The El Dorado Hills County Water District (EDHCWD) will provide Fire Protection and Emergency Response services to the 460 residential units within the Euer Ranch Active Adult Community. All but 5 acres (APN 108-040-05) of the Euer Ranch project already are served by the EDHCWD (see attached map). The 5 acre parcel is in the Sphere of Influence of the EDHCWD (see attached map).

The EDHCWD has reviewed and approved the conceptual Land Plan associated with the Euer Ranch Active Adult Community. As each Unit of the Improvement Plan's are engineered, the EDHCWD approves the specifics of each Unit as it relates to their standards and specifications. To date, EDHCWD has approved 5 of the 8 Units that make up the Euer Ranch Project. The Improvement Plans for Units 6, 7, and 8 are being engineer and approval is anticipated for these three Units over the next four months.

Portions of 9 lots within Units 6 and 7 are situated on the 5 acre parcel that is not included in the EDHCWD service boundary (see attached EID LAFCO Annexation Exhibit). K. Hovnanian Forecast Homes, Inc. will construct all necessary improvements in accordance with the design standards and specifications required by the EDHCWD.

The EDHCWD will be able to provide the necessary Fire Protection and Emergency Response services upon completion of the required improvements. The projected completion date for Units 1-5 is November 2004. Units 6, 7, and 8 will be completed by October 2005. K. Hovnanian Forecast Homes, Inc. is responsible for all improvements required by the EDHCWD.

EL DORADO IRRIGATION DISTRICT

The master parcels (APN 108-040-28 and -34) that make up a majority of the Euer Ranch project are served by El Dorado Irrigation District and AD#3 and is receiving domestic water from the El Dorado Hills Service Area. There were originally 300 water and sewer EDU's allocated to the Euer Ranch project (excluding APN 108-040-050). Prior to the date that K. Hovnanian Forecast Homes, Inc. purchased the subject property, approximately 58 EDU's had been transferred to an adjacent parcel owned by the Seller. The remaining 242 EDU's will be used to serve the project. With the recent determination that EID has the ability to withdraw 17,000 acre-feet annually (afa) from Folsom Reservoir there are no constraints on EID to service the EDU's allocated to the Euer Ranch project. The 17,000 afa is referenced in the Addendum to the Environmental Impact Report for the Carson Creek Specific Plan (adopted January 1997).

K. Hovnanian Forecast Homes, Inc. has incorporated a dual use recycled water system design into the project. Using recycled water for all landscaped areas within the project (e.g., homes, landscape corridors, Community Center, etc.) the El Dorado Irrigation District (EID) effectively doubles the number of allocated water EDU's for the project. With the introduction of recycled water into the project, the remaining 242 water EDU's equate to 484 water EDU's. EID will be able to service the project's 460 residential units, the Community Center, all landscape areas, and the Commercial Center (to be developed at a later date).

The lots that are situated on the 5 acre parcel (APN 108-040-05) that is not currently included in EID's Service Territory are included in the 460 residential lot count. The water and sewer services that will serve the Euer Ranch project are located adjacent to the subject property along White Rock Road. K. Hovnanian Forecast Homes, Inc. is responsible for the construction of all water, recycled water, and sewer services within the project area. EID has approved the Engineering Facility Plan Report for the Euer Ranch project (see attached). Included in the Facility Plan Report is the inclusion of the lots situated on the 5 acre parcel not currently in EID's service territory. The water, recycled water, and sewer improvements necessary to serve the 5 acre parcel that is outside the District's service territory will be constructed with the improvements in Units 6 and 7.

K. Hovnanian Forecast Homes, Inc. has incorporated the recycled water improvements into the Euer Ranch project. The recycled water improvements have been contracted for and are being constructed with the development of Units 1-5 that will be complete in November, 2004. K. Hovnanian Forecast Homes, Inc. will construct the remaining recycled water improvements when Units 6-8 are developed. Construction of the Units 6-8 improvements will start in May, 2005 and should be complete in August or September of 2005.

Currently there is not a constructed recycled water line that connects the existing waste water treatment facility to the Euer Ranch Project. The plans for the recycled water transmission line that will connect the Euer Ranch project to the treatment facility have

been deemed technically correct but will not be approved until the EID Board accepts the Mitigated Negative Declaration for the EL Dorado Hills Waste Water Treatment Plant (EDHWWTP) recycled water system expansion project. The Board is scheduled to act on this item at the September 20, 2004 Board meeting.

EID has approved the improvement plans to construct a 12" recycled water transmission line in conjunction with the widening of Latrobe Road. K. Hovnanian Forecast Homes, Inc. is responsible for its pro-rata share of these construction costs. The recycled water line will run from the Waste Water Treatment Plant on Latrobe Road west towards Highway 50. K. Hovnanian Forecast Homes, Inc. will connect to this 12" line at the intersection of Latrobe Road and Suncast Lane. An 8" recycled water transmission line will run approximately 3,000 LF through the Business Park along Suncast Lane to the eastern boundary of the Euer Ranch project. K. Hovnanian Forecast Homes, Inc. will be responsible for the construction of this recycled water transmission line. Upon acceptance of the Mitigated Negative Declaration, K. Hovnanian Forecast Homes, Inc. will construct the recycled water transmission line from the Waste Water Treatment Plant on Latrobe Road. It will take approximately 6-8 weeks to construct the recycled water transmission line. Construction should be complete by December 2004.

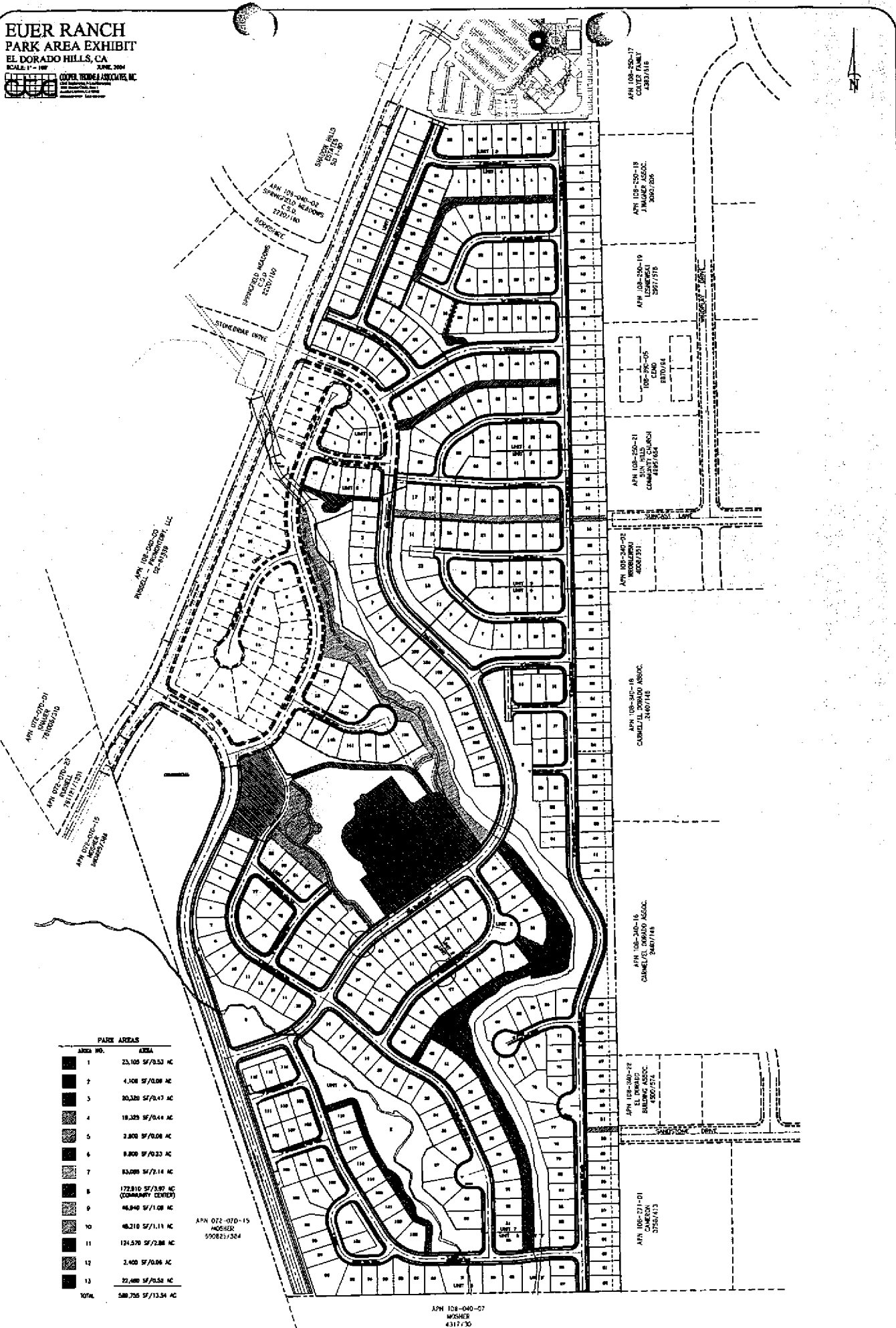
COSTS OF IMPROVEMENTS AND ANNEXATION

K. Hovnanian Forecast Homes will pay for all Improvement Costs and Fees associated with the annexation of the abovementioned Parcels from funds generated from ongoing operations. K. Hovnanian Forecast Homes, Inc. is part of K. Hovnanian Enterprises a Fortune 100 company with annual revenues in excess of \$3.5 Billion.

OPEN SPACE AND LANDSCAPE PLAN MAP

**EUER RANCH
PARK AREA EXHIBIT**
EL DORADO HILLS, CA

SCALE 1" = 100' JUNE, 2004
 GUYER TRUCK & ASSOCIATES, INC.
 10000 GUYER DRIVE, SUITE 100
 EL DORADO HILLS, CA 95762
 (916) 931-1111



PAGE AREAS

AREA NO.	AREA
1	23,105 SF/0.53 AC
2	4,108 SF/0.09 AC
3	20,320 SF/0.47 AC
4	18,325 SF/0.44 AC
5	3,800 SF/0.08 AC
6	8,800 SF/0.23 AC
7	83,005 SF/2.14 AC
8	172,810 SF/3.97 AC (COMMUNITY CENTER)
9	46,840 SF/1.08 AC
10	46,210 SF/1.11 AC
11	134,570 SF/3.06 AC
12	2,400 SF/0.06 AC
13	22,480 SF/0.52 AC
Total	588,255 SF/13.54 AC

APN 021-070-15
 HOSCHER
 590823/304

APN 108-040-07
 HOSCHER
 4317/30

APN 108-340-17
 CANTON FAMILY
 4887/116

APN 108-340-18
 JIMMIE ASSOC.
 3067/25

APN 108-340-19
 LIZSHERMAN
 397/575

108-340-05
 CHAO
 8107/14

APN 108-340-21
 COMMUNITY CHURCH
 4837/624

APN 108-340-19
 4200/351

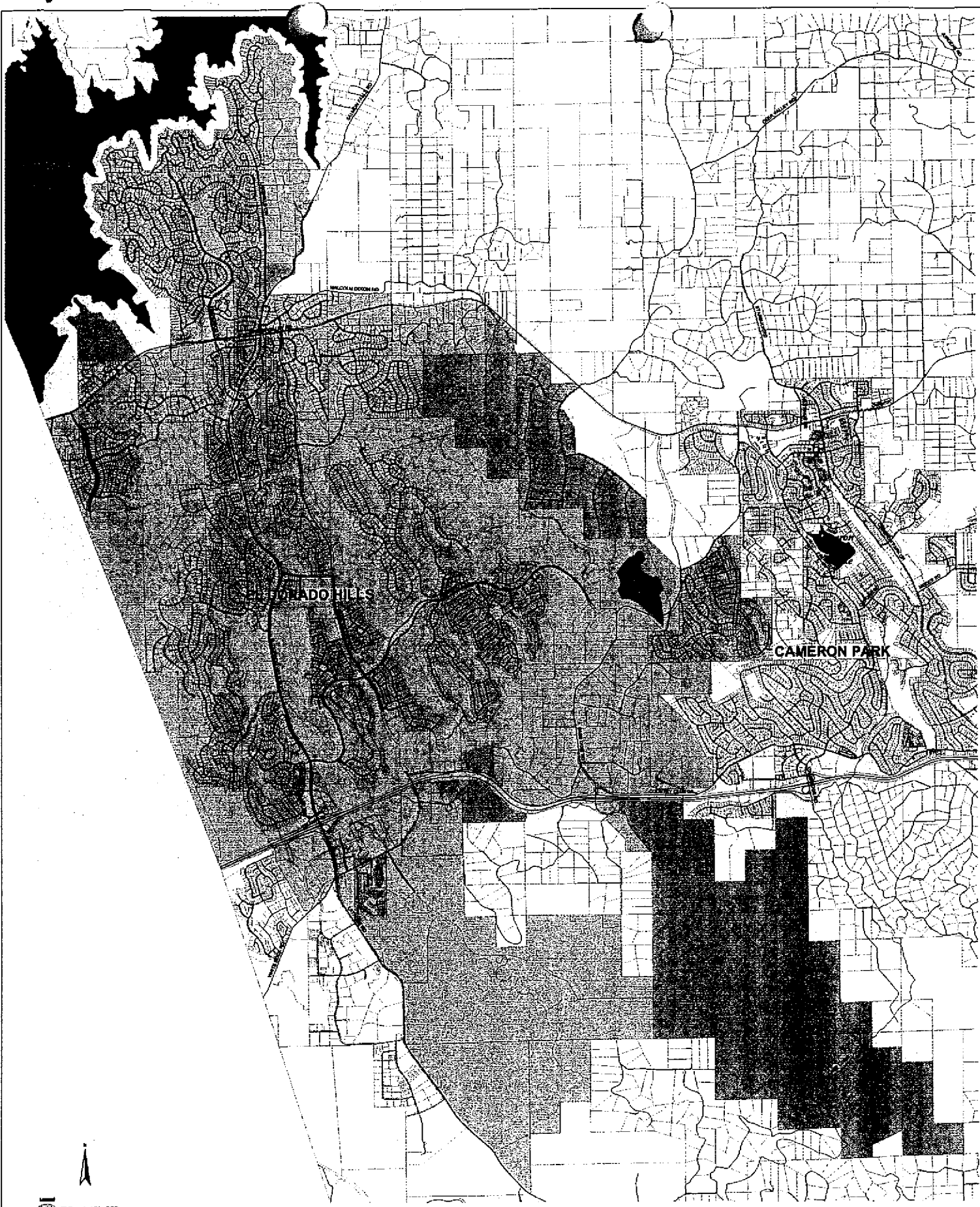
APN 108-340-15
 CARMEL/ST. DORADO ASSOC.
 2407/116

APN 108-340-16
 CARMEL/ST. DORADO ASSOC.
 2407/116

APN 108-340-16
 CARMEL/ST. DORADO ASSOC.
 2407/116

APN 108-340-22
 EL DORADO
 BUILDING ASSOC.
 4307/274

APN 108-271-01
 CAMERON
 3755/413

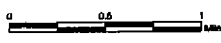


EL DORADO HILLS

CAMERON PARK

EL DORADO HILLS CSD
 County of El Dorado
 State of California

- El Dorado Hills CSD
- El Dorado Hills CSD SOI
- Parcel Base
- Roads
- Rivers & Streams



Map prepared by [unreadable] for El Dorado Hills CSD. All rights reserved. No part of this map may be reproduced without the written permission of [unreadable].

RECORDING REQUESTED BY:

El Dorado Hills CSD

AND WHEN RECORDED, MAIL TO:

EL DORADO HILLS COMMUNITY SERVICES DISTRICT

1021 Harvard Way

El Dorado Hills, CA 95762

Attention: Planning Department

APNs 108-040-34-100,
108-040-28-100,
108-040-05-100

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

PRE-ANNEXATION AGREEMENT

THIS PRE-ANNEXATION AGREEMENT ("Agreement") dated this _____ day of August, 2004, is by and between the El Dorado Hills Community Services District (the "District") and K. Hovnanian Forecast Homes, Inc., a California corporation ("Landowner").

RECITALS

A. Landowner is the owner of that certain real property in the County of El Dorado described in Exhibit "A", attached hereto, which consists of a portion of that area commonly known as the Carson Creek Specific Plan (the "Property");

B. District is a Community Services District formed pursuant to California Government Code Sections 61000 *et seq.*, and is empowered to provide and maintain recreational and park facilities within its boundaries;

C. The Property is not currently within the boundaries of the District and Landowner and District desire to annex the Property;

D. It is the intent of Landowner to develop the Property as an age-restricted community in accordance with conditions imposed as part of the entitlements granted for the Property by the County of El Dorado (the "County");

E. The District imposes certain fees and places certain restrictions or conditions on residential property developed within its boundaries. However, the parties agree that this age-restricted Project does not have the same impacts on service levels or facilities of the District as residential development without an age restriction, due to its provision of recreational amenities within the project and the age restriction for residing within the project;

F. Landowner anticipates obtaining building permits for the construction of single-family residences prior to completion of the annexation of the Property into the District;

G. Inasmuch as annexation of the Property into the District may not be complete prior to the issuance of certificates of occupancy for single-family residences within the project, upon completion of the annexation, the District would be required to provide services for residences for which the District was not paid certain fees otherwise payable to the District if the Property was within the boundaries of the District;

H. This Agreement is intended to memorialize the terms and conditions upon which the Property may be annexed into the District and still provide for the issuance of building permits and certificates of occupancy prior to completion of the annexation.

AGREEMENT

1. Age-Restricted Community: In accordance with the conditions of approval imposed on the Property by the County, Landowner, or its successor in interest, shall develop the Property as an age-restricted community in compliance with California Civil Code Section 51.3 (the "Project"). The parks, community center and recreational facilities within the Project shall be operated and maintained by a homeowners association with the authority to assess the residents of the Project for such costs.

2. Payment of Age Restricted Park Development Fee: The District collects a park development fee at the time of building permit issuance for the purpose of financing the construction and maintenance of park and recreational facilities within the District. The parties agree that a reduction in this fee is appropriate due to the Project being an age-restricted community. The age restricted development fee, based on smaller household size, is currently \$3,790 per unit. Landowner agrees to pay this fee to the District at the time of building permit issuance notwithstanding the fact that the annexation of the Property into the District may not be complete as of the date of building permit issuance. At such time that the Property is annexed into the District, Landowner shall thereafter remit the park development fee to the County, who in turn will remit the same to the District in accordance with established policies and procedures.

3. Change in Use: Should the age-restricted nature of the Project be changed in the future, allowing for the construction of standard residential housing, Landowner, and/or its successor in interest, shall be liable to the District for payment of the difference between the age restricted park impact fee assessed at time of pulling the building permit and the current park impact fee in effect at the time the Project is modified or at any time there is a modification to any deed restriction or covenants, conditions or restrictions to permit one or more units to be sold, leased, rented or occupied by person(s) less than 55 years of age.

4. Quimby Act Parkland Dedication: Pursuant to District Board Policy No. 6110 and the Quimby Act all subdividers of land within the District's jurisdiction shall

dedicate park land suitable for active recreation use, or pay fees in-lieu thereof. Landowner and District agree that the Quimby Act Parkland Dedication requirement for this Project is 7.59 acres. The District has agreed to provide Landowner with a 50% credit for private parks, provided such parks have open multi-use trails. Landowner will be providing a total of 12.45 acres of recreational facilities. Applying the 50% credit to the 12.45 acres, equates to Landowner dedicating a total of 6.22 acres to the District. Landowner's total Quimby Act dedication requirement for this Project is 7.59 acres; thus, leaving a deficit of 1.37 acres. The District has agreed to allow Landowner to pay in-lieu fees for the 1.37-acre deficit, rather than requiring a dedication of land. Landowner and District agree that the total monies due and owing to District to satisfy Landowner's Quimby Act obligations is One Hundred and Fifty Thousand, Seven Hundred Dollars (\$150,700.00). Landowner agrees to pay this fee to the District no later than five (5) days after El Dorado Hills CSD Board acceptance of this agreement.

5. Tax Sharing: As part of the annexation process, the District is engaged in negotiations with the County for a percentage of the ad valorem property tax revenues flowing from the Property. Pursuant to District Policy No. 1110.20, the District will negotiate for the highest tax revenue possible, but in no event will the District accept less than 10% of the tax revenue generated within the Project. In the event the annexation of the Property into the District is not complete and the District has not reached an agreement with the County for the sharing of the ad valorem tax revenues from the Property, Landowner agrees to pay the District 10% of the ad valorem tax revenue for the Property until the earlier of the date the District and County reach agreement regarding the sharing of tax revenue or the expiration of this Agreement. Nothing contained herein shall be deemed to waive or alter in any way Landowner's obligation to pay the full amount of the property taxes to the County, as levied.

6. Refuse Collection Service Franchise Fee: In the event Landowner or its management company contracts with the County for the provision of refuse collection services, Landowner agrees to pay the District its standard 5% of gross revenues Franchise Fee for such services.

7. Cable Television Franchise Fee: Currently, Comcast Cable Communities, LLC ("Comcast") has a franchise agreement with the County for the provision of cable television services to residences within the County, including the Project. As part of such franchise agreement, Comcast pays to the County 5% of the total gross revenue paid to Comcast for cable services within the franchise area. In the event the District is unable to enter into an agreement with Comcast and/or the County for the payment to the District of the 5% of total gross revenue for cable television service within the Project, Landowner agrees to pay such amount to the District until the earlier of the date the District reaches agreement with the County and/or Comcast for the payment of such amount or the expiration of this Agreement, provided Comcast provides to Landowner accurate information regarding Comcast's total gross revenue generated from the Project such that Landowner can accurately determine amounts to be paid to the District.

8. Timing of Annexation: The parties agree to cooperate in the processing of the annexation as expeditiously as possible. In the event all or a portion of the Property is conveyed prior to the annexation of the Property into the District, Landowner shall provide notice of this Agreement and obtain from any such buyer or assignee a waiver of objection to the annexation to ensure its completion.

9. No Protest by Landowner: In consideration for District's commitments herein, Landowner shall cooperate with the District in the annexation of the Property, and shall not protest or otherwise oppose such annexation before the El Dorado Local Agency Formation Commission.

10. Term: This Agreement shall be deemed effective upon the mutual execution of this Agreement by both parties hereto, provided, however, Landowner's payment obligations shall commence as of the issuance of the first residential building permit as to paragraphs 2 and 3, the closing of the first house in the Project as to paragraph 6, and the due date to the County of the first installment of ad valorem real property taxes following the closing of the first house in the Project as to paragraph 5. All obligations of Landowner to pay the District certain sums hereunder, shall automatically expire by its terms, without further action by either party hereto, at 11:59 pm on June 30, 2005.

11. Notices: Any notices relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when delivered personally or by generally recognized overnight courier services, or five (5) days after deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, addressed as follows:

District: El Dorado Hills Community Services District
1021 Harvard Way
El Dorado Hills, CA 95762

Landowner: K. Hovnanian Forecast Homes
1796 Tribute Road, Suite 100
Sacramento, CA 95815
Attn: Scott Montgomery

Either party may change its address by written notice to the other given in the manner set forth above.

12. Entire Agreement: The terms of this Agreement, together with the exhibits to it, are intended by the parties as a final expression of their agreement with respect to such terms and exhibits are included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement shall be construed as a whole in accordance with its fair meaning.

K. HOVNIANIAN FORECAST HOMES, INC.,
a California corporation

By: _____
RICHARD J. BALESTRERI
Senior Vice President

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) (is) (are) subscribed to the within instrument and acknowledged to me that (he) (she) (they) executed the same in (his) (her) (their) authorized capacity(ies), and that by (his) (her) (their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.






WITNESS my hand and official seal.

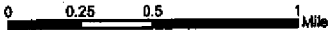
Notary Signature

EL DORADO HILLS
COUNTY WATER DISTRICT
County of El Dorado
State of California



Legend

-  El Dorado Hills CWD
-  El Dorado Hills CWD SOI
-  Parcel Base
-  Major Roads
-  Rivers & Streams



MAP PROJECTION: State Plane NAD 1983 California Zone II, feet

DISCLAIMER

THIS DEPICTION WAS COMPILED FROM UNVERIFIED PUBLIC AND PRIVATE SOURCES AND IS ILLUSTRATIVE ONLY. NO REPRESENTATION IS MADE AS TO ACCURACY OF THAT INFORMATION AND NONE MAY BE INFERRED. THEREFORE USERS MAKE USE TO THAT INFORMATION AT THEIR OWN RISK.

NOTES:

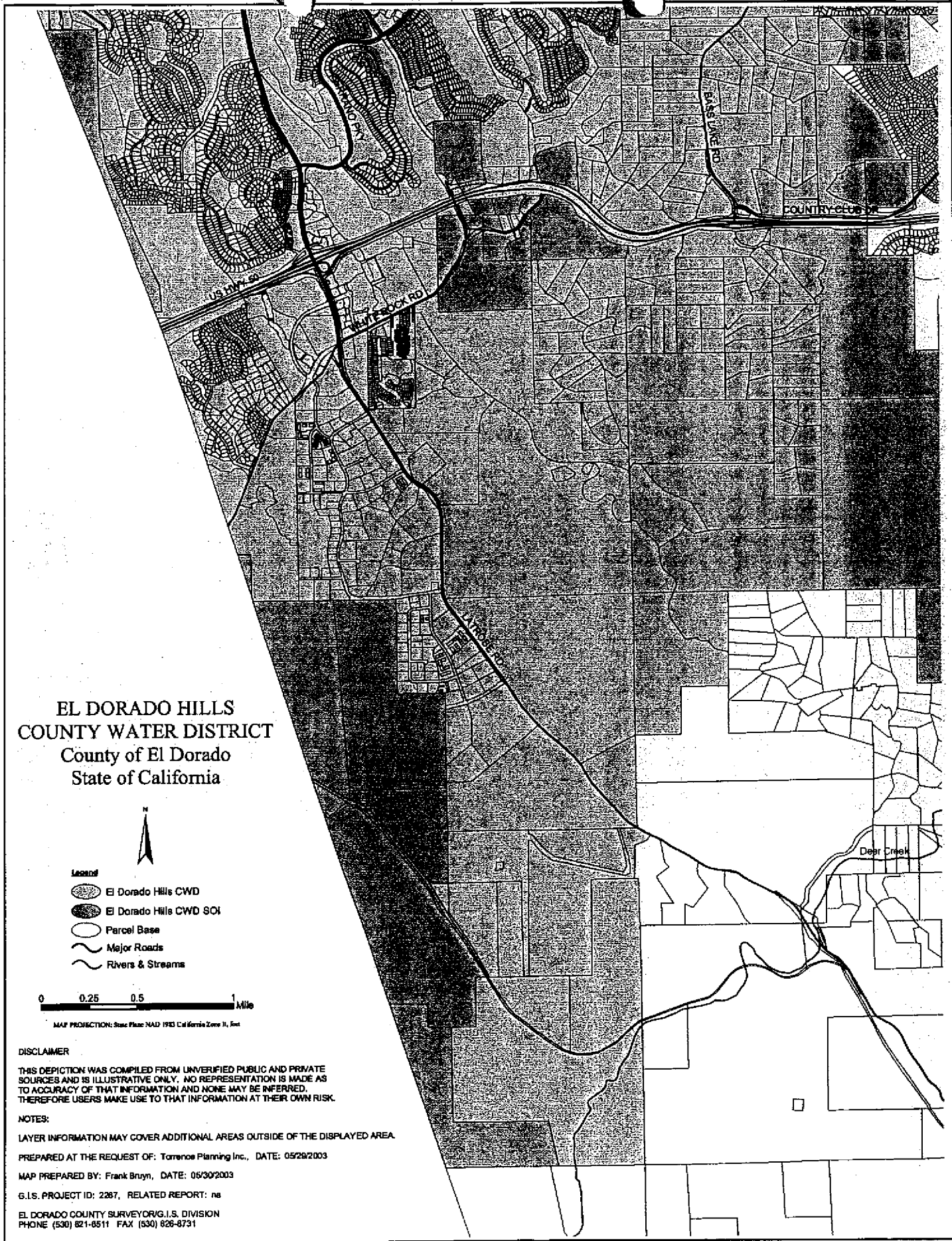
LAYER INFORMATION MAY COVER ADDITIONAL AREAS OUTSIDE OF THE DISPLAYED AREA.

PREPARED AT THE REQUEST OF: Torrance Planning Inc., DATE: 05/29/2003

MAP PREPARED BY: Frank Bruyn, DATE: 06/30/2003

G.I.S. PROJECT ID: 2267, RELATED REPORT: na






EL DORADO COUNTY SURVEYOR/G.I.S. DIVISION
PHONE (530) 821-8511 FAX (530) 826-8731

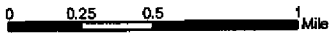


EL DORADO
IRRIGATION DISTRICT
County of El Dorado
State of California



Legend

-  El Dorado Irrigation District
-  El Dorado Irrigation District SOI
-  Parcel Base
-  Major Roads
-  Rivers & Streams



MAP PROJECTION: State Plane NAD 1983 Cal Meridian Zone 11, East

DISCLAIMER

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NOTES:

LAYER INFORMATION MAY COVER ADDITIONAL AREAS OUTSIDE OF THE DISPLAYED AREA.

PREPARED AT THE REQUEST OF: Torrance Planning Inc., DATE: 05/29/2003

MAP PREPARED BY: Frank Bruyn, DATE: 05/30/2003

G.I.S. PROJECT ID: 2285, RELATED REPORT: na

EL DORADO COUNTY SURVEYOR/G.I.S. DIVISION
PHONE (530) 621-6611 FAX (530) 626-8731



El Dorado Irrigation District

In Reply Refer To: BS0904-501

September 27, 2004

Corinne Fratini
El Dorado LAFCO
550 Main Street, Suite E
Placerville, CA 95667

Subject: Euer Ranch Reorganization, LAFCO Project No. 03-02
Plan of Service Review Comments

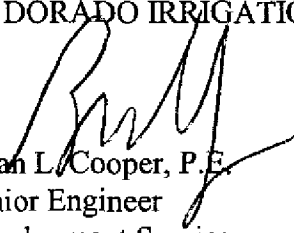
Dear Ms. Fratini:

The District has reviewed the plan of service as requested. The last paragraph in the EID section needs some correction. The District has not yet approved the plans for the 12-inch recycled water line in Suncastr Lane. Also, the line will be 12-inch diameter not 8-inch as stated.

If you have any questions, please contact me at (530) 642-4019.

Sincerely,

EL DORADO IRRIGATION DISTRICT


Brian L. Cooper, P.E.
Senior Engineer
Development Services

BC:cah

c: Tracey Eden-Bishop- Customer & Development Services Manager





EL DORADO HILLS FIRE DEPARTMENT

990 LASSEN LANE, EL DORADO HILLS, CALIFORNIA 95762

TELEPHONE (916) 933-6623
FAX PHONE (916) 933-5983

September 15, 2004

Ms. Corinne Fratini
LAFCO
550 Main Street, Ste. E
Placerville, CA 95667

Re: LAFCO Project #03-02

Dear Corinne:

This letter is to confirm that our agency can provide the required service to the above-mentioned project without adversely impacting our fiscal stability or our service level to the community. We also have included a copy of our annexation agreement that must be executed prior to annexation along with fees paid.

If you have any questions please contact me.

Sincerely,

EL DORADO HILLS FIRE DEPARTMENT

Brian K. Veerkamp
Deputy Chief



RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

Hefner, Stark & Marois, LLP
2150 River Plaza Drive, Suite 450
Sacramento, CA 95833-3883
Attn: Micheal J. Cook, Esq.

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

AGREEMENT

THIS AGREEMENT is entered into by and between the EL DORADO HILLS COUNTY WATER DISTRICT, a county water district formed pursuant to sections 30000 *et seq.* of the California Water Code (hereinafter "EDHCWD"), and K. HOVNANIAN FORECAST HOMES, INC., a California corporation (hereinafter referred to as "Landowner"), with reference to the following facts:

RECITALS:

A. Landowner has petitioned EDHCWD for annexation to EDHCWD of Landowner's certain real property as more fully described on Exhibit "A" which is attached hereto and made a part hereof (the "Property"). The Property is commonly referred to as "Carson Creek."

B. EDHCWD has approved such annexation upon several conditions. One such condition which is pertinent for purposes of this Agreement is that, as a condition to such annexation, Landowner shall pay to EDHCWD the sum of Five Hundred Dollars (\$500) for each acre of land described on Exhibit "A" to be so annexed.

C. The Property presently consists of three (3) legal parcels. EDHCWD is willing to impose a condition to annexation as an alternative to that condition described in paragraph B above which will require Landowner to pay to EDHCWD upon execution of this Agreement the sum of \$500 for each such parcel now in existence, provided that Landowner further agrees that, if Landowner or any of its successors and assigns subdivide all or any portion thereof so that the total number of legal parcels created from the Property is greater than three (3), then Landowner, and the then owner or owners of the Property, or any portion thereof, shall immediately thereupon pay to EDHCWD the sum of \$500 for each such additional legal parcel.

D. Landowner is willing to accept the alternative condition described in paragraph C above and to enter into this Agreement as contemplated therein.

NOW, THEREFORE, EDHCWD and Landowner agree as follows:

1. Landowner agrees to pay to EDHCWD, upon execution of this Agreement, the sum of One Thousand Five Hundred and no/100 Dollars (\$1,500), which sum represents \$500 times the number of legal parcels, namely three (3), which presently comprise the Property.

2. Landowner, and its successors, assigns, heirs and devisees, and each and all of them, jointly and severally agree to pay to EDHCWD, within ten (10) days after the recordation of any map creating additional parcels, the sum of \$500 for each legal parcel or lot created in excess of the existing four (4), which shall thereafter comprise the Property.

3. In the event of a delinquency in the payment of any sums due EDHCWD under paragraph 2 hereof, such amounts as may be delinquent, together with interest thereon at the maximum rate then permitted by law, and all costs which may be incurred by EDHCWD in the collection of said amounts, including reasonable attorneys' fees, shall be and become a lien against the Property upon the recordation in the office of the County Recorder of El Dorado County of a Notice of Default. Thereafter, EDHCWD may cause the property to be sold in the same manner as a sale is conducted as provided by sections 2924, 2924(b) and 2924(c) of the California Civil Code, or through judicial foreclosure; provided, however, that, as a condition precedent to the holding of any such sale under said Section 2924(c), appropriate publication shall be made; and provided further that, in connection with any sale pursuant thereto, EDHCWD is hereby authorized to appoint its attorney, any officer or director, or any title insurance company authorized to do business in California as trustee for purposes of conducting such sale. EDHCWD shall have the power to bid on the property at foreclosure sale and to acquire, hold, lease, mortgage and convey the same. Landowner, on behalf of itself, and its successors, assigns, heirs and devisees, to the extent permitted by law, do hereby waive, to the extent of any liens created pursuant hereto, the benefit of any homestead or exemption laws of the State of California in effect at the time any lien is imposed pursuant to the terms hereof. If any delinquency is cured prior to sale, or prior to completing judicial foreclosure, EDHCWD or its authorized representative shall cause to be recorded in the office of the County Recorder of said County a certificate setting forth the satisfaction of such claim and release of such lien upon payment of actual expenses incurred by EDHCWD, including reasonable attorneys' fees.

4. Upon execution of this Agreement by all parties hereto and payment of the sum described in paragraph 1 above, the condition to the annexation of said Property to EDHCWD to EDHCWD described in the Recitals above, shall be deemed satisfied. Nothing in this paragraph 4 shall otherwise impair the rights of EDHCWD to enforce the terms of this Agreement.

5. All notices, demands, or other communications contemplated by this Agreement shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, addressed to the respective parties as follows:

EDHCWD: El Dorado Hills County Water District
990 Lassen Lane
El Dorado Hills, CA 95762

Landowner: Hovnanian Forecast Homes, Inc.
1796 Tribute Road, Suite 100
Sacramento, CA 95815

or to such other address as either party may from time to time designate by notice to the other given in accordance with this section. Mailed notice shall be deemed delivered 72 hours after it is deposited in the U.S. Mail.

6. If any provision or portion of this Agreement is declared by any state or federal court to be unenforceable and/or void, the remainder of this Agreement shall survive said declaration and shall be enforceable according to its terms.

7. This Agreement contains the entire agreement of the parties hereto and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter which are not fully expressed herein.

8. In the event of any action by EDHCWD or Landowner seeking enforcement of any of the terms and conditions of this Agreement, the prevailing party in such action shall be awarded reasonable attorneys' fees and costs incurred.

9. The provisions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of both EDHCWD and Landowner. Landowner hereby agrees that EDHCWD shall have the right to record this Agreement in the Official Records of El Dorado County.

EXECUTED this _____ day of _____, 2004, in _____,
California.

LANDOWNER:

EL DORADO HILLS COUNTY WATER
DISTRICT, a county water district formed
pursuant to sections 30000 *et seq.* of the
California Water Code

K. HOVNANIAN FORECAST
HOMES, INC., a California corporation

By:

By:

Its:

Its:



EL DORADO HILLS
COMMUNITY SERVICES DISTRICT

February 19, 2004

Ms. Corinne Fratini
El Dorado LAFCO
550 Main Street, Suite E
Placerville, CA 95667

RE: Euer Ranch Plan of Service
Euer Ranch Reorganization, LAFCO Project No. 03-02

Dear Corinne:

The El Dorado Hills Community Services District ("CSD") has reviewed the Plan of Service for the Euer Ranch Reorganization, LAFCO Project No. 03-02 and submits the following comments:

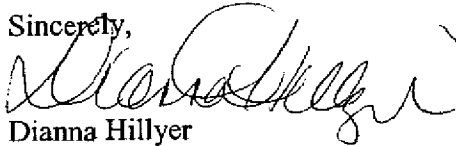
1. The El Dorado Hills Community Services District is an annexing agency and has reviewed the August 2004 Plan of Service for the Euer Ranch Reorganization (Carson Creek Specific Plan Phase I). The CSD is capable of providing the described services within the time frame anticipated in the Plan of Service for the area being annexed, which is *immediately*. The District has an established park and recreation programs including year-round recreational activities and sport leagues, and special interest classes and events for seniors. The District has established franchises for solid waste collection, curbside recycling and cable television. CC&R enforcement and Architecture Design Review are services that could be provided if requested by the Euer Ranch Homeowners Association. The CSD is *not* a provider of regional parks and lakes.
2. The furnishing of adequate services within the time frame anticipated in the Plan of Service referenced above will not result in a significant negative fiscal, service level or other impacts within the Community Services District.



3. Delivery of service to the project area is not contingent on the District's future expansion of service capabilities. The District is prepared to deliver services outlined in the Plan of Service immediately.

If I can be of further assistance, please contact me directly at (916) 614-3210.

Sincerely,



Dianna Hillyer
Director of Planning

C: Scott Montgomery, K. Hovnanian Forecast Homes, Inc.

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

2850 FAIRLANE COURT
PLACERVILLE, CA 95667

PHONE: (530) 621-5322
FAX: (530) 295-1208

COMMENT REQUEST

May 13, 2003

LAFCO requests your review and comment on the following project. Application information and a map are attached. You may comment below and/or include additional pages. Your comments will be included in the project review if received by LAFCO before June 12, 2003.

Project Name: Euer Ranch Reorganization; 03-02
Applicant/Petitioners: Michael McDougall
APN's: 108-040-05 & 108-040-28 & 34
Acres: 66
Location: South of White Rock Road, one mile West of Latrobe Road
Purpose: To annex approximately 153.88 acres into the El Dorado Hills CSD for Park, Recreation and other services and to also annex a portion (5.17 acres) of this area into El Dorado Irrigation District and El Dorado Hills County Water District for water, wastewater, fire and other services.

Estimated Date of LAFCO Hearing: August 27, 2003

REQUESTED COMMENT

CHECK HERE IF NO COMMENT: _____

1. The information contained in the accompanying documents appears accurate to the best of my knowledge. Yes No
Comment: EDH CSD is contiguous to the proposed annexation project - See map
2. Is your agency or department working with the applicant on related entitlements, agreements, etc. Yes No
Please describe: EDH CSD and AKT properties have ~~an~~ a pre-annexation agreement in place
3. The proposal would have an effect on my department or agency. Yes No
Describe briefly: Programs & services will expand to serve the new population
4. Additional information or comments: See attached letter

Form completed by:

Dianna Hillger, Planning Director
Name/Department





EL DORADO HILLS
COMMUNITY SERVICES DISTRICT

June 13, 2003

Roseanne Chamberlain, LAFCO Executive Officer
El Dorado LAFCO
2850 Fairlane Court
Placerville, CA 95667

RE: Euer Ranch Reorganization; LAFCO Project No. 03-02

Dear Roseanne;

This is an addendum to the Comment Request dated April 25, 2003 (previously submitted) and the Comment Request dated May 13, 2003 (included with this correspondence). The El Dorado Hills Community Services District (EDH CSD) very strongly supports the proposed annexation of all 157 acres of the Carson Creek and Euer Ranch project #03-02 to the District. This project marks the beginning of large-scale growth in the area south of Highway 50 that will require park and recreation services. The EDH CSD provides these programs and services, in addition to other residential oriented community services, with an existing professional staff and an administrative structure. As stated in the 1998 Sphere of Influence Study, "Carson Creek should annex to EDH CSD...due to the ability of EDH CSD to provide a higher level of service at greater efficiency."¹ The report also states "These institutional arrangements already exist in EDH CSD and need not be duplicated in another part of the El Dorado Hills area. Such duplication of service would incur unnecessary expense and create an artificial division in the community."²

The District believes that there is a point of contiguity between the EDHCSD and the proposed annexations, as illustrated on the enclosed map. According to the same Sphere of Influence study referenced above, "Although contiguity of annexing areas is generally desirable for meeting LAFCO policy interest for orderly development of local agency boundaries, it is not required for annexations to community services districts. Carson Creek could be annexed to EDHCSD with or without the annexation of additional contiguous territory"³ (i.e. the EDH Business Park or Springfield Meadows CSD).

¹ EDHCSD Sphere of Influence Report, prepared by Peter Banning, Consultant, June 8, 1998, page 26

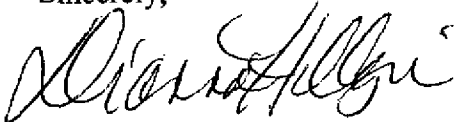
² EDHCSD Sphere of Influence Report prepared by Peter Banning, Consultant, June 8, 1998, page 25

³ EDHCSD Sphere of Influence Study, prepared by Peter Banning, Consultant, June 8, 1998, page 23

At a regular EDH CSD Board meeting last night, the Directors unanimously approved funding an updated Sphere of Influence report to help facilitate this desired annexation. There is no other CSD in the area that has the capacity to serve the 7,000 new residents of Carson Creek/Euer Ranch as the El Dorado Hills Community Services District is.

Should you have any questions or require additional information, please contact me. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dianna Hillyer".


Dianna Hillyer
Director of Planning



AGRICULTURAL COMMISSION

311 Fair Lane
Placerville, CA 95667
Telephone: (530) 621-5520
FAX: (530) 626-4756
E-Mail: eldcag@ntasteofeldorado.com

MEMORANDUM

DATE: August 4, 2003
TO: Roseanne Chamberlain
LAFCO
FROM:  Bill Snogross
Secretary to Agricultural Commission
SUBJECT: LAFCO PROJECT NO. 03-02/EUER RANCH REORGANIZATION

Water is the life blood of agriculture. The water rights that El Dorado Irrigation District (EID) has is finite. Water is an exhaustible resource. Requests of residential, commercial, and shopping center developments, like the 03-02/Euer Ranch Reorganization, to annex into EID will have a direct impact on the ability of agriculture to expand in the future.

It is recommended that LAFCO Project No. 03-02/Euer Ranch Reorganization's request to be annexed into EID be denied unless either an alternative water source is found or an impact study on the local agriculture is conducted and sent for review by the Agricultural Commission.

There is a direct relationship between this project and the future of agriculture in El Dorado County. Agriculture provides a high quality of life in this County and must be protected.

If you have any questions regarding this recommendation, please contact me at (530) 621-5520.

BLS/cmt

cc: Agricultural Commission



NOTICE OF DETERMINATION (LAFCO)

FILE NO.

TO: COUNTY CLERK
County of El Dorado
330 Fair Lane
Placerville, CA 95667

FROM: EL DORADO LOCAL
AGENCY FORMATION COMMISSION
550 Main Street Suite E
Placerville, CA 95667

STATE OFFICE OF PLANNING AND RESEARCH

SUBJECT: Filing of NOTICE OF DETERMINATION in compliance with Section 21108 or 21152 of the Public Resources Code

NAME OF APPLICANT: K. Hovnanian Forecast Homes, Inc.

ASSESSOR'S PARCEL NO. 108-040-05, 108-040-28, and 108-040-34

AREA PLAN: _____ SECTION: _____ TOWNSHIP: _____ RANGE: _____

NEAREST ROAD INTERSECTION: Latrobe Road and White Rock Road

ANNEXATION TO _____ DETACHMENT FROM _____ FORMATION OF
NAME OF DISTRICT: _____

X OTHER: Reorganization consisting of annexations to El Dorado Hills Community Services District, El Dorado Hills County Water District, and El Dorado Irrigation District and detachment from Zone 17 of County Service Area 9

The EL DORADO LOCAL AGENCY FORMATION COMMISSION (LAFCO) has X approved _____ disapproved this project on January 26, 2005 and made the following determinations:

- 1) Project X will _____ will not, have a significant effect on the environment.
- 2) X Environmental Impact Report was prepared pursuant to provisions of CEQA.
_____ Negative Declaration was prepared pursuant to provisions of CEQA.
- 3) Mitigation Measures X were _____ were not, adopted for this project.
- 4) A Statement of Overriding Considerations X was _____ was not, adopted.

LAFCO is filing this Notice of Determination acting as responsible agency. The Carson Creek Specific Plan EIR adequately addresses the impacts of annexation to EDHCSD and EDHCWD. Where circumstances may have changed related to water and wastewater services, the annexation of 4 acres to EID is found to be exempt under Section 15061(b)(3).

*The Environmental Impact Report and Record of Project Approval (El Dorado County, March 4, 1997) may be obtained at the EL DORADO LOCAL AGENCY FORMATION COMMISSION office.

[Signature]
Prepared By

2/25/05
Date

FOR USE BY COUNTY CLERK

Public Resources Code Section 21152(A) requires local agencies to submit this information to the County Clerk. The filing of the Notice starts a 30-day Statute of Limitations on court challenges to the approval of the project under Public Resources Code Section 21167. Failure to file the Notice results in the Statute of Limitations being extended to 180 days.

FISH AND GAME AB3158 FEES/RECORDING FEES

X Project is de minimis in effect; \$35 Recorder's fee required.

_____ Negative Declaration prepared; \$1,285 fee required.

_____ EIR filed; \$885 fee required

AGENDA ITEM NO. 6

***INFORMATION HEARING
FISHER ANNEXATION
TO
EL DORADO IRRIGATION
DISTRICT
LAFCO PROJECT NO. 04-10***

EL DORADO LOCAL AGENCY FORMATION COMMISSION

550 MAIN STREET SUITE E
PLACERVILLE, CA 95667

TELEPHONE:(530)295-2707
FAX:(530)295-1208

INFORMATIONAL HEARING February 23, 2005

**AGENDA ITEM 6: Fisher Annexation to El Dorado Irrigation District
LAFCO Project 04-10**

PETITIONERS: William J. Fisher and Mary T. Muse, Landowners

PURPOSE

This preliminary hearing is required by Government Code §56857 and is informational only. The item is not a noticed public hearing, but under the Brown Act, any person wishing to speak on the item shall be allowed to do so. The purpose of the hearing is to allow 60 days for any annexing district to request termination of the project.

El Dorado Irrigation District may waive the requirement for this hearing after the LAFCO packet mailing.

SUMMARY

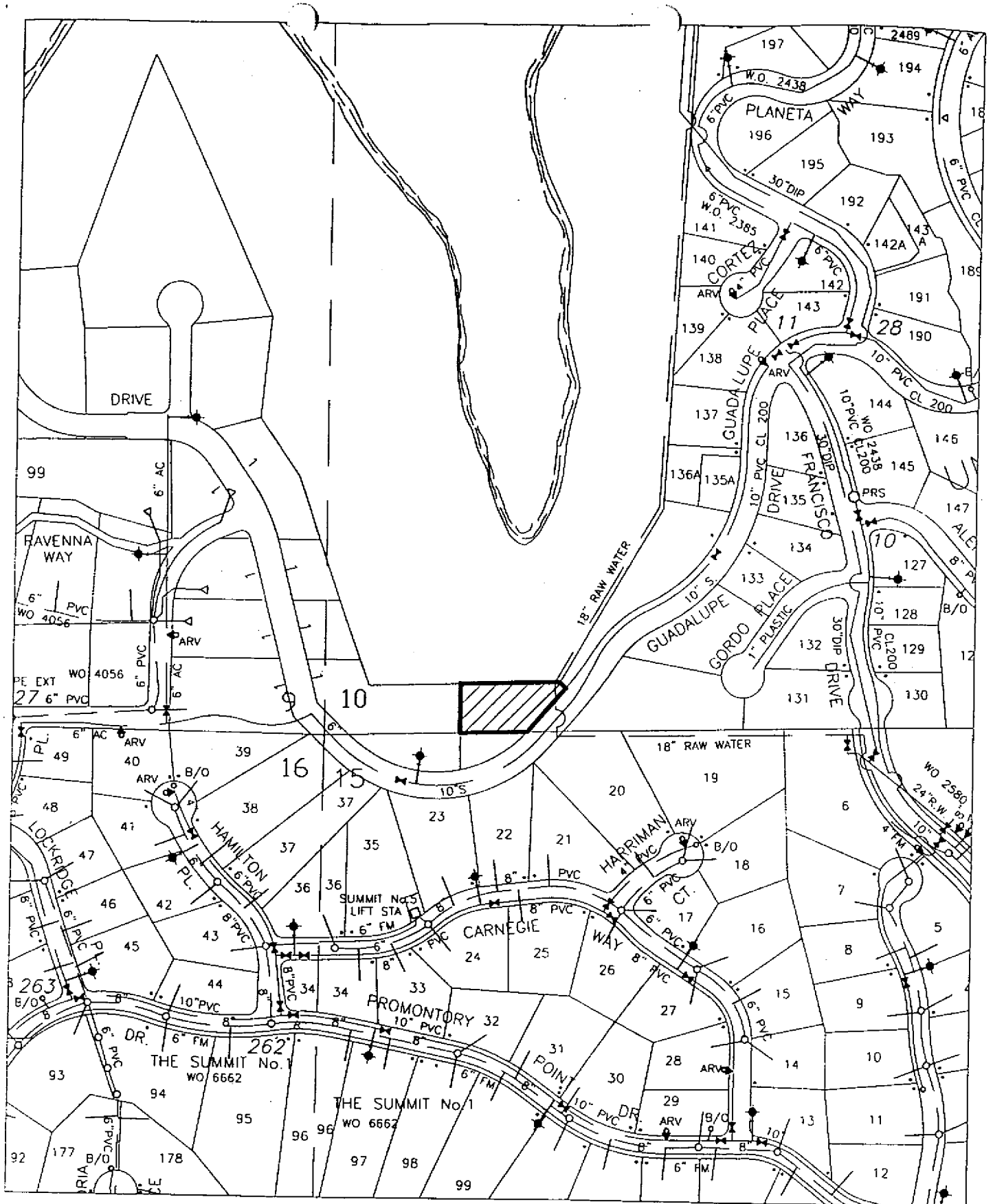
The proposal will annex approximately 0.38 acres into El Dorado Irrigation District to obtain water and sewer services for a future single family residence.

The AB 8 property tax redistribution plan was approved by EID and the El Dorado County Board of Supervisors.

RECOMMENDATIONS

Staff recommends that the Commission take the following actions:

1. Receive information regarding the project and take no action.
2. Under the Brown Act, allow any member of the public to speak on the agenda item.
3. Direct staff to either set the proposal for hearing not sooner than April 24, 2005 or terminate the project if El Dorado Irrigation District requests termination.



El Dorado Irrigation District
System Map

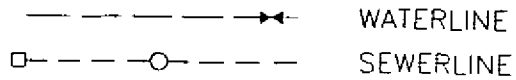
DATE: APRIL 24, 2002

WARNING: For schematic purposes only.
Exact pipe location must be
field verified.

Willion J. Fisher
APN: 067:120:02
SYS. No.: 41-4



Scale: 1" = 300'



AGENDA ITEM NO. 7

***PROPOSED INCORPORATION
OF THE CITY OF
EL DORADO HILLS
LAFCO PROJECT NO. 03-10***

INCORPORATION Review for Commissioners

February 23, 2005

GOALS

- Review Project History
- Review LAFCO Process
- Legal Framework
- Decision Points for LAFCO
- Pointers to Additional Resources and Guidelines
- Commissioner Questions



HISTORY & BACKGROUND

- First Application (#98-02) by Petition 1998
- Application Remained Incomplete and the Project was Closed in 2001
- Lawsuit Aug. 2002 - Settlement Oct. 2003
- New Application (#03-10) - BoS Resolution
- Proceedings based on Settlement and Proposal Resolution

Settlement Agreement

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Committee Agrees: <ul style="list-style-type: none"> - Terminate Lawsuit - New Application - Payment of Costs - Timing of Payments - New Fiscal Analysis - New CEQA Review - Contingency Funds | <ul style="list-style-type: none"> • LAFCO Agrees: <ul style="list-style-type: none"> - Project Manager - Task List and Timeline - Accounting Controls - Hearing by July '05 - Election Nov '05 - Dispute Resolution |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



LAFCO PROCESS—5 STEPS

- Petition or Agency Resolution Initiates
- Complete the Application - 5 elements
- Public Hearings and LAFCO Decision
- Conducting Authority Action
 - Call for Protest
 - Set/ Certify Election November 2005
- Completion (Record and Transmit)

LAFCO Decision Points

- Boundaries
- Services and Service Costs
- Property Tax Transfer (Statutory Formula)
- Taxes & Payments (Revenue Neutrality)
- Disposition of Assets and Responsibilities
- Effective Date of Incorporation
- Financial Feasibility
- CEQA: Disclosure, Findings, Mitigations

FISCAL ANALYSIS

- Feasibility
 - Proposed City Costs & Revenues
 - 3 years—Feasibility
 - 10 years—Revenue Neutrality Period
- Base Year Cost of Services
- Calculation of City's Base Property Tax
 - Auditor's Ratio (property taxes + all revenues)
 - Ratio x Cost of Services Transferred to City
- Decision Based on Most Recent Fiscal Year



REVENUE NEUTRALITY

- Revenues Transferred = Cost of Services
- Negotiations: Agencies and Proponents
 - proposed terms and conditions for LAFCO
 - proposed fiscal mitigation, tax sharing, etc.
 - proposed payment plans
- LAFCO determines if transfer of revenue and services are substantially equal
- Fiscal Conditions Added by LAFCO

VLF Revenue Changes Bad News for New Cities

- Previous State Subvention Funding
 - VLF fees distributed to counties and cities
 - Calculation based on Population
 - Population Subsidy for New Cities (3 x Voters)
- Current State Subventions
 - Small portion of VLF distributed to Cities
 - No population "bonus" for new cities
- Feasibility Unlikely for Any Proposed City
 - About \$3 million reduction for BDH

El Dorado Hills Incorporation Project

Draft Environmental Impact Report

Lamphier-Gregory

John Courtney, Senior Planner

CEQA Requires an EIR to:

- Identify significant adverse environmental effects that could result from the Project;
- Identify feasible measures that could reduce or mitigate those significant environmental impacts; and
- Evaluate a reasonable range of alternatives to the Project.

- Attended the Fire Chief's Association meetings and provided updates on the incorporation and other LAFCO matters.

5. *Proposed Incorporation of the City of El Dorado Hills (LAFCO Project 03-10)*

- Continued to assist and manage the project manager and incorporation counsel with research for the environmental impact report.
- Released and distributed the EIR
- Continued to urge completion of responses for the fiscal analysis.
- Responded to inquiries inside and outside the county regarding possible remedies for now reduced VLF funding subventions from the state.

Environmental Impact Report

FOR THE

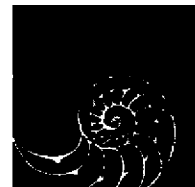
EL DORADO HILLS INCORPORATION PROJECT

State Clearinghouse Number 2004082113

Prepared for:

El Dorado Local Agency Formation Commission

Prepared by:



Lamphier-Gregory
1944 Embarcadero
Oakland, CA 94606

February 2005

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Introduction

A. PURPOSE OF THE ENVIRONMENTAL IMPACT REPORT

The El Dorado Local Agency Formation Commission (LAFCO) is considering LAFCO Application Number 03-10, which proposes incorporation of an approximately 20,000-acre area located in the County of El Dorado as a new city, to be called the City of El Dorado Hills. This application has been submitted to LAFCO by the El Dorado County Board of Supervisors on behalf of the Incorporation Committee. This Draft Environmental Impact Report (EIR) evaluates the potential environmental effects that may be associated with the proposed incorporation of the new City of El Dorado Hills. The Lead Agency is the El Dorado LAFCO.

This Draft EIR has been prepared pursuant to CEQA (the California Environmental Quality Act, California Public Resources Code, Section 21000 *et seq.*) and the CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3), as amended.

The basic purposes of CEQA (Statutes and Guidelines, Section 15002[a]) are to:

- Inform governmental decision-makers and the public about the environmental effects of proposed activities;
- Involve the public in the decision-making process;
- Identify ways that damage to the environment can be avoided or significantly reduced; and
- Prevent environmental damage by requiring changes in the project through the use of alternatives or mitigation measures.

The Draft EIR is intended to "identify the significant effects of the Project on the environment, identify alternatives to the Project, and to indicate the manner in which those significant effects can be mitigated or avoided" (CEQA Section 21002.1[a]). This EIR is meant to provide an objective, impartial source of information to be used by the Lead Agency, as well as by members of the public, in their considerations regarding the Proposal. The EIR itself does not determine whether or not the Proposal will be adopted, but only serves as an informational document in the local planning and decision-making process.

The analysis in the Draft EIR concentrates on the aspects of the Proposal that are likely to have significant adverse effects on the environment, and the Draft EIR identifies reasonable and feasible measures to mitigate (i.e., reduce or avoid) these effects. The CEQA Guidelines define "significant effect on the environment" as "a substantial, or potentially substantial adverse change in any of the

physical conditions within the area affected by the Project..." (CEQA Section 15382). The Draft EIR also addresses less than significant environmental effects.

B. ORGANIZATION OF THE DRAFT ENVIRONMENTAL IMPACT REPORT

The Draft EIR consists of the following major sections:

Introduction - outlines the objectives of the Draft EIR and important preliminary information.

Executive Summary - summarizes the significant direct and indirect environmental and policy impacts, described in the body of the EIR, that are anticipated to result from the proposed incorporation and the associated mitigation measures designed to avoid or reduce the effect of such impacts.

Project Description - provides detailed information about the Proposal, the proposed boundary for the incorporation area, the purposes and objectives of the incorporation proposal, how various governmental and service agencies would be modified and affected by the Proposal, the modifications to the Proposal that would be anticipated for compliance with state law and adopted policies of the El Dorado LAFCO, and an estimate of potential future residential and other development on currently vacant land within the area proposed for incorporation.

A fundamental assumption with respect to this incorporation proposal is that the new City would be able to provide public services at a level of performance at least as good as are currently provided by the County and other public agencies. Any loss or reduction in the level of services for the residents of the incorporation area would be a violation of LAFCO policy 6.7.16 and would be a reason for LAFCO to deny incorporation.

Environmental Analysis - addresses the areas of the environment that may be affected by the Proposal. This EIR makes a distinction between "direct" effects of incorporation and "indirect" effects. The Direct Effects are discussed in Chapter 2, Indirect Effects in Chapter 3. Direct Effects are those that would be a direct result of the incorporation and could not occur in the absence of the incorporation. Indirect Effects are those effects of new growth and development in the area that would be likely to occur in the incorporation area over the planning period, most of which would probably occur whether incorporation is approved or not. In both chapters, the discussion is organized as follows:

The environmental setting or conditions that may be affected by incorporation are briefly described;

- The significant direct or indirect effects of incorporation are identified; and
- Mitigation measures are identified that would avoid or reduce the identified significant environmental effects.

Alternatives – Chapter 4 describes the No Project Alternative, and evaluates alternative boundary configurations that would avoid or lessen impacts identified in Chapter 2.

Consideration is also given to the possible exclusion of the El Dorado Hills Business Park from the incorporation area

Overview and Other Statutory Considerations - addresses growth inducing impacts, cumulative impacts, and summarizes the significant unavoidable impacts, as required by the CEQA *Guidelines*.

References - identifies the authors of the Draft EIR, the agencies and organizations that were contacted during the preparation of the Draft EIR, and the bibliography of reports and other published materials used in the preparation of the Draft EIR.

Appendices – includes:

- **Appendix A**, Notice of Preparation and Initial Study;
- **Appendix B**, comments on the Notice of Preparation and Initial Study;
- **Appendix C**, Board of Supervisor's Resolution 322-2003.

The Draft EIR has been prepared for the El Dorado LAFCO as the lead agency by Lamphier-Gregory. All participants in the preparation of this Draft EIR have extensive experience and knowledge in their respective fields. The information in the Draft EIR was compiled from a variety of sources, including published studies, applicable maps, aerial photographs and independent field investigations. Unless otherwise noted, all background documents are incorporated into this Draft EIR by reference, and are available at the El Dorado LAFCO offices (550 Main Street, Suite E, Placerville, California, 95667).

C. ASSUMPTIONS AND METHODOLOGY

This EIR is based on a set of fundamental assumptions and a methodology that are important to an understanding of how the EIR evaluates potential environmental impacts. These key assumptions are:

1. That the new City will adopt the County's 2004 General Plan as the basis for land use decision-making and guide during the initial 30-month life of the new City.
2. That the land uses and densities permitted in the County's 2004 General Plan represent a "worst case" scenario of potential future growth, both in the incorporation area as well as Countywide, when compared against the other alternatives considered in the 2004 General Plan EIR.
3. That with respect to the various possible outcomes from items on the March 2005 ballot (e.g., the General Plan Referendum, the County Charter Initiative), and the final determination of the Sacramento Superior Court, in its review of the 2004 General Plan and General Plan EIR, each of these can only impose more restrictive policies and growth limitations than are embodied in the 2004 County General Plan. In this sense, none of the potential outcomes would create a situation in which greater levels of environmental impact could occur than what is assumed in this EIR.

4. That LAFCO does not have direct land use regulatory authority and therefore has limited ability to impose mitigation measures on the new City that would have land use consequences.
5. LAFCO has full legal authority to move proposed boundary lines so as to include or exclude certain properties from the incorporation area, based on the requirements of Cortese-Knox-Hertzberg and its own internal policies.
6. LAFCO has full legal authority to impose fiscal and financial obligations on the new City, in accordance with the applicable provisions of Cortese-Knox-Hertzberg.
7. That, to avoid speculation, this EIR refrains from making judgments about what the new City might do with respect to future land use decisions that would have the potential to cause either a greater or lesser degree of potential future environmental impacts than are identified in this EIR.
8. That in evaluating the details regarding the proposed boundary and governmental reorganization of the proposed incorporation against existing LAFCO policies and Cortese-Knox-Hertzberg, this EIR identifies what are referred to as 'Reasonably Anticipated Boundary Modifications' and 'Reasonably Anticipated Governmental Reorganization' changes that differ from the express provisions of the original Proposal. In so doing, this EIR is assuming that LAFCO will enforce its own policies.
9. That the new City would provide public services at a level of performance equal or better than services currently provided by the County and other public agencies. Any loss or reduction in the level of services for the residents of the incorporation area would be a violation of LAFCO policy 6.7.16 and would be a reason for LAFCO to deny incorporation.

D. SCOPE OF THE DRAFT ENVIRONMENTAL IMPACT REPORT

The Notice of Preparation (NOP) and Initial Study initiated the CEQA scoping process, whereby LAFCO refined the scope of issues to be addressed in the Draft Environmental Impact Report and identified potential significant environmental issues related to the proposed action and alternatives. The NOP and Initial Study were mailed to various agencies and community members on August 26, 2004. The NOP and Initial Study are included in this EIR as **Appendix A**.

Circulation of the NOP and Initial Study prior to preparation of the EIR enabled government agencies and the public to comment on the areas of environmental concern that would need to be addressed during the preparation of the EIR. Copies of comment letters received in response to the NOP and Initial Study are included in **Appendix B**.

The Initial Study did not identify any direct physical changes in or impacts on the environment, as a direct result of incorporation. However, the more in-depth evaluation in this EIR has identified several conflicts with LAFCO policies that are considered significant impacts and that would require mitigation. These are discussed in Chapter 2. In addition, the Initial Study indicated a need to assess potentially significant environmental impacts that would occur indirectly as a result of

incorporation, arising from the projected future development within the incorporation area. Environmental topic areas considered likely to result in significant environmental impacts were:

- Land Use and Planning Policy
- Agricultural and Open Space Resources
- Public Services
- Transportation
- Air Quality
- Hydrology and Water Quality

Comment letters received in response to the NOP raised the following concerns and issues:

- Fiscal and service impacts that would affect the El Dorado Hills County Water District, the Rescue Fire Protection District, and the El Dorado County Fire Protection District, resulting from a shift in responsibility for wildland fire protection from CDF to the respective local fire agency;
- Questions and concerns regarding the proposed incorporation area boundary;
- Land use and growth-inducing Impacts;
- Air Quality issues;
- Concern over potential impacts to agricultural lands;
- Concerns regarding dissolution of the El Dorado Hills CSD and assignment of current responsibilities;
- Concern that the new city be included as part of the El Dorado County Transit Agency.

E. PUBLIC REVIEW PROCESS

A 45-day period will be provided for public review and comment on the Draft Environmental Impact Report. During this time, the public and responsible agencies and organizations may submit written comments on the sufficiency or adequacy of the Draft EIR in evaluating the environmental effects that may be associated with implementation of the Proposal. The State Clearinghouse will circulate the Draft EIR to State agencies with jurisdiction over various aspects of the Proposal, or that have other interests in the Proposal. A Public Hearing on the Draft EIR will be held, and verbal and written comments received at the Public Hearing will be included in the Final EIR.

During the public review period, written comments on the Draft EIR should be submitted to:

Ms. Roseanne Chamberlain, Executive Officer
El Dorado Local Agency Formation Commission
550 Main Street, Suite E
Placerville, CA 95667
(530) 295-2707

Responses to all comments received on the Draft EIR will be presented in the Final EIR, along with any necessary revisions to the text, tables and figures presented in the Draft EIR. The Final EIR will be presented to the LAFCO Commissioners for review and certification as an accurate and complete record, in accordance with Section 15080 of the CEQA Guidelines. Certification of the Final EIR does not constitute adoption of the Proposal, but only indicates that the potential environmental impacts that may be associated with implementation of the Proposal and the means of reducing or avoiding such impacts have been presented completely and adequately in the EIR document. Upon certification of the Final EIR as adequate and complete, LAFCO must make a separate decision on the adoption, rejection or modification of the Proposal.

Executive Summary

A. PURPOSE OF THE EIR

This Draft Environmental Impact Report (EIR) evaluates the potential environmental effects associated with the proposed incorporation of the El Dorado Hills as a new municipal governmental entity within the County of El Dorado, California. The Draft EIR is intended to identify the significant impacts of the proposed incorporation on the environment, identify alternatives, and indicate how the significant impacts can be mitigated or avoided. (California Environmental Quality Act, Section 21002.1[a]).

B. PROJECT SUMMARY

The Proposal

The El Dorado Local Agency Formation Commission (LAFCO) is considering LAFCO Application Number 03-10, which proposes the incorporation of an approximately 20,000-acre area in the western part of El Dorado County as a new city, to be called the City of El Dorado Hills. The Project would result in a governmental reorganization pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 et. sec.), hereinafter referred to as "Cortese-Knox-Hertzberg". The initiation of the LAFCO Application is based on Resolution 322-2003, adopted by the El Dorado County Board of Supervisors in November 2003. The specific elements included within Resolution 322-2003 constitute the "Proposal." These consist, generally, of a proposed incorporation boundary, and several governmental reorganizations related to the delivery of services.

Proposal Boundary

Board Resolution 322-2003 specifies that the proposed boundary for the City of El Dorado Hills would be the same as the boundary of the El Dorado Hills County Water District (EDHCWD) as it existed on July 1, 1997. This proposed boundary is shown on **Figure 1-2**.

Certain aspects of the Proposal boundary are in conflict with policies adopted by El Dorado LAFCO and Cortese-Knox-Hertzberg. It is reasonable to anticipate that LAFCO would modify the Proposal boundary to conform to these policies. The anticipated boundary modifications include:

- Expand the Proposal boundary to include adjacent large-scale project areas that have already been approved for development, such as The Promontory, Carson Creek and the eastern half of Marble Valley, that will need urban services;

- Include within the boundary various isolated parcels that would otherwise be islands, surrounded by the incorporated city;
- Exclude from the boundary areas that share common social and economic interests and land use character, including the Hickok Road CSD and the Arroyo Vista CSD.
- Exclude from the boundary certain lands that could result in loss of agricultural resources and an existing Williamson Act Land Preservation contract.

The No Unincorporated Islands Alternative boundary, described in Chapter 4, depicts a boundary that would avoid or eliminate the conflicts with LAFCO policies.

Proposed Governmental Reorganization

Resolution 322-2003 also included specific changes to the organization of local governmental agencies and service providers:

- The incorporation of land currently under the legal jurisdiction of El Dorado County.
- The establishment of a general government entity responsible for providing a range of municipal services including, but not limited to, planning, land use decisions and regulations, public works, engineering, road construction and maintenance, building inspection, Zoning Code enforcement, parks and recreation services, animal control, street lighting, storm drainage, and solid waste disposal.
- The dissolution and reorganization of the El Dorado Hills Community Services District and assumption of currently provided services and responsibilities of that District by the new City;
- Dissolution and reorganization of the Marble Mountain Community Services District (MMCS D);
- The dissolution and reorganization of the Springfield Meadows Community Services District and assumption of currently provided services and responsibilities of that District (e.g., parks, street maintenance, landscaping and lighting, and drainage and culverts) by the new City;
- Detachment from and reorganization of County Service Area 9 and assumption of currently provided storm drainage and other services and responsibilities of that Service Area by the new City, and concurrent amendment of the sphere of influence;
- Transfer to the new City of various existing assessment districts.

It is also anticipated that, as required by its own policies and Cortese-Knox-Hertzberg, El Dorado LAFCO would modify the Proposal to require the new City to assume all current lighting and landscaping districts, and their services and responsibilities that are currently operating within the incorporation area.

Revenue Neutrality

In accordance with applicable state law and the policies of El Dorado LAFCO, the proposed incorporation would also involve the approval of a "Revenue Neutrality" agreement to be negotiated between the incorporation proponents, the County of El Dorado, and other affected service agencies. The purpose of the Revenue Neutrality agreement is to ensure that incorporation not result in a negative fiscal impact on counties and other affected agencies. Cortese-Knox-Hertzberg states that LAFCO cannot approve a proposed incorporation unless it finds that the amount of revenues the new city receives from the county and affected agencies after incorporation would be substantially equal to the amount of savings the county or the affected agencies would attain from no longer providing services to the proposed incorporation area.

The Project

In summary, the "Project" for the purposes of this EIR, consists of the following components of the proposed incorporation:

1. The Proposal Boundary (i.e. the boundary as referenced in Resolution 322-2003);
2. The Reasonably Anticipated Boundary Modifications;
3. The Proposed Governmental Reorganizations;
4. The Reasonably Anticipated Additional Governmental Reorganizations required to comply with LAFCO Policies;
5. Concurrent Sphere of Influence Amendments Associated with the Reorganization; and,
6. The Revenue Neutrality Agreement.

C. PROJECT SETTING

The Project Area is an approximately 31-square mile area located on the western edge of El Dorado County. The Project area is bounded roughly by the Sacramento County line on the west, Folsom Lake on the north, Cameron Park on the east, and Latrobe on the south. U.S. Highway 50 runs in an east-west orientation through the approximate middle of the area; El Dorado Hills Boulevard is the main arterial road running north-south between U.S. 50 and Green Valley Road. Other significant local roadways include Latrobe Road, White Rock Road, and Bass Lake Road.

El Dorado Hills is comprised primarily of large-scale master-planned communities, residential subdivisions, retail, service and commercial office buildings, the El Dorado Hills Business Park, golf courses, and various public services and facilities. Local resident population was estimated at approximately 28,400 as of the end of 2003. The remaining agricultural and open space resources in the area consist primarily of undeveloped portions of already approved master-planned residential communities.

D. ASSUMPTIONS AND METHODOLOGY

This EIR is based on certain fundamental assumptions and methodology, as set forth in Section C in the Introduction.

E. SUMMARY OF ENVIRONMENTAL IMPACTS

A summary of all of the Direct and Indirect impacts associated with the incorporation of El Dorado Hills is presented below, along with the anticipated level of significance of each impact following mitigation.

Direct Impacts

Land Use

Direct Impact 2-1	Potential Loss of County Funding for Acquisition of Permanent Rare Plant Habitat.
Mitigation	Require Continued Collection by the New City of the Habitat Conservation Mitigation Fee and Require Transfer to the County of an Amount Equal to the Proceeds thereof, Following Incorporation, in Accordance with Chapter 17.71 of the County Ordinance Code.
Results	Less than Significant

Direct Impact 2-2	Creation of Islands of Unincorporated Territory.
Mitigation	Include the Large Adjacent Development Projects (Promontory, Carson Creek and the eastern half of Marble Valley; Include the former Williamson Act Parcels to Eliminate "Islands;" Exclude from the Boundary Agricultural Lands Located at the Southern End of the Proposal Area.
Results	Less than Significant

Direct Impact 2-3	Disruption of Established Rural Residential Communities and the Hickok Road Community Services District.
Mitigation	1. Modify the Boundary To Exclude all of Hickok Road CSD. 2. Modify the Boundary to <u>Exclude the Arroyo Vista CSD and Surrounding Rural Parcels.</u>
Results	Less than Significant

Agricultural and Open Space Resources

Direct Impact 2-4	Potential Inclusion of a Williamson Act Parcel.
Mitigation	Exclude Agricultural Preserve 135 [the Mehrten Parcel] from the Incorporation Boundary.
Results	Less than Significant

Traffic and Circulation

Direct Impact 2-5	Potential Reduction in Funding for Transportation Improvements and Transit Operations.
Mitigation	<p>LAFCO should require the new City to:</p> <ol style="list-style-type: none"> 1. Maintain Seamless Compliance with Existing Transportation Impact Fee Programs Through the Collection of the Appropriate Funds at Building Permit Issuance for all Development Within the New City. 2. Transfer to the County an Amount Equal to all Revenues Derived from the foregoing fees, with the exception of the El Dorado/Salmon Falls Area RIF, since it would be administered by the new City, itself. 3. Maintain the Current Level of Financial Support to the EDCTA Transit Programs, so as to Maintain a Consistent Level of Funding from Development Fees, Sales Tax Revenues, and all Other Applicable Sources, as Exists Prior to Incorporation.
Results	Less than Significant

Public Services

Direct Impact 2-6	Loss of Traffic Enforcement Services by the California Highway Patrol.
Mitigation	Require the New City to Provide Traffic Control Services Within the Incorporation Area at Levels no Lower than those Currently Provided by the CHP.
Results	Less than Significant

Direct Impact 2-7	Potential Service Reduction From Loss of Revenues from the Fire District Improvement Fee.
Mitigation	<ol style="list-style-type: none"> 1. Require the New City to Adopt and Continue Indefinitely the Fire District Improvement Fee, as set forth in Chapter 13.20 of the County Ordinance Code. 2. Require the New City to Transfer to EDHCWD an Amount Equal to the Fire District Improvement Fee.
Results	Less than Significant

Direct Impact 2-8	Loss of Wildland Fire Protection Service by the CDF.
Mitigation	<ol style="list-style-type: none"> 1. Require the Retention of CDF for Wildland Fire Protection Through Contractual Agreements Between the New City, the El Dorado Hills Fire Department (EDHCWD) and the CDF. 2. Require the New City to Transfer to EDHCWD an Amount Sufficient to Fund the Cost of Continued CDF Wildland Fire Protection for all Affected Areas within the new City Boundary.
Results	Less than Significant

Direct Impact 2-9	Potential Loss of Parks and Recreation Services.
Mitigation	Include All Lands Currently Inside the EDHCSD Boundary into the Boundary of the New City.
Results	Less than Significant

Indirect Impacts

Land Use

Indirect Impact 3-1	Substantial Alteration or Degradation of Land Use Character.
Mitigation	Create Distinct Community Separators.
Results	Significant and Unavoidable

Indirect Impact 3-2	Indirect Impact 3-2: Creation of Substantial Land Use Incompatibility.
Mitigation	<ol style="list-style-type: none"> 1. Establish a General Plan Conformity Review Process for All Development Projects. 2. Require Development Projects to be Located and Designed in a Manner That Avoids Adjacent Incompatible Land Uses.. 3. Establish Restrictive Land Use Policies for the City's Sphere of Influence.
Results	Significant and Unavoidable

Agricultural and Open Space Resources

Indirect Impact 3-3	Increased Potential for Conversion of Important Farmland, Grazing Land, and Land Currently in Agricultural Production.
Mitigation	<ol style="list-style-type: none"> 1. Establish a General Plan Conformity Review Process for All Development Projects. 2. Require Development Projects to be Located and Designed in a Manner That Avoids Adjacent Incompatible Land Uses. 3. Identify Acceptable Mitigation for Loss of Agricultural Lands. 4. Provide Additional Protection for Agricultural Use. 5. Provide Adequate Agricultural Setbacks. 6. Require Agricultural Fencing on Adjacent Residential Property.
Results	Significant and Unavoidable

Visual Resources

Indirect Impact 3-4	Degradation of the Quality of Scenic Vistas and Scenic Resources.
Mitigation	<ol style="list-style-type: none"> 1. Establish a General Plan Conformity Review Process for All Development Projects. 2. Protect Views from Scenic Corridors 3. Extend Limitations on Ridgeline Development within Scenic Corridors or Identified Viewing Locations to Include All Development.
Results	Significant and Unavoidable

Indirect Impact 3-5	Degradation of Existing Visual Character or Quality of the Area
Mitigation	Design New Streets and Improvements to Minimize Effects on Rural Character to the Extent Possible.
Results	Significant and Unavoidable

Indirect Impact 3-6	Creation of New Sources of Substantial Light or Glare that Could Adversely Affect Daytime or Nighttime Views.
Mitigation	<ol style="list-style-type: none"> 1. Establish a General Plan Conformity Review Process for All Development projects. 2. Consider Lighting Design Features to Reduce Effects of Nighttime Lighting.
Results	Significant and Unavoidable

Traffic and Circulation

Indirect Impact 3-7	Potential to Opt Out of Measure Y Land Use Policies.
Mitigation	The New City should Adopt the Measure Y policies Regarding Land Use Restrictions in its own General Plan and Encourage the New City to Enforce these Policies on New Development as a Means to Mitigate Traffic Impacts in Excess of Acceptable LOS Standards.
Results	Significant and Unavoidable

Indirect Impact 3-8	Increase in Daily and Peak Hour Traffic on Roadways Already Congested.
Mitigation	<ol style="list-style-type: none"> 1. Implement New Growth Control Measure. 2. Adopt New Traffic Impact Mitigation Fee. 3. Establish Level of Service (LOS) Policies. 4. Implement a Frequent Transit Service on Exclusive Right-of-Way to the El Dorado Hills Business Park.
Results	Significant and Unavoidable

Indirect Impact 3-9	Unacceptable LOS Conditions Related to Generation of New Traffic in Advance of Transportation Improvements
Mitigation	<ol style="list-style-type: none"> 1. Establish Concurrency Standards. 2. Establish a General Plan Conformity Review Process for All Development Projects.
Results	Significant and Unavoidable

Indirect Impact 3-10	Insufficient Transit Capacity
Mitigation	Develop Funding Mechanism for Park-and-Ride Lots.
Results	Significant and Unavoidable

Public Utilities

Indirect Impact 3-11	Increase in Surface Water Pollutants from Additional Wastewater Treatment Plant Discharges
Mitigation	<ol style="list-style-type: none"> 1. Encourage Mitigation of the Environmental Impacts Related to future Expansions in Wastewater Treatment Capacity. 2. Encourage use of recycled water in new development served by public wastewater systems.
Results	Significant and Unavoidable

Indirect Impact 3-12	Increase in Groundwater Pollutants from Onsite Wastewater Treatment Systems (OWTS) (Septic Systems)
Mitigation	Monitor Performance of Septic Systems Annually.
Results	Significant and Unavoidable

Indirect Impact 3-13	Increase in Demand for Non-Renewable Resources for Electricity and Natural Gas.
Mitigation	No feasible mitigation.
Results	Significant and Unavoidable

Indirect Impact 3-14	Potential for Land Use Incompatibility and Other Impacts of New and Expanded Energy Supply Infrastructure.
Mitigation	Require Projects Involving New Electrical or Natural Gas Supply or Distribution Facilities to be Located and Designed in a Manner that Avoids Adjacent Incompatible Land Uses.
Results	Significant and Unavoidable

Public Services

Indirect Impact 3-15	Potential Land Use Incompatibility Associated with Development and Expansion of Law Enforcement Facilities.
Mitigation	<ol style="list-style-type: none"> 1. Require New Law Enforcement Facilities to be Located and Designed in a Manner that Avoids Adjacent Incompatible Land Uses. 2. Incorporate Compatibility Requirements in City Zoning Ordinance.
Results	Significant and Unavoidable

Indirect Impact 3-16	Potential School Incompatibility with Adjacent Land Uses.
Mitigation	<ol style="list-style-type: none"> 1. Adopt a Policy that Requires Development Projects to be Located and Designed in a Manner to Avoid Adjacent Incompatible Land Uses. 2. Incorporate Compatibility Requirements in its Zoning Ordinance.
Results	Significant and Unavoidable

Indirect Impact 3-17	Potential Library Incompatibility with Adjacent Land Uses.
Mitigation	<ol style="list-style-type: none"> 1. Adopt a Policy that Requires Development Projects to be Located and Designed in a Manner to Avoid Adjacent Incompatible Land Uses. 2. Incorporate Compatibility Requirements in its Zoning Ordinance.
Results	Significant and Unavoidable

Indirect Impact 3-18	Deterioration of Existing Parks and Recreation Facilities and Need for New Facilities
Mitigation	<ol style="list-style-type: none"> 1. Implement Parks Master Plan and Parks and Recreation Capital Improvement Program. 2. Provide Parks and Recreation Funding Mechanisms 3. Establish Development Fee Program to Fund Park and Recreation Improvements.
Results	Significant and Unavoidable

Human Health and Safety

Indirect Impact 3-19	Increased Incidents of Illegal Disposal of Household Hazardous Wastes.
Mitigation	None available.
Results	Significant and Unavoidable

Indirect Impact 3-20	Increased Risk of Accidental Release of Hazardous Materials.
Mitigation	Establish Truck Routes.
Results	Significant and Unavoidable

Indirect Impact 3-21	Increased Risk of Exposure to Hazardous Waste Resulting from New Development on Known, Suspected and Unknown Contaminated Sites.
Mitigation	Remediate Contamination Before Construction of New Development on Suspected Contaminated Sites.
Results	Significant and Unavoidable

Indirect Impact 3-22	Exposure to Electromagnetic Fields generated by New Electric Energy Facilities at School Locations.
Mitigation	Encourage Coordination Between Utilities and School Districts.
Results	Significant and Unavoidable

Indirect Impact 3-23	Public Exposure to Asbestos.
Mitigation	<ol style="list-style-type: none"> 1. Establish a General Plan Conformity Review Process for All Development Projects. 2. Strengthen Naturally Occurring Asbestos and Dust Protection Standards. 3. Provide Disclosure of Naturally Occurring Asbestos on Properties.
Results	Significant and Unavoidable

Indirect Impact 3-24	Increased Potential for Fire Incidents and Fire Hazards.
Mitigation	1. Establish a General Plan Conformity Review Process for All Development Projects. 2. Preclude Development in Areas of High Wildland Fire Hazard.
Results	Significant and Unavoidable

Geology, Soils and Mineral Resources

Indirect Impact 3-25	Increased Development in Areas Susceptible to Landslide Hazards
Mitigation	1. Establish a General Plan Conformity Review Process for All Development projects. 2. Require Geologic Analysis in Areas Prone to Geologic or Seismic Hazards.
Results	Significant and Unavoidable

Indirect Impact 3-26	Additional Development Could Affect the Rate or Extent of Erosion
Mitigation	1. Establish a General Plan Conformity Review Process for All Development Projects. 2. Restrict Development or Disturbance on Steep Slopes.
Results	Significant and Unavoidable

Hydrology and Water Quality

No Significant Indirect Impacts.

Noise

Indirect Impact 3-27	Exposure of Noise-Sensitive Land Uses to Short-Term (Construction) Noise.
Mitigation	1. Limit Noise-Generating Construction Activities. 2. Establish Truck Routes to Minimize Truck Noise at Noise-Sensitive Land Uses.
Results	Significant and Unavoidable

Indirect Impact 3-28	Exposure to Ground Transportation Noise Sources.
Mitigation	<ol style="list-style-type: none"> 1. Protect Noise-Sensitive Land Uses from Unacceptable Noise Levels Caused by New Transportation Noise Sources. 2. Establish Truck Routes to Minimize Truck Noise at Noise-Sensitive Land Uses.
Results	Significant and Unavoidable

Indirect Impact 3-29	Exposure of Noise-Sensitive Land Uses to Fixed or Non-transportation Noise Sources.
Mitigation	<ol style="list-style-type: none"> 1. Protect Noise-Sensitive Land Uses from Unacceptable Noise Levels Caused by Stationary Noise Sources. 2. Adopt Noise Standards.
Results	Significant and Unavoidable

Indirect Impact 3-30	Exposure to Aircraft Noise.
Mitigation	Enforce Standards for Interior Noise Levels in New Development Affected by Aircraft Noise.
Results	Significant and Unavoidable

Air Quality

Indirect Impact 3-31	Construction Emissions of ROG, NO_x and PM₁₀.
Mitigation	Use Updated Recommendations to analyze and Mitigate Potential Air Quality Impacts.
Results	Significant and Unavoidable

Indirect Impact 3-32	Long-Term Operational (Regional) Emissions of ROG, NO_x CO and PM₁₀.
Mitigation	<ol style="list-style-type: none"> 1. Use Updated Recommendations to analyze and Mitigate Potential Air Quality Impacts. 2. Encourage Use of Alternative-Fuel Vehicles.

	<p>3. Investigate Use of Fuel-Efficient or Alternative-Fuel Fleet Vehicles.</p> <p>4. Prohibit Wood-Burning Open-Masonry Fireplaces in New Development.</p> <p>5. Develop Incentive Program to Encourage Use of Newer Cleaner Burning EPA-Certified Wood Stoves.</p> <p>6. Synchronize Signalized Intersections</p> <p>7. Include Pedestrian/Bike Paths Connecting to Adjacent Development.</p>
Results	Significant and Unavoidable

Indirect Impact 3-33	Toxic Air Emissions.
Mitigation	<p>1. Establish a General Plan Conformity Review Process for All Development Projects.</p> <p>2. Require Development Projects to be Located and Designed in a Manner that Avoids Adjacent Incompatible Land Uses.</p> <p>3. Use Updated Recommendations to analyze and Mitigate Potential Air Quality Impacts.</p> <p>4. Adopt Policy for Facilities Housing Sensitive Receptors.</p>
Results	Significant and Unavoidable

Indirect Impact 3-34	Local Mobile-Source Emissions of Carbon Monoxide (CO).
Mitigation	Investigate Use of Fuel-Efficient or Alternative-Fuel Fleet Vehicles.
Results	Significant and Unavoidable

Indirect Impact 3-35	Odorous Emissions.
Mitigation	Require Development Projects to be Located and Designed in a Manner that Avoids Adjacent Incompatible Land Uses.
Results	Significant and Unavoidable

Biological Resources

Indirect Impact 3-36	Loss and Fragmentation of Wildlife Habitat, Impacts on Special Status Species, and Impacts on Wildlife Movement.
Mitigation	<ol style="list-style-type: none"> 1. Develop and Implement an Integrated Natural Resources Management Plan. 2. Adopt a No-Net-Loss Policy and Mitigation Program for Important Habitat. 3. Apply – IBC Overlay to Lands Identified as having High Wildlife Habitat Values. 4. Require Mitigation for Loss of Woodland Habitat. 5. Develop and Implement an Oak Tree Preservation Ordinance.
Results	Significant and Unavoidable

Cultural Resources

Indirect Impact 3-37	Destruction or Alteration of Known and Unknown Prehistoric and Historic Sites, Features, Artifacts and Human Remains.
Mitigation	<ol style="list-style-type: none"> 1. Establish a General Plan Conformity Review Process for All Development Projects. 2. Treat Significant Resources in Ministerial Development in Accordance with CEQA Standards. 3. Adopt a Cultural Resources Ordinance. 4. Define Historic Design Control Districts. 5. Prohibit Significant Alteration or Destruction of NRHP/CRHR Listed Properties. 6. Compile and Provide Access to Cultural Resources Data Not Documented in NCIC Files. 7. Ensure that Proposed Projects Do Not Disturb Human Interments.
Results	Significant and Unavoidable

Chapter 1

Project Description

A. LOCATION AND SETTING OF THE INCORPORATION AREA

The area proposed for incorporation as the City of El Dorado Hills (the “Proposal Area”) is located on the western edge of El Dorado County (**Figure 1-1, Regional Location**). The Proposal Area is bounded on the west by the Sacramento County line and the City of Folsom, and on the north by Folsom Lake, the Folsom Lake State Recreation Area and Green Valley Road. The unincorporated communities of Cameron Park and Rescue are located to the east, and Latrobe to the south. El Dorado Hills Boulevard is the main road providing access from U.S. 50, on the south, and to Green Valley Road on the north. The boundary of the Proposal Area, as depicted in **Figure 1-2, Proposal Area Boundary**, is the boundary of the El Dorado Hills County Water District (also known as the El Dorado Hills Fire District or the El Dorado Hills Fire Department) as it existed on July 1, 1997. The Proposal Area contains a mix of developed, rapidly developing and undeveloped areas. Land uses in the vicinity include residential, commercial, office and light industrial and recreation, including two 18-hole golf courses. Cattle grazing occurs on the remaining agricultural properties, although former Williamson Act contracts have been terminated or are in the period of tax adjustment during which the land will reach its full market value for property tax purposes (the “rollout phase”). Public facilities located within the Proposal Area include fire stations, a sheriff’s office substation, public schools (elementary, junior high and one high school), water and wastewater treatment and distribution/collection systems, trails and neighborhood and community parks.

B. BACKGROUND

The modern history of El Dorado Hills dates to the early 1960s when a master planned community bearing that name was approved by the County of El Dorado. The original master plan, prepared by architect Victor Gruen, covered the area generally north of U.S. 50 and along both sides of El Dorado Hills Boulevard between U.S. 50 and Green Valley Road. El Dorado Hills was envisioned as a large-scale master-planned community that would evolve over a period of years through the build-out of residential neighborhoods of varying densities and housing types. Other land uses included an office and business park, an 18-hole golf course, community parks and schools, and a community shopping center at the U.S. 50/El Dorado Hills Blvd. interchange.

The El Dorado Hills County Water District was formed in 1960 to provide fire, water and related services to future development of El Dorado Hills. Subsequent to formation, only fire and emergency services were provided, with other services transferred to El Dorado Irrigation District.

In 1962, the County Board of Supervisors created the El Dorado Hills Community Services District (EDHCSD) and gave it the authority to provide various public services to the community, including specifically, park and recreation services.

Subsequent developments have expanded the original master plan area considerably. Starting with the mid-1980s, the more recent developments include:

- The Northwest El Dorado Hills Specific Plan (north of Green Valley Road)
- The Promontory (south of Green Valley Road, along the Sacramento County border)
- The El Dorado Hills Specific Plan (Serrano) and the Bass Lake Hills Specific Plan areas
- Carson Creek/Euer Ranch, Valley View and Marble Valley (all south of U.S. 50).
- The El Dorado Hills Business Park (south of U.S. 50).

These major project areas are identified on **Figure 1-6** at the end of this Chapter.

During the 40+ years since El Dorado Hills began, most of the original master planned community has been built out. The newer developments have brought significant additional housing, retail shopping, professional office and Research & Development space to the area. Over this time period, El Dorado Hills has matured into a multi-service community with a population that, as of late 2003, was estimated at just under 28,400 persons.¹ Like the original Gruen master plan concept, the more recent additions to El Dorado Hills include a mix of land uses that expand the range of housing densities and types, and greatly expand the commercial and office space for local retail and employment activities.

In the mid 1990s, a group of local citizens began to promote the idea of municipal incorporation as a critical step towards bringing government decision-making closer to home where elected officials would be more responsive to local needs and where local decisions would more directly improve the quality of life for residents of El Dorado Hills. In late 1997, incorporation advocates (the “Proponents”) circulated a petition in support of their vision, seeking signatures from residents living within the proposed incorporation area. Signatures from over twenty-five percent of the registered voters were validated. The petition was deemed sufficient under state law to initiate an incorporation proposal, and the El Dorado Local Agency Formation Commission (LAFCO) began the incorporation process in March 1998.² In 2001, LAFCO Project No. 98-02 was closed by LAFCO due to several factors. The incorporation proposal was restarted in late 2003 under the terms of a settlement agreement (the “Settlement Agreement”) between the Proponents and LAFCO.

¹ Sacramento Area Council of Governments (SACOG).

² The initial proposal was referred to as LAFCO Project No. 98-02.

The current proposal was initiated in November 2003 when, under the terms of a settlement agreement (the "Settlement Agreement") between the Proponents and LAFCO, the El Dorado County Board of Supervisors adopted Resolution 322-2003. This action was taken on behalf of the Proponents, and in accordance with the terms of the Settlement Agreement. A copy of the Resolution is included in **Appendix C**. The Proposal is identified as El Dorado LAFCO Project 03-10, Proposed Incorporation of the City of El Dorado Hills.

C. STATEMENT OF REASONS FOR INCORPORATION

The original petition filed by the Proponents in 1998 contained a statement of the principal reasons for incorporation. Articulation of such reasons is a requirement under Cortese-Knox-Hertzberg for an application for incorporation (§56700 (e)). In accordance with Board Resolution 322-2003, these reasons remain the official statement of purpose, or intent, and are restated here:

- A. To enhance the physical character, community identity, and quality of life in El Dorado Hills by establishing local control of public services, land use planning, and public and private investment in the community;
- B. To establish a locally elected city Council in El Dorado Hills to provide community leadership and Increase local control over, and accountability for, governmental decisions affecting El Dorado Hills; including comprehensive planning and zoning and other land use decisions affecting El Dorado Hills;
 - (1) Increase accessibility of citizens to local government officials and staff members;
 - (2) Provide a local forum for discussion and resolution of issues important to the community through active community participation programs and opportunities for involvement in civic affairs;
 - (3) Increase local responsibility for determining public service levels and providing capital improvements and;
 - (4) Ensure the best allocation of state and federal revenues, to the maximum extent possible, to support needed services within the City of El Dorado Hills.
- C. To consolidate responsibility for municipal services in El Dorado Hills under a single local entity, the City of El Dorado Hills, which can, through improved efficiency and access to substantial state and federal revenues not presently available to the community, increase public service levels.
- D. To allow for improved public services in El Dorado Hills, including:
 - (1) Improved levels of police protection;
 - (2) Continued improvements to the level of fire protection and emergency medical services (EMS);

- (3) Improved health, safety, and welfare through implementation and enforcement of local laws and ordinances, Increase capacity of existing roads to improve traffic flow;
 - (4) Improved maintenance of existing roads that have been allowed to deteriorate;
 - (5) Improved parks and recreation facilities and programs; and
 - (6) Assurance of adequate public services and facilities needed to meet the demands of all residents
- E. To enhance physical development in El Dorado Hills, which promotes and preserves a vital blend of residential, agricultural, commercial, industrial, and open space land uses.
- F. To promote economic prosperity and fiscal independence through the identification and implementation of common economic goals.

D. PROJECT DESCRIPTION

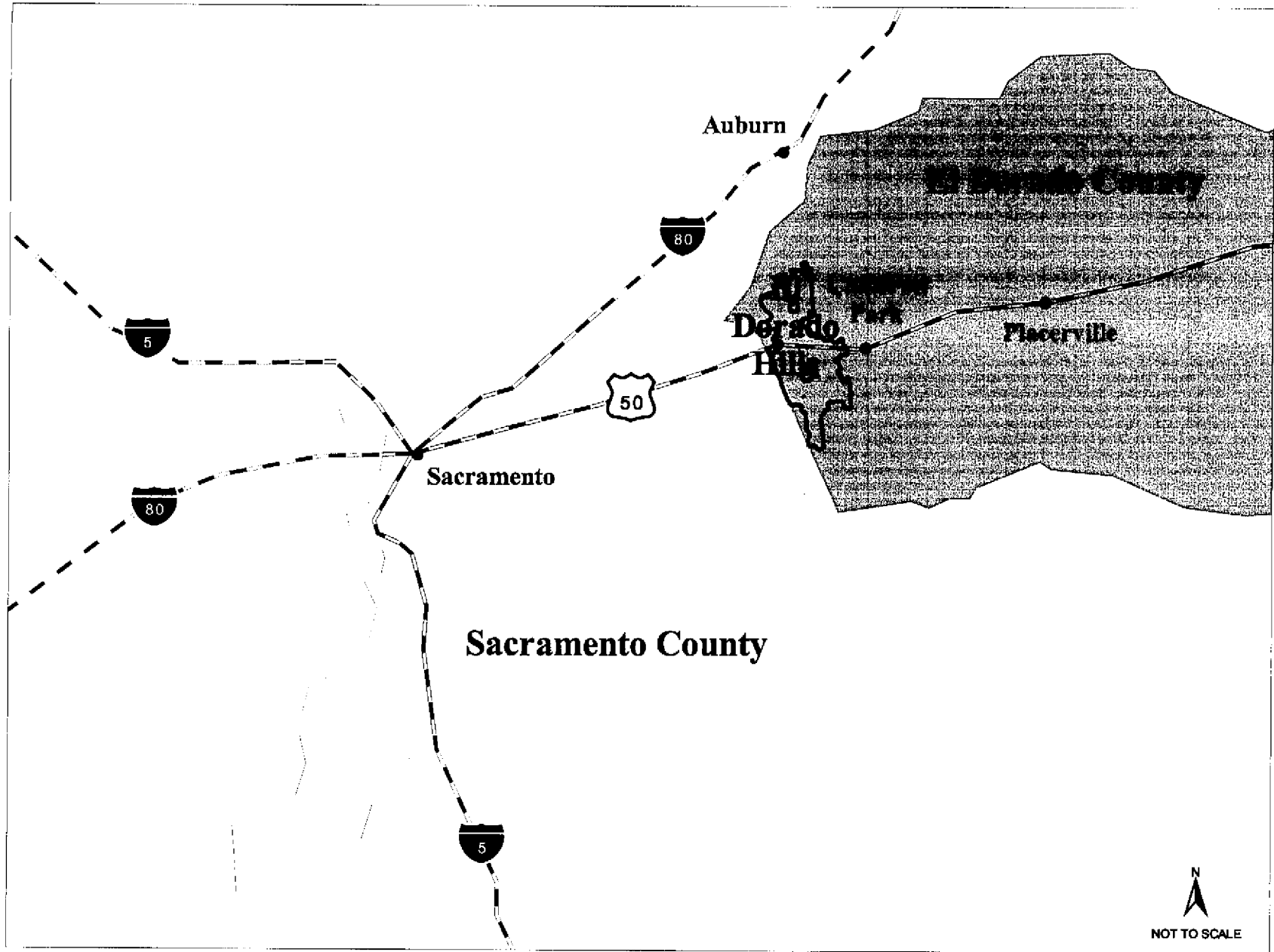
Project Sponsor

In accordance with Board Resolution 322-2003, and the Settlement Agreement, the project sponsor is the “Incorporation Committee,” which consists specifically of John Hidahl and Norman Rowett. These two individuals are the original Proponents who circulated the petition in 1997 - 1998, and who have been at the forefront of the incorporation effort since that time.

Proposal Boundary

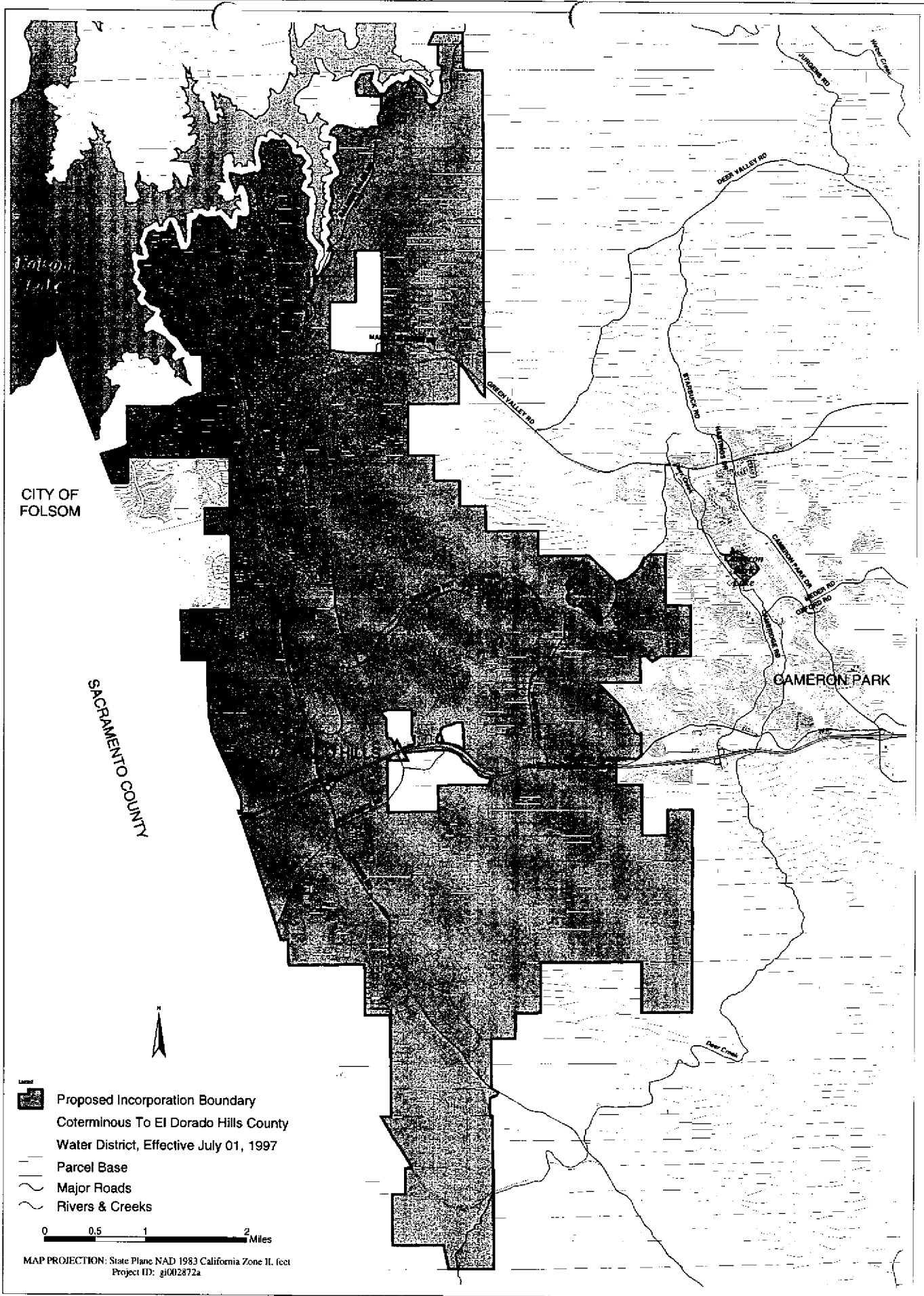
Board Resolution 322-2003 specifies that the proposed boundary for the City of El Dorado Hills would be the same as the boundary of the El Dorado Hills County Water District (EDHCWD, also known as the El Dorado Hills Fire Department) as it existed on July 1, 1997. This proposed boundary is shown on **Figure 1-2**. This particular boundary was chosen as the basis for the Proposal, in part, because it was the boundary that was shown on the original petition that was circulated to area residents. While EDHCWD annexations have occurred since that time, the July 1, 1997 boundary is the most recent boundary that has a validated legal description³ and therefore was selected by the Board of Supervisors as a solid base or point of beginning to initiate incorporation proceedings. Throughout this EIR, the geographical area enclosed within the Proposal boundary is referred to as the “Proposal Area.”

³ Personal communication with John Hidahl, El Dorado Hills Incorporation Committee, December 6, 2004.



Source: El Dorado County, see references.

FIGURE 1-1
REGIONAL LOCATION



Source: El Dorado County, see references.

FIGURE 1-2
PROPOSAL AREA BOUNDARY

Reasonably Anticipated Boundary Modifications

The legal framework, procedures and policies governing the formation of new cities is set forth in the California Government Code at Section 56000, more familiarly known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (referred to herein as “Cortese-Knox-Hertzberg”). This statute provides policy guidelines to LAFCO (§56375) and El Dorado LAFCO has adopted local policies consistent with the statute and its policies.

Among the provisions of Cortese-Knox-Hertzberg are standards or criteria for an incorporation boundary. Boundaries that do not conform to the criteria are to be disapproved. LAFCO is empowered to modify boundaries and services in its review of proposals, and its consideration of the effects of alternative and different boundary alignments, in accordance with Government Code 56668. As will be discussed in greater detail in **Chapter 2**, certain aspects of the Proposal boundary do not conform to the boundary criteria of Cortese-Knox-Hertzberg or El Dorado LAFCO and will need to be modified. These include:

- The exclusion of the large-scale development projects, such as The Promontory and Carson Creek, that are adjacent to the Proposal Area boundary and that have already been approved for urban development;
- Division of communities of social and economic interest including the Hickok Road neighborhood and Marble Valley.
- The exclusion of various isolated parcels that would be surrounded by the incorporated city;
- The inclusion of lands that could result in adverse impacts to agricultural operations or resources, and are therefore most likely to be modified by LAFCO, based on the analysis of this EIR and consideration of other factors.

These conflicts are identified as “Direct Effects” of incorporation, and are given the weight of “significant environmental impacts” in this EIR. Modifying the Proposal boundary is the primary means by which LAFCO must implement the provisions of Cortese-Knox-Hertzberg, eliminate the policy conflicts, and mitigate the significant direct effects of incorporation. Boundary changes that would remove these conflicts are considered Reasonably Anticipated Boundary Modifications. Chapter 4 of this EIR provides a description and evaluation of boundary changes that are reasonably anticipated in light of the provisions of Cortese-Knox-Hertzberg and locally adopted policy.

Proposed Governmental Reorganization

In addition to the proposed boundary, Board Resolution 322-2003 also proposes a reorganization of various governmental agencies and realignment of service responsibilities. As set forth in the Proposal, these consist of the following actions:

- The incorporation of land currently under the legal jurisdiction of El Dorado County.
- The establishment of a general government entity responsible for providing a range of municipal services including, but not limited to, planning, land use decisions and regulations,

public works, engineering, road construction and maintenance, building inspection, Zoning Code enforcement, parks and recreation services, animal control, street lighting, storm drainage, and solid waste disposal.

- The dissolution and reorganization of the El Dorado Hills Community Services District and assumption of currently provided services and responsibilities of that District by the new City;
- Dissolution and reorganization of the Marble Mountain Community Services District (MMCS D);
- The dissolution and reorganization of the Springfield Meadows Community Services District and assumption of currently provided services and responsibilities of that District (e.g., parks, street maintenance, landscaping and lighting, and drainage and culverts) by the new City;
- Detachment from and reorganization of County Service Area 9 and assumption of currently provided storm drainage and other services and responsibilities of that Service Area by the new City, and concurrent amendment of the sphere of influence;
- Transfer to the new City of various existing assessment districts.

El Dorado LAFCO will likely modify the Proposal in order that the proposed incorporation conform as closely as possible to the applicable policies of the El Dorado LAFCO and the requirements of the Cortese-Knox-Hertzberg Act. These reasonably expected modifications to the incorporation proposal are described in **Chapter 4, Alternatives**. These include the following:

- The dissolution and reorganization of the Arroyo Vista Community Services District and assumption of currently provided services of that District (e.g., street maintenance) by the new City;⁴
- Detachment of a portion of the Hickok Road Community Services District and concurrent amendment of the sphere of influence; and,
- The assumption of all lighting and landscaping districts, services and responsibilities currently provided in serving the Proposal Area by the new City.

The first two of the changes listed above, dissolution of the Arroyo Vista CSD and detachment from the Hickok Road CSD, would be required only if the Proposal boundary were to be selected. As will be explained in greater detail in **Chapter 2**, adoption of a revised boundary that would exclude these two areas entirely, would eliminate the need for any changes to the Arroyo Vista CSD or the Hickok Road CSD.

⁴ This was part of the original Petition but was not expressly included in Board Resolution 322-2003.

The proposed governmental reorganizations and changes in service providers are further detailed in Table 1 in the Initial Study (**Appendix A**). No land use changes or new development projects are proposed as part of incorporation.

Revenue Neutrality

An important element of the incorporation process is revenue neutrality. Section 56815 of the Cortese-Knox-Hertzberg Act requires the preparation of a Comprehensive Fiscal Analysis (“CFA”) for all proposed incorporations. One purpose of the CFA is to explain how property tax and other governmental revenues would shift as a result of the formation of a new governmental entity. Based on the findings of the CFA, LAFCO is required to determine appropriate adjustments in the anticipated flow of revenues so as to ensure that incorporation not result in a negative fiscal impact on counties and other affected agencies. As described in the OPR Incorporation Guidelines, “Under the revenue neutrality law (§ 56815), LAFCO cannot approve a proposal for incorporation unless it finds that the amount of revenues the new city receives from the county and affected agencies after incorporation would be substantially equal to the amount of savings the county or the affected agencies would attain from no longer providing services to the proposed incorporation area.”⁵

The procedure for resolving revenue neutrality issues is a series of negotiations between the incorporation Proponents (in this case, the Incorporation Committee), El Dorado County, EDHCWD, and other affected agencies. These discussions will result in a Revenue Neutrality Agreement that will be submitted to LAFCO for review and approval as part of its final consideration of the incorporation proposal.

As will be seen in **Chapter 2**, there is a degree of interplay between the analysis of potential fiscal effects of incorporation, and the analysis of potential environmental effects. A good example of this is in the area of fees that are imposed on new development as a means of funding various types of mitigation measures, such as roadway improvements intended to reduce traffic impacts. Developer impact fees, roadway improvement fees, and habitat preservation fees are examples of requirements that have been enacted into the El Dorado County Ordinance Code, and in the 2004 County General Plan, that serve these purposes. Incorporation of the new city raises the possibility that the revenue stream from these fees could be reduced, or redirected to other purposes, thereby resulting in potentially significant environmental impacts.

The Project

In summary, the “Project” for the purposes of this EIR, consists of the following components of the proposed incorporation:

1. The Proposal Boundary (i.e. the boundary as referenced in the Board Resolution);
2. The Reasonably Anticipated Boundary Modifications (examined in Chapter 4);
3. The Proposed Governmental Reorganizations;

⁵ Governor’s Office of Planning and Research, A Guide to the LAFCO Process for Incorporations, October 2003, p. 39.

4. The Reasonably Anticipated Additional Governmental Reorganizations required to comply with LAFCO Policies;
5. Concurrent Sphere of Influence Amendments Associated with the Reorganization; and,
6. The Revenue Neutrality Agreement.

E. PROJECTED FUTURE DEVELOPMENT

Introduction

The purpose of this section is to make a reasonable effort to quantify the potential for future development within the proposed new City. This EIR assumes that the new City of El Dorado Hills would adopt the El Dorado County 2004 General Plan to serve as the interim general plan for the City. The basic premise of the Draft EIR is that potential environmental impacts that may result indirectly from incorporation would likely be those associated with future development of currently vacant land that does not have specific development permits or entitlements. To assess the potential for such environmental effects, it is necessary to first estimate the potential for future growth or development, which, as discussed below, is assumed to be the same, with or without incorporation.

Assumptions

Services

A fundamental assumption with respect to this incorporation proposal is that the new City would be able to provide public services at a level of performance at least as good as are currently provided by the County and other public agencies. Any loss or reduction in the level of services for the residents of the incorporation area would be a violation of LAFCO policy 6.7.16 and would be a reason for LAFCO to deny incorporation.

Future Development

No development is proposed as part of the incorporation. The act of incorporation, in itself, would not result in any direct physical changes in the existing environment within the area to be incorporated. All characteristics of the existing environment present at the instant before incorporation would remain unchanged in the instant following incorporation, although the map of El Dorado County would be changed to reflect the creation of a new municipality. Aside from the “direct” effects identified in **Chapter 2**, the environmental impacts that would result from incorporation would flow indirectly from the establishment of a new entity with independent police power and land use approval authority.

Assessment of any future indirect environmental impacts that may be associated with anticipated development is extremely difficult. It necessarily requires consideration of possible future actions by the new City and their potential for impact. In such an assessment, the CEQA *Guidelines* require an assessment of “reasonably foreseeable” impacts (§15064(d)), but prohibit evaluation of “speculative” impacts (§15145). Where the line between “reasonably foreseeable impacts” and “speculative impacts” falls may be difficult to determine.

State law requires that newly incorporated cities adopt all county ordinances previously applicable to the newly incorporated area and that such ordinances remain in effect for a period of 120 days after incorporation, or until the new city adopts its own ordinances.⁶ Thus, it is expected that El Dorado Hills would act within the existing framework of the County's laws governing land use during the first few months of the city's existence. However, general plans are typically adopted by resolutions, and not by ordinance, and therefore they fall outside of this statutory requirement. Such is the case when the Board of Supervisors in El Dorado County adopted its new General Plan by resolution in July 2004. Therefore, the new city would not be compelled by state law to adopt the county general plan. However, a review of other recent incorporations, and contact with the Governor's Office of Planning and Research,⁷ indicates that new cities in fact, adopt the currently operative county general plan as the city's interim general plan and use it to guide local land use decision-making during the "interim period" – that is, until such time as the new city adopts its own general plan in accordance with Government Code Section 65360. For the purposes of this EIR, it is assumed that the new City of El Dorado Hills would do likewise. Government Code Section 65360 provides a period of up to thirty months following incorporation for the development and approval of a new City General Plan, with extensions possible.

In the event that the 2004 General Plan adopted by the County of El Dorado (hereinafter, the "2004 GP") is no longer in force at the time of incorporation, the new city would adopt the documentation that is functioning as the County General Plan in the absence of the 2004 GP. Since the 2004 GP growth assumptions provided the maximum level of development anticipated within El Dorado County during the General Plan's planning period used, when compared to the level of development associated with the alternatives evaluated in the General Plan EIR, the use of the adopted 2004 GP future development projections provides for the maximum development potential, or a "worst case" picture in terms of the magnitude of environmental effects that may result from future development within the area proposed for incorporation.

What the new City would do following this interim period is more difficult to predict or assess with clarity. Future land use regulations within the City of El Dorado Hills could be either more or less restrictive than those currently in force in El Dorado County. This EIR assumes that the most reasonably foreseeable outcome is that future development in the new City would be similar in magnitude to that permitted by the 2004 GP, and that it would be speculative to assess an unlimited range of alternative land use and development possibilities. In any case, CEQA review by the new city of all future development projects in the incorporation area would be required, and would include an assessment of the consistency of such projects with the goals, objectives and policies of the new city's general plan and related land use regulations, once they have been formally adopted.

Methodology

For this analysis, it is first necessary to determine how much future development might be possible in a new City of El Dorado Hills. The potential for residential development would be determined by applying the density and land use provisions of the 2004 GP and current zoning rules to all vacant, developable and/or "splittable" parcels within the Proposal Area. A related projection is

⁶ California Government Code Section 57376.

⁷ Personal Communication, Terry Roberts, OPR, December 23, 2004.

made with respect to the potential for future retail commercial, office, industrial and/or Research & Development (R&D) types of uses on land so designated in the 2004 GP and County Zoning.

As noted previously, the act of incorporation would not directly result in this growth (as no development is proposed), but the changes in the environment resulting from potential development that could occur within the new city is considered as 'indirect' effects of incorporation. In **Chapter 3**, this EIR focuses on these indirect effects as the basis for determining whether incorporation would be considered to have significant environmental effects.

An aerial photograph of the El Dorado Hills area, taken in April 2004, is included for reference as **Figure 1-9**. It shows the physical extent of developed and undeveloped land within the Proposal boundary.

The quantitative estimate of future growth from new development is derived based on the following steps:

1. Using the real estate database maintained by the El Dorado County Assessor's Office, identify all parcels by Assessor's Parcel Number ("APN") that are located within the Proposal Area and that are:
 - a) vacant (no improvements listed, for property tax purposes);
 - b) developable (more dwelling units would be permitted on the parcel than exist currently, based on current zoning or General Plan); and/or,
 - c) splittable (the parcel is larger in land area than the minimum parcel size, per zoning and general plan - thereby indicating the potential to subdivide the parcel into smaller lots in accordance with current zoning and general plan).

2. Identify and map the location of the parcels

All of the parcels in the categories defined above represent where new, unentitled residential development could occur within the new City; these parcels are colored yellow and are identified as "Residentially Designated Lands" in **Figure 1-8**.

3. Determine the size of each such parcel
4. Determine the General Plan land use category for each parcel
5. Determine the current Zoning for each parcel
6. Divide the parcel size (in square feet) by the appropriate zoning minimum lot size per the General Plan land use district in which it is located.

For example, if the database identifies a vacant parcel of 100,000 square feet (approximately 2.5 acres), and the current zoning classification is R1 (up to 5 residential units per acre) and the current General Plan land use designation is HDR (High Density Residential - up to 5

residential units per acre), then this parcel would be included as a site for potential future development of up to 13 residential units (5 residential units per acre X 2.5 acres).

7. The sum total of these lots, times the potential development maximum, is what is considered the estimated growth potential of the new City, beyond the amount of development already existing and that which has been previously approved by the County.
8. For land designated for commercial, industrial or R&D uses, the projection is based on applying the applicable Floor Area Ratio (FAR) to the size of the parcels, in accordance with the rules set forth in the 2004 GP.⁸

The County of El Dorado maintains a database of all legal parcels of land. Applying the above search criteria to the database generates a list of parcels and the associated information needed to calculate the estimated development potential.

Potential Future Growth

Based on this methodology, a search of the County's database produced a total of 53 residential properties consisting of 1,224.5 acres that could be used for new residential development within the Proposal Area. Applying General Plan land use densities to each parcel indicates that approximately 2,351 new single family dwelling units could be generated,

For non-residential land uses, there are an estimated 1,540 acres of land designated in the 2004 GP for commercial, office, industrial and/or Research and Development, with approximately 4.4 million square feet of existing built space.⁹ Approximately 2.8 million square feet of this is in the El Dorado Hills Business Park; the balance is in the El Dorado Hills Town Center, the office development along El Dorado Hills Boulevard, and along Green Valley Road. The full buildout of the vacant land designated for commercial, industrial and/or R&D uses is estimated at 16.8 million square feet, of which 6.5 million square feet would be potentially at the El Dorado Hills Business Park.

Figure 1-8, Areas of Future Development, shows the location and size of the properties where future development could occur, based on the foregoing methodology.

The EIR also indicates that future development within the area proposed for incorporation would be expected to generate a number of significant environmental effects. These are identified in this EIR as "Indirect Impacts." Direct Effects are those that would be a direct result of the incorporation and could not occur in the absence of the incorporation. Indirect Effects are those effects of new growth and development in the area that would be likely to occur in the incorporation area over the planning period, most of which would probably occur whether incorporation is approved or not.

⁸ El Dorado County General Plan, July 2004, Table 2-3. For the purposes of this analysis a maximum .25 FAR is assumed.

⁹ EDHCWD personal communication with EPS.

Buildout

The ultimate size of the new City of El Dorado Hills, in terms of housing units and population (either with or without incorporation), can be estimated by adding what already exists, what has already been approved, and future growth that could be expected based on the 2004 GP land use designations to vacant, unentitled and developable land. The results of this estimate are shown in **Table 1-1, Estimated Buildout, Proposed City of El Dorado Hills**, shown on the following page. The estimated buildout of El Dorado Hills would consist of 18,307 dwelling units, or about twice what existed as of a year ago, and approximately 2,300 more than what has already been approved or built. At 2.92 persons per average household, the buildout population is estimated at approximately 53,400 persons.

For commercial, industrial or R&D uses, the existing 4.4 million square feet of such space could grow to 16.8 million square feet, based on a total of 1,540 acres of land with land use designations of Commercial, Industrial or R&D, and using a .25 FAR on all sites.

This and other relevant information is summarized in **Table 1-2, Summary of Relevant Factors, Proposed City of El Dorado Hills**.

TABLE 1 - 1
ESTIMATED BUILDOUT POTENTIAL
PROPOSED CITY OF EL DORADO HILLS – EDHCWD BOUNDARY

Subarea within Proposal Area	Built as of Dec 2003	Remaining Entitled Development	Potential New Growth¹⁰ Per 2004 General Plan	Per Zoning	Estimated Total at Buildout (A+B+C)
A. Residential Dwellings	A	B	C	D	E
El Dorado Hills (Serrano)	2,758	1,695	0	0	4,453
Bass Lake Hills	0 ¹¹	1,458	0	0	1,458
Valley View	0	2,840	0	0	2,840
Marble Valley	0	250	0	0	250
Existing residential development not included in above projects ¹²	6,955	0	N/A	N/A	6,955
Vacant, Developable, Splittable Land	0	0	2,351	2,050	2,351 ¹³
Total, Proposal Area	9,713	6,243	2,351	2,050	18,307
Percent of Buildout	53%	34%	13%		100%
B. Commercial, Industrial, and/or R&D	4.4 MSF*	10.1 MSF	2.2 MSF		16.8 MSF
Percent of Buildout	26%	61%	13%		100%

Sources: El Dorado County Planning Department; 2004 County General Plan, Housing Element; SACOG; Lamphier-Gregory

MSF = million square feet.

¹⁰ Estimates of growth provided by El Dorado County Planning Department.

¹¹ Does not reflect that there are some older existing homes (>25) within the Specific Plan area.

¹² Inferred, based on SACOG estimated total of 9,713, less the 2,758 at Serrano.

¹³ Uses higher number for “worst case” scenario, for CEQA.

TABLE 1 - 2
SUMMARY OF RELEVANT FACTORS
PROPOSED CITY OF EL DORADO HILLS – EDHCWD BOUNDARY

Factor	Buildout
Total Size of Incorporation Area (acres) ¹⁴	20,023
Population (Dec. 2003) ¹⁵	28,329
Dwelling Units (Dec. 2003) ¹⁶	9,713
Dwelling Units – Approved, not built	6,955
Estimated Potential D.U. on Vacant Parcels ¹⁷	2,351
Buildout – Dwelling Units	18,307
Buildout – Population ¹⁸	53,456
Buildout – Commercial, Industrial, R&D Sq. Ft.	16.8 MSF

Source: El Dorado County Planning Department; EPS; Lamphier-Gregory

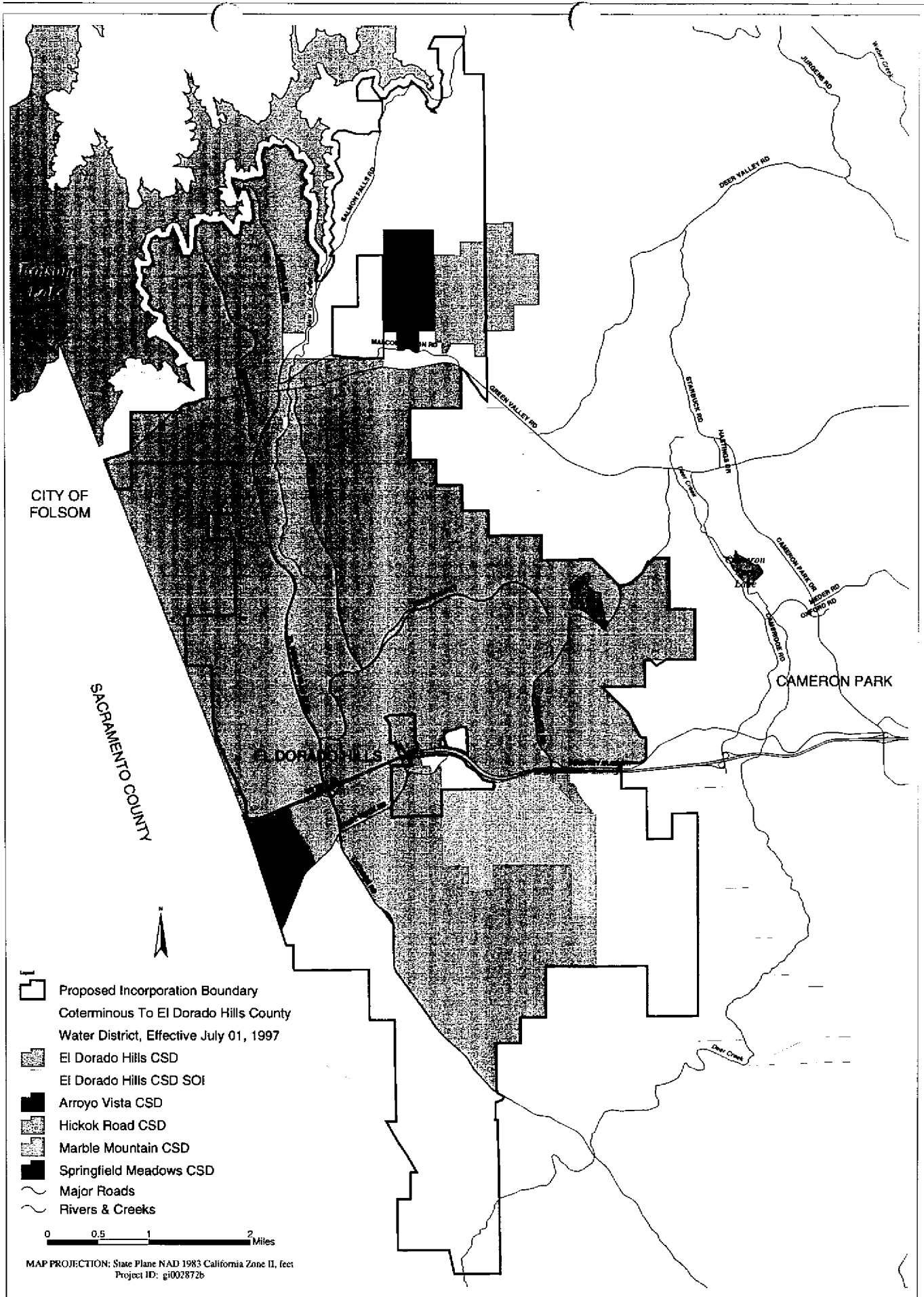
¹⁴ El Dorado County Surveyor's Office – GIS.

¹⁵ Sacramento Area Council of Governments (SACOG), 2004.

¹⁶ SACOG, 2004

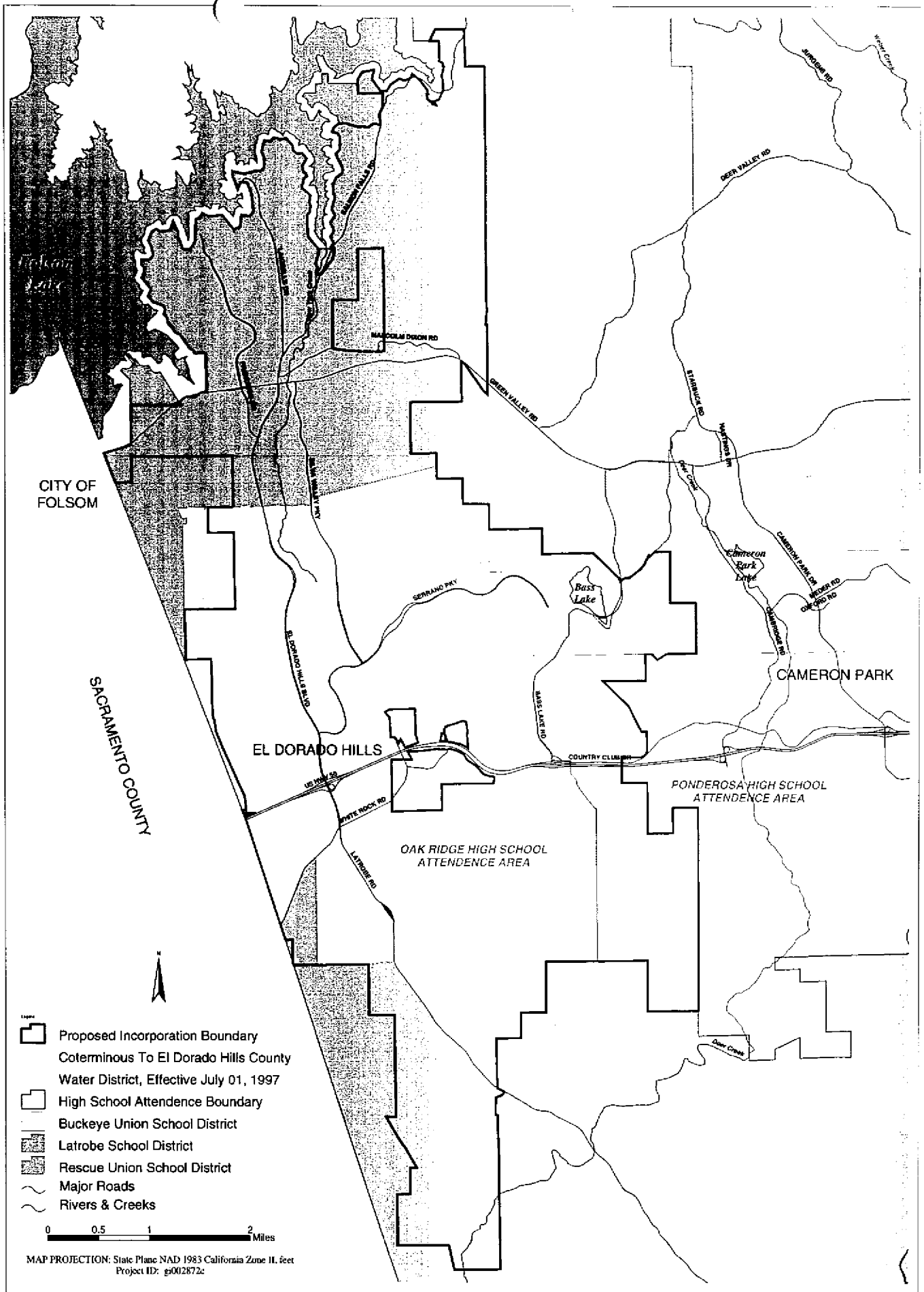
¹⁷ El Dorado Planning Department

¹⁸ Based on SACOG estimate of 2.92 persons per household (2003 data).



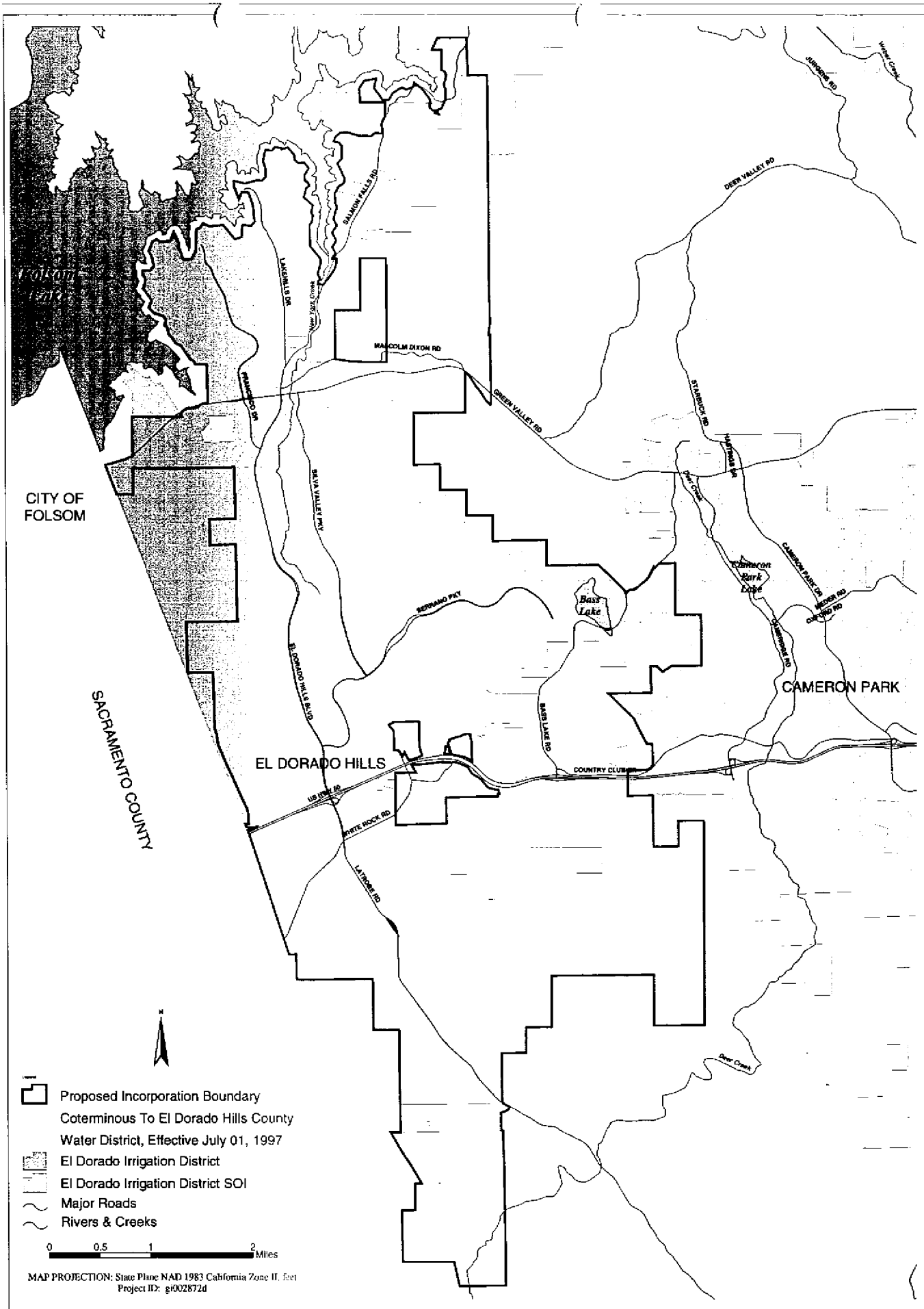
Source: El Dorado County, see references.

FIGURE 1-3
PROPOSAL AREA AND COMMUNITY SERVICE DISTRICTS



Source: El Dorado County, see references.

FIGURE 1-4
PROPOSAL AREA AND SCHOOL DISTRICTS



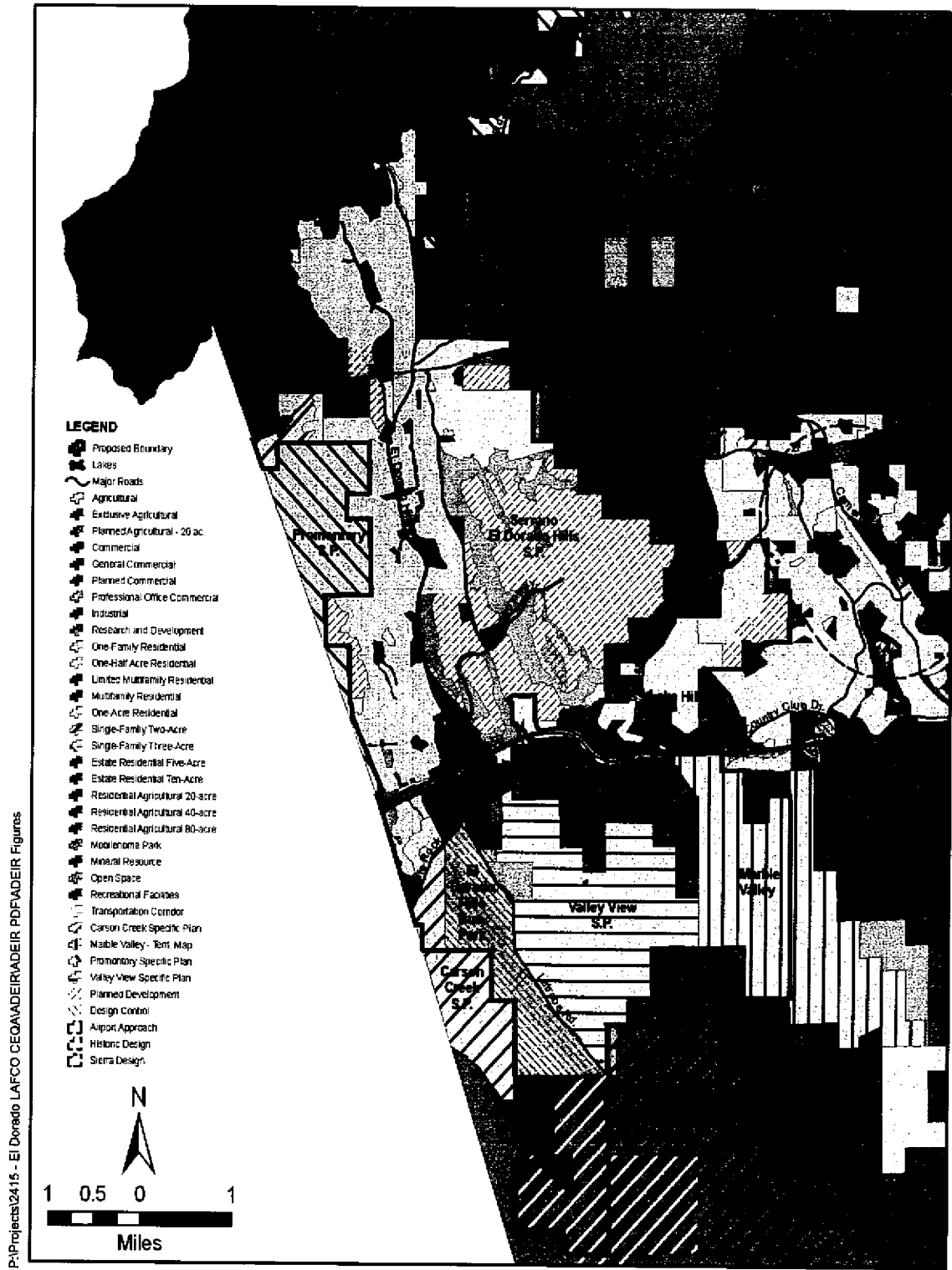
- Proposed Incorporation Boundary
- Coterminous To El Dorado Hills County Water District, Effective July 01, 1997
- El Dorado Irrigation District
- El Dorado Irrigation District SOI
- Major Roads
- Rivers & Creeks

0 0.5 1 2 Miles

MAP PROJECTION: State Plane NAD 1983 California Zone II, Feet
Project ID: gr002872d

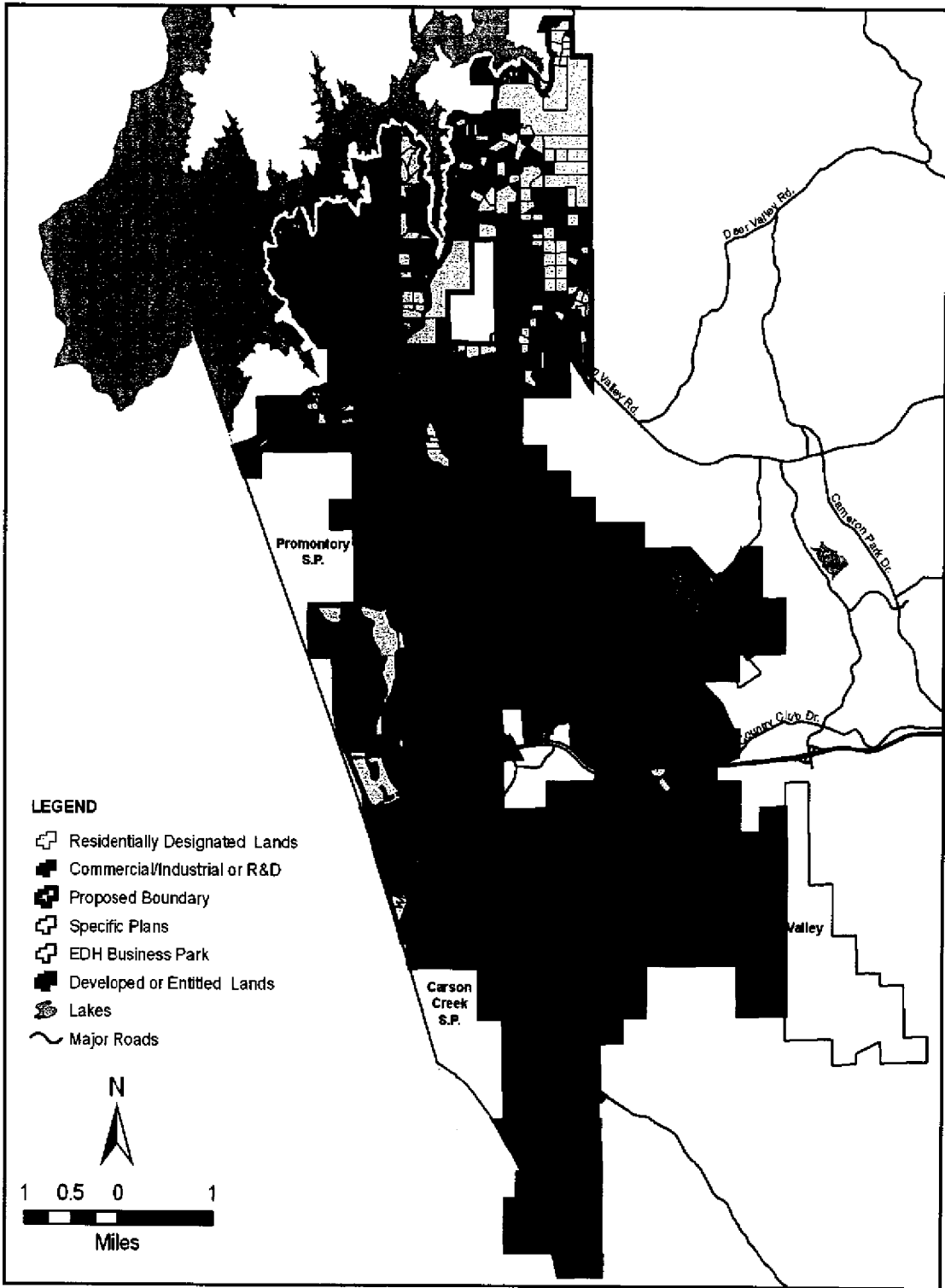
Source: El Dorado County, see references.

FIGURE 1-5
PROPOSAL AREA AND EL DORADO IRRIGATION DISTRICT AND SOI



Source: El Dorado County

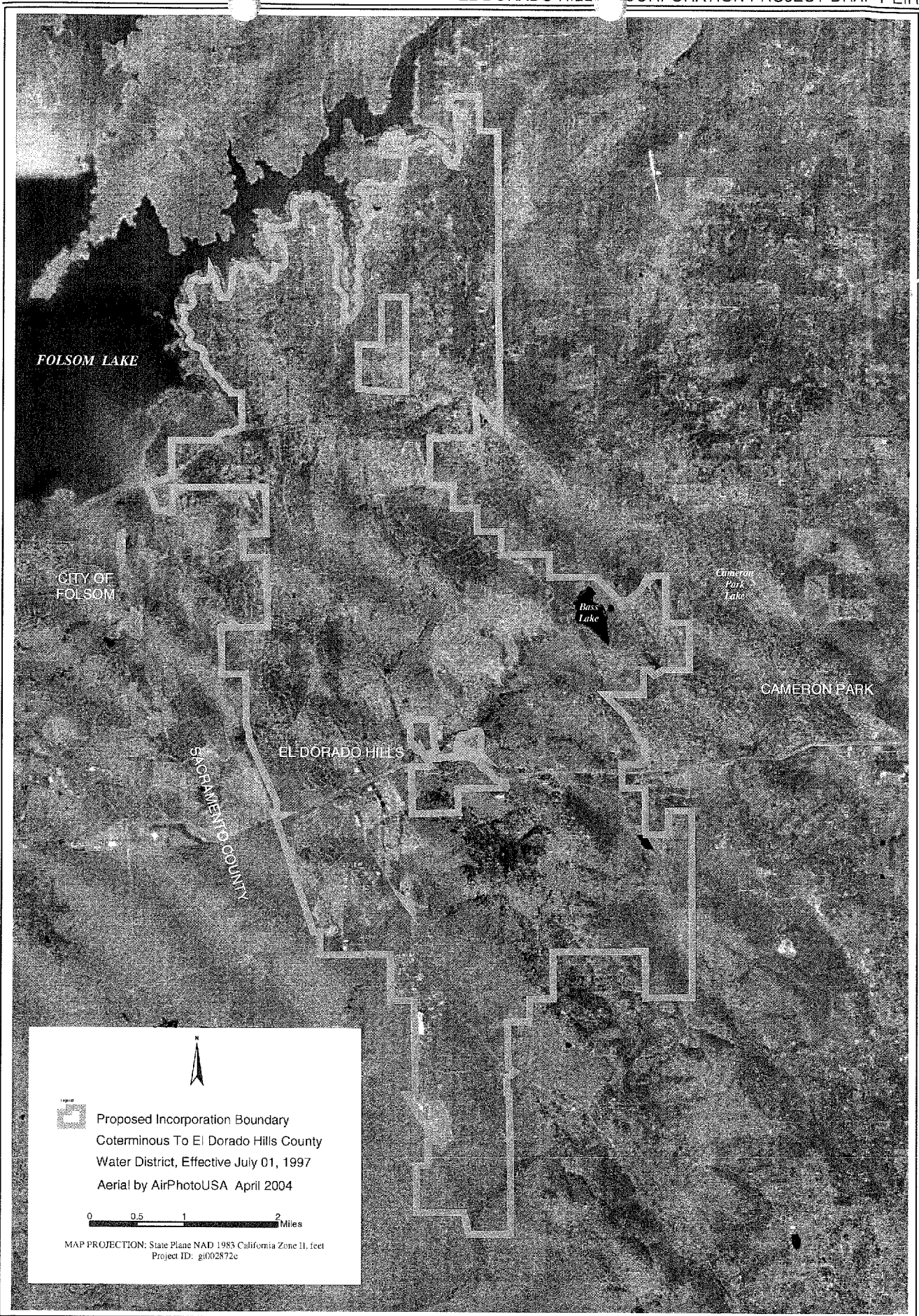
FIGURE 1-7
PROPOSAL AREA AND COUNTY ZONING



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Source: El Dorado County

FIGURE 1-8
AREAS OF FUTURE DEVELOPMENT - PROPOSAL BOUNDARY



Source: El Dorado County, see references.

FIGURE 1-9
AERIAL PHOTO

Chapter 2

Environmental Analysis – Direct Effects

A. LAND USE

SETTING

The community of El Dorado Hills is currently an unincorporated part of El Dorado County. Municipal services to the approximately 28,400 residents are provided by several independent districts and the County of El Dorado. The area proposed for incorporation contains a mix of developed, rapidly developing and undeveloped areas. Land uses include residential, commercial, office and light industrial and recreation, including two 18-hole golf courses. Public facilities include fire stations, a sheriff's office substation, public schools (elementary, junior high and one high school), a new branch library, water storage, treatment and distribution facilities (including Bass Lake), wastewater collection, treatment and discharge facilities, storm drain detention basins, trails, and neighborhood and community parks.

Over the past fifteen years, the Board of Supervisors of El Dorado County has given its approval to several large-scale developments in the El Dorado Hills area. These include the El Dorado Hills Specific Plan (Serrano), The Promontory, Carson Creek/Euer Ranch, Valley View, the Bass Lake Hills Specific Plan, and Marble Valley. These development projects involve primarily single-family residential housing, but also include sites and authorization for retail commercial, office and other ancillary land uses. Since the land use entitlements granted with these projects are protected under long-term Development Agreements, they will not be affected by whether the area incorporates as a new city or not. As noted in Chapter 1, unentitled vacant land that could be subdivided or developed for residential use totals approximately 1,224 acres, or about 6 percent of the total area proposed for incorporation. Thus, the future land use for El Dorado Hills has been substantially determined already, by the combined total of existing and entitled (but not yet fully developed) land uses.

LOCAL POLICY SETTING

County General Plan

Currently, local land use policy in the area proposed for incorporation is determined by the El Dorado County General Plan. Land use policy is implemented and regulated through the administration of the applicable portions of the County Ordinance Code, including local zoning, building and environmental codes. Under state law, newly incorporated cities are required to adopt

the operative county codes and ordinances that pertain to land use, and to keep these ordinances in place during an interim period until the new city adopts its own ordinances.¹ Since General Plans are typically adopted by resolution, and not by ordinance, the transfer of a general plan from a county to a newly formed city technically does not fall within the mandate of the above cited section of the Government Code. Nevertheless, newly formed cities need to have a basis for making land use decisions. A review of recent incorporations in other cities, and contact with the Governor's Office of Planning and Research (OPR), confirms that newly formed cities typically adopt the current County General Plan as their interim general plan. Under the state planning law, new cities are required to adopt their own general plan within 30-months of incorporation, with extensions possible from the Office of Planning and Research.²

In the case of El Dorado Hills, and as stated in **Chapter 1**, this EIR assumes that the new city will adopt the 2004 El Dorado County General Plan (the "2004 GP") at the same time that it adopts all of the County's other land use ordinances. Thus, the local land use document that will serve as the general plan for the new city will be the legally operative general plan of the County at that time.

Given the current status of the 2004 GP as of the time of this writing (December 2004), it is unclear exactly what will represent the operative County General Plan as of the effective date of incorporation (July 1, 2006), if approved by LAFCO and by the voters in the affected area. A brief historical overview is provided to explain the current situation with respect to questions related to the continued validity of the 2004 GP.

On January 23, 1996, El Dorado County adopted a comprehensive General Plan. On February 5, 1999, the Superior Court, County of Sacramento, in the matter of *El Dorado County Taxpayers for Quality Growth, et al. v. El Dorado County Board of Supervisors and El Dorado County*, ruled that, in certain respects, the County failed to comply with the California Environmental Quality Act (CEQA) in the adoption of its 1996 General Plan. Consequently, certification of the County General Plan Environmental Impact Report and adoption of the County General Plan were set aside. In order to allow the County to function while correction measures were taken, the Court placed El Dorado County under a Writ of Mandate (the "Writ"). The terms of the Writ have served to limit and control land use decision-making since that time.

To address the Court's findings, the County prepared a new County General Plan, and the Board of Supervisors adopted it on July 19, 2004 after certifying the 2004 General Plan Final Environmental Impact Report (the "General Plan EIR"). However, the 2004 GP is not considered legally operative until the Superior Court validates the General Plan EIR, accepts the 2004 GP, and lifts the Writ.³

Legal arguments challenging the adequacy of the General Plan EIR have been filed with the Court. If the Court finds the 2004 GP and General Plan EIR to be legally sufficient, then the Court is expected to reject the challenges and lift the Writ. A decision by the Court on this matter is not expected for several months following the outcome of the special election set for March 8, 2005 at which two related matters are to be decided by the voters of El Dorado County.

¹ California Government Code Section 57376.

² California Government Code Section 65360.

³ Personal communication with Lou Green, El Dorado County Counsel, September 2004.

First is a Referendum that opponents of the 2004 GP have submitted and qualified for the special election. The Referendum proposes to undo the action of the Board of Supervisors when it adopted the 2004 GP in July. If the Referendum is successful, the 2004 GP will be set aside and the land use policy for the County will continue to be limited and controlled as set forth in the Writ.

A second challenge is in the form of a proposed voter Initiative. The so-called “No Gridlock Initiative” has also qualified for the March 8, 2005 special election. If approved by a majority of County voters, this initiative would amend the County Charter in two ways:

1. It would restrict the Board of Supervisors from adopting a General Plan that would allow traffic congestion on U.S. 50 west of Placerville to reach level of service “F” during peak-hour commute periods at General Plan build-out.
2. It would also require the Board of Supervisors to postpone any form of approval of additional single family housing lot-splits or subdivisions of three or more parcels until U.S. 50 has been expanded to a total of eight lanes (from the existing 4-lane configuration) between Cameron Park Drive and the Sacramento County line.

The Charter Amendment would remain in effect for 25 years and could only be modified through majority vote of El Dorado County voters at a subsequent election.

For the purposes of this EIR, it is not necessary to predict the outcome of the possible scenarios. What is important is that this EIR assumes the new city would adopt the 2004 GP as its interim general plan, even though it may be set aside by the Referendum, restricted by the Initiative, or be rejected by the Superior Court. The basis for making this assumption in the EIR is to provide a land use policy framework that would permit analysis of the greatest amount of potential future development on the unentitled and vacant land within the area proposed for incorporation. This assumption would then acknowledge the greatest degree of potential environmental impacts resulting from future development of such vacant, unentitled land. All of the other possible outcomes of land use policy in El Dorado County that the new city might adopt would be expected to permit lesser amounts of future development.

Draft versions of the 2004 GP contained a range of alternatives, each representing differing amounts of potential residential, commercial and other forms of growth and development, and with correspondingly different degrees of potential environmental consequences and impacts. After extensive public comment and participation, the El Dorado County Board of Supervisors selected provisions from the various alternatives to form the 2004 GP. The provisions selected by the Board that comprise the 2004 GP are, in general, those that would permit the greatest amount of potential new growth in the County when compared with the other alternatives that were under consideration. From an environmental impact perspective, therefore, the 2004 GP represents land use policies that collectively would result in greater environmental impacts than would other alternatives addressed in the draft versions of the 2004 GP. Thus, in assuming that the 2004 GP would be the land use policy base for the new city, this EIR assumes a “worst case” alternative, i.e., one that would likely result in the greatest degree of environmental impacts, compared with the other possible outcomes of land use policy. In reality, however, if the 2004 GP is not in force at the time of incorporation, the new city would be expected to adopt whatever documentation is functioning as the County General Plan in the absence of the adopted 2004 GP.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

State law governing the process of local government reorganization is the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 et. seq.). The legislative intent of Cortese-Knox-Hertzberg is:

“...to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing such development with sometimes competing state interests of discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services. The Legislature also recognizes that providing housing for persons and families of all incomes is an important factor in promoting orderly development. Therefore, the Legislature finds and declares that this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary government services and housing for persons and family of all incomes in the most efficient manner feasible.”

The proposed incorporation of El Dorado Hills must be approved by the El Dorado LAFCO and meet all LAFCO requirements. Factors to be considered by LAFCO when reviewing the proposed incorporation are set out in Section 56668 and Section 56720 of the Government Code and in the El Dorado LAFCO Policies and Guidelines document. They include, but are not limited to, the following:

- Population, population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas during the next 10 years.
- Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. “Services,” as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.
- The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.
- The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

- The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- Consistency with city or county general and specific plans.
- The sphere of influence of any local agency which may be applicable to the proposal being reviewed.
- The comments of any affected local agency.
- The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for such services following the proposed boundary change.
- Timely availability of water supplies adequate for projected needs including but not limited to, the project needs as specified in [California Government Code] Section 65352.5.
- The extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the appropriate council of governments.
- Any information or comments from the land owner or owners.
- Any information relating to existing land use designations.

A fundamental assumption with respect to this incorporation proposal is that the new City would be able to provide public services at a level of performance at least as good as are currently provided by the County and other public agencies. Any loss or reduction in the level of services for the residents of the incorporation area would be a violation of LAFCO policy 6.7.16 and would be a reason for LAFCO to deny incorporation.

El Dorado LAFCO Authority

Based on the requirements and policies set forth in Cortese-Knox-Hertzberg, and the policies of the El Dorado LAFCO, LAFCO has the authority to take any of the following actions as part of its review and consideration of the proposed incorporation:

- Determine whether to approve or disapprove the incorporation, with or without amendments or conditions;
- Determine the boundaries of the proposed City.
- Approve a reorganization plan for special districts within LAFCO's jurisdiction, and which provide service to the project area.
- Determine base and future property tax exchanges among affected entities.
- Determine the terms and conditions of approval, including the effective date of incorporation.
- Determine the provisional appropriations limit for the new City.

- Consider the consistency of the proposed incorporation with applicable general and community plans.
- Other duties, responsibilities and authorities as provided by law.

LAFCO Thresholds of Significance

The El Dorado LAFCO *Policies and Guidelines* include policies and procedures for implementing CEQA requirements for environmental review of LAFCO projects or proposals. Section 3.2.16 of the Policies and Guidelines sets forth the significance criteria for evaluating environmental effects. In accordance with these criteria, impacts are considered potentially significant and adverse if:

- Buildout of the proposed project may cause service levels to decline below established standards, costs of service provision to rise substantially to the detriment of service levels, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts.
- Buildout of the proposed project may cause the infrastructure capacity of a service provider to exceed planned and safe limits especially when such change may cause adverse health and safety or other physical impacts.
- The proposed project includes or plans for infrastructure capacity, especially water and sewer lines, that exceed the needs of the proposed project and may be used to serve areas not planned for development, especially those containing prime agricultural land, mineral, sensitive plant and wildlife or other important resources.
- The proposed plan could cause health and safety or other physical impacts because a service provider is incapable of providing service, the proposal has an illogical boundary, or elements needed to provide service (water supply, treatment facilities, equipment, energy) are not available, or stressed beyond capacity.
- The proposed project may result in substantial loss of prime agricultural and important open space or resource land.
- The proposed project may cause premature, ill planned, illogical or inefficient conversion of prime agricultural, open space, mineral resource or other important resource areas not planned for development in the next five years.
- The proposed project is substantially inconsistent with applicable Sphere of Influence Plans, long range and area service plans, phased land use plans of any city or county, or resource conservation plans of the state or federal government.
- The proposed project may include substantial growth on important agricultural and open space lands because it would:
 - Permit the extension of, or require, infrastructure such as flood control levees or water diversions, electrical, water or sewer lines, especially trunk lines, roadways or other public facilities that would permit new development in a substantial area currently constrained from development;
 - Encourage or foster development by permitting uses that adversely impact adjacent agricultural operations, significantly increase property values of adjacent or

proximate resource land, or remove natural or man made buffers between urban and agricultural, mining or other conservation uses.

- Be adversely and substantially inconsistent with the agricultural, open space, resource conservation or preservation, growth management, trip reduction, air quality improvement or other plans, policies or ordinances of the General, Community, Specific or other Plans of the land use jurisdiction responsible for the project site or vicinity.
- The proposed project, when considered in conjunction with other recent, present and reasonably foreseeable projects, may cause significant adverse cumulative impacts.
- The project would result in substantial noncontiguous development which, in turn, would result in adverse physical impacts.
- There is no need for service and the proposed project would adversely affect important public resources of the public health and safety.
- The project would adversely impact animal or plant species either listed as, or determined to be, endangered, rare or threatened as provided in Section 15380.
- Project related impacts are identified as potentially significant when completing the Initial Study checklist adopted as Exhibit A of LAFCO's CEQA procedures.

While not expressly stated in the El Dorado LAFCO Policies and Guidelines document, the range of actions that LAFCO could take in accordance with both the provisions of Cortese-Knox-Hertzberg and CEQA, after certifying the environmental document would include the following:

- At its discretion, approve a proposal without change if the anticipated environmental impacts are insignificant;
- Modify the proposal;
- Establish mitigating measures as conditions of approval (although the authority of LAFCO to impose and enforce mitigation measures is limited by the language of §56375 Cortese-Knox-Hertzberg in which LAFCO is barred from attaching conditions that "...would directly regulate land use density or intensity, property development, or subdivision requirements.");
- Deny the proposal because of unacceptable adverse environmental impacts; or,
- Approve a proposal despite its significant adverse environmental impacts by making findings of fact and a statement that the proposal benefits outweigh the unavoidable significant adverse environmental effects (statement of overriding considerations).

DIRECT EFFECTS ASSOCIATED WITH INCORPORATION – LAND USE CONFLICTS

Significance Criteria

The proposed incorporation would have a significant environmental effect if it were to result in:

- A conflict with any applicable sphere of influence, boundary, district or city operations, resource conservation plan, growth management, air quality or trip reduction ordinance, land use plan, policy, or regulation of a local, state or federal agency with jurisdiction over the Proposal (including, but not limited to a general plan, specific plan or zoning ordinance) adopted to avoid or mitigate an environmental effect;
- Substantial noncontiguous urban development which, in turn, results in adverse physical impacts;
- A decline in service levels below established standards, a substantial increase in the costs of service provision to the detriment of service levels, or a reduction in service to those currently receiving services, especially when such a change may cause adverse health and safety or other physical impacts;
- Physical disruption/division of an established community.

Impact Analysis

Conflicts or Consistency with Existing Plans and Policies

In evaluating consistency determinations related to land use, sphere of influence and boundary considerations, the Draft EIR focuses on the direct effects associated with the act of incorporation, without speculating on the extent to which future development following incorporation might or might not deviate from the land use regulations currently in force for the area. Potential “indirect” effects of future growth and development within the new city are addressed in **Chapter 3**. Although it is possible that land use regulations ultimately adopted by a new City of El Dorado Hills might weaken the development constraints now in effect under County of El Dorado land use regulations (e.g., loss of applicability of County Measure Y could result in development within the incorporated area beyond the existing constraints provided in that Measure), it is also possible that future City of El Dorado Hills land use regulations could be more restrictive in terms of future development. By assuming the 2004 GP land use policies, this EIR takes a conservative, “worst case” view of how much future development would be possible and what its indirect impacts would be.

The proposed incorporation would be an administrative change providing for the establishment of a new local jurisdiction (City of El Dorado Hills). As noted above, Section 57376 of Cortese-Knox-Hertzberg requires the new City to adopt all existing El Dorado County ordinances in effect for the Proposal Area. This would include the adoption of all existing County ordinances, plans, programs or policies intended to avoid or mitigate environmental effects that are currently in force within the area proposed for incorporation. As noted above, the new city would also be expected to adopt the 2004 GP, although in the event that the 2004 GP is no longer in force at the time of incorporation, the new city would adopt the documentation that is functioning as the County General Plan in the absence of the 2004 GP. Within thirty months of incorporation, the new City of El Dorado Hills would be required to develop its own general plan and other land use plans, policies and regulations, all of which would be subject to environmental review under CEQA prior to adoption.

Under state law, the new city would also inherit, by transfer, all of the County-approved Specific Plans and Development Agreements that involve land inside the new City boundary.⁴ These areas are designated “Adopted Plan”, or “AP,” in the 2004 GP. Each of these development projects has

⁴ California Government Code §65865.3.

completed its own review and approval process administered by the County, including environmental review pursuant to CEQA, and each is subject to specified mitigation measures and other “conditions of approval” imposed as part of the County approval process. The change from these projects being in unincorporated County jurisdiction, to being inside the new city’s boundary, would not affect each project’s on-going obligation to comply with its required mitigation measures and conditions of approval. None of the pending actions that could affect the 2004 GP (e.g., the Referendum, the No Gridlock Initiative, and/or the pending Superior Court review) would affect the development entitlements of the approved projects.

As currently proposed, the Proposal Area boundary would not conflict with, and does not overlap, the boundary or sphere of influence of any other city. However, the Proposal calls for the dissolution of the Springfield Meadows CSD, and the El Dorado Hills CSD, and detachment from County Service Area 9. The proposal would also require the dissolution of the Arroyo Vista CSD and detachment of affected parcels from the Hickok Road CSD, as described further, below. The dissolution of the El Dorado Hills CSD would affect some areas that are currently within its boundaries or its Sphere of Influence but outside the Proposal Area boundary. The services that this CSD currently provides to these areas would need to be provided through other means.

The special districts that would be affected include:

El Dorado Hills CSD

The CSD currently provides services in the areas of parks and recreation, street lighting and landscaping, solid waste management, cable television services, enforcement of Covenants, Conditions, and Restrictions (CC&Rs) and architectural design review for many of the local subdivisions. The incorporation proposal calls for the CSD to be dissolved and all of its functions and responsibilities transferred to the new City.

Marble Mountain CSD

As noted above in **Chapter 1**, Board Resolution 322-2003 calls for the dissolution of the Marble Mountain CSD and the transfer of its road maintenance responsibilities to the new City. This change would be consistent with LAFCO policies 3.8 and 6.7.10.2. However, residents of Marble Mountain, at the time of the prior incorporation proposal, have indicated a preference to be excluded from the incorporation area and that their CSD remain as a functioning entity.⁵ With respect to the issue of retaining the CSD, it is reasonably foreseeable, based on LAFCO’s policy of considering landowner input,⁶ that LAFCO would modify the Proposal to accommodate at least this aspect of the Marble Mountain residents’ request. Thus, it is considered likely that the CSD would remain

⁵ Letter from Bert Mutz to Roseanne Chamberlain, dated February 22, 2001.

⁶ El Dorado LAFCO, *Policy and Guidelines*, Section 3.1.4 (m). This is the same language as set forth in Cortese-Knox-Hertzberg at §56668 (m).

functioning with responsibility for local road maintenance within its territory. In any case, the decision to retain or to dissolve the Marble Mountain CSD would not result in an environmental impact and the decision would be made by LAFCO in light of the whole record.

Springfield Meadows CSD

The Proposal calls for the dissolution of the Springfield Meadows CSD and its functions taken over by the new City. Current services provided by the CSD include road, bridge and culvert maintenance, and park, recreation and street lighting.

In addition, while the CSD is authorized to conduct architectural review and CC&R enforcement, these functions are currently administered by an informal committee of local residents with no legal affiliation with the CSD. These functions would not be affected by incorporation until and unless the city agrees to accept them following incorporation or unless expressly transferred under the Terms and Conditions of Incorporation approved by LAFCO at the conclusion of the approval process.

El Dorado LAFCO set a zero Sphere of Influence in October 2004 with respect to the SMCSO. This action signifies LAFCO's determination that the SMCSO should be dissolved and its services provided by another agency. The proposed dissolution of the SMCSO as part of the incorporation Proposal would be consistent with this recent determination of LAFCO.

Arroyo Vista CSD

As set forth in Board Resolution 322-2003, the Proposal does not expressly identify Arroyo Vista CSD as an agency that would be affected by incorporation. However, in light of the LAFCO and Cortese-Knox-Hertzberg policies referenced above with respect to Marble Mountain, and because it would be completely enclosed within the Proposal boundary, it would be reasonable to assume that LAFCO would include the dissolution of Arroyo Vista CSD as part of the incorporation project.

However, if the "No Unincorporated Islands" boundary alternative, as described in **Chapter 4**, is selected by LAFCO, the Arroyo Vista CSD would be outside the city boundary and thus would be left in place with no change.

Hickok Road CSD

Approximately half of the Hickok Road CSD lies within the Proposal boundary. If this boundary is ultimately approved, LAFCO would need to consider how to treat the

continuation of the CSD within the incorporated portion, in light of its Policies 6.7.10.2 and 6.7.10.3. It is assumed here that the incorporated portion would detach from the CSD and its responsibilities for local road maintenance would be assumed by the new City. The detachment would include a concurrent Sphere of Influence amendment.⁷ The unaffected portion would continue to be served by the Hickok Road CSD.

However, if the “No Unincorporated Islands” boundary alternative is selected, the Hickok Road CSD would remain outside the city boundary and thus would be left in place with no change.

In any case, the retention or the dissolution of the affected portion of the Hickok Road CSD would not result in an environmental impact and the determination of LAFCO would not turn on environmental considerations but on the appropriate application of LAFCO policies.

CSA 7 (Ambulance Service)

No change.

CSA 9 (Storm Drainage)

The Proposal Area would detach from CSA 9, and responsibility for storm drainage, road maintenance and other services currently provided by the County would be assumed by the new City. The zones of benefit, which provide funding for these services, would remain in place, but the funding would flow to the new City and no longer to the County.

CSA 10 (Library Service)

No change.

EID

No change. EID would continue to operate water and wastewater treatment plants and distribution facilities without regard to city boundaries. The EID Sphere of Influence would not be affected.

El Dorado Hills County Water District (a.k.a. El Dorado Hills Fire Dept.)

No change in boundary or functions, but incorporation would immediately result in the reclassification of some 20,100 acres of land that are within the District. Lands that are currently designated as State Responsibility Area (“SRA”) for wildland fire protection would be reclassified as Local

⁷ LAFCO Policy 6.4.4.

Responsibility Area (“LRA”). The responsibility for wildland fire protection would shift from CDF to EDHCWD.

To continue CDF services for wildland fire protection, the EDHCWD would need to contract with the CDF, and, with funding provided by the new City, pay CDF an annual contract fee based on the number of new acres classified as wildland fire zone. To ensure the continuation of wildland fire protection services by CDF, and to not impact the EDHCWD financially, the new City would need to enter into a contractual relationship with the EDHCWD to assure the annual funding of the CDF services. See further discussion of this issue under **Section D (2) Public Services – Fire Protection**, below.

Rescue Fire Protection District

The Proposal Area boundary does not overlap any territory of the Rescue Fire Protection District (RFPD). If the Proposal boundary is selected, there would be no impact on the RFPD.

However, if the “No Unincorporated Islands” boundary alternative is selected, some territory within the RFPD would be inside the new City. Since all territory within the RFPD is classified as SRA, the incorporated area would be reclassified as LRA and become the responsibility of the RFPD. As with the EDHCWD, the cost to retain the services of CDF for wildland fire protection for the affected area would need to be borne by the new City, through appropriate contractual agreements. See further discussion of this under **Section D (2) Public Services – Fire Protection**, below.

El Dorado County Fire District

The Proposal Area boundary does not overlap any territory of the El Dorado County Fire Protection District (EDCFPD). If this boundary is approved, there would be no change or impact on the EDCFPD.

However, if the “No Unincorporated Islands” boundary alternative is selected, some territory within the EDCFPD (e.g., the eastern half of Marble Valley) would be inside the new City. Since all territory within the EDCFPD is classified as SRA, the incorporated area would be reclassified as LRA and become the responsibility of the EDCFPD. As with the EDHCWD and Rescue, the cost to retain the services of CDF for wildland fire protection for the affected area would need to be borne by the new City through appropriate contractual agreements. See further discussion of this under **Section D (2) Public Services – Fire Protection**, below.

Income Affordability Level	Number of Units
Very Low Income	2,511
Low Income	1,698
Moderate Income	1,990
Above Moderate Income	<u>3,075</u>
Total Allocation	9,274

Under state law and the policies set forth in the RHNP, the new City would need to negotiate with the County to determine how much of the County's allocation would become the City's allocation.⁹

The County has submitted its Housing Element to the California Department of Housing and Community Development (HCD) for review as to compliance with statutory requirements. As of the time of this writing, the HCD is prepared to make a finding of compliance except for one outstanding issue, namely, the County needs to identify feasible means for reconciling the potential financial impact of Measure Y compliance on affordable housing developments.¹⁰

Community Plans

No community plans would be affected by the Proposal, as there are currently no Community Plans in force within the area proposed for incorporation.

Specific Plans

As noted above, all Specific Plans previously adopted by the County of El Dorado within the Proposal Area and covered under the terms of a development agreement (e.g., the Serrano Project and Valley View), would be transferred to the new city. Incorporation would not affect the development agreements or Specific Plans, including the conditions of approval and mitigation measures. The new city would take over the land use administration and permitting process for each project.

Land Use - Zoning

Upon incorporation, and in accordance with Cortese-Knox-Hertzberg,¹¹ the new City of El Dorado Hills would adopt the El Dorado County Zoning Ordinance and Zoning Map for lands within the

⁹ California Government Code Section 65584.07. Also, see RNHP, Supra, at Section 5: Policy for RHNP Redistribution upon Annexation or Incorporation, p. 13.

¹⁰ Personal communication, Paul McDougal, Housing Policy Specialist, California Department of Housing and Community Development, February 2005. If compliance with Measure Y has the effect of making an affordable housing development proposal economically infeasible, the County's ability to meet its affordable housing goals would be jeopardized. In addition to waiting for the outcome of the March 2005 ballot measures that affect the 2004 GP, HCD is waiting for the County to determine how it intends to reconcile these two competing goals and requirements.

¹¹ California Government Code Section 57376.

Proposal Area. **Figure 1-7** shows the land use categories of the current El Dorado County Zoning Ordinance for land within the Proposal Area. The act of incorporation would be consistent with applicable zoning classifications, restrictions and procedures.

Airport Land Use Plans

Incorporation would not affect any airport land use plans. The nearest airports in the vicinity of the Proposal Area are the Cameron Park “Airpark,” approximately 4 miles to the east, and Mather Field, approximately 15 miles to the west. Incorporation would have no effect on operations at either of these airports. As discussed in **Chapter 3**, however, potential future development within the new City would expose future residents to noise impacts from continued or expanded operations at Mather Field.

Mineral Resource Zones

No mineral resource zones are located within the area proposed for incorporation.

Resource Conservation/Open Space Plan

There are no changes proposed in the jurisdiction or boundary of the Resource Conservation District.

Upon incorporation, the new City of El Dorado Hills would adopt Chapter 17.71 of the County Ordinance Code that provides mandatory measures to mitigate impacts to rare plant species that are known to inhabit certain parts of the County. Under the provisions of this Ordinance, development of land within the County’s Ecological Preserve is required to dedicate land for ecological conservation purposes, or to pay appropriate in-lieu fees that enable the County to acquire land for mitigation purposes. The northeast portion of the Proposal Area, east of Salmon Falls Road and north of Green Valley Road, is adjacent to, but does overlap, the Ecological Preserve. Development within that area would be subject to the mitigation requirements of the Ecological Preserve mitigation ordinance and program.

DIRECT IMPACT 2-1: Potential Loss of County Funding for Acquisition of Permanent Rare Plant Habitat.

If any part of the Proposal Area is determined to be within the County Ecological Preserve, the new City would be expected to administer and enforce the provisions of Chapter 17.71 of the County Ordinance Code. Arrangements between the new City and the County would need to be made to assure the continued flow of in-lieu fee revenue to the County in order to maintain the established mitigation program. Any loss or disruption of such fee revenue would adversely affect the County’s ability to maintain the required level of habitat acquisition which is necessary to assure permanent preservation of the habitat. This would be a potentially significant direct impact of incorporation

■ MITIGATION

1. Require continued collection by the new City of the Habitat Conservation Mitigation Fee and Require the New City to Transfer to the County an Amount Equal to the Proceeds Thereof, Following Incorporation, in Accordance with Chapter 17.71.

These steps will assure the continued applicability of impact fees on development projects that are deemed to adversely impact the habitat of rare plant species. This measure would be consistent with Policy 3.2.16 of the LAFCO Policies and guidelines

SIGNIFICANCE FOLLOWING MITIGATION

With implementation of this mitigation measure, potential impacts would be reduced to a level of *Less than Significant*.

State and Federal Recreation Area Plans

The area proposed for incorporation does not include any territory within the Folsom Lake State Recreation Area (FLSRA), managed by the California Department of Parks and Recreation. The Auburn Reservoir Project/Folsom Lake State Recreation Area Plan guides land use decisions affecting the area. Incorporation, in itself, would not result in any changes that would affect (or be inconsistent with) the Auburn Reservoir Project/Folsom Lake State Recreation Area Plan.

Both the Proposal boundary, and the “No Unincorporated Islands” boundary alternative, would exclude the Brown’s Ravine Marina (located north of Green Valley Road near the Lakeridge Oaks subdivision and Mormon Island Park) from the incorporation area. Thus, both boundary alternatives would avoid any overlap into the FLSRA. Responsibility for police protection and other public services at Brown’s Ravine Marina and elsewhere within the Folsom Lake SRA would remain with the state and the El Dorado County Sheriff’s Office, as at present. Following incorporation, the Sheriff’s Office would continue to provide police protection and law enforcement services at this state facility, as it would remain as an unincorporated site, under county jurisdiction.

Islands of Urban Development

The Proposal boundary excludes three large development projects that have been approved by the County but that have not yet been fully constructed. The two largest of these are The Promontory (an 856-acre residential development located north of U.S. Highway 50 and adjacent to the El Dorado/Sacramento County line) and Carson Creek/Euer Ranch (a 710-acre age-restricted residential development located south of U.S. 50, between Latrobe Road and the county line). Development Agreements for these projects authorize 1,100 residential units at The Promontory and 1,470 units at Carson Creek/Euer Ranch. The third project is Marble Valley, located in the southeastern portion of the Proposal Area. Marble Valley is a 2,418-acre site that has been approved with a tentative subdivision map and development agreement for 398 single family lots. The easterly half of Marble Valley, where approximately 148 of the residential lots would be located, is not included within the Proposal Area. The Promontory is currently within the boundaries of the El Dorado Irrigation District (EID) and other service agencies, and initial stages of development have begun. Both Carson Creek and Marble Valley will need to be annexed into the EID and other service agencies before development can begin.

These projects represent actual or likely residential development that would be adjacent to, but not included within, the new City. Exclusion of these development projects would be inconsistent with various provisions of Cortese-Knox-Hertzberg and the policies of El Dorado LAFCO, set forth below, and, therefore, would be considered potentially significant impacts.

Relevant policies of the El Dorado LAFCO¹² regarding boundaries include the following:

3.9 BOUNDARY LINES

- 3.9.2 LAFCO shall modify, condition or disapprove proposals creating boundaries that are not definite and certain or do not conform to lines of assessment or ownership (§56119).
- 3.9.4 Islands, peninsulas, flags, “pinpoint contiguity,” “cherry stems,” and other irregular boundary lines are inconsistent with the formation of orderly and logical boundaries and may be amended, modified or disapproved by LAFCO (§56744, §56741, §56742).
- 3.9.7 The resulting boundary configuration shall not produce areas that are difficult to serve (§56668, §56001).
- 3.9.8 The Commission may order the inclusion of additional territory to any proposal to amend an otherwise unacceptable boundary and to accomplish its goal of creating orderly boundaries (§56668, §56001).

4.5 OTHER RELATED POLICIES

- 4.5.5 Developed lands which benefit from municipal services and are contiguous to a city boundary should be annexed to the city that provides service.

DIRECT IMPACT 2-2: Creation of Islands of Unincorporated Territory.

The Proposal boundary excludes areas that should be included, and includes areas that should be excluded. Each of these aspects of the Proposal boundary is inconsistent with policies of the El Dorado LAFCO and Cortese-Knox-Hertzberg:

- It should include two large development projects located at the western edge of the area, adjacent to the Sacramento County line (The Promontory and Carson Creek/Euer Ranch), and should include the entire Marble Valley property. These properties are fully entitled for residential development. All of these development sites will need urban services, and excluding them would be inconsistent with LAFCO Policies 3.9.4 and 4.5.5. Bifurcating Marble Valley would be inconsistent with LAFCO Policy 3.9.2;

¹² El Dorado Local Agency Formation Commission, *Policies and Guidelines*, January 28, 2004, p. 39.

- It should include the former Williamson Act parcels and thereby eliminate islands of unincorporated territory. Leaving these as unincorporated islands would be in conflict with LAFCO Policy 3.9.4;
- The Proposal boundary includes several unentitled vacant parcels at the southern end of the area that have agricultural land use designations and are designated Rural Region in the 2004 GP. Inclusion of these parcels would be in conflict with LAFCO Policy 3.2.16 (potential adverse impacts on agricultural and open space resources) and would be inconsistent with LAFCO Policy 3.4.1 (requiring a finding of consistency with the 2004 GP). These parcels should be eliminated.

The foregoing policy conflicts are considered Significant Impacts under the applicable significance criteria stated above.

The mitigation measure for these significant impacts is a boundary modification by LAFCO.

■ MITIGATION

1. Modify the Boundary to Include the Entitled Urban Development Projects Within the Incorporation Area (e.g., The Promontory, Carson Creek, Marble Valley);
2. Modify the Boundary to Eliminate “Islands” from the Proposed Incorporation Area (this would apply to the former Williamson Act parcels located in the central portion of the incorporation area);
3. Modify the Boundary to Exclude the Grazing Lands Located at the Southern end of the Proposed Incorporation Area.

The foregoing boundary modifications would eliminate the direct impacts caused by policy conflicts with adopted LAFCO boundary policies.

SIGNIFICANCE FOLLOWING MITIGATION

With implementation of these boundary modifications, conflicts with LAFCO and Cortese-Knox-Hertzberg policies would be eliminated and, therefore, the potential impact would be reduced to a level of *Less than Significant*.

Physical Disruption of Established Communities

El Dorado Hills is a community whose physical and social identity has grown and become more established over the past 40+ years of its history. Aside from the excluded major projects mentioned above, incorporation would strengthen, rather than disrupt or divide, the identity of the established El Dorado Hills community. Establishing a boundary around El Dorado Hills would also serve to formally delineate it from the adjacent communities of Cameron Park, Rescue and Latrobe. The act of incorporation would have no physical effects on these areas.

However, the northeastern section of the Proposal boundary is in conflict with LAFCO policies:

- It would divide the Hickok Road CSD into two parts, one to be included within the new City, and the remainder left as unincorporated County territory. After incorporation, the remaining portion of the Hickok Road CSD would retain responsibility for local road maintenance in the remaining portion of its territory. Reducing the size of this small CSD could compromise services and divide and potentially disrupt the Hickok Road community and surrounding neighborhood. This section of the Proposal boundary would be in conflict with LAFCO policy 3.9.7 that states: *The resulting boundary configuration shall not produce areas that are difficult to serve (§56668, §56001).*
- More generally, the Proposal boundary would bring into city jurisdiction the area north of Green Valley Road and east of Salmon Falls Road, including the Arroyo Vista CSD. This is an area of rural large-lot (e.g., 10+ acre lot sizes) residential land use that is inconsistent with the predominant land use character of the balance of El Dorado Hills. It is also considered part of a “Rural Region” in the 2004 GP.

DIRECT IMPACT 2-3: Disruption of Established Rural Residential Communities and the Hickok Road Community Services District.

The conflicts with LAFCO policies and the 2004 GP are considered Significant Impacts under the applicable significance criteria stated above.

The mitigation measure for these conflicts would be to modify the boundary to exclude the HRCSD and conform the boundary more closely to the policies of El Dorado LAFCO and Cortese-Knox-Hertzberg.

■ MITIGATION

1. Modify the Boundary to Exclude all of Hickok Road CSD.
2. Modify the Boundary to Exclude the Arroyo Vista CSD and Surrounding Rural Parcels.

LAFCO should modify the boundary to exclude Arroyo Vista and Hickok Road CSDs and use Salmon Falls Road and Green Valley Road as the boundary in the northern part of the Proposal Area. This boundary modification would eliminate impacts and conflicts with the Hickok Road and Arroyo Vista CSDs and avoid potential incompatibility between El Dorado Hills and the large-lot rural character of that area. This exclusion would further strengthen this community of interest as a “Rural Region.”

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of this measure would reduce the potential impact to *Less than Significant*.

Potential Reduction in Service Levels Related to CC&R Enforcement

As noted above, the dissolution of the El Dorado Hills CSD, among other things, would result in the termination of a service currently provided by the CSD to some homeowner groups within the area. This service consists of enforcement of specific standards and restrictions set forth in the CC&Rs (Conditions, Covenants and Restrictions) of subdivisions within its territory, and the termination of the architectural design review process for participating subdivisions, all of which is provided in return for an annual parcel fee.

Larger projects within the Proposal Area, such as the El Dorado Hills Specific Plan (Serrano), The Promontory, and the Northwest El Dorado Hills Specific Plan, which provide for CC&R enforcement and architectural review through their own internal governance structures. However, the subdivisions that are served by the CSD typically involve small numbers of lots, so that it has been more cost efficient for this function to be carried out by the CSD, rather than by internal homeowner associations. To enable the CSD to provide this service, special state legislation was enacted to grant the CSD the proper legal authority.¹³

It would be unusual for the new City of El Dorado Hills to continue to provide these services for at least two reasons. First, many of the rules and restrictions embodied in typical CC&Rs address concerns of personal preference and lifestyle that go far beyond the typical concern for health and safety that are found in local municipal building or housing codes. Second, administering CC&R provisions may place the new city in an awkward situation with respect to handling conflicting policies. As an example, if, in the interest of expanding the supply of “affordable” or senior housing opportunities, and complying with California law promoting the development of second units) the new city’s General Plan were to permit the development of second units or “granny flats” as accessory residences on what would otherwise be single family lots, these standards would be in conflict with provisions in many of the CC&Rs that expressly restrict land use within the subdivision to one single family residence per lot. The new city would then find itself in a conflicted position in these cases, obligated to enforce the provisions of the CC&Rs on the one hand, and obligated to enforce conflicting provisions of the General Plan or state law, on the other.

Nevertheless, legal research into this question indicates that LAFCO has the authority to require the new city to provide this service on a continuing basis, and to charge a reasonable fee in return for providing this service. Paraphrasing from a legal opinion written to the El Dorado LAFCO in 2002, in the context of the prior El Dorado Hills incorporation effort:

“Cortese-Knox [sic] gives LAFCOs broad grants of authority to continue services and charges...Section 56886 (m) [of Cortese-Knox-Hertzberg] empowers LAFCO to designate the successor agency to succeed to ‘all rights, duties and obligations’ of the extinguished local agency...The legislative intent of Section 56001 clearly expresses the intent to promote orderly development of urban areas and states a preference for a “single governmental agency, rather than several limited purpose agencies, [because it] is in many cases better able to assess and be accountable for community service needs and financial resources and, therefore, in the best mechanism for establishing community service priorities...[Therefore] LAFCO

¹³ California Government Code Section 61601.10.

clearly has the authority to condition the incorporation to authorize the continuation of the CC&R enforcement service and [to] charge only within the area in which the service was previously provided...¹⁴

On the basis of this legal opinion, there appears to be sufficient grounds for LAFCO to empower the new city to take on this current responsibility and to charge reasonably for the service.

However, while LAFCO may have the authority to require the new city to continue this service, there is no compelling reason under CEQA that would require it to do so. Failure to require the continuation of this service would not be in conflict with LAFCO CEQA policies or significance criteria, and, therefore, it would be within LAFCO's discretion, after considering landowner input, to determine whether to require this function of the new city, or not. Discontinuation of the service would be a direct effect of incorporation, but would not result in any physical changes in the environment or in any significant environmental effects. If the new city is ultimately not required by LAFCO to enforce existing CC&R provisions, then those homeowners currently subject to CC&Rs will be able to consider the costs and benefits associated with developing an alternative mechanism to provide for the enforcement of those CC&Rs, independent of any action by the new city.

B. AGRICULTURAL AND OPEN SPACE RESOURCES

Setting

General

El Dorado Hills is a formerly rural area where cattle grazing and other agricultural activities were once common. However, as the area has urbanized over the past 40+ years, most of these activities and the agricultural character of the area have been replaced by suburban residential and commercial development. The major remaining open space areas consist of golf courses, improved neighborhood and community parks, and undeveloped portions of approved development projects, and low intensity (i.e., grazing) on lands located at the southern end of the Proposal Area. There are also natural areas within and between subdivisions, including both public and private lands, trails and undeveloped parks. A relatively new trend, where land is suitable, is development of vineyards for local, small-scale winemaking.

Local Policy Setting

LAFCO and Cortese-Knox-Hertzberg contain various policies designed to discourage the annexation or incorporation of lands that are considered important agricultural resources and are not designated for development.¹⁵ These policies focus on lands that have important farmland soils, and lands under other forms of legal protection, such as Williamson Act contracts. Also,

¹⁴ P. Scott Browne, Attorney at Law, in a letter addressed to Roscarne Chamberlain, LAFCO Executive Officer and to Joe Chinn, Economic and Planning Systems, re: Opinion Re El Dorado Hills Incorporation Issues: Wildland Fire Cost and Parcel Tax Collected by the El Dorado Hills Community Services District, dated February 2002.

¹⁵ LAFCO Policies Section 3.10; Policies 6.7.8.2 and 6.7.8.3. See also Cortese-Knox-Hertzberg §56668 and 56377.

LAFCO policies respect the need to maintain appropriate buffers between non-agricultural lands and lands that remain in active agricultural use.

Williamson Act Contracts

Under the provisions of the Williamson Act (California Land Conservation Act 1965, Section 51200), landowners contract with the County to maintain agricultural or open space use of their lands in return for reduced property tax assessments. The contract is self-renewing, although the landowner may notify the County at any time of the owner's intent to withdraw from preserve status. Withdrawal involves a ten-year period of tax adjustment to full market value before protected agricultural or open space land can be converted to urban uses. Consequently, land under a Williamson Act contract can be in either a renewal status or a non-renewal status. Non-renewal of a Williamson Act Contract is an indication of the owner's likely intent to use the land for non-agricultural purposes and may indicate intent to seek land use entitlements for some form of urban development within the next ten years.

When the El Dorado Hills County Water District (Fire Department) took steps in the early 1990s to expand its district boundary to include all lands that were then within its sphere of influence, owners of properties within the affected area that were under Williamson Act contracts generally opted to be excluded from that annexation. As noted above, the "islands" within the Proposal boundary are properties that were under Williamson Act contracts at the time of that district annexation.

All Williamson Act contracts on properties inside the Proposal boundary that were current and operative as of July 1997 have either been terminated, or the property owners have given notice of non-renewal and their properties are in the period of tax adjustment during which the land will reach its full market value for property tax purposes. The status of these and other Williamson Act properties in or near the Proposal Area are identified in **Table 2-1**, and are shown on **Figure 2-1**.

Right to Farm Ordinance

The Right to Farm Ordinance (Chapter 17.13 of the County Ordinance Code) is an established policy relating to agricultural production within the County of El Dorado. Agricultural production requires the operation of heavy equipment, spraying, plowing, fertilizing, pruning, harvesting, as well as 24-hour work days. Agricultural activities can result in noise, odors, dust, smoke, and other impacts which residents of adjacent properties may perceive as a nuisance. The Right to Farm Ordinance states that agricultural production is encouraged, and that residents within these areas and on adjacent properties should be prepared to accept inconveniences associated with farming.

TABLE 2-1
AGRICULTURAL PRESERVES INSIDE OR PROXIMATE TO PROPOSAL BOUNDARY

Agricultural Preserve No.	Owner	Assessor's Parcel Number (APN)	Acres	Williamson Act Status
71	Tong	108-070-04 108-070-05 108-070-06	110.62	Non-renewal filed in 2002, with final rollout date scheduled for 2011. Adjacent parcels were part of Preserve No. 2 which completed rollout in 1999.
121	Pappas/Klass	108-050-44 087-010-17 087-010-18 087-030-67 087-070-06 087-070-05	1,101.59	Property is contiguous to the southwestern edge of the Proposal Area. Property is currently in rollout status, with the contract termination scheduled for 2008.
135	Mehrten	108-050-01	286.70	Property is outside but adjacent to the Proposal Area, in the southwest area. The Preserve status is active.

Source: El Dorado Dept. of Agriculture Weights and Measures, 2004

Compatible with the Right to Farm Ordinance, Section 17.06 of the El Dorado County Zoning Ordinance requires a buffer or set-back zone in cases where agricultural uses abut incompatible non-agricultural uses. This is intended to minimize the potential for land use conflicts and other potential impacts to agriculture.

Both ordinances would be adopted by the new City upon incorporation, in compliance with state law.¹⁶ However, the City may decide later to not retain the requirements of the County Ordinance.

Farmland Soils

The California Department of Conservation has set up the Farmland Mapping and Monitoring Program which monitors the conversion of the state's farmland to and from agricultural use. In El Dorado County, the monitoring function is carried out by the El Dorado County Department of Agriculture. The program maintains an inventory of agricultural land based on soil types and updates its "Important Farmland Series Maps" every two years. Four categories of farmland, Prime Farmland, Farmland of Statewide Importance, Unique Farmland, and Farmland of Local Importance, are considered valuable, and conversion of land within these categories to other uses is typically considered to be an adverse impact.

The 2004 GP uses the term "Choice" soils to include any of the foregoing farmland designations.¹⁷ **Figure 2-2** shows the location of the soils that are so-designated within the Proposal Area. The

¹⁶ California Government Code Section 57376.

¹⁷ El Dorado County General Plan, July 19, 2004, Agriculture and Forestry Element, Policy 8.1.1.2.

predominant farmland category is Grazing Land, followed by Urban/Built Up and “X” [meaning “other land”].

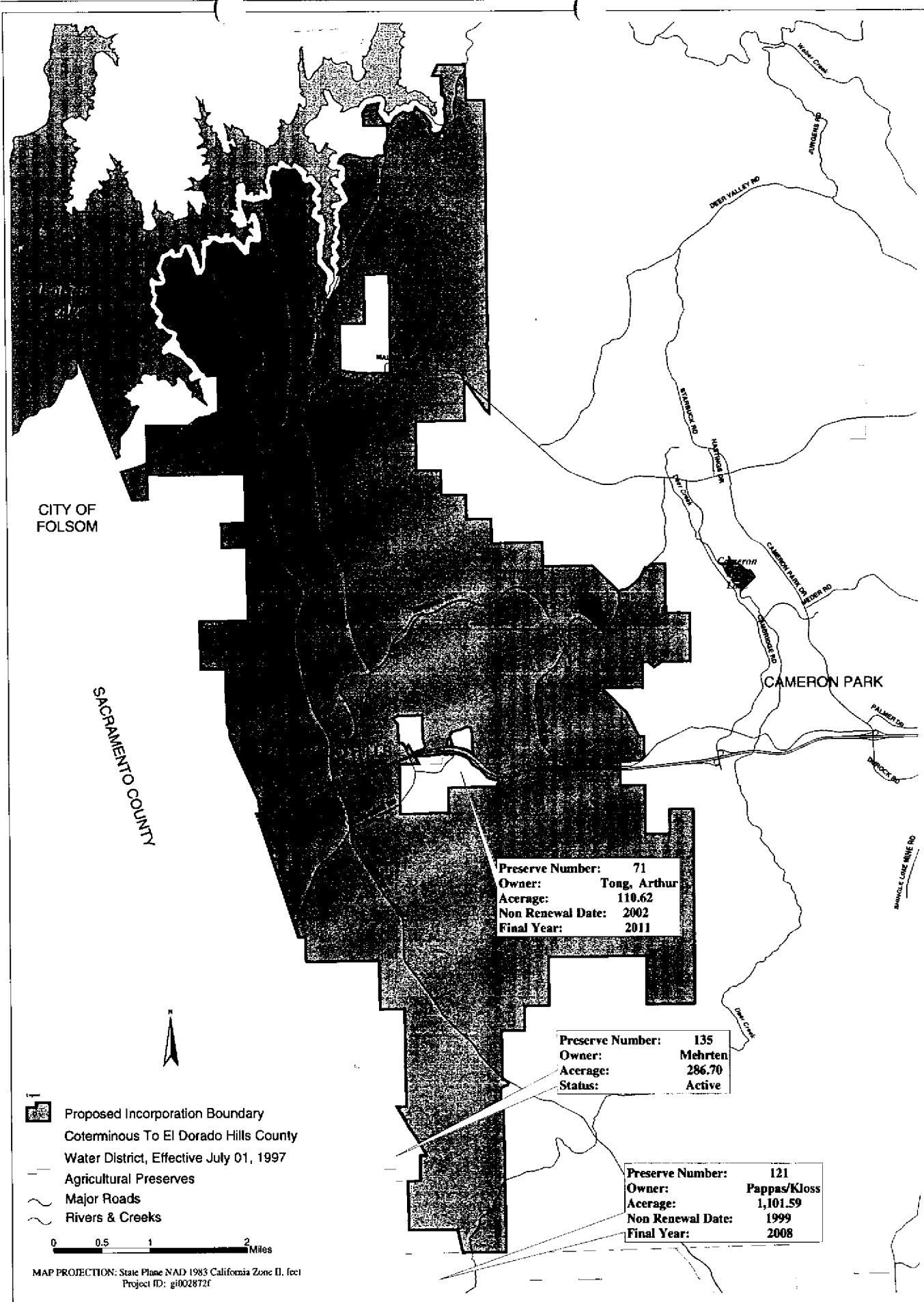
In addition, there are farmland soil types located on land in three parts of the proposed incorporation area. **Figure 2-2** shows where these soils are located, identified as Location 1, Location 2 and Location 3. Location 1 is in the southern portion of the Proposal Area, and the soil types are classified as PgB – SWI (SWI means soils of Statewide Importance). A portion of these SWI lands are located within the approved Carson Creek/Euer Ranch Specific Plan Area (and outside the Proposal Area, but would be inside the “No Unincorporated Islands” alternative; see **Figure 4-1 in Chapter 4, Alternatives**), with other portions extending into the Proposal Area onto lands owned by the El Dorado Union High School District, lands owned by John Dunlap, lands within the approved Valley View Specific Plan area, and lands located within the El Dorado Business Park. Those portions that are not within the boundaries of approved development projects are designated in the County General Plan Land Use Map as either Industrial, Research and Development, or Rural Residential. Any future development on these sites would involve the potential loss of these agricultural lands and would be subject to the limitations and mitigation measures embodied in the 2004 GP and the General Plan EIR.

Direct Effects Associated with Incorporation – Agricultural and Open Space Resources

Significance Criteria

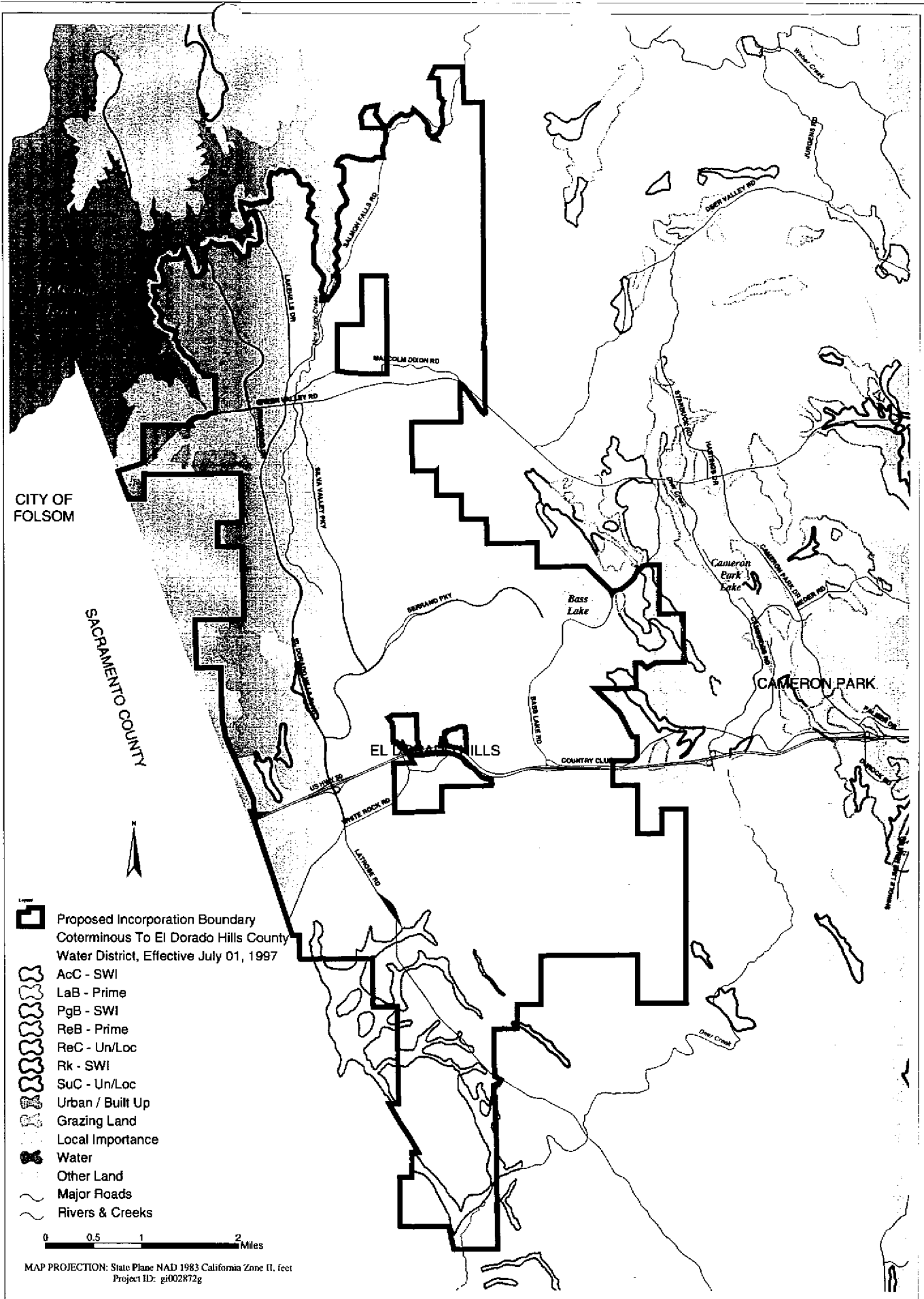
The proposed incorporation would have a significant environmental effect if it were to result in:

- Substantial loss of important agricultural, open space or resource land;
- Premature, ill-planned, illogical, or inefficient conversion of prime agricultural, open space, mineral resource or other important resource areas not planned for development in the next five years, especially when such land is not located within the Sphere of Influence of a proposed service provider, and there is alternative sufficient vacant land available for development;
- Conversion of Prime Agricultural Land, Unique Farmland, Farmland of Statewide Importance, or areas containing prime soils or productive agricultural operations to uses not conducive to agricultural production;
- Conflict with any existing Williamson Act contract;
- Inducement of development by permitting uses that adversely impact adjacent agricultural operations, significantly increase the property values of adjacent or proximate resource land, or remove natural or man-made buffers between urban and agricultural/open space uses; or conflict with agricultural, open space or resource conservation plans or programs of the state or federal government.



Source: El Dorado County, see references.

FIGURE 2-1
 AGRICULTURAL PRESERVES NEAR PROPOSAL AREA BOUNDARY



Source: El Dorado County Agriculture Commission

FIGURE 2-2
IMPORTANT FARMLAND DESIGNATIONS

Impact Analysis

With respect to lands within the Proposal boundary, there would be no direct conflicts with LAFCO policies related to the preservation of agricultural or open space resources. Lands with important soils have already been approved for development, and there are no active Williamson Act properties included within the Proposal boundary. Parcels at the southern end of the Proposal Area, south of the El Dorado Hills Business Park, could be considered potentially in conflict with LAFCO policies in light of current grazing activities and current County zoning (Residential/Agriculture, 40 and 80-acre minimum lot size). There would be no immediate impact on these lands resulting from incorporation since they would continue to be subject to all of the protective policies in the 2004 GP. However, under the land use jurisdiction of the new City, and as discussed further in Chapter 3, these properties might be more likely to be permitted to convert to more intense residential or other uses by the new City than if they were to remain under County jurisdiction.

Under the No Unincorporated Islands boundary alternative, as discussed in Chapter 4, one property could potentially be included within the boundary of the new City. This would be a direct conflict with LAFCO policies. Even though this property is not included within the Proposal boundary, it is called out here as a potential direct impact.

Direct Impact 2-4: Potential Inclusion of a Williamson Act Parcel.

Adoption of the No Unincorporated Islands boundary alternative would include lands designated as Agricultural Preserve Number 135 (Mehrten), a 286-acre parcel located adjacent to the Sacramento County line on the west and the Carson Creek Specific Plan on the north. Inclusion of this parcel under either boundary alternative would be a direct conflict with LAFCO policies 6.7.8.2 and 6.7.8.3 and would therefore represent a potentially significant impact.

■ MITIGATION

1. Exclude Agricultural Preserve 135 [the Mehrten Parcel] from the incorporation boundary.

SIGNIFICANCE FOLLOWING MITIGATION

Exclusion of Agricultural Preserve 135 from the all boundary alternatives would reduce this potential impact to *Less than Significant*.

C. VISUAL RESOURCES

No direct impacts have been identified. See analysis and discussion of indirect effects in Chapter 3.

D. TRAFFIC AND CIRCULATION

Setting

Local/Regional Roadway Network

El Dorado County's transportation system consists primarily of its roadway network. The roadway network is rural in character, but is rapidly becoming more urban in the western portion of the county. Major roadways within or in the vicinity of the Proposal Area include El Dorado Hills Boulevard, Green Valley Road, Latrobe Road, Bass Lake Road and U.S. 50. U.S. 50 is the primary transportation corridor extending through the county from west to east, and serves all of the county's major population centers. Development of the western portion of the county over the past 20 to 30 years has resulted in a substantial increase in local and regional traffic congestion, even while expansion of roadway capacity has been implemented.

Traffic congestion on U.S. 50 and the major arterials leading to it, particularly in the El Dorado Hills area, is a significant local concern. Green Valley Road, in the vicinity of the Proposal Area, has also experienced significant traffic increases in recent years.

Measure Y

In response to growing local concerns with traffic congestion, the voters of El Dorado County adopted an initiative measure in 1998 known as Measure Y, the "Control Traffic Congestion Initiative." The initiative included several specific provisions:

- It added policies to the County General Plan that require denial of residential projects of five or more units if the project would cause or worsen LOS F traffic conditions;
- It required developer impact fees to fully mitigate traffic impacts of all new development;
- It precluded the County from using tax revenues to pay for such mitigation; and,
- It prohibited the County from adding any road segments to the list of segments that are allowed to operate at LOS F, except with voter approval.

The provisions of Measure Y have been incorporated in the 2004 GP and, as noted previously, these policies and restrictions would be part of the new City's interim General Plan and land use ordinances. Thus, the provisions of Measure Y would be applicable in the new City, at least during the "interim period" prior to the new city adopting its own general plan. Assuring the uninterrupted flow of funding for the planned traffic improvements would be an area of concern that could be affected potentially by incorporation.

Traffic Impact Fee Programs

Starting in the 1980s, the County has adopted four specific developer-funded traffic impact fee programs, the proceeds of which pay for the construction of specific transportation improvements designed to mitigate the effects of new development on traffic and circulation:

- The El Dorado Hills/Salmon Falls Area Road Impact Fees (RIF)
- The West Slope Area of Benefit Traffic Impact Mitigation Fee (TIM)
- The Transportation Impact Fee for the State System's Capacity & Interchanges (State TIM)

- The Interim Highway 50 Corridor Variable Traffic Impact Mitigation Fee (Interim 50 Variable TIM).

Each of these has different dollar amounts payable at the time building permits are issued, and the dollar amounts vary according to the type of land use: single family residential pays the highest fee, followed by multi-family residential; commercial, industrial and office uses pay differing amounts based on the square footage of the proposed development. The County Department of Transportation has developed, and is implementing, a comprehensive program of specific traffic improvements designed to maintain acceptable levels of service and to comply with the General Plan and Measure Y LOS standards. The proceeds from the above fee programs provide the funds to implement the roadway improvement program.

To ensure that incorporation would not directly affect the traffic improvement program, the new City should seamlessly continue to apply these fees to all new development to assure continued funding of the local, regional and U.S. 50 improvements.

Public Transportation Systems

Public transportation programs serving the west slope of El Dorado County, including the City of Placerville and the El Dorado Hills area are provided by the El Dorado County Transit Authority (EDCTA). The EDCTA operates under a Joint Power Authority (“JPA”) entered into between the County of El Dorado and the City of Placerville. Programs operated or coordinated by the EDCTA consist of commuter bus service between El Dorado County and downtown Sacramento, a commuter ridesharing program involving carpool and vanpool service to downtown Sacramento, local fixed route bus service, local dial-a-ride service, and specialized transportation for residents with special needs (e.g., transportation to medical appointments for the elderly or disabled). The EDCTA owns and operates a fleet of transit vehicles.

As unincorporated County territory, the Proposal Area is currently served by the EDCTA and the EDCTA derives significant funding from land uses in the area. Current services include local fixed route bus service and commuter bus and ridesharing programs. Local park-and-ride parking lots support the commuter bus program.

To ensure that incorporation would not result in program cutbacks or other adverse effects on the EDCTA’s current operating level of service, the new City would need to formally join the JPA as a new member, or otherwise assure a continuation of funding support for the Transit Authority’s annual operating budget.

Findings of the General Plan EIR

The General Plan EIR stated that traffic congestion in the county is most severe on U.S. 50 and other major arterials in the El Dorado Hills area. The significant findings of the General Plan EIR reflect an assessment of traffic impacts that will occur as a result of future development, including development within the incorporation area:

1. Levels of Service (LOS) is projected to decline on numerous roadways if projected development is permitted to occur without roadway improvements.

2. Daily vehicle trips, total Vehicle Miles Traveled (VMT) and in Vehicle Hours of Delay (VHD) are all projected to increase.
3. Congestion on roadway segments projected to operate at unacceptable LOS F could be severe enough to adversely affect adjacent roadways in El Dorado County, Sacramento County and the City of Folsom.
4. LOS F conditions are projected for Latrobe Road and White Rock Road, with operational problems extending onto U.S. 50, El Dorado Hills Boulevard, Silva Valley Parkway and Saratoga Way.
5. The General Plan EIR identified the following specific traffic impacts:
 - a) **Impact 5.4-1: Potential Inconsistencies with LOS Policies:** LOS conditions are projected to degrade to LOS F on roadways not permitted to operate at this level, causing inconsistencies with relevant General Plan Policies; this impact is considered **Significant**.
 - b) **Impact 5.4-2: Increase in Daily and Peak Hour Traffic.** Development permitted under the 2004 General Plan would increase daily and peak hour traffic volumes substantially over existing levels. This impact is considered **Significant**.
 - c) **Impact 5.4-3: Short-term Unacceptable LOS Conditions Related to Generation of New Traffic in Advance of Transportation Improvements.** This impact is considered **Significant**.
 - d) **Impact 5.4-4: Insufficient Transit Capacity.** This impact is considered **Significant**.

Some of the mitigation measures incorporated into the General Plan EIR were found to be sufficient to reduce some of the above impacts to a level of less than significant. For various reasons, other mitigation measures were found to be insufficient and, therefore, some of the impacts identified above were determined to be Significant and Unavoidable.

Direct Environmental Effects Associated with Incorporation – Traffic and Circulation

Significance Criteria

The proposed incorporation would have a significant effect on the environment if it were to result in:

- A substantial increase in peak hour vehicle trip-ends that could exceed, either individually or cumulatively, an established level of service;
- A substantial adverse impact to access or circulation;
- A substantial adverse impact due to inadequate parking capacity;

- Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks); or
- A substantial adverse impact to public safety on area roadways.

Impact Analysis

Increase in Peak Hour Vehicle Trip Ends Exceeding Established Levels of Service

The act of incorporation, in itself, would not result in any changes in existing traffic patterns within the Proposal Area or surrounding areas. No new development projects are proposed as part of the incorporation process. Any development projects that may be proposed following incorporation would be subject to project-specific environmental review, to determine the extent to which traffic associated with such projects might increase peak hour vehicle trip-ends to exceed established level of service standards. These “indirect” effects associated with anticipated future development within the El Dorado Hills area are addressed in **Chapter 3**.

Impacts on Access and Circulation

The act of incorporation, in itself, would not result in any changes in the existing patterns of access and circulation within the area proposed for incorporation or in surrounding areas. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review to evaluate effects on access and circulation. Potential “indirect” effects of on access and circulation resulting from anticipated future development within the El Dorado Hills area are addressed in **Chapter 3**.

However, if incorporation were to result in a discontinuation of the protective policies and funding mechanisms embodied in Measure Y, in a decision to disassociate with the EDCTA, or in a failure to maintain compliance with all other conditions of approval and mitigation measures that are currently applicable to approved development projects within the Proposal Area, or that would be applicable to new development after incorporation, potentially significant adverse impacts to access and circulation could result.

As stated previously, the development potential that would be possible in the County under the 2004 GP reflects the greatest level of potential growth and development – and, hence, environmental impacts – in comparison with the other policy alternatives considered in the General Plan EIR. By assuming that this will be the land use policy for the new City, this EIR is assuming a “worst case” scenario in terms of potential environmental impacts. However, this “worst case” scenario is not the same with respect to the transportation policies that are now embedded in the 2004 GP; these restrictive policies and impact mitigation fee programs serve as a significant constraint to new development. If the new City were to reduce or eliminate them, significant traffic impacts would result. In this sense, the mere creation of a new governmental jurisdiction, with its own police and land use powers, creates an opportunity for this important area within El Dorado County to potentially “opt out” of the Measure Y restrictions and funding obligations.

DIRECT IMPACT 2-5: Potential Reduction in Funding For Transportation Improvements and Transit Operations.

As indicated above, the Measure Y policies and all other transportation mitigation measures embodied in the 2004 GP and General Plan EIR are expected to become applicable in the new city when it adopts the 2004 GP as its “interim” General Plan. Thus, there would be no inconsistency in policy regarding transportation Levels of Service standards or other standards resulting from the fact of incorporation and no direct adverse impacts.

However, any loss of (or reduction in) the revenue from the various traffic impact mitigation and roadway improvement fees currently charged and collected by the County for local and regional circulation improvements, improvements to U.S. 50, and to support EDCTA transit programs, could result in potentially significant direct impacts on LOS conditions, access and circulation, and availability of transit services. The potential disruption or reduction of this revenue stream is considered a **Significant Impact**.

■ **MITIGATION**

LAFCO should require the new City to do each of the following:

1. Maintain seamless compliance with each of the existing Transportation Impact Fee programs through the collection of the appropriate funds at the time of building permit issuance for all development within the new City. The Impact Fee Programs are:
 - a) El Dorado Hills/Salmon Falls Area Road Impact Fee (RIF)
 - b) West Slope Traffic Impact Mitigation Fee (County TIM)
 - c) State Traffic Impact Mitigation Fee (State TIM)
 - d) Interim Highway 50 Corridor Variable Traffic Impact Fee (Interim 50 Variable TIM)
2. Transfer to the County an amount equal to all revenues derived from the foregoing fees, with the exception of the El Dorado/Salmon Falls Area RIF, since it would be administered by the new City, itself.
3. Maintain the current level of financial support to the EDCTA transit programs, so as to maintain a consistent level of funding from development fees, sales tax revenues, and all other applicable sources, as exists prior to incorporation.

LAFCO should require the new City to maintain funding levels and encourage it to join the JPA that oversees the operation of the EDCTA. This would assure continued funding and coordination with the County regarding transit programs.

LAFCO should incorporate these mitigation measures as conditions of its approval of incorporation and thereby ensure continued financial support to the transportation improvement projects and the

service level of the EDCTA, with the result that there would be no diminution of funding as a result of incorporation.

SIGNIFICANCE FOLLOWING MITIGATION

If applied as outlined above, this Mitigation Measure would reduce the potential impact to a level of *Less than Significant*.

E. PUBLIC UTILITIES

1. WATER SUPPLY

No direct impacts have been identified related to Water Supply. See **Chapter 3** for a discussion of indirect impacts.

2. WASTEWATER COLLECTION, TREATMENT AND DISPOSAL

No direct impacts have been identified related to Wastewater Collection, Treatment and Disposal. See Chapter 3 for a discussion of indirect impacts.

3. SOLID WASTE COLLECTION AND DISPOSAL

No direct impacts have been identified related to Solid Waste Collection and Disposal. See **Chapter 3** for a discussion of indirect impacts.

4. STORM DRAINAGE

No direct impacts have been identified related to the Storm Drainage system. See **Chapter 3** for a discussion of indirect impacts.

5. ELECTRICITY/NATURAL GAS

No direct impacts have been identified related to Electricity or Natural Gas. See **Chapter 3** for a discussion of indirect impacts.

F. PUBLIC SERVICES

1. LAW ENFORCEMENT

Setting

Law enforcement services are provided within the Proposal Area currently by a combination of the El Dorado County Sheriff's Office (EDSO) and the California Highway Patrol (CHP). The role of the CHP is limited to traffic control and enforcement services, which it provides on a similar basis

to unincorporated areas throughout the State. All other police and law enforcement activities are the responsibility of the EDSO. The EDSO operates out of a substation located within El Dorado Hills.

Following incorporation, law enforcement would be a responsibility of the new City. Newly formed cities can fulfill this responsibility in a variety of ways, but typically they either form their own in-house police department or they contract with the county Sheriff's Office for law enforcement services, at least during an interim time.

Direct Effects Resulting from Incorporation – Law Enforcement

Significance Criteria

Incorporation of El Dorado Hills would have a significant environmental impact if it were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety; or,
- Result in substantial adverse physical impacts associated with the provision of law enforcement services.

Impact Analysis

A direct impact of incorporation is the loss of traffic enforcement services currently provided by the CHP. Following incorporation, traffic enforcement would become the responsibility of the new City. In order to maintain a consistent overall level of law enforcement services, the new City could either require this service of its in-house police department, include it among the services to be provided by the EDSO by contract, or retain the services of the CHP through a contractual agreement and the payment of an appropriate fee. The loss of CHP traffic enforcement services would be a direct impact of incorporation.

DIRECT IMPACT 2- 6: Loss of Traffic Enforcement Services by the California Highway Patrol.

■ Mitigation

LAFCO should require the new City to provide traffic control services within the incorporation area at levels no lower than those currently provided by the CHP.

SIGNIFICANCE FOLLOWING MITIGATION

The potential direct impact resulting from the loss of traffic enforcement services would be reduced to a level of *Less than Significant*.

2. FIRE PROTECTION

Setting

Part of El Dorado Hills is considered a High Wildland Fire Risk Area by virtue of its natural features: steep topography, the long, hot and dry summer climate, poor road access, and the extensive amount of flammable vegetation. Wildland fires cause major resource damage that may require large investments in burn suppression and rehabilitation. These fires burn structures and natural vegetation on developed and undeveloped lands, and include timber, brush, woodland, and grass fires.

The other major type of fire is structural fire. Structural fires can occur in developed areas and include structural, chemical, and vehicle fires. As with wildland fire, structural fire also poses a major threat to human life and property. The flammability of many building materials and the contents of the buildings result in the potential for fire to rapidly destroy buildings and spread to adjacent areas.

Regulatory/Planning Environment

Fire District Improvement Fee

Chapter 13.20 of the County Ordinance Code establishes the Fire District Improvement Fee, which is paid by developers at the time of building permit issuance for all new discretionary and ministerial projects within the boundaries of a fire district. The fee is transferred to the agency providing the fire protection services and is used by them to finance public improvements and equipment for fire protection purposes. Any disruption in the applicability of this fee, following incorporation, would represent an adverse impact on the ability of the local fire protection agency (in this case, the El Dorado Hills Fire Department - EDHCWD) to maintain service levels.

Fire Protection in El Dorado Hills

El Dorado Hills Fire Department (EDHCWD)

Fire protection services in El Dorado Hills, generally, is the responsibility of the El Dorado Hills Fire Department (EDHCWD or Fire Department). The Fire Department covers an area of some 33 square miles with a resident population of approximately 30,000 persons. Fire Department personnel currently operate out of three fire stations, and consist of 48 paid firefighters and 45 volunteer firefighters. The Department intends to begin construction on a fourth fire station in the spring of 2005.

The Fire Department provides a full range of emergency services, including structural and wildland fire protection, fire prevention, emergency medical care with advanced life support, hazardous materials response, vehicle extrication, public assistance and many other services.

Approximately 1,200 acres within the EDHCWD are classified as Local Responsibility Area (“LRA”) land for wildland protection. The remainder, approximately 20,100 acres, falls into the State Responsibility Area (SRA) for wildland protection.

Wildland fire protection within areas designated SRA is the responsibility of the California Department of Forestry and Fire Protection (CDF). SRA applies to areas of unincorporated county territory that involve lands that are prone to wildland fire due to topography, vegetation, climate and other factors.

Upon incorporation, and in accordance with state law, all areas within the new City boundary would be reclassified as LRA, with the resulting shift in responsibility from CDF to the El Dorado Hills Fire Department (EDHCWD) for wildland fires. This increase in local service responsibility could result in a significant reduction in fire protection services, and a significant increase in the potential environmental damage that would occur in a wildland fire. Continuation of the same level of service would result in a significant increase in potential operating costs of the Fire Department. Notwithstanding the reclassification of the area to LRA, the services of CDF for wildland fire protection can be continued by the EDHCWD through a contractual agreement and the payment of an annual fee to CDF. The change from SRA to LRA, the potential change to service levels and the resulting cost to the EDHCWD, would occur as a direct result of incorporation and constitutes a potentially significant environmental impact.

Rescue and El Dorado County Fire Protection Districts

The Rescue Fire Protection District is adjacent to the El Dorado Hills Fire Department (EDHCWD) along its eastern boundary, in the area north of Cameron Park. The El Dorado County Fire Protection District boundary abuts the El Dorado Hills district boundary in the middle of the Marble Valley project. As noted previously, the Proposal boundary is the same as the El Dorado Hills Fire Department boundary. Consequently, none of the area proposed for incorporation would be under the jurisdiction of the Rescue or the El Dorado County Fire Protection Districts. However, if the “No Unincorporated Islands Alternative” boundary is selected, (see **Chapter 4**), Green Springs Ranch and several adjacent parcels on the south side of Green Valley Road that are in the Rescue Fire Protection District would be inside the new city’s boundary, as would the easterly half of the Marble Valley property.

As a result, the reclassification of SRA territory to LRA would also affect both the Rescue and El Dorado County Fire Protection Districts with service impacts and a potential increase in potential environmental impacts, as described above for the EDHCWD. Both of these fire agencies would experience a cost impact to continue the same wildland fire protection service level due to the reclassification to LRA for the area within their respective district boundaries that would be inside the new City.

General Plan EIR Findings

The El Dorado County General Plan EIR found that the projected growth in population county-wide would generate the need for new and physically altered fire protection and emergency medical facilities, and the development of new fire protection and emergency medical facilities could potentially result in adverse physical effects on the environment. Operation of fire protection and emergency medical facilities could result in potential incompatibility with adjacent land uses, impacts that would not be fully addressed by County General Plan policies. Impact significance after mitigation is considered less than significant.

New development that is expected to occur throughout the county would increase the number of structures and residents within the service boundaries of every fire protection district. Growth is expected to generate additional incidents of both structural and wildland fires, and the need for fire protection services would increase in both urban and rural areas under the 2004 GP. Population growth would also generate additional calls for emergency medical services. If the existing emergency medical service system is not expanded in response to the increased demand for service, then the system may not be able to achieve the response-time standards established in the EMS Plan. For example, the existing primary response ambulances, which would be responding to more calls and would thus be unavailable for new calls more frequently, may not be able to respond to at least 90 percent of the calls within the required time standard. In order to meet the response-time goals of the fire protection and emergency medical agencies, additional staffing, equipment, and facilities would be required.

Direct Environmental Effects Associated with Incorporation – Fire Protection

Significance Criteria

Incorporation of El Dorado Hills would have a significant environmental impact if it were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause the infrastructure capacity of a service provider to exceed planned and safe limits especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety; or,
- Result in substantial adverse physical impacts associated with the provision of fire protection and other emergency services.

Impact Analysis

Incorporation of El Dorado Hills would not affect any aspect of the emergency medical services system available to local residents. Indirect effects resulting from the increase in local population associated with future growth and development within the incorporation area are addressed in **Chapter 3**.

However, one direct consequence of incorporation related to fire protection would be the potential loss of revenues in the event that the new City were to discontinue the Fire District Improvement Fee.

Direct Impact 2-7: Potential Service Reduction From Loss of Revenues from the Fire District Improvement Fee

It is expected that upon incorporation, and in accordance with state law, the new City will adopt all existing County ordinances, including Chapter 13.20 that establishes the Fire District Improvement Fee. In the event the new City were to opt out of this fee program, it would result in a loss of funding to the local fire protection agency and a likely reduction in service level. This possibility is considered a potentially significant impact.

■ MITIGATION

1. LAFCO should require the new City to adopt and continue indefinitely the Fire District Improvement Fee, as set forth in Chapter 13.20 of the County Ordinance Code.
2. LAFCO should require the new City to transfer to EDHCWD an amount equal to the Fire District Improvement Fee.

SIGNIFICANCE FOLLOWING MITIGATION

If adopted by the new City and administered indefinitely in a manner consistent with current County practice, this potentially significant impact would be reduced to a level of *Less than Significant*.

The other direct consequence of incorporation related to fire protection would be the transfer of responsibility for wildland fire protection from CDF to the local fire districts for all territory located within the new City's boundary.

DIRECT IMPACT 2-8: Loss of Wildland Fire Protection Services by the CDF.

The loss of CDF services for wildland fire protection would be considered a significant impact under the LAFCO significance criteria set forth above. Without mitigating the effect of this shift in responsibility through the payment of the applicable fees to the CDF, fire protection services for wildland fires would be reduced significantly.

■ MITIGATION

1. LAFCO should require the retention of CDF for wildland fire protection through contractual agreements between the new City, the El Dorado Hills Fire Department (EDHCWD), and the CDF.
2. LAFCO should require the new City to transfer to EDHCWD an amount sufficient to fund the cost of continued CDF wildland fire protection for all affected areas within the new City boundary.

These agreements would assure a continuity of wildland fire protection service in the area and would prevent the cost of such services from adversely affecting the level of service provided by the local fire protection agencies.

SIGNIFICANCE FOLLOWING MITIGATION

Payment by the new City of the annual fees to the CDF to retain their services for wildland fire protection would result in a continuity of service level equal to the condition prior to incorporation. This mitigation measure would reduce the impact to a level of *Less than Significant*.

3. PUBLIC SCHOOLS

No direct environmental effects of incorporation have been identified related to the public schools. See **Chapter 3** for a discussion of indirect effects.

4. PUBLIC LIBRARY

No direct environmental effects of incorporation have been identified related to the public library system. See **Chapter 3** for a discussion of indirect effects.

5. PARKS AND RECREATION

Setting

For residents within the area proposed for incorporation, park and recreation services are provided by three different public agencies: the El Dorado Hills Community Services District (EDHCSD), the Springfield Meadows Community Services District (SMCSD), and the County of El Dorado, General Services Department. The level of service and the number, quality and maintenance level of facilities within each of these three service providers are different.

El Dorado Hills CSD

The responsibility for local park planning and development, and for administration of recreation programs for most of the Proposal Area, falls under the jurisdiction the El Dorado Hills CSD. The EDHCSD was formed in 1962 to provide park, recreation, and open-space services to the El Dorado Hills area. The district is governed by a five-member elected Board of Directors. The EDHCSD adopted its Recreation Facilities Master Plan Update in 2000.

Springfield Meadows CSD

Formed in 1978, the Springfield Meadows Community Services District (SMCSD) is a 278-acre services district that includes three residential subdivisions located south of Highway 50, north of White Rock Road, adjacent to the Sacramento County line. Among other responsibilities, the SMCSD is responsible for the development of neighborhood parks within its district boundary and for providing recreation services to its residents. The SMCSD currently owns 23.09 acres of land.

This land includes the 2.5 – 3.0-acre Berkshire Park, two detention ponds, and a 10-acre park that is improved with a baseball diamond and soccer field. The district is responsible for maintenance of its facilities and administers and provides periodic social events and holiday parties for its residents but does not provide any recreational programs or services.

El Dorado LAFCO set a zero Sphere of Influence in October 2004 with respect to park and recreation services of the SMCSO. This action signifies LAFCO's determination that the SMCSO should be dissolved and its services provided by another agency. The proposed dissolution of the SMCSO as part of the incorporation Proposal and transfer of services to the new City would be consistent with this recent determination of LAFCO.

El Dorado County

The Airports, Parks, and Grounds Division (APGD) of the County General Services Department, established in 1986, is responsible for parks and recreation planning in the areas outside of the EDHCSO boundary but inside the Proposal Area. The primary responsibilities of the APGD as it relates to parks and recreation are to establish a regional trail system throughout the county; to regulate and manage boating use of the South Fork American River; to coordinate the development of a regional and community parks system; and to implement countywide recreation plans.

Regulatory/Planning Environment

All three agencies described above share two fundamental responsibilities:

- a) obtain additional acreage as growth occurs to assure adequate land area for parks to be developed to serve the needs of the population; and,
- b) obtain funding so that the land that has been acquired for park or open space purposes can be improved for various forms of recreation activities.

Quimby Act

The legal framework for assuring adequate land area for future park and recreation needs is set forth in the Quimby Act (California Government Code §66477). It states that "the legislative body of a city or county may require the dedication of land or impose a requirement of the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes as a condition to the approval of a tentative map or parcel map." The County implements the Quimby Act through the County Code, which sets standards for the acquisition of land for parks and recreational purposes, or payments of fees in lieu thereof, on any discretionary residential development project that is subject to land subdivision. The County Code includes formulas to calculate the amount of parkland to be dedicated and/or in-lieu fees to be paid, based on the number of proposed dwelling units and population density. The dedication of land, or the payment of in-lieu fees, or both, shall not exceed the proportionate amount necessary to provide 3 acres for every 1,000 residents; if the existing park area already exceeds this standard, up to 5 acres may be required. If in-lieu fees are required, the fee is based on the fair market value of parkland area requirements.

The amount of parkland or fees required to comply with this County ordinance is determined at the time of approval of the tentative map. It should be noted that the Quimby Act only applies to the

acquisition of new parkland, and not to the physical development of new park facilities or associated operations and maintenance costs. Therefore, the Quimby Act effectively preserves open space needed to develop park and recreation facilities, but does not ensure the development of the land or the provision of park and recreation services to county residents.

Findings of the General Plan EIR

The analysis of parks and open space in the General Plan EIR focused on: (1) an evaluation of the need for new or expanded parks and open-space resources to meet projected population growth in order to maintain acceptable service ratios; and (2) whether the development of new parks and open-space resources would potentially lead to substantial adverse physical impacts.

Deterioration of Existing Park and Recreation Facilities and Need for New Facilities.

The General Plan EIR found that projected new development would increase the demand for park and recreation facilities county-wide. Because it is not certain that adequate new park and recreation facilities would be developed concurrent with new development based on potential funding limitations, the EIR determined that there could be a physical deterioration of existing facilities. The General Plan EIR found that this impact is Significant. The impact would be reduced to a level of Less than Significant through the application of the 2004 GP policies and mitigation measures contained in the General Plan EIR.

Potential Land Use Incompatibility Associated with Development of Park and Recreation Facilities.

County-wide, projected new development is expected to increase the demand for park and recreation facilities. New facilities are expected to be developed in response to population growth as funding allows. Local (passive-use) park facilities, as well as more developed facilities, are allowed under all General Plan designations. Park and recreation facility development may require land use permits in some instances. The development of park facilities could potentially result in adverse physical effects on the environment. These potential environmental effects are generally addressed by 2004 GP policies and mitigation measures described in the General Plan EIR. In addition, the General Plan EIR found that the operation of park facilities could result in potential incompatibility with adjacent land uses from nighttime lighting, noise and traffic, and these issues were not considered fully addressed by 2004 GP policies. Thus, the General Plan EIR found this impact is Significant.

The 2004 GP is projected to result in the development of roughly 32,491 new dwelling units county-wide through 2025. This level of development would result in an anticipated population increase of 81,241 within El Dorado County during that period. In order to meet county parkland standards, a total of approximately 406 acres of developed parks would be required county-wide through 2025. Policies in the County General Plan do not ensure that adequate funding would be available to develop the quantity of required parkland prescribed by local CSD and county standards (in particular, in areas outside of local districts currently providing recreation services). Therefore, this impact is considered Significant in the General Plan EIR.

In the General Plan EIR, the following mitigation measure was identified to reduce the foregoing impact to a level of less than significant:

Mitigation Measure 5.7-5: Provide Funding Mechanisms for New Park Development

New Policy 9.1.1.8: The County shall prepare, implement, and regularly update a Parks Master Plan and Parks and Recreation Capital Improvement Program to meet current and future park and recreation needs.

New Policy 9.2.2.2: New development projects creating community or neighborhood parks shall provide mechanisms (e.g., homeowners' associations or benefit assessment districts) for the ongoing development, operation, and maintenance needs of these facilities if annexation to an existing parks and recreation service district/provider is not possible.

New Policy 9.2.2.5: The County shall establish a countywide development fee program applicable to all new development to fund park and recreation improvements and acquisition of parklands such that minimum neighborhood, community, and regional park standards are achieved. This fee is in addition to Quimby Act requirements that address parkland acquisition only. The fee will be adjusted periodically to fully fund the improvements identified in the Parks and Capital Improvement Program concurrent with development over a five-year period.

With implementation of these mitigation measures, The General Plan EIR indicated that impacts would be reduced to a less-than-significant level because the policies would aid in attaining the necessary funding for the acquisition, development, and maintenance of new parkland and park and recreation facilities.

As noted earlier, the new City of El Dorado Hills would be expected to adopt the County General Plan, including the above mitigation measures and policies.

Direct Environmental Effects Associated with Incorporation – Parks and Recreation Services

Significance Criteria

Incorporation of El Dorado Hills would have a significant environmental impact if it were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause the infrastructure capacity of a service provider to exceed planned and safe limits especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety; or,
- Result in substantial adverse physical impacts associated with the provision of park and recreation services.

Impact Analysis

As proposed, the incorporation of El Dorado Hills would result in the dissolution of the El Dorado Hills CSD and the Springfield Meadows CSD and the simultaneous transfer of their respective responsibilities for parks and recreation and other services, and all of their assets and liabilities, to the new City. Existing services and programs operated by the two CSDs would be expected to be maintained at the same level or higher by the new City. Thus, there would be no reason to expect that services would diminish or be adversely affected by incorporation because the programs and all of the existing assets would transfer to the new City.

For those who do not live within the jurisdiction of these two CSDs, but within the boundary of the area proposed for incorporation, park and recreation services would be expected to improve to a higher level than that provided by the County because they would become residents of the new City. This would describe residents of the Euer Ranch development, residents and/or property owners within the El Dorado Business Park, residents of Marble Mountain, future residents of the western portion of Marble Valley, and residents in the rural large-lot area north of Green Valley Road and east of Salmon Falls Road.

For those residing in the Springfield Meadows CSD, services are likewise expected to improve, as they will have access to services, programs and facilities equivalent to those currently provided by the EDHCSD, which will be transferred by LAFCO to the new City, and be available to all residents of the new City.

For all residents and owners whose circumstances fit the categories described above, the effects of incorporation would be either neutral or positive in relation to parks and recreation services.

However, for those who live outside the Proposal Area, but are currently living inside the El Dorado Hills CSD (e.g., residents of The Promontory), there could be a diminution of services because, as non-residents of the new City, they might no longer be eligible to participate in formerly CSD-run recreation programs or to use CSD-built park and recreation facilities. While it is reasonable to assume that these people might make arrangements for continued use of park facilities, they could possibly be denied this service or be subject to higher fees. This could result in affected residents having to drive farther distances to access comparable facilities operated by El Dorado County. Absent such arrangements, there could be a diminution of service for residents in this situation, and for them the effects of incorporation in terms of loss of park and recreation services would be considered a significant adverse effect.

DIRECT IMPACT 2-9: Potential Loss of Parks and Recreation Services.

At full buildout, The Promontory is expected to generate approximately 1,100 new households, some percentage of which could be adversely affected by not having the same access to park and recreation services that would have been available through the EDHCSD. This situation could result in an increase in traffic and air quality impacts resulting from these residents having to make trips at greater distance to recreation facilities beyond the boundaries of the new city that are operated by the County. The loss of service would be considered a potentially significant environmental effect.

■ **MITIGATION**

Include all lands currently inside the EDHCSD boundary into the boundary of the new City.

This Mitigation Measure essentially directs LAFCO to adopt the “No Unincorporated Islands” boundary alternative, as described in **Chapter 4**. The Promontory and other major residential projects already approved by the County would be included within the new City and, therefore, residents of these areas would experience no change in parks and recreation services.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of this mitigation measure would continue the existing level of parks and recreation services available to the residents of the affected areas and therefore, this potential direct impact of incorporation would be reduced to a level of *Less than Significant*.

Chapter 3

Environmental Analysis - Indirect Effects

Introduction

This Chapter of the EIR focuses on the “indirect” effects of the incorporation proposal, namely, impacts associated with the potential growth that would be possible within the new City under the 2004 GP. These effects could occur with or without incorporation. Pursuant to the CEQA Guidelines and CEQA case law, this EIR must identify the potential impacts from this anticipated future development. The physical effects associated with any future development in the area are not a consequence of incorporation, since no development is proposed as part of incorporation.

The amount of potential future growth or development considered possible in the new City was described in **Chapter 1**, with quantitative estimates reflected in **Table 1-1** and **Table 1-2**. The impacts that are associated with this potential future development are the same impacts that were identified in the General Plan EIR. The mitigation measures incorporated in that document are summarized here in this EIR wherever the impacts would be relevant within the incorporation area.

Many of the mitigation measures involve the enforcement and/or implementation of land use policies or regulations – both of which require the exercise of legal authority which LAFCO does not have. Therefore, the actual mitigation for these “indirect” impacts would fall to the new City to carry out. Most of the mitigation measures identified herein are recommendations for the new City to incorporate into its policies and ordinances when it prepares its own general plan and land use ordinances. Since LAFCO cannot be certain that the new City will actually do all of these things, nor can it force the City to do them, the resulting level of impact significance, as indicated below, is ***Significant and Unavoidable*** in all cases where LAFCO can not ensure or enforce implementation of the recommended mitigation measure.

A. LAND USE

Setting

The El Dorado Hills market area (28,287 acres) is characterized by upscale suburban development. Many locations afford views of Folsom Reservoir and the Sacramento Valley. This is the most rapidly developing region of the County, dominated by high-end housing that serves primarily residents commuting to the Sacramento region. The El Dorado Hills Business Park is one of the largest employment centers in the County.

Prior approval by El Dorado County of several major land development projects in El Dorado Hills means that most of the area proposed for incorporation is already committed to residential development, at typically suburban densities and character. The buildout of already approved

development projects means that El Dorado Hills is already committed to an outward expansion of its existing suburban character into areas that have historically served as the open space edge, with oak-studded rolling hills and grazing lands providing visual separation from Cameron Park to the east and the City of Folsom, in Sacramento County, to the west. Incorporation, in and of itself, will not change or interfere with the buildout of these existing committed developments; the projects will cause environmental impacts, whether incorporation is approved or not.

Significance Criteria

The proposed incorporation would have a significant environmental effect if it were to result in:

- A conflict with any applicable sphere of influence, boundary, district or city operations, resource conservation plan, growth management, air quality or trip reduction ordinance, land use plan, policy, or regulation of a local, state or federal agency with jurisdiction over the Proposal (including, but not limited to a general plan, specific plan or zoning ordinance) adopted to avoid or mitigate an environmental effect;
- Substantial noncontiguous urban development which, in turn, results in adverse physical impacts;
- A decline in service levels below established standards, a substantial increase in the costs of service provision to the detriment of service levels, or a reduction in service to those currently receiving services, especially when such a change may cause adverse health and safety or other physical impacts;
- Physical disruption/division of an established community.

In addition to the foregoing which were the focus of the analysis in **Chapter 2**, the following additional significance criteria are relevant to a consideration of the indirect impacts associated with the future buildout of the area proposed for incorporation:

- Create substantial incompatibilities between land uses; and,
- Substantially alter or degrade the existing land use character of the area proposed for incorporation or its surroundings.

INDIRECT IMPACT 3-1: Substantial Alteration or Degradation of Land Use Character.

From now until buildout, the area proposed for incorporation is likely to experience on-going development that will be dispersed over large, expansive and currently undeveloped land areas. Development of these currently undeveloped areas will substantially alter and reduce the remaining rural character of the area. As indicated previously, most of this new development has already been approved by the County and would occur with or without incorporation. Nevertheless, the changing pattern of land use represents an irreversible change in community character. This change is a potentially significant environmental impact.

■ MITIGATION

1. Create Distinct Community Separators

The new City should develop a program that allows the maintenance of distinct separators between developed areas. This program should include the following elements:

Parcel Analysis: Areas between developed areas should be analyzed to determine if they create inefficiencies for ongoing rural land uses. For instance, parcels that may be too small to support long-term agricultural should be identified for potential consolidation. Areas should also be analyzed to identify opportunity sites where clustering of development may be appropriate, including increases in the allowable floor-to-area building ratio (FAR).

Parcel Consolidation/Transfer of Development Rights (TDR): A program to allow consolidation of parcels where appropriate should be established. This should include a TDR program that encourages transfer of development rights from the parcels to be consolidated to opportunity sites. The TDR program should allow for consideration of increasing the FARs at specific sites, as deemed appropriate.

SIGNIFICANCE FOLLOWING MITIGATION

The effectiveness of this program would depend on landowner participation, the extent of which cannot be predicted. Consequently, it cannot be determined if this policy would be effective in substantially changing the development pattern within the area proposed for incorporation. In addition, since LAFCO can not be certain that the new City will implement this measure, the impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-2: Creation of Substantial Land Use Incompatibility.

Potential land use incompatibility could result from several sources: the potential that future development at the edge of the incorporation area could be incompatible with adjacent unincorporated areas, particularly at the south; standards and policies designed to reduce or avoid interim or short-term incompatibilities could be delayed or not implemented at all; residential development within the incorporation area, but adjacent to agricultural or open space lands across the Sacramento County line to the west could result in land use impacts on these adjacent areas. All of these represent potentially significant environmental impacts.

■ **MITIGATION**

1. Establish a General Plan Conformity Review Process for All Development Projects

Development involving any structure greater than 120 square feet in size or requiring a grading permit should be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding should be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Require Development Projects to Be Located and Designed in a Manner That Avoids Adjacent Incompatible Land Uses

Development projects should be located and designed in a manner that avoids incompatibility with adjoining land uses that are permitted by the policies in effect at the time the development project is proposed. Development projects that are potentially incompatible with existing adjoining uses should be designed in a manner that avoids any incompatibility or should be located on a different site.

3. Establish Restrictive Land Use Policies for the City's Sphere of Influence.

The new City should adopt a carefully considered land use program, with policies and regulations, for use within its future sphere of influence. The intent of the policies would be to conform to the policies currently embodied in the County's 2004 General Plan that are designed to avoid or minimize land use impacts on adjoining areas.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of the two identified mitigation measures in combination would reduce the potential impact associated with land use incompatibility to a level of *Less than Significant*. However, since LAFCO can not be certain that the new city will implement this measure, the impact would remain *Significant and Unavoidable*.

B. AGRICULTURAL AND OPEN SPACE RESOURCES

Setting

As noted in **Chapter 2**, agriculture and open space are diminishing resources in El Dorado Hills, because of the development that has already occurred in the area and the anticipated buildout of already approved projects. Although agricultural activities remain viable in many other parts of El Dorado County, El Dorado Hills has turned into a largely suburban residential community. The grazing lands and other open space areas generally are located at the edge, primarily across the county line to the south of U.S. 50, and towards the rural region of Latrobe, to the south.

Williamson Act Contracts

As noted previously in Chapter 2, all former Williamson Act contracts for lands within the Proposal boundary have been cancelled and are either fully withdrawn or are in the adjustment stage. Based on mitigation measures recommended for Direct Impact 2-2, these lands are likely to be included within the boundary of the new City due to LAFCO boundary policies. Future development of these properties is likely because they are surrounded by land with existing or approved development. Development of these parcels would be as likely to occur with or without incorporation.

The single remaining Williamson Act property in the vicinity of the incorporation area is the parcel designated as Agricultural Preserve Number 135 (Mehrtens). As noted in Chapter 2, inclusion of this parcel within the incorporation boundary would conflict with LAFCO policies related to the protection of agricultural lands (Policies 3.2.16, 5 – 8th bullets). In accordance with the mitigation measure recommended for Direct Impact 2-4, this property would remain outside the incorporation area.

Farmland Soils

All remaining farmland soils of local or statewide importance have been mapped and inventoried by state and county agencies. Some development has already been approved on sites where these soils are known to exist. Future development within the new City is likely, over time, to result in the loss of the remaining areas of important farmland soils.

Indirect Effects Associated with Incorporation – Agricultural and Open Space Resources

Significance Criteria

The proposed incorporation would have a significant environmental effect if it were to result in:

- Substantial loss of important agricultural, open space or resource land;
- Premature, ill-planned, illogical, or inefficient conversion of prime agricultural, open space, mineral resource or other important resource areas not planned for development in the next five years, especially when such land is not located within the Sphere of Influence of a proposed service provider, and there is alternative sufficient vacant land available for development;
- Conversion of Prime Agricultural Land, Unique Farmland, Farmland of Statewide Importance, or areas containing prime soils or productive agricultural operations to uses not conducive to agricultural production;
- Conflict with any existing Williamson Act contract;
- Inducement of development by permitting uses that adversely impact adjacent agricultural operations, significantly increase the property values of adjacent or proximate resource land, or remove natural or man-made buffers between urban and agricultural/open space uses; or
- Conflict with agricultural, open space or resource conservation plans or programs of the state or federal government.

Impact Analysis

Loss of Important Agricultural, Open Space or Resource Land

In **Chapter 2** it was noted that incorporation by itself would not be expected to have any direct effects on important farmland soils or open space resources within the Proposal Area, with the exception of the effects on Williamson Act Preserve 135 if this property were brought inside the incorporation boundary. However, to the extent that the new City adopts land use policies that would be less restrictive than those embodied within the 2004 GP, or, in any case, would approve development on the remaining agricultural and open space areas, or lands that might be added to the new City in the future, loss of the remaining resources would occur.

Lands designated “Exclusive Agriculture,” or “Agricultural Lands” in the 2004 GP, or lands zoned for Residential/Agricultural in the County’s Zoning Ordinance, such as those at the southern end of the Proposal Area, would be considered candidates for conversion to suburban type land uses in the

future, based on the logical expansion of the El Dorado Hills area, over time. Given the history of growth and development in California over the past fifty years, it would be more likely that this would occur under the jurisdiction of a new City than if this area remained under County jurisdiction. Incorporation, in and of itself, would not directly affect these lands, but it could affect their conversion to non-agricultural uses in the future.

Findings of the 2004 General Plan EIR

Although incorporation would not be expected to result in any direct effects on Agriculture or Open Space Resources, the General Plan EIR found that development under the 2004 GP could result in adverse impacts, as noted above. And although the area proposed for incorporation contains the least amount of existing agricultural operations, important farmland and open space resources, when compared with the more rural parts of the County, adverse effects on such lands could occur following incorporation.

INDIRECT IMPACT 3-3: Increased Potential for Conversion of Important Farmland, Grazing Land, Land Currently in Agricultural Production

As noted above, it is likely that existing lands with agricultural land use designations under the 2004 GP or current zoning would be potential candidates for future development and would be more likely to be given approvals under City jurisdiction than if such lands remained under County control. In addition, the County General Plan EIR found that the requirement for suitability review by the Agricultural Commission, for development projects that may be proposed in the future on lands adjacent to or in areas suitable for agricultural operations, might not apply to land uses that are permitted by right. Also, development proposed in rural areas would potentially affect all types of agricultural lands, based on incompatibility of adjacent uses. Adverse effects could occur by allowing incompatible uses without adequate safeguards to protect the farmland from conversion. These are considered significant impacts.

■ MITIGATION

The new City should adopt measures, consistent with the following, and incorporate these measures in its General Plan and City ordinances:

1. Establish a General Plan Conformity Review Process for All Development Projects.

Development involving any structure greater than 120 square feet in size or requiring a grading permit should be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding should be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Require Development Projects to be Located and Designed in a Manner that Avoids Adjacent Incompatible Land Uses

Development projects should be located and designed in a manner that avoids incompatibility with adjoining land uses that are permitted by the policies in effect at the time the development project is proposed. Development projects that are potentially incompatible with existing adjoining uses should be designed in a manner that avoids any incompatibility or should be located on a different site.

3. Identify Acceptable Mitigation for Loss of Agricultural Land.

The new City should adopt a threshold of significance for loss of agricultural land to be used in rezone applications requesting conversion of agricultural lands to non-agricultural lands, based on the California LESA model. For projects found to have a significant impact, mitigation should include 1:1 replacement or conservation for loss of agricultural land in active production and/or 1:1 replacement or conservation for land identified as suitable for agricultural production. The City should also establish a monitoring program to assess compliance with this mitigation measure.

4. Provide Additional Protection for Agricultural Use.

The new City should adopt and implement the following policy:

- a) Agriculturally incompatible land uses adjacent to agricultural zoned land within designated agricultural districts shall provide a minimum setback of 200 feet from the boundary of the agriculturally zoned lands.
- b) Agriculturally incompatible uses adjacent to agriculturally zoned land outside of designated Agricultural Districts shall provide a minimum setback of 200 feet on parcels 10 acres or larger.
- c) The City should impose larger than 200-foot setbacks where needed to protect agricultural resources. Administrative relief to these setbacks may be granted when reasonable use of the property would otherwise be denied.

5. Provide Adequate Agricultural Setbacks.

The new City should adopt a policy consistent with the following: New parcels adjacent to parcels zoned for agriculture shall not be created unless the size of the parcel is large enough to allow for an adequate setback from the surrounding agricultural parcels for any incompatible uses.

6. Require Agricultural Fencing on Adjacent Residential Property.

The new City should adopt a policy consistent with the following: Residential uses that are established adjoining grazing land shall have agricultural fencing per County Standards.

SIGNIFICANCE FOLLOWING MITIGATION

With implementation of this Mitigation measure, impacts would be reduced, but not to a level of less than significant. In addition, since LAFCO can not be certain that the new City will implement these measures, the impact would remain *Significant and Unavoidable*.

C. VISUAL RESOURCES

Setting

There are several “Important Public Scenic Viewpoints” located within the area proposed for incorporation: U.S. 50 westbound east of Bass Lake Road looking south into Marble Valley (a Scenic View); U.S. 50 eastbound at Bass Lake Grade looking west into the Sacramento Valley (a Scenic View); and Latrobe Road from White Rock Road south to County Line looking in all directions at rolling hills and occasional vistas of the Sacramento Valley (Scenic Views).

Significance Criteria

The proposed incorporation would have a significant environmental effect if it were to result in:

- Substantial alteration to existing viewsheds such as scenic highways, corridors or vistas;
- Substantial degradation of the existing visual character or quality of the area;
- New sources of substantial light, glare or shadow that would result in safety hazards or adversely affect day or nighttime views in the area;

Impact Analysis

INDIRECT IMPACT 3-4: Degradation of the Quality of Scenic Vistas and Scenic Resources.

Accommodating additional residential and non-residential development within the area proposed for incorporation has the potential to degrade the quality of scenic vistas and resources. This represents a potentially significant environmental impact.

■ MITIGATION

1. The new City should Establish a General Plan Conformity Review Process for All Development Projects

The new process should provide that development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City’s General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Protect Views from Scenic Corridors

The new City should inventory potential scenic corridors and prepare a Scenic Corridor Ordinance for the purpose of establishing standards for the protection of identified scenic local roads and State highways. The Scenic Corridor Ordinance should include development standards, provisions for avoidance of ridgeline development, placement of public utility distribution and transmission facilities and wireless communication structures, and off-premises sign amortization. A Scenic Corridor (-SC) Combining Zone District shall be applied to all lands within an identified scenic corridor. Community participation shall be encouraged in identifying those corridors and developing the regulations.

3. Extend Limitations on Ridgeline Development within Scenic Corridor or Identified Viewing Locations to Include All Development

All development on ridgelines should be reviewed by the new City for potential impacts on visual resources. Visual impacts will be assessed and may require setbacks, screening, or other methods in order to avoid visual breaks to the skyline.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of these mitigation measures would reduce the potential impact associated with degradation of scenic views and scenic resources to a level of *less than significant*. However, since LAFCO can not be certain that the new City will implement these measures, the impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-5: Degradation of Existing Visual Character or Quality of the Area.

Development anticipated within the area proposed for incorporation could degrade visual quality. This represents a potentially significant environmental impact.

■ **MITIGATION**

1. The new City should Design New Streets and Improvements to Minimize Effects on Rural Character to the Extent Possible

New streets and improvements to existing rural roads necessitated by new development should be designed to minimize visual impacts, preserve rural character, and ensure neighborhood quality to the maximum extent possible consistent with the needs of emergency access, on-street parking, and vehicular and pedestrian safety.

SIGNIFICANCE FOLLOWING MITIGATION

While design policies would largely address this issue, portions of the area proposed for incorporation would be expected to undergo substantial alterations in visual character from rural to a more suburban appearance. Roadway design modification would address a component of this impact, but there is no mitigation to fully reduce it, and the impacts could remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-6: Creation of New Sources of Substantial Light or Glare that Could Adversely Affect Daytime or Nighttime Views.

Development within the incorporation area could generate new sources of light and glare. This represents a potentially significant environmental impact.

■ MITIGATION

1. The new City should Establish a General Plan Conformity Review Process for All Development Projects

The new process should provide that development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Consider Lighting Design Features to Reduce Effects of Nighttime Lighting

Development should limit excess nighttime light and glare from parking area lighting, signage and buildings, consistent with prudent safety practices. Consideration will be given to design features, namely directional shielding for street lighting, parking lot lighting, and other significant light sources, that could reduce effects from nighttime lighting. In addition, consideration will be given to the use of automatic shutoffs or motion sensors for lighting features in rural areas to further reduce excess nighttime light.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of these mitigation measures would reduce the potential impact associated with increased light and glare to a level of *less than significant*. However, since LAFCO can not be certain that the new City will implement these measures, the impact would remain *Significant and Unavoidable*.

D. TRAFFIC AND CIRCULATION

Setting

U.S. Highway 50 is the primary transportation corridor through the area proposed for incorporation. Other important roadways for commute purposes are the major arterials in the area, El Dorado Hills Boulevard and Green Valley Road. These are the most heavily traveled routes in El Dorado County and they incur the most traffic congestion. Westbound U.S. 50 from Bass Lake Road to the Sacramento County line is regularly subject to congestion during the weekday morning commute period, and both mornings and evenings in the eastbound direction. Traffic data presented in the 2004 General Plan EIR reflect the following roadway segments operating at unacceptable levels of traffic congestion and delay (i.e. exceeding the "Level of Service," or "LOS," thresholds established in the General Plan for the type of roadway and its capacity to handle traffic loads):

**Table 3-1
Regional Highway System – Existing (2001) LOS Deficiencies**

Roadway	Segment	Existing Peak Hour Count		LOS Threshold	Existing LOS
		A.M.	P.M.		
El Dorado Hills Blvd.	U.S. 50 to Lassen Lane	N/A	2,250	C (1,920 = max)	D
Green Valley Road	Sacramento County Line to Francisco Dr.	N/A	2,110	E (1,870 = max)	F
U.S. 50 eastbound	Sacramento County Line to EDH Blvd.	N/A	3,900	E (2,050 = max)	F
U.S. 50 westbound	Bass Lake Rd. to EDH Blvd.	3,830	N/A	E (2,050 = max)	F
U.S. 50 westbound	EDH Blvd. to Sacramento County line	3,950	N/A	E (2,050 = max)	F

Source: 2004 El Dorado County General Plan EIR, Table 5.4-1 and 5.4-2.

Existing congestion on the above roadway segments is caused largely by commuter traffic to and from Sacramento County. The data above suggest that roadway improvements in El Dorado and Sacramento Counties have not kept pace with development in El Dorado County, creating LOS conditions on these roadways that exceed adopted thresholds.

The LOS standards applicable to the major roads in the incorporation area have been adopted by the County and are enforced in accordance with the policy provisions of Measure Y. After incorporation, the new City would have several choices relative to this situation: it could opt out of the Measure Y policies and adopt less restrictive conditions on new development, it could retain the Measure Y policies without change, or it could adopt more restrictive provisions than Measure Y. Any reduction in the Measure Y restrictions that would result in potential traffic impacts would be subject to environmental review under CEQA at the time such policies were proposed for adoption by the new City. At this point in time, however, it would be speculative to guess which of the three options regarding Measure Y policies the new City would be more likely to adopt.

Impact Analysis

Significance Criteria

The proposed incorporation would have a significant effect on the environment if it were to result in:

- A substantial increase in peak hour vehicle trip-ends that could exceed, either individually or cumulatively, an established level of service;
- A substantial adverse impact to access or circulation;
- A substantial adverse impact due to inadequate parking capacity;

- Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks); or
- A substantial adverse impact to public safety on area roadways.

Impact Analysis

Indirect Impact 3-7: Potential to Opt Out of Measure Y Land Use Policies.

In the event that the new City were to opt out of the current Measure Y policies that restrict new growth until traffic congestion eases to acceptable LOS conditions, additional development would further impact local and regional traffic congestion. This would be considered a significant environmental impact.

■ MITIGATION

Encourage the New City to Adopt the Measure Y Policies Regarding Land Use Restrictions in its own General Plan and Encourage the New City to Enforce these Policies on New Development as a Means to Mitigate Traffic Impacts in Excess of Acceptable LOS Standards.

SIGNIFICANT FOLLOWING MITIGATION

Implementation of this mitigation measure would result in a continuation of existing development restrictions under Measure Y within the new City. If these measures are enforced in accordance with their terms, the impact would be reduced to a level of Less than Significant. However, given the uncertainty that the new City might decide to opt out of Measure Y policies, the potential that this could occur, and therefore the potential impact, would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-8: Increase in Daily and Peak Hour Traffic on Roadways Already Congested.

Future development in the El Dorado Hills area would add to daily and peak hour traffic volumes on both local and regional roads where traffic levels already exceed roadway capacity and adopted thresholds of acceptable traffic conditions. Significant increases in traffic congestion is as likely to occur whether incorporation is approved or not. Nevertheless, this represents a significant indirect environmental impact of incorporation.

■ MITIGATION

1. Implement New Growth Control Measure

LAFCO should encourage the new City to develop and adopt a new growth control mechanism for all new discretionary and ministerial development within the new City limits. The mechanism should restrict building permits for new residential development until construction of planned roadway capacity improvements on U.S. 50 are completed, and traffic flow returns to

a condition equal to or better than adopted LOS standards. Thereafter, new building permits should be limited such that adopted LOS thresholds are maintained.

This measure would not apply to development projects already approved by the County with legally vested development entitlements and/or development agreements.

The measure should consider a variety of methods that would control or limit growth, and that would mitigate the effects on traffic, including, but not limited to, incentives or disincentives intended to limit travel during peak hours on affected roadways, imposition of a significant new traffic impact mitigation fee to accelerate the completion of improvements within the U.S. 50 corridor in El Dorado County, and changes in allowed development intensities. The new City should monitor peak-hour traffic volumes and LOS annually to verify compliance with this measure.

2. Adopt New Traffic Impact Mitigation Fee.

LAFCO should encourage the new City to adopt a new traffic impact mitigation fee program to ensure that improvements needed to attain acceptable LOS standards are fully funded and capable of being implemented concurrently with new development. The traffic fees should be designed to achieve the adopted level of service standards and preserve the integrity of the circulation system. The fees should include a component for expansion of the regional transportation system, particularly U.S. 50.

3. Establish Level of Service (LOS) Policies

LAFCO should encourage the new City to adopt a roadway plan consistent with planned land use and should maintain an operating Level of Service “E” or better on all roadways.

4. Implement a Frequent Transit Service on Exclusive Right-of-Way to the El Dorado Hills Business Park

LAFCO should encourage the new City to participate with the EDCTA so as to establish and maintain transit service operating on exclusive right-of-way to the El Dorado Hills Business Park from appropriate strategic locations within the new City. Implementation of this measure is uncertain because detailed planning, engineering and funding studies have not been completed.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of these mitigation measures would reduce the impact associated with increases in daily and peak hour traffic, but might not reach the desired goal of attaining conformity with LOS standards. Given the uncertainty that these mitigation measures may not be feasible, and that LAFCO cannot be certain that the new City will implement them, the impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-9: Unacceptable LOS Conditions Related to Generation of New Traffic in Advance of Transportation Improvements.

Major roadway capacity improvements are needed to address existing LOS deficiencies caused by existing or approved development, and these deficiencies may be exacerbated by increased traffic generated from development inside and outside of the area proposed for incorporation. Funding mechanisms for these improvements may not have been fully identified and additional traffic impact mitigation fees may be necessary. This represents a potentially significant environmental impact.

■ MITIGATION

1. Establish Concurrency Standards.

LAFCO should encourage the new City to establish concurrency standards and traffic improvement financing measures and regulate new growth in relation to local and regional LOS conditions. Where it cannot be shown that improvement or other acceptable mitigation measures are sufficient to alleviate project-induced impacts within 5 years of the issuance of the use and occupancy permits, discretionary land development projects should be denied.

2. Establish a General Plan Conformity Review Process for All Development Projects

Development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of these mitigation measures would reduce the impact associated with unacceptable LOS conditions but might not reach the desired goal of attaining conformity with LOS standards. Given the uncertainty that these mitigation measures may not be feasible, and that LAFCO cannot be certain that the new City will implement them, the impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-10: Insufficient Transit Capacity.

The existing commuter bus service within the area proposed for incorporation has capacity problems because of insufficient park-and-ride facilities. Anticipated development within the area proposed for incorporation could increase demand for transit service and exacerbate this existing transit capacity problem. This represents a potentially significant environmental impact.

■ MITIGATION

1. Develop Funding Mechanism for Park-and-Ride Lots.

The new City should develop a funding mechanism that requires new development to pay for additional or expanded park-and-ride lots identified by transit providers in the County or the California Department of Transportation. The new City should also work with the EDCTA and other agencies to determine the need for additional or expanded park-and-ride lots, identify additional sites for such lots, and acquire necessary rights-of-way.

SIGNIFICANCE FOLLOWING MITIGATION

Although effective implementation of the mitigation measure could reduce the impact associated with insufficient transit capacity to a level of *less than significant*, the feasibility of adopting a funding mechanism to provide sufficient funding for transit facility expansion is unknown. Until this can be resolved, the impact would remain *Significant and Unavoidable*.

E. PUBLIC UTILITIES

1. WATER SUPPLY

Setting

Domestic water is provided to the residents and businesses within the area proposed for incorporation by the El Dorado Irrigation District (EID). EID was formed in 1925 to provide public water service to the City of Placerville (as well as other residential, commercial, and industrial customers), and to provide irrigation water to local agricultural customers. Since that time, EID's service area and mission has expanded considerably. EID currently serves a total population of approximately 100,700 people through more than 34,636 active water connections.¹ The current service area encompasses approximately 220 square miles, an area generally bounded by Sacramento County on the west, the South Fork American River on the north, the El Dorado National Forest on the east, and the North Fork Consumnes River and Latrobe on the south. The EID service area is far larger than the area proposed for incorporation, although, as shown in **Figure 1-5**, all properties inside the area proposed for incorporation are either already inside the EID service area or its sphere of influence.

With respect to water supply issues, this focus of this EIR is whether EID will be able to meet long-term water needs to serve the new City. While some residents currently rely on ground water and domestic wells, these represent a small portion of the population of the area, and incorporation would not affect their status. The main area of concern, therefore, in light of LAFCO's significance criteria related to infrastructure and service capacity,² is to assess whether EID will be able to expand its supply of surface water (through the perfection of legal water rights, implementation of water rights acquired through contracts with other entities and other means) and its ability to expand capacity for treatment, storage and delivery (through upgrades and expansion of its system facilities) to meet the projected long-term demand within the new City. As noted previously, the expected maximum buildout of the Proposal Area is expected to result in an increase in population from

¹ El Dorado Irrigation District, personal communication, October 27, 2004.

² LAFCO *Policy and Guidelines*, CEQA Compliance, Section 3.2.16.

approximately 28,400 residents today to a potential future population of up to 53,500 at full buildout (see **Tables 1-1 and 1-2**).

Supply/Demand Analyses

Recent technical reports dealing with the overall water supply and demand question provide extensive information regarding the current physical and institutional setting regarding water supply in El Dorado County. Rather than repeat the extensive information addressed in these studies, this EIR provides a cross reference to them and summarizes the findings that are relevant to the proposed incorporation. These reports include projections of future supply and demand for domestic and other purposes. These documents are:

- The Water Resources chapter of the EIR for the 2004 County General Plan (the “General Plan EIR”)³
- The Draft Water Resources Development and Management Plan, prepared by the El Dorado County Water Agency (the draft “EDCWA Water Plan”);⁴
- EID’s Administrative Draft Water Supply Master Plan;⁵
- EID’s 2004 Water Resources & Service Reliability Report (the “2004 EID Report”),⁶ and,
- The “Preliminary Official Statement” dated April 30, 2004, related to the public offering of “Special Tax Bonds” for Community Facilities District 1992-1 (the “OS”).

The first two of these documents take a countywide perspective to assess total water resources and supplies, now and in the future, versus total countywide demands at 2025 and at ‘buildout’ in accordance with the 2004 GP. These reports include information relevant to a number of water agencies other than EID, including Georgetown Divide CSD, Grizzly Flat CSD, South Tahoe Public Utility District, Tahoe City PUD and the El Dorado County Water Agency.

In contrast, both the EID Draft Water Supply Master Plan and the 2004 Water Resources & Service Reliability Report focus solely on water issues within EID. The Draft Water Supply Master Plan describes the various water projects and/or water rights and contracts that EID is pursuing to expand its overall water supply.

Both this document and the EDCWA Water Plan remain in “Draft” mode because finalizing each document is dependent on the County having an adopted and legally operative General Plan in place. This prerequisite will not be satisfied until March 2005, at the earliest, and possibly much later.

³ EDAW, *Draft Environmental Impact Report, El Dorado County General Plan*, State Clearinghouse Number 2001082030, May 2003.

⁴ El Dorado County Water Agency, *Draft Water Resources Development and Management Plan*, 2003.

⁵ El Dorado Irrigation District, *Draft Water Supply Master Plan*, December 2001

⁶ El Dorado Irrigation District, *2004 Water Resources & Service Reliability Report*, September 20, 2004.

The fourth document is the 2004 version of a water supply and demand report that EID has prepared annually since 1991 in accordance with its own internal adopted rules and regulations which require EID to "...maintain adequate water supply and demand records to ensure accurate monitoring and reporting" and to "present an analysis of demand and supply based on occurrences during the preceding year, and will specifically include updated information on normalized consumption, latent water demand, unaccounted-for water, potential water demand, and significant changes in water supply, if any."⁷ As with its predecessor reports, the 2004 EID Report quantifies the amount of surplus water available in its system for that given year, expressed in terms of "Equivalent Dwelling Units," or "EDUs." An EDU is the amount of water required for a standard single family residence.

The final document – the "OS" - includes background information relevant to the public offering of revenue bonds, the proceeds of which are for use in funding public infrastructure on the Serrano project. The discussion in the OS regarding water supply and demand is intended to inform prospective bond investors about the water supply and demand situation, with a focus on potential investment risk if future water supplies from EID are unable to meet projected future demand, particularly with respect to the Serrano project.

Readers interested in further detail concerning water supply issues are encouraged to consult these documents, which are available at the LAFCO office and at the offices of the respective source agencies. El Dorado LAFCO offices are located at 550 Main Street, Suite E, Placerville, California.

Key Findings

General Plan EIR

The crucial question addressed in the General Plan EIR is whether long-term supplies will be adequate to meet long term demand. The General Plan EIR found that the long-term demand for water in the County is likely to exceed projected future supply and/or system capacity to a point where water shortages and reductions in service levels were considered likely.

In the General Plan EIR, Impact 5.5-1 states:

Increased Water Demand and Likelihood of Surface Water Shortages Resulting from Expected Development. The population and employment growth associated with each alternative would increase surface water demand and the likelihood of surface water shortages. As a result of related reductions in the service levels of surface water customers, and the inability of water [agencies] to serve new development, this impact is considered significant. Projected surface-water shortages in 2025 would be the largest under the...1996 General Plan alternative[s].... At buildout the 1996 General Plan Alternative would result in the largest projected shortages...⁸

⁷ EID Regulation 2, Section 2.5, as quoted in Westhoff, Cone & Holmstedt, *the Preliminary Official Statement dated April 30, 2004*, prepared in connection with the proposed sale of Series 2004 Special Tax Bonds for Community Facilities District No. 1992-1, El Dorado Hills Development, County of El Dorado, p. 51.

⁸ General Plan EIR, p. 5.5-31 – 32.

The General Plan EIR indicated that within the EID system alone, water demand from new growth would exceed supply by at least 19,000 acre feet by the year 2025 and by at least 37,000 acre feet at full buildout, despite mitigation measures and general plan policies and programs that encourage water conservation and recycled water use. Thus, the General Plan EIR found that the 2004 GP would result in significant and unavoidable impacts related to the imbalance between EID's water supply and future system demands.

This finding seems to have been based, in part, on the assumption that the new water rights being acquired by EID (from Permit 21112, from re-diversion of EID's pre-1914 water rights and from PL 101-514, the so-called "Fazio" water) were not legally perfected as of the time the EIR was drafted, and, therefore, could not be relied upon as part of total "supply." This approach is reflected in Table 5.5-1 of the General Plan EIR in which EID's firm yield is shown as being held at a static level of 43,280 acre-feet (the current firm yield of their system) between 2000 and 2025, or beyond. Thus, the General Plan EIR took the conservative, "worst case" position that EID's water supply might not increase over time sufficiently to meet long-term demand.

EDCWA Water Plan

In contrast, the draft EDCWA Water Plan, which is based in part on EID's Draft Water Supply Master Plan, paints a more optimistic picture. This document was prepared "...to coordinate water resource planning activities within the County and to identify actions and water resource alternatives to meet the water needs in El Dorado County. The Plan records in one document the water supply needs of the entire County, including the five water agencies and those areas not presently served by a water agency, and identifies potential technical, environmental and institutional constraints for each water resource alternative." [EDCWA Water Plan p. 1-1]

The EDCWA Water Plan provides a comprehensive review and numerical tabulation of the various sources and uses of water within the EID system. It then presents water demand forecasts that have been developed for EID and in connection with the County General Plan and its EIR. This draft EDCWA Water Plan concludes with an overall assessment suggesting that EID's ability to expand its supply will likely be sufficient to meet long range water needs, notwithstanding that some of the needed water supply projects are not yet fully perfected legally.

- The additional Folsom Lake supplies, including the 17,000 acre-feet associated with FERC Project No. 184 (also referred to as Water Right Permit 21112 from the State Water Resources Control Board), the 7,500 acre-feet from Public Law 101-154, and up to 4,560 acre-feet from re-diversion of existing pre-1914 ditch irrigation water rights and Weber Reservoir Storage Rights, should allow EID to continue to provide sufficient water supplies at least through 2025.
- Implementation of either Alternative 3 or 3A [in the EID Water Supply Master Plan] should provide sufficient water supplies to the existing EID service area through build-out, based on the 2004 GP demand forecasts.
- As presently configured, either alternative is sufficient to provide the water supplies required to meet projected build-out demands within the existing service territory. However, water

supplies may not be sufficient to serve “Other County Areas” or to meet potential increases in agriculture irrigation demands.”⁹

The significance of the conclusion stated in the first bullet, above, is that the County Water Agency is verifying that EID will have water rights (contractual or otherwise) for 29,060 acre-feet to be taken from Folsom Lake for use in El Dorado Hills and points farther east within the EID system (e.g., Cameron Park). Using EID’s current consumption measure of 0.74 acre-feet per household per year,¹⁰ on average, the 29,060 acre-feet would equate to a water supply for approximately 40,000 households, whereas the buildout scenario presented earlier in this EIR indicates that the future City of El Dorado Hills would not be expected to exceed 20,500 households. Even when the water demand for such land uses as offices, retail commercial, institutional and R&D, plus what’s needed for parks, schools, median landscaping and golf courses (estimated at another 2,500 acre-feet¹¹ per year) is added to the residential demand, the estimated future supply would still be more than sufficient to meet future demands. And this estimate does not take into account the increasing use of recycled water. Thus, the EDCWA Water Plan suggests there will be adequate water service to meet the future needs within the EID service area, although there could be some shortages for agricultural or other uses outside the EID boundary.

EID’s Draft Water Supply Master Plan

Like the EDCWA Report, this document remains in “Administrative Draft” form due to the absence of a legally perfected and operative County General Plan. Notwithstanding this fact, the data presented in the document provide a good understanding of the likely future water demand/supply relationship. The Draft Water Supply Master Plan was prepared, in part, to provide the information regarding current and future water needs as required under California Government Code Section 65352.5 for consideration by local government in the context of a new, or amendment to an existing local general plan.

As background, it should be pointed out that several alternative growth scenarios were considered during the formulation of the 2004 GP. At the time this Draft Water Supply Master Plan was being prepared, it was not clear what alternative would be selected by the Board of Supervisors as the basis for future land use planning for the County. Consequently, this document, and the EDCWA Report, provided differing future estimates of water demand depending on the different land use alternatives for the General Plan.

Also, it is important to understand that for planning and operational purposes, EID’s service area is broken down into three sub-areas: the El Dorado Hills Region (the western-most of the three (and the area served primarily with water pumped from Folsom Lake to the El Dorado Hills treatment plant), the Western Region (Cameron Park, Shingle Springs, El Dorado, Diamond Springs), and the Eastern Region (communities farther east, including Placerville, Camino and Pollock Pines). The

⁹ El Dorado County Water Agency, *Draft Water Resources Development and Management Plan*, p. 5-23.

¹⁰ El Dorado Irrigation District, *2004 Water Resources & Service Reliability Report*, Table 3, p. 22.

¹¹ Estimate is based on 2.4 acre-feet/acre for commercial/industrial land uses (estimated at 150 acres); 1.5 acre-feet/acre for schools (assume 150 acres) and 2.4 acre-feet/acre for R&D (assume 800 acres), rounded to 2,500 acre-feet. These acre-feet/acre demand criteria are taken from Table 4-C, Draft Water Supply Master Plan, p. 4-8.

Western and Eastern Regions, generally, are served by uphill sources, by gravity feed, as opposed to moving water by pumps back uphill, from Folsom Lake to El Dorado Hills and points farther east at higher elevations. EID has developed redundancy and flexibility in its distribution system by constructing distribution facilities (e.g., the Gold Hill Intertie) that permit gravity-fed water to be used in the El Dorado Hills Region, and for Folsom Lake water to be pumped up to areas normally served by gravity. These system features allow EID to move its water supply to the region where it is needed, subject to the capacity of its transmission facility.

The critical conclusions of EID’s Draft Water Supply Master Plan are embodied in Tables 6-C of that report. This table combines EID’s best estimate of its future water supply and with the projected future water demands based on the growth permitted under the then “1996 General Plan Alternative”. Since the incorporation area includes land within the El Dorado Hills and the Western Regions of the EID water service area, the information shown under “El Dorado Hills” and “Western” need to be aggregated to reflect the future water demand and supply for the Proposal area. The annual projection of potable water demand, and “firm yield” for El Dorado Hills and the Western Region, are indicated as follows:

**TABLE 3-2
PROJECTED WATER DEMAND/SUPPLY, 2000 – 2030**

Year	Potable Demand ^A (acre-feet/year)	System Firm Yield ^{A, B} (acre-feet/year)
2000	21,423	21,423
2005	25,500	41,500
2010	30,700	42,730
2015	35,900	45,300
2020	41,100	59,300
2025	46,300	59,200
2030	51,500	57,400

Source: El Dorado Irrigation District

^A El Dorado Hills and Western Region, combined.

^B Includes imports from other EID regions.

EID forecasts that it will consistently have sufficient water rights and supply capacity to meet or exceed anticipated domestic water demands in the Proposal Area, from 2000 through 2030.

Serrano Bond Issue Offering Statement

The water supply discussion in the OS is consistent with the summary conclusions given above with respect to the El Dorado Hills and Western Region of the EID service area. It concludes with the following summary:

“The approved unit count in the El Dorado Hills Region through year 2025, including full build-out of the [Serrano] Development, is projected to require approximately 15,850 acre-feet per year of firm supply, an increase of approximately 8,950 acre-feet over year 2003 metered consumption. Even with an adverse result in the pending appeals, the 17,000 acre-foot per year entitlement of Water Rights Permit 21112, described above, is expected to increase EID’s firm yield sufficiently to exceed this potential demand. Depending upon how it is split between EID and Georgetown Divide Public Utility District, the “Fazio” water is also capable of increasing EID’s firm yield sufficiently to exceed this potential demand.”¹²

The discussion in the OS confirms that there will be sufficient water supply for the Serrano project and for the El Dorado Hills community.

Recent discussions with EID staff for the preparation of this EIR have confirmed that legal challenges to Water Rights Permit 21112 have been concluded, in EID’s favor, and no further legal challenges lie in the way of its use of or access to this additional 17,000 acre feet. There are two outstanding matters relative to Permit 21112, neither of which would undermine EID’s ability to meet long-term needs in El Dorado Hills.

One remaining issue is that EID needs to have a permanent “Warren Act” contract with the U.S. Bureau of Reclamation (USBR) to replace EID’s existing temporary contract. These Warren Act contracts authorize EID to store water in Folsom Reservoir, a USBR facility. Receipt of a permanent Warren Act contract is expected soon, but in the unlikely event that it is denied or withheld, EID’s existing temporary contract would maintain its legal rights to store and appropriate water at Folsom.¹³

The other outstanding issue relates to the so-called “Rule 91,” a provision in the 21112 Water Rights Permit that defines how much of the 17,000 acre feet might be cut back under drought conditions. The principle on which Rule 91 is based is that EID should reduce consumption proportionate to cutbacks applied to all other water agencies within the state system a fair share basis to help meet statewide needs during water shortage emergencies. EID has conservatively recognized only 11,000 acre feet (out of the total of 17,000 acre feet) in its computation of firm yield. EID expects that a final determination of the Rule 91 issue will allow them to recognize more.¹⁴

Based on all of the foregoing information, it is reasonably likely that EID will have sufficient water rights and system capacity to meet the long-term water needs of El Dorado Hills. This is seen by comparing the existing water rights for Folsom Lake water (7,550 acre feet) plus at least 11,000 acre feet under Permit 21112. These two together yield a total of 18,550 acre feet in comparison to an expected ‘buildout’ water demand of approximately 15,250 acre-feet, assuming 20,600 households, and .74 acre-feet per household per year.

¹² Westhoff, Cone & Holmstedt, Op. Cit., p. 55,

¹³ Personal communication with Sharon Fraser, EID, January 2005.

¹⁴ Ibid.

Indirect Effects Resulting from Incorporation – Domestic Water Supply

Significance Criteria

The Proposal would have a significant environmental impact if incorporation were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause the infrastructure capacity of a service provider to exceed planned and safe limits especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety; or,
- Result in inadequate water supply for Proposal buildout;

Impact Analysis

There would be no change in the district boundaries or the service levels of the El Dorado Irrigation District resulting from incorporation.

Future development within the El Dorado Hills area will increase the demand for domestic water resources and supply capacity. However, incorporation would not alter or affect EID's ability to meet current or future water demands, either within or outside the incorporation area. EID has perfected its Water Permit 21112 that authorizes up to 17,000 acre feet to be withdrawn from Folsom Lake, and this water right, together with existing rights, provides sufficient water supply capacity to meet buildout needs.

The amount of water that would be required to serve this anticipated buildout population, together with existing needs elsewhere in its system, is estimated by EID and other water agencies as being approximately 51,500 acre-feet. Based on EID's forecast as stated in its Draft Water Master Plan, it projects having approximately 57,400 acre-feet of water available for service within this area.¹⁵

The additional water will have to come largely from the flow in the American River. This in itself will have environmental consequences. The environmental impact of such diversions has been addressed by EID in the EIR prepared in connection with Water Permit 21112.¹⁶

These projections demonstrate that EID will have sufficient water to meet the anticipated long-term water demand generated by incremental growth beyond the already approved development projects. However, in the event that EID is ultimately unable to expand water supply to serve the estimated 2,300 dwelling units of additional, unentitled new housing that might be possible for the Proposal

¹⁵ EID, 2001, *Draft Water Supply Master Plan*, Table 6-3.

¹⁶ EID, *Final Environmental Impact Report for the Acquisition, Permanent Repair and Operation of the El Dorado Hydroelectric Project and the Acquisition of 17,000 Acre Feet per Year of New Consumptive Water*, Resource Insights, State Clearinghouse Number 1998082005, April 1000.

Area as well as maintain adequate resources for others within its service area, this increment of new residential development would not be built.

Incorporation would not alter or affect EID's ability to meet current or future water demands within the area proposed for incorporation. Incorporation, in and of itself, would not alter or affect the long-term demand for domestic water or EID's ability to expand supply to meet future demand. The perfection of EID's various new water projects and contractual rights with the USBR and other agencies will proceed whether incorporation occurs or not.

Any physical changes to the existing EID system would be the responsibility of EID, and would be subject to project-specific environmental review under CEQA. The proposed incorporation of El Dorado Hills would not require any specific or associated improvements to, or expansion of, the EID water supply facilities.

2. WASTEWATER COLLECTION, TREATMENT AND DISPOSAL

Setting

Wastewater treatment and disposal services are provided by EID. There are two EID wastewater treatment plants (WWTPs) on the county's west slope that serve different portions of the Proposal Area. The central and western portions of the Proposal Area are served by the El Dorado Hills Wastewater Treatment Plant. Properties in the eastern portion of the Proposal Area, near Cameron Park, and particularly future development at Marble Valley, would be served by the Deer Creek WWTP.

El Dorado Hills WWTP

Located within El Dorado Hills, this plant treats wastewater generated within a service area covering approximately 30 square miles, from the Sacramento County line east to Bass Lake Road, north to Folsom Reservoir, and south to 3 miles south of U.S. 50. There are approximately 110 miles of pipe within the service area. These pipelines convey wastewater from approximately 6,000 active accounts to the El Dorado Hills WWTP. The plant is located approximately 2 miles south of U.S. 50 on Latrobe Road, across from the El Dorado Hills Business Park. The El Dorado Hills WWTP was expanded in 1996 to an average dry-weather flow capacity of 3 million gallons per day (mgd). This WWTP currently treats approximately 1.5 mgd of wastewater flows. The El Dorado Hills WWTP has primary, secondary, and tertiary treatment capabilities. Treated water from the El Dorado Hills WWTP is either recycled for urban irrigation purposes at the Serrano development golf courses and other locations, or is discharged to Carson Creek. During the summer, there is sufficient demand for recycled water so that no wastewater is typically discharged to Carson Creek. Sewage sludge generated by the El Dorado Hills WWTP is taken to Silva Farms, a permitted land disposal site.

Deer Creek WWTP

The Deer Creek WWTP service area encompasses 24 square miles. Wastewater generated by 5,662 active accounts is conveyed by 95 miles of pipelines to the Deer Creek WWTP, which is located 2 miles south of U.S. 50 in the Cameron Park area, just east of Marble Valley. The Deer Creek WWTP was expanded in 1996 to an average dry weather flow capacity of 3.6 mgd. Under existing conditions, the Deer Creek plant treats approximately 2.4 mgd of wastewater. The Deer Creek

WWTP has primary, secondary, and tertiary treatment capabilities, and treated water is discharged to Deer Creek or used for irrigation and dust control. Sewage sludge generated by the Deer Creek WWTP is taken to Silva Farms, a permitted land disposal site.

EID's Wastewater Master Plan

EID issued an Updated Wastewater Master Plan (UWWMP) in November 2001. The UWWMP includes estimates of existing and projected wastewater flows from the area served by EID's sewer collection system. The UWWMP also projects wastewater treatment needs for the EID service area through 2025 and identifies system expansions and upgrades needed to meet projected increases in wastewater flows. The UWWMP concludes that a number of system improvements (including improvements to lift stations, and sewer pipelines) will be needed to handle future population and employment growth, and that the capacity of the Deer Creek WWTP will need to be expanded to improve tertiary treatment based on future recycling demands and anticipated regulatory requirements. The UWWMP also concludes that the Deer Creek WWTP's secondary treatment system is adequate to serve projected population growth through 2025. The UWWMP study determined that the capacity of the El Dorado Hills WWTP's secondary treatment system needs to be enlarged to handle growth after 2015, and that its tertiary system also needs to be enlarged to supply increasing demands for recycled water and to meet anticipated regulatory changes.

EID's Recycled Water Master Plan

EID adopted its most recent Recycled Water Master Plan in January 2003. The approved uses of recycled water called for in the plan help reduce the amount of wastewater that needs to be discharged to Deer Creek. This plan is described in greater detail in the General Plan EIR.

General Plan EIR Findings

The General Plan EIR concluded that future growth in the County would cause substantial increases in wastewater flows. Since the construction of new wastewater treatment infrastructure to handle the increased flows could cause significant environmental impacts, the General Plan EIR considered this impact to be significant.

Future development anticipated within the El Dorado Hills area would generate additional wastewater flows that would need to be treated and discharged. The projected additional flows would be expected to exceed existing WWTP capacities. Under 2025 conditions, development anticipated under the 2004 GP is expected to result in an increase in existing wastewater flows of approximately 2.5 mgd in the El Dorado Hills WWTP service area, and an increase of approximately 1.2 mgd in the Deer Creek WWTP service area. A substantial portion of this increase would likely come from future development within the area proposed for incorporation.

EID has identified improvements and expansion projects that would be needed at both treatment plants to meet increased demands. The General Plan EIR points out that while the construction of system capacity improvements, in themselves, may cause environmental impacts, the change in service level is not considered a significant impact because EID has the financial ability to plan for and fund the improvements when necessary to meet increased demand. The County currently requires all building permit applicants for sites within the EID service area to obtain a will-serve letter from EID showing that existing wastewater service is available for the proposed project. This requirement assures that all new development will be served by the EID system. Since wastewater

connection fees (also known as Facility Connection Charges, or “FCCs”) are paid by those proposing the new developments at the time of building permit issuance, EID is assured of sufficient funding for necessary system improvements, including expansion of capacity, without reliance on uncertain federal or state funding. Such improvements are fully funded by the new development they serve through connection fees and wastewater service rates. As development increases, so does the revenue collected by EID to make needed improvements. The General Plan EIR indicated that the necessary revenue needed to pay off the financing of the treatment plant improvements will be sufficient, and that the necessary improvements will ultimately be built. On the other hand, if funding is insufficient, and needed system improvements and expansion projects are delayed or denied, building permits would be suspended until EID could assure its ability to serve the new growth.

Potential Environmental Effects of Necessary Wastewater Infrastructure Improvements

The planned improvements in treatment capacity described above for the Deer Creek and El Dorado Hills WWTPs would not require expansions in the “footprints” of either of these plants. However, wastewater collection system infrastructure that is also needed to serve the new development associated with the 2004 GP (including lift stations and pipelines) could cause potentially significant environmental impacts. The environmental impacts associated with future expansion of the EID wastewater system will be studied in more detail in subsequent, project-level CEQA documents as system expansion projects are proposed, but even with mitigation measures that may be imposed as a result of site specific environmental reviews, as indicated in the General Plan EIR, significant impacts could remain. EID also plans to prepare CEQA documentation for its UWWMP and for necessary wastewater infrastructure improvements that will be needed to accommodate the growth associated with the 2004 GP.

Indirect Environmental Effects Resulting from Incorporation – Wastewater Collection, Treatment and Disposal

Significance Criteria

The Proposal would have a significant environmental impact if incorporation were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause the infrastructure capacity of a service provider to exceed planned and safe limits especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety; or,
- Result in inadequate wastewater treatment and disposal facilities for full buildout of the Proposal Area;
- Result in substantial adverse physical impacts associated with the construction of new wastewater treatment and disposal facilities or expansion of existing facilities; or,

- Place conflicting land uses within an odor, or other protective barrier for a solid waste disposal site, energy facility, wastewater treatment plant or similar facility.

Impact Analysis

There would be no change in the district boundaries of the El Dorado Irrigation District resulting from incorporation.

Future development within the area proposed for incorporation will increase the demand for wastewater collection, treatment and disposal. Based on the setting information provided above, it is reasonable to expect that EID will be able to expand system capacity commensurate with increased wastewater flows resulting from future development. In any case, EID's ability to meet future demands would not be affected by whether incorporation occurs or not.

Any physical changes to the existing EID wastewater treatment and disposal facilities would be the responsibility of EID and would be subject to project-specific environmental review under CEQA. Physical setbacks, buffer areas, and other protective measures intended to mitigate against potential odor-related effects from expanded or upgraded treatment facilities on nearby residents or businesses would be required in accordance with those CEQA reviews and in accordance with policy requirements in the 2004 GP, but would not be affected by whether the area is incorporated or not. The proposed incorporation of El Dorado Hills would not require any specific improvements to, or expansion of, the EID wastewater facilities.

The operation of the EID WWTPs that serve the incorporation area are closely monitored and regulated by the Regional Water Quality Control Board (RWQCB). Consequently, the effluent from these treatment facilities either meets applicable water quality standards, or, if not, the RWQCB is taking action to force the upgrading of the WWTP to achieve compliance. The oversight and enforcement activities of the RWQCB ensure that the discharge of treated wastewater would not result in significant environmental impacts. Nevertheless, despite the best efforts of the responsible agencies, sometimes the systems fail and discharges occur that violate applicable standards.

INDIRECT IMPACT 3-11: Increase in Surface Water Pollutants from Additional Wastewater Treatment Plant Discharges.

Anticipated development within the area proposed for incorporation has the potential to cause water quality impacts related to the discharge of treated wastewater from EID's WWTPs. Discharge of treated effluent is highly regulated by the state through the Central Valley RWQCB. While recent studies have concluded that discharge from these plants does not adversely affect water quality, it is possible that an increase in wastewater flows to the WWTPs could result in water quality impacts. Also, despite the best efforts of EID and the RWQCB, sometimes the plants experience temporary failures and short-term violations of water quality standards are known to occur. The new City would not have jurisdiction over EID WWTP expansion, and future expansion of these plants and any mitigation measures needed to reduce those impacts are the responsibility of EID. This represents a potentially significant environmental impact.

■ MITIGATION

1. Encourage Mitigation of the Environmental Impacts Related to Future Expansions in Wastewater Treatment Capacity

The new City should encourage EID to design and implement future wastewater treatment capacity expansions in a manner that avoids or minimizes associated environmental impacts to the extent feasible.

2. Encourage Use of Recycled Water in New Development Served by Public Wastewater Systems.

The new City should work with EID to support the continued and expanded use of recycled water, including wet-season use and storage, in new subdivisions served by the Deer Creek and El Dorado Hills Wastewater Treatment Plants. To avoid construction impacts of installing recycled water facilities, the new City should encourage the construction of distribution lines at the same time as other utilities are installed. Facilities to consider are recycled water lines for all front yards, parks, schools, and other irrigation needs, and if feasible, wet-irrigation-season storage facilities.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of these mitigation measures could reduce the impact associated with increased surface water pollutants from additional wastewater treatment plant discharges to some extent. However, because LAFCO cannot be certain that the new City and EID will implement these measures, the impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-12: Increase in Groundwater Pollutants from Onsite Wastewater Treatment Systems (OWTS) (Septic Systems).

Most of the area proposed for incorporation would be served by EID for wastewater collection and treatment, but existing systems and development of some sites in the future could result in the increased use of OWTS. The County's current regulatory program is effective in providing for adequate design and construction of OWTS but there is no program to monitor performance of OWTS. Therefore, existing and future systems that do not operate adequately could be undetected and produce significant impacts on groundwater quality and, potentially, surface water features that could be affected by inadequately treated wastewater runoff. This represents a potentially significant environmental impact.

■ **MITIGATION**

Monitor Performance of Septic Systems Annually.

The new City should conduct an annual monitoring program of all septic systems installed since implementation of El Dorado County Ordinance 4542, Chapter 15.32. The program should include visual inspection of the port/riser facility on each leach field. If the inspection program detects operational problems, an order should be issued to the system owner to fix the problem

within a reasonable time to protect ground and surface water resources, as determined by the new City.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of this mitigation measure could reduce impacts associated with an increase in groundwater pollutants from OWTS to a level of Less than Significant. However, since LAFCO can not be certain that the new City will implement this measure, the impact would remain *Significant and Unavoidable*.

3. SOLID WASTE COLLECTION AND DISPOSAL

Setting

Solid waste includes household garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded materials, including household hazardous waste. Solid waste is generated by industrial, commercial, institutional, residential, and other types of land uses. Most of the solid waste is generated by residential uses.

Regulatory/Planning Environment

State Regulation

The California Integrated Waste Management Act (1990) mandated that every county and city divert 25 percent of its waste from landfills by 1995 and 50 percent by 2000, or face substantial fines. The California Integrated Waste Management Act requires each city and county to prepare an Integrated Waste Management Plan (IWMP). The IWMP must include a Source Reduction and Recycling Element (SRRE) and a Household Hazardous Waste Element (HHWE). To meet these requirements, the El Dorado County Waste Management Task Force has developed the County's IWMP in a cooperative effort overseen by the respective city councils and the Board of Supervisors. In compliance with its SRRE, the County has implemented an integrated program for source reduction, composting, and recycling. To accomplish the waste diversion goals, the County solid waste collection and processing franchise operations have built regional Material Recovery Facilities (MRFs). These facilities process solid wastes through a sorting line, and recyclables are diverted to market.

County Regulation and Operations

The County's Solid Waste Management Ordinance governs the accumulation, storage, collection, and disposal of solid waste generated on residential, commercial, and industrial properties within El Dorado County. The ordinance includes prohibitions and permit requirements for specific activities. The Solid Waste and Hazardous Materials Division of the County Environmental Management Department (EMD), through exclusive contracts with private solid waste collection and disposal companies, is responsible for the comprehensive planning of solid waste reduction, recycling, and resource recovery in the county. The County's waste management programs are partially funded by fees collected on the tax roll, landfill disposal fees, and developer's fees.

Residents and businesses within the area proposed for incorporation are served by Waste Management, Inc. under contract to the El Dorado Hills Community Services District.

There are no solid waste disposal sites in El Dorado County. Once collected, solid waste (including recyclable materials) is taken to the transfer station at Diamond Springs. Recyclable materials are separated from the waste stream at the recycling facility. From there, non-recyclable solid waste is taken to Lockwood Landfill in Nevada for disposal.

The El Dorado Hills CSD is responsible for solid waste pickup and disposal for the El Dorado Hills area. EDHCSD operates through a franchise agreement with a private waste services company. A recent staff report to the EDHCSD Board of Directors documents that the CSD had achieved and is exceeding its 50 percent waste stream diversion requirement for the first 9 months of 2004.¹⁷

There are no hazardous waste treatment, storage, and disposal (TSD) facilities within El Dorado County. The County has implemented a series of programs to collect and transport household hazardous wastes to TSD facilities outside the county for disposal.

Indirect Effects of Incorporation - Solid Waste Collection and Disposal

Significance Criteria

Incorporation of El Dorado Hills would have a direct significant environmental impact if it were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety;
- Place conflicting land uses within an odor, or other protective barrier for a solid waste disposal site, energy facility, wastewater treatment plant or similar facility; or,
- Be served by a landfill with insufficient permitted capacity to accommodate the solid waste disposal needs of the area proposed for incorporation.

Impact Analysis

Since the program for solid waste removal and disposal is currently meeting or exceeding the state and county standards for recycling and diversion, it is reasonable to project that the new city would be able to maintain at least the same level of compliance even with the projected future development in the area proposed for incorporation. Therefore, the act of incorporation would not be expected

¹⁷ Dianna Hillyer, Director of Planning, EDHCSD *EDH CSD AB939 Diversion Reports* [2004], December 9, 2004. This report indicates that for the first six months of 2004 waste diversion through recycling represented 53.1% of total waste disposed, and 47.7% during the 3rd Q; overall for 9 months of 2004 the average diversion was at 51.3% of total waste collected.

to result in any direct impacts related to maintaining the current level of solid waste collection or disposal or compliance with all applicable legal and environmental requirements.

There are no solid waste or hazardous materials facilities in the El Dorado Hills area that would be built or expanded. All solid waste and hazardous materials collected in the incorporation area are transported for disposal at sites outside El Dorado County. The discussion in the General Plan EIR regarding solid waste indicates that there would be sufficient landfill capacity to serve the long-term needs at buildout of the projected growth within the Proposal Area.

Incorporation of El Dorado Hills would not affect any of the existing programs or contractual arrangements with respect to the collection or disposal of solid or hazardous waste. It is expected that existing contracts for service between the EDHCSD and Waste Management Inc. would be transferred to the new City for administration. Also, in adopting all applicable County ordinances, the new City would adopt the County's Solid Waste Management Ordinance and would be bound by its terms until and unless modified by the new City at a later time. Accordingly, incorporation would not be expected to result in any significant environmental effects associated with solid waste issues.

4. STORM DRAINAGE

Setting

The west slope of El Dorado County contains three major watersheds, each of which drains into one of three major rivers: the Middle Fork American River, the South Fork American River, and the Consumnes River. These watersheds are further divided into smaller drainage basins that feed the tributaries of these three major rivers. Developed drainage infrastructure exists in many of the drainage basins.

The El Dorado Hills area is drained by a number of waterways, including Allegheny Creek, Brown's Ravine Creek, Carson Creek, Green Springs Creek, Humbug Creek, Marble Creek, New York Creek, Plunked Creek, Screech Owl Creek and the Natomas Ditch.

Flooding is a major hazard related to stormwater runoff. Urban development generally increases the area of impervious surface and when rainfall exceeds the ground infiltration rate (i.e., the ability of the ground to absorb water), stormwater runs off and collects in drainage facilities, which may be in the form of roadways, storm drains, and natural creeks and rivers. Absent mitigation, the net effect of additional impervious surfaces can be increases in the flow rate and volume of water in the drainage channels during and after a storm event. When the volume of water exceeds the capacity of the drainage channel to convey water, flooding can result.

Hazards associated with localized flooding include dam failure, the overtopping of roadways, inundation of areas near the drainage channels, and structural damage. Stormwater runoff may also contribute to regional flooding.

Other problems include erosion, sedimentation, and degradation of water quality. Storm water from urban runoff is one of the leading causes of pollution in creeks, rivers, and lakes. Developed areas contain many impermeable surfaces like roofs, parking lots, and streets. Rainwater travels over

paved areas, into gutters and ditches, and through concrete storm drains. The resulting storm water runoff is not sent through the wastewater treatment plants; domestic sewer treatment and storm water runoff are not connected. Everything that flows into a storm drain goes untreated directly into area creeks, rivers, lakes, delta, and eventually the ocean.

Storm water can become polluted by pesticides, paint, fertilizers, pet waste, litter, oil and other automotive fluids, eroded soil, and household chemicals. Even small amounts of pollutants that accumulate on roads, parking lots, and sidewalks can be transported into nearby streams and rivers. Identifying sources of storm water pollution and keeping this pollution away from storm drains and ditches, is the best and most economical way to keep storm water clean.

Increased stormwater runoff can increase erosion and facilitate the movement of pollutants and soils into bodies of water. Increased sedimentation may be a detriment to aquatic habitat, and the beneficial uses of downstream water bodies (e.g., recreation, irrigation, water consumption) may be impaired.

Regulatory/Planning Environment

Federal Programs

National Flood Insurance Program

El Dorado County participates in the National Flood Insurance Program (NFIP), a federal program administered by the Federal Emergency Management Agency (FEMA). Under the NFIP, the County is required to regulate for 100-year flood protection. A 100-year flood is considered a severe flood with a reasonable possibility of occurrence for the purposes of land use planning, property protection, and human safety. The U.S. Army Corps of Engineers (USACE), under contract to FEMA, prepared a flood insurance study report and a series of Flood Insurance Rate Maps (FIRMs) for numerous county waterways. The study and maps depict the location of calculated 100-year flood zones, flood elevations, floodways, 500-year flood boundaries, and flood insurance rate zones. The County participates in the NFIP by reviewing specific development proposals to ensure that structures that may be in a 100-year floodplain are protected from flood damage and that any changes in the floodplain do not cause unacceptable increases in the elevation of the 100-year water surface.

National Pollutant Discharge Elimination System

The National Pollutant Discharge Elimination System (NPDES) permit program was established by the Clean Water Act of 1972 to regulate municipal and industrial discharges to surface waters of the United States. The discharge of wastewater to surface waters is prohibited unless an NPDES permit allowing that discharge has been issued. The NPDES permit program is overseen by the U.S. Environmental Protection Agency's (EPA's) stormwater program. The State of California is authorized to administer the NPDES program within California. Starting in 1990, Phase I of EPA's stormwater program required NPDES permits for stormwater runoff from all of the following:

- medium” and “large” municipal separate storm sewer systems (MS4s) generally serving populations of 100,000 or greater and denoted by EPA as MS4s;

- construction activity disturbing 5 acres of land or greater, and,
- ten categories of industrial activity.

Phase II of the NPDES permit program is the next step in EPA's effort to protect water resources from polluted stormwater runoff. The Phase II program requires smaller operators of MS4s in urbanized areas, and operators of small construction sites, through the use of NPDES permits, to implement programs and practices to control polluted stormwater runoff.

The County was issued its Small Municipal Separate Storm Sewer System (MS4) General Permit (the Permit) as of April 30, 2003 by the California State Water Resources Control Board (SWRCB). The Permit is based on the County Storm Water Management Plan (SWMP) which was made final in August 2004.¹⁸ The SWMP describes the minimum procedures and practices the County uses to reduce the discharge of pollutants in effluent from storm drainage systems owned or operated by the County. The SWMP addresses storm water pollution control related to project planning, design, construction and maintenance activities throughout the unincorporated area of Western El Dorado County. In addition, this SWMP addresses assignment of responsibilities within the County for implementing storm water management procedures and practices as well as training, public education and outreach, monitoring and research, program evaluation, and reporting activities.

State Regulations

Subdivision Map Act (1907)

One of the powers granted to local jurisdictions by the Subdivision Map Act is the authority to impose drainage improvements or drainage fees and assessments. Specifically, local jurisdictions may require the provision of drainage facilities, proper grading and erosion control, dedication of land for drainage easements, or payment of fees needed for construction of drainage improvements.

El Dorado County Regulation and Programs

County Grading, Erosion, and Sediment Control Ordinance

The County Grading, Erosion, and Sediment Control Ordinance (Grading Ordinance, Chapter 15.14 of the County Code) establishes provisions for public safety and environmental protection associated with grading activities on private property. Section 15.14.090 of the Grading Ordinance, which has incorporated the recommended standards for drainage Best Management Practices (BMPs) from the High Sierra Resource Conservation and Development Council BMP guidelines handbook, prohibits grading activities that would cause flooding where it would not otherwise occur or would aggravate existing flooding conditions. The Grading Ordinance also requires all drainage facilities, aside from those in subdivisions that are regulated by the County's Subdivision Ordinance, be approved by the County Department of Transportation. Pursuant to the ordinance, the design of the drainage facilities in the County must comply with the *County of El Dorado Drainage Manual*, as described below.

¹⁸ El Dorado County, *Final Storm Water Management Plan*, August 2004.

El Dorado County Subdivision Ordinance

The County's Subdivision Ordinance (El Dorado County Code Title 16) requires the submission of drainage plans prior to the approval of tentative maps for proposed subdivision projects. The drainage plans must include an analysis of upstream, onsite, and downstream facilities and pertinent details, and details of any necessary offsite drainage facilities. The tentative map must include data on the location and size of proposed drainage structures. In addition, drainage culverts consistent with the drainage plan may be required in all existing drainage courses, including roads.

El Dorado County Department of Transportation Drainage Program

The County Department of Transportation has an ongoing drainage program with a goal of developing a Capital Improvement Program and funding mechanism for the construction of essential drainage infrastructure and to repair and/or replace inadequate drainage facilities throughout the county. The capital improvement program sets methods of prioritizing existing and future drainage deficiencies and requirements with respect to potential damage, risk, and cost.

County of El Dorado Design and Improvement Standards Manual

The County's Design and Improvement Standards Manual was adopted in 1990 and provides required erosion and sediment control measures that are applicable to subdivisions, roadways, and other types of developments.

County of El Dorado Drainage Manual

The *County of El Dorado Drainage Manual* provides standard procedures for future designs of drainage improvements. The Drainage Manual supersedes the stormwater drainage system design standards in the County's Design Improvements Standards Manual. The Drainage Manual requires that a hydrologic and hydraulic analysis be submitted for all proposed drainage facilities. The analysis must include an introduction/background, location map/description, catchment description/delineation, hydrologic analysis, hydraulic and structural analysis, risk assessment/impacts discussion, unusual or special conditions, conclusions, and technical appendices. This analysis is usually required on projects undergoing discretionary review. However, under the Building Code and Grading Ordinance, the County also reviews ministerial development, including required drainage plans, to ensure that appropriate runoff design and controls are in place.

Drainage Basin Studies

Two regional drainage studies have been completed for areas that would be included within the incorporation boundary, the Carson Creek Regional Drainage Study and the New York Creek Drainage Study.

El Dorado County Special Districts

The County has established Drainage Zones of Benefit, as well as Road and Drainage Zones of Benefit, as subdivisions of County Service Area 9 that are managed by the County's General Services Department for the purpose of generating funding for the construction of community drainage facilities. Maintenance of storm drain facilities within the area proposed for incorporation is provided under the administration of County Service Area 9. The proposed incorporation would

result in a detachment from CSA 9, and thus the duties and responsibilities currently provided by the County through CSA 9 would transfer to the new City of El Dorado Hills.

Transfer of Responsibility to the new City

As noted, the new City is required under state law to adopt the County's ordinances and policies at least on an interim basis. Consequently, it is expected that all of the foregoing ordinances and regulatory measures related to the operation and management of the storm drain system will transfer to the new City, upon incorporation. The new City will be required to prepare its own SWMP and apply for and obtain its own permit from the RWQCB in order to comply with the federal, state and local structure of managing water quality issues through the operation of the local storm drain system. It would be logical that the new City's SWMP would mirror, in substantive respects, the County's SWMP, and it is also likely that the RWQCB would cooperate with the new City in setting a reasonable time frame in which the new City would need to comply.¹⁹ Therefore, no significant changes to the performance standards or the regulatory framework are likely as a result of incorporation.

Indirect Effects Associated with Incorporation – Storm Drainage

Significance Criteria

Incorporation of El Dorado Hills would have an indirect significant environmental impact resulting from future development of the incorporation area if it were to:

- Result in substantial adverse physical impacts associated with the provision of storm water drainage facilities; or,
- Create or contribute to runoff that would exceed the capacity of existing or planned drainage systems.

Impact Analysis

The General Plan EIR found that existing County regulation, policies, and programs would provide adequate protections to ensure sufficient runoff control and infrastructure to meet applicable regulatory requirements and system expansion required by future growth and development permitted under the 2004 GP. The Proposal calls for the new City to detach from CSA 9 and take over storm drain and street maintenance responsibilities from the County. As noted above, and in accordance with the existing County permit, and with a new permit that the new City would be required to obtain, it is reasonable to expect that the new City would maintain the storm drain system, and comply with all of the permit requirements, to the same or higher level of performance as has been provided in the past by the County.

No new drainage or storm water facilities are proposed as part of the incorporation project. Therefore, there would be no direct impacts to the service level or infrastructure capacity resulting from incorporation.

¹⁹ Personal communication, Steve Borum, El Dorado County Department of Transportation, January 21, 2004.

In terms of indirect impacts, future development within the new City will create more impervious surface and therefore increased amounts of stormwater runoff. This could result in significant water quality or storm drainage impacts that would constitute indirect impacts of incorporation.

However, the applicable regulations, policies and programs that the City would inherit from the County, or that would become applicable in the new City under its own NPDES permit, to be obtained in the future, are likely to ensure sufficient runoff control and regulatory performance to assure compliance with storm drain and water quality regulatory standards. These indirect impacts, therefore, are considered Less than Significant.

5. ELECTRICITY/NATURAL GAS

Setting

Electricity for El Dorado Hills is supplied by Pacific Gas and Electric Company (PG&E). PG&E owns and operates electricity infrastructure in the county and throughout Northern California that includes power lines, powerhouses, and substations. PG&E also supplies natural gas to most residential areas within El Dorado Hills, including the El Dorado Hills Business Park. Not all of the households within the Proposal Area are served by natural gas. Households without access to PG&E's natural gas distribution system use either all-electric energy or electricity and propane.

General Plan EIR Findings

The General Plan EIR found that additional residential and nonresidential development would occur through 2025, generating additional demand for energy, including electricity, natural gas, and propane. According to PG&E, existing infrastructure would not be sufficient to serve the projected county-wide growth in demand through 2025 for electric energy, natural gas, and propane. It also found that new and expanded electric energy infrastructure needed to serve the future population growth could be developed anywhere in the county, or outside the county. The County has limited authority for the siting of public utility infrastructure because land use approval authority is preempted by federal and state energy regulatory agencies.

In addition to the potential need for new PG&E transmission infrastructure as discussed in the County General Plan EIR, additional power plants may be required to supply the increased demands for electric energy associated with County buildout under the 2004 GP. Such power plants may be built anywhere in the County, subject to approval from state and federal regulatory agencies. In light of the County's limited jurisdiction over the siting and construction of these facilities, the County General Plan EIR found that expansion of energy infrastructure for electricity, natural gas and propane would be considered a significant impact.

Indirect Effects Resulting from Incorporation – Electricity and Natural Gas

Significance Criteria

Incorporation of El Dorado Hills would have a direct significant environmental impact if it were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate

services especially when such change may cause adverse health and safety or other physical impacts;

- Cause the infrastructure capacity of a service provider to exceed planned and safe limits especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety;
- Result in substantial adverse physical impacts associated with the provision of storm water drainage facilities; or,
- Result in substantial adverse physical impacts associated with the provision of electric or natural gas service.

Impact Analysis

Incorporation of El Dorado Hills would not affect the adequacy or cost of services for electricity or natural gas to residents or businesses within the area proposed for incorporation. No changes in service would be required as a result of incorporation. Consequently, there would be no direct environmental impacts resulting from incorporation related to the supply and delivery of electricity or natural gas utilities.

However, future growth anticipated within the new City will result in a significant and unavoidable increase in consumption of non-renewable resources for electricity and natural gas.

INDIRECT IMPACT 3-13: Increase in Demand for Non-Renewable Resources for Electricity and Natural Gas.

The potential growth of El Dorado Hills of approximately 8,500 new residential dwellings and over 12 million square feet of commercial, industrial or R&D space, will result in an unavoidable increase in consumption of electricity and natural gas, both of which are considered non-renewable resources. This impact, while not a direct result of incorporation, would be *Significant and Unavoidable*.

■ MITIGATION

No feasible mitigation is available. This impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-14: Potential for Land Use Incompatibility and Other Impacts of New and Expanded Energy Supply Infrastructure.

Anticipated development within the area proposed for incorporation will require new and physically altered electric energy, natural gas, and propane facilities. Construction and operation of these facilities could result in the potential for land use incompatibility and other impacts associated with these types of facilities. Approval for construction of some of these facilities may be given by agencies that are exempt from local regulations (e.g., FERC, CPUC and CEC), although in practice,

each of these agencies consult with local jurisdictions and the public. Because specific facilities and their locations have not been identified, the impacts associated with their construction cannot be determined. This represents a potentially significant environmental impact.

■ MITIGATION

The new City should require projects involving new electrical or natural gas supply or distribution facilities to be located and designed in a manner that avoids adjacent incompatible land uses

Development projects should be located and designed in a manner that avoids incompatibility with adjoining land uses that are permitted by the policies in effect at the time the development project is proposed. Development of electricity or natural gas projects that are potentially incompatible with existing adjoining uses should be designed in a manner that avoids any incompatibility or should be located on a different site.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of this mitigation measure would reduce land use incompatibility-related impacts to the extent they are known, such as changes in visual character, traffic safety, construction noise, and operational use. However, the location of future utilities is not known, and approval authority for these facilities does not lie with the new City. Moreover, since LAFCO can not be certain that the new City will implement this measure, the impact would remain *Significant and Unavoidable*.

F. PUBLIC SERVICES

1. LAW ENFORCEMENT

As indicated in Chapter 2, incorporation will result in the loss of traffic control services by the California Highway Patrol (CHP). No other direct effects of incorporation are anticipated.

Indirect effects of incorporation on law enforcement services would result from the need for new and/or expanded law enforcement facilities. This is the same impact that was determined in the General Plan EIR for the County as a whole. New facilities would be developed in response to population growth as funding allows. Law enforcement facilities are allowed under all County General Plan land use designations. Policies 5.1.2.1 through 5.1.2.3 of the 2004 GP require new development to contribute its fair share to the cost of police services. These policies would ensure that law enforcement facilities are planned and built in accordance with the need generated by development of discretionary and most ministerial developments. They would also ensure that the funding mechanisms would exist to construct necessary facilities but would not fund new personnel. Given these policies, new law enforcement facilities would be expected to be constructed in order to ensure an adequate level of service would be maintained as population growth occurs. With appropriate increases in staffing and development of the facilities described above, the General Plan EIR found that there is no reason to expect that response times would be degraded in the future.

Development of new and expanded law enforcement facilities would require discretionary approval, and would be subject to project-level assessment of potential site-specific environmental impacts in accordance with CEQA. The General Plan EIR determined that development of new and expanded

police facilities would be allowed within all land use categories of the 2004 GP. The same would be true in the new City.

Indirect Effects Resulting from Incorporation – Law Enforcement

Significance Criteria

Incorporation of El Dorado Hills would have a significant environmental impact if it were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety; or,
- Result in substantial adverse physical impacts associated with the provision of emergency services.

As reflected in the General Plan EIR, growth in the area proposed for incorporation could result in the need for expanded law enforcement facilities.

INDIRECT IMPACT 3-15: Potential Land Use Incompatibility Associated with Development and Expansion of Law Enforcement Facilities.

As the population of El Dorado Hills grows in the years ahead, the need for expanded law enforcement services to maintain acceptable service levels will result in a need for additional or expanded facilities. The development of these facilities could result in land use incompatibilities near sensitive land uses such as residences. Impacts could result from use of sirens and from other operational noise; possible visual impacts (e.g., use of razor wire fencing); safety issues (e.g., escape of prisoners, accidental discharge of weapon); traffic patterns (e.g., in/out traffic 24 hours a day, 7 days a week); and lighting. This would be a potentially significant impact.

■ MITIGATION

1. The new City should require new law enforcement facilities to be located and designed in a manner to avoid adjacent incompatible land uses.

The new City should be encouraged to require all development projects, including those that propose new or expanded law enforcement facilities, to be located and designed in a manner that avoids incompatibility with adjoining land uses that are permitted by the policies in effect at the time the development project is proposed. Projects that are potentially incompatible with existing adjoining uses should be designed in a manner that avoids any incompatibility or should be located on a different site.

2. The new City should incorporate compatibility requirements in its Zoning Ordinance.

The new City should be encouraged to incorporate provisions in its zoning ordinance to ensure that all uses permitted by right in any zoning district are compatible. Allow potentially incompatible uses subject to discretionary review process with performance standards designed to ensure appropriate separation of incompatible uses. Include a requirement that any project located adjacent to an existing sensitive land use should be required to avoid impacts on the existing use.

SIGNIFICANCE FOLLOWING MITIGATION

These two mitigation measures would reduce land use compatibility impacts to a level of Less than Significant because they would ensure that potentially incompatible development would be subject to policy review, environmental review, and application of performance standards. However, since LAFCO cannot be certain that the new City will implement these measures, the impact would remain *Significant and Unavoidable*.

2. FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES

See discussion of Setting and Direct Effects in **Chapter 2**.

3. PUBLIC SCHOOLS

Setting

The Proposal Area includes portions of three elementary school districts and one high school district, as depicted in **Figure 1-5**. These districts are:

Rescue Union School District	The Rescue District includes the northern portion of the Proposal Area (starting at the overhead power lines that cross through the Steven Harris Tennis Court Park and Governor's West Park), and the area east of the Serrano development (i.e., Dixon Ranch and Green Springs Ranch).
Buckeye Union School District	Most of the Proposal Area is within the Buckeye District. Its territory includes everything south and west of the Rescue USD boundary, extending south of U.S. 50 to include all of the Valley View project, Marble Mountain, the Marble Valley project, and the northerly half of the El Dorado Hills Business Park. The Carson Creek/Euer Ranch Specific Plan, and the undeveloped and unentitled lands south of the Business Park are within the Latrobe School District.
Latrobe School District	The Latrobe School District includes all properties south of the Buckeye USD boundary within the Proposal Area.
El Dorado Union High School	The El Dorado High School District includes the entire Proposal Area.

Current enrollment and school capacity data for the districts that are inside the Proposal Area are indicated in **Table 3-3**.

**TABLE 3 - 3
LOCAL PUBLIC SCHOOL ENROLLMENT AND
SCHOOL DISTRICT CAPACITY, 2004 - 2005**

District	Enrollment 2004 - 2005	Traditional* Capacity	Percent of Traditional Capacity
Rescue Union SD	3,658	4,713	77.6
Buckeye Union SD	4,532	3,865	117.3
Latrobe SD	215	248	115.3
El Dorado Union HSD	7,248	6,153	117.8

* "Traditional" refers to a single-track system, as opposed to year-round or multi-track system. Multi-track can accommodate a larger number of students for the same level of classroom capacity because, at any given time, a certain number of students are on break.

Source: Rescue Union SD, Buckeye Union SD, Latrobe SD and El Dorado Union HSD; El Dorado County Office of Education; Lamphier-Gregory

Indirect Effects Associated with Incorporation – Public Schools

Significance Criteria

Incorporation of El Dorado Hills would have a significant environmental impact if it were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause the infrastructure capacity of a service provider to exceed planned and safe limits especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety; or,
- Result in substantial adverse physical impacts associated with the provision of public school services.

Impact Analysis

Incorporation of El Dorado Hills would have no direct environmental effect on any of the public school districts because the Proposal would not affect any district boundaries and because no development is proposed as part of the incorporation proposal. The schools would operate without change, regardless of whether incorporation is approved or not.

However, the General Plan EIR found that projected population growth resulting from development under the 2004 GP would generate the need for new and physically altered school facilities, the development of which could result in land use incompatibility with adjacent land uses.

INDIRECT IMPACT 3-16: Potential School Incompatibility with Adjacent Land Uses.

The General Plan EIR found that new school facilities required to meet demands of future residential development could result in adverse physical effects on the environment, including potential incompatibility with adjacent land uses from noise, traffic and access, and other issues, which are not fully addressed by General Plan policies. This impact is considered potentially significant.

■ MITIGATION

1. LAFCO should encourage the new City to adopt a policy that requires development projects to be located and designed in a manner to avoid adjacent incompatible land uses.

Development projects should be located and designed in a manner that avoids incompatibility with adjoining land uses that are permitted by the policies in effect at the time the development project is proposed. Development projects that are potentially incompatible with existing adjoining uses should be designed in a manner that avoids any incompatibility or should be located on a different site.

2. LAFCO should encourage the new City to incorporate compatibility requirements in its Zoning Ordinance.

Development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

SIGNIFICANCE FOLLOWING MITIGATION

This mitigation measure would reduce land use compatibility impacts to a level of Less than Significant because it would ensure development that could result in land use incompatibility would be subject to policy review, environmental review, and application of performance standards. However, since LAFCO can not be certain that the new city will implement this measure, the impact would remain *Significant and Unavoidable*.

4. PUBLIC LIBRARY

Setting

As of 2003, there were five branch libraries are located throughout the County to serve the various communities. The two most important to residents of the Proposal Area are the Cameron Park Library (a 12,000-square foot facility that was built in 1994 to serve the Cameron Park community, although it is also used heavily by residents from El Dorado Hills) and the Oak Ridge Joint-Use Facility (built in the 1980s, and shared with the El Dorado Union High School District to serve both the school and the El Dorado Hills community).

A new branch library is currently being developed in El Dorado Hills. The new El Dorado Hills Library is a 16,000 square foot facility that is expected to be open for use in 2005. The 4-acre building site is adjacent to the Serrano Visitors Center on the corner of Silva Valley and Serrano Parkway. The library will feature an adult reading room with fireplace, a young adult area, a children's room with separate story time and homework areas, and a large community meeting room for use by the public. At capacity, the collection will offer approximately 60,000 items, including books, CDs, DVDs, tapes, videos, magazines, and newspapers. The new branch library will replace the Oak Ridge Joint-Use Library.

Funding Sources

Library funding comes from two major sources: voter-approved library assessments and the County general fund. In March 2002, voters in El Dorado Hills approved an assessment of \$25 per parcel to fund operating costs of the proposed new library. This new assessment will take effect after construction of the new branch library in El Dorado Hills is complete.

Indirect Effects Associated with Incorporation – Public Library System

Significance Criteria

Incorporation of El Dorado Hills would have a significant environmental impact if it were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause the infrastructure capacity of a service provider to exceed planned and safe limits especially when such change may cause adverse health and safety or other physical impacts; or,
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety.

Impact Analysis

The proposed incorporation of El Dorado Hills would not affect the existing library administration under County Service Area 10. The County Library System would continue to operate the same way following incorporation as it operates currently.

The new El Dorado Hills branch of the County library system will be open for use in 2005. At 16,000 square feet, its size is essentially consistent with the unofficial planning standard of 0.5 square feet per capita to adequately serve the existing population of the area proposed for incorporation. Therefore, it is reasonable that this new branch library will fully meet the needs of the population of the new City. There would be no significant impacts related to library services or the need for new facilities associated with the proposed incorporation because no new development is proposed as part of incorporation.

However, as the population of El Dorado Hills increases over time through the buildout of approved and potential future development, the El Dorado Hills branch library may need to be expanded to maintain satisfactory service levels. If a new library facility is determined to be necessary to meet these future needs, on a site other than the site of the new El Dorado Hills branch, then land use incompatibility issues could result in adverse impacts. This would be considered an indirect effect of the potential future buildout in the new City.

INDIRECT IMPACT 3-17: Potential Library Incompatibility with Adjacent Land Uses.

The General Plan EIR found that new library facilities required to meet demands of future residential development could result in adverse physical effects on the environment, including potential incompatibility with adjacent land uses from noise, traffic and access, and other issues, which are not fully addressed by General Plan policies. This impact is considered significant.

■ MITIGATION

1. LAFCO should encourage the new City to adopt a policy that requires development projects to be located and designed in a manner to avoid adjacent incompatible land uses.

Development projects should be located and designed in a manner that avoids incompatibility with adjoining land uses that are permitted by the policies in effect at the time the development project is proposed. Development projects that are potentially incompatible with existing adjoining uses should be designed in a manner that avoids any incompatibility or should be located on a different site.

2. LAFCO should encourage the new City to incorporate compatibility requirements in its Zoning Ordinance.

Development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

SIGNIFICANCE FOLLOWING MITIGATION

These two mitigation measures would reduce land use compatibility impacts to a level of Less than Significant because they would ensure development that could result in land use incompatibility would be subject to policy review, environmental review, and application of performance standards. However, since LAFCO can not be certain that the new city will implement this measure, the impact would remain *Significant and Unavoidable*.

5. PARKS AND RECREATION

Setting

See the Parks and Recreation Section of Chapter 2 for a description of the current setting and regulatory framework regarding parks and recreation services and facilities.

Findings of the General Plan EIR

The analysis of parks and open space in the General Plan EIR focused on: (1) an evaluation of the need for new or expanded parks and open-space resources to meet projected population growth in order to maintain acceptable service ratios; and (2) whether the development of new parks and open-space resources would potentially lead to substantial adverse physical impacts.

Deterioration of Existing Park and Recreation Facilities and Need for New Facilities.

The General Plan EIR found that projected new development would increase the demand for park and recreation facilities. Because it is not certain that adequate new park and recreation facilities would be developed concurrent with new development based on potential funding limitations, the EIR determined that there could be a degradation in existing facilities. The General Plan EIR found that this impact is Significant. The impact would be reduced to a level of Less than Significant through the application of 2004 GP policies and mitigation measures contained in the General Plan EIR.

Potential Land Use Incompatibility Associated with Development of Park and Recreation Facilities.

Countywide, projected new development is expected to increase the demand for park and recreation facilities. New facilities are expected be developed in response to population growth as funding allows. Local (passive) park facilities, as well as more developed facilities, are allowed under all General Plan designations. Park and recreation facility development may require land use permits in some instances. The development of park facilities could potentially result in adverse physical effects on the environment. These potential environmental effects are generally addressed by General Plan policies and mitigation measures described in the General Plan EIR. In addition, the General Plan EIR found that the operation of park facilities could result in potential incompatibility with adjacent land uses from nighttime lighting, noise, and traffic, and these issues were not considered fully addressed by 2004 GP policies. Thus, the General Plan EIR found this impact is Significant.

Buildout under the 2004 GP is projected to result in the development of roughly 32,491 new dwelling units countywide through 2025. This level of development would result in an anticipated population increase of 81,241. In order to meet county parkland standards, approximately 406 acres

of additional developed parks would be required through 2025. This is based on the fact that the 2004 GP allows residential subdivisions which trigger Quimby Act requirements. Policies in the 2004 GP do not ensure that adequate funding would be available to develop the quantity of required parkland prescribed by local CSD and county standards, in particular, outside of local districts providing recreation services. Therefore, this impact is considered Significant in the General Plan EIR.

With implementation of this mitigation measure, the General Plan EIR indicated that impacts would be reduced to a Less-than-Significant level because the policies would aid in attaining the necessary funding for the acquisition, development, and maintenance of new parkland and park and recreation facilities.

Impact Analysis

Significance Criteria

Incorporation of El Dorado Hills would have a significant environmental impact if it were to:

- Cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts;
- Cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety; or,
- Result in substantial adverse physical impacts associated with the provision of park and recreation services.

As reflected in the General Plan EIR, growth in the area proposed for incorporation could result in the need for new or upgraded recreation facilities

INDIRECT IMPACT 3-18: Deterioration of Existing Parks and Recreation Facilities and Need for New Facilities.

Projected new development within the area proposed for incorporation could increase the demand for park and recreation facilities. Because it is not certain that adequate new park and recreation facilities would be developed concurrent with new development based on potential funding limitations, there may be a degradation in existing facilities. This represents a potentially significant environmental impact.

■ MITIGATION

1. Implement Parks Master Plan and Parks and Recreation Capital Improvement Program.

LAFCO should encourage the new City to prepare, implement and regularly update a Parks Master Plan and Parks and Recreation Capital Improvement Program to meet current and future park and recreation needs.

2. Provide Parks and Recreation Funding Mechanisms.

LAFCO should encourage the new City to require all new development projects that create community or neighborhood parks to provide mechanisms (e.g., homeowners associations or benefit assessment districts) for the ongoing development, operation and maintenance needs of these facilities.

3. Establish Development Fee Program to Fund Park and Recreation Improvements.

LAFCO should encourage the new City to establish a development fee program applicable to all new development to fund park and recreation improvements and acquisition of parklands such that minimum neighborhood, community and regional park standards are achieved. This fee is in addition to Quimby Act requirements that address parkland acquisition only. The fee will be adjusted periodically to fully fund the improvements identified in the Parks and Capital Improvement Program concurrent with development over a five-year period.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of these mitigation measures would reduce the potential impacts associated with inadequate park and recreational facilities to a level of *less than significant*. However, since LAFCO can not be certain that the new City will implement this measure, the impact would remain *Significant and Unavoidable*.

G. HUMAN HEALTH AND SAFETY

Setting

Hazardous wastes originate from small businesses, industry, households and government. In El Dorado County, the majority of the hazardous waste stream consists of waste oil, paint and lead acid car batteries. The average U.S. household generates about 20 pounds of household hazardous waste each year. Facilities that store significant quantities of hazardous wastes are registered by the El Dorado County Environmental Management Department (EMD), which also tracks generators of hazardous waste. EMD maintains a database of all underground storage tanks (USTs) within El Dorado County, including all leaking underground storage tanks (LUSTs), through its permit program. No sites within the area proposed for incorporation have been classified by the Department of Toxic Substances Control as confirmed hazardous materials sites (State Superfund or CalSites), and there are no sites within the area proposed for incorporation that are on the Cortese List.

Indirect Effects Associated with Incorporation – Human Health and Safety

Significance Criteria

Future development within the area proposed for incorporation would have a significant indirect environmental impact if it would:

- create a substantial hazard to the public or the environment through the routine transport, use or disposal of hazardous materials;
- create a substantial hazard to the public or the environment through a reasonably foreseeable accidental release of hazardous materials (e.g., asbestos) into the environment;
- result in hazardous emissions or handling of hazardous or acutely hazardous materials, substances or waste within one-quarter mile of an existing or proposed school;
- occur on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5, resulting in a substantial hazard to the public or the environment;
- Impair implementation or physically interfere with an emergency response or emergency evacuation plan.

Impact Analysis

INDIRECT IMPACT 3-19: Increased Incidents of Illegal Disposal of Household Hazardous Wastes.

New residential development within the area proposed for incorporation could increase the use and disposal of household hazardous materials in the area, and the potential for an increase in the occurrence of illegal disposal of household hazardous wastes would increase correspondingly. This represents a potentially significant environmental impact.

■ MITIGATION

No effective mitigation is available, beyond enforcement of regulations intended to prevent illegal disposal of household hazardous wastes.

SIGNIFICANCE FOLLOWING MITIGATION

In the absence of effective and feasible mitigation to reduce potential impacts associated with increased occurrences of illegal disposal of household hazardous wastes, this impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-20: Increased Risk of Accidental Release of Hazardous Materials.

The frequency of incidents of accidental releases could increase due to an increase in the number of operations that would handle and transport hazardous materials. This represents a potentially significant environmental impact.

■ MITIGATION

1. Establish Truck Routes.

To reduce heavy truck traffic in residential areas, LAFCO should encourage the new City to review truck routes to ensure potential impacts associated with the transportation of hazardous materials are minimized.

SIGNIFICANCE FOLLOWING MITIGATION

Although the establishment of truck routes could reduce potential impacts associated with accidental releases of hazardous materials associated with the transportation of such materials by trucks, it is not possible to exclude trucks from proximity to all sensitive land uses. This potential impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-21: Increased Risk of Exposure to Hazardous Waste Resulting from New Development on Known, Suspected and Unknown Contaminated Sites.

New development within the area proposed for incorporation may occur on sites with known or suspected hazardous material contamination and unknown hazardous material contamination. This represents a potentially significant environmental impact.

■ MITIGATION

Remediate Contamination Before Construction of New Development on Suspected Contaminated Sites.

Prior to the approval of any subdivision of land or issuing of a permit involving ground disturbance, a site investigation, performed by a Registered Environmental Assessor or other persons experienced in identifying potential hazardous wastes, should be submitted to the new City for any subdivision or parcel that is located on a known or suspected contaminated site included in a list on file with the El Dorado County Environmental Management Department as provided by the State of California and federal agencies. If contamination is found to exist by the site investigations, it should be corrected and remediated in compliance with applicable laws, regulations and standards prior to the issuance of a new land use entitlement or building permit.

SIGNIFICANCE FOLLOWING MITIGATION

With the implementation of this mitigation measure potential impacts associated with exposure to hazardous materials in relation to future development would be reduced to a level *of less than significant*. However, since LAFCO can not be certain that the new city will implement this measure, the impact could remain *Significant and Unavoidable*.

EMF Exposure

INDIRECT IMPACT 3-22: Exposure to Electromagnetic Fields Generated by New Electric Energy Facilities at School Locations.

New development within the area proposed for incorporation would generate the need for additional electrical energy facilities that, if placed near schools, could result in the exceedance of EMF exposure standards. This represents a potentially significant environmental impact.

■ **MITIGATION**

Encourage Coordination Between Utilities and School Districts

The new City should encourage the coordination between utilities constructing power lines and school districts to avoid placement of power lines in close proximity to schools.

SIGNIFICANCE FOLLOWING MITIGATION

Because the new City would not have approval authority over schools and utilities, this impact associated with possible exposure to EMF levels above current standards could remain *Significant and Unavoidable*.

Exposure to Naturally Occurring Asbestos

Portions of the area proposed for incorporation are located within “Areas More Likely to Contain Natural Occurrences of Asbestos in Western El Dorado County,” as mapped by El Dorado County. All types of asbestos are now considered hazardous, and pose public health risks.

INDIRECT IMPACT 3-23: Public Exposure to Asbestos.

Development anticipated in the area proposed for incorporation may occur in areas that are characterized as likely to contain naturally-occurring asbestos. Because no safe asbestos exposure has been established for residential areas, public exposure to any amount of asbestos poses a potential health risk. This represents a potentially significant environmental impact.

■ **MITIGATION**

1. Establish a General Plan Conformity Review Process for All Development Projects.

Development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City’s General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City

Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Strengthen Naturally-Occurring Asbestos and Dust Protection Standards.

The new City should require that all projects requiring a grading permit, or a building permit that would result in earth disturbance, that are located in areas likely to contain naturally-occurring asbestos (based on mapping developed by the Department of Conservation) have a California-registered geologist knowledgeable about asbestos-containing formations inspect the project area for the presence of asbestos using appropriate test methods.

3. Provide Disclosure of Naturally-Occurring Asbestos on Properties.

The new City should establish a property deed notification program, where potential buyers of real property in all areas likely to contain naturally-occurring asbestos (based on mapping developed by the Department of Conservation) are provided information regarding the potential presence of asbestos on properties subject to sale. Information should include potential for exposure from access roads and from disturbance activities (e.g., landscaping). Disclosure of the potential for asbestos must be placed on the deed and notification provided through the title.

SIGNIFICANCE FOLLOWING MITIGATION

With the implementation of the three mitigation measures above, the potential impacts associated with possible exposure to naturally occurring asbestos could be reduced to a level of *less than significant*. However, since LAFCO can not be certain that the new city will implement this measure, the impact could remain *Significant and Unavoidable*.

Wildland Fire Hazards

Portions of the area proposed for incorporation may be subject to wildland fire hazards. The long, hot, dry summers in El Dorado County, combined with poor road access in some areas, inadequate clearance between structures and vegetation, flammable vegetation and steep topography result in severe wildfire conditions every year.

INDIRECT IMPACT 3-24: Increased Potential for Fire Incidents and Fire Hazards.

Anticipated development within the area proposed for incorporation could increase the potential for wildland fire incidents. This represents a potentially significant environmental impact.

■ MITIGATION

1. Establish a General Plan Conformity Review Process for All Development Projects.

Development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City

Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Preclude Development in Areas of High Wildland Fire Hazard.

The new City should preclude development in areas of high and very high wildland fire hazard unless it can be demonstrated that the hazard can be reduced to a moderate or better level as determined by the local fire protection district and the California Department of Forestry and Fire Protection.

SIGNIFICANCE FOLLOWING MITIGATION

While implementation of these mitigation measures would preclude future development in high wildland fire areas, overall population increases would still be expected to increase the overall numbers of wildland fires, and the associated risk. This potential impact could remain *Significant and Unavoidable*.

H. GEOLOGY, SOILS AND MINERAL RESOURCES

Setting

The geologic character of the area proposed for incorporation is largely defined by Mesozoic volcanic, metavolcanic rocks and Franciscan volcanic rocks. Soils in the area are classified as within the Auburn-Argonaut association, with low/moderate shrink-swell potential. The area is considered to have relatively low potential for seismic activity, and is located beyond the highly active fault zones of the coastal areas of California. The West Bear Mountain Fault passes through the area proposed for incorporation, but this is not considered an active fault, and no portion of the area proposed for incorporation is within an Alquist-Priolo Earthquake Fault Zone. No portion of the area proposed for incorporation is within a Seismic hazard Zone (i.e., regulatory zones that encompass areas prone to liquefaction and earthquake-induced landslides), and the area is not at risk from lateral spreading. Portions of the area proposed for incorporation may be subject to landslides. There are no important mineral resources within the area proposed for incorporation, and the Marble Valley Quarry (once an active mining site) has been closed.

Indirect Effects Associated with Incorporation – Geology, Soils and Mineral Resources

Significance Criteria

Future development within the area proposed for incorporation would have a significant impact if it would:

- cause premature, ill planned, illogical, or inefficient conversion of land containing important mineral resources, included in a state designated mineral resource zone and not planned for development in the next five years especially when such land is not located within the Sphere of Influence of a proposed service provider and there is alternative sufficient vacant land available for development;

- expose people or structures to substantial risk of loss, injury or death involving rupture of a known earthquake fault;
- result in substantial soil erosion, siltation or loss of topsoil;
- direct growth toward a geologic unit or soil that is unstable, or that would become unstable as a result of the proposal, and potentially result in on- or off-site landslide, lateral spreading, subsidence, soil expansion, liquefaction or collapse, or release or leaching of pollutants;
- involve sites where soils are incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available;
- result in a substantial loss of an important mineral resource; or,
- directly or indirectly destroy a unique paleontological resource or site?

Impact Analysis

INDIRECT IMPACT 3-25: Increased Development in Areas Susceptible to Landslide Hazards.

Nondiscretionary development that may take place in the area proposed for incorporation could be allowed in areas subject to geologic hazards without sufficient review by the new City or the preparation of a geotechnical study, which could result in future residents being exposed to landslide hazards. This represents a potentially significant environmental impact.

■ MITIGATION

1. Establish a General Plan Conformity Review Process for All Development Projects.

Development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Require Geologic Analysis in Areas Prone to Geological or Seismic Hazards.

Applications for development of habitable structures should be reviewed for potential hazards associated with steep or unstable slopes and areas susceptible to high erosion. Geotechnical studies should be required when development may be subject to geological hazards. If hazards are identified, applicants should be required to mitigate or avoid identified hazards as a condition of approval. If no mitigation is feasible, the project will not be approved.

SIGNIFICANCE FOLLOWING MITIGATION

By subjecting all projects to geotechnical review and requiring these projects to mitigate or avoid all hazards, potential landslide hazards are minimized, and the potential impact could be reduced to a level of *less than significant*. However, since LAFCO can not be certain that the new city will implement this measure, the impact could remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-26: Additional Development Could Affect the Rate or Extent of Erosion.

Increases in erosion are often attributable to new construction, which may involve the removal of vegetation or site grading. This would represent a potentially significant environmental impact.

■ MITIGATION

1. Establish a General Plan Conformity Review Process for All Development Projects.

Development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Restrict Development or Disturbance on Steep Slopes.

Development or disturbance should be prohibited on slopes exceeding 25% unless necessary for access. The new City may consider development or disturbance on slopes 25% and greater when:

- Reasonable use of the property would otherwise be denied.
- The location is necessary for the protection of the public health, safety, and welfare and there is no feasible alternative, as determined by a California-registered civil engineer or engineering geologist.
- The project is necessary for the repair of existing infrastructure to avoid and mitigate hazards to the public, as determined by a California-registered civil engineer or engineering geologist.
- Replacement or repair of existing structures would occur in substantially the same footprint.

Access corridors on slopes 25 percent and greater should have a site specific review of soil type, vegetation, drainage contour, and site placement to encourage proper site selection and mitigation. Septic systems may only be located on slopes under 25 percent. Roads needed to complete circulation/access and for emergency access may be constructed on such cross slopes if all other standards are met.

SIGNIFICANCE FOLLOWING MITIGATION

If the mitigation measures identified above are implemented, they would address erosion impacts from development on steep slopes based on development restrictions, and ministerial projects would be regulated through the General Plan conformity review process. This impact would be reduced to a level of *less than significant*. However, since LAFCO can not be certain that the new city will implement this measure, the impact could remain *Significant and Unavoidable*.

I. HYDROLOGY AND WATER QUALITY

Setting

As described in the General Plan EIR, surface water quality in the western part of El Dorado County is considered generally very good. None of the county's water bodies is on the list of "impaired water bodies" under section 303(d) of the federal Clean Water Act. However, future development within the area proposed for incorporation could affect water quality as a result of different types of land uses or activities.

These areas of potential water quality issues include the effects of grading, agricultural uses, the effects of confined animals, urban runoff, sewage and other wastewater from treatment plants, water quality degradation from industrial activities, and from use of recreational areas. Some of these activities are likely to occur in the proposed incorporation area and, therefore, impacts identified in the General Plan EIR would be considered as potential indirect impacts associated with incorporation.

Regulatory Environment

Flooding Hazards

The boundary of the 100-year floodplain is the basic planning criterion used to demarcate unacceptable public safety hazards. The 100-year floodplain boundary defines the geographic area having a 1 percent chance of being flooded in any given year. All streams are subject to areas within the 100-year flow and, therefore, have a 100-year floodplain. However, many minor and intermittent streams do not have current FIRMs. Outside of the 100-year floodplain boundaries, the degree of flooding risk is not considered sufficient to justify the imposition of floodplain management regulations. Some level of regulation is desired to protect public health, safety, and welfare within the 100-year floodplain.

The 100-year floodplain is divided into a floodway and floodway fringe. The floodway is the channel of a stream, plus any adjacent floodplain areas, that should be kept free of development so that the 100-year flood can pass through without an obstruction that would result in substantial increase in flood heights. Development within the floodway reduces the channel's floodwater carrying capacity, increases flood heights, and increases flood hazards beyond the border of the floodway. As a minimum standard, FEMA limits any increase in flood heights within the floodway to 1.0 foot or less provided that hazardous water velocities do not result from the increase in flood height. The area between the floodway and the boundary of the 100-year floodplain is termed the floodway fringe and encompasses the portion of the floodplain that could be used for development without increasing the surface elevation of the 100-year flood more than 1.0 foot at any point.

Different development standards may be formulated for the floodway and the floodway fringe. These standards have two functions. First, they are designed to minimize loss of life and property damage by controlling the types of land uses permitted and by prescribing certain construction methods. Second, they are intended to preserve the ability of the floodway to discharge the 100-year flood. Failure of floodplain regulations to recognize this latter function by prohibiting encroachment of the floodway would result in an increase in the geographic area of the 100-year floodplain.

Indirect Effects Associated with Incorporation – Hydrology and Water Quality

Significance Criteria

Incorporation of El Dorado Hills would have an indirect significant environmental impact on hydrology or water quality if future development within the incorporation area were to:

- Create substantial sources of polluted runoff or otherwise substantially degrade ground or surface water quality;
- Substantially alter the existing local drainage pattern and/or increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site;
- Permit development within a 100-year floodplain as mapped on a federal Flood Insurance Rate Map or within a local flood hazard area;
- Expose people or structures to a substantial risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam; or,
- Place structures that would impede or redirect flood flows within a 100-year floodplain.

Impact Analysis

Exposure to Flood Hazards.

New development, including housing, could occur in the designated 100-year floodplain under the 2004 GP. The County's Flood Damage Prevention Ordinance, contains development standards applicable to all development within the 100-year floodplain that protects development and occupants from flood hazards and prohibits redirection or obstruction of flood flow. The potential for exposure of people and property to flood hazards is low and new development in the 100-year floodway would not impede or redirect flood flows. This impact is considered Less than Significant.

Effects on Ground Water.

The incorporation proposal would not be expected to affect groundwater supplies because all future development would be served domestic water by EID using EID's surface water rights and contractual agreements. Similarly, all wastewater generated by land uses within the new City would be collected, treated and disposed of through EID's wastewater treatment system, as discussed above in the Public Utilities section.

Future development within the area proposed for incorporation would involve construction activities which have the potential to cause significant erosion, siltation, and turbidity impacts on nearby drainages and groundwater. Policies contained in the 2004 GP, together with County and state regulatory and permit programs would be expected to prevent the impacts of these activities from being significant. This impact is considered *Less than Significant*.

Potential Increase in Water Pollutants from New Impervious Surfaces.

Development within the area proposed for incorporation would result in an increase in impervious surfaces and increased stormwater runoff from development that would be discharged to the storm drain collection system or would infiltrate into groundwater. Certain types of agriculture (particularly wine grapes) may increase, resulting in additional long-term soil exposure and pesticide and fertilizer use. In addition, residential and commercial or industrial development would potentially lead to pollutant- and sediment-laden runoff to offsite locations. However, policies in the 2004 GP, the County's Storm Water Management Plan (SWMP), and applicable regulations require compliance with state and federal clean water requirements, prohibit development adjacent to certain water bodies, and require erosion and sediment control Best Management Practices ("BMPs) or other water-quality protection measures. These policies and programs would apply to all nonagricultural development that disturbs more than an acre. Development on less than an acre is also subject to General Plan policies, as well as the SWMP. Agricultural runoff is subject to the RWQCB Conditional Waiver of Agricultural Discharges, which precludes discharge from agricultural land of pollutants that could cause adverse environmental effects. As a result, this impact is considered *Less than Significant*.

All other potential impacts to hydrology or water quality discussed in the General Plan EIR are considered irrelevant or inapplicable to the area proposed for incorporation.

J. NOISE

Setting

The human ear is not equally sensitive to the sound of different frequencies, and to approximate this sensitivity, environmental sound is usually measured in weighted decibels (dBA). L_{min} is the minimum noise level during a specified period of time, L_{max} is the maximum noise level during a specified period of time, Leq is the equivalent, or energy mean, noise level (the average of relative energy values over a specified period of time), L_{dn} is the 24-hour Leq with a 10 dBA "penalty" for the noise sensitive hours between 10:00 PM and 6:00 AM, and CNEL is a level similar to L_{dn} , but with an additional 4.77 dBA "penalty" for noise events occurring during the noise sensitive hours between 7:00 PM and 10:00 PM.

The El Dorado County General Plan Draft EIR provides a long-term (24-hour) measurement of the ambient noise level in the El Dorado Hills area (Yosemite Lane): $L_{min} = 22$ dBA, $L_{max} = 69$ dBA, $L_{dn} = 52.5$ dBA and CNEL = 52.7 dBA.

The General Plan EIR provides anticipated traffic noise levels along major highways in the area proposed for incorporation, based on the Federal Highway Administration Highway Traffic Noise Prediction Model (FHWA-RD-77-108). Year 2001 data related to noise levels along major roadways within the area proposed for incorporation are presented in Table 5.10-3 of the El Dorado County

General Plan Draft EIR. The 60 Ldn/CNEL Traffic Noise Contours identified using this model for the alternatives evaluated in the El Dorado County General Plan Draft EIR within the area proposed for incorporation are presented in Exhibit 5.10-8 of that document.

The Sierra Pacific (formerly, Wetsel-Oviatt) lumber mill, located in the southern portion of the area proposed for incorporation, represents a stationary noise source resulting from the operation of conveyor systems, onsite heavy-duty mobile equipment, ventilation units, saws, and sawdust collection and transportation systems.

Schools and parks with sports fields typically include the sound of children's voices, play-area activities, mechanical building equipment, landscape maintenance equipment and exterior intercom/speaker systems. Competitive sporting events, particularly those that involve the use of a public address (PA) system, are of particular concern. Noise levels associated with such events can vary widely depending on various factors including the type and number of outdoor events being conducted, whether a PA system is used, and the number of people in attendance. The following schools and parks with sports fields are located within the area proposed for incorporation: Alan Lindsey Park, Oak Ridge High School, Kalithea Park and the El Dorado Hills Community Service District Facility, Bertleson Park/McCabe Field.

Indirect Effects Associated with Incorporation – Noise

Significance Criteria

Future development within the area proposed for incorporation would have a significant environmental impact if it were to:

- result in exposure of persons to, or generation of, noise levels in excess of standards established by the general plan, noise ordinance or other noise standards;
- result in a substantial temporary increase in ambient noise levels;
- result in a substantial permanent increase in ambient noise levels.

Impact Analysis

INDIRECT IMPACT 3-27: Exposure of Noise-Sensitive Land Uses to Short-Term (Construction) Noise.

Anticipated development within the area proposed for incorporation could result in exposure of noise-sensitive land uses to noticeable increases in ambient noise levels, primarily from construction activities that may also exceed applicable noise standards. This represents a potentially significant environmental impact.

■ MITIGATION

1. Limit Noise-Generating Construction Activities.

Construction activities should be limited to the hours between 7:00 AM and 7:00 PM Monday through Friday, and 8:00 AM and 5:00 Pm on weekends and on federally recognized holidays.

Exceptions can be allowed if it can be shown that construction beyond these times is necessary to alleviate traffic congestion and safety hazards.

2. Establish Truck Routes to Minimize Truck Noise at Noise-Sensitive Land Uses.

To reduce heavy truck traffic in residential areas and near noise-sensitive land uses associated with discretionary projects, the new City will review truck routes to ensure traffic noise impacts are minimized.

SIGNIFICANCE FOLLOWING MITIGATION

Although implementation of these mitigation measures would prohibit construction activities during the more noise-sensitive evening and nighttime hours, noticeable increases in daytime ambient noise levels associated with construction activities could still occur, including noise generated by construction vehicles traveling to and from construction sites. As a result, this impact could remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-28: Exposure to Ground Transportation Noise Sources.

Anticipated development within the area proposed for incorporation would result in exposure of existing, as well as future, noise-sensitive land uses to transportation noise. Exposure to traffic noise is site-specific, and dependent on various factors, such as distance from the source and shielding provided by intervening structures and terrain. Exposure of noise-sensitive land uses to substantial increases in ambient noise levels resulting from traffic noise could occur in the area proposed for incorporation. This represents a potentially significant environmental impact.

■ MITIGATION

1. Protect Noise-Sensitive Land Uses from Unacceptable Noise Levels Caused by New Transportation Noise Sources.

When determining the significance of impacts and appropriate mitigation to reduce those impacts for new development projects, the new City should take the following criteria into consideration.

- A. Where existing or projected future traffic noise levels are less than 60 dBA Ldn at the outdoor activity areas of residential uses, an increase of more than 5 dBA Ldn caused by a new transportation noise source will be considered significant; and
- B. Where existing or projected future traffic noise levels range between 60 and 65 dBA Ldn at outdoor activity areas of residential uses, an increase of more than 3 dBA Ldn caused by a new transportation noise source will be considered significant; and
- C. Where existing or projected future traffic noise levels are greater than 65 dBA Ldn at the outdoor activity areas of residential uses, an increase of more than 1.5 dBA Ldn caused by a new transportation noise source will be considered significant.

2. Establish Truck Routes to Minimize Truck Noise at Noise-Sensitive Land Uses.

To reduce heavy truck traffic in residential areas and near noise-sensitive land uses associated with discretionary projects, the new City should review truck routes to ensure traffic noise impacts are minimized.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of these mitigation measures would help to reduce noise-related impacts by requiring identification and implementation of mitigation measures to reduce substantial increases in ambient noise levels, including the relocation of heavy-duty vehicle traffic away from nearby sensitive receptors in residential areas. Mitigation measures typically implemented to reduce traffic noise include increased insulation, setbacks, and construction of sound barriers. Some measures may have secondary impacts related to aesthetics and safety. The feasibility of these measures would be determined on a project-by-project basis. However, since such mitigation may not be feasible in each site-specific instance, this impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-29: Exposure of Noise-Sensitive Land Uses to Fixed or Nontransportation Noise Sources.

Anticipated development within the area proposed for incorporation could result in exposure of existing, as well as future, noise-sensitive land uses to fixed- or nontransportation-source noise. This represents a potentially significant environmental impact.

■ **MITIGATION**

1. Protect Noise-Sensitive Land Uses from Unacceptable Noise Levels Caused by Stationary Noise Sources.

When determining the significance of impacts and appropriate mitigation to reduce these impacts for new development projects, including ministerial development, the new City should take the following criteria into consideration:

- A. In areas in which ambient noise levels are in accordance with standards established by the new City, increases in ambient noise levels caused new nontransportation noise sources that exceed 5 dBA shall be considered significant; and
- B. In areas in which ambient noise levels are not in accordance with standards established by the new City, increases in ambient noise levels caused by new nontransportation noise sources that exceed 3 dBA shall be considered significant.

2. Adopt Noise Standards.

The new City should adopt a noise ordinance to establish noise level criteria that would be used to resolve neighborhood conflicts and to control unnecessary noise in the new City. Examples of the types of noise sources that can be controlled through the use of a quantitative noise

ordinance include noisy mechanical equipment and amplified music in commercial establishments.

The new City should establish and maintain coordination among relevant city, county and state agencies involved in noise abatement and other agencies to reduce noise generated from sources outside the new City's jurisdiction.

SIGNIFICANCE FOLLOWING MITIGATION

With implementation of this mitigation measure, noise impacts would be reduced, but substantial increases in overall ambient noise levels could still occur. As a result, this impact could remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-30: Exposure to Aircraft Noise.

There are no airports located within the incorporation area and incorporation would have no direct effect on exposure to aircraft noise. However, future growth within the incorporation area will expose a larger number of residents and businesses to aircraft noise, particularly from overflight activity related to take-off and landing operations at Mather Field. Noise effects of this nature would be most severe for new development occurring in the southern part of the proposed incorporation area (e.g., in the vicinity of Carson Creek, and sites farther south). This would be a potentially significant environmental impact.

■ MITIGATION

Enforce Standards for Interior Noise Levels in New Development Affected by Aircraft Noise.

SIGNIFICANCE FOLLOWING MITIGATION

With implementation of this mitigation measure, noise impacts could be reduced. However, exposure of noise-sensitive receptors to aircraft noise levels could still occur. As a result, this impact could remain *Significant and Unavoidable*.

K. AIR QUALITY

Setting

The area proposed for incorporation is located within the Mountain Counties Air Basin (MCAB). The majority of the MCAB is located in the northern Sierra Nevada area with the western boundary of the basin extending into the Sacramento Valley. Elevations within the basin vary from approximately 100 to 10,000 feet. During summer, in the western portion of the MCAB temperatures that often exceed 100 degrees F. coupled with clear sky conditions are favorable for ozone formation. In winter, winds and unstable atmospheric conditions associated with the passage of storms result in periods of low air pollution and excellent visibility. However, between winter storms high pressure and light winds lead to the creation of low-level temperature inversions and stable atmospheric conditions, resulting in high concentrations of carbon monoxide and particulate

matter. As a result, air quality conditions in western El Dorado County are among the worst in the State of California.

Primary criteria pollutants are emitted directly from a source (i.e., an automobile, an exhaust stack of a factory, etc.) into the atmosphere. At the federal level, National Ambient Air Quality Standards (AAQS) have been established for carbon monoxide (CO - produced chiefly by internal combustion engines), sulfur dioxide (SO₂), nitrogen dioxide (NO₂), ozone (O₃), inhalable particulate matter (PM₁₀), fine particulate matter (PM_{2.5}), and lead (Pb). The State of California has adopted AAQS which address the national criteria pollutants, and generally set more stringent limits. The California AAQS also establish standards for sulfates, hydrogen sulfide, vinyl chloride and visibility.

Three criteria pollutants of concern within the MCAB are ozone, PM₁₀ and carbon monoxide. Ozone (O₃) in the lower atmosphere is one of the main components of smog. It is not directly emitted, but is formed in the atmosphere over several hours from combinations of various precursors in the presence of sunlight. Nitrogen oxides (NO_x) and reactive organic gases (ROG) are considered to be the primary compounds, or precursors, contributing to the formation of ozone. Ozone is viewed as both a secondary pollutant and as a regional pollutant.

Short-term exposure to ozone, a strongly oxidizing species, results in injury and damage to the lungs, decreases in pulmonary function, and impairment of immune mechanisms. These changes have been implicated in the development of chronic lung disease as a result of longer-term exposure. Symptoms of ozone irritation include shortness of breath, chest pain when inhaling deeply, wheezing and coughing. Children and persons with pre-existing respiratory disease (e.g., asthma, chronic bronchitis, and emphysema) are at greater risk. In addition, effects on vegetation have been documented at concentrations below the standards.

Inhalable particulates refer to particulate matter less than 10 microns in diameter (PM₁₀). Particulates are classified as primary or secondary, depending on their origin. Primary particulates are unchanged after being directly emitted (e.g., road dust), and are the most commonly analyzed and modeled for of PM₁₀. Because it is emitted directly and has limited dispersion characteristics, this type of PM₁₀ is considered a localized pollutant. In 1997, the U.S. Environmental Protection Agency (EPA) adopted a fine particulate matter standard of 2.5 microns or less in diameter (PM_{2.5}). The California Air Resources Board (ARB) adopted an annual PM_{2.5} standard in 2002.

Recent studies undertaken by EPA identify key health effects associated with particulate matter, including:

- Premature mortality;
- Aggravation of respiratory and cardiovascular disease, as indicated by increased hospital admissions, emergency room visits, school absences, work loss days and restricted activity;
- Changes in lung function and increased respiratory symptoms;
- Changes in lung tissue and structure; and
- Altered respiratory defense mechanisms.

According to EPA, the recent epidemiological information indicates that several subpopulations are apparently more sensitive to effects of community air pollution containing particulate matter.

Observed effects include decreases in pulmonary function reported in children and increased mortality reported in the elderly and individuals with cardiopulmonary disease.

Carbon monoxide is formed by the incomplete combustion of carbon-containing material. Because it is directly emitted from combustion engines, carbon monoxide can have adverse localized impacts, primarily in areas of heavy traffic congestion. Because it is emitted directly and has limited dispersion characteristics, CO is considered a localized pollutant.

When carbon monoxide combines with hemoglobin in the blood, the oxygen-carrying capacity of the blood is reduced, and the release of oxygen is inhibited or slowed. This condition places angina patients, persons with other cardiovascular diseases or chronic lung obstructive disease, persons with anemia, and fetuses at risk. At higher levels, CO also affects the central nervous system. Symptoms of exposure may include headaches, dizziness, sleepiness, nausea, vomiting, confusion and disorientation.

Toxic air contaminants (TACs) are pollutants which may be expected to result in an increase in mortality or serious illness, or which may pose a present or potential hazard to human health. Health effects include cancer, birth defects, neurological damage, damage to the body's natural defense systems, and diseases which led to death.

TACs can be separated into carcinogens and noncarcinogens based on the nature of the physiological degradation associated with exposure to the pollutant. For regulatory purposes, carcinogens are assumed to have no safe threshold below which health impacts will not occur. Noncarcinogenic TACs differ in that there is generally assumed a safe level of exposure below which no negative health impact is believed to occur. These levels are determined on a pollutant-by-pollutant basis.

In 1998, following a 10-year scientific assessment, the California Air Resources Board (CARB) identified particulate matter from diesel-fueled engines as a toxic air contaminant. CARB staff intends to issue statewide guidance for diesel toxic impact analyses for various source categories.

El Dorado County is currently designated as a nonattainment area with respect to the state 1-hour ozone and PM₁₀ standards, and is either attainment or unclassified for the remaining state standards. With respect to the national standards, El Dorado County is designated as a severe nonattainment area for the 1-hour ozone standard and nonattainment for the 8-hour ozone standard. El Dorado County is either in attainment, unclassified, or unclassified/attainment for the remaining national standards. Based on current attainment status, lead, sulfates, hydrogen sulfide, and visibility reducing particulate matter are not a primary concern in El Dorado County in comparison to ozone, PM₁₀, CO and NO₂.

Indirect Effects Associated with Incorporation – Air Quality

Significance Criteria

Future development within the area proposed for incorporation would have a significant environmental impact if it were to:

- result in a cumulatively considerable net increase of any criteria pollutant for which the region is in non-attainment under an applicable federal or state ambient air quality standard;
- expose sensitive receptors to pollutants (e.g., asbestos) or pollutant concentrations in excess of standards;
- create objectionable odors, dust, or other nuisances affecting a substantial number of people.

Impact Analysis

INDIRECT IMPACT 3-31: Construction Emissions of ROG, NO_x, and PM₁₀.

Anticipated development within the area proposed for incorporation could result in construction emissions of ROG, NO_x and PM₁₀. El Dorado County is currently designated as a nonattainment area with respect to the state and national ozone (1-hour) standards, the national ozone (8-hour) standard, and the state PM₁₀ standard. Thus, daily construction emissions could potentially result in or contribute to a violation of applicable AAQS, and could contribute to health problems associated with these pollutants. This represents a potentially significant environmental impact.

■ MITIGATION

Use Updated Recommendations to Analyze and Mitigate Potential Air Quality Impacts.

The new City should use the recommendations in the most recent version of the El Dorado County AQMD *Guide to Air Quality Assessment: Determining Significance of Air Quality Impacts Under the California Environmental Quality Act*, to analyze potential air quality impacts (e.g., short-term construction, long-term operations, toxic and odor-related emissions) and to require feasible mitigation for such impacts. The new City should also consider any new information or technology that becomes available prior to periodic updates of the Guide.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of this mitigation measure could significantly reduce short-term construction equipment emissions and minimize dust beyond project property lines. However, construction-related emissions would not be eliminated, and the incremental addition of daily construction emissions would contribute to a potential violation of applicable AAQS, especially during the simultaneous occurrence of construction operations for several projects. As a result, this impact could remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-32: Long-Term Operational (Regional) Emissions of ROG, NO_x, CO and PM₁₀.

Anticipated development within the area proposed for incorporation could result in regional emissions of ROG, NO_x, CO and PM₁₀ that exceed the applicable AQMD thresholds as a result of an increase in vehicle trips, use of natural gas burning, and use of maintenance equipment and

consumer products, contributing to a violation of applicable AAQS. These emissions could contribute to health problems associated with these pollutants. In addition, the increase in population and employment growth, which consequently leads to an increase in vehicle miles traveled (VMT) and mobile source emissions, would potentially conflict with the attainment plan. El Dorado County is currently designated as a nonattainment area with respect to the state and national ozone (1-hour) standards, the national ozone (8-hour) standard, and the state PM₁₀ standard. This represents a potentially significant environmental impact.

■ **MITIGATION**

1. Use Updated Recommendations to Analyze and Mitigate Potential Air Quality Impacts.

The new City should use the recommendations in the most recent version of the El Dorado County AQMD *Guide to Air Quality Assessment: Determining Significance of Air Quality Impacts Under the California Environmental Quality Act*, to analyze potential air quality impacts (e.g., short-term construction, long-term operations, toxic and odor-related emissions) and to require feasible mitigation for such impacts. The new City should also consider any new information or technology that becomes available prior to periodic updates of the Guide.

2. Encourage Use of Alternative-Fuel Vehicles.

Upon reviewing projects, the new City should support and encourage the use of, and facilities for, alternative-fuel vehicles to the extent feasible.

3. Investigate Use of Fuel-Efficient or Alternative-Fuel Fleet Vehicles

The new City should investigate the use of fuel-efficient or alternative-fuel vehicles (e.g., liquid natural gas, fuel cell vehicles).

4. Prohibit Wood-Burning Open-Masonry Fireplaces in New Development.

The new City should prohibit wood-burning open-masonry fireplaces in all new development. Fireplaces with EPA-approved inserts, EPA-approved stoves, and fireplaces burning natural gas are allowed.

5. Develop Incentive Program to Encourage Use of Newer Cleaner-Burning EPA-Certified Wood Stoves.

The new City should develop an incentive program to encourage homeowners to replace high-pollution emitting non-EPA-certified wood stoves that were installed before the effective date of the applicable EPA regulation with newer cleaner-burning EPA-certified wood stoves.

6. Synchronize Signalized Intersections.

Signalized intersections should be synchronized where possible as a means to reduce congestion, conserve energy, and improve air quality.

7. Include Pedestrian/Bike Paths Connecting to Adjacent Development.

All new development within the area proposed for incorporation should include pedestrian/bike paths connecting to adjacent development and to common facilities.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of these mitigation measures could reduce impacts associated with regional emissions of air pollutants to some extent, but since specific emissions reductions cannot be calculated with certainty, and since LAFCO can not be certain that the new City will implement these measures, the impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-33: Toxic Air Emissions.

Development anticipated within the area proposed for incorporation could result in the exposure of sensitive receptors to toxic air emissions that exceed established standards, and could contribute to health problems associated with these pollutants. This represents a potentially significant environmental impact.

■ MITIGATION

1. Establish a General Plan Conformity Review Process for All Development Projects.

Development involving any structure greater than 120 square feet in size or requiring a grading permit shall be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding shall be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Require Development Projects to Be Located and Designed in a Manner That Avoids Adjacent Incompatible Land Uses.

Development projects should be located and designed in a manner that avoids incompatibility with adjoining land uses that are permitted by the policies in effect at the time the development project is proposed. Development projects that are potentially incompatible with existing adjoining uses should be designed in a manner that avoids any incompatibility or should be located on a different site.

3. Use Updated Recommendations to Analyze and Mitigate Potential Air Quality Impacts.

The new City should use the recommendations in the most recent version of the El Dorado County AQMD *Guide to Air Quality Assessment: Determining Significance of Air Quality Impacts Under the California Environmental Quality Act*, to analyze potential air quality impacts (e.g., short-term construction, long-term operations, toxic and odor-related emissions) and to require feasible mitigation for such impacts. The new City should also consider any new information or technology that becomes available prior to periodic updates of the Guide.

4. Adopt Policy for Facilities Housing Sensitive Receptors.

New facilities in which sensitive receptors are located (e.g., residential subdivisions, schools, childcare centers, playgrounds, retirements homes, and hospitals) should be sited away from significant sources of air pollution.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of these mitigation measures could reduce potential impacts to some extent, but not to a level of less than significant, since not all sources of toxic air contaminants (e.g., mobile sources) can be adequately controlled. As a result, and since LAFCO can not be certain that the new City will implement this measure, the impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-34: Local Mobile-Source Emissions of Carbon Monoxide (CO).

Anticipated development within the area proposed for incorporation could result in local mobile-source CO emissions, caused by an increase in VMT, vehicle trips, and vehicle hours of delay (VHD) that would exceed the state 1-hour or 8-hour CO ambient air quality standards of 20 ppm and 9 ppm, respectively. These emissions could contribute to health problems associated with these pollutants. This represents a potentially significant environmental impact.

■ **MITIGATION**

Investigate Use of Fuel-Efficient or Alternative-Fuel Fleet Vehicles

The new City should investigate the use of fuel-efficient or alternative-fuel vehicles (e.g., liquid natural gas, fuel cell vehicles).

SIGNIFICANCE FOLLOWING MITIGATION

With implementation of this mitigation measure, potential impacts could be reduced to some extent, but not to a level of less than significant. As a result, and since LAFCO can not be certain that the new City will implement this measure, the impact would remain *Significant and Unavoidable*.

INDIRECT IMPACT 3-35: Odorous Emissions.

Anticipated development within the area proposed for incorporation could result in the exposure of sensitive receptors to odorous emissions that excess established standards. This represents a potentially significant environmental impact.

■ **MITIGATION**

Require Development Projects to Be Located and Designed in a Manner That Avoids Adjacent Incompatible Land Uses

Development projects should be located and designed in a manner that avoids incompatibility with adjoining land uses that are permitted by the policies in effect at the time the development project is proposed. Development projects that are potentially incompatible with existing adjoining uses should be designed in a manner that avoids any incompatibility or should be located on a different site.

SIGNIFICANCE FOLLOWING MITIGATION

With implementation of this mitigation measure, impacts could be reduced. However, as this issue is subjective, and because some offensive (to some) odor-causing land uses could result, and since LAFCO can not be certain that the new City will implement this measure, the impact would remain *Significant and Unavoidable*.

L. BIOLOGICAL RESOURCES

Setting

Portions of the area proposed for incorporation may provide habitat for special status species or other sensitive biological resources (e.g., wetlands, migration corridors, etc.).

Indirect Effects Associated with Incorporation – Biological Resources

Significance Criteria

Future development within the area proposed for incorporation would have a significant environmental impact if it were to:

- cause premature, ill planned, illogical, or inefficient conversion of important wildlife resource areas not planned for development in the next five years especially when such land is not located within the Sphere of Influence of a proposed service provider and there is alternative sufficient vacant land available for urban uses;
- have a substantial adverse effect on special status species;
- have a substantial adverse effect on any riparian habitat or other sensitive natural community;
- have a substantial adverse effect on wetlands designated as jurisdictional waters of the United States as defined by Section 404 of the Clean Water Act;
- result in removal or damage to native/landmark trees;
- conflict with local policies or ordinances protecting biological resources;
- conflict with the provisions of an adopted Habitat Conservation Plan or other approved local, regional, state or federal plan for the conservation of habitat; or,

- have a substantial adverse effect on the movement of any native resident or migratory fish or wildlife species.

Impact Analysis

INDIRECT IMPACT 3-36: Loss and Fragmentation of Wildlife Habitat, Impacts on Special Status Species, and Impacts on Wildlife Movement.

Anticipated development within the area proposed for incorporation is expected to result in a substantial increase in urban development and population. This area supports a number of native habitats that are important to wildlife. Much of the native habitat that exists could be substantially reduced by impacts associated with future development in this area. This represents a potentially significant environmental impact.

In addition, development of the area could lead to loss of habitat and loss of individuals of both special-status plants and animals. This represents a potentially significant environmental impact.

In addition, development in portions of the proposed incorporation area could substantially reduce the ability of terrestrial wildlife to move unimpeded through these areas. This would represent a potentially significant environmental impact.

■ MITIGATION

For each of the foregoing potentially significant indirect impacts, the following mitigation measures would apply:

1. Develop and Implement an Integrated Natural Resources Management Plan.

Develop and implement an Integrated Natural Resources Management Plan (INRMP) that identifies important habitat within the new City and establishes a program for effective habitat preservation and management. The INRMP should include the following components:

- A. Habitat Inventory. This part of the INRMP should inventory and map the following important habitats within the new City:
1. Habitats that support special-status species;
 2. Aquatic environments including streams, rivers, and lakes;
 3. Wetland and riparian habitat;
 4. Important habitat for migratory deer herds; and
 5. Large expanses of native vegetation.

The new City should update the inventory every three years to identify the amount of important habitat protected, by habitat type, through new City programs and the amount of

important habitat removed because of new development during that period. The inventory and mapping effort should be developed with the assistance of CDFG and the USFWS. The inventory should be maintained and updated by the *Planning Department of the new City* and should be publicly accessible.

- B. **Habitat Protection Strategy.** This component should describe a strategy for protecting important habitats based on coordinated land acquisitions (see item D below) and management of acquired land. The goal of the strategy should be to conserve and restore contiguous blocks of important habitat to offset the effects of increased habitat loss and fragmentation elsewhere in the new City. The Habitat Protection Strategy should be updated at least once every 5 years based on the results of the habitat monitoring program (item F below).
- C. **Mitigation Assistance.** This part of the INRMP should establish a program to facilitate mitigation of impacts on biological resources resulting from projects approved by the new City that are unable to avoid impacts on important habitats. The program may include development of mitigation banks, maintenance of lists of potential mitigation options, and incentives for developers and landowner participation in the habitat acquisition and management components of the INRMP.
- D. **Habitat Acquisition.** Based on the Habitat Protection Strategy and in coordination with the Mitigation Assistance program, the INRMP should include a program for identifying habitat acquisition opportunities involving willing sellers. Acquisition may be by state or federal land management agencies, private land trusts or mitigation banks, the new City, or other public or private organizations. Lands may be acquired in fee or protected through acquisition of a conservation easement designed to protect the core habitat values of the land while allowing other uses by the fee owner. The program should identify opportunities for partnerships between the new City and other organizations for habitat acquisition and management. In evaluating proposed acquisitions, consideration will be given to site-specific features (e.g., conditions and threats to habitat, presence of special-status species), transaction-related features (e.g., level of protection gained, time frame for purchase completion, relative costs), and regional considerations (e.g., connectivity with adjacent protected lands and important habitat, ability to achieve multiple agency and community benefits). Priority should be given to parcels that would preserve natural wildlife movement corridors such as crossings under major roadways (e.g., U.S. 50 and across canyons). All land acquired should be added to the Ecological Preserve overlay area.
- E. **Habitat Management.** Each property or easement acquired through the INRMP should be evaluated to determine whether the biological resources would benefit from restoration or management actions. Examples of the many types of restoration or management actions that could be undertaken to improve current habitat conditions include: removal of non-native plant species, planting native species, repair and rehabilitation of severely grazed riparian and upland habitats, removal of culverts and other structures that impede movement by native fishes, construction of roadway under- and overcrossing that would facilitate movement by terrestrial wildlife, and installation of erosion control measures on land adjacent to sensitive wetland and riparian habitat.

- F. **Monitoring.** The INRMP should include a habitat monitoring program that covers all areas under the Ecological Preserve overlay together with all lands acquired as part of the INRMP. Monitoring results should be incorporated into future planning efforts of the new City so as to more effectively conserve and restore important habitats. The results of all special-status species monitoring should be reported to the CNDDDB. Monitoring results should be compiled into an annual report to be presented to the Council of the new City.
- G. **Public Participation.** The INRMP shall be developed with and include provisions for public participation and informal consultation with local, state, and federal agencies having jurisdiction over natural resources within the new City.
- H. **Funding.** The new City should develop a conservation fund to ensure adequate funding of the INRMP, including habitat maintenance and restoration. Funding may be provided from grants, mitigation fees, and the general fund of the new City. The INRMP annual report described under item F, above, should include information on current funding levels and should project anticipated funding needs and anticipated and potential funding sources for the following 5 years.

2. Adopt a No-Net-Loss Policy and Mitigation Program for Important Habitat.

All development projects involving discretionary reviews should be designed to avoid disturbance or fragmentation of important habitats to the extent reasonably feasible. Where avoidance is not possible, the development should be required to fully mitigate the effects of important habitat loss and fragmentation. Mitigation should include providing sufficient funding to the new City's conservation fund to acquire and protect important habitat at a minimum 2:1 ratio. The costs associated with acquisition, restoration, and management of the habitat protected should be included in the mitigation fee. For larger development projects (i.e., those that exceed a total of 10 acres), in addition to contributing to the conservation fund at a minimum 2:1 ratio, onsite preservation and/or restoration of important habitat should be required at a 1:1 ratio. Impacts on important habitat and mitigation requirements should be addressed in a Biological Resources Study and an Important Habitat Mitigation Program (described below).

- A. **Biological Resources Study.** The new City should adopt biological resource assessment standards that apply to all discretionary projects that would result in disturbance of soil or native vegetation in areas that include important habitat as defined in the INRMP. The assessment of the project site must be in the form of an independent Biological Resources Study, and must be completed by a qualified biologist. The evaluation should quantify the amount of important habitat, by habitat type, as defined in the General Plan and delineated on maps included in the INRMP. The Biological Resources Study should also address the potential for the project to adversely affect important habitat through conversion or fragmentation. This requirement should not apply to projects that are on lands that either (1) have already been the subject of a study and for which all mitigation requirements are being implemented or (2) have been evaluated by the new City and found not to possess any important habitat resources.

B. Important Habitat Mitigation Program. The Biological Resources Study should include an Important Habitat Mitigation Program that identifies options that would avoid, minimize, or compensate for impacts on important habitats in compliance with the standards of the INRMP and the new City's General Plan. All mitigation programs should include a monitoring and reporting component requiring reports to the new City not less than once each year for a period of not less than 10 years. The report will include a description of the lands included in the mitigation program (including location and size), a summary of the evaluation criteria established at the time the mitigation program was approved, an evaluation of the mitigation program based on those criteria, and recommendations for action during the following year. The new City should adopt standards for evaluating mitigation programs proposed as part of the Biological Resources Study described above. The standards should ensure that the mitigation reduces direct and cumulative impacts of proposed development on important habitats to less than significant levels in accordance with CEQA thresholds.

3. Apply –IBC Overlay to Lands Identified as Having High Wildlife Habitat Values.

The – IBC overlay should apply to lands identified as having high wildlife habitat values because of extent, habitat function, connectivity, and other factors. Lands located within the overlay district should be subject to the following provisions:

Increased minimum parcel size;

Higher canopy-retention standards and/or different mitigation standards/thresholds for oak woodlands;

Lower thresholds for grading permits;

Higher wetlands/riparian retention standards and/or more stringent mitigation requirements for wetland/riparian habitat loss;

Increased riparian corridor and wetland setbacks;

Greater protection for rare plants (e.g., no disturbance at all or disturbance only as recommended by USFWS/CDFG);

Standards for retention of contiguous areas/large expanses of other (non-oak or non-sensitive) plant communities;

Building permits discretionary or some other sort of "site review" to ensure that canopy is retained;

More stringent standards for lot coverage, FAR, and building height; and

No hindrances to wildlife movement (e.g., no fences that would restrict wildlife movement.

The standards listed above should be included in the Zoning Ordinance of the new City.

4. Require Mitigation for Loss of Woodland Habitat.

For all new development projects that would result in soil disturbance on parcels that have at least 10 percent total canopy cover by woodland habitats and determined from base line aerial photography or by site survey performed by a qualified biologist or licensed arborist, the new City should require one of two mitigation options: (1) the project applicant should adhere to the tree canopy retention and replacement standards described below; or (2) the project applicant should contribute to the new City's INRMP conservation fund described in Mitigation Measure 4, above.

Option A

The new City should apply the following tree canopy retention standards:

Percent Existing Canopy Cover	Canopy Cover to be Retained
80-100	60% of existing canopy
60-79	70% of existing canopy
40-59	80% of existing canopy
20-39	85% of existing canopy
10-19	90% of existing canopy

Under Option A, the project applicant should also replace woodland habitat removed at a 1:1 ratio. Impacts on woodland habitat and mitigation requirements should be addressed in a Biological Resources Study and Important Habitat Mitigation Plan as described in Mitigation Measure 4, above. Woodland replacement should be based on a formula, developed by the new City, that accounts for the number of trees and acreage affected.

Option B

The project applicant should provide sufficient funding to the new City's INRMP conservation fund, described in Mitigation Measure 4, above, to fully compensate for the impact to woodland habitat. To compensate for fragmentation as well as habitat loss, the replacement mitigation ratio should be 2:1 and based on the total woodland acreage onsite (not just the area affected). The costs associated with acquisition, restoration, and management of the habitat protected should be included in the mitigation fee. Impacts on woodland habitat and mitigation requirements should be addressed in a Biological Resources Study and Important Habitat Mitigation Plan as described in Mitigation Measure 4, above.

5. Develop and Implement an Oak Tree Preservation Ordinance.

It should be the policy of the new City to preserve native oaks where feasible, through the review of all proposed development activities where such trees are present on either public or private property, while at the same time recognizing individual rights to develop private property in a reasonable manner. To ensure that oak tree loss is reduced to reasonable acceptable levels, the new City should develop and implement an Oak Tree Preservation ordinance that includes the following components:

- A. Oak Tree Removal Permit Process. Except under special exemptions, a tree removal permit should be required by the new City for removal of any native oak tree with a single main trunk of at least 6-inch diameter at breast height (dbh), or a multiple trunk with an aggregate

of at least 10-inch dbh. Special exemptions when a tree removal permit is not needed should include tree removal on all single-family residential lots that cannot be further subdivided when written approval has been received from the Planning Department of the new City. In passing judgment upon tree removal permit applications, the new City may impose such reasonable conditions of approval as are necessary to protect the health of existing oak trees, the public and the surrounding property, or sensitive habitats. The Planning Department of the new City may condition any removal of native oaks upon the replacement of trees in kind. The replacement requirement should be calculated based upon an inch-for-inch replacement of removed oaks and should consist of a minimum 15-gallon tree. The total replacement trees should have a combined diameter of the tree(s) removed. Replacement trees may be planted onsite or in other areas to the satisfaction of the Planning Department of the new City. The new City may also condition any tree removal permit that would affect sensitive habitat (e.g., valley oak woodland), on preparation of a Biological Resources Study and an Important Habitat Mitigation Program as described in Mitigation Measure 4, above. If an application is denied, the new City should provide written notification, including the reasons for denial, to the applicant.

B. Tree Removal Associated with Discretionary Projects. Any person desiring to remove a native oak should provide the new City with the following as part of the project application:

- A written statement by the applicant or an arborist stating the justification for the development activity, identifying how trees in the vicinity of the project or construction site will be protected, and stating that all construction activity will follow approved preservation methods;
- A site map plan that identifies all native oaks on the project site; and
- A report by a certified arborist that provides specific information for all native oak trees on the project site.

C. Commercial Firewood Cutting. Fuel wood production is considered commercial when a party cuts firewood for sale or profit. An oak tree removal permit should be required for commercial firewood cutting of any native oak tree. In reviewing a permit application, the Planning Department of the new City should consider the following:

- Whether the removal of the trees would have a significant negative environmental impact;
- Whether the proposed removal would not result in clear-cutting, but would result in thinning or stand improvement;
- Whether replanting would be necessary to ensure adequate regeneration;
- Whether the removal would create the potential for soil erosion;
- Whether any other limitations or conditions should be imposed in accordance with sound tree management practices; and
- What the extent of the resulting canopy cover would be.

- D. Penalties. Fines will be issued to any person, firm, or corporation that is not exempt from the ordinance who damages or destroys an oak tree without first obtaining an oak tree removal permit. Fines may be as high as three times the current market value of replacement trees, as well as the cost of replacement, and/or the cost of replacement of up to three times the number of trees required by the ordinance. If oak trees are removed without a tree removal permit, the Planning Department of the new City may choose to deny or defer approval of any application for development of that property for a period of up to 5 years. All monies received for replacement of illegally removed or damaged trees should be deposited in the new City's INRMP conservation fund.

SIGNIFICANCE FOLLOWING MITIGATION

With implementation of the mitigation measures above, impacts related to the loss and fragmentation of wildlife habitat, on wildlife movement, and on special status species, would all be reduced but not to a level of less than significant because the extent of loss, fragmentation and other impacts might be so severe that the proposed avoidance and compensatory mitigation could not fully mitigate the impact. This impact could remain *Significant and Unavoidable*.

M. CULTURAL RESOURCES

Setting

Due to the predominantly volcanic nature of the geology in the area proposed for incorporation, and the limited areas where sedimentary deposits remain which could potentially contain paleontological remains (typically fossilized portions of plant or animal species), the likelihood of making paleontological finds within the El Dorado Hills area is considered remote.

Native Americans may have been present within the El Dorado Hills area 10,000 to 12,000 years ago, although the earliest documented evidence for human occupation in the general region (e.g., mortar fragments, angling hooks, pottery artifacts, etc.) dates back to 4,750 to 2,500 years before present. Later, highly developed exchange systems developed as intensive fishing, hunting and acorn gathering supported larger populations. Based on research conducted for the El Dorado County General Plan Draft EIR, portions of the area proposed for incorporation with slopes less than 25 percent within 100 feet of a natural perennial water source may generally be considered the most likely areas to contain prehistoric sites, features or artifacts.

Intensive Euro-American immigration into the El Dorado Hills area did not begin until after the discovery of gold in Coloma in 1848, and temporary settlements subsequently grew into permanent towns as a diverse regional economy developed. There are two California State Historic Landmarks located within the El Dorado Hills area: the Town of El Dorado ("Mud Springs" – No. 486) and the El Dorado – Nevada House Pony Express Route (No. 700). Additional historic resources within the El Dorado Hills area may be eligible for listing in the National Register of Historic Places and the California Register of Historic Places, but have not been formally listed.

Indirect Effects Associated with Incorporation – Cultural Resources

Significance Criteria

Future development within the area proposed for incorporation would have a significant environmental impact if it were to:

- cause a substantial adverse change in the significance of an historical resource;
- have a substantial adverse effect on an archaeological resource; or,
- disturb any human remains, including those interred outside of formal cemeteries.

Impact Analysis

INDIRECT IMPACT 3-37 Destruction or Alteration of Known and Unknown Prehistoric and Historic Sites, Features, Artifacts and Human Remains.

Development anticipated within the incorporation area could adversely affect the integrity and importance of known and unknown historic cultural resources and human remains. This represents a potentially significant environmental impact.

■ **MITIGATION**

1. Establish a General Plan Conformity Review Process for All Development Projects.

Development involving any structure greater than 120 square feet in size or requiring a grading permit should be permitted only upon a finding that the development is consistent with the new City's General Plan and the requirements of all applicable ordinances, policies and regulations of the new City. For projects that do not require approval of the Planning Commission or the City Council, this finding should be made by the Planning Director subject to review by the Planning Commission on appeal.

2. Treat Significant Resources in Ministerial Development in Accordance with CEQA Standards

The new City should implement the following policy: "The City shall treat significant cultural resources (i.e., those determined CRHR/NRHP eligible), documented as a result of a conformity review for ministerial development, in accordance with CEQA standards."

3. Adopt a Cultural Resources Ordinance

The new City should adopt the following policy: "The City shall establish a Cultural Resources Ordinance. This ordinance shall provide a broad regulatory framework for the mitigation of impacts on cultural resources by discretionary projects. This Ordinance should include (but not be limited to) and provide for the following:

- Appropriate (as per guidance from the Native American Heritage Commission) Native American monitors to be notified regarding projects involving significant ground-disturbing activities that could affect significant resources.
- A 100-foot development setback in sensitive areas as a study threshold when deemed appropriate.

- Identification of appropriate buffers, given the nature of the resources within which ground-disturbing activities should be limited.
- A definition of cultural resources that is significant to the new City. This definition shall conform to (but not necessarily be limited to) the significance criteria used for the NRHP and the CRHR.
- Formulation of project review guidelines for all development projects.
- Development of a cultural resources sensitivity map of the new City.”

4. Define Historic Design Control Districts.

The new City should define Historic Design Control Districts (HDCDs). HDCD inclusions and boundaries should be determined in a manner consistent with NHPA Historic District standards.

- A. The new City should develop guidelines for each HDCD. These guidelines should be compatible with NHPA standards.
- B. New buildings and structures and reconstruction/restoration of historic (historic as per NRHP and CRHR criteria) buildings and structures should generally conform to styles of architecture and construction prevalent during the latter half of the 19th century into the first decade of the 20th century.
- C. Any historic building or structure located within a designated HDCD, or any building or structure located elsewhere in the new City that is listed on the NRHP or CRHR, is designated a California Building of Historic Interest, or a California State Historic landmark, or is designated as significant as per NRHP/CRHR criteria, should not be destroyed, significantly altered, removed, or otherwise changed in exterior appearance without a design review.
- D. In cases where the new City permits the significant alteration of a historic building or structure exterior, such alteration should be required to maintain the historic integrity and appearance of the building or structure and should be subject to design review.
- E. In cases where new building construction is placed next to a historic building or structure in a designated HDCD or listed on the CRHR/NRHP, the architectural design of the new construction should generally conform to the historic period of significance of the HDCD or listed property.
- F. In cases where the new City permits the destruction of a historic building or tearing down structure, the building or structure should first be recorded in a manner consistent with the standards of the NHPA Historic American Building Survey (HABS) by a qualified professional architectural historian.

5. Prohibit Significant Alteration or Destruction of NRHP/CRHR Listed Properties.

The new City should prohibit the modification of all NRHP/CRHR listed properties that would alter their integrity, historic setting, and appearance to a degree that would preclude

their continued listing on these registers. If avoidance of such modifications on privately owned listed properties is deemed infeasible, mitigation measures commensurate with NRHP/CRHR standards should be formulated in cooperation with the property owner.

6. Compile and Provide Access to Cultural Resources Data Not Documented in NCIC Files.

The new City should work cooperatively with the appropriate organizations, professionals, and Native Americans to compile relevant information on the location and significance of cultural resources not documented in the files of the NCIC.

7. Ensure that Proposed Projects Do Not Disturb Human Internments.

All projects located adjacent to cemeteries (including historic cemeteries and Native American funerary sites) should be evaluated to ensure that the proposed projects do not disturb human internments, affect the historic setting of cemeteries, or interfere with access to public cemeteries.

SIGNIFICANCE FOLLOWING MITIGATION

Implementation of the mitigation measures above would reduce the potential impacts associated with the possible destruction or alteration of known and unknown prehistoric and historic sites, features, artifacts and human remains to a level of Less than Significant. However, since LAFCO can not be certain that the new City will implement this measure, the impact could remain *Significant and Unavoidable*.

Chapter 4

Alternatives

A. INTRODUCTION

CEQA requires that a reasonable range of alternatives to the proposed project be described and evaluated within an EIR.¹ The alternatives considered should represent scenarios that could feasibly attain most of the basic objectives of the project, but avoid or substantially lessen any of the significant environmental impacts. The purpose of this process is to provide decision-makers and the public with a discussion of viable options, and to document that other options to the proposal have been considered.

CEQA requires that the lead agency adopt mitigation measures or alternatives, where feasible, to substantially lessen or avoid significant environmental impacts that would otherwise occur. Where a lead agency has determined that, even after adoption of all feasible mitigation measures, a project as proposed will still cause significant environmental impacts that cannot be substantially lessened or avoided, the agency, prior to approving the project as mitigated, must first determine whether, with respect to such impacts, there remain any project alternatives that are both environmentally superior and feasible within the meaning of CEQA.

CEQA provides the following guidelines for discussing project alternatives:

- An EIR need not consider every conceivable alternative to a project. Rather, it must consider a reasonable range of potentially feasible alternatives that will foster informed decision-making and public participation (CEQA Guidelines, Section 15126.6(a)).
- An EIR is not required to consider alternatives which are infeasible (CEQA Guidelines, Section 15126.6(a)).
- The discussion of alternatives shall focus on alternatives to the project or its location that are capable of avoiding or substantially lessening any significant impacts of the project (CEQA Guidelines, Section 15126.6(b)).
- The range of potential alternatives to the proposed project shall include those that could feasibly accomplish most of the basic objectives of the project and could avoid or substantially lessen one or more of the significant impacts (CEQA Guidelines, Section 15126.6(c)).

¹ *CEQA Guidelines*, Section 15126.6

- The EIR shall include sufficient information about each alternative to allow meaningful evaluation, analysis and comparison with the proposed project (CEQA Guidelines, Section 15126.6(d)).

B. “NO PROJECT” ALTERNATIVE

DESCRIPTION OF ALTERNATIVE

The “No Project” alternative is the “No Change” alternative: everything within the area proposed for incorporation would remain exactly as it is today. El Dorado Hills would remain an unincorporated part of the larger El Dorado County administrative structure and would continue to be subject to County jurisdiction. Local residents would be represented by the Board of Supervisors and would continue to be served by County agencies, including public works and planning. County DOT would remain primarily responsible for planning and implementing local transportation and traffic improvements. All existing independent agencies, including Community Service Districts and other service providers in El Dorado Hills would continue policy would be determined by the County General Plan, regardless of how its legal uncertainties are ultimately resolved. Future development and buildout of the approved projects (Serrano, Promontory, Valley View, etc.) would be unaffected. Future development of unentitled vacant lands would be considered on the basis of the land use plans, policies, programs and ordinances under County administration when development of such properties is proposed, and would likely result in the same amount of new housing and other uses, and result in the same range of “indirect impacts” as what has been estimated to occur under the Proposal.

The important difference is that the “No Project” alternative meets none of the objectives identified for the proposed incorporation. Incorporation normally results in improved local services because governmental decision-making on matters of local interest and concern are made by an elected city council and city administrative staff who typically have closer relationships to the citizens they represent. Governmental services typically get better because city government is more responsive to local needs and priorities. Thus, the main impact of the No Project alternative would be that the benefits of incorporation would not be achieved; it would represent a lost opportunity for more localized and responsive planning and law enforcement services.

ENVIRONMENTAL IMPACTS OF THE NO PROJECT ALTERNATIVE

Direct Impacts

Land Use

With no changes in governmental organization, proposals for future development in El Dorado Hills would be determined on the basis of the El Dorado County General Plan and related County programs and ordinances in force when such development is formally proposed.

None of the Direct Impacts identified in Chapter 2 would occur:

- a) Direct Impact 2-1 (Potential Loss of County Funding to Acquire Permanent Rare Plant Habitat) would not occur because the territory would remain under County jurisdiction, subject to the policies and requirements of the 2004 GP and Chapter 17.71 of the County Ordinance Code, and the mitigation requirements of the Code would continue to apply, without the potential for changes to these programs that would be possible with a new city government, after incorporation.
- b) Direct Impact 2-2 (Creation of Islands of Unincorporated Territory) would not occur because all territory would remain unincorporated, and all conflicts with LAFCO policies would become moot.
- c) Direct Impact 2-3 (Disruption of the Established Rural Residential Communities and the Hickok Road CSD) would not occur because the Hickok Road CSD would remain unchanged.
- d) Direct Impact 2-6 (Loss of Traffic Enforcement Services by the California Highway Patrol) would not occur because, as unincorporated territory, CHP would remain responsible for traffic enforcement in El Dorado Hills.
- e) Direct Impact 2-7 (Potential Service Reduction from Loss of Revenues from the Fire District Improvement Fee) would not occur because this fee program would remain under County administration and there would be no opportunity for the new City to modify the program.
- f) Direct Impact 2-8 (Loss of Wildland Fire Protection Services by the CDF) would not occur because all areas currently designated SRA would remain SRA and CDF would remain responsible for wildland fire protection.
- g) Direct Impact 2-9 (Potential Loss of Parks and Recreation Services) would not occur because there would be no change in the existing structure of services delivered by the El Dorado Hills CSD.

Agricultural and Open Space Resources

None.

Visual

None.

Traffic and Circulation

Traffic patterns and areas of traffic congestion under the “No Project” alternative would be identical to existing traffic patterns within and outside the area proposed for incorporation.

The No Project Alternative would eliminate the possibility of loss or reduction in funding for transportation improvements. Direct Effect 2-5, as identified in Chapter 2, would not occur.

Public Utilities

No Direct Impacts. Incorporation would not affect the boundaries or the services provided by EID. CSA 9 would continue to include the El Dorado Hills area and the County would remain responsible for the administration and management of the local storm drain infrastructure.

Public Services

The No Project Alternative would avoid or eliminate the three direct impacts of incorporation that have been identified in Chapter 2:

- Direct Impact 2-5: Loss of Traffic Enforcement Services by the CHP.
- Direct Impact 2-8: Potential Loss of Wildland Fire Protection Services by the CDF.
- Direct Impact 2-9: Potential Loss of Parks and Recreation Services.

Without incorporation, law enforcement would continue to be provided by the County Sheriff's Office and CHP would be responsible for traffic enforcement. There would be no effect on local fire protection agencies, and CDF would remain responsible for wildland fire protection at no cost to local government or the local fire protection agencies. The emergency medical system would operate without change, as would all of the local school districts and the public library. The No Project Alternative would leave the EDHCSD and Springfield Meadows CSD responsible for parks and recreation services within their respective district boundaries.

Other Potential Impacts

As noted in Chapter 3, all other potential environmental impacts that are projected to affect the El Dorado Hills area are indirect impacts of potential future growth and development permitted under the 2004 GP. These effects are as likely to occur whether incorporation is approved or not. The environmental impacts related to such growth and development have been identified in Chapter 3 to occur within the following topical areas:

- Human Health and Safety
- Geology, Soils and Mineral Resources
- Hydrology and Water Quality
- Noise
- Air Quality
- Biological Resources
- Cultural Resources

C. THE “NO UNINCORPORATED ISLANDS” ALTERNATIVE

BACKGROUND

The No Unincorporated Islands boundary was conceived at a meeting that was held at the early stage of LAFCO Incorporation Project 03-10. The meeting involved representatives from the Incorporation Committee, LAFCO staff, the Board of Supervisors representative for the area, an El Dorado Hills CSD board member and staff, and other interested parties. The boundary shown in **Figure 4-1** is the result of the discussions at the meeting. The basic principle underlying this boundary alternative is, with a few exceptions, to follow the boundary of the EDHCSD rather than the EDHCWD.

This boundary was submitted to the El Dorado Board of Supervisors in July 2004 as a proposed substitute for the Proposal boundary. The Board decided not to make changes to the boundary referenced in Resolution 322-2003 and consequently, the EDHCWD boundary remained as the Proposal boundary, and this becomes the primary alternative boundary.

DESCRIPTION OF ALTERNATIVE

Under the “No Unincorporated Islands” alternative, LAFCO would modify the boundary of the area proposed for incorporation as specified in the original proposal. The boundary changes would eliminate all of the “islands” in the original proposal and make other changes, thereby adjusting the boundary to conform more closely to the applicable LAFCO policies and Cortese-Knox-Hertzberg.² The boundary modifications in the “No Unincorporated Islands” Alternative include the following:

Additions:

- The Promontory;
- Carson Creek/Euer Ranch project;
- The eastern half of Marble Valley;
- Former Williamson Act properties that were “islands” in the 1997 Fire District boundary;
- Green Springs Ranch Subdivision;
- The Mehrten Property (A.P.N. 108-050-01) in the southwestern part of the area.

Deletions:

- Delete all territory east of Salmon Falls Road and north of Green Valley Road; this modification would result in the deletion of:
 - The Arroyo Vista CSD and,
 - All of the Hickok Road CSD

² See: LAFCO Policies and Guidelines, Section 3.9.4, and Cortese-Knox-Hertzberg, Sections 56668 (f), 56741.

- Delete the two large properties at the southern-most part of the Proposal boundary, lying immediately south of the Sierra Pacific (formerly, Wetsel-Oviatt) and El Dorado Union High School parcels.

The No Unincorporated Islands Alternative would include all territory located within the current boundary of the El Dorado Hills CSD and its Sphere of Influence, as it exists following the SOI amendments made by LAFCO in 1998 and September 2004. It would also include the El Dorado Hills Business Park, and the Mehrten Parcel. **Figure 4-1** shows the boundary of the No Unincorporated Islands Alternative, and **Figure 4-2** shows both boundary alternatives together, for comparison purposes.

Arroyo Vista, Hickok Road and Green Springs Ranch

Modifying the boundary to exclude any overlap of the Hickok Road CSD would avoid potential impacts associated with splitting the CSD into two parts. To the greatest extent practicable (and without further bifurcating property ownerships) Salmon Falls Road and Green Valley Road would establish a more definite and clearly identifiable boundary for the City on the north. This change would also eliminate the rural residential area located north of Green Valley Road and east of Salmon Falls Road, with predominantly rural characteristics and services, to reduce the inconsistencies with the predominant land use character of the El Dorado Hills area.

It should be noted that the Green Springs Ranch subdivision, located on the south side of Green Valley Road, consists of a 5- and 10-acre lot size pattern of residential land. This pattern is similar to the area north of Green Valley Road that, with this Alternative, would be outside the city boundary. El Dorado LAFCO has approved the extension of urban services, including public water, and municipal services from EDHCSO into this area. The presence of these municipal services distinguishes Green Springs Ranch from the areas north of Green Valley Road.

The Major Development Properties: The Promontory, Carson Creek and Others.

One of the guiding principles in support of the No Unincorporated Islands Alternative would be to bring into the future City of El Dorado Hills all of the County approved development properties in the vicinity which require municipal services, such as The Promontory, the Carson Creek/Euer Ranch project, Valley View, and all of Marble Valley.³ Including these properties within the boundary would not only eliminate the problem of unincorporated islands, it would also consolidate these large-scale development projects under the new City administration. These projects share similar land use and service needs. They are already served, or partially served by the EDHCSO and other urban services providers (or are within Spheres of Influence for such services), each has an approved Specific Plan and Development Agreement, and each is already within the boundary of the EID (or its Sphere of Influence). These factors reflect a commonality that is consistent with LAFCO policies that would support inclusion of the territory within city boundaries as described in this Alternative:

³ See particularly, LAFCO Policy 6.7.8.1.

- 3.9.4: Islands, peninsulas, flags, “pin point contiguity,” “cherry stems,” and other irregular boundary lines are inconsistent with the formation of orderly and logical boundaries and may be amended, modified or disapproved by LAFCO.
- 3.9.6: Proposals that create irregular boundaries may be approved when LAFCO determines that the boundary is appropriate due to topography, is in the interest of public health, safety and welfare or is in the best interest of the total organization of government services in the area and needed city or district facilities are present and sufficient for service.
- 3.9.7 The resulting boundary configuration shall not produce areas that are difficult to serve.
- 6.7.8.1: Areas included within the proposed incorporation boundaries should consist of: (1) existing developed areas; (2) areas which are planned for development and/or (3) areas which are planned for development-supporting extensions of infrastructure in the future such as the next ten years.

The Mehrten Parcel.

The participants at the initial boundary discussion meeting expressly wanted to include the Mehrten parcel within this alternative boundary. As noted previously, the property is under a current Williamson Act contract and is designated Exclusive Agriculture in the 2004 GP. Including this within the boundary would be inconsistent with LAFCO Policy 6.7.8.2.

Buildout Potential within the No Unincorporated Islands Boundary Alternative

Order of magnitude estimates for the potential buildout of the No Unincorporated Islands Alternative would be similar to what has been estimated for the original Proposal area boundary. However, there are some important differences, as reflected in **Tables 4-2 and 4-3**:

- The total area within the No Islands Alternative area would be slightly larger: 21,307 acres compared with 20,023 acres in the Proposal Area.
- The number of existing residential dwellings is estimated at 9,713, compared with 9,652 in the Proposal).
- The number of potential future residential dwellings (already approved plus what would be possible on currently vacant developable parcels) is estimated at 10,965 compared with 9,306 for the Proposal.
- Total residential buildout under this alternative is estimated at 20,617, compared with 18,307 for the Proposal.

Total Buildout population is estimated at 60, 200 versus 53,456 for the Proposal.

**TABLE 4 -1
ESTIMATED BUILDOUT POTENTIAL
Proposed City of El Dorado Hills – No Islands Boundary Alternative**

Projects Within No Islands Alternative Boundary	Built as of Dec. 2003	Remaining Entitled Development	Potential New Growth ⁴		Estimated Total at Buildout (A+B+C)
			Per 2004 General Plan	Per Zoning	
A. Residential Dwellings	A	B	C	D	E
El Dorado Hills (Serrano)	2,758	1,695	0	0	4,453
Bass Lake Hills	0 ⁵	1,458	0	0	1,458
Valley View	0	2,840	0	0	2,840
Carson Creek/ Euer Ranch	0	1,470	0	0	1,470
The Promontory	200	900	0	0	1,100
Marble Valley	0	398	0	0	398
All other existing residential development not included in above projects	6,694	0	N/A	N/A	6,694
Vacant, Developable, Splittable Land ⁴	N/A		2,204	1,918	2,204 ⁶
Total, No Islands Alternative	9,652	8,761	2,204	1,918	20,617
Percent of Buildout	47%	42%	11%		100%
B. Commercial, Industrial, and/or R&D	4.4 MSF*	10.1 MSF	2.2 MSF		16.8 MSF
Percent of Buildout	26%	61%	13%		100%

Sources: El Dorado County Planning Department; 2004 County General Plan, Housing Element; SACOG; Lamphier-Gregory

* MSF = Million Square Feet.

⁴ El Dorado County Planning Department.

⁵ Does not reflect that there are some older existing homes (>25) within the Specific Plan area.

⁶ Uses higher number for “worst case” scenario, for CEQA

**TABLE 4-2
COMPARISON OF
ORIGINAL PROPOSAL AND
NO UNINCORPORATED ISLANDS ALTERNATIVE**

Factor	Original Proposal	No Islands Alternative
Total Size of Incorporation Area (acres)	20,023	21,304
Population (Dec. 2003)	28,329	28,169
Dwelling Units (Dec. 2003)	9,713	9,652
Dwelling Units – Approved, not built	6,243	8,761
Estimated Potential D.U. on Vacant Parcels	<u>2,351</u>	<u>2,204</u>
Buildout – Dwelling Units	18,307	20,617
Buildout – Population	53,456	60,201
Buildout – Commercial, Industrial, R&D Sq. Ft.	16.8 MSF	16.8 MSF

Source: El Dorado County Planning Department; EPS; Lamphier-Gregory

The primary reason LAFCO would modify the Proposal boundary in favor of the No Islands Alternative is to achieve consistency with its policies and Cortese-Knox-Hertzberg that seek to avoid isolated unincorporated island areas. These policies state:

- 56668.** Factors to be considered in the review of a[n incorporation] proposal shall include, but not be limited to all of the following: (f) The definiteness and certainty of the boundaries of the territory, and the nonconformance of the proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- 56741.** Territory incorporated as a city...shall be contiguous with all other territory being incorporated as a city.⁷

ENVIRONMENTAL IMPACTS OF THE NO UNINCORPORATED ISLANDS BOUNDARY ALTERNATIVE

Direct Impacts

The No Islands Alternative Boundary would have the following different impacts in comparison to the original Proposal boundary:

⁷ See Note 3, above.

Land Use

It would eliminate islands of unincorporated territory and would avoid disrupting the established rural residential communities north of Green Valley Road.

Agricultural and Open Space Resources

It would eliminate the two southern-most rural parcels but would include the Mehrten Parcel. This is an active Williamson Act parcel. Including it within the boundary of the new city would be in conflict with LAFCO Policy 6.7.8.2. This conflict was the basis of Direct Impact 2-4. In accordance with the mitigation measure for Impact 2-4, LAFCO would be expected to modify the proposed boundary to exclude this parcel.

In addition, this Alternative would place inside the City boundary the Carson Creek project which is known to contain areas of prime agricultural lands of local importance (See **Figure 2-2**). However, these are lands that have already been approved for development by the County.

Public Services

1. Law Enforcement

Direct Impact 2-6 (Loss of Traffic Enforcement Services by the CHP) would be the same under this Alternative as with the Proposal. Mitigation for this impact would be to require the new City to provide the service in-house, or contract with the County Sheriff's Office or CHP in order to maintain a consistent level of traffic enforcement services.

2. Fire Protection

This Alternative would extend the incorporation boundary into lands within the Rescue FPD and the El Dorado County FPD, respectively. The affected portions of these two districts would become LRA, with the consequent loss of CDF wildfire protection services. Those agencies would assume new service responsibilities and service costs to maintain the same level of service. Thus, Direct Impact 2-8 would be greater under this Alternative because the loss of service would extend over a larger area. Mitigation of this, as discussed in relation to Impact 2-8, would include the affected territory of these two additional fire protection agencies in order to maintain the existing level of fire protection services.

3. Parks and Recreation

The different configuration for the No Islands Alternative Boundary would avoid Direct Impact 2-9, Potential Loss of Parks and Recreation Services, because The Promontory and the Carson Creek/Euer Ranch projects would be inside the new City.

Indirect Impacts

The indirect impacts identified in Chapter 3 would be as likely to occur under this alternative boundary as with the Proposal boundary. The primary difference would be that this Alternative would have a larger potential buildout in terms of dwelling units and population, as reflected in **Table 4-2**.

Land Use

No different Indirect Impacts compared with the Project.

Agriculture

No different Indirect Impacts compared with the Project.

Visual

No different Indirect Impacts compared with the Project.

Traffic

No different Indirect Impacts compared with the Project.

Public Utilities

No different Indirect Impacts compared with the Project.

Public Services

No different Indirect Impacts compared with the Project.

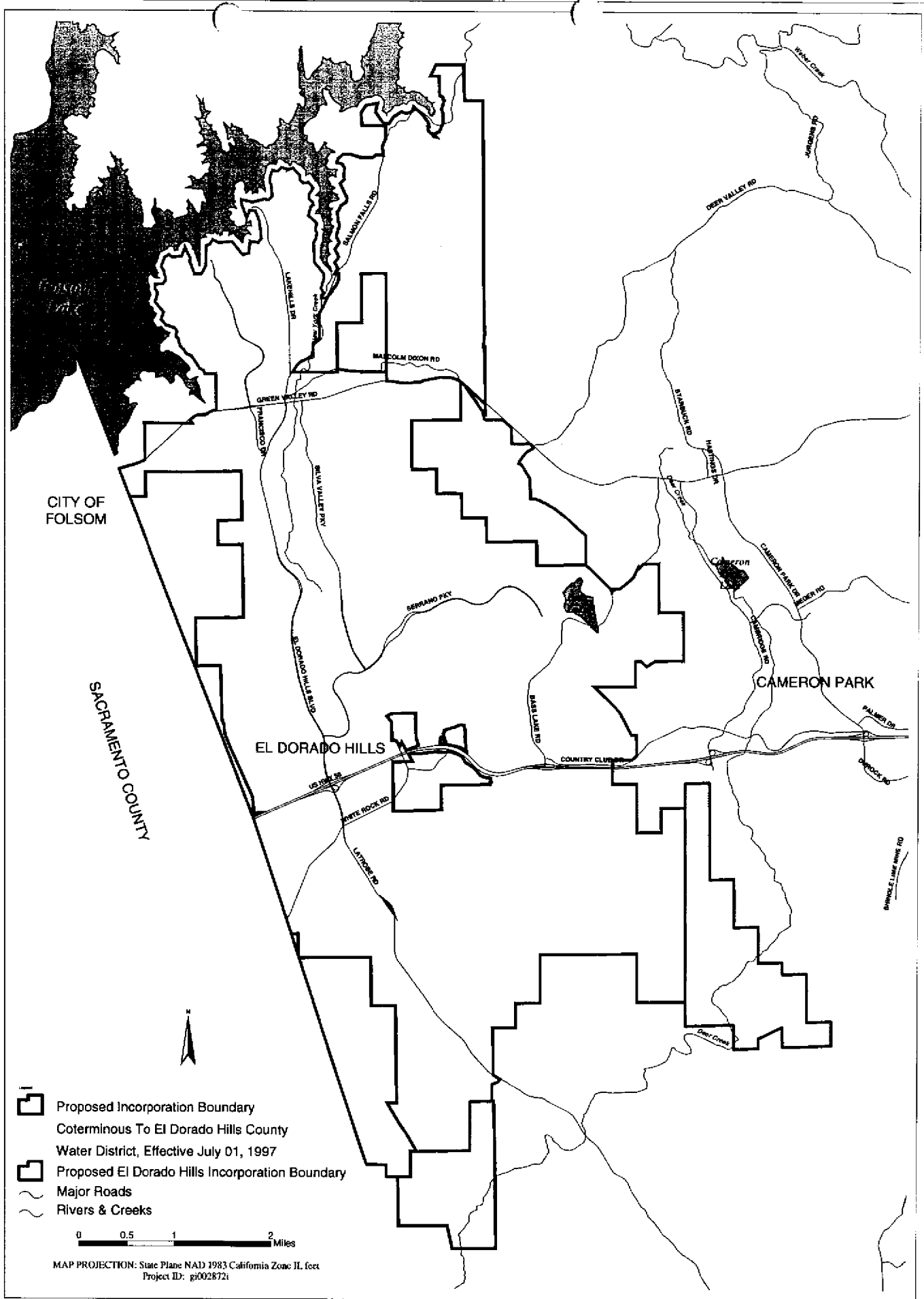
Other Potential Impacts

All of the Indirect Impacts identified in Chapter 3 for the following environmental topic areas would be substantially the same under the No Unincorporated Islands boundary alternative in comparison with the original Proposal boundary. All of the Mitigation Measures required for the Proposal would apply equally to the No Unincorporated Islands alternative.

- Human Health and Safety
- Geology, Soils and Mineral Resources
- Hydrology and Water Quality
- Noise
- Air Quality
- Biological Resources and,
- Cultural Resources

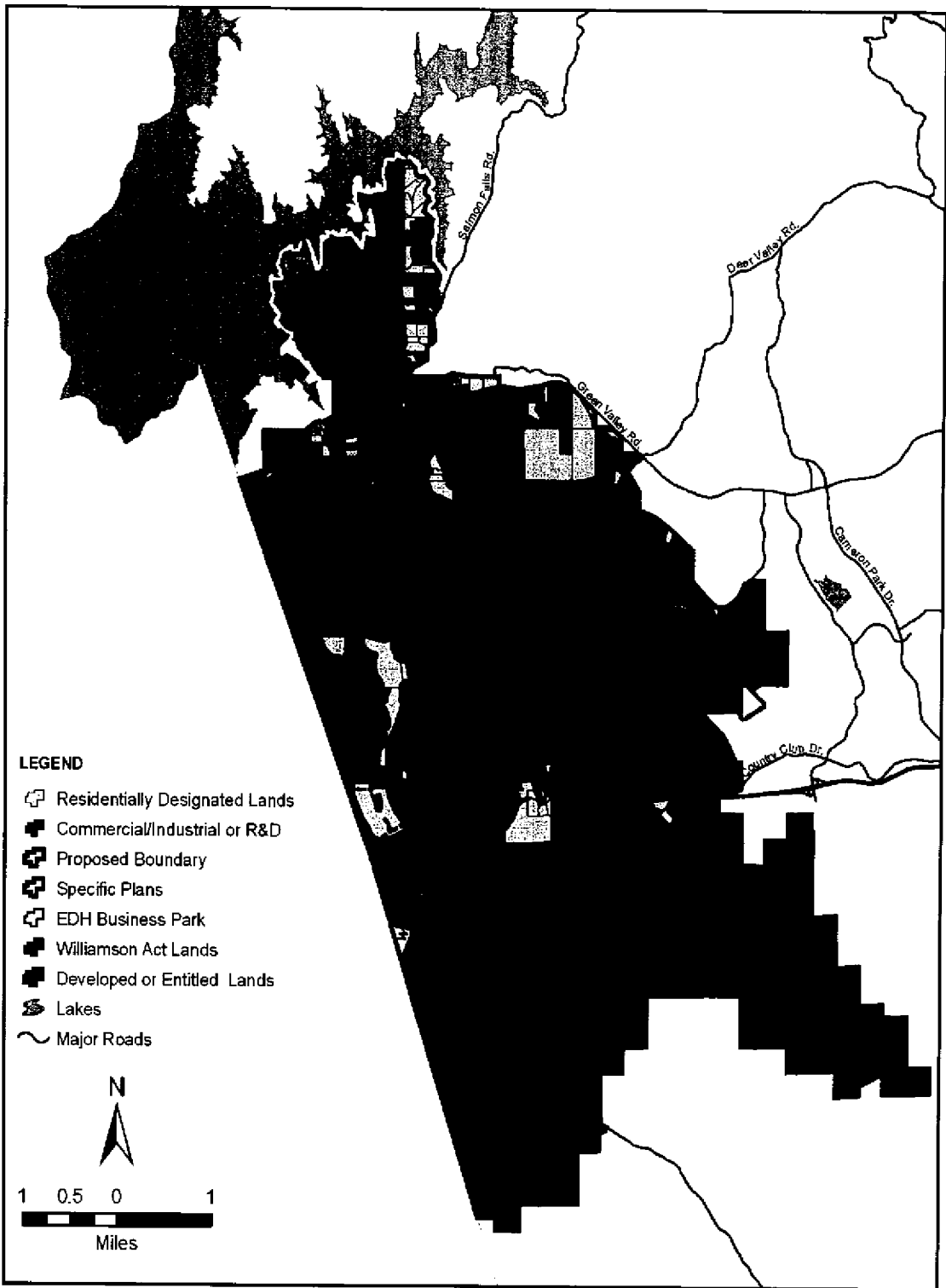
Therefore, all of Indirect Impacts would be associated with this Alternative, and all of the related mitigation measures and/or findings and overrides would be required.

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Source: El Dorado County, see references.

FIGURE 4-2
PROPOSAL AREA AND NO UNINCORPORATED ISLANDS ALTERNATIVE



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Source: El Dorado County

FIGURE 4-3
AREAS OF FUTURE DEVELOPMENT – NO ISLANDS BOUNDARY

D. THE NO BUSINESS PARK ALTERNATIVE

Description of Alternative

Under the No Business Park Alternative, El Dorado Business Park would remain outside the city and remain unincorporated County territory. This alternative would be considered a variation, or sub-alternative, that could be considered in relation to either the Proposal boundary, or the No Unincorporated Islands boundary alternative. Aside from whether the Business Park would be included or not, all other features and details of either the Proposal or the No Islands alternative would remain the same.

The El Dorado Business Park is an 880-acre business development facility offering build-to-suit sites and leased space for any size company needing office, industrial, research & development and/or warehouse space. The Business Park is located south of U.S. 50, between White Rock Road and the Wetsel-Oviatt Road, along the west side of Latrobe Road. **Figure 4-3** shows the location of the EDH Business Park relative to both the Proposal boundary and the No Unincorporated Islands Alternative boundary. It was initially developed in 1984, and since then has sold sites to others, installed roads, utilities and other infrastructure, and has developed its own buildings. Currently, there are some 300 businesses that occupy some 2.8 million square feet space. These businesses represent a total employment approaching 5,000 persons. Approximately 300 acres of the original Business Park have been developed, leaving over 500 acres for future employment-related business park development. Services are currently provided to the Business Park by EID (water and sewer), El Dorado Hills County Water District (fire protection), El Dorado County (other governmental services), and private service providers including the Business Park Owners Association. The Business Park is not currently within the El Dorado Hills Community Services District or its SOI.

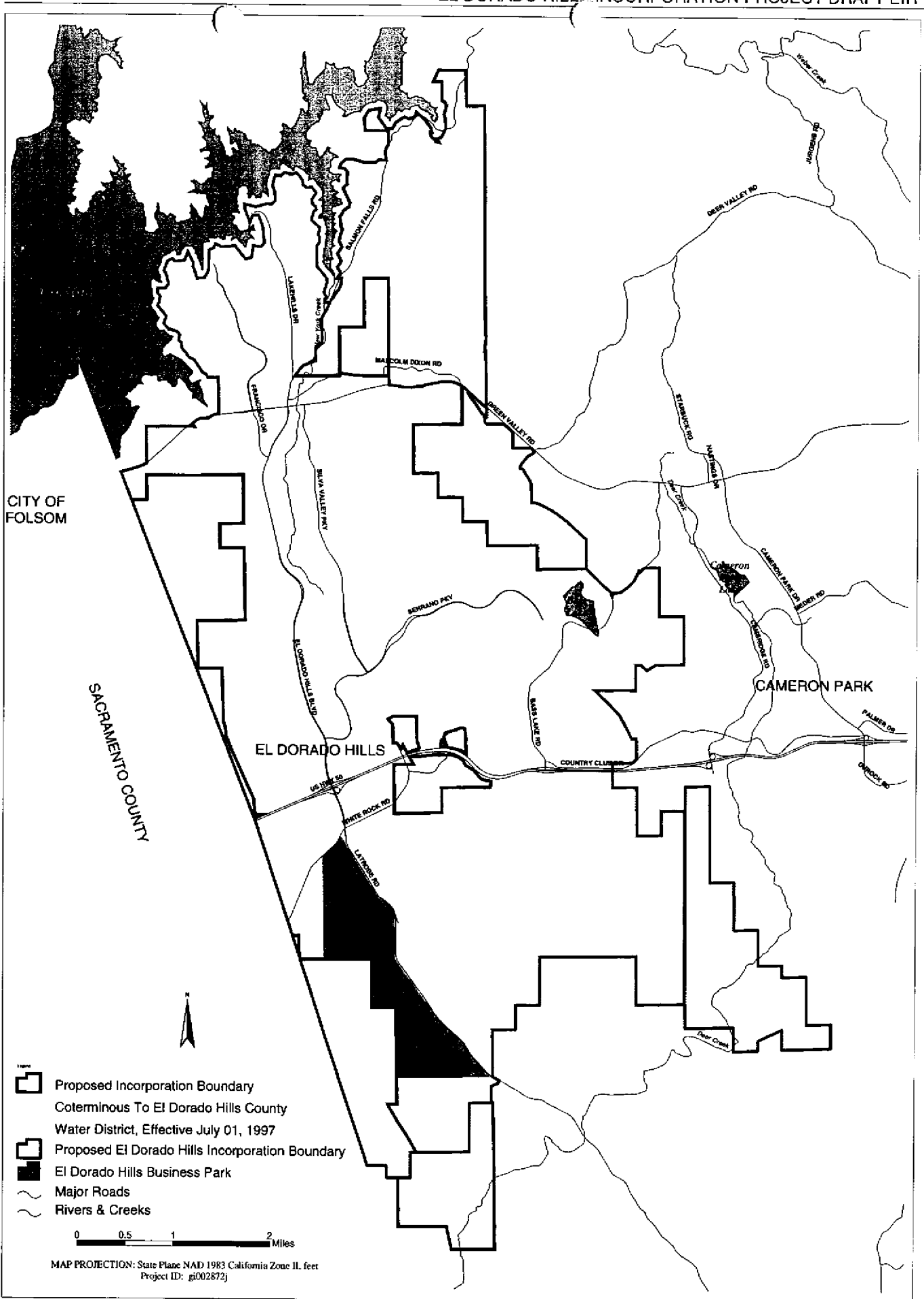
The primary reason for considering this alternative is to respond to a request by the El Dorado County Board of Supervisors, and others. Concern has been expressed regarding the potential loss of property tax and other revenues that are now and will continue to be generated by properties and businesses located at the Business Park that would no longer flow to the County following incorporation. The fiscal and other economic effects of this alternative are relevant to the revenue neutrality and fiscal feasibility part of the incorporation process but fall outside the scope of CEQA. Nevertheless, in order to inform the public debate regarding incorporation, potential environmental effects of this alternative are considered here.

Environmental Impacts of the No Business Park Alternative

Land Use

The land use issues that arise under this alternative affect boundary consistency. Removing the Business Park would create an island of unincorporated territory in both boundary alternatives. Thus, it would raise the same conflicts with LAFCO and Cortese-Knox-Hertzberg as have been identified earlier. Leaving out the Business Park from either of the alternative boundaries would result in the surrounding properties (e.g., Carson Creek, the Southern Properties) becoming “flags” and “peninsulas,” and thus would be an irregular boundary. Such configurations are inconsistent with LAFCO and Cortese-Knox-Hertzberg policies, as identified previously.

Aside from causing another Direct Impact as described as Direct Impact 2.2 (related to boundary conflicts), and the potential difference in fiscal effects, environmental impacts would remain otherwise the same with or without the Business Park. The question of whether to include, or exclude the Business Park, therefore, should be considered a variation on the other two alternative boundaries, as there would be no different environmental impacts (either direct or indirect impacts) whether it is included or not.



Source: El Dorado County, see references.

FIGURE 4-4
NO BUSINESS PARK ALTERNATIVE

E. EVALUATION OF ALTERNATIVES

In evaluating alternatives, different people may assign different weights to the relative importance of specific environmental impacts. For example, some might “give more weight” to potential visual impacts than to traffic impacts, while other may feel that traffic-related impacts should “carry more weight” in the analysis than air quality impacts. In comparing the Proposal and the alternatives for this analysis, no specific type of environmental impact was given more weight than any other type of environmental impact.

Since the EIR has found that the Indirect Impacts would be the same under all Alternatives, this discussion is limited to a comparison of the Direct Impacts.

The “No Project” Alternative

There would be no direct environmental impacts associated with the No Project Alternative because there would be no incorporation and, therefore, no change to the existing situation. However, the main impact of the No Project Alternative would be the loss of the potential positive benefit of improved local governmental services from the formation of a new city.

The Proposal

Incorporation within the Proposal boundary would result in the following Direct Impacts:

- Direct Impact 2-1: Potential Loss of County Funding for Acquisition of Permanent Rare Plant Habitat.
- Direct Impact 2-2: Creation of Islands of Unincorporated Territory.
- Direct Impact 2-3: Disruption of Established Rural Communities and the Hickok Road Community Services District.
- Direct Impact 2-5: Potential Reduction in Funding For Transportation Improvements and Transit Operations.
- Direct Impact 2-6: Loss of Traffic Enforcement Services by the CHP.
- Direct Impact 2-7: Potential Service Reduction from Loss of Revenues from the Fire District Improvement Fee.
- Direct Impact 2-8: Potential Loss of Wildland Fire Protection Service by CDF.
- Direct Impact 2-9: Potential Loss of Parks and Recreation Services.

The No Unincorporated Islands Alternative

This Alternative would result in the following different Direct Impacts compared with the Proposal:

Direct Impacts Eliminated or Avoided:

- Direct Impact 2-2: Creation of Islands of Unincorporated Territory.
- Direct Impact 2-3: Disruption of the Established Rural Communities and the Hickok Road Community Services District.
- Direct Impact 2-6: Potential Loss of Parks and Recreation Services

New Direct Impacts:

- Direct Impact 2-4: Potential Inclusion of a Williamson Act Parcel.

Direct Impacts Remaining the Same or Becoming More Significant:

- Direct Impact 2-1: Potential Loss of Funding to Acquire Permanent Rare Plant Habitat.
- Direct Impact 2-5: Potential Reduction in Funding For Transportation Improvements and Transit Operations.
- Direct Impact 2-6: Loss of Traffic Enforcement Services by the CHP.
- Direct Impact 2-7: Potential Service Reduction from Loss of Revenues from the Fire District Improvement Fee.
- Direct Impact 2-8: Potential Loss of Wildland Fire Protection Service by CDF and Transfer of Responsibility to Local Fire Protection Districts.

The No Business Park Alternative

The primary consequence of this Alternative from a CEQA and LAFCO perspective would be that the El Dorado Hills Business Park would remain an unincorporated island at the edge or, or surrounded by, the new City, depending upon which of the two boundary alternatives is selected. Leaving the Business Park as unincorporated territory would compound the major flaw identified with the Proposal boundary, and would not offer any corresponding positive environmental or service benefits.

The Environmentally Superior Alternative

Based on the above comparison, the environmentally superior alternative would be the No Unincorporated Islands Alternative because it would result in the formation of a new city government that would be expected to provide improved and more responsive public services to its residents, consistent with the objectives as articulated by the incorporation proponents and whose boundary would conform most closely to LAFCO policies and Cortese-Knox-Hertzberg by avoiding islands, including all of the major approved development projects, and avoiding disruption to adjacent, incompatible rural areas.

Other Statutory Considerations

A. INTRODUCTION

In accordance with Sections 15126 and 15126.2 of the CEQA Guidelines, this Chapter of the EIR consists of a discussion of the following required topics:

- Cumulative Impacts
- Growth Inducing Impacts
- Significant Unavoidable Impact that Cannot be Mitigated to a Level of Less than Significant
- Potentially Significant Impacts that Could be Reduced to a Level of Less than Significant Through Implementation of Identified Mitigation Measures
- Impacts Determined to be Less than Significant; and,
- Significant Irreversible Environmental Changes.

B. CUMULATIVE IMPACTS

Introduction

This EIR provides an analysis of cumulative impacts of the proposed incorporation, as required by §15130 of the CEQA Guidelines. Cumulative impacts are defined in §15355 the CEQA Guidelines as two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts. The cumulative impact is the change in the environment that results from the incremental impact of the project when added to other closely related past, present, and reasonably foreseeable future projects. Cumulative impacts can result from individually minor but collectively significant projects taking place over a period of time. By requiring an evaluation of cumulative impacts, CEQA attempts to ensure that large-scale environmental impacts will not be ignored.

All of the following elements are necessary to an adequate discussion of cumulative impacts (Guidelines §15130[b]):

- Either (A), a list of past, present, and reasonably anticipated future projects producing related or cumulative impacts, including those projects outside the control of the agency; or (B) a summary of projections contained in an adopted general plan or related planning document that is designed to evaluate regional or area wide conditions. Any such planning document shall be referenced and made available to the public at a location specified by the lead agency;

- A summary of the expected environmental effects to be produced by those projects with specific reference to additional information stating where that information is available; and,
- A reasonable analysis of the cumulative impacts of the relevant projects. An EIR shall examine reasonable options for mitigating or avoiding any significant cumulative effects of the proposed projects.

Cumulative Impacts Associated with the Incorporation Project

The assessment of cumulative impacts in this EIR is based on (B) in the first bullet above, namely, through reference to analysis of cumulative impacts identified in the 2004 County General Plan EIR. That EIR assessed cumulative impacts based on an analysis of the adopted general and regional plans for jurisdictions within and adjacent to El Dorado County (e.g., City of Folsom, City of Placerville, Sacramento County, Amador County, Alpine County, Placer County, etc.). The assessment of cumulative impacts set forth in the County General Plan EIR sets the context and framework for the evaluation of cumulative impacts associated with the proposed incorporation of El Dorado Hills.

The basic assumption underlying this analysis is that nearly all of the cumulative impacts identified in the General Plan EIR relative to the County as a whole would be equally valid for El Dorado Hills, although El Dorado Hills would contribute less than the county-wide cumulative amount. Thus, the impacts identified in Chapter 3 of this EIR would all be considered cumulative impacts because each was identified in the General Plan EIR as a cumulative impact of the larger County.

As an example, impacts on Air Quality resulting from the future development within the incorporation area (Indirect Impact 3-31, Long-Term Operational (Regional) Emissions of ROG, NO_x and PM₁₀) are impacts that would be a portion of the County-wide and regional air quality problem.

As identified in Chapter 3, these indirect cumulative impacts are:

Land Use	Loss of community identity, as development within the U.S. 50 corridor in western El Dorado County merges with development in the City of Folsom. An example of this is the Promontory, located adjacent to the Sacramento County line and adjacent to the Russell Ranch development in the City of Folsom. Both projects include a mix of housing product type, and it is likely that once developed, the separation between Folsom and El Dorado County, or El Dorado Hills, will be difficult to distinguish. Both projects are fully entitled and therefore, this impact is considered potentially significant and unavoidable.
Agriculture and Open Space	The General Plan EIR notes the loss of agricultural lands as being a statewide issue and cites a net loss of 2,273 acres of important farmland between 1998 and 2000 in the four-county region of El Dorado, Placer, Amador and Sacramento Counties. ¹ Future

¹ El Dorado County General Plan Draft EIR, p. 7-6.

development of the remaining grazing lands that would be within the boundary of the incorporation area, particularly at the southern end of the area, would contribute to the cumulative loss of agricultural lands. This is considered a significant cumulative impact for the County as a whole and a portion of this cumulative loss will occur within the incorporation area, but would occur whether incorporation is approved or not.

Visual Resources

Conversion of the rural landscape [in western El Dorado County] to a suburban appearance would result in the reduction of the natural aesthetic qualities of the U.S. 50 corridor. This is considered a significant and unavoidable impact.

Traffic and Circulation

Residential and employment growth in the new City are expected to result in significant local and regional traffic impacts, representing a considerable contribution to significant regional traffic impacts, particularly along the U.S. 50 corridor. Mitigation measures presented in the General Plan EIR, and incorporated in this EIR, would minimize the incorporation area's contribution to cumulative traffic impacts, but would not reduce them to less-than-significant levels. Consequently, cumulative regional traffic impacts are considered significant and unavoidable.

Water Resources

The analysis of water resources in Chapter 3 indicates that EID is expected to meet long-term water supply needs for the incorporation area. However, EID's ability to fully meet water demands from other parts of its service area, as noted in the General Plan EIR, is less certain. It notes that long-term water demand of the 2004 General Plan (which selected the 1996 General Plan Alternative as the basis for calculating environmental impacts) is likely to exceed available surface water supplies, even if EID succeeds in obtaining rights to additional water.² In this context, therefore, the increase in demand for surface water, resulting from projected future development in the incorporation area, would contribute to significant regional and statewide pressures on limited water resources. This is considered a cumulatively significant and unavoidable impact.

Other Utilities

Projected growth in the incorporation area, and in El Dorado County as a whole, are expected to result in a considerable contribution to regional cumulative demands for electricity and natural gas. Therefore, the potential for significant cumulative environmental effects of providing additional supplies would result. Because approval of new electricity and natural gas supplies are the responsibility of agencies outside of El Dorado County, LAFCO can only conclude that the resulting impacts are potentially significant and unavoidable cumulative impacts.

² El Dorado County, General Plan Draft EIR, p. 7-10.

Public Services

Public services are a local and not generally a cumulative concern. Indirect impacts of growth within the incorporation area would not result in cumulative impacts on services. While incorporation would result in a financial impact on the new City (in order to retain the services of the CDF for wildland fire protection), this financial burden will diminish over time as the land within the new City becomes increasingly urbanized, thereby reducing the number of acres of wildland fire zone on which the costs are calculated. In light of the mitigation measures included in this EIR that would avoid the loss of wildland fire protection services by the CDF, and avoid financial impacts on the local fire districts, the contribution of the incorporation project to cumulative impacts on public services, would be less than significant.

Noise

Anticipated growth within the incorporation area would result in cumulatively considerable increases in noise levels, primarily from increased local and regional traffic. Measures in the 2004 GP intended to mitigate noise increases associated with new transportation projects³ (e.g., sound walls) are expected to reduce the level of cumulative noise impacts, but not to a level of less than significant. Thus, transportation-related noise impacts generated by future growth and development within the incorporation area would be a significant and unavoidable indirect cumulative impact that would occur with or without incorporation.

Cumulative noise impacts are also anticipated from an increase in local resident population (e.g., in the Carson Creek development, south of U.S. 50) who would be exposed to aircraft noise because this development is within the overflight range of air traffic using Mather Field. Similar impacts would be expected from development of other properties in the southern end of the incorporation area.

Air Quality

Air quality is a regional environmental issue, with the majority of air pollutant emissions being created by motor vehicle use within the regional air basins. The Mountain Counties Air Basin, in which the incorporation area is located, is designated as nonattainment for the state and national ozone standards and the state particulate (PM₁₀) standard. Ozone pollution is the primary air quality impact of cumulative concern, because precursor emissions of ozone occur throughout the region and combine to exacerbate attainment of air quality standards in the County.⁴

Significant air quality impacts resulting from increases in motor vehicle travel, use of wood stoves and fireplaces, and from other sources would contribute to cumulatively significant and unavoidable

³ El Dorado General Plan Draft EIR, p. 7-15.

⁴ Ibid, p. 7-15.

air quality impacts in the region. Although all feasible policies and mitigation measures are included, this cumulative impact is considered significant and unavoidable.

Biological Resources

Projected future development would contribute to the cumulatively significant loss and fragmentation of woodland and chaparral habitats, riparian corridors, and other important biological resources and impacts on special-status species. The impact of habitat loss and fragmentation is considered significant and unavoidable.

Some portion of the considerably cumulative impacts identified above would originate from growth and development located within the area proposed for incorporation. These impacts would occur whether incorporation is approved for El Dorado Hills or not.

C. GROWTH-INDUCING IMPACTS

A project is generally considered growth-inducing if it fosters economic or population growth. Typical growth inducements might be the extension of urban services or transportation infrastructure to a previously unserved (or under-served) area, or the removal of major barriers to development.

No development projects are proposed as part of the incorporation proposal, and the land use controls and policies of the County would be in force following incorporation during the interim period. For this reason, the incorporation proposal is not anticipated to be growth inducing. All of the key ingredients for future growth within the new City are already present, and depending upon the outcome of the various general plan issues on the March 2005 ballot, and the decision of the Superior Court relative to the 2004 General Plan and General Plan EIR, differing amounts of potential new growth could occur on the remaining vacant, undeveloped and unentitled land within the incorporation area, whether incorporation is approved or not. Further, most of the potential future growth within the incorporation area has already been approved by the County prior to incorporation and would not be affected whether incorporation is approved or not.

Potential future development on current vacant and unentitled lands within the incorporation area could be greater under the City jurisdiction than under the County if the City were to opt out of the Measure Y policies that tie future development to local roadway capacity and require new development to maintain (i.e. not degrade) local or regional traffic congestion or violation of Level of Service (LOS) standards. In this sense, incorporation could be considered to have a growth inducing effect, but, as indicated in Chapter 3, it would be speculative to guess how the City is likely to act on this issue.

Growth-inducing impacts would be expected from the indirect effects of development on the existing vacant, undeveloped land within the proposed incorporation area, both the entitled land development projects, and the unentitled parcels shown in Figures 1-8 and 4-3. These indirect growth inducing effects would be similar in character to, although less extensive than, the growth – inducing impacts identified in the General Plan EIR, and would include:

- Population growth and economic activity in the future City of El Dorado Hills as a result of employment-generating uses and provisions for additional residential development.

- Potential growth inducing effects on undeveloped land near the Sacramento County line, in the area of Folsom lying south of U.S. 50 and adjacent to the approved Carson Creek project.
- Potential elimination of several obstacles to growth if the 2004 GP ultimately survives the various pending actions that could set it aside, as this, among other things, would permit the County to approve discretionary land use proposals and would also allow the various water rights applications to be processed and finalized, thereby enhancing EID's ability to expand its effective water supply to support new growth and development elsewhere in El Dorado County.

In addition, inclusion of the Mehrten parcel as part of the No Unincorporated Islands Boundary Alternative could be growth-inducing if the new City were to adopt land use policies that are less restrictive than those currently embodied in the 2004 County General Plan. This parcel involves agricultural land, is subject to an active Williamson Act contract, is not located within the El Dorado Hills CSD, and is not served with urban services (e.g., water or wastewater). In the event that the new City were to adopt land use regulations less restrictive than the 2004 County General Plan, the Mehrten parcel could potentially obtain entitlements for development sooner than if incorporation were not to occur.

D. SIGNIFICANT UNAVOIDABLE IMPACTS THAT CANNOT BE MITIGATED TO A LEVEL OF LESS THAN SIGNIFICANT.

1. Direct Impacts.

No Direct Impacts Associated with the incorporation Proposal would result in Significant Unavoidable Impacts that cannot be mitigated to a level of Less than Significant.

2. Indirect Impacts.

All of the Indirect Impacts identified in Chapter 3 of this EIR are described as significant environmental impacts that would result from the future development of the existing undeveloped portions of the incorporation area. These impacts have been identified in the 2004 County General Plan EIR. Many of the mitigation measures recommended in the General Plan EIR are characterized as being likely to reduce impacts to a level of Less than Significant. However, these impacts are all considered Significant and Unavoidable in this EIR because the new City would be responsible for implementing the recommended mitigation measures and LAFCO cannot be certain that the new City would do so. Thus, the Indirect Impacts identified in this EIR would remain *Significant and Unavoidable*.

Following is a listing of the Significant Unavoidable Indirect Impacts that Cannot be Mitigated to a Level of Less than Significant:

- **Land Use:**
 - Substantial Alteration or Degradation of Land Use Character (3-1)
 - Creation of Substantial Land Use Incompatibility (3-2)

- **Agriculture and Open Space:**
 - Increased Potential for Conversion of Important Farmland, Grazing Land, and Land Currently in Agricultural Production (3-3)
- **Visual Resources:**
 - Degradation of the Quality of Scenic Vistas and Scenic Resources (3-4)
 - Degradation of Existing Visual Character or Quality of the Area (3-5)
 - Creation of New Sources of Substantial Light or Glare that could Adversely Affect Daytime or Nighttime Views (3-6)
- **Traffic and Circulation**
 - Potential to Opt out of the Measure Y Land Use Policies. (3-7)
 - Increase in Daily and Peak Hour Traffic on Roadways Already Congested (3-8)
 - Unacceptable LOS Conditions Related to Generation of New Traffic in Advance of Transportation Improvements (3-9)
 - Insufficient Transit Capacity (3-10)
- **Public Utilities:**
 - Increase in Surface Water Pollutants from Additional Wastewater Treatment Plant Discharges (3-11)
 - Increase in Groundwater Pollutants from Onsite Wastewater Treatment Systems (3-12)
 - Increase in Demand for Non-Renewable Resources for Electricity and Natural Gas (3-13)
 - Potential for Land Use Incompatibility and Other Impacts of New and Expanded Energy Supply Infrastructure (3-14)
- **Public Services:**
 - Potential for Land Use Incompatibility Associated with Development and Expansion of Law Enforcement Facilities (3-15)
 - Potential School Incompatibility with Adjacent Land Uses (3-16)
 - Potential Library Incompatibility with Adjacent Land Uses (3-17)
 - Deterioration of Existing Parks and Recreation Facilities and Need for New Facilities (3-18)
- **Human Health and Safety:**
 - Increased Incidents of Illegal Disposal of Household Hazardous Waste (3-19)
 - Increased Risk of Accidental Release of Hazardous Materials. (3-20)

- Increased Risk of Exposure to Hazardous Waste Resulting from New Development on Known, Suspected and Unknown Contaminated Sites (3-21)
- Exposure to Electromagnetic Fields Generated by New Electric Energy Facilities at School Locations (3-22)
- Public Exposure to Asbestos (3-23)
- Increased Potential for Fire Incidents and Fire Hazards (3-24)
- **Geology, Soils and Mineral Resources:**
 - Increased Development in Areas Susceptible to Landslide Hazards (3-25)
 - Additional Development Could Affect the Rate or Extent of Erosion (3-26)
- **Noise:**
 - Exposure of Noise-Sensitive Land Uses to Short-Term (Construction) Noise (3-27)
 - Exposure to Ground Transportation Noise Sources (3-28)
 - Exposure of Noise-Sensitive Land Uses to Fixed or Non-Transportation Noise Sources (3-29)
 - Exposure to Aircraft Noise (3-30)
- **Air Quality:**
 - Construction Emissions of ROG, NO_x and PM₁₀ (3-31)
 - Long-Term Operational Emissions of ROG, NO_x, CO and PM₁₀ (3-32)
 - Toxic Air Emissions (3-33)
 - Local Mobile-Source Emissions of Carbon Monoxide CO (3-34)
 - Odorous Emissions (3-35)
- **Biological Resources:**
 - Loss and Fragmentation of Wildlife Habitat, Impacts on Special Status Species, and Impacts on Wildlife Movement (3-36)
- **Cultural Resources:**
 - Destruction or Alteration of Known and Unknown Prehistoric and Historic Sites, Features, Artifacts and Human Remains (3-37).

E. POTENTIALLY SIGNIFICANT IMPACTS THAT COULD BE REDUCED TO A LEVEL OF LESS THAN SIGNIFICANT THROUGH IMPLEMENTATION OF IDENTIFIED MITIGATION MEASURES

The following potentially significant impacts could be reduced to a level of less than significant through implementation of the mitigation measures identified in the Draft EIR:

1. Direct Impacts

Land Use:

- Potential Loss of County Funding for Acquisition of Permanent Rare Plant Habitat (2-1)
- Creation of Islands of Unincorporated Territory (2-2)
- Disruption of Established Rural Residential Communities and the Hickok Road Community Services District (2-3)

Agricultural and Open Space Resources:

- Potential Inclusion of a Williamson Act Parcel (2-4)

Traffic and Circulation:

- Potential Reduction in Funding for Transportation Improvements and Transit Operations (2-5)

Public Services:

- Loss of Traffic Enforcement Services by the California Highway Patrol (2-6)
- Potential Service Reduction from Loss of Revenues from the Fire District Improvement Fee (2-7)
- Loss of Wildland Fire Protection Services by the CDF (2-8)
- Potential Loss of Parks and Recreation Services (2-9)

The Direct Impacts involving conflicts with LAFCO boundary policies are to be mitigated through boundary modification. Direct Impacts related to the potential reduction or loss of impact mitigation fees (for Traffic and Transit, Fire District Facilities, and Rare Plant Habitat Preservation), are to be mitigated through required continuation of fee collection and transfer of funds to the County. Impacts resulting from the loss of CDF services for wildland fire protection are to be mitigated through mandatory payment of CDF service costs by the new City.

LAFCO has the authority to impose and enforce each of the foregoing mitigation measures. Each of these impacts, therefore, can be reduced to a level of Less than Significant.

F. IMPACTS DETERMINED NOT TO BE SIGNIFICANT

The information in the Initial Study, together with the information provided in this DEIR, provides the basis for the determination that there would be no significant direct environmental impacts in the following environmental topic areas:

- Population and Housing
- Aesthetics (visual)
- Airports
- Public Utilities (Water, Wastewater, Solid Waste, Storm Drainage, Electricity/Natural Gas)
- Public Services (Schools, Library)
- Human Health and Safety
- Geology, Soils and Mineral Resources
- Hydrology and Water Quality
- Noise
- Air Quality
- Biological Resources
- Cultural Resources

G. SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL CHANGES

No significant irreversible Proposal-related direct environmental changes have been identified.

However, the General Plan EIR found that implementation of the 2004 County General Plan would likely result in, or contribute to, the following irreversible environmental changes, some portion of which would occur in the area proposed for incorporation:

- Relatively low density (suburban) land use patterns would preclude higher density development and thus preclude efficient, cost-effective full-service transit services.
- Conversion of existing undeveloped land and open vistas to developed land uses would preclude other land uses in the future and preclude preservation of the existing open land use pattern and vistas.
- Irreversible loss of agricultural lands, some of which would occur within the proposed incorporation area.
- Commitment of water resources to serve development, and degradation of water quality from suburban runoff.
- Commitment of municipal resources to providing services and the operation of infrastructure for future suburban development.

- Surfacing of substantial areas of important soils with impermeable surfaces associated with suburban development.
- Increased ambient noise and background air emissions.
- Conversion of existing habitat and irreversible loss of wildlife.

Chapter 6

References

A. EIR PREPARERS

1. El Dorado Local Agency Formation Commission

Executive Officer: Roseanne Chamberlain

Legal Counsel: Scott Browne, Esq.

2. EIR Consultants

Lamphier – Gregory
1944 Embarcadero
Oakland, CA 94606
510/535-6690
510/535-6699 (fax)
nautilus@lamphier-gregory.com

Principal in Charge:	Joan Lamphier, President
Project Manager:	Nathaniel H. Taylor
Senior Planner:	John Courtney

B. PERSONS AND ORGANIZATIONS CONTACTED

1. References – Project Description

Hidahl, John, and Rowett, Norm, El Dorado Hills Incorporation Committee.

El Dorado Local Agency Formation Commission, *Policies and Guidelines*, November 7, 1988 amended January 28, 2004.

2. References and Persons Contacted – Land Use

Chew, Gregory, Sacramento Area Council of Governments (SACOG).

Louis Green, Louis, County Counsel, El Dorado County

Maurer, Peter Maurer, El Dorado County Planning Department

McDougal, Paul, Housing Policy Specialist, California Department of Housing and Community Development.

Terry, Geney Terry, El Dorado County Planning Department

3. References and Persons Contacted – Agriculture and Open Space

Stephans, William J., Agricultural Commissioner, Sealer of Weights and Measures, El Dorado County Department of Agriculture/Weights & Measures

4. References and Persons Contacted – Public Services

Borroum, Steve, El Dorado County Department of Transportation

El Dorado County Office of Education

Fraser, Sharon, El Dorado Irrigation District, Drinking Water Division

Fry, Larry, Chief, El Dorado Hills County Water District (Fire Department)

Hazbun, Albert, consulting engineer on water supply

Holmes, Bill, Unit Chief, Amador-El Dorado Unit, California Department of Forestry and Fire Protection (CDF)

Lowery, Wayne A., General Manager, El Dorado Hills Community Services District

Parker, Robin, El Dorado Union High School District

Piatti, Jeane, Latrobe School District

Reinehardt, P. J., El Dorado County General Services Department

Whitcomb, Melodie, Buckeye Union School District

Wilcott, Doug, Rescue Union School District

5. References and Persons Contacted – Transportation

Buckley, Diana, El Dorado County Department of Transportation

Couch, Sam, El Dorado County Department of Transportation

Jackson, Mindy, Transit Director, El Dorado County Transit Agency

Owen, Donna, CalTrans District 3 (traffic count data)

6. References and persons Contacted – Air Quality

Borkenhagen, Jeane, Associate Air Quality Planner Analyst, Sacramento Metropolitan Air Quality Management District

McTaggart, Marcella, Air Pollution Control Officer, El Dorado County AQMD

7. References and persons Contacted – Other

Cemo, Sammy and Cameron, Clark, El Dorado Hills Business Park

Dupray, Rusty, Supervisor, District I, El Dorado County Board of Supervisors

Egbert, Marc, El Dorado County Resource Conservation District

Gomes, Jamie, Economic and Planning Systems (EPS)

Morgan, Jon, El Dorado County Environmental Management

Roberts, Terry, Governor's Office of Planning and Research

Segel, Harriett B., Citizen Activist, El Dorado Hills

Sproul, Curt, Attorney, Weintraub Genshlea Chediak Sproul, Attys. Contacted regarding CC&R enforcement and Homeowner Associations.

Witt, Norb, former Board Member, El Dorado Hills CSD

C. BIBLIOGRAPHY

El Dorado County, 2004. *Draft and Final Environmental Impact Report – El Dorado County General Plan*. Placerville, California, July 2004.

El Dorado County, 2004. *El Dorado County General Plan*. Placerville, California, June 2004.

El Dorado County, County Ordinance Code, Chapter 17 [Zoning Code].

El Dorado Local Agency Formation Commission (LAFCO), 2004. *Policies and Guidelines*, Adopted November 1988, amended January 2004.

Sacramento Area Council of Governments (SACOG), *Final Regional Housing Needs Plan for the SACOG Region*, September 20, 2001.

Sacramento County, 2001. *Draft Environmental Impact Report – Rancho Cordova Incorporation*, March 2001.

William J. Stephans, 2004. Agricultural Commissioner, Sealer of Weights and Measures, *Written and Verbal Correspondence*, August, November 2004.

Appendices

- A. NOTICE OF PREPARATION AND INITIAL STUDY**
- B. INITIAL STUDY COMMENT LETTERS**
- C. BOARD OF SUPERVISORS RESOLUTION 322-2003**

Appendix A

NOTICE OF PREPARATION AND INITIAL STUDY

Notice of Preparation

TO: Interested Parties
Responsible Agencies
Affected Agencies
State Clearinghouse

FROM: EI Dorado Local Agency Formation Commission (LAFCO)
550 Main Street, Suite E
Placerville, CA 95667
(530) 295-2707

CONTACT: Roseanne Chamberlain Environmental Coordinator

**SUBJECT: NOTICE OF PREPARATION OF A DRAFT ENVIRONMENTAL
IMPACT REPORT**

LAFCO will be the Lead Agency and will prepare an Environmental Impact Report (EIR) for the project identified below. We need to know the views of interested persons and agencies as to the scope and content of the environmental information to be included in the EIR. Agencies should comment on the scope and content of the environmental information which is germane to the agencies' statutory responsibilities in connection with the project.

The project description, location, and the probable environmental effects are contained in the attached Initial Study.

Due to the time limits mandated by State law, your response must be sent at the earliest possible date, but not later than 30 days after receipt of this notice. Please send your response to Roseanne Chamberlain, Environmental Coordinator at the address shown above. The comment period for this NOP is expected to close on Monday, September 27, 2004.

Questions may be directed to Nathaniel Taylor, c/o Lamphier – Gregory, consultants to LAFCO for the Proposal. Mr. Taylor's contact information is:

Nathaniel Taylor	510/535-6690 (ph)
Lamphier – Gregory	510/535-6699 (fx)
1944 Embarcadero	ntaylor@lamphier-gregory.com
Oakland, CA 94606	

Please provide the name and contact information for a contact person in your agency.

PROJECT TITLE/NUMBER: The Proposed Incorporation of the City of El Dorado Hills, California (the "Proposal")
El Dorado LAFCO Project No. 03-10.

PROJECT LOCATION: El Dorado Hills (between Folsom and Cameron Park)
El Dorado County

PROJECT APPLICANT: The El Dorado County Board of Supervisors, on behalf of the El Dorado Hills Incorporation Committee.

PROJECT DESCRIPTION: The Proposal consists of the incorporation of the City of El Dorado Hills in accordance with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Proposal would shift the administration of government functions within the area to be incorporated from the County of El Dorado to a new local municipal government within El Dorado County to be known as the City of El Dorado Hills.

Date: 8/25/04 Signature: *R. Chamberlain*

Title: LAFCO Executive Officer / Environmental Coordinator

Telephone: 530/295-2707

INITIAL STUDY

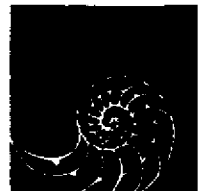
FOR THE

EL DORADO HILLS
INCORPORATION PROJECT

Prepared for:

El Dorado Local Agency Formation Commission

Prepared by:



Lamphier-Gregory
1944 Embarcadero
Oakland, CA 94606

August 2004

INITIAL STUDY

EL DORADO LOCAL AGENCY FORMATION COMMISSION

C/o Roseanne Chamberlain,
Executive Officer
550 Main Street, Suite E
Placerville, Ca 95667

GENERAL INFORMATION

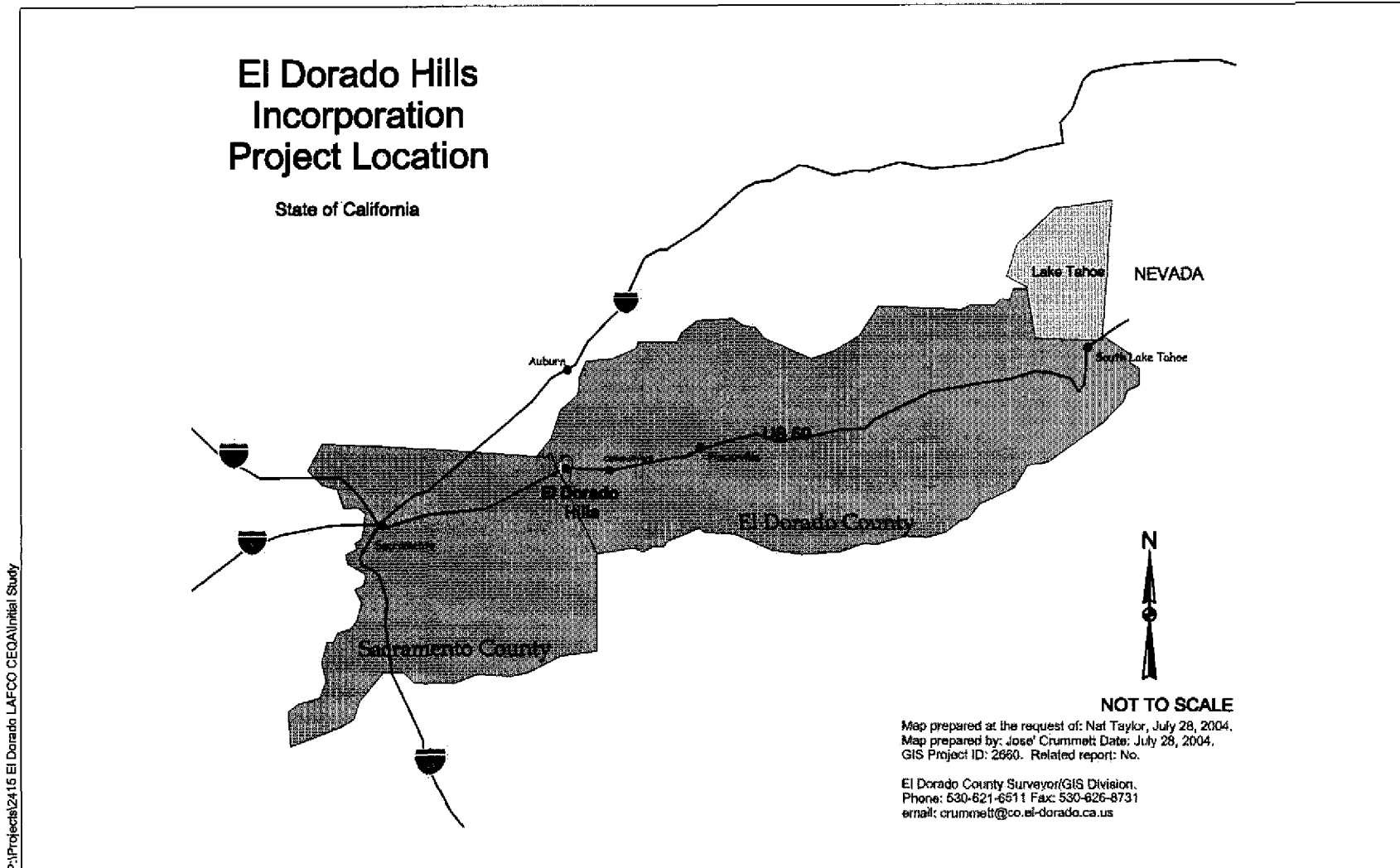
- A. LAFCO Application Number 03-10
- B. Applicant: El Dorado County Board of Supervisors, on behalf of the Incorporation Committee

This Initial Study has been prepared to identify potential environmental effects associated with the proposed incorporation of a 20,000-acre area located in the County of El Dorado as a new city, to be called the City of El Dorado Hills.

PROPOSAL LOCATION AND SETTING

The area proposed for incorporation is located on the western edge of El Dorado County on the western slope of the Sierra Nevada Mountains (See **Figure 1** and **Figure 2**). The proposed incorporation boundary is the boundary of the El Dorado Hills County Water District as it existed on July 1, 1997. The Proposal area is bounded on the west by the Sacramento County line and the City of Folsom, and on the north by Folsom Lake, the Folsom Lake State Recreation Area and Salmon Falls Road. The unincorporated communities of Rescue and Cameron Park are located to the east, and the community of Latrobe to the south. El Dorado Hills Boulevard is the main road providing access from U.S. 50, on the south, to Green Valley Road on the north.

The area proposed for incorporation contains a mix of developed, rapidly developing and undeveloped areas. Land uses in the Proposal area include residential, commercial, office and light industrial and recreation, including two 18-hole golf courses. Public facilities include fire stations, a sheriff's office substation, public schools (elementary, junior high and one high school), water storage, treatment and distribution facilities (including Bass Lake), wastewater collection, treatment and discharge facilities, storm drain detention basins, trails, and neighborhood and community parks.

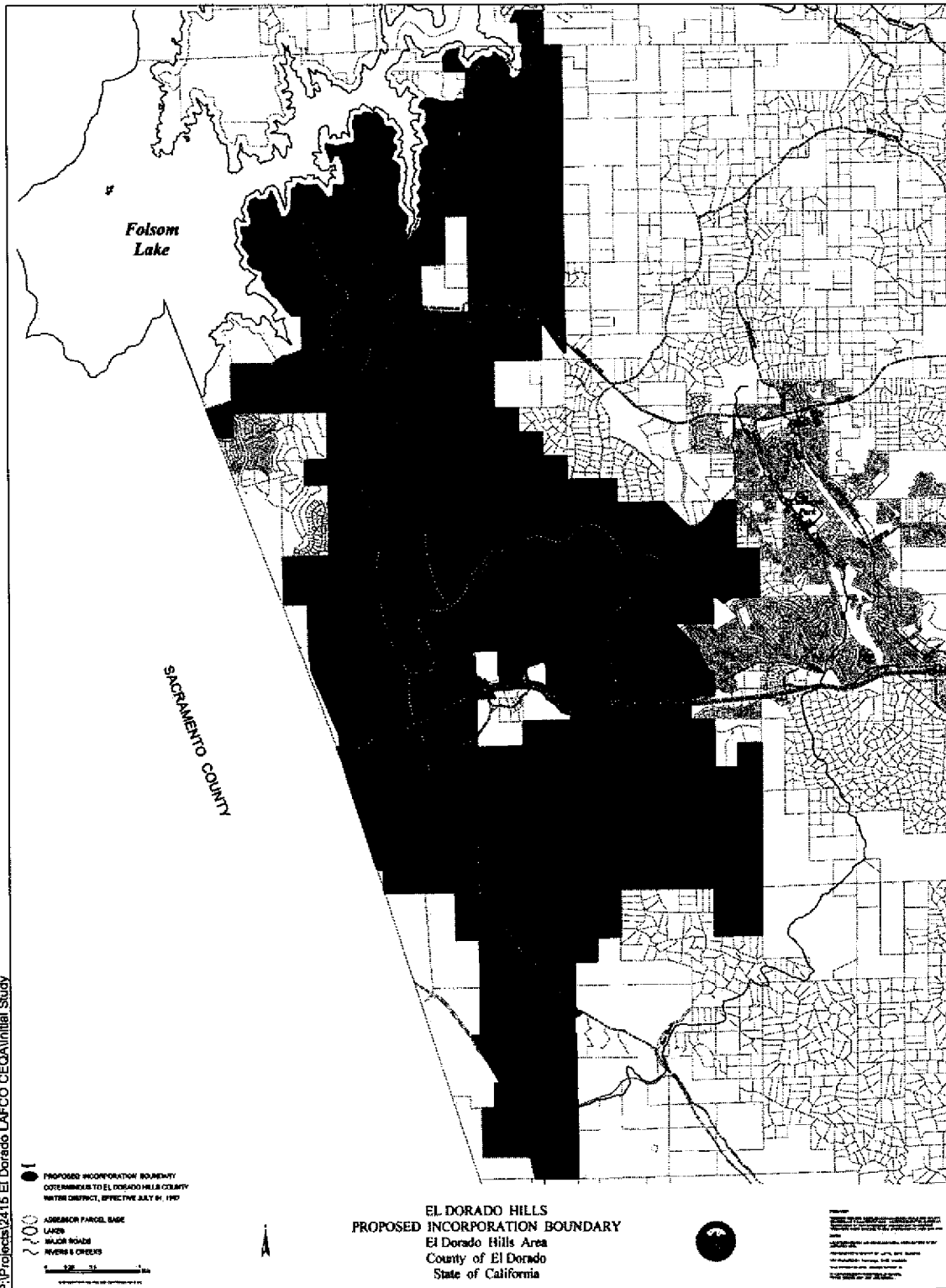


Source: El Dorado County

NOT TO SCALE



FIGURE 1
REGIONAL LOCATION



Source: El Dorado County



FIGURE 2
BOUNDARIES OF EL DORADO HILLS AREA PROPOSED FOR INCORPORATION

PROPOSAL DESCRIPTION

The proposed El Dorado Hills Incorporation (the "Proposal") would result in the creation of the City of El Dorado Hills. The current Proposal was initiated by the adoption of Resolution 322-2003 by the Board of Supervisors of El Dorado County on November 25, 2003. The Proposal is identified as El Dorado LAFCO Application Number 03-10, Proposed Incorporation of The City of El Dorado Hills.

The proposed boundary for the City of El Dorado Hills is shown on **Figure 2**. In accordance with the provisions of the Board of Supervisors' resolution, the boundary conforms to the boundary of the El Dorado Hills County Water District as it existed on July 1, 1997. The area proposed for incorporation excludes three large projects that have been approved by El Dorado County in recent years for significant residential development:

- Promontory, lying along the El Dorado County line north of U.S. Highway 50 and south of Folsom Lake;
- Carson Creek, lying south of U.S. Highway 50 and west of Latrobe Road; and
- The eastern half of Marble Valley located in the southeasterly portion of the proposed city.

The proposed boundary would also exclude properties that were subject to Williamson Act contracts in 1997. These are identified as the two unshaded areas included within the proposed incorporation area (**Figure 2**). The exclusion of these properties from the proposed city boundary would result in "islands" of unincorporated territory within the new city.

The Proposal consists of a governmental reorganization pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56000 et. sec., hereinafter referred to as the "CKH Act") and includes the following actions:

- The incorporation of the City of El Dorado Hills, California including the creation of a City Manager form of government, representation by a five-member City Council elected at-large within the area to be incorporated, and Council appointment of the positions of City Manager and City Attorney;
- The establishment of a general government entity responsible for providing a range of urban services including, but not limited to, planning, land use decisions and regulations, public works, engineering, road construction and maintenance, building inspection, Zoning Code enforcement, law enforcement, parks and recreation, animal control, street lighting, storm drainage, and solid waste services;
- The Dissolution of the El Dorado Hills Community Services District and assumption of all currently provided services and responsibilities by the new city;

- The Dissolution of the Springfield Meadows Community Services District and assumption of currently provided services and responsibilities by the new city;
- The Dissolution of the Arroyo Vista Community Services District and assumption of currently provided services and responsibilities by the new city;
- Detachment from the Hickok Road Community Services District, concurrent amendment of its sphere of influence and assumption of currently provided services and responsibilities by the new city;
- Detachment from County Service Area 9, concurrent amendment of its sphere of influence and assumption of currently provided storm drainage, parks and other services and responsibilities by the new city;
- The assumption by the new city of all lighting and landscaping districts currently serving the Proposal area;
- A State mandated transfer of wildland fire protection services and responsibilities from the California Department of Forestry to the El Dorado Hills County Water Agency (also known as the El Dorado Hills Fire Department), Rescue Fire Protection District, and the El Dorado County Fire Protection District;
- Approval of a revenue neutrality agreement by affected agencies; and
- Retention of the Marble Mountain Homeowner's Community Services District (MMHCSD).

A detailed list of existing and proposed service agencies is provided in **Table 1**.

The proposed City of El Dorado Hills would include an area of approximately 20,000 acres, of which approximately 95 percent, or 19,000 acres, has already been developed or approved with Specific Plans or tentative maps by the County for various densities of residential or mixed use development. Thus, approximately 1,000 acres would be available for potential future growth. Development projects that have been approved by the County of El Dorado prior to the proposed incorporation would be expected to be built out as previously approved with no changes in the conditions of approval or mitigation measures previously imposed by El Dorado County. The new city staff would take over the administration and coordination of the development process from the County.

LEAD AGENCY

The Lead Agency for this Proposal is the El Dorado Local Agency Formation Commission.

Table 1 - Existing and Proposed Service Providers

Service	Existing Provider	Proposed Provider	Comments
Animal Control	El Dorado County (EDC)	City of El Dorado Hills (CEDH)	May be contracted to EDC or other service provider.
Building Inspection	EDC	CEDH	May be contracted to the County or other service provider
Cemetery	N/A	CEDH	The new city will not provide cemetery services initially but may decide to do so at a future date.
Enforcement of Covenants, Codes & Restrictions (CC&Rs)	EDHCSD, SMCSO, Other groups and homeowner associations	CEDH, Other groups and homeowner associations	CC&Rs that are currently enforced by the EDHCSD and SMCSO would become the responsibility of the new city. Other CC&Rs would continue to be enforced by other entities.
Domestic Water	El Dorado Irrigation District (EID) and private wells	EID and private wells	No change proposed.
Emergency & Ambulance Services	County Service Area #7	CSA #7	No change proposed.
Fire Protection	<ul style="list-style-type: none"> • El Dorado Hills County Water District (EDHCWD) • California Department of Forestry and Fire Protection (CDF) 	EDHCWD CDF	No change proposed.
Gas & Electricity	PG&E	PG&E	No change proposed.
General Government	EDC	CEDH	The city may only assume functions not reserved to County government and as permitted under State law.
Land Use Planning and community development	EDC	CEDH	May be contracted to the County or other service provider.

Service	Existing Provider	Proposed Provider	Comments
Law Enforcement	EDC	CEDH	May be contracted to the County or other service providers.
Library	El Dorado County CSA 10	El Dorado County CSA 10	No change proposed.
Other Government	EDC	EDC	Services required to be performed by county government will continue to be provided by EDC. These include, but are not limited to, Agricultural Commissioner, Assessor, Auditor, Controller, Coroner, Recorder-Clerk, Courts, District Attorney, Jail, Environmental Health, Probation, Public Defender, Treasurer, Tax Collector and Social Services.
Parks And Recreation	<ul style="list-style-type: none"> • EDHCSD • SMCSO • CSA #9 • El Dorado County • Folsom Lake Recreation Area (FLRA) 	<p>CEDH</p> <p>EDC</p> <p>FLRA</p>	The Proposal would dissolve the EDHCSD and the SMCSO and would detach from CSA #9. CSA #9 is enabled but does not currently provide services. Parks and recreation services provided by El Dorado County outside of El Dorado Hills would continue to be provided by the County. There would be no change relative to Folsom Lake Recreation Area.
Public Works, Engineering, Road Construction, Road Maintenance	<ul style="list-style-type: none"> • EDC • Marble Mountain Homeowner's CSD • Springfield Meadows CSD • Arroyo Vista CSD • Hickok Road CSD • Other independent groups and homeowner associations. 	<p>CEDH;</p> <p>MMHCSD;</p> <p>Other Independent groups and Homeowner Associations</p>	Services currently provided by EDC may be contracted to the County or to other service provider. LAFCO will determine whether to approve the dissolution of the MMHCSD and the portion of the Hickok Road CSD outside the proposed boundary of CEDH. Arroyo Vista CSD would be dissolved.
Resource Conservation	El Dorado Resource Conservation District	El Dorado Resource Conservation District	No changes proposed.

Service	Existing Provider	Proposed Provider	Comments
Schools and Colleges	<ul style="list-style-type: none"> • El Dorado Union High School District • Buckeye Union School District • Rescue Union School District • Latrobe Union School District • Los Rios Community College District 	<p>Same</p> <p>Same</p> <p>Same</p> <p>Same</p>	No changes proposed.
<ul style="list-style-type: none"> • Septic System & Household Hazardous Waste Disposal & Treatment; • Solid Waste Programs; • Illegal dumping & other nuisance abatement 	CSA #10	CSA #10	El Dorado County Environmental Management Department would continue to provide this service
Wastewater Treatment and Disposal; Recycled Water	EID and private septic	EID and private septic	No change proposed.
Solid Waste	EDHCSD	CEDH	A continued contract with the existing private service providers is proposed.
Storm Drainage	County Service Area #9	CEDH	
Street Lighting & Landscape Maintenance	EDHCSD	CEDH	
Transit and Paratransit Services	El Dorado Transit Authority (EDTA)	EDTA	No change proposed.
Wildland Fire Protection	California Department of Forestry (CDF)	<ul style="list-style-type: none"> • EDHCWD; • Rescue FPD; • EDCFPD, 	State law requires that wildland fire protection service responsibilities automatically transfer to the local agency providing such services within the proposed boundaries of CEDH if the incorporation is approved. Agencies may contract with the CDF for continued services.

ENVIRONMENTAL DETERMINATION

The Initial Study identifies a number of potentially significant environmental impacts that may result from the proposed incorporation. These include potential impacts related to land use, agriculture, public services, transportation, air quality and hydrology. Brief discussions of these potential impacts are presented in the Initial Study.

Mitigation of potential impacts is possible through the consideration of boundary alternatives, which is also required by state law for proposed incorporations. In light of the need to formally analyze and consider alternatives to the Proposal, preparation of an Environmental Impact Report is required.

DETERMINATION

On the basis of the evaluation in this Initial Study:

- I find that the Proposal COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the Proposal could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the Proposal have been made by or agreed to by the Proposal proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the Proposal MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the Proposal MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the Proposal could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the Proposal, nothing further is required.

Rochamberlain
Signature Environmental Coordinator

8/25/04
Date

ROSEANNE CHAMBERLAIN
Printed Name

530/295-2707
Phone

ENVIRONMENTAL CHECKLIST

INTRODUCTION

The proposed incorporation of the City of El Dorado Hills would shift the administration of government functions within the area to be incorporated from the County of El Dorado to a new local municipal government within El Dorado County.

The act of incorporation, in itself, would not result in any direct physical changes in the existing environment within the area to be incorporated. All characteristics of the existing environment present at the instant before incorporation would remain unchanged in the instant following incorporation, although the map of El Dorado County would be changed to reflect the creation of a new municipality. Any environmental impacts from incorporation would flow indirectly from the establishment of a new entity with independent police power and land use approval.

Assessment of any such indirect impacts is extremely difficult. It necessarily requires consideration of possible future actions by the new city and their potential for impact. In such an assessment, the CEQA Guidelines require an assessment of “reasonably foreseeable” impacts (§15064(d)) but prohibit evaluation of “speculative” impacts (§15145). Where the line between “reasonably foreseeable impacts” and “speculative impacts” should be drawn is very difficult to determine.

The analysis in this Initial Study assumes that it is reasonably foreseeable that the new City of El Dorado Hills will act in accordance with the existing framework of laws governing newly incorporated cities. Thus, in accordance with Section 57376 of the CKH Act, the City of El Dorado Hills would adopt an ordinance providing that all El Dorado County ordinances previously applicable shall remain in full force and effect as City ordinances for a period of 120 days after incorporation. Based on review of other recent incorporations, it is also likely, and assumed herein, that the new City would also adopt the El Dorado County General Plan and would use it to guide its land use decision-making during the “interim period” – that is, until such time as the City adopts its own general plan in accordance with Government Code Section 65360. State law provides a period of up to thirty months following incorporation for the development and approval of a new City General Plan, with extensions possible. In that interim period, the City is not required to have a general plan at all. However, the experience of other new cities indicates that most have adopted the existing County General Plan as a guide until such time as the City adopted its own plan. Based on that experience it is reasonably foreseeable that the new city of El Dorado Hills would adopt the County General Plan, at least on an

interim basis., and the land use policies and controls adopted from the County would serve as the City's interim policies and procedures governing land use.

What the City will do thereafter is even more difficult to predict or assess. Future land use regulations within the City of El Dorado Hills could be either more or less restrictive than those currently in force in El Dorado County. This Initial Study takes the position that the most reasonably foreseeable outcome is that future potential growth in the new City would be similar to that permitted by the applicable parts of the new County General Plan (July 19, 2004)., and that it would be speculative to attempt to assess possible alternative land use approaches. In any case, CEQA review of all future development projects in the area would be required and would include an assessment of the consistency of such projects with the goals, objectives and policies of the new city's general plan and related land use regulations, once they have been formally adopted.

In evaluating Consistency Determinations and Land Use, Sphere of Influence and Boundary Considerations, the Initial Study focuses on the direct effects associated with the act of incorporation, without speculating on the extent to which future development following incorporation might or might not deviate from the land use regulations currently in force in the area under the County of El Dorado. Although it is possible that land use regulations ultimately adopted by a new City of El Dorado Hills might weaken the development constraints now in effect under County of El Dorado land use regulations (e.g., loss of applicability of County Measure Y could result in development within the incorporated area beyond the existing constraints provided in that Measure), it is also possible that future City of El Dorado Hills land use regulations could provide more restrictive constraints to future development than now provided under the County's jurisdiction.

CONSISTENCY DETERMINATIONS

Would the Proposal be consistent or inconsistent with the following:

SPHERE OF INFLUENCE (SOI) PLAN

CONSISTENT. Deferral of a determination or definition of the SOI is permitted by Cortese Knox Herzberg and is consistent with LAFCO initial consideration of this Proposal. Further, incorporation would not result in any modifications to any existing City boundary. Within one year of incorporation, LAFCO will be required to establish a Sphere of Influence and prepare a Service Review Plan in conjunction with the new city. Any environmental impacts that may be associated with the establishment of a new Sphere of Influence or implementation of a Service Review Plan would need to be identified once these have been formalized.

AREA SERVICE PLAN

CONSISTENT: Deferral of Service Reviews, as part of the process of setting the SOI, is permitted by state law, and is consistent with LAFCO initial consideration of this Proposal.

OTHER DISTRICT BOUNDARIES AND SPHERES

INCONSISTENT. Incorporation of El Dorado Hills would result in the dissolution of the El Dorado Hills Community Services District (CSD), the Arroyo Vista CSD, the Springfield Meadows CSD and detachment of a portion of the territory from the Hickok Road CSD, and a detachment of the Proposal area from County Service Area 9 with concurrent amendment of those Spheres of Influence. The functions and services currently provided by these CSDs and the County CSA 9 would be provided by the new City of El Dorado Hills, in accordance with the terms of the Proposal and subsequent Terms and Conditions, including revenue neutrality, as determined by LAFCO during the incorporation process. Areas such as Promontory that are currently within the El Dorado Hills CSD but outside the proposed boundary of the City of El Dorado Hills would be outside the new city, and services currently provided by the El Dorado Hills CSD, such as park and recreation services, would need to be provided to these areas in some other manner.

GENERAL PLAN

CONSISTENT. This Initial Study assumes that the area proposed for incorporation would remain under the El Dorado County General Plan until the new City of El Dorado Hills develops its own General Plan in accordance with Government Code Section 65360 (State Planning Law). Any environmental impacts that may be associated with the adoption of a future El Dorado Hills General Plan would be addressed in an environmental review document prepared by the city for that plan.

COMMUNITY PLAN

CONSISTENT. No community plans would be affected by the Proposal.

SPECIFIC PLANS

CONSISTENT. All Specific Plans previously adopted by the County of El Dorado within the area proposed for incorporation (Bass Lake Hills Specific Plan, El Dorado Hills [Serrano] Specific Plan, Northwest El Dorado Hills Specific Plan, Valley View Specific Plan) would be transferred through an appropriate means to the new City of El Dorado Hills upon incorporation. Incorporation would not affect any of the provisions applicable to the Specific Plans, including each Plan's conditions of approval and mitigation measures. The new city would take over the administration of the implementation process for each such project.

LAND USE - ZONING

CONSISTENT. Upon incorporation, the new City of El Dorado Hills would adopt the El Dorado County Zoning Ordinance and Zoning Map for lands within the new city boundary.

AIRPORT

CONSISTENT. The nearest airports in the vicinity of the area proposed for incorporation are Cameron Park "Airpark" Airport (approximately 4 miles to the east) and Mather Airport

(approximately 15 miles to the west). Incorporation as proposed would have no effect on operations at either of these airports, and the ongoing operation of these airports would have no new or additional significant adverse effects on residents within the area proposed for incorporation.

MINERAL RESOURCE ZONE

CONSISTENT. No mineral resource zones are located within the area proposed for incorporation.

RESOURCE CONSERVATION/OPEN SPACE PLAN

CONSISTENT. Upon incorporation, the new City of El Dorado would adopt all El Dorado County resource conservation and open space plans currently in force within the area proposed for incorporation. Currently there are various watershed protection and soil conservation plans and policies for the different watersheds located within the proposed incorporation area. These are administered by the Resource Conservation District.

STATE AND FEDERAL RECREATION AREA PLAN

CONSISTENT. The area proposed for incorporation does not include any territory included within the Folsom Lake State Recreation Area (FLSRA), managed by the California Department of Parks and Recreation. The Auburn Reservoir Project/Folsom Lake State Recreation Area Plan guides land use decisions affecting the area. Incorporation, in itself, would not result in any changes that would affect (or be inconsistent with) the Auburn Reservoir Project/Folsom Lake State Recreation Area Plan.

1. LAND USE, SPHERE OF INFLUENCE AND BOUNDARY CONSIDERATIONS

SETTING

The community of El Dorado Hills is currently an unincorporated part of El Dorado County. Municipal services to the approximately 31,305 residents of the proposed incorporation area¹ are provided by several independent agencies, including the County of El Dorado itself. A list of existing service providers is given in **Table 1**, which indicates how the responsibilities for various public services would change as a result of the proposed incorporation.

¹ See: Table 1, El Dorado Hills Incorporation, Comprehensive Fiscal Analysis, Population and Employment Estimates, Economic and Planning Systems (EPS), August 17, 2004.

DISCUSSION

1 a: *Would the Proposal conflict with any applicable sphere of influence, boundary, district or city operations, resource conservation plan, growth management, air quality or trip reduction ordinance, land use plan, policy, or regulation of a local, state or federal agency with jurisdiction over the Proposal (including but not limited to a general plan, specific plan or zoning ordinance) adopted to avoid or mitigate an environmental effect?*

NO IMPACT. The proposed incorporation would be an administrative change providing for the establishment of a new local jurisdiction (City of El Dorado Hills). Under the CKH Act,² at the time of incorporation, the new City of El Dorado Hills would be required to adopt all existing El Dorado County ordinances in effect for the area proposed for incorporation. This would include the adoption of all existing County ordinances, plans, programs or policies intended to avoid or mitigate environmental effects that are currently in force within the area proposed for incorporation. The new city would also be expected to adopt the County General Plan. Within thirty months of incorporation, the new City of El Dorado Hills will be required to develop its own General Plan and other land use plans, policies and regulations, all of which would be subject to environmental review under CEQA prior to adoption.

The new city would also inherit, by transfer, all of the approved Specific Plans and development agreements that involve land inside the new city boundary. These are designated "Adopted Plan", or "AP," in the County General Plan. Each of these development projects has completed its own the review and approval process administered by the County, including environmental review pursuant to CEQA, and each is subject to specified mitigation measures and other "conditions of approval" imposed as part of the County approval process. The change from these projects being in unincorporated County jurisdiction, to being inside the new city's boundary, would not affect each project's on-going obligation to comply with all of its required mitigation measures and conditions of approval.

Sphere of Influence or Boundary

The boundary of the proposed city would not conflict with, or overlap, the boundary or sphere of influence of any other city, but the Proposal would dissolve the Springfield Meadows CSD, the Arroyo Vista CSD, the El Dorado Hills CSD, would detach from County Service Area 9 and would detach affected parcels from the Hickok Road CSD, as indicated above in **Table 1**. The dissolution of the El Dorado Hills CSD would affect some areas that are currently within its boundaries or its Sphere of Influence and the services that it currently provides to these areas would need to be provided through other means.

The special districts that would be affected include:

² "...the city council shall, immediately following its organization and prior to performing any other official act, adopt an ordinance providing that all county ordinances previously applicable shall remain in full force and effect as city ordinances for a period of 120 days after incorporation, or until the city council has enacted ordinances superseding the county ordinances, whichever occurs first." (California Government Code §57376).

- Marble Mountain Homeowner’s Association

The Proposal would incorporate the Marble Mountain properties into the new city, but would not dissolve or otherwise affect the Marble Mountain Homeowner’s Community Service District (MMHCSD). The MMHCSD would continue to be responsible for local road maintenance in that area.
- Springfield Meadows CSD

The Springfield Meadows CSD would be dissolved, and the services currently provided would become the responsibility of the new city.
- Arroyo Vista CSD

The Arroyo Vista CSD would be dissolved and the services currently provided (e.g. road maintenance) would become the responsibility of the new city.
- Hickok Road CSD

A portion of the Hickok Road CSD lies within the proposed boundary of the new city and the services provided (e.g. road maintenance) would become the responsibility of the new city. The portion of the Hickok Road CSD not within the boundary of the new city would continue to be served by the Hickok Road CSD.
- CSA #9 (Storm Drainage, etc.)

The area within the new city boundary would detach from CSA #9, and the responsibility for storm drainage infrastructure maintenance and operations would be taken over by the new city.
- EID

EID would continue to operate water and wastewater treatment plants and distribution facilities without regard to city boundaries. The EID Sphere of Influence would not be affected.
- El Dorado County Water District

No change.
- Rescue Fire Protection District

No change.
- Schools

No change.

1 b: *Would the Proposal result in substantial noncontiguous urban development which, in turn, results in adverse physical impacts?*

POTENTIALLY SIGNIFICANT IMPACT. The act of incorporation, in itself, would not result in any urban development, or any adverse physical impacts that could result from urban development. Once incorporated, the new City of El Dorado Hills would adopt all current County of El Dorado land use regulations to remain in place until such time as a General Plan and associated land use regulations for the new city have been adopted. Any urban development projects proposed subsequent to incorporation would be subject to project-specific environmental review. Such environmental review would determine whether the project would result in adverse physical impacts, regardless of whether the new city is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

However, the proposed boundary for the new city excludes three large development projects that have been approved by the County but that have not yet built out. The two largest of these are the Promontory, a 1,000-acre residential development located north of U.S. Highway 50 and adjacent to the El Dorado/Sacramento County line, and Carson Creek, a 710-acre development located south of U.S. Highway 50, between Latrobe Road and the county line. Development Agreements for these projects authorize 1,387 residential units at Promontory and 2,434 units at Carson Creek. The third is Marble Valley, located in the southeasterly portion of the proposed city. Marble Valley is a 2,418-acre site that has been approved with a tentative subdivision map and development agreement for 398 single family lots. The easterly half of Marble Valley is not included within the proposed incorporation area. Neither Carson Creek nor Marble Valley is currently within the service district of the El Dorado Irrigation District (EID) and therefore development on these two projects will not occur until and unless annexation into EID is completed. Promontory is currently within the EID and initial stages of development have already begun. These projects represent actual or likely urban development that would be adjacent to, but not included within, the new city. The possibility of this situation occurring raises potential land use and service compatibility issues that will be addressed in the EIR.

1 c: *Would the Proposal physically disrupt/divide an established community?*

POTENTIALLY SIGNIFICANT IMPACT. El Dorado Hills is a community whose physical and social identity has grown and become more established over the past 40+ years of its history. Aside from the excluded major projects mentioned above, incorporation would strengthen, rather than disrupt or divide, the identity of the established El Dorado Hills community.

The Proposal area is near the unincorporated areas of Cameron Park, Rescue and Latrobe. The Proposal boundary would formally establish where El Dorado Hills ends. In general, the boundary would respect and have no physical effects on these areas.

Precise adjustments to the proposed boundary is a fundamental part of the LAFCO review and approval process. Modifications to the proposed boundary will be evaluated in the EIR as

alternatives. Some of the factors to be considered will include the sphere of influence of, and comments from, affected agencies, comments from land owners, the effect of the Proposal on adjacent areas and local government structure, statutory requirements, the certainty of the proposed physical boundaries, and other factors.

One nearby area that will require further consideration is the area north of Green Valley Road and east of Salmon Falls Road that is characterized by well-established rural large-lot (e.g. 10+ acre lot sizes) residential land use. Parts of this area are included within the Arroyo Vista CSD and the Hickok Road CSD. The proposed boundary would divide the Hickok Road CSD into two parts. Further consideration of the potential land use and/or service impacts that could result from the proposed boundary configuration will be evaluated in the EIR.

2. POPULATION/HOUSING

SETTING

The current (2004) population of the area proposed for incorporation is estimated at 31,305 persons (EPS). Assuming an average household size of 2.8 persons per household (U.S. Census, 2000), there are approximately 10,882 dwelling units in the proposed incorporation area.

DISCUSSION

2-a: Would the Proposal induce substantial unplanned population growth in an area by introducing increased densities, new homes and business (or indirectly or by extending infrastructure or increasing the capacity of infrastructure)?

NO IMPACT. The act of incorporation would not, in itself, induce any population growth either within the area proposed for incorporation or beyond the proposed boundary of the City of El Dorado Hills. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such review would determine whether any such projects would induce substantial unplanned population growth, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

TABLE 2 - ESTIMATED POPULATION AND HOUSING, EL DORADO HILLS

Area	Population	Housing Units
El Dorado Hills (2004) ³	31,305	10,882
El Dorado County	156,299	71,278

SOURCE: EPS; LAMPHIER - GREGORY

³ EPS, 2004.

2-b: *Would the Proposal displace substantial amounts of existing housing, causing replacement housing construction elsewhere?*

NO IMPACT. The proposed incorporation would not displace any existing housing units, or require the construction of any replacement housing units elsewhere. On-going development would be expected to continue in accordance with approved Specific Plans, Tentative Maps, or individual building permits.

3. AGRICULTURAL AND OPEN SPACE RESOURCES

SETTING

El Dorado Hills is a formerly rural area where cattle grazing and other agricultural activities were once common. However, as the area has urbanized over the past 40+ years, these activities and the open space character of the area has been replaced with suburban residential development. The major remaining open space areas are golf courses, improved neighborhood and community parks, or undeveloped portions of approved development projects. In addition, there are several parcels that remain in agricultural use, although all prior Williamson Act contracts on such parcels have been terminated or are in the process of termination.⁴ The Proposal boundary would exclude these parcels, and they would remain as unincorporated “islands” surrounded by the incorporated areas of the new city. These parcels are identified on **Figure 2** as the unshaded area in the geographic center, and the reverse “L” shaped area in the northerly portion of the figure.

DISCUSSION

3-a: *Would the Proposal result in substantial loss of important agricultural, open space or resource land?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes in existing patterns of land use within the area proposed for incorporation, and would not result in a substantial loss of any important agricultural, open space or resource land. The area proposed for incorporation does not include agricultural lands or open space lands not currently designated or planned for future development under County land use regulations. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review by the new city. Such environmental review would determine whether significant impacts associated with such projects would occur, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County’s regulations.

⁴ Personal communication with Maria Rosas, El Dorado Assessor’s Office, August 18, 2004. The parcels in question are identified as APN 108 030 12, 067 420 23, 067 051 09 and 067 051 10.

3-b: *Would the Proposal cause premature, ill planned, illogical, or inefficient conversion of prime agricultural, open space, mineral resource or other important resource areas not planned for development in the next five years especially when such land is not located within the Sphere of Influence of a proposed service provider and there is alternative sufficient vacant land available for development?*

POTENTIALLY SIGNIFICANT IMPACT. Agricultural activity within the area proposed for incorporation is limited to livestock grazing. The act of incorporation, in itself, would not result in any changes in existing land uses within the area proposed for incorporation, and therefore would not result in the conversion of any agricultural land, open space, mineral resource or other important resource areas to other uses. No change of land use or new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether significant impacts associated with conversion of land uses within any important resource areas would occur, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

However, exclusion of the former Williamson Act parcels from the new city could result in uncoordinated land use planning and potential land use compatibility impacts in the future. As LAFCO is prohibited under Government Code Section 56744 from creating boundaries that would result in the placement of unincorporated "islands" within incorporated areas, it is reasonably foreseeable that these former Williamson Act parcels would ultimately be included within the boundaries of the new city through the administration of the LAFCO process. Potential impacts associated with this issue will be evaluated in the EIR.

3-c: *Would the Proposal convert Prime Agricultural Land, Unique Farmland, Farmland of Statewide Importance or areas containing prime soils or productive agricultural operations to uses not conducive to agricultural production?*

NO IMPACT. No Prime Farmland, Unique Farmland, Farmland of Local Importance, Farmland of State-wide Importance or Farmland Security Zones have been identified within the area proposed for incorporation (El Dorado County GIS, Department of Conservation Soil Survey, 1999; El Dorado Assessor's Office). No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such review would determine whether any such projects would result in conversion of agricultural land to non-agricultural uses, regardless of whether the new city is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

3-d: *Would the Proposal conflict with any existing Williamson Act contract?*

NO IMPACT. There are no Williamson Act contracts in force affecting property within the Proposal boundary. The act of incorporation would not alter the validity or status of any Williamson Act contract.

3-e: *Would the Proposal induce development by permitting uses that adversely impact adjacent agricultural operations, significantly increase the property values of adjacent or proximate resource land, or remove natural or man made buffers between urban and agricultural/ open space uses?*

NO IMPACT. The act of incorporation, in itself, would not induce development that could jeopardize ongoing agricultural operations, and would have no effects on any agricultural operations either within the area proposed for incorporation, or beyond the proposed boundaries of the area. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such review would determine whether any such project would adversely affect existing agricultural operations or remove existing buffers between urban and agricultural/open space, regardless of whether the new city is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

3-f: *Would the Proposal conflict with agricultural, open space or resource conservation plans or programs of the state or federal government?*

3f. NO IMPACT. No other state or federal plans or programs to provide for the protection or preservation of agricultural, open space or other resources are currently in force within the area proposed for incorporation.

4. AESTHETICS

SETTING

The topography of the area proposed for incorporation generally consists of two types: Valley Floor with 0-20% slopes, and Uplands with slopes of 10-40%. Elevations above sea level range from approximately 400 feet near the El Dorado County/Sacramento County, to over 1,300 feet near the Cameron Park area. Natural vegetation within the area consists of grassland, chaparral, oak woodland and riparian.

DISCUSSION

4-a: *Would the Proposal substantially alter existing viewsheds such as scenic highways, corridors or vistas?*

NO IMPACT. Although Green Valley Road (which passes through the area proposed for incorporation) has been designated as a scenic road by El Dorado County, the act of incorporation, in itself, would not result in any alteration in existing viewsheds, either within the area proposed for incorporation, or in any adjacent areas. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether significant adverse effects on existing viewsheds would occur, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

4-b: *Would the Proposal substantially degrade the existing visual character or quality of the site and its surroundings?*

NO IMPACT. The act of incorporation, in itself, would not result in any degradation of the existing visual character of the area within the proposed incorporated area or in any surrounding areas. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether significant adverse effects on the visual character of the area would occur, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

4-c: *Would the Proposal create a new source of substantial light, glare or shadow that would result in safety hazards or adversely affect day or nighttime views in the area?*

NO IMPACT. The act of incorporation, in itself, would not result in the creation of any new sources of substantial light, glare or shadow. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether significant impacts associated with the creation of new sources of light, glare or shadow would occur, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

5. AIRPORTS

SETTING

The closest airports to the area proposed for incorporation are the Cameron Park Airpark and the aviation facility at the former Mather Air Force Base. The Cameron Park Airpark is located approximately 1 mile east of the easterly boundary of the proposed city and approximately 5 miles east of the interchange of El Dorado Hills Boulevard and U.S. Highway 50. It is under the jurisdiction of the Cameron Park Airport District (an independent special district). Primary activity at Cameron Park consist of private aircraft operations.

The Mather facility is located in Sacramento County, approximately 15 miles west of El Dorado Hills, on a site south of U.S. Highway 50 near Sunrise Boulevard in the newly incorporated city of Rancho Cordova. Following the decommissioning of Mather Air Force Base, the use of this facility has been reduced to approximately 105,000 flight operations per year, compared with its operational capacity of 295,000 per year. The Mather facility is operated and administered by the County of Sacramento. Air traffic at the Mather facility consists primarily of private aircraft (90,000 operations per year), civilian transport operations and government operations. The latter category includes activities by the California Department of Forestry and Fire Protection,

the U.S. Forest Service, the Sacramento County Sheriff Air Operations Bureau, and the California National Guard.⁵

DISCUSSION

5-a: *Would the Proposal result in a safety hazard for people residing or working in the vicinity of an airport/airstrip?*

NO IMPACT. No portion of the area proposed for incorporation is located within an airport safety zone. Incorporation of the City of El Dorado Hills would not result in the creation of any safety hazard for people residing or working in the vicinity of any airport or airstrip.

5-b: *Would the Proposal expose people residing or working in the project area to aircraft noise levels in excess of applicable standards?*

NO IMPACT. The act of incorporation, in itself, would not expose anyone residing or working within the area to be exposed to aircraft noise levels in excess of applicable standards. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether significant impacts associated with exposure of people to excessive aircraft noise levels would occur, regardless of whether the new city is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

5-c: *Would the Proposal result in a substantial adverse effect upon the safe and efficient use of navigable airspace by aircraft?*

NO IMPACT. The act of incorporation, in itself, would have no effect on the safe and efficient use of navigable airspace by aircraft. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether significant impacts associated with the safe and efficient use of navigable airspace would occur, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

5-d: *Would the Proposal result in a change in air traffic patterns, including either an increase in traffic levels or a change in location, that results in substantial safety risks?*

NO IMPACT. The act of incorporation (and any development that may be proposed within the area to be incorporated at some point in the future) would not be expected to have any effect on air traffic patterns or air traffic levels, and would not be expected to substantially increase flight safety risks in any measurable way.

⁵ *Rancho Cordova Incorporation, Draft Environmental Impact Report*, Environmental Science Associates, March 2001, p. 4.5-12.

6. PUBLIC SERVICES

SETTING

See **Table 1**, above, for a listing of current service providers within the area proposed for incorporation.

DISCUSSION

6-a: Would the Proposal cause the adequacy of services provided to decrease, costs of service provision to rise substantially, or cause those currently receiving service to receive reduced or inadequate services especially when such change may cause adverse health and safety or other physical impacts?

POTENTIALLY SIGNIFICANT IMPACT. As noted above in 1(c), the Proposal would divide some existing Community Service Districts, such as the Hickok Road CSD. The Proposal would also result in the dissolution of the El Dorado Hills Community Services District which currently provides some services outside the proposed incorporation boundary, and such areas could result in the loss of such services as a result of incorporation as the EDHCSD is dissolved.

The potential effects of incorporation on service levels and service providers will be addressed in the EIR.

It should be noted, however, that in accordance with LAFCO policies and procedures, the Incorporation Committee, acting as the applicant, must demonstrate that the level of all public services within the incorporation area will be maintained at pre-incorporation levels (or better) (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.C.3).

LAFCO rules also require that the Incorporation Committee, as the applicant, demonstrate, through the revenue neutrality agreement, that the fiscal effects of the incorporation will not have adverse effects on any affected agency, including all public service providers within the proposed incorporation area (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.D).

A similar demonstration of revenue neutrality will be required for fiscal effects involving affected agencies or public service providers with responsibilities outside the proposed incorporation area. (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.D).

These requirements will ensure that the existing levels of public service would not decrease following incorporation, and that the costs of providing services would not be expected to change substantially as a result of incorporation (revenue neutrality). The consolidation of service provision within a single agency (the new City of El Dorado Hills) could result in greater coordination in the provision of services, as well as economies of scale.

6-b: Would the Proposal cause the infrastructure capacity of a service provider to exceed planned and safe limits especially when such change may cause adverse health and safety or other physical impacts?

NO IMPACT. The act of incorporation, in itself, would have no physical effects on existing service infrastructure or its capacity within the area proposed for incorporation. Those agencies currently providing water, wastewater service, electricity and natural gas within the area proposed for incorporation would continue to do so following incorporation. The provision and maintenance of the existing storm drainage system would become the responsibility of the new City of El Dorado Hills, but would be required to operate at pre-incorporation levels of service under the requirements of LAFCO (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.C.3). No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether significant adverse effects on the capacity of the existing service infrastructure within the area would occur, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

6-c: Would the Proposal cause unnecessary service provision and adversely affect important public resources, or the cost and adequacy of public services to the detriment of the public health and safety?

NO IMPACT. The act of incorporation, in itself, would not result in any physical changes in the provision of services within the area proposed for incorporation, and would not cause any unnecessary service provision. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether significant impacts associated with the provision of unnecessary services would occur, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

6-d: Would the Proposal have an adequate water supply for Proposal buildout?

POTENTIALLY SIGNIFICANT IMPACT. The act of incorporation, in itself, would not change the existing demand for water within the area proposed for incorporation. Although no new development projects are proposed as part of the incorporation process, it is anticipated that some level of development will take place within the area in the future, either under the auspices of a new City of El Dorado Hills or the County of El Dorado. The provision of water to future development within the area proposed for incorporation may prove problematic, and this may constrain further development to some extent. The "buildout" level associated with the existing land use regulations for the Proposal area under the County of El Dorado has been defined, and will be used to guide development within the area following incorporation until the new City of El Dorado Hills has formally adopted its own General Plan and associated land use regulations. However, in the absence of a new General Plan, it is not known what the new City of El Dorado Hills might establish as its anticipated "buildout" condition. Given this unknown, it is not possible to say with certainty that there is adequate water supply available to support "buildout" within the area proposed for incorporation, so this has been identified as a POTENTIALLY SIGNIFICANT IMPACT, and it will be evaluated in the EIR. Any development projects that may be proposed following incorporation would be subject to

project-specific environmental review. Such environmental review would determine whether adequate water supply is available to support “buildout” of that particular project, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County’s regulations.

6-e: *Would the Proposal have adequate wastewater treatment and disposal facilities for full buildout of the proposal?*

POTENTIALLY SIGNIFICANT IMPACT. The act of incorporation, in itself, would not change existing arrangements for wastewater treatment and disposal within the area proposed for incorporation. Wastewater collection, treatment and disposal within the area would continue to be provided by the El Dorado Irrigation District (EID). Although no new development projects are proposed as part of the incorporation process, it is anticipated that some level of development will take place within the area in the future, either under the auspices of a new City of El Dorado Hills or the County of El Dorado. The provision of wastewater services to future development within the area proposed for incorporation may prove problematic, and this may constrain further development to some extent. The “buildout” level associated with the existing land use regulations for the area under the County of El Dorado have been defined, and will be used to guide development within the area following incorporation until the new City of El Dorado Hills has formally adopted its own General Plan and associated land use regulations. However, in the absence of a new General Plan, it is not known what the new City of El Dorado Hills might establish as its anticipated “buildout” condition. Given this unknown, it is not possible to say with certainty that there is adequate wastewater treatment and disposal capacity to support “buildout” within the area proposed for incorporation, so this has been identified as a POTENTIALLY SIGNIFICANT IMPACT, and it will be evaluated in the EIR. Any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether the capacity of the existing wastewater treatment and disposal system is adequate to support “buildout” of that particular project, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County’s regulations.

6-f: *Would the Proposal be served by a landfill with sufficient permitted capacity to accommodate the proposal’s solid waste disposal needs?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes in the existing demand for solid waste disposal generated within the area proposed for incorporation. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such projects would generate a demand for solid waste disposal that would exceed existing available landfill capacity, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County’s regulations.

6-g: *Would the Proposal result in substantial adverse physical impacts associated with the construction of new water supply or wastewater treatment and disposal facilities or expansion of existing facilities?*

NO IMPACT. The act of incorporation, in itself, would not trigger the need for construction of any new water supply or wastewater treatment facilities, or the expansion of existing water supply or wastewater treatment facilities. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such projects would create a need to expand existing water supply or wastewater treatment facilities or construct new water supply or wastewater treatment facilities, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

6-h: *Would the Proposal place conflicting land uses within an odor, or other protective barrier for a solid waste disposal site, energy facility, wastewater treatment plant or similar facility?*

NO IMPACT. The act of incorporation, in itself, would not result in any development that could place new land uses within an existing odor, or within a buffer or setback area provided for odor-generating facilities. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such projects would result in significant exposure to odors associated with conflicting land uses, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

6-i: *Would the Proposal result in substantial adverse physical impacts associated with the provision of storm water drainage facilities?*

NO IMPACT. In accordance with LAFCO policies and procedures, the Incorporation Committee, acting as the applicant, must demonstrate that the level of all public services within the incorporation area will be maintained at pre-incorporation levels (or better) (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.C.3).

These requirements will ensure that the existing levels of storm drainage service within the incorporation area would not decrease following incorporation, and that the costs of providing services would not be expected to change substantially as a result of incorporation (revenue neutrality).

No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such projects would result in a need for expanded storm drainage infrastructure (along with any physical impacts to the environment that would be entailed by such an expansion), regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

6-j: *Would the Proposal result in substantial adverse physical impacts associated with the provision of electric or natural gas service?*

NO IMPACT. The provision of electricity and natural gas by the Pacific Gas and Electric Company within the area proposed for incorporation by the Pacific Gas and Electric Company would continue unchanged following incorporation. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether significant impacts associated with, to determine whether such projects would result in a need to expand the electricity/natural gas delivery infrastructure within the area, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

6-k: *Would the Proposal result in substantial adverse physical impacts associated with the provision of emergency services?*

NO IMPACT. In accordance with LAFCO policies and procedures, the Incorporation Committee, acting as the applicant, must demonstrate that the level of all public services within the incorporation area will be maintained at pre-incorporation levels (or better) (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.C.3). These requirements will ensure that the existing levels of emergency services service within the incorporation area would not decrease following incorporation, and that the costs of providing services would not be expected to change substantially as a result of incorporation (revenue neutrality).

Under the provisions of state law, the proposed incorporation would be expected to result in the withdrawal of existing California Department of Forestry and Fire Protection (CDF) wildland fire protection services, unless new arrangements to maintain these services can be made. The withdrawal of services would arise because areas currently designated as State Responsibility Areas, or "SRAs" would automatically become Local Responsibility Areas, or "LRAs", upon incorporation, and responsibility for wildland fire protection for these parts of the incorporation area would revert to the local fire protection agency – namely, the El Dorado Hills Fire Department (EDHCWD). Retention of CDF services for wildland fire protection can be achieved through financial agreements between EDHCWD, the CDF and the new city. The additional cost of this arrangement would be a responsibility of the new city, and the revenue neutrality agreement would address this so as to avoid any adverse effect on the fiscal status of the EDHCWD. This would ensure that the existing levels of emergency services within the area to be incorporated would not decrease following incorporation.

No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such projects would result in a need to expand emergency services facilities within the area, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

6-l: *Would the Proposal result in substantial adverse physical impacts associated with the provision of public school services? Note: Established case law, Goleta Union School District v. The Regents of the University of California (36 Cal-App. 4th 1121, 1995), indicates that school overcrowding, standing alone, is not a change in the physical conditions, and cannot be treated as an impact on the environment.*

NO IMPACT. The act of incorporation, in itself, would have no impact on local school districts. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such projects would result in significant adverse physical impacts associated with the provision of public schools, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted within the new city to replace the County's regulations.

6-m: *Would the Proposal result in substantial adverse physical impacts associated with the provision of park and recreation services?*

POTENTIALLY SIGNIFICANT IMPACT. As noted in **Table 1**, the Proposal would result in the dissolution of the El Dorado Hills Community Services District which currently provides park and recreation services both within and outside the proposed incorporation boundary. Such areas could lose these services as a result of incorporation as the EDHCSD is dissolved. The potential effects on service levels and service providers will be addressed in the EIR.

It should be noted, however, that in accordance with LAFCO policies and procedures, the Incorporation Committee, acting as the applicant, must demonstrate that the level of all public services within and outside the incorporation area will be maintained at pre-incorporation levels (or better) (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.C.3).

These requirements will ensure that the existing levels of public service would not decrease following incorporation, and that the costs of providing services would not be expected to change substantially as a result of incorporation (revenue neutrality). The consolidation of service provision within a single agency (the new City of El Dorado Hills) could result in greater coordination in the provision of services, as well as economies of scale.

No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such project would result in a need to expand park and recreational facilities within the area, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

7. TRANSPORTATION

SETTING

Major roadways within or in the vicinity of the area proposed for incorporation include El Dorado Hills Boulevard, Green Valley Road, Latrobe Road, Bass Lake Road and U.S. Highway 50. Development of the western portion of El Dorado County over the past 20 to 30 years has resulted in a substantial increase in local and regional traffic congestion, even while expansion of roadway capacity has been implemented. Traffic congestion on U.S. Highway 50 and the major arterials leading to it, particularly in the area proposed for incorporation, is a significant local concern. In response to this concern, the voters of El Dorado County adopted an initiative measure in 1998 known as Measure Y, the "Control Traffic Congestion Initiative." The initiative added several policies to the County General Plan intended to require new development to fully pay its way in mitigating traffic congestion through the imposition of traffic impact fees, and to prevent traffic congestion from worsening in the County. Revenues received from the impact fees are used to fund the roadway capacity improvements that are needed to maintain acceptable levels of traffic flow.

The provisions of Measure Y have been incorporated into the new County General Plan. As noted above in the Introduction, it is anticipated that the new city would adopt the County General Plan as its "interim General Plan" and, therefore, the provisions of Measure Y would be applicable to all development proposals in the new city, at least during the "interim period" prior to the city adopting its own general plan.

DISCUSSION

7-a: Would the Proposal result in a substantial increase in peak hour vehicle trip-ends that could exceed, either individually or cumulatively, an established level of service?

NO IMPACT. The act of incorporation, in itself, would not result in any changes in existing traffic patterns within the area proposed for incorporation on the surrounding areas. No new development projects are proposed as part of the incorporation process. Any development projects that may be proposed following incorporation would be subject to project-specific environmental review, to determine the extent to which traffic associated with such projects might increase peak hour vehicle trip-ends to exceed established level of service standards. This environmental review would occur regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

7-b: Would the Proposal result in a substantial adverse impact to access or circulation?

POTENTIALLY SIGNIFICANT IMPACT. If incorporation were to result in a discontinuation of the protective policies and funding mechanisms embodied in Measure Y, or in a failure to maintain compliance with all other conditions of approval and mitigation measures that are currently applicable to approved development projects within the proposed incorporation area, or that would be applicable to new development that may be proposed in the future after incorporation, potentially significant adverse impacts to access and circulation could result.

The EIR will assess potential impacts through an evaluation of the applicability of Measure Y to, and the continuation of traffic and roadway impact fee revenue from, approved development projects in the incorporation area and to new development following incorporation.

The act of incorporation, in itself, would not result in any changes in the existing patterns of access and circulation within the area proposed for incorporation or in surrounding areas. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might affect access and circulation, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

7-c: Would the Proposal result in substantial adverse impact due to inadequate parking capacity?

NO IMPACT. The act of incorporation, in itself, would not result in any changes in the demand for parking space within the area proposed for incorporation or in surrounding areas. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might affect parking demand and existing parking capacity, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

7-d: Would the Proposal conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?

NO IMPACT. The act of incorporation, in itself, would not result in any changes that would conflict with adopted policies, plans or programs that support alternative transportation. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might conflict with adopted policies, plans or programs that support alternative transportation, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

7-e: Would the Proposal result in a substantial adverse impact to public safety on area roadways?

NO IMPACT. The act of incorporation, in itself, would not result in any changes affecting public safety on local roadways. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might have adverse impacts on public safety on area roadways, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

8. AIR QUALITY

SETTING

The Mediterranean climate of the area proposed for incorporation produces long, essentially rainless summers, and wet, cool winters.

The western slope of the Sierras, including the area proposed for incorporation is non-attainment for ozone and PM₁₀. A detailed discussion of the current physical and regulatory setting regarding air quality in the area proposed for incorporation is set forth in the El Dorado County General Plan EIR.⁶

DISCUSSION

8-a: *Would the Proposal result in a cumulatively considerable net increase of any criteria pollutant for which the Proposal region is in non-attainment under an applicable federal or state ambient air quality standard?*

POTENTIALLY SIGNIFICANT IMPACT. As with the discussion related to transportation, the Proposal could result in impacts to air quality depending upon whether the mitigation requirements on existing approved development would remain in effect without change following incorporation, and whether existing mitigation requirements would be equally applicable to future development proposals during the “interim period.” Consideration of the potential for adverse air quality impacts will be evaluated in the EIR.

However, it should be noted that the act of incorporation, in itself, would not result in any changes affecting air quality. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might result in cumulatively considerable net increases in any criteria air pollutant, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County’s regulations.

8-b: *Would the Proposal expose sensitive receptors to pollutants (i.e. asbestos) or pollutant concentrations in excess of standards?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes affecting air quality. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might expose sensitive receptors to air pollutants, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County’s regulations.

⁶ Draft Environmental Impact Report, El Dorado County General Plan, El Dorado County Planning Department, SCH No. 2001082030, pp. 5.11-1 – 5.11-18.

8-c: *Would the Proposal create objectionable odors, dust, or other nuisances affecting a substantial number of people?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes affecting air quality. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might create objectionable odors, dust or other nuisances, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

9. NOISE

SETTING

Sources of noise that could affect sensitive receptors living within the area proposed for incorporation include stationary activities (commercial and industrial uses), aircraft operations and traffic along major roadways and highways. A detailed discussion of the existing noise environment in the area proposed for incorporation is set forth in the El Dorado County General Plan EIR.⁷

DISCUSSION

9-a: *Would the Proposal result in exposure of persons to, or generation of, noise levels in excess of standards established by the general plan, noise ordinance or other noise standards?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes affecting local noise levels. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might expose persons to noise levels in excess of established standards, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

9-b: *Would the Proposal result in a substantial temporary increase in ambient noise levels in the Proposal vicinity?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes affecting local noise levels. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the

⁷ Draft Environmental Impact Report, El Dorado County General Plan, El Dorado County Planning Department, SCH No. 2001082030, pp. 5.10-4 – 5.10-12.

extent to which such projects might result in substantial temporary increases in ambient noise levels, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

9-c: *Would the Proposal result in a substantial permanent increase in ambient noise levels in the Proposal vicinity?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes affecting local noise levels. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might result in substantial permanent increases in ambient noise levels, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

10. HYDROLOGY AND WATER QUALITY

SETTING

The area proposed for incorporation is drained by a number of waterways, including Allegheny Creek, Brown's Ravine Creek, Carson Creek, Green Springs Creek, Humbug Creek, Marble Creek, New York Creek, Plunked Creek, Screech Owl Creek and the Natomas Ditch.

DISCUSSION

10-a: *Would the Proposal substantially deplete groundwater supplies or substantially interfere with groundwater recharge?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes affecting groundwater. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might substantially interfere with groundwater recharge or deplete groundwater supplies, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

10-b: *Would the Proposal substantially alter the existing drainage pattern of the Proposal area and/or increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?*

POTENTIALLY SIGNIFICANT IMPACT. If the Proposal were to result in a discontinuation of policies and procedures currently in place under County jurisdiction that aim to prevent or minimize drainage and flooding impacts, adverse water quality or erosion impacts could occur.

The potential effects on drainage patterns, rates of surface runoff and potential flooding impacts as a result of incorporation will be addressed in the EIR.

It should be noted, however, that in accordance with LAFCO policies and procedures, the Incorporation Committee, acting as the applicant, must demonstrate that the level of all public services within and outside the incorporation area, including services provided by the Resource Conservation District relative to soil conservation, erosion control and adherence to adopted flooding and water quality standards, will be maintained at pre-incorporation levels (or better) (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.C.3).

LAFCO rules also require that the Incorporation Committee, as the applicant, demonstrate through the revenue neutrality agreement that the fiscal effects of the incorporation will not have adverse effects on any affected agency, including the Resource Conservation District, or other public service providers within the proposed incorporation area (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.D).

As noted in **Table 1**, the new City of El Dorado Hills would take over operation and maintenance of the existing storm drainage infrastructure within the area proposed for incorporation. The EIR will evaluate whether incorporation would result in any change to existing storm drainage service within the area to be incorporated.

The act of incorporation, in itself, would not result in any changes affecting local drainage patterns. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might substantially alter existing drainage patterns, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

10-c: *Would the Proposal develop within a 100-year floodplain as mapped on a federal Flood Insurance Rate Map or within a local flood hazard area?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes related to flooding hazards. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might be located within areas that present flood hazards, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

10-d: *Would the Proposal place structures that would impede or redirect flood flows within a 100-year floodplain?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes affecting local flood flows. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject

to project-specific environmental review. Such environmental review would determine the extent to which such projects might result in the placement of structures within a 100-year flood plain, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

10-e: *Would the Proposal expose people or structures to a substantial risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?*

NO IMPACT. The act of incorporation, in itself, would not result in any changes related to flooding hazards. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might expose people or structures to substantial risk of loss, injury or death as a result of flooding, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

10-f: *Would the Proposal create or contribute runoff that would exceed the capacity of existing or planned drainage systems?*

POTENTIALLY SIGNIFICANT IMPACT. At incorporation, the new City of El Dorado Hills would detach from CSA #9 and would take over operation and maintenance of the existing storm drainage infrastructure within the Proposal area. This would ensure that the existing levels of storm drainage service would not decrease following incorporation.

However, as indicated in Section 10(b) above, if the Proposal were to result in a discontinuation of policies and procedures currently in place under County jurisdiction that aim to prevent or minimize drainage and flooding impacts, adverse water quality or erosion impacts could occur. The potential effects of incorporation on the applicability of policies and requirements related to drainage patterns and rates of surface runoff will be addressed in the EIR.

In accordance with LAFCO policies and procedures, the Incorporation Committee, acting as the applicant, must demonstrate that the level of all public services within and outside the incorporation area, including services provided by the Resource Conservation District relative to soil conservation, erosion control and adherence to adopted flooding and water quality standards, will be maintained at pre-incorporation levels (or better) (LAFCO Incorporation Policies, Guidelines and Procedures, Section III.C.3).

The act of incorporation, in itself, would not result in any changes affecting local drainage systems. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might create runoff that would exceed the capacity of existing or planned drainage systems, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

10-g: Would the Proposal create substantial sources of polluted runoff or otherwise substantially degrade ground or surface water quality?

NO IMPACT. The act of incorporation, in itself, would not result in the creation of any runoff, and would have no effect on water quality within the area proposed for incorporation. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might create substantial sources of polluted runoff or otherwise degrade water quality, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

11. GEOLOGY AND SOILS

SETTING

The western branch of the potentially active Bear Mountains fault is located beneath Green Valley Road at Francisco Drive.

DISCUSSION

11-a: Would the Proposal cause premature, ill planned, illogical, or inefficient conversion of land containing important mineral resources, included in a state designated mineral resource zone and not planned for development in the next five years especially when such land is not located within the Sphere of Influence of a proposed service provider and there is alternative sufficient vacant land available for development?

NO IMPACT. No state-designated mineral resources exist within the area proposed for incorporation, and mining operations in Marble Valley have been discontinued.

11-b: Would the Proposal expose people or structures to substantial risk of loss, injury or death involving rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?

NO IMPACT. The act of incorporation, in itself, would not expose people or structures to substantial risk of loss, injury or death resulting from rupture of a known earthquake fault. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might expose people or structures to the hazards associated with earthquake fault rupture, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

11-c: Would the Proposal result in substantial soil erosion, siltation or loss of topsoil?

NO IMPACT. The act of incorporation, in itself, would not result in soil erosion, siltation or the loss of topsoil. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might result in soil erosion, siltation or the loss of topsoil, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

11-d: *Would the Proposal be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the proposal, and potentially result in on- or off-site landslide, lateral spreading, subsidence, soil expansion, liquefaction or collapse, or release or leaching of pollutants?*

NO IMPACT. The act of incorporation, in itself, would not result in any development on unstable soils. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might result in the placement of structures on unstable soils, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

11-e: *Would the Proposal have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available?*

NO IMPACT. The act of incorporation, in itself, would not require the use of septic tanks or alternative wastewater disposal systems. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

11-f: *Would the Proposal result in a substantial loss of an important mineral resource?*

NO IMPACT. No state-designated mineral resources exist within the area proposed for incorporation, and mining operations in Marble Valley have been discontinued.

11-g: *Would the Proposal directly or indirectly destroy a unique paleontological resource or site?*

NO IMPACT. The act of incorporation, in itself, would not have any effect on any unique paleontological resource. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might adversely affect any unique

paleontological resources that may exist within the area proposed for incorporation, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

12. BIOLOGICAL RESOURCES

SETTING

Natural vegetation within the area proposed for incorporation consists of grassland, chaparral, oak woodland and riparian. The northern portion of the proposed incorporation area is near, but not within, the gabbro plant preserve and the Pine Hill Plant Recovery Plan area (Foothill Associates, 2000).

DISCUSSION

12-a: Would the Proposal cause premature, ill planned, illogical, or inefficient conversion of important wildlife resource areas not planned for development in the next five years especially when such land is not located within the Sphere of Influence of a proposed service provider and there is alternative sufficient vacant land available for urban uses?

NO IMPACT. The act of incorporation, in itself, would not have any effect any wildlife resource areas. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might adversely affect any important wildlife resource areas within the area proposed for incorporation, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

12-b Would the Proposal have a substantial adverse effect on special status species?

NO IMPACT. The act of incorporation, in itself, would not have any effect on any special status species. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might adversely affect any special status species, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

12-c: Would the Proposal have a substantial adverse effect on any riparian habitat or other sensitive natural community?

NO IMPACT. The act of incorporation, in itself, would not have any effect on any riparian habitat or other sensitive natural community. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following

incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might adversely affect riparian habitat or other sensitive natural communities, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

12-d: *Would the Proposal have a substantial adverse effect on wetlands designated as jurisdictional waters of the United States as defined by Section 404 of the Clean Water Act?*

NO IMPACT. The act of incorporation, in itself, would not have any effect on any wetlands. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might adversely affect any wetland areas, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

12-e: *Would the Proposal have a substantial adverse effect on the movement of any native resident or migratory fish or wildlife species?*

NO IMPACT. The act of incorporation, in itself, would not have any effect on the movement of fish or wildlife species. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might adversely affect the movement of any native resident of migratory fish or wildlife species, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

12-f: *Would the Proposal result in removal or damage to native/landmark trees?*

NO IMPACT. The act of incorporation, in itself, would not have any effect on native/landmark trees. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might result in removal or damage to native/landmark trees, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

12-g: *Would the Proposal conflict with local policies or ordinances protecting biological resources?*

NO IMPACT. The proposed incorporation would be an administrative change providing for the establishment of a new local jurisdiction (City of El Dorado Hills). Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Section 57376(a), at the time of incorporation, the new City of El Dorado Hills would be required to adopt all existing El Dorado County ordinances in effect for the area proposed for incorporation, including all

policies and ordinances protecting biological resources. Further, the new city would be expected to adopt the County General Plan on an interim basis.

12-h: *Would the Proposal conflict with the provisions of an adopted Habitat Conservation Plan or other approved local, regional, state or federal plan for the conservation of habitat?*

NO IMPACT. There are currently no Habitat Conservation Plans or other approved regional, state or federal plans for the conservation of habitat (such as plans associated with gabbro plant preserves or California red-legged frog restoration areas) in force within the area proposed for incorporation.

13. CULTURAL RESOURCES

SETTING

Portions of the Natomas Ditch and the Clarksville Toll Road have been identified as historic resources within the area proposed for incorporation. Prehistoric sites have been documented within the area proposed for incorporation.

DISCUSSION

13-a: *Would the Proposal cause a substantial adverse change in the significance of an historical resource?*

NO IMPACT. Although historic resources have been identified within the area proposed for incorporation (including segments of the Natomas Ditch and the Clarksville Toll Road), the act of incorporation, in itself, would not have any effect on these resources. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might result in any adverse change in the significance of these resources, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

13-b: *Would the Proposal have a substantial adverse effect on an archaeological resource?*

NO IMPACT. Although prehistoric sites have been documented within the area proposed for incorporation, the act of incorporation, in itself, would not have any effect on archaeological resources. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might result in substantial adverse effects on archaeological resources, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

13-c: *Would the Proposal disturb any human remains, including those interred outside of formal cemeteries?*

NO IMPACT. The act of incorporation, in itself, would not have any effects associated with the possible disturbance of human remains. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might result in possible disturbance to human remains, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

14. HAZARDS AND HAZARDOUS MATERIALS

SETTING

Although hazardous materials are stored at businesses (e.g., gasoline stations) and residences within the area proposed for incorporation, no sites have been identified as hazardous material sites, and no sites have been placed on the list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 (the "Cortese List"). A discussion of hazards and hazardous materials within the area proposed for incorporation is set forth in the El Dorado County General Plan EIR.⁸

DISCUSSION

14-a: *Would the Proposal create a substantial hazard to the public or the environment through the routine transport, use or disposal of hazardous materials?*

NO IMPACT. The act of incorporation, in itself, would not create any substantial hazard to the public or environment associated with the routine transport, use or disposal of hazardous materials. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might create substantial hazards to the public or environment related to the transport, use or disposal of hazardous materials, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

14-b: *(1) Would the Proposal expose the public or the environment to a substantial hazard through reasonably foreseeable upset conditions involving the release of hazardous materials (i.e. asbestos)? (2) Would the Proposal emit hazardous emissions or handle hazardous or acutely hazardous materials, substances or waste within one-quarter mile of an existing or proposed school?*

(1). NO IMPACT. The act of incorporation, in itself, would not expose the public or environment to risks associated with the upset of hazardous materials. No new development

⁸ Draft Environmental Impact Report, El Dorado County General Plan, El Dorado County Planning Department, SCH No. 2001082030, pp. 5.8-2 – 5.8-8.

projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects would pose a risk of hazardous materials upset, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

(2). NO IMPACT. The act of incorporation, in itself, would not have result in hazardous emissions or require the handling of acutely hazardous materials. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might entail hazardous emissions or require the handling of acutely hazardous materials, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

14-c: Would the Proposal be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5, resulting in a substantial hazard to the public or the environment?

NO IMPACT. The act of incorporation, in itself, would not result in development on any site included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such projects are located on sites that are included on the list of hazardous materials sites compiled pursuant to Government Code Section 65962.5, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

14-d: Would the Proposal impair implementation or physically interfere with an emergency response or emergency evacuation plan?

NO IMPACT. The act of incorporation, in itself, would not have any effect on the implementation of any adopted emergency response plan or emergency evacuation plan. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects may interfere with emergency response plans or emergency evacuation plans, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

15. GROWTH INDUCEMENT

SETTING

As noted previously, most of the area proposed for incorporation has been approved for urbanization by prior action by the County of El Dorado and limited areas remain where new growth and development could occur. The EIR will provide further information and analysis as to the potential for new growth within the proposed incorporation area and for inducing additional growth in other areas.

DISCUSSION

15-a: *Would the Proposal include or plan for infrastructure capacity, especially water and sewer lines, that exceed the needs of the Proposal and may be used to serve areas not planned for development, especially those containing prime agricultural land, mineral, sensitive plant and wildlife or other important resources?*

NO IMPACT. The act of incorporation, in itself, would not include adoption of any plan for expanding infrastructure capacity in areas not currently served. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such projects would require an expansion of infrastructure that could lead to growth inducement in areas not planned for development, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

15-b: *Would the Proposal induce substantial growth on important agricultural and open space lands because it would:*

(1): *Permit the extension of, or require, infrastructure such as flood control levees or water diversions, electrical, water or sewer lines, especially trunk lines, roadways or other public facilities that would permit new development in a substantial area currently constrained from development?*

NO IMPACT. The act of incorporation, in itself, would not include adoption of any plan for expanding infrastructure capacity in areas that are currently constrained from development. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine whether such projects would require an expansion of infrastructure that could lead to growth inducement in areas that are currently constrained from development, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

(2): *Encourage or foster development by permitting uses that adversely impact adjacent agricultural operations, significantly increase property values of adjacent or proximate resource land, or remove natural or man made buffers between urban and agricultural, mining or other conservation uses?*

NO IMPACT. The act of incorporation, in itself, would not include adoption of any plan for permitting uses that adversely impact adjacent agricultural operations, significantly increase property values or adjacent lands, or remove existing buffers between urban uses and other uses. No new development projects are proposed as part of the incorporation process, and any

development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might support land uses that adversely impact adjacent agricultural operations, significantly increase property values or adjacent lands, or remove existing buffers between urban uses and other uses, regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

16. CUMULATIVE IMPACTS

SETTING

The proposed City of El Dorado Hills would include an area of approximately 20,000 acres, of which approximately 95 percent, or 19,000 acres, have already been developed or approved with Specific Plans or tentative maps by the County for various densities of residential or mixed use development. Thus, approximately 1,000 acres would be available for potential future growth. Development projects that have been approved by the County of El Dorado prior to the proposed incorporation would be expected to be built out as previously approved with no changes in the conditions of approval or mitigation measures previously imposed. The only change would be that the new city staff would take over the administration and coordination of the development process from the County.

DISCUSSION

16-a: *When considered in conjunction with other recent, present and reasonably foreseeable projects, would the Proposal cause significant adverse cumulative impacts?*

POTENTIALLY SIGNIFICANT IMPACT. The act of incorporation, in itself, would not result in any physical changes in the environment. No new development projects are proposed as part of the incorporation process, and any development projects that may be proposed following incorporation would be subject to project-specific environmental review. Such environmental review would determine the extent to which such projects might contribute to cumulative environmental impacts (such as increased traffic, increased air pollution, increased water demand and increased demand for wastewater treatment within the area), regardless of whether the area is still operating under County of El Dorado land use regulations or under those land use regulations to be adopted by the new city to replace the County's regulations.

However, in light of the issues that have been identified above as having the potential to result in significant impacts, the EIR will evaluate whether any such potential impacts would result in cumulatively considerable impacts.

Appendix B

INITIAL STUDY COMMENT LETTERS

**EL DORADO HILLS FIRE DEPARTMENT**

990 LASSEN LANE, EL DORADO HILLS, CALIFORNIA 95762

TELEPHONE (916) 933-6623
FAX PHONE (916) 933-5983

September 22, 2004

Ms. Roscane Chamberlain
El Dorado Local Agency Formation Commission
550 Main Street, Suite E
Placerville, CA: 95667

Dear Ms. Chamberlain:

This letter is in response to draft Environmental Impact Report being prepared for the formation of the City of El Dorado Hills. I have attached the letter I submitted for the fiscal analysis which addresses all of the issues relating to the El Dorado Hills Fire Department's ability to provide fire and emergency medical services to the new entity.

If you have any questions regarding the above, please don't hesitate to contact me.

Sincerely,
El Dorado Hills Fire Dept

Larry R. Fry
Fire Chief





EL DORADO HILLS
COMMUNITY SERVICES DISTRICT

COPY

August 26, 2004

Roseanne Chamberlain, Executive Officer
Local Agency Formation Commission
2850 Fairlane Court
Placerville, CA 95667

Re: Request for an Update of Fiscal Information for the Proposed El Dorado Hills Incorporation

Dear Roseanne:

The Following is in response to your request for updated information on the El Dorado Hills Community Services District which is to be included in the El Dorado Hills Incorporation Comprehensive Fiscal Analysis. The attached draft financial statements are unaudited.

A. GENERAL QUESTIONS

An organization chart for full time personnel is attached (Exhibit A). Temporary part-time and seasonal positions vary throughout the year and are represented on the chart by small boxes The total hours are calculated then divided by 2080 to derive the total full time equivalents, FTEs. Several positions are funded by sources other than the General Fund. The positions and percentage of time spent follows. This information is not included on the organization chart.

CC&R		LLAD	
6%	1 FTE General Manager	10%	1 FTE Senior Parks Supervisor
100%	.5 FTE CC&R Enforcement	6%	1 FTE Park Superintendent
100%	1 FTE DRC Clerk	21%	1 FTE Park Supervisor
10%	2 FTE Account Specialists	10%	1 FTE Director of Administration
5%	1 FTE Director of Admin	7%	1 FTE Accounting Specialist
5%	1 FTE Asst. General Manager	28%	1 FTE Accounting Specialist
		25%	1 FTE Park Maintenance Worker
		20%	1 FTE Lead Worker
1.76	TOTAL FTE	1.27	TOTAL FTE

B. PARKS DEPARTMENT - PARKS, OPEN SPACE AND POOL MAINTENANCE

1. List of parks and open space with maintenance funding source is attached. (Exhibit B)
2. Future park and open space acres anticipated and maintenance agreements are attached and unchanged. (Exhibit C.)
3. There are a few Parks Department expenses that may not exist within a City Parks & Recreation Department budget. However, these expenses and duties would be included in the proposed City budget, but assigned to other departments. Such as Planning or Public Works. The following items would be removed from Parks and expensed elsewhere:
 - A) Professional Services may be transferred from the Parks to Planning.
 - B) Building & Facilities and Land Improvements accounts, any new construction may be transferred to the Planning or Public Works Department. Renovation of park facilities would likely remain as a part of the Park function.
 - C) Management of the Landscaping & Lighting Assessment District maintenance functions may transfer to the Public Works Department as part of the street maintenance function.
 - D) Some capital construction project management may fall under Public Works for developing plans and specifications bidding, construction management.
 - E) Vehicle fleet management including acquisition, inventory and maintenance may be under Public Works.
4. There are no expenses in the Administration or Planning Departments which would shift to parks unless there would be an increase in the management of the LLAD assessment process which has historically been in those two departments.
5. Special issues related to parks, open space and swim pool facilities and maintenance within the subject area if the area incorporates, particularly issues affecting future service levels, service costs, and revenues.
 - A) Anticipate increased competition for general fund allocation between departments as additional services are added to local government responsibilities.
 - B) State and Federal mandated regulations continue to tighten increasing the cost of providing service. However, the issues are the same for the CSD as they would be for a city. Examples include fingerprinting of paid and volunteer employees who work around children, pesticide management, snack bar health requirements, swimming pool operation

procedures, Hepatitis B vaccination for employees, American with Disabilities Act standards, and playground equipment safety standards. Local government regulation may also affect use of funds including tighter requirements for weed abatement by the Fire Department, increased water use rates by the regulations for swimming pool operations by the County Health Department.

- C) Need to expand the Capital Facility Replacement reserve fund or sinking fund program.

C. RECREATION DEPARTMENT

1. All the Recreation Department expenses would continue to exist with a City Parks and Recreation Department budget.
2. No costs would likely transfer into the new City Park and Recreation Department. Facility scheduling, including rentals, would be retained the Parks & Recreation Department and major administrative functions such as Human Resources, IT and accounting would likely remain with the Administration Department.
3. At this time there are no identifiable special issues related to the incorporation for the recreation department. The recreation department presently functions like the surrounding cities such as Folsom.

D. SPECIAL PROJECTS AND PLANNING

1. The Department of Special Projects and Park Planning is now called the Planning Department and is responsible for development implementation and management of a variety of projects including long term park planning, land acquisition, capital improvements, cable television, solid waste management, and special funding such as formation of assessment districts, revenue bonds, cell tower negotiations, and donation programs.

A) Solid Waste Management Franchise Administration (residential and commercial collection)

- Monitor compliance with ordinance and agreements
- Coordinate community-recycling programs
- Coordinate community clean up day
- Coordinate education programs
- Coordinate publications
- Monitor Delinquent accounts, file liens, etc.

B) Cable Television Franchise Administration

- Monitor compliance with Ordinance and Agreement

- Negotiate Franchise agreements and renewals
- Resolve subscriber complaints
- Enforce Customer Service Regulation
- Coordinate Program Development
- Coordinate community information
- Monitor legislation
- Interface with other franchising authorities
- Coordinate District operated cable channel

C) District Facility Planning and Development

- Coordinate annual and Five-Year Recreation Facilities Master Plans
- Develop Equipment and Facilities Plan
- Coordinate Future Facilities Conceptual Plans
- Manage New Facilities Construction Plans
- Coordinate Pedestrian Trails
- Coordinate Bikeway Master Plan
- Develop Open Space Management Plan
- Research and prepare Grant application/funding

D) Subdivision Maps/Specific Plans/Parcel Maps

- Review applications/maps/plans submitted by developers.
- Correspond with County regarding District requirements for park land dedication or in-lieu fees; street lighting; landscaped corridors; bicycle/pedestrian paths; open space; funding for development and maintenance. (Landscaping and Lighting Districts)
- Negotiate agreements with developers re: land acquisition, facility development, funding and maintenance
- Research and communicate Community concerns/issues (traffic, noise, drainage, etc.)
- Represent District at County Technical Advisory Committee meetings
- Review and prepare comments regarding County staff reports/maps conditions
- Represent District at County Planning Commission
- Represent District at Zoning Commission
- Represent District at Board of Supervisors
- Coordinate Landscaping and Lighting Assessment Districts (L&L's) formation, developers' irrevocable offers of dedication (IOD's), and recommendations for developer Quimby or In-lieu fee map conditions.

E) Landscaping and Lighting Districts

- Coordinate formation and annexation process
- Review and recommend Improvement Plans
- Oversee open space and environmental plans

F) Special Projects

- Manage Park Development Impact Fee program
- Research and draft grant applications
- Communicate with County Traffic Safety Advisory Committee

2. Most of the expenses related to Planning Department would not likely exist within a City Parks and Recreation Department but would be included in the City's Administration or Public Works budget. Examples include:

- LLAD management might not exist within a City Parks and Recreation Department. This function could fall under DOT, Public Works, or another City department.
- Cable Television and Solid Waste Management Franchise administration would not likely exist within a City Parks and Recreation Department, but would be performed under another city department such as Administration, or a general government support function.
- A substantial portion, greater than Planning Department functions would likely fall under a Community Development or Planning department.

3. Planning Department costs which relate to the parks maintenance function or a recreation program function of a City Parks and Recreation Department would include the annual process to develop the engineering reports and conducting the public meeting for the LLAD's.

4. The District is unaware of any special issues related to the provision of Planning Department function within the proposed incorporation area, if the community incorporates, affecting future service levels, service costs, and revenues.

E. ADMINISTRATION

1. The Administration Department performs the following functions:

A) General Administration

- Develop and recommend District policies for administration, personnel, finance and risk management responsibilities.
- Agenda preparation for Board of Directors meetings. Posting Agenda and other requirements.
- Agenda preparation for Board Committee. Posting agenda and other requirements.
- Coordinate staff reports, resolutions and backup material preparation for board meetings and committees.
- Reception, telephone and customer assistance at the public counter. Maintenance of office equipment and ordering office supplies.
- Records management and retention.

B) Human Resources

- Serve as human resources department for District. Assist departments with recruitment, selection, classification, and processing new employees. Work with departments and employees on human resources concerns or problems, staffing organizational needs and interpretation of policies and procedures. Reporting and record keeping of cafeteria benefits plan, employee certifications, and other related activities.
- Attend collective bargaining sessions and prepare reports, records and other as requested.
- PERS retirement and health care administration.

C) Finance

- Process District Payroll
- Manage accounts payable and receivable including purchase order preparation and receiving.
- Oversee District cash management program including receiving cash, balancing and reconciling checking, banking and other.
- Manage District's investment program.
- Review County tax collection records.
- Administer special assessment programs such as Park Impact Fee, CC&R enforcement, and In Lieu Fees collections.
- Manage, prepare & process cash disbursements.
- Finance Report preparation.
- Budget preparation, management and analysis.
- Work paper preparation and reconciliation for monthly close and annual audit.
- Manage annual administration/reports/hearing for LLADs
- Levy assessments/tax rolls for LLADs
- Provide public information

D. Information Systems Management

- Network administration for 25+ computers.
- Records management.
- Computer data back-up.
- Documentation of equipment, applications, problems, backup and other.
- Hardware repair.
- Software update and support.
- Internet site creation and maintenance.
- Back office server and services maintenance.
- Computer training program.

F. Risk Management

- Coordinate monthly Safety Committee meetings and quarterly staff meetings for District including maintenance of Safety Committee records.
- Accident and investigation reports management.
- Follow-up and investigation of accidents.
- Employee safety training
- Coordinate District's general liability and worker's compensation pool insurance program.

G. General Manager

- Recommends, interprets and implements policies and programs established by the District Board of Directors.
- Plans, organizes and directs the work of the District staff to achieve efficient operations and meet service goals.
- Develop and implement administrative policies and program plans for the District.
- Administers the budget and fiscal process of the district including appropriate financial controls.
- Administer sound personnel policies including selection, development and training and performance evaluation of District employees.
- Provide for business services, contracts and other administrative functions.
- Communicate effectively with the Board of Directors, other government officials, employees, the media and the public.

2. Administration Department expenses not likely to exist within a City Parks and Recreation Department budget include:

- A) All current administration costs would be included in a City Budget. Administration of the CSD at present has five distinct

functions - administration, human resources, finance, information, systems, and risk management. Funding could come from the City Council budget for general administration. The Personnel Department could fund risk management and human resources. The Finance Department would fund financing and Information Systems.

3. Administration Department costs related to the parks maintenance or recreation program function of a City Parks and Recreation Department include accounting of the Quimby fees, Park Impact fees, and Landscaping & Lighting Assessment District assessments.
4. Administration would provide support to all departments including police, public works, roads and highways, etc. This support would be similar to the services listed above.

F. COVENANTS, CONDITIONS & RESTRICTIONS

- 1) It is assumed that CC&R enforcement would become a function of the Building or Planning Departments under code enforcement function. The current authority of the CSD to enforce CC&R's and provide architectural review of property improvements would also transfer to the new City. This is a change from the original response. The District staff believes the Incorporation Committee handled this change and does not have knowledge of the specifics. If details are needed the Incorporation Committee should be contacted.
- 2) One and a half full time equivalent position for enforcement and architectural review is currently budgeted.
- 3) Special issues related to CC&R's upon incorporation are unknown. Service levels could be affected. Design Review could become a function of Planning and code enforcement a function of Building inspection. The volunteer committee dedicates several hours each week to this function. If the structure changes the committee tasks may be completed by paid staff.

G. LANDSCAPING AND LIGHTING ASSESSMENT DISTRICTS

- 1) Information regarding the revenues and expenditures for the District's landscaping and lighting assessment districts is included in Exhibit D.
- 2) Special issues related to LLAD management include maintenance and operations of the improvement areas. This function could be included in the Public Works or Parks and Recreation Department. Also, the fiscal administration would be retained in the Administration or Finance Department.

H. REVENUES

1. The franchise fee revenue split between the solid waste collection and the cable TV franchises is approximately 39% cable TV franchise and 61% solid waste collection. In the FY 2003-04 collections shown on the financial statement total \$262,971.30.
2. The franchise fee revenue is based on contracts awarded following a bidding process. The solid waste collection franchise with El Dorado Disposal Services, Inc. requires a payment to the District of five percent (5%) of gross revenues for collection services. Comcast, the cable television franchise, also pays five percent (5%) of all gross revenues including billing services and advertising.
3. The primary revenue sources for the District include property taxes, special assessments (LLAD's, CC&R's), Park Impact Fees, recreation program fees, facility rental fees, interest income, and franchise fees. The General Fund receives reimbursement for managing special assessments. In the past the District has received significant funding from state and federal grants, voter approved general obligation bonds and other voter based bonding programs.

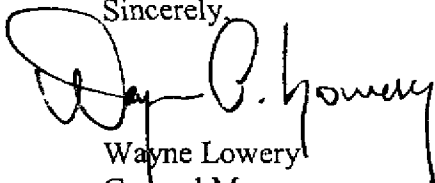
I Contact Information

Wayne Lowery, General Manager 916-614-3211
Sandi Kukkola, Assistant General Manager 916-614-3213

EXHIBITS

- . A - Organization Chart (updated)
- . B - Parks & Open Space with Maintenance Funding Sources (updated)
- . C - Future Park and Open Space Acres Anticipated (updated)
- . D - June 2004 Draft Financial Statements (new)

Sincerely



Wayne Lowery
General Manager

Cc: File

El Dorado Hills CSD Organizational Chart

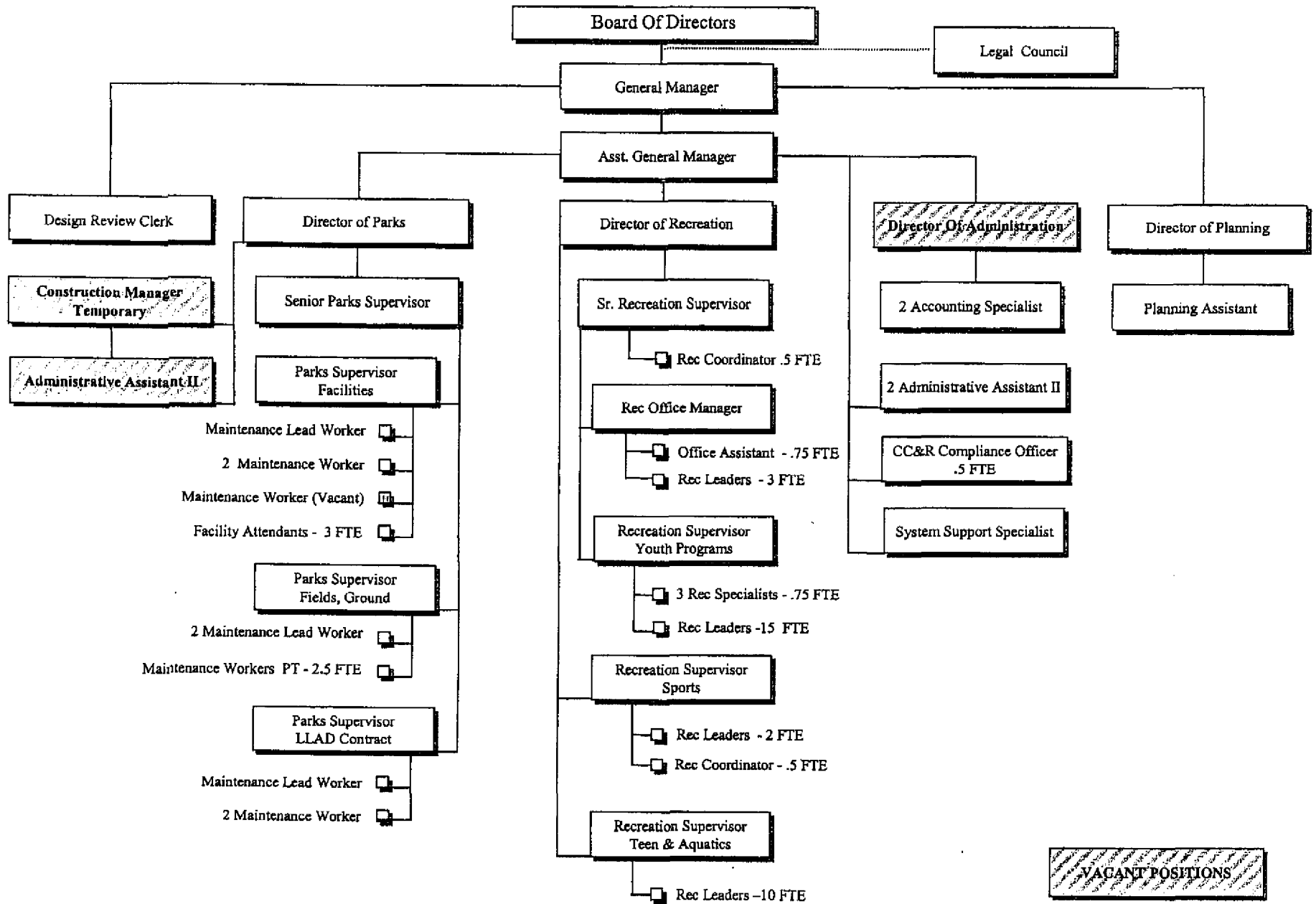


EXHIBIT B

Section B – Parks, Open Space And Pool Maintenance: August 2004

1a. Current List of the District's parks, open spaces, trails including their size and funding mechanisms for maintenance:

SITE	SIZE IN ACRES	DEVELOPED (D) UNDEVELOPED (U)	FUNDING SOURCES
St. Andrews Park	4.73	D	General Fund
Art Weisberg Park	4.27	D	General Fund
Bertelsen Park	10.76	D	General Fund
Ridgeview Park	4.35	D	General Fund
Tennis Courts Park	5.71	D	General Fund
Community Park	39.5	D	General Fund
Park View Heights Park	1.18	D	General Fund
Reid White Memorial Ponds Park	1.88	D	General Fund
Overlook Park	1.18	D	General Fund
Waterford Park	1.15	D	General Fund
Ridgeview 7 Park	.6	D	General Fund
Oak Knoll Park	2.6	D	General Fund
Bass Lake Park	3.0	D	General Fund
Highland View Park	4.09	D	Park Impact Fees
Kalitheia Park	3.2	D	Park Impact Fees
Lindsay Park	5.0	D	Park Impact Fees
Promontory Community Park	18.7	D	Park Impact Fees
Fairchild Park	3.5	U	General Fund
Windsor Point Park	1.41	U	General Fund
Wild Oaks Park	8.2	U	Landscape Assessment District
Governors & Crown Village Open Space	5.12	U	General Fund
Governors West Open Space	13.1	U	General Fund
Fairchild Open Space	10.25	U	General Fund
Fairchild Archaeological Site	.76	D	General Fund
New York Creek Nature Area	27.91	D	General Fund
Lake Forest Park	9.77	U	General Fund
Total Parks, Open Spaces & Trails	160.93		

¹Park site is operated by EDH CSD & CP CSD under a Joint Use Agreement. Property is owned by E.I.D.

1b. Areas other than Parks, Open Spaces & Trails

SITE	SIZE IN ACRES	DEVELOPED (D) UNDEVELOPED (U)	FUNDING SOURCES
Latrobe Road Maintenance Yard	4.64	D	General Fund
Ridgeview Village Lot A	.74	U	General Fund
Ridgeview Village Lot B	2.61	U	General Fund
Ridgeview Village Lot C	3.58	U	General Fund
Rivera Circle Lot E	4.25	U	General Fund
Governors Village – Lot A buffer	.55	U	General Fund
Crown Village – Buffer strips (3)	.99	U	General Fund
Park Village – Buffer strip	2.3	U	General Fund
Total Other Areas	19.66		

EXHIBIT C

APPROVED SPECIFIC PLANS/TENTATIVE MAPS

PROJECT	PROJ. ACRES	DWLG UNITS	PARK ACRES REQ'D	OPEN SPACE ACRES	COMMENTS
Valley View	2037	2708 SF 132 MF	46.53	Approx. 636	Plan proposes 77 Acres of parks
Marble Valley	1800	370	6.11	1800 private	
Serrano	4000	6100	26 private 28 public	800	Project assumes 4500 DU's at this time
Carson Creek	710	2701	39	142.8	
Bass Lake Hills SP	1166.81	1458	24.06	144	

September 27, 2004

Roseanne Chamberlain,
Environmental Coordinator
El Dorado LAFCO
550 Main St. Ste E
Placerville, CA 95667

Re: Notice of Preparation of EIR for EDH Incorporation [Project # 03-10]

Dear Ms Chamberlain,

Figure 2. Boundaries of Project Site. My primary focus involves the area included in the project site. Due to conversations I've had with potential development project applicants and neighbors, the 95762 zip code project in the early 1990's and other community activities, I have the following recommendations for the project site area:

1. Do the analysis with and without the Salmon Falls area. This area is located on (a) east of Salmon Falls Road up to the bridge across the inlet from Folsom Lake – then both sides of Salmon Falls Road to the American River, and (b) area north of Malcolm Dixon Road - except for the Oak Creek Hills neighborhood, which is in the EDH Community Services District [EDH CSD], at the west of Malcolm Dixon Road – and Green Valley Road east of Malcolm Dixon Road.

Include in the project site the area between Malcolm Dixon Road and Green Valley Road. The western half of this area is currently within the EDH CSD. The eastern half is a part of the former Salmon Falls Plan area. For less boundary confusion, however, the entire area should be in the project site.

Rationale: In personal conversations and community meetings, I've heard very few, if any, residents from this area having any desire to be apart of a City of El Dorado Hills. As more than one person stated it: 'if I wanted to live in higher density, I'd be there now. I wouldn't be living here.'

2. The entire EDH Community Services District and sphere of influence should be in project site along with the 'islands' in it and any EDH specific plan area not included in it. El Dorado Hills and the EDH CSD is a mix from large acreage grazing area [the Dixon Ranch south of Green Valley], adopted specific plans, low density parcels, medium density parcels as well as high-density areas. Being a part of a city does not automatically equate to being subdivided.

The Tong Ranch is no longer an Ag grazing operation. The EDH areas previously under the Williamson Act are either no longer under the Act or in the process of getting out from under the Act.

3. Extend the project site, which lies south of Green Valley Road, to the current Bass Lake Road alignment from the north end of the Hills of El Dorado [aka Bass

Lake Village project] to Green Valley Road. The EDH CSD's ability to better serve this area should justify this. A part of this area, Green Springs Ranch, has already annexed to the EDH CSD while another part is in the process of annexing to the EDH CSD.

4. The entire Marble Valley Project needs to be included in the project site. Originally split between two or three area plans, the project was united in the EDH/SF Area Plan of 1983. This needs to happen for the Fire District and the EDH CSD as well as for the incorporation project.

5. The area most recently known as the [adopted] High School site #6 was in the process of being annexed to the EDH CSD when the a development project called "The Heritage" was in planning process some years ago. It still would be a good addition to the project site since it would create a more logical city border. It would also place the possible future high school in the County EDH Community Region and eliminate any problem policy wise if the general plan policy concerning school site selection were changed.

P. 16, Para 3. After lawsuits settlements, the maximum number of residential units allowed in Promontory is 1,700 and 1,100 dus in Carson Creek.

P. 19, Para 2. Ag uses in the El Dorado Hills area. The Dixon and Tong Ranches are no longer involved in livestock grazing. There is a small part of the Dixon Ranch South involved in strawberry cultivation. Different families raise vines and poultry in El Dorado Hills while there are vineyards and a winery in one Salmon Falls location and only a vineyard in another.

P. 40, Para 13-a under Discussion. A few years ago Planning Dept. started a list of prehistoric and historic 'cultural resources'. For the EDH/SF area there a number of sites included on that list in addition to the Tong Toll Road - Lincoln Highway and Natomas Ditch. Grinding stone sites, Old White Rock Road, Old Coloma Road and stage coach road among others are on that list.

P. 44 Expansion of the project site at this point in the process is essential. Areas can be dropped out later.

Thank you for your time and consideration.

Sincerely,

Harriett B. Segel
Harriett B. Segel



EL DORADO TRANSIT

6565 COMMERCE WAY
DIAMOND SPRINGS, CA 95819-9454
(530) 642-5383
(888) 246-BUSS
FAX (530) 622-BUSS
www.eldoradotransit.com

September 27, 2004

Ms. Roseanne Chamberlain, Executive Director
El Dorado Local Agency Formation Commission
550 Main St., Suite E
Placerville, CA 95667

Sent via fax (530) 295-1209
and U S Mail

Re: NOP for the Proposed Incorporation of the City of El Dorado Hills
El Dorado LAFCO Project No. 03-10

Dear Ms. Chamberlain:

The El Dorado County Transit Authority requests that the Environmental Impact Report (EIR) for the above Project address the impacts of the project on transit services in El Dorado County. We have provided background information regarding the EDCTA and some of the fiscal impacts the proposal could have on Transit in our letter to you dated August 27, 2004.

If the newly incorporated city does not intend to join the Transit Authority there will be a significant impact on the ability of Transit to continue to provide the same level of service in the County as explained in our prior correspondence. The EDCTA will also be adversely impacted if it is precluded from using the El Dorado Hills park and ride to serve its customers and the customers of El Dorado Hills as a result of the incorporation.

We request that the EIR consider the impact of the proposal on the EDCTA and require appropriate mitigation measures to reduce the impact to insignificant levels.

Please contact me at (530) 642-5383 extension 210 with any questions or comments.

Sincerely,


Mindy Jackson
Transit Director



COUNTY OF EL DORADO

ENVIRONMENTAL MANAGEMENT DEPARTMENT



Jon A. Morgan
Director

Environmental
Health

Air Quality
Management
District

Solid Waste &
Hazardous
Materials

Water Quality
& Protection

Tahoe Office/
Vector Control



PLACERVILLE
OFFICE
2850 Fairlane Ct.
Building 'C'
Placerville, CA 95667

Ph. 530.621.5300
Fax. 530.642.1531
Fax. 530.626.7130

SOUTH
LAKE TAHOE
OFFICE
3368 Lake Tahoe Blvd.
Ste. 303
South Lake Tahoe, CA
96150

Ph. 530.573.3450
Fax. 530.542.3364

October 15, 2004

El Dorado
Local Agency Formation Commission
ATTN: Ms. Roseanne Chamberlain, Environmental Coordinator
550 Main Street, Suite E
Placerville, CA 95667

SUBJECT: Notice of Preparation of Draft Environmental Impact Report for "The Proposed Incorporation of the City of El Dorado Hills, California/El Dorado LAFCO Project No. 03-10 -COMMENTS"

Dear Ms. Chamberlain:

On September 13, 2004, the El Dorado County Air Quality Management District (District) received the Notice of Preparation of Draft Environmental Impact Report for "The Proposed Incorporation of the City of El Dorado Hills, California/El Dorado LAFCO Project No. 03-10 prepared by Lamphier-Gregory of Oakland, California for El Dorado Local Agency Formation Commission. The District reviewed this project on October 14, 2004. The project location is El Dorado Hills (between Folsom and Cameron Park) El Dorado County.

The District concurs with the comments listed in Section 8. Air Quality, pages 31 and 32. In addition to our concurrence with the comments, the District recommends the new City of El Dorado Hills consider adding an air quality element in its General Plan and as development moves forward that alternative modes of transportation such as walking, transit or biking be optimized.

If you have any question regarding our comments, please do not hesitate to contact Dennis Otani, Senior Air Quality Specialist at (530) 621-6662 or myself at (530) 621 5306.

Respectfully

Marcella McTaggart
Air Pollution Control Officer
El Dorado County AQMD

MM:DMO:do

File: Notice of Preparation of Draft Environmental Impact Report for "The Proposed Incorporation of the City of El Dorado Hills, California/El Dorado LAFCO Project No. 03-10

h:\apcd\manduc\ceqa\101504RoseanneChamberlainEDLAFCONOPEIDoradHillsIncorporationComments



County of El Dorado

BOARD OF SUPERVISORS

RUSTY DUPRAY.....
HELEN K. BAUMANN.....
JAMES R. SWEENEY.....
CHARLIE PAINE.....
DAVID A. SOLARO.....

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DISTRICT III
DISTRICT IV
DISTRICT V

330 FAIR LAKE PLACERVILLE, CA 95667
TELEPHONE (530) 621-5300
FAX NO. (530) 295-2552
FAX NO. (530) 622-3645

Clady Mack.....CLERK OF THE BOARD



September 24, 2004

Roseanne Chamberlain, Executive Officer
El Dorado Local Agency Formation Commission
550 Main Street
Placerville, CA 95667

Re: Notice of Preparation of a Draft Environmental Impact Report for the Proposed Incorporation of the City of El Dorado Hills Project No. 03-10

Dear Ms. Chamberlain:

Thank you for the opportunity to provide input into the preparation of the Draft Environmental Impact Report for the incorporation of the City of El Dorado Hills. In March, 2001 the County submitted a letter to you identifying issues that should be reviewed and considered in the preparation of the Draft EIR when the process was previously begun. With minor exceptions, the potential impacts of incorporation on the County's resources are no different then as it will be now, therefore, we reiterate the concerns expressed in that letter.

One potential difference is the fact that the County has now adopted a General Plan. Although it has yet to become effective due to the referendum that has been placed on the March 8, 2005 ballot, and the need to return to the Court to demonstrate compliance with the Writ of Mandate issued by the Sacramento County Superior Court on July 19, 1999, there are a number of new policies and changes in land use designations that may affect land uses in the proposed city limits. These new policies and land use designations must be taken into account for any analysis of land use compatibility. Additionally, the Housing Element has also been updated. The information provided in that element should also be utilized for any analysis of housing and population impacts.

In addition to the above comments, El Dorado County has the following specific concerns regarding the Notice of Preparation and the initial study prepared for the proposed incorporation:

Land Use, Sphere of Influence and Boundary Considerations

El Dorado County concurs that the EIR must consider the potential impacts of the proposed boundaries vis-à-vis the existing large projects that were not included. Two other considerations must also be included. Several areas at the north and south ends of the proposed City of El Dorado Hills are presently undeveloped or sparsely developed, and the County General Plan land use designations for those areas are for rural or low density residential use. These are included in the defined "Rural Regions" of the County, areas that have been determined to be inappropriate for higher intensity urban development. The inclusion of these areas within the incorporation boundaries will lead to growth inducing effects, which must be addressed in the Draft EIR.



Notice of Preparation Response
September 24, 2004 – Page 2

Secondly, the boundary options should also include one that excludes the El Dorado Hills Business Park. This research and development area is of vital importance to the fiscal well-being of the County, and in order to remain revenue neutral, this area may need to be excluded. It is important that the environmental analysis mirror the economic and fiscal analysis.

Growth Inducement

The County disagrees with the finding that the proposed incorporation would have no impact regard the potential for growth inducement on undeveloped lands within the proposed city boundaries and on surrounding grazing and resource lands. While the proposed incorporation will not directly change land uses, inclusion within a city boundary implies that the land is suitable for urban development, and lands adjacent to the boundary would receive greater pressure for development. These indirect impacts are potentially significant and must be analyzed in the Draft EIR.

The County looks forward to reviewing the analysis that will be provided in the Draft EIR and requests that our comments, both those included above and in the prior letter, be fully addressed in the document. Thank you for providing the opportunity to review the Notice of Preparation.

Very truly yours,



Rusty Dupray
Chairman, Board of Supervisors

Attachment: Letter from El Dorado County Board of Supervisors dated March 27, 2001

cc: Board of Supervisors
Clerk of the Board



September 27, 2004

Ms Roseanne Chamberlain
Environmental Coordinator
El Dorado Local Agency Formation Commission (LAFCO)
550 Main Street, Suite E
Placerville, CA 95667

**SUBJECT: NOP of a Draft EIR
El Dorado Hills Incorporation Project
SMAQMD#SAC200400242**

Dear Ms. Chamberlain,

Thank you for sending this project to the Sacramento Metropolitan Air Quality Management District (District) for review. I will be the District's point person on this project. I would expect a copy of the project was also sent to the El Dorado Air Quality Management District, but I understand it may not have been. That District would have jurisdiction regarding air quality over this project.

Although this project, the proposed new City of El Dorado Hills, does not lie within the County of Sacramento, we realize its the incorporation could have significant impacts to air quality in the Sacramento basin. We are particularly concerned that land use development in the new city proceed with mindful consideration of land use-air quality linkages. Although there are no specific projects tied to the act of incorporation, barriers to development may diminish as land use authority passes from the county to the city. We sincerely hope that the City of El Dorado Hills will seek development that optimizes alternative transportation modes such as walking, biking, or transit. Developments that are solely automobile-oriented just add to the air pollution issues in the Sacramento non attainment area.

We also hope that the City of El Dorado Hills will consider adding an air quality element in its General Plan. We find that cities which have well thought out policies about air quality and land use have more tools with which to shape their development. Developers and other stakeholders can see that the City values air quality when such policies are put in place.

The Sacramento Metropolitan Air Quality Management District has established air quality mitigation programs for both operational and construction related impacts of land use projects. We would hope to work in the future with the new city and/or with the El Dorado AQMD to implement similar programs.

Finally, we would expect the EIR to be distributed to the El Dorado AQMD and we would appreciate receiving a copy of it.

Sincerely,

Jeane Borkenhagen, Associate Air Quality Planner Analyst

CC: Ron Maertz SMAQMD
Dennis Otani, El Dorado AQMD



DEPARTMENT OF AGRICULTURE WEIGHTS AND MEASURES

WILLIAM J. STEPHANS
Agricultural Commissioner
Sealer of Weights and Measures

311 Fair Lane
Placerville, CA 95667
(530) 621-5520
(530) 626-4756 FAX
eldcag@co.el-dorado.ca.us

DATE: September 17, 2004

TO: Roseanne Chamberlain, Environmental Coordinator
El Dorado Local Area Formation Commission (LAFCO)
550 Main Street, Suite E
Placerville, California 95667

FROM: William J. Stephans
Agricultural Commissioner/Sealer of Weights and Measures

SUBJECT: COMMENTS REGARDING EL DORADO HILLS INCORPORATION
PROJECT - INITIAL STUDY - LAFCO APPLICATION NUMBER 03-10

Thank you for soliciting and accepting comments regarding the El Dorado Hills Incorporation Project as it impacts agricultural interests.

After careful review of the Initial Study, we have identified several concerns contained in the Initial Study that may have impacts to area agriculture if certain mitigation measures are not incorporated into the final environmental document. We have also attached six maps which we have used in our analysis of the Initial Study that depicts choice soils, Important Farmland and Williamson Act Contract preserves.

Exhibit A - AGRICULTURAL PRESERVES PROXIMATE TO PROPOSED CITY BOUNDARY

This map identifies parcels currently under Williamson Act contracts that are proximate to the proposed boundary. Although the proposed city boundary excludes areas that are currently in Williamson Act contracts or ones which have completed the roll out time requirements, they will be surrounded by city property. Until the rollout process is complete, we recommend an agricultural buffer zone or setback of 200 feet, measured from the property line, be required on the parcel(s) adjacent to the contracted lands. Non-compatible uses such as residential structures; nursing homes; public schools; playgrounds; swimming pools; ponds; and churches would not be allowed to be placed within the 200 foot setback.



This requested mitigation measures are comparable to the current El Dorado County Ordinance Code which protects agricultural practices and the general public by limiting the impacts of normal agricultural operations through the use of distance.

- Preserve Number 71 – Non-renewal filed in 2002, with a final rollout date scheduled for 2011. The balance of the land contiguous to this preserve, and not included in the proposed city boundary, appears to have been part of Preserve Number 2, which completed rollout in 1999.
- Preserve Number 121 – Pappas/Klass are listed as the current owners of this preserve, which is contiguous and adjacent to the southwest of the proposed boundary. It is currently in rollout status, with the contract termination scheduled for 2008.
- Preserve Number 135 – Merhten is listed as the current owner of this preserve. Although outside of the southwest proposed boundary of the incorporated area, this active status preserve is contiguous and adjacent to the proposed boundary.

The property located in the northern quadrant which has been excluded from the incorporation proposal may have originally been in a Williamson Act contract at one time, but the M204 county database does not currently contain any information that would either confirm or contradict this assumption.

Exhibit: B – IMPORTANT FARMLAND DESIGNATIONS

These maps identify Important Farmland as defined by the Department of Conservation, which goes beyond choice soil information to include land use and irrigation practices for 4 years prior to the assignment of the Important Farmland designation. Exhibit B overlays choice soils onto the Important Farmland layer. Upon analysis, the only overlap of these designations exists in the southern portion of the proposed map, with both layers identifying locally important soils and locally important farmland. A small area of these important agricultural features exists within the proposed boundary. These lands should be protected from development either by designating them as open space; allow ongoing agricultural activities that requires the 200 setback from the property line on adjacent parcels or designate these areas for local park development. They should not be used for residential or commercial development.

We believe it is important to point out that the Initial Study prepared by Lamphier-Gregory for LAFCO contains an inaccurate statement on page 19, section 3-c "NO IMPACT". This section states that "No...Farmland of Local Importance...have been identified within the area proposed for incorporation (El Dorado County GIS, Department of Conservation Soil Survey, 1000: El Dorado Assessor's Office)." As Exhibit B clearly shows, there are both Locally Important Farmland and locally important soils that exist in the southern portion of the proposed boundary.

Exhibits: C, C1, C2, and C3 -OVERVIEW AND FOCUSED LOCATIONS OF SOILS WITHIN PROPOSED BOUNDARY

The maps (4) in this series identify choice soils within portions of the proposed boundary and are layered over AirPhoto USA aerial photographs taken July 2003. These maps are visually useful in that they also depict current ownership and development conditions at the time of the photograph coupled with acreage/APN information where applicable.

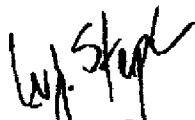
- Exhibit: C1 shows locations within the incorporation boundary for soil type PgB which is a soil of Statewide Importance
- Exhibit: C2 shows locations within the incorporation boundary for soil types SuC and ReC which are soils identified as Unique/Locally Important.
- Exhibit: C3 shows locations within the incorporation boundary for soil type Rk which is a soil of Statewide Importance.

Each of the above soils will be significantly impacted if residential and commercial development is allowed to take place on the identified areas or adjacent to these recognized important soils.

Additionally, the Initial Study asks on page 20, 3-e "*Would the Proposal induce development by permitting uses that adversely impact adjacent agricultural operations...*" The stated position in the Initial Study is that there will be NO IMPACT. We strongly believe there will be an impact to agricultural interests if adequate setbacks are not imposed upon the adjacent parcels. Preserve Number 135 (Merhten) is an active agricultural grazing operation adjacent to the southwest area of the proposed boundary. We believe this preserve will be adversely impacted depending on the type of development initiated on the contiguous properties located within the proposed boundary of incorporation.

Thank you for considering these comments. If you have any questions, please call me at (530) 621-5520.






Sincerely,

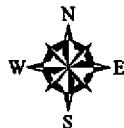


WILLIAM J. STEPHANS
Agricultural Commissioner
Sealer of Weights and Measures

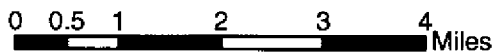
Attachments

Legend

-  GPS Roads
-  Lakes
-  edhcity_v1997
-  AgPreserves
-  Parcels



Scale: 1:115,000



This depiction was compiled from unverified public and private sources and is illustrative only. No representation is made as to the accuracy of this information and none may be inferred. Therefore users make use of this information at their own risk. Layer information may cover additional areas outside of the displayed area.

Map Prepared By: Kim Wilson, GIS Analyst
El Dorado Co Dept. Ag, GIS Division
Date Prepared: Sep 16, 2004

Legend

Choice soils

MUSYM

AcC - SWI

LaB - Prime

PgB - SWI

ReB - Prime

ReC - Un/Loc

Rk - SWI

SuC - Un/Loc

eldorado2002

Designation

D - Urban/Built up

G - Grazing Land

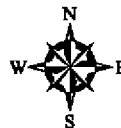
L - Local Impt

W - Water

X - Other Land

edhcity_v1997

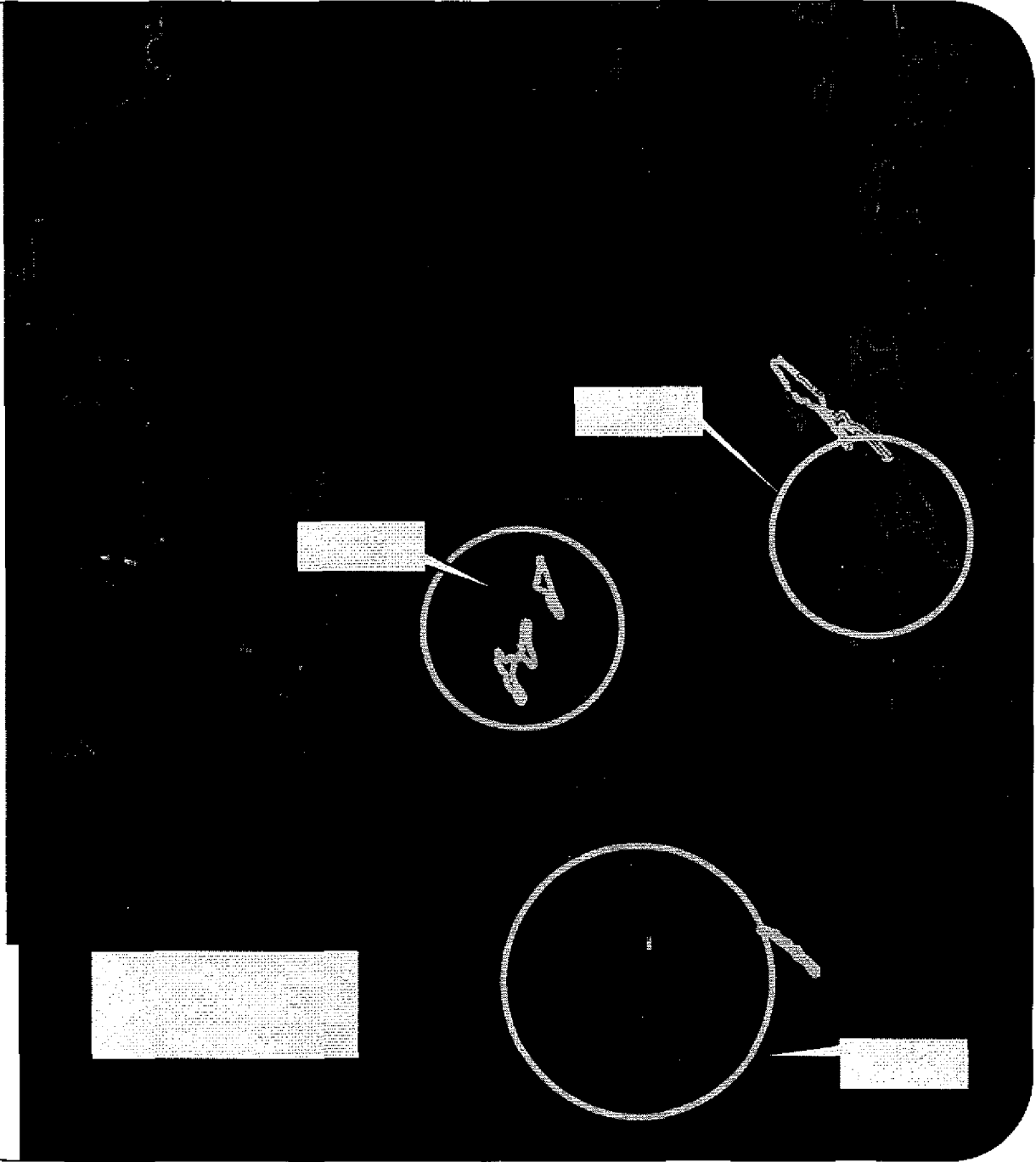
Farmland designations are determined by utilizing the SSURGO soil survey and land use (irrigation, under cultivation within past 4 years of project)





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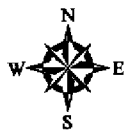
Map Prepared By: Kim Wilson, GIS Analyst
El Dorado Co Dept. Ag, GIS Division
Date Prepared: Sep 17, 2004

Scale: 1:105,000



Legend

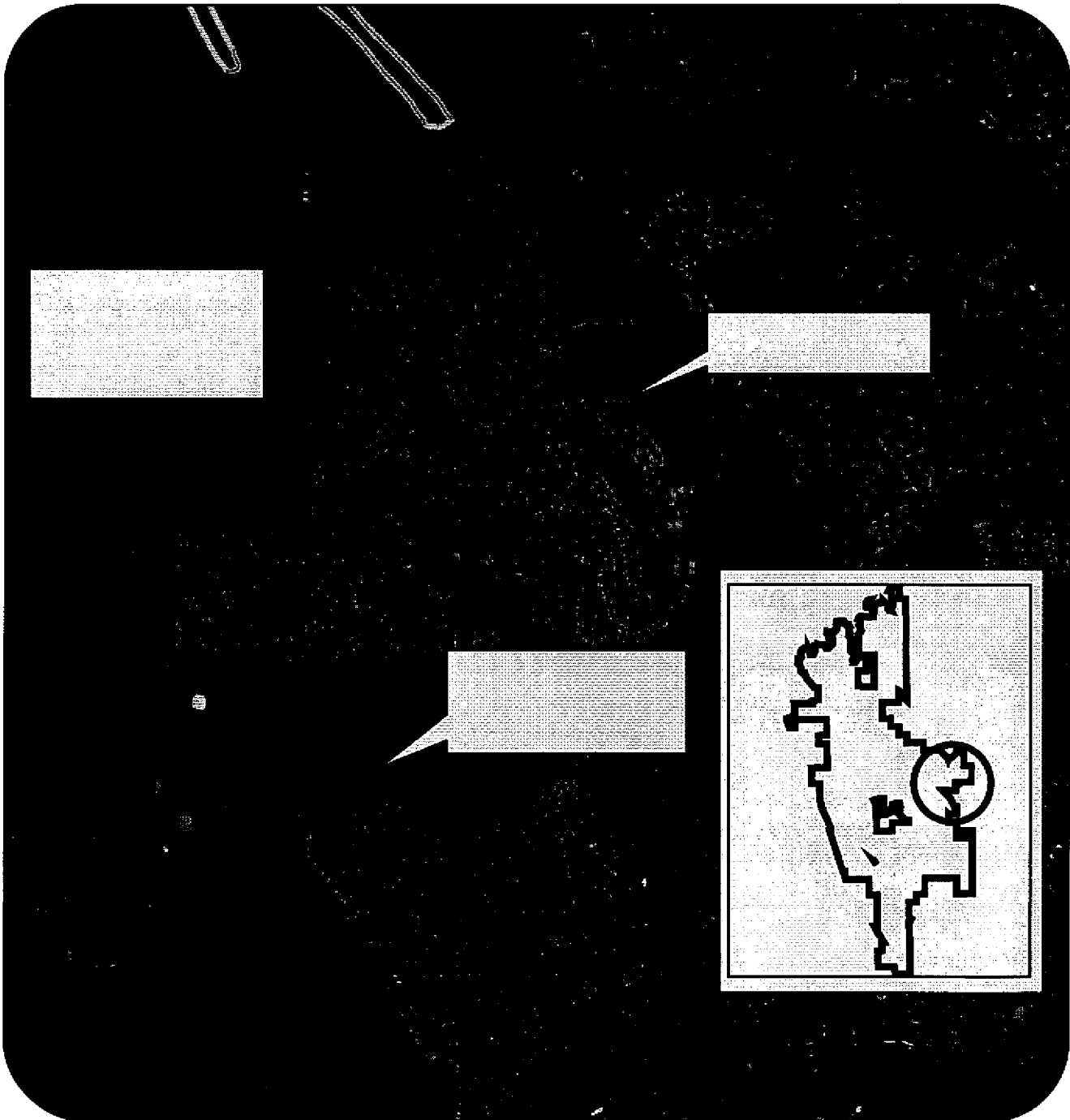
-  GPS Roads
-  edhcity_v1997












Scale: 1:100,000

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Map Prepared By: Kim Wilson, GIS Analyst
El Dorado Co Dept. Ag, GIS Division
Date Prepared: Sep 17, 2004



Legend

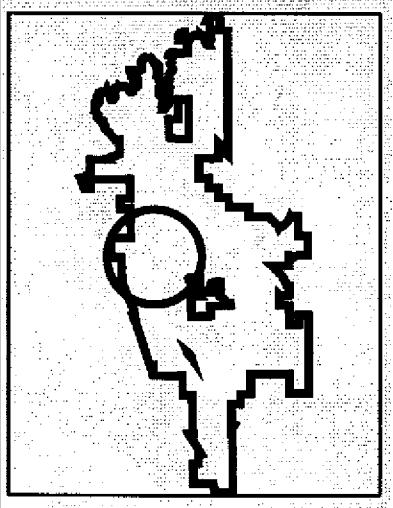
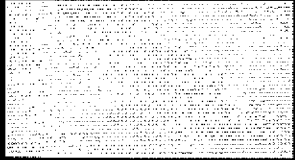
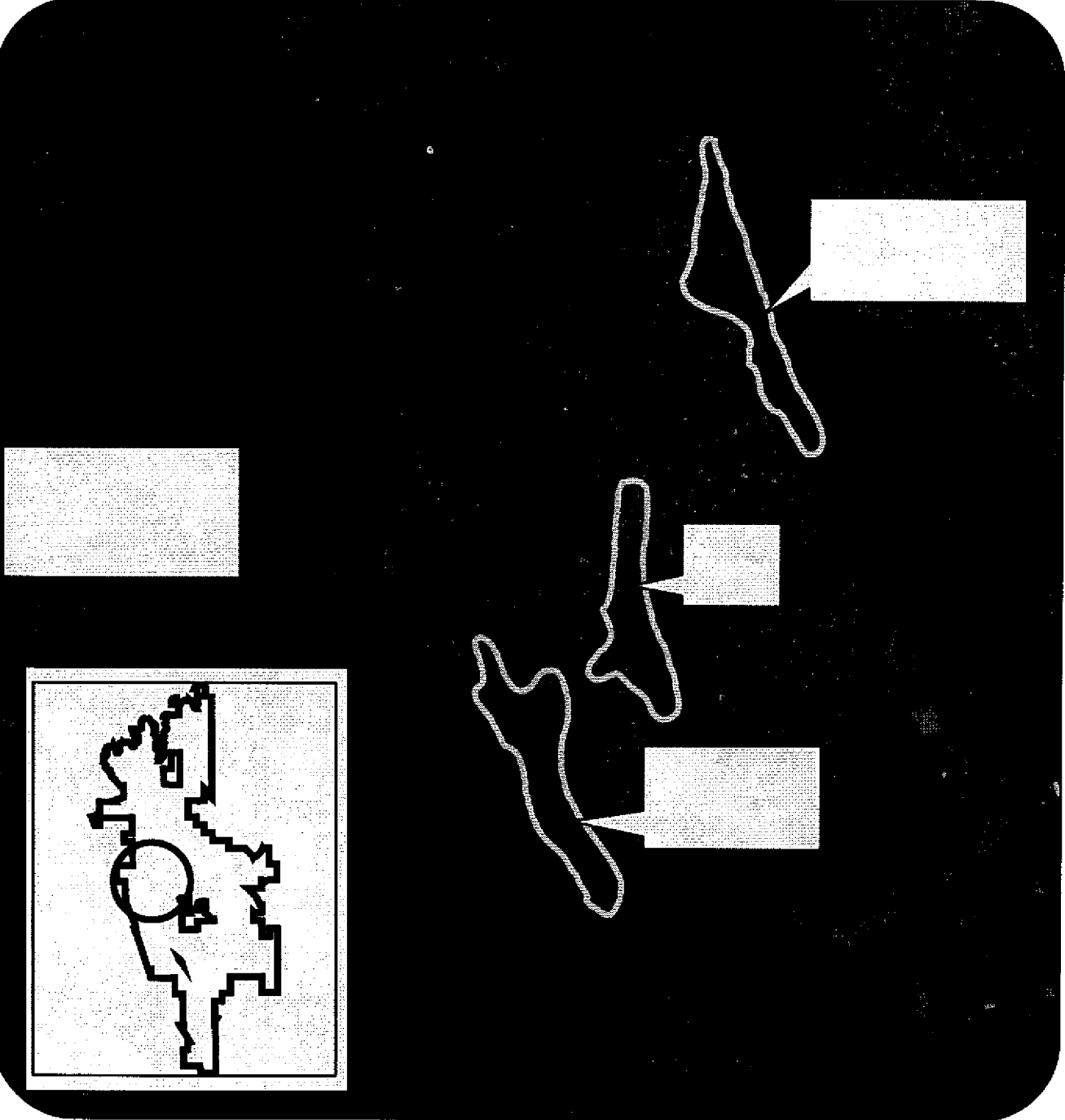
-  GPS Roads
-  edhcity_v1997
- Choice soils**
- MUSYM**
-  AcC - SWI
-  LaB - Prime
-  PgB - SWI
-  ReB - Prime
-  ReC - Un/Loc
-  Rk - SWI
-  SuC - Un/Loc













Scale: 1:18,000

This depiction was compiled from unverified public and private sources and is illustrative only. No representation is made as to the accuracy of this information and none may be inferred. Therefore users make use of this information at their own risk. Layer information may cover additional areas outside of the displayed area.

Map Prepared By: Kim Wilson, GIS Analyst
 El Dorado Co Dept. Ag, GIS Division
 Date Prepared: Sep 17, 2004



Legend

-  GPS Roads
-  cityouthn
-  edhcity_v1997
- Choice soils**
- MUSYM**
-  AcC - SWI
-  LaB - Prime
-  PgB - SWI
-  ReB - Prime
-  ReC - Un/Loc
-  Rk - SWI
-  SuC - Un/Loc



Scale: 1:18,000

This depiction was compiled from unverified public and private sources and is illustrative only. No representation is made as to the accuracy of this information and none may be inferred. Therefore users make use of this information at their own risk. Layer information may cover additional areas outside of the displayed area.

Map Prepared By: Kim Wilton, GIS Analyst
El Dorado Co Dept. Ag, GIS Division
Date Prepared: Sep 17, 2004

Appendix C

BOARD OF SUPERVISORS RESOLUTION 322-2003

EL DORADO COUNTY
BOARD OF SUPERVISORS
AGENDA TRANSMITTAL
Meeting of November 4, 2003

FUI

AGENDA TITLE: Resolution Allowing Public Hearings and Public Participation in the Proposed Incorporation of El Dorado Hills

DEPARTMENT: Board of Supervisors	DATE: 10/27/03	CAO USE ONLY
CONTACT: Supervisor Rusty Dupray <i>RXD</i>	PHONE: 621-5650	

DEPARTMENT SUMMARY AND REQUESTED BOARD ACTION:

At the request of the petitioners, John Hidahl and Norm Rowlett, recognizing the intent of the litigation settlement and pursuant to the provisions of the Cortese-Knox Hertzberg Local Government Reorganization Act of 2000, Supervisor Dupray requests that the Board consider adoption of the resolution attached. The county is not be financially responsible for any of the LAFCO costs and fees associated with the proposed incorporation and the resolution is not intended to support or oppose the application.

CAO RECOMMENDATION:

Financial impact? () Yes () No	Funding Source: () Gen Fund () Other
-----------------------------------------	-----------------------------------------------

BUDGET SUMMARY:

Total Est. Cost	\$ _____
Funding	
Budgeted	\$ _____
New Funding	\$ _____
Savings*	\$ _____
Other	\$ _____
Total Funding Available	\$ _____
Change in Net County Cost	\$ _____

* Explain

CAO Office Use Only:

415's Vote Req'd.	() Yes () No
Change in Policy	() Yes () No
New Personnel	() Yes () No

CONCURRENCES:

- Risk Management
- County Counsel
- Other

BOARD ACTIONS: NOV - 4 2003 - This particular request for the incorporation application continued to November 25, 2003, with the caveat that it is the Board's intent to move this forward.

Vote: Unanimous _____ Or _____

Ayes: DUPRAY, PAINE, BAUMANN, SWEENEY, SOLARO

Noes: NONE

Abstentions: NONE

Absent: NONE

v. 7/96 j:\agenda\win96

I hereby certify that this is a true and correct copy of an action taken and entered into the minutes of the Board of Supervisors.

Date: _____

Attest: DIXIE L. FOOTE, Board of Supervisors Clerk

By: _____



BOARD OF SUPERVISORS DUPRAY, BAUMANN, SWEENEY, PAINE, SOLARO

DATE NOV 25 2003

ACTION RESOLUTION NO. 322-2003 adopted with the addition of a final "Whereas" stating: "Based upon the vote of the people and a previous agreement between the incorporation applicants and the fire district, the El Dorado Hills Water (Fire) District is not included in the incorporation effort even though the map is similar to its boundaries."



RESOLUTION No. 322-2003

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

**A RESOLUTION OF APPLICATION BY THE BOARD OF SUPERVISORS
OF EL DORADO COUNTY REQUESTING THE LOCAL AGENCY
FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR THE
INCORPORATION OF THE CITY OF EL DORADO HILLS**

WHEREAS, in 1998, a group of individual citizens ("Proponents") circulated and submitted to the El Dorado Local Agency Formation Commission ("LAFCO") a petition and application ("Petition") for commencement of incorporation proceedings for the incorporation of the City of El Dorado Hills and related dissolution, reorganizations, and detachments. A copy of the substance of the Petition is attached hereto as Exhibit "A";

WHEREAS, in 2001 LAFCO terminated the proceedings for the incorporation of the City of El Dorado Hills due to insufficient funds being available to finance the proceedings;

WHEREAS, subsequent to termination of the proceedings litigation was commenced involving the Proponents and LAFCO regarding LAFCO's obligations regarding the Petition. The litigation was subsequently resolved through settlement. The County of El Dorado was not a party to that litigation, and the County of El Dorado is not a party to nor subject to the settlement agreement that memorialized the settlement of the litigation;

WHEREAS, said settlement agreement of October 2003 (resolving El Dorado County Superior Court Case No. 20020519) contemplates the possibility of the Proponents initiating new proceedings for incorporation with LAFCO by either by circulating a new petition and obtaining the necessary signatures to qualify, or by requesting the County of El Dorado to initiate such proceedings by resolution, to allow the Proponents to pursue the goal of incorporation. Regardless of the manner in which such proceedings may be initiated, the settlement agreement contemplates the Proponents assuming the legal responsibility to pay for the proceedings and to otherwise perform other administrative functions necessary for the conduct of the proceedings as set forth in law;

WHEREAS, Proponents and LAFCO acknowledge that the County of El Dorado is not charged with any obligations or responsibilities pursuant to the settlement agreement;

WHEREAS, the Proponents desire to reinitiate proceedings for the incorporation of the City of El Dorado Hills which must be accomplished either by a petition circulated by the Proponents or by a resolution of an affected agency such as the County of El Dorado;

WHEREAS, the original effort by the Proponents in 1998 to circulate and file the Petition resulted in obtaining a sufficient number of signatures to allow commencement of proceedings for the incorporation of the City of El Dorado Hills, indicating significant public interest in having an opportunity to consider such a proposal;

WHEREAS, requiring a second such effort by the Proponents to initiate proceedings by petition would be time consuming and expensive;

WHEREAS, in order to avoid the delay and expense of circulating a petition to reinitiate proceedings and in order to facilitate a process by which the desires of the public can be ascertained on the issue of incorporation of the City of El Dorado Hills the Proponents have requested that the Board of Supervisors of the County of El Dorado initiate proceedings for the incorporation of the City of El Dorado Hills by means of a resolution;

WHEREAS, the Board of Supervisors of the County of El Dorado, without taking a position on the merits of the incorporation proposal and without taking a position as to whether the incorporation of the City of El Dorado Hills should occur, desires to assist the Proponents in initiating proceedings for the incorporation of the City of El Dorado Hills in order to allow the proposal to be analyzed through the appropriate proceedings and to allow the public to provide input on the proposal;

WHEREAS, the Board of Supervisors' willingness to initiate such proceedings is conditioned upon the Proponents or persons or persons other than the County of El Dorado being responsible for providing the funding required for the proceedings and for satisfying all other obligations imposed by LAFCO or by law with respect to the proceedings, except those obligations to which the County of El Dorado would otherwise have been subject had proceedings been initiated by petition rather than by resolution, consistent with the apparent intent of the settlement agreement;

WHEREAS, for the foregoing reasons, the County of El Dorado, as an affected agency, desires to initiate proceedings pursuant to the Cortese-Knox Hertzberg Local government Reorganization Act of 2000, commencing with Section 56300 of the California Government Code, for the incorporation of the City of El Dorado Hills and related dissolutions, reorganizations, and detachment;

WHEREAS, the Board of Supervisors has provided an opportunity for members of the public to provide input prior to adoption of this resolution;

WHEREAS, the original Petition filed by the Proponents contained a statement of the principal reasons put forward by the Proponents for the proposed reorganization. For the sole purpose of complying with the requirements of California Government Code Sections 56654(c) and 56700(e), the reasons for the proposal stated by the Proponents in the Petition are hereby referenced as the reasons for which the proposal was originally submitted by the Proponents;

WHEREAS, the following agency or agencies would be affected by the proposed jurisdictional changes are:

<u>Agency</u>	<u>Nature of Change</u>
El Dorado County	Incorporation
El Dorado Hills Community Services District	Dissolution and Reorganization
Marble Mountain Community Services District	Dissolution and Reorganization
Springfield Meadows Community Services District	Dissolution and Reorganization
County Service Area 9	Detachment and Reorganization
Various assessment districts	Transfer to the Proposed City

WHEREAS, the territory proposed to be reorganized is inhabited. A map and description of the boundaries of the territory are attached hereto as Exhibits "B" and "C" respectively;

WHEREAS, in the course of proceedings on the prior Petition, a plan for providing services was developed and the Proponents desire to utilize that plan for providing services as a basis for initiating the current proceedings. For the sole purpose of complying with the requirements of California Government Code Sections 56653, the plan for providing services developed in the prior proceedings is hereby referenced as the plan for providing services endorsed by the Proponents as a basis for initiating these proceedings. A copy of that plan for providing services is attached hereto as Exhibit "D". The plan for providing services was derived from a comprehensive fiscal analysis prepared and used in the course of the prior proceedings on the Petition. Additional information regarding matters encompassed in California Government Code Section 56653 is contained in that comprehensive fiscal analysis. Nothing in this Resolution shall be deemed to prevent the County of El Dorado from taking any position it deems in the public interest with respect to the plan for providing services, any prior or new comprehensive fiscal analysis, or any other matter in the course of these proceedings;

WHEREAS, the names of the persons to be furnished copies of the report by the Executive Officer and who are to be given notice of the hearings, and to whom the County of El Dorado assigns its authority as applicant to process all phases of the LAFCO action related to the proceedings initiated by this Resolution are John Hidahl, 622 torero Way, El Dorado Hills, CA 95762, and Norman Rowett, 1357 Lake Hills Drive, El Dorado Hills, CA 95762. Said individuals shall be acting independently as original petitioners and not as agents of the County of El Dorado, and shall

not have any authority to bind or otherwise obligate the County of El Dorado, its officers and employees;

WHEREAS, it is desired to provide that the proposed reorganization be subject to the following terms and conditions:

- A. The name for the proposed city shall be the City of El Dorado Hills;
- B. The proposed city shall have a City Manager form of government appointed by the City Council.
- C. The elected officials of the proposed city shall be a five (5) member City Council, elected at large from throughout the area to be incorporated.
- D. The City Manager and City Attorney shall be appointed and removed at the pleasure of the City Council.
- E. The provisional appropriation limit per Article XIII B of the state constitution for the proposed city shall be established by the El Dorado County LAFCO and shall be placed before the electorate for confirmation by a majority vote as part of the ballot proposition for the reorganization.

WHEREAS, the incorporation of the proposed city appears to be consistent with the sphere of influence of any affected city or any affected district;

WHEREAS, LAFCO will serve as lead agency for the processing of the application pursuant to the California Environmental Quality Act; and

WHEREAS, based upon the vote of the people and a previous agreement between the incorporation applicants and the fire district, the El Dorado Hills Water (Fire) District is not included in the incorporation effort even though the map is similar to its boundaries.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO COUNTY AS FOLLOWS:

1. Based upon the information contained in and referred to in the recitals set forth set forth above, which are hereby incorporated, this Resolution of Application is hereby adopted and approved by the El Dorado County Board of Supervisors and the Local Agency Formation Commission of El Dorado County is hereby requested to take proceedings on the incorporation of the City of El Dorado Hills as authorized and in the manner provided by the Cortese-Knox Hertzberg Local Government Reorganization Act of 2000.

2. Although, pursuant to law, the County of El Dorado may be deemed the "applicant" for purposes the incorporation proceedings, this Resolution is expressly adopted on the condition that the Proponents or other persons other than the County of El Dorado shall be responsible for any costs of the proceedings before LAFCO and for satisfying all other obligations imposed by LAFCO or by law with respect to the proceedings, consistent with the County's understanding of the intent of the settlement agreement of October 2003 resolving El Dorado County Superior Court Case No. PC20020519, except those obligations to which the County of El Dorado would otherwise have been subject had proceedings been initiated by petition rather than by resolution, and that LAFCO accepts this resolution of application on that basis. In the event LAFCO does not consent to commence proceedings on that basis, this Resolution shall be null and void and of no further force and effect.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held on the 25th day of November, 2003, by the following vote of said Board:

Ayes: DUPRAY, BAUMANN, SWEENEY, PAINE, SOLARO

ATTEST

DIXIE L. FOOTE

Clerk of the Board of Supervisors

By Margaret E. Moody
Deputy Clerk

Noes: NONE
Absent: NONE

Helen Baumann
HELEN BAUMANN, Chair
Board of Supervisors

I CERTIFY THAT:

THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE

Date _____

ATTEST: DIXIE L. FOOTE, Clerk of the Board of Supervisors
of the County of El Dorado, State of California.

By _____
Deputy Clerk.

Petition of Registered Voters Initiating Proceedings for the Municipal Incorporation of the City of El Dorado Hills and the Dissolution of all special districts within the proposed boundaries including the El Dorado Hills County Water District, with the City of El Dorado Hills

The undersigned registered voters, by their signatures heron, respectfully petition the El Dorado County Local Agency Formation Commission (LAFCO) and propose the following:

1. Proceedings be initiated and taken pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with Section 56650 of the Cortese-Knox Local Government Reorganization Act) for a reorganization consisting of the following:

- A. Incorporation of the City of El Dorado Hills;
- B. Dissolution and Reorganization of the El Dorado Hills County Water District, El Dorado Hills Community Service District, Marble Mountain Community Service District, Springfield Meadows Community Service District and Arroyo Vista Community Service District;
- C. Detachment of County Services Areas Number 7 and Number 9 and the transfer of all its services to the City of El Dorado Hills and continuation of County Service Area 19;
- D. Transfer services of all Landscaping and Lighting Assessment Districts within the proposed boundaries of the new City of El Dorado Hills.

2. The boundaries of the proposed City of El Dorado Hills are coterminous with the adopted boundaries of the El Dorado Hills County Water District as they existed on July 1, 1997 within El Dorado County and as shown on the map on Exhibit "A".

3. The reasons for incorporation of the City of El Dorado Hills and the other components of the proposed reorganization include the following:

- A. To enhance the physical character, community identity, and quality of life in El Dorado Hills by establishing local control of public services, land use planning, and public and private investment in the community;
- B. To establish a locally elected city Council in El Dorado Hills to provide community leadership and increase local control over, and accountability for, governmental decisions affecting El Dorado Hills; including comprehensive planning and zoning and other land use decisions affecting El Dorado Hills;
 - (1) Increase accessibility of citizens to local government officials and staff members;
 - (2) Provide a local forum for discussion and resolution of issues important to the community through active community participation programs and opportunities for involvement in civic affairs;
 - (3) Increase local responsibility for determining public service levels and providing capital improvements and;
 - (4) Ensure the best allocation of state and federal revenues, to the maximum extent possible, to support needed services within the City of El Dorado Hills.
- C. To consolidate responsibility for municipal services in El Dorado Hills under a single local entity, the City of El Dorado Hills, which can, through improved efficiency and access to substantial state and federal revenues not presently available to the community, increase public service levels.
- D. To allow for improved public services in El Dorado Hills, including:
 - (1) Improved levels of police protection;
 - (2) Continued improvements to the level of fire protection and emergency medical services (EMS);
 - (3) Improved health, safety, and welfare through implementation and enforcement of local laws and ordinances;
 - (4) Increase capacity of existing roads to improve traffic flow;
 - (5) Improved maintenance of existing roads that have been allowed to deteriorate;
 - (6) Improved parks and recreation facilities and programs; and
 - (7) Assurance of adequate public services and facilities needed to meet the demands of all residents
- E. To enhance physical development in El Dorado Hills, which promotes and preserves a vital blend of residential, agricultural, commercial, industrial, and open space land uses.
- F. To promote economic prosperity and fiscal independence through the identification and implementation of common economic goals.

NOTICE TO THE PUBLIC: THIS PETITION MAY BE CIRCULATED BY A PAID SIGNATURE GATHERER OR A VOLUNTEER. YOU HAVE THE RIGHT TO ASK.

Date	Name	Residence	Official use only
Print	Street and Number	City	Zip
Signature	City	Zip	
Print	Street and Number	City	Zip
Signature	City	Zip	
Print	Street and Number	City	Zip
Signature	City	Zip	
Print	Street and Number	City	Zip
Signature	City	Zip	

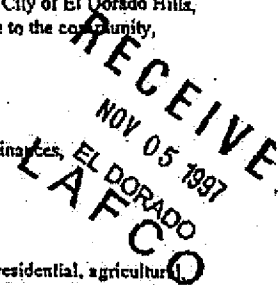
Declaration of Circulator

(to be completed after above signatures have been obtained):

I am registered to vote in the El Dorado Hills County Water District. I circulated this petition section and saw each of the appended signatures being written. Each signature is, to the best of my knowledge and belief, the genuine signature of the person whose name it purports to be. All signatures to this document were obtained between _____ and _____. I certify (or declare) under penalty of perjury that the foregoing is true and correct. _____ Month, day, Year _____ Month, day, Year

Signature of petition circulator _____ Executed at _____, California, on _____ date of signing

Print Name _____ Residence Address _____ City (in full) _____ Zip _____



VOID

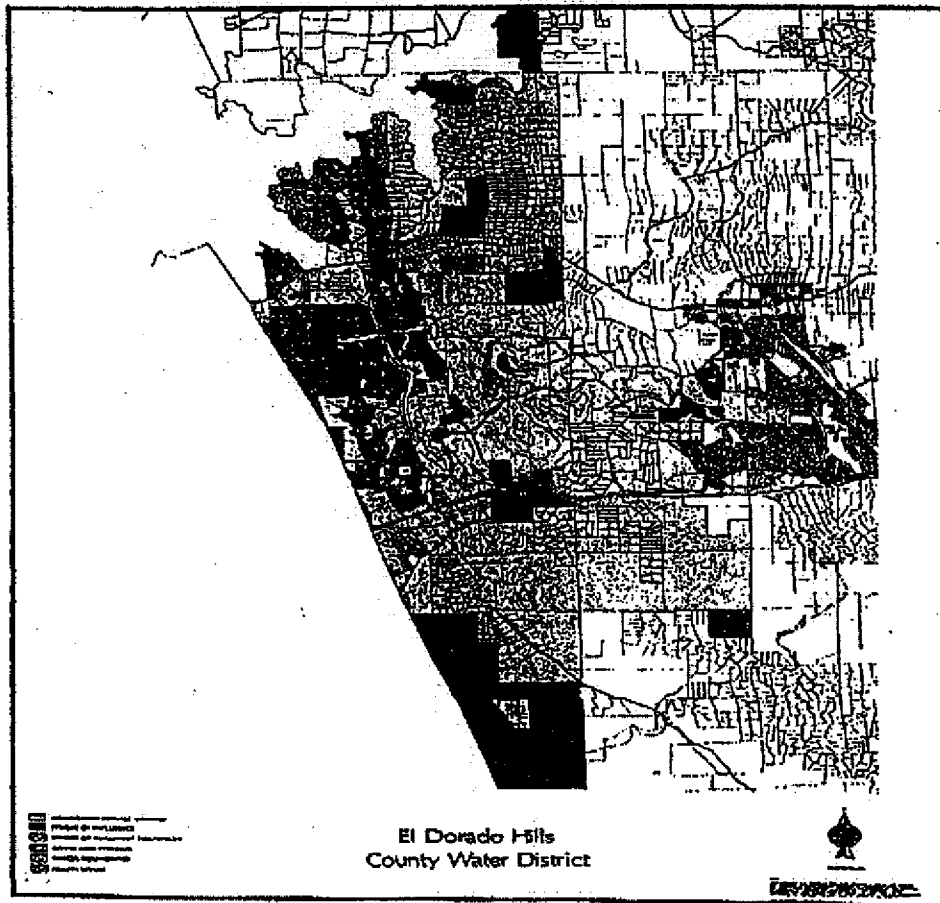
EXHIBIT A

4. The reorganization specified herein shall provide for and be made expressly subject to the following terms and conditions:
- A. The name for the proposed city shall be the City of El Dorado Hills;
 - B. The effective date of incorporation and of the other components of the reorganization shall be December 1, 1998 or as soon as possible thereafter;
 - C. The proposed City shall have a city manager form of government appointed by the City Council;
 - D. The elected officials of the proposed city shall be a five (5) member City council, elected at-large from throughout the area to be incorporated;
 - E. The City Manager and City Attorney shall be appointed and removed at the pleasure of the City council;
 - F. El Dorado County shall continue to furnish, without additional charge to the area incorporated, all services furnished to the area prior to the incorporation. Those services shall be furnished for not less than the remainder of the fiscal year during which the incorporation becomes effective or until the city council requests discontinuance of a service or services, whichever first occurs, in accordance with Government Code Section 57384;
 - G. The provisional appropriation limit per Article XIII B of the state constitution for the proposed City shall be established by the El Dorado County LAFCO and shall be placed before the electorate for confirmation by a majority vote as part of the ballot proposition for the reorganization;
 - H. The amount of property tax revenue to be exchanged between El Dorado County and the City of El Dorado Hills shall be determined by LAFCO;
5. The incorporation of El Dorado Hills, as proposed here in, is consistent with the sphere of influence of any affected city or any affected district.
6. All persons who have affixed their signature to this Petition are residents and registered voters of the area to be incorporated. The following three (3) persons, all of whom are members of the El Dorado Hills Incorporation Committee, are designated as Chief Petitioners and any and all notices relating to this Petition shall be sent to each of them:

<u>Name</u>	<u>Mailing Address</u>
A. Norman R. Rowett	1357 Lakehills Dr., El Dorado Hills, CA 95762
B. John W. Hildahl	622 Torero Way, El Dorado Hills, CA 95762
C. Wayne H. Haug	3720 Mesa Verde Dr., El Dorado Hills, CA 95762

7. This petition is made up of several counterparts separately circulated, but when assembled shall constitute one petition for reorganization proposed herein.
8. WHEREFORE, the undersigned registered voters request the El Dorado County Local Agency formation Commission and, thereafter, the Board of Supervisors of El Dorado County to conduct the proceedings for the reorganization proposed in this Petition pursuant to Part 3, Division 3, Title 5 of the California Government Code commencing with Section 56650 of the Cortese-Knox Local Government Reorganization Act.

Exhibit "A".



RECEIVED
 NOV 05 1997
 EL DORADO
 LAFCO

Folsom Lake

Blue Lake

CAMERON PT

SACRAMENTO COUNTY

EL DORADO HILLS INCORPORATION BOUNDARY - PROPOSED

El Dorado Hills Area
County of El Dorado, State of California

- LEGEND**
- EL DORADO HILLS INCORPORATION BOUNDARY (01/24/2001)
 - UNINCORPORATED AREAS
 - UNINCORPORATED AREAS (CITY OF EL DORADO HILLS) (01/24/2001)
 - EL DORADO HILLS INCORPORATION BOUNDARY (01/24/2001)
 - PAVED, THE BASE (01/24/2001)
 - EXISTING BOUNDARY MARKS (01/24/2001)
 - PISTONS OR CICLES (01/24/2001)



DISCLAIMER
THIS DEPICTION WAS COMPILED FROM UNVERIFIED PUBLIC AND PRIVATE SOURCES.
IT IS ILLUSTRATIVE ONLY. NO REPRESENTATION IS MADE AS TO ACCURACY OF
INFORMATION AND NONE MAY BE INFERRED. THE ABOVE IS NOT TO BE
RELIED UPON AS A BASIS FOR ANY DECISION.

NOTES
SOME LATER INFORMATION WAS PROVIDED BY THE CLIENT.
LATER INFORMATION MAY COVER ADDITIONAL AREAS OUTSIDE OF THE DISPLAYED AREA.
PREPARED AT THE REQUEST OF LAFCO, DATE 01/24/01
MAP PREPARED BY: JIM UNKLEBART, DATE 01/24/01
G.E.A. PROJECT NO. 1448, RELATED REPORT NO. 1448-01
EL DORADO COUNTY SUBVISED BY J. J. JENSEN
PHONE 925/661-4111 FAX 925/661-4111

EXHIBIT 2

EXHIBIT C

DESCRIPTION OF BOUNDARIES OF PROPOSED INCORPORATION

The boundaries of the proposed City of El Dorado Hills are coterminous with the adopted boundaries of the El Dorado Hills County Water District as they existed on July 1, 1997 within El Dorado County.

EXHIBIT C

**Figure 8
PROPOSED SERVICE AND SERVICE PROVIDER
SUMMARY TABLE**

Service	Existing Service Provider	Proposed Service Provider	Comments
General Government	El Dorado County	City will perform General Government functions	City will establish departments.
Planning and Land Use Control	County Planning Department	Planning becomes a city responsibility. Alternatives include: <ul style="list-style-type: none"> • Contract with the County • Contract with a consultant • Form a city department 	The City would likely establish its own department.
Public Works, Engineering, and Road Construction/ Maintenance	County Department of Transportation, County Engineer, and County Surveyor	Engineering becomes a city responsibility. Alternatives include: <ul style="list-style-type: none"> • Contract with the County • Contract with a consultant • Form a city department 	
Building Inspection	County Building Department	Building Inspection becomes a city responsibility. Alternatives include: <ul style="list-style-type: none"> • Contract with the County • Contract with a consultant • Form a city department 	
Law Enforcement	El Dorado County Sheriff	Law Enforcement becomes a city responsibility. Alternatives include: <ul style="list-style-type: none"> • Contract with the County • Contract with another service provider • Form a city department 	The City would likely contract with the El Dorado County Sheriff's Department.
Fire Protection	El Dorado Hills County Water District; Rescue Fire Protection District; and El Dorado County Fire Protection District	EDHCWD remains a separate district and provides fire protection to areas within its boundaries.	Depends upon Incorporation Alternative.
Paramedic	County Service Area No. 7	County Service Area No. 7	No change proposed
Parks & Recreation	El Dorado Hills and Springfield Meadows Community Services Districts	Parks and recreation will become a city responsibility. City will form a Department	The new City will provide these services with its own department.
Animal Control	County Public Health Department	Animal Control becomes a city responsibility. Alternatives include: <ul style="list-style-type: none"> • Contract with the County • Contract with another service provider • Form a city Department 	The City would likely contract with the existing service provider for continued provision of animal control services.

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EXHIBIT 12

Service	Existing Service Provider	Proposed Service Provider	Comments
Covenants, Codes, And Restrictions Enforcement	El Dorado Hills and Springfield Meadows Community Services Districts	CC&R Enforcement will become a city responsibility. City will perform services.	City will conduct as part of code enforcement services
Library	El Dorado County Library	El Dorado County Library	No change proposed
Street Lighting	Various Lighting and Landscaping Districts	City will assume responsibility for this service.	
Transit Services	El Dorado County Transit Authority	El Dorado Transit Authority	No change proposed
Storm Drainage	County Service Area No. 9	City will assume responsibility for this service.	
Domestic Water and Sewer	El Dorado Irrigation District	El Dorado Irrigation District	No change proposed
Solid Waste Collection	El Dorado Hills Community Services District	The City will likely contract for continued service by the existing service provider.	
Environmental Health	El Dorado County Department of Community Health	The City will likely contract with the County for a portion of Environmental Health services.	Contract work portion would be required for Environmental Health services provided by Environmental Mgt. Department. The remainder of Environmental Mgt. services will continue to be provided by the existing service provider.
Health and Human Services	County of El Dorado	County of El Dorado	No change proposed
Judicial Services	County of El Dorado	County of El Dorado	No change proposed
Detention Services	County of El Dorado	County of El Dorado	No change proposed
Schools	School and Community-college districts	School and Community college districts	Not affected by incorporation.

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NOV-03-03 10:26 FROM: EPS SACR 9166492070 T-228 P. 03/03 F-619

The Incorporation Proposal:

- Initiated by Resolution of the Board of Supervisors (November 2003)
- Proposed Boundary = EDHCWD as of July 1997
- Proposed Governmental Reorganization
- Does not include any new development
- Would not result in any direct physical changes in the environment (simply a change in jurisdiction, that could be compared to a change in ownership)

The Draft EIR identifies two broad categories of impacts:

- Direct Impacts (Chapter 2)
- Indirect Impacts (Chapter 3)

Direct Impacts Resulting from Incorporation

- A. Changes in Services (by Statute):
 - Loss of CDF for Wildland Fire Protection
 - Loss of CHP for Traffic Enforcement
- B. Conflicts with LAFCO Policies:
 - Boundaries (Islands, Williamson Act parcel, Rural Communities)
 - Agricultural Lands
 - Park and Recreation Services
- C. Potential Loss of Funding for Mitigation
 - Traffic Impact Mitigation Programs
 - Habitat Preservation
 - Fire District Improvement Program

Mitigation of Direct Impacts

- Enforceable by LAFCO as Terms and Conditions of Incorporation
- Not Land Use related
- Mitigation would reduce all direct impacts to “Less than Significant.”

Indirect Impacts

- Result from development on currently vacant land
- Future development based on 2004 County General Plan.
- Would occur with, or without, incorporation.

Estimated Future Development

	<u>Proposal Boundary</u>	<u>No Islands Boundary</u>
Total Acres	20,023	21,304
Dwelling units (2003)	9,713	9,652
Approved D.U.	6,243	8,761
Potential New D.U.	2,351	2,204
Total Est. D.U.	18,500	20,600
Future Residents	53,500	60,200
Commercial/Industrial	16.8 MSF	16.8 MSF

Mitigation of Indirect Impacts

- Recommended Actions/Policies for New City
- Level of Significance after Mitigation:
Significant and Unavoidable

- Insufficient Transit Capacity
- Increase in surface water and groundwater pollutants
- Increase in demand for electricity and natural gas
- Deterioration of existing parks/recreation facilities
- Increased exposure to noise
- Increase in air pollution
- Fragmentation of wildlife habitats and impacts to special status species
- Destruction or alteration of cultural resources.

Indirect Environmental Impacts

Significant Unavoidable Impacts (Based on 2004 General Plan EIR):

- Land Use Incompatibility
- Conversion of Farmlands
- Degradation of Scenic Vistas, Scenic Resources, and Visual Character
- Increase in Traffic on already congested roadways
- Potential to opt out of Measure Y Traffic & Land Use restrictions

3 Draft EIR Alternatives:

- No Project (evaluation required under CEQA - maintains status quo in the area)
- No Unincorporated Islands (would alter proposed boundaries to reduce potential adverse effects)
- No Business Park (the Business Park area would remain unincorporated)

Environmentally Superior Alternative:

The No Unincorporated Islands alternative, because it would conform most closely to LAFCO policies and Cortese-Knox-Hertzberg requirements by avoiding the creation of “islands” and by avoiding disruption of adjacent, incompatible rural areas.

Draft EIR Public Review

- 45-day period to receive comments from agencies and members of the public
- All comments will receive written responses in the Final EIR
- Written comments preferred, but any verbal comments received during a public hearing will also get responses in the Final EIR

Next Steps:

- Complete Public Review of Draft EIR
- Compile Comments on Draft EIR
- Develop Responses to Draft EIR Comments
- Prepare Final EIR
- LAFCO Certification of EIR as Adequate and Complete
- LAFCO to make EIR Findings (including a Statement of Overriding Consideration for any Significant and Unavoidable Environmental Impacts identified in the EIR)
- LAFCO to Develop a Mitigation Monitoring Plan
- LAFCO to take action on the Incorporation Application

AGENDA ITEM NO. 8

OTHER BUSINESS

PROJECT STATUS REPORT
LAFCO ACTIVE PROJECTS - JANUARY 2005

PROJECT NUMBER	PROJECT NAME	ANNEXING AGENCIES	# OF PARCELS AT BUILDOUT	ACRES	CEQA RESPONSIBILITY	PROJECT STATUS
01-04	BELL RANCH PROPERTIES ANNEXATION	EID (#24364)		116.9	COUNTY	PENDING CEQA & COUNTY TENTATIVE MAP
02-10	EDH 52 REORGANIZATION	EID (#37139), EDHCWD		53	COUNTY	PENDING APPLICATION REQUIREMENTS - EXT. TO 9/5/05
03-02	EUER RANCH	EID, EDHCWD, EDHCSD		154	COUNTY	LAFCO HEARING 2/23/05
03-03	CARSON CREEK	EID (#9114), EDHCWD, EDHCSD		553.97	COUNTY	PENDING APPLICATION REQUIREMENTS
03-10	INCORPORATION OF THE CITY OF EDH	N/A		34 SQ. MILES	LAFCO	STUDIES UNDERWAY
04-01	SERVICE REVIEWS - FIRE & EMERGENCY	N/A		N/A	LAFCO	UNDERWAY
04-10	FISHER ANNEXATION	EID		.38	LAFCO	PENDING FULL APPLICATION REQUIREMENTS
04-11	BELL WOODS REORGANIZATION	CPCSD	54	33.7	LAFCO	PENDING AB8 WITH COUNTY & DISTRICT
04-12	MENTON/ROBINSON REORGANIZATION	CITY OF PCVL, CSA 9 ZOB 18		5	LAFCO	PENDING AB8 WITH COUNTY & CITY
05-01	GREENSPRINGS RANCH OUT OF AGENCY	N/A				LAFCO HEARING 2/23/05
05-02	EUER RANCH OUT OF AGENCY	N/A				LAFCO HEARING 2/23/05
05-03	SILVER SPRINGS REORGANIZATION	EID, CAMERON PARK CSD	258	290	LAFCO	PENDING AB8 WITH COUNTY & DISTRICTS

LAFCO APPROVED PROJECTS

93-02	SPINARDI	EID #93-01		72.639	LAFCO	APPROVED- EXTENSION GRANTED TO 11/05
98-12	GREENSPRINGS RANCH REORGANIZATION	EID (#98-06), EDH CSD		619	LAFCO	APPROVED 9/22/04 - PENDING CONDITIONS
00-05	EDH CWD ANNEXATION (BASS LAKE STATION)	EID (#00-05)		10	COUNTY	APPROVED 5/28/03 - PENDING USBR SIGNOFF EXTENSION GRANTED TO 11/05
02-04	POLANCO/SNOLINE MINI STORAGE ANNEX.	EID		1.13	LAFCO	APPROVED 4/23/03-PENDING BLA REQUIREMENTS EXT. TO 11/05
03-08	JOHNSTON ANNEXATION	EID (#46634)		5	LAFCO	APPROVED 12/4/03 - PENDING MAPS FOR SBE EXTENSION GRANTED TO 11/05

COMPLETED/CLOSED

04-03	CARSON CREEK SOI	N/A		554	LAFCO	COMPLETED 12/13/04
04-05	EUER RANCH SOI TO EDHCSD	N/A		154	LAFCO	COMPLETED 12/13/04
04-06	GREWE ANNEXATION	EID		10	LAFCO	CLOSED 1/18/05

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

550 MAIN STREET SUITE E
PLACERVILLE, CA 95667

PHONE: (530) 295-2707

FAX: (530) 295-1208

lafco@co.el-dorado.ca.us
www.co.el-dorado.ca.us/lafco

INVOICE AND ACCOUNTING OF DISBURSEMENTS

LAFCO Project No. 03-10

The Proposed Incorporation of the City of El Dorado Hills

The amounts listed have been charged to the project account for LAFCO Project #03-10, for the period ending December 31, 2004. Billing detail is attached.

Executive Officer (RC) 8.5 Hours	\$135.00/Hour	Sub Total:	\$	1,147.50
Staff (SS) 1.5 Hours	\$67.50/Hour	Sub Total:	\$	101.25
Lamphier Gregory - Project Manager		Sub Total:	\$	1,942.50
Lamphier Gregory - CEQA		Sub Total:	\$	10,961.72
Scott Browne - Legal Counsel		Sub Total:	\$	1,987.50
GIS Map Preparation		Sub Total:	\$	960.00
Economic & Planning Systems - CFA		Sub Total:	\$	11,784.38
		Total:	\$	28,884.85

Project related work to provide assistance and information to the public or interested agencies is not included as a project cost.

c:\shared\susan\projects\310\invoice

COMMISSIONERS: TOM DAVIS, ROBERT SALAZAR, GARY COSTAMAGNA, RUSTY DUPRAY, ALDON MANARD, CHARLIE PAINE, NANCY ALLEN
ALTERNATES: KATHI LISHMAN, GEORGE WHEELDON, FRANCESCA LOFTIS, JAMES R. SWEENEY
STAFF: ROSEANNE CHAMBERLAIN-EXECUTIVE OFFICER, CORINNE FRATINI-POLICY ANALYST,
SUSAN STAHMANN-CLERK TO THE COMMISSION, TOM PARKER-LAFCO COUNSEL

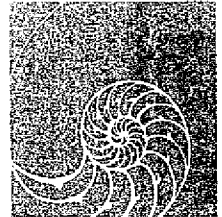
LAFCO PROJECT NO. 03-10 HOURS 11/30/04 THRU 12/31/04

12/6/2004	LP	CH 2 , NAT, SCOTT	03-10	2.5	RC
12/16/2004	LP	LEG Con opinion	03-10	0.25	RC
12/7/2004	LP	LCopinion, PC NAT&SCOTT	03-10	1.75	RC
12/8/2004	LP	CONF CALL	03-10	0.75	RC
12/14/2004	LP	PC NAT, READ EMAILS	03-10	1.25	RC
12/20/2004	LP	Nat's memo, CONF CALL	03-10	2	RC
				8.5	
12/16/2004	LP	NOVEMBER BILLING	03-10	1.5	SS
				1.5	

PLANNING
PERMANENT
AGENCY

Local Agency Formation Commission
550 Main Street, Suite E
Placerville, CA 95667

December 27, 2004
Invoice No: 2055
Project No: 2404



Attn: Roseanne Chamberlain

Re: El Dorado - LAFCO

For professional services rendered for the period November 20, 2004 to December 17, 2004

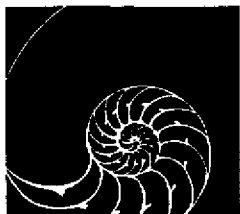
Fee Charges

<u>Description</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Nathaniel Taylor	Planner	105.00	18.50	\$1,942.50
Total Fee Charges				\$1,942.50

Total Current Billing \$1,942.50

*1/3/04
OK to pay
RJR*





Lamphier-Gregory

Memo

TO: Roseanne Chamberlain, Executive Officer – El Dorado LAFCO

FROM: Nat Taylor *(Signature)*

SUBJECT: **Progress Report No. 6**
El Dorado Hills Incorporation Project – Phase II
Project Management Services

DATE: December 28, 2004

The following report provides a description of work performed by Lamphier – Gregory for the El Dorado Hills Incorporation Project during December 2004. This Progress Report is intended to support the information set forth in the attached **Invoice #2055** from Lamphier - Gregory. The tasks referenced below are those identified in the Project Manager Scope of Work attached as Exhibit A to the Agreement for Services # 443-S0411, Amendment I.

Task II C – CFA

Time spent during November included the following:

- Efforts to obtain CFA response from the County Auditor/Controller
- Discussions with the Incorporation Committee regarding VLF

Total time related to Task II (C): 9 hours / \$945.00.

Task II D – CEQA

Activities during this billing cycle included:

- Discussions with Incorporation Committee re: Admin Draft EIR
- Coordination of the draft EIR between Lamphier-Gregory and LAFCO.

Total time charges related to Task II (D) 9.5 hours / \$997.50.

Task II E – Other LAFCO Tasks

No activities during this time period.

Budget Update

The spreadsheet below relates the current invoice to the Contract Amount to indicate the Remaining Budget authorization for the balance of the Scope of Work. This invoice reflects that the project is approximately 48% complete, with \$28,643.68 remaining in the \$55,335 budget authorization.

El Dorado Hills Incorporation Project

Lamphier - Gregory Project No. : 2404

Project Status Report as of: 28-Dec-04

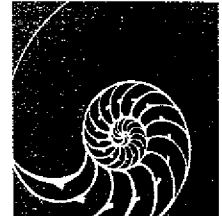
Task	Contract Amount	Hours This Period	Invoice Amount			Total Costs to Date	Remaining Budget	% Compl.
			Prof. Fees	Direct Expenses	Total Invoice			
A Boundaries	\$ 3,780		\$ -		\$ -	\$ 3,780.00	\$ -	100%
B Legal Opinions	\$ 1,575		\$ -		\$ -	\$ 1,575.00	\$ -	100%
C CFA	\$ 19,950	9.0	\$ 945.00		\$ 945.00	\$ 9,766.25	\$ 10,183.75	49%
D CEQA	\$ 15,960	9.5	\$ 997.50		\$ 997.50	\$ 11,570.07	\$ 4,389.93	72%
E Other LAFCO	\$ 14,070		\$ -		\$ -	\$ -	\$ 14,070.00	0%
Total	\$ 55,335	18.5	\$ 1,942.50	\$ -	\$ 1,942.50	\$ 26,691.32	\$ 28,643.68	48%

*OK to pay
1/3/04
RJC*

URBAN PLANNING
ENVIRONMENTAL
ANALYSIS

Local Agency Formation Commission
550 Main Street, Suite E
Placerville, CA 95667

December 27, 2004
Invoice No: 2059
Project No: 2415



Attn: Roseanne Chamberlain

Re: El Dorado - LAFCO CEQA

For professional services rendered for the period November 20, 2004 to December 17, 2004

Fee Charges

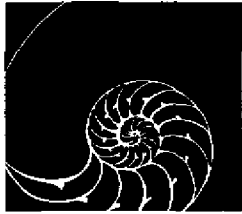
<u>Description</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
Courtney, John	Senior Planner	115.00	27.00	\$3,105.00
Nathaniel Taylor	Planner	105.00	74.50	\$7,822.50
Total Fee Charges				\$10,927.50

Reimbursable Expenses

Printing & Production	34.22
Total Reimbursable Expenses	\$34.22

Total Current Billing \$10,961.72





Lamphier-Gregory

Memo

TO: Roseanne Chamberlain, Executive Officer – El Dorado LAFCO

FROM: Nat Taylor *(Signature)*

SUBJECT: **Progress Report No. 6**

El Dorado Hills Incorporation Project – Preparation of CEQA Document, Contract No. 045S 0511.

DATE: December 28, 2004

The following report provides a description of work performed by Lamphier – Gregory under its Contract with El Dorado LAFCO for the preparation of CEQA documents required for the El Dorado Hills Incorporation Project. The time period covered by this Invoice is 11/20/04 through 12/17/04.

This Progress Report provides information in support of the attached **Invoice #2059** from Lamphier - Gregory. The tasks referenced below are those identified in Exhibit A, Scope of Work, Budget and Project Schedule For CEQA Compliance, El Dorado Hill Incorporation Project, Contract No. 045S 0511.

Task 5.3 Prepare Administrative Draft EIR

Time in December has been spent largely in refining the Administrative Draft EIR subsequent to the version submitted in mid-November, mostly involving the finalization of Figures, preparation of the *Table of Contents*, the *Executive Summary*, the *Appendices*, and the *Bibliography*. Additional time was spent in discussions with LAFCO staff, the LAFCO attorney, and the Incorporation Committee regarding the Administrative Draft EIR that was submitted in mid-November. Several memos, emails and conference calls were held to clarify and reach common understanding as how best to address the concerns raised by LAFCO staff and attorney. Additional time was spent implementing the changes.

One outcome of the discussions was a common understanding that, in the context of our Contract, the document should now be considered a “stand alone” EIR and that a portion of the

additional \$50,000 budget for this should be added to the Lamphier-Gregory authorization, in order to compensate for the work required to fully respond to the comments on the ADEIR.

Budget Update

The enclosed spreadsheet reflects the current charges against the contract budget allocation. For the current billing period, we have incurred a total of 101.5 hours of time, reflecting total fees of \$10,927.50. The Invoice also reflects direct charges of \$34.22 for printing and photocopy charges. At this point, we have spent approximately 76 percent of the budget and the project is approximately 75 percent complete. This does not reflect the Budget Adjustment that will be reflected in the January Progress Report, after LAFCO has formally approved the change.

Project Status Report as of: 11/30/2004

Phase	Task	Contract Amount	Hrs. this period	Invoice Prof. Fees	Invoice Amount Dir. Exp.	Total Invoice	Total Costs to Date	Remaining Budget	% Compl.
I	Initial Study	\$ 27,000					\$ 26,574.58	\$ 425.42	98%
III	Focused EIR	\$ 63,000	101.5	\$ 10,927.50	\$ 34.22	\$ 10,961.72	\$ 41,379.34	\$ 21,620.66	66%
	Subtotal	\$ 90,000	101.5	\$ 10,927.50	\$ 34.22	\$ 10,961.72	\$ 67,953.92	\$ 22,046.08	76%

Possible Additional Scope and Budget, subject to approved by LAFCO:

IV	Ind. EIR	\$ 50,000		\$ -		\$ -	\$ -	\$ 50,000.00	0%
----	----------	-----------	--	------	--	------	------	--------------	----

P. SCOTT BROWNE

Attorney at Law
131 South Auburn Street
Grass Valley, CA 95945
(530) 272-4250
(530) 272-1684 Fax
Tax ID# 68-0348904

Roseanne Chamberlain
El Dorado LAFCo
550 Main Street, Suite E
Placerville CA 95667

Period Ending:
December 15, 2004

In Reference To: CLIENT CODE: ELDORO-01, Miscellaneous Special Counsel
Professional Services

	<u>Hours</u>	<u>Amount</u>
<u>New 2003 Incorporation effort</u>		
11/29/2004 PSB Telephone Call from Roseanne Chamberlain	0.50	75.00
12/6/2004 PSB Review EIR	4.00	600.00
12/7/2004 PSB Review law; draft memo; Conference Call with Roseanne Chamberlain & Taylor	3.50	525.00
12/8/2004 PSB Conference Call with Roseanne Chamberlain & Nat; complete memo	1.25	187.50
12/9/2004 PSB Telephone Call from Nat; Review memo; Telephone Call to Roseanne Chamberlain	1.50	225.00
12/10/2004 PSB Memo to Nat	0.75	112.50
12/13/2004 PSB Review documents; Conference Call with Nat and Roseanne Chamberlain	1.00	150.00
12/14/2004 PSB Research Law	0.75	112.50
SUBTOTAL:	[13.25	1,987.50]
Total Professional Hours	13.25	\$1,987.50
Interest on overdue balance		\$9.61
Total billing this month		<u>\$1,997.11</u>





Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

Invoice

EPS Employer ID: 94-3056856

Invoice Number: 14472.5

December 31, 2004

To: El Dorado Local Agency Formation Com.
550 Main Street, Suite E
Placerville, CA 95667
Attention: Roseanne Chamberlain, Executive Officer

Project: **El Dorado Hills Incorporation CFA**

EPS # 14472

Project Manager: James Gomes PIC: Kieser

Professional Services for the Period: 11/27/04 to 12/31/04

Task 1 Prepare Draft Comprehensive Fiscal Analysis

<u>Professional Services</u>		<u>Hours</u>	<u>Rate</u>	<u>Charge</u>
Richard Berkson	Principal	4.75	\$200.00	950.00
James Gomes	Senior Vice President	17.25	\$175.00	3,018.75
David L. Sanders	Vice President	1.00	\$155.00	155.00
Amy Lapin	Associate	65.00	\$100.00	6,500.00
Lucas Perretti	Research Analyst II	13.50	\$80.00	1,080.00
Victoria Allensworth	Support Staff	1.00	\$60.00	60.00
Professional Services Total:		102.50		\$11,763.75

<u>Reimbursables</u>	<u>Charge</u>
Mileage/Parking	\$20.63
Reimbursables Total:	\$20.63

Total Task 1 **\$11,784.38**

*** Total Project Invoice Amount: **\$11,784.38**

<u>Aged Receivables:</u>	<u>Current</u>	<u>1 Month</u>	<u>2 Months</u>	<u>3 Months</u>	<u>> 3 Months</u>
	\$11,784.38	\$0.00	\$0.00	\$0.00	\$0.00

Handwritten:
Approved
OK to P
11/26/04
R



INVOICE FOR LMIS/GIS SERVICES

CLIENT

LAFCO
 550 MAIN STREET, SUITE E
 PLACERVILLE CA 95667

Attention: NAT TAYLOR (530)-295-2727

INVOICE NUMBER: 106 - 2806

The following products and services were provided to you by the GIS staff. The amount due is noted below.

REQUEST DESCRIPTION	REQUEST DATE	REQUESTED BY	PO REFERENCE
REVISE ALL EDHINC FIG FOR DRAFT EIR PACKAGE	11/30/2004	NAT TAYLOR	EDHINC

Date	Service Description	Quantity	Rate	Total
12/6/2004	HOURS MAP/PRODUCT DEVELOPMENT	3	\$60.00	\$180.00
12/7/2004	HOURS MAP/PRODUCT DEVELOPMENT	3	\$60.00	\$180.00
12/9/2004	HOURS MAP/PRODUCT DEVELOPMENT	4	\$60.00	\$240.00

*Invoice Trust
 OK to pay 12/22
 JFC*

Federal Tax Id: 94-6000511

PLEASE PAY THIS TOTAL \$600.00

Payment can be made by check or money order to
 Please send this stub with your payment.

El Dorado County Surveyor
 360 Fair Ln, Bldg. B
 Placerville, CA 95667
 Attn: Jose' Crummett

Invoice Date	Invoice Number	Invoice Amount	Payment Date	Receipt Number
15-Dec-04	106 - 2806	\$600.00	/ /	

Questions regarding this invoice should be directed to Jose' M. Crummett at 530-621-6511, crummett@co.el-dorado.ca.us

County of El Dorado

Daniel S. Russell
360 Fair Lane, Bldg B.
surveyor@co.el-dorado.ca.us

County Surveyor
Placerville, CA 95667
530-621-5440

INVOICE FOR LMIS/GIS SERVICES

CLIENT

LAFCO
550 MAIN STREET, SUITE E
PLACERVILLE CA 95667

Attention: NAT TAYLOR (530)-295-2727

INVOICE NUMBER: 106 - 2835

The following products and services were provided to you by the GIS staff. The amount due is noted below.

REQUEST DESCRIPTION	REQUEST DATE	REQUESTED BY	PO REFERENCE
MISC. CHANGES TO EDHINC DEIR CHANGE TEXT, FIG IDS	1/5/2005	NAT TAYLOR	EDHINC

Date	Service Description	Quantity	Rate	Total
1/6/2005	HOURS MAP/PRODUCT DEVELOPMENT	1.5	\$60.00	\$90.00

Federal Tax Id: 94-6000511

PLEASE PAY THIS TOTAL \$90.00

Payment can be made by check or money order to
Please send this stub with your payment.

El Dorado County Surveyor
360 Fair Ln. Bldg. B
Placerville, CA 95667
Attn: Jose' Crummett

Invoice Date	Invoice Number	Invoice Amount	Payment Date	Receipt Number
06-Jan-05	106 - 2835	\$90.00	/ /	

Questions regarding this invoice should be directed to Jose' M. Crummett at 530-621-6511, crummett@co.el-dorado.ca.us

*Information sent
OK to pay 1/25/05
RGC*



County of El Dorado

Daniel S. Russell
360 Fair Lane, Bldg B.
surveyor@co.el-dorado.ca.us

County Surveyor
Placerville, CA 95667
530-621-5440

INVOICE FOR LMIS/GIS SERVICES

CLIENT

LAFCO
550 MAIN STREET, SUITE E
PLACERVILLE CA 95667

Attention: NAT TAYLOR (530)-295-2727

INVOICE NUMBER: 106 - 2832

The following products and services were provided to you by the GIS staff. The amount due is noted below.

REQUEST DESCRIPTION	REQUEST DATE	REQUESTED BY	PO REFERENCE
ADDITIONAL MAP, SOUTHERN PROPERTIES EX.4-3, EDHINC	1/3/2005	NAT TAYLOR	EDHINC

Date	Service Description	Quantity	Rate	Total
1/3/2005	HOURS MAP/PRODUCT DEVELOPMENT	2	\$60.00	\$120.00

Federal Tax Id: 94-6000511 **PLEASE PAY THIS TOTAL \$120.00**

Payment can be made by check or money order to
Please send this stub with your payment.
El Dorado County Surveyor
360 Fair Ln, Bldg. B
Placerville, CA 95667
Attn: Jose' Crummett

Invoice Date	Invoice Number	Invoice Amount	Payment Date	Receipt Number
06-Jan-05	106 - 2832	\$120.00	/ /	

Questions regarding this invoice should be directed to Jose' M. Crummett at 530-621-6511, crummett@co.el-dorado.ca.us

Incorporation Tax
OK to pay
1/25/05
JGC



County of El Dorado

Daniel S. Russell
360 Fair Lane, Bldg B.
surveyor@co.el-dorado.ca.us

County Surveyor
Placerville, CA 95667
530-621-5440

INVOICE FOR LMIS/GIS SERVICES

CLIENT

LAFCO
550 MAIN STREET, SUITE E
PLACERVILLE CA 95667

Attention: NAT TAYLOR (530)-295-2727

INVOICE NUMBER: 106 - 2854

The following products and services were provided to you by the GIS staff. The amount due is noted below.

REQUEST DESCRIPTION	REQUEST DATE	REQUESTED BY	PO REFERENCE
AERIAL EDHINC WITH EDHCWD BOUNDARY PDF FILE	1/18/2005	NAT TAYLOR	EDHINC

Date	Service Description	Quantity	Rate	Total
1/18/2005	HOURS MAP/PRODUCT DEVELOPMENT	1	\$60.00	\$60.00

Federal Tax Id: 94-6000511 **PLEASE PAY THIS TOTAL \$60.00**


Payment can be made by check or money order to
Please send this stub with your payment.
El Dorado County Surveyor
360 Fair Ln, Bldg. B
Placerville, CA 95667
Attn: Jose' Crummett

Invoice Date	Invoice Number	Invoice Amount	Payment Date	Receipt Number
18-Jan-05	106 - 2854	\$60.00	/ /	

Questions regarding this invoice should be directed to Jose' M. Crummett at 530-621-6511, crummett@co.el-dorado.ca.us

Send

*Invoiced
OK to pay
1/25/05*



County of El Dorado

Daniel S. Russell County Surveyor
360 Fair Lane, Bldg B. Placerville, CA 95667
surveyor@co.el-dorado.ca.us 530-621-5440

INVOICE FOR LMIS/GIS SERVICES

CLIENT

LAFCO
550 MAIN STREET, SUITE E
PLACERVILLE CA 95667

Attention: NAT TAYLOR (530)-295-2727

INVOICE NUMBER: 106 - 2851

The following products and services were provided to you by the GIS staff. The amount due is noted below.

REQUEST DESCRIPTION	REQUEST DATE	REQUESTED BY	PO REFERENCE
REVISE DEIR FIGS 4-X, DEL BROWNS RAVINE/FOLSOM LAKE	1/13/2005	NAT TAYLOR	EDHINC

Date	Service Description	Quantity	Rate	Total
1/14/2005	HOURS MAP/PRODUCT DEVELOPMENT	1.5	\$60.00	\$90.00
Federal Tax Id: 94-6000511			PLEASE PAY THIS TOTAL	\$90.00

Payment can be made by check or money order to
Please send this stub with your payment.
El Dorado County Surveyor
360 Fair Ln, Bldg. B
Placerville, CA 95667
Attn: Jose' Crummett

Invoice Date	Invoice Number	Invoice Amount	Payment Date	Receipt Number
21-Jan-05	106 - 2851	\$90.00	/ /	

Questions regarding this invoice should be directed to Jose' M. Crummett at 530-621-6511, crummett@co.el-dorado.ca.us



**EL DORADO LOCAL AGENCY
FORMATION COMMISSION**

AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2004**

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Audit Report
For the Year Ended June 30, 2004

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EL DORADO LOCAL AGENCY FORMATION COMMISSION

Commission Membership as of June 30, 2004

<u>Name</u>	<u>Position</u>	<u>Original Appt.</u>	<u>Term Expires</u>
Tom Davis	Chair City Representative South Lake Tahoe	May 2004	January 2008
Robert Salazar	Vice-Chair City Representative Placerville	January 2002	January 2006
Nancy Allen	Member Special Districts Garden Valley Fire Protection District	August 2003	January 2005
Gary Costamagna	Member Special Districts El Dorado Hills County Water District	March 2003	January 2007
Allen R. Manard	Member Public Member	January 2002	May 2008
Charlie Paine	Member County Representative County Board of Supervisors	January 2003	January 2008
Rusty Dupray	Member County Representative County Board of Supervisors	January 2001	January 2006
Kathi Lishman	Alternate Member City Representative	January 2002	January 2006
Francesca Loftis	Alternate Member	July 2003	January 2008
George Wheeldon	Alternate Member Special Districts	March 2001	January 2007

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Tryhall
Kenneth E. Pope
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zúñiga

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
El Dorado Local Agency Formation Commission
Placerville, California

We have audited the accompanying basic financial statements of the El Dorado Local Agency Formation Commission as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the El Dorado Local Agency Formation Commission management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the El Dorado Local Agency Formation Commission as of June 30, 2004, and the ~~respective~~ changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Board of Commissioners
El Dorado Local Agency Formation Commission
Placerville, California

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2004, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The individual fund financial statement listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of El Dorado Local Agency Formation Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig Basler & Ray, CPAs, Inc.

Roseville, California
November 18, 2004

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Management's Discussion and Analysis June 30, 2004

This section of the El Dorado Local Agency Formation Commission's (LAFCO) annual financial report presents our discussion and analysis of LAFCO's financial performance during the fiscal year ended on June 30, 2004. We encourage readers to consider the information presented here in conjunction with LAFCO's financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

Listed below are highlights of accomplishments by the Local Agency Formation Commission:

- During the 2003/04 fiscal year, the Local Agency Formation Commission received \$291,022 in intergovernmental revenue for the purpose of facilitating the formation of new local governmental agencies and changes of organization in existing agencies. LAFCO decisions strive to balance the competing needs for affordable housing, economic opportunity, and conservation of natural resources in California. The projects that were worked on included but are not limited to:
 - ◆ Project No. 93-05 – Shaw Annexation
 - ◆ Project No. 98-12 – Greensprings Ranch Reorganization
 - ◆ Project No. 02-10 – EDH 52 Reorganization
 - ◆ Project No. 03-02 – Euer Reorganization
 - ◆ Project No. 03-03 – Carson Creek Reorganization
 - ◆ Project No. 03-05 – EMC Annexation to El Dorado Hills Irrigation District
 - ◆ Project No. 03-08 – Johnston Annexation to El Dorado Hills Irrigation District
 - ◆ Project No. 03-09 – Ebert Annexation to El Dorado Irrigation District
 - ◆ Project No. 03-10 – City of El Dorado Hills Incorporation

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial statements consist of three parts: Management's Discussion and Analysis (this section) and the basic financial statements, which include government-wide and fund financial statements, along with the notes to these financial statements, and Required Supplementary Information.

The Basic Financial Statements

The basic financial statements consist of the government-wide financial statements and the fund financial statements; these two sets of financial statements provide two different views of the LAFCO's financial activities and financial position.

The Government-wide Financial Statements

The government-wide financial statements provide a broad overview of the LAFCO's activities as a whole, and consist of the statement of net assets and the statement of activities. The statement of net

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Management's Discussion and Analysis June 30, 2004

assets provides information about the financial position of LAFCO as a whole, including all of its capital assets on the full accrual basis, similar to that used by corporations. The statement of activities provides information about all of LAFCO's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses. The statement of activities explains in detail the change in net assets for the year.

All of the LAFCO's basic services are considered to be governmental activities, which include planning activities. These services are supported by assessments from El Dorado County and the cities and special districts in the County and also by fees for services. Because LAFCO's accounting activity consists of one governmental fund, the government-wide financial statement and the governmental fund financial statement are one and the same.

Fund Financial Statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. LAFCO, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. LAFCO has only one governmental fund.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 9 and 10 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 to 23 of this report.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Management's Discussion and Analysis June 30, 2004

Required Supplementary Information

Supplemental information regarding LAFCO's budget to actual comparison can be found on page 25 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS OF LAFCO

The statement of net assets and statement of activities reports information about LAFCO's activities in a way that will reflect the changes from the prior year to the current year. These two statements report the net assets of LAFCO and the changes in them. LAFCO's net assets – the difference between assets and liabilities – is one way to measure financial health or financial position. Over time, increases or decreases in LAFCO's net assets are an indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in economic conditions, population growth, and new or changed governmental legislation should be considered.

The following table summarizes the Net Assets at June 30, 2004 and 2003:

	2004	2003	Dollar Change	Total Percent Change
<u>Assets</u>				
Current assets	\$ 196,946	\$ 144,446	\$ 52,500	36%
Capital assets	8,852	8,110	742	9%
Total Assets	205,798	152,556	53,242	35%
<u>Liabilities</u>				
Current and other liabilities	13,037	14,725	(1,688)	(11%)
Long-term liabilities	30,249	27,171	3,078	11%
Total Liabilities	43,286	41,896	1,390	3%
<u>Net Assets</u>				
Invested in capital assets	8,852	8,110	742	9%
Unrestricted	153,659	102,550	51,109	50%
Total Net Assets	\$ 162,512	\$ 110,660	\$ 51,852	47%

Assets – Assets increased by \$53,242 (35%) compared to last year. The increase is primarily due to increased cash as a result of revenues exceeding expenses during the year.

Liabilities – Liabilities increased by \$1,390 (3%) compared to last year. The increase is primarily due to the increase in compensated absences.

EL DORA LOCAL AGENCY FORMATION COMMISSION

Management's Discussion and Analysis June 30, 2004

Net Assets – Net assets, the part of equity that can be used to finance day-to-day operations without constraints increased by \$51,109 to \$153,659 due to revenue exceeding expenses. Management continues to work within its budgeted revenues, which ended up higher than current year operating expenses.

The following table summarizes changes in net assets between fiscal years 2004 and 2003:

	2004	2003	Dollar Change	Total Percent Change
<u>Revenues</u>				
Program Revenues:				
Operating contributions	\$ 291,022	\$ 275,996	\$ 15,026	5%
Charges for services and other	63,524	38,644	24,880	64%
General Revenues:				
Interest earnings	3,026	3,142	(116)	(4%)
	357,572	317,782	39,790	13%
<u>Expenses</u>				
Governmental Activities:				
Planning services	303,384	263,804	39,580	15%
Decrease in Net Assets:	\$ 54,188	\$ 53,978	\$ 210	4%

Revenues – Revenues increased by \$39,790 (13%) as a result of higher operating contributions received from the local government agencies within the County, which is a function of the increased anticipated budget for LAFCO for fiscal year 2003/04.

Expenses – Expenses increased by \$39,580 (15%) primarily because of an increase in salaries and benefits as well as services and supplies.

FINANCIAL ANALYSIS OF LAFCO'S FUNDS

As noted earlier, LAFCO uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of LAFCO, reporting LAFCO's operation in more detail than the government-wide financial statements.

Governmental funds. The focus of LAFCO's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing LAFCO's financing requirements. In particular, unreserved fund balance may serve as a useful measurement of a government's net resources available for spending at the end of the fiscal year.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Management's Discussion and Analysis
June 30, 2004

At June 30, 2004, LAFCO's governmental fund reported fund balances of \$183,909, an increase of \$54,187 in comparison with the prior year. The major reason for the increase was an increase in cash and cash equivalents. All of the fund balance constitutes *unrestricted net assets*, which is available to meet LAFCO's current and future needs. As a measure of LAFCO's liquidity, it may be useful to compare total fund balance to total fund expenditures. LAFCO's total fund balance represents 61 percent of total fund expenditures.

General Fund Budgetary Highlights

Actual General Fund revenues exceeded the final budget by \$39,399, most of which was due to additional fee collections. Actual General Fund expenditures were \$85,788 lower than the final budget, of which \$79,313 was due to services and supplies being lower than budget.

CAPITAL ASSETS

The following table summarizes the changes in Capital Assets between June 30, 2004 and 2003:

	<u>2004</u>	<u>2003</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Capital assets, being depreciated:				
Leasehold improvements	\$ 6,400	\$ --	\$ 6,400	100%
Equipment	<u>10,438</u>	<u>16,946</u>	<u>(6,508)</u>	<u>(38%)</u>
Total capital assets being depreciated	16,838	16,946	(108)	62%
Less accumulated depreciation for:				
Leasehold improvements	(427)	--	(427)	100%
Equipment	<u>(7,559)</u>	<u>(8,836)</u>	<u>2,390</u>	<u>(27%)</u>
Total accumulated depreciation	<u>(7,986)</u>	<u>(8,836)</u>	<u>1,963</u>	<u>73%</u>
Net capital assets	<u>\$ 8,852</u>	<u>\$ 8,110</u>	<u>\$ 1,855</u>	<u>23%</u>

Net capital assets increased by \$1,855 (23%) when compared to the prior year due to the recording of an additional year of depreciation expense, offset by current year additions consisting of the purchase of computer and office equipment, as well as leasehold improvements to the new office space. There was no outstanding debt related to any capital assets.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Management's Discussion and Analysis
June 30, 2004

ECONOMIC CONDITIONS

The primary funding source of LAFCO operations is the assessments from the County, cities and special districts. A reduction of taxes and state funding could affect the financial condition of these agencies, which are dependent upon property and other taxes, and could affect the level of LAFCO's activities.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayer and creditors with a general overview of LAFCO's finances. If you have questions about this report or need additional financial information, contact Susan Stahmann, LAFCO, 550 Main Street, Suite E, Placerville, California 95667 or email at lafco@co.el-dorado.ca.us.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Statement of Net Assets and
Governmental Funds Balance Sheet
June 30, 2004

<u>ASSETS</u>	<u>General Fund</u>	<u>Adjustments (Note 5)</u>	<u>Statement of Net Assets</u>
Cash in County Treasury	\$ 52,582	\$ --	\$ 52,582
Imprest cash	20	--	20
Other cash in bank	139,110	--	139,110
Prepaid expenses	5,234	--	5,234
Capital assets, net of accumulated depreciation	<u>--</u>	<u>8,852</u>	<u>8,852</u>
Total Assets	<u>\$ 196,946</u>	<u>\$ 8,852</u>	<u>\$ 205,798</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ 2,349	\$ --	\$ 2,349
Accrued salaries payable	10,688	--	10,688
Long-term liabilities:			
Compensated absences	<u>--</u>	<u>30,249</u>	<u>30,249</u>
Total Liabilities	<u>13,037</u>	<u>30,249</u>	<u>43,286</u>
 <u>FUND BALANCES/NET ASSETS</u>			
Fund Balances:			
Reserved for imprest cash	20	(20)	--
Unreserved:			
Undesignated	<u>183,889</u>	<u>(183,889)</u>	<u>--</u>
Total Fund Balances	<u>183,909</u>	<u>(183,909)</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 196,946</u>		
 Net Assets			
Invested in capital assets, net of related debt		8,852	8,852
Unrestricted		<u>153,660</u>	<u>153,660</u>
Total Net Assets		<u>\$ 162,512</u>	<u>\$ 162,512</u>

The accompanying notes are an integral part of these financial statements.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance For the Year Ended June 30, 2004

	General Fund	Adjustments (Note 5)	Statement of Activities
<u>EXPENDITURES/EXPENSES</u>			
Salaries and benefits	\$ 214,503	\$ 3,078	\$ 217,581
Services and supplies	82,481	--	82,481
Capital Outlay	6,400	(6,400)	--
Depreciation expense	--	1,540	1,540
Total Expenditures/Expenses	303,384	(1,782)	301,602
<u>PROGRAM REVENUES</u>			
Operating contributors:			
Intergovernmental revenues	291,022	--	291,022
LAFCO planning fees	63,524	--	63,524
Total Program Revenues	354,546	--	354,546
Net Program Revenues			52,944
<u>GENERAL REVENUES</u>			
Interest income	3,026	--	3,026
Miscellaneous	--	(4,118)	(4,118)
Total General Revenues	3,026	(4,118)	(1,092)
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,188	(54,188)	--
Change in Net Assets	--	51,852	51,852
Fund Balance/Net Assets - Beginning of Year	129,721	(19,061)	110,660
Fund Balance/Net Assets - End of Year	\$ 183,909	(21,397)	\$ 162,512

The accompanying notes are an integral part of these financial statements.

EL DORAL LOCAL AGENCY FORMATION COMMISSION

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

<u>ASSETS</u>	<u>Agecny Funds</u>
Cash and cash equivalents	<u>\$ 297,366</u>
Total Assets	<u>\$ 297,366</u>
<u>LIABILITIES</u>	
Fees payable	<u>\$ 297,366</u>
Total Liabilities	<u>\$ 297,366</u>

The accompanying notes are an integral part of these financial statements.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 1: **Summary of Significant Accounting Policies**

A. **Reporting Entity**

The El Dorado Local Agency Formation Commission (Commission) was created by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, which marked significant reform to local government reorganization law. From 1963 to 2000, various statutes concerning local government reorganization allowed local agency formation commissions in each county to function either as independent agencies or as part of the county government. In El Dorado County, the local agency formation commission was part of the county government during this period. The Commission's role is to ensure the orderly formation of local government agencies, to preserve agricultural and open space lands, and to discourage urban sprawl. The Commission has jurisdiction over the County of El Dorado, the Cities of Placerville and South Lake Tahoe and 28 special districts located within the boundaries of El Dorado County.

The Commission is composed of seven members and four alternates who represent the following interests:

- Two members selected from the El Dorado County Board of Supervisors
- Two members and one alternate from the City Council selected by the City Selection Committee from the Cities of Placerville and South Lake Tahoe
- Two members selected from the Special Districts Selection Committee
- One public member-at-large is selected by the County and City members listed above
- There may be alternate members for each category: city, county, special districts and public

The Commission includes all activities (operations of its administrative staff and commission officers) considered to be a part of the Commission. The Commission reviewed the criteria developed by the Governmental Accounting Standards Board (GASB) in its issuance of Statement No. 14, relating to the financial reporting entity to determine whether the Commission is financially accountable for other entities. The Commission has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the financial statements. In addition, the Commission is not aware of any entity that would be financially accountable for the Commission that would result in the Commission being considered a component unit of that entity.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements

June 30, 2004

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation and Accounting**

In this report, the government-wide statements and the fund statements for the Commission are presented on the same page with the adjustments column showing the differences.

Government-Wide Statements

The statement of net assets and statement of activities display information about the primary government (Commission). These statements include the financial activities of the overall Commission.

The statement of activities presents a comparison between direct expenses and program revenues for the Commission's governmental activity. Direct expenses are those that are specifically associated with the Commission. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of the Commission. Revenues that are not classified as program revenues, including all taxes and investment income, are presented instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Nonexchange transactions in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include sales taxes and grants. Revenues from sales tax are recognized when the underlining transactions take place. Revenues from grants are recognized in the fiscal year in which all eligible requirements have been satisfied.

The government-wide financial statements are reported using the modified cash basis of accounting. Revenues are generally recognized in the accounting period in which collected and expenditures are generally recognized in the period paid.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation and Accounting** (continued)

Fund Financial Statements

The fund financial statements provide information about the Commission's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any remaining governmental funds are aggregated and reported as nonmajor funds.

The Commission reports the following major governmental fund:

- The General Fund is the Commission's primary operating fund. It accounts for all financial resources of the general government.

The Commission did not have any nonmajor governmental funds at June 30, 2004.

The Commission also reports on two agency funds. Agency funds are used to account for situations in which the government receives and disburses resources in an agency capacity. Because all of the assets of agency funds are associated with third parties, agency funds have no equity; their assets equal their liabilities. LAFCO reports on the following two agency funds:

State Board of Equalization Filing Fees
El Dorado Hills Incorporation Filing Fees

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Commission utilizes a sixty day availability period for revenue recognition for governmental fund revenues. Those revenues susceptible to accrual are taxes, intergovernmental revenues (grants), charges for services and interest revenues. Expenditures related to compensated absences are recorded only when payment is due.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 1: **Summary of Significant Accounting Policies** (continued)

B. Basis of Presentation and Accounting (continued)

Fund Financial Statements (continued)

However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The Commission reports the following major governmental fund:

- The General Fund is the Commission's primary operating fund. It accounts for all financial resources of the general government.

C. Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of accounts groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net assets.

D. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Commission defines capital assets as assets with an initial, individual cost of more than \$1,500 for equipment and building and improvements and estimated useful lives in excess of five and fifteen years, respectively. Capital assets used in operations are depreciated or amortized (assets under capital leases) under the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements. Depreciation begins on the first day of the fiscal year following the period the asset is placed in service and ends in the fiscal year that it is retired from service or is full depreciated.

The estimated useful lives are as follows:

Equipment	5 years
Leasehold improvements	15 years

Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement. The proceeds from the sale of capital assets is included in the statement of revenues, expenditures

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 1: **Summary of Significant Accounting Policies** (continued)

D. Capital Assets (continued)

and changes in fund balances of the related fund. The proceeds reported in the governmental funds are eliminated and the gain or loss on sale is reported in the government-wide presentation.

E. Compensated Absences

Earned vacation may be accumulated up to a maximum of 320 hours. The following chart is to be used for unused vacation benefits accrual by all personnel.

<u>Years of Continuous Commission Service</u>	<u>Maximum Accrual for Years of Continuous Service</u>
Years 1 through 3	240 maximum hours
Years 4 through 11	320 maximum hours
Years 11 forward	320 maximum hours

There is no maximum accumulation for earned sick leave, although maximum number of hours paid shall not exceed 500. In order to receive payment for unused sick leave, employees must have five or more years of service. The following chart is used for unused sick leave accrual by all personnel.

<u>Years of Continuous Commission Service</u>	<u>% of Sick Leave Paid for Years of Continuous Service</u>
Years 5 through 10	20% of unused accrual
Years 11 through 15	40% of unused accrual
Years 16 through 20	70% of unused accrual
Years 21 forward	100% of unused accrual

The Commission accounts for compensated absences in accordance with Governmental Accounting Standards Board Statement No. 16 *Accounting for Compensated Absences*. The earned vacation and sick time is payable upon termination and is reported as a liability in the government-wide financial statements.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 1: **Summary of Significant Accounting Policies** (continued)

G. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. **Net Assets/Fund Balance**

Net Assets

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation. At June 30, 2004, the Commission had no net assets that were restricted.
- *Unrestricted Net Assets* – This category represents net assets of the Commission, not restricted for any project or other purpose.

Fund Balances

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 1: **Summary of Significant Accounting Policies** (continued)

H. **Net Assets/Fund Balance** (continued)

Fund Balance (continued)

As of June 30, 2004, reservations of fund balance are described below:

The term "reserved" is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure.

The District has "reserved" fund balances as follows:

- *Reserve for Imprest Cash* was created to represent the portion of the fund balance that is not available for expenditure because the Commission maintains various levels of revolving funds for daily operations.

Note 2: **Cash**

Cash at June 30, 2004 consisted of the following:

Cash in County Treasury	\$ 52,582
Deposits	<u>139,109</u>
	<u>\$ 191,691</u>

Cash in County Treasury

The Commission maintains part of its cash in the El Dorado County Treasury. The County pools these funds with those of other entities in the County and invests the cash. These pooled funds are carried at amortized cost, which approximates market value. LAFCO's share of the cash and investment pool is separately accounted for and interest earned is apportioned quarterly based upon the relationship of its average daily cash balance to the total of the pooled cash and investments. Any investment losses are proportionately shared by all funds in the pool. The El Dorado County Treasury Oversight Committee oversees the Treasurer's compliance with the County investment policy. The Committee consists of ten members as designated by State law. The County's audit report discloses the required information in accordance with Governmental Accounting Standards Board Statement No. 3 (GASB No. 3).

All of the County's investments and deposits meet the criteria of Category 1, as defined by GASB No. 3, which is the most favorable risk category.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 2: **Cash** (continued)

Deposits

State statutes require that all deposits in financial institutions be fully collateralized by government securities. The Commission's deposits were fully insured or collateralized as required by State statutes at June 30, 2004. At June 30, 2004, the carrying amount of the Commission's cash deposits totaled \$139,109, of which \$100,000 was covered by Federal Depository Insurance. The remaining \$39,109 was collateralized.

Note 3: **Capital Assets**

Capital asset activity for the year ended June 30, 2004 was as follows:

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2004</u>
<i>Capital Assets, Being Depreciated:</i>				
Leasehold improvements	\$ --	\$ 6,400	\$ --	\$ 6,400
Equipment and vehicles	<u>16,946</u>	<u>--</u>	<u>(6,508)</u>	<u>10,438</u>
Total Capital Assets, Being Depreciated	<u>16,946</u>	<u>6,400</u>	<u>(6,508)</u>	<u>16,838</u>
Less Accumulated Depreciation for:				
Leasehold improvements	--	(427)	--	(427)
Equipment and vehicles	<u>(8,836)</u>	<u>(1,113)</u>	<u>2,390</u>	<u>(7,559)</u>
Total Accumulated Depreciation	<u>(8,836)</u>	<u>(1,540)</u>	<u>2,390</u>	<u>(7,986)</u>
Total Capital Assets, Net	<u>\$ 8,110</u>	<u>\$ 4,860</u>	<u>\$ (4,118)</u>	<u>\$ 8,852</u>

Note 4: **Long-Term Liabilities**

The following is a summary of long-term debt transactions of the Commission for the year ended June 30, 2004:

	<u>July 1, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2004</u>
Compensated absences	<u>\$ 27,171</u>	<u>\$ 3,078</u>	<u>\$ --</u>	<u>\$ 30,249</u>

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 5: **Reconciliation of Fund and Government-Wide Financial Statements**

A. **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets on page 3 of this report.**

Amount reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. \$ 8,852

Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds (30,249)

\$ (21,397)

B. **Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities on page 4 of this report.**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay \$ 6,400
Current year depreciation expense (1,540)

Changes in compensated absences payable reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (3,078)

\$ 1,782

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 6: **Related Party Transactions**

A. **Support Services**

Pursuant to an agreement between the County of El Dorado and the Commission, the County provides support services to the Commission, including accounting services, facilities and equipment use, supplies, insurance and various other administrative services and supplies. During the year ended June 30, 2004, the Commission paid the County the following amounts for these services:

Insurance	\$	9,596
Office and Administrative		8,064
Information Technology Services		<u>5,048</u>
	\$	<u>22,708</u>

B. **Revenues**

Pursuant to Government Code Section 56381.1, the County provides one-third of the intergovernmental revenue to the Commission. The other two-thirds is funded by City of Placerville, City of South Lake Tahoe, and the 49 Special Districts.

Note 7: **Operating Lease**

Prior to November 2003, the Commission occupied space in the County of El Dorado's office building. In October 2003, the Commission entered into a lease agreement for office space located at 550 E. Main Street, Suite E, Placerville, CA. The lease is for a term of 60 months and expires in October 2008. Total rent charged to operations for the year ended June 30, 2004 was \$14,941.

Minimum required future rental payments under both noncancellable lease agreements are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2005	\$ 15,762
2006	16,200
2007	16,267
2008	<u>5,321</u>
	<u>\$ 53,550</u>

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements

June 30, 2004

Note 8: **Risk Management**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission participates in the County of El Dorado's risk pool for general, public officials errors and omissions, property, worker's compensation liability, health, life and disability. Information about coverage can be found in the County's basic financial statements. The County is self-insured up to a certain level, beyond which group-purchased commercial excess insurance is obtained through the California State Association of Counties. Loss contingency reserves established by the County are funded by contributions from various county departments and special districts. LAFCO pays an annual premium to the County that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the pool. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additional information about available coverage can be obtained from the County's Risk Management Department.

Note 9: **Employee's Retirement Plan**

Plan Description

LAFCO contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan through the County's plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public employees within the State of California. All permanent full and part-time LAFCO employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times their monthly average salary over the twelve highest consecutive months of employment. Copies of the PERS annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

Active plan members are required to contribute 7% of their annual covered salary. LAFCO makes the contributions required of LAFCO employees on their behalf and for their account. LAFCO is required to contribute at an actuarially determined rate, which was zero for the year ended June 30, 2004. The contribution requirements of plan members and LAFCO are established and may be amended by PERS.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements
June 30, 2004

Note 9: **Employee's Retirement Plan** (continued)

Annual Pension Cost

For the year ending June 30, 2004, LAFCO incurred an annual pension cost of \$13,846. The required contribution was determined as part of the June 30, 2002 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary in duration of service ranging from 3.75% to 14.2% and (c) 3.75% cost of living adjustment. Both (a) and (b) include an inflation component of 3.5%.

The funding status of the plan, including the actuarial value of the plan's assets and the actuarial accrued liability, cannot be determined for LAFCO since it is part of the County's plan.

Trend Information for LAFCO

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 2002	\$ 4,311	100%
June 30, 2003	4,465	100%
June 30, 2004	13,846	100%

REQUIRED SUPPLEMENTARY INFORMATION

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Notes to the Required Supplementary Information
For the Year Ended June 30, 2004

BUDGET AND BUDGETARY REPORTING

The Commission is required to prepare a budget each year based on estimates of revenues and expected expenditures. The budget is adopted on a basis consistent with generally accepted accounting principles. The legal level of budgetary control is exercised at the budget unit (departmental) level. All changes to the budget during the year are reflected in these financial statements and require the approval of the governing board. All unencumbered annual appropriations lapse at the end of each fiscal year.

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Intergovernmental revenues	\$ 291,022	\$ 291,022	\$ 291,022	\$ --
Interest income	2,000	2,000	3,026	1,026
LAFCO planning fees	25,000	25,000	63,524	38,524
Miscellaneous	150	150	--	(150)
 Total Revenues	 <u>318,172</u>	 <u>318,172</u>	 <u>357,572</u>	 <u>39,400</u>
<u>EXPENDITURES</u>				
Salaries and benefits	224,504	220,978	214,503	6,475
Services and supplies	149,698	168,194	82,481	85,713
Capital outlay	--	--	6,400	(6,400)
 Total Expenditures	 <u>374,202</u>	 <u>389,172</u>	 <u>303,384</u>	 <u>85,788</u>
 Changes in Fund Balance	 <u>\$ (56,030)</u>	 <u>\$ (71,000)</u>	 <u>54,188</u>	 <u>(46,388)</u>
 Fund Balance - Beginning of Year			 <u>129,721</u>	
 Fund Balance - End of Year			 <u>\$ 183,909</u>	

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY INFORMATION

EL DORADO LOCAL AGENCY FORMATION COMMISSION

Statement of Changes in Fiduciary Net Assets
 Agency Fund
 June 30, 2004

Fund	Beginning Balance	Debits	Credits	Ending Balance
State Board of Equalization	\$ 10,853	\$ 21,550	\$ (27,335)	\$ 5,068
El Dorado Hills Incorporation	-	316,679	(24,381)	292,298
	<u>\$ 10,853</u>	<u>\$ 338,229</u>	<u>\$ (51,716)</u>	<u>\$ 297,366</u>

OTHER REPORT

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Kenneth E. Pope
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zúñiga

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
El Dorado Local Agency Formation Commission
Placerville, California

We have audited the financial statements of the El Dorado Local Agency Formation Commission as of and for the year ended June 30, 2004, and have issued our report thereon dated November 18, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the El Dorado Local Agency Formation Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Board of Commissioners
El Dorado Local Agency Formation Commission

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the El Dorado Local Agency Formation Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standard*

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

Roseville, California
November 18, 2004

EL DORADO LOCAL AGENCY FORMATION COMMISSION

550 MAIN STREET SUITE E
PLACERVILLE, CA 95667

TELEPHONE:(530)295-2707
FAX:(530)295-1208

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Local Agency Formation Commission will hold the following public hearings at 5:30 p.m. or as soon thereafter as possible in the Meeting Room in Building C, El Dorado County Government Center, located at 2850 Fairlane Court, Placerville, CA 95667, to consider the following items:

February 14, 2005: Proposed Incorporation of El Dorado Hills (LAFCO Project 03-10), including a study session on the draft EIR (SCH# 2004082113) and/or the draft comprehensive fiscal analysis prepared for the project;

February 23, 2005: Adoption of Fiscal Year 2004-05 Proposed Budget pursuant to Government Code §56381(a); Euer Ranch Reorganization, LAFCO Project 03-02, annexation of 152.7 acres into the EDHCSO with concurrent detachment from CSA9 and annexation of 4 acres into EID, located near White Rock Rd. and Latrobe Rd. CEQA: An EIR was prepared by El Dorado Co. as the lead agency for the Carson Creek Specific Plan, SCH#94072021; Fisher Annexation, Project 04-10, Informational Hearing pursuant to Government Code §56857, annexation of .39 acres into EID, located on Guadalupe Drive near Francisco Dr. in El Dorado Hills, no action will be taken; Proposed Incorporation of El Dorado Hills (LAFCO Project 03-10), including a study session on the draft EIR (SCH# 2004082113) and/or the draft comprehensive fiscal analysis prepared for the project.

Any person may submit oral or written comments. Staff will distribute written comments to the Commission if submitted 24 hours before the meeting to: Roseanne Chamberlain, Executive Officer, LAFCO, 550 Main Street Suite E, Placerville, CA 95667. Meeting documents will be available for review no less than five days prior to the meeting. If you have any questions, you may contact the LAFCO office during normal business hours at (530) 295-2707.

EL DORADO COUNTY LOCAL AGENCY FORMATION COMMISSION

ROSEANNE CHAMBERLAIN, EXECUTIVE OFFICER

MOUNTAIN DEMOCRAT

TO BE PUBLISHED ONE TIME ONLY: February 2, 2005

sharedv05FebLegal

*COMMISSIONERS: TOM DAVIS, ROBERT SALAZAR, GARY COSTAMAGNA, RUSTY DUPRAY, ALDON MANARD, CHARLIE PAINE, NANCY ALLEN
ALTERNATES: KATHI LISHMAN, GEORGE WHEELDON, FRANCESCA LOFTIS, JAMES R. SWEENEY
STAFF: ROSEANNE CHAMBERLAIN-EXECUTIVE OFFICER, CORINNE FRATINI-POLICY ANALYST,
SUSAN STAHMANN-CLERK TO THE COMMISSION, TOM GIBSON-LAFCO COUNSEL*

I, Susan Stahmann, Clerk to LAFCO, do declare that I notified the following persons/entities of the Meetings/Closed Sessions noted below. Further, I Susan Stahmann, do declare that I either posted or caused to be posted the "Agendas/Meetings/Closed Session of LAFCO at the Board of Supervisors and Bldg "C" Main Bulletin Boards on or before 12:00 p.m. on 2/10/05 *[Signature]*

[Signature]
 Susan Stahmann, Clerk to LAFCO

	AGENDA - (Double Sided - 7)	Meeting Date: 2/23/05	Mailed: 2/10/05	
√	Agenda File - LAFCO			
√	Chamberlain, Roseanne	LAFCO		
√	John Driscoll, City Mgr.	City of Placerville	487 Main Street	Placerville, CA 95667
√	Fratini, Corinne	LAFCO		
√	Sacramento Bee	Folsom Bureau	1835 Prairie City Rd., Suite 500	Folsom, CA 95630
√	Stahmann, Susan	LAFCO		
√	Tahoe Tribune	Editor	3079 Harrison Ave.	So. Lake Tahoe, CA 96150
	AGENDA - (e-mailed) 2/10/05			
e-m	Alcott, Craven	Parks & Recreation Director	calcott@co.el-dorado.ca.us	
e-m	Allen, Nancy	LAFCO Commission	wyomom@webtv.net	
e-m	Arietta, Butch	Springfield Meadows CSD	Barietta57@aol.com	
e-m	Brillissour, Jo Ann	El Dorado County - Planning	jbrillissour@co.el-dorado.ca.us	
e-m	Browne, Scott	Attorney At Law	scottbrowne@jps.net	
e-m	Burney, Naomi	League of Women Voters	nburney@plv4.innercite.com	
e-m	Chamberlain, Roseanne	LAFCO	roseanne@co.el-dorado.ca.us	
e-m	Colvin, Robby	LAFCO Commission	robbycolvin@hotmail.com	
e-m	Cooper, Brian	El Dorado Irrigation District	bcooper@eid.org	
e-m	Costamagna, Gary	LAFCO Commission	pnjcosta@jps.net	
e-m	Davis, Don		ddavis67@pacbell.net	
e-m	Davis, Tom	LAFCO Commission	tomhdavis@aol.com	
e-m	Deister, Ane	EID	adeister@eid.org	
e-m	Dupray, Rusty	LAFCO Commission	bosone@co.el-dorado.ca.us	
e-m	Ford, Frank	Citizens for Good Government	fordcgg@pacbell.net	

e-m	Fraser, John	EID	jfraser@innercite.com
e-m	Fratini, Corinne	LAFCO	cfratini@co.el-dorado.ca.us
e-m	Frye, Larry R., Chief	EDH County Water	Larry@edhfire.com
e-m	Georgetown Gazette-Ctrl Disp	Newspaper	gazette@d-web.com
e-m	Gibson, Thomas	LAFCO Counsel	Thomas.Gibson@bbklaw.com
e-m	Grace, Lori	EID	lgrace@eid.org
e-m	Graichen, Barbara	Consultant	nmatomas@aol.com
e-m	Hagen, Carl	LAFCO Commission	chagen@d-webb.com
e-m	Hidahl, John		john.hidahl@aerojet.com
e-m	Hillyer, Dianna	EDH CSD	dhillyer@edhcsd.org
e-m	Hollis, Bob	Request	rhollis@CarnegiePartners.com
e-m	Jackson, Mindy	El Dorado Transit	mjackson@innercite.com
e-m	Lacher, Bruce	El Dorado County Fire District	c7700@directcon.net
e-m	Life Newspapers	Newspaper	editor@villagelife.com
e-m	Lishman, Kathi	LAFCO Commission	klishman@mac.com
e-m	Lofis, Francesca	LAFCO Commission	floftis@CWnet.com
e-m	Long, Ted	LAFCO Commission	tedtahoe@hotmail.com
e-m	Lowery, Wayne	El Dorado Hills CSD-Gen. Mgr	wlowery@edhcsd.org
e-m	Margaret Moody	BOS	mmoody@co.el-dorado.ca.us
e-m	McDonald, Linda	EID	lmcdonald@eid.org
e-m	Morgan, Jon	Environmental Management	jmorgan@co.el-dorado.ca.us
e-m	Neasham, Sam		Neasham@neashamlaw.com
e-m	Osborne, George	EID	gwclosborne@comcast.net
e-m	Paine, Richard C.	LAFCO Commission	paine@trajen.com
e-m	Parker, Tom	LAFCO Counsel	thomasp@co.el-dorado.ca.us
e-m	Rescue Fire Protection District	Fire Protection District	rescuefd@directcon.net
e-m	Russell, Dan	El Dorado County Surveyor	drussell@co.el-dorado.ca.us
e-m	Sanders, Vicki	CAO's Office	vsanders@co.el-dorado.ca.us
e-m	Segel, Harriett	Public	tuffi@innercite.com
e-m	Smith & Gabbert, Inc.	El Dorado Land & Development	Kim@waveshift.com
e-m	Solaro, Dave	Board of Supervisors	dsolaro@co.el-dorado.ca.us

e-m	Stack, Noel	Mt. Democrat	nstack@mtdemocrat.net	
e-m	Sweeney, Jack	LAFCO Commission	bosthree@co.el-dorado.ca.us	
e-m	Weimer, Michele	EID	mweimer@eid.org	
e-m	Wheeldon, George	LAFCO Commission	wheeldon@sbcglobal.net	
e-m	Witt, Norb		nwitt@sbcglobal.net	
e-m	Word, Chris	EID	cword@eid.org	
e-m	Wright, William	Attorney at Law	billofwrights@sbcglobal.net	
	AGENDA (Single-Sided)			
√	Post- B, C & LAFCO (3)			
√	Agenda Item File	Districts for Budget		
√	Agenda Item Person			
	PACKET (20) - Mailed			
	Allen, Nancy	Commission	P. O. Box 803	Georgetown, CA 95634
	Chamberlain, Roseanne	LAFCO		
	Colvin, Roberta	LAFCO Commission	2854 Bennett Dr.	Placerville, CA 95667
	Costamagna, Gary	Commission	4100 Marble Ridge Road	El Dorado Hills, CA 95762
	Dupray, Rusty	Commission	Board of Supervisors	
	Fratini, Corinne	LAFCO		
	Gibson, Thomas	LAFCO Counsel	BBK 400 Capitol Mall, Ste 1650	Sacramento, CA 95814
	Hagen, Carl	LAFCO Commission	2593 Northridge Dr.	Placerville, CA 95667
	Loftis, Francesca	Commission	7085 Nutmeg Lane	Placerville, CA 95667
	Long, Ted	LAFCO Commission	2498 Kubel Ave.	So. Lake Tahoe, CA 96150
	Manard, Aldon	Commission	3591 Coloma Canyon Rd.	Greenwood, CA 95635
	Paine, Richard C.	Commission	Board of Supervisors	
	Public Review Binder			
	Stahmann, Susan	LAFCO		
	Sweeney, Jack	Commission	Board of Supervisors	
	Wheeldon, George	Commission	EID-2890 Mosquito Road	Placerville, CA 95667
	Extra Copy for Meeting			
	Stack, Noel	Mt. Democrat	1360 Broadway	Placerville, CA 95667
	Segel, Harriett	Mail	2067 Wood Mar Drive	El Dorado Hills, CA 95762

Chief Larry Fry	EDH County Water Dist. (Mail)	990Lassen Lane	El Dorado Hills, CA 95762
*Ask RC if Scott & Barbara	packet		
TOPICS - Mailed -			
Conference Table (2 copies)			2737 Carnelian Cir. EDH
Project Files	All EID- Linda MacDonald-EID	Bell Ranch-Ken Wilkinson	P. O. Box 1983 Pcvl 95667
Misc. Topics to People	All Smith Flat-Jenna Lollis	2903 Jacquier Road	Placerville, CA 95667