

**APPROVED**

**EL DORADO LAFCO**  
LOCAL AGENCY FORMATION COMMISSION

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**RESOLUTION NUMBER L-2011-13**

Dissolution of the Grassy Run Community Services District  
LAFCO Project No. 2011-04

**WHEREAS**, on February 24, 2011, the Grassy Run Community Services District ("GRCSD") adopted District Resolution 11-01 ("petition") requesting the dissolution of GRCSD; and

**WHEREAS**, on March 1, 2011, GRCSD submitted the petition to the El Dorado Local Agency Formation Commission ("LAFCO"); and

**WHEREAS**, the petition designated the GRCSD General Manager (Richard W. Nichols) as the authorized agent for the proceedings; and

**WHEREAS**, the dissolution proposal (hereinafter referred to as the "Dissolution") was assigned LAFCO Project No. 2011-04 and is referred to as the "Dissolution of the Grassy Run Community Services District"; and

**WHEREAS**, GRCSD includes the following 89 parcels, consisting of approximately 447 acres, shown in "Exhibit A" (hereinafter referred to as the "subject territory"):

319-050-15	319-050-30	319-050-45	319-050-62	319-050-87	319-100-12	319-100-25
319-050-16	319-050-31	319-050-50	319-050-69	319-050-88	319-100-13	319-100-26
319-050-17	319-050-32	319-050-51	319-050-70	319-050-89	319-100-14	319-100-27
319-050-18	319-050-33	319-050-52	319-050-71	319-050-90	319-100-15	319-100-29
319-050-19	319-050-34	319-050-53	319-050-72	319-050-91	319-100-16	319-100-30
319-050-20	319-050-35	319-050-54	319-050-78	319-050-92	319-100-17	319-100-32
319-050-21	319-050-38	319-050-55	319-050-80	319-050-93	319-100-18	319-100-33
319-050-22	319-050-39	319-050-56	319-050-81	319-050-94	319-100-19	319-100-34
319-050-23	319-050-40	319-050-57	319-050-82	319-050-95	319-100-20	319-100-35
319-050-24	319-050-41	319-050-58	319-050-83	319-100-08	319-100-21	319-100-38
319-050-25	319-050-42	319-050-59	319-050-84	319-100-09	319-100-22	319-100-39
319-050-28	319-050-43	319-050-60	319-050-85	319-100-10	319-100-23	
319-050-29	319-050-44	319-050-61	319-050-86	319-100-11	319-100-24	

; and

**WHEREAS**, the petition requests the Dissolution of GRCSD for a failure to exercise its corporate powers; and

**WHEREAS**, the petition is in conformance with Government Code §56650 et seq.; and

APPROVED

**WHEREAS**, Revenue and Taxation Code §99 requires an agreement for the exchange of property tax revenues in the event of a jurisdictional change of local agencies; and

**WHEREAS**, property tax exchange negotiations were completed and approved by the County of El Dorado ("the County") on August 2, 2011 and by GRCSD on July 28, 2011; and

**WHEREAS**, the Executive Officer reviewed the Dissolution for conformance under the California Environmental Quality Act ("CEQA") and determined that the Dissolution is consistent with the determinations of a Categorical Exemption #20 under Section 15320 of the State CEQA Guidelines; and

**WHEREAS**, the Executive Officer has examined the petition, certified that it is adequate and has accepted the petition for filing on November 7, 2011; and

**WHEREAS**, the Executive Officer set a public hearing for December 7, 2011 for consideration of the petition and the environmental determination and caused Notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of that date; and

**WHEREAS**, said Notice stated that the petition and an environmental determination would be considered by this Commission at the hearing; and

**WHEREAS**, the Executive Officer, pursuant to Government Code §56665, has reviewed this petition and prepared and distributed a report, including recommendations, and has furnished a copy of this report to each person entitled to a copy at least five (5) days prior to the December 7, 2011 meeting during which the petition was considered; and

**WHEREAS**, on December 7, 2011, this Commission designated a zero sphere of influence for GRCSD; and

**WHEREAS**, on December 7, 2011, the matter came on regularly for hearing before this Commission, at the time and place specified in the Notice of the Public Hearing; and

**WHEREAS**, at said hearing, the petition, the environmental determination, and the Executive Officer's Report and Recommendations were reviewed and considered; and

**WHEREAS**, an opportunity was given to all interested persons, organizations, and agencies to present oral or written protests, objections, and any other information concerning the proposal and all related matters; and

**WHEREAS**, this Commission has received, heard, discussed and considered all oral and written testimony related to the petition, including, but not limited to, protests and objections, the Executive Officer's report and recommendations, the environmental determination, spheres of influence, applicable General and Specific Plans, each of the

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policies, priorities and functions set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, including those set forth in Government Code §§56377, 56668 and 56668.3, LAFCO's Policies and Guidelines and all other materials presented as prescribed by law.

**NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, ORDERED AND FOUND** by the El Dorado Local Agency Formation Commission as follows:

1. Each of the foregoing recitals is true and correct.
2. This resolution making determinations is made pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code §56000 et seq.
3. Application for this Dissolution is made subject to §56654 by unanimous resolution of the GRCSD Board of Directors.
4. GRCSD was formed in 1982 with the sole authorized power to provide road maintenance and improvements to the Grassy Run road system.
5. GRCSD is located in the Shingle Springs area, immediately north of U.S. Highway 50, adjacent to the Shingle Springs Rancheria.
6. Until 1996, residents and visitors to the Shingle Springs Rancheria would access the Rancheria through the Grassy Run roads.
7. In 1996, the Shingle Springs Band of Miwok Indians (Tribe) opened a tent casino on Rancheria property.
8. When the Grassy Run residents blocked access to the roads to nonresidents, the Tribe initiated a U.S. Federal District Court lawsuit against GRCSD asserting that the Grassy Run roads were public and alleging violation of its protected access rights to the Shingle Springs Rancheria over the Grassy Run roads.
9. In 1997, United States District Judge David F. Levi issued a partial summary judgment determining and declaring that the roads were, and are, private and had not been dedicated to public use.
10. In June 1997, the GRCSD Board adopted Resolution 97-2 stating that no further GRCSD funds would be spent on the Grassy Run roads for any purpose. As a result, GRCSD became effectively inactive immediately following the adoption of the resolution and has conducted no District business after that point.
11. Since 1997, all costs and expenditures incurred in connection with the repair, maintenance and improvements of the Grassy Run roads have been made by the Grassy Run Homeowners' Association (GRHA) and private landowners, not GRCSD.
12. In 1998, El Dorado County, GRCSD and GRHA entered into a settlement agreement agreeing that the Grassy Run road system was private and not dedicated to public use.

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13. In 2008, the Tribe, GRCSD and GRHOA entered into an agreement for resolution of litigation, resolving all outstanding issues between the parties.
14. The following agencies and districts were notified concerning this petition: El Dorado County (CAO's Office [El Dorado County Service Areas (CSAs) 7, 9, 9 Mother Lode Recreation Tax, 10 and 10 Zone H-Library], Planning Department, Assessor's Office, Auditor's Office, Elections Department, Agricultural Department, Surveyor's Office), Farm Bureau, El Dorado Irrigation District, Diamond Springs-El Dorado Fire Protection District, El Dorado County Water Agency, El Dorado County Office of Education, El Dorado County Resource Conservation District, Mother Lode Union School District, El Dorado Union High School District, Los Rios Community College District, El Dorado County Sheriff's Department; El Dorado County Emergency Services Authority.
15. There are 150 registered voters in the subject territory; therefore, the subject territory is considered inhabited per Government Code §56046.
16. Written Notice of Commission proceedings was given to all registered voters and landowners within 300 feet of the affected territory.
17. Pursuant to Government Code §57000 et seq. the Conducting Authority proceedings are necessary in conjunction with this application.
18. The subject territory includes 89 parcels with single family residences.
19. The subject property is designated Low Density Residential (LDR) and is zoned Estate Residential Five-Acre (RE-5) by the 2004 County General Plan.
20. The subject territory is developed according to current zoning and is not proposed for any additional development of any kind; the future land use of the subject territory will not change upon dissolution.
21. The current land use and Dissolution petition is consistent with the County's 2004 General Plan.
22. The Dissolution is consistent with GRCSD's zero sphere of influence.
23. Pursuant to Government Code §57450 et seq. the County of El Dorado is designated as the short-term successor of GRCSD.
24. As the successor agency, El Dorado County is responsible for winding up the affairs of GRCSD after dissolution, including the administration of the remaining District funds to be used for the express benefit of the former inhabitants of the District.
25. Public funds cannot be used for private purposes, so the improvements are located on public roads just outside GRCSD boundaries.
26. GRCSD has no outstanding debt or bonds to retire.
27. As of November 4, 2011, Grassy Run CSD had a fund balance of approximately \$119,105.

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28. Upon dissolution, and after payment of all costs incurred in connection with dissolution, including LAFCO fees, it is estimated that the District will have somewhat in excess of \$100,000 remaining in the District's account held by the County's Auditor-Controller.
29. On November 8, 2011, El Dorado County and GRCSD entered into an Agreement for Use of Grassy Run Community Services District Funds, which outlines the terms for use of the remaining District funds upon dissolution. This Agreement, included as "Exhibit B" of this Resolution, is incorporated herein by this reference.
30. CEQA Guidelines Section §15320 provides for, "changes in the organization or reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised."
31. This petition is hereby found to be exempt from CEQA pursuant to California Code of Regulations Categorical Exemption §15320.
32. The subject territory consists of one tax rate area and is currently within TRA 078-074.
33. The total assessed land value of the subject territory is \$29,212,827.
34. The Dissolution does not include any residential development and will not assist the County's ability to meet its Regional Housing Needs Assessment allocations as determined by the Sacramento Area Council of Governments for any income groups.
35. Upon completion of the approval proceedings, GRCSD shall no longer be legally responsible to provide road maintenance and improvement services to the subject territory.
36. The petition meets the intent, policies, and priorities of this Commission, and the laws and policies within its jurisdiction and authority, including but not limited to the GRCSD "zero" sphere of influence and the El Dorado LAFCO Policies and Guidelines.
37. The County Surveyor has agreed that the submitted legal description and maps are mathematically correct.
38. The Dissolution will not result in negative impacts to the cost and adequacy of services otherwise provided in the area and it is in the best interests of the affected area and the total organization of local government agencies.
39. The territory of the proposed district to be dissolved represents an orderly, logical and a justifiable elimination of the GRCSD boundaries.

**APPROVED**

40. The proposal is assigned the following short form designation:

Dissolution of the Grassy Run Community Services District  
LAFCO Project No. 2011-04

41. The Dissolution of the Grassy Run Community Services District is hereby approved, subject to the following conditions:

- (a) The subject territory shall no longer be liable for any authorized or existing taxes, fees, service charges, assessments and any bonded indebtedness of GRCSD.
  - (b) The applicant and the real party of interest, if different, shall agree to defend, indemnify, hold harmless and release the El Dorado Local Agency Formation Commission, its agents, officers, attorney and employees from any claim, action or proceeding brought against them or any of them, the purpose of which to attack, set aside, void, condition, challenge or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, expenses, attorney fees, or expert witness fees that may be asserted by any person or entity, including the applicant, arising out of, related to or in connection with the approval of this application, whether or not there is concurrent passive negligence of the part of the El Dorado Local Agency Formation Commission or its agents, officers, attorney or employees.
  - (c) 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 December 7, 2011.
42. All subsequent proceedings in connection with this Dissolution 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.
43. The Executive Officer is hereby authorized and directed to prepare, execute, and file with the Clerk of the County of El Dorado a Notice of Exemption within five (5) working days of the adoption of this Resolution.
44. The Executive Officer is hereby instructed to set the Conducting Authority proceeding for this Dissolution for January 25, 2012.
45. All interested parties, including without limitation the Grassy Run Community Services District, agree that LAFCO retains in perpetuity the authority to enforce, through legal action or otherwise, all of the terms and conditions of approval.

**APPROVED**

LAFCO Resolution L-2011-13

Page 7 of 7

46. The documents and materials which constitute the record of proceedings on which these findings are based are located at 550 Main Street, Suite E, Placerville, CA 95667. The custodian of these records is the Executive Officer.

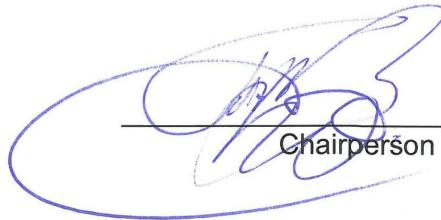
**PASSED AND ADOPTED** by the El Dorado Local Agency Formation Commission at a regular meeting of said Commission, held December 7, 2011 by the following vote of said Commission.

Grego, Frentzen, Hagen, Humphreys,  
**AYES:** Mette, Sweeney, Briggs  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None

ATTEST:

*Denise Sebold*

Interim Clerk to the Commission



A handwritten signature in blue ink, appearing to read "Denise Sebold". It is enclosed in a blue oval.

Chairperson

APPROVED

EXHIBIT A

**GRCSO DISSOLUTION MAP**  
LAFCO PROJECT No. 2011-04

**MAPPER'S STATEMENT**

THIS EXHIBIT WAS PREPARED ON DATED AND IS FOR ASSESSMENT PURPOSES ONLY. THE DESCRIPTION OF LAND IS NOT A LEGAL DESCRIPTION AND REFERENCE IS MADE TO THE RECORDING ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED.

DAVID P. HADDILL, LS #5025

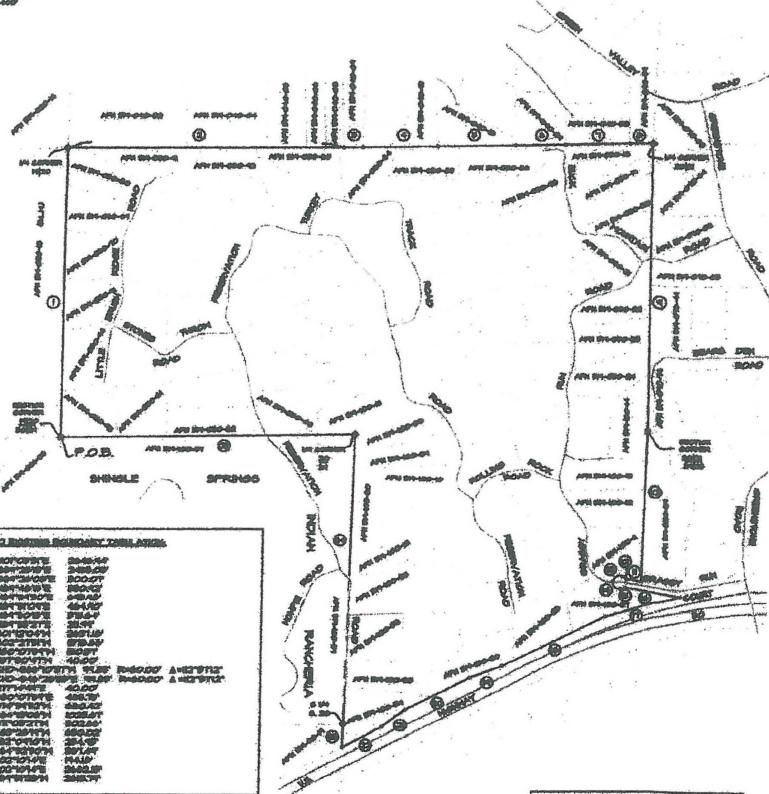
DATED

**AGENCY RECORDER'S STATEMENT**

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

CHARLES L. SPURGEON, LS #3064  
COUNTY SURVEYOR  
COUNTY OF EL DORADO

DATED



ROAD NUMBER INDEX	
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457	RD 1456

**EXHIBIT A**

**APPROVED**

**GRASSY RUN COMMUNITY SERVICES DISTRICT DISSOLUTION  
LAFCO PROJECT No. 2011-04  
GEOGRAPHIC DESCRIPTION**

All that certain real property situated in the unincorporated area of the County of El Dorado, State of California, being portions of the Northeast quarter of Section 29, the Northwest quarter of Section 28, and the South half of Section 20, Township 10 North, Range 10 East, M.D.M., being more specifically **Parcels 1, 2, 3, and 4** of that certain map on file in the office of the El Dorado County Recorder in Book 5 of **Parcel Maps** at **Page 160**, more particularly described as follows:

Beginning at the Section corner common to Sections 19, 20, 29 & 30, marked by a 1-1/2" capped iron pipe stamped appropriately for the corner and LS2725-1974, said point being located on the most Westerly boundary of the existing GRCSD Boundary; thence from said **POINT OF BEGINNING FOLLOWING THE BOUNDS OF THE EXISTING GRCSD BOUNDARY** the following (25) twenty-five courses and distances:

- (1) Northerly along the Westerly line of said Section 20 North 01°05'31" East 2646.94 feet to West quarter corner of said Section 20 marked by a similar monument stamped appropriately for the corner and RCE7400; thence
- (2) South 89°25'13" East 2453.05 feet to a ¾ inch capped iron pipe stamped RCE7400; thence
- (3) South 89°26'03" East 300.07 feet to a 4-way fence intersection; thence
- (4) North 89°48'15" East 530.92 feet to a similar monument stamped LS2893-1962; thence
- (5) North 89°59'50" East 695.98 feet to a similar monument stamped LS2893-1961; thence
- (6) North 89°51'09" East 464.90 feet to a similar monument stamped LS2893-1961; thence
- (7) North 89°50'15" East 575.64 feet to a similar monument stamped LS2893; thence
- (8) North 89°55'27" East 211.99 feet to the East quarter corner of said Section 20 marked by a 1-1/2 inch capped iron pipe stamped appropriately for the corner and LS2725-1974; thence
- (9) Southerly along the East line of said Section 20 South 01°12'04" West 2637.18 feet to the Section corner common to Sections 20, 21, 28 & 29 marked by a similar monument stamped appropriately for the corner and LS2725-1974; thence
- (10) South 02°27'51" West 1378.66 feet to a point on the Northerly line of that certain road known as Grassy Run Court marked by a ¾" capped iron pipe monument stamped LS2725-1974; thence
- (11) along the exterior boundary of said road North 80°07'59" West 130.37 feet; thence



## **EXHIBIT A**

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- (12) North  $57^{\circ}30'47''$  West 40.00 feet to a point of curvature; thence  
(13) along a curve concave to the SE having a radius of 60 feet through an angle of  $112^{\circ}37'12''$  and being subtended by a chord that bears South  $66^{\circ}10'37''$  West 99.85 feet; thence  
(14) along a curve concave to the NE having a radius of 60 feet through an angle of  $112^{\circ}37'12''$  and being subtended by a chord that bears South  $46^{\circ}26'35''$  East 99.85 feet; thence  
(15) North  $77^{\circ}14'49''$  East 40.00 feet; thence  
(16) South  $80^{\circ}07'59''$  East 485.75 feet to a point of intersection with the Northerly boundary of State Highway No. 50; thence  
(17) along said Northerly boundary South  $74^{\circ}59'52''$  West 680.42 feet; thence  
(18) South  $64^{\circ}13'06''$  West 1023.67 feet; thence  
(19) South  $71^{\circ}03'27''$  West 302.66 feet; thence  
(20) South  $63^{\circ}28'19''$  West 650.02 feet; thence  
(21) South  $52^{\circ}09'10''$  West 254.95 feet; thence  
(22) South  $64^{\circ}52'50''$  West 387.49 feet; thence  
(23) leaving the Northerly boundary of said highway in a Northerly direction North  $02^{\circ}10'14''$  East 194.18 feet to the center quarter corner of said Section 29 marked by a 1-1/2 inch capped iron pipe monument stamped appropriately for the corner and LS2725-1974; thence  
(24) in a Northerly direction along the centerline of said Section 29 North  $02^{\circ}10'14''$  East 2662.13 feet to the quarter corner between Sections 20 & 29 marked by a 1-1/2 inch capped iron pipe monument stamped appropriately for the corner and LS2725-1974 ; thence  
(25) in a Westerly direction along the common line between Sections 20 & 29 North  $89^{\circ}51'28''$  West 2613.79 feet to the **POINT OF BEGINNING.**

Containing 447.1 acres, more or less.

This description is for assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

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David F. Waddell

LS5526

Dated: 5/31/11



11-17 (grcsd)

Page 2 of 2



EXHIBIT B

APPROVED

**AGREEMENT FOR USE OF GRASSY RUN COMMUNITY  
SERVICES DISTRICT FUNDS**

**between**

**GRASSY RUN COMMUNITY SERVICES DISTRICT**

**and**

**THE COUNTY OF EL DORADO**

**APPROVED**

AGREEMENT FOR USE OF GRASSY RUN COMMUNITY SERVICES DISTRICT FUNDS

This AGREEMENT FOR USE OF GRASSY RUN COMMUNITY SERVICES DISTRICT FUNDS ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2011 ("Effective Date"), by and between the GRASSY RUN COMMUNITY SERVICES DISTRICT ("District"), a public agency, and the COUNTY OF EL DORADO ("County"). The District and County are sometimes individually referred to herein as "Party" and collectively as "Parties."

RECITALS

This Agreement is made with respect to the following facts:

A. In 1982 pursuant to petition of the parcel owners of the Grassy Run Homeowners' Association (GRHA), the Local Agency Formation Commission of the County of El Dorado (LAFCO), authorized and approved the formation of the District;

B. The District is comprised of approximately 445 acres, and is located in the Shingle Springs area immediately north of US Highway 50, approximately 1,000 feet west of the Greenstone Road exit and Grassy Run Court;

C. The District was established to substitute the use of the property tax collection system of the County for the collection of dues and assessments of GRHA and was empowered to provide road and road maintenance services for the road system servicing the parcels located within the territory of GRHA;

D. In June 1997, the District adopted Resolution No. 97-2, whereby it resolved that no further funds or monies of the District would thereafter be spent on the Grassy Run roads for any purpose, and no District funds have been spent for that purpose since that time;

E. On February 24, 2011, the District adopted Resolution No 11-01 whereby it resolved that it would petition LAFCO to issue an Order, Decision or Ruling dissolving the District, authorizing and directing the District's General Manager Richard W. Nichols to sign all necessary and appropriate documents on behalf of the District and to act as the District's main contact person for purpose of dealing with LAFCO concerning the petition for dissolution; and that the petition for dissolution would at a minimum represent to LAFCO that GRHA would operate and maintain the Grassy Run road system after the dissolution of the District;

F. On April 14, 2011, LAFCO accepted the District's petition for dissolution, and assigned the dissolution LAFCO Project number 2011-04;

G. On August 2, 2011, the County adopted resolution 134-2011, to declare its support for LAFCO Project number 2011-04 for purposes of Government Code 56857(e);

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H. Upon dissolution, and after payment of all costs incurred in connection with dissolution, it is estimated that the District will have somewhat in excess of \$100,000.00 remaining in the District's account held by the County's Auditor-Controller (the "Funds");

I. Pursuant to Government Code Section 57457(b), upon dissolution of the District, its remaining assets will be distributed to the County as the successor to the District. Although Government Code Section 57463 authorizes the District's successor, subject to the provisions of Government Code Section 57462, not applicable here, to use any funds, money, or property of the dissolved District for the purpose of winding up the affairs of the District, and provides that any funds, money or property of the dissolved District distributed to the County may be used for any lawful purpose of the County, it also provides that so far as may be practicable, the funds, money, or property of the dissolved District shall be used for the benefit of the lands, inhabitants, and taxpayers within the territory of the dissolved District;

J. The County and the District agree that use of the Funds for uses authorized by this agreement are for the benefit of the lands, inhabitants, and taxpayer within the territory of the District which is to be dissolved; and

K. The County, to the extent legally feasible and in accordance with the terms of the Agreement, agrees to utilize the Funds for the purposes set forth in this Agreement.

**AGREEMENT**

NOW, THEREFORE, in consideration of the following mutual promises and agreements, and for other good and valuable consideration, the sufficiency of which the Parties acknowledge, County and District hereby agree as follows:

1. Transfer of District Funds to County. No more than ten (10) business days following the adoption of the LAFCO Resolution dissolving the District, the issuance by LAFCO of its Certificate of Completion of all conditions required in said Resolution, and the transmittal of same to the County, the County's Auditor-Controller, who has custody and control of the District's Funds, shall transfer the Funds to the County.

**2. County Use of District Funds and Completion of Tasks.**

2.1 Use of Funds. County shall, for the express benefit of GRHA and its members, the former inhabitants of the District, use the Funds solely for the purpose of accomplishing the tasks ("Tasks") specified in Exhibit A to this Agreement, which is attached hereto and incorporated herein by this reference (the "Project"), except as provided herein. County shall commence planning for the first Task no more than thirty (30) days following execution of Agreement and shall diligently pursue the Project, in accordance with the order of performance for the Tasks specified in Exhibit A, until all Tasks in the Project have been fully completed, until the Funds have been fully expended, or until there are insufficient Funds left to accomplish any of the remaining Tasks, whichever occurs first. The Funds shall only be diverted from and not used for the Project to the extent that County Counsel determines in a written legal opinion sent to and approved by LAFCO, and a copy of which shall be sent to GRHA, that the use of the Funds as specified in Exhibit A would be an illegal use of

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public funds, or to the extent funds are not sufficient for carrying out any Task under the Project pursuant to Section 2.2 of this Agreement. The County will use its best efforts to keep administrative, planning, engineering, design and other professional services with respect to the Tasks as low as is practicable.

**2.2 Completion of Tasks Once Commenced; Contribution of County Funds.** County shall not be obligated to expend any County funds, other than the Funds, to complete any Task. Prior to commencing any Task, the County shall estimate the cost of that Task. The cost estimated shall include a reasonable contingency. If the cost of the Task exceeds Funds available, County shall consider downsizing or modifying the Task, if feasible, to bring the cost within the amount of Funds available. If the Task cannot be downsized or modified to bring the cost within the Funds available, if the County, in its sole discretion, determines not to utilize other County funds for completion of the Task, the County shall consider the next Task in order. If, at any point, the Funds available are insufficient to complete any Task, County shall be under no further obligation to comply with this Agreement and the Funds may be used for any lawful purpose of the County. In the event that the Funds are fully expended after the County has commenced a Task but prior to its completion, County shall use its best efforts to complete the current phase of the Task. GRHA shall not be responsible for any of the costs of completing any Task. The completion of such Tasks shall be performed in accordance with the standards hereinafter set forth in Sections 5.1 and 5.2 of this Agreement. Work on each Task shall be sequential, not concurrent, to ensure availability of funds for each Task.

**2.3 Accounting of Funds; Interest.** Immediately upon receipt of the Funds from District, County shall identify such Funds separately in the County's treasury and shall account for such funds separately, and such Funds shall accrue interest at the County's pooled rate. All interest earned on the Funds until the Funds have been fully expended shall be treated as the Funds and spent solely in the manner authorized for expenditure of Funds by this Agreement.

**3. Construction and Installation of Project.**

**3.1 Planning and Contracting.** County shall have the sole responsibility for all planning, design, engineering, construction and installation relating to the Project and all contracting with appropriate contractor(s), engineers and other professionals reasonably required to undertake and complete the planning, design, engineering, construction and installation of the Project. Any reliance by the County, its contractors or professionals on existing planning, design, or engineering plans or specifications shall be in the sole discretion and determination of the County, its contractors and professionals and at County's risk. County shall permit GRHA to submit input relating thereto, and to that end County shall provide the GRHA with copies of any proposed bid documents not less than five (5) working days prior to posting and/or disseminating the same to potential bidders or contractors; provided, however, that any such input from GRHA shall be advisory only and shall not limit the County's discretion and responsibility for the planning, design, engineering, construction and installation of the Project.

**3.2 Contract.** If any Task is to be performed by an independent contractor, County shall deliver a legible copy of each contract between the County and its contractor(s) for construction and installation of the each Task to GRHA and LAFCO not less than five (5) working days prior to commencement of any work of construction or installation of the Task. Each such contract shall

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contain a project schedule showing a timeline for work on the Task, including estimated start and end dates. Work on the first Task to be done shall commence not sooner than May 1, 2012, and not later than September 1, 2012, so that the Task can be completed in a timely manner and not delayed because of inclement weather.

3.3 *Applications.* County shall prepare and submit for review and approval all applications, documents, fees, charges or other items (including, without limitation, deposit, fund or surety) required to expediently commence construction and installation of the Project pursuant to all local, state and federal laws, rules and regulations.

3.4 *Approvals.* County shall obtain all entitlements, permits and other approvals required for construction and installation of the Project.

4. Term. This Agreement shall commence on the Effective Date and shall terminate on the date the County issues a written notice to GRHA that the Project has been fully completed, that the Funds have been fully expended, or that there are insufficient funds to accomplish any of the remaining tasks after consideration of downsizing or modifying the Tasks as provided in Section 2.2, whichever occurs first. The written notice shall include a written accounting detailing the expenditure of the Funds over the term of the Agreement.

5. Standard of Care; Performance Standards.

5.1 County shall implement the Project in a skillful and competent manner and in accordance with all applicable local, state, and federal laws, rules and regulations.

5.2 County shall meet or exceed the following performance standards for the Project:

Complete the Tasks for the Project in accordance with the order set forth in Exhibit A.  
Expend the Funds entirely on the Project, except as otherwise allowed in this Agreement.  
Implement the Project in a manner consistent with Exhibit A and all provisions of this Agreement.

6. General.

6.1 *Incorporation of Recitals.* The Recitals of fact set forth preceding this Agreement are true and correct and are incorporated into this Agreement in their entirety by this reference.

6.2 *Nonwaiver of Rights or Remedies.* The failure of a Party to exercise any one or more of its rights or remedies under this Agreement shall not constitute a waiver of that Party's right to enforce that right or seek that remedy in the future. No course of conduct or act of forbearance on any one or more occasions by any Party to this Agreement shall preclude that Party from asserting any right or remedy available to it in the future. No course of conduct or act of forbearance on any one or more occasions shall be deemed to be an implied modification of the terms of this Agreement.

6.3 *No Assignment.* This Agreement may not be assigned by either Party, without the prior and express written consent of the other Party. Any attempted assignment of this Agreement

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not in compliance with the terms of this Agreement shall be null and void and shall confer no rights or benefits upon the assignee.

**6.4 Entire Agreement; Modifications.** This Agreement represents the entire understanding of the Parties and supersedes all other prior or contemporaneous written or oral agreements pertaining to the subject matter of this Agreement. This Agreement shall not be modified except by a writing signed by both parties.

**6.5 Successors.** This Agreement and each of its terms shall be binding upon and inure to the benefit of the Parties' successor-in-interest.

**6.6 Attorneys' Fees.** In the event that any action or proceeding, including arbitration, is commenced by either Party against the other to establish the validity of this Agreement or to enforce any one or more of its terms, the prevailing Party in any such action or proceeding shall be entitled to recover from the other, in addition to all other legal and equitable remedies available to it, its actual attorneys' fees and costs of litigation, including, without limitation, filing fees, service fees, deposition costs, arbitration costs and expert witness fees, including actual costs and attorneys' fees on appeal.

**6.7 Choice of Law and Venue.** This Agreement is executed and is to be performed in the County of El Dorado, California. It shall be construed under and in accordance with the laws of the State of California and any action or proceeding to enforce or interpret it shall be brought and heard in the County of El Dorado, California.

**6.8 Time is of the Essence.** Except as otherwise expressly stated, time is of the essence in the performance of every act required pursuant to this Agreement.

**6.9 Covenant of Further Assurances.** The Parties shall take all other actions and execute all other documents which are reasonably necessary to effectuate this Agreement.

**6.10 Interpretation.** The Parties agree that this Agreement is the product of mutual negotiations and is an arms-length transaction. Each Party has had the opportunity to obtain the advice and assistance of legal counsel of its own choosing in connection with the negotiation of this Agreement. It is further agreed that this Agreement is a product of mutual drafting efforts by both Parties and, accordingly, the rule that ambiguities in a document shall be construed against the drafter of the document shall have no application to this Agreement.

**6.11 Severability.** If any term or provision of this Agreement is found to be invalid or unenforceable, the Parties both agree that they would have executed this Agreement notwithstanding the invalidity of such term or provision. The invalid term or provision may be severed from the Agreement and the remainder of the Agreement may be enforced in its entirety.

**6.12 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same agreement.

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6.13 *Authority to Execute.* Each Party signing this Agreement on behalf of that Party represents and warrants to the other Party that all necessary legal prerequisites to that Party's execution of this Agreement have been satisfied and that he or she has been authorized to sign this Agreement and bind the Party on whose behalf he or she signs to the Agreement.

6.14 *Notices.* Notices required under this Agreement shall be sent to the following:

If to the County:

Director of Transportation  
County of El Dorado  
2850 Fairlane Court  
Placerville, CA 95667  
(530) 621-5900

With copy to: County Counsel

County of El Dorado  
330 Fair Lane  
Placerville, CA 95667  
(530) 621-5770

If to the District (or GRHA):

Richard W. Nichols  
5361 Reservation Road  
Placerville, CA 95667  
(530) 676-4667

Notices given pursuant to this Agreement shall be deemed received as follows: if sent by United States Mail – five (5) calendar days after deposit into the United States Mail, first class postage prepaid; if by express courier service or hand delivery – one (1) calendar day after deposit with the courier or hand delivery service. The addresses for notices set forth in this Section may be changed upon written notice of such change to either the District or County, as appropriate.

**[Signatures on the following page]**

**APPROVED**

**SIGNATURE PAGE  
TO  
AGREEMENT FOR USE OF GRASSY RUN COMMUNITY SERVICES DISTRICT  
FUNDS**

The Parties have signed this Agreement by and through the signatures of their authorized representatives, set forth below:

Dated: \_\_\_\_\_ COUNTY OF EL DORADO

By: \_\_\_\_\_  
Ray Nutting  
Chair, Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
Suzanne Allen de Sanchez  
Clerk to the Board of Supervisors

Dated: \_\_\_\_\_ GRASSY RUN COMMUNITY SERVICES  
DISTRICT

By: \_\_\_\_\_  
Richard W. Nichols  
General Manager

By: \_\_\_\_\_  
Jack Martin, Vice-President and  
Acting President

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**Exhibit "A"**

**To**

**AGREEMENT FOR USE OF GRASSY RUN COMMUNITY SERVICES DISTRICT  
FUNDS**

<b>Description of Tasks in Project and Order of Performance</b>
TASK 1: Fill in the “dip” in the pavement at the entrance to Buck Mountain Road at Greenstone Road. It is acknowledged that this will be a “patch” and not a complete reconstruction of the encroachment. GRCSD acknowledges that a “dip” in the encroachment is a necessary design feature of the encroachment to provide for drainage, and that the patch will reduce, but not eliminate, the “dip.” This Task is subject to GRCSD obtaining the written consent for the work to be done from the adjacent property owners who are not within GRCSD.
TASK 2: Pave all public sections of Grassy Run Court (a) at its intersection with Greenstone Road, and (b) at the cul-de-sac, including behind the cluster mailboxes, or pave portions of the roadway if Funds are insufficient to pave the entire roadway. If only a portion is to be paved, the Department of Transportation will consult with and receive advice from Richard Nichols, [then] former General Manager of GRCSD, over which portions shall be paved. Final discretion lies with the Department of Transportation.
TASK 3: Install solar powered street lights along Grassy Run Court cul-de-sac either for directed lighting to cul-de-sac generally or for lights for the cluster mail-box area. The mail boxes are located within the cul-de-sac easement, and thus on public property. This Task shall be subject to approval by GRHA who shall be responsible for determining whether directed lights are agreeable to the residents fronting on the cul-de-sac. The determination of GRHA shall be communicated to the Department of Transportation within 60 days after the Department of Transportation gives notice to GRHA of the availability of Funds to perform this Task.
TASK 4: Perform pavement overlay and striping of the park and ride lot at the intersection of Greenstone Road at Grassy Run Court to complement the paving being done on Grassy Run Court.