

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *STAFF REPORT*

*AGENDA OF DECEMBER 6, 2006*

### *REGULAR MEETING*

**TO:** Ted Long, Chairman, and Members of the El Dorado County  
Local Agency Formation Commission

**FROM:** José C. Henríquez, Executive Officer

**PREPARED BY:** Erica Sanchez, Policy Analyst

**AGENDA ITEM #5:** Marble Valley Reorganization

**LAFCO Project No.** 05-08

**PROPONENT(S):** Marble Valley Company, LLC; Marble Valley Regional  
Center for the Arts; Marble Ridge Property Owners

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#### **DESCRIPTION OF PROJECT**

The Marble Valley Reorganization is a proposal to annex a total of 28 parcels (approximately 2,549 acres) into the El Dorado Hills Community Services District (EDHCSD) and/or the El Dorado Irrigation District (EID). The Marble Valley development includes 7 undeveloped parcels that are planned to be subdivided and developed into 398 residential lots along with a cultural arts center, elementary school, private clubhouse and community park. The parcels will annex into both EID and EDHCSD and will concurrently detach from CSA 9, Zone 17 Ponderosa Recreation. The remaining 21 parcels are adjacent to the project site and are fully developed with existing homes served by private wells and septic systems. The Marble Ridge homeowners requested to be included in the reorganization in order to annex into EID for potable water service due to poor well production. The parcels are already within the Marble Mountain CSD, will not annex into EDHCSD and will not require sewer connections.

An exchange of territory between the El Dorado Hills County Water District (EDH) and El Dorado County Fire Protection District (ECF) is also proposed as part of the reorganization. Approximately 193 acres would annex into EDH and concurrently detach from ECF; approximately 260 acres would annex into ECF and concurrently detach from EDH.

Attachment B is a list of all 28 parcels involved in the reorganization and the corresponding annexing agency(ies). Due to a mass parcel renumber in the El Dorado Hills area, effective April 2006, all but one parcel has a different APN than listed in the original application. Both the old and new parcel numbers are listed for clarification. The parcel list has been reviewed by the Marble Valley Company LLC, the Marble Ridge property owners' designated agent and EID staff; all parties agree it is a complete list (see Attachment C).

### **PURPOSE**

The reorganization will allow for the provision of various services to the future residents and facilities of the Marble Valley subdivision and the current Marble Ridge property owners.

Services to support the development of the Marble Valley subdivision include the extension of potable water and wastewater services; park and recreation facilities, cable television franchise management, solid waste and recycling services, street lighting, landscape and lighting districts, and bicycle and pedestrian trails. The proposed project includes development of 398 single family residences on approximately 264 acres, 1,840 acres of open space (with an additional 71 acres earmarked for the Highway 50 Scenic Corridor), dedication of land for a 22-acre cultural arts center, a 13-acre elementary school site and an 11-acre community park. The entire development project is anticipated to be constructed in six phases over the course of the coming years.

The reorganization will also provide municipal water services to the current Marble Ridge property owners, which includes 21 ten-acre parcels that contain existing homes. The Marble Ridge property owners will not receive wastewater service from EID.

### **RECOMMENDATIONS**

Staff recommends that the Commission take the following actions:

1. Recognize that El Dorado County, as the lead agency in consultation with LAFCO, has prepared an Environmental Impact Report and CEQA determinations which have been found to be adequate and complete for the purposes of reorganization; and direct staff to prepare a Notice of Determination pursuant to Title 14, Chapter 3, Section 15096 (Responsible Agency) of the California Code of Regulations.
2. Adopt Staff's recommended list of findings and recommendations (as specified in Attachment H), adding any additional conditions the Commission finds appropriate and approving the Marble Valley Reorganization; LAFCO Project No. 05-08.
3. Waive the Conducting Authority Proceedings subject to Government Code §56663 and local policies.
4. Direct the Executive Officer to complete the necessary filings and transmittals as required by law.
5. Determine the effective date of the approval of this agreement to be five (5) working days after recordation by the County Recorder of the Executive Officer's Certificate of Completion once the imposed conditions are met.

## **REASON FOR RECOMMENDATION**

Annexation of the seven Marble Valley parcels into EDHCSD and EID is necessary in order to support the development of the Marble Valley project. The reorganization will allow for development supporting services, continued fire protection and water and wastewater services necessary for future residences and public facilities.

Annexation of the 21 listed parcels into EID is necessary to provide essential water services to the Marble Ridge property owners. The Marble Ridge residents requested to be included in this reorganization because they have experienced problems in the past with their wells. Many have poor pressure and all have water storage tanks to eliminate the need to pump their wells daily. The annexation is for the provision of municipal water services only, no wastewater services are needed. All 21 parcels are already within the Marble Mountain CSD service area; therefore, there is no need to annex into the EDHCSD.

The exchange of territory between EDH and ECF seeks to correct a potential future issue with the district boundary lines. Currently, the agency boundaries follow the legal parcel lines; however, after build-out of the Marble Valley project, the fire district boundary lines will no longer conform to any aspect of the subdivision. In several cases, the fire district boundary will cut across the new, smaller parcels. The area exchange seeks to correct that future issue by following the contours and topography of the territory and the proposed "village" layout of the Marble Valley subdivision. As part of the reorganization, the exchange would annex approximately 193 acres into EDH and concurrently detach from ECF; approximately 260 acres would annex into ECF and concurrently detach from EDH. The proposed land exchange would create a more logical boundary line for the districts should the Commission approve the reorganization.

## **LOCATION**

The proposed territory for reorganization is located south of Highway 50, between the Bass Lake Road and Cambridge Road interchanges. The Marble Valley subdivision is in the southeastern portion of the El Dorado Hills area and the majority of the project is west of Deer Creek. The Marble Ridge properties are located to the immediate west of the proposed Marble Valley subdivision, approximately one half of a mile south of Highway 50.

## **CEQA**

### **1) Marble Valley Development:**

El Dorado County as the Lead Agency for the project prepared and certified an Environmental Impact Report (EIR) for the project on February 10, 1998. Within the scope of this environmental review, the environmental impacts of the reorganization were addressed. Mitigation measures were identified and will be implemented as required by El Dorado County. A Mitigation Monitoring and Reporting Program (MMRP) is included in the final analysis and was approved by the Board of Supervisors. It addresses measures necessary to mitigate the potential significant effects that the

project could have on the surrounding area, and identifies the responsible parties and includes the provisions to be followed. The project will result in unavoidable significant impacts to the environment. The County adopted a statement of overriding considerations to address these impacts, and El Dorado LAFCO, as a responsible agency, will also have to adopt a statement of overriding considerations for impacts to the environment in which LAFCO has jurisdiction. The unavoidable significant impacts and mitigation measures relevant to LAFCO considerations listed below can be found in Attachment G. The County will use the MMRP to track compliance with the required mitigation measures. Areas of interest to LAFCO covered within the EIR include the following environmental conclusions:

### **Land Use**

The proposed project would result in the conversion of approximately 2,338 acres of undeveloped land to suburban development. The entire project site, with the exception of 77 acres designated as Farmland of Local Importance, has been recognized as grazing lands. Past agriculture use of the land included livestock grazing; however, the final grazing lease expired in 2000 and was not renewed. The reorganization would result in the loss of this land for future grazing activities; this loss was not considered significant in the EIR because the site is not identified as having any Prime Farmland, as defined by the Farmland Mapping and Monitoring Program. The project site is not considered optimal for grazing because the area is surrounded by residential development on three sides. Consequently, the EIR found that the loss of grazing land is considered less than significant.

Near the confluence of Marble Valley Creek and Deer Creek in the southern portion of the project site, there are 77 acres identified as Farmland of Local Importance with choice soils. However, the County General Plan does not designate the site as being located in an Agricultural District, but instead designated the subject area as Low Density Residential (LDR). For the above reasons, the impact of the loss of 77 acres of choice soils was not considered to be significant.

### **Population**

Build-out of all six phases of the Marble Valley development would result in the addition of approximately 1,114 residents, based on the construction of 398 single family homes with an average of 2.8 persons per household. The increase related to the Marble Valley project would represent only a portion of the anticipated increase that is expected to occur within the unincorporated areas of County; therefore, the impact of this project alone was not considered to be significant.

### **Transportation**

Current levels of morning peak traffic traveling through the intersection of Cambridge Road and the Highway 50 westbound ramp exceed the capacity of the intersection. The development of the Marble Valley subdivision would add traffic to this intersection, aggravating the current problem. Current levels of evening traffic through the intersection of Bass Lake Road and the Highway 50 eastbound ramp are close to the capacity of the intersection. The development of the proposed project would add traffic to this location, causing it to exceed peak hour thresholds for rural communities set by CalTrans. These are considered to be significant impacts. Mitigation measures 4.4-1 and 4.4-2 are intended to reduce these impacts.

The development of the proposed project includes several access points for emergency access south and east of the project. These access points include connections for emergency use to existing roadways adjacent to the project. Locked gates would control access to these roadways, and would preclude travel to rural residential areas south of the project. These routes would be controlled and would be used by emergency vehicles only. This was considered a less than significant impact.

### **Public Services**

Solid Waste: The residential and non-residential land uses in the proposed project would increase the volume of solid waste accepted at the Union Mine Landfill. The amount of solid waste generated would not exceed the landfill capacity though, and was considered to be a less than significant impact.

Fire Protection and Emergency Medical Services: The proposed project would increase demand for fire protection and emergency services. The fire protection services existing personnel and equipment would not be adequate to meet the level of service required for the Marble Valley development. Property tax allocations and district assessments would ensure funding for the provision of services to serve the site. This was considered a less than significant impact.

Law Enforcement: The proposed project would increase the demand for El Dorado County Sheriff Department Services. The Department's existing personnel and equipment would not be adequate to provide the required level of service to the site. The tax revenues generated by the proposed project should be adequate to meet the required level of service. This was considered a less than significant impact.

Schools: At the time the EIR was prepared, the project site was within two school districts; the northern two-thirds were within the Buckeye Union School District and the southern third was within the Latrobe School District. The southern third has since been transferred to the Buckeye Union School District. A new elementary school in the Buckeye Union School District has been approved for the northwestern portion of the territory. The school is planned to accommodate up to 900 students. Fee title of this site would be transferred to the BUSD for the purpose of constructing the school. It is likely the proposed new elementary school would be open to accommodate students generated by build-out of the project. During the interim, students may need to attend neighboring schools. The entire site is within the El Dorado Union High School District. School impact fees will be paid by residential builders to both school districts to offset the additional students. The construction of a new school and the school fees will mitigate the impact to less than significant levels.

Parks and Recreation: The proposed project would increase the requirement for new parkland (6.6 acres) and park services. Eleven acres of parkland are provided in the Marble Valley development design. The County standard of five acres per 1,000 residents would be met and exceeded by the proposed project. In addition, Marble Valley would include a private 25-acre active recreation area as well as an extensive network of private trails and pathways throughout the site's open space areas. This is considered a less than significant impact.

**Utilities and Service Systems**

Water Supply: The Marble Valley project would require an extension of EID's water service and would increase water demand from the project site. The proposed project is within EID's sphere of influence and would require annexation into EID's service district to receive domestic water. At build-out, the project would require 241 to 245 acre-feet of water to be provided by EID (416 to 423 EDUs x 0.58 acre-feet per EDU). The single family homes will require 398 EDUs of water, while the commercial aspects of the project (community center, elementary school, community park and private clubhouse) will require an additional 18 to 25 EDUs of water, depending on the meter size requested for hook up. The cumulative EDU requirement for the Marble Valley subdivision component of the proposal is between 416 and 423 EDUs. According to their 2006 Water Resources and Reliability Report, EID currently has 1,378 EDUs available in the Western/Eastern Service Area after taking into account the contractual commitments for 2006. The water is on a first come, first serve basis. The County General Plan requires the applicant demonstrate a guaranteed supply of water is available at the time final subdivision and parcel maps are approved. Only after such a demonstration may building permits be issued. In addition, EID service to the proposed project would be contingent upon the future availability of water supply, approval of the Facility Plan Report, construction of all water facilities, and acceptance of the facilities by EID. These procedures would provide assurances that expansion of water supply to the project site is sufficient and reliable. This was considered a less than significant impact.

The proposed project would increase fire flow demand on the project site. In order to provide the necessary fire flow pressure to the project site, an extension of infrastructure will be required. This was considered a less than significant impact.

Wastewater: The proposed project would require an extension of EID's wastewater collection system and increase the demand on EID's wastewater treatment facilities. As stated above, the subject territory is within EID's sphere of influence and would require annexation before wastewater services would be provided. At build-out, the project would generate approximately 155,000 gallons of wastewater per day. EID's March 25, 2005 FIL stated that to-date the Deer Creek Wastewater Treatment Plant has sufficient capacity to serve the proposed project. Similar to domestic water supply, wastewater capacity is allocated and sold on a first come, first serve basis. When capacity of the plant is reached, no more connections would be sold. Planned future expansions of the treatment plant would further ensure that the capacity exists to serve the project site. Although EID's FIL stated that the existing wastewater collection system appears adequate to serve the Marble Valley development, it also stated that a sewer lift station and force main would be required to reach existing facilities. These requirements are accounted for in the Facilities Plan Report that has since been approved by EID. As a result, this was considered a less than significant impact.

**Hydrology and Water Quality**

Development of the Marble Valley subdivision would increase impervious surface cover and the associated amount and rate of surface water runoff which could contribute to localized flood conditions. The proposed project includes development of approximately 18 percent of the subject territory which would increase the amount of impervious

surface cover over existing conditions. This could increase the rate and amount of surface water runoff into receiving waters. Consistent with General Plan Policy 7.3.4.1, project runoff would be directed to existing creeks and swales by control structures such as diversion dikes, infiltration trenches, and slotted pipes. Water would also percolate into the ground. Where appropriate, runoff control features would also include grassy swales and catch basins to detain and infiltrate runoff. This is considered a potentially significant impact. Mitigation measure 4.10-2 is intended to lessen this impact.

Project development could potentially reduce the potential for groundwater recharge. The proposed project site is underlain with bedrock material and groundwater recharge potential would be limited. The Marble Creek and Deer Creek floodplains are likely to have the greatest potential for recharge of the groundwater aquifer, and both are included in the development's open space areas. Therefore, project development would not substantially interfere with groundwater recharge, and the impact was determined to be less than significant.

Grading, excavation and construction activities associated with the development could result in an increase of sediment in Marble and Deer Creeks which could adversely affect water quality. Soil could be exposed to increased rates of erosion, and surface runoff water could remove particles of fill or excavated soil from the sites and re-deposit them downstream if the flows were not controlled. The inadvertent release of petroleum based fluids used in heavy equipment and machinery during the construction period could also negatively affect nearby water sources. These impacts are considered potentially significant and require mitigation measures 4.10-4(a)-(c) to offset the impacts.

Increased impervious surface and landscaping associated with the development could increase urban contaminants in surface runoff, potentially reducing water quality in Marble Creek and Deer Creek. Following construction, there would be increased loading of urban contaminants in runoff associated with the development. Runoff from roads and parking lots could carry automotive fluids, heavy metals, and chemical and biological contaminants from litter to chemicals from fertilizers, pesticides and herbicides. This is considered a significant impact that requires mitigation measures 4.10-5(a) and (b) to lessen the impact.

### **Public Safety**

Development of the Marble Valley project would result in the use, generation, storage, and disposal of hazardous materials within the project site. Hazardous materials would be used in varying amounts during construction and operation of the development. However, due to the nature of the proposed project, the types and quantities that could be present during occupancy of the site are expected to be minimal and would be limited to household-type products. This was considered to be a less than significant impact.

The development would result in an increased risk for injury and property damage resulting from wildland fires. Although topographic and vegetation features are present that could result in an increased risk for wildland fire, the proposed project would be subject to State and local Fire Safe requirements, as enforced and monitored by the EDH and ECF. Numerous measures have been specified in the Marble Valley SRA

Wildfire Safety Plan, including open space, fuel treatment, fire hydrants, road access, home design and firescaping measures, and provision of adequate fire suppression water supply. Conformance and implementation of this plan make this impact less than significant.

Unidentified mine pits or shafts could present safety hazards for construction workers, residents or visitors. Three mine pits and shafts related to gold quartz mining have been identified at the Marble Valley site. Unless properly posted and secured, mine shafts can pose a safety hazard to people. Mitigation measures 4.12-3(a) and (b) have been set in place to lessen the impact that is considered potentially significant and unavoidable.

### **Cumulative Impacts**

CEQA requires that an EIR contain an assessment of the cumulative impacts that could be associated with the proposed project. This assessment examines project-related effects on the environment in the context of similar effects that have been caused by past or existing projects, and the anticipated effects of future projects. Although Marble Valley related impacts may be individually less than significant, the cumulative effects of these impacts, in combination with the impacts of other projects, may be significant under CEQA and must be addressed (§15355(b)). Cumulative impacts that the Marble Valley development would contribute to and are considered significant and unavoidable include:

Land Use: The cumulative development in the surrounding area would result in the conversion of undeveloped land to more suburban/urban uses.

Population/Employment/Housing: The proposed project would contribute to the cumulative increase in population in western El Dorado County.

Transportation: Implementation of the development would add to the cumulative traffic along Highway 50 east and west of the project site and increase the demand for local and regional transit service.

Hydrology and Water Quality: Cumulative construction in the Marble Creek and Deer Creek watersheds and increased impervious surfaces could cumulatively increase sediment loads and adversely affect water quality in these creeks.

Public Safety: Development of Marble Valley, along with other area projects, would increase the risk for wildland fire hazard.

Other Economic Impacts: Implementation of the Marble Valley project, in combination with development in western El Dorado County, would result in the cumulative loss of mineral resources, which would be considered a significant and unavoidable impact.

### **Growth-Inducing Impacts**

As required by CEQA §15126(g), the EIR included an analysis of the ways in which the Marble Valley development could directly or indirectly foster economic development and population growth. Induced growth is considered a significant impact only if it affects the ability of agencies to provide needed public services, or if the growth can be shown to significantly affect the environment.

Infrastructure, Services and Public Uses: If the proposal is approved, the development would require the extension of water, sewer, electric, gas and telecommunications infrastructure to the project site. Two gated entries would connect the site to Highway 50 and interior roadways would provide access to individual lots. However, the infrastructure development would be limited to that necessary for the project, and would not provide for additional capacity. The project proposes less intense development than what is currently allowed under the County General Plan land use designations and zoning and would include a covenant that would not allow densities approved under the project to increase. The proposed elementary school would be constructed in response to the expected additional students generated by the project and is not considered growth-inducing.

Population, Employment and Housing: Construction of the development could result in temporary increases in population and employment. The cultural arts center would be a locally managed, not-for-profit community resource that is not anticipated to create new employment opportunities that would be considered growth inducing. The elementary school would require an adequate faculty and staff for operation, which would create a limited number of permanent employment opportunities.

## **2) Marble Ridge Properties:**

El Dorado LAFCO is the Lead Agency for the inclusion of the Marble Ridge Properties that were subsequently added to the proposal. The inclusion was not covered in the Environmental Impact Report prepared by the County and needed to be addressed under the provisions of the CEQA. LAFCO conducted an Environmental Review and determined that a categorical exemption under State Code §15319(a) of the Public Resources Act (Annexations of Existing Facilities) was appropriate. In particular, this section provides for the annexation of an area containing an existing private structure that is allowed under the current zoning.

## **3) Fire District Land Exchange:**

El Dorado LAFCO will act as the Lead Agency for the territory exchange between EDH and ECF. This inclusion was not covered in the Mitigated Negative Declaration prepared by the County and needed to be addressed under the provisions of the CEQA. It was determined that a categorical exemption under State Code §15320 was appropriate for this action. This exemption provides for changes in organization of local agencies, where the changes do not change the geographical area in which previously existing powers are exercised. The entire Marble Valley area is currently serviced by either EDH or EDC. The exemption is appropriate for the fire district territory exchange because the proposed action would exchange one fire service provider for another; both of which provide comparable service.

## **BACKGROUND**

A petition for the original Marble Valley Reorganization; LAFCO Project No. 98-05 was initiated in May of 1998 by the current property owner at the time, the S.H. Cowell Foundation. This project was subsequently closed on December 16, 2003 due to failure on the applicant's part to complete application requirements within the Commission's timeframe as outlined in Policy 3.1.7 of the Policies and Guidelines. The property had

been owned by the Cowell family since the late 1800's and contained a limestone quarry for the Henry Cowell Lime and Cement Company. In more recent years, the land has been leased for livestock grazing; however, this practice ended in 2000 when the final lease was not renewed.

The current Marble Valley property owners, Marble Valley Company, LLC initiated a second reorganization application with El Dorado LAFCO in May of 2005. The 2,338 acre Marble Valley site is currently undeveloped and uninhabited per State Law. The planned future use of the parcels is to subdivide them for the development of 398 single family homes along with various commercial and community facilities.

The Marble Ridge properties include 21 ten-acre parcels that have existing homes encompassing approximately 211 acres. The territory is inhabited per State Law. The property owners all currently receive water via private wells that have a history of poor production. The Marble Ridge property owners requested to be included within this reorganization proposal in order to annex to EID for potable water.

**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	The reorganization will allow for development supporting services and water and wastewater services needed by future Marble Valley residences and public facilities. The existing Marble Ridge homes require municipal water service due to failing wells. There are no other options for private/public services. The exchange of fire service area will provide a more organized service boundary after subdivision occurs. All subject agencies involved in the reorganization have indicated they have the necessary capabilities to service the area.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Ability to serve, level and range of service, time frames, conditions to receive service	2 – Consistent	EID stated an ability to serve the Marble Valley development and existing Marble Ridge homes. A total of between 443 and 450 EDUs are needed for water and wastewater. EDHCSD, EDH and ECF have also indicated willingness and have the necessary capabilities to serve the Marble Valley project area.
Timely availability of adequate water supply	3 – Consistent	EID has indicated sufficient water is available in the Western/Eastern Water Supply Region for the proposal. As of January 1, 2006, EID had a total of 1,378 EDUs available in this service region.
Alternatives to service, other agency boundaries, and local gov't structure	4 – Consistent	EDHCSD and EID are the logical service providers for the Marble Valley development. The area is within the EDHCSD and EID spheres of influence and service can be easily extended to the area. No other public service providers are available for water and wastewater services and private systems are not feasible due to anticipated use and poor well production in the immediate area. The fire district area exchange will create a more logical boundary after subdivision occurs.
Significant negative service Impacts	5 – Consistent	EID indicates in its analysis that it does not expect any negative impacts to neighboring EID customers. No significant service impacts were noted by EDHCSD, EDH or ECF either.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Coordination of applications	6 – Consistent	No other services are needed for the territory. The Marble Ridge property owners are the only neighboring parcels to be included in the reorganization.
Present cost/adequacy of governmental services, including public facilities	7 – Consistent	Services appear adequate to serve the proposal after the necessary infrastructure improvements are made.
Effect of proposal on cost & adequacy of service in area and adjacent areas	8 – Consistent	There are no foreseeable external costs involved in this proposal to the subject agencies or their current customers. The reorganization is expected to provide revenues to the agencies that will offset the short and long-term costs of future residents' use of existing services.
Effect of alternative courses of action on cost & adequacy of service in area and adjacent areas	9 – Consistent	The proposal appears to be the most logical alternative for needed services. There are no other viable alternatives available to accommodate the necessary services.
Sufficiency of revenues, per capital assessed valuation	10 – Consistent	The reorganization is expected to provide revenues to the agencies for the short and long term costs of future residents' use of existing facilities and services through user fees and impact fees.
Revenue producing territory	11 – Consistent	Collected revenue is expected to offset the cost of providing water, sewer, park and recreation and fire protection services to the area.

<p>56668.3 "best interest"</p>	<p>12 – Consistent</p>	<p>The proposal is consistent with LAFCO, EID, EDHCSD, EDH and ECF policies; the reorganization is supported by the current landowners and all annexing agencies.</p>
<p>Boundaries: logical, contiguous, not difficult to serve, definite and certain</p>	<p>13 – Consistent</p>	<p>The subject territory is contiguous to EID, EDHCSD, EDH and ECF service boundaries. The reorganization area is not difficult to serve.</p>
<p>Topography, natural boundaries, drainage basins, land area</p>	<p>14 – Consistent</p>	<p>There are no topographical features that will hinder service to this area. Topographical features will help define new fire service boundaries.</p>
<p>Creation of islands, corridors, irregular boundaries</p>	<p>15 – Consistent</p>	<p>The reorganization will result in an area outside of the EID service area directly north of the proposal site and south of Highway 50. The area is composed of four parcels and is approximately 122 acres. One property owner has contacted LAFCO regarding a future annexation into EID and another is currently pursuing subdivision plans with the County. LAFCO plans to consider the annexation of these parcels to EID separate from the Marble Valley project at a subsequent hearing in the future.</p> <p>The area of exchange between the fire districts will prevent irregular boundaries that will not follow lines of assessment after Marble Valley buildout.</p>

<p>Conformance to lines of assessment, ownership</p>	<p>16 – Consistent</p>	<p>The proposed boundary modifications for EDHCSD and EID will follow the current and future lines of assessment. The exchange of fire service area between ECF and EDH will follow the proposed lines of assessment for the new subdivision upon completion. The proposal maps were reviewed by the County Surveyor.</p>
<p>Spheres of Influence</p>	<p>17 – Subject to Commission action</p>	<p>The boundaries for the reorganization proposal are fully contained within the spheres of influence for EID and EDHCSD. The area proposed for exchange between the fire districts will be in the appropriate spheres upon approval of the districts’ SOI amendments by the Commission.</p>
<p>Effect on adjacent areas, communities of interest</p>	<p>18 – Consistent</p>	<p>The proposed reorganization will not break any community of interest; the planned subdivision will provide services that will directly benefit the future residents of the development area, and to a lesser extent, residents in the surrounding area.</p>
<p>Information or comments from landowners or owners</p>	<p>19 – Consistent</p>	<p>The landowners have not indicated that any additional comments or information need to be given consideration beyond the customary application materials.</p>
<p>Effect on other community services, schools</p>	<p>20 – Consistent</p>	<p>The proposal is expected to have a positive impact on the surrounding area as a whole. There are no expected negative impacts to the current service providers of the area.</p>

Other agency comments, objections	21 – Consistent	No agency resolutions objecting to the proposal were received. Comments were received by LAFCO from EDHCSO, El Dorado County Elections and El Dorado County Department of Agriculture.
Fair share of regional housing needs	22 – Consistent	The reorganization proposal will result in the County meeting its Regional Housing Needs Assessment goals for moderate to high income levels.
Land use, information relating to existing land use designations	23 – Consistent	The proposal is consistent with the County General Plan and the current zoning and land use designations.
Population, density, growth, likelihood of growth in, and in adjacent areas, over 10 years	24 – Consistent	There are currently approximately 50 registered voters residing in the proposal area, including the residents of Marble Ridge. Upon completion of all six phases of the Marble Valley development, the projected population will be 1,100 residents living within the immediate area. The Marble Valley subdivision area is currently considered uninhabited per State Law.
Proximity to other populated areas	25 – Consistent	The proposal is surrounded by residential development. The Cameron Park Plan Area is located to the east and north and the southern portion of the site is adjacent to single family residences with small agriculture uses. Single family residences on 10 to 20 acre parcels are located immediately adjacent to the projects' western boundary, along with the Valley View Adopted Plan.

<p>Consistency with General Plans, specific plans, zoning</p>	<p>26 – Consistent</p>	<p>The proposed project is consistent with the future planned land use and zoning of the 2006 County General Plan and surrounding land uses.</p>
<p>Physical and economic integrity of agriculture lands and open space</p>	<p>27 – Consistent</p>	<p>Past uses of the project site include livestock grazing; however, this has not been the case since 2000. The reorganization would result in the loss of this land for future grazing activities, but would preserve approximately 1,840 acres of the site as permanent open space to be owned and maintained by the HOA (1,229 acres) and private landowners (611 acres).</p>
<p>Optional factor: regional growth goals and policies</p>	<p>28 – Unknown</p>	<p>Neither SACOG nor SPO could provide applicable regional growth goals and policies.</p>

**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 “inhabited” per Government Code §54046. Application for this annexation is made subject to Government Code §56650 et seq. by petition of the landowners.
2. The territory proposed for reorganization is within the appropriate Spheres of Influence for the EDHCSD, EID, EDH and ECF and is contiguous to the existing boundaries. The reorganization will provide more logical and orderly boundaries.
3. The Environmental Impact Report prepared for the Marble Valley Development portion of this project by El Dorado County is adequate and complete and satisfies the requirements of the California Environmental Quality Act.
4. The Marble Ridge Properties portion of this project is exempt from the provisions of the California Environmental Quality Act under State Code §15319(a) of the Public Resources Act.
5. The fire district territory exchange portion of this project is exempt from the provisions of the California Environmental Quality Act under State Code §15320 of the Public Resources Act.
6. The reorganization will not result in negative impacts to the cost and adequacy of

- service otherwise provided in the area, and is in the best interests of the affected area and the total organization of local government agencies.
7. The reorganization will not have an adverse effect on agriculture and open space lands.
  8. Make the determinations as specified in the Findings and Recommendations (Attachment H).

## **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:*** Marble Valley is a planned subdivision consisting of 398 single-family residences as well as an elementary school, cultural arts center, private clubhouse, community park and open space area. The reorganization will allow for development supporting services and water and wastewater services needed by future residences and public facilities. No other water purveyor may feasibly extend services to the site and private wells and/or septic systems are not options given the scope of the future land use. The anticipated use is too great for private systems to be viable options for the development, due to the number of expected homes at build-out. There is additional concern given the problems currently experienced by the neighboring Marble Ridge properties concerning ground water adequacy. EDHCSD is the logical provider to offer park and recreation services, along with street landscaping and lighting; the proposed Marble Valley area is within the sphere of influence of EDHCSD.

Annexation of the Marble Ridge properties to EID is essential to provide municipal water services to the existing 21 homes. The Marble Ridge residents requested to be included in this reorganization, due to the anticipation of well failure in that area. Many residents have poor water pressure and all have water storage tanks to eliminate the need to pump their wells daily. The subject parcels all have existing septic systems and will not require wastewater services from EID.

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 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:** The Marble Valley development is within the EDHCSD sphere of influence. The EDHCSD's ability to serve the area was reviewed in the 2004 Service Review for West County Parks, Recreation, Open Space and Related Services and was determined by LAFCO staff to be capable and adequate to serve the future developments within the sphere of influence. In February of 1997 the landowners entered into a Pre-Annexation Agreement with EDHCSD. The Marble Ridge property owners do not request to be annexed into EDHCSD.

Upon Commission approval of the sphere of influence amendments to the EDH and ECF fire service boundaries, the subject area will be within the appropriate spheres for fire protection. Both fire districts have affirmed that they are currently able to provide adequate service to Marble Valley. EDH's closest fire station is Station 86 at 3670 Bass Lake Road, which is located approximately 1 mile north of the proposal site. ECF's closest station is Station 28 at 3860 Ponderosa Road, which is located within a reasonable response time to the Marble Valley area, approximately 5 miles east of the project site.

The combined total of EDUs required to serve the potable water and wastewater needs of the entire proposal is between 443 and 450. The Marble Valley development would require somewhere in between 416 and 423 EDUs; the single family homes would require 398 and the commercial aspects of the project (community center, elementary school, community park and private clubhouse) would require between 18 and 25 additional EDUs. The Marble Ridge property owners would require the remaining 27. Originally, there were 27 Marble Ridge properties included in the reorganization proposal; however, it was later discovered that six of these parcels were already within EID's service boundary. After verification, those six parcels were removed from the proposal, leaving a total of 21 Marble Ridge properties. For purposes of quantifying the EDUs for the entire reorganization, however, the removed parcels should still be considered because the landowners plan to receive municipal water once the necessary infrastructure is in place. These parcels add an additional 6 EDUs to the 21 required for Marble Ridge. According to EID's 2006 Water Resources and Reliability Report, there are currently 1,378 EDUs available in the Western/Eastern Service Area on a first come, first serve basis. Upon Commission approval of this reorganization proposal, the amount available will be reduced to somewhere between 935 and 928 EDUs.

EID prepared a Facility Improvement Letter (FIL) for the Marble Valley project on March 25, 2005; and an FIL for the Marble Ridge property owners on March 28, 2005 (Attachment E). Both FILs were generated using information from the 2004 Water Resources and Service Reliability Report.

The FILs state that a 24-inch water line exists to the west of the project location on Bass Lake Road. The EDH determined that the minimum fire flow for both projects is 1,500 GPM for a 2-hour duration while maintaining a 20-psi residual pressure. In order to provide this fire flow and receive service, a water line extension connecting to the existing 24-inch water line must be constructed. The Marble Ridge property owners have the option to construct this themselves or wait and connect to the new water line that will be built to serve the Marble Valley subdivision. This would allow the capacity to provide water and fire protection for the proposal.

A 36-inch sewer line currently runs parallel to Deer Creek, east of the project, connecting to the Deer Creek Wastewater Treatment Plant that is approximately 1,000 feet east of the project boundary. EID has determined that this sewer line has adequate capacity to serve this project, but in order to receive service from this line, an extension of facilities of adequate size must be constructed. Sewer lift stations will be required for the development as well. To accommodate this requirement, the proposed project includes collector and conveyance lines and three to five lift stations. It is anticipated that these facilities would be located on the project site. Sewer pumps would be provided at approximately 190 individual lots to pump the wastewater to the nearest collector line. A new sewer line would be constructed within the same access road alignment that would contain the water supply line. The proposed sewer line would cross under Deer Creek Road, continuing southeast along an existing dirt road alignment then east to an existing EID 36-inch trunk line that roughly parallels Deer Creek. The Marble Ridge properties are served by private septic systems and will not require sewer service from EID.

EID mandates the use of recycled water in all new developments “wherever economically and physically feasible, as determined by the Board, for non-domestic purposes when such water is ...available at a reasonable cost...” (EID Board Policy 7010) All parties originally anticipated that the Marble Valley development would be dual-plumbed with both potable and recycled water service. However, after EID’s study of the immediate and long term costs to the District of maintaining and replacing all facilities, the recycled water component was removed from the project. EID conducted a sixty-year cost benefit analysis to determine the fiscal feasibility of installing and maintaining potable water, sewer and recycled water infrastructure for the Marble Valley development. It was found that the recycled water portion of the project would add significantly to a deficit for the District. Without the recycled water component, the analysis determined that the Marble Valley project was still not economically feasible for EID due to the wastewater expenses. As a result, EID staff recommended that a surcharge be imposed on the wastewater Facility Capacity Charge (FCC) in the amount of \$24,397 per EDU which would be sufficient to balance the cost benefit analysis. The Marble Valley developers agreed to pay these extra fees prior to the issuance of a building permit for each service. At the October 23, 2006 EID Board Meeting, the Board unanimously voted to remove the recycled water component before approving the annexation agreement, which included the FCC wastewater surcharge. The approved pre-annexation agreement also includes a provision allowing either party to re-open the subject of recycled water provision if circumstances change in the future.

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

**RESPONSE:** The reorganization area is inside the EID sphere of influence and part of its Western/Eastern Water Supply Region. According to EID’s 2006 Water Resources and Service Reliability Report, there are 1,378 EDUs available in this region, after subtracting all contractual commitments for the service area.

Application for water and wastewater service is subject to EID requirements. EID staff confirms that the necessary meters would be available after all EID fees and hook-up charges are paid and the necessary infrastructure improvements are completed by the developer.

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 is the logical park and recreation service provider for the Marble Valley development. The area is already within the EDHCSD sphere of influence and service can be easily extended to the area. EDHCSD supports the annexation and entered into a pre-annexation agreement with the Marble Valley developers in February 1997. The most reasonable alternate park and recreation service provider is Cameron Park CSD (CPCSD), which is north of Marble Valley. Marble Valley is not within CPCSD's sphere of influence and annexation would require an amendment to both CPCSD and EDHCSD's spheres of influence first.

Fire protection for the Marble Valley development area is currently provided by EDHCSD and ECF. This will not change as a result of the reorganization; however, the exchange of area will change the district boundaries. This is logical due to the approved subdivision configuration that will split four of the large parcels. The new boundary alignment is necessary to conform to the proposed parcel lines after subdivision occurs and the 398 lots are created. The new boundaries will conform to the topography and to the "village" layout of the Marble Valley subdivision.

For water and wastewater services there are no other public service alternatives. Given the planned use for the proposed area and the expected demand, private wells and septic systems are not feasible, nor is transporting water or constructing a private treatment plant. The Marble Valley subdivision is expected to include 398 homes and various public facilities that will all require water and wastewater service. The Marble Ridge territory includes 21 existing homes that requested annexation for municipal water based on insufficient well production. Private systems are not feasible for this particular 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:** Impact fees and a share of the future property tax increment will offset the impacts of future residents on the EDHCSD and will mitigate the impacts of future residents on the District's parks, facilities and programs. An 11-acre community park is included as part of the development plan, along with the Marble Valley Center for the Arts, which will benefit not only the future residents of Marble Valley but neighboring residents as well. The development is also expected to

include an elementary school which will lessen negative impact that the future residents would have on the Buckeye Union School District. EDHCSD supports the reorganization and indicates its ability to provide all necessary services to the area. A pre-annexation agreement has been negotiated between EDHCSD and the landowners.

The service impacts to other EID customers are expected to be minor. EID staff has confirmed that before each Facility Improvement Letter is generated, EID conducts analysis of neighboring customer usage and expected new customer usage. This is done to ensure that neighboring EID customers will not have any negative impacts to their current level of service. EID Regulations provide safeguards to ensure that new development does not result in the over-allocation of water. Under EID regulations, no water meter letters can be issued if available supplies are "seriously threatened" until additional water supply is available. (EID Regulation No. 22.7) The developer is responsible for construction and financing of all water and wastewater transmission lines and distribution facilities to receive EID service. No negative fiscal, service or other impacts have been identified by EID. As detailed above, infrastructure improvements are planned and will offset the impacts of future residents' services.

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 (Policy 3.1.10). 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 3.1.9).

**RESPONSE:** Approximately half of the Marble Valley subdivision is within El Dorado Hills County Water District (EDH) for fire protection, while the other portion is within El Dorado County Fire Protection District (ECF). While the reorganization proposes an area exchange between the two districts, the entire territory is, and will remain, within a fire service boundary.

The Marble Ridge properties do not request to be annexed into any other district outside of EID. No other services appear necessary to serve the subject parcels. There are no other neighboring properties that require reorganization or additional services.

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

7. **PRESENT COST/ADEQUACY OF GOVERNMENTAL SERVICES, INCLUDING PUBLIC FACILITIES:** The Commission shall consider existing government services and facilities, 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 and planned services and facilities appear adequate to serve the development area and the adjacent existing homes. EDHCSD's services were reviewed in the 2004 Parks and Recreation Municipal Service Review and LAFCO staff believes that the services provided are sufficient. The landowners of the Marble Valley project area entered into a pre-annexation agreement with EDHCSD in 1997 in anticipation of the reorganization.

EID stated in their Facility Improvement Letters to Marble Valley LLC and the Marble Ridge Homeowners (dated March 25, 2005 and March 28, 2005, respectively) that they have adequate excess water supply in the Western/Eastern Water Supply Region to serve this annexation without any negative cost or service impacts to present customers. EID does not appear to have any current service deficiencies that would indicate that these statements are not accurate.

EDH has an existing fire station, Station 86 at 3670 Bass Lake Road, which is located approximately 1 mile north of the proposal site. ECF has an existing fire station, Station 28 at 3860 Ponderosa Road, which is located approximately five miles from the Marble Valley area.

8. **EFFECT OF PROPOSAL ON COST & ADEQUACY OF SERVICE IN AREA AND ADJACENT AREAS:** The Commission shall consider existing and proposed government 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:** Both EDHCSD and EID have reviewed and approved property tax sharing agreements for the proposal area. In addition, impact fees, facility connection charges and other charges will support the cost of services. The reorganization is expected to provide revenues to both agencies that will offset the short and long-term costs of future residents' use of existing services.

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 appears to be the most logical alternative for needed services. At this time, there are no other municipal water service providers in this area of the County. The alternative would be use of private septic tanks, wells, transported water and a private wastewater treatment plant. These are not viable options given the anticipated service demand and the inadequacy of wells in the immediate area. For parks and recreation services, EDHCSD is the most logical service provider for the Marble Valley development due to its size and the fact that it is within EDHCSD's sphere of influence. Latrobe FPD has the closest existing fire station to the proposal site, but the territory is already within the EDH and ECF service areas. Both districts have stations close enough to have acceptable response times to the site, thereby providing adequate services to the future Marble Valley residents.

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

**RESPONSE:** The current assessed value of the entire reorganization area is \$15,770,426, with the Marble Ridge parcels accounting for \$7,741,778. The current assessed value for the Marble Valley parcels is \$8,028,648; however, this is expected to increase upon completion of all six construction phases of the Marble Valley development.

The reorganization is expected to provide revenues to the agencies for the short and long-term costs of future residents' use of existing EDHCSD and EID services. The County and EID have negotiated a property tax revenue sharing agreement, with EID receiving 2.667% of the property tax revenue for the entire annexing area. The negotiated property tax revenue sharing agreement between the County and EDHCSD is 10.0% for the Marble Valley area. Based upon these revenue share agreements, various user fees, and the applicant's responsibility for covering the cost of extending necessary infrastructure, EID and EDHCSD should receive sufficient revenue for providing service to these parcels. The Marble Valley development will provide sufficient development impact fees to offset the fire districts' increase in demand.

EID's sixty-year cost benefit analysis found that even without the recycled water component, the Marble Valley project was still not economically feasible for EID, due to the wastewater expenses. To ensure that existing EID customers do not subsidize the annexation and development of new properties, the annexation agreement includes a surcharge of \$24,397 per EDU will be imposed on the wastewater FCC for Marble Valley. This amount will ensure that the project is revenue-neutral for EID.

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

**RESPONSE:** The Marble Valley area will consist of a mixture of uses after build-out, including residential lots, a clubhouse, an elementary school, a cultural arts center, an active use park and open space lands. The total assessed value of the subject area is expected to increase upon completion of all six construction phases of the Marble Valley development. Revenue will be collected for each annexing district through assessments and user charges. Revenue collected is expected to offset the cost of providing water, sewer, park and recreation and fire protection services to the area. Revenue to all agencies involved in the reorganization is projected to be consistent with services provided and long-term agency operations and infrastructure costs.

The increase in assessed valuation of the Marble Ridge properties is expected to be minor; no significant revenue generation is proposed. EID will collect revenue through property tax increments which should offset the cost of providing water service.

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 district and within the territory proposed to be annexed to the district (§56668.3).

**RESPONSE:** The reorganization appears to be consistent with LAFCO, EDHCSO, EID, EDH and ECF policies and is in the best interests of the current and future residents of the Marble Valley area. The reorganization will provide essential and desirable services to the future residents of the Marble Valley development and essential services to the current residents annexing from Marble Ridge. The proposal is supported by the current landowners and all annexing agencies.

**(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, §56741-cities) and should not create irregular boundaries, islands, peninsulas or flags (Policy 3.9.4). 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 Marble Valley project site and Marble Mountain CSD are within the sphere of influence of EID and are contiguous with the EID service area on portions of the western, northern and eastern sides. Contiguity is sufficient to create an orderly boundary and a service area that is not difficult to serve. Water and sewer lines are located nearby and can be extended to the subject area without any foreseeable problems. A result of the reorganization would be the creation of a 122-acre area north of the proposal area that would not be included in EID's service boundary.

The Marble Valley subject area is within the EDHCSO sphere of influence that was adopted by the Commission in September of 2004 and is contiguous with the service area on the western side. EDHCSO supports the annexation and has indicated that services can be extended to the area.

The exchange of territory between EDH and ECF is contingent upon Commission adoption of the sphere of influence amendment for each respective agency (Agenda Item #4). The Marble Valley site is already within the fire districts' service area and, if the sphere amendments are approved, the proposed exchange areas will be within the spheres for the appropriate districts. The new district boundaries split the current lines of assessment of four parcels; however, the approved tentative map subdivides each of these parcels into six smaller "villages" and the land exchange follows the village boundaries. After the subdivision takes place, the boundary lines will follow the new lines of assessment and ownership, and will create a more logical formation of fire districts. Chiefs for both the EDH and ECF were notified of the proposal and were both in concurrence with the territory exchange.

- 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 consistent with the area's natural features. The site is currently undeveloped with areas of dense blue oak savanna woodland, riparian woodland, chaparral and annual grasslands. Marble Creek traverses the site in a southerly direction, converging with Deer Creek in the southwest portion of the site. Marble Valley Lake (the reclaimed North Quarry) is located at the northern end of the site. The approximately 180-ft. deep lake is filled by artesian springs and seasonal flows from Marble Creek. The project site is characterized by rolling hills with slopes that range from zero to over 50 percent. The valley is surrounded on the east, south and west by a series of ridges that range from 300 to 600 feet above the valley floor. There are no topographical features that will hinder service to this area.

- 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:** As noted above in Section 13, the reorganization will result in an area outside of the EID service area directly north of the proposal site and south of Highway 50. There are four parcels that are not part of the reorganization that will not be annexed to EID. The area will consist of approximately 122 acres that will subsequently be surrounded on all sides by EID's boundaries. One of the property owners is actively pursuing subdivision plans with the County and has contacted LAFCO staff regarding a future application for annexation into EID. LAFCO plans to consider the annexation of these parcels to EID separate from the Marble Valley project at a subsequent hearing in the future.

Also noted above is the proposed fire district boundary for the area. The territory exchange does not follow the current parcel lines, however, it will follow the new parcel lines after subdivision is finalized. Please see Section 13 for additional details. The area of exchange between the fire districts will prevent irregular boundaries that do not follow lines of assessment.

- 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 proposed boundary modifications for EDHCSD and EID will follow the current and future lines of assessment. The exchange of fire service area between ECF and EDH will follow the proposed lines of assessment for the new subdivision upon completion. The proposal maps were reviewed by the County

Surveyor and have been found to be definite and certain. The reorganization will follow the future lines of assessment and ownership following the subdivision of the existing parcels. The subdivision tentative map was approved by the Planning Commission.

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

**RESPONSE:** The boundaries for the reorganization proposal are fully contained within the spheres of influence of EID and EDHCS.

The territory is also within the current spheres of influence of ECF and EDH; however, pending Commission action on Agenda Item #4, the area proposed for exchange between the two fire service providers is not yet within the appropriate spheres. The current district boundaries and spheres of influence follow along existing lines of assessment. Upon subdivision of the territory into smaller lots, the proposed boundaries will follow the new lines of assessment. Commission approval of the sphere amendments for each of those respective fire districts (Agenda Item #4) will modify both of the district boundaries so that the proposed boundaries will be ready for the Commission to take action on this item.

**(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:** Because it's undeveloped, the proposed Marble Valley subdivision does not currently have a community of interest. In recent history, that area has been viewed as a part of El Dorado Hills, so a reasonable argument can be made that it belongs to that community of interest. The proposed reorganization will provide services that will directly benefit the future residents of the development area. The cultural arts center and community park will benefit both the communities of El Dorado Hills and Cameron Park, as well as other nearby communities, as residents from those communities are expected to utilize these nearby public facilities. The subdivision is consistent with the planned low density residential growth south of Highway 50 envisioned in the County General Plan.

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

**RESPONSE:** The landowners involved with the reorganization (Marble Valley Company LLC, Marble Valley Regional Center for the Arts, and the Marble Ridge property owners) are the proponents of the reorganization and support the proposal. They have not indicated that any additional comments or information

need to be given consideration beyond the customary application materials.

- 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:**

Fire Protection: The Marble Valley project area currently receives fire protection from the EDH and ECF. Part of the reorganization is a proposed exchange of area between the two fire protection districts. Portions of APN 119-020-44 (200.05 acres) and 119-030-09 (60.22 acres) will detach from EDH and annex into to the Shingle Springs Zone of the ECF. Portions of APN 119-030-10 (28.49 acres) and 119-030-11 (164.15 acres) will detach from the Shingle Springs Zone of the ECF and concurrently annex into to EDH. Fire Chiefs from both districts have verified that they are in concurrence with the proposal. EDH has an existing fire station, Station 86 at 3670 Bass Lake Road, which is located approximately 1 mile north of the proposal site. ECF has an existing fire station, Station 28 at 3860 Ponderosa Road, which is located approximately five miles northeast from the proposal area.

The residents of the Marble Ridge properties are currently receiving fire protection from EDH. The nearest fire station is Station 86. The proposed reorganization will not change the fire service provider for these 21 parcels.

Police Protection: The El Dorado County Sheriff's Department will provide police protection for the entire proposal area. The El Dorado Hills substation is located at 981 Governor Drive and would be the closest to respond to a call. There is also another proposed substation for El Dorado Hills next to EDH Station 86 off Bass Lake Road, although no construction date has been set yet. A feasibility study for this substation is currently being prepared.

Park and Recreation Services: Park and recreation services would be provided to the Marble Valley development area by EDHCSD upon Commission approval of the reorganization. The proposed project will add additional recreational opportunities for the future Marble Valley residents and the surrounding community in the form of a community park, clubhouse, cultural arts center and playground equipment and park area at the elementary school. Currently, no such services are provided to this area. The project is expected to have a positive impact on park and recreation services available in the vicinity.

Schools: The Marble Valley development includes the construction of an elementary school that is intended to alleviate the influx of new residents to the area at full build-out of the project. This planned school is intended to offset the negative impact that the project could have on the Buckeye Union School District in the form of additional students. Additional mitigation will occur in the form of development fees collected from the construction of each residence.

- 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 (l), §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 Assessor
- El Dorado County Planning Department
- El Dorado County Agricultural Commission  
Farm Bureau
- El Dorado County Surveyor's Office
- El Dorado County Committee on School District Organization
- U.S. Bureau of Reclamation
- El Dorado County Representing CSAs 07, 09, 09 ZOB, 17, 10, 10 ZOB E, 10  
ZOB D
- Marble Mountain Community Services District
- El Dorado Hills Community Services District
- El Dorado Irrigation District
- El Dorado County Fire Protection District, Shingle Springs Zone
- Los Rios Community College District
- Buckeye Union Elementary School District
- El Dorado County Water Agency
- El Dorado Union High School District
- El Dorado Hills County Water District
- El Dorado County Resource Conservation District
- Marble Valley Company, LLC
- Marble Valley Regional Center for the Arts
- Marble Ridge Property Owners

No agency resolutions objecting to the proposal were received. Comments were received by LAFCO from EDHCSD, El Dorado County Elections and the El Dorado County Agricultural Commission.

EDHCSD submitted a comment in support of the reorganization and requesting that a plan of service be prepared for the proposal. It also requested that LAFCO condition the project to reflect the Pre-Annexation Agreement executed in February 1997.

El Dorado County Elections commented that APN 108-020-13 is the single parcel to be in TRA 054-146, which includes CSA 10, Zone D; all others are included in CSA, Zone E for library services. Elections recommended that this parcel be changed to Zone E. It also commented that APN 108-020-09 is the only parcel from

the Marble Mountain CSD that is in road improvement Zone 1, and recommended that detachment be included in the reorganization proposal. Staff looked into these comments and it appears as if these are internal matters for the County and Marble Mountain CSD, which would not fall under LAFCO's jurisdiction. No Commission action is necessary regarding this matter. These comments were forwarded to the respective agencies.

The El Dorado County Agricultural Commission submitted comments regarding the agricultural use of the territory. The comments were originally submitted to the Planning Department in 1996 and the Agriculture Commission unanimously voted to resubmit the comments to LAFCO in February of 2000 (see Attachment F). The Commission disagrees with the EIR position on the following points:

- The loss of dry-grazing in the proposal area is less than significant.
- The land is used for dry-grazing on a seasonal basis and is, therefore, temporary and a less than significant loss.
- Livestock grazing could be moved to another location without environmental consequences.
- The loss of 77 acres of land designated as being "Farmland of Local Importance" is less than significant.

These comments were addressed individually in the Final EIR Response to Comments. Given the lengthy duration of this proposal, LAFCO requested that the Agricultural Commission re-review these comments to ensure that the Commission's past findings were still applicable. The Commission responded that if the project had not changed significantly since their previous review, then the prior motions and comments are still valid; however, if information surfaced that the Agricultural Commission was not previously aware of, they reserve the right to provide additional comments at a later time. It was stressed that the Agricultural Commission is very concerned about the Marble Valley project due to the loss of agricultural land.

**(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 Sacramento Area Council of Governments (SACOG) (§56668(l)).

**RESPONSE:** The reorganization proposal will contribute to the County in meeting its Regional Housing Needs Assessment. The proposal will increase available market rate housing for the area, and will contribute to a decrease in the total available land for lower income housing categories. The County, however, may be able to meet these lower income regional housing needs allocations elsewhere.

- 23. LAND USE, INFORMATION RELATING TO EXISTING LAND USE DESIGNATIONS:** The Commission shall consider any information relating to

existing land use designations (§56668(m)).

**RESPONSE:** The current zoning for the Marble Valley site is MV-TM. The land use designation is Low Density Residential (LDR) for the entire Marble Valley area, with the exception of APN 108-580-01, which is designated Tourist Recreational (TR). This parcel is located in the northwestern section of the proposed Marble Valley subdivision and will be the location of the proposed elementary school, cultural arts center, clubhouse and community park. All of these uses are consistent with the zoning. The territory has not been given a specific plan, planned community or community region designation. Development supported by the reorganization is consistent with the single family residential, local commercial and open space land use designations in the current MV-TM zoning designation based on the development agreement between the proponents and the County. The reorganization proposal is consistent with the 2004 County General Plan.

The surrounding land uses are predominantly residential on all sides. The subject properties are located south of Highway 50 in the southeastern section of the EDHCSO sphere of influence. The surrounding land use designations are Low Density Residential (LDR), Rural Residential (RR) and the Valley View Adopted Plan to the west; High Density Residential (HDR) and Commercial (C) to the north; Low Density Residential (LDR), Rural Residential (RR), Public Facilities (PF) and Open Space (OS) to the east; and Rural Residential (RR) to the south.

The Marble Ridge properties have a Low Density Residential (LDR) land use designation as determined by the 2004 County General Plan and are zoned Residential Estate 10-acre minimum (RE-10). The proposed annexation is in conformance with these designations and will not change the future use of the properties.

The Marble Ridge properties are located directly to the west of the Marble Valley development, in an area of other similar ten-acre parcels with single family residences. The surrounding land use is Low Density Residential (LDR) to the north and northwest, the Valley View Adopted Plan is to the southwest and the Marble Valley subdivision is adjacent to the east.

- 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:** There are currently approximately 50 registered voters residing in the proposal area, including the residents of Marble Ridge. Upon completion of all six phases of the Marble Valley development, the projected population is 398 additional residential units, resulting in approximately 1,100 residents living within the immediate area. The Marble Valley subdivision area is currently considered uninhabited per State Law.

- 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:** Surrounding land uses are primarily residential. The Cameron Park area is located to the east and north of the site. The northern boundary is just south of Highway 50, separated by an area of High Density Residential (HDR) and Commercial (C) parcels. The eastern boundary is bordered by other Low Density Residential (LDR) parcels, Rural Residential (RR) parcels, an Open Space (OS) area and a Public Facilities (PF) parcel that includes the EID Deer Creek Wastewater Treatment Plant located along Deer Creek approximately 1,000 feet east of the project boundary. Single family residences on 10 to 20 acre parcels are located immediately adjacent to the projects' western boundary, along with the Valley View Adopted Plan. The southern portion of the site is adjacent to 10-20 acre parcels with single family residences and small agriculture uses.

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 proposed project is consistent with the future planned land use and zoning of the 2006 County General Plan and surrounding land uses. See #23 above for further detail.

27. **PHYSICAL AND ECONOMIC INTEGRITY OF AGRICULTURE LANDS AND OPEN SPACE LANDS:** LAFCO decisions will reflect it's 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:** Near the confluence of Marble Valley Creek and Deer Creek in the southern portion of the project site, there are 77 acres identified as Farmland of Local Importance with choice soils. With exception to this particular area, the Marble Valley project site has been recognized as grazing lands. Parcels within the Marble Valley project area have historically been used for livestock grazing, although the final grazing lease expired in 2000 and was not renewed. The reorganization would result in the loss of this land for future grazing activities; however, the project site may not be optimal for grazing because the area is surrounded by residential development on three sides.

Approximately 1,840 acres of the Marble Valley development site are expected to remain in permanent, managed open space; of this amount, 1,229 acres would be included in open space / nature reserve areas owned and managed by the Marble Valley Homeowners Association and 611 acres would be restricted to natural uses within fire safety zones included in the individual lots.

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.

**Map 1: EID Annexation Map & Legal Description**

**Map 2: EDHCSD Annexation Map & Legal Description**

**Map 3: Fire District Area Exchange Map & Legal Description**

**Map 4: EID Existing Infrastructure Maps**

**Attachment A: Landowner Petition and Project Information forms**

**Attachment B: List of Parcels included in reorganization**

**Attachment C: Verification of parcel list from Marble Valley, LCC and EID**

**Attachment D: Auditor's Report**

**Attachment E: Facility Improvement Letters to Marble Valley, LCC and Marble Ridge Property Owners**

**Attachment F: Agricultural Commission Comments**

**Attachment G: Statement of Overriding Considerations**

**Attachment H: Findings and Recommendations**