

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

EXECUTIVE OFFICER'S REPORT

AGENDA OF JULY 23, 2008

REGULAR MEETING

TO: Francesca Loftis, Chair, 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 #4: Visman Annexation to the El Dorado Irrigation District

LAFCO Project No. 2007-05

PROPONENT(S): Michael and Nancy Visman; Doug and Kathleen Runkle;
and Lorin Farr

DESCRIPTION OF PROJECT

The proposal is to annex three parcels, (APNs 085-460-16, 085-460-20 and 085-460-21), and a 0.6-acre portion of one additional parcel (APN 085-740-35), into the El Dorado Irrigation District (EID) for the provision of municipal water service. The total area proposed for annexation is approximately 49.98 acres, located in the Camino area, north of Highway 50 and south of Hassler Road. Three of the subject parcels currently receive municipal water from EID through a "Temporary Agreement for Service" with the District. That agreement requires formal annexation into EID as a condition of service. Annexation of the fourth subject parcel, the 0.6-acre portion of APN 085-740-35, was requested by staff as a boundary clean-up action. The majority of that fourth parcel is already within EID.

PURPOSE

All four parcels are used primarily for agricultural purposes (irises, Christmas trees and apple trees) and two of the properties also contain single family residences. One of the parcels (APN 085-460-21) has a special use permit to host small special events. Special use permit S00-05 (approved by the Planning Commission June 8, 2000) allows the property to be used for a maximum of 20 special events per year(?) with a maximum attendance of 100 people for each event, from May through December. Typically, the

events consist of the people renting space among the iris gardens for small weddings, picnics and garden tours.

Although the subject properties are not within EID District boundaries, they have received metered water service from EID through a "Temporary Agreement for Service" since August 31, 2004. The agreement allows water service at outside district rates, typically with higher service rates than in district rates, but requires that the landowners apply to LAFCO for formal District annexation. If approved, the proposal to annex the subject properties into EID would comply with the terms of the "Temporary Agreement for Service" and continue to allow the provision of metered water at regular, inside district rates.

As stated above, staff recommends annexation of the 0.6-acre portion of APN 085-740-35 in order to include the entire legal parcel within EID. Although the majority of the parcel is currently considered to be within the boundaries of EID subject to EID assessments and contributes a share of its property taxes to the District, in actuality it is split between tax rate areas (TRAs) 055-028 (inside EID) and 055-027 (outside EID). The majority of the now 3.7-acre parcel was annexed in its entirety into EID in 2001 (LAFCO Project No. 95-02); however, in 2003 a boundary line adjustment added the aforementioned 0.6-acre portion to the original parcel without concurrently annexing the portion into EID. Annexation approval will place all of APN 085-740-35 in TRA 055-028.

RECOMMENDATIONS

Staff recommends that the Commission take the following actions:

1. Find that the project is exempt from provisions of the California Environmental Quality Act under Sections 15319(a), §15061(b)(3) and 15183(a) of the Public Resources Act and direct staff to file the Notices of Exemption in compliance with CEQA and local ordinances implementing the same.
2. Adopt LAFCO Resolution L-2008-29 (Attachment A), adding any additional conditions the Commission finds appropriate and approve the Visman Annexation to the El Dorado Irrigation District; LAFCO Project No. 2007-05.
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 into EID is necessary to continue the provision of water service to the subject parcels. The parcels are developed with single family residences and agricultural structures used for various agricultural purposes, such as irises, Christmas trees, and apple trees. The landowners have a "Temporary Agreement for Service" with EID and are currently receiving water service from the District; however, the agreement stipulates that the property owner must apply to LAFCO for annexation into the District.

LOCATION

The parcels are located north of Highway 50 and south of Hassler Road in the Camino area. The situs addresses are 3270, 3170 and 3142 Hassler Road (APNs 085-460-16, 085-460-21 and 085-740-35, respectively) and 2700 Dancing Oaks Road (APN 085-460-20).

CEQA

El Dorado LAFCO is the Lead Agency for all aspects of this annexation proposal and based on differing conditions with each parcel, LAFCO determined that separate environmental reviews were necessary for the different properties.

APN 085-460-16 (Visman) is utilized for agricultural production (Christmas trees) and contains an existing residence that is consistent with the Select Agricultural (SA-10) zoning. Staff concludes that it is exempt from the provisions of the California Environmental Quality Act (CEQA) under §15319(a) of the Public Resources Act, which provides for the annexation of an area containing an existing private structure that is allowed under current zoning.

The Runkle (APN 085-460-20) and second Visman (APN 085-460-21) parcels are used for agricultural production (Christmas trees, apple trees and irises) and contain no residential structures. In addition, (APN 085-460-21) has a special use permit to host small special events, which are limited in size and frequency. Both parcels are zoned SA-10, have an Agricultural Lands land use designation, and are within the Camino Agricultural District Overlay implemented by the 2004 El Dorado County General Plan, whose environmental impacts were reviewed by the General Plan Environmental Impact Report (EIR). Upon annexation, the landowners intend to continue the use of these properties for agricultural production, which is completely consistent with all of the above. LAFCO staff is confident that these continued uses, and the use of existing water lines to the properties upon annexation, do not constitute significant effects that are peculiar to the project. Therefore, the intended uses are consistent with CEQA Regulation 15183(a) of the Public Resources Act, which states, "that projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site."

A General Exemption under State Code §15061(b)(3) is appropriate to address the 0.6-acre remnant of APN 085-740-35 (Farr) portion of the project. This exemption states that activities that can be seen with certainty as having no possibility of having a significant effect on the environment are not subject to CEQA. The Farr parcel contains an existing residence which is located on the portion of the property that is already within EID's service boundaries. Future use of this parcel is expected to remain unchanged as a result of this annexation. This parcel was included in this proposal in order to include the entire parcel in a single tax rate area and to create a more logical boundary for the District.

BACKGROUND

On August 10, 2004, the landowners entered into a “Temporary Agreement for Service” with EID allowing them to connect 2-inch agricultural meters to existing EID infrastructure for agricultural and residential service. The parcels have received metered EID water since that agreement; however, District annexation is a requirement of the agreement. EID did not require an out-of-agency service agreement (OASA) from the applicant since they interpreted §56133(e) to allow them to provide water to parcels outside of their district engaged in agricultural activities without an OASA approved by the Commission.

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	Annexation is a condition of the Temporary Service Agreement with EID and will allow the landowners to continue to receive water for residential and agricultural uses. The landowners have been receiving EID water at higher outside district rates since August 2004.
Ability to serve, level and range of service, time frames, conditions to receive service	2 – Consistent	The subject parcels are currently receiving approximately 15 EDUs of water from EID. EID has stated that it has the necessary water to continue to serve the parcels upon annexation.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Timely availability of adequate water supply	3 – Consistent	EID has 2,426 EDUs of water available in the Western/Eastern Water Service Area. Nine hundred and seven of these have been previously committed, leaving a total of 1,519 EDUs. The parcels currently receive approximately 15 EDUs. This usage is not expected to change once the parcels are in the EID service area should the Commission approve the annexation.
Alternatives to service, other agency boundaries, and local gov't structure	4 – Consistent	There are no other feasible alternatives to provide residential and agricultural water service to the subject parcels.
Significant negative service Impacts	5 – Consistent	There do not appear to be any negative service impacts to existing EID customers as a result of service to the subject parcels, nor has EID received any neighbor feedback.
Coordination of applications	6 – Consistent	The subject parcels do not appear to require any other services, nor do the neighboring parcels at this time.
Present cost/adequacy of governmental services, including public facilities	7 – Consistent	Present EID infrastructure and water supply appear adequate to continue to serve the parcels with residential and agricultural water.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Effect of proposal on cost & adequacy of service in area and adjacent areas	8 – Consistent	EID has not received any reports of negative impacts on neighboring customers due to the extension of water to the subject parcels. There is no reason to believe that continuing service to the properties would have an adverse effect on other existing customers.
Effect of alternative courses of action on cost & adequacy of service in area and adjacent areas	9 – Consistent	Use of a private well or transporting water are not preferred options for the landowners, given the unpredictability of supplies and the associated high costs.
Sufficiency of revenues, per capital assessed valuation	10 – Consistent	Based upon the revenue share agreement and EID's in-district user fees, EID should receive sufficient revenue for providing service to these parcels.
Revenue producing territory	11 – Consistent	No significant revenue generation is proposed; the user fees and property tax increment is expected to offset the cost of continuing to provide water service.
56668.3 "best interest"	12 – Consistent	The annexation is consistent with LAFCO and EID policies and appears to be in the best interest of the landowners and EID.
Boundaries: logical, contiguous, not difficult to serve, definite and certain	13 – Consistent	Annexation of the subject parcels will not produce an area that is difficult to serve and existing infrastructure will continue to be utilized for service to the parcels.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Topography, natural boundaries, drainage basins, land area	14 – Consistent	Infrastructure to the parcels is already in place and there are no topographical features that will hinder service to this area.
Creation of islands, corridors, irregular boundaries	15 – Consistent	Annexation would not create an area that is difficult to serve, and the proposed boundary is logical, given the current out of district service to the parcels.
Conformance to lines of assessment, ownership	16 – Consistent	The proposed boundaries conform to the existing lines of assessment and ownership and have been reviewed for accuracy by the County Surveyor.
Spheres of Influence	17 – Consistent	The boundaries for the proposed annexation are fully contained within the EID sphere of influence.
Effect on adjacent areas, communities of interest	18 – Consistent	The annexation will not impact any communities of interest, nor will it introduce growth-inducing effects on the adjacent parcels or on the subject properties.
Information or comments from landowners or owners	19 – Consistent	The sole landowners of the subject properties have given written consent for the proposed annexation. No comments or protest from neighboring landowners have been received.
Effect on other community services, schools	20 – Consistent	There is not expected to be any significant effect on the need for additional community services as a result of this annexation.
Other agency comments, objections	21 – Consistent	No objections or significant agency comments were received regarding this proposal.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Fair share of regional housing needs	22 – No effect	The reorganization will neither contribute to, nor hinder the County in achieving its fair share of regional housing needs.
Land use, information relating to existing land use designations	23 – Consistent	The proposed annexation and current agricultural, residential and special permit uses are consistent with the zoning (SA-10) and land use designation (AL) and are in conformance with the 2004 General Plan.
Population, density, growth, likelihood of growth in, and in adjacent areas, over 10 years	24 – Consistent	There are currently three registered voters residing in the subject properties. The annexation will not effect the population of the proposal area.
Proximity to other populated areas	25 – Consistent	Adjacent land uses are primarily agricultural with single family residences. The subject properties are in close proximity to other parcels zoned SA-10, RE-10 and PA-20.
Consistency with General Plans, specific plans, zoning	26 – Consistent	The annexation proposal, as well as all agricultural, residential and small event uses of the subject properties are in conformance with the AL land use designation, SA-10 zoning, special use permit, Camino Agricultural District Overlay, and 2004 General Plan.
Physical and economic integrity of agriculture lands and open space	27 – Consistent	Agricultural production is an appropriate use for the subject properties and annexation will enhance the agricultural-based environment of these parcels and the surrounding areas.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Optional factor: regional growth goals and policies	28 – No effect	Annexation of the subject parcel will not have any affect on the County’s RHNA goals.

DETERMINATIONS

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

1. The subject territory is “uninhabited” per Government Code §54046. Application for this annexation is made subject to Government Code §56650 et. seq. by petition of the landowner.
2. The territory proposed for annexation is within the Sphere of Influence of the El Dorado Irrigation District and is contiguous to the existing boundary. The annexation will provide a more logical and orderly boundary.
3. The project is exempt from the provisions of the California Environmental Quality Act under Section 15319(a) of the Public Resources Act.
4. The annexation 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.
5. The annexation will not have an adverse effect on agriculture and open space lands.
6. The annexation will result in a decrease in water supply available for the build-out of regional housing needs determined by the Sacramento Area Council of Governments. The annexation will not, however, have a significant foreseeable effect on the ability of the County to adequately accommodate its fair share of those needs.

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: The parcels are already connected to EID’s infrastructure and have been receiving EID water for nearly four years. The landowners entered into a “Temporary Agreement for Service” at outside district rates with EID on August 31,

2004 (Attachment E), which allows them to receive metered agricultural and residential water at outside district rates. Annexation would extend EID's boundaries to the subject parcels and allow them to continue to receive service at inside district rates.

The subject parcels currently have 2-inch agricultural meters installed, which would not be increased as a result of Commission approval of this annexation. Denial of the annexation could result in the discontinuation of service and removal of the existing meters. There are no other water purveyors in this area of the County that may feasibly extend services to this site.

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: Facility Improvement Letter 1106-107 (FIL) from EID, dated November 6, 2006 (Attachment D), addressed the water availability in the Western/Eastern Water Supply Region and the existing 2-inch water meters on the properties. The properties are currently receiving 15 EDUs of water service from EID at outside district rates, which are one and a half times the standard rates. Because service is already being provided to the parcels, it has been demonstrated that EID has the necessary water and capacity to serve the properties. The FIL clearly stated that no additional water was being requested by the applicants at that time, and did not address any possible increases for 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 subject parcels are within EID's Western/Eastern Water Supply Region, which according to the 2007 Water Resources and Service Reliability Report has 2,426 EDUs of water available, 907 of which have been previously committed through contractual commitments, leaving a total of 1,519 EDUs. Annexations approved by LAFCO after 2006 account for an additional 475-482 EDU commitments¹, bringing the total amount of available EDUs to approximately 1037-1044. The subject parcels currently require approximately 15 EDUs of water, which has been accounted for in the above availability estimate. Future water usage is not expected to change as a result of this annexation. Service to the parcels at outside district rates will continue until either the annexation is approved and the Certificate of Completion is recorded, or until expiration of the "Temporary Agreement for Service".

¹ Garrett 2007-02 (5 EDUs), Dorkin 2006-07 (24 EDUs), Preacher 05-15 (3 EDUs), Marble Valley 05-08 (443-450 EDUs)

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: There are no other public service alternatives to provide water to the subject parcels for their residential and agricultural needs. Due to the expense involved with transporting potable and non-potable water to the site, water delivery is not a fiscally viable alternative for the landowners. Private wells are not a preferred option given that EID has been providing metered water service to the parcels for more than four years through a "Temporary Agreement for Service" and will continue to do so at regular in-district rates upon annexation.

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: There do not appear to be any negative service impacts to existing EID customers as a result of service to the Visman and Runkle parcels. EID has not received any written or verbal communication from neighbors stating that they have experienced adverse effects due to service to these parcels.

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: The subject parcels are within the El Dorado County Fire Protection District for fire suppression services and have existing septic systems to handle the wastewater generation. No other services appear to be necessary for these parcels. The parcels proposed for annexation are part of a larger area south of Hassler Road that is not inside EID's service boundary, but is nearly surrounded on all sides by other parcels which are. The inclusion of only the subject properties is logical, given they are the only parcels in this area that currently receive water service through an agreement with EID; there is no indication that these neighboring properties require additional services at this time.

(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 infrastructure and water supply appear adequate to continue to serve the subject parcels with municipal water. EID does not appear to have any current service deficiencies which would hinder the continued provision of water to these properties.

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: The effect of overall service in the area is negligible. EID has not received any reports of negative impacts on neighboring customers due to the extension of water to the Visman and Runkle parcels. There is no reason to believe that continuing service to the subject properties would have an adverse effect on other existing customers.

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: At this time, there are no other water service providers in this area of the county. The alternative would be the use of a private well or transported water. These are not preferred options or viable long term solutions for the landowners given the unpredictability of wells in the area and the high cost of water delivery.

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

RESPONSE: The current net assessed values of the subject properties (less the homeowner exemption values) are as follows:

085-460-16	085-460-21	085-460-20	0.6-acre portion of 085-740-35	Total
\$254,495	\$85,637	\$345,780	\$14,733	\$700,645

Upon formal annexation to EID, the assessed value may increase slightly. The County and EID have negotiated a property tax revenue sharing agreement, with EID receiving 2.667% of the property tax revenue. The landowners are currently paying one-and-a-half times the standard rate for district customers, which will decrease upon annexation. If annexed, EID will receive approximately 50% less revenue in the form of user fees; however, based upon the property tax revenue share agreement and EID's in-district user fees, EID should receive sufficient compensation for providing service to these parcels.

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

RESPONSE: The increase in property values as a result of annexation is expected to be minor. If annexed, EID will begin to receive a share of the property tax revenue and EID's user fees will decrease by approximately 50% to reflect the normal in-district rates; no significant revenue generation is proposed. The user fees and property tax increments are expected to offset the cost of continuing to provide 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 annexation is consistent with LAFCO and EID policies and appears to be in the best interest of the landowners and EID. Without annexation into the District, EID will not continue to provide metered residential or agricultural water to the subject properties past the expiration date of the "Temporary Agreement for Service".

(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 parcels are contiguous with the EID service area to the east and north along Hassler Road; annexation of the subject parcels will not produce an area that is difficult to serve. Existing infrastructure, consisting of three 2-inch water lines connected to an 8-inch line in Hassler Road, will continue to be utilized for service to the parcels. The boundaries of the annexation conform to existing lines of ownership and assessment.

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 subject territory is fairly hilly with large areas of level ground. Non-agricultural vegetation exists in the form of native grasses and trees. Infrastructure to the parcels is already in place and 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: Annexation of the four parcels into EID would not create an area that is difficult to serve, as they are already receiving service via an 8-inch water line in Hassler Road. The subject properties are part of a ten-parcel area that is outside EID, but is nearly surrounded on all sides by the District's boundaries. The annexation, as proposed, does not encompass this entire area, and would still result in a seven-parcel unserved area surrounded by District boundaries. However, the proposed boundary is logical, given the subject parcels are the only parcels in this area that currently receive district service through temporary agreement with EID.

- 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 boundaries conform to the existing lines of assessment and ownership. The project maps have been reviewed by the County Surveyor.

- 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 proposed annexation are fully contained within the EID sphere of influence.

(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: The proposed annexation does not break any Community of Interest, nor will it affect the social or economic interests of adjacent areas. The subject parcels are located within a Rural Region of the County. The annexation is in conformance with the uses in the area and will not introduce growth-inducing effects on the adjacent parcels or on the subject properties themselves.

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

RESPONSE: The sole landowners of the subject properties have given written consent for the proposed annexation. Due to 100% landowner consent, the Noticing requirement of neighbors within 300 feet of the project was not required. No comments or protest from neighboring landowners have been received.

- 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: The parcels are developed with single family residences and agricultural-related structures. School impact fees were collected at the time building permits were issued to mitigate any increased need for school service. There is not expected to be any significant effect on the need for additional community services as a result of this annexation. No comments were received from the local school districts, state agencies or other community service providers regarding this proposal.

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

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

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

- El Dorado Irrigation District
- El Dorado County Representing County Service Areas 7, 9, 9 Zone 18, 10 and 10 Zone H
- El Dorado County Fire Protection District
- El Dorado County Water Agency
- El Dorado County Resource Conservation District
- El Dorado County Agricultural Commission
- El Dorado County Office of Education
- Camino Union Elementary School District
- El Dorado Union High School District

- Los Rios Community College District
- El Dorado County Planning Department
- El Dorado County Surveyor's Office
- El Dorado County Committee on School District Organization
- US Bureau of Reclamation

The Department of Agriculture submitted comments stating that the subject parcels, "contained choice soils which are good for agricultural operations." Approval of the annexation would allow the landowners to continue to receive water service from EID to support the existing and continuing agricultural operations.

No agency objections were received regarding this proposal.

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

- 22. FAIR SHARE OF REGIONAL HOUSING NEEDS:** The Commission shall review the extent to which the proposal will assist the receiving entity in achieving its fair share of regional housing needs as determined by Sacramento Area Council of Governments (SACOG) (§56668(l)).

RESPONSE: The proposal will have no effect in assisting the County in meeting its Regional Housing Needs Assessment (RHNA) goals. Current uses consist primarily of agricultural operations; including fruit trees, Christmas trees and irises and one of the parcels is occasionally used for small, private events. Although only two of the four subject parcels contain residential structures allowed under current zoning, the other two are allowed residential uses as well. However, there are no known plans to construct additional residences at this time. The annexation is not expected to contribute to, nor hinder, the County in achieving its fair share of regional housing needs. See # 28 for more information regarding the County's RHNA allocations.

- 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 proposed annexation and current agricultural, residential and special permit uses are consistent with the zoning and land use designations and are in conformance with the 2004 General Plan. All four of the parcels are zoned Select Agricultural (SA-10), which provides for the protection of orderly agricultural development of lands having sufficient area and conditions compatible to agricultural uses and promotes and encourages these pursuits by providing additional opportunities for related activities which tend to increase their economic viability. In addition, all of the subject parcels have an Agricultural Land (AL) land use designation, which is consistent with County Policy 8.1.1.8 in that the properties contain almost entirely choice soils and are located in a Rural Region of the County. The properties are also located within the Camino Agricultural District.

- 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 three registered voters residing in the subject properties. This is not expected to change as a direct result of the annexation. The continued provision of water will serve the residential and agricultural needs of the properties and will not effect the population of the proposal area.

- 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: The entire area surrounding the subject parcels is within the Camino Agricultural District and is designated Agricultural Lands (AL) with agricultural and rural residential uses. El Dorado County Policy 2.2.2.2 states that the Agricultural Districts Overlay “serves to identify agriculture as the principal activity and to discourage incompatible uses such as higher density residential use.” Approval of the annexation is not expected to hinder or interfere with the agricultural activities of the subject parcels or the surrounding area in any way.

- 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: All agricultural and residential uses of the substantially developed subject properties are in conformance with the AL land use designation, SA-10 zoning, the Camino Agricultural District Overlay, and the 2004 County General Plan. The properties contain various agricultural operations (primarily fruit and Christmas trees and iris gardens), two primary residences, as well as various agricultural structures. The current structures are all fully permitted with the County and special uses related to small private events (weddings and garden tours) are allowed for APN 085-460-21 under Special Use Permit S00-05.

- 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: Agricultural production is an appropriate use for the subject properties. The parcels have an AL land use designation, are within the Camino Agricultural District Overlay, and consist entirely of choice soils. It is reasonable to expect that the annexation will enhance the agricultural-based environment of the surrounding areas.

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: In February 2007, the Sacramento Area Council of Governments (SACOG) released a draft version of their Regional Housing Needs Assessment (RHNA) Allocation Goals for El Dorado County, which quantifies the need for housing for by income level for 2006-2013. For the unincorporated portion of El Dorado County, the total RHNA Allocations are as follows:

MHI = Median Household Income

2006-2013 Total RHNA Allocation				
Total Units	Very Low <50% of MHI	Low 50-80% of MHI	Moderate 80-120% of MHI	Above Moderate 120+% of MHI
15,993 (100%)	4,818 (30.1%)	3,456 (21.6%)	3,002 (18.8%)	4,717 (29.5%)

There are no proposals for new construction at this time; therefore, annexation of the subject parcels will not have any affect on the County's RHNA goals.

- Attachment A: LAFCO Resolution L-2008-29 (accompanying Project Map and Legal Description)**
- Attachment B: Landowner Application and Project Information**
- Attachment C: Auditor and Assessor's Reports**
- Attachment D: Facility Improvement Letter (FIL 1106-107)**
- Attachment E: EID Temporary Agreement for Service**