

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF AUGUST 27, 2014

REGULAR MEETING

TO: Ken Humphreys, 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 # 8: Public Hearing To Consider The Environmental Review Document And The Dissolution Of The Latrobe Fire Protection District (LAFCO Project No. 2014-03) And The Reorganization Of The Latrobe Fire Protection District And Its Sphere Of Influence Into El Dorado Hills County Water District And El Dorado County Fire Protection District (LAFCO Project No. 2014-04)

LAFCO Project Nos. 2014-03 and 2014-04

PROPONENT(S): Latrobe Fire Protection District
El Dorado Hills County Water District

DESCRIPTION OF PROJECT

The two above proposals request the dissolution of the Latrobe Fire Protection District and concurrent annexation of the Latrobe Fire Protection District and sphere of influence into the El Dorado Hills County Water District (27,838 acres), along with a portion of APN 087-300-80 (1.26 acres) to be annexed into the El Dorado County Fire Protection District.

Although technically two separate projects and actions, the above proposals are being processed concurrently by LAFCO staff. The Latrobe Fire Protection District (LTB) Board of Directors approved a resolution of application requesting to be dissolved by LAFCO and annexed into the El Dorado Hills County Water District (EDH). The EDH Board of Directors approved a resolution of application requesting annexation of the LTB service area and sphere of influence contingent upon, among other things, LTB's dissolution. In the process of preparing for the AB-8 negotiations, the Assessor's and

Auditor's Offices caught that a portion of a parcel (APN 087-300-80) was split by the LTB and El Dorado County Fire Protection District service areas, requiring a minor cleanup of the boundaries as part of this application (refer to Attachment H). LAFCO staff conferred with the three districts and all agreed in requesting that the Commission amend this project to clean up the boundary.

LOCATION

The LTB service area is located in the southwestern corner of El Dorado County, south of Highway 50, serving the greater community of Latrobe. The District is directly south of the EDH Fire boundaries, and is bounded on the west and south by the Sacramento and Amador County lines, respectively.

PURPOSE

This jointly proposed reorganization, with agreed upon conditions, will stabilize and secure the financial condition of LTB, ensure appropriate levels of emergency fire and medical response to the Latrobe community, eliminate redundant management personnel, increase operations and efficiencies and maximize available resources.

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 Categorical Exemption §15320 and direct staff to file the Notice of Exemption in compliance with CEQA and local ordinances implementing the same.
2. Adopt LAFCO Resolutions L-2014-09 (Attachment F) approving the Dissolution of the Latrobe Fire Protection District and L-2014-10 (Attachment G) approving the Reorganization of the Latrobe Fire Protection District and Sphere of Influence to the El Dorado Hills County Water District and El Dorado County Fire Protection District (APN 087-300-80), adding any additional conditions the Commission finds appropriate.
3. Set the Conducting Authority proceedings for this proposal on October 22, 2014 and direct the Executive Officer to open the protest period and notify the appropriate parties, pursuant to Government Code §57000 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

After careful consideration of the 28 factors listed in Government Code §56668 (see

below) and LAFCO Policies, staff recommends dissolution of the LTB and annexation into EDH. The updated Municipal Service Review and Sphere of Influence Study for EDH and LTB (Agenda Item #6) identified the financial difficulties that make it difficult for LTB to continue as a standalone district. While its staff appears to be properly trained and equipped, the District simply does not have the revenue streams to continue beyond 2017. In June 2014, the El Dorado County Board of Supervisors adopted a new property tax reallocation formula that would correct most financial shortcomings and set the stage for EDH not only to maintain service levels but also to improve them in the Latrobe area. This new formula and plans for service in Latrobe will not affect EDH's current revenues and service levels.

Conducting Authority Proceedings

If the Commission approves the dissolution and reorganization and written protests are received by landowners or registered voters from the LTB area, Conducting Authority (protest) proceedings will be required because the petitions were initiated by the LTB and EDH without the written consent of all involved landowners. At the Conducting Authority hearing, the Commission shall hear and receive any oral or written protests, objections, or evidence that is made, presented or filed. Written protests may be filed by any owner of land or registered voter, within the subject territory that will be counted towards determining whether the project continues.

If the Commission does not receive any written protests prior to, or at, the August 27 hearing, it may waive the Conducting Authority hearing per Government Code Section §56663. If the Commission does receive valid written protests, staff recommends the Commission set the Conducting Authority proceedings for this proposal on October 22, 2014, which is the next regularly scheduled LAFCO meeting.

BACKGROUND

District Profiles

LTB: The Latrobe Fire Protection District was formed pursuant to the Health and Safety Code in 1982. LTB's boundary encompasses approximately 36 square miles, or 23,000 acres, of primarily rural lands. The entire territory is designated as SRA with no LRA lands. The entire district is a risk area for wildland or wildland urban interface fires. Because most of the district is rural and its share of property taxes is minimal (average of 5%), LTB's revenues are very low. LTB relies heavily on volunteers: The fire chief, a captain and all line firefighters are not paid. None of the paid staff are full-time. LTB staffs only one of its two fire stations during business hours Monday through Friday. It also has a contract for services with EDH to have additional coverage. Since the end of the Aid to Fire Program, LTB has relied on its reserves to be able to fund operations.

EDH: The El Dorado Hills County Water District was formed pursuant to the Water Code in 1960. The EDH boundary encompasses approximately 40 square miles (25,600 acres) in the most populous area of the county. Approximately 2,500 acres are designated as LRA and the remainder as SRA. Except for the densely developed core area, the entire district is a risk area for wildland urban interface. EDH has a command staff of six officers, 48 career firefighters and 30 volunteer firefighters. It operates out of

four stations. Its revenues are healthy. The first response area for EDH does not correspond exactly to the district's boundary; the majority of calls from the Latrobe area are directed to both LTB and EDH. EDH is often the first responder to these calls.

Aid to Fire

Beginning in 2001, the County of El Dorado provided money out of its general fund to support eight of the county's 14 fire agencies. This program went by different names, such as "Augmentation Funds," "Parity Funds," "County Supplemental Funds" and "Aid to Fire." The amount each agency received varied, depending on the average property tax increment percentage for the district and subject to amendments. The original August 28, 2001 contract specified that the County General Fund backfill to districts would be an amount sufficient to bring them up to a 13% property tax rate. Starting in 2007, the districts and the County negotiated an amount lower than the 13% threshold until the program came to an end in 2012. This was a significant blow to LTB since nearly half of its budget relied on Aid to Fire funding.

History Behind the Proposals

In anticipation of the end of the County's Aid to Fire program in 2012, and in an effort to proactively address LTB's increasingly dire financial situation from a more regional level, LTB and EDH have worked strategically for the past two years to make the merging of the agencies not only possible but also to convince their respective constituency the value of the endeavor. From an operational standpoint, the departments conducted joint training sessions, have entered into a contract for service and have conducted various internal financial, budgetary and labor studies to integrate the departments.

LTB, EDH and LAFCO have held various public workshops and outreach efforts to engage the community. Topics covered in these workshops have included what the larger department will look like, issues of service capabilities and political representation, and general information about what dissolution and annexation into EDH will mean for the Latrobe area residents. LTB Fire Chief Couper estimates he has held three workshops on his own, five joint workshops with EDH and at least five workshops representing subsets of the Latrobe Community. LAFCO has held two joint public workshops with the fire districts, specific to the LAFCO reorganization process.

On January 23, 2014, the EDH Board of Directors approved a resolution of application requesting annexation of the LTB service area and sphere of influence contingent upon, among other things, LTB's dissolution. On February 3, 2014, the LTB Board of Directors approved a resolution of application to apply to LAFCO for dissolution and in support of EDH's annexation of the LTB service area and sphere of influence. The resolutions of application were submitted to LAFCO on February 4, 2014 as LAFCO Project No. 2014-03 – Dissolution of the LTB, and LAFCO Project No. 2014-04 – EDH Annexation of the LTB and SOI. As previously noted, although the two projects are technically separate and require separate actions, they are being processed

concurrently by LAFCO staff in accordance with the resolutions of application adopted by LTB and EDH.

On June 10, 2014, the El Dorado County Board of Supervisors approved the transfer of the existing property tax base from the LTB to EDH to include an increase to 17 percent of the property tax increment above the base amount that would accrue to the EDH for the Latrobe territory. This transfer of property tax increment will be effective upon the final approval of the proposed annexation of the LTB area and SOI to the EDH. This approval was the critical fiscal element that the two fire service agencies felt was necessary to make the annexation fiscally viable. On an annualized basis, the FY 2014-15 property tax revenue would be expected to be \$371,381, an estimated \$264,581 higher than the \$106,800 in revenue in the prior year.

Plan for Service

Along with their respective resolutions of application, the LTB and EDH Boards each adopted a Plan for Service and Service Agreement (Attachment D), jointly developed by the two districts. This Agreement provides a detailed plan for exactly how service will be provided to the Latrobe Community by EDH, and addresses issues such as staffing and personnel issues, an annexation transition plan, details regarding existing facilities and equipment, training and operational issues, administrative operations, and Latrobe Community representation after the annexation. Two notable aspects of the Plan for Service is the creation of a Latrobe Area Coordinator position and a Latrobe Area Advisory Council.

Latrobe Area Coordinator: In order to better assist with operational planning, EDH will designate one of the LTB captains as the Latrobe Area Coordinator to work closely with EDH staff to ensure the new staffing and operational requirements are meeting the Latrobe community expectations. The Latrobe Area Coordinator will help coordinate and facilitate the smooth transition of all LTB personnel into the new organization and ensure that EDH personnel are trained and familiarized with the additional challenges of the Latrobe community. The Latrobe Area Coordinator is expected to work closely with the EDH Captain and Administration to ensure that the LTB personnel are receiving the proper training and experience to allow them to be successful within the mission of the newly formed organization, and to ensure staffing and operational requirements are met within the Latrobe area. The Latrobe Area Coordinator would also work closely with EDH staff to transition training, equipment maintenance, scheduling, records management and day-to-day operations to the appropriate division within the newly combined organization. This position would be appointed by the current LTB Board of Directors prior to annexation.

Latrobe Area Advisory Council: A subcommittee of LTB and EDH officials was formed to figure out exactly how the governing structure of the newly annexed area would work. They came up with the creation of a Latrobe Area Advisory Council, which would be made up of a group of individuals from the Latrobe Community who would advise a future EDH Board on issues specific to the LTB area. The Advisory Council would be

created to maintain community representation and to take issues and suggestions to the EDH Board for action. It will be made up of Latrobe Community Members and/or current LTB Board Members. The Council will work closely with the EDH Board of Directors in an advisory role to include, but not limited to, service levels to the Latrobe Community, response times, equipment, staffing and personnel, performance criteria, community activities and events, policies that pertain to the Latrobe area, and budget issues. The Advisory Council will exist for at least one year after annexation is completed, but EDH has signaled that it “can continue in an advisory role for as long as desired.”

Citygate Analysis

In order to get a truly unbiased analysis of the annexation, the EDH Board voted to contract with Citygate for a peer review of the annexation of LTB and the effect on EDH. The Citygate report analyzes, among other things, both districts’ current financial and operational condition, the jointly-prepared Plan for Service, the preliminary FY 2014-2015 LTB budget adopted by EDH, as well as information provided for the LAFCO application. An administrative draft of the report was available at the time of preparing this staff report; the final report will be available beginning the week of August 25 on the EDH website (www.edhfire.com) and will go before the EDH Board of Directors for adoption on August 28, 2014.

In short, the annexation passes the scrutiny of this third party analysis. The concluding assessment of the Citygate analysis, contained in the administrative draft, is as follows: *“Citygate has found that the proposed budget to serve the Latrobe area can reasonably be expected to meet the needs of providing the proposed level of services. There is a clear improvement in services for the Latrobe area, largely supported by the additional property tax increment approved by the County Board of Supervisors. Both the Latrobe FPD and the El Dorado Hills FD will benefit from the annexation in ways discussed in this report, which justifies the proposed revenue and expenditure plan for the Latrobe area.”*

Zones of Benefit

LTB currently collects a \$60 per parcel assessment from each parcel within its service boundaries (with the exception of a select few parcels which LTB has exempted from this assessment). Parcels in the LTB SOI are not responsible for this assessment.

Upon Commission approval of the reorganization, EDH will create two zones of benefit within the annexed area; Zone A which will have a \$60 assessment and Zone B which will have no assessment. Zone A will include parcels within the LTB service area which are currently paying the \$60 assessment and will continue to pay. Zone B will include parcels within the LTB SOI area which are not paying the \$60 assessment, as well as any parcels within LTB which have previously been exempted from this assessment. Parcels within Zone B will not pay an assessment.

Inclusion of APN 087-300-80 Annexation to ECF

In working with the County Assessor and Auditor Offices to determine a complete parcel list, several discrepancies were discovered with the GIS data on file for the LTB boundaries and sphere of influence area. One of the discrepancies was the discovery of a small portion of a parcel bordering the northern LTB boundary and southern ECF boundary which is partially within LTB and partially within ECF (Attachment H).

The parcel in question, APN 087-30-80 (10.36 acres), is currently split between the ECF and LTB boundaries with two separate tax rate areas. The majority of APN 087-300-80 (9.1 acres) is within tax rate area (TRA) 076-016, which includes ECF; however, the remaining 1.26-acre portion of this parcel is within TRA 076-025, which includes LTB.

If the Commission approves the LTB dissolution, this portion of APN 087-300-80 will no longer be within the boundaries of a fire protection district. Because the majority of the parcel is already within ECF boundaries and ECF receives the entire property tax revenue from this parcel, annexing the remnant into EDH with the rest of the dissolved LTB parcels would not result in an orderly boundary, and would instead perpetuate a split-boundary parcel, discouraged by State law, and a single-parcel TRA, discouraged by the County Auditor's office. LAFCO actions have to conform to "definitive and certain" lines of assessment and/or have well defined boundaries, either natural (rivers, mountains) or artificial (roads, railroad rights-of-way). There is no administrative APN for this strip, nor any definable boundaries. This portion of APN 087-300-80 is the only parcel within TRA 076-025, and the only reason that TRA exists.

Instead, LAFCO staff recommends that the Commission use its discretionary authority to amend the proposal to annex the 1.26-acre portion of APN 087-300-80 fully into ECF, which would place the parcel into a single TRA (076-016) and a single fire protection district (ECF), eliminating the overall need for TRA 076-025. After discussing this administrative solution with staff from the Auditor's Office and the State Board of Equalization, the Fire Chiefs from all three districts (LTB, EDH and ECF) were notified and agreed to the inclusion of annexing this portion of APN 087-300-80 into ECF as part of the 2014-04 proposal. Annexation of this parcel into ECF was included in the AB-8 negotiations and the property tax agreement resolution adopted by the County Board of Supervisors.

Throughout this report, the 2014-04 project will be referred to as a "reorganization" since it involves annexation of territory to both EDH and ECF. A reorganization is defined by the Cortese-Knox-Hertzberg Local Government Reorganization Act as, "two or more changes of organization contained within a single proposal."

CEQA

El Dorado LAFCO is the Lead Agency for the dissolution of Latrobe FPD and the reorganization of the Latrobe FPD and sphere of influence area. The Executive Officer reviewed the project for conformance under the California Environmental Quality Act (CEQA) and determined that the dissolution was categorically exempt from the

provisions of CEQA under Section 15320 of the Public Resources Act, which provides for changes in the organization or reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised.

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	Since the end to the Aid to Fire program in 2011, LTB has utilized reserves to bridge the revenue gap. LTB estimates that its reserves are insufficient to maintain current levels of service beyond 2017. Absent any changes, the reserves are projected to be depleted in three years.
Ability to serve, level and range of service, time frames, conditions to receive service	2 – Consistent	The LTB and EDH Boards respectively adopted a joint Plan for Service for the annexation (Attachment D), which provides a detailed outline for how EDH will provide service to the LTB area upon annexation.
Timely availability of adequate water supply	3 – Consistent	Parcels within the Latrobe FPD service area and SOI receive water exclusively from private wells. The proposed dissolution and reorganization would not have any effect on the provision of water service to the affected parcels.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Alternatives to service, other agency boundaries, and local gov't structure	4 – Consistent	Absent LAFCO approval of the reorganization, LTB estimates that it can continue normal operations with current funding levels for no longer than three years. Assuming everything else remains the same, LTB's reserves will be depleted by June 2017.
Significant negative service Impacts	5 – Consistent	Annexation of, and the provision of service to, the Latrobe Community will not result in a significant negative impact on the cost and adequacy of services otherwise provided by EDH.
Coordination of applications	6 – Consistent	LAFCO projects 2014-03 and 2014-04 are being processed concurrently by LAFCO staff, per District request. Prior to taking action on the dissolution and reorganization, the Commission must first take action on Agenda Item #6 to designate the appropriate spheres of influence for the agencies (refer also to Section 17).
Present cost/adequacy of governmental services, including public facilities	7 – Consistent	To-date, LTB fire services have been provided with staffing for one fire engine, using part-time paid staff for ten hours per day from Monday through Sunday, a part-time fire chief, and a part-time secretary. The District's fire stations and the front-line fire apparatus are in good condition. However, LTB faces significant challenges maintaining its current level of fire services.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Effect of proposal on cost & adequacy of service in area and adjacent areas	8 – Consistent	The new property tax reallocation formula adopted by the El Dorado County Board of Supervisors in June 2014 would correct most financial shortcomings of LTB and set the stage for EDH not only to maintain service levels but also to improve them in the Latrobe area.
Effect of alternative courses of action on cost & adequacy of service in area and adjacent areas	9 – Consistent	With its current sources of revenue, LTB cannot continue providing its present level of service without exhausting its reserves in the next two to three years, and it will not have the reserves available to purchase or lease replacement fire apparatus as necessary.
Sufficiency of revenues, per capital assessed valuation	10 – Consistent	The total net assessed value of the dissolution area is \$217,892,687. Between the redistribution of the property tax base and annual property tax increment, EDH will receive approximately 17% for the annexed area.
Revenue producing territory	11 – Consistent	The annexation will not result in a surplus of revenue for EDH, nor is the annexation an attempt by EDH to annex only revenue-producing territory.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
56668.3 best interest	12 – Consistent	The reorganization and newly negotiated property tax increment will have a significant positive financial impact to the LTB area, correcting a longstanding funding inequity for Latrobe residents and stabilizing fire service in the Latrobe area.
Boundaries: logical, contiguous, not difficult to serve, definite and certain	13 – Consistent	The resulting boundaries of the dissolution and reorganization will produce an area that is logical, definite and certain, not difficult for EDH or ECF to serve, and contiguous to their respective boundaries.
Topography, natural boundaries, drainage basins, land area	14 – Consistent	The dissolution and reorganization will not change the geographic area in which services are currently provided.
Creation of islands, corridors, irregular boundaries	15 – Consistent	Annexation of the 1.26-acre portion of APN 087-300-80 into ECF will avoid creating an irregular boundary for a legal parcel split by tax rate areas and fire protection service providers.
Conformance to lines of assessment, ownership	16 – Consistent	All territory from the 660 LTB parcels and 39 SOI parcels are included with this proposal; the boundaries of the proposed dissolution conform to the existing lines of assessment and ownership, with exception of the portion of APN 087-300-80 which is included to be annexed to ECF as a cleanup action.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Spheres of Influence	17 – To be Determined by the Commission	Commission approval of the zero sphere of influence for LTB and expansion of the EDH and ECF spheres of influence (Agenda Items #6 and 7) are the first steps towards dissolution and reorganization and will allow the Commission to take action on this dissolution and annexation petition.
Effect on adjacent areas, communities of interest	18 – Consistent	The proposed will primarily benefit the residents of the LTB area, by correcting a funding inequity for the Latrobe residents and stabilizing fire service in the Latrobe area.
Information or comments from landowners or owners	19 – Consistent	Because the proposals were initiated by LTB and EDH resolution and not the affected landowners, per §56157(f) all landowners and registered voters within a 300-foot radius of the project were individually notified of the project and hearing 21 days in advance. No landowner comments have been received.
Effect on other community services, schools	20 – Consistent	The dissolution of LTB and annexation of parcels within LTB and its SOI would have no impact on police protection, schools, parks or other public facilities.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Other agency comments, objections	21 – Consistent	All agencies providing service to the affected area were notified of the dissolution and annexations in February 2014, and again in July 2014. ECF agreed to the inclusion of the remnant annexation in March 2014. No other agency comments or objections were received regarding the proposals.
Fair share of regional housing needs	22 – N/A	The reorganization proposal does not include any type of new housing or other development; therefore, it will not assist the County in achieving its RHNA goals.
Land use, information relating to existing land use designations	23 – Consistent	The territory proposed for dissolution and annexation is almost exclusively designated by the 2004 General Plan as either Agricultural Lands or Rural Residential, with small portions designated as Natural Resources and Open Space along the Cosumnes River border to the south.
Population, density, growth, likelihood of growth in, and in adjacent areas, over 10 years	24 – Consistent	There are currently 901 residents and 691 registered voters in the proposal area. Future population growth is likely to be consistent with, if not slightly slower than, the 2004 General Plan projections for the unincorporated portion of the County.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Proximity to other populated areas	25 – Consistent	LTB is bounded by Sacramento County on the west, El Dorado Hills to the north, Diamond Springs to the east, and Amador County to the south.
Consistency with General Plans, specific plans, zoning	26 – Consistent	The reorganization area contains primarily private and a few public parcels which are consistent with the current zoning and General Plan land use designations (see Section 23 for further details).
Physical and economic integrity of agriculture lands and open space	27 – Consistent	The reorganization of fire district boundaries as a result of proposed dissolution and concurrent annexations will not convert any agricultural farmland of importance at the State or local level, conflict with zoning of lands under Williamson Act contracts or involve the conversion of farmland to non-agricultural uses.
Optional factor: regional growth goals and policies	28 – N/A	The reorganization does not include any type of housing or other development; therefore, it will not assist the County in achieving its 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 “inhabited” per Government Code §54046. Application for this dissolution and concurrent reorganization is made subject to Government Code §56650 et. seq. by District resolutions.
2. The territory proposed for dissolution and annexation into the El Dorado Hills County Water District is within the Sphere of Influence of the El Dorado Hills County Water District and is contiguous to the existing boundary. The territory proposed for

annexation into the El Dorado County Fire Protection District is within the Sphere of Influence of the El Dorado County Fire Protection District and is contiguous to the existing boundary. The dissolution and reorganization will provide a more logical and orderly boundary.

3. The project is exempt from the provisions of the California Environmental Quality Act under Section 15320 of the Public Resources Act.
4. 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.
5. The dissolution and annexation will not have an adverse effect on agriculture and open space lands.
6. The dissolution and annexation will not have an effect on water supply available for the build-out of regional housing needs determined by the Sacramento Area Council of Governments.

DISCUSSION

Government Code §56668 and LAFCO Policies require that the review of a change of organization 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: According to the updated Municipal Service Review and Sphere of Influence Study for EDH and LTB (Agenda Item #6), LTB appears to provide moderate fire suppression and emergency response services within and, in cases of mutual aid responses, outside its boundaries. However, a significant decline in revenue following the end of the County's Aid to Fire program has forced LTB to struggle with maintaining service levels, making it difficult for LTB to continue as a standalone district. While LTB staff appears to be properly trained and equipped, the District simply does not have the revenue streams to continue beyond 2017.

LTB relied heavily on the County's now-discontinued Aid to Fire program, which constituted approximately 40-50% of LTB's budget. Even prior to the end of the Aid to Fire program, the 2010 Fire and Emergency Services Study by Citygate noted the extent of LTB's "very stressed" financial position. At the time, almost half of its revenues relied on the now-discontinued "Aid to Fire" program. LTB also receives a comparatively very low average of 5% of the property tax revenue collected within

district boundaries and a \$60 per parcel assessment, but this revenue is not nearly enough to fully fund the District for basic operations.

The end to the Aid to Fire program in 2011 forced LTB to dip into its moderate reserves to bridge the revenue gap. Since then, LTB has utilized reserves to “make ends meet;” however, these funds are currently insufficient to maintain current levels of service beyond 2017. The reserves are projected to be depleted in three years if the financial picture does not change and assuming there are no unexpected increases in costs.

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: EDH is in the most stable financial position of all fire districts in the county, largely due to the high percentage of property taxes it receives and the fact that it has more parcels per square mile generating property taxes. In addition, because property taxes are calculated from a base value that gets reset whenever a property is reassessed, the base value in EDH tends to be more reflective of the overall market value of the area.

The LTB and EDH Boards, respectively, adopted a joint Plan for Service for the annexation, which provides a detailed outline for how EDH will provide service to the LTB area upon annexation. The following information was provided by the jointly adopted EDH Annexation of LTB Plan for Service and Service Agreement, included in its entirety as Attachment D:

EDH currently staffs four full-time stations with a total of 48 full-time paid staff. LTB has two fire stations: Station 91 on South Shingle Road is staffed on a part-time basis, with a minimum of two firefighters and a part-time supervisor from 8 am to 6 pm Monday through Friday. Volunteers provide coverage during off hours. Station 92, on Ryan Ranch Road, is currently not staffed and is used for storage and training. Weekend coverage includes the fire chief or one of two fire captains to be on-call duty and each firefighter on dedicated call one weekend day per month. LTB is staffed by 5-8 part-time employees and 7-17 volunteers. Part-time staff includes one assistant chief and between four and seven firefighters. Volunteer staff includes one chief, one assistant chief and two captains.

Upon EDH annexation of the LTB area, EDH proposes to increase the staffing at LTB Station 91 to three firefighters and increase the time and days of operation to seven days a week. After-hour response would come from volunteers, apprentices, and the closest staffed resource, most likely EDH Station 87. In the future, it is the intent of EDH and the EDH Board of Directors to fully staff the Latrobe area with a three person engine company (captain, engineer, firefighter/paramedic) 24 hours a

day, seven days a week, year-round as soon as practical. The LTB firefighter positions could be staffed with current LTB paid staff, LTB volunteers and qualified EDH apprentices or volunteers. The existing LTB paid staff will maintain their current pay and positions as part-time employees to staff the Latrobe Area.

Short-term, EDH will develop a "Transition Team" to make the integration of the firefighter corps between the two agencies as seamless as possible. The team will consist of members from both agencies. EDH is encouraging the LTB Fire Chief to assist with the transition process.

In order to better assist with operational planning, EDH will designate one of the LTB captains as the "Latrobe Area Coordinator" to work closely with EDH staff to ensure the new staffing and operational requirements are meeting the Latrobe community expectations. The Latrobe Area Coordinator will help coordinate and facilitate the smooth transition of all LTB personnel into the new organization and ensure that EDH personnel are trained and familiarized with the additional challenges of the Latrobe community. The Latrobe Area Coordinator is expected to work closely with the EDH Captain and administration to ensure that the LTB personnel are receiving the proper training and experience to allow them to be successful within the mission of the newly formed organization, and to ensure staffing and operational requirements are met within the Latrobe area. The Latrobe Area Coordinator would also work closely with EDH staff to transition training, equipment maintenance, scheduling, records management and day-to-day operations to the appropriate division within the newly combined organization. This position would be appointed by the current LTB Board of Directors prior to annexation.

A Latrobe Area Advisory Council would also be created, which would be made up of a group of individuals from the Latrobe Community who would advise a future EDH Board on issues specific to the LTB area. The Latrobe Area Advisory Council would be created to maintain community representation and to take issues and suggestions to the EDH Board for action. It will be made up of Latrobe Community Members and/or current LTB Board Members. The Latrobe Area Advisory Council will work closely with the EDH Board of Directors in an advisory role to include, but not limited to, service levels to the Latrobe Community, response times, equipment, staffing and personnel, performance criteria, community activities and events, policies that pertain to the Latrobe area, and budget issues. The Advisory Council will exist for at least one year after annexation is completed, but EDH has signaled that it "can continue in an advisory role for as long as desired."

For several years now, LTB and EDH have had an agreement in place for EDH to supplement coverage in the LTB area. In 2012, LTB signed a \$25,000 a year contract with EDH to provide one paramedic engine company for emergency incidents at all times. EDH and LTB firefighters have also been cross-training to familiarize themselves in the other's service area.

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

RESPONSE: Parcels within the Latrobe FPD service area and SOI receive water exclusively from private wells. The proposed dissolution and reorganization would not have any effect on the provision of water service to the affected parcels.

Water supply sources for fire suppression include water tenders, some gravity-fed ponds, and 5,000 to 400,000 gallon tanks, each connected to a hydrant. The 400,000 gallon water tank is pressurized by an electronic pump system and fed from ground water wells. The remaining hydrants are gravity fed from ponds or tanks and require hard suction to retrieve water during operations.

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: Absent LAFCO approval of the LTB dissolution and concurrent annexation into EDH for fire suppression and emergency medical services, LTB estimates that it can continue normal operations with current funding levels for no longer than three years. As previously noted, the County's Aid to Fire program provided approximately 40% of LTB's budget. With the loss of Aid to Fire in 2011, LTB has had to rely on its reserves to maintain a balanced budget, which is an unsustainable situation for the District. At the current rate of consumption, it is estimated that LTB will deplete its reserves by 2017 or sooner. This is assuming that all budgets are essentially frozen, including that there is no rise in costs, large unforeseen expenditures such as replacing a major piece of equipment, assuming current levels of service are maintained and that LTB continues to operate with a fire chief who forgoes any salary.

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

RESPONSE: Annexation of, and the provision of service to, the Latrobe Community will not result in a significant negative impact on the cost and adequacy of services otherwise provided by EDH to current District boundaries. Currently, the first response area for EDH does not correspond exactly to the district's boundary; the majority of calls from the Latrobe area are directed to both LTB and EDH. EDH is often the first responder to these calls. The independent peer review of the annexation prepared by Citygate found EDH's finances to be "outstanding" and

reflect the ability of EDH to merge successfully with LTB without any expected negative impact on EDH.

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: Although technically two separate projects and actions, LAFCO projects 2014-03 and 2014-04 are being processed concurrently by LAFCO staff in accordance with the resolutions of application adopted by the affected districts. The LTB Board of Directors approved a resolution of application requesting to be dissolved by LAFCO and annexed into EDH; the EDH Board of Directors approved a resolution of application requesting annexation of the LTB service area and sphere of influence contingent upon, among other things, LTB's dissolution.

Prior to dissolving LTB and reorganizing the District and SOI area, the Commission must first take action on Agenda Item #6 to designate a zero sphere of influence for LTB and expand the spheres of influence of EDH and ECF. For additional information, refer to Agenda Item #6 and Section 17 below.

(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: To date, LTB fire services have been provided with staffing for one fire engine, using part-time paid staff for ten hours per day from Monday through Sunday, a part-time fire chief, and a part-time secretary. The District's fire stations are in good condition, and the front-line fire apparatus is only 5 to 6 years old. LTB already contracts with EDH to provide second unit response services when needed. In the most recent year, the contract cost was \$25,000.

LTB faces significant challenges maintaining its current level of fire services. Current reserves for the District are estimated to be down to approximately \$300,000 as of June 30, 2014, following two years of using reserves to balance the budget. For the years prior to FY 2012-13, LTB received an annual contribution from the County's Aid to Fire program, but this practice was not continued the past two years. At the present rate, LTB can expect reserves to be completely exhausted in the next two to three years, and it will also not have reserves left to replace fire apparatus in later years.

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 new property tax reallocation formula adopted by the El Dorado County Board of Supervisors in June 2014 would correct most financial shortcomings of LTB and set the stage for EDH not only to maintain service levels but also to improve them in the Latrobe area.

Upon annexation to EDH, the proposed budget adopted by the EDH Board on June 19, 2014 reflects not only the added revenue approved by the County Board of Supervisors through an increase in the percentage share of property taxes, but also provides for an enhanced level of service. While the proposed budget for LTB reflects an annual deficit of approximately \$50,000 to \$70,000 per year, this allows the LTB area to maintain its current staffing level seven days a week along with added training expenses, and the assignment of a full-time EDH Administrative Captain.

The annexation will benefit both fire agencies in the following ways: 1) EDH will see an improvement in Latrobe area staffing, training, and command, which will translate to a smaller burden and less uncertainty than what exists currently with EDH's overall mutual aid responsibility to the Latrobe area, and 2) the integration of the two departments will provide a more effective fire response team to the EDH and LTB areas.

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 Citygate analysis of the annexation found that the LTB, with its current sources of revenue, cannot continue providing its present level of service without exhausting its reserves in the next two to three years, and it will not have the reserves available to purchase or lease replacement fire apparatus as necessary. In addition, if the annexation is not successful, and if LTB services decrease in future years through budget shortfalls, the workload on EDH will increase due to its mutual aid response into the Latrobe area.

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

RESPONSE: According to the County Assessor, the total assessed value of the dissolution area (LTB only) is \$214,154,839; the total assessed value of the reorganization area (LTB and SOI) is \$217,892,687.

On June 10, 2014, the County Board of Supervisors approved Resolution 064-2014 (Attachment E) changing the property tax allocation formula, if EDH's annexation of the Latrobe Area is successful. Among other things, the resolution stipulates the following:

Existing Property Taxes and Assessments

All of Latrobe Fire District's existing property tax revenues are to be transferred to the El Dorado Hills County Water District. Any ERAF liability (or credits) is to be transferred to the County General Fund.

EDH will receive all of the property tax and direct assessment revenue that LTB currently receives, which is an average of approximately 5%. EDH is exempt from the Education Revenue Augmentation Fund (ERAF) property tax shift to schools; if the reorganization is successful, then the ERAF exemption will be extended to the parcels annexing into EDH. El Dorado County has committed to pay the annual Latrobe ERAF I amount, which is approximately \$11,762. The current per parcel assessment of \$60 will be retained on the parcels currently paying it. The parcels currently in the current LTB sphere of influence will continue not to pay it because they will be placed in a different zone of benefit.

Base Property Tax Revenue

The property tax shift will include a transfer of ad valorem property tax "base" as well as future property tax increment. Commencing with the 2014-15 fiscal year, the County of El Dorado will transfer the following portions of its property tax revenue base:

- County General Fund: \$210,983
- County Capital Outlay Fund: \$21,172
- Road District Tax: \$4,384
- County Service Area #7: \$20,112

The above amounts represent a transfer of slightly less than 12%. This transfer of property tax base, along with the existing 5% that LTB currently receives amounts to approximately 17% in total, which is consistent with the negotiated 17% for future property tax growth.

Upon approval of the reorganization, the base property tax transfer is irrevocable, perpetual and adjustable to ensure that EDH receives annual increases or decreases upon the base amount to reflect the annual change in assessed valuation and distribution of the annual tax increment.

Future Annual Property Tax Increment

The future annual tax increment on future property tax growth will be 17%, up from a current average of 5%.

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

RESPONSE: The new property tax reallocation formula adopted by the Board of Supervisors in June would essentially correct the underfunding of LTB by property taxes and allow EDH to not only maintain service levels but also to improve them in the Latrobe area. However, the annexation will not result in a surplus of revenue for EDH, nor is the annexation an attempt by EDH to annex only revenue-producing territory.

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 dissolution and reorganization appear to be consistent with LAFCO policies and is in the best interests of the residents of the Latrobe area and surrounding areas. The reorganization and newly negotiated property tax increment will have a significant positive financial impact to the LTB area, correcting a longstanding funding inequity for Latrobe residents and stabilizing fire service in the Latrobe area.

(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 resulting boundaries of the dissolution and reorganization will not produce an area that is difficult for EDH or ECF to serve. The territory to be annexed into EDH and ECF is contiguous with the respective boundaries of each annexing district. The reorganization prevents the creation of an irregular boundary that does not conform to definite and certain existing lines of assessment and ownership (see Sections 15 and 16).

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: LTB's boundary encompasses approximately 36 square miles, or 23,000 acres, of primarily rural lands. Major natural features include the Cosumnes River along the southern boundary and Ben Bolt Ridge, which runs north-south

through the District. The entire territory is designated as SRA with no LRA lands and is a risk area for wildland or wildland urban interface fires. The dissolution and reorganization will not change the geographic area in which services are currently provided, or where services will be provided in the future, nor will the resulting boundaries produce areas that are difficult for EDH or ECF to provide service to.

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 1.26-acre portion of APN 087-300-80 into ECF will avoid creating an irregular boundary where the majority portion of the parcel is within ECF and the minority portion is not part of any fire protection service provider. In addition, annexing the remnant portion of this parcel into ECF with the majority portion prevents a legal parcel from being split within two different tax rate areas and fire protection agencies (see Attachment H).

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 boundaries of the proposed dissolution and annexation to EDH conform to the existing lines of assessment and ownership. The LTB area consists of 660 parcels and the SOI consists of an additional 39. The proposal maps have been reviewed by the County Surveyor and have been found to be definite and certain.

The annexation to ECF involves a 1.26-acre portion of APN 087-300-80 which currently has two tax rate areas, split between the ECF and LTB boundaries. The majority of APN 087-300-80 (9.1 acres) is within ECF; however a 1.26-acre portion of this parcel is within LTB. Upon dissolution of LTB, this parcel remnant will be annexed into ECF to prevent this portion of land from in a fire protection district "no man's land". Annexation of the 1.26 acres to ECF will eliminate TRA 076-025 entirely, as APN 087-300-80 is the sole parcel within this TRA (see Attachment H).

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

RESPONSE: Government Code §56375.5 requires Commission actions regarding changes of district boundaries be consistent with the affected district's sphere of influence. Agenda Item #6, the El Dorado Hills County Water District and Latrobe Fire Protection District MSR and SOI Update, is in preparation of LAFCO Projects 2014-03 (Dissolution of Latrobe FPD) and 2014-04 (Annexation of the Latrobe Area into El Dorado Hills CWD). Staff recommendation for Commission action on Agenda Item #6 is to update the LTB SOI to a "zero sphere", expand the EDH SOI

to encompass the current LTB service area and SOI, and expand the ECF SOI to include the 1.26 acre portion to be annexed.

A “zero sphere” of influence is a determination by LAFCO that the service responsibilities and functions of an agency should be reassigned to another entity, and that the agency assigned a zero sphere of influence should be dissolved. LAFCO’s designation of a zero sphere of influence is a necessary precursor to dissolution of a special district.

(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 dissolution and reorganization does not break any Community of Interest. The reorganization will primarily benefit the residents of the LTB area, by correcting a funding inequity for the Latrobe residents and stabilizing fire service in the Latrobe area.

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

RESPONSE: Because the proposals were initiated by LTB and EDH resolution and not the affected landowners, per §56157(f) all landowners and registered voters within a 300-foot radius of the project were individually notified of the project and hearing 21 days in advance. To date, LAFCO staff has a handful of inquiries from members of the public (both residents and non-residents) regarding the reorganization proposals. No written landowner comments have been received.

In addition to the required noticing, LTB and EDH have held numerous public workshops and neighborhood outreach efforts in the past 18 months to engage the community and to convince their respective constituency the value of the endeavor. LAFCO has held two joint workshops with the fire districts in Latrobe to discuss the LAFCO process and what the LTB dissolution and annexation into EDH would mean for the residents. LAFCOs workshops were held on July 10 and August 5.

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

RESPONSE: There are no negative impacts expected for other public service providers to the proposed reorganization area. The dissolution of LTB and

annexation of parcels within LTB and its SOI would have no impact on police protection, schools, parks or other public facilities. The reorganization would not affect current services that are provided by these entities nor would it increase a demand for these public services.

- 21. OTHER AGENCY COMMENTS, OBJECTIONS:** All affected and interested agencies are provided application related material and notified of the proposal and proposed property tax redistribution plan. Comments have been requested and shall be considered (Policy 3.1.4 (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 Chief Administrative Office
- El Dorado County Department of Agriculture
- El Dorado County Elections Department
- El Dorado County Emergency Services Authority
- El Dorado County Fire Protection District
- El Dorado County Office of Education
- El Dorado County Planning Department
- El Dorado County Resource Conservation District
- El Dorado County Sheriff's Department
- El Dorado County Surveyor's Office
- El Dorado County Water Agency
- El Dorado County, Representing County Service Areas 7, 9, 9 Zone 2, 9 Zone 14, 9 Zone 17, 10, 10 Zone D, 10 Zone E, and 10 Zone H
- El Dorado Hills Community Services District
- El Dorado Hills County Water District
- El Dorado Union High School District
- Farm Bureau
- Latrobe Fire Protection District
- Latrobe School District
- Los Rios Community College District

As part of the standard notification process, LAFCO sent a project notice requesting agency comments to all affected agencies in February 2014 and a project hearing notice in July 2014.

The boundary discrepancy between LTB and El Dorado County FPD (see Sections 15 and 16) was discovered shortly after project notifications were sent out in February, and El Dorado County FPD was notified in late February. After discussing an administrative solution with staff from the Auditor's Office and the State Board of Equalization, the Fire Chiefs from all three districts were notified and agreed to the administrative solution. No other agency comments or objections were received.

(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 proposed reorganization does not include any type of new housing or other development; therefore, it will not assist the County in achieving its RHNA goals. This section is not applicable to the dissolution and annexation applications, as they apply to either LTB or EDH.

- 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 territory proposed for dissolution and annexation is almost exclusively designated by the 2004 General Plan as either Agricultural Lands or Rural Residential, with small portions designated as Natural Resources and Open Space along the Cosumnes River border to the south. Present land use in the LTB area is primarily agricultural, followed by residential uses. The current land use and proposed reorganization is consistent with the current land use designations of the subject territory. Future land uses are expected to remain relatively unchanged.

- 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: LTB serves the community of Latrobe as well as the surrounding rural areas. There are currently 691 registered voters residing within the reorganization area, so the subject territory is considered inhabited per State Law. The 2010 Fire and Emergency Services Study estimates LTB's population to be 901 people based on the 402 dwelling units. Neither the proposed dissolution nor the proposed annexation proposals would involve the construction or rezoning of land uses on the subject parcels, nor would either trigger a change in the use of the

land. Present land use in the LTB area is primarily agricultural, followed by residential uses. Although rural residential areas are distributed throughout LTB, they are more concentrated in the northern portion of the district along Latrobe Road and to the south, directly north of the Cosumnes River.

Growth in the LTB and surrounding SOI area is considered slow growth. Prior to the recession, there were typically 10-30 housing starts per year. Since 2008, there have been about five annually. There is currently one large development, Rancho Victoria, which is still in the planning phase with the County. It entails approximately 80 acres and currently is planned for 36 home sites. The planned development is located on South Shingle Road just West of Latrobe Road and behind Miller's Hill School. Future land uses are expected to remain relatively unchanged, with population growth that is likely to be consistent with, if not slightly slower than, the 2004 General Plan projections for the unincorporated portion of the County.

- 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: There is no community region designation in LTB's service area; the town of Latrobe is designated as a "rural center," an area where commercial development is allowed so long as it supports the surrounding agricultural industry. LTB is bounded on the west by Sacramento County, on the north/northwest by EDH, on the north/northeast by ECF, on the southeast/east by Diamond Springs/El Dorado FPD, and on the south by Amador County. Although rural residential areas are distributed throughout LTB, they are more concentrated in the northern portion of the district along Latrobe Road and to the south, directly north of the Cosumnes River.

There are approximately 4,450 acres currently within the LTB sphere of influence which are not within the district boundaries; however, the majority of the SOI areas are surrounded on all sides by LTB boundaries.

- 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 reorganization area contains primarily private and a few public parcels which are consistent with the current zoning and General Plan land use designations (see Section 23 for further details). The proposed dissolution and concurrent annexations are not expected to conflict with applicable land use designations in the project area.

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

RESPONSE: Approximately 70% of the territory within LTB is agricultural. 12,048 acres are in Williamson Act contracts, 2,203 acres of which are under notice of non-renewal. In addition, land use designations and current zoning suggests that most, if not all, of the 4,450 acres within the LTB sphere of influence may be in agricultural production as well.

The reorganization of fire district boundaries as a result of the proposed dissolution and concurrent annexations will not convert any agricultural farmland of importance at the State or local level, conflict with zoning of lands under Williamson Act contracts or involve the conversion of farmland to non-agricultural uses. The services provided by fire suppression agencies do not induce urban growth or the premature conversion of agricultural land to urban uses. In agricultural areas, these agencies' services protect farmland and the agriculture economy by responding to emergencies in undeveloped areas and minimizing the financial cost that a fire could cause to farmers. In the developed areas, these services protect the human, economic and resource assets of the community by responding to emergencies that threaten lives and property.

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: The reorganization does not include any type of housing or other development; therefore, it will not assist the County in achieving its RHNA goals.

ATTACHMENTS

- Attachment A: Latrobe Fire Protection District Resolution of Application (Exhibits A and B included as Attachments C and D)
- Attachment B: El Dorado Hills County Water District Resolution of Application (Exhibits A and B included as Attachments C and D)
- Attachment C: Dissolution / Annexation Map (Exhibit A to both the LTB and EDH resolutions)
- Attachment D: Plan for Service and Service Agreement between LTB and EDH (Exhibit B to both the LTB and EDH resolutions)
- Attachment E: BOS AB-8 Resolution (Property Tax Agreement)
- Attachment F: LAFCO Resolution L-2014-09 approving the Dissolution of the Latrobe Fire Protection District (LAFCO Project No. 2014-03)
- Attachment G: LAFCO Resolution L-2014-10 approving the Reorganization of the Latrobe Fire Protection District Service Area and Sphere of Influence to the El Dorado County Water District and the El Dorado County Fire Protection District (LAFCO Project No. 2014-04)
- Attachment H: Portion of APN 087-300-80 to be Annexed into ECF