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El Dorado County, CA

November 8, 2005 Election



Measure P
Incorporation
Proposed City of El Dorado Hills
Initiative regarding Incorporation as city - Majority Approval Required

Fail: 5092 / **43.6%** Yes votes 6565 / **56.3%** No votes

See Also: [Index of all Measures](#)

Results as of Jan 28 2:40pm, 100.0% of Precincts Reporting (21/21)

Information shown below: [Impartial Analysis](#) | [Arguments](#) | [Full Text](#)

Shall the Resolution adopted on July 11, 2005, by the El Dorado Local Agency Formation Commission ordering the incorporation of the City of El Dorado Hills and further ordering the dissolution and reorganization of the El Dorado Hills Community Services District, the dissolution and reorganization of the Springfield Meadows Community Services District, and detachment of the territory to be incorporated from County Service Area 9, be confirmed, subject to the terms and conditions specified in the order?

Impartial Analysis from Local Agency Formation Commission (LAFCO)

A "yes" vote on Measure P will create the new City of El Dorado Hills. A yes vote will also dissolve and reorganize the El Dorado Hills Community Services District ("EDHCSD") and Springfield Meadows Community Services District by combining their functions into the new city. The City will begin on July 1, 2006 and be governed by a five-member council elected by registered voters living within the City. The incorporation is subject to the terms and conditions in the El Dorado County Local Agency Formation Commission's ("LAFCo") resolution of approval which are set forth in the Ballot Measure included in the ballot materials. These terms and conditions will become binding upon the new city and other affected agencies if the incorporation is approved.

A "no" vote means no change in the status quo. Decisions about land use planning will continue to be made by the County of El Dorado and municipal services will continue to

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be provided by the County and the special districts.

LAFCo has studied the matter and found the new city will be financially feasible. It is projected the new City will receive sufficient revenues to provide the same level of services currently provided, with prudent reserve, without increasing tax rates or assessments within the community. The City will also have sufficient revenue to make the revenue neutrality payments required to be made to the County of El Dorado to mitigate the fiscal impact of incorporation on the County.

The City will assume revenues, service responsibilities, assets and liabilities of the County for specific municipal services such as law enforcement, planning, and street maintenance. All County ordinances will remain in effect until the city council enacts ordinances superseding them.

The City will also assume the revenues, service responsibilities, property, assets and liabilities of the EDHCSD and the Springfield Meadows Community Services District, such as recreation and park services, CC&R enforcement, and road maintenance. Storm drainage and flood control services and assessments currently administered through County Service Area 9 within the incorporation area will also be transferred to the new city.

Many types of public services will not be changed by this incorporation. These include public education and Countywide services such as health care, social services and the court system. Existing special districts, such as the El Dorado Hills Fire Department (El Dorado Hills County Water District) and EID will continue to provide services whether or not the incorporation is approved.

The proposed City boundary is shown on the enclosed map. The City contains about 17,839 acres with an estimated population of 28,169. It includes about 18,000 registered voters and a total assessed value of \$3.9 Billion.

The boundaries of the proposed city generally follow the boundaries of the EDHCSD and Green Springs Ranch. Also included are the El Dorado Hills Business Park, Carson Creek and the Promontory developments and certain additional parcels south of the Business Park.

Support Cityhood and vote Yes on Measure P. By keeping more of our tax dollars in El Dorado Hills, we will improve local service levels without raising taxes, and have local government that is accountable to you and your family.

Measure P means fiscal strength. According to an independent analysis, our new city will enjoy an average annual General Fund surplus of more than \$1.6 million. Currently, El Dorado County is spending many of our hard-earned tax dollars to resolve issues elsewhere in the county. Incorporation means more of our community-generated tax dollars will stay in El Dorado Hills.

Measure P also means more money for improving roads and traffic. The independent fiscal analysis reported that revenues for road maintenance within the city will increase immediately.

Measure P means shifting government to the local level so El Dorado Hills residents can decide how to best manage public safety, road construction, traffic relief, growth, economic development, and parks and recreation services -- things that protect our property values and contribute to our quality of life.

Measure P means the City of El Dorado Hills -- already the county's largest community -- will be more responsive to local taxpayers and more efficiently direct resources where they are needed most.

Measure P makes sense and we need it. The time has come to keep more of our tax dollars here in El Dorado Hills. Without raising taxes, let's achieve local control, enhance services and manage our own future.

VOTE FOR LOCAL CONTROL OF YOUR TAX DOLLARS. VOTE FOR EL DORADO

Cities in California collect many more different taxes and fees than counties do. So city taxpayers pay more and higher taxes.

Are higher and more taxes worth the price?

1) The new city will collect between \$500,000 and \$3 million more in taxes than it needs every year for at least 9 years! (Do you think they'll lower taxes or give any of your money back?)

2) 50% of the Community Services District funding will shift from parks and recreation to city administration.

3) El Dorado Hills will face a state legal requirement to add 2,000 low income new housing units.

4) The new city will be required to sign contracts to pay for Fire and Sheriff's services. And we lose the services of the California Highway Patrol which do NOT patrol city streets or roads.

5) El Dorado Hill's residents will pay \$300,000 annually for wildland fire protection, currently provided at no cost.

6) The county will no longer have to spend its transportation or library funds inside the city limits.

Advocates of a YES vote on cityhood say local control over growth makes all of this worth it. Really?

Growth has been much faster inside cities than in county governed areas. Folsom. Elk Grove. Lincoln. Roseville.

For the new city to be viable, an estimated \$2.5 million square feet of commercial space and 17,500 more jobs must be added--the equivalent of 10 SuperCenter Wal-Marts. In addition, El Dorado Hills will need to build 8,400 new homes.

95% of all the land inside the new city is already under development agreements that

HILLS. VOTE YES ON MEASURE P.

s/ Harry Norris
Director, El Dorado Irrigation District
Local Business Owner
s/ Wayne Lowery
General Manager, El Dorado Hills Community
Services District
s/ Joe Chinn
President, Board of Directors, El Dorado Hills
Community Services District
s/ Betty January
El Dorado Hills Library Advocate
s/ Mike Hewitt
Chairman, Yes on Cityhood / Yes on Measure
P Committee

Rebuttal to Arguments For

The argument in favor of Measure P misses the point -- There is NO free lunch!

The proponents of cityhood ignore what we will lose and what we will have to pay -- we will lose the CHP patrols, we will lose the Sheriff's patrols, we will lose the county's share of state funding for roads.

When has creating a new government ever saved money?

Just look at Sacramento. In the County, residents pay 2 ½% for their utility tax. In the City, residents pay 7 ½% for their utility tax.

Cities have more taxing authority under state law than counties do. Is it surprising to find + that in city after city + taxes are higher than in El Dorado County?

The proponents of cityhood completely ignore that as a new city, state law will require El Dorado Hills to approve approximately 2,000 low-income housing units -- apartments or very low-priced houses -- as a condition for getting a city General Plan certified by the state. (For a

cannot be changed. The county will keep control over the land surrounding the city... giving El Dorado Hills voters no new local control.

Voting NO is the smart vote. Cityhood brings more growth and more taxes.

s/ Bob Dorr
s/ Mary Pearson
s/ Betty Engelhardt
s/ Ursula A. Smith
s/ George F. Semeil

Rebuttal to Arguments Against

Where is the disagreement? Even our opponents concede that cityhood will let us keep more of our existing tax dollars in El Dorado Hills. Today, the county keeps more of our taxes and we have little control over the level or types of services we receive. As a new city, El Dorado Hills will finally have local control and more resources to manage public safety, roads, parks and other important services without raising taxes.

Let's not squander this opportunity to more adequately fund these services. After the county shifts key services at current levels to the City of El Dorado Hills, we will enjoy an average annual General Fund surplus of more than \$1.6 million and more road maintenance funds to improve traffic.

Other claims by our opponents are false or misleading. The fact is our population has soared to 33,000, and approximately 95 percent of all land available for development already has been planned by the county. Cityhood will not accelerate the pace of growth, but it will let us oversee the quality of development and adequacy of services associated with it.

Don't be misled by scare tactics. Cityhood with our own, locally elected City Council makes

new city General Plan, the city must provide for low income housing for all undeveloped and unapproved land, which is about 6% of the city.) That 6% is mostly infill parcels in existing developed areas... in your neighborhoods!

We all want local control. We all want to protect our quality of life. El Dorado Hills is one of the best places to live in the region. We can keep it that way... without adding more government or raising taxes or 2,000 apartments.

s/ Frederick J. St Jean
s/ Donna DeRoss
s/ Jay Dennis
s/ Thomas W. Clark
s/ Edmonia "Eddy" Henry

sense. Without raising taxes, let's achieve local control, improve services, operate more efficiently and manage our own future.

VOTE YES ON MEASURE P.

s/ Charles "Buzz" Nunn
s/ Patricia Kriz
s/ Ray Myers
s/ Harriett Segel
s/ John E. Thomson, Ph.D.
Retired Tax Professional and Educator

Full Text of Measure P

A resolution of application for the proposed incorporation of certain territory in the County of El Dorado was heretofore filed with the Executive Officer of the Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act, commencing with Section 56000, et seq. of the Government Code and the proposed incorporation was approved by LAFCO on June 8, 2005. The reasons for the incorporation, as stated in the resolution of application, are as follows:

(A) To enhance the physical character, community identity, and quality of life in El Dorado Hills by establishing local control of public services, land use planning, and public and private investment in the community;

(B) To establish a locally elected City Council in El Dorado Hills to provide community leadership and increase local control over, and accountability for, governmental decisions affecting El Dorado Hills, including comprehensive planning and zoning and other land use decisions affecting El Dorado Hills

1. Increase accessibility of citizens to local government officials and staff members
2. Provide a local forum for discussion and resolution of issues important to the community through active community participation programs and opportunities for involvement in civic affairs

3. Increase local responsibility for determining public service levels and providing capital improvements

4. Ensure the best allocation of state and federal revenues, to the maximum extent possible, to support needed services within the City of El Dorado Hills;

(C) To consolidate responsibility for municipal services in El Dorado Hills under a single local entity, the City of El Dorado Hills, which can, through improved efficiency and access to substantial state and federal revenues not presently available to the community, increase public service levels;

(D) To allow for improved public services in El Dorado Hills, including:

1. Improved levels of police protection
2. Continued improvements to the level of fire protection and emergency medical services (EMS)
3. Improved health, safety, and welfare through implementation and enforcement of local laws and ordinances
4. Increase capacity of existing roads to improve traffic flow
5. Improved maintenance of existing roads that have been allowed to deteriorate
6. Improved parks and recreation facilities and programs
7. Assurance of adequate public services and facilities needed to meet the demands of all residents;

(E) To enhance physical development in El Dorado Hills, which promotes and preserves a vital blend of residential, agricultural, commercial, industrial, and open space land uses; and

(F) To promote economic prosperity and fiscal independence through the identification and implementation of common economic goals.

If this ballot measure is approved by the voters, the incorporation shall be subject to all of the terms and conditions set forth as follows:

Section 1. Incorporation Area. The incorporation area is incorporated into a new general law city. The boundary of the new city is generally described as including all territory within the exterior perimeter boundary of the El Dorado Hills Community Services District and the following additions (all references to APNs are as of June 8, 2005):

- a) The Green Springs Ranch subdivision;
- b) Parcels west of Salmon Falls Road and south of Folsom Lake (APN 110-430-04, 110-020-30, 067-051-05, 067-310-05, 08, 09, 25, 26);
- c) The Sierra Pacific parcels (APN 108-050-05, 108-050-06, 108-050-07, 108-050-08, 108-050-14, 108-050-17);
- d) The El Dorado Union High School District parcel (APN (108-050-42);
- e) The Carson Creek Specific Plan area; and
- f) The El Dorado Hills Business Park.

Said territory includes approximately 17,839 acres and is found to be inhabited, as defined in Government Code Section 56046. The boundary of said incorporation is approved as modified by the Commission and as shown on the map marked **Attachment A** and as described on **Attachment B**.

Section 2. Governmental Structure. The name of the new city shall be "The City of El Dorado Hills." The new city shall have the following governmental structure:

- a) The governing body of the new city shall be a five-person City Council, initially elected at large from throughout the area to be incorporated.
- b) Future City Council Members shall be elected either at large or by district as determined by the voters in this election.
- c) The new city shall have a City Manager form of government.
- d) The City Council shall appoint a City Manager, City Clerk, City Treasurer and City Attorney

who shall serve at the pleasure of the City Council.

Section 3. Related Changes of Organization. The incorporation is approved along with the following additional changes of organization within the area to be incorporated:

- a) The area to be incorporated shall be detached from County Service Area 9.
- b) The El Dorado Hills and Springfield Meadows Community Services Districts shall be dissolved and their functions reorganized into the city.
- c) Such other changes of organization as specified herein.

Section 4. Effective Date. Subject to the limitations of Government Code Section 57202, the effective date of incorporation is to be July 1, 2006.

Section 5. Assessment Roll; Taxes. The regular county assessment roll will be utilized and the affected territory will continue to be taxed for existing bonded indebtedness and other taxes and parcel charges of any agency to be reorganized hereunder or whose boundaries are changed.

Section 6. Terms and Conditions. In addition to all of the terms and conditions set forth above, the incorporation shall be subject to all terms and conditions specified in LAFCO Resolution L-05-09. Those terms and conditions are as set forth in this ballot measure or in Attachments C and D.

For Attachment A Map see ballot pamphlet.

ATTACHMENT B BOUNDARY DESCRIPTION

The boundary of the new city is generally described as including all territory within the exterior perimeter boundary of the El Dorado Hills Community Services District as of June 8, 2005 and the following additions (all references to APNs are as of June 8, 2005):

- a) The Green Springs Ranch subdivision; b) Parcels west of Salmon Falls Road and south of Folsom Lake (APN 110-430-04, 110-020-30, 067-051-05, 067-310-05, 08, 09, 25, 26); c) The Sierra Pacific parcels (APN 108-050-05, 108-050-06, 108-050-07, 108-050-08, 108-050-14, 108-050-17); d) The El Dorado Union High School District parcel (APN 108-050-42); e) The Carson Creek Specific Plan area; and f) The El Dorado Hills Business Park

ATTACHMENT C TERMS AND CONDITIONS OF INCORPORATION

1. Services to be Provided. The City is authorized to provide and shall provide the following public services:

- a) General Government, including City Manager, City Attorney, City Clerk.
- b) Law Enforcement (including traffic control and accident investigation currently supplied by the California Highway Patrol);
- c) Planning and Land Use Regulation;
- d) Building Permits and Inspection;
- e) Maintenance, Monitoring, Engineering and Construction of streets and highways currently maintained by the County of El Dorado and Springfield Meadows CSD, including associated drainage and other appurtenant facilities.
- f) Animal Care and Regulation;
- g) Park and Recreation;

h) Flood Control; i) Solid Waste; j) Landscape Maintenance; k) Street lighting. l) Refuse Collection, through franchise agreements with private waste collection providers; m) Cable Television, through franchise agreements with Comcast and/or other private CATV service providers; and, n) Administration of architectural review and enforcement of Covenants, Conditions and Restrictions (CC&Rs) to the same extent as previously provided by the El Dorado Hills CSD; see Section 15 (f), below; o) Code Enforcement; and, p) Public Works not otherwise specified.

2. Services Not Provided. The City is not authorized to provide the following services and these services shall not be provided by the City. These services shall continue after incorporation and shall be exclusively provided by the agency or agencies identified below, consistent with spheres of influence as determined by LAFCO until and unless service responsibilities are modified by LAFCO pursuant to Government Code §56425, et. seq., and any taxes, assessments, charges and fees currently levied within the incorporation area for these services shall continue in effect: a) Domestic Water Supply and Irrigation: El Dorado Irrigation District; b) Wastewater Collection, Treatment, and Disposal: El Dorado Irrigation District; c) Fire Protection and Emergency Services: El Dorado Hills County Water District and Rescue Fire Protection District (hereinafter, the "Fire Agencies"); d) Resource Conservation: El Dorado County Resource Conservation District; e) Schools: Buckeye Union School District, Rescue Union School District, Latrobe Union School District, and El Dorado Union High School District; f) Library: El Dorado County Library (County Service Area 10); g) Transit: El Dorado County Transit Authority, subject to the provisions of Condition 8, below; h) Cemetery: El Dorado County for Mormon Island Cemetery and other cemeteries within the City, if any, as required by law. Private cemeteries shall continue to be serviced by private providers. i) Air Pollution Control: El Dorado Air Quality Management District; the governing body of the Air Quality Management District will be reconfigured as required by law as a result of the incorporation. j) Provision of Advanced Life Support Services (ambulance) and associated dispatch functions: El Dorado County (County Service Area 7)

3. Park Development Standards. The new City shall continue in effect the park development standards and related development impact fees for park and recreation services of the El Dorado Hills CSD in effect as of the Effective Date.

4. Wild Land Fire Protection. The new City shall provide funding to insure that wild land fire protection services are provided within the area of the City for the portions of the new City that, by state law, are reclassified from State Responsibility Area to Local Responsibility Area, as a result of incorporation. This obligation shall be satisfied by the new City as follows: a) Pursuant to its authority under Government Code Section 56815 and in accordance with Revenue and Taxation Code Section 99 et seq., LAFCO shall require the City to enter into a tax sharing agreement with the affected Fire Districts providing for the transfer of property tax sufficient to cover the costs to be incurred by the respective districts in providing wild land fire protection. Said tax sharing agreement shall provide for an initial transfer of property tax sufficient to fund each District's projected annual cost of providing such protection as detailed in the Comprehensive Fiscal Analysis. The Tax Sharing Agreement shall further provide that every three years thereafter, the County Auditor, in consultation with the City and the Fire Districts, shall adjust the tax sharing arrangement to an amount sufficient to cover the then projected annual cost of providing such protection, taking into account increases or decreases in the total

acreage subject to such wildland fire protection due to annexation, detachment or reclassification and the Districts' projected costs. The Fire Districts shall perform a wild land reclassification assessment every three years, prior to the start of the subsequent three year "agreement period." This reclassification shall result in a direct adjustment (upwards or downwards) to the wild land coverage cost to be borne by the City. The Tax Sharing Agreement shall further provide that the annual amount of property taxes transferred pursuant to this Tax Sharing Agreement shall not exceed the projected cost of providing such service through a Cooperative Contract with the California Department of Forestry, so long as such Cooperative Contracts are an option available to the Districts. b) In all cases, the level of wild land fire protection services shall be not less than the same level as provided by the CDF prior to incorporation. c) Nothing herein is intended as a grant of authority to the City to provide fire and emergency services. The City's sole authority is to fund the continuation of such service by the fire agencies or CDF. d) Should the City or an Affected Fire Agency fail to perform any of its obligations as set forth herein, any citizen may obtain a court order to compel the City or Fire Agency to perform their obligations hereunder, or to enforce the terms of any agreement between the City and the Fire Agencies then or most recently in effect.

5. Adoption of County Ordinances. Pursuant to Government Code Section 57376, the new City shall, immediately following its organization and prior to performing any other official act, adopt an ordinance providing that all county ordinances previously applicable shall remain in full force and effect as city ordinances for a period of 120 days after incorporation or until the city council has enacted ordinances superseding the county ordinances, whichever occurs first. Specifically included among the County ordinances to be adopted by the new City, and not by way of limitation, are the following: a) The Fire District Improvement Fee, as set forth in Chapter 13.20 of the County Ordinance Code. In accordance with the provisions of Chapter 13.20, the new City shall transfer to any affected Fire Agency an amount equal to the present Fire District Improvement Fee in effect as of the Effective Date on new development projects to which it applies. b) The El Dorado Hills + Salmon Falls Roadway Improvement Fee (RIF), The El Dorado County Transportation Impact Mitigation (TIM) Fee, and all other impact fee programs currently levied by the County; c) County Buildings and Construction Code (Chapter 15) d) County Subdivision Ordinance (Chapter 16) e) County Grading, Erosion and Sediment Control Ordinance f) County Zoning Ordinance (Chapter 17), including specifically, and not by way of limitation, i) The County's Right-to-Farm ordinance (Chapter 17.13) ii) The Ecological Preserve and Fee In-Lieu of Mitigation (Chapter 17.71)

6. County General Plan. The City shall adopt the El Dorado County General Plan as the interim City General Plan for the incorporated area. The El Dorado County General Plan shall remain in effect for 30 months or until the new City has adopted a new City General Plan pursuant to Government Code Section 65360.

7. Erosion Control and Grading Plan Review. To continue the present level of service related to the review of grading plans, and to assure that grading activities proposed for sites within the incorporation area conform with the requirements of the County's Grading and Erosion Control Ordinances, the City shall enter into an agreement with the El Dorado County Resource Conservation District (RCD) for such services. The agreement shall provide for planning and technical assistance to the City and to property owners within the incorporation area in return for

the payment of fees for such services which shall be at the same level as fees charged for comparable services within the City of Placerville.

8. Transit Services. The City shall maintain at least the same level of transit service provided by the El Dorado County Transit Authority in the incorporation area and the incorporation shall not cause a reduction in service within the existing service area of the El Dorado County Transit Authority. Transit services in the new City shall be provided by the EDCTA for a minimum of ten (10) fiscal years, after which time the new City may elect to withdraw from the JPA upon providing a notice of intent to withdraw as provided below.

The new City shall either (a) join the El Dorado County Transit Authority as a new member and in that capacity, transfer to the Authority all funding to which the City may be eligible to receive under applicable federal and state transit funding sources so as to provide transit services within City boundaries at a level at least equal to services provided prior to incorporation and to prevent a reduction of service within the EDCTA service area; or (b) in the event the new City fails to join the EDCTA, or withdraws from the JPA prior to the ten (10) year obligation, the new City shall annually provide to EDCTA funds or revenue equal to the loss in revenue by the EDCTA as a result of either the new City failing to join the EDCTA or withdrawing from the EDCTA for a period of twelve (12) years and the EDCTA shall continue to serve the area within the new City for such twelve (12) year period. The funds or revenue shall be provided either through development fees, sales tax revenues, Transportation Development Act funds, property taxes, or other revenue sources or funds, to insure no loss of funding to the EDCTA. If at any time after the expiration of the ten (10) year obligation or of the twelve (12) year obligation transit services within the new City are not provided by the EDCTA, the EDCTA shall retain the right (but not the obligation) to use the commuter bus stops in the new City and to provide commuter bus service within the City boundaries at no cost to City.

This transit services condition may be modified upon mutual agreement of the EDCTA and the new City.

In joining the EDCTA as specified in (a) above, the new City shall agree to the provisions set forth in the Joint Exercise of Powers Agreement, including the amendment dated May 22, 2001. The EDCTA shall be designated as the transit operator for El Dorado Hills and shall be authorized to file the claim for apportionment under Public Utilities Code Section 99260 on behalf of the new City as provided in Section 15 of the JPA Agreement.

The new City may provide a notice of its intent to withdraw as a member to the EDCTA, provided it has maintained EDCTA services for eight (8) full fiscal years after establishment of the City. The written notice of intent to withdraw from the Joint Powers Authority shall be provided, if at all, during the month of May and shall be provided at least two (2) years prior to the effective date of the withdrawal, thus providing for minimum of ten (10) years of service by the EDCTA to the new City. The notice shall specify the effective date of the withdrawal, which shall be at least two years from the date of the notice. In addition, the City shall also provide the EDCTA with a ninety-day final notice of intent of withdrawal from EDCTA.

9. Roadway as Boundary. The boundary of the City shall include the full width of all roadway

parcels that lie along the perimeter of the City with the exception of two segments of Green Valley Road which will remain outside the City boundary where the County shall continue road maintenance responsibility along Green Valley Road in those road segments described as follows: (1) Green Valley Road contiguous and running along APN 115 051 07 and (2) contiguous to parcels numbered 115 051 11 and 115 051 12. In addition, the City will be responsible for three roadway segments adjacent to the City boundary but in the incorporated area as follows: Green Valley Rd across APN 067 030 06 and across the adjacent federally owned parcel (No APN); Bass Lake Rd. along APNs 115 030 02 & 03; Malcolm Dixon Rd. across APNs 067 310 11 & 12. The City shall be responsible for roadway maintenance on the full width of roads that lie along its exterior boundary.

10. Road Maintenance Responsibility. Responsibility for all roads, as well as associated drainage and other appurtenant facilities, excluding private roads, within the jurisdiction of all districts that are being dissolved in connection with this incorporation, shall transfer to the new City upon the Effective Date.

11. Transfer of County Roads. All roads included within the El Dorado County Road System as of the Effective Date and all offers of dedication shall transfer to the City upon the Effective Date in accordance with Government Code Section 58385.

12. Sphere of Influence. The City shall initiate sphere of influence proceedings in a timely manner with LAFCO so as to allow LAFCO to adopt a sphere of influence for the new City no later than one (1) year following the Effective Date. If the City determines that it needs more time to develop a long-term sphere plan, in conjunction with the development of its general plan, the City may satisfy this requirement by proposing an initial Sphere of Influence that is co-terminus with the City boundary.

13. Detachment from CSA 9. The territory included within the new city boundary shall detach from County Service Area 9 (CSA 9). The City shall continue to provide the same level of services previously provided by CSA 9 through continuation of the service zones within the City. All funds held by the County for the service zones being detached shall be transferred to the new City. The parcel charges currently in effect in the affected service zones shall continue in effect within the City. The City shall utilize the funds transferred from the County and those generated in the service zones to continue the services within the zones. Upon the effective date of incorporation, flood control facilities, including, but not limited to, drainage channels and appurtenant facilities within the incorporated territory that were maintained by the County prior to incorporation, whether through CSA 9 or otherwise, shall become the property of the City and the City shall be authorized and obligated to, and shall assume responsibility for the post-transfer maintenance, monitoring, engineering and construction of such facilities within the City.

14. Dissolutions and Reorganizations, General. With respect to all agency dissolutions and governmental reorganizations ordered in connection with this incorporation, no agency being dissolved shall take any actions described in Government Code Section 56885.5 except in compliance with the requirements thereof.

15. Dissolution and Reorganization of CSDs. The dissolution and reorganization of the El

Dorado Hills Community Services District and the Springfield Meadows CSD is conditioned pursuant to the following provisions: a) All real and personal property, including land, vehicles and structures, interests in property, rights of use, contracts, all monies, including cash on hand and moneys due, but uncollected, of any dissolving district shall transfer to the City as successor agency to the dissolving districts, in accordance with Government Code §57452 and 57457. b) All transfers of real property and property interests shall be transferred to the City subject to any and all liens or other financial obligations and encumbrances lawfully entered into by the dissolving District prior to the Effective Date. c) Property held in trust by any dissolving district shall be conveyed to the new City and shall be used for the purposes for which it was collected, in accordance with Government Code Sections 57382 and 57462. d) The services provided by the dissolving districts shall continue at a level not less than that provided by the districts prior to the Effective Date of dissolution. e) The City shall continue the parks and recreation services, landscaping and lighting maintenance, solid waste collection and disposal, and Cable TV services at a level not less than that provided by the El Dorado Hills CSD prior to the Effective Date. Any contracts to provide these services shall continue in effect and transfer to the successor agency. f) With respect to architectural review and enforcement of Conditions, Covenants and Restrictions (CC&Rs) for subdivisions within the EDHCSD, the City shall continue to provide such services at a level not less than that provided by the EDHCSD for not less than one (1) year following the Effective Date. g) Pursuant to Government Code §56886(t), any authorized charges, fees, assessments or taxes being collected by the dissolving districts shall to be transferred to the City of El Dorado Hills as the successor agency, including the EDHCSD development impact fee and charges for administration and enforcement of CC&Rs. i) Any employee of a dissolving district as of the date of dissolution and reorganization shall continue as an employee of the City of El Dorado Hills on an interim basis. If the City determines to continue any such employee as a permanent city employee, the City shall continue all employment rights, seniority, retirement, accrued leave and related benefits of such employee to the maximum extent feasible consistent with the City's employment rules. j) The Effective Date of Dissolution and Reorganization of all dissolving districts shall be the Effective Date. k) Each dissolving district shall transfer all records, archives and related materials to the City of El Dorado Hills, to be retained by the city for a minimum of five years following the Effective Date of Dissolution and Reorganization.

16. Payment of Costs. Any and all costs incurred by or on behalf of the El Dorado Local Agency Formation Commission in connection with LAFCO Project 03-10, Proposed Incorporation of El Dorado Hills, that remain unpaid and outstanding as of August 12, 2005 shall be paid by the Incorporation Committee no later than November 1, 2005. Recordation by the Executive Officer of the Certificate of Completion is subject to the full satisfaction of this requirement.

17. Election Materials. The Terms and Conditions as approved by the Commission shall be provided as part of the election materials. The question of incorporation, including all Terms and Conditions shall be one question on the ballot.

Fiscal and Revenue Neutrality Terms and Conditions.

The City shall be required to make annual fiscal mitigation payments to the County pursuant to California Government Code Section 56815(c)(2) as set forth in these Fiscal and Revenue

Neutrality Terms and Conditions.

18. Base Year General Fund Amount. The Base Year amount of the fiscal mitigation payments made as unrestricted payments to the County's General Fund is \$309,000.00. The Base Year calculation represents the fiscal mitigation payment calculated as of fiscal year 2003-2004.

19. Base Year Road Fund Amount. The Base Year amount of the fiscal mitigation payments made to the County Road Fund as a result of loss of Road District Tax Revenues is \$751,300.

20. Commencement and Term of Payments. Fiscal mitigation payments to both the County's General Fund and Road Fund shall commence in the first fiscal year in which the City receives its property tax allocation (projected as the 2006-2007 FY) and shall continue annually thereafter for a period of 25 years.

21. Collection of Payments. a) In each fiscal year during the term of fiscal mitigation payments, the County shall be and is authorized and entitled to withhold the payment due to County that year from the secured and unsecured property tax revenues collected by the County on behalf of the City. The County Auditor shall be authorized to withhold said payments due from the tax revenues collected and to transfer the amounts due to the County's General Fund and Road Fund respectively at the same time that the balance of the City's tax revenue is transferred to the City. One-half of the annual amount due for each fund, respectively, shall be withheld from each of the two installments of property taxes collected within the City during the fiscal year. b) The annual fiscal mitigation payments shall be an obligation of the City with the amount coming due thirty (30) days after the delinquency date of each semi-annual installment of property taxes.; provided, however, that the City shall not be responsible for any delays in payment arising out of delays in collection and accounting by the County. c) Nothing in this term and condition shall be deemed to prevent the County from exercising any legal remedy available for collection of such debt from the City if, for any reason, the County is unable to withhold the payments from the tax revenues collected. d) The County will assume the responsibility for the administration and accounting of withholdings from the City's share of property taxes and road district taxes resulting from these Terms and Conditions at its own expense.

22. Adjustment to Mitigation Payment Amount. Beginning in fiscal year 2004 -2005, and each year thereafter during the term, the Base Year General Fund Amount and the Base Year Road Fund Amount shall each be adjusted by the annual increase in the published annual Consumer Price Index + All Urban Consumers, California.

23. Provision of Service in First Year. Pursuant to Government Code Section 57384, the County shall continue to furnish to the area incorporated all services furnished to the area prior to the incorporation, at the same level and in accordance with the budget for the County adopted prior to the effective date of incorporation, for the remainder of the fiscal year during which the incorporation becomes effective, or for a shorter period if the City of El Dorado Hills, acting through it City Council, requests discontinuation of a service or services.

24. Reimbursement for Initial Year Service. The City shall reimburse the County for the net cost of services provided pursuant to paragraph 23, above, as defined in California Government Code

Section 57384(b). Reimbursement shall be made in full not later than the end of the fifth fiscal year following the fiscal year in which the incorporation becomes effective. The County shall be and is authorized and entitled to withhold the amounts due from secured and unsecured property tax revenues collected on behalf of the City in the same manner as set forth in paragraph 21, above, with respect to fiscal mitigation payments. County shall be entitled to one fifth of the total payment due in each of the five (5) fiscal years following the fiscal year in which the incorporation becomes effective.

25. Contracting with the County. The City is encouraged to contract with the County for continuation of services after the first year of incorporation upon terms mutually agreeable to the City and County.

26. Property Tax Transfer. a) The base property tax (FY 2003-04) transferred to the new City pursuant to Government Code Section 56810 and 56812 shall be \$2,122,822. This amount shall be adjusted in accordance with Government Code Section 56810 and any other applicable statutes referenced therein. b) County Road property tax within the boundaries of the City shall transfer to the City Road property tax. c) Property tax which accrues to the El Dorado Hills CSD and the Springfield Meadows CSD shall transfer to the City.

27. Gann Limit. In accordance with Section 7902.7 of the California Constitution, the OPR Incorporation Guidelines and the technical documentation provided in the CFA, and as calculated pursuant to Government Code Section 56812, the provisional appropriations limit is \$19.5 million. The permanent appropriations limit of the City shall be set at the first municipal election, which will be held following the first full fiscal year of operation of the new City, in accordance with Government Code Section 56812(c).

28. Transfers of Development Impact Mitigation Fees. Not later than sixty (60) days following the end of the fiscal year in which the incorporation becomes effective, the County shall account for and transfer to the City all development impact or mitigation fees collected on any development project within the incorporated territory of the City (except traffic mitigation fees collected pursuant to the County's RIF, TIM, Variable Highway 50 TIM, or State TIM programs which are dealt with separately in these conditions, and except for any mitigation fees collected specifically to fund mitigation programs that will continue to be administered by the County following incorporation (e.g. the Rare Plant Impact Mitigation In Lieu Fee).

29. Accounting for Revenues Received During First Year. Within sixty (60) days after the end of the fiscal year in which the incorporation becomes effective, County shall account for all monies paid to the County during that year by permit applicants or other members of the public as processing fees or otherwise, paid to reimburse the County for services within the incorporation area. The accounting shall indicate that amounts paid, the purpose of payment, the amounts applied to services actually rendered prior to the end of the year and any unexpended amounts remaining. After reimbursing itself for all services rendered prior to the end of the year, the County shall transfer any remaining balances to the City.

30. Community Facilities Districts. As soon as is feasible after the Effective Date of the incorporation, the city council and the Board of Supervisors shall enter into an agreement

pursuant to California Government Code Section 53368.1 for the transfer of the authority for the governance of all active Community Facilities Districts located within the incorporated territory of the City from the jurisdiction of the County to the jurisdiction of the City. The City shall also satisfy all other conditions to the transfer of such authority pursuant to California Government Code Section 53368.2, or as may otherwise provided by law. City and County shall cooperate to take any other actions required for the transfer of responsibility for the administration of the Community Facilities Districts as may be required or reasonable. Provided however, that the City and County may determine not to transfer certain districts where the remaining obligations are fixed and limited to collection of existing assessments.

31. Land Use Entitlements. In accordance with California Government Code Section 65865.3, any and all development agreements entered into between El Dorado County and any development project applicant, owner or sponsor, and any conditions of approval imposed by the Board of Supervisors, the County Planning Commission, the County Zoning Administrator, or any other authorized representative of the County, on any and all discretionary projects adopted and approved prior to the effective date of the incorporation shall remain valid and enforceable between the applicant or property owner and the City. Development agreements shall remain in effect for the term set forth in Section 65865.3. Upon the effective date of the incorporation, the City shall administer such development agreements, including any and all conditions of approval (including mitigation measures adopted pursuant to the California Environmental Quality Act) as the same were imposed by the Board of Supervisors at the time of project approval. After the effective date of the incorporation, such development agreements and project approvals and conditions of approval shall be interpreted to refer to the City of El Dorado Hills, its departments and agencies where reference is made to the County, its agencies and departments, except that where any such development agreement, condition of approval or other agreement refers to the provision of some benefit, property, money or other matter to support any service that will remain the responsibility of the County after the effective date of incorporation, the County shall be entitled to receive such benefit, property, money or other matter as a beneficiary of the agreement. After the Effective Date of the incorporation, City shall assume all obligations under said development agreements.

32. Transfer of Funds Held in Trust. Not later than sixty (60) days after the end of the first fiscal year of operation of the City (transition year) and pursuant to Government Code §56886(t), the County shall transfer to the City of El Dorado Hills as the successor agency all authorized charges, fees, assessments or taxes that have been collected by the County or by CSA 9, in accordance with Government Code Sections 57382 and 57462, including all development impact fees not included elsewhere in these Terms and Conditions and all funds collected for the administration of CSA 9 for drainage services within the incorporation area.

33. RIF and TIM Transfer Arrangements. Upon the effective date of the incorporation, City shall continue to impose fees for the RIF, TIM, H50 Variable TIM, and State TIM from development projects within the City's incorporated boundaries at the current levels adopted by the County, and shall carry out all other obligations as set forth in the "Transfer Arrangements Regarding the County Traffic Impact Fee Programs (RIF, TIM et. al.), and Agreement Regarding the Means of Completion of all County Projects Associated with the Traffic Impact Fee Programs" which is

attached hereto as Attachment D and incorporated herein by this reference.

34. Collection of Habitat Mitigation Fee. The City shall collect the Habitat Conservation Mitigation Fee and shall transfer to the County an amount equal to the proceeds thereof consistent with Chapter 17.71 of the County Ordinance Code or its successor.

Miscellaneous Terms and Conditions.

35. City to Join SACOG. The City of El Dorado Hills shall petition the Sacramento Area Council of Governments ("SACOG") for inclusion in its Joint Powers Agreement as a member city and shall participate in SACOG's regional planning activities as a nonmember prior to membership.

36. NPDES. The City of El Dorado Hills shall become a co-permittee of the County under the terms of the existing Countywide National Pollution Discharge Elimination System Permit as soon as practicable after incorporation.

37. Incorporation Election. The election on the incorporation of the City of El Dorado Hills shall be held on the regular election date of November 8, 2005.

38. Records. It shall be an on-going obligation of the County and CSA 9 to make available to the City, on a timely basis, all records and documentation related to any or all of the following: a) Records, correspondence, application materials, studies and other information reasonably related to approved or pending specific plans, development agreements, subdivision plans, tentative and final subdivision maps, building permits, building, housing or other code enforcement actions located within the proposed City boundary; b) File materials, studies, reports, correspondence and other documentation related to all matters listed in (a) involving environmental review under CEQA; c) Files and records related to highway and street improvements not otherwise included within these Terms and Conditions; d) All "as built" drawings and records related to any component of water, wastewater, drainage or other infrastructure or facility located within the proposed City boundary and for which the City of El Dorado Hills would become responsible following incorporation.

39. Allocation of Liability for Facilities. Nothing herein is intended to alter the allocation of tort or similar liability for facilities transferred from the County to the City that would otherwise occur under the law in connection with such transfers in an incorporation.

ATTACHMENT D

TRANSFER ARRANGEMENTS REGARDING THE COUNTY TRAFFIC IMPACT FEE PROGRAMS (RIF, TIM ET. AL.), AND AGREEMENT REGARDING THE MEANS OF COMPLETION OF ALL COUNTY PROJECTS ASSOCIATED WITH THE TRAFFIC IMPACT FEE PROGRAMS ("RIF AND TIM TRANSFER ARRANGEMENTS")

A. Background. The County has adopted the following traffic impact fee programs: The El Dorado Hills/Salmon Falls Road Impact Fee Program (hereinafter the "RIF"), the West Slope Traffic Impact Mitigation Fee Program (hereinafter the "TIM"), the Interim Highway 50

Corridor Traffic Impact Fee Program (hereinafter the "H50 Variable TIM"), and the State Traffic Impact Mitigation Fee Program (hereinafter the "State TIM"). Fees for these programs are collected at the time of building permit issuance except for permits in the Tahoe Basin. Properties in the west slope of the County are subject to either the RIF or TIM fee, and both the H50 Variable TIM and the State TIM fees.

The boundary established for the RIF lies primarily within the boundaries of the proposed incorporated City ("City"). The boundary of the City also includes a small portion of the TIM area. The RIF program funds projects located primarily within the RIF boundary. The TIM fees fund projects primarily located outside the incorporation boundary. The H50 Variable TIM and State TIM programs include projects on State highways and regionally significant County roads that provide benefit on a regional level.

Within the RIF program, there is established a 30% set-aside account for the Silva Valley Interchange project. In addition, there are various development agreements, reimbursement agreements, and road improvement agreements that prioritize the set-asides and reimbursements for projects within the RIF area. There are also development agreements, reimbursement agreements, and road improvement agreements that prioritize and obligate the fees collected under the TIM, H50 Variable TIM, and the State TIM programs.

B. Terms and conditions.

1. Continued Collection of Fees. Upon the effective date of the incorporation, City shall continue to impose fees for the RIF, TIM, H50 Variable TIM, and State TIM from development projects within the City's incorporated boundaries at the current levels adopted by the County. After the date of incorporation, City shall concurrently with County take all necessary steps to adjust the fees of the four aforementioned impact fee programs in order to adequately fund approved road construction projects, and ensure compliance with all applicable levels of service and other standards in the County's 2004 General Plan. The City shall however retain the exclusive right to impose a RIF fee structure that is different from the County approved fee structure; provided that complete documentation substantiating the need for said fee structure consistent with all legal and contractual requirements, and that the changes implemented by the City do not adversely affect the ability to finance programmed projects or adversely affect the scheduling of those projects. It is the intent to fund projects within each program solely from funds collected in accordance with each program, and nothing herein shall be construed to obligate either the County or the City to fund the construction of projects from other sources of revenue including general fund revenues. City shall continue to apply the set-asides and reimbursement priorities set forth in existing development agreements, road improvement agreements, reimbursement agreement, and other similar contracts as they pertain to the respective fee programs. City shall collect said fees and place them in segregated trust accounts for each program. City shall provide county with a quarterly accounting of those fees collected.

2. Transfer of RIF Fees. Within 60 days of the effective date of incorporation, all assets, funds, obligations and responsibilities associated with the RIF shall be transferred to and assumed by the City, with the exception of funds required per section b. below. County shall provide a complete accounting for all retained funds, including a quarterly balance sheet analysis showing

expenditures, project % complete and an estimate of cost to complete on a project by project basis. Upon receipt of the initial accounting, and for every quarterly accounting rendered by the County thereafter, City shall have 60 days to review the accounting and request any additional information required. At the end of the sixty day period, if no objections have been submitted in writing, the accounting will be deemed to have been accepted. City shall administer the RIF in full compliance with all legal or contractual requirements related to the RIF including, but not limited to, making reimbursements and affording credits applicable to the RIF required in any development agreement, road improvement agreement, reimbursement agreement, or other similar contracts. After the effective date of incorporation, County and City shall take all necessary actions to revise the RIF program boundary to coincide with the incorporation boundary (hereinafter the "New RIF"). For projects undertaken within the New RIF that are not currently under construction, County shall transfer available funds currently set aside in the RIF account for said projects. Unless otherwise stated herein, all projects within the New RIF boundaries will thereafter become the full responsibility of the City.

a. Projects of Regional Significance. County and City agree that the El Dorado Hills Boulevard Interchange Project, the Silva Valley Interchange Project, and the Green Valley Road Widening - Francisco Drive to Folsom City Limit Project are projects of regional significance to both the County and the City. The El Dorado Hills Boulevard Interchange Project and the Green Valley Road Widening Project are in various phases of construction. The Silva Valley Interchange Project is currently in the environmental and design phase. County and City agree that these projects are and will remain the highest priority projects of the RIF and will be advanced first before other projects under the program.

City shall segregate and retain funds out of impact fee accounts designated for funding these projects, including segregating the 30% Silva Valley Interchange set-aside. City shall retain funds currently earmarked in the Silva Valley set-aside account to be used solely for the costs associated with delivery of that project.

City shall be solely responsible for maintaining the RIF program at current or increased levels necessary to adequately fund these priority projects.

b. Projects under Construction. City shall enter into a cooperative agreement with the County whereby County will be authorized to continue to act as lead agency for the purpose of completing those phases of all projects located within the City boundary currently under construction at the time of the effective date of incorporation. County shall retain funds out of the RIF an amount equal to 125% of the remaining programmed project budget for each project being completed by County. The programmed project budget includes all anticipated costs of the project including, but not limited to, construction costs, right-of-way acquisition and project administration, and may not be included in its entirety in any single year of the County's annual budget. In the event of any shortfall between actual project costs and funds retained, the City shall fund the shortfall out of RIF program fees transferred to the City, and if necessary New RIF fees collected after incorporation. In the event that a project is phased, construction will be completed by the County on that phase of the project under construction. Subsequent phases of the project shall be the sole responsibility of the City. For purposes of this paragraph, a phase of a project shall be deemed "under construction" if a contract for the construction of any portion of the work has been awarded by the County. The City and County, by mutual written agreement, may provide for a different method of completing project phases under construction.

c. Green Valley Road. Green Valley Road County Line Project #72355 is programmed in part to

be constructed with RIF, the H50 Variable TIM, and the TIM fee programs. County shall provide the TIM fees and H50 Variable TIM fees programmed and collected for said project, as referenced in the Project Category/Task and Funding Source information in the Department of Transportation Proposed Interim Capitol Improvement Program Fiscal Year 03/04 through 07/08, for the project costs listed as Direct Construction Costs, Construction/Engineering & Administration and Environmental Monitoring. County shall not be obligated to provide funds other than those actually programmed and collected for this project under the TIM and H50 Variable TIM fee programs.

3. Bass Lake Road. A portion of Bass Lake Road lies within the existing TIM and a portion within the existing RIF. The New RIF contains an expanded portion of Bass Lake Road. All of the programmed improvements within the New RIF are funded or advanced pursuant to the Bass Lake Hills Specific Plan Public Facilities Financing Plan, and those developer advanced improvements that are eligible for reimbursement will be reimbursed by the New RIF. That portion of Bass Lake Road that lies outside the Bass Lake Hills Specific Plan but inside the City will be reimbursed by the New RIF. That portion that lies outside the boundaries of the City will be TIM obligations in accordance with Section 4 herein.

4. Projects within the TIM area. Upon revision of the RIF boundary as set forth hereinabove, the TIM program will only contain projects located outside the incorporation boundary, and County will thereafter have the sole responsibility to administer the TIM program. The advancement and completion of any projects in the TIM program residing outside of the City boundaries shall be within the sole discretion of the County. County shall retain all TIM funds except for contributions required under paragraph 2c, above.

5. The H50 Variable TIM and State TIM. City shall collect the H50 Variable TIM and State TIM program fees within the City incorporation boundary and segregate and maintain said fees in separate trust accounts, and shall account for the fees to the County on a quarterly basis. Commencing with the first quarter after the effective date of incorporation, and continuing each quarter thereafter, City shall transfer to the County fees collected under said programs. County shall retain all accumulated funds for use in accordance with the H50 Variable TIM and State TIM programs.

Except as provided herein for Green Valley Road, County will be responsible for delivering projects identified for each of these programs as required by the program and subject to available funding solely from the respective fee program. City acknowledges that the highest priority project currently identified under the State TIM program is the Missouri Flat Interchange project. City further acknowledges that U.S. Highway 50 priority projects under the H50 Variable TIM program, listed in their rank order include: the Green Valley Road Westbound Lane project, the U.S. 50 HOV Lane Phase I project, the El Dorado Hills Boulevard to Bass Lake Road Project (U.S. 50 Lane Widening), Bass Lake Road U.S. Highway 50 Auxiliary Lane Project, and Bass Lake Road Interchange Project. County shall be solely responsible for prioritizing all additional projects that are not listed above, conditioned on available funds.

City shall enter into any necessary cooperative agreements to allow County to act as lead and project manager for the delivery of the projects described herein. The rank ordering of these

projects is intended to generally reflect the priorities assigned among these projects by the County and the City assuming available funding for all projects. The ranking shall not prevent the County from advancing any of the projects over another in order to take advantage of opportunities to advance projects more rapidly than might otherwise be the case due to availability of grants or other funding sources, the ability to phase projects, the ability to complete a smaller project more rapidly than if projects were commenced in the order stated. County shall advise City, and receive input from the City, regarding any proposed approval of projects other than in the order referenced.

After completion of construction of all of the aforementioned projects, the County and City will thereafter annually collaborate to identify and prioritize future projects within the program.

6. Development, Reimbursement, and Road Improvement Agreements. Pursuant to Government Code section 65865.3, for development applications for projects located wholly or partially within the boundaries of the City, any and all development agreements, reimbursement agreements, road improvement agreements, and the like entered into between any development project applicant, and any conditions of approval (including mitigation measures adopted pursuant to the California Environmental quality Act) imposed by the County Planning Commission and/or County Board of Supervisors on any and all discretionary projects adopted and approved prior to the effective date of annexation shall remain valid and enforceable between the applicant and the City, and after the effective date of the incorporation, the above referenced agreements, and Environmental Quality Act) shall be interpreted to refer to the City of El Dorado Hills, its departments and agencies where reference is made to the County, its agencies and departments. After the effective date of the incorporation, City shall assume all obligations under said agreements that relate to or pertain to the fee programs that are transferred to City's control.

7. Support Services from County. City may request staff support and assistance with administration of fee accounts, preliminary planning, survey, design, construction management, and construction inspection, and the like from County. County, subject to staffing availability and reimbursement for services provided, will provide said as-needed support services, to be billed at the weighted hourly rate attributable to each staff person performing the work.

8. Further Coordination. City and County will meet and work collaboratively to implement these aforementioned requirements during the first 90 days following the effective date of incorporation, and periodically as required thereafter.

9. Dispute Resolution. In the event of a dispute between the City and County regarding the interpretation or implementation of any of these terms and conditions related to the administration of the RIF, TIM, H50 Variable TIM and State TIM programs following incorporation, the following dispute resolution procedures shall be used:

A. The City and County shall attempt to resolve all disputes informally at the lowest administrative level possible. Any complaint shall be made known to the appropriate counterparts at the other agency as soon as possible in order to attempt resolution.

B. If initial attempts at resolving the dispute fail, the entity which believes a dispute exists shall

give written notice of the nature of the perceived dispute to the Chief Administrative officer of the County or City Manager of the City, respectively. The Chief Administrative Officer and City Manager, and any other appropriate staff, shall meet within 30 days of the written notice and attempt to resolve the differences between the parties. If no resolution is reached additional meetings may be scheduled as deemed appropriate by the parties including, but not limited to, joint meetings of the governing bodies or subcommittees of the governing bodies.

C. If the dispute is not resolved, either party may request that the services of a facilitator or mediator, mutually agreed upon by the City and County, be employed. Such facilitation or mediation shall be non-binding and shall not affect, impair or restrict the legal rights of either party. Each party shall pay one-half the cost of the mediator and bear its own costs. Mediation shall occur within 60 days of a written request by either party. If the dispute is not resolved, each party reserves its full rights as may exist in the absence of this provision.