

ROLLING HILLS COMMUNITY SERVICES DISTRICT
MINUTES OF JUNE 6, 2017 SPECIAL MEETING OF THE BOARD OF DIRECTORS

1. Call to Order/Roll Call.

The special meeting of the Rolling Hills CSD held on June 6, 2017, was called to order at 7:32 p.m. by President Matt Sites in the meeting room at Holiday Inn Express, 4360 Town Center Drive, El Dorado Hills, California. In addition to President Sites, Directors Tim Halverson, Mark Magee, Brenda Collette, and Gordon Fawkes, General Manager Chaney Hicks, Board Secretary Linda Stone, and Assistant General Counsel Ruthann Ziegler were present at roll call. Approximately 50 members of the public were in attendance.

2. Folsom Heights Development Project.

a. Project Update.

Clay Loomis, representative for Folsom Heights, LLC, for the Folsom Heights development project, together with Jim Ray of McKay & Soms, Civil Engineers hired to work on the project, gave an informational overview of the project since development in Folsom south of Highway 50 began in 2005 after approval by voters in 2004 of the Ballot Measure. Folsom's specific plan was approved in 2011 with a requirement for 30% open space and specific planning phases were approved in 2015-2016. Folsom's planning principle as to parks is to have fewer but larger parks which provide more activities. Also, notably, the Folsom Heights project was annexed into El Dorado EID for 530 home sites, the majority of which are single family homes. He said EID receives significant advantages for providing service in two counties (El Dorado and Sacramento).

The developers have been working with the District's Board since late 2015 when the project's specific planning process began. The Board was surprised to learn of the three existing easements granted by a prior Board in 2000 for public access, including (1) a road and utility easement at Prima Drive; (2) a road and utility easement at Winterfield; and (3) a water and sewer easement off of Montrose. To mitigate the impacts on the District, through negotiations with District Board representatives, the developers have agreed in principal to: build the Prima drive access at 100% their cost; maintain it for one year; pay an impact fee to District for usage of Stonebriar Drive to White Rock Road for the trips generated as result of the new development; until the parks are built-out in the new development, pay to District upfront Phase 1 park impact fee for capital improvements; pay their fair share maintenance fee for parks; and utilize Montrose only for sewer connection and EVA access.

President Matt Sites gave an overview of the District's activities with the project dating back to February 2016 when the Folsom Heights plans for a roadway at Prima Drive was first on the agenda. Since that time the Board has investigated the granted easements with legal counsel and met with the developers to provide input and mitigate and control those things within ability to control. The Folsom Heights Development Project and/or neighboring development project updates have been on the District's meeting agenda for discussion 10 times over the past 16 months including updates about bike connectivity and trails, roadway, access, and noise concerns. The District has most recently been working to mitigate the impacts to its road use, parks use, EVA access, and elements affecting the CSD and its residents due to the roadway planned to run behind the resident's property; with the goal of mitigating potential issues affecting the CSD as a whole.

The status of the development project with the City of Folsom will be considered by its Planning Commission on June 7, 2017. At that meeting the developer is seeking approval of a Final Subdivision Map and Development Agreement Amendment for development of the 530-unit residential project, including use of the easements as discussed and a recommendation for City Council approval.

b. Public Comment.

Public comments were presented by residents of the District. Overwhelming dissent to the project and the roadway coming off of Prima Drive was expressed. Extreme frustration was voiced about not being aware of the project's primary access for Phase 1 coming from Prima Drive and why it is not coming from the Folsom side as well as expressed concerns about the safety of the intersections with the increased volume of traffic, running of stop signs, and inherent noise issues. Also many concerns were expressed about the easements granted in 2000 and their terms. Questions from residents also included whether a traffic study was prepared, the sufficiency of parking for parks use, how noise and view impediments would be mitigated, when Folsom Heights' parks will be built, where other possibilities for road access are located in Folsom, where the final access for the project is to be located, whether two set of school busses will travel the road, who will service the project's police, fire, and water needs, and when the over trail crossing plans reflected in resident purchase documents changed.

General Counsel Ruthann Ziegler focused the various concerns and questions and asked the developer representative to respond. Clay Loomis clarified that the developers have worked with EID regarding sewer issues and the money needed to upgrade the lift station to service the project. Due to the topography of the area, road access via Prima Drive for Phase 1 is necessary due to cost constraints, being an economic decision which makes most sense since Phase 1 of the project is so close to the District. He noted that EID wants to keep the Folsom Heights project within its service area for water and sewer because it receives a large tax benefit to do so, and El Dorado County Fire as well. As for when the Folsom parks will be built, that decision is up to the City of Folsom. No specified dates are included in the approval documents because the City trusts itself to build the parks as needed and as money is available. With respect to resident questions about trees and sound walls to mitigate noise issues, a new Traffic Noise analysis was presented by letter dated June 6, 2017 and addressed to Mr. Steve Banks of the City of Folsom conducted by Bollard Acoustical Consultants, Inc. The report concluded that the predicted future traffic noise levels would "satisfy the applicable City of Folsom exterior noise level standards by a wide margin." It is expected that the first school in the project area will be built in 2020. It is unknown how the school districts will handle transport of students to school. With respect to the timing for the Phases of the project, Mr. Loomis projected that construction of Phase 1 will start next year with a two year build-out time frame for those 136 lots. He estimated that Phase 2 construction would start in four-five years. As for the easements granted in 2000, he reiterated that the grant of easement is a right which allows for the building of the road. In response to the question about whether Prima Drive will be an access point to the development forever, Mr. Loomis said, "Yes", but expects that when the two other access roads open up traffic will decrease as the overall project design encourages the traffic flow to utilize the Folsom roadways.

Comments suggested that possibly for consideration would be the addition to a blinking red light at the intersection of Stonebriar and Prima as a mitigation measure since there is concern the stop sign will be run constantly.

c. Seeking Direction and Possible Approval.

President Matt Sites and Director Tim Halverson generally discussed term sheet points discussed between the District and the developer to address road maintenance for Prima Drive and Stonebriar Drive, park contribution and maintenance, CFD maintenance funding, enhanced landscaping, fire breaks, and cost reimbursement for negotiation of a Memorandum of Understanding on these points. Based on the mitigation agreement reached with CalAtlantic Homes for its project, Tim Halverson estimated revenue to the District of over \$500,000, plus annual contributions for maintenance. Working with legal counsel, the District was seeking authority to proceed with negotiated MOU conditions to be incorporated into Folsom project approvals.

The City of Folsom and project representatives have been working with the District on a Term Sheet for the Folsom Heights Rolling Hills CSD Maintenance Funding MOU. Public sentiment expressed at the meeting was that the Board take no further action until the community has an opportunity to appear before the Folsom Planning Commission to discuss the project and present its concerns.

Based thereon, President Matt Sites made a motion to continue items c. (i) and (ii) to the next meeting of the Board subject to action taken by the City of Folsom at its next Planning Commission meeting; second by Director Halverson; motion carried.

AYES: Sites, Halverson, Fawkes, Collette and Magee

NOES: None

ABSENT: None

ABSTAIN: None

3. Adjournment. The meeting was adjourned at 10:02 p.m. upon a motion by Director Tim Halverson, second by President Matt Sites; motion carried.

Submitted by:

/s/

Linda Stone, Board Secretary

Approved by Board: July 18, 2017