

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458

December 7, 2005

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **MUSCHETTO ANNEXATION TO CITRUS HEIGHTS WATER DISTRICT (10-04)** [CEQA: Mitigated Negative Declaration]

Contact: **Don Lockhart, Assistant Executive Officer [(916) 874-2937]**

RECOMMENDATION

1. Find that the Mitigated Negative Declaration prepared by the City of Citrus Heights as lead agency for this project is adequate and complete to permit your Commission, acting as a responsible agency, to consider the annexation of the project site to the Citrus Heights Water District.
2. Approve the **Muschetto Annexation to Citrus Heights Water District (10-04)** and authorize your Executive Officer to waive Conducting Authority proceedings, due to one-hundred percent consent of affected landowners and affected agencies. Direct your Executive Officer to file the Notice of Completion with the appropriate agencies.

PROJECT DESCRIPTION

The Muchetto proposal consists of annexing a previously approved subdivision on a 9+/- acre parcel to Citrus Heights Water District for purposes of providing municipal water supply.

The proposal is a 100 percent landowner consent application for annexation to the Citrus Heights Water District, to secure water service for a residential development, as required by the City of Citrus Heights General Plan. The site was recently approved for the creation of 51 lots on 9.2 acres: 46 single-family lots ranging in size from 5,226 square feet to 11,176 square feet; Lot A, B, and C (landscape corridors) totaling 1,158, 1,377, and 1,771 square feet respectively; Lot D (emergency access/open space/recreational corridor) totaling 2,102 square feet; Lot F (roadway/PUE easement) totaling 7,960 square feet; and Lot E (open space/recreational corridor) totaling 4,510 square feet.

The landowners initiated these proceedings by making application for service directly to the Citrus Heights Water District.

There are fewer than 12 registered voters in the proposal territory, thus it is deemed uninhabited (Gov. Code. 56046)

FPPC Disclosure

No parties to this annexation have declared any contributions to any members of the Commission.

Project Proponent

Chief petitioner/ Landowner:

John Muschetto, Jr.
c/o Muschetto LLC
3330 Barker Road
Loomis, CA 95650

Tom Brunet
c/o Dunmore Communities
1115 Orlando Avenue
Roseville, CA 95661
(916) 676-1115

APN: 204-0193-062 & 204-0193-063

100 Percent Consent

Staff recommends that the Conducting Authority protest proceedings be waived. The affected territory is owned solely by the project proponent. The adjacent neighborhood associations, affected property owners, and landowners within 500 feet of the project site, have been notified of the date, time and place of the hearing on this proposal. No protest has been received.

Project Location

The property to be annexed is 7108 Antelope Road, in the City of Citrus Heights. It is located on the south side of Antelope Road approximately 3/4th mile east of Interstate 80.

Sphere of Influence

The project is located within the Sphere of Influence of the Citrus Heights Water District.

Surrounding Land Uses and Setting:

North: Antelope Road; existing single family units (LDR designation; RD 5 zoning)
South: existing single family units (LDR and MDR designations; RD 5 and RD 10 zoning); Mesa Verde High School (Public designation; RD 2 zoning)
East: Patience Development existing single family units (LDR designation; RD 5 zoning)
West: Gregory Gardens existing single family units (LDR designation; RD 5 zoning)

Background

On November 10, 2005, the Citrus Heights City Council denied a citizen appeal regarding the project and upheld the Planning Commission's decision to adopt the Mitigated Negative Declaration and the Tentative Subdivision Map. The project approval included annexation to the CHWD as a condition of approval.

LAFCo Policy, County General Plan, and Zoning Consistency:

The proposed Muschetto Annexation is consistent with the Sacramento LAFCo Policies and Procedures, City of Citrus Heights General Plan, and the City Zoning Code. The provision of water by the District to serve existing and planned growth in the area is assumed in, and consistent with, the City General Plan.

Affected Agencies:

The following districts were notified and have taken a position of no opposition to the proposed annexation:

- City of Citrus Heights
- Sacramento Metropolitan Fire District
- Sacramento Suburban Water District
- Orangevale Recreation and Park District
- Sacramento Yolo Mosquito & Vector Control District
- Sacramento County Water Agency
- Sylvan Cemetery District

Sacramento Metropolitan Fire District supports the annexation. The District states that the proposed annexation may enhance life safety delivery capabilities to the affected territory.

Although supportive of the proposal, the Board of Directors of Citrus Heights Water District has not taken formal action on this matter. Typically, the District adopts a Resolution accepting an annexation after approval by LAFCo.

Citrus Heights Water District

The Citrus Heights Water District has provided the following comments:

Service Territory

Citrus Heights Water District (CHWD) provides water service to portions of the following communities:

<u>Community</u>	<u>Water Service Count</u>
City of Citrus Heights *	15,088
Orangevale	2,028
Fair Oaks	1,451
Carmichael	325
Placer County	242
City of Roseville	115
Total CHWD Services	<u>19,249</u>

*CHWD serves approximately 63% of the City of Citrus Heights

Residential Services	18,226
Non-Residential Services	1,023
Total Services	<u>19,249</u>

The average annual water use in acre feet for District users is estimated as follows:

	<u>Services af</u>	<u>Water Use af</u>	<u>Use per Service</u>
Residential Services	18,226	15,465	0.85
Non-Residential Services	1,023	4,771	4.66
Total	<u>19,249</u>	<u>20,236</u>	<u>N/A</u>

Service Territory Proposed for Annexation

The territory proposed for annexation is an island within the external boundary of Citrus Heights Water District and is, therefore, within the District’s Sphere of Influence and service boundary. The District’s 1993 Master Services Element anticipated service to this area. The proposal was initiated by the developer seeking water service, in order to satisfy a City of Citrus Heights condition of project approval.

Water Supply

Surface water will be the primary source of water for the territory in question. Surface water comprises approximately 90 percent of the water supply delivered annually by the District. San Juan Water District (SJWD), the agency from which Citrus Heights Water District purchases surface water, has anticipated CHWD serving this territory utilizing the water resources available through SJWD. SJWD has sufficient water supply and treatment plant capacity to provide wholesale water to CHWD to serve the territory in question. This water supply will be supplemented by existing and planned groundwater wells.

The total water supply presently available to the District is estimated to be 25,500 acre feet annually. Water requirements for the 46- lot site are estimated to be 39.10 acre feet per year. The water services to this site will be metered and billed at metered rates.

The District’s components of water use for the past five years are as follows:

Year		Surface Water		Groundwater		Total
		af	%	af	%	
2004		19,754	93.62	1,347	6.38	21,101
2003		17,938	96.90	573	3.10	18,511
2002		17,576	88.45	2,296	11.55	19,872
2001		20,554	97.22	588	2.78	21,141
2000		18,363	89.33	2,192	10.67	20,555
5 Year Average		18,837	93.09%	1,399	6.91%	20,236

Two additional groundwater wells are being designed/constructed that will augment the District’s availability of groundwater by approximately 1,500 acre feet by the end of CY 2006. Groundwater resources are used for peaking, emergencies, drought and environmental needs.

Citrus Heights Water District is a signatory of the landmark Water Forum Memorandum of Understanding to protect the environmental benefits of the Lower American River and provide for reliable regional water supplies. CHWD has remained engaged in the ongoing efforts to implement the pact. These elements include researching appropriate river flows for fish, developing new upstream diversion agreements, organizing groundwater management programs, implementing water conservation programs, providing consistency in land use planning that impacts water supplies, and drafting potential recreational improvements at Folsom Lake. Since its inception, the Water Forum effort has been nationally recognized as a model of good public planning, providing an effective solution to related issues that affect a wide spectrum of interests.

Water Conservation Programs

The District has ongoing water conservation programs which encourage customers to use water wisely and to make good water conservation habits a way of life. The District's Water Demand Management (Conservation) Program addresses a variety of water conservation "best management practices" including: offering free water use reviews for residential, commercial and institutional customers; distributing low-flow showerheads and other plumbing retrofit devices; public information and school education programs; rebates for ultra-low-flush toilets; conservation pricing for metered water consumption; and many others.

The District's budget for Water Demand Management activities, not including the cost of water meter retrofits, is about \$295,000 for 2005.

Over 85 percent of the District's 19,249 water services now have meters. The District plans to be fully metered by the end of CY 2006.

Infrastructure

There are no significant costs to extending water service to the proposal area. Existing water distribution facilities in the project vicinity include an 8-inch water main along the south side of Antelope Road, three 8-inch water mains stubbed to the easterly boundary of the site, and one 8-inch and two 6-inch water mains stubbed to the westerly boundary of the site. The on-site water distribution system will be designed by the developer's engineer and then reviewed and subsequently approved by the District prior to construction. The developer's contractor, at the developer's expense, will perform construction of the on-site water distribution systems to District specifications. The on-site water system will be an 8-inch water main as necessary to provide the required domestic and fire flow.

Fire Protection Facilities

Citrus Heights Water District and Sacramento Metropolitan Fire District (SMFD) will review the project plans for the placement of fire protection facilities and will approve

same prior to construction. Staffs of CHWD and SMFD confer routinely to discuss planning and construction issues.

Fees and Charges

Citrus Heights Water District is an "enterprise district" in that its revenue sources are based on user service charges and fees. The District receives no property tax revenues. Water rates are typically assessed on a flat-rate basis for single family, condominium and duplex residential accounts constructed prior to 1998 and on a metered basis for single family, condominium and duplex residential accounts constructed or occupied for the first time after December 31, 1997. Water rates are assessed on a metered basis for all commercial, institutional, governmental and landscape irrigation accounts.

CHWD assesses fees and charges for developer-constructed projects in several categories with anticipated revenues for 2005-06 construction and 2007 water use as follows:

Development and Construction (2005-06):		
Plan Check Charges	\$ 510.40	(due)
Construction Water (estimated)	\$ 1,260.00	(due)
Inspection Charges	\$ 7,184.00	(due)
Capacity Fees	\$150,236.00	(due)
Meter Set Charges	\$ 23,030.00	(due)
Annexation Fees	\$ 3,989.37	(paid)
Water Service (2007)		
46 residential lots @ \$380.00 estimated	\$ 17,480.00	
3 landscape irrigation services @ \$195.00 estimated	\$ 585.00	

The most significant of these as noted above are the capacity fees. These fees are based upon the size of the residential and common area landscape irrigation water service provided to each new connection to the water distribution system and are calculated using the "system-buy-in" methodology. Capacity fees (Calendar Year 2005) that apply to the water service types proposed for the residential and commercial applications at the site are as follows:

1-inch metered water service (residential)	\$ 3,266 each
1-inch metered water service (office)	\$ 3,266 each

ENVIRONMENTAL CONSIDERATIONS

LAFCo will act as the responsible agency consistent with CEQA Guidelines §15050 et. seq., regarding the environmental documentation for reviewing the Muschetto Annexation to the Citrus Heights Water District. LAFCo has collaborated with the City of Citrus Heights, as lead agency in the CEQA review. The Initial Study and Mitigated Negative Declaration identify LAFCo as a responsible agency. The CEQA review references two existing rental housing units to be demolished, but no indication is made

whether they comprise a portion of the City's affordable housing stock pursuant to their fair share obligation. However, since the site would remain within the City after the CHWD annexation, the question should be moot. The services discussion adequately describes the water provider and explicitly states that CHWD would have capacity to serve this project and cumulative build-out of the District. There are no important agricultural resources on the site that would meet any of LAFCo's criteria. Since the project is infill and zoned for urban uses, LAFCo can make the finding that there are no important open space uses on the site.

Therefore, your Commission may conclude that the Initial Study/Negative Declaration prepared by the City of Citrus Heights for this project is adequate to permit LAFCo, acting as a responsible agency, to consider annexation of the project site to the CHWD.

EXECUTIVE OFFICER COMMENTS:

The proposal is consistent with the City of Citrus Heights General Plan, the Master Services Element of the Citrus Heights Water District, and your Commission's local policies and procedures. I recommend that your Commission:

1. Find that the Mitigated Negative Declaration prepared by the City of Citrus Heights for this project is adequate and complete for Commission action as a responsible agency in your consideration of the annexation of the project site to Citrus Heights Water District.
2. Approve the Muschetto Annexation to Citrus Heights Water District (10-04) and authorize your Executive Officer to waive the Conducting Authority proceedings, and direct your Executive Officer to file the Notice of Completion with the appropriate agencies.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer

DL:Maf
Attachments
(Muschetto)