

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

February 1, 2006

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **SUNDANCE ANNEXATION TO CITRUS HEIGHTS WATER DISTRICT (11-05)**
[CEQA: Addendum to Mitigated Negative Declaration]

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

RECOMMENDATION

1. Consider the Addendum, together with the Mitigated Negative Declaration and Mitigation Monitoring Plan, previously ratified by the County of Sacramento as the CEQA lead agency, as adequate and complete for the project cited above and direct the Executive Officer to file the Notice of Determination with the County Clerk.
2. Approve the **Sundance Annexation to Citrus Heights Water District (11-05)** and authorize your Commission to waive Conducting Authority proceedings, due to one-hundred percent consent of affected landowners and affected agencies.

PROJECT DESCRIPTION

The Sundance proposal consists of annexing a recently approved condominium subdivision on a 3.5+/- acre parcel 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 County of Sacramento General Plan. The site is recently approved for the development of 47 condominium units on 3.5+/- acres: ranging in size from 780 square feet to 1400 square feet. The project includes a community swimming pool and related pool house. The units will be offered for sale at current market rates.

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 the project 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:

Joe Meyer
c/o D. R. Horton Inc. Sacramento
11919 Foundation Place, Suite 200
Gold River, CA 95670
(916) 294-6800

APN: 261-0020-006

100% 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.

Assessed Valuation

The current Assessed Valuation of the affected territory is \$2,600,000.

Project Location/ Setting

The property to be annexed is in the unincorporated community of Fair Oaks. It is located on the east side of Fair Oaks Boulevard, approximately 200 feet south of Greenback lane. Sunrise Mall is just west of the site. Arcade Creek flow east west through the northwest corner of the site. The project is located within the Sphere of Influence and service boundary of the Citrus Heights Water District. This parcel is an island located within the CHWD service area.

Surrounding Land Uses and Zoning:

Site: Limited Commercial/ Natural Streams (LC)(NS)
North: LC(NS) and BP(NS)
South: RD 20 and RD 20 (NS)
East: RD 20 and RD 20 (NS)
West: City of Citrus Heights, zoned LC and BP

Background

The County of Sacramento Project Planning Commission approved the project with related entitlements And conditions on February 9, 2004, (County Control #03-UPP-EXP-PAS-PWP-0216 Vintage Oaks Condominiums.) The project approval included annexation to the CHWD as a condition of approval. The LAFCo application was filed December 1, 2005.

LAFCo Policy, County General Plan, and Zoning Consistency:

The proposed Sundance Annexation is consistent with the Sacramento LAFCo Policies and Procedures, County of Sacramento General Plan, and the County 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 County General Plan.

Affected Agencies:

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

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

Sacramento Metropolitan Fire District supports the annexation. They commented 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 *	15,092
Orangevale	2,028
Fair Oaks	1,451
Carmichael	325
Placer County	242
City of Roseville	116
Total CHWD Services	<u>19,254</u>

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

Residential Services	18,222
Non-Residential Services	1,032
Total Services	<u>19,254</u>

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

	Services	Water Use af	Use per Service af
Residential Services	18,222	15,490	0.85
Non-Residential Services	1,032	4,442	4.30
Total	<u>19,254</u>	<u>19,932</u>	<u>1.04</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. Furthermore, the territory is within the wholesale service area of San Juan Water District

(SJWD), the agency from which Citrus Heights Water District purchases surface water. The proposal was initiated by the developer seeking water service.

Water requirements for the 3.547 gross acre site are estimated to be 17 acre feet per year (14 acre feet domestic for 47 units + 3 acre feet landscape irrigation). The water services to this site will be metered and billed at metered rates.

Water Supply

Surface water will be the primary source of water for the affected territory. Surface water comprises approximately 95% of the water supply delivered annually by the District. SJWD 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 affected territory.

The total water supply presently available to the District is estimated to be 25,500 acre feet annually. The District’s components of water use for the past five years are as follows:

Year	Surface Water		Groundwater		Total af
	af	%	af	%	
2005	18,934	99.47	100	0.53	19,034
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
5 Year Average	18,951	95.08%	981	4.92%	19,932

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 2007. Groundwater resources are used for peaking, emergencies, drought and environmental needs.

Citrus Heights Water District is among the signatories 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 \$329,600 for 2006. Over 88% of the District's 19,254 water services now have meters. The District plans to be fully metered by the end of CY 2006.

Infrastructure

There are no significant costs in extending water service to the proposed area. The water distribution system necessary to serve the site has been designed by the developer's engineer and reviewed and approved by the District prior to construction. The developer's contractor, at the developer's expense, performed construction of the water distribution system to District specifications.

The District operates an 8-inch water main along the easterly side of Fair Oaks Boulevard stubbed to the northwest and southwest corners of the site. The developer has connected to both of these stubs and installed an 8-inch water main across the Fair Oaks Boulevard frontage of the site to include metered domestic and irrigation water services, fire hydrants and connections for fire sprinkler services.

Private on-site water system facilities have also been installed to provide fire protection via fire hydrants to the interior of the site.

Fire Protection Facilities

Citrus Heights Water District and Sacramento Metropolitan Fire District (SMFD) have reviewed the project plans for the placement of fire protection facilities and have approved 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 and 2006 as follows:

Development and Construction (2005):

Plan Check Charges	(paid)	\$ 355.60
Construction Water	(estimated)	\$ 572.00
Inspection Charges	(paid)	\$ 3,338.00
Capacity Fees	(paid)	\$ 30,047.00
Meter Set Charges	(paid)	\$ 1,100.00
Annexation Fees	(paid)	\$ 4,433.75

Water Service (2006)

3-inch metered residential service		\$ 2,200.00
2-inch metered irrigation service		\$ 600.00
4-inch flat-rate fire sprinkler services		\$ 448.00

The most significant of these as noted above are the capacity fees. These fees are based upon the size of the commercial or residential 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:

3-inch metered residential water service	\$ 19,596.00
2-inch metered irrigation water service	\$ 10,451.00

District Action to Date

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.

ENVIRONMENTAL CONSIDERATIONS

The County of Sacramento prepared and ratified a Mitigated Negative Declaration for the project. Sacramento LAFCo will act as the responsible agency consistent with CEQA Guidelines §15050 et. seq., regarding the environmental documentation for reviewing the Sundance Annexation to the Citrus Heights Water District. LAFCo has prepared an Addendum as the appropriate CEQA document due to its determination that revisions to the environmental document for the proposed project entails only a minor technical change. LAFCo will consider an addendum to a previously ratified Mitigated Negative Declaration, per CEQA Guidelines §15164

EXECUTIVE OFFICER COMMENTS:

The proposal is consistent with the County of Sacramento General Plan, the Master Services Element of the Citrus Heights Water District, and your Commissions Local Policies, Standards, and Procedures. I recommend that your Commission:

1. Consider the Addendum, together with the Mitigated Negative Declaration and Mitigation Monitoring Plan, previously ratified by the County of Sacramento as the CEQA lead agency, as adequate and complete for the project cited above and direct the Executive Officer to file the Notice of Determination with the County Clerk.
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Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer

DL:Maf
Attachments
(Sundance Annex to CHWD)