

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

August 30, 2006

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **GUM RANCH II ANNEXATION**
TO FAIR OAKS WATER DISTRICT (11-06)
[CEQA: Addendum to Mitigated Negative Declaration]

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

RECOMMENDATION

1. Consider the Addendum, together with the Mitigated Negative Declaration and Mitigation Monitoring Plan, previously certified 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 **Gum Ranch II Annexation to Fair Oaks Water District (11-06)** and authorize your Commission to waive Conducting Authority proceedings, due to one-hundred percent consent of affected landowners and affected agencies.

Project Proponent

Irving and Claudia Gum
8301 Treecrest Avenue
Fair Oaks, CA 95628

Mike Williams
Baker – Williams Engineering
6020 Rutland Drive, Suite 19
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(916) 331-4336

PROJECT DESCRIPTION

The Gum Ranch proposal consists of annexing a 90+ acre undeveloped parcel, for purposes of supplying municipal water service to a recently approved residential subdivision. The Tentative Parcel Map has been approved by Sacramento County for the development of a 251 unit single-family residential subdivision, with a park site, an open space/stormwater detention basin, and four landscape corridor lots. The affected territory

LAFCo Policy, County General Plan, and Zoning Consistency:

The proposed Gum Ranch II Annexation is consistent with the Sacramento LAFCo Policies and Procedures, and the County of Sacramento General Plan - Gum Ranch SPA. The provision of water by the District to serve existing and planned future 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
- Orangevale Recreation and Park District
- Fair Oaks Recreation and Park District
- Sacramento County Water Agency
- Fair Oaks Cemetery District

No agency objection has been received.

The site falls within the CSD No.1 “Relief” area, and the SRCSD “Infill” area. As such, development of the site will be subject to applicable fee reductions or waivers. This in turn will contribute to the mission of your Commission to encourage infill development, while providing housing for persons and families of all incomes, and the efficient extension of governmental services.

Fair Oaks Water District Service Plan and Master Services Element

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

The Fair Oaks Water District staff has provided the following comments:

Fair Oaks Water District's role in providing water service to the project is as follows:

Service Territory

The lands proposed for annexation are within Fair Oaks Water District's (FOWD) sphere of influence, and adjacent to the current service boundary. The 1993 FOWD 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 FOWD purchases surface water.

Water Supply & Conservation Programs

The Wright Irrigation Act authorized the establishment of irrigation districts by more than 50 people or a majority of landowners. By 1915, there were 57 irrigation districts in California, watering 29.2 percent of the acreage. FOWD still retains original water rights dating to 1887, called “pre-1914 water rights.”

The district purchases most of its water from San Juan Water District as treated water and delivers it to approximately 13,000 residential and commercial service connections. SJWD has anticipated FOWD serving this territory utilizing the water resources available through SJWD, and FOWD groundwater wells. SJWD has sufficient water supply and treatment plant capacity to provide wholesale water to FOWD to serve the affected territory.

FOWD 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. FOWD 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.

The District’s 2005 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 FOWD 2006 Budget for Water Conservation activities, not including the cost of Meter Implementation Program, is \$126,900.

Infrastructure

The District, anticipating water service to the subject territory, has facilities proximate to the project site. Water service for the affected territory will be delivered via connection to the proposed distribution system, installed for Gum Ranch Lot A, adjacent to the south. The project will also connect to an existing distribution system in Kenneth Avenue.

The on-site water distribution system will be designed by the developer's engineer and then reviewed and subsequently approved by the District to verify compliance with the applicable policies and standards prior to final approval for construction. All required on-site, and off-site, service infrastructure will be installed at the landowner's expense, consistent with District specifications.

Service Demand and Capacity

Surface water is the primary source of supply for the District. SJWD supplies treated surface water diverted from Folsom Lake, to FOWD. SJWD holds surface water rights and contracts totaling 82,000 acre feet (AF) per year, of which 57,200 AF per year is earmarked for use in the County of Sacramento, and the balance of 25,000 AF per year available for use in Placer County. FOWD use of purchased surface water has been stable over the past 15 years, ranging from 11,455 AF per year to 15,759 AF per year. FOWD will continue to maximize the current surface water agreement with SJWD.

FOWD has seven groundwater wells providing additional water supply during maximum day and peak hour demand. FOWD is currently "re-drilling" two wells to increase the availability of groundwater supply. Also, a new well will be constructed within the Gum Ranch SPA. Based on historic use data, the total annual demand for Gum Ranch II is project to be approximately 450 AF per year.

Fair Oaks Water District provides customer service, administration and accounting for approximately 42,000 residents, covering approximately 6053 acres. District staff also operates, maintains and upgrades the 180 miles of FOWD pipeline, operates six wells and the storage and pumping facility, manages water conservation, provides safety management, a 3 million-gallon water tank, a state-of-the-art telemetry system, and plans system replacements and upgrades.

AS noted above, FOWD supplies predominantly treated surface water, supplemented by groundwater for peak, emergency, and drought conditions. FOWD's components of water supply for the past three years are:

<i>Year</i>	<i>Surface Water</i>		<i>Groundwater</i>		<i>Total AC-FT</i>
	<i>AC-FT</i>	<i>%</i>	<i>AC-FT</i>	<i>%</i>	
2003	12,333	98.0	240	2.0	12,573
2004	13,628	98.0	311	2.0	13,939
2005	12,282	98.0	171	2.0	12,453

The following is the latest information (2005) for customer type and water usage in Fair Oaks Water District:

	<i>Number of Customers</i>	<i>Water Usage AC-FT</i>
Single Family	12,683	9,876
Multi-Family	247	976
Commercial	526	1,220
Industrial	0	0
Institutional	21	193
Landscape Irrigation	67	188
Total	13,544	12,452

Fire Protection Facilities

Fair Oaks Water District and Sacramento Metropolitan Fire District (SMFD) conjunctively review the project plans for the placement of fire protection facilities and will approve same prior to construction. Staffs of FOWD and SMFD confer routinely to discuss planning and construction issues. It is anticipated, that to provide for sufficient volumes of water for fire suppression, as well as to meet peak demand, construction of a water storage facility and related appurtenances will be required within the boundaries of the Gum Ranch SPA.

Fees and Charges

Fair Oaks 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. FOWD is in the process of meter installation at each service connection, with the plan to initiate billing based upon usage by 2012.

The developer will be assessed a fee for each connection ("connection fee") in addition to funding for facilities that will be required to meet project specific peak hour, supply and storage requirements. All annexation, inspection, and related permit fees will be paid by the developer.

ENVIRONMENTAL CONSIDERATIONS

LAFCo will act as a responsible agency consistent with CEQA Guidelines §15096, regarding the environmental documentation for the annexation of the Gum Ranch II into the Fair Oaks Water District (FOWD.) 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

The Initial Study / Mitigated Negative Declaration prepared for the Gum Ranch II Extension of Time for the Subdivision Map addressed the potential environmental effects associated with development of the property with single family residential uses, including the provision of public services necessary to serve the project. As assessed by the Negative Declaration, the proposed project did not include annexation of the project area to the Fair Oaks Water District among the list of entitlements or actions necessary to approve the project. LAFCo is unable to approve the annexation without consideration of an environmental document prepared in compliance with CEQA. Therefore, LAFCo is amending the Initial Study / Negative Declaration via this Addendum (attached) to add the proposed LAFCo action as an entitlement evaluated in the Negative Declaration.

EXECUTIVE OFFICER COMMENTS:

The proposal is consistent with the Sacramento County General Plan, the Master Services Element of the Fair Oaks Water District, and your Commissions local polices and procedures. I recommend that your Commission:

1. Approve the Mitigated Negative Declaration and Addendum, certified by the County of Sacramento as CEQA lead agency, and direct the Executive Officer to file the Notice of Determination with the County Clerk.
2. Approve the **Gum Ranch II Annexation to Fair Oaks Water District (11-06)** and authorize your Commission to waive Conducting Authority proceedings, due to one-hundred percent consent of affected landowners and affected agencies.

Respectfully,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer

Attachments:

Maps (Exhibit A)
CEQA Addendum and Mitigated Negative Declaration
Agency Correspondence

DL:Maf
(Gum Ranch II)