

To: Board of Directors  
From: Cantoni  
Date: October 7, 2009  
Subject: Mokelumne Oaks Request

I asked Mike McGrew what he knew of the M.O. situation in regards to annexation. He stated he would need to query LAFCO, which I believe he is doing.

He stated that, per Special District Law, an area to be annexed need not be contiguous to the District boundary.

Have included what we have on file:

1. Memo from DeeAnne Watkins and Bruce Thomas of February 11, 2004, stating that the annexation was approved by LAFCO on February 9, 2004.
2. Executive Officer Report from the February 9 LAFCO meeting. Note that the annexation request was for 86.93 acres. This includes the 41.74 acres of Mokelumne Hill that was purchased by Purisima Ridge Ventures, LLC and the piece of land between M.O. and the Remainder Parcel (which is in the District) of 45.19 acres.
3. Map showing the locations of the various pieces.
4. I could find no other records regarding events that occurred after the annexation, other than the fact that the County gave Final Map approval to the project, an action that required that the area be annexed, in order to fulfill the requirement that water and sewer services would be available.

Have also marked up the 2004-01 Will Serve as to how we might want it changed, should we want to reinstate and extend the agreement as requested by Mr. Kampe. This document has not been discussed with the applicant or Mr. Jeffries.

Finally, have included more detailed information on Purisima Ridge, provided by Mr. Kampe.



**NEUMILLER & BEARDSLEE**

A PROFESSIONAL CORPORATION • ATTORNEYS & COUNSELORS

ESTABLISHED 1903

91994-29279;30049

*DeeAnne Watkins*

February 11, 2004

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FIFTH FLOOR  
STOCKTON, CA 95203

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STOCKTON, CA 95201-3020

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FROM MODESTO:  
(209) 577-8200  
(209) 577-4910 FAX

Bruce Thomas  
President/Director  
Wallace Community Services District  
P.O. Box 193  
Wallace, CA 95254

Chris Madill  
Director  
Wallace Community Services District  
Post Office Box 184  
Wallace, CA 95254-0184

Jay Fitt and Marlene Kappesser Fitt  
Directors  
Wallace Community Services District  
Post Office Box 125  
Wallace, CA 95254-0125

Larry Howen  
Director  
Wallace Community Services District  
P.O. Box 364  
Wallace, CA 95254

Re: LAFCO hearing

Dear Board Members:

Bruce Thomas and I attended the LAFCO meeting on Monday, February 9, 2004. The Commission approved the Final Service Review Area Report and Sphere Update and approved the Mokelumne Oaks annexation request by John Reynen and James Johnston.

The approved Service Review Area Report makes two additional recommendations, which were not in the draft report. The approved changes are noted in the attachment. Please note that the Commission recommended that the District discuss with East Bay Municipal Utility District the potential of securing long-term reliable water supply. In addition, it recommended that the District evaluate its current rate structure. A status report for both of these items is to be made by the District to LAFCO within one year. I informed the Commission that the District has already begun an evaluation of its current rate schedule and



Bruce Thomas  
Chris Madill  
Jay Fitt and Marlene Kappesser Fitt  
Larry Howen  
February 11, 2004  
Page 2

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that I would report the recommendation regarding East Bay Municipal Utility District to the Board.

The Commission approved the annexation of Mokelumne Oaks after a discussion and comments from several people. Mr. Closson and Mr. Farrell were in attendance and Mr. Closson made comments to the Commission. He indicated that he was confused and he had several concerns. First, he presented a petition of twenty three owners of current lots within the District who were not aware of the Mokelumne Oaks request. Later, he indicated these owners currently own empty lots which were sold/purchased with his company's assistance.

Mr. Closson was also concerned that four months ago he requested forty units from the District for service to Mr. Farrell's property and he was told by the District that there was no excess capacity available for the District to serve Mr. Farrell's property. Mr. Closson objected that the District was "leap frogging" the remainder parcel to serve property that was outside of the District.

Mr. Steve Kalin also spoke in opposition to the annexation. Mr. Kalin and Mr. Hubbart objected to the annexation because the District has limited service to their property to thirty units rather than the requested forty units. Their objection was based largely on the fact that the property has been paying yearly assessments to the District of approximately \$12,000.

Mr. Johnston next presented his proposal to the Commission. I responded to a question of the Commission and explained the District's actions granting Mr. Kalin and Mr. Hubbart thirty units of service and the existing capacity demands on the District. Several Commissioners responded that they understood that Mokelumne Oaks would be providing its own service capacity while Mr. Kalin and Mr. Hubbart and Mr. Closson on behalf of Mr. Farrell had not made a similar proposal to develop sufficient capacity to serve their proposed developments.

The Commission unanimously approved the annexation request.

Very truly yours,



DEEANNE WATKINS  
Attorney at Law

DMW:als  
Enclosure



**LOCAL AGENCY FORMATION COMMISSION  
COUNTY OF CALAVERAS, STATE OF CALIFORNIA**

**CALAVERAS WORKS AND HUMAN SERVICES BUILDING**

**Ground Floor**

**509 East St. Charles**

**(corner of East St. Charles and Mountain Ranch Road)**

**San Andreas, CA 95249**

**AGENDA**

**Monday February 9, 2004**

**7:00 PM**

THE LOCAL AGENCY FORMATION COMMISSION WELCOMES YOU TO THEIR MEETINGS. YOUR INTEREST AND PARTICIPATION IS ENCOURAGED AND APPRECIATED.

IF ANY MEMBER OF THE AUDIENCE WISHES TO ADDRESS THE COMMISSION ON AN AGENDA ITEM, PLEASE COME TO THE ROSTRUM AND GIVE YOUR NAME AND YOUR COMMENTS OR QUESTIONS. PLEASE LIMIT YOUR COMMENTS TO THE SPECIFIC SUBJECT UNDER DISCUSSION. TIME LIMITS SHALL BE AT THE DISCRETION OF THE CHAIR.

1. Call to order.  
Pledge of Allegiance.
2. Approval of the minutes from December 15, 2003, and January 26, 2004.
3. Public Comment Period: The public may address the Commission pertaining to LAFCO issues not on the agenda, however no action may be taken by the Commission.
4. Continued Public Hearing: LAFCO 03-02 Calaveras Public Utility District Annexation. The Calaveras Public Utility District is proposing to annex two separate areas consisting of 308 parcels totaling 2,972.63 acres into the District. Area A, 253 parcels and 2,439.76 acres, is located along Highway 26 in Glencoe up to and along Railroad Flat Road to Railroad Flat. Area B, 56 parcels and 532.87 acres, is located on both sides of Highway 49 on the east side of the townsite of San Andreas.
5. Final Service Review Area Report and Sphere Update for Wallace Community Services District. 7 49
6. LAFCO 03-01 Mokelumne Oaks Annexation submitted by John and Judy Reynen and James Johnston: The applicants are proposing to annex 86.93 acres to the Wallace Community Services District. The subject property is located on the east side of State Highway 12 south of the townsite of Wallace. APN 048-018-134 (a portion of Section 22 T4N, R9E, MDB&M).
7. Review of correspondence, reports, and various matters of concern: Commission members and staff
8. Adjournment.



**COUNTY *of* CALAVERAS**  
**LOCAL AGENCY FORMATION COMMISSION**

February 7, 2004

**TO:** LAFCO Commissioners  
**FROM:** Mary Pitto, Executive Officer

**SUBJECT:**

Enclosed are the amendments for the Draft Service Review Report for the Wallace Community Services District. We will conduct a public hearing for approval of the final report and adoption of the new Sphere of Influence boundaries.

**Service Review Report**  
**Wallace Community Services District**

**January 2004 Amendments**  
**To The**  
**November 2003 Draft Report**  
(Additions in Italics, deletions in strike-out)

**Prepared for the:**

**Calaveras County Local Agency Formation Commission**

**Prepared by:**

**Dennis Dickman and Associates**

Page 1, Section I, additions to end of section:

***It is recommended that the WCSD undertake an analysis of its current rate structure for all its services and report back to LAFCO within one-year on the results of the analysis and rate restructuring proposals.***

***It is also recommended that the WCSD enter into discussions with the East Bay Municipal Utility District (EBMUD) regarding the potential of securing a long-term reliable water supply from EBMUD's Mokelumne River Aqueduct. The WCSD should provide a status report to LAFCO within one-year on these discussions.***

Page 4, Section III:a:1, end of first paragraph:

***A new tentative map for the remainder parcel was recently filed for 124 single-family lots.***

Page 5, Section III:a:3:

***The WCSD's does not have adopted an Sphere of Influence (SOI) is coterminous with its district boundaries. In order for the WCSD to annex additional territory to its District a SOI must be adopted by LAFCO and the territory must be located within the SOI.***

Page 5, Section III:a:4, additional paragraph at end of section:

***The East Bay Municipal Utility District's (EBMUD) Mokelumne River Aqueduct runs approximately three-quarters of a mile south of the WCSD's district boundary. This aqueduct carries untreated water from EBMUD's Pardee Reservoir to the San Francisco Bay region.***

Page 10, Section III:a:10, third paragraph, second sentence:

***The District claims these properties...***

Page 11, Section III:a:11, first paragraph, second sentence:

***Copies of the current year budget and most recent financial statement are included in the Appendices of this report.***

Page 11, Section III:b.1, Table:

Community Center	289	294
Residential Center	905	872
Single Family Residential	27	40
TOTAL	<del>1,221</del>	1,206

Page 17, Section IV:a., fourth paragraph, first sentence:

The WCSD's ~~does not currently have an adopted~~ SOI *is coterminous with its District boundaries* and therefore is unable at this time to annex *additional* territory to its District.

Page 18, end of page:

*It is recommended that the WCSD undertake an analysis of its current rate structure for all its services and report back to LAFCO within one-year on the results of the analysis and rate restructuring proposals.*

*It is also recommended that the WCSD enter into discussions with the East Bay Municipal Utility District (EBMUD) regarding the potential of securing a long-term reliable water supply from EBMUD's Mokelumne River Aqueduct. The WCSD should provide a status report to LAFCO within one-year on these discussions.*

Page 21, Exhibit A, fifth paragraph, additional last sentence:

*The WCSD shall undertake an analysis of its current rate structure for all its services and report back to LAFCO within one-year on the results of the analysis and rate restructuring proposals.*

Page 21, Exhibit A, sixth paragraph, additional last sentence:

*The WCSD shall enter into discussions with the East Bay Municipal Utility District (EBMUD) regarding the potential of securing a long-term reliable water supply from EBMUD's Mokelumne River Aqueduct. The WCSD should provide a status report to LAFCO within one-year on these discussions.*

ITEM #6

**COUNTY OF CALAVERAS  
LOCAL AGENCY FORMATION COMMISSION  
Executive Officer Report**

**PROPOSAL NO:** LAFCO 03-01  
**LAFCO MEETING DATE:** February 9, 2004  
**PREPARED BY:** Mary Pitto

**GENERAL INFORMATION**

**Proposal:** Mokelumne Oaks Annexation. The applicants are proposing to annex 86.93 acres to the Wallace Community Services District.

**Location:** The subject property is located on the east side of State Highway 12 south of the townsite of Wallace. APN 048-018-134 (a portion of Section 22 T4N, R9E, MDB&M).

**Initiated by:** Petition

**Chief Petitioners:**

John and Judy Reynen	James Johnston
PO Box 660122	3556 Taylor Road
Sacramento, CA 95866	Carmel, CA 93923

**Representative:**

Jeffries Engineers  
PO Box 111  
San Andreas, CA 95249

**Proceedings:**

LAFCO must conduct a noticed public hearing on the proposal. After hearing public testimony and based upon the factors required to be considered by State law, the Commission may approve, modify, or deny the proposed formation. If it is approved, the Commission may also adopt terms and conditions for the annexation.

Pursuant to Government Code Section 56663 (c), in the case of uninhabited territory, the Commission may waive protest proceedings entirely if all the owners of land have given their written consent to the annexation and the affected local agency that will gain territory has agreed. In this case, there is only one uninhabited parcel, which the applicants have applied for the annexation, and the Wallace Community Services District entered into an agreement to provide services and agree to the annexation. It is recommended that the protest hearing be waived.

## **ANALYSIS OF THE PROPOSAL**

### **Background**

The Wallace Community Services District (WCSD) was formed in 1987 for the development of the Wallace Lake Estates Subdivision. The District encompasses 381 acres of primarily single family residential lots, and also includes a portion of the townsite of Wallace to provide the option of public water and sewer services to those parcels. The District currently provides water and sewer service to the Wallace Lake Estates subdivision and a portion of the townsite of Wallace, and road maintenance and other services to the Wallace Lake Estates subdivision.

On February 16, 1993, the Calaveras County Board of Supervisors approved the Mokelumne Oaks residential subdivision for the subject property, consisting of a maximum of 71 lots. Through a series of state mandated and discretionary extensions, the tentative map is still valid through February 16, 2004. The property has since changed hands and the current owners are planning to file the Final Map prior to expiration.

The map was approved with a proposal to develop new onsite water and sewer services to be dedicated to the Calaveras County Water District. However, the applicants are proposing to obtain water and sewer service through the adjacent Wallace Community Services District. The Calaveras County Planning Department has determined that annexation into the WCSD is in substantial conformance to the services being provided through CCWD.

### **Sphere of Influence**

Spheres of Influence are a determination of the proposed ultimate service area of a district. The Sphere represents areas that may be annexed into a district. In determining the sphere, the consideration is given to the present and planned land uses in the area, the present and probable need for public facilities and services in the area, the capacity of the public facilities and adequacy of the public services provided, and the existence of any social or economic communities of interest in the area.

The WCSD Service Area Review and Sphere of Influence is recommended for approval just prior to this project consideration. The WCSD's Sphere of Influence (SOI) is coterminous with the Calaveras General Plan designations of the Wallace Community Center and Residential Center. The proposed annexation territory is located within the proposed WCSD Sphere of Influence.

### **Fiscal Data**

A copy of WCSD's Financial Statements and Independent Auditor's Report for Fiscal Year June 2002 is on file at the LAFCO Office. The District maintains designated Cash Accounts that totaled \$381,573, physical assets (property, plant, and equipment) totaled \$2,577,047, for total assets equaling \$2,966,246. Total operating revenues were \$112,700, while the total operating expenses were \$187,626.

*Property Tax Exchange*

The WCSD receives no portion of the property tax and there is no property tax exchange proposed with this annexation.

*Assessment*

The Wallace Lake Estates parcels are charged annual assessments for their services. The Mokelumne Oaks subdivision will also be assessed according to services provided to the new subdivision. The District has requested the proposal territory be designated as Zone 3 and annexed into Improvement District One for assessment purposes. ✓

**Other Required Factors to be Considered**

*The sphere of influence of any local agency which may be applicable to the proposal being reviewed:*

The subject territory is not located within the Sphere of Influence of any other Community Services District. The subject territory is located within the Calaveras County Water District (CCWD), which is a county-wide district. However, CCWD provides public water service only to specific improvement districts within the County. CCWD does not provide public water service within or near the proposal territory and submitted a letter of no objection to the proposed annexation.

*General plan consistency, land use and zoning:*

The proposal territory is designated in the Calaveras County General Plan as Wallace Residential Center and is zoned for single family residential. The subject parcel has an approved Tentative Subdivision Tract Map. The proposal will have no effect to the land uses and zoning. Population, population density; topography, natural boundaries, and drainage basin, definiteness and certainty of the boundaries; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated areas, during the next ten years:

The Mokelumne Oaks subdivision is located adjacent to the Wallace CSD and the Wallace Lake Estates (WLE) subdivision, which contains 113 single residential lots, one multifamily lot and three commercial lots. A total of 53 single family residential lots have been completed. The annexation is a logical extension of the CSD. Additional growth in the vicinity is expected in future years, primarily due to the proximity to the valley.

The property has direct access to State Highway 12 and consists of a gently rolling terrain with scattered oaks. ✓

*Effects of the proposed action and of alternative actions on adjacent areas, on mutual social and economic interests, and local government structure of the county:*

The agreement between WCSD and the applicants is to provide 40 water and sewer connections to the Mokelumne Oaks project. These connections will be taken from the existing capacity, which will require the need for a 10,000 gallon GPD expansion of the existing sewer facilities. This could impact other properties within the CSD that may be entitled to services. As part of the Agreement, the Mokelumne Oaks project will be required to build expansion facilities to meet the needs of the current potential customers.

The alternative to this annexation is to develop a new system and be serviced through CCWD. CCWD does not have any existing service facilities in the area and does not object to the proposal.

The proposal will not impact any other government structures within the county.

*The conformity of both the proposal and its anticipated effect on providing planned, orderly, efficient patterns of urban development, and the policies and priorities regarding the conversion of open-space and prime agricultural lands, and maintaining the physical and economic integrity of agricultural lands:*

The proposed annexation is consistent with the General Plan designations for the area and does not include any changes to existing land use designations or zoning. The proposal will not generate any conversion of open space or prime agricultural lands.

#### **CEQA Compliance:**

A Mitigated Negative Declaration was approved for this subdivision by the County Board of Supervisors pursuant to the State CEQA Guidelines. The only change to the original project is the annexation to the WCSD, which will have a direct physical impact to the subject property through construction of a 2,150 pipeline extension from the existing facility to the subject development. A subsequent Mitigated Negative Declaration was approved by the Wallace CSD Board of Directors on February 5, 2004, upon approval of their Agreement to provide service.

#### **Summary:**

A primary function of LAFCO is to evaluate proposals and determine whether the proposal is logical, reasonable, and financially feasible. The Mokelumne Oaks Annexation is a logical and reasonable proposal since the property is adjacent to the Wallace CSD. The subject parcel is within the newly created Sphere of Influence of WCSD.

#### **RECOMMENDATION**

Pass a motion to adopt LAFCO Resolution 04-01 approving the Mokelumne Oaks Annexation and waiving conducting authority proceedings with the following findings and conditions:

#### **Findings for LAFCO 03-01**

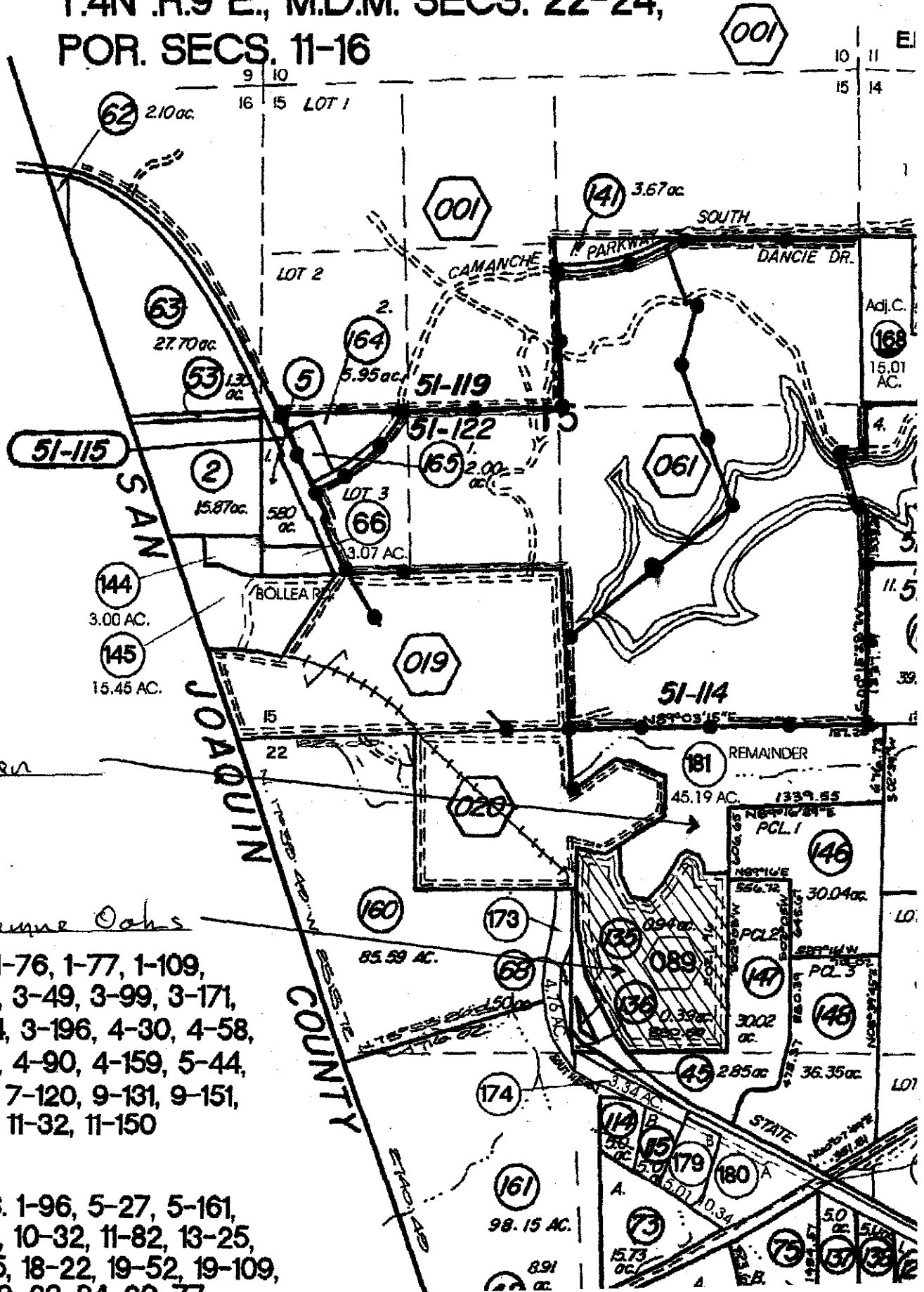
1. A Mitigated Negative Declaration was approved by the Calaveras Board of Supervisors on February 16, 1993 for the Mokelumne Oaks Subdivision. The Wallace CSD Board of Directors subsequently approved a Mitigated Negative Declaration on February 5, 2004 for the extension of water and sewer services to the subject property.
2. Approval of the annexation is logical, reasonable, and financially feasible.
3. The proposed annexation will be for the interest of landowners and present and future inhabitants within the district and within the territory proposed to be annexed to the district.

4. The proposal is consistent with the goals, policies and implementation measures of the Calaveras County General Plan.
5. Approval of the annexation will not affect agriculture lands within the boundaries of the district.
6. The boundaries of the subject territory are definitive and certain and follow lines of ownership.
7. The territory within the proposal territory boundaries is uninhabited.
8. The proposal was submitted by 100% of the property owners.
9. The Board of Directors of the Wallace CSD have entered into an Agreement with the applicants to provide services. ✓
10. The annexation is within the established sphere of influence of Wallace CSD.
11. All relevant factors required to be considered by the commissioners in Government Code Section 56668 have been reviewed.

**Conditions for LAFCO 03-01**

1. Prior to recordation of the Certificate of Completion, the applicants shall provide to the LAFCO Executive Officer a boundary description, accompanying map, and any other materials necessary for completion of this boundary reorganization to the satisfaction of the State Board of Equalization.
2. Prior to recordation of the Certificate of Completion, the applicants shall submit a check made payable to the State Board of Equalization in the required amount to the LAFCO Executive Officer.
3. The subject territory shall be designated as Zone 3 and annexed into Improvement District One for assessment purposes. ✓
4. The affected territory shall be subject to the rules, regulations, ordinances, contractual agreements, or charges to the annexing agency.
5. The effective date for this Boundary reorganization shall be upon recordation of the Certificate of Completion.

T.4N R.9 E., M.D.M. SECS. 22-24,  
 POR. SECS. 11-16



*Reynon*

*Mohelunne Ochs*

- P.M. 1-76, 1-77, 1-109,
- 2-73, 3-49, 3-99, 3-171,
- 3-194, 3-196, 4-30, 4-58,
- 4-78, 4-90, 4-159, 5-44,
- 7-51, 7-120, 9-131, 9-151,
- 10-4, 11-32, 11-150

- R.O.S. 1-96, 5-27, 5-161,
- 6-57, 10-32, 11-82, 13-25,
- 15-95, 18-22, 19-52, 19-109,
- 19-130 20-34 20-77

## WALLACE COMMUNITY SERVICES DISTRICT

### WILL SERVE AGREEMENT NO. 2004-01

This Permit Agreement for Improvements within Wallace Community Services District ("Agreement" or "Permit") is entered into and effective this \_\_\_ day of \_\_\_\_\_, 2004 ("Effective Date"), by and between Wallace Community Services District, a community services district organized under Government Code sections 61000 et seq. (the "District") and ~~John Reynen~~ Purissima Ridge Partners, LLC ("Developer"). Each of the aforesaid entities may hereinafter be referred to as the "Party" or collectively as the "Parties".

#### RECITALS

1. WHEREAS, District provides sewer, water and road services for residents within the District;
2. WHEREAS, Developer owns certain real property located adjacent to the District identified as Assessor's Parcel Number 048-016-134 consisting of approximately 140 acres as diagrammed in Exhibit "A" attached hereto, and more particularly described in Exhibit "B" attached hereto and incorporated herein (the "Property");
3. WHEREAS, Mokelumne Oaks Vesting Tentative Subdivision Map 91-121 and a Negative Declaration regarding the Property was approved by Calaveras County and Developer intends to develop the Property by constructing 40 single family dwellings consistent with a portion of Subdivision Map 91-121 (such development of 40 dwellings being hereinafter called the "Project");
4. WHEREAS, as a condition of approval of Mokelumne Oaks Vesting Tentative Map approved by Calaveras County as 91-121, Developer is required to provide to the County of Calaveras a written statement from a public water or sanitation district indicating sewer service will be provided to each parcel and the terms for the same, and a written statement from a public water purveyor indicating water will be provided to each parcel and the terms for the same.
5. WHEREAS, Developer desires to obtain from the District domestic water service, sanitary sewer collection and wastewater service (collectively "Services") for the Project, as required by the above described conditions of approval for Subdivision Map 91-121.
6. WHEREAS, Siegfried Engineering, Inc., prepared a Water and Wastewater Systems Study dated June 6, 2003 for the District which concluded that the District water and wastewater facilities can provide water and wastewater services to the Property.
7. WHEREAS, Developer desires for the District to maintain any and all roadway improvements constructed by Developer on the Property consistent with the Project;

8. WHEREAS, Developer has submitted an application to the Calaveras County Local Agency Formation Commission for annexation of the Property to the District and ~~Developer desires for the District to support Developer's annexation application; said application for annexation was approved by LAFCO at its meeting on February 9, 2004;~~
9. WHEREAS, ~~District is prepared to support Developer's annexation application provided that the terms and conditions of this Agreement.~~ Calaveras County approved the Final Map for the Project;
10. WHEREAS, although the District has the powers to provide services in addition to water and sewer services and roadways, only water and sewer service and roadways will be provided by the District at this time to the Property pursuant to this Agreement; and
11. WHEREAS, the District has prepared an initial study and Mitigated Negative Declaration for Services to the Project.

#### AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, conditions, and covenants herein contained, the Parties agree as follows:

##### A. PURPOSE OF AGREEMENT

1. The purpose of this Agreement is for the District to provide 40 equivalent single family residential dwelling ("esf") units of domestic water and sanitary sewer collection and wastewater treatment service to the Project located on the Property.
2. This Agreement provides that Developer may immediately utilize up to 40 esf units of existing domestic water and wastewater treatment capacity of the District for the purpose of building model homes.
3. This Agreement provides that Developer will cause to be constructed and dedicated to the District facilities to increase the domestic water and ~~wastewater treatment system~~ capacity of the District by ~~at least about~~ 40 esf units to bring the capacity up to at least 220 esf units, at a time mutually agreed to by Developer and District, as well as "necessary improvements" to provide services prior to the issuance of building permits for the remaining 36 units of the Project.
4. This Agreement provides that Developer will cause to be constructed and dedicated to the District facilities to increase the Wastewater Treatment capacity of the District by about 40 esf units to bring the capacity up to at least 220 esf units, prior to the issuance of building permits for the remaining 36 units of the Project.