



- Board of Directors
Finance and Insurance Committee

12/13/2011 Board Meeting

7-3

Subject

Adopt final resolution for annexation and impose water standby charge for Peaceful Valley Ranch Annexation to San Diego County Water Authority and Metropolitan

Description

This action authorizes a resolution consenting to an annexation request by San Diego County Water Authority (SDCWA), along with a resolution for imposition of water standby charges. The total area of 152.4 acres is included in this request for final approval to annex Peaceful Valley Ranch concurrently to SDCWA and Metropolitan (**Attachment 1** – annexation map and legal description). The total water demand from Metropolitan is approximately 70 acre-feet per year (AFY), with a projected maximum daily demand of 0.16 cubic foot per second. Groundwater extraction is limited to a maximum of 22 AFY, and to the extent practicable, used for irrigation. The charge for this annexation is \$620,238.80, which includes the \$5,000 processing fee collected at the time of the initial request and the remaining annexation charge is received prior to completion. If the annexation is completed later, the fee would be based on the then current annexation charge rate pursuant to Section 3300 of Metropolitan's Administrative Code. The annexation charge for calendar year 2011 is \$4,037 per acre. The rate is calculated by dividing the sum of the estimated replacement cost of Metropolitan's facilities, the unamortized participation rights in the State Water Project, other projects with long-term obligations less Metropolitan's outstanding bonded indebtedness and the accumulated depreciation of facilities, by the total acreage within the service area of Metropolitan, as of the end of the recently completed fiscal year.

On July 12, 2011, Metropolitan's Board conditionally approved the current area of the Peaceful Valley Ranch Annexation and found that Metropolitan's interests will not be adversely affected by the existence of the created 65.6 acre window area comprised of six parcels (defined as an unannexed area entirely surrounded by area annexed to Metropolitan pursuant to Administrative Code Section 3201) within Metropolitan's service area (**Attachment 2** – window area map). The area is located within the county of San Diego, in the Jamul community within the Otay Water District service area, east of Campo Road, south and east of Peaceful Valley Ranch Road (**Attachment 1**). Peaceful Valley Ranch LLC proposes to develop 52 estate residential units on two-acre lots minimum. On-site groundwater wells are proposed to supply water for irrigation use, a polo field, and common landscaped areas.

At its August 25, 2011, meeting, the SDCWA's Board of Directors adopted Resolution 2011-17 requesting final terms and conditions for the proposed annexation and imposition of water standby charges. There have been no changes to the information.

Metropolitan's Board also adopted a resolution of intention to impose a water standby charge within the proposed Annexation area in support of Peaceful Valley Ranch Annexation (Resolution 9124) on July 12, 2011. Pursuant to Resolution 9124, the Board held a public hearing on September 13, 2011. Interested parties were given the opportunity to present their views regarding the proposed charge and the Engineer's Report. In addition, pursuant to Resolution 9124 and in accordance with the requirements of Article XIII D, Section 4, of the California Constitution, the Board Executive Secretary provided written notice by mail of the hearing to the owners of record of the parcels identified in the Engineer's Report. Enclosed in the mailed notices were assessment ballots

on which the owners could either indicate support or oppose the proposed water standby charge. Of the three ballots mailed, none were returned. The ballots were sent a second time and the property owners unanimously approved the action.

This action adopts a resolution consenting to SDCWA's request for annexation ([Attachment 3](#)); and Resolution Fixing and Adopting Water Standby Charge ([Attachment 4](#)), which imposes a Metropolitan water standby charge in the amount of \$11.51 per acre, or per parcel of less than one acre, within the territory of Peaceful Valley Ranch Annexation, contingent upon completion of annexation. Approval of Metropolitan's water standby charge imposed elsewhere within SDCWA's territory is a condition to complete this annexation. Pursuant to the terms of the attached resolution ([Attachment 4](#)), Metropolitan may levy said standby charge at the rate stated in the resolution.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

Pursuant to the provisions of CEQA and the State CEQA Guidelines, the County of San Diego Board of Supervisors, acting as Lead Agency, prepared and processed a Final Environmental Impact Report (Final EIR) for the proposed project. The Final EIR was certified and the project was approved by the Lead Agency on July 10, 2008. The Lead Agency also approved the Findings of Fact, the Statement of Overriding Considerations (SOC), and the Mitigation Monitoring and Reporting Program (MMRP). Metropolitan, as a Responsible Agency under CEQA, is required to certify that it has reviewed and considered the information in the certified Final EIR and adopt the Lead Agency's findings, SOC, and MMRP prior to approval of the formal terms and conditions for the annexation and water standby charges. The environmental documentation is available in the Board Executive Secretary's office for review.

The CEQA determination is: Review and consider information provided in the certified 2008 Final EIR and adopt the Lead Agency's findings, SOC, and MMRP related to the annexation.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and

- a. Adopt resolution granting SDCWA's request for approval of Peaceful Valley Ranch Annexation concurrently to SDCWA and Metropolitan, and establishing Metropolitan's terms and conditions for the annexation ([Attachment 3](#)); conditioned upon approval by San Diego Local Agency Formation Commission, and upon receipt of annexation fee of \$620,238.80; and
- b. Adopt resolution to impose water standby charge at a rate of \$11.51 per acre or per parcel of less than one acre, within the proposed annexation area ([Attachment 4](#)).

Fiscal Impact: Receipt of annexation fees of approximately \$620,238.80 for the annexation area with water sales revenue from newly annexed territory

Business Analysis: This annexation will provide the ability for water service and associated benefits to the property owners. The initial fixed and variable costs will be borne by the local water supplier and property owners, including processing, infrastructure, and the cost of raw and treated water. This annexation helps to meet Metropolitan's member agency request.

Option #2


Decline the request for annexation of Peaceful Valley Ranch Annexation

Fiscal Impact: Unrealized annexation fee and water sales revenue from non-annexed areas

Business Analysis: The subject area will not receive the direct benefits of water supplied through Metropolitan and SDCWA.

Staff Recommendation

None



Ralph T. Hicks 11/14/2011
Manager, Real Property Development and Date
Management



Jeffrey Kightlinger 12/1/2011
General Manager Date

Attachment 1 – Peaceful Valley Ranch Annexation Legal Description and Map

Attachment 2 – Peaceful Valley Ranch Annexation Window Area Map

Attachment 3 – Peaceful Valley Ranch Annexation Resolution Fixing Terms and Conditions of Annexation

Attachment 4 – Peaceful Valley Ranch Annexation Resolution Imposing Water Standby Charges

Ref# rpdm12614636

**MUNICIPAL WATER DISTRICT ANNEXATION
PEACEFUL VALLEY RANCH
(ANNEXATION NO. __)**

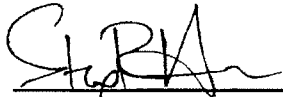
All of Parcels 2, 3, the Remainder Parcel and a portion of Parcel 4 of Parcel Map No. 16190, in the County of San Diego, State of California, filed in the Office of the County Recorder of San Diego County on August 16, 1990, described as follows:

Beginning at the Northwest corner of said Parcel 2, said point being the beginning of a 725.00 foot radius curve, concave to the North, a radial bearing to said point bears South 06°58'00" East; thence along the Northerly line of said Parcel 2 the following three courses:

- 1st - Easterly, along said curve, through a central angle of 27°15'43" an arc distance of 344.96 feet;**
- 2nd - North 55°46'17" East, 68.41 feet to the beginning of a tangent 300.00 foot radius curve, concave to the South;**
- 3rd - Easterly, along said curve, through a central angle of 31°13'10" an arc distance of 163.46 feet; thence leaving said Northerly line of Parcel 2, non-tangent to said curve,**
- 4th - North 02°09'30" East, 602.46 feet to the Northerly line of said Parcel 4; thence along said Northerly line,**
- 5th - North 84°45'02" East, 1010.71 feet to the Southwest corner of said Remainder Parcel; thence along the Westerly, Northerly and Easterly lines of said Remainder Parcel, the following three courses:**
- 6th - North 00°42'22" East, 1293.00 feet to the Northwest corner thereof;**
- 7th - North 83°49'47" East, 1512.40 feet to the Northeast corner thereof;**
- 8th - South 00°24'58" East, 1312.81 feet to the Southeast corner thereof; thence along the Easterly line of said Parcels 3 and 4,**
- 9th - South 00°02'56" East, 1806.43 feet to the Southeast corner of said Parcel 3; thence along the Southerly line of said Parcels 2 and 3,**
- 10th - North 88°42'00" West, 3115.99 feet to the Southwest corner of said Parcel 2; thence along the Westerly line of said Parcel 2,**

11th - North 02°09'30" East, 688.81 feet to the Point of Beginning.

152.45 Acres - Gross Area




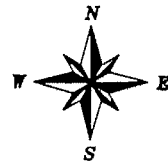
JUNE 16, 2004

Stephen R. Hawxhurst, L.S. 7355

Dated



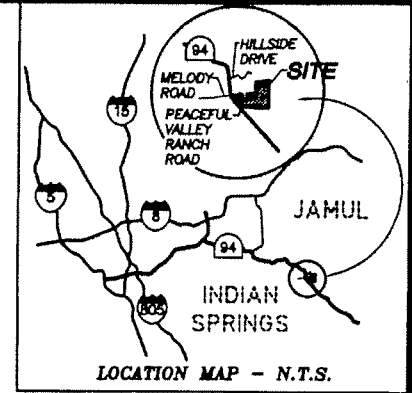
REVIEWED BY
THE METROPOLITAN WATER
DISTRICT OF SOUTHERN CALIFORNIA
RIGHT OF WAY ENGINEERING TEAM
DATE: 6/21/2004 



COURSES

- 1st - D=27°15'43" L=344.96'
- 2nd - N 55°46'17" E 68.41'
- 3rd - D=31°13'10" L=163.46'
- 4th - N 02°09'30" E 602.46'
- 5th - N 84°45'02" E 1010.71'
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- 10th - N 88°42'00" W 3115.99'
- 11th - N 02°09'30" E 688.81'

152.45 Acres - Gross Area



REVIEWED BY
 THE METROPOLITAN WATER
 DISTRICT OF SOUTHERN CALIFORNIA
 RIGHT OF WAY ENGINEERING TEAM
 DATE: 6/21/2004 *MT*

Prepared By:
 RBF CONSULTING
 9755 Clairemont Mesa Boulevard, Ste 100
 San Diego, CA 92124-1324
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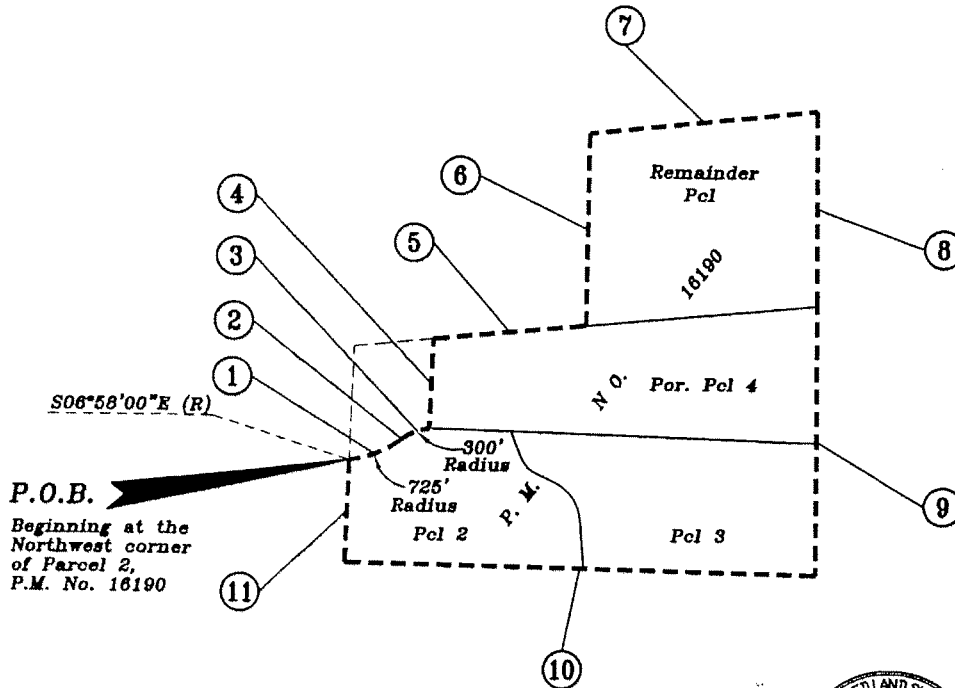


**SAN DIEGO COUNTY WATER AUTHORITY
 MUNICIPAL WATER DISTRICT ANNEXATION
 PEACEFUL VALLEY RANCH
 (ANNEXATION NO. __)**

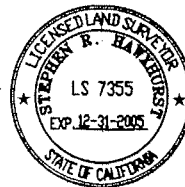
All of Parcels 2, 3, the Remainder Parcel and a portion of Parcel 4 of PARCEL MAP NO. 16190, in the County of San Diego, State of California, filed in the Office of the County Recorder of San Diego County, DATE

May 28, 2004

Sheet 1 of 1






Stephen R. Hawhurst
 Stephen R. Hawhurst, L.S. 7355 Dated JUNE 16, 2004

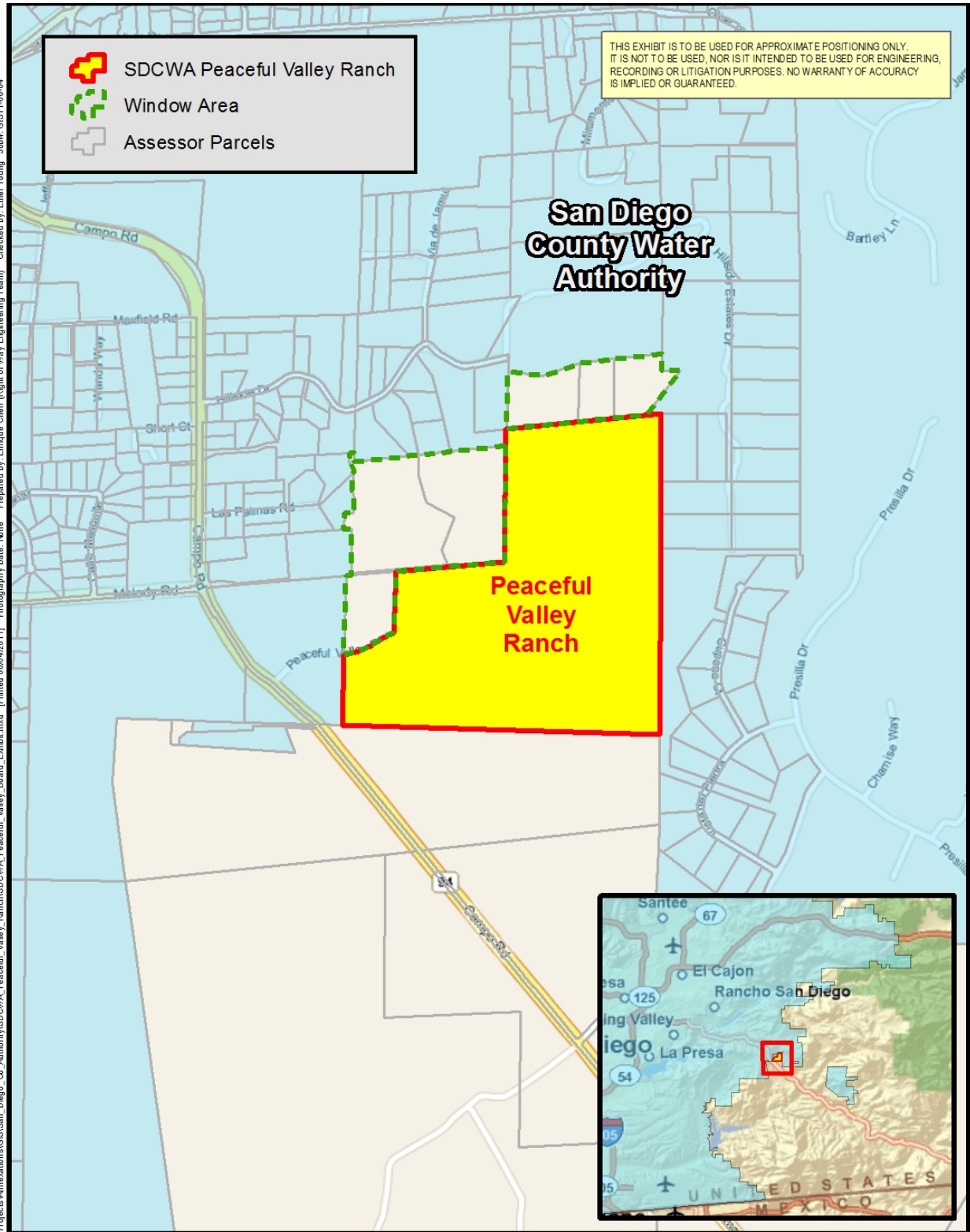


PROPOSED ANNEXATION BOUNDARY

Projects\mexations\GIS\San_Diego_Co_Authority\SDCWA\A_Parcel_Valley_Ranch\SDCWA_Peaceful_Valley_Ranch\SDCWA_Peaceful_Valley_Ranch\Board_Exhibit.mxd [Printed 06/04/2011] Photography Date: None Prepared by: Enrique Chen (Right of Way Engineering Team) Checked by: Ebel Young Job#: GIS11-06-04

-  SDCWA Peaceful Valley Ranch
-  Window Area
-  Assessor Parcels

THIS EXHIBIT IS TO BE USED FOR APPROXIMATE POSITIONING ONLY. IT IS NOT TO BE USED, NOR IS IT INTENDED TO BE USED FOR ENGINEERING, RECORDING OR LITIGATION PURPOSES. NO WARRANTY OF ACCURACY IS IMPLIED OR GUARANTEED.



RESOLUTION

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO SAN DIEGO COUNTY WATER AUTHORITY'S PEACEFUL VALLEY RANCH ANNEXATION AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

A. WHEREAS, the Board of Directors of the San Diego County Water Authority (SDCWA), a municipal water district, situated in the county of San Diego, state of California, pursuant to Resolution No. 2010-11, in accordance with the provisions of the Metropolitan Water District Act, has applied to the Board of Directors of The Metropolitan Water District of Southern California (Metropolitan) for consent to annex thereto certain uninhabited territory situated in the county of San Diego referred to as Peaceful Valley Ranch Annexation, more particularly described in an application to the San Diego County Local Agency Formation Commission (LAFCO), concurrently with the annexation thereof to SDCWA, such annexation to Metropolitan to be upon such terms and conditions as may be fixed by the Board of Directors of Metropolitan; and

B. WHEREAS, completion of said annexation shall be conditioned upon approval by LAFCO; and

C. WHEREAS, pursuant to the provisions of the California Environmental Quality Act (CEQA), the County of San Diego Board of Supervisors, acting as Lead Agency, certified the Peaceful Valley Ranch Project (Project) Final Environmental Impact Report (Final EIR), adopted the Findings of Fact (findings), Statement of Overriding Considerations (SOC), and Mitigation Monitoring and Reporting Program (MMRP) and approved the Project on July 10, 2008, for the development of the proposed annexation parcel(s). Metropolitan, as Responsible Agency under CEQA, is required to certify that it has reviewed and considered the information contained in the Final EIR and MMRP, and adopt the Lead Agency's findings and SOC prior to approval of the formal terms and conditions for the Peaceful Valley Ranch Annexation; and

D. WHEREAS, it appears to this Board of Directors that such application should be granted, subject to the terms and conditions hereinafter set forth; and

E. NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Metropolitan, acting as Responsible Agency, has reviewed and considered the information in the Final EIR, findings, SOC, and MMRP and adopted the Lead Agency's findings and SOC prior to approval of the final terms and conditions for the Peaceful Valley Ranch Annexation; and subject to the following terms and conditions, does hereby grant the application of the governing body of the San Diego County Water Authority for consent to annex the Peaceful Valley Ranch Annexation to Metropolitan and does hereby fix the terms and conditions of such annexation;

F. BE IT FURTHER RESOLVED that the Board of Directors of Metropolitan, subject to the following terms and conditions, does hereby grant the application of the governing body of SDCWA for consent to annex Peaceful Valley Ranch Annexation to Metropolitan and does hereby fix the terms and conditions of such annexation:

Section 1. The annexation of said area to SDCWA shall be made concurrently with the annexation thereof to Metropolitan, and all necessary certificates, statements, maps, and other documents required to be filed by or on behalf of SDCWA to effectuate the annexation shall be filed on or before December 31, 2012.

Section 2. Prior to filing a request for a Certificate of Completion of the annexation proceedings with LAFCO, SDCWA shall submit a certified copy of LAFCO's resolution approving the annexation to the member agency, and shall pay to Metropolitan in cash approximately \$620,238.80, if the annexation is completed by December 31, 2011. The annexation fee of \$5,000 for processing this annexation was received prior to approval. The annexation charge is calculated by the per-acre method based on the net acreage. If the annexation is completed during the 2012 calendar year, the annexation charge will be calculated based on the then current rate, in accordance with Metropolitan's Administrative Code Section 3300.

Section 3. a. Metropolitan shall be under no obligation to provide, construct, operate, or maintain feeder pipelines, structures, connections, and other facilities required for the delivery of water to said area from works owned or operated by Metropolitan.

b. SDCWA shall not be entitled to demand that Metropolitan deliver water to SDCWA for use, directly or indirectly, within said area, except for domestic or municipal use therein.

c. The delivery of all water by Metropolitan, regardless of the nature and time of use of such water shall be subject to the water service regulations, including rates promulgated from time to time by Metropolitan.

d. Except upon the terms and conditions specifically approved by the Board of Directors of Metropolitan, water sold and delivered by Metropolitan shall not be used in any manner which intentionally or avoidably results in the direct or indirect benefit of areas outside Metropolitan, including use of such water outside Metropolitan or use thereof within Metropolitan in substitution for other water outside Metropolitan.

Section 4. The area within the newly created window area, in accordance to MWD Administrative Code Section 3201, shall be monitored by the local water purveyor, currently Otay Municipal Water District, for illegal connections or other illicit use of water outside of the service area boundaries.

G. BE IT FURTHER RESOLVED that the Board Executive Secretary is directed to transmit forthwith to the governing body of SDCWA a certified copy of this resolution.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held December 13, 2011.

Board Executive Secretary
The Metropolitan Water District
of Southern California