

Calaveras Local Agency Formation Commission

Regular Meeting Agenda

MONDAY – December 16, 2013 – 6:00 p.m.
at the

**Calaveras County Board of Supervisors Chambers
County Administrative Center
San Andreas**

6:00 PM Regular LAFCo Meeting Items:

1. Call to Order/Pledge of Allegiance/Roll Call

Commissioners

Bert Sobon, City Member
Jack Lynch, Chair City Member
Merita Callaway, Vice-Chair County Member
Darren Spellman, County Member
Tony Tyrrell, Special District Member
John Lavaroni, Special District Member
Anita Paque, Public Member

Paul Stein, Public Member Alt.
Debbie Ponte, County Member Alt.
Stuart Raggio, City Member Alt.
Don Young, Special Dist. Member Alt.
Staff:
John Benoit, Executive Officer
Lucy Thein, LAFCO Clerk
Michael Colantuono, LAFCO Counsel

2. Approval of Agenda (Deletions/Additions)

3. Approval of Minutes

4. Public Comment

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that are on the agenda, public comment will be heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public hearing is opened for public testimony.

The Chairman reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

5. Consent Agenda:

- a. Review and Authorize Claims for November 2013

PUBLIC HEARING - Sphere of Influence for the Calaveras Public Utility District

- 6. Review Sphere of Influence update report, conduct public hearing and consider adoption of the Sphere of Influence for the Calaveras Public Utility District.**
 - a. *Receive Executive Officer's report and conduct Public Hearing and consider Resolution 2013-0011 approving a Sphere of Influence Update for the Calaveras Public Utility District.*

PUBLIC HEARING – Proposed Policy Amendment regarding Disadvantaged Unincorporated Communities

- 7. Review proposed policy regarding Disadvantaged Unincorporated Communities (DUCS), conduct public hearing and consider LAFCo Policies, Standards and Procedures amendment.**
 - a. *Receive Executive Officer's report, review proposed policy regarding DUCS, conduct Public Hearing and consider Resolution 2013-0012 approving a DUC's policy for Calaveras LAFCo.*
- 8. Executive Officer's report**
 - a) *Sphere of Influence for Calaveras Consolidated FPD*
 - b) *Sphere of Influence for remaining Fire Agencies*
 - c) *Service Review for Mokelumne Hill FPD - Correspondence 11.19.13*

9. Commissioners Reports

This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters

10. Adjourn to next regular meeting of January 20, 2014

The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.

Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority Government Code Section 56325.1

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).

Public Hearings

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to a specified time. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda are available for review for public inspection in the Calaveras Co. Administrative office located at the County Administrative Center, 891 Mountain Ranch Road, San Andreas CA. [such documents are also available on the Calaveras LAFCO website as noted below to the extent practicable and subject to staff's ability to post the documents prior to the meeting].

Accessibility

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting.

The location of this meeting is wheelchair-accessible.

Disclosure & Disqualification Requirements

Any person or group of persons acting in concert who directly or indirectly contribute \$1,000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to Calaveras LAFCO must comply with the disclosure requirements of the Political Reform Act of 1974 applicable to local initiative measures to be submitted to the electorate. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals; they may be reviewed at Government Code §§56700.1 and 81000 *et seq.* Additional information about the requirements pertaining to local initiative measures to be presented to the electorate can be obtained by calling the Fair Political Practices Commission at (916) 322-5660. A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding.

Contact LAFCO Staff at (209) 754-6511

LAFCO Webpage: www.calaveraslafco.org

Email LAFCO at: johnbenoit@surewest.net



8160 Church Street
Mokelumne Hill, CA 95245
209 286-1389

11-19-2013

John Benoit
PO Box 2694
Granite Bay, CA 95746

Re: MSR for Mokelumne Hill Fire Protection District

Dear Mr. Benoit,

Please find attached the Mokelumne Hill Fire Protection District's corrections to the MSR prepared by your firm for the Calaveras County LAFCo. I regret that I am unable to provide it in "word" format, but we have had problems in the past with altered documents and prefer to send them in "pdf" format or in printed form.

Please note that the Board of Directors is prepared to support all of the corrections made to the MSR with documentary evidence. None of the changes should be regarded as opinion.

Sincerely,

Suzanne Coe, Chair of the Board of Directors
Mokelumne Hill Fire Protection District

CALAVERAS LAFCO
LAFCO CLAIM AUTHORIZATION FORM

for

November 2013

Authorize payment of the following claims:

<u>Date of Claim</u>	<u>Description</u>	<u>Amount</u>
FY 2013-2014 Expenses:		
Dec 1, 2013	Staff Svcs & Expenses –November 2013	\$ 3,693.58
Dec 1 2013	CPUD SOI and Fire SOI – November 2013	\$ 1,537.50
TOTAL:		\$ 5,231.08

DATED: Dec 16, 2013

APPROVED: Dec 16, 2013

Jack Lynch, Chair or Merita Callaway, Vice-Chair
Calaveras Local Agency Formation

Attest:

John Benoit
Executive Officer

2012-2013 Expenditures

Calaveras LAFCO

City Fund 405 Dept 9001

Item	Account Number	Comm Stipends	Insurance	Communications	Memberships	Gen Office Exp	Postage	copies	Fire&EMS	W & WWSOI	Ex. OFF Svcs	City Fin. Chrg
		62001	62050	62051	62052	62053	62054	62055	62057	62058	62059	62060
Total Budgeted		\$ 6,600.00	\$ 1,716.04	\$ 800.00	\$ 758.00	\$ 500.00	\$ 500.00	\$ 2,000.00	\$ 18,000.00	\$ 25,000.00	\$ 42,500.00	\$ 3,600.00
Calafco dues 13-14												
SDRMA Insurance 13-14			\$ (1,691.04)									
Calafco Conference registrations												
Colantuono #25622												
Staff Svcs July 2013												
Comm Stipends July 15, 2013		\$ (350.00)		\$ (70.93)			\$ (10.92)	\$ (56.50)	\$ (1,956.25)		\$ (3,500.00)	
Staff Svcs Aug 2013												
Colantuono Billing # #25795				\$ (47.78)			\$ (21.96)	\$ (46.11)		\$ (1,462.50)	\$ (3,562.50)	
Paque Calafco Conf Reimbursement												
Tyrrell Calafco Conf Reimbursement												
Stein Calafco Conf Reimbursement												
Lynch Calafco Conf Reimbursement												
Comm Stipend Sept 16, 2013		\$ (300.00)										
JB Staff Svcs Sept 2013												
Calav Ent CalavRiverEst #26627				\$ (42.27)			\$ (45.84)	\$ (94.97)	\$ (1,237.50)	\$ (2,587.50)		
Darren Spellman Calafco Conf. Reimb												
Merita Callaway Conf. Reimb												
Staff Svcs Oct 2013				\$ (43.44)			\$ (6.60)	\$ (10.75)	\$ (2,062.50)		\$ (1,575.00)	
CPUD and Fire SOI's oct 2013												
Calaveras Enterprise Rancho Calav Est												
Comm Stipend Nov 2013		\$ (350.00)										
Staff Svcs November 2013				\$ (55.25)			\$ (24.96)	\$ (84.27)	\$ (1,537.50)		\$ (3,450.00)	
TOTAL EXPENDED		\$ 5,600.00	\$ 25.00	\$ 540.33	\$ -	\$ 500.00	\$ 389.72	\$ 1,707.40	\$ 12,443.75	\$ 22,300.00	\$ 27,825.00	\$ 3,600.00
TOTAL REMAINING												

[illegible]

Resolution No. 2013-0011

CALAVERAS LOCAL AGENCY FORMATION COMMISSION

*A Resolution Making Determinations and Approving A Sphere of Influence Update for the
Calaveras Public Utility District*

WHEREAS, Government Code Section 56425 requires each Local Agency Formation Commission to adopt and periodically review and update a sphere of influence for each local governmental agency within its jurisdiction; and

WHEREAS, the Calaveras Local Agency Formation Commission, in compliance with the aforementioned requirement, is providing a “plan for the probable physical boundaries and service area” for the Calaveras Public Utility District; and

WHEREAS, the Commission has set the hearing date of December 16, 2013 for the update of the sphere of influence for the Calaveras Public Utility District and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56150, *et seq.*; and

WHEREAS, the Commission has heard and adopted a Municipal Services Review of domestic water services provided by the Calaveras Public Utility District in accordance with Gov. Code section 56430; and

WHEREAS, the Commission has reviewed and considered the proposed Sphere of Influence update report including the proposed Sphere of Influence Update Map which is attached hereto and incorporated herein; and

WHEREAS, Calaveras LAFCO prepared and a notice of exemption for such action since the sphere of influence reflects no change in the territory being served by the district; and

WHEREAS, the Commission has considered those factors determined by it to be relevant to the proposed sphere of influence update, including, but not limited to, those factors specified in Government Code Section 56425, *et seq.*, and has heard from interested parties and considered requests for amendment and/or revision of the proposed updated sphere boundary, if any;

NOW, THEREFORE, BE IT RESOLVED that the Calaveras Local Agency Formation Commission does hereby find and determine as follows:

1. That the proposed sphere of influence update with respect to the Calaveras Public Utility District complies with the provisions of Government Code Section 56000, *et seq.*
2. That the Calaveras Public Utility District is authorized to provide domestic water services within its boundaries. All other services to be provided shall be considered a new or different service requiring LAFCo approval.
3. That no significant protests have been received regarding the establishment of this Sphere of Influence update.
4. That, pursuant to Government Code Section 56425, the Commission makes and adopts those determinations set forth in the Sphere of Influence Study are attached hereto and incorporated herein as set forth in Attachment A.

5. That pursuant to the California Environmental Quality Act, the Commission adopts a Notice of Exemption (Attachment B) under Class 20 since the proposed project involves a sphere of influence update where the Sphere of Influence of the Calaveras Public Utility District will not change as a result of this update.
6. That the Sphere of Influence Update Report, Executive Officer's Report, and Map for the Calaveras Public Utility District updated Sphere of Influence is hereby adopted and approved as set forth in Attachment "A".

PASSED AND ADOPTED at a regular meeting of the Calaveras Local Agency Formation Commission, State of California, on the sixteenth day of December 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jack Lynch, Chair Calaveras Local Agency
Formation Commission

Attest:

John Benoit, Executive Officer Calaveras LAFCO

**CALAVERAS
LOCAL AGENCY FORMATION COMMISSION**

**CALAVERAS PUBLIC UTILITY DISTRICT
SPHERE OF INFLUENCE UPDATE**

2013

December 16, 2013

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1 INTRODUCTION

1.1 Sphere of Influence Description

The Calaveras Local Agency Formation Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county. Once Calaveras LAFCO has adopted the MSR determinations as it did in 2012, it must update the SOI for the Calaveras Public Utility District (CPUD).

An SOI is a LAFCO-approved plan that designates an agency's probable future boundary and service area. The definition for a Sphere of Influence in Government Code Section 56076 is a "Sphere of Influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCO to a city or district unless it is within that agency's sphere. The purposes of the SOI include the following:

- To ensure the efficient provision of services
- To discourage urban sprawl and premature conversion of agricultural and open space lands
- To prevent overlapping jurisdictions and duplication of services

The Cortese-Knox-Hertzberg (CKH) Act requires LAFCO to develop and determine the SOI of each local governmental agency within the county and to review and update the SOI every five years, as necessary. LAFCOs are empowered to adopt, update and amend the SOI. They may do so with or without an application and any interested person may submit an application proposing an SOI amendment.

While SOIs are required to be updated every five years, as necessary, this law does not necessarily define the planning horizon of the SOI. The term or horizon of the SOI is determined by each LAFCO. In the case of Calaveras LAFCO, the Commission's policies state that an agency's near term SOI shall generally include land that is anticipated to be annexed within the next five years, while the agency's long-term SOI shall include land that is within the probable growth boundary of an agency and therefore anticipated to be annexed in the next 20 years.

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. In determining the SOI, LAFCO is required to complete an MSR and adopt six determinations. The MSR for Calaveras Public Utility District was adopted by Calaveras LAFCO Resolution 2012-02 on June 18, 2012.

1.2 Sphere of Influence Requirements

In determining the Sphere of Influence for each local agency, LAFCO must consider and prepare a statement of determinations with respect to each of the following:

1. The present and planned land uses in the area, including agricultural and open space lands

2. The present and probable need for public facilities and services in the area
3. The present capacity of public facilities and adequacy of public services which the agency provides, or is authorized to provide
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.

Additionally, the CKH Act stipulates several procedural requirements in updating SOIs. It requires that special districts file written statements on the class of services provided and that LAFCO clearly establish the location, nature and extent of services provided by special districts.

By statute, LAFCO must publish a notice and notify affected agencies 21 days before holding the public hearing to consider the SOI and may not update the SOI until after that hearing. The LAFCO Executive Officer must issue a report including recommendations on the SOI amendments and updates under consideration at least five days before the public hearing.

1.3 Calaveras LAFCO Sphere of Influence Policies

In addition to State requirements for SOIs, Calaveras LAFCO has adopted policies regarding Spheres of Influence in the County and minimum requirements necessary in order to update or adopt an agency's SOI. Six highlighted requirements are summarized as follows:

1. The Sphere of Influence Plan must be consistent with LAFCO's policies, State law, other agencies' SOI plans, the municipal service review, and long range planning goals of the area.
2. LAFCO will not include lands that are unlikely to require the services of the agency or which cannot be feasibly served within a time frame consistent with the sphere plan.
3. Agencies are encouraged to keep the supporting documentation for their SOI plans up to date.
4. Sphere of Influence Plans have to be updated every five years or more frequently.
5. If an agency is unable to provide an adequate level of service within a portion of its service area boundaries within the time frame provided for that boundary, the Sphere of Influence Plan has to be updated so that the probable service boundaries are consistent with the determinations in the Municipal Service Review.
6. A District Sphere of Influence Plan shall contain the following:

Proof that the territory within the District's SOI is likely to require the district's services and that the district has or will have the capacity to serve the area at the appropriate level.

In the case of multi-service districts, LAFCO has to adopt an SOI plan for each distinct function or class of service provided by a district. These sphere plans may or may not be coterminous. Each sphere shall establish the nature, location, and extent of the functions or classes of services provided by the district.

LAFCO adopts a sphere of influence plan for a newly formed district within two years of the completion of formation proceedings.

Amendment proposals involving sphere expansion to include open space or prime agricultural land will not be approved by LAFCO if there is sufficient alternative land available for annexation within the existing sphere of influence.

1.4 Possible Approaches to the Sphere of Influence

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. Based on review of the guidelines of Calaveras LAFCO as well as other LAFCOs in the State, various conceptual approaches have been identified from which to choose in designating an SOI. These seven approaches are explained below:

1) **Coterminous Sphere:**

A Coterminous Sphere means that the sphere for a city or special district that is the same as its existing boundaries.

2) **Annexable Sphere:**

A sphere larger than the agency's boundaries identifies areas the agency is expected to annex. The annexable area is outside its boundaries and inside the sphere. This is the recommendation for the Calaveras PUD.

3) **Detachable Sphere:**

A sphere that is smaller than the agency's boundaries identifies areas the agency is expected to detach. The detachable area is the area within the agency bounds but not within its sphere.

4) **Zero Sphere:**

A zero sphere indicates the affected agency's public service functions should be reassigned to another agency and the agency should be dissolved or combined with one or more other agencies.

5) **Consolidated Sphere:**

A consolidated sphere includes two or more local agencies and indicates the agencies should be consolidated into one agency.

6) **Limited Service Sphere:**

A limited service sphere is the territory included within the SOI of a multi-service provider agency that is also within the boundary of a limited purpose district which provides the same service (e.g., fire protection), but not all needed services. Territory designated as a limited service SOI may be considered for annexation to the limited purpose agency without detachment from the multi-service provider.

This type of SOI is generally adopted when the following four conditions exist:

- a) The limited service provider is providing adequate, cost effective and efficient services
- b) The multi-service agency is the most logical provider of the other services
- c) There is no feasible or logical SOI alternative, and
- d) Inclusion of the territory is in the best interests of local government organization and structure in the area

Government Code §56001 specifically recognizes that in rural areas it may be appropriate to establish limited purpose agencies to serve an area rather than a single service provider, if multiple limited purpose agencies are better able to provide efficient services to an area rather than one service district.

Moreover, Government Code Section §56425(i), governing sphere determinations, also authorizes a sphere for less than all of the services provided by a district by requiring a district affected by a sphere action to “establish the nature, location, and extent of any functions of classes of services provided by existing districts” recognizing that more than one district may serve an area and that a given district may provide less than its full range of services in an area.

7) Sphere Planning Area:

LAFCO may choose to designate a sphere planning area to signal that it anticipates expanding an agency's SOI in the future to include territory not yet within its official SOI.

1.5 SOI Options for Calaveras Public Utility District

1.5.1 Calaveras Public Utility District

Calaveras Public Utility District (CPUD) provides treated water services to Mokelumne Hill, San Andreas, Paloma, and portions of Glencoe and Railroad Flat, as well as raw water services. CPUD was formed on January 18, 1934 as an independent special district.¹

The District was formed to provide water services to the communities of Mokelumne Hill and San Andreas. Shortly after its formation, CPUD acquired a Gold Rush era system of ditches and flumes from the Mokelumne River Power and Water Company.

The District has a five-member governing body. Board members are elected at large to staggered four-year terms. The last contested election for a board seat occurred in 2009 when four candidates ran for three seats; the 2007 and 2011 elections were uncontested.

CPUD provides surface water treatment and distribution, for domestic use, directly. CPUD provides limited raw water service to four accounts. The District generates hydroelectric power at four generating stations for sale to PG&E.

The District's staff consists of seven full-time employees—a general manager, two office staff, a treatment plant supervisor, and four field staff members—. The general manager is responsible for managing day-to-day operations. The field staff report directly to the treatment plant supervisor who, in turn, reports to the general manager.

¹ Board of Equalization Official Date.

Employees are evaluated on an annual basis, and more frequently when necessary. The District did not provide specifics as to how it monitors its productivity. The District operates employee training programs, including safety training.

The State Department of Public Health inspects District facilities and practices annually, and most recently described the water system operation as good. The District compares its water rates with similar service providers, but does not practice performance benchmarking/comparisons with other providers.

The District prepared a water master plan in 2008 that identified capital project priorities for a six-year planning horizon. The plan identifies annual pipe replacement costs, and a need to begin planning for an expanded WTP within the next 10 to 15 years. Prior to the master plan, CPUD most recently prepared a capital improvement plan in 2005. Capital improvements are also addressed annually in the District's budget. The District has reviewed the 2008 master plan and will have the updated capital improvement plan implemented in fiscal year 2015.

Financial planning efforts include annual preparation of budgets, annually audited financial statements, and occasional rate studies (most recently in 2012). The most recent audited financial statement provided by the District was for FY 11-12. The auditor found deficiencies relating to a need for the District to maintain a listing of reserve requirements for its long-term debt, to have written financial and accounting policies. The District's most recent rate study was conducted in 2012, a 5-year water rate increase was implemented in January 2013.

The District reported that the current financing level is adequate to deliver services, and indicated that additional funding is needed to provide for paid staffing to provide adequate service levels to meet both existing and future demand.

The District does not have a formal policy on maintaining financial reserves. CPUD had \$6.5 million in unrestricted reserves at the close of FY 11-12, none of which was formally designated for debt payments or capital projects. The amount is equivalent to 371 percent of all expenditures in FY 10-11. In other words, the District maintained three years and eight months of working reserves.²

1.5.2 Option #1: Confirm Existing SOI

The CPUD sphere of influence is substantially more expansive than the CPUD boundary area, encompassing about 159 square miles. Beginning near the Channel Arm of Pardee Reservoir, the northern SOI runs along the Mokelumne River. Near Glencoe the SOI runs east along the South Fork Mokelumne River beyond Railroad Flat Road. The SOI extends east beyond Railroad Flat Road, including the community of Mountain Ranch. The SOI runs south along San Antonio Creek, the South Fork Calaveras River and along the north of New Hogan Reservoir.

1.5.3 Option #2: SOI Expansion

A second option is for LAFCO to adopt a wastewater SOI for CPUD to signal the desirability of consolidation of Mokelumne Hill Sanitary District (MHSD) into CPUD. As discussed in the Municipal Service Review chapter on MHSD, MHSD faces significant challenges in accountability

² Calaveras LAFCO, Final Water and Wastewater Municipal Service Review, Adopted June 18, 2012.

and management of its affairs. One option identified for MHSD, depending on priorities and needs of the community, may be the dissolution of MHSD and services assumed by another overlapping agency, such as CCWD or CPUD, which are both empowered to take on wastewater services.

1.5.4 SOI Options Analysis

The recommendation for the Calaveras Public Utility District is for the Sphere of Influence to remain the same as the previously adopted SOI. Although a Public Utility District is allowed to provide wastewater services it would not be advisable for the Calaveras PUD to include the Mokelumne Hill Sanitary District (MHSD) into the District at this time.

1.6 SOI Amendments and CEQA

LAFCO has the discretion to limit SOI updates to those that it may process without unnecessarily delaying the SOI update process or without requiring its funding agencies to bear the costs of environmental studies associated with SOI expansions. Any local agency or individual may file a request for an SOI amendment. The request must state the nature of and reasons for the proposed amendment, and provide a map depicting the proposal.

LAFCO may require the requester to pay a fee to cover LAFCO costs, including the costs of appropriate environmental review under CEQA. LAFCO may elect to serve as lead agency for such a review, may designate the proposing agency as lead agency, or both the local agency and LAFCO may serve as co-lead agencies for purposes of an SOI amendment. Local agencies are encouraged to consult with LAFCO staff early in the process regarding the most appropriate approach for the particular SOI amendment under consideration.

Certain types of SOI amendments are usually exempt from CEQA review. Examples are SOI expansions that include territory already within the bounds or service area of an agency, SOI reductions, and zero SOIs. SOI expansions for limited purpose agencies that provide services (e.g., fire protection, levee protection, cemetery, and resource conservation) needed by both rural and urban areas are typically not considered growth-inducing and are likely exempt from CEQA. Similarly, SOI expansions for districts serving rural areas (e.g., irrigation water) are typically not considered growth-inducing.

Remy et al. write

In City of Agoura Hills v. Local Agency Formation Commission (2d Dist.1988) 198 Cal.App.3d480, 493-496 [243 Cal.Rptr.740] (City of Agoura Hills), the court held that a LAFCO's decision to approve a city's sphere of influence that in most respects was coterminous with the city's existing municipal boundaries was not a "project" because such action did not entail any potential effects on the physical environment.³

The recommendation for the Calaveras Public Utility District is for the Sphere of Influence to remain the same as the previously adopted SOI. This would not require environmental review.

³ Remy, Michael H., Tina A. Thomas, James G. Moose, Whitman F. Manley, Guide to CEQA, Solano Press Books, Point Arena, CA, February 2007, page 111.

2 SPHERE OF INFLUENCE (SOI) DETERMINATIONS FOR CALAVERAS PUBLIC UTILITY DISTRICT

2.1 Present and Planned Land Uses in the Calaveras Public Utility District Area, Including Agricultural and Open Space Lands

2.1.1 *Calaveras County General Plan and Zoning for San Andreas and Mokelumne Hill Area*

The boundaries of CPUD extend from Mokelumne Hill in the northwest along the Mokelumne River to Glencoe, extends an eastern arm along Ridge Road toward Railroad Flat, and south to the South Fork Calaveras River including the community of San Andreas. The boundary area includes a non-contiguous area in the community of Paloma. The District has a boundary area of approximately 38 square miles.

The District bounds encompass a variety of land uses, as they include the communities of San Andreas and Mokelumne Hill, in addition to the Highway 49 corridor between the two. In the community of San Andreas, land uses include residential, commercial, public, and parks and recreation land uses; and in the community of Mokelumne Hill, land uses include residential, commercial, agricultural, and public land uses. Significant planned development is associated with both communities. Other land uses within CPUD include agricultural preserve, timberland and mineral resources.

Local businesses include commercial and institutional operations located in the communities of San Andreas and Mokelumne Hill. Major employers within the District include Calaveras County, Mark Twain St. Joseph's Hospital, Mark Twain Convalescent Hospital, and Calaveras Unified School District.

The District considers its customer base to be the water connections served and the residents within the District boundaries. As of 2009, the District provided water services to 1,985 water connections—1,461 single-family residential, 285 multi-family residential, 228 commercial, seven public, no industrial, and four irrigation connections.

The estimated number of residents in 2009 was 3,915, based on analysis of connections served and 2010 DOF household size data. San Andreas had a 2010 population of 2,783 and Mokelumne Hill had a 2010 population of 646. Thus the majority of the District residents are from these two areas.

The District's population density was approximately 50 per square mile in 2009, compared with the countywide density of 45 per square mile. The District's projected population growth rate from 2009 to 2030 is 49 percent (two percent annually), which is somewhat higher than the countywide projected growth of 32 percent over that period.

2.1.2 SOI Determinations on Present and Planned Land Use for Calaveras Public Utility District

- 1-1] The District bounds encompass a variety of land uses, as they include the communities of San Andreas and Mokelumne Hill, in addition to the Highway 49 corridor between the two. In the community of San Andreas, land uses include residential, commercial, public, and parks and recreation land uses; and in the community of Mokelumne Hill, land uses include residential, commercial, agricultural, and public land uses. Significant planned development is associated with both communities. Other land uses within CPUD include agricultural preserve, timberland and mineral resources.
- 1-2] The District is not a land use authority, and does not hold primary responsibility for implementing growth strategies. The District should maintain close contact with the Calaveras County Planning Department to be aware of new developments and changes in the General Plan.
- 1-3] The population within the CPUD boundary area was 5,089 residents in 2009. The majority of the population in the District is from San Andreas.
- 1-4] If built, planned and proposed developments would add new housing units and jobs in areas such as Toyon, Saddleback, Mountain Ranch Road, and along Gold Strike Way.
- 1-5] Growth projections within the CPUD area involve substantial growth in housing units in and around San Andreas and Mokelumne Hill, and substantial growth in the job base in San Andreas by 2035.

2.2 Municipal Services—Present and Probable Capacity and Need

2.2.1 Present and Probable Capacity and Need Background

Key infrastructure for water service includes the District's water supplies, its water treatment plant, three pump stations, two reservoirs, six storage tanks, three pressure-reducing stations, 18 miles of transmission mains, and 23 miles of distribution pipeline.

Calaveras PUD Water Supplies

CPUD purchased its original water system from Mokelumne River Power and Water Company in 1939, and with it came water rights on the Middle, Licking and South Forks of the Mokelumne River. The District negotiated an agreement the following years with EBMUD which provides up to 9,125 afa, including rights to store water in Schaads reservoir.⁴ A subsequent water right order limits the maximum diversion to 6,656 af; that amount is more than adequate to supply the 2,181 af in projected CPUD water demand well past 2030.⁵

⁴ Peterson, Brustad, Inc., *CPUD Water Master Plan*, October 2008, p. 14. State Water Resources Control Board, permit number 16338.

⁵ Water Right Order 16338. The 6,656 af right is a part of the 27,000 afa of Mokelumne River water reserved for Calaveras County.

CPUD obtains its water from the South Fork of the Mokelumne River where the District has a diversion dam; the dam is located just below the confluence of the South and Licking Forks of the Mokelumne River. The dam causes the river water to pool, so CPUD can extract the water from the river through a pump station (3,300 gpm capacity) and transport it via a three-mile pipeline (9.7 mgd capacity) to the Jeff Davis Reservoir. From there, it enters the treatment plant and then flows through transmission mains into the distribution system.

The District also has facilities for extracting water from the Middle Fork of the Mokelumne River. CPUD's Schaads Reservoir on the Middle Fork of the Mokelumne River is used to supply CCWD with up to 200 afa. The reservoir capacity is 1,800 afa. Historically, water was moved from Schaads Reservoir through a diversion canal to the Licking Fork of the Mokelumne River (which is upstream from the CPUD pump station). Due to the poor condition of the diversion canal, the Middle Fork water has not been diverted into the Licking Fork for some time.⁶ Schaads Reservoir is not connected hydraulically to the CPUD treated water system at this time. Schaads Reservoir needs improvements to remove siltation, install flashboards and reconstruct the pressure reducing facility there; CPUD plans to do these improvements when financial feasibility is anticipated by FY 15-16.

CPUD reported that it has rights to store 400 afa of Calaveras River water at its Redhawk Reservoir located to the east of the intersection of Ridge Road and Railroad Flat. The water was used in the past to supply downstream agricultural users.⁷ CPUD has not supplied those agricultural users since approximately 2002, and is not actively operating the Redhawk Reservoir.⁸

Calaveras PUD Treatment Systems⁹

The District owns, operates and maintains a treatment plant for surface water. The Jeff Davis WTP consists of six dual media pressure filters, and has capacity to produce 6 mgd of treated water. The WTP was designed to allow for expansion to 12 mgd capacity with the addition of six pressure filters. By comparison, average day demand is 1.3 mgd and peak day demand is 3.02 mgd. There is adequate WTP capacity. CPUD plans to start planning for WTP expansion within the next 10-15 years.¹⁰ The WTP is in good condition, having been upgraded recently.¹¹ When it is expanded, the WTP will need to provide more treated water storage and to re-engineer to avoid in-plant pumping.

Calaveras PUD Water Storage

The Agency owns and maintains six treated water storage facilities. The storage tanks have a combined storage of 5.66 mg of water. Treated water storage would accommodate 1.9 days of peak demand or 4.4 days of average system demand. Four storage tanks were built in the 1970s, a minor storage tank in Golden Hills was built in the 1980s, and the Railroad Flat storage tank was built in 2002. Storage facilities in Golden Hills and Paloma lack capacity to meet District standards.

⁶ California Department of Public Health, *2009 Annual Inspection Report*, June 10, 2009, p. 2.

⁷ Dennis Dickman and Associates. *Service Review Report for the Calaveras Local Agency Formation Commission: Public Agency Water Purveyors*, December 2003, p. VII-3.

⁸ Interview with CPUD General Manager Donna Leatherman, October, 4, 2010.

⁹ Calaveras LAFCO, *Final Water and Wastewater Municipal Service Review*, Adopted June 18, 2012, Page 174.

¹⁰ Peterson, Brustad, Inc., *CPUD Water Master Plan*, October 2008, p. 34.

¹¹ Peterson, Brustad, Inc., *CPUD Water Master Plan*, October 2008, p. 34.

Calaveras PUD Distribution and Transmission

The transmission system consists of 18 miles of mains made primarily from cement, mortar-lined and-coated steel pipe of 16 to 27 inches in diameter. The transmission main runs from the WTP and generally follows SR 26 but crosses open country in some locations. The distribution system consists of 20 miles of pipeline made of steel, PVC and other materials; some distribution pipelines are 50 years or older in age. The CPUD master plan calls for \$795,000 in annual pipeline replacement expenditures to replace aging pipelines; under this plan 25 percent of the CPUD pipeline will be replaced by 2030. The most recent State inspection report indicated that a majority of distribution lines are steel mains installed in the 1940s and 1950s.¹²

The District quantified its long-term capital plans in 2008, identifying \$22 million in capital needs (in 2009 dollars) through 2030. CPUD updates the CIP annually during the budget process. Due to the housing market collapse, projected revenue and facility expansion needs were less than anticipated by the 2008 CIP. CPUD capital spending steadily declined between FY 06-07 and FY 08-09; however, capital outlays in FY 10-11 approach the level in FY 06-07. Significant capital outlays have been financed in the past with connection fees, loans, rates and reserves. The District's master plan contemplates funding some capital projects through an assessment district. In the past five fiscal years, capital outlays have not kept pace with capital depreciation.

The District had \$0.35 million in long-term debt at the end of FY 12-13. Of this amount, 100 percent involves a USDA loan to finance construction of the Railroad Flat water pipeline and tank installation. The 1970 loan for constructing CPUD water facilities, 1972 water construction project, a 1977 loan to finance water facilities in Paloma, were paid off in fiscal year 2012-13

2.2.2 SOI Determinations on Present and Probable Capacity and Need for Calaveras Public Utility District

- 2-1] As of 2009, the district boundaries included approximately 5,089 residents.
- 2-2] Modest growth is anticipated within the District in the next 20 years. The existing SOI includes 11 proposed and planned residential development projects involving 350 potential dwelling units, most of which lie within existing CPUD bounds.
- 2-3] Non-residential development projects are planned or proposed in San Andreas and Railroad Flat within District bounds, as well as an industrial project in Toyon which lies inside the existing CPUD SOI. CPUD had determined in its 2008 Master Plan that water service to the Toyon area appears not to be cost-effective

¹² California Department of Health Services, *2009 Annual Inspection Report*, 2009, p. 15.

2.3 The Present Capacity of Public Facilities and Adequacy of Public Services Provided by Calaveras Public Utility District

2.3.1 Adequacy of Services Provided by Calaveras Public Utility District

Key infrastructure for water service includes the District's water supplies, its water treatment plant, three pump stations, two reservoirs, six storage tanks, three pressure-reducing stations, 18 miles of transmission mains, and 23 miles of distribution pipeline. These facilities are described above in this report.

2.3.2 SOI Determinations on Adequacy of Services Provided by Calaveras Public Utility District

- 3-1] CPUD has adequate water supplies to serve anticipated growth beyond 2030.
- 3-2] Treatment capacity is adequate to serve near-term growth, but will eventually need to be expanded to serve long-term growth. CPUD intends to initiate WTP expansion planning within the next 15 years.
- 3-3] Aging pipelines are a challenge for CPUD, and may be the reason for the District's relatively high water loss rate. The District has a plan to replace one quarter of its pipeline by 2030. According to the State inspection report, a majority of CPUD's distribution lines were installed in the 1940s and 1950s.
- 3-4] There are water pressure issues in portions of the CPUD system, specifically low pressure in Church Hill
- 3-5] Financing is adequate to deliver minimally adequate services to the CPUD systems. However, CPUD reported that additional funding is needed for paid staffing to provide adequate service levels.
- 3-6] CPUD has the lowest service rates and connection fees among the service providers. The District conducted a rate study in 2012 and implemented a five-year rate increase in 2013. This will enhance revenue sources for capital improvements and additional staffing.
- 3-7] CPUD appears to have adequate financial reserves.
- 3-8] CPUD capital outlays have not kept pace with depreciation in recent years.

2.4 Social or Economic Communities of Interest

2.4.1 San Andreas Area Community Background

Communities of interest within the District's boundary and SOI include the unincorporated communities of Mokelumne Hill, San Andreas, Paloma, and portions of Glencoe and Railroad Flat.

San Andreas, the largest community within the District, is an unincorporated census designated place and the county seat of Calaveras County. The population was 2,783 at the 2010 census, up from 2,615 at the 2000 census. Like most towns in the region, it was originally founded during the California Gold Rush. The town is located on State Highway 49 and is registered as California Historical Landmark #252.¹³

Mokelumne Hill (also, Big Bar, Mok Hill, and The Hill) is also a census designated place (CDP) in Calaveras County. The population was 646 at the 2010 census, down from 774 at the 2000 census. It is commonly referred to as "Moke Hill" by locals. The town takes its name from the neighboring Mokelumne River, which in turn is Miwok for the "people of Mokel," the likely name of an Indian village in the area.

San Andreas is the largest service area of the communities within the Calaveras PUD. There are more services in San Andreas and the other communities are dependent on most of these services.

2.4.2 SOI Determinations on Social or Economic Communities of Interest for Calaveras PUD

- 4-1] San Andreas is the largest service area of the communities within the Calaveras PUD.
- 4-2] The communities within the Calaveras PUD are not divided by the District's boundaries or SOI.

2.5 Disadvantaged Unincorporated Community Status

2.5.1 Disadvantaged Unincorporated Communities

In addition to a consideration of population growth, the State Law requires LAFCO to consider whether or not an area is a Disadvantaged Unincorporated Community (DUC). A DUC is an area where the Median Household Income is less than 80% of the State of California Median Household Income.

For 2009 the Median Household Income for San Andreas (the largest community within the Calaveras PUD) was \$41,096. Since 80% of the \$58,931 State of California Median Household Income for 2009 is \$47,145;¹⁴ the San Andreas area is a DUC. However, there is no incorporated city for this area to be annexed into.

2.5.2 Calaveras PUD Area and Disadvantaged Unincorporated Community Status

- 5-1] The San Andreas area is a disadvantaged unincorporated community because the median household income is below 80% of the State median household income; however, there is no incorporated area for this community to join

¹³ State of California, Office of Historical Preservation, California State Parks.
<http://ohp.parks.ca.gov/ListedResources/Detail.aspx?num=252>. Retrieved 2012-10-06.

¹⁴ <http://www.city-data.com/city/San-Andreas-California.html>, February 10, 2013.

ABBREVIATIONS

af	Acre-feet
afa	Acre-feet per annum
CCWD	Calaveras County Water District
CEQA	California Environmental Quality Act
CKH Act	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPUD	Calaveras Public Utility District
District	Calaveras Public Utility District
DUC	Disadvantaged Unincorporated Community
EBMUD	East Bay Municipal Utility District
FY	Fiscal Year
gpm	gallons per minute
LAFCO	Local Agency Formation Commission
mgd	million gallons per day
MHSD	Mokelumne Hill Sanitary District
MSR	Municipal Service Review (LAFCO)
PG&E	Pacific Gas and Electric Company
PUD	Public Utility District
PVC	poly-vinyl-chloride (pipe material)
SOI	Sphere of Influence (LAFCO)
USDA	United States Department of Agriculture
WTP	Water Treatment Plant

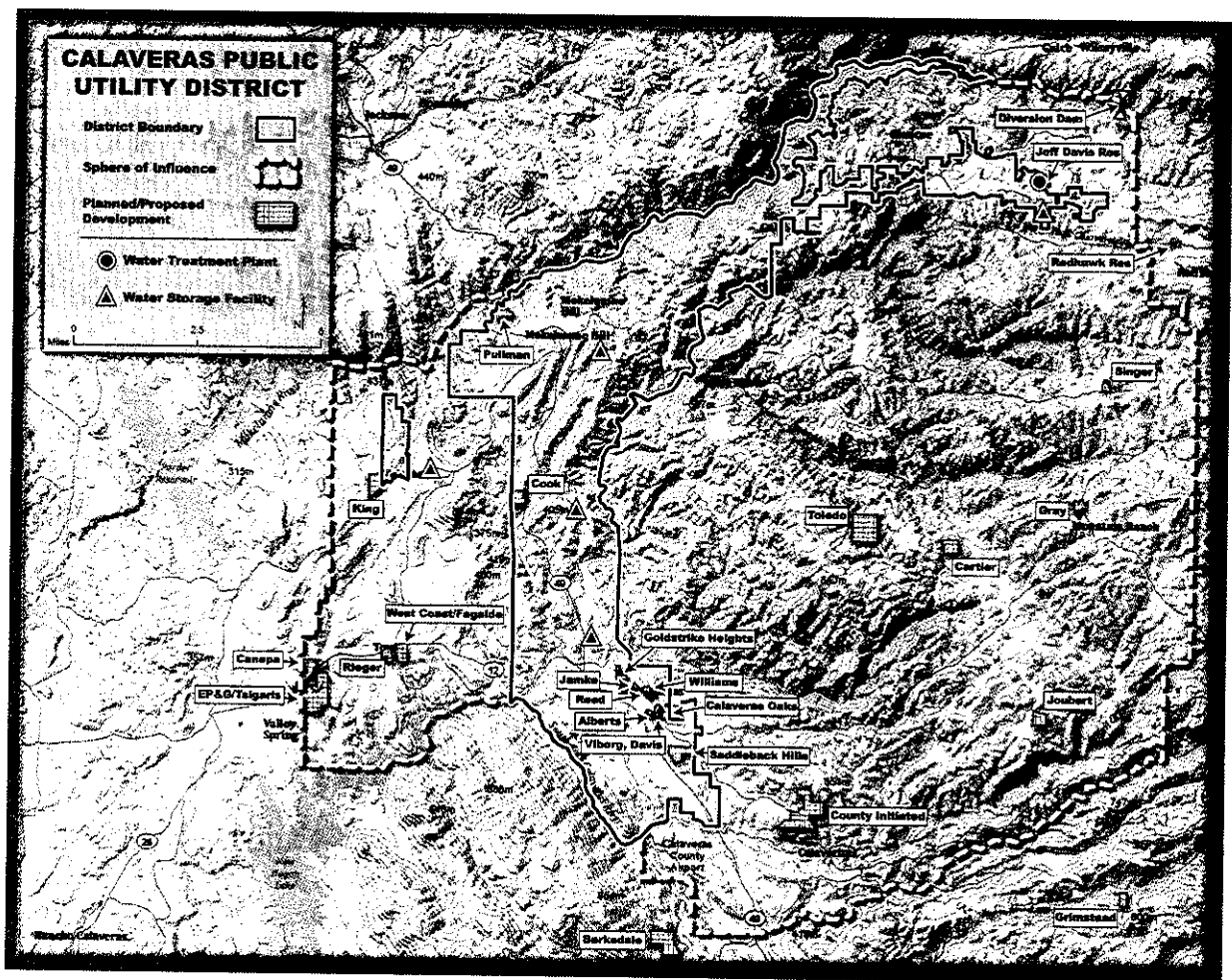
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PREPARERS

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NOTICE OF EXEMPTION

TO: County Clerk
County of Calaveras
San Andreas, CA 95453

FROM; Calaveras LAFCO
P.O. Box 2694
Granite Bay, CA 95746

PROJECT TITLE: Sphere of Influence Update for the Calaveras Public Utility District (CPUD)

PROJECT LOCATION: San Andreas, Glencoe, Mokelumne Hill and surrounding area in Calaveras County

DESCRIPTION OF PROJECT:

An update to the sphere plans for the probable physical boundaries and service area for domestic water services provided by the CPUD.

NAME OF PUBLIC AGENCY APPROVING PROJECT:

Calaveras Local Agency Formation Commission

NAME OF PERSON OR AGENCY CARRYING OUT THE PROJECT:

John Benoit, Executive Officer for
Calaveras Local Agency Formation Commission

EXEMPT STATUS:

Class 20 Categorical Exemption, "Changes in Organization of Local Agencies" CEQA Guideline Section 15320.

REASONS WHY PROJECT IS EXEMPT:

The proposed project involves a sphere of influence update where the services provided by the CPUD will not change as a result of this update and the proposal is consistent with the land use patterns established in the County's General Plan. Sphere expansion areas are currently established by LAFCo.

CONTACT PERSON:
John Benoit
LAFCO Executive Officer

TELEPHONE NUMBER:
(209) 754.6511

By: _____

Date: December 16, 2013

Resolution 2013-0012
of the
Calaveras Local Agency Formation
Commission

*A Resolution of the Calaveras Local Agency Formation Commission
Amending its Policies, Standards and Procedures to include a policy regarding
Disadvantaged Unincorporated Communities*

RESOLVED, the Calaveras Local Agency Formation Commission in the County of Calaveras, State of California, that

WHEREAS, policies, standards and procedures are necessary to guide the Calaveras Local Agency Formation Commission in making determinations on future projects; and

WHEREAS, the Commission has reviewed, revised and updated the policies, standards and procedures adopted by LAFCO on July 18, 2005 and adopted Resolution 2005-06 and adopted a comprehensive revision amending its policies on August 17, 2009 by adopting Resolution 2009-0007; and

WHEREAS, the Commission has conducted a workshop regarding the proposed Policies, Standards and Procedures amendment to include a policy regarding disadvantaged unincorporated communities (DUC's); and

WHEREAS, this Commission called for and held a Public Hearing on this Policies, Standards and Procedures amendment on December 16, 2013 and at the hearing, this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this amendment and the report of the Executive Officer.

NOW, THEREFORE, the Calaveras Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

1. The attached updated Policies, Standards and Procedures Amendment shall guide the Commission in compliance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended.
2. New Section 2-19 regarding DUC's is hereby added to Calaveras LAFCo's Policies, Standards and Procedures as shown in Exhibit A.

3. Any conflicting LAFCO Policies, Standards and Procedures regarding DUC's previously approved by the Commission are hereby repealed in favor of this amendment.

The foregoing resolution was offered at a Regular Meeting of the CALAVERAS LOCAL AGENCY FORMATION COMMISSION on the 16th day of December 2013, and adopted by the following vote of the Commission:

AYES:
NOES:
ABSTAIN:
ABSENT:

Jack Lynch, Chair
Calaveras Local Agency Formation Commission

ATTEST:

John Benoit, Executive Officer
CALAVERAS LOCAL AGENCY FORMATION COMMISSION,

2.19 Disadvantaged Unincorporated Communities

The Commission will identify Disadvantaged Unincorporated Communities, as defined below, for the purpose of:

1. *Municipal Service Reviews.* *Water, Wastewater, and Fire Protection Municipal Service Reviews will discuss and identify opportunities for the provision of those services to Disadvantaged Unincorporated Communities within or contiguous to the Sphere of Influence of an agency.*
2. *City Annexations.* *Disadvantaged Unincorporated Communities that are located contiguous to areas proposed for annexation to the City of Angels Camp shall normally be included in the annexation or reorganization proposal or be separately proposed for annexation, unless the Commission has determined that the disadvantaged community would not be benefited by annexation, or if at least 50% the registered voters have indicated opposition to annexation.*
3. *Definition of Disadvantaged Unincorporated Community.* *A Disadvantaged Unincorporated Community is defined as a developed area that has been identified as such by LAFCo, the County or the City, or one that meets all the following standards:*
 - a) *Substantially developed with primarily residential uses*
 - b) *Contains at least 25 parcels in close proximity to each other that do not exceed 1.5 acres in size*
 - c) *Does not have reliable public water, sewer or structural fire protection service available*
 - d) *Contains at least 12 registered voters*
 - e) *Has a median household income level of less than 80% of the statewide median household income*
4. *Request for Determination.* *In addition to those Disadvantaged Unincorporated Communities identified by LAFCo or other agencies, residents or property owners may request that LAFCo determine whether a specific area meets the criteria listed in Item 3, to be treated as a Disadvantaged Unincorporated Community. Such request must be submitted by at least twelve registered voters of the area. The review shall be conducted by LAFCo staff and shall, if appropriate, be submitted for consideration and approval by the Commission.*