CALAVERAS LOCAL AGENCY FORMATION COMMISSION

HEARING DRAFT

SPHERE OF INFLUENCE FOR THE
UNION PUBLIC UTILITY DISTRICT

MAY 18, 2015

(Exhibit A)
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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 LAFCO has adopted the MSR determinations, it must update the SOI for the Union Public Utility District (Union PUD).

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. However, being in a SOI does not mean LAFCO is obligated to approve a future annexation. 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 Union Public Utility District was adopted by Calaveras LAFCO Resolution 2012-04 on June 18, 2012.1

1 Calaveras LAFCO, Resolution 2012-04, Approving Municipal Service Review for Water Services Provided by the Union Public Utility District and Adopting Written Determinations Thereon, 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. Depending upon the action taken, the staff recommended Sphere for the UPUD would be a sphere coterminous with its 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.
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 Union Public Utility District

Four potential options were identified with respect to the UPUD SOI in the MSR.²

1.5.1 SOI Option 1: Provisional Annexable SOI³

By adopting a provisional annexable SOI, LAFCO would signal that it recommends the Union PUD continue to exist and serve future growth in adjacent areas. By making the SOI provisional, LAFCO could condition the UPUD SOI expansion on UPUD making improvements in its accountability and planning efforts. Presumably this would encourage the Union PUD to ensure that recommended conditions are adequately addressed in a timely manner. The SOI would exclude development projects just north of UPUD bounds, as UPUD reported these areas would be more cost-effectively served by Calaveras County Water District (CCWD).

Calaveras LAFCO may wish to encourage the Union PUD to improve accountability by making information available online, tailor basic growth planning to its service area, update growth plans, and/or provide adequate funding for capital maintenance. To accomplish that, Calaveras LAFCO could establish the short-term SOI to include only those areas with existing service connections. Calaveras LAFCO would also establish a long-term SOI. UPUD would then need to implement such practices before extending service to new development within its long-term SOI.

Calaveras LAFCO would presumably exclude from the UPUD SOI territory that overlaps the adopted SOI of the City of Angels Camp.

1.5.2 SOI Option 2: Detachable SOI⁴

By removing territory in the City of Angels adopted SOI from the UPUD SOI, LAFCO would indicate that the District is expected to detach territory from UPUD once the area annexes to the City of Angels. SOI option #2 differs from SOI option #1 in that SOI option #2 does not contain territory outside the UPUD boundary where development projects are anticipated.

1.5.3 SOI Option 3: Zero SOI⁵

A zero SOI would signify that LAFCO anticipates the eventual dissolution of UPUD and the transfer of its services to another entity, such as a new, multi-service CSD.

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At the time of preparation of the Service Review the Murphys Sanitary District (MSD) faced even more significant challenges in accountability and management of its affairs. One option identified for MSD, depending on priorities and needs of the community, was the dissolution of MSD and services assumed by another overlapping agency, such as CCWD or Union PUD, which are both empowered to take on wastewater services.

An alternative governance structure may be the complete dissolution of MSD and UPUD and the formation of a new agency to take on water and wastewater services in the area. A community services district would also be able to take on additional functions, such as park or lighting services. A newly formed district may face less opposition, as it is an opportunity to start from a clean slate without a preexisting governing body and management structure.

1.5.4 **SOI Option 4: Establishment of a Wastewater SOI to Signal Desirability of Consolidation**

Another possible option for LAFCO would be to establish a wastewater SOI for UPUD to signal the desirability of consolidation of MSD into UPUD.

1.5.5 **SOI Options Analysis and Recommendation**

There is a need for the UPUD to continue the provision of water service both domestic and irrigation water deliveries to its customers. The recommendation for the Union PUD Sphere of Influence is for the Sphere to be coterminous with the District Boundary until the time the City of Angels is able to both annex and serve the territory within its Sphere and is able to provide domestic water to the overlap areas as the best service provider as determined by LAFCo. The overlap areas are currently being adequately served by the UPUD. Depending upon circumstances in the future, LAFCo may wish to amend the UPUD’s sphere to exclude the part of the UPUD that is within the City of Angels SOI or exclude the overlap area from the City’s Sphere of Influence. Currently, the UPUD is clearly the best service provider for the foreseeable future. Therefore, should that area be annexed to the City of Angels it would be concurrently detached from the UPUD upon LAFCo making an affirmative finding the City of Angels is the best services provider. During the next periodic update of the Sphere of Influence for the City of Angels Camp or the UPUD LAFCo has the authority to change the Sphere boundary for either agency depending upon the circumstances at that 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

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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.3d 480, 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.7

Since the recommendation for the Union PUD Sphere of Influence is for it to be coterminous with its existing boundary except there will be no change in the area or circumstances where service is allowed and therefore no environmental impacts will occur.

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2 SETTING AND BACKGROUND

Union PUD serves Murphys, Vallecito Douglas Flat and Carson Hill. Since these four communities have separate identities (as noted below) it is important that the Union PUD work on unifying these areas so the residents will understand the importance of their water service from UPUD. The area is included in the Murphys Sanitary District and the Murphys Fire Protection District.

2.1 Murphys

Murphys is a separate community with a distinct history. John and Daniel Murphy were part of the Stephens-Townsend-Murphy Party, the first immigrant party to bring wagons across the Sierra Nevada to Sutter’s Fort in 1844. They earned a living as merchants, but like many others, began prospecting when the California Gold Rush began. They first started in Vallecito, before moving to another location in 1848 which became "Murphys New Diggings," "Murphy's Camp," and eventually just "Murphys."

Like many other mining towns, fire was its bane and the town was destroyed three times by flames, in 1859, 1874, and 1893. After the second major fire, there was little gold left to mine, and so the town was never rebuilt to its boomtown condition. However, Murphys continued to thrive as a merchant center, supplying many of the silver mines in Nevada with provisions via Ebbetts Pass. The town is registered as California Historical Landmark #275. The first post office was established as Murphy's in 1851. The name was changed to Murphy in 1894, and finally to Murphys in 1935.

The Ironstone Concours d’Elegance car show is held annually in Murphys at the Ironstone Vineyard. Proceeds from the event benefit the 4-H Club and Future Farmers of America. Also, Ironstone Vineyards hosts concerts every year. Murphys is part of the Vallecito Union School District.

The Calaveras Chamber of Commerce describes Murphys as follows: The Gold Rush town of Murphys, Queen of the Sierra, sports a charming main street lined with a vast variety of shops, fine eateries, art galleries and architecturally appropriate new retail developments. Murphys is the hub of Calaveras wine country with the lion’s share of wineries operating within a four mile radius. Romantic bed and breakfast inns and the historic Murphys Hotel complete the picture of this fast-growing community.

The 2010 US Census reported that Murphys had a population of 2,213 living 1,053 households, out of which 219 (20.8%) had children under the age of 18 living in them, 378 households (35.9%) were made up of individuals and 226 (21.5%) had someone
living alone who was 65 years of age or older. The average household size was 2.10. There were 623 families (59.2% of all households); the average family size was 2.70.

The population was spread out in age as follows:

<table>
<thead>
<tr>
<th>Age Category</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under the age of 18</td>
<td>401 people</td>
<td>18.1%</td>
</tr>
<tr>
<td>18 to 24</td>
<td>109 people</td>
<td>4.9%</td>
</tr>
<tr>
<td>25 to 44</td>
<td>327 people</td>
<td>14.8%</td>
</tr>
<tr>
<td>45 to 64</td>
<td>726 people</td>
<td>32.8%</td>
</tr>
<tr>
<td>65 years of age or older</td>
<td>650 people</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

The median age was 54.1 years. For every 100 females there were 83.0 males. For every 100 females age 18 and over, there were 80.5 males.

There were 1,256 housing units of which 726 (68.9%) were owner-occupied, and 327 (31.1%) were occupied by renters. The homeowner vacancy rate was 4.1%; the rental vacancy rate was 6.5%. There were 1,491 people (67.4% of the population) living in owner-occupied housing units and 722 people (32.6%) living in rental housing units.

### 2.2 Vallecito

Vallecito ("Little Valley" in Spanish; formerly, Murphy's Old Diggings, Valacito, Vallicita, Vallicito) is a census-designated place (CDP) with a population of 442 at the 2010 census, up from 427 at the 2000 census. The town is registered as California Historical Landmark #273. Nearby is Moaning Cavern, the largest cave chamber in California, which the Miwok Indians used as a burial ground.

Vallecito was one of California's important early-day mining towns. Gold was discovered here by the Murphy brothers in 1849, and it was originally called "Murphys Diggings." The town was revitalized in 1852 when extremely rich deposits of gold were discovered running practically through the center of town.

The Vallecito Bell, cast at Troy, New York in 1853, was brought around Cape Horn. It was purchased from the ship with funds contributed by early-day residents and brought to Vallecito to be erected in a large oak tree in 1854. It was used to call the people together until February 16, 1939, when a severe wind blew the old tree down. The first post office opened in 1854 as Vallicita; the town's name was changed to Vallecito in 1940.11

The 2010 US Census reported that Vallecito had a population of 442 living in 193 households, out of which 53 (27.5%) had children under the age of 18 living in them, 54 households (28.0%) were made up of individuals and 21 (10.9%) had someone living alone who was 65 years of age or older. The average household size was 2.29. There were 129 families (66.8% of all households); the average family size was 2.77.

The population was spread out in age as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under the age of 18</td>
<td>84 people</td>
<td>19.0%</td>
</tr>
<tr>
<td>18 to 24</td>
<td>22 people</td>
<td>5.0%</td>
</tr>
<tr>
<td>25 to 44</td>
<td>94 people</td>
<td>21.3%</td>
</tr>
<tr>
<td>45 to 64</td>
<td>165 people</td>
<td>37.3%</td>
</tr>
<tr>
<td>65 years of age or older</td>
<td>77 people</td>
<td>17.4%</td>
</tr>
</tbody>
</table>

In Vallecito, the median age was 47.7 years. For every 100 females there were 87.3 males. For every 100 females age 18 and over, there were 82.7 males.

There were 217 housing units of which 138 (71.5%) were owner-occupied, and 55 (28.5%) were occupied by renters. The homeowner vacancy rate was 0.7%; the rental vacancy rate was 6.8%. There were 321 people (72.6% of the population) living in owner-occupied housing units and 121 people (27.4%) living in rental housing units.

### 2.3 Douglas Flat

Douglas Flat (formerly, Douglasflat and Douglass Flat) lies at an elevation of 1965 feet. Douglas Flat was a roaring mining camp of the early 1850s. In 1857 the Harper and Lone Star Claims produced $130,000 worth of gold. The so-called Central Hill Channel, an ancient river deposit from which vast quantities of gold have been taken, is located here. The town today is registered as California Historical Landmark #272. The first post office opened in 1879, and was closed for a time in 1891 before reopening. The town's name honors Tom Douglas, an 1850s merchant.12

### 2.4 Carson Hill

Carson Hill (also, Carson Flat and Melones and Slumgullion) is a ghost town at an elevation of 1447 feet about 4 miles south-southeast of Angels Camp. It was one of the most productive mining camps in the State, with nearly $26 million in gold and quartz found in the area. Carson Hill is registered as California Historical Landmark #274. The town was served by the Sierra Railroad.

Unlike most of the places with "Carson" in their names in the American West, Carson Hill is not named after explorer Kit Carson, but instead it is named for Sgt. James H. Carson, a member of Colonel Jonathan D Stevenson’s Regiment of First New York Volunteers. James H. Carson happened to be in Monterey when the California Gold Rush started and he made his way to Weber Creek near Placerville then moved south with the Angel and Murphy brothers (founders of Angels Camp and Murphys, respectively). After splitting up at what is now Angels Camp, James H. Carson’s group headed south and panned at a small tributary of the Stanislaus River, which they found incredibly rich in gold. They named this portion Carson Creek.

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James H. Carson himself decided to move on to other locations, but was unsuccessful. He returned to Carson Creek, but never really cashed in on the success. He died in 1853 of rheumatism, near poverty. ¹³

3 UNION PUD SPHERE OF INFLUENCE

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

3.1.1 Calaveras County General Plan and Zoning for Union Public Utility District Area

UPUD serves a population of approximately 3,722 people. The Union PUD serves 1,947 customers. Half of the water demand from Union PUD is for irrigation water.

There is substantial development capacity remaining in Vallecito and Murphys. The draft Calaveras County General Plan projections imply that UPUD’s service area will add 1,200 to 1,900 connections by 2035.

There are a growing number of vineyards in UPUD’s service area. UPUD has restricted growth in irrigation water demand due to infrastructure limitations.  

3.1.2 SOI Determinations on Present and Planned Land Use for Union Public Utility District

The Union Public Utility District encompasses agricultural preserves (747 acres), community centers (447 acres), community plan areas (5,589 acres), residential centers (977 acres), single-family residential (498 acres) and timberlands (3,851 acres). Local business activities include hotels and motels, restaurants, shops and wineries.  

3.2 Municipal Services—Present and Probable Capacity and Need

3.2.1 Present and Probable Capacity and Need Background

There are several planned and proposed development projects within UPUD’s boundaries and in adjacent areas. The most significant active projects are Mitchell Ranch (117 units proposed) and Rocky Hill (82 units) in Murphys. UPUD has outstanding “will-serve” letters for both of these proposed developments.

There are 76 additional units proposed in Murphys. There are two large, inactive development projects, Walker in Douglas Flat and The Cove in Vallecito, where 104 and 112 units respectively had been proposed. Eighteen units are proposed on fairly large parcels south of Carson Hill, a portion of which lies within the Union PUD. 

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14 Calaveras LAFCO, Resolution 2012-04, Approving Municipal Service Review for Water Services Provided by the Union Public Utility District and Adopting Written Determinations Thereon, June 18, 2012.


3.2.2 **SOI Determinations on Present and Probable Capacity and Need for Union Public Utility District**

2-1] The estimated residential population in the Union PUD was 3,708 in 2010, based on analysis of the number of residential connections and average household size in Calaveras County.

2-2] There are a number of planned and proposed developments within and adjacent to District bounds. Construction of all of the units planned and proposed units within the District’s boundaries and connection to the District’s system would result in a population increase of approximately 741-1,069 people in Murphys, and an additional 823-1,262 people in Vallecito.

3.3 **The Present Capacity of Public Facilities and Adequacy of Public Services Provided by Union Public Utility District**

3.3.1 **Adequacy of Services Provided by Union Public Utility District**

UPUD has adequate capacity to provide service to existing water connections. The Union PUD will need to expand its treatment and distribution systems to serve future growth in its domestic system.

Treated water services in the UPUD service area were identified as generally adequate with a well-operated and maintained system.

Domestic water infrastructure needs include replacement of water mains to provide adequate fire flows. Additional fire hydrants are needed in the Vallecito area, Douglas Flat, and Murphys Ranch subdivision.

The Union PUD, in concert with Utica Power Authority and the City of Angels, needs to determine both safe annual yield during drought conditions and curtailment procedures.

UPUD does have adequate contracted water supplies during the irrigation season to meet new demand. There is a limitation on net new irrigation connections due to infrastructure imitations in certain locations. Additional upstream storage reservoirs and supplies during irrigation season would enhance the irrigation water supplies to accommodate growth in service demand. Portions of the irrigation distribution system are aged and need replacement.

In recent years, UPUD has not kept pace with its capital plans in terms of annual replacement outlays.

UPUD last prepared a domestic water master plan in 2004 and irrigation pipeline replacement plan in 1999. Given anticipated growth within and adjacent to UPUD
bounds, the Union PUD should tailor its growth projections to its service area and update its growth plans regularly.

The Union PUD reported that financing is adequate to deliver services. Due to ongoing challenges related to deteriorating irrigation distribution infrastructure, Union PUD irrigation water rates should be reviewed to ensure continued adequate financing.

UPUD capital outlays have not kept pace with depreciation in recent years based on the audited reports.\textsuperscript{17}

\textbf{3.3.2 SOI Determinations on Adequacy of Services Provided by Union Public Utility District}

3-1] The District is using 28 percent of its existing treatment capacity, and 40 percent of the water supplies to which the District is contractually entitled.

3-2] Water services offered by the Union PUD appear to be adequate based on regulatory compliance status, treatment effectiveness rate, and response times. Certain pipelines are undersized, particularly south of Vallecito, and there are areas needing additional fire hydrants.

3-3] The District could improve upon its planning efforts, which are minimal, and accountability. UPUD’s irrigation distribution infrastructure is aged, and portions need replacement.

\textbf{3.4 Social or Economic Communities of Interest}

\textbf{3.4.1 Union PUD Community Background}

The Union PUD serves four communities with distinct identities. The UPUD needs to work to unite the communities to identify with the Union PUD for water service.

UPUD demonstrated a limited degree of accountability through its constituent outreach efforts and disclosure of information. The Union PUD lacks a website, and makes minimal efforts at outreach.\textsuperscript{18}

\textsuperscript{17} Calaveras LAFCO, Resolution 2012-04, Approving Municipal Service Review for Water Services Provided by the Union Public Utility District and Adopting Written Determinations Thereon, June 18, 2012.

\textsuperscript{18} Calaveras LAFCO, Resolution 2012-04, Approving Municipal Service Review for Water Services Provided by the Union Public Utility District and Adopting Written Determinations Thereon, June 18, 2012.
3.4.2 SOI Determinations on Social or Economic Communities of Interest for Union PUD

4-1] Communities of interest within the Union PUD’s boundary and SOI include the unincorporated communities of Murphys, Vallecito, Douglas Flat and Carson Hill. Economic communities of interest include the businesses and the landowners within the District that pay a portion of their property tax to UPUD.

4-2] The adopted SOI for the City of Angels Camp overlaps a portion of territory that is within UPUD’s boundaries and existing SOI. Since the City provides a full complement of other services and the UPUD is currently serving the area the overlap does not appear to be in conflict that in the near term (i.e. the next 5 years (until another Sphere Update is required) the UPUD remains the best water provider within the overlap territory at this time.

3.5 Disadvantaged Unincorporated Community Status

3.5.1 Disadvantaged Unincorporated Communities

In addition to a consideration of population growth, the State Law requires Calaveras 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 2010 the Median Household Income for Murphys was $56,526. Since 80% of the $62,432 State of California Median Household Income is $49,946; the Murphys area is not a DUC.

3.5.2 Union PUD and Disadvantaged Unincorporated Community Status

5-1] Based on Murphys area data the Union PUD is not a DUC because the median household income in Murphys is higher than 80% of the State of California Median Household Income.

Exhibit A CALAVERAS LAFCO
UPUD SPHERE OF INFLUENCE
Resolution 2015-0002 May 18, 2015

ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCWD</td>
<td>Calaveras County Water District</td>
</tr>
<tr>
<td>CDP</td>
<td>Census Designated Place</td>
</tr>
<tr>
<td>CEQA</td>
<td>California Environmental Quality Act</td>
</tr>
<tr>
<td>DUC</td>
<td>Disadvantaged Unincorporated Community</td>
</tr>
<tr>
<td>LAFCO</td>
<td>Local Agency Formation Commission</td>
</tr>
<tr>
<td>MSR</td>
<td>Municipal Service Review (LAFCO)</td>
</tr>
<tr>
<td>MSD</td>
<td>Murphys Sanitary District</td>
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<tr>
<td>PUD</td>
<td>Public Utility District</td>
</tr>
<tr>
<td>SOI</td>
<td>Sphere of Influence (LAFCO)</td>
</tr>
<tr>
<td>UPUD</td>
<td>Union Public Utility District</td>
</tr>
</tbody>
</table>
REFERENCES

Calaveras LAFCO, Resolution 2012-04, Approving Municipal Service Review for Water Services Provided by the Union Public Utility District and Adopting Written Determinations Thereon, June 18, 2012.


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Exhibit A CALAVERAS LAFCO
UPUD SPHERE OF INFLUENCE
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Calaveras LAFCo
Union Public Utility District

Legend
- Towns
- Highways
- Roads
- Parcels2009
- Planned/Proposed Development
- City of Angels Camp
- Sphere of Influence

- Union PUD Boundary
- Sphere of Influence
- Water Treatment Plant
- Water Storage Facility
- AREA OF OVERLAP

Source: Calaveras LAFCo Map Modified 9/29/2014