

UPPER LAKE COUNTY WATER DISTRICT
MUNICIPAL SERVICE REVIEW
AND
SPHERE OF INFLUENCE

**Local Agency Formation Commission
Of Lake County
(LAFCO)**

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UPPER LAKE COUNTY WATER DISTRICT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE

1. INTRODUCTION

This Municipal Service Review and Sphere of Influence is prepared for the Upper Lake County Water District. The Municipal Services Review (MSR) analyzes municipal services offered by the Upper Lake County Water District and the District's capability to serve existing and future residents in the Upper Lake area.

This Sphere of Influence Update and Municipal Service Review were prepared to meet the requirements and standards of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) and Lake LAFCO. The Service Review was prepared using the "Municipal Service Review Guidelines" prepared by the Governor's Office of Planning and Research and the Policies, Standards and Procedures adopted by Lake LAFCO.

1.1 Role of LAFCO

Local Agency Formation Commissions (LAFCOs) are quasi-legislative local agencies created in 1963 to assist the State in encouraging the orderly development and formation of local agencies. In the 1960s, California was experiencing a period of explosive growth. New cities and districts were being created and expanded in an inefficient manner.

A number of new or expanded cities had such irregular boundaries that service provision to some areas was infeasible. Numerous special districts were being formed to serve small or difficult to serve areas, leading to inefficient or expensive service provision. The agricultural community and others were also concerned about the unprecedented loss of productive farmland, particularly in Southern California.

To address these concerns, LAFCOs were created to act, where appropriate, to minimize the effects of unchecked urban sprawl upon service delivery, prime agricultural land and open space land resources. To accomplish this goal, LAFCOs need to balance a number of factors, including the need to provide the infrastructure for healthy growth and the need to conserve the State's precious resources.

The role of the Local Agency Formation Commission (LAFCO) is to implement the CKH Act, consistent with local conditions and circumstances. LAFCO's decisions are guided by the CKH Act, found in Government Code Section 56000 et seq. The purpose of LAFCO as established in the CKH Act includes the following:

1. To encourage orderly growth and development which are essential to the social, fiscal, and economic well being of the State.
2. To promote orderly development by encouraging the logical formation and determination of boundaries and working to provide housing for families of all incomes.
3. To discourage urban sprawl.
4. To preserve open-space and prime agricultural lands by guiding development in a manner that minimizes resource loss.
5. To exercise its authority to ensure that affected populations receive efficient governmental services.
6. To promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide necessary services and housing.
7. To make studies and obtain and furnish information that will contribute to the logical and reasonable development of local agencies and to shape their development so as to advantageously provide for the present and future needs of each county and its communities.
8. To establish priorities by assessing and balancing total community services needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources.
9. To determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary, consider reorganization with other single purpose agencies that provide related services.
10. To update Spheres of Influence, as necessary but not less than every five years.

To carry out State policies, LAFCO has the power to conduct studies, approve and disapprove proposals, modify boundaries and impose reasonable terms and conditions on approval of proposals.

1.2 General Policies

LAFCO must adopt a sphere of influence for each city and each district in its jurisdiction, and all LAFCO actions must be consistent with a sphere plan. A Sphere of Influence is defined in Section 56425 of the Government Code as “a plan for the probable physical boundary and service area of a local agency or municipality as determined by the commission.”

The determination of Sphere of Influence Plans is perhaps the most important planning function given to LAFCOs by the state legislature. Spheres of Influence are described by the Cortese Knox Hertzberg Act as an important tool for “planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities.”

Spheres serve a similar function in LAFCO determinations as general plans do for cities and counties. Consistency with the adopted sphere plan is mandatory, and changes to the plan require careful review.

While LAFCO encourages the participation and cooperation of the subject agency, the sphere of influence plan is a LAFCO responsibility, and the Commission is the sole authority as to the sufficiency of the documentation and the plan’s consistency with law and LAFCO policy. Staff of LAFCO will work closely with agencies in developing sphere of influence plans.

1.3 Municipal Service Reviews

In 1997, the State Legislature enacted AB 1484, establishing the Commission on Local Governance for the 21st Century. The members of the Commission were appointed by the Governor and represented a broad spectrum of constituent groups and perspectives including counties, cities, special districts, educators, industry, and elected officials. The Commission was asked to assess governance issues and make appropriate recommendations, directing special attention to the Cortese-Knox Local Government Reorganization Act of 1985, the 57 Local Agency Formation Commissions (LAFCOs) governed by the Act, and citizen participation in local government.

The results of those efforts appeared in *Growth Within Bounds*, published in January 2000. The Commission concluded as follows:

[LAFCO’s legislative] Directives imply that each LAFCO has comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county,

future needs for each service, and expansion capacity of each service provider. Although some LAFCOs may have access to such essentials, many do not, and the Cortese-Knox Act offers no mechanism for assisting and encouraging them to gather the basic necessary information. The Commission believes that such provision should be added to the statute.

Information on public service capacity could be gathered as part of the implementation of a new requirement for periodic service reviews. LAFCOs could conduct such reviews prior to or in conjunction with amendments to spheres of influence. A service review would encompass a comprehensive study of each identifiable public service provided by counties, special districts, and the cities in the region. The review would not focus exclusively on an individual jurisdiction to determine its future boundary or service areas. Rather, it would require LAFCO to look broadly at all agencies within a geographic region that provide a service.

The review would also include a component that examines the benefits or disadvantages of consolidation or reorganization of service providers. LAFCOs should be provided flexibility in designating the geographic area to be analyzed, the timing of conducting particular reviews, and the scope of the reviews ((*Growth Within Bounds, Report of the Commission on Local Governance for the 21st Century*, pp. 98-99, January 2000).

The State Legislature recognized the validity of the Commission's findings and created a legislative tool that could be used to collect information and evaluate service provision from a broader perspective. The tool for conducting service reviews is described in Section 56430 of the Government Code. Section 56430 requires that in order to prepare and to update Spheres of Influence in accordance with Section 56425, LAFCOs are required to conduct a service review of the municipal services provided in the county or other appropriate designated area.

1.3.1 Requirements for Municipal Service Reviews

LAFCOs must include in the area designated for service review the county, the region, the sub-region, or other geographic area as is appropriate for an analysis of the service or services to be reviewed, and must prepare a written statement of its determination with respect to each of the following:

1. Infrastructure needs or deficiencies;
2. Growth and population projections for the affected area;
3. Financing constraints and opportunities;

4. Cost avoidance opportunities;
5. Opportunities for rate restructuring;
6. Opportunities for shared facilities;
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
8. Evaluation of management efficiencies; and
9. Local accountability and governance.

In conducting a municipal service review, LAFCOs must comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. In addition, service reviews are to be conducted before, or in conjunction with, but no later than the time it is considering an action to establish or update an SOI pursuant to Sections 56425 or 56426.5. The Commission on Local Governance advised and recommended that: “A service review should not replace designations or updates of spheres of influence, but should be conducted in the establishment or amendment of any spheres” (*Growth Within Bounds, Report of the Commission on Local Governance for the 21st Century*, p. 99, January 2000).

1.3.2 Goals for Municipal Services Reviews

Although not applicable to all Municipal Service Reviews and/or services, some of the general outcomes or objectives envisioned in the completion of this Municipal Service Review are as follows:

1. A comparison of each agency’s existing service levels with identified minimum acceptable, minimum desired, or appropriate levels of service.
2. The generation of the information necessary to develop achievable policies targeted at specific services.
3. Development of a means for identifying opportunities for service improvements through appropriate changes in government organization, identification and acquisition of additional revenues, decreases in service costs, improved communication and coordination, more efficient management practices and use of physical and financial resources.

4. Prudent and achievable strategies and service alternatives that will enable the improvement and enhancement of levels of service.
5. Development of specific recommendations of options for alternative service delivery systems.
6. Provide LAFCO with the background information necessary to make Sphere of Influence determinations pursuant to Section 56425 of the CKH Act.
7. Provide LAFCO with the background information necessary to evaluate and render decisions on various organizational changes or reorganization proposals.

1.4 Sphere of Influence Contents

The power to consider and adopt Spheres of Influence (SOI) is the most important planning function given to LAFCOs by the State Legislature. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (as amended) requires the LAFCO to update the Spheres of Influence for all applicable jurisdictions in the county by January 1, 2008.

Section 56425 of the Government Code defines a SOI as “a plan for the probable physical boundary and service area of a local agency or municipality as determined by the commission.” The CKH Act describes the function of a Sphere of Influence as an important tool for “planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities.”

Local governmental agencies, special districts and municipalities must have an adopted Sphere of Influence boundary and territory that define the probable boundary and service area of the agency. LAFCOs are required to “develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere” (Section 56425, CKH Act).

Inclusion within an agency’s SOI does not dictate that an affected area automatically will be annexed; an adopted SOI is only one of several factors LAFCO must consider in reviewing individual proposals (Section 56668, CKH Act).

In determining the SOI for each local agency, LAFCOs must consider and prepare a written statement of its determinations with respect to the following:

- The present and planned land uses in the area.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides, or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

1.5 Lake LAFCO Statement of Intent

Lake LAFCo makes the following statements with regard to updating the Sphere of Influence for the Upper Lake County Water District:

1. LAFCO intends that this Sphere of Influence Plan and Sphere Determinations will serve as an annexation plan for future organization for the Upper Lake County Water District. The sphere shall be used to discourage urban sprawl, the proliferation of local governmental agencies, protect agricultural lands, and to encourage efficiency, economy and orderly changes of organization.
2. The Sphere of Influence lines and written determinations shall together be a declaration of LAFCO's policy in any decision with regard to annexation to the Upper Lake County Water District.
3. No proposal which is inconsistent with LAFCo's adopted Sphere of Influence boundary and written determinations (sphere policies) shall be approved until the Commission, at a noticed public hearing, has considered an amendment or revision to the Upper Lake County Water District Sphere of Influence. The fact that a future annexation proposal is within a Sphere of Influence Boundary (without consideration of the adopted determinations) should not be interpreted to represent that LAFCo will approve a proposal.

1.6 Lake LAFCO Policies

The Sphere of Influence Plans for all governmental agencies within LAFCo's jurisdiction shall contain the following:

- 1) A map defining the probable 20-year boundary of its service area, delineated to show the following three time periods: 0-5 year, 6-10 year, and 11-20 year. These planning increments are termed "sphere horizons" and should depict the agency's logical boundaries at the 5-, 10-, and 20-year time periods.
- 2) Maps and explanatory text delineating the following:
 - 2-A) The present land uses in the area, including, without limitation:
 - a) improved and unimproved parcels;
 - b) actual commercial, industrial, residential uses; and
 - c) agricultural and open space lands.
 - 2-B) The proposed future land uses in the area.
- 3) The present and probable need for public facilities and services in the sphere area. The discussion should include consideration of the need for all types of major facilities, not just those provided by the agency.
- 4) The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- 5) Identification of any relevant social or economic communities of interest in the area. For example, an area which is completely within one subdivision governed by a single homeowner's association should be noted, in order to assist in avoiding unnecessary division of the territory between service agencies.
- 6) A phased plan for annexation of Sphere of Influence territory.
- 7) Existing population and projected population at build-out of each of the sphere horizons of the agency.

1.7 Master Service Element

To establish an appropriate sphere for an agency, LAFCO must have adequate information on the service capabilities of the agency. This specific information shall be provided in the form of a report called a "Master Service Element". Each sphere plan must include a current Master Service Element that demonstrates that the agency can provide adequate, reliable and efficient services to the areas included within the Agency's sphere.

A Master Services Element shall contain the following:

- a) Maps and explanatory text that clearly indicate the location and capacity of existing and proposed facilities, including a plan for timing and location of new or expanded facilities.
- b) A description of the nature of each service to be provided.
- c) A description of the present service level capacity of the service provider's facilities.
- d) An identification of the anticipated service level to be provided over the applicable sphere horizons.
- e) A description of any actions, improvements, or construction necessary to reach the anticipated service levels.
- f) An estimate of projected revenue and expense over the sphere horizons, specifically identifying the cost of planned new facilities or services and the projected source of revenue to fund those new facilities or services.
- g) Actual and projected costs of services to consumers in current dollars. This shall include a statement of actual and projected allocation of the cost of services between existing and new residents.

1.8 The Sphere of Influence Update Process

A sphere represents an area adjacent to a jurisdiction where development might be reasonably expected to occur in the next 5, 10 and 20 years. The CKH Act further requires that a municipal service review be conducted prior to or, in conjunction with, the update of a Sphere of Influence. Also, the Commission's policies, standards and procedures provide information about updating the Sphere.

This document provides the basis for updating the District's Sphere of Influence as shown below:

1. Preparation of a Draft Municipal Service Review and a Draft Sphere of Influence update.
2. Completion of the environmental review process consistent with the California Environmental Quality Act (CEQA).
3. Public Review of the Sphere of Influence/Municipal Service Review and environmental review documents.
4. Consideration of the Sphere of Influence Update, Municipal Service Review and Environmental Review by LAFCO.

2. EXISTING COMMUNITY LIMITS AND SPHERE OF INFLUENCE

2.1 Location of Upper Lake

Upper Lake is located adjacent to State Highway 20, north of Clear Lake, in Lake County California. The Upper Lake Community is approximately six square miles in size and includes elementary, middle and high schools, a Carnegie Library and several antique stores. The community is provided with sewage collection and treatment service by the Lake County Sanitation District (LACOSAN). The sewage is treated at the Northwest Regional Wastewater Treatment Plant. The Upper Lake Fire Protection District was recently combined with other fire protection districts to form the North Shore Fire Protection District.

2.2 History of Upper Lake County Water District

The Upper Lake County Water District (ULCWD or District) provides domestic water to residential and commercial customers within the community. The District was first formed in 1964 as the Upper Lake County Water Works District #6 and reorganized as a County Water District in 1979 (Resolution 79-339).

Facilities were constructed initially in 1966, with all service from Well #1, and with no storage facilities. Service was later extended to some parcels along Highway 20, and to the vicinity of the U.S. Forest Service site. In 1976, transmission piping to a single elevated storage tank was added. Well #2 was also added, as was a second storage tank. In the year 2000, a third storage tank was added and piping on Government Street was replaced, both as part of the Harmony Park development (Water Works Master Plan, 2006).

2.3 Upper Lake Population Data

Upper Lake is a Census Designated Place (CDP) so US Census data is available for the community. As of the US Census of 2000, there were 989 people, 389 households, and 259 families residing in Upper Lake. The residents classified themselves as follows:

White	84.23%
African American	0.81%
Native American	4.35%
Asian	1.72%
Other	6.07%
Two or more races	2.83%
Hispanic or Latino (any race)	14.86%

There were 389 households out of which 28.8% had children under the age of 18 living with them, 46.5% were married couples living together, 13.6% had a female householder with no husband present, and 33.4% were non-families. Households made up of individuals living alone were 27.8% of the total and 15.4% had someone living alone who was 65 years of age or older. The average household size was 2.50 and the average family size was 3.05.

The age of the Upper Lake population in 2000 was as follows:

under the age of 18	26.5%
from 18 to 24	10.3%
from 25 to 44	23.3%
from 45 to 64	22.3%
65 years of age or older	17.6%

The median age was 38 years. For every 100 females there were 92.0 males. For every 100 females age 18 and over, there were 84.5 males.

The median income for a household in the CDP was \$22,143, and the median income for a family was \$33,393. Males had a median income of \$21,964 versus \$17,188 for females. The per capita income for the CDP was \$11,670. About 23.8% of families and 25.5% of the population were below the poverty line, including 23.7% of those under age 18 and 17.2% of those people aged 65 or over.

The “Northwest Regional Wastewater Treatment Plant Master Plan” states that the California Department of Finance projects a population growth rate of 1.5 percent annually for Lake County. LACOSAN predicts that the growth rate could be as high as three to five percent annually because “As the retirement age approaches for the generation born after World War II, the proximity of Lake County to urban centers in the Bay Area may translate into an increase in population as retirees seek lower home prices and relocate for recreational opportunities.”

Based on a population of 989, even the lowest growth rate could mean an additional sixty households per year added to the District. However, recent experience would indicate that the growth may occur elsewhere in Lake County, closer to the Bay Area.

2.4 Upper Lake County Water District Government

The current government structure of this service provider is a special district, organized under the principal act County Water District Law, California Water Code §30000 *et seq.* The District provides water service within an isolated system and within a geographically distinct area. The Master Plan prepared by the District indicates that the District has been

shown to meet water quality standards and has adequate infrastructure. There are no community service districts, cities, or other local government agencies in the area which could feasibly be joined with the District to improve service levels to residents of the District.

A five-member Board of Directors governs the District and its staff. Local accountability is attributed to open and publicized meetings, regular elections, and locally available staff. Directors are elected at-large by residents of the District to four year terms. The Board of Directors meets the second Wednesday of every month at the district office located at 9471 Main Street in Upper Lake. The district complies with the Brown Act. The current makeup of the Board of Directors is as follows:

<u>Board Member</u>	<u>Title</u>	<u>Term Expires</u>
Ward Beecher	Director	2007
Wilda Beavers	Director	2009
Jackie Meri	Director	2009
Allen Merriman	Director	2009
Richard Simondi	Director	2009

Rachelle Henry is the General Manager with the following contact information: P.O. Box 847, Upper Lake, CA 95495, Phone: (707) 275-3232.

2.5 Annexation History

There are three annexations on record for the Upper Lake County Water Works District #1:

- the Clay-Gibson annexation dated August 16, 1976 (Resolution 76-240), west of Clover Creek and north of the wells);
- the Wienke annexation dated May 6, 1981 (Resolution 81-6, east of Clover Creek, north of Clover Drive);
- the Niderost annexation dated August 18, 1982 (Resolution 82-1, east of Clover Creek, south of Highway 20).

3. MASTER SERVICE ELEMENT

3.1 Master Service Element Description of Existing Systems

3.1.1 Upper Lake County Water District Water Supply

The District operates two wells off Mendenhall Avenue near the intersection of Mendenhall and Main Street, established in 1965 and 1971 respectively. The wells pump through the distribution system to three elevated storage tanks on a hill east of the intersection of Old Lucerne Road with Highway 20; the system comprises a single pressure zone (Upper Lake County Waterworks Master Plan 2006). District wells have no water treatment other than chlorination at the well site.

According to the 2006 Waterworks Master Plan, Well 1 produced an average of 331 gpm in 2002, and Well 2 produced an average of 347 gpm. Average daily production for 2002 was 132,306 gpd. Actual Peak day production for the system was 354,200 gallons in August of 2002. The district does not pull water supplies from Clear Lake, as do many other water providers surrounding Clear Lake, but gets 100% of its water supply from well sources.

According to the California Department of Health services (2002) the district is at 92% of its reliable source capacity with a total of 402 connections (counting the recent Harmony Park project). If the District sustains its current pumping production, the District will reach maximum source capacity (100%) at 436 connections (an additional 34 connections). However, it is likely that the reliable system source capacity can be increased substantially by operating both wells simultaneously or by increasing the pumping capacity from either or both wells. More research should be conducted to confirm these assertions.

Pumping Facilities

Pump and motor systems are owned by the District and appear adequate. The pump control system works entirely on tank levels, with a toggle to select which pump is activated.

However, both well sites lack emergency generators. In the possibility that a major grass or forest fire causes a prolonged power outage (2 or more days), the District could be in a situation where they were without the ability to refill storage tanks. Current storage (for more detailed information on District storage see section 3.1.2) is approximately 29 hours usage at maximum day demands (assuming the fire reserve were used for non fire-purposes). If a fire were in or near the district, stored water would be depleted in less

time due to residents watering combustible vegetation near their homes, and fire suppression efforts would quickly consume the fire reserve.

During fire season, stored water would be consumed in about 29 hours, and power would need to be provided within that time to avoid loss of pressure and possible contamination of pipelines. Generators can be rented or purchased, and could be pre-planned so as to provide a source of power for one of the wells, its chlorinator, and control system, in the event of a power outage which threatened to last as long as 24 hours. Powering both wells in such a circumstance would not be needed, but one should be powered to supplement storage and avoid loss of pressure in the system.

3.1.2 Upper Lake County Water District Water Storage

Two 100,000-gallon storage tanks and one 200,000-gallon tank (installed in 1976, 1985 and 2000 respectively) serve the system for a total of 400,000 gallons of storage capacity. Tank construction and locations are as follows:

Tank #1 (bolted steel) is located on a hill north of Upper Lake – Lucerne Road, east of the intersection of Old Lucerne Road and Highway 20.

Tank #2 (bolted steel) is located on the same parcel as, and immediately north, of Tank #1.

Tank #3 (welded steel) was constructed as part of the Harmony Park development and is located at Government Street and Melody Lane.

According to the 2006 Waterworks Master Plan, the California Department of Health Services suggests a storage requirement based on the following formula:

$(\text{Avg Day Demand}) + 1/4(\text{Peak Day Demand}) + 2,000\text{-gpm fire flow for 2 hours} =$
required storage.

Using this formula, the District has a storage need of 460,850, which indicates District storage capacity of 400,000 is deficient by approximately 60,850 gallons. Since the present storage capacity is inadequate, to serve any additional connections the District should be prepared to increase storage in the very near future.

3.1.3 Upper Lake County Water District Fire Flows

California Department of Health Services suggests a commercial district fire flow of 2,000 gpm for two hours which should be obtained by using 2 dry barrel hydrants that are on separate small mains, or on the same large main. Lake County desires 750 gpm in

urban residential areas and 500 gpm in rural residential areas. According to the Waterworks Master Plan (2006), these values are not attainable in some parts of the district. Taking into consideration the proximity of rural grasslands to the town of Upper Lake, maintaining maximum possible fire flows for fire protection in the event of wildfires should be a priority.

The Upper Lake County Water Works District hydrant system includes a number of dry barrel hydrants, but few wharf hydrants. Only dry barrel hydrants have been recently added. Hydrant spacing in most areas of the district is normal, though in some places there are too few hydrants.

The Water Works Master Plan (2006) presented calculated results from a limited study of predicted hydrant flows and pressures at select locations throughout the District. The results show that commercial district fire flows and residual pressures are not adequate, with flows under 1,500 gpm, and residual pressures under 20 psi.

3.1.4 Upper Lake County Water District Water Supply Infrastructure

Water delivery occurs through metering and the rate structure is developed accordingly. The water mains distributing District water range in size from four to eight inches, with laterals ranging from three quarters of an inch to two inches. The system's primary water mains were installed in 1966. Mains and laterals along the system are repaired as needed, and maintenance along the system lines occurs continuously.

Since the original construction in 1966, there have been a modest number of additions, some documented and others undocumented, which makes maintenance, repairs and installation of new facilities troublesome. The District should keep full documentation showing the type, make, and model of all pipes, fittings and valves, as well as their horizontal and vertical locations.

According to District management reports, due to the age and composition of most of the infrastructure (specifically asbestos-cement [AC] piping), many sections of the system experience ruptures and service line failures frequently. Entrapped air in dead end lines without air relief valves may also contribute to pipe failures. Piping improvements will need to occur in those areas with poor quality service lines to ensure proper operation and to see that leakage is kept to a minimum. In addition, repairing or replacing (where needed) inadequate service lines would serve a dual purpose by greatly improving current fire flows (see section 3.1.3), and lessening required water storage through leakage reduction (Water Works Master Plan, 2006).

3.2 Master Service Element Capacity and Level of Use of Existing Facilities

The District reported a total of 402 existing active connections in 2007. At present the District has adequate source capacity to serve its existing customers under maximum day demands (DHS, 2006). The district has a total system storage capacity of 400,000 gallons, deficient by 60,850 gallons according to DHS suggested storage. Currently, District fire flows are also slightly deficient with commercial flows less than 1,500 gpm and 20 psi residual pressure, and residential flows of less than 500 gpm and 20 psi residual pressure.

3.3 Master Service Element Projected Future Demand on the System

The District currently serves 402 connections, slightly over 10% increase since 1998 when 351 connections were served. District source supply is considered adequate at approximately 92% of reliable source capacity (DHS, 2002). However, concern has been expressed by the District regarding the 20 year-plus age of almost all of the facilities (storage tanks and service lines) as well as capacity for future growth

3.4 Master Service Element Planned Improvements and Funding

The latest rate revisions were made effective March 2005 by Ordinance 03-04. Monthly charges for water usage are based on meter size and range from \$20.00 for a 3/4-inch meter to \$520.00 for a four-inch meter. Rates developed for this District are generally consistent with the average water rate charges in Lake County, and the rates are considered reasonable.

3.5 Master Service Element Projected Costs and Funding Sources

The District submits financial information to the Lake County Auditor-Controller's Office annually, as required by State law. Annual budgets contain information for the previous two fiscal years, as well as planned revenues and expenditures in Fiscal Year 2003/04. The Upper Lake CWD has maintained an annual budget of between \$160,000 and \$181,000 in each of the past three years.

The District has an operating budget for FY 2007-08 of \$157,669, including a dedication of \$41,248 to its reserve fund. The District has sufficient revenues (through the sale of water and fees associated with new services) to cover the cost of operations, including staffing costs. The District has kept operational costs below revenues in each of the last three fiscal years.

The District maintains good financial records, and is exempt from appropriations limits. Financial reporting requirements appear to be met in a timely fashion, and budgetary

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documents for the District were easily obtained and reviewed through the County Auditor-Assessor's Office.

4. MUNICIPAL SERVICE REVIEW FINDINGS

The *Municipal Service Review Guidelines* prepared by the Governor’s Office of Planning and Research recommend that issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox-Hertzberg Act. Written determinations are provided for each of the nine factors, based on the information provided in this Municipal Service Review.

4.1 Upper Lake CWD Infrastructure Needs and Deficiencies

Purpose: To evaluate the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities and service quality.

4.1.1 Infrastructure Background

LAFCO is responsible for determining that an agency is reasonably capable of providing needed resources and basic infrastructure to serve areas within the District and later in the Sphere of Influence. It is important that such findings of infrastructure availability occur when revisions to the Sphere of Influence and annexations occur.

In the case of this Municipal Service Review, it is prudent for Lake LAFCO to evaluate the present and long-term infrastructure demands and resource availability of the District. Further, LAFCo needs to see that resources and services are available at needed levels and orderly maintenance and expansion of such resources and services are made inline with increasing demands.

4.1.2 MSR Written Determinations for Infrastructure Needs and Deficiencies

- 1-1) The Upper Lake CWD water supply and associated pumping facilities are considered adequate at approximately 92% capacity. Since the district is nearing full capacity, the district should require a source capacity analysis for new annexations involving more than 4 residential dwelling unit equivalent connections.
- 1-2) The Upper Lake CWD well pumping facilities are without emergency generators. The District should consider renting or purchasing a generator to provide power to at least one well, its chlorinator and control system, to avoid loss of pressure and possible pipeline contamination.
- 1-2) Concern has been expressed by the Upper Lake CWD and DHS regarding the 20 year-plus age of most of the water distribution facilities, as well as capacity for future growth. Many sections of the distribution system are antiquated resulting

in leakages and pipe ruptures, and have been directly associated with inadequate commercial and residential fire flows and residual pressures. Repairing or replacing (where needed) inadequate service lines would serve a dual purpose by greatly improving current fire flows and lessening required water storage through leakage reduction (Water Works Master Plan, 2006).

- 1-3) Two 100,000 gallon storage tanks and one 200,000 gallon tank (installed in 1976, 1985 and 2001 respectively) serve the Upper Lake CWD water system. This storage is inadequate and does not meet California Waterworks standards according to the California Department of Health Services (2002). As growth takes place the district should consider adopting developer fees to pay for increased water storage necessitated by new connections, as increased storage will be needed to meet even lower bound growth estimates.
- 1-4) Bacteriological testing is performed regularly by the Upper Lake CWD as required by State and Federal Regulations.
- 1-5) A Water System Master Plan has been prepared by the Upper Lake CWD.

4.2 Growth and Population Projections for the Affected Area

Purpose: To evaluate service needs based on existing and anticipated growth patterns and population projections.

4.2.1 Upper Lake Population Projections

The District reported a total of 402 existing active connections in 2007. This indicates that actual growth in connections is likely to be much greater than historic rates in Upper Lake and more inline with population growth in Lake County. Consistent with the Water Works Master Plan (2006) growth is projected to be triple the historic rate of 0.73% to be closer to 2.19%.

With an annual growth rate of 2.19%, growth projections are as calculated below:

<i>Year</i>	<i>Growth Rate</i>	<i>Active Connection Count</i>
2007	-	402
2008	2.19%	411
2009	2.19%	420
2010	2.19%	429
2011	2.19%	438
2012	2.19%	447
2013	2.19%	456
2014	2.19%	466
2015	2.19%	476

Based on a growth rate of 2.19%, and taking into consideration that the District is currently at 92% of its source capacity at 402 connections, the District will need to increase its source supply before the year 2011 or 436 connections.

4.2.2 MSR Written Determinations for Growth and Population Projections for the Affected Area

- 2-1) With total capacity of the Upper Lake County Water District water system at 92% with 402 connections, at current production the system could serve a maximum of 34 new connections before full capacity is reached.
- 2-1) With source capacity of the Upper Lake County Water Works District currently at 92%, the District should plan to increase its source capacity in the very near future. Prior to new annexations, the District should be required to demonstrate that adequate source capacity exists to service the new connections. The District should conduct additional research to verify if their source capacity can be increased by operating both wells simultaneously, or by increasing the pumping capacity from either or both wells, or if an additional supply source will be needed.
- 2-2) Although population growth is expected in Lake County, it is anticipated that most of it will occur in the southern part of the County and that there is sufficient land within the district to accommodate projected growth.
- 2-3) The District should work together with the Lake County Community Development Department to understand the zoning and general plan designations for the area and to develop specific population and building projections.

4.3 Financing Constraints and Opportunities

Purpose: To evaluate factors that affect the financing of needed improvements.

LAFCO should consider the ability of a district to pay for improvements or services associated with annexed sites. This planning can begin at the Sphere of Influence stage by identifying infrastructure and maintenance needs associated with future annexation and development, and identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements.

4.3.1 Upper Lake CWD Budget

The Upper Lake County Water District has an operating budget for FY 2007-08 of \$157,669, including a dedication of \$41,248 to its reserve fund. The District has sufficient revenues (through the sale of water and fees associated with new services) to cover the cost of current operations, including staffing costs. For future operations including new infrastructure to be constructed as a result of new development, additional revenues will be necessary. The District has kept operational costs below revenues in each of the last three fiscal years.

4.3.2 MSR Written Determinations for Financing Constraints and Opportunities

- 3-1) The Upper Lake County Water District has sufficient revenues (through the sale of water and fees associated with new services) to cover the current cost of operations, including staffing costs.
- 3-2) The Upper Lake County Water District should consider creating a five-year Capital Improvements Budget Plan upon which to base its capital improvements budgeting, including rehabilitation, replacement and expansion needs for water storage, treatment and distribution in accordance with the recently adopted 2006 district master plan.
- 3-3) Government Code §53901 requires that every special purpose taxing district shall provide a copy of its annual budget to the County Auditor's Office for public inspection and review. The District is in compliance with this law.
- 3-4) No new annexations should take place until a connection rate schedule is adopted to cover capital improvement costs resulting from new development.

4.4 Cost-Avoidance Opportunities

Purpose: To identify practices or opportunities that may help eliminate unnecessary costs.

LAFCO should consider the relative burden of new annexations to the district when it comes to its ability to provide wastewater service, as well as capital maintenance and replacements required as a result of expanding the district boundary. At this time there are no annexation proposals being considered.

4.4.1 Upper Lake CWD Costs

The Upper Lake County Water District budget is designed to screen out unnecessary costs. A base budget is submitted to the District Board for review and approval. The

Board of Directors makes changes as necessary. Overall, the Upper Lake County Water District takes advantage of every cost avoidance method available to them.

4.4.2 MSR Written Determinations for Cost-Avoidance Opportunities

- 4-1) The Upper Lake CWD has documented its operations and procedures including the requirement for an annual review of cost-avoidance opportunities.
- 4-2) The District's budgeting process provides a forum for cutting unnecessary costs and placing resources where most needed.

4.5 Opportunities for Rate Restructuring

Purpose: To identify opportunities to positively impact rates without decreasing service levels.

LAFCO should evaluate the impact of Sphere of Influence and Annexation decisions on existing community rates for public services.

4.5.1 Upper Lake CWD Water Rates

The Upper Lake County Water District water delivery occurs through metering and the rate structure is developed accordingly. The latest rate revisions were made effective March 2005 by Ordinance 03-04. Monthly charges for water usage are based on meter size and range from \$20.00 for a 3/4-inch meter to \$520.00 for a four-inch meter. Rates developed for this District are generally consistent with the average water rate charges in Lake County, and the rates are considered reasonable

4.5.2 MSR Written Determinations for Opportunities for Rate Restructuring

- 5-1) Based on the existence and use of meters, as well as the review of budgetary documents, the existing rate structure of the Upper Lake County Water District is considered reasonable and appropriate.
- 5-2) Rates and fees for services are established using the provisions of State Law. Workshops are conducted, public outreach is performed, and hearings are held.
- 5-3) The District could help stabilize future rates by investing in maintenance and upgrades.
- 5-4) The District's policies provide that any annexation to the District shall be cost neutral to the existing residents.

4.6 Opportunities for Shared Facilities

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

In the case of annexing new lands into a district, LAFCO can evaluate whether services or facilities can be provided in a more efficient manner if the district can share them with another agency. In some cases, it may be possible to establish a cooperative approach to facility planning by encouraging agencies to work cooperatively in such efforts.

4.6.1 Upper Lake CWD Facilities

The Upper Lake County Water District pulls water supplies from wells and not Clear Lake. Geography in the area does not lend itself to shared facilities opportunities, as joint utilization of infrastructure and facilities would likely be cost-prohibitive. The District has not identified infrastructure or facilities which could feasibly be utilized by other districts or governmental agencies. There are no outstanding opportunities for facilities sharing by the District.

4.6.2 MSR Written Determinations for Opportunities for Shared Facilities

- 6-1) Geography in the area does not lend itself to shared water service facilities opportunities because joint use of infrastructure and facilities would be cost-prohibitive.

4.7 Government Structure Options

Purpose: To consider the advantages and disadvantages of various government structures that could provide public services.

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for districts and communities based on their capability to provide services to affected lands.

4.7.1 Upper Lake CWD Governmental Structure

The current government structure of the Upper Lake County Water District is a special district, organized under the principal act County Water District Law, California Water Code §30000 *et seq.* The District provides water service within an isolated system and within a geographically distinct area.

The Master Plan prepared by the District indicates that the District has been shown to meet water quality standards and has adequate infrastructure. There are no community service districts, cities, or other local government agencies in the area which could feasibly be joined with the District to improve service levels to residents of the District.

4.7.2 MSR Written Determinations for Government Structure Options

- 7-1) The Upper Lake County Water District will provide water service for the Community of Upper Lake, and these services will meet customer expectations.
- 7-2) The District provides water service, operating an isolated system within a geographically distinct area. There are no community service districts, cities, or other local government agencies in the area which could feasibly be joined with the District to improve service levels to residents.

4.8 Management Efficiencies

Purpose: To evaluate the management capabilities of the organization

4.8.1 Upper Lake CWD Management

The District services residential and commercial customers, with one full-time General Manager and two part-time support staff. Staff members hold all licenses and certificates required to operate a water system of this nature. The District operates under the direction of a Board of Directors, with a General Manager to oversee planning and operations of the District. The District operates efficiently and effectively, and has financial and administrative practices and policies in place to ensure service provision.

4.8.2 MSR Written Determinations for Management Efficiencies

- 8-1) District manager performs both managerial duties as well as the necessary fieldwork for the operation of the water system. It would not be cost effective to have a separate management staff and field operations personnel.
- 8-2) Development of a capital improvements program would also be useful when assessing need for additional infrastructure.
- 8-3) Overall, the District appears to have an efficient management structure, responsive to legal, administrative, and operational issues that arise in the provision of water service.

- 8-4) There are no alternative management structures which offer significant improvement over the current structure, and no recommendations are made related to changes in management structure and operations.

4.9 Local Accountability/Governance

Purpose: To evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the Sphere of Influence and Annexation areas.

4.9.1 Upper Lake CWD Government

A five-member Board of Directors governs the District and its staff. Local accountability is attributed to open and publicized meetings, regular elections, and locally available staff. Directors are elected at-large by residents of the District to four year terms.

4.9.2 MSR Written Determinations for Local Accountability/Governance

- 9-1) The District complies with necessary regulations and has regularly scheduled meetings whereby the public is invited.
- 9-2) The District has maintained relationships with the local media and is available to the ratepayers and the public. For increased public outreach and interaction, an online website may be useful.
- 9-3) The District adopts budgets and rate changes at hearing where the public is notified and invited.
- 9-4) The Upper Lake CWD has made reasonable efforts to maintain public dialogue regarding land use and development projects in Upper Lake by coordinating with local land use agencies such as the Lake County Planning and Building Departments.
- 9-5) When building permits are considered for construction within District boundaries the County will include the District in their review process.

5. SPHERE OF INFLUENCE (SOI) DETERMINATIONS

5.1. Present and Planned Land Uses in the Area, Including Agricultural and Open Space Lands

5.1.1 Lake County General Plan

The Lake County General Plan adopted in November 1981 contains the land use policies, standards and goals for growth and development throughout Lake County. This Plan contains a Community Development Plan and a Resource Management and Conservation Plan which, at the time of its adoption, met the statutory requirements for nine state mandated components of which there are seven today. It should be noted that Lake County is currently in the process of updating its 21 year old General Plan.

The 1981 General Plan states the following regarding Upper Lake:

Land Use Map proposals for this area promote Suburban and Rural Residential densities to the east along the north and east side of Highway 20. These areas were so designated due to Highway 20 being the natural corridor for sewer service for the community of Upper Lake. Areas with Class I-IV soils were not designated for residential densities unless existing lot sizes were below 5 acres. Highway 20 was chosen as a natural divider.

Those areas designated Suburban Reserve may add an additional 441 persons. Expansion of sewer lines from the NW Lakeport Sewerage Treatment Plant is required prior to an area designated Suburban Reserve developing to a suburban density. Due to the importance of Highway 20 as a major traffic corridor, a frontage road east of the community should be considered when reviewing development proposals so as to reduce access/traffic conflicts and hazards.

There is also an Upper Lake-Nice Area Plan, adopted in February 2002. “In the Upper Lake Community Area, the plan recommends policies and actions to enhance the economic viability of the historic downtown, including a design review-combining district.”

5.1.2 Lake County Zoning

Lake County adopted a revised Zoning Ordinance in November 1986 pursuant to its authority of Section 65800 of the Government Code. This ordinance contains a zone districting plan and general and specific provisions governing existing and future land uses throughout the unincorporated portions of Lake County. The revised Zoning Ordinance adopted in 1986.

5.1.3 Present and Planned Land Use

The existing land uses in the Upper Lake Area generally correspond to the land use and zoning designations for the area. The proposed Sphere of Influence includes approximately 80 acres on the south side of State Highway 20 and 20 acres on the north side of State Highway 20.

5.1.4 SOI Written Determinations for Present and Planned Land Use

- 1-1) The 0-5 year Sphere of Influence will include 80 acres to the south and southeast of the District. The 6-11 year Sphere of Influence and the 12-20 year Sphere of Influence will include no land.
- 1-2) It is the intention of LAFCO to include only 80 acres in the Upper Lake County Water District Sphere of Influence.
- 1-3) Existing land uses generally correspond to the Area Plan and County planned land uses and zoning.
- 1-4) Land annexed to the Upper Lake County Water District and developed at Upper Lake County Water District densities can help to preserve agricultural land by accommodating more development on less land.
- 1-5) Public health is better when development is connected to public water systems.
- 1-6) LAFCo shall support appropriate buffer areas separating agricultural lands from lands with densities higher than 1 unit to 5 acres.

5.2. Municipal Services—Present and Probable Capacity and Need

5.2.1 Present and Probable Capacity and Need Background

LAFCO is responsible for determining if an agency is reasonably capable of providing needed infrastructure and services to serve areas within its Sphere of Influence. LAFCO

is required to evaluate present and long-term infrastructure demands and resource availability and to evaluate whether the resources and services are available at needed service levels and that orderly maintenance and expansion of such resources and services are made inline with increasing demands.

5.2.2 SOI Written Determinations—Present and Probable Capacity and Need

- 2-1) LAFCO shall encourage the County to act as lead agency for purposes of the California Environmental Quality Act (CEQA) for annexation proposals. When LAFCO is required to act as Lead CEQA agency, LAFCO shall coordinate with the County, as applicable.
- 2-2) LAFCO encourages development of a Capital Improvements Plan. Currently all capital improvements are through the General Fund. Developers should fund all new infrastructure associated with new growth. There is no extra cost imposed on existing customers to fund new development.
- 2-3) LAFCO shall support the concurrent provision of potable water service by the Upper Lake County Water District for areas to be annexed.
- 2-4) The District has adequate water supply to meet current estimated maximum day demands and serve the areas within the Upper Lake County Water District. However, the District does not have enough source capacity to serve the proposed Sphere of Influence. Prior to annexation, the District should demonstrate that adequate source supply is available to serve the new connections.
- 2-5) The Upper Lake County Water District should be required to demonstrate, as part of any annexation proceeding, that the water system is capable of producing at the design capacity, and that the total buildout population of the Community, if annexation is approved, would not generate demand in excess of the water system capacity based on consideration of the land use designations that would be applied to the annexed territories.

5.3 The Present Capacity of Public Facilities and Adequacy of Public Services Provided by the Agency

5.3.1 Adequacy of Services Provided by Upper Lake CWD

The Upper Lake County Water District provides adequate services. The District will have to increase fees and /or taxes in the future just to provide the same level of service because costs and regulations will probably increase. The expansion of the Sphere of

Influence and potential annexation could provide an improved financial position for the District.

5.3.2 SOI Written Determinations on Adequacy of Services Provided

- 3-1) The Upper Lake County Water District has adequate public facilities to provide services to the residents of the District.
- 3-1) Water service could be extended.
- 3-2) A small Sphere of Influence is adequate for growth in the next five years.

5.4. Social or Economic Communities of Interest

5.4.1 Community Background

The community of Upper Lake is a defined community, not near any other towns or developments. It has a separate identity with complete school systems.

5.4.2 SOI Written Determinations—Social or Economic Communities of Interest

- 4-1) The Upper Lake County Water District shall be provider of municipal water in the Upper Lake County Water District area.
- 4-2) Priority for water service shall remain the existing service area. As proven water supply is established though better knowledge of the groundwater supply or development of surface water supplies and established water rights lands may be annexed provided that wastewater treatment service is also available.
- 4-3) Only a small area shall be allowed for annexation because the Sphere of Influence outside its present boundaries will only include 80 acres.
- 4-4) LAFCO is charged with overseeing orderly development in an area. The County is charged with Land Use Planning. The Upper Lake community has been established in the Upper Lake-Nice Area Plan. There is only a small area designated for planned growth outside of the District's Boundary.

5.4.3 Area of Concern

Lake LAFCO may designate a geographic area beyond the Sphere of Influence as an "Area of Concern" to any local agency. An "Area of Concern" is a geographic area beyond the Sphere of Influence in which land use decisions or other governmental

actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency ("the Concerned Agency"). The Upper Lake Co. Water District has requested LAFCO adopt an "Area of Concern" to be included in the Sphere of Influence Update. The area requested is shown in Figure 1. This "Area of Concern" consists of a portion of Bachelor Valley, Clover Valley and the Upper Lake Valley, which includes a unique ecosystem. Any activity in this designated "Area of Concern" could have an impact upon the groundwater supply and quality of the Upper Lake Water District.

LAFCO's policies state LAFCO will notify any Concerned Agency when LAFCO receives notice of a proposal of another agency in the Area of Concern to the Concerned Agency, and will give great weight to its comments.

If requested, LAFCO will seek to obtain a Joint Powers Agreement or other commitment between the agencies so that the Acting Agency provides advance notice to the Concerned Agency of any actions, or projects being considered within the area of concern, and commits to considering any comments made by the Concerned Agency.

ABBREVIATIONS

CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CWD	County Water District
gpd	gallons per day
gpm	gallons per minute
LAFCO	Local Agency Formation Commission
mgd	million gallons per day
MSR	Municipal Service Review
psi	pounds per square inch
SOI	Sphere of Influence SOI

DEFINITIONS

Agriculture: Use of land for the production of food and fiber, including the growing of crops and/or the grazing of animals on natural prime or improved pasture land.

Aquifer: An underground, water-bearing layer of earth, porous rock, sand, or gravel, through which water can seep or be held in natural storage. Aquifers generally hold sufficient water to be used as a water supply.

Bond: An interest-bearing promise to pay a stipulated sum of money, with the principal amount due on a specific date. Funds raised through the sale of bonds can be used for various public purposes.

California Environmental Quality Act (CEQA): A State Law requiring State and local agencies to regulate activities with consideration for environmental protection. If a proposed activity has the potential for a significant adverse environmental impact, an environmental impact report (EIR) must be prepared and certified as to its adequacy before taking action on the proposed project.

Community Facilities District: Under the Mello-Roos Community Facilities Act of 1982 (Section 53311, et seq.) a legislative body may create within its jurisdiction a special tax district that can finance tax-exempt bonds for the planning, design, acquisition, construction, and/or operation of public facilities, as well as public services for district residents. Special taxes levied solely within the district are used to repay the bonds.

Community Services District (CSD): A geographic subarea of a county used for planning and delivery of parks, recreation, and other human services based on an assessment of the service needs of the population in that subarea. A CSD is a taxation district with independent administration.

Groundwater: Water under the earth's surface, often confined to aquifers capable of supplying wells and springs.

Impact Fee: A fee, also called a development fee, levied on the developer of a project by a county, or other public agency as compensation for otherwise-unmitigated impacts the project will produce. California Government Code Section 66000, et seq., specifies that development fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged. To lawfully impose a development fee, the public agency must verify its method of calculation and document proper restrictions on use of the fund.

Infrastructure: Public services and facilities such as sewage-disposal systems, water-supply systems, and other utility systems, schools and roads.

Land Use Classification: A system for classifying and designating the appropriate use of properties.

Leapfrog Development; New development separated from existing development by substantial vacant land.

Local Agency Formation Commission (LAFCO): A five-or seven-member commission within each county that reviews and evaluates all proposals for formation of special districts, incorporation of cities, annexation to special districts or cities, consolidation of districts, and merger of districts with cities. Each county's LAFCO is empowered to approve, disapprove, or conditionally approve such proposals. The LAFCO members generally include two county supervisors, two city council members, and one member representing the general public. Some LAFCOs include two representatives of special districts.

Mean Sea Level: The average altitude of the sea surface for all tidal stages.

Mello-Roos Bonds: Locally issued bonds that are repaid by a special tax imposed on property owners within a community facilities district established by a governmental entity. The bond proceeds can be used for public improvements and for a limited number of services. Named after the program's legislative authors.

Ordinance: A law or regulation set forth and adopted by a governmental authority.

Ranchette: A single dwelling unit occupied by a non-farming household on a parcel of 2.5 to 20 acres that has been subdivided from agricultural land.

Sanitary Sewer: A system of subterranean conduits that carries refuse liquids or waste matter to a plant where the sewage is treated, as contrasted with storm drainage systems (that carry surface water) and septic tanks or leech fields (that hold refuse liquids and waste matter on-site).

Sphere of Influence (SOI): The probable physical boundaries and service area of a local agency, as determined by the Local Agency Formation Commission (LAFCO) of the county.

Urban: Of, relating to, characteristic of, or constituting a city. Urban areas are generally characterized by moderate and higher density residential development (i.e., three or more dwelling units per acre), commercial development, and industrial development, and the availability of public services required for that development, specifically central water and sewer service, an extensive road network, public transit, and other such services (e.g., safety and emergency response). Development not providing such services may be “non-urban” or “rural”. CEQA defines “urbanized area” as an area that has a population density of at least 1,000 persons per square mile (Public Resources Code Section 21080.14(b)).

Urban Services: Utilities (such as water, gas, electricity, and sewer) and public services (such as police, fire protection, schools, parks, and recreation) provided to an urbanized or urbanizing area.

Urban Sprawl: Haphazard growth or outward extension of a city resulting from uncontrolled or poorly managed development.

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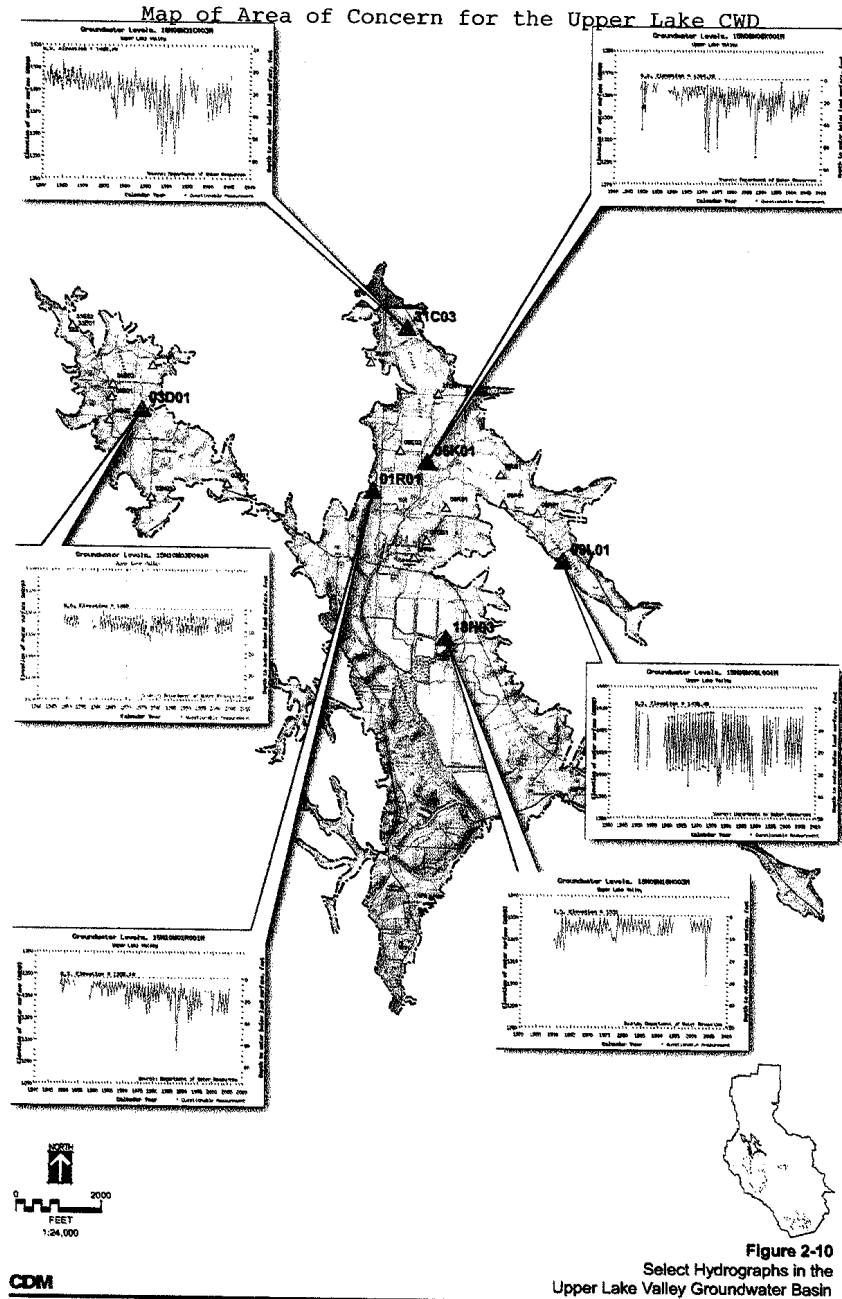


Figure 1

UPPER LAKE COUNTY WATER DISTRICT AND SPHERE OF INFLUENCE

