

**LAKE
LOCAL AGENCY FORMATION COMMISSION
(LAFCo)**

**KELSEYVILLE COUNTY WATERWORKS
DISTRICT #3**

**MUNICIPAL SERVICE REVIEW (MSR)
AND
SPHERE OF INFLUENCE (SOI) UPDATE**

**Adopted
March 20, 2019**

**Service Review – Resolution 2019-0001
Sphere of Influence Update - Resolution 2019-0002**

TABLE OF CONTENTS

1	INTRODUCTION	5
1.1	Local Agency Formation Commission (LAFCo) History	5
1.2	Preparation of the MSR and SOI	6
1.3	Role and Responsibility of LAFCo	6
1.4	Municipal Services Review Requirements	7
1.5	Municipal Services Review Process	7
1.6	Sphere Of Influence Update Process	8
1.7	Possible Approaches to the Sphere of Influence	9
1.8	Description of Public Participation Process	11
2	KELSEYVILLE COMMUNITY BACKGROUND	12
2.1	The Community of Kelseyville	12
2.2	Kelseyville Census data	12
2.3	Services	12
2.4	Proposed Development	12
2.5	Water Treatment Background	13
2.6	Wastewater Treatment Background	14
3	KELSEYVILLE COUNTY WATERWORKS DISTRICT #3	15
3.1	Kelseyville County Waterworks District #3 (KCWD) Background	15
3.2	KCWD Contact Information	16
3.3	KCWD Board of Directors	16
3.4	KCWD Water System	16
3.4.1	Water Connections	16
3.4.2	Water Source	17
3.4.3	Water Storage	17
3.4.4	Distribution System	17
3.4.5	Water Quality	18
3.4.6	System Capacity	18
3.5	KCWD Wastewater Collection and Treatment System	18
3.5.1	Wastewater Treatment and Collection Overview	18
3.5.2	Waste Discharge Requirements	19
3.6	KCW Financial Information	21
3.6.1	Financial Overview	21
3.6.2	Fee Schedule	21
A.	KCWD Existing Fees	21
3.6.3	Budget	22
3.6.4	Audit	32
A.	Comprehensive Annual Financial Report	32
B.	Audit Discussion	32
4	KELSEYVILLE COUNTY WATERWORKS DISTRICT #3 MUNICIPAL SERVICE REVIEW	35
4.1	Growth and Population Projections for the Hidden Valley Lake Community Services District Area	35
4.1.1	KCWD Area Population Projections	35
4.1.2	MSR Determinations on Growth and Population Projections for the KCWD Area	36
4.2	Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to Kelseyville County Waterworks District #3	36
4.2.1	Determination of Kelseyville County Waterworks District #3 Area Disadvantaged Unincorporated Community Status	36

4.2.2	MSR Determinations on Disadvantaged Unincorporated Communities near Kelseyville County Waterworks District #3.	37
4.3	Capacity and Infrastructure Kelseyville County Waterworks District #3	37
4.3.1	Kelseyville County Waterworks District #3 Infrastructure	38
4.3.2	MSR Determinations on Infrastructure for Kelseyville County Waterworks District #3	38
4.4	Financial Ability to Provide Services	38
4.4.1	Financial Considerations for Kelseyville County Waterworks District #3	38
4.4.2	MSR Determinations on Financing for Kelseyville County Waterworks District #3	39
4.5	Status of and Opportunities for Shared Facilities	39
4.5.1	Kelseyville County Waterworks District #3 Facilities	39
4.5.2	MSR Determinations on Shared Facilities for Kelseyville County Waterworks District #3	39
4.6	Accountability for Community Service Needs, Government Structure and Operational Efficiencies	40
4.6.1	Kelseyville County Waterworks District #3 Government Structure	40
4.6.2	MSR Determinations on Local Accountability and Governance	40
5	SPHERE OF INFLUENCE	41
5.1	SOI Requirements	41
5.1.1	LAFCo's Responsibilities	41
5.1.2	SOI Determinations	41
5.1.3	Possible Approaches to the SOI	40
5.1.4	SOI Update Process	43
5.1.5	SOI Amendments and CEQA	43
5.1.6	Recommendation for Kelseyville County Waterworks District #3 Sphere of Influence	43
5.2	Present and Planned Land Uses in Kelseyville County Waterworks District #3 Service Area, Including Agricultural and Open Space Lands	44
5.2.1	Lake County General Plan and Zoning for Kelseyville County Waterworks District #3 SOI Area	44
5.2.2	SOI Determinations on Present and Planned Land Use for Kelseyville County Waterworks District #3 Area	44
5.3	Present and Probable Need for Public Facilities and Services in the Kelseyville County Waterworks District #3 Area	44
5.3.1	Municipal Service Background	44
5.3.2	SOI Determinations on Facilities and Services Present and Probable Need for Kelseyville County Waterworks District #3	44
5.4	Present Capacity of Public Facilities Present and Adequacy of Public Services	45
5.4.1	Capacity Background	45
5.4.2	SOI Determinations on Public Facilities Present and Future Capacity for Kelseyville County Waterworks District #3	45
5.5	Social or Economic Communities of Interest for Kelseyville County Waterworks District #3	45
5.5.1	Kelseyville County Waterworks District #3 Community Background	45
5.5.2	SOI Determinations on Social or Economic Communities of Interest for Kelseyville County Waterworks District #3	46
5.6	Disadvantaged Unincorporated Community Status	46

5.6.1	Disadvantaged Unincorporated Communities	46
6.6.2	Kelseyville County Waterworks District #3Disadvantaged Unincorporated Community Status	46
APPENDIX “A” WATER CONSERVATION MEASURES		47
APPENDIX “B” 2017 CONSUMER CONFIDENCE REPORT		48
ABBREVIATIONS		53
DEFINITIONS		55
REFERENCES		60
PREPARERS		61
MAPS: #1 (Kelseyville Area) and #2 (Finley Area) Sphere of Influence.		62
KELSEYVILLE COUNTY WATERWORKS DISTRICT #1 BOUNDARY MAP.		63

1 INTRODUCTION

1.1 Local Agency Formation Commission (LAFCo) History

This report is prepared pursuant to State legislation enacted in 2000 that requires Lake LAFCo to complete a comprehensive review of municipal service delivery and update the spheres of influence (SOIs) of all agencies under LAFCo's jurisdiction. This chapter provides an overview of LAFCo's history, powers and responsibilities. It discusses the origins and legal requirements for preparation of a Service Review commonly referred to as a Municipal Service Review (MSR). Finally, the chapter reviews the process for MSR review, MSR approval and SOI updates.

After World War II, California experienced dramatic growth in population and economic development. With this boom came a demand for housing, jobs and public services. To accommodate this demand, many new local government agencies were formed, often with little forethought as to the ultimate governance structures within a given region. A lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service area boundaries, many of which resulted in the premature conversion of California's agricultural and open-space lands and duplication of services.

Recognizing this problem, in 1959, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963; resulting in the creation of a Local Agency Formation Commission, or "LAFCo," operating in every county.

LAFCo was formed as a countywide agency to discourage urban sprawl and to encourage the orderly formation and development of local government agencies within its jurisdiction. LAFCo is responsible for coordinating logical and timely changes in local governmental boundaries; including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers and dissolutions of districts, as well as reviewing ways to reorganize, simplify, and streamline governmental structure.

The Commission's efforts are focused on ensuring services are provided efficiently and economically while agricultural and open-space lands are protected or conserved to the extent possible. To better inform itself and in compliance with the State Law; LAFCo conducts MSR's to evaluate the provision of municipal services for service providers within its jurisdiction.

LAFCo regulates, through approval, denial, conditions and modification, boundary changes proposed by public agencies or individual voters and landowners. It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCo is empowered to initiate updates to the SOIs and proposals involving the dissolution, consolidation or formation of special districts, establishment of subsidiary districts, and any reorganization including such actions. Where LAFCo is not given specific authority, LAFCo actions must originate as petitions from affected voters or landowners, or by resolutions by affected cities or special districts.

A Plan for Services is required in Government Code Section 56653. A Plan for Services must include the following information: An enumeration and description of services to be provided, the level and range of those services, an indication of how those services are to be extended

into the territory, an indication of any improvements or upgrading of structures, information on how the services are to be financed.

1.2 Preparation of the MSR

Research for this Municipal Service Review (MSR) was conducted during the summer of 2018.

This MSR is intended to support preparation and update of Spheres of Influence, in accordance with the provisions of the Cortese-Knox-Hertzberg Act. The objectives of this Municipal Service Review (MSR) are as follows:

- ✓ To develop recommendations that will promote more efficient and higher quality service options and patterns
- ✓ To identify areas for service improvement
- ✓ To assess the adequacy of service provision as it relates to determination of appropriate sphere boundaries

While LAFCo prepared the MSR document, given budgetary constraints, LAFCo did not engage the services of experts in engineering, hydrology, geology, water quality, fire protection, accounting or other specialists in related fields, but relied upon published reports and available information. Insofar there is conflicting or inconclusive information LAFCo staff may recommend the district retain a licensed professional or expert in a particular field for an opinion.

Therefore, this MSR reflects LAFCo's recommendations, based on available information during the research period and provided by District staff to assist in its determinations related to promoting more efficient and higher quality service patterns; identifying areas for service improvement; and assessing the adequacy of service provision by the Kelseyville County Water District. Additional information on local government funding issues are found in Appendix A at the end of this report.

1.3 Role and Responsibility of LAFCo

Local Agency Formation Commissions (LAFCos) in California are independent agencies created by the California Legislature in 1963 for the purpose of encouraging the orderly formation of local government agencies and conserving and preserving natural resources. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) is the statutory authority for the preparation of an MSR, and periodic updates of the Sphere of Influence (SOI) of each local agency.

LAFCos are responsible for coordinating logical and timely changes in local governmental boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure, preparing a review of services called a MSR, and preparing a SOI thereby determining the future "probable" boundary for each city and special district within each county.

The Commission's efforts are directed toward seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. Often citizens are confused as to what LAFCo's role is. LAFCos do not have enforcement authority nor do they have the

authority to initiate a city or district annexation or detachment proceeding. LAFCos may initiate consolidation or dissolution proceedings; however, these proceedings are subject to voter approval or denial.

The Legislature has given LAFCos the authority to modify any proposal before it to ensure the protection of agricultural and open space resources, discourage urban sprawl and promote orderly boundaries and the provision of adequate services.

The Governor's Office of Planning and Research (OPR) has issued Guidelines for the preparation of a MSR. This MSR adheres to the procedures set forth in OPR's MSR Guidelines.

A SOI is a plan for the probable physical boundaries and service area of a local agency, as determined by the affected Local Agency Formation Commission (Government Code §56076). Government Code §56425(f) requires that each SOI be updated not less than every five years, and §56430 provides that a MSR shall be conducted in advance of the SOI update.

1.4 Municipal Services Review Requirements

Effective January 1, 2001 and subsequently amended, LAFCo is required to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following six topics (Government Code §56430):

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities (DUC) within or contiguous to the sphere of influence
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies
4. Financial ability of agencies to provide services
5. Status of, and opportunities for shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies

1.5 Municipal Services Review Process

For local agencies, the MSR process involves the following steps:

- Outreach: LAFCo outreach and explanation of the project
- Data Discovery: provide documents and respond to LAFCo questions
- Map Review: review and comment on LAFCo draft map of the agency's boundary and sphere of influence
- Profile Review: internal review and comment on LAFCo draft profile of the agency
- Public Review Draft MSR: review and comment on LAFCo draft MSR
- LAFCo Hearing: attend and provide public comments on MSR

MSRs are exempt from California Environmental Quality Act (CEQA) pursuant to §15262 (feasibility or planning studies) or §15306 (information collection) of the CEQA Guidelines. LAFCo's actions to adopt MSR determinations are not considered "projects" subject to CEQA. The MSR process does not require LAFCo to initiate changes of organization based on service review findings, only that LAFCo identify potential government structure options.

However, LAFCo, other local agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization or to establish or amend SOIs. Within its legal authorization, LAFCo may act with respect to a recommended change of organization or reorganization on its own initiative (e.g., certain types of consolidations), or in response to a proposal (i.e., initiated by resolution or petition by landowners or registered voters).

Once LAFCo has adopted the MSR determinations, it must update the SOI for each jurisdiction. The LAFCo Commission determines and adopts the spheres of influence for each agency. A CEQA determination is made by LAFCo on a case-by-case basis for each sphere of influence action and each change of organization, once the proposed project characteristics are sufficiently identified to assess environmental impacts.

1.6 Sphere Of Influence Update Process

The Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county.¹

An SOI is a LAFCo-approved plan that designates an agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCo to a city or district unless it is within that agency's sphere.

The purposes of the SOI include the following:

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

LAFCo may not directly regulate land use, dictate internal operations or administration of any local agency, or set rates. LAFCo is empowered to enact policies that indirectly affect land use decisions. On a regional level, LAFCo promotes logical and orderly development of communities as it considers and decides individual proposals. LAFCo has a role in reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of current and future area residents and property owners.

¹ The initial statutory mandate, in 1971, imposed for no deadline for completing sphere designations. When most LAFCos failed to act, 1984 legislation required all LAFCos to establish spheres of influence by 1985.

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

While SOIs are required to be updated every five years, as necessary, this does not necessarily define the planning horizon of the SOI. The term or horizon of the SOI is determined by each LAFCo.

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 the six determinations previously discussed. In addition, in adopting or amending an SOI, LAFCo must make the following five determinations as required in Government Code section 56425(c):

1. Present and planned land uses in the area, including agricultural and open-space lands
2. Present and probable need for public facilities and services in the area
3. Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide
4. Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency
5. For an update of an SOI 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.²

The CKH Act stipulates several procedural requirements in updating SOIs. It requires cities to file written statements on the class of services to be provided and LAFCo must clearly establish the location, nature and extent of services provided by special districts.

By statute, LAFCo must 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.

1.7 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 Lake 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:

² California Government Code Section 56425 (e)(5)

1) Coterminous Sphere:

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

2) Annexable Sphere:

A sphere larger than the agency's boundaries identifies areas the agency is expected to annex. The annexable area is outside the district boundaries and inside the sphere of influence.

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 of influence.

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 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
- 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.

1.8 Description of Public Participation Process

The LAFCo proceedings are subject to the provisions of California's open meeting law, the Ralph M. Brown Act (Government Code Sections 54950 et seq.). The Brown Act requires advance posting of meeting agendas and contains various other provisions designed to ensure that the public has adequate access to information regarding the proceedings of public boards and commissions. Lake LAFCo complies with the requirements of the Brown Act.

The State MSR Guidelines provide that all LAFCOs should encourage and provide multiple public participation opportunities in the MSR process.

2 KELSEYVILLE COMMUNITY BACKGROUND

2.1 The Community of Kelseyville

Kelseyville is an unincorporated community located on State Highway 29, southeast of Lakeport and south of Clear Lake in Big Valley. The land area of Kelseyville is 3.2 square miles.

The economic base of Kelseyville is predominantly in agriculture and agriculture-related industries. Pears and walnuts were traditionally the predominant agricultural commodities produced in the area. Today, several varieties of wine grapes are replacing many of the area's former walnut and pear growing orchards. Three wine tasting rooms have been established in the downtown area within the past 3 years. In addition, olives appear to be increasing, with an olive orchard and mill installed at the north end of the downtown area (on Gaddy Lane) within the past 5 years. Kelseyville Lumber re-located their store from downtown to the west end and has greatly expanded their material and service inventory.

2.2 Kelseyville Census Data

Kelseyville is a "Census Designated Place" (CDP) so census data is available. In 2010 the population was 3,353.³ As of July 1, 2017, Kelseyville had a population of 3,268.³ There were 1,189 households, out of which 422 (35.4%) had children under the age of 18 living in them, 388 households (32.6%) were made up of individuals and 77 (6.5%) had someone living alone who was 65 years of age or older. In the Kelseyville vicinity, the average household size was 2.75.

The population was spread out in age as follows:

KELSEYVILLE POPULATION 2017 ⁴		
AGE	NUMBER	PERCENT
Under the age of 18	820 people	25.1%
Aged 18 to 24	173 people	5.3%
Aged 25 to 44	827 people	25.3%
Aged 45 to 64	1,000 people	30.6%
65 years of age or older	<u>448 people</u>	<u>13.7%</u>
TOTAL	3,268 people	100.0%

The median age was 38.8 years. Males comprised 47.8% and females comprised 52.2% of the population.

There were 1,328 housing units of which 745 (56%) were owner-occupied, and 444 (33.4%) were occupied by renters. The vacancy rate was 10.5%. There were 2,049 people (62.6% of the population) living in owner-occupied housing units and 1,221 people (37.4%) living in rental housing units.

2.3 Services

Fire protection is provided by the Kelseyville Fire Protection District. The main fire station is located in downtown Kelseyville.

³ city-data.com, page 1 of 20

⁴ California.hometownlocator.com, page 1 of 4

2.4 Proposed Development

2.4.1 Kelseyville Family Apartments

This is a proposed 54 unit multi-family project on a parcel with primary frontage along Gaddy Lane and a small amount of frontage on State Street. It is adjacent to the U.S. Post Office.

In September 2017, Lake County Special Districts (LCSD) issued a conditional “will serve” letter to the developer of this project. Due to its size, the developer is required to have a capacity analysis prepared to evaluate impacts to the water system and mitigate all impacts, if deemed necessary.⁵

2.5 Water Treatment Background

Small community water treatment has posed an enormous problem for the drinking water regulatory community, drinking water professionals, and the people living in these communities. The Safe Drinking Water Act (SDWA) and subsequent regulations require that all water in the distribution system and at every tap connected to the distribution system comply. Water treatment usually consists of filtration and disinfection.

Water treatment standards essentially mandate central treatment for drinking water prior to entering the distribution system. No water that exceeds a primary standard may be used for drinking water.

Primary Standards have been developed to protect human health and are rigorously enforced by the Department of Health Services. For very small communities, this may be a cost that poses an undue burden. Often it could be a cost that has negative public health implications. For a very low-income family, the money spent on water treatment may not be available for other essentials.

Rather than spend that money, a community may apply for a variance or exemption. Exemptions and variances from the State requirements are intended to be temporary solutions to regulatory compliance. They may, however, extend indefinitely leaving a community with no water that meets the regulation.

Secondary Standards are intended to protect the taste, odor or appearance of drinking water. California Code requires that, if a community water system experiences an exceedance of certain secondary standard, quarterly sampling must be initiated. Compliance is then determined based upon the average of four consecutive quarterly samples. Non-compliant water must then be treated to meet the secondary standards.

Water distribution systems carry water for both domestic use and for fire suppression. The distribution system should be sized to perform both functions simultaneously, delivering sufficient water volume and pressure. Pipes should be made of durable and corrosion-resistant materials, and alignments located in areas that are easy to access for repairs and maintenance. Fire hydrants should be placed a maximum of 600 feet apart along the water mains and a maximum of 500 feet from the end of water lines. For structure fires, NFPA recommends the

⁵ S. Harter, Lake County Special Districts, June 2018

availability of an uninterrupted water supply for 30 minutes with enough pressure to apply at least 400 gallons of water per minute.

Some water loss in the distribution system can be expected. Water loss is the difference between the volume of water pumped from the water supply well and the volume of water sold to users. A loss of water from 10% to 20% is considered acceptable by the American Water Works Association (AWWA). Special Districts provides water conservation measures and links to others on their website. These are shown in Appendix "A" at the end of this report.

2.6 Wastewater Treatment Background

Wastewater is the water that drains from sinks, showers, washers, and toilets. Wastewater also includes water used for some outdoor purposes, such as draining chlorinated pool water, commercial car washes and industrial processes. Underground sanitary sewer pipelines carry sewage to a wastewater treatment plant (WWTP), where it is treated, disinfected and discharged or recycled.

Wastewater Treatment demand management strategies include the following:

- Sewer infiltration and inflow (I&I) control
- Industrial pretreatment and recycling
- Water conservation

Service providers can reduce infiltration and inflow with capital improvements, such as pipeline rehabilitation, manhole cover replacement, and root eradication. They can also address sources on private property, such as broken service lines, uncapped cleanouts and exterior drains, through public education, incentives, and regulatory strategies.

Communities use various techniques to prohibit discharge of unwanted pollutants or to reduce the quantity and strength of wastewater discharged to sewers. These techniques include the following:

- Permit limitations on the strength and contaminant levels of industrial and commercial wastewater
- Increased rates or surcharges on high-strength wastes
- Incentives or requirements for water recycling and reuse within the industrial or commercial operation

Water conservation measures are effective for reducing average wastewater flows, but have less impact on peak flows, which are usually strongly influenced by infiltration and inflow contributions. Water conservation has little or no impact on organic loading to the treatment plant.

3 KELSEYVILLE COUNTY WATERWORKS DISTRICT #3 (KCWD)

3.1 KCWD Background

The Kelseyville County Waterworks District #3 (KCWD) is a dependent special district serving the communities of Kelseyville and Finley (for water only) in Lake County, California. The KCWD was formed in 1946 by the County Board of Supervisors and is overseen by Special Districts Administration of Lake County (LCSD).

LCSD staff consists of 44 full-time employees and is responsible for managing numerous water and wastewater systems throughout the County. Management of these systems is divided into 3 utility areas, with utility Area 2 (UA 2) responsible for the Kelseyville water and wastewater systems.

UA 2 has 9 full time staff assigned. The superintendent has advanced certifications in treatment and distribution. There are 5 utility workers, 2 of which have advanced certifications in treatment and distribution. There are 2 operators with advanced certifications in treatment and distribution. An electrical-mechanical technician is assigned to this utility area as well. He has an advanced certification in distribution. In addition, The Administration Office in Lakeport has 16 full time staff providing financial, regulatory, technical, customer service and overall management services for all 3 utility areas.⁶

The Special Districts link to the Lake County Government website provides important information for their water and sewer customers and the public. Appendix "A" is a list of water conservation tips. There are several additional links to other sites with specific strategies for both indoor and outdoor water conservation. The site also shows: the three utility areas and all the systems managed by Special Districts, wastewater recycling system, solar facilities, carbon footprint calculations for all water and sewer systems, cross connection/backflow prevention program, fats, oils, & grease (FOG) program, and the system-wide drought management plan, and much more.

KCWD provides municipal water to approximately 1,715 homes and 104 businesses, and sewer services to approximately 1,511 within its service area and the community of Finley.⁷ The system contains 3 water storage tanks and 4 wells, which provide water to the customers in the service area

⁶ Lake County Special Districts Staffing and Organizational Charts, June 2017

⁷ Lake County Special Districts Connection Data, May 25, 2018

3.2 KCWD Contact Information⁸

The KCWD contact information is as follows:

Kelseyville County Waterworks District #3
230 North Main Street
Lakeport, CA 95453
Jan Coppinger, Special Districts Administrator

Office Phone: 707.263.0119
Fax: 707.263.3836

After Hours Phone: 707.263.0119

Office Hours: 8 am to 5 pm Monday through Friday

Mission Statement:

Our mission includes Provision of high quality customer service; Protection of the environment; Support for local economic development with community infrastructure; Providing safe, dependable drinking water to all of our customers in each of our water districts; Maintain the safe collection, transfer and treatment of waste water throughout our sewer districts; Promoting awareness, protection and conservation of our natural resources & environment.

3.3 KCWD Board of Directors

The KCWD Board of Directors is the Lake County Board of Supervisors acting in this role as follows:

Name	Title	Term and Expiration Date
Jeff Smith	Chair	Four-year term expiring December 2018
Moke Simon	Vice Chair	Four-year term expiring December 2020
Tina Scott	Board Member	Four-year term expiring December 2020
Jim Steele	Board Member	Four-year term expiring December 2018
Rob Brown	Board Member	Four-year term expiring December 2020

Regular board meetings are held on the first four Tuesdays of each month at 255 North Forbes Street, Lakeport, at 9:00 a.m. The Board of Supervisors is committed to transparency. Board meetings are held in accordance with the Brown Act and are noticed as such.

3.4 KCWD Water System

3.4.1. Water Connections

⁸ www.co.lake.ca.us/Government/Directory/Special_Districts.htm, June 2018

The KCWD provides water service as follows:⁹

Total connections-water service:	1338
Single Family	1715
Multi Family	162
Commercial	104
Backflow Devices	59

3.4.2 Water Source

The water source is four groundwater wells adjacent to Kelseyville Creek. Well 2 in Finley is in a different aquifer and is used only for backup purposes. These wells are shown in the following table.

Kelseyville County Waterworks District Water Wells ¹⁰			
Source	PS Code	Status	Estimated Capacity (Gallons per minute)
Well-04	1710007-002	Active	630
Well-06	1710007-003	Active	180
Well-07	1710007-006	Active	500
Well-08	1710007-007	Active	230
Well-02 (from Finley)	1710007-010	Standby	175

These wells produce the following:

Maximum monthly production (mg):	31.87
Maximum day production (mgd):	2.10
Annual total production (mg):	382.44

An important cost avoidance measure is the placement of timers on these production wells so the pumps operate at night (from May-October), thereby avoiding high electric utility bills during peak hours of the day (Noon-6 pm).

3.4.3 Water Storage

Water drawn from the four wells is transmitted to three storage tanks. Two bolted steel tanks, each with a capacity 250,000 gallons are at one location and a third welded steel tank holding 1,000,000 gallons is at a separate location.

3.4.4 Distribution System

The distribution system piping is composed of a variety of materials including asbestos cement, Schedule 40 steel, ductile iron, and PVC (plastic). The schedule 40 pipe is the oldest of these types, making up about 30% of the system. It is also the most challenging due to its thin wall

⁹ Lake County Special Districts Connection Data, May 25, 2018

¹⁰ L. Prescott-Utility Area 2 Superintendent, Lake County Special Districts, May 30, 2018

thickness and age. A major capital project in 2006 replaced much of this pipe with 6, 8, and 10 inch PVC. About 18,000 feet of new pipe was installed and included physically connecting Finley (CSA #6) to the Kelseyville system. Several subsequent smaller capital projects replaced more of this material with PVC and reduced “bottlenecks” in the system. The ongoing capital improvement program will continue to focus on these areas.

On average, the system pressure is approximately 85 lbs. at a delivery rate of 1,300 gpm. Based on monthly variance reports, the system has a leakage rate of 21%.¹¹ During the recent drought conditions (2010-2015) LCSD purchased sophisticated mobile leak detection equipment (with staff training) to identify leaks in a more comprehensive manner. In the near future, the leak detection program will be expanded to add multi-station leak logging capabilities to the distribution system.

There are 12 “dead ends” in the system requiring annual flushing. During drought conditions, flushing may not occur in the entire system as frequently for water conservation purposes. The District is pursuing eliminating these dead ends as funding allows as a part of the capital improvement program.

3.4.5 Water Quality

Groundwater in the Kelsey Creek aquifer is considered to be of excellent quality. It requires no filtration, only chlorination using liquid sodium hypochlorite. Another indicator of its superior quality is the fact that no taste and odor complaints are received at LCSD. The most recent Consumer Confidence Report for the system was mailed to all customers in June 2018 (as required by the Division of Drinking Water). A copy of the 2017 CCR is included as Appendix “B”.

3.4.6 System Capacity

The system can deliver 1,540 gpm during peak demand periods and 70% of this total flow is reserved for fire flows. The maximum daily production is 2.1 mgd and average daily usage is 45% of the capacity. The average gallons per day per equivalent dwelling unit demand in the service area is 635 gpd/EDU. During the drought of 2010-2015, demand was 25%-30% lower than this figure. This was due in large part to voluntary conservation measures in the community and a significant outreach and education effort by Lake County Special Districts.

3.5 KCWD Wastewater Collection and Treatment System

3.5.1 Wastewater Treatment and Collection Overview

The treatment receives wastewater from Kelseyville, Corinthian Bay, and Clear Lake State Park. The collection system The KCWD operates the wastewater collection system and the wastewater treatment and disposal systems which includes discharge of secondary treated effluent to a series of seven interconnected evaporation/percolation ponds located on the western flank of Mt. Konocti. The District reports the following number of connections:¹²

¹¹ D. Janakes, Lake County Special Districts, June 2018

¹² Lake County Special Districts Connection Data, June 2018

927 total wastewater connections averaging 334 gpd dry weather flow and 852 gpd peak flow per connection:

Single Family - 1511
 Multi Family – 162
 Commercial - 108

3.5.2 Waste Discharge Requirements

A small portion of the treated wastewater is made available to an adjacent property owner who drip irrigates his wine grapes. Thus, the Regional Water Quality Control Board issued both the KCWD and the grape grower individual waste discharge requirements for this discharge. The KCWD is regulated under Order No. R5-2009-0023.

The existing treatment facility was upgraded in 2010 and includes an aerated lagoon treatment system. The improvements include: increasing the size of the effluent pump station to 0/79 mgd; replacing 3,000 feet of effluent pipeline from 6 inch to 12 inch (ductile iron pipe); convert treatment pond 1 into an aerated lagoon system with both partially and fully mixed cells separated by floating baffle curtains. This new treatment lagoon is lined with 60-mil high density polyethylene. The remainder of Pond 1 and Ponds 2 and 3 will serve as effluent storage ponds. Pond 4 will continue to be used as a clear well for the effluent pump station. The average daily dry weather flow is 0.22 million gallons per day (mgd) and the peak month daily flow is 0.48 mgd.¹³ The waste discharge requirements identify the following limits:¹⁴

Average Daily Flow:	0.31 mgd
Peak Hourly Wet Weather Flow:	1.20 mgd
Peak Monthly Flow:	0.48 mgd
Peak Weekly Flow:	0.60 mgd
Design Capacity:	0.83 mgd

The system is operating below capacity for both dry and wet weather flows at present. The 2010 improvements included a second phase of treatment capacity expansion when needed.

The facility processes include a head works with primary screening, secondary treatment through an aerated lagoon system, chlorination, three effluent storage basins, and a clarification pond prior to chlorination and effluent pump facilities. Monitoring wells are in place at the treatment site and the percolation/evaporation ponds to measure any potential effect of the impounded wastewater to the groundwater.¹⁵

Required effluent limitations of the treated wastewater as are as follows:¹⁶

Constituents

Concentrations

¹³ Ca. Regional Water Quality Control Board, Order No. R5-2009-0023, Page 7

¹⁴ Ca. Regional Water Quality Control Board, Order No. R5-2009-0023, Page 7

¹⁵ CH2M Hill Engineers, 2010 Record Drawings, Kelseyville Wastewater Treatment Plant Improvements

¹⁶ Ca. Regional Water Quality Control Board, Order No. R5-2009-0023, Page 22

BOD ₅	40 mg/l (monthly average)
Total Suspended Solids	40 mg/l (monthly average)
pH	6.5 – 10.0

In addition to the effluent volume limitations [\(conditions 1 and 2\)](#), the following discharge specifications [\(conditions 1 through 13\)](#) apply:¹⁷

3. No waste constituent shall be released or discharged, or placed where it will be released or discharged, in a concentration or in a mass that causes violation of the Groundwater Limitations.
4. Wastewater treatment, storage and disposal shall not cause pollution or a nuisance as defined by Section 13050 of the California [Water](#) Code (CWC).
5. The Discharger shall operate all systems and equipment to optimize the quality of the treated effluent.
6. Public contact with wastewater shall be precluded or controlled through such means as fences and signs, or acceptable alternatives.
7. Objectionable odors originating at the facility shall not be perceivable beyond the limits of the wastewater treatment, or P/E ponds at an intensity that creates or threatens to create nuisance conditions.
8. As a means of discerning compliance with Discharge Specification B.7, the dissolved oxygen (DO) content in the upper one foot of any wastewater pond shall not be less than 1.0 mg/L for three consecutive weekly sampling events. If the DO in any single pond is below 1.0 mg/L for three consecutive sampling events, the discharger shall report the findings to the Regional Water Board in writing within 10 days and shall include a specific plan to resolve the low DO results within 30 days.
9. Wastewater ponds shall be managed to prevent breeding of mosquitoes. In particular,
 - a. An erosion control plan shall be implements to ensure that small coves and irregularities are not created around the perimeter of the water surface.
 - b. Weeds shall be minimized through control of water depth, harvesting, or herbicides.
 - c. Dead algae, vegetation, and debris shall not accumulate on the water surface.
10. All treatment, storage, and disposal facilities shall be designed, constructed, operated and maintained to prevent inundation or washout due to floods with a 100 year return frequency.
11. The WWTF shall have sufficient treatment, storage, and disposal capacity to accommodate allowable wastewater flow and design seasonal precipitation and ancillary inflow and infiltration during the winter months. Design seasonal precipitation shall be

¹⁷ Ca. Regional Water Quality Control Board, Order No. R5-2009-0023, Pages 21-22

based on total annual precipitation using a return period of 100 years, distributed monthly in accordance with historical rainfall patterns.

12. The Discharger shall operate and maintain all ponds sufficiently to protect the integrity of containment levees and prevent overtopping and/or structural failure. Unless a California-registered civil engineer certifies (based on design, construction, and conditions of operation and maintenance) that less freeboard is adequate, the operating freeboard in any pond shall never be less than two feet (measured vertically from the lowest possible point of overflow). As a means of management and to discern compliance with this requirement, the Discharger shall install and maintain in each pond permanent staff gauges with calibration marks that indicate the water level at design capacity and enable determination of available operational freeboard.
13. On or about **15 October** of each year, available pond storage capacity shall at least equal the volume necessary to comply with Discharge Specifications B.11 and B.12.

The WDRs also include extensive requirements on the effluent from the treatment facility, requirements for the recycled water used for irrigation, groundwater protection and monitoring. Testing and reporting is required daily, weekly, monthly, and quarterly by the Monitoring and Reporting Program (R5-2009-0023).¹⁸

The WDRs also regulate biosolids monitoring and management. In 2016, KCWD implemented a biological process that removes biosolids. This avoids the significant cost of mechanical biosolids removal while maintaining regulatory compliance for biosolids management. This system has been installed at two other wastewater treatment plants operated by Special Districts (as the Lake County Sanitation District) and the results have shown a decrease of about 25% in electricity costs.

3.6 KCWD Financial Information

3.6.1 Financial Overview

The District maintains good financial records. Financial reporting requirements appear to be met in a timely fashion and budgetary documents were easily obtained and reviewed. There do not appear to be any additional discrepancies in the financial auditing and accounting finances for the District. There are no identified structural changes necessary to ensure public accountability in the financial practices of KCWD.

The KCWD provided the Fee Schedule, Budget and Audit shown in the following sections. Discussions of each of these components is provided.

3.6.2 Fee Schedule

A. KCWD Existing Fees

KCWD charges rates for connections, water and sewer provision, and miscellaneous services. Water and sewer rates have annual Consumer Price Index inflationary adjustments. These adjustments are implemented in January of each year as provided for in the ordinances. The

¹⁸ Ca. Regional Water Quality Control Board, Order No. R5-2009-0023, Page 26

District maintains a rate structure for additional services, based on actual costs. These include standby rates, out-of-District service costs, meter connection fees, and other costs related to water and sewer service provision. These rates are consistent with those charged by other county service areas and districts in the County. They are not considered excessive. The following is the fee schedule for KCWD #3:

Residential Fees for New Construction and Existing Homes

Water Fees¹⁹

Water meter set	\$ 350.00
Water meter new install	\$ 450.00
Water hookup fee	\$ 2,500.00

Sewer Fees²⁰

Sewer Lateral Tap fee.....	\$ 1,356.50
Sewer Capacity Expansion fee.....	\$ 5,287.88

Monthly Billing Charges for Residential and Commercial Water

Monthly **water fixed charges for 2017-2018** based on meter size:

<u>Meter size</u>	<u>Rate</u>
5/8"	\$29.90
3/4"	\$29.90

Monthly **water volumetric fee (per billing)**: \$0.87 (per 100 cubic feet under 1,500 CF; \$1.17 per 100 CF over 1,500 CF)

In 2014, KCWD issued an urgency ordinance adopting emergency water conservation restrictions. This was set at Stage 3 of the Drought Management Plan. Monthly water surcharge rates were as follows:²¹

The urgency ordinance calls for all customers to keep water usage to under 1,600 cubic feet per month. Special Districts bills bimonthly so this equates to 3,200 cubic feet per billing cycle (every 2 months). Usage over 3,200 cubic feet per billing cycle will be charged at \$12.00 per 100 cubic feet. If usage exceeds 5,000 cubic feet per billing cycle, in addition to being charged \$12.00 per 100 cubic feet for the usage over 1,600 per month, customers will be charged \$350 per billing cycle. If usage exceeds 8,000 cubic feet per billing cycle, in addition to being charged \$12.00 per 100 cubic feet for the usage over 1,600 cubic feet per month, customers will be charged \$700 per billing cycle.

This urgency ordinance was rescinded in 2016. However, the State is considering mandating permanent water conservation requirements for all public water systems.

¹⁹ Lake County Special Districts, Water Rate and Capacity Fee Ordinance #2652, June 15, 2003

²⁰ Lake County Special Districts, Sewer Rate and Capacity Fee Ordinance #2780, July 11, 2006

²¹ Lake County Special Districts, Urgency Ordinance Adopting Emergency Water Conservation Restrictions for Kelseyville County Waterworks District #3, adopted July 22, 2014

Sewer

Monthly

FY 17/18 sewer fixed charge:	\$17.85
Capital Improvement Program	\$ 8.05
Sewer Loan Repay	\$ 7.00

Miscellaneous Fees

New account transfer fee (tenants)	\$ 55.00
Shut off fee: customer request	\$ 10.00
Shut off fee: non-payment	\$ 40.00

3.6.3 BUDGET

The FY 17/18 Board-approved Budget for KCWD is shown below in eight pages of County budget forms. Water and sewer revenues each have separate subaccounts with descriptions of their function. All approved budgets are made available on the Lake County government and Special Districts Administration websites.

The two cover pages below, provide the total budget amount requested, department overview, previous year accomplishments, goals for the upcoming year and summary of major accounts.

FORM #1 - BUDGET OVERVIEW

FUND TITLE: Kelseyville County Waterworks District #3
BUDGET TITLE: _____

FUND NUMBER: 293
BUDGET UNIT: 8593

Requested Budget FY 17/18: \$ 1,221,561

Permanent Positions: N/A

Estimated Revenue FY 17/18: \$ 902,432

Prior Year Permanent Positions: N / A

Prior Year (FY 16/17) Adopted Budget: \$ 1,167,442

Lake County Special Districts

Jan Coppinger, Administrator



*Special Districts Administration BU 8695
 Lighting Districts BU 8210-8219, 8461
 Water Districts BU 8262, 8266, 8267, 8273, 8276, 8278, 8280, 8281, 8282
 Sewer Districts BU 8351, 8352, 8353, 8354, 8355, 8356
 Kelseyville County Waterworks Dist. #3 BU 8593
 Spring Valley Campground BU 8260*

DEPARTMENT OVERVIEW

The Special Districts Administration (SDA) is the water and wastewater agency of the County of Lake. Special Districts oversees the operation of ten water systems and four wastewater systems serving over 40,000 people in twenty-one communities. SDA also oversees street lighting districts, some roads, bridges, dams and a campground.

Our mission includes:

- Provision of high quality customer service.
- Protection of the environment.
- Support for local economic development with community infrastructure.
- Providing safe, dependable drinking water to all of our customers in each of our water districts.
- Maintain the safe collection, transfer & treatment of waste water throughout our sewer districts.
- Promoting awareness, protection and conservation of our natural resources & environment.

With a staff of 46 trained and certified professionals, we provide coverage throughout the entire county 365 days of the year.

Kelseyville County Waterworks District #3

This district operates and maintains the water and wastewater systems for the Kelseyville area. The water system serves 1,363 single family dwelling unit connections, while the wastewater system serves 1,374 single family dwelling unit connections.

ACCOMPLISHMENTS IN FY 2016-17

- Blue Frog was installed and adjusted for bio-solids handling
- Scarify disposal ponds

GOALS FOR FY 2017-18	SPECIAL NOTES
<ul style="list-style-type: none"> ➤ Provide continuous water and sewer service that complies with regulations in the most cost-effective manner possible. ➤ Seek out and repair source of inflow and infiltration. Slip lining where needed. ➤ Engineering for water mainline replacement on Live Oak Drive 	

2

SUMMARY OF MAJOR ACCOUNTS

Revenues

User fees are the primary source of funding for this budget unit.

Services & Supplies

This budget provides for maintenance and operation of the potable water system and sewer system.

Capital Assets

3-04 Construction in Progress—Engineering for water mainline replacement on Live Oak Drive \$25,000
 61-60 Structures & Improvements- Slip lining \$100,000; and roof extension/covering \$22,500

CHANGES IN BUDGET FROM PRIOR YEAR

--

Budget prepared by: Josefine Chester, Deputy Administrator-Fiscal
 Department Head, Assistant Department Head or Division Manager

Budget approved for submission by: Jan Coppinger
 Department Head

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KELSEYVILLE COUNTY WATERWORKS DISTRICT NO. 3
MSR and SOI Adopted March 20, 2019

The first form (Form 3) presented below is the KCWD Revenue. As would be expected the majority of the income comes from user fees, identified as sales and service. Also shown in this form is the sewer capital improvement program (CIP).

BUDGET TITLE : Kelseyville County Waterworks Dist #3		FORM 3- DEPARTMENT REVENUE		BUDGET UNIT 8093					
				FUND 293					
A	B	C	D	E	Complete F Through I if Revenue is from a Grant which Crosses Fiscal Years. G must equal H+I+J				J
Fund Number	Revenue Acct. No. & Title (List in Numerical Sequence)	Description of Revenue How It is Generated & Reason for Estimating Increase or Decrease from Prior Year	Actual Revenue Received Through 2/28/2017	Total Amount Department Anticipates Receiving In FY 16/17	F	G	H	I	Revenue Estimates for FY 17/18
					Mo/Year Grant Approved by BOS	Total Amount of Grant	Amount Rec'd FY 16/17 and Prior	Amount To Be Received After FY 17/18	
293	411.10-10 - Property Taxes	Current Secured	54,997	96,418					96,686
293	411.10-20 - Property Taxes	Current Unsecured	2,240	2,294					2,200
293	411.10-25 - Property Taxes	Supp 813 - Current	51	355					360
293	411.10-35 - Property Taxes	Supp 813 - Prior	93	95					100
293	411.10-40 - Property Taxes	Prior Unsecured	31	60					60
293	431.31-95 - Fines, Forfeit, Penalties	Penal & Cost Delinq Taxes	147	150					150
293	441.42-01 - Revenue from Use of Money	Interest	2,816	3,390					3,430
293	453.54-60 - State Aid	HOPTR	-	300					650
293	461.66-50 - Charges for Services	Auditing & Accounting (Late Fees)	4,888	7,511					7,500
293	470.70-40 - Sewer	Sales and Service	188,646	280,825					281,379
293	470.70-42 - Sewer	Capacity Expansion Fee	-	-					
293	470.70-51 Special Assessment	CIP	87,693	131,397					131,300
293	471.71-21 - Water	Sales & Svcs Misc	258,142	365,452					365,462
293	471.71-22 - Water	Capacity Expansion Fee	-	-					
293	471.71-23 - Water	Water Connection Fee	-	-					
293	471.71-25 - Water	Water Collection - Tax Roll	809	1,199					2,129
293	471.71-26 - Water	Reconnections	5,027	7,058					6,358
293	471.71-93 - Other	Clearlake State Park	4,127	4,948					4,668
293	491.79-60 - Other	Sales of Fixed Assets	9,326	9,326					-
293	492.79-90 - Other	Misc	20						-
293	492.79-91 - Other	Canceled Checks	11						-
		Estimated fund balance as of 06/30/17	\$ 188,353						
			619,066	910,778	-	-	-	-	902,432

Page 1

Form 5 on the following two pages shows the expenses for the water and sewer service for the KCWD. As is true of most government agencies the cost of employee salaries is the single largest item. This form also shows budget levels for anticipated maintenance and repairs, professional and specialized services, permit fees, utilities, etc.

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MSR and SOI Adopted March 20, 2019

Page _____

BUDGET TITLE : Kelseyville County Waterworks D

BUDGET UNIT 8693

FUND NO. : 293

FORM #5 - SERVICES & SUPPLIES, OTHER CHARGES & OTHER FINANCING USES

List Object Codes in Numerical Order

Object Code & Title	Budget 16/17	Requested 17/18	Detail/Justification/Explanation	
12-00 - Communications	8,290	8,290	To Provide Communication from lift stations to staff. ATT - autodialers & phone lines 6,350 00 Deep Valley 190 00 4 auto dialers 1,750 00	
14-00 - Household Expense	4,000	4,500	Cleaners, Trash Bags, Sanitizers, Dumpster 4,500 00	
17-00 - Maintenance-Equipment	37,600	37,800	Repair parts for a variety of equipment used to maintain & operate lift stations within the sewer system 15,000 11 Repair parts for a variety of equipment used to maintain & operate the water system . Includes replacement pumps, turbidimeters, and lead brass water fittings 20,000 12 20ft connex box/container for pump storage*** 2,800 19	
18-00 - Maint-Bldgs & Imprvmts	86,199	66,205	Repair to Sewer Infrastructure (Laterals, pipes & Manholes Laterals, pipes and manholes 20,000 11 Repairs to Water Infrastructure (Water Lines, Meter Boxes, Hydrants, Wells, Tanks) 20,000 23 Weed/ Insect Control (Pestmasters) 8,705 15 Weed Control-WW Treatment ponds 3,500 15 Kelsey Creek Detention structure O & M support (DPW-IDC/IDS) 5,000 00 This is paid to County Water Resources Department Gravel for levees at Kelseyville ponds*** 4,500 18 525 tons road base to repair levee roads at treatment plant*** 4,500 18	
23-77 - Prof & Specialized Svcs	485,622	447,332	Labor - In House 447,332 00	
TOTAL	621,711	564,127		564,127

Use this form for appropriation requests in the following categories: **Services and Supplies, Other Charges, and Other Financing Uses.** Double space between object codes. If correct amount of justification and explanation is provided for each line item request, most departments will need to use several copies of this form.

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MSR and SOI Adopted March 20, 2019

Page _____

BUDGET TITLE : Kelseyville County Waterworks Dist #3

BUDGET UNIT 8683
 FUND NO. : 283

FORM #5 - SERVICES & SUPPLIES, OTHER CHARGES & OTHER FINANCING USES

List Object Codes in Numerical Order

Object Code & Title	Budget 16/17	Requested 17/18	Detail/Justification/Explanation		
23-80 - Prof & Specialized Svcs	66,250	76,250	SWRCB Water System Fees (increase)	16,700	20
			SWRCB Flushing Lines Fee	250	20
			CUPA Fees (Environmental Health)	2400	20
			DPW - Misc.	5000	24
			SWRCB -annual permit fees	16000	20
			Ground Water Study-Regulatory	11000	00
			Ground Water Monitoring	7900	00
			(Existing engineering service agreement for regulatory required monitoring at waste water treatment plant.)		
			Weed mowing @ treatment facility	3000	15
			Tank Inspections (every 2 years)	2000	24
			Tree trimming and removal for all areas	2000	15
			Disposal ponds engineering design***	10000	22
23-89 - Prof & Specialized Svcs	225,490	228,367	Special Districts Admin Svcs	228,367	00
23-90 - Prof & Specialized Svcs	6,730	6,956	Administrative Services -CH Overhead	6956	00
25-00 - Rents & Leases-Equipment	400	400	Misc. Equipment/Welders/Gas Tanks Rentals	400	00
27-00 Small Tools	2,000	2,000	Replacement and repair of tools and light equipment	2000	00
28-30 - Special Departmental Exp	53,791	55,591	Chlorine approx 600 cases @\$20 ea	12,000	00
			Multi-Chlor 8,600 gal @ \$2.00 pg	17,000	00
			Oxygen approx 7 refills @ \$28.00	196	00
			Alhambra Water Service	95	00
			Alpha Labs include at varying frequency....	13,050	00
			Nitrates @ \$50, NP Pests @\$125, Trihalomethanes @\$210		
			Bromate @\$135, Haloacetic Acids @\$150, Herbicides @\$135		
			Carbonates @\$190, VOCs @\$225, Diquat @ \$165		
			Copper & Lead @ \$275 Metals, various @ \$25		
			Alpha Analytical: include at varying frequency..	11,250	00
			BOD/Bacti & BOD/Susp sol		
			Safety cones/barricades***	2,000	00
30-00 - Utilities	171,915	171,915	Based on prior year actuals.	171,915	00
38-00 Inventory Items	22,400	1,500	TV and TV wall mount for safety training	1,500	00
48-00 Taxes and Assessments	62	62	Vector Control	62	00
80-81 Other Financing-	(33,107)	(33,107)	Expense Reimbursement from Finley/Corinthian Bay	(33,107)	00
Totals This Page	515,931	509,934		509,934	
TOTAL	1,137,642	1,074,061			

Use this form for appropriation requests in the following categories: Services and Supplies, Other Charges, and Other Financing Uses. Double space between object codes. If correct amount of justification and explanation is provided for each line item request, most departments will need to use several copies of this form.

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 MSR and SOI Adopted March 20, 2019

Form 6 (shown below and on the following page) includes the details for new fixed assets. In this particular budget year, they identify upcoming construction in progress for the water system and structures and improvements for the sewer system.

BUDGET TITLE : Kelseyville County Waterworks Dist #.

FORM #6 - FIXED ASSET DETAIL

BUDGET UNIT: 8593

FUND 293

___ 60.00 Land
 X 61.00 Structures and Improvements
 ___ 63.05 Construction in Progress

___ 62.71 Office - Equipment
 ___ 62.72 Autos/Light Trucks
 ___ 62.73 Equipment - Shop

___ 62.74 Equipment - Other
 ___ 62.79 Equipment - Prior Year
 (Complete a separate sheet for each object code)

Priority Ranking	Item and Description	Quantity	Justification (Also indicate whether item is new or a replacement of an existing asset)	Amount Requested	For BOS/Auditor Use Only	
					Recommended	Adopted
	Roof Extension/Covering		to protect Chlorine Tank, Air Compressor, Equipment and Headworks at the treatment plant***	13,000		
			to protect equipment at the maintenance yard***	9,500		
	Slip Lining repair		Replace/install slip lining at Kelseyville Sewer***	100,000		
Total				122,500		

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 KELSEYVILLE COUNTY WATERWORKS DISTRICT NO. 3
 MSR and SOI Adopted March 20, 2019

BUDGET TITLE : Kelseyville County Waterworks]

FORM #6 - FIXED ASSET DETAIL

BUDGET UNIT 8593
 FUND 293

☐ 60.00 Land
☐ 61.60 Structures and Improvements
☒ 63.04 Construction In Progress - Water

☐ 62.71 Office - Equipment
☐ 62.72 Autos/Light Trucks
☐ 62.73 Equipment - Shop

☐ 62.74 Equipment - Other
☐ 62.79 Equipment - Prior Year

Priority Ranking	Item and Description	Quantity	Justification (Also indicate whether item is new or a replacement of an existing asset)	Amount Requested	For BOS/Auditor Use Only	
					Recommended	Adopted
	Engineering for Water Mainline Replacement		Engineering for water mainline replacement at Live Oak from Douglas to Highway with 8" as per engineer's recommendations - on going project+++	25,000		
Total					25,000	

The last page of the budget is Form 7. It summarizes the requested funding for each appropriation category and the status of reserves. As shown in the reserves category, reserves were decreased in FY 16/17 to fund a capital project for the sewer system. This was for the "Blue Frog" (patent name) biological biosolids removal process which is now fully operational.

FORM # 7 BUDGET REQUEST SUMMARY

Page _____

BUDGET TITLE : Kelseyville County Waterworks Dist #3

BUDGET UNIT 8593

FUND NO: 293

APPROPRIATION CATEGORY	REQUESTED
Salaries & Benefits:	
Services & Supplies:	1,074,061
Other Charges:	
Fixed Assets:	147,500
Other Financing Uses:	
Contingencies*:	0
Total:	1,221,561

FOR NON-GENERAL FUND BUDGET UNITS ONLY: Estimated unreserved fund balance carryover as of 8/30/2014	\$ 188,353
--	------------

*Contingencies are applicable to special fund budgets only, and may not exceed 15% of the total of other appropriations.

PROPOSED INCREASE/DECREASE TO RESERVES (applicable budget units only)

RESERVE CLASSIFICATION	Estimated Balance as of 6/30/2016	Proposed Increase for FY 16/17	Proposed Decrease for FY 16/17	Total Reserves Proposed for FY 16/17
O&M Reserves	46,000			46,000
Mitigation	16,000		-	16,000
Capital Improvement	235,929		(130,776)	105,153
Sewer Replacement	182,879		-	182,879
TOTAL	480,808	-	(130,776)	350,032
Justification for reserve adjustments:				
Capital Improvement reserves are being decreases to fund capital projects.				

3.6.4 Audit

The Budget is a plan for spending (looking forward 1 year) and the Audit is a record of funds expended (looking back 1 year). The District complies with the law by having an outside accounting firm audit performed and certified. Then it is posted on the Lake County Government website.

A. COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The following page shows the combining balance sheet for KCWD. It is taken from the Lake County 2017 CAFR (Page 90). All narrative references to KCWD from the full County audit are also provided below.

COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	Kelseyville Waterworks District	Behavioral Health Programs	Lake County Housing Commission	Watershed Protection Districts
ASSETS				
Cash and Investments	\$ 822,028	\$ 7,472,847	\$ 481,256	\$ 1,827,214
Imprest Cash	-	830	-	25
Cash with Fiscal Agent	-	-	-	-
Accounts Receivable	-	901,149	5,080	21,184
Due from Other Governments	-	15,019	-	-
Interest Receivable	-	8,405	-	-
Advances to Other Funds	-	-	53,386	-
Inventory	-	-	-	-
Loans Receivable	-	-	687,956	-
Total Assets	<u>\$ 822,028</u>	<u>\$ 8,398,250</u>	<u>\$ 1,227,678</u>	<u>\$ 1,848,423</u>
LIABILITIES				
Accounts Payable	\$ 59,934	\$ 517,621	\$ -	\$ 21,131
Salaries and Benefits Payable	-	536,259	-	85,136
Deposits Payable	-	-	43,238	-
Unearned Revenue	-	-	-	-
Advance from Other Funds	-	-	-	-
Total Liabilities	<u>59,934</u>	<u>1,053,880</u>	<u>43,238</u>	<u>106,267</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	15,019	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	762,094	7,329,351	1,184,440	1,742,156
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>762,094</u>	<u>7,329,351</u>	<u>1,184,440</u>	<u>1,742,156</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 822,028</u>	<u>\$ 8,398,250</u>	<u>\$ 1,227,678</u>	<u>\$ 1,848,423</u>

B. AUDIT DISCUSSION

The audit identifies a long-term liability in the form of certificates of participation (COP) that were issued for the U.S. Department of Agriculture - Rural Utilities. This was to fund the Kelseyville-Finley Water Project discussed earlier in this report. As of July 2017, the KCWD portion of debt was \$1,794,896. This is being repaid through loan repay charges on the customers receiving the water service.²² The audit provides the details of this debt including date of maturity, interest rate, annual principal installments, and original issue amount. Finally, the audit provides the budgetary comparison schedule including budgeted amounts, actual amounts, and variances.²³

²² County of Lake, Comprehensive Annual Financial Report – Fiscal Year Ended June 30, 2018, Page 17

²³ County of Lake, Comprehensive Annual Financial Report – Fiscal Year Ended June 30, 2018, Page 53

4 KELSEYVILLE COUNTY WATERWORKS DISTRICT #3 MUNICIPAL SERVICE REVIEW

4.1 Growth and Population Projections for the KCWD Service Area

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

4.1.1 KCWD Area Population Projections

The population projections for the Kelseyville area of Lake County in the Lake County Housing Element are shown below:

POPULATION PROJECTIONS LAKE COUNTY HOUSING ELEMENT 2012							
	2000	2007	2010	2015	2020	2025	2030
Kelseyville	2,928	3,353	3,353	3,554	3,767	3,993	4,232

According to the Lake County Housing Element adopted in 2012, the population of the KCWD area is projected to increase throughout its planning period ending in 2030. However, since the Housing Element was adopted, the population of Kelseyville and Lake County as a whole has declined slightly from 2010 to 2017. As stated previously, the population of Kelseyville as of July 2017 is 3,268. The US Census data also reflects a decline as shown below:

POPULATION CHANGE LAKE COUNTY COMPARED TO CALIFORNIA²⁴		
	Lake County	California
Population estimates, July 1, 2017	64,246	39,536,653
Population estimates base, April 1, 2010	64,665	37,254,518
Population, percent change - April 1, 2010 (estimates base) to July 1, 2017	-0.6%	5.5%

²⁴ U.S. Census Bureau, <https://www.census.gov/quickfacts/table>, June 12, 2018

4.1.2 MSR Determinations on Growth and Population Projections for the Kelseyville County Waterworks District #3 Area

- 1-1) The Kelseyville area is expected to increase in population very slowly and is likely to experience development in the future.
- 1-2) The sewer and water systems operated by the KCWD will be able to accommodate the expected growth.
- 1-3) The KCWD needs to continue its' close relationship with the Lake County Community Development Department to make sure that the zoning and general plan are coordinated with the District.
- 1-4) The District needs to assure the current rate payers that the new development will pay for the additional infrastructure and services needed.

4.2 Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to Kelseyville County Waterworks District #3²⁵

Purpose: To comply with the State Law to examine any unincorporated areas which could be provided with better services by annexing to an adjacent city.

4.2.1 Determination of Kelseyville County Waterworks District #3 Area Disadvantaged Unincorporated Community Status

SB 244 requires LAFCos to consider disadvantaged unincorporated communities when developing spheres of influence. Upon the next update of a sphere of influence on or after July 1, 2012, SB 244 requires LAFCo to include in an MSR (in preparation of a sphere of influence update):

- 1) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere; and
- 2) The present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated community within or contiguous to the sphere of influence.

In determining spheres of influence, SB 244 authorizes LAFCo to assess the feasibility of and recommend reorganization and consolidation of local agencies to further orderly development and improve the efficiency and affordability of infrastructure and service delivery.

²⁵ California Government Code Section 56430.(a)(2)

The median household income for Lake County and for California are shown in the table below:

Median Household Income (2017 dollars) ²⁶	
Lake County	California
\$40,446	\$37,169

The definition for a disadvantaged household is one that is below 80% of the State median household income, which is \$53,352. Clearly Lake County as a whole is disadvantaged. In 2017, the Kelseyville Census Designated Place indicates the median household income as being \$32,463 Therefore; the Kelseyville area is considered a Disadvantaged Community.

4.2.2 MSR Determinations on Disadvantaged Unincorporated Communities near Kelseyville County Waterworks District #3

- | | |
|------|--|
| 2-1) | The KCWD Sphere territory is considered a Disadvantaged Unincorporated Community since the area is served with reliable water, wastewater and structural fire protection and has an average income of \$32,463 according to the US Census American Community Survey. |
|------|--|

4.3 Capacity and Infrastructure Kelseyville Waterworks District #3

Purpose: To evaluate the present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.²⁷

4.3.1 Kelseyville County Waterworks District #3 Infrastructure

The KCWD infrastructure for sewer and water service is described above in this report.

²⁶ California.hometownlocator.com/ca/lake/Kelseyville.cfm, Page 2 of 4

²⁷ California Government Code Section 56430.(a)(3)

4.3.2 MSR Determinations on Infrastructure for Kelseyville County Waterworks District #3

- | | |
|------|---|
| 3-1) | While the infrastructure for the Kelseyville County Waterworks District #3 is adequate, the District should formally develop its Master Plan and keep its Capital Improvement Plan up to date. |
| 3-2) | The District charges reflect water use, which is important to prevent waste. |
| 3-3) | The District makes the Consumer Confidence Report on water quality available and explains the Report to the rate payers. |
| 3-4) | The District should continue to train employees so that they can function at the levels required by the State Permits. |
| 3-5) | The wastewater collection and treatment facilities are adequate to serve the community and to comply with the State of California regulations. However, the percolation/evaporation ponds will require aggressive maintenance (ripping pond bottoms annually) and develop an expansion plan to increase disposal capacity as required by Waste Discharge Requirements Order R5-2009-0023. |
| 3.6) | Average water use gallons per day per equivalent dwelling unit (gpd/EDU) demand is 635 gallons per day or 849,630 gpd. The maximum pumping capacity is 2.1 mgd. The district has the remaining capacity to serve the 54 unit multi-family development, which would result in an additional 34,290 gpd leaving remaining capacity of 1.22 mgd. |

4.4 Financial Ability to Provide Services²⁸

Purpose: To evaluate factors that affect the financing of needed improvements and to identify practices or opportunities that may help eliminate unnecessary costs without decreasing service levels.

4.4.1 Financial Considerations for Kelseyville County Waterworks District #3

The finances of the KCD are explained above in this report. In evaluating the finances it is important to consider the future financial needs of the District as well as the present financial situation.

²⁸ California Government Code Section 56430.(a)(4)

4.4.2 MSR Determinations on Financing for Kelseyville Waterworks District #3

- 4-1) The KCWD has an independent audit performed each year by an outside auditor.
- 4-2) The fees for sewer service will need to be increased in the future to cover the cost of expanding the disposal capacity of the percolation/evaporation ponds.
- 4-3) The District should prioritize disposal capacity in the Capital Improvement Plan to determine those capital costs and other long-term financing needs of the District.
- 4-4) The District provides financial information on its link to the Lake County website.
- 4-5) As part of the Lake County government, District employees are covered by the California Public Employees Retirement System (CalPERS) which is expected to require greater contributions from employers in the future.

4.5 Status of and Opportunities for Shared Facilities²⁹

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

4.5.1 Kelseyville County Waterworks District #3 Facilities

The KCWD facilities are described above in this report.

4.5.2 MSR Determinations on Shared Facilities for Kelseyville County Waterworks District #3

- 5-1) The KCWD water infrastructure is less than 2 miles from the South Lakeport area. This area is having all of its above ground utilities undergrounded in the near future. There is potential to share and extend water service to this area and distribution system infrastructure should be installed in sequence with this project. Wastewater collection facilities already are provided by KCWD in the South [Lakeport](#) area. KCWD is developing a mutual aid program for equipment and personnel to be loaned to other agencies in the event of an emergency.
- 5-2) The District is developing a mutual aid program for equipment and personnel with other water, sewer, and emergency response agencies.

²⁹ California Government Code Section 56430.(a)(5)

4.6 Accountability for Community Service Needs, Government Structure and Operational Efficiencies³⁰

Purpose: To consider the advantages and disadvantages of various government structures that could provide public services, to evaluate the management capabilities of the organization and to evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.

4.6.1 Kelseyville County Waterworks District #3 Government Structure

The governing board and the staff of the KCWD are described above in this report. The water and sewer systems appear to be efficiently managed by the Lake County Special Districts Administration office in Lakeport.

4.6.2 MSR Determinations on Local Accountability and Governance

- 6-1) The Lake County Board of Supervisors acting in their role as the KCWD Board of Directors has regular meetings with posted agendas and meets in the Board Chambers at the Courthouse in Lakeport, one block east of the Special Districts Administration office.
- 6-2) The District is fortunate to continuously have five members serving on the Board of Directors.
- 6-3) The District maintains a link to the Lake County Government website with information available to the public.
- 6-4) The District was cooperative and provided information to Lake LAFCo in a timely manner.
- 6-5) There are many State requirements governing the operation of special districts such as the Brown Act which governs legal notices. It can be difficult for members of the public to understand the complexities of special district operation and the many legal requirements which must be met. It could benefit the Board and the public to re-establish an advisory board structure, whose members are more focused on matters such as drinking water and wastewater treatment regulations, budgeting, and infrastructure needs and requirements specific to KCWD.

³⁰ California Government Code Section 56430.(a)(6)

5 SPHERE OF INFLUENCE

5.1 SOI Requirements

5.1.1 LAFCO's Responsibilities

This Sphere of Influence (SOI) has been prepared for the Lake Local Agency Formation Commission (Lake LAFCO). Local Agency Formation Commissions are quasi-legislative local agencies created in 1963 to assist the State in encouraging the orderly development and formation of local agencies. This SOI consists of a review of water and sewer service as provided by the Kelseyville County Waterworks District #3 and the District Boundary.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) is the statutory authority for the preparation of an MSR, and periodic updates of the Sphere of Influence of each local agency. A Sphere of Influence is a plan for the probable physical boundaries and service area of a local agency, as determined by the affected Local Agency Formation Commission (Government Code §56076). Government Code §56425(f) requires that each Sphere of Influence be updated not less than every five years, and §56430 provides that a Municipal Service Review shall be conducted in advance of the Sphere of Influence update.

5.1.2 SOI Determinations

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. Present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence

5.1.3 Possible Approaches to the SOI

As mentioned in the introduction, 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 Lake 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:

The sphere for a city or special district that is the same as its existing boundaries.

2) Annexable Sphere:

A sphere larger than the agency's boundaries identifies areas the agency is expected to annex. The annexable area is outside its boundaries and inside the sphere. **This is the recommendation for the Kelseyville County Waterworks District.**

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.

5.1.4 SOI Update Process

LAFCo is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCo must update those SOIs every five years, as necessary. In updating the SOI, LAFCo is required to conduct a Municipal Service Review (MSR) and adopt related determinations.

LAFCo must notify affected agencies 21 days before holding a public hearing to consider the SOI and may not update the SOI until that hearing is closed. The LAFCo Executive Officer must issue a report including recommendations on the SOI amendment and update under consideration at least five days before the public hearing.

5.1.5 SOI Amendments and CEQA

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

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

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

Remy et al. write

In City of Agoura Hills v. Local Agency Formation Commission (2d Dist.1988) 198 Cal.App.3d480, 493-496 [243 Cal.Rptr.740] (City of Agoura Hills), the court held that a LAFCo's decision to approve a city's sphere of influence that in most respects was coterminous with the city's existing municipal boundaries was not a "project" because such action did not entail any potential effects on the physical environment.³¹

5.1.6 Recommendation for Kelseyville County Waterworks District #3 Sphere of Influence

As mentioned earlier in this report, KCWD and CSA #6 - Finley Water have been physically intertwined with a 10 inch pipeline. This has resulted in better water quality and distribution system

³¹ Remy, Michael H., Tina A. Thomas, James G. Moose, Whitman F. Manley, Guide to CEQA, Solano Press Books, Point Arena, CA., February 2007, Page 111.

pressure for CSA #6. The State's Division of Drinking Water now considers this to be a single water system and re-issued the water system regulatory permit to reflect this consolidation. The KCWD should have a Sphere of Influence that would include the existing District and the area currently identified as County Service Area #6 – Finley Water.

5.2 Present and Planned Land Uses in the Kelseyville County Waterworks District #3 Area, Including Agricultural and Open Space Land³²

5.2.1 Lake County General Plan and Zoning for Kelseyville County Waterworks District #3 Area

5.2.2 SOI Determinations on Present and Planned Land Use for Kelseyville Waterworks District #3 Area

- 2-1] Adopting a Sphere of Influence which would allow consolidation of CSA 6 – Finley Water into the District will reflect existing conditions of the intertied system and to be compatible with the infrastructure of the District. The Finley Area CSA #6 as follows: The CSA #6 territory as shown on the Sphere Map shall be included in the Kelseyville County Waterworks District #3 water Sphere of Influence. This Sphere of Influence does not include wastewater services.
- 2-2] The District is not the land use authority but needs to maintain close contact with the Lake County Community Development Department to see that any new development is compatible with the District requirements as well as with the County regulations.
- 2-3] The District augmented its water capacity to accommodate the intertie with CSA 6 - Finley Water. The sewer system in Finley is a separate system from KCWD. The sewer system in Finley is a separate system from KCWD, which is operated and managed by the Lake County Sanitation District.

5.3 Present and Probable Need for Public Facilities and Services in the Kelseyville County Waterworks District #3 Area³³

5.3.1 Municipal Service Background

There is a need for sewer and water service in the Kelseyville area and this need will continue into the future.

5.3.2 SOI Determinations on Facilities and Services Present and Probable Need for Kelseyville County Waterworks District #3

- 3-1] The need for the sewer and water service to serve the population of the Kelseyville area will continue into the future.

³² California Government Code Section 56425.(e)(1)

³³ California Government Code Section 56425(e)(2)

- 3-2] The KCWD is authorized to provide domestic water treatment and distribution and wastewater collection and treatment. Other services permitted by the Waterworks District enabling legislation shall be considered a latent power and therefore require LAFCo approval.

5.4 Present Capacity of Public Facilities Present and Adequacy of Public Services³⁴

5.4.1 Capacity Background

The capacity of the KCWD is described above in this report. If the area covered by CSA 6 – Finley Water is included in the Sphere of Influence and ultimately annexed to the District no additional facilities will need to be expanded.

5.4.2 SOI Determinations on Public Facilities Present and Future Capacity for Kelseyville County Waterworks District #3

- 4-1] The capacity of the water treatment and distribution system is adequate to serve the population of the KCWD and is being expanded through ongoing water conservation efforts to serve new and existing development. Water Conservation has become a way of life for the KCWD and is expected to continue, especially with the recent passage of State legislation mandating even greater water conservation.
- 4-2] The capacity of the wastewater disposal system (percolation/evaporation ponds) will need to be expanded to serve future growth in the KCWD. It is important to begin planning for this expansion now given that population growth is effectively at zero.
- 4-3] The capacity of the District administration and management is adequate but the training program should be maintained to increase knowledge and efficiency. It may be helpful to implement the District's computerized asset management program at a faster rate as funding allows.

5.5 Social or Economic Communities of Interest for Kelseyville County Waterworks District #3³⁵

5.5.1 Kelseyville County Waterworks District #3 Community Background

Since the Kelseyville community is a small rural area it does not have all possible community services. Many residents are dependent on Lakeport for shopping, medical and other community activities. The KCWD endeavors to include all residents within the District both old and new. Over time, more services will be provided as growth occurs although this will be at a slow rate.

³⁴ California Government Code Section 56425(e)(3)

³⁵ California Government Code Section 56425 (e)(4)

5.5.2 SOI Determinations on Social or Economic Communities of Interest for Kelseyville County Waterworks District #3

- 5-1] The KCWD includes a community with both social and economic interests.
- 5-2] The Sphere of Influence should allow expansion of the KCWD to maintain community integrity with the consolidation of CSA 6 – Finley Water.

5.6 Disadvantaged Unincorporated Community Status³⁶

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

5.6.1 Disadvantaged Unincorporated Communities

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

5.6.2 Kelseyville County Waterworks District #3 Disadvantaged Unincorporated Community Status

- 6-1] The KCWD Sphere territory is considered a Severely Disadvantaged Unincorporated Community since the area is served with reliable water, wastewater and structural fire protection has an average income of \$32,463 according to the US Census. The Median Household income is less than 60% of the State's Median Household income of \$67,169. (Source: 2013-2017 American Community Survey 2017)

³⁶ California Government Code Section 56425 (e)(5)

APPENDIX “A” WATER CONSERVATION MEASURES

Water Conservation Tips

Leaky toilets waste a lot of water! Did you know that your toilet could have a leak that you may not even know about? To test your toilet for “invisible leaks” place a few drops of food coloring or a dye tablet into the toilet’s tank. Wait a few minutes and if the coloring appears in the bowl, you have a leak!

A leaky faucet that drips just two tablespoons per minute can waste 15 gallons per day, which is 105 gallons per week and 5,460 per year!!! So, remember – fix those leaks!

Check your piping for leaks by turning off all faucets and appliances and watching the dial on your water meter. If it moves and you have done the first two checks, you have leaks in the piping after the meter. Identify and repair immediately.

Don’t use the toilet as a wastebasket! Regular toilets use 5 to 7 gallons of water per flush! (Low-flow toilets only use about 1.5 gallons per flush; ultra low-flush toilets use about 0.6 gallons per flush)

Use a toilet tank dam or water bottle in your toilet’s tank. This will help displace the water, allowing the toilet to use less water after each flush.

Install low-flow shower heads or faucet aerators.

Don’t allow the water to run when brushing your teeth. This can waste two gallons of water! Instead, wet your toothbrush, brush your teeth and then turn the water on again to rinse.

Don’t wash sidewalks, driveways, patios and so on. Use a broom or vac.

Don’t water the street, sidewalk and gutter when you sprinkle the shrubs and lawn.

Don’t use water to keep dust down. Consider gravel or paving instead.

Use your dishwasher and washing machines only for full loads!

Keep a pitcher of water in the refrigerator. Letting the water to run to cool off is wasteful.

Water your lawn only when it needs it! A good way to determine if your lawn needs watering is to step on it. If it springs back up, no watering is needed. If it remains flat, time to water!

Only water your lawn in the early morning or late afternoon. Watering during the middle of the day allows the majority of the water to evaporate and cause burned grass. Watering at night attracts bugs, mostly those unwanted mosquitoes!

Don't water when it's windy! Your water will go everywhere but your lawn! Also, make sure the sprinkler is aimed at your lawn, not the street or sidewalk – they don't need to grow!

Install a trigger nozzle on your outside hose. This will allow the water to be automatically turned off when the hose is not in use.

APPENDIX “B” 2017 CONSUMER CONFIDENCE REPORT

2017 Consumer Confidence Report

Water System Name: Kelseyville County Waterworks Dist. #3 Report Date: May 22, 2018

We test the drinking water quality for many constituents as required by state and federal regulations. This report shows the results of our monitoring for the period of January 1 - December 31, 2017 and may include earlier monitoring data.

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo ó hable con alguien que lo entienda bien.

Type of water source(s) in use: Wells (4)

Name & general location of source(s): Well No. 4; Well No. 6; Well No. 7; Well No. 8

Location: Well #4: 3591 Merritt Rd.; Well #6: 3584-B N. Main St.; Well #7: 3575 Big Valley Rd.;
Well #8: 5185 Gunn St.

Drinking Water Source Assessment information: Date of Assessment: Well No. 4: Dec. 2001; Well No. 6: Dec. 2001; for a copy contact
Special Districts (707) 263-0119

The source is considered most vulnerable to the following activities associated with contaminants detected in the water supply: Septic systems - low density (<1/acre); Sewer collection systems

The source is considered most vulnerable to the following activities not associated with any detected contaminants: Automobile - Gas stations; Historic gas stations;

Known Contaminant Plumes; Underground storage tanks - Confirmed leaking tanks

Time and place of regularly scheduled board meetings for public participation: Lake County Board of Supervisors,
Regular meetings at 9:00 a.m. on the first four Tuesdays each month.

For more information, contact: Scott Harter, Deputy Administrator Phone: (707) 263-0119

TERMS USED IN THIS REPORT

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency (U.S. EPA).

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Maximum Residual Disinfectant Level (MRDL): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Primary Drinking Water Standards (PDWS): MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Secondary Drinking Water Standards (SDWS): MCLs for contaminants that affect taste, odor, or appearance of the drinking water. Contaminants with SDWSs do not affect the health at the MCL levels.

Treatment Technique (TT): A required process intended to reduce the level of a contaminant in drinking water.

Regulatory Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

Variances and Exemptions: State Board permission to exceed an MCL or not comply with a treatment technique under certain conditions.

Level 1 Assessment: A Level 1 assessment is a study of the water system to identify potential problems and determine (if possible) why total coliform bacteria have been found in our water system.

Level 2 Assessment: A Level 2 assessment is a very detailed study of the water system to identify potential problems and determine (if possible) why an *E. coli* MCL violation has occurred and/or why total coliform bacteria have been found in our water system on multiple occasions.

ND: not detectable at testing limit

ppm: parts per million or milligrams per liter (mg/L)

ppb: parts per billion or micrograms per liter (µg/L)

ppt: parts per trillion or nanograms per liter (ng/L)

ppq: parts per quadrillion or picogram per liter (pg/L)

pCi/L: picocuries per liter (a measure of radiation)

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- *Microbial contaminants*, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

Consumer Confidence Report

Page 2 of 4

- *Inorganic contaminants*, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- *Pesticides and herbicides*, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- *Organic chemical contaminants*, including synthetic and volatile organic chemicals, that are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.
- *Radioactive contaminants*, that can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the U.S. EPA and the State Water Resources Control Board (State Board) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. State Board regulations also establish limits for contaminants in bottled water that provide the same protection for public health.

Tables 1, 2, 3, 4, 5, and 6 list all of the drinking water contaminants that were detected during the most recent sampling for the constituent. The presence of these contaminants in the water does not necessarily indicate that the water poses a health risk. The State Board allows us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of the data, though representative of the water quality, are more than one year old. Any violation of an AL, MCL, MRDL, or TT is asterisked. Additional information regarding the violation is provided later in this report.

TABLE 1 – SAMPLING RESULTS SHOWING THE DETECTION OF COLIFORM BACTERIA					
Microbiological Contaminants (complete if bacteria detected)	Highest No. of Detections	No. of Months in Violation	MCL	MCLG	Typical Source of Bacteria
Total Coliform Bacteria (state Total Coliform Rule)	(In a mo.) 0	0	1 positive monthly sample	0	Naturally present in the environment
Fecal Coliform or <i>E. coli</i> (state Total Coliform Rule)	(In the year) 0	0	A routine sample and a repeat sample are total coliform positive, and one of these is also fecal coliform or <i>E. coli</i> positive	0	Human and animal fecal waste
<i>E. coli</i> (federal Revised Total Coliform Rule)	(In the year) 0	0	(a)	0	Human and animal fecal waste

(a) Routine and repeat samples are total coliform-positive and either is *E. coli*-positive or system fails to take repeat samples following *E. coli*-positive routine sample or system fails to analyze total coliform-positive repeat sample for *E. coli*.

TABLE 2 – SAMPLING RESULTS SHOWING THE DETECTION OF LEAD AND COPPER								
Lead and Copper (complete if lead or copper detected in the last sample set)	Sample Date	No. of Samples Collected	90 th Percentile Level Detected	No. Sites Exceeding AL	AL	PHG	No. of Schools Requesting Lead Sampling	Typical Source of Contaminant
Lead (ppb)	7/8/2015	20	0.0045	0	15	0.2	0	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits
Copper (ppm)	7/8/2015	20	0.63	0	1.3	0.3	Not applicable	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives

TABLE 3 – SAMPLING RESULTS FOR SODIUM AND HARDNESS						
Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Sodium (ppm)	4/4/2016 7/6/2016 11/27/2017 6/1/2015	7.23	6.2-7.8	none	none	Salt present in the water and is generally naturally occurring
Hardness (ppm)	4/4/2016 7/6/2016 11/27/2017 6/1/2015	156	119-174	none	none	Sum of polyvalent cations present in the water, generally magnesium and calcium, and are usually naturally occurring

TABLE 4 – DETECTION OF CONTAMINANTS WITH A PRIMARY DRINKING WATER STANDARD						
Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL [MRDL]	PHG (MCLG) [MRDLG]	Typical Source of Contaminant

Consumer Confidence Report

Page 3 of 4

Aluminum (ppm)	11/27/2017	0.23	N/A	1	0.6	Erosion of natural mineral deposits
Arsenic (ppb)	7/6/2016	2.0	NA	10	0.004	Erosion of natural deposits; runoff from orchards
Gross Alpha Particle Activity (pCi/L)	7/6/2016 10/14/2015 1/10/2017	0.315	0.018-0.721	15	(0)	Erosion of natural mineral deposits
Copper (ppm)	6/1/2015	0.13	NA	1.3	0.3	Erosion of natural mineral deposits
Haloacetic Acids (5) (HAA5) (ppb)	9/21/2017	5.5	NA	60	NA	By-product of drinking water disinfection
Total Trihalomethanes (ppb)	9/21/2017	13.13	NA	80	NA	By-product of drinking water disinfection

TABLE 5 – DETECTION OF CONTAMINANTS WITH A SECONDARY DRINKING WATER STANDARD

Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Chloride (ppm)	11/27/2017 7/6/2016 4/4/2016 6/1/2015	4.5	3.1-5.3	500	N/A	Runoff/leaching from natural deposits
Copper (ppm)	6/1/2015	0.13	NA	1.0	N/A	Erosion of natural mineral deposits
Specific Conductance (µS/cm)	11/27/2017 11/28/2017	290	260-340	1600	N/A	Substances that form ions when in water
Sulfate (ppm)	11/27/2017 6/1/2015 4/4/2016 7/6/2016	5.95	3.2-7.4	500	N/A	Runoff/leaching from natural deposits
Total Dissolved Solids (ppm)	11/27/2017 4/4/2016 3/2/2016 7/6/2016	165	130-200	1000	N/A	Runoff/leaching from natural deposits
Zinc (ppm)	6/1/2015	0.25	NA	5.0	N/A	Runoff/leaching from natural deposits

TABLE 6 – DETECTION OF UNREGULATED CONTAMINANTS

Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	Notification Level	Health Effects Language
Chromium, Hexavalent (ppb)	8/18/2014	1.3	1.2-1.6	N/A	Some people who drink water containing hexavalent chromium in excess of the MCL over many years may have an increased risk of getting cancer.

Additional General Information on Drinking Water

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the U.S. EPA's Safe Drinking Water Hotline (1-800-426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. U.S. EPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

Lead-Specific Language for Community Water Systems: If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. [KCWWDD#3] is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. [Optional: If you do so, you may wish to collect the flushed water and reuse it for another beneficial purpose, such as watering plants.] If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water.

SWS CCR Form

Revised January 2018

Consumer Confidence Report

Page 4 of 4

testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline (1-800-426-4701) or at <http://www.epa.gov/lead>.

**Summary Information for Violation of a MCL, MRDL, AL, TT,
or Monitoring and Reporting Requirement**

VIOLATION OF A MCL, MRDL, AL, TT, OR MONITORING AND REPORTING REQUIREMENT				
Violation	Explanation	Duration	Actions Taken to Correct the Violation	Health Effects Language
N/A	N/A	N/A	N/A	N/A

For Water Systems Providing Groundwater as a Source of Drinking Water

TABLE 7 – SAMPLING RESULTS SHOWING FECAL INDICATOR-POSITIVE GROUNDWATER SOURCE SAMPLES					
Microbiological Contaminants (complete if fecal-indicator detected)	Total No. of Detections	Sample Dates	MCL [MRDL]	PHG (MCLG) [MRDLG]	Typical Source of Contaminant
<i>E. coli</i>	(In the year) 0	Monthly	0	(0)	Human and animal fecal waste
Enterococci	(In the year) 0	Monthly	TT	n/a	Human and animal fecal waste
Coliphage	(In the year) 0	Monthly	TT	n/a	Human and animal fecal waste

**Summary Information for Fecal Indicator-Positive Groundwater Source Samples,
Uncorrected Significant Deficiencies, or Groundwater TT**

SPECIAL NOTICE OF FECAL INDICATOR-POSITIVE GROUNDWATER SOURCE SAMPLE				
N/A				
SPECIAL NOTICE FOR UNCORRECTED SIGNIFICANT DEFICIENCIES				
N/A				
VIOLATION OF GROUNDWATER TT				
TT Violation	Explanation	Duration	Actions Taken to Correct the Violation	Health Effects Language
N/A	N/A	N/A	N/A	N/A

Summary Information for Operating Under a Variance or Exemption

N/A

ABBREVIATIONS

AB	Assembly Bill
ADWF	Average Dry Weather Flow (wastewater treatment)
AWWA	American Water works Association
AWWF	Average Wet Weather Flow (wastewater treatment)
CA	California
CCR	California Code of Regulations
CCR	Consumer Confidence Report (drinking water quality)
CDP	Census Designated Place
CDPH	California Department of Public Health
CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
County	Lake County
CSA	County Service Area
DDW	Division of Drinking Water
District	Kelseyville County Waterworks District #3D
DUC	Disadvantaged Unincorporated Community
EDU	equivalent dwelling unit
gpm	gallons per minute
HEU	House Equivalent Unit
I&I	Infiltration and Inflow (wastewater collection system)
IT	Information Technology
KCWD	Kelseyville County Waterworks District #3
LAFCo	Local Agency Formation Commission
LAIF	Local Agency Investment Fund
MCL	Maximum Contaminant Level (water quality)
mgd	million gallons per day

mg/l	milligrams per liter
MPN	Most Probable Number (coliform bacterial count)
MSR	Municipal Service Review (LAFCo)
NFPA	National Fire Protection Association
NTU	Nephelometric Turbidity Units
OPEB	Other postemployment benefits
PERS	Public Employee Retirement System
ppb	parts per billion
SDRMA	Special District Risk Management Authority
SDWA	Safe Drinking Water Act
SOI	Sphere of Influence (LAFCo)
SWRCB	State Water Resources Control Board
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

DEFINITIONS

Acre-foot (acre-ft): The volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot. One Acre-foot is equal to 325,851 gallons or 1,233 cubic meters.³⁷

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.

Conventional Filtration Treatment (water service): A series of processes including coagulation, flocculation, sedimentation, and filtration resulting in substantial particulate removal.

DBP: Disinfection byproducts or DBPs, are chemicals that are formed when organic carbon reacts with chlorine, a chemical used to disinfect water against pathogenic organisms. The DBPs that are tracked are trihalomethanes (TTHMs) and haloacetic acids (HAA5).

Disinfectant: A chemical (commonly chlorine, chloramine, or ozone) or physical process (e.g., ultraviolet light) that kills microorganisms such as bacteria, viruses, and protozoa.

Disinfection: A process which inactivates pathogenic organisms in water by chemical oxidants or equivalent agents.

Distribution System: A network of pipes leading from a treatment plant to customers' plumbing systems.

Domestic water use: Water used for household purposes, such as drinking, food preparation, bathing, washing clothes, dishes, and dogs, flushing toilets, and watering lawns and gardens. About 85% of domestic water is delivered to homes by a public-supply facility, such as a county water department. About 15% of the Nation's population supplies their own water, mainly from wells.³⁸

Environmental Impact Report (EIR): A report required pursuant to the California Environmental Quality Act that assesses all the environmental characteristics of an area, determines what effects or impact will result if the area is altered or disturbed by a proposed action, and identifies alternatives or other measures to avoid or reduce those impacts. (See California Environmental Quality Act.)

Filtration: A process by which solids are filtered out of liquids, a stage in water treatment, a process for removing particulate matter from water by passage through porous media.

Finished Water: Water that has been treated and is ready to be delivered to customers.

³⁷ <http://ga.water.usgs.gov/edu/dictionary.html>

³⁸ <http://ga.water.usgs.gov/edu/dictionary.html>

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

Human consumption: the ingestion or absorption of water or water vapor as the result of drinking, cooking, dishwashing, hand washing, bathing, showering or oral hygiene.

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.

Inhabited territory: Inhabited territory means territory within which there reside 12 or more registered voters. The number of registered voters as determined by the elections officer, shall be established as of the date a certificate of filing is issued by the executive officer. All other territory shall be deemed "uninhabited."³⁹

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. 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.

Maximum Contaminant Level (MCL): The highest level of a contaminant that EPA allows in drinking water. MCLs ensure that drinking water does not pose either a short-term or long-term health risk. EPA sets MCLs at levels that are economically and technologically feasible. Some states set MCLs which are stricter than EPA's.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant at which there would be no risk to human health. This goal is not always economically or technologically feasible, and the goal is not legally enforceable.

Maximum residual disinfectant level (MRDL): the maximum allowable level of disinfectant in public drinking water. Most often, compliance with an MRDL is based on an average of multiple samples.

Maximum Residual Disinfectant Level Goal (MRDLG): The level of a disinfectant added for water treatment below which there is no known or expected risk to health. MRDLGs are set by the U.S. Environmental Protection Agency.

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

Milligrams per liter (mg/L): The weight in milligrams of any substance dissolved in one liter of liquid; nearly the same as parts per million.

³⁹ California Government Code Section 56046

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.

Monitoring: Testing that water systems must perform to detect and measure contaminants. A water system that does not follow EPA's monitoring methodology or schedule is in violation, and may be subject to legal action.

Municipal water system: A water system that has at least five service connections or which regularly serves 25 individuals for 60 days; also called a public water system.⁴⁰

National Pollutant Discharge Elimination System (NPDES): Water pollution degrades surface waters making them unsafe for drinking, fishing, swimming, and other activities. As authorized by the Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States. Point sources are discrete conveyances such as pipes or man-made ditches. Individual homes that are connected to a municipal system, use a septic system, or do not have a surface discharge do not need an NPDES permit; however, industrial, municipal, and other facilities must obtain permits if their discharges go directly to surface waters. In most cases, the NPDES permit program is administered by authorized states. Since its introduction in 1972, the NPDES permit program is responsible for significant improvements to water quality.⁴¹

nephelometric turbidity unit: A unit measuring the lack of clarity of water, used by water and sewage treatment plants, in marine studies, and so on. Symbol, NTU, or ntu. Water containing 1 milligram of finely divided silica per liter has a turbidity of 1 NTU. The NTU replaced the Jackson turbidity unit.

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

Potable Water: Water of a quality suitable for drinking.⁴²

Per capita water use: The water produced by or introduced into the system of a water supplier divided by the total residential population; normally expressed in gallons per capita per day (gpcd).⁴³

Primary Drinking Water Standards (PDWS): Maximum Contaminant Levels for contaminants.

Proposition 13: (Article XIII A of the California Constitution) Passed in 1978, this proposition enacted sweeping changes to the California property tax system. Under Prop. 13, property taxes cannot exceed 1% of the value of the property and assessed valuations cannot increase by more than 2% per year. Property is subject to reassessment when there is a transfer of ownership or improvements are made.⁴⁴

Proposition 218: (Article XIII D of the California Constitution) This proposition, named "The Right to Vote on Taxes Act", filled some of the perceived loopholes of Proposition 13. Under Proposition 218, assessments may only increase with a two-thirds majority vote of the qualified voters within the District. In addition to the two-thirds voter approval requirement, Proposition 218 states that effective July 1, 1997, any assessments levied may not be more than the costs necessary to provide the service, proceeds may

⁴⁰ <http://ga.water.usgs.gov/edu/dictionary.html>

⁴¹ USEPA, <http://cfpub.epa.gov/npdes/>, October 10, 2010

⁴² <http://ga.water.usgs.gov/edu/dictionary.html>

⁴³ <http://ga.water.usgs.gov/v1cwp/glossary.html>

⁴⁴ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

not be used for any other purpose other than providing the services intended, and assessments may only be levied for services that are immediately available to property owners.⁴⁵

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHG's are set by the California Environmental Protection Agency.

Public Notification: An advisory that EPA requires a water system to distribute to affected consumers when the system has violated MCLs or other regulations. The notice advises consumers what precautions, if any, they should take to protect their health.

Public Water Systems (PWS): A public water system provides piped water for human consumption to at least 15 service connections or serves an average of at least 25 people for at least 60 days each year, and includes the source of the water supply (i.e., surface or groundwater). PWSs can be community, nontransient noncommunity, or transient noncommunity systems, as defined by the EPA's Public Water System Supervision (PWSS) Program.

Raw Water: Water in its natural state, prior to any treatment for drinking.

Regulatory Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

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).

Sanitary Survey: An on-site review of the water sources, facilities, equipment, operation, and maintenance of a public water systems for the purpose of evaluating the adequacy of the facilities for producing and distributing safe drinking water.

Secondary Drinking Water Standards (SDWS): Non-enforceable federal guidelines regarding cosmetic effects (such as tooth or skin discoloration) or aesthetic effects (such as taste, odor, or color) of drinking water.

Sedimentation: A process of settling particles out of a liquid in a treatment plant, a process for removal of solids before filtration by gravity or separation.

Service area: The geographical land area served by a distribution system of a water agency.⁴⁶

Source Water: Water in its natural state, prior to any treatment for drinking.

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.

Surface Water: The water that systems pump and treat from sources open to the atmosphere, such as rivers, lakes, and reservoirs.

Total dissolved solids (TDS): A quantitative measure of the residual minerals dissolved in water that remains after evaporation of a solution. TDS is usually expressed in milligrams per liter.⁴⁷

⁴⁵ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

⁴⁶ <http://rubicon.water.ca.gov/v1cwp/glossary.html>

⁴⁷ <http://rubicon.water.ca.gov/v1cwp/glossary.html>

Treatment Technique: A required process intended to reduce the level of a contaminant in drinking water.

Trihalomethanes (THMs) are a byproduct of chlorine disinfection and to a lesser degree, disinfection using chloroamines. The THMs (chloroform, bromodichloromethane, dibromochloromethane, and bromoform) are formed when free chlorine combines with organic matter, like decaying vegetation commonly found in lakes and reservoirs. Total Trihalomethanes (TTHM) are regulated by the EPA at a maximum allowable annual average of 80 parts per billion.

Turbidity: The cloudy appearance of water caused by the presence of tiny particles. High levels of turbidity may interfere with proper water treatment and monitoring.

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.

Violation: A failure to meet any state or federal drinking water regulation.

Vulnerability Assessment: An evaluation of drinking water source quality and its vulnerability to contamination by pathogens and toxic chemicals.

Water quality: Used to describe the chemical, physical, and biological characteristics of water, usually in regard to its suitability for a particular purpose or use.⁴⁸

Water year: A continuous 12-month period for which hydrologic records are compiled and summarized. In California, it begins on October 1 and ends September 30 of the following year.⁴⁹

Watershed: The land area from which water drains into a stream, river, or reservoir.

Waterworks District: A geographic subarea of a County used for planning and delivery of water and sewer services based on an assessment of the service needs of the population in that area. Such districts covered under the County Waterworks District Law are authorized to provide water, sanitation, and/or water conservation services.⁵⁰ The KCWD is governed by the Board of Supervisors, thereby making it a dependent special district.

Zoning: The division of a city by legislative regulations into areas, or zones, that specify allowable uses for real property and size restrictions for buildings within these areas; a program that implements policies of the general plan.

⁴⁸ <http://rubicon.water.ca.gov/v1cwp/glossary.html>

⁴⁹ <http://rubicon.water.ca.gov/v1cwp/glossary.html>

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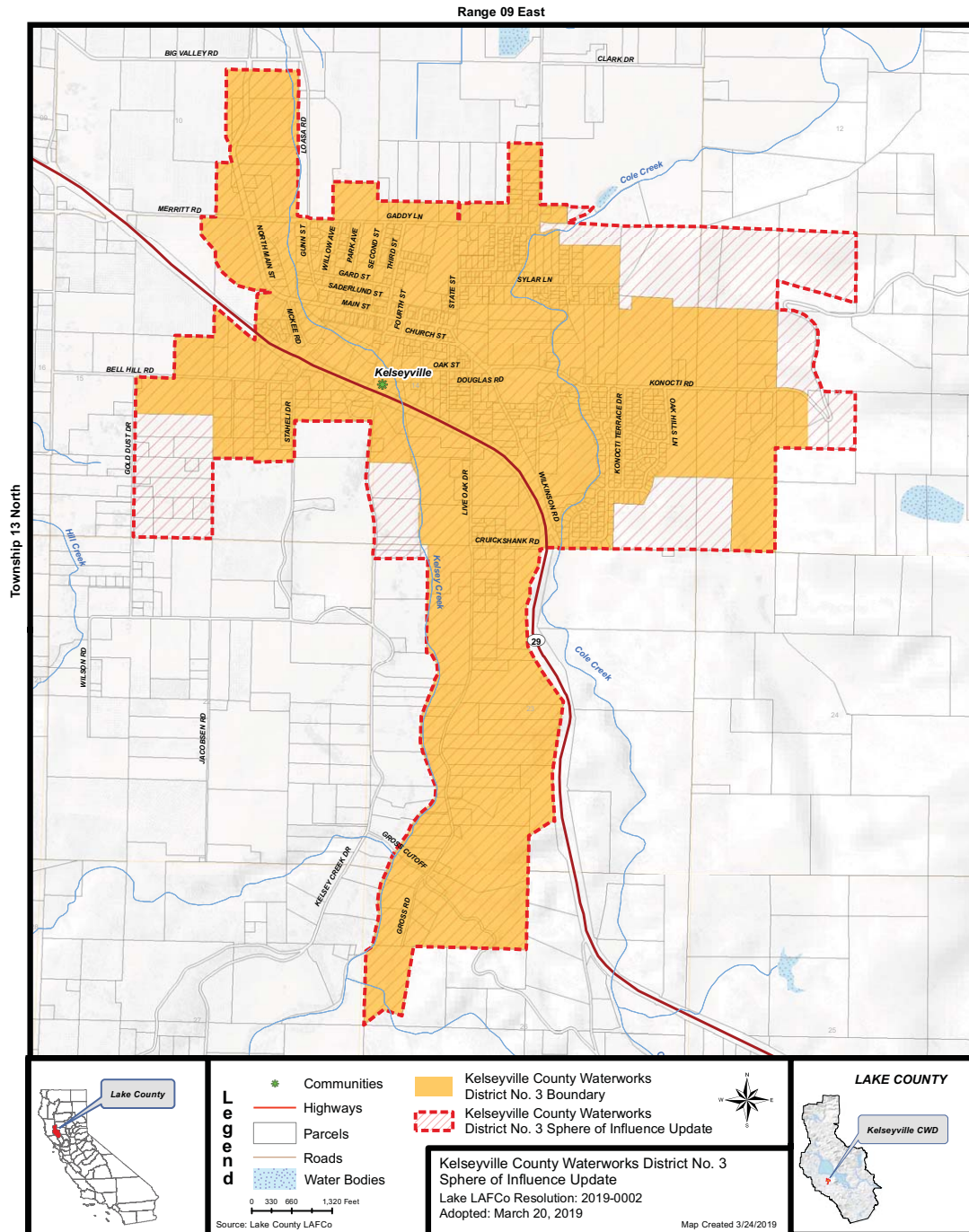
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LAKE LOCAL AGENCY FORMATION COMMISSION
 KELSEYVILLE COUNTY WATERWORKS NO. 3
 Map 1: SPHERE OF INFLUENCE UPDATE



LAKE LOCAL AGENCY FORMATION COMMISSION
KELSEYVILLE COUNTY WATERWORKS NO. 3
Map 2: SPHERE OF INFLUENCE BOUNDARY FINLEY AREA

