

## **LACOSAN SPHERE OF INFLUENCE UPDATE**

The Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county. Once LAFCo has adopted the MSR determinations, it must update the SOI for the Lake County Sanitation District (LACOSAN).

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

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

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

LAFCo may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations.

In determining the SOI, LAFCo is required to complete an MSR and adopt six determinations.

In addition, in adopting or amending an SOI, LAFCo must make the following determinations:

- ❖ Present and planned land uses in the area, including agricultural and open-space lands;
- ❖ Present and probable need for public facilities and services in the area;
- ❖ Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide;
- ❖ Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency; and

- ❖ For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.

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

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

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### Lake LAFCO Sphere of Influence Policies

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

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

- b. In the case of multi-service districts, LAFCO has to adopt an SOI plan for each distinct function or class of service provided by a district. These sphere plans may or may not be coterminous. Each sphere shall establish the nature, location, and extent of the functions or classes of services provided by the district. In this case, LACOSAN is a single purpose district which provides wastewater collection, treatment, disposal and water recycling services to most residents in Lake County.
  - c. LAFCO adopts a sphere of influence plan for a newly formed district within two years of the completion of formation proceedings.
7. Amendment proposals involving sphere expansion to include open space or prime agricultural land will not be approved by LAFCO if there is sufficient alternative land available for annexation within the existing sphere of influence.

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#### LACOSAN Service Setting

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Lake County is located in the north central portion of California, north of the San Francisco Bay Area. It takes its name from Clear Lake, the dominant geographic feature in the County. As of 2000 the population was 58,665 including 23,974 households, and 15,367 families; this increased to a population of 64,053 including 26,548 housing units on July 1, 2010. The County seat is Lakeport. Lake County was formed in 1861 from parts of Napa and Mendocino counties. The County has a total area of 1,329 square miles, including 72 square miles (5.38%) of water.

The most common wastewater treatment methods used in Lake County include aerated lagoon and facultative (bacterial) systems. Three of LACOSAN's four treatment plants have been significantly upgraded over the past ten years to accommodate larger flows and maintain secondary treatment standards consistently. Other important issues in the Lake County area concerning wastewater disposal include winery waste disposal and septage disposal from septic tanks.

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#### LACOSAN Boundary History and Sphere of Influence

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The Lake County Sanitation District (LACOSAN) was formed by Resolution 63-196 by the Lake County Board of Supervisors on December 9, 1963, a few weeks before Assembly Bill 1662 (Knox), the legislation that originally created LAFCOs, became law. Prior to the passage of Resolution 63-196, the Lake County Board of Supervisors passed Resolution 63-175 (November 4, 1963), a resolution of intention to form LACOSAN, pursuant to the provisions of 4700 et seq. of the Health and Safety Code known as a "County Sanitation District."

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The original District excluded all the incorporated areas within Lake County at the time of formation. Lakeport (the only incorporated area at that time) was excluded from territory within LACOSAN. Lakeport and surrounding areas were detached in 1971 and 1973 (Resolution 71-161 and 73-148). Since no incorporated territory was included in LACOSAN, the Lake County Board of Supervisors was established as its Board of Directors.

Since its inception, the LACOSAN district boundary has decreased in size due to various city of Lakeport reorganizations, the detachment of the territory within the Clearlake Oaks County Water District and a detachment of agricultural land in Big Valley in 1985. Over the years, the District has experienced increased development and the establishment of Assessment Districts. In 1972, LAFCO approved Resolution 72-1 and the LACOSAN Board of Directors passed Resolution 72-53, ordering the detachment of the Clearlake Oaks County Water District territory consisting of 2,325 acres.

According to the State Board of Equalization records, there have been approximately 19 detachments from LACOSAN associated with City of Lakeport annexations since its formation.

LAFCO approved the incorporation of the City of Clearlake in 1980. The LAFCO resolution ordering the incorporation did not include any detachment from LACOSAN. LAFCO Resolution 2-80, approving the incorporation of the City, determined that “the proposed incorporated City of Clearlake will not be successor to any special district presently providing municipal services.” Land in the City of Clearlake was never detached from LACOSAN for that reason.

In 1983 the Lake County Board of Supervisors, acting as Conducting Authority, approved Resolution 83-350 forming the Hidden Valley Lake Community Services District for the “purposes of maintaining and constructing public improvements, namely sewer and water services within the boundaries of the District.” The Hidden Valley Lake CSD (HVLCSO) remains within LACOSAN district boundary, creating a boundary conflict whereby two districts provide the same type of services. The HVLCSO was never detached from LACOSAN.

In 1986 LAFCO approved Resolution 14-84 and the Board of Directors of LACOSAN approved a detachment of 1,874 acres of agricultural lands from LACOSAN in Big Valley known as the “Big Valley ‘AG’ Detachment.”

In 1997 LAFCO approved Resolution 97-02 Approving a Reorganization between City of Lakeport Municipal Sewer District (CLMSD) and LACOSAN detaching 387.4 acres of territory located outside the City of Lakeport yet within CLMSD to LACOSAN. This reorganization included unincorporated territory north of the City of Lakeport. Over the years, multiple reorganizations have taken place in which unincorporated territory was detached from LACOSAN and annexed to the City of Lakeport and the CLMSD.

LAFCO approved a Sphere of Influence for LACOSAN on August 21<sup>st</sup>, 1985 and adopted LAFCO Resolution 6-85, which was intended to include the words “Lake County Sanitation District” and 9-85, which amended Resolution 6-85 and corrected it to include Lake County

Sanitation District. Attached are the adopted current Sphere of Influence maps and Sphere of Influence Resolutions for the Lake County Sanitation District.

### **SPHERE OF INFLUENCE UPDATE**

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#### Existing Sphere of Influence Boundary

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The 1985 LACOSAN SOI includes territory contemplated to be “Ultimately” served by the Lake County Sanitation District<sup>1</sup>. This Sphere generally included the territory surrounding the City of Lakeport but did not include the incorporated territory; territory surrounding Clearlake which was identified in the 1980 General Plan to be urbanized, The City of Clearlake; unincorporated territory including Upper Lake, Hidden Valley Lake, Middletown, Lower lake and surrounding areas and Spring Valley Lakes. In other words territory designated in the 1980 General Plan where existing and (or) anticipated growth was contemplated.

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#### SOI Options

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Six options are identified with regard to LACOSAN’s SOI. These options are discussed below:

**Option #1** LAFCo may wish to consider a status quo Sphere of Influence (see the attached maps showing the existing 1985 sphere). Initial concerns are that LACOSAN is in the process of providing service to Anderson Springs, in 2008 the County adopted a new General Plan and prior to that adoption, the County adopted numerous area plans and in 2009 the City adopted a new General Plan. In addition the City of Lakeport adopted a General Plan and LAFCo is in the process of updating the City’s Sphere of Influence, which may change the territory. In addition territory has been annexed to the City over the past 25 years, which would need to be reflected in the new Sphere. In brief, land use patterns and local policies were significantly changed since 1985.

**Option #2** LAFCo may wish to update the SOI to only those areas currently served by LACOSAN. LAFCo would be signaling a no more growth position although since most territory in the County is already within LACOSAN, this would have no bearing on expansion of existing or establishment of new service zones. This option would not be consistent with the County’s General Plan, which is in part intended to guide future growth and development in Lake County.

**Option #3** LAFCo may wish to create a sphere conterminous with Spheres of other agencies such as the City of Clearlake, the Upper Lake Co. Water District, the Callayomi County Water District, etc. (excluding the Clearlake Oaks CWD, the City of Lakeport and the Hidden Valley Lake CSD). This approach may also be inconsistent with the Lake County General Plan since many small communities do not have “other” services agencies where LAFCo adopted a sphere in the first place.

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<sup>1</sup> The definition of a sphere of influence has changed since 1985 the word “ultimate” has been replaced with “probable” and is now defined as “... a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission”

**Option #4** An approach may be to use the recommendations of the adopted County General Plan to include LACOSAN's Sphere of Influence and the Community Growth Boundaries mapped in the General Plan. See the attached General Plan map showing the Community Growth Boundaries. Concerns are the Community Growth boundaries do not totally surround Clear Lake nor include Anderson Springs and several other smaller communities in Lake County. The SOI would not include areas previously detached from the district. This Option is consistent with LACOSAN's full buildout analysis.

**Option #5** The Sphere of Influence should exclude the Big Valley Agricultural Detachment area near Finley and other agricultural areas in Lake County, the City of Lakeport's Sphere and incorporated area, the Sphere of Influence and district area for the Hidden Valley Lake CSD, and the Clearlake Oaks County Water District, and the area surrounding the City of Lakeport previously detached in 1972 and 1973.

**Option #6** This is the Recommended Option: This approach would be to include the larger of the Community Growth Boundaries, existing service areas or zones, and LAFCo's Sphere of Influence for various service districts. An example being the Lower Lake Sphere vs. the Lower Lake Community Boundary. In this case the Sphere is larger than the Community Growth Boundary because the district serves a larger area. In other cases, the reverse may be true. The Sphere would have to also include territory and small communities, which are planned and zoned for urban uses. i.e. areas where there are commercial and residential development on lots smaller than 2 acres in size, for example. The Sphere would not include areas previously detached from the district, and the Sphere would need to protect Clear Lake by including urban and planned urban areas surrounding Clear Lake since water pollution would impact the Lake. This option would also include the Lower Lake County Waterworks District Sphere of Influence boundaries and Corinthian Bay (wastewater service areas 9-1, 9-2 and 9-3). It should be noted that areas within County Service Areas 2 (Spring Valley), 22 (Mt. Hannah), 20 (Soda Bay), 7 (Bonanza Springs) and 18 (Starview) are very long term. This option is consistent with LACOSAN's full build out analysis

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#### Recommended Sphere of Influence Boundary

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It is recommended that the Commission adopt **Option #6** and align LACOSAN's SOI as closely as possible with existing County Development Areas, as located and described in the 2008 County General Plan, not include agricultural or wildlands lands where there is no urban development, territory within the Sphere of Influence of the City of Lakeport (the City of Clearlake uses services provided by LACOSAN), not include territory served or anticipated to be served by another wastewater service provider or territory previously detached from the district.

The Cities act as the land use authority and planner of the area within city limits and its SOI, determines and guides where new growth will be located. In this case, the City of Lakeport is a Wastewater Service Provider distinct from LACOSAN. In the unincorporated areas, the County is the land use authority and planner for the area. Wastewater services are generally only needed in more densely populated areas, which will be primarily within the boundary or Sphere of Influence of a water service provider or territory served by a

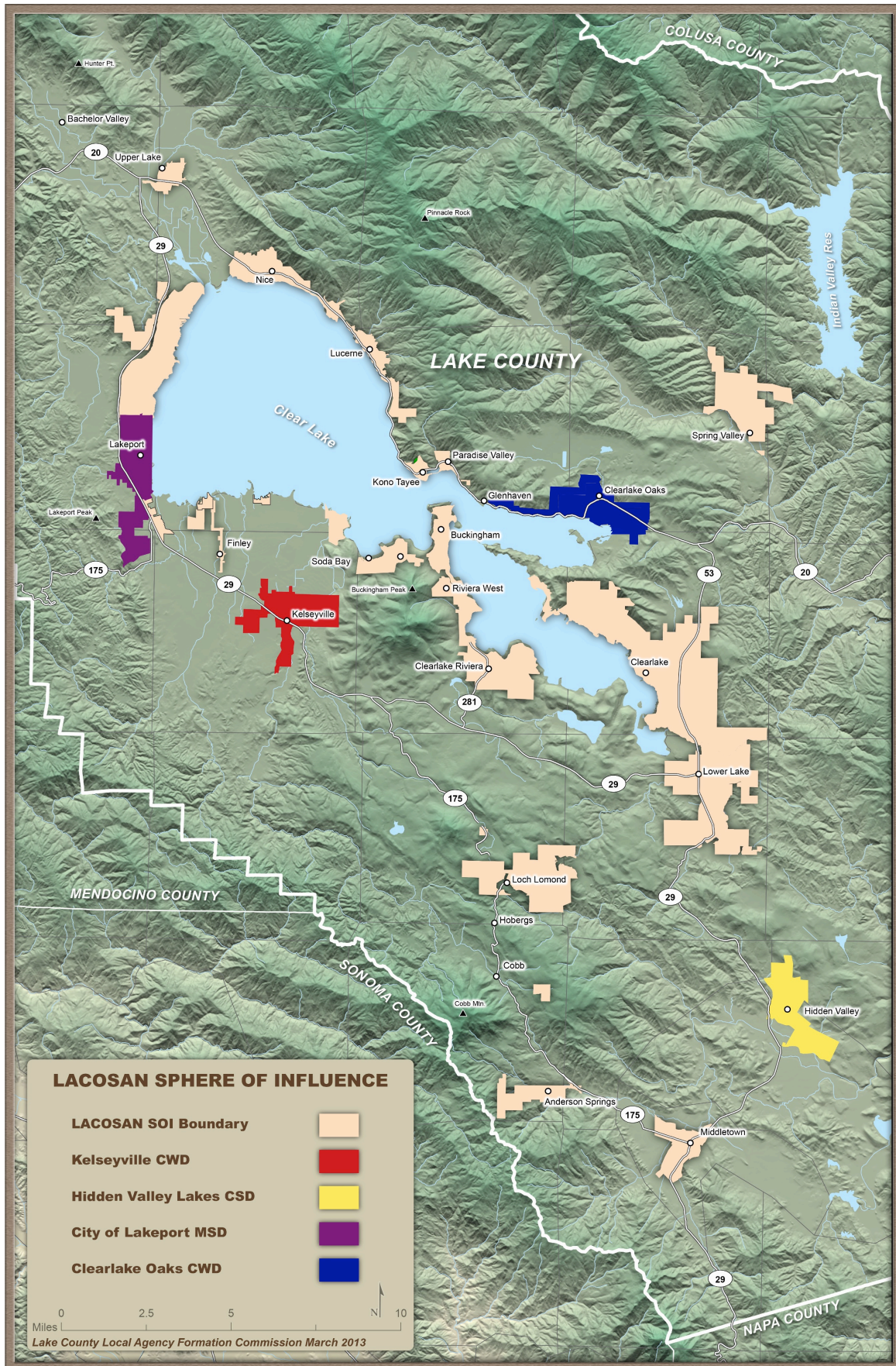
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community water system. As such, it seems that LACOSAN's SOIs should closely align with the City of Lakeport's SOI, the community development areas, developed areas, areas contemplated for urban development, and where demand for services will be concentrated.



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Adopted Sphere of Influence Determinations

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*Nature, location and extent of any functions or classes of services*

- ❖ Lake County Sanitation District (LACOSAN) provides wastewater collection and treatment and disposal. All services are provided directly by LACOSAN staff.
- ❖ Wastewater treated at LACOSAN's Northwest, Southeast and Middletown Wastewater Treatment Facilities is delivered to the Southeast Geysers Injection area located in Lake and Sonoma Counties.
- ❖ LACOSAN and CLMSD have an agreement for wastewater treatment in which wastewater treated in North Lakeport is transported to LACOSAN's Northwest Treatment Plant and wastewater treated South of Lakeport is treated in the CLMSD treatment facility south of Lakeport.
- ❖ Other major wastewater collection and treatment service providers in Lake County include the City of Lakeport Municipal Sewer District, the Hidden Valley Lake Community Services District, the Clearlake Oaks County Water District and the Kelseyville County Water Works District#3.

*Present and planned land uses, including agricultural and open-space lands*

- ❖ The Lake County General Plan was updated in 2008, the City of Lakeport's General Plan was updated in 2009, and the City of Clearlake's General Plan was adopted in 1983. These plans contain land use policies, standards and goals for growth and development throughout the Cities and the County.
- ❖ There are 14 defined land uses designations in the 2008 Lake County General Plan. Land uses are primarily Urban, Rural Residential, Agriculture, Commercial, Industrial, Agricultural and Public.
- ❖ Lake County has substantial land in rural lands, agriculture and public ownership, which will provide for ample open space.

*Present and probable need for public facilities and services*

- ❖ State Department of Finance Growth projections for Lake County project a 2020 population of 70,891<sup>2</sup>. The continuation of the economic downturn has resulted in lower state population estimates since previous estimates were based on pre-recession data.
- ❖ The MSR reported LACOSAN had existing connections and connection capacity as follows: The Northwest RWTP has 4,512 existing connections as of November 21, 2012<sup>3</sup> and a total service capacity of 9,534 connections. The Southeast RWTP has 8,501 existing connections as of November 21, 2012<sup>4</sup> and has a total service capacity of 13,405 connections.

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<sup>2</sup> Interim Projections for California and Counties July 1, 2015 to 2050, May 2012.

<sup>3</sup> Lake County Special Districts Administration, "Current Operations by Utility Area", 11/21/2012.

<sup>4</sup> Lake County Special Districts Administration, "Current Operations by Utility Area", 11/21/2012.

- ❖ The MSR reported the Middletown WTP had 735 existing connections<sup>5</sup> and a total service capacity of 933 connections. LACOSAN is in the initial stages of increasing service capacity of the Middletown WTP. It may include a collection system in the Anderson Springs area will into the future.
- ❖ Between 2011 and 2012, Lake County's population has declined -1.7 percent growth. However, between 2000 and 2010 the County's population has increased by 6,456 persons over the decade, slightly higher than 1 percent per year.
- ❖ It is anticipated that there will be continued need for wastewater collection and treatment, which will demand continued service by LACOSAN.
- ❖ LACOSAN has developed Facility Plans for its three wastewater treatment plants, and is in the process of updating comprehensive Master Facilities Plans covering the collection systems of all four of the treatment plants.

*Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide*

- ❖ At present, the District is only using 47 percent of its permitted capacity at the Northwest RWTP; 63 percent of its permitted capacity at the Southeast RWTP; and 78 percent of its permitted capacity at the Middletown WTP, based on average dry weather flow.
- ❖ Based on indicators of service adequacy including sewer overflows and collection system integrity, the District appears to provide adequate services. It is anticipated that the level of service offered by the District will continue to improve as has been the case over the past 10 years.
- ❖ LACOSAN conducts performance evaluations, productivity monitoring, and has a standardized means to track complaints and service requests.

*Existence of any social or economic communities of interest*

- ❖ The area served by LACOSAN within County of Lake is clearly both a social and economic community with regards to services provided by LACOSAN.

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

- ❖ The determination of a Disadvantaged Unincorporated Community appears to be subjective by agency. According to 2010 US Census Designated Places Data, the Cobb Area and the Hidden Valley Lake Area (not served by LACOSAN) does not meet the criteria to be considered a disadvantaged unincorporated community. However, other state and federal agencies (SWRCB, CDPH, USDA Rural Development) consider the entire unincorporated area of Lake County to be disadvantaged since those agencies use countywide data.

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<sup>5</sup> Lake County Special Districts Administration, "Current Operations by Utility Area", 11/21/2012.

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- ❖ A majority of the area within and adjacent to areas served by LACOSAN and its SOI is considered disadvantaged with a median household of less than 80 percent of the statewide median income. The Median Household Income for California is 60,883 and the Median Household Income for Lake County is 39,491 and to be considered a DUC the Median Household Income must be less than 48,706.

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