### Anderson Springs Community Services District

# Municipal Service Review and Sphere of Influence Update



View towards Anderson Springs & Cobb Mountain from Highway 175 http://www.andersonsprings.org/

### **LAKE LAFCO**

Adopted FEBRUARY 17, 2010 Resolution 2010-0003 - MSR Resolution 2010-0004 - SOI

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#### 1 INTRODUCTION

This Municipal Service Review is prepared for the Anderson Springs Community Services District in Lake County providing domestic water service. The Municipal Service Review (MSR) includes the following information:

- LAFCO requirements for MSRs
- Anderson Springs background
- Description of water service provided by Anderson Springs CSD
- Analysis of Anderson Springs CSD's capability to serve existing and future residents in the area

#### 1.1 LAFCO's Responsibilities

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. 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.

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

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.

#### 1.2 Municipal Service Review Requirements

The statute as amended by AB1744 and regulations call for a review of the municipal services provided in the county or other appropriate area designated by the LAFCO. The LAFCO is required, as part of the MSR, to prepare a written statement of findings of its determinations with respect to each of the following:

- 1. Growth and Population
- 2. Capacity and Infrastructure
- 3. Financial Ability
- 4. Shared Facilities
- 5. Government Structure and Accountability

#### 1.3 Lake LAFCO Policies and Procedures Related to Municipal Services

The Lake LAFCO adopted policies and procedures related to municipal services on March 20, 2002. There were amended by action of the Lake LAFCO on July 16, 2003 and November 28, 2007 and on May 20, 2009.

#### 1.4 Preparation of the MSR

Research for this Municipal Service Review (MSR) was originally conducted during 2006 and 2007. Since that time, several modifications have been made to add additional information.

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 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, 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 reports and Lake County and Anderson Spring Community Services District staff for information.

Therefore, this MSR reflects LAFCO's recommendations, based on available information during the research period and provided by Anderson Springs CSD 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 for Anderson Springs CSD.

#### 1.5 Description of Public Participation Process

Lake LAFCO is a legislative body authorized by the California Legislature and delegated powers as stated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act). The LAFCO proceedings are subject to the provisions 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 municipal service review process. Local MSR policies have been adopted by the Lake LAFCO.

Lake LAFCO has discussed and considered the MSR process in open session, and has adopted a schedule for completing the various municipal service reviews and sphere of influence updates for Lake County. Each municipal service review will be prepared as a draft, and will be subject to public and agency comment prior to final consideration by the Lake LAFCO.

#### 1.6 California Environmental Quality Act (CEQA)

The Municipal Service Review is a planning study that will be considered by Lake LAFCO in connection with subsequent proceedings regarding the Lake County CSAs and the Spheres of Influence. The Sphere of Influence review or update that will follow has not been approved or adopted by LAFCO.

This MSR is funded in the Lake LAFCO's 2009-2010 Budget. This MSR includes an analysis, to the extent required by Section 15262 of the CEQA Guidelines, of the environmental factors that may be affected by the Municipal Service Review process, but will not include the preparation of an environmental review document.

#### 1.7 Sphere of Influence Requirements

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

- 1. The present and planned land uses in the area, including agricultural and open space lands:
- 2. The present and probable need for public facilities and services in the area;
- 3. The present capacity of public facilities and adequacy of public services which the agency provides, or is authorized to provide; and
- 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.

#### 1.8 SOI Amendments and CEQA

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

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

Certain types of SOI amendments are likely 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 growthinducing 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.1

Since the recommendation is for the Sphere of Influence for the boundary of the Anderson Springs CSD to remain the same, there will be no environmental impacts from the adoption of the Sphere and no environmental document is required.



Anderson Springs Canyon-http://www.andersonsprings.org/

Adopted February 17, 2010 Resolutions 2010-0003 and 2010-0004

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. Anderson Springs CSD-MSR and SOI

#### 2 ANDERSON SPRINGS

#### 2.1 Anderson Springs Location

The 129-year old Anderson Springs community lies below the ridgeline of the Mayacmas Mountains approximately five miles west of Middletown and is accessed from State Highway 175. An area that once drew visitors to medicinal springs and hot baths, Anderson Springs is now a small residential community for a year-round and vacationing population. Schools are located in Middletown. Fire Protection is provided by the South Lake County Fire Protection District. Maps showing the location of Anderson Springs and the Anderson Springs CSD are shown at the end of this report.

#### 2.2 Anderson Springs History

In 1874, the Anderson Springs resort opened by Anderson family.<sup>2</sup> The original hotel was built in 1876 and could accommodate about 30 guests. Bathhouses were near the hotel, but the hot spring was 2,500 feet away with water conducted through a wooden pipe. A steam bath was arranged over a hot spring on the bank of the Creek. For many years daughters of Dr. Anderson ran the resort. In 1910 the hotel and cottages provided accommodations for 150 guests.<sup>3</sup>

The Anderson heirs sold the resort property to A.R. Meade and he sold lots for vacation homes in the 1920's and 1930's.<sup>4</sup> The Community Services District was formed in 1984 and serves 194 homes.<sup>5</sup> The full-time population of the area is less than 500 but is increased with vacation residents to a seasonal high of 1100.<sup>6</sup>

#### 2.3 Anderson Springs Sewer System Project

The Lake County Sanitation District (LACOSAN) is working to provide a community wastewater collection system for Anderson Springs and to treat the wastewater at the Middletown Wastewater Treatment Plant. An Environmental Impact report is being prepared for a collection system and capacity expansion of the Middletown Wastewater Treatment Plant in order to serve Anderson Springs. Lake County has done several studies of wastewater treatment and disposal in the area and water pollution control issues. The community desires that a community wastewater collection system be developed to replace the individual septic systems currently used for wastewater treatment and disposal in the area. The proposed service area for wastewater is larger

Anderson Springs CSD-MSR and SOI

Adopted February 17, 2010

<sup>&</sup>lt;sup>2</sup> http://www.lakecounty.com/history.htm, Sept. 17, 2007 LINK DOES NOT WORK

http://www.andersonsprings.org/History.html, Sept.17, 2007

<sup>4</sup> http://www.andersonsprings.org/History.html, September 17, 2007

<sup>&</sup>lt;sup>5</sup> Anderson Springs CSD, Meriel Medrano, Phone: (707)987-0277, December 22, 2009.

<sup>&</sup>lt;sup>6</sup> County of Lake, Community Development Department, "Notice of Preparation of an Environmental Impact Report and Notice of Scoping Meeting," December 14, 2009, Page 1.

<sup>&</sup>lt;sup>7</sup> County of Lake, Community Development Department, "Notice of Preparation of an Environmental Impact Report and Notice of Scoping Meeting," December 14, 2009, Page 2.

<sup>8</sup> County of Lake, Community Development Department, "Notice of Preparation of an Environmental Impact Report and Notice of Scoping Meeting," December 14, 2009, Page 2.

than the district boundary and Sphere of Influence for the Anderson Springs CSD. A map of this area is shown at the end of this report.

#### 3 ANDERSON SPRINGS COMMUNITY SERVICES DISTRICT

#### 3.1 Water Supply, Treatment and Distribution Overview

In Lake County, the critical season for water supply occurs in the late summer because demand is higher at this time due to the increased tourist population and supply is lower until the winter rainy season starts again. Lake County Code requires that water wells be constructed with a continuous seal from ground level down 50 feet. The purpose of the seal is to assure that surface water cannot flow into the well casing and contaminate deeper aguifers that are penetrated by the well.<sup>9</sup>

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.

<u>Primary Standards</u> 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 are intended to be temporary solutions to regulatory compliance. They may, however, extend indefinitely -- leaving a community with no water that meets the regulation.<sup>10</sup>

<u>Secondary Standards</u> 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.<sup>11</sup>

<sup>&</sup>lt;sup>9</sup> Brelje & Race Consulting Civil Engineers, "Preliminary Engineering Report Bonanza Springs Water System CSA #7 Lake County Special Districts", December 2006, page 6.

<sup>&</sup>lt;sup>10</sup> NSF International, "Feasibility of an Economically Sustainable Point-of-Use/Point-of-Entry Decentralized Public Water System Final Report", March 2005, p18. nsf.org/business/.../pdf/GrimesFinalReport Dec05.pdf

<sup>&</sup>lt;sup>11</sup> Brelje & Race Consulting Civil Engineers, "Preliminary Engineering Report Bonanza Springs Water System CSA #7 Lake County Special Districts", December 2006, page 8.

Water distribution systems carry water for both domestic use and for fire protection. The distribution system should be sized to perform both functions simultaneously, delivering sufficient water volume and pressure. Pipes should be made of durable and corrosionresistant materials, and alignments located in areas that are easy to access for repairs and maintenance. 12 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. 13

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).

#### 3.2 Anderson Springs Groundwater Area

Lake County has twelve groundwater basins and one groundwater source area. The Anderson Springs CSD is located within the Clear Lake Pleistocene Volcanic Groundwater Management Plan Area. The District has no wells and therefore does not use groundwater, but uses water from Anderson BULL Spring on BLM land.

#### Α. Clear Lake Volcanics Location

The Clear Lake Volcanics Groundwater Source Area is south of Clear Lake. The Clear Lake Volcanics share a boundary with the Big Valley Groundwater Basin to the west. The Franciscan Formation bounds the south and east of the area. 14 The Clear Lake Volcanics Groundwater Source Area supplies water for the following seventeen water agencies:15

- 1. Adams Springs Water District
- 2. ACWD
- 3. B.1. Mutual Water Company
- 4. Clearwater Mutual Water Company
- 5. Cobb Area County Water District
- 6. Cobb Mountain Water Company
- 7. CSA No. 7 Bonanza Springs
- 8. CSA No. 18 Starview (Cobb)
- 9. CSA No. 20 Soda Bay
- 10. CSA No. 22 Mt. Hannah
- 11. Hidden Valley Lake CSD (part)
- 12. Jago Bay Mutual Water Company
- 13. Loch Lomond Mutual Water Co.

<sup>&</sup>lt;sup>12</sup> Brelje & Race Consulting Civil Engineers, "Preliminary Engineering Report Bonanza Springs Water System CSA #7 Lake County Special Districts", December 2006, p. 10.

13 Brelje & Race Consulting Civil Engineers, "Preliminary Engineering Report Bonanza Springs Water

System CSA #7 Lake County Special Districts", December 2006, p. 11

14 Lake County Watershed Protection District, "Lake County Groundwater Management Plan", March 31,

<sup>2006,</sup> P 2-40. <sup>15</sup> Lake County Watershed Protection District, "Lake County Groundwater Management Plan", March 31,

<sup>2006.</sup> P 1-4 and 1-5.

- 14. Mt. Konocti Mutual Water Company
- 15. Pine Grove Water System
- 16. Riviera West Mutual Water Co.
- 17. Sunrise Shore Mutual Water Company

This area has 667 wells as follows:

Domestic	537
Irrigation	59
Municipal	11
Monitoring	8
Other	52 <sup>16</sup>

Approximately 50 percent of domestic wells are less than 200 feet deep and 50 percent of irrigation wells are less than 325 feet deep. 17

#### B. Clear Lake Volcanics Water-Bearing Formations

According to the "Lake County Groundwater Management Plan"

The Clear Lake Volcanics consist of basalt, andesite, and other volcanic rocks in a complex sequence. The Clear Lake Volcanics are heavily faulted and fractured. and are over 4,000 feet thick near Mount Konocti. A well drilled near the intersection of Red Hills Road and State Highway 29 revealed that the formation was 1.600 feet think at that location.

Groundwater in the Clear Lake Volcanics occurs primarily in the fractures, joints, and within weathered zones that formed in between volcanic eruptions. The amount of groundwater available to a well in the formation is highly dependent on the size, openness, frequency, and interconnection of fractures and joints encountered in the well. 18

#### C. Clear Lake Volcanics Groundwater Hydrogeology

According to the "Lake County Groundwater Management Plan" Overall, the hydrogeologic properties in the Clear Lake Volcanics vary widely between different locations in the area, and are not well defined. In some areas, pump tests have been performed to determine aguifer properties. Pump tests determine an aquifer's characteristics at a particular well location.

Pump tests typically reveal

<sup>&</sup>lt;sup>16</sup> Lake County Watershed Protection District, "Lake County Groundwater Management Plan", Mar. 31, 2006.

P 3-5.

<sup>&</sup>lt;sup>17</sup> Lake County Watershed Protection District, "Lake County Groundwater Management Plan", March 31,

<sup>&</sup>lt;sup>18</sup> Lake County Watershed Protection District, "Lake County Groundwater Management Plan", March 31, 2006. P 2-40.

- 1) Specific capacity
- 2) Transmissivity

Specific capacity is a calculated number based on the pumping rate in gallons divided by a measurement of the difference of static and pumping levels in the well. Higher specific capacities indicate a productive well, and low specific capacities indicate an unproductive well.

Transmissivity is the capacity of an aquifer to transmit water. A higher transmissivity indicates the aquifer is able to transmit more water. A pumping test performed on a well east of Soda Bay Road in the Clear Lake Volcanics revealed a specific capacity of 43 gpm/foot, and a transmissivity ranging between 20,000 and 86,000 gpd/foot.

Other pump tests performed near the intersection of Red Hills Road and State Highway 29 indicated specific capacities of 1.25, 47.6 and 18.7 gpm/foot, and pumping rates of 555 gpm, 150 gpm and 670 gpm. Average-year agricultural groundwater demand in the Clear Lake Volcanics basin is approximately 2,271 acre-feet per year.<sup>19</sup>

#### D. Clear Lake Volcanics Groundwater Quality

According to the "Lake County Groundwater Management Plan," "Information obtained from DHS indicates that iron, aluminum and manganese have been detected above SWQLs (secondary water quality thresholds) in the Clear Lake Volcanics." <sup>20</sup>

#### 3.3 Anderson Springs CSD Water System

The Anderson Springs CSD is a small district serving 194 homes.<sup>21</sup> The water system is self-contained. Water supplies for the District come from an enclosed spring above the community surrounded by mountainous terrain. The water is piped from a completely enclosed spring box to the District's 150,000 gallon storage tank. The average daily flow captured by the District for use in the system is about 30 percent of the spring's total daily capacity.

Infrastructure of the system (including ten miles of pipeline) is reportedly in good condition and has been stated in the District's Assessment Program Report as not vulnerable to any contamination contributed by human activities.

The system was constructed in 1983 and completed in 1984. The external system is estimated to have a 100 year lifetime. Upgrades and repairs are done as needed throughout the whole system. Water delivery is by gravity flow requiring no electricity, and the purity of the water requires only a minimum amount of chlorine to be added.

Lake County Watershed Protection District, "Lake County Groundwater Management Plan", March 31, 2006, P 2-40.
 Lake County Watershed Protection District, "Lake County Groundwater Management Plan", March 31,

<sup>&</sup>lt;sup>20</sup> Lake County Watershed Protection District, "Lake County Groundwater Management Plan", March 31, 2006, P 2-40.

Anderson Springs CSD, Meriel Medrano, Phone: (707)987-0277, December 22, 2009.
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There is no Water Management or Master Plan for the District. Conservation is encouraged and new connection requests average little more than one per year. The water is metered and overages are billed to customers. However, the system experiences significantly greater demand than is generated by the full-time population during peak summer holidays due to the seasonal population increase.

Anderson Springs has approximately 269 parcels (some are not buildable), and serves 194 homes. <sup>22</sup> The District has no formal growth plans or projections for likely demands for connections to its system. The District processes requests for new connections as they are received.

### 3.4 Agreement with Landowner for Pipeline Easement

#### 3.4.1 Original 1984 Agreement

The Anderson Springs CSD entered into an Agreement with the owners of a 320 acre parcel adjacent to Gunning Creek on July 31, 1984, in connection with the District's improvement project for its water supply to serve it residents. The project involved a relocation of District's old point of diversion on Gunning Creek, upstream to a tributary spring above the Owner's property on BLM land. The Agreement provided for a transmission pipeline easement through the Owner's property to convey water from the tributary spring above the Owner's property, down through said Owner's property and to the District, and for other related rights and responsibilities in connection therewith.<sup>23</sup>

The original Agreement further provided that the District would have the prior right, senior to Owner's riparian rights, to receive water from the spring, sufficient to deliver through the District pipeline water for 199 single-family equivalent connections in the District, but restricting the service connections to said 199 single-family equivalent connections. Pursuant to said Agreement, the Owners simultaneously granted an Easement through their property, also dated July 31, 1984, for said pipeline and for the transmission of water through the pipeline to the District for use within the District's boundaries for service of up to said 199 connections.<sup>24</sup>

The original Agreement also provided that the District would provide four or less outlets in the District's pipeline for Owner's use, but during construction the District constructed instead, with the Owners' consent, a separate pipeline off the District's pipeline for taking water from the spring.<sup>25</sup>

A second agreement in 1994 provided an additional 20 water connections for the district with consideration for additional connections in the future as needed<sup>26</sup>

<sup>&</sup>lt;sup>22</sup> Anderson Springs CSD, Meriel Medrano, Phone: (707)987-0277, December 22, 2009.

Anderson Springs CSD, First Amendment to Agreement, July 30, 1994, Section a, Page 1.

<sup>&</sup>lt;sup>24</sup> Anderson Springs CSD, First Amendment to Agreement, July 30, 1994, Section b, Page 1.

<sup>&</sup>lt;sup>25</sup> Anderson Springs CSD, First Amendment to Agreement, July 30, 1994, Section c, Page 1.

<sup>&</sup>lt;sup>26</sup> Anderson Springs CSD, Meriel Medrano, Phone: (707) 987-0277, Feb 1, 2010.

#### 3.4.2 1994 Amendment to Agreement

In 1994 the District needed to provide water service to additional properties within its boundaries, in excess of the 199 connections allowed by the original agreement described above.<sup>27</sup>

Therefore it was agreed as follows:

- 1. The District may use said pipeline and easement through the Owner's property for the transmission of water to District for use within its present boundaries only, of service for up to 219 singlefamily equivalent connections, with the right to service the additional connections also being prior to the Owners' rights to take water from the source under Owners' own riparian rights.<sup>28</sup>
- 2. In the future, upon a showing by District of a bona fide need for additional connections within the District's existing boundaries beyond 219 connections, and upon the condition of continued compliance with the obligations set forth in paragraph 3 hereof, the Owners will give favorable consideration to allowing the District to increase from time to time the number of connections within the District which may be served under said 1984 Agreement and the 1984 Easement, up to a total of 269 connections, provided that such increases do not further impair Owners' right to utilize water from the source under Owner's own water entitlements.<sup>29</sup>
- 3. The right to serve additional connections beyond 199 connections shall be subject to the right of fourteen residences at Ford Flat to receive water for domestic use through the Owners' pipeline.<sup>30</sup>

#### 3.5 Anderson Springs CSD Finances

#### 3.5.1 Financial Overview

The District is funded by a combination of revenues from water sales and interest from investments. The State Controller's Office annual Special District Report indicates FY 2005 total annual revenue of \$66,387. For the same year, total expenses equaled \$42,375, resulting in a net income to the District of \$24,030 for the year.

The District budget is produced annually by the budget committee and is approved by the Board. The Anderson Springs CSD charges \$3,500 for connection to its system and

 $<sup>^{27}</sup>$  Anderson Springs CSD, First Amendment to Agreement, July 30, 1994, Section d, Page 1.

Anderson Springs CSD, First Amendment to Agreement, July 30, 1994, Section 1, Page 2.

<sup>&</sup>lt;sup>29</sup> Anderson Springs CSD, First Amendment to Agreement, July 30, 1994, Section 2, Page 2.

<sup>&</sup>lt;sup>30</sup> Anderson Springs CSD, First Amendment to Agreement, July 30, 1994, Section 3, Page 2.

\$75 for a transfer. The water charge is \$300 annually. The rates charged for water (\$32.50 per month if paid monthly) appear commensurate with the actual costs of providing water.31

The surplus is dedicated to reserve funds for infrastructure improvements and long-term maintenance, thus it is within the acceptable uses of water fees. All fees are collected directly by the District and maintained in a bank account.

The geographic isolation of the District, as well as the limited nature of the service provided, limits the ability of the District to effectively employ conventional cost avoidance measures. However, the District is relatively cost effective due to management savings, the fact that water delivery is by gravity flow requiring no electricity, and the purity of the water requiring only a minimum amount of chlorine to be added.

#### 3.5.2 2009-2010 Budget

ANDERSON SPRINGS CSD BUDGET 2009-2010				
	Actual 2007-2008	Actual 2008-2009	Budget 2009-2010	
EXPENSES				
Payroll	16,626	18,066	20,000	
Manager	19,860	20,825	21,410	
Labor		260	500	
Consulting	670	4,910	700	
Chlorine	408	348	500	
Director. Travel	1,277	1,300	1,400	
Repair	6,080	3,332	1,500	
Insurance	2,573	2,903	2,900	
Professional Services	6,419	9,441	5,000	
Maintenance	147	555	500	
Supplies	870	1,044	900	
Permits	1,950	75	1,000	
Postage	434	588	600	
Donation	250	275	300	
Telephone	1,621	1,471	1,800	
Water Test	1,203	1,295	1,400	
Miscellaneous	477	483	600	
Bank	176	298		
Depreciation			18,137	
TOTAL	\$61,041	\$68,145	\$79,147	
REVENUE	\$67,434	\$69,363	\$72,000	
Net	\$6,393	\$1,218	-\$7,147	

<sup>&</sup>lt;sup>31</sup> Anderson Springs CSD, Meriel Medrano, Phone: (707)987-0277, December 22, 2009.

#### 3.5.3 Audit

The "Financial Statement Compilation Report June 30, 2008 and June 30, 2009" reported the following assets for 2009:<sup>32</sup>

#### Current Assets:

Cash in Bank-Checking Account	\$13,734
Cash in Bank-Savings Accounts	\$15,626
CD and Bond Investments	\$266,252
Total Current Assets	\$295.612

#### Capital Assets:

Machinery and Equipment	\$5,159
McDowell Annexation	\$7,884
Water Plant	\$1,049,100
Accumulated Depreciation	(\$446,906)
Total Capital Assets	\$615,237

#### 3.6 Anderson Springs CSD Government

The contact information for the Anderson Springs CSD is as follows:

Meriel Medrano, Manager
P. O. Drawer 929, Middletown, CA 95461

Phone: (707)987-0277

The Anderson Springs CSD has a District Manager, who also serves as secretary and bookkeeper on a contract basis. The part-time Water Master and Assistant Water Master are District employees. The 5-member Board of Directors meets the second Thursday of each month. The membership of the Board, as of June 2009, is as follows:<sup>33</sup>

Board Member	<u>l itle</u>
John Engels	Chairman
Betrice Moulton	Vice-Chairwoman
Joan Clay	Director
Dorothy Marelli	Director

Dorothy Marelli Director
Penelope Klavinger Director

There are no indications that the District violates any provision of the Brown Act or its provisions related to the operation of special district meetings.

<sup>&</sup>lt;sup>32</sup> Anderson Springs CSD, "Financial Statements Compilation Report, June 30, 2008 and June 30 2009," prepared by Sturges, Pehling & Associates, 3385 White Oak Way, Kelseyville, CA 95451, Phone: 707-279-1188, www.SodaBayCPA.com, Page 3.

<sup>1188, &</sup>lt;a href="https://www.SodaBayCPA.com">www.SodaBayCPA.com</a>, Page 3.

33 Anderson Springs CSD, "Financial Statements Compilation Report, June 30, 2008 and June 30 2009," prepared by Sturges, Pehling & Associates, 3385 White Oak Way, Kelseyville, CA 95451, Phone: 707-279-1188, <a href="https://www.SodaBayCPA.com">www.SodaBayCPA.com</a>, Page 6.

#### 4 ANDERSON SPRINGS CSD MUNICIPAL SERVICE REVIEW

Lake LAFCO is responsible for determining if an agency is reasonably capable of providing needed resources and basic infrastructure to serve areas within its boundaries and, later, within the Sphere of Influence. LAFCO will do the following:

- Evaluate the present and long-term infrastructure demands and resources available to the District.
- 2) Analyze whether resources and services are, or will be, available at needed levels.
- 3) Determine whether orderly maintenance and expansion of such resources and services are planned to occur in line with anticipated future demands.

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

#### 4.1 Growth and Population Projections for the Anderson Springs Area

#### Purpose:

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

#### 4.1.1 Anderson Springs Population Projections

The District has 194 active connections and 27 reserved connections for undeveloped lots (entitlements). Based on the 2000 Census rate of 2.39 persons per household in Lake County<sup>34</sup> the District serves a population of 464. The District includes approximately 50 vacant lots. Development of these lots would increase the population. Also, the population could be increased if additional houses are used year-round rather than just in the summer. (6)

#### 4.1.2 MSR Determinations on Growth and Population for Anderson Springs CSD

- 1-1) The District should coordinate requirements for new development with the Lake County Community Development Department
- 1-2) The population of the area may increase when sewer service is extended to this area by the Lake County Sanitation District (LACOSAN).

http://quickfacts.census.gov/qfd/states/06/06033.html
 Anderson Springs CSD-MSR and SOI
 Adopted February 17, 2010
 Resolutions 2010-0003 and 2010-0004

#### 4.2 Capacity and Infrastructure for Anderson Springs CSD

#### Purpose:

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

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

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

#### 4.2 Anderson Springs CSD Infrastructure

#### 4.2.1 Anderson Springs CSD Infrastructure

The Anderson Springs CSD water is piped from a spring box to the District's 150,000 gallon storage tank. The water is pure and requires minimal chlorine. The water is gravity-fed into the distributions system, which was constructed in 1984.

#### 4.2.2 MSR Determinations on Infrastructure for Anderson Springs CSD

- 2-1) The District provides adequate water service with the facilities available but will need to make improvements if future growth were to occur.
- 2-2) The District meets the California Department of Health Services requirements for water quality.
- 2-3) No further annexations and (or) sphere of influence amendments can be allowed until the maximum number of water connections permitted in the with the Spring owners is either eliminated or modified to accommodate such growth.

#### 4.3 Financial Ability

#### 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.

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

LAFCO should consider the relative burden of new annexations to the community when it comes to its ability to provide public safety and administrative services, as well as capital maintenance and replacements required as a result of expanding District boundaries.

Rate restructuring may be forced by shortfalls in funding, but the process may also reflect changing goals and views of economic justice or fairness within the community. LAFCO should evaluate the impact of SOI and Annexation decisions on existing community rates for public water service.

Municipal service providers are constrained in their capacity to finance services by the inability to increase property taxes, requirements for voter approval for new or increased taxes, and requirements of voter approval for parcel taxes and assessments used to finance services. Municipalities must obtain majority voter approval to increase or impose new general taxes and two-thirds voter approval for special taxes.

Limitations on property tax rates and increases in taxable property values are financing constraints. Property tax revenues are subject to a formulaic allocation and are vulnerable to State budget needs. Agencies formed since the adoption of Proposition 13 in 1978 often lack adequate property tax financing.

#### 4.3.1 Financial Considerations for Anderson Springs CSD

#### A. Budget

The Anderson Springs CSD annual Budget of approximately \$70,000 is adopted by the Board of Directors in an open meeting. The Budget is adequate to meet the needs of the District.

#### B. Anderson Springs CSD Rates

The Anderson Springs CSD charges reasonable rates for water service (\$32.50 per month if paid monthly or \$300.00 per year<sup>35</sup>) which allow a modest surplus of income over expenses in most years.

#### C. Anderson Springs CSD Costs

The District saves on expenses by using an independent contractor for a Manager/Secretary and part-time employees. At this time there are no annexation proposals being considered.

#### 4.3.2 MSR Determinations on Financial Ability for Anderson Springs CSD

- 3-1) Overall, the District appears financially stable; however, fees may need to be increased in the future to meet service costs.
- 3-2) The District's budgetary information is in order, and there is no indication that the District has failed to meet its financial obligations.
- 3-3) The District needs to ensure that new development pays the cost of the treatment plants, storage tanks, and transmission lines as well as the cost for the actual water distribution lines within the development.
- 3-4) The District uses every opportunity to avoid costs.

 $<sup>^{35}</sup>$  Anderson Springs CSD, Meriel Medrano, Phone: (707)987-0277, December 22, 2009.

#### 4.4 Opportunities for Shared Facilities

#### Purpose:

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

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

#### 4.4.1 Anderson Springs CSD Facilities

The District has an independent water system, which meets water quality standards. There are no community service districts, cities, or other local government agencies in the area which could feasibly be joined with the Anderson Springs CSD to improve service levels to residents of the District.

#### 4.4.2 MSR Determinations on Shared Facilities for Anderson Springs CSD

- 4-1) The Community Services District is geographically isolated and serves a small community in a mountainous area.
- 4-2) Geography in the area does not lend itself to shared facilities opportunities, as joint utilization of infrastructure and facilities would likely by cost-prohibitive.
- 4-3) The District serves 194 homes<sup>36</sup> and has minimal infrastructure or facilities, which could feasibly be utilized by other districts or governmental agencies.
- 4-4) There are no outstanding opportunities for facilities sharing by the District.

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#### 4.5 Government Structure and Accountability

#### Purpose:

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

One of the most critical components of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capacity to provide services to affected lands. Lake LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure of the ability to provide adequate services to the Sphere of Influence and potential annexation areas.

#### 4.5.1 Anderson Springs CSD Governmental Structure

The Community Service District structure is appropriate for a small water system. It would probably cost the District more to dissolve and become a County Service Area (CSA) governed by the Board of Supervisors and served by the Special Districts Administrator. The District only has two part-time employees and additional contract help as needed to run the water system in a cost effective and safe manner. The Anderson Springs CSD has a five-member Board of Directors elected for four-year terms. The Board meets regularly and manages the District in a responsible manner.

## 4.5.2 MSR Determinations on Government Structure and Accountability for Anderson Springs CSD

- 5-1) The District provides water service within an isolated system and within a geographically distinct area.
- 5-2) The District has been shown to meet water quality standards and has been found to have adequate infrastructure.
- 5-3) There are no community service districts, cities, or other local government agencies in the area which could feasibly be joined with the District to improve service levels to residents of the District.
- 5-4) The relatively small management team is appropriate for the District, given the District's small size and limited financial resources.
- 5-5) Local accountability is attributed to open and publicized meetings and locally available staff.
- 5-6) A web site and/or a newsletter would be a valuable addition to communication in the District.

#### 5 SPHERE OF INFLUENCE (SOI) DETERMINATIONS

### 5.1 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:

#### 1) <u>Coterminous Sphere</u>:

The sphere for a city or special district that is the same as its existing boundaries. This is the recommendation for the Anderson Springs CSD.

#### 2) Annexable Sphere:

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

#### 3) Detachable Sphere:

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

#### 4) Zero Sphere:

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

### 5) <u>Consolidated Sphere</u>:

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.

### 5.2 Anderson Springs CSD Sphere of Influence

The Sphere of Influence for the Anderson Springs CSD will be the same as the District Boundary. The sphere will be the same for both the near and long-term time-frames. A water service contract between an adjacent land owner limits the number of connections the district may have. This limitation constrains the district's ability to increase its service area.

Information contained in the Municipal Service Review and this Sphere of Influence is only as of the date of adoption. LAFCO Policy 3.3(e) calls for an updated Municipal Service Review at the time a proposal is made. Policy 2.14 essentially requires an updated Municipal Service Review any time conversion of agricultural land meeting the definition contained in Government Code Section 56064 is proposed.

# 5.3 <u>Present and Planned Land Uses in the Area, Including Agricultural and Open Space Lands</u>

#### 5.3.1 Lake County General Plan and Zoning

The Lake County General Plan designates the Anderson Springs Area for Suburban Residential (SR) land use. The Lake County zoning for the Anderson Springs area is R-1, Single Family Residential. Lake County is preparing an Environmental Impact Report (EIR) for the proposed Anderson Springs Sewer System Project (Project) to inform decision makers and the general public of the potential public safety and environmental impacts of the project.<sup>37</sup>

## 5.3.2 SOI Determinations on Present and Planned Land Use for Anderson Springs CSD

- 1-1] The community of Anderson Springs is recognized in the General Plan but is not designated for expansion.
- 1-2] A coterminous Sphere of Influence shall be assigned to the District.
- 1-3] An area of concern could be established since a Wastewater service area is larger than the Anderson Springs CSD Sphere of Influence. In addition, impacts to the district's source water could occur as a result of additional geothermal development or any future upstream development.

#### 5.4 Municipal Services—Present and Probable Capacity and Need

#### 5.4.1 Present and Probable Capacity and Need Background

There is a need for the Anderson Springs Community Services District and this need will continue for the foreseeable future.

# 5.4.2 SOI Determinations on Present and Probable Capacity and Need for Anderson Springs CSD

2-1] There is a need for the water system operated by the Anderson Springs Community Services District.

<sup>&</sup>lt;sup>37</sup> County of Lake, Community Development Department, "Notice of Preparation of an Environmental Impact Report and Notice of Scoping Meeting," December 14, 2009.

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

#### 5.5.1 Adequacy of Services Provided by Anderson Springs CSD

The services provided by the Anderson Springs CSD are adequate. The District has capacity to serve the area. The limitations in its water service contract at 219 connections poses a constraint to expanding the district's Sphere of Influence at this time.

# 5.5.2 SOI Written Determinations on Adequacy of Services Provided by Anderson Springs CSD

3-1] The domestic water service provided by the Anderson Springs CSD is adequate.

#### 5.6 Social or Economic Communities of Interest

#### 5.6.1 Anderson Springs Community Background

The Community of Anderson Springs has a long history as a separate community. The residents contribute to the community by serving on the Board of the Community Services District.

# 5.2.2 SOI Determinations on Social or Economic Communities of Interest for Anderson Springs CSD

- 4-1] The Community of Anderson Springs is a separate community and has successfully maintained a well-run Community Services District.
- 4-2] The Anderson Springs CSD should continue as a separate district to maintain water service to this community.

#### APPENDIX A LOCAL GOVERNMENT ISSUES

#### 1 Municipal Financial Constraints

Municipal service providers are constrained in their capacity to finance services by the inability to increase property taxes, requirements for voter approval for new or increased taxes, and requirements of voter approval for parcel taxes and assessments used to finance services. Municipalities must obtain majority voter approval to increase or impose new general taxes and two-thirds voter approval for special taxes.

Limitations on property tax rates and increases in taxable property values are financing constraints. Property tax revenues are subject to a formulaic allocation and are vulnerable to State budget needs. Agencies formed since the adoption of Proposition 13 in 1978 often lack adequate financing.

#### 1.1 California Local Government Finance Background

The financial ability of the cities to provide services is affected by financial constraints. City service providers rely on a variety of revenue sources to fund city operating costs as follows:

- Property Taxes
- Benefit Assessments
- Special Taxes
- Proposition 172 Funds
- Other contributions from city general funds.

As a funding source, property taxes are constrained by statewide initiatives that have been passed by voters over the years and special legislation. Seven of these measures are explained below:

#### A. Proposition 13

Proposition 13 (which California voters approved in 1978) has the following three impacts:

It limits the ad valorem property tax rate.

It limits growth of the assessed value of property.

It requires voter approval of certain local taxes.

Generally, this measure fixes the *ad valorem* tax at one percent of the value at the most recent sale; except for taxes to repay certain voter approved bonded indebtedness. In response to the adoption of Proposition 13, the Legislature enacted Assembly Bill 8 (AB 8) in 1979 to establish property tax allocation formulas.

#### B. AB 8

AB 8 allocates property tax revenue to the local agencies within each tax rate area based on the proportion each agency received during the three fiscal years preceding adoption of Proposition 13. This allocation formula benefits local agencies which had relatively high tax rates at the time Proposition 13 was enacted (1978).

#### C. Proposition 98

Proposition 98, which California voters approved in 1988, requires the State to maintain a minimum level of school funding. In 1992 and 1993, the Legislature began shifting billions of local property taxes to schools in response to State budget deficits. Local property taxes were diverted from local governments into the Educational Revenue Augmentation Fund (ERAF) and transferred to school districts and community college districts to reduce the amount paid by the State general fund.

Local agencies throughout the State lost significant property tax revenue due to this shift. Proposition 172 was enacted to help offset property tax revenue losses of cities and counties that were shifted to the ERAF for schools in 1992.

#### D. Proposition 172

Proposition 172, enacted in 1993, provides the revenue of a half-cent sales tax to counties and cities for public safety purposes, including police, fire, district attorneys, corrections and lifeguards. Proposition 172 also requires cities and counties to continue providing public safety funding at or above the amount provided in FY 92-93.

#### E. Proposition 218

Proposition 218, which California voters approved in 1996, requires voter- or property owner-approval of increased local taxes, assessments, and property-related fees. A two-thirds affirmative vote is required to impose a Special Tax (for example, a tax for a specific purpose such as a fire protection).

However, majority voter approval is required for imposing or increasing general taxes such as business license or utility taxes, which can be used for any governmental purpose. These requirements do not apply to the following three types of fees:

- User fees
- Development impact fees
- Mello-Roos districts

#### F. Mello-Roos Community Facilities Act

The Mello-Roos Community Facilities Act of 1982 allows any county, city, special district, school district or joint powers authority to establish a Mello-Roos Community Facilities District (a "CFD") which allows for financing of public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, emergency medical services, schools, parks, libraries, museums, and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt.

A CFD is created by a sponsoring local government agency. The proposed district will include all properties that will benefit from the improvements to be constructed or the services to be provided. A CFD cannot be formed without a two-thirds majority vote of residents living within the proposed boundaries. Or, if there are fewer than 12 residents, the vote is instead conducted of current landowners.

In many cases, that may be a single owner or developer. Once approved, a Special Tax Lien is placed against each property in the CFD. Property owners then pay a Special Tax each year. If the project cost is high, municipal bonds will be sold by the CFD to provide the large amount of money initially needed to build the improvements or fund the services.

The Special Tax cannot be directly based on the value of the property. Special Taxes instead are based on mathematical formulas that take into account property characteristics such as use of the property, square footage of the structure and lot size. The formula is defined at the time of formation, and will include a maximum special tax amount and a percentage maximum annual increase.

If bonds were issued by the CFD, special taxes will be charged annually until the bonds are paid off in full. Often, after bonds are paid off, a CFD will continue to charge a reduced fee to maintain the improvements.

#### G. Development Impact Fees

Counties, cities, special districts, school districts, and private utilities may impose development impact fees on new construction for purposes of defraying the cost of putting in place public infrastructure and services to support new development.

To impose development impact fees, a jurisdiction must justify the fees as an offset to the impact of future development on facilities. This usually requires a special financial study. The fees must be committed within five years to the projects for which they were collected, and the district, city or county must keep separate funds for each development impact fee.

#### 1.2 Financing Opportunities that Require Voter Approval

Financing opportunities that require voter approval include the following:

- Special taxes such as parcel taxes
- Increases in general taxes such as utility taxes
- Sales and use taxes
- Business license taxes
- Transient occupancy taxes

Communities may elect to form business improvement districts to finance supplemental services, or Mello-Roos districts to finance development-related infrastructure extension. Agencies may finance facilities with voter-approved (general obligation) bonded indebtedness.

#### 1.3 Financing Opportunities that Do Not Require Voter Approval

Financing opportunities that do not require voter approval include imposition of or increases in fees to more fully recover the costs of providing services, including user fees and Development Impact Fees to recover the actual cost of new services and infrastructure.

Development Impact Fees and user fees must be based on reasonable costs, and may be imposed and increased without voter approval. Development Impact Fees may not be used to subsidize operating costs. Agencies may also finance many types of facility improvements through bond instruments that do not require voter approval.

Water rates and rate structures are not subject to regulation by other agencies. Utility providers may increase rates annually, and often do so. Generally, there is no voter approval requirement for rate increases, although notification of utility users is required. Water providers must maintain an enterprise fund for the respective utility separate from other funds, and may not use revenues to finance unrelated governmental activities.

### 2 <u>Public Management Standards</u>

While public sector management standards do vary depending on the size and scope of an organization, there are minimum standards. Well-managed organizations do the following eight activities:

- 1. Evaluate employees annually.
- 2. Prepare a budget before the beginning of the fiscal year.
- 3. Conduct periodic financial audits to safeguard the public trust.
- 4. Maintain current financial records.
- 5. Periodically evaluate rates and fees.
- 6. Plan and budget for capital replacement needs.
- 7. Conduct advance planning for future growth.
- 8. Make best efforts to meet regulatory requirements.

Most of the professionally managed and staffed agencies implement many of these best management practices. LAFCO encourages all local agencies to conduct timely financial record-keeping for each district function and to make financial information available to the public.

#### 3 <u>Public Participation in</u> Government

The Brown Act (California Government Code Section 54950 et seq.) is intended to insure that public boards shall take their actions openly and that deliberations shall be conducted openly. The Brown Act establishes requirements for the following:

- Open meetings
- Agendas that describe the business to be conducted at the meeting
- Notice for meetings
- Meaningful opportunity for the public to comment
- Few exceptions for meeting in closed sessions and reports of items discussed in closed sessions.

#### According to California Government Section 54959:

Each member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this chapter, is guilty of a misdemeanor.

#### Section 54960 states the following:

(a) The district attorney or any interested person may commence an action by mandamus, injunction or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter by members of the legislative body of a local agency or to determine the applicability of this chapter to actions or threatened future action of the legislative body



Beautiful Anderson Creek http://www.andersonsprings.org/

#### **ABBREVIATIONS**

AB Assembly Bill

AL Regulatory Action Level (Water Quality)

AWWA American Water Works Association

CEQA California Environmental Quality Act

CFD Mello-Roos Community Facilities District

CKH Act Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

CSA County Service Area

CSD Community Services District

District Anderson Springs Community Services District
DHS Department of Health Services (California)

ERAF Educational Revenue Augmentation Fund

FY Fiscal Year

gpd gallons per day

LAFCO Local Agency Formation Commission

MCL Maximum Contaminant Level

MCLG Maximum Contaminant Level Goal
MRDL Maximum Residual Disinfectant Level

MRDLG Maximum Residual Disinfectant Level Goal

MSR Municipal Service Review (LAFCO)

NTU Nephelometric Turbidity Units (Water Quality)

PDWS Primary Drinking Water Standards
PHG Public Health Goal (water quality)

ppm parts per million or milligrams per liter (mg/L)
ppb parts per billion or micrograms per liter (ug/L)
ppt parts per trillion or nanograms per liter (ng/L)
pCi/L picocuries per liter (a measure of radiation)
SDA Special Districts Administration (Lake County)

SDWA Safe Drinking Water Act

SDWS Secondary Drinking Water Standards

SOI Sphere of Influence (LAFCO)

SWQL Secondary Water Quality Threshold

TDS Total Dissolved Solids (Water Quality)

USEPA U.S. Environmental Protection Agency

#### **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.<sup>38</sup>

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

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

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

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

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

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

**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.<sup>39</sup>

**Flood, 100-year:** A 100-year flood does not refer to a flood that occurs once every 100 years, but to a flood level with a 1 percent chance of being equaled or exceeded in any given year.<sup>40</sup>

**Formation:** A laterally continuous rock unit with a distinctive set of characteristics that make it possible to recognize and map from one outcrop or well to another. A formation is the basic rock unit of stratigraphy. <sup>41</sup>

**Gravity flow:** Flow of water in a pipe on a descending path.

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

<sup>39</sup> http://ga.water.usgs.gov/edu/dictionary.html

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

<sup>41</sup> http://geology.com/dictionary/glossary-f.shtml

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

**Groundwater basin:** A groundwater reservoir, defined by an overlying land surface and the underlying aquifers that contain water stored in the reservoir. In some cases, the boundaries of successively deeper aquifers may differ and make it difficult to define the limits of the basin.<sup>42</sup>

**Groundwater recharge**: Groundwater recharge or deep drainage or deep percolation is a hydrologic process where water moves downward from surface water to groundwater. This process usually occurs in the vadose zone below plant roots and is often expressed as a flux to the water table surface. Recharge occurs both naturally (through the water cycle) and anthropologically (i.e., "artificial groundwater recharge"), where rainwater and or reclaimed water is routed to the subsurface.

Groundwater is recharged naturally by rain and snow-melt, though this may be impeded somewhat by human activities including paving, development, or logging. These activities can result in enhanced surface runoff and reduction in recharge. Use of groundwater, especially for irrigation, may also lower the water tables. Groundwater recharge is an important process for sustainable groundwater management, since the volume-rate abstracted from an aquifer should be less than or equal to the volume-rate that is recharged.

Recharge can help move excess salts that accumulate in the root zone to deeper soil layers, or into the ground water system. Another environmental issue is the disposal of waste through the water flux produced by dairy farms, industrial, and urban runoff. 43

**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.

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

**Maximum Contaminant Level (MCL):** The designation given by the U.S. Environmental Protection Agency (EPA) to water-quality standards promulgated under the Safe Drinking Water Act. The MCL is the greatest amount of a contaminant that can be present in drinking water without causing a risk to human health. 44

<sup>42</sup> http://rubicon.water.ca.gov/v1cwp/glssry.html

<sup>43</sup> http://en.wikipedia.org/wiki/Groundwater\_recharge

http://ga.water.usgs.gov/edu/dictionary.html
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**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 the US Environmental Protection Agency (US EPA).

**Maximum Residual Disinfectant Level (MRDL)**: The level of a disinfectant added for water treatment that may not be exceeded at the consumer's tap.

**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.

**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. Mello-Roos Bonds are named after the program's legislative authors.

**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.

**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. 45

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

**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). 46

**Percolation:** The downward movement of water through the soil or alluvium to a groundwater table.<sup>47</sup>

**Planning Commission:** A body, usually having five members, created by the County in compliance with California law (Section 65100 of the Government Code) which requires the assignment of the planning functions of the County of a planning department, planning commission, hearing officers, and/or the Board of Supervisors itself, as deemed appropriate by the Board of Supervisors.

**Pleistocene Epoch:** The first epoch of the Quaternary Period, beginning 2 to 3 million years ago and ending approximately 10,000 years ago.<sup>48</sup>

Potable water: Water of a quality suitable for drinking. 49

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

<sup>45</sup> http://ga.water.usgs.gov/edu/dictionary.html

http://rubicon.water.ca.gov/v1cwp/glssry.html

http://rubicon.water.ca.gov/v1cwp/glssry.html

<sup>48</sup> http://www.webref.org/geology/p/pleistocene\_epoch.htm

<sup>49</sup> http://ga.water.usgs.gov/edu/dictionary.html

Proposition 13 (Article XIIIA of the California Constitution): Passed in 1978, this proposition enacted sweeping changes to the California property tax system. Under Proposition 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.

Proposition 218 (Article XIIID 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 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.<sup>51</sup>

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.

Quaternary: The second period of the Cenozoic era, following the Tertiary; also, the corresponding system of rocks. It began 2 to 3 million years ago and extends to the present. It consists of two grossly unequal epochs; the Pleistocene, up to about 10,000 years ago, and the Holocene since that time. 52

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

Regulatory Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment of other requirements which 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).

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

Service area: The geographical land area served by a distribution system of a water agency. 53

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.

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. 5

<sup>&</sup>lt;sup>50</sup> http://www.californiataxdata.com/A\_Free\_Resources/glossary\_PS.asp#ps\_08

http://www.californiataxdata.com/A\_Free\_Resources/glossary\_PS.asp#ps\_08

http://www.webref.org/geology/q/quaternary.htm

http://rubicon.water.ca.gov/v1cwp/glssry.html

<sup>&</sup>lt;sup>54</sup> http://rubicon.water.ca.gov/v1cwp/glssry.html

**Turbidity:** The amount of solid particles that are suspended in water and that cause light rays shining through the water to scatter. Thus, turbidity makes the water cloudy or even opaque in extreme cases. Turbidity is measured in Nephelometric Turbidity Units (NTU). <sup>55</sup>

**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. <sup>56</sup>

**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.<sup>57</sup>

**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.

**Variances and Exemptions:** Department of Public Health permission to exceed an MCL for drinking water or not comply with a drinking water treatment technique under certain conditions.

**Zoning:** The division of a county 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.



View towards Anderson Springs from Cobb Mountain http://www.andersonsprings.org/

<sup>55</sup> http://ga.water.usgs.gov/edu/dictionary.html#T

http://rubicon.water.ca.gov/v1cwp/glssry.html

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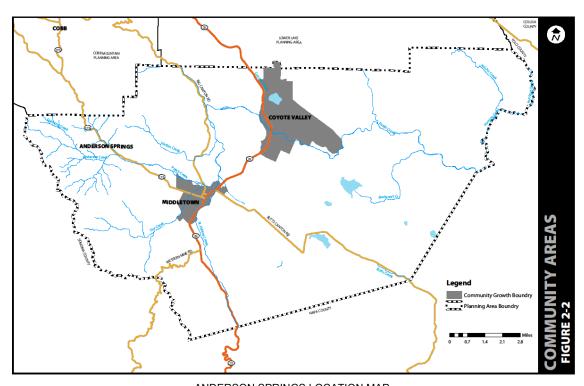
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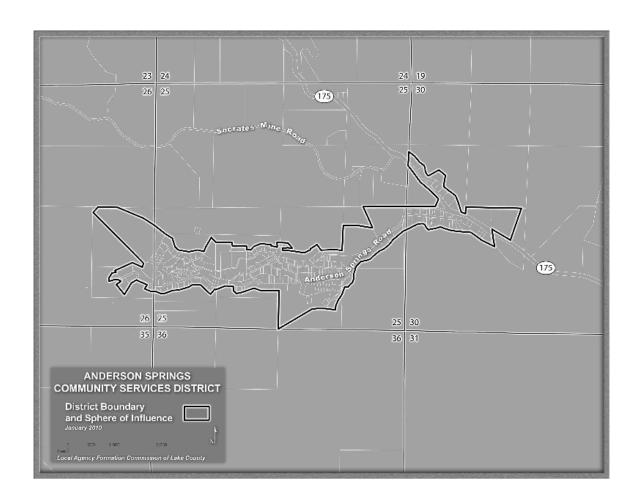
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ANDERSON SPRINGS LOCATION MAP http://www.co.lake.ca.us/Assets/CDD/Middletown+Area+Plan/Middletown+Area+Plan-+Public+Draft.pdf?method=1



### Proposed Sewer System Boundary <a href="http://www.co.lake.ca.us/Assets/CDD/EIR\$!27s/Anderson+Springs+Sewr/NOP+EIR\_Scoping.pdf">http://www.co.lake.ca.us/Assets/CDD/EIR\$!27s/Anderson+Springs+Sewr/NOP+EIR\_Scoping.pdf</a>