

CITY OF CLEARLAKE
MUNICIPAL SERVICE REVIEW
(Adopted August 17, 2005 – LAFCo Resolution 2005-0009)

1.0 INTRODUCTION

1.1 LAFCO'S RESPONSIBILITIES, SPHERES OF INFLUENCE AND MUNICIPAL SERVICE REVIEWS

This Municipal Service Review (MSR) has been prepared for the Lake Local Agency Formation Commission (LAKE LAFCO). Local Agency Formation Commissions are quasi-legislative local agencies created in 1963 to assist the State in encouraging the orderly development and formation of local agencies. A Local Agency Formation Commission is established in each county in the State.

This MSR consists of a review of various public services provided by the City of Clearlake. The MSR may be considered by the LAFCO in a subsequent review of the Sphere of Influence of the City of Clearlake.

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 for periodic updates of the Sphere of Influence of each local agency. The Governor's Office of Planning and Research has published *State of California LAFCO Municipal Service Review Guidelines* (MSR Guidelines.) This MSR adheres to the procedures as 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 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.

The LAFCO is required, as part of the MSR, to prepare a written statement of its determinations with respect to each of the following:

1. Infrastructure needs or deficiencies;
2. Growth and population projections for the affected area;
3. Financing constraints and opportunities;
4. Cost avoidance opportunities;
5. Opportunities for rate restructuring;
6. Opportunities for shared facilities;
7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
8. Evaluation of management efficiencies; and
9. Local accountability and governance.

The Municipal Service Review precedes LAFCO action on a Sphere of Influence. Given the close relationship between an MSR and Sphere of Influence creation, amendment or update, the Sphere of Influence is discussed in more detail below.

1.2 SPHERE OF INFLUENCE

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the LAFCO to update the Spheres of Influence for all applicable jurisdictions in the county by January 1, 2006.

Local governmental agencies, special districts and municipalities must have an adopted Sphere of Influence (SOI) boundary and territory that define the probable future boundary and service area of the agency. Inclusion of a particular land area within an agency's SOI does not necessarily mean that the area will eventually be annexed. The Sphere of Influence is only one of several factors LAFCO must consider in reviewing individual proposals (Government Section 56668.)

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

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

1.3 LAFCO POLICIES AND PROCEDURES RELATED TO MUNICIPAL SERVICES

The Lake County LAFCO adopted policies and procedures related to municipal services on March 20, 2002. These were amended by action of the Lake County LAFCO on July 16, 2003. The policies and procedures are attached as Appendix A.

1.4 DESCRIPTION OF PUBLIC PARTICIPATION PROCESS

The 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. The Lake LAFCO complies with the requirements of the Brown Act.

The MSR Guidelines provide that LAFCOs should encourage and provide multiple public participation opportunities in the Municipal Service Review process. The 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.

1.5 CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Municipal Service Review is a planning study that will be considered by LAFCO in connection with subsequent proceedings regarding the City of Clearlake Sphere of Influence. This MSR is funded in the Lake LAFCO's 2004-2005 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 EIR or Negative Declaration. An Initial Study and a Negative Declaration will be prepared with the Sphere of Influence.

2.0 SETTING

2.1 LOCATION

The City of Clearlake is located on the south shore of Clear Lake, the largest natural lake entirely within the State of California. The City of Clearlake is an established residential community that has developed over the years on lands stretching back from the resorts along the shores of Clear Lake. The City includes over 10.5 square miles along the southeastern shore of the Lake.

The City of Clearlake can be found in rural Lake County, approximately two hours northwest of Sacramento and two hours northeast of San Francisco, with Lower Lake to the south and the community of Clearlake Oaks to the north. The City of Clearlake is easily accessible from Highway 53, a major connector between Highways 20 and 29. The City of Clearlake is the largest and newest incorporated city (LAFCO No. 2-80, November 1980) in Lake County, and is the center of commerce in the South Shore region. A movement to dis-incorporate the city in the 1980's, shortly after incorporation failed passage. The City Council consists of five members elected at-large with staggered four-year terms.

2.2 CLEAR LAKE

Clear Lake, formed approximately 2.5 million years ago, is possibly the oldest lake in North America and is the most noteworthy geographic feature in Lake County. The surrounding basin was created by a collision of the Pacific and North American plates many millions of years before. This tectonic activity has created a dramatic landscape including the dormant volcano, Mount Konocti, which rises to 4,300 feet above sea level. The City of Clearlake consists of both relatively flat terrains in the valley along the lake

shoreline to rolling hills. Average yearly rainfall of 26.8 inches occurs primarily during the winter and early spring months.

2.3 GROWTH

Until the 1970s, growth in the City of Clearlake was slow. Prior to its incorporation in 1980, the area was referred to as the Clearlake Highlands. The 1980 Incorporation included most of the area known as the Clearlake Highlands, Clearlake park and a portion of Lower Lake (the Dam Road area). The incorporation passed by only 42 votes. The County was the responsible agency for development regulations, and did not develop strict zoning and building requirements for its more densely settled areas. There was a belief these land use controls were not necessary or appropriate in such a rural community. As a result, many public services including paved streets, water systems, and wastewater collection remain inadequate in many areas of the City.

The absence of strong development controls has assisted in making housing in the City of Clearlake less expensive than housing in other communities. As a result, mobile homes (unwelcome in many communities and regulated out of others) have found their place in Clearlake's relaxed environment. Mobile homes provide about 43% of the housing supply and over 50% of new units (City of Clearlake General Plan, 1983).

The natural setting of the city is attractive because of the varied topography and mountain and lake views. Although much of the town has been subdivided (with earlier subdivisions allowing for lots as small as 25 feet by 100 feet), the actual built density is about four units per residential acre, with the majority of legal lots vacant. The low density has helped preserve vegetation and vistas and contributes to the city's rural character. Today, preserving the City's rural environment and atmosphere still tops the residents' list of development preferences. In 2000 the population of the City of Clearlake was 13,142. According to the State Department of Finance, the population for the City is increasing around 1.5 % annually. The 2004 population of the City, as estimated by the California Department of Finance was 13,950.

The City of Clearlake does not have an annexation history since the original boundaries of the City provided adequate potential for growth. Significant portions of the City remain vacant due to a variety of reasons including topography and ability to receive wastewater services.

2.4. INCOME

According to Federal 2000 Census data, the City of Clearlake is well below Lake County averages for median household, family, and per capita income levels. Year 2000 Federal Census information indicates that there are 13,142 people residing in the City of Clearlake with a total of 5,532 households. Median income for households in the City of Clearlake is approximately \$19,863 (less than the County average at \$29,627) with family income a bit higher at \$25,504 (less than the County average of \$35,818). Per

capita income for the city is \$12,538 (lower than the County average at \$16,825), which means approximately 28.6% of the population in the City of Clearlake is below the poverty line (higher than the County average at 17.6%).

3.0 EXISTING MUNICIPAL SERVICES AND PROVIDERS

3.1 INTRODUCTION TO SERVICES

Municipal Services provided by the City of Clearlake include the following services:

- 1) Finance,
- 2) Planning and Community Development,
- 3) Public works and road maintenance,
- 4) Recreation and parks
- 5) Law enforcement.

The service area for these services is the City only, with an area of approximately 10.5 square miles. The City has no subsidiary districts, a district whereby the City Council sits as the district Board of Directors.

Other municipal services offered in the City of Clearlake but not through the City government include the following:

- 1) Solid waste disposal through the Timberline Disposal Service (a City Franchise agreement)
- 2) Wastewater disposal through the Lake County Sanitation District (LACOSAN) in a portion of the City
- 3) Library services provided by Lake County.
- 4) Fire protection services through the Lake County Fire Protection District

- 5.) The Lake County Fire Protection District provides fire protection within the City of Clearlake and its service area includes the surrounding unincorporated areas. Recently, the former Lakeshore Fire Protection District and the Lower Lake Fire Protection District merged to form the Lake County Fire Protection District.

- 6.) Water is not a service provided by the City, but rather is provided by four separate entities and three types of water service providers in the area:
 - i) California Cities Water Company (a Public Utility),
 - ii) Highlands Mutual Water (a Water Company), and
 - iii) Konocti County Water District (a County Water District).
 - iv) The Lower Lake County Waterworks District #1 (the area is very small and is located in the southernmost portion of the City of Clearlake north of Cache Creek)

The City government provides no municipal potable water service.

3.2 EXISTING POTABLE WATER FACILITIES

Potable water service to the City of Clearlake is provided by three separate entities, thus, it is necessary for LAFCO to include a brief overview of these systems as part of this MSR report.

The City of Clearlake requires developers to install water lines that connect to the applicable water system depending upon the location of their projects, unless site conditions and the proposed project permit the use of a private well. The vast majority of fresh water for residential users is drawn from Clearlake, and the water providers have indicated that they have sufficient entitlements available to accommodate projected growth.

Distribution capacity also appears sufficient to accommodate planned growth in the majority of areas, although increases in distribution line sizes may be necessary in areas with inadequate capacity. Insufficient water supplies or overly burdensome infrastructure requirements have not constrained housing development in the past in this area, and it is not anticipated that this will serve as a constraint in the near future.

3.2.1 California Cities Water Company (CAL Cities Water)

The California Cities Water Company (CAL Cities Water) is a Public Utility that serves basically the entire western portion of the City of Clearlake (between Sycamore Street to the east and the southeastern shore of Clear Lake to the west) and a small non-contiguous area in central portion of the City of Clearlake of approximately seven city blocks (surrounded entirely by the Highlands Mutual Water Company).

According to the Lake County General Plan Background Report in February 2003, the CAL Cities Water Company serves a population of approximately 5,195 people and approximately 2,171 total service connections (includes households and businesses).

3.2.2 Highlands Mutual Water Company

The Highlands Mutual Water Company is a water provider that provides potable water to central portion of the City of Clearlake (between the southeastern shore of Clear Lake to the west and Highway 53 to the east).

According to the Lake County General Plan Background Report in February 2003, the Highlands Mutual Water Company serves a population of approximately 4,452 and approximately 2,470 total service connections (includes households and businesses).

3.2.3 Konocti County Water District

The Konocti County Water District is a County Water District that provides potable water to the eastern portion of the City of Clearlake (between Highway 53 to the west and roughly the eastern edge of the City of Clearlake).

According to the Lake County General Plan Background Report in February 2003, the Konocti County Water District serves a population of approximately 4,500 and approximately 1,474 total service connections (includes households and businesses).

3.2.4 Clear Lake Water Rights History

Contrary to popular belief, Lake County never owned the water of Clear Lake. Water from Clear Lake is actually considered property of the State of California. However, persons who own land touching the Lake or watercourses have the riparian right to take water from these sources. The rights to the water were transferred among various owners from 1873 to 1912. In 1912 the water rights fell into the ownership of the Yolo Water and Power Company. Through an oversight, Lake County never applied for water rights. As a result, water rights were passed on to Yolo County residents.

The Yolo County Flood Control and Water Conservation District now operates Clear Lake as a storage reservoir to the Cache Creek Basin and sells water to users in Lake County and to agricultural users in Yolo County. As stipulated under the Gopcevic Decree, the District is permitted to operate the lake level between the limits of zero and 7.56 feet on the Rumsey Gauge (installed in Clear Lake in 1872 to measure the Lake's water level). The active storage capacity of Clear Lake is 314,000 acre-feet. Approximately 150,000 acre-feet is used for irrigation and other uses, and the remaining 164,000 acre-feet is lost to evaporation.

The Yolo County Flood Control and Water Conservation District funds or partially funds the USGS (gauging stations) operation and maintenance of gauges on Clear Lake at Lakeport, the North Fork of Cache Creek near Hough Springs and below the Indian Valley Dam, and Bear Creek. The California Department of Water Resources funds the gauges at the Rumsey Bridge and in Yolo County.

The gauge information is made available on the Internet through the California Data Exchange (CDEC) and or on the USGS web site at www.cdec.water.ca.gov and www.usgs.gov, respectively.

Several water distribution systems in the County buy Clear Lake water from Yolo County for use as their water source. The price for water is listed in Table 3.1 below:

3.2.5 Yolo County Water District Prices

Use	Price
Agriculture	\$12.65 acre-feet
Non-Agriculture	\$41.88 acre-feet
Residential	\$41.88 acre-feet
Lake County*	\$5.95 acre-feet

* Water sold to Lake County at this rate comes from Kelsey Creek Recharge Basin
Source: Lake County General Plan Background Report, February 2003, Section 5.

3.3 Existing Wastewater Treatment and Collection Facilities

Clear Lake is an important scenic and recreational landmark for Lake County and for California. Of great concern to local residents is keeping the Lake clean and free of

pollutants. Pollutants in surface run-off and pollutants in sub-surface drainage, particularly from septic systems, affect water quality in Clear Lake. The City and the County should continue to cooperate in programs to monitor the amount and quality of all drainage into Clear Lake; high standards for the control of pollution should be set so that water quality in Clear Lake will continue to improve.

3.3.1 LACOSAN

The geographic area of City of Clearlake is not fully served by the S.E. Regional Treatment Plant. Part of the City is on septic systems (specifically the northern part of the section served by the Highlands Water Co., the most western (and north) portion of City called “the Parkwood subdivision area”, and a portion parallel to Slater Island/Garner Island in the southern portion of the City.

The Lake County Sanitation District (LACOSAN) provides sanitary sewer service within the City of Clearlake, as the City provides no sanitary sewer services directly. 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, the Resolution 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 (Lake County LAFCO Wastewater MSR, 5/04). City policy dictates that property developers are required to install sanitary sewer lines that connect to LACOSAN. Septic systems and leach lines are allowed for smaller developments when conditions related to lot size and underlying soil types are met.

The Lake County Sanitation District (LACOSAN) is headquartered in Lakeport at the Lake County Special Districts Office. Lake County Special Districts Office is a County department funded by several dependent districts (districts whose board of directors is the Board of Supervisors). These districts provide water and wastewater services and vary in size. The Special Districts Office serves several County Service Areas and the Kelseyville County Water Works District #3. The District within the Special Districts department with the largest budget and most assets is LACOSAN. The Special Districts Office is able to share resources with other County departments for a variety of administrative, legal and financial services. The County Public Works Director serves as District Engineer and County Counsel as its legal counsel. The Special Districts Office has 40 position allocations including administrative, financial, supervisory and technical staff.

3.3.2 History of LACOSAN

Lake County Sanitation District (LACOSAN) was formed by Resolution 63-196 by the Lake County Board of Supervisors on December 9, 1963. Weeks before the Board’s action creating LACOSAN, Assembly Bill 1662 (Knox), the legislation that originally created LAFCO’s 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 Section 4700 et seq. of the

Health and Safety Code known as a “County Sanitary District”. The original District excluded all the unincorporated areas within Lake County. Lakeport being the only incorporated area was excluded from territory within LACOSAN. Since no incorporated territory or territory within sanitary districts was included in LACOSAN, the Board of Supervisors was established as its Board of Directors.

Since its inception, the LACOSAN service area has decreased in size due to detachments in other portions of Lake County yet has experienced increased development and the establishment of improvement districts as follows:

In 1972, the LACOSAN Board of Directors passed Resolution 72-53 ordered the detachment of the Clearlake Oaks County Water District consisting of 2325 acres of territory.

In 1979 LAFCO approved Resolutions 7-79 and 8-79 approving the annexation of 11.7 acres to the CLMSD and detaching 11.7 acres from LACOSAN known as the Jeffers-Ruzicka detachment.

In 1972, LAFCO approved Resolution 72-1 detaching the Clearlake Oaks County Water District area.

In 1979 LAFCO approved the detachment of 18,975 square feet of territory from LACOSAN known as the Harker Detachment.

In 1986 LAFCO approved Resolution 14-84 and the Board of Directors of LACOSAN approved a detachment of 1874 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 the 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, many reorganizations took place in which unincorporated territory was detached from LACOSAN and annexed to the City of Lakeport and the CLMSD.

The 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”. Territory within the Hidden Valley Lake CSD remains within LACOSAN.

Average Dry Weather Flows (ADWF) and Average Wet Weather Flows (AWWF) in Million Gallons per Day (mgd) for LACOSAN’s four treatment plants are as follows:

Name of Facility	Connections	Population Served	ADWF	AWWF
MSR-City of Clearlake		9		
Adopted August 17, 2005				
LAFCO Resolution 2005-0009				

Northwest Treatment Plant	4,169	5,632	1.6	4.1
Southeast Treatment Plant	5592	12,506	1.9	6.1
Middletown	434	1,122	.128	.24
Kelseyville	830	2,110	.26	.48

Source: Special Districts Administration website, www.co.lake.ca.us/specialdistricts/wastewater/index.

Gallons per day of wastewater generated per connection (Single Family Dwelling Equivalent, SFD) for the four treatment plants range from 205 in the Middletown Sewer Service Area, to 269 in the service areas served by the Northwest Regional Wastewater Treatment Plant. The system average including the cumulative flow (3.888 MGD) and SFD equivalents (15,401) but not including flow generated in Findley/Lands End and South Lakeport to the City of Lakeport Municipal Utility District Plant is 252 GPD per Single Family Dwelling Equivalent serving a population of 27,554.

LACOSAN does not have a Wastewater Treatment and Collection Master Plan for any of its facilities nor Facility Plans for each of its wastewater treatment plants. LACOSAN is in the process of developing these planning documents. LACOSAN and Kelseyville County Water District have no planned expansion for its Wastewater Treatment or Collection Facilities at this time.

3.3.3 Regulatory Setting

Federal, State and local regulations regarding water quality directly affect District policy regarding the level of service provided for wastewater collection. LACOSAN must comply with U.S. Environmental Protection Agency (USEPA) regulations, as well as the requirements of California Water Code Section 13000 *et seq.*, the Porter-Cologne Water Quality Control Act of 1969. This Act charges the State Water Resources Control Board with protecting the quality of all state waters for beneficial uses and enjoyment. In discharging this responsibility, the Central Valley Regional Water Quality Control Board has the authority to issue Waste Discharge Requirements in the region.

Because the District operates wastewater collection systems and treatment facilities, it is subject to Waste Discharge Requirements issued by the Central Valley Regional Water Quality Control Board and hazardous materials storage permits and Risk Management Plans required by the Lake County Department of Environmental Health. The District also has Air Quality Permits issued by the Lake County Air Quality Management District, Streambed Alteration Permits issued by the California State Department of Fish and Game, and NPDES permits issued by the U.S. Army Corps of Engineers.

Currently LACOSAN is not completely compliant with applicable State and federal regulations, and received a Cease and Desist Order in February 2005 for the Kelseyville County Water District No. 3 for violating WDRs No. 99-094 (C&D Order No. R5-2005-0007). Another recent Notice of Violation was issued on August 21, 2003 regarding spills and multiple sewer overflows at the District's southeast wastewater system whereby untreated wastewater was discharged into surface water drainage systems some

of which lead to Clear Lake. LACOSAN received a Cease and Desist (Order # R5-2003-0040) on the Northwest Regional Wastewater Treatment System on March 24, 2003 whereby the District's sewage collection system has historically experienced problems with inundation during periods of high groundwater or high lake levels thereby causing a direct discharge of wastewater to Clear Lake. Should spills occur in the collection or treatment system, the District is required to file a Report of Waste Discharge with the Regional Board as was the case in the Notice of Violation and Cease and Desist order mentioned above. District projects are also subject to the requirements of the California Environmental Quality Act (CEQA) and in some cases the National Environmental Policy Act (NEPA).

3.3.4 Inflow and Infiltration

LACOSAN's wastewater collection facilities are designed to carry the peak flows that would be expected to occur over the lifetime of the facilities. Unwanted water from inflow and infiltration produces greater than desired flow volumes, resulting in excessive demand on the collection system, higher energy usage and less than optimum efficiency. LACOSAN has implemented a series of source detection programs and rehabilitation methods to control inflow and infiltration. Inflow and Infiltration is a problem in the City of Clearlake with wet weather flows more than triple dry-weather flows.

These programs and methods include an aggressive inspection program of manholes, inspection of service laterals and mainlines, smoke testing, and flow measurement. Source detection programs include seasonally locating, isolating, and repairing source defects during the early morning hours or during storm events. Pipeline rehabilitation methods include slip-lining, chemical sealing, replacement of segments or total pipeline replacement, chimney seal installation, manhole drill and grout, and manhole replacement. Inversion lining and pipe bursting with slip-lining may be considered for future projects. Persistent problems in the Southeast Regional Wastewater Treatment system due to excessive inflow and infiltration have led to the issuance of a Cease and Desist Order as discussed above.

3.3.5 Southeast Regional Wastewater System

Wastewater from the City of Clearlake is pumped north to the Southeast Regional Wastewater System where it is treated to a secondary level and transported through a series of sanitary sewer main pipelines within subdivision streets, secondary outfall pipelines (large diameter pipelines), major outfalls (large diameter pipelines), and force mains (pressure pipelines associated with pump stations). The collection system includes 21 pump stations, and a 470 acre-foot reservoir. Effluent from the reservoir is used for irrigation of pastures. This collection system includes several miles of collection pipeline, which convey wastewater to the treatment plant outfall sewer pipeline that leads to the Geysers' injection area.

The Southeast Regional Treatment Plant is located approximately one mile north of the City of Clearlake in Burns Valley, one of seven billing areas served by the Southeast Regional Treatment Facility. This wastewater treatment plant (WWTP) has aerated

lagoons and serves 5,592 connections with a population of 12,506. The WWTP has a monthly average dry weather flow of 1.9 mgd and a monthly average wet weather flow of 6.1 mgd. SFD equivalent flow is 252 gallons per day. Which is an average generation figure in Lake County.

The collection system primarily serves residential customers. Small businesses and restaurants comprise a small percentage of total wastewater flow. The Southeast Regional Treatment Plant does not service any heavy industrial customers.

This WWTP is subject to RWQCB Board Order #96-166 including Waste Discharge Requirements and a Monitoring and Reporting Program issued on June 21, 1996. According to this order, the monthly average wet weather effluent flow shall not exceed 6.1 mgd and the WWTP's hydraulic capacity shall not exceed 8.5 mgd. Lack of effluent storage capacity and disposal capacity has caused overflows from the effluent storage reservoir during periods of above average rainfall. LACOSAN has made changes in operations as a result of Cease and Desist Order 91-202 which was lifted in 2001. The principal change is transporting wastewater to the Known Geothermal Resource Area for injection of wastewater into the steamfield. Board Order #96-166 does not specify a requirement for ADWF. The AWWF effluent flow is required not to exceed a monthly average of 6.1 mgd and not exceed the plant hydraulic capacity of 8.5 mgd. Based on AWWF (6.1 mgd monthly average wet weather flow) requirement in RWQCB Order No. 96-166, this plant is currently operating near permitted capacity.

This treatment facility was issued a notice of violation on August 21, 2003 due to multiple spills in violation of Board Order # 96-166. LACOSAN was ordered to submit a Sanitary Sewer System Operation, Maintenance, Overflow Prevention, and Response Plan by November 1, 2003. Another Regional Water Quality Control Board's enforcement action regarding the Southeast Regional Collection system resulted when 26 spills occurred between 2002 and 2004. As a result, septic hauling has been required at a substantial cost to LACOSAN.

The City of Clearlake requires all new development of six or more units to conduct a capacity analysis, showing the suitability of existing lines, pumps, lifts, and mains to accommodate projected growth in demand associated with the project. Any deficiencies identified in the analysis must be mitigated through construction improvements, and approved by staff of the Special Districts Office.

3.3.6 Full Circle Project

The Full Circle Project in Lake County is described as a "long-term clean water initiative encircling Clear Lake" (Lake County, Special Districts Administrator information handout). This project has many proposed objectives, though the main purpose of this project is to sustain Clear Lake as one of California's premier water bodies through maximization of water reuse projects and integration of community infrastructure with economic development and environmental restoration programs.

Currently LACOSAN (serving the City of Clearlake wastewater collection/treatment needs) and its four wastewater treatment plants (the Southeast Regional Treatment Plant, the Northwest Regional Treatment Plant, the Middletown System, and the Kelseyville County Water Works District) are included in the Full Circle project. This means that wastewater is collected and treated by LACOSAN facilities as usual, but the treated effluent will be routed to the geysers injection area, south of Clear Lake, via the Full Circle pipeline segment.

4.0 LAND USE PLANNING

4.1 PLANNING BACKGROUND

The Community Development Department is responsible for the following areas:

1. Current Planning,
2. Long Range Planning,
3. Building Inspection,
4. Housing Rehabilitation and Housing Rental programs, and
5. Grants.

The City has adopted planning and zoning regulations for new development, while code enforcement services are provided by the City Police Department (a recent transfer). Community Development department Staff includes a Director, Assistant Planner, a Building Inspector, a Management Analyst, and a Rental Housing Inspector. The current Community Development Director was appointed to the position on a permanent basis by the City Council in 2003.

4.2 PLANNING PROJECTS

Recent activity by the Clearlake Community Development Department includes the transferring of the Code Enforcement Division to the Clearlake Police Department (beginning with the Fiscal Year 2002-2003); and updating the Clearlake General Plan. The City's Housing Element to its General Plan was adopted in 1983, and an updated Housing Element (2003-2009) was adopted in March 2004.

The City of Clearlake has also developed a Community Redevelopment Plan to help rehabilitate decrepit and unsightly housing structures in the City. The various programs outlined in this document are being implemented on an ongoing basis.

The City of Clearlake has implemented many programs regarding housing needs within its jurisdiction. In 2001, the City partnered with a Santa Monica-based development firm, American Community Development Company (ACDC), and applied for a \$1 million grant through the State Department of Housing and Community Development. The grant was secured in order to help defray the cost of constructing an 80-unit affordable housing project—the Cache Creek Apartment Homes Project. The total project cost will be approximately \$11 million—a significant investment in the housing market of the City of Clearlake, and completion will satisfy the requirements of a

settlement agreement stemming from 1999 litigation. The project will be privately owned and operated but never would have materialized without the City's involvement.

In 2001, the City, in an effort to assist homeowners in reducing their flood insurance premiums, adopted a Floodplain Management Plan. This plan was warranted as the City of Clearlake has been previously identified by the Federal Emergency Management Agency (FEMA) as having a repetitive flooding problem. The adoption of this Plan allowed the City to make application under the National Flood Insurance Program Community Rating System (CRS). In December of 2002 the City was notified of project approval, and in 2003 homeowners received a 5% reduction in their flood insurance premiums. With more public outreach programs, the City could expect to increase the reduction to 10 or 15%.

In an ongoing effort to assist low-income property owners with repairs and improvements to their homes, the City applied for and received (October 2002) a \$500,000 CDBG rehabilitation grant. The City targeted a specific area across from Highway 53 ("The Chapman Tract"- 7th Avenue through Davis) from a Housing Conditions Survey, which revealed there were three areas within the City that were in dire need of rehabilitation. The money will be loaned at a low interest rate to the qualified property owners, and will not only bring back the individual property values, but will also increase adjacent property values as well.

In February of 2003 the City submitted another \$500,000 housing rehabilitation grant application, and was notified in July that it was also approved. This grant covers the entire city and grant clearance has been received from the State to proceed with projects.

In addition to the above-mentioned projects, the City of Clearlake Planning Division processed a large number of major permits in 2003 and 2004 including:

	<u>2003</u>	<u>2004</u>
• Lot Mergers:	53	83
• Conditional Use Permits:	3	4
• Rezones:	3	1
• Subdivisions:	1	2
• Lot Line Adjustments:	3	9

Note: All figures are higher in 2003 and 2004, with a 25% increase in building permits in 2004.

The Building Division of the Planning Department also witnessed two exceptionally busy years as witnessed by record revenue from building fees. For the calendar year 2003, the Division issued 768 building permits, a 5% increase over 2002, and 1,232 inspections, an 11% increase over 2002.

The City is in the preliminary stages of reviewing a 720 unit subdivision located on 292 acres located in its southeastern corner.

5.0 PARKS AND RECREATION

5.1 PARKS AND TOURISM

The City of Clearlake is located in a region that offers a multitude of outdoor recreational opportunities provided by the County, State and Federal Agencies. Most prominent of which is the adjacent Clear Lake. Parks, open space areas and preserves located in close proximity to the City of Clearlake provide an additional level of recreational opportunities to the residents of Clearlake. The activities of the parks and open space agencies not operated by the City of Clearlake (but within the immediate vicinity) should be considered of keen interest to the City since these facilities greatly enhance the quality of life for residents of Clearlake, and account for significant part of the local tourist economy.

5.2 PARKS AND RECREATION DEPARTMENT

The City of Clearlake employs two full time equivalents (FTE) for the parks and recreation department. In 2002, a 10-year Parks Master Plan was adopted by the City Council. The Plan contains a comprehensive map that will be a valuable tool in the City's future development. Its future implementation will depend on outside funding sources since local funding is committed to other areas. The Parks Master Plan examines the current parks and open space resources in the City of Clearlake and surrounding areas, determines the current and projected park needs of the community, and recommends a strategy to implement the parks master plan.

In order to assess the park and recreation needs of the City of Clearlake, it is necessary to examine the comprehensive standards developed by the National Recreation and Park Association (NPRA). NPRA recognizes a standard of 3 acres per 1,000 population for neighborhood parks and 2 acres per 1,000 for community parks, resulting in an overall standard of 5 acres per 1,000 population. These standards do not necessarily reflect the recreation needs of the City of Clearlake, however, they are an excellent reference point for developing local standards.

When using NPRA standards to examine the present parkland acreage/deficiency within the City of Clearlake, it is important to clarify that these standards may not be a practical template for every community. Although most communities use NPRA standards of five acres of parkland per 1,000 population, very few communities of comparable size (since the comparison is based on per population) are able to attain this standard.

The City of Clearlake currently serves over 13,000 residents and operates three parks totaling 39.7 acres as follows:

- 1) Austin Park and Haverty Field,
- 2) Highland Park, and
- 3) Redbud Park and Boat Launch)

The City is surrounded by many other diverse recreational areas including McVicar Audubon Wildlife Sanctuary, Anderson Marsh State Park, and Clear Lake State Park to name a few. This equals 3.05 acres of park per 1,000 people.

Assuming that the City of Clearlake adopts NPRA’s recommended park acreage standards of 5 acres per 1,000 residents in a combination of neighborhood and community parks, the current park acreage needs to serve the present population would be 65 acres of parkland, or a present parkland deficiency of 25.3 acres.

5.2.1 Existing Parkland Deficiency

Year	Population	Goal 5 ac/1000	Existing	Deficit
2000	13,000	65	39.7	25.3
2005	13,357	67	39.7	27.3
2010	17,216	85	39.7	45.3

Source: 2003-2013 City of Clearlake Parks Master Plan

Based on the population projections for the City as noted above, the parkland deficiency would grow to 45.3 acres by the year 2010 if no additional parklands were acquired. On the average, approximately 60 percent of this park acreage is needed for Neighborhood Parks, and the balance for Community Park. This would mean that approximately 27 acres of new Neighborhood Park and 18 acres of Community Park would be needed by 2010.

The City of Clearlake Parks Master Plan establishes 4 “Park Planning Areas” for the purpose of planning the City Park System and fulfilling NPRA minimum standards. For additional information on the location and size of these areas see Section 5.0, page 30 of the City of Clearlake Parks Master Plan.

In addition to the present 25.3 parkland deficiency, the City of Clearlake has a deficiency of a variety of park facilities. Using the NRPA standards as a guide, noted below are the recreational facility needs for the City for the next ten years:

5.2.2 Recreation Facility Needs

<i>Quantity</i>	<i>Facilities</i>
1	Swimming pool
3	Basketball courts
3	Soccer fields
21	Additional softball fields
4	Tennis courts
1	Multi-use trail system
1	Multi-purpose recreation center
1	Hard surface court (multi-use)
1	Volleyball court

Source: 2003-2013 City of Clearlake Parks Master Plan

To implement the recommendations outlined in the Parks Master Plan, a variety of potential funding sources and in-kind services must be pursued including general fund subsidy, implementation of park dedication ordinance and development impact fees (currently not implemented by the City), grants, donations, sponsorships, user fees and other means. While grant funds are typically available for parkland acquisition, capital improvements, and some programs, grants are rarely ever available for park maintenance and operation.

Using only grant funds, the City hired its first-ever Recreation Coordinator in 2003. With available funding for a minimum of two years, the new employee took on the responsibility of administering the provisions of the Proposition 40 Park Bond. Additionally, the new Recreation Coordinator will work with virtually all youth sports organizations to better coordinate the availability of recreational activities (such as the recently created night basketball league) within the city and to develop new opportunities as well for residents and visitors.

The year 2002 saw the completion of the 10,000 square foot Senior/Community Center in Burns Valley. The building is leased to the Highlands Senior Center during the week but has also hosted many evening and weekend events as well. Opening in May 2002, 47 other non-recurring events were held that year and an additional 67 non-recurring events were held in 2003.

6.0 PUBLIC WORKS

6.1 PUBLIC WORKS DEPARTMENT RESPONSIBILITIES

The Public Works Department is responsible for a variety of construction and maintenance projects throughout the city. These projects include small-to-moderate road construction projects, routine road maintenance, park maintenance, facilities maintenance, as well as many difficult one-time and occasional special projects. In addition, services provided by this department include requirements or improvements to local collection systems (i.e., LACOSAN), and necessary upgrades or connections to the system.

Tasks undertaken by the Public Works Department are numerous and include the following:

- Road reconstruction and maintenance
- Dirt road grading
- Tree trimming
- Street cleaning
- Park maintenance
- Contractor assistance
- Drainage improvements and flood control measures
- Harbor maintenance
- Street Lighting
- Requirements/Improvements To Local Collection Systems (Lacosan)

Due to the sheer volume of calls to the Public Works Department, it is nearly impossible to quantify the tasks performed by the Department, though in 2002 and 2003, the Public Works crew handled 521 written requests for service from the public.

Recent equipment purchases include a new brush clipper for various tree trimming projects, a new backhoe for various maintenance projects, and a drum-type roller, most commonly used for compacting dirt roads after grading.

At present, the Public Works Department has seven positions— one Superintendent, a Lead Man, two senior maintenance and one maintenance position, and two parks maintenance positions.

6.2 DRAINAGE AND FLOOD CONTROL

The City requires developers to pay the entire cost of all on-site storm drainage facilities including underground storm drain pipelines, catch basins, detention basins, and other facilities that may be needed. The City also requires each development to maintain consistency with the City of Clearlake Master Drainage Plan, which guides the determination of necessary drainage facilities for individual developments.

The City is also responsible for implementing flood control measures within its jurisdiction. The City Engineer oversees implementation of flood management control programs, such as the NPDES program regarding wastewater drainage on private properties. Recently, the City has adopted Resolution No. 03-71 implementing the Storm Waste Water Prevention Program (SWWP).

Significant portions of the City are affected by the Federal Emergency Management Agency’s (FEMA) 100-year floodplain designation. Affected areas are primarily near the lakeshore and adjacent to watercourses. Other areas of the City, primarily upland from the lakeshore, are not affected by the floodplain designation.

6.3 STREETS

Street improvement standards typically have the greatest impact on housing costs. The cost of providing streets for new residential developments, in turn, is primarily influenced by the required right-of-way width, pavement width, pavement improvement, and landscaping standards.

The City’s Subdivision Regulations identify three types of streets required for new developments. These types are listed below:

6.3.1 City of Clearlake Street Standards

<i>Street Type</i>	<i>Required Right-of-Way</i>	<i>Required Pavement Width</i>
Arterial Streets	84 feet	60 feet
Collector Streets	50 feet	36 feet

Local Streets	50 feet	36 feet
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Source: City of Clearlake, 2003.

It is commonly agreed upon that the City of Clearlake has substandard road conditions throughout the City. The Public Works Department has done a good job in recent years of striving to remedy such conditions. In 2003 the Public Works Department spent approximately \$63,548 on street maintenance and patching materials (including Hydropatch, base material and brown sand), and an unquantifiable number of hours on street maintenance projects. Though these numbers represent a respectable effort by the Public Works Department to remedy poor driving conditions, it is important for the City to recognize that a problem still exists. The City should strive to set aside increased funds and additional manpower for such street maintenance and repair projects.

7.0 LAW ENFORCEMENT

7.1 POLICE DEPARTMENT

The City of Clearlake Police Department provides 24-hour service to the City of Clearlake and responds to calls outside of the City boundary as the situation requires, or upon request. In addition, the City of Clearlake PD has a mutual aid agreement to help other law enforcement agencies as circumstances require. The Police Department provides its own dispatch at its office. Though very busy, especially during vacation and summer months, the City of Clearlake PD has the capacity to serve all current and planned development. Since January 1st of 2004 the City of Clearlake Police Department has averaged 5 arrests per day, with service calls numbering between 15,000 and 20,000. Juggling so many service calls, the Department is forced to prioritize manpower to the most pressing situations.

The Police Department Operations consists of the patrol division, which is assisted by the detective division and supported by administration, dispatch, volunteer personnel, Community Service Non-Sworn Officers and Clerical personnel.

Patrol officers respond to calls for service, conduct routine and special investigations and perform proactive patrol enforcement. Officers are routinely assigned to work a variety of shifts 24 hours a day, 7 days a week. Patrol officers work 4-10 hour regular shifts. The patrol division has two trained drug K-9 dogs and the availability to utilize two bicycles for a Bicycle Patrol when weather permits.

7.2 POLICE DEPARTMENT PERSONNEL

Currently, the City of Clearlake PD has a total of 30 personnel, with 23 sworn officers, including a Police Chief and Captain, Lieutenant, 4 sergeants and 16 officers. Overall the training programs that are employed by the City of Clearlake Police Department exceed state requirements. Experience level for personnel range from 5-30 years, with patrol officers having an average of 5 years of experience, supervising officers with an average

of 15 years of experience and administration with an average of 30 years experience. The stated goal of the City of Clearlake Police is to have 2 police officers for every 1,000 residents. Currently the Department has less than 2 officers per 1,000 residents.

The City of Clearlake PD has a number of City of Clearlake Community Patrol Volunteers through the Division of Police Services that provide services such as vacation drive-bys, business district night patrols and special event assistance. Additionally, these volunteers provide limited security services for Yuba College, providing 3-4 hours of patrol each evening.

7.3 POLICE DEPARTMENT FACILITIES

Police Department facilities are in good working order as they moved their office in 1996. The Department obtains used patrol vehicles from the CHP and tries to get as many years of service from the cars as possible. However, poor road conditions in the City of Clearlake can take a harsh toll on Police vehicles bringing the average to approximately 3-4 years per car. The Department shares equipment with other agencies on an as needed basis.

The City of Clearlake PD is financed from the City’s General Fund, and also receives \$400,000 per year from a citywide law enforcement sales tax of \$0.5 cents (Measure P, adopted in 1995 under Ordinance No. 56-94). In addition, the Department also receives State and Federal grants. The Department did have a high school officer program funded by a school district grant but cut the program after the grant was no longer available.

Police Department services include a Crime Suppression Unit (CSU) focusing on burglary and drug crimes; community patrol; School Resource Officer specializing in juvenile law-enforcement, law-related counselor, and law-related education; a Lake County Narcotic Task Force (LCNTF) focusing on illegal drug activity; and just recently, Code Enforcement.

7.4 CODE ENFORCEMENT DIVISION

Recent department changes include the transferring of the Code Enforcement Division from the Community Development Department to the Police Department, beginning with the fiscal year 2002-2003 Budget. As an enforcement agency, Code Enforcement is better administered from the Police Department.

The workload of the Division over the past two years has been tremendous as shown below:

Code Enforcement Statistics

<i>Activity</i>	<i>2002</i>	<i>2003</i>
Cases Opened	387	886
Cases Closed	481	802
Vehicles Towed	402	463
Demolitions	36	67

Though this transfer is a relatively new change for the department, early success by the Police Department so far is promising.

7.5 POLICE DEPARTMENT MISSION STATEMENT

To help ensure the best possible law enforcement and protection services to the residents of Clearlake, the City of Clearlake Police Department has adopted the following mission statement:

- Continue to enhance law enforcement services to create a safer environment;
- Build an organization that will meet the needs of the employees, community and City government;
- Encourage citizen involvement in order to expand the support of community members;
- Provide pathways and incentives for career development and an atmosphere which promotes enthusiasm and motivation;
- Perform functions in a professional, courteous and dedicated manner;
- Promote an organizational environment that encourages vertical and horizontal communication;
- Encourage employee involvement in the decision making process.

8.0 FIRE PROTECTION

The Lake County Fire Protection District provides fire protection within the City of Clearlake. The Lake County Fire Protection District was formed in 2001 from the consolidation of the Lower Lake Fire Protection District and the Lakeshore Fire Protection District. The District has a governing body of five elected fire commissioners. The FPD includes the City of Clearlake and extends eastward to the County border. The FPD operates a total of 5 stations (2 full stations and 3 substations), with a full fire station in the City of Clearlake on Olympic Drive. Currently the Lake County FPD has an adequate ISO rating of 5. The District has built \$25,783 in surplus revenues in its first two years of operation, which indicates that the District is operating under a financial structure sufficient to meet service demands without incurring debt or over-allocating funds.

Because the District draws water from four different water providers (Konocti County Water, Cal Cities Water, Highlands Water Company, and Lower Lake County Water Works District # 1), depending on the location of the call, fire flows range from 500 to 1500 gallons per minute (gpm).

The District has recently begun to provide ambulance service throughout the District since the Redwood Empire Life Support Service (RELS) ceased operations. The District has 2 ambulances and is able to adequately respond to all emergency situations. Average response time for Fire/EMS services within the District is under 10 minutes.

Each of the fire protection districts in Lake County is a member of a mutual aid agreement that provides for assistance for fire and other emergency events that exceed

the capacity of any individual district. Mutual aid agreements are standardized throughout the State to ensure assistance can be obtained from outside fire districts across the State. The Sheriff's Department and emergency providers have agreed to protocols for responding to emergencies in those cases where multiple calls occur.

9.0 SOLID WASTE DISPOSAL

At present, solid waste disposal for the City of Clearlake is through Timberline Disposal Service (230 Soda Bay Road, Lakeport). Timberline Disposal offers all types of solid waste collection and removal, including general household garbage/refuse collection, and just recently, green waste and recycling collection.

The City of Clearlake Solid Waste Committee is reviewing proposed changes in waste disposal service provided to city residents by Timberline Disposal. A recent change in curbside recycling was distribution of a 30 gallon blue recycling bin in which Timberline customers will be able to deposit all recyclable materials without pre-sorting.

Additionally, green waste can also be disposed of in a light green 30-gallon bin for curbside pick-up. Household waste is collected in a dark green 30-gallon container. Estimated fees for extended services (green waste and recycling) may only be \$1 or \$2 more per month than the current fee levels.

10.0 LIBRARY SERVICE

The Lake County Library operates four library facilities: the Lakeport Library, Middletown Library, Redbud (Clearlake) Library, and the Upper Lake Library.

The Redbud Library in the City of Clearlake has an estimated 27,911 books in 13,203 square feet, with approximately four employees total. Main services for the County's libraries includes an adult literacy program that finds tutors for adults and organizes an opportunity for them to meet.

11.0 GROWTH, HOUSING AND POPULATION

11.1 HISTORICAL POPULATION GROWTH

Overall, Lake County has experienced a significant population growth in the past decade, a rate that exceeds the growth in the State as a whole. This growth has been most noticeable in the urban centers such as Clearlake. Certainly, the proximity to Clear Lake plays a key role in assessing the desirability of the City of Clearlake and the surrounding communities. The City is home to more than 13,000 residents, but it can grow sizably during weekends and during vacation periods. Affordable housing, clean air, open space, and recreation continue to attract a diverse population from young working families to retired seniors.

The present period of growth in the City of Clearlake began in 1922 with the development of Clearlake Highlands and Clearlake Park subdivisions. The City's

population continues to grow and is projected to reach 17,216 by the year 2010 (City of Clearlake 2003-2013 Parks Master Plan). Much of the City’s growth can be attributed to Lake-generated recreation and tourism. Agriculture also contributes greatly to the local economy with some walnut orchards still remaining in the City Limits and grape vineyards increasing in surrounding areas.

The City of Clearlake has many seasonally occupied or vacation homes. Approximately 21.6% of the housing units in 1980 were only occupied seasonally, compared to a statewide average of 1.3%. According to the year 2000 US Census, the percentage of vacant units increased to 27.26%. compared to a state average of 5.3%. The average household size in the City of Clearlake is 2.35 persons per household.

11.2 RECENT POPULATION GROWTH

The current total service population within the City of Clearlake according to the 2000 Federal Census is 13,142 people, compared to 11,804 persons in 1990—a 15% population increase. Population increases in the City of Clearlake between 2003 and 2004 show a 1.5 percent annual growth. Assuming the projected service population of City of Clearlake mirrors that of Lake County as estimated by the State Department of Finance, the population of the City of Clearlake would increase by 57.36% to 20,680 persons by year 2020.

11.2.1 Population Growth 1990-2000

	1990	2000	2003	Numeric Change	Percent Change
Lake County	50,631	58,309	61,307	10,676	21%
Clearlake	11,804	13,142	13,527	1,723	15%
Lakeport	4,390	4,820	4,835	445	10%

Source: City of Clearlake 2003-2009 Housing Element, March 2004

11.3 HOUSING AND VACANT LOTS

As required by the State of California (California Government Code section 65583[c][1]), the City of Clearlake must ensure an adequate number of sites to allow for and facilitate production of the city’s regional share of housing. The city must identify “adequate sites” with appropriate zoning and development standards, with services and facilities, needed to facilitate and encourage the development of a variety of housing for all income levels.

According to the City of Clearlake 2003-2009 Housing Element, the City of Clearlake has an unfulfilled allocation of 204 very-low income units, 103 low-income units, and 118 moderate-income units. The vacant land inventory (part of the Housing Element) indicates that there is sufficient land to accommodate 1,192 units in higher density zones, including up to 1,014 low and very-low income units. There is ample vacant land available within the existing City limits to accommodate these needed units.

There are a variety of resources available to landowners and developers seeking to provide housing within Clearlake. Multiple sources are available (including local providers, private nonprofit agencies, and state or federal programs) to help with financing such projects.

The City of Clearlake strives to do its part in supplying such housing as well. The City has developed a Redevelopment Agency which, under state law, must set aside a minimum of 20% of all tax increment revenue generated from redevelopment projects for affordable housing. The Agency's set-aside funds must be used for activities that increase, improve, or preserve the supply of affordable housing. The amount of funds generated by property taxes from the Redevelopment Agency for the Low and Moderate Income Housing Set-Aside fund was \$214,128 in FY 2002/2003.

In addition, to address potential private market lending constraints and expand homeownership and home improvement opportunities, the City offers and/or participates in a variety of home buyer and rehabilitation assistance programs, including various Community Development Block Grant (CDBG) programs, a first-time homebuyer program, and others. Such programs assist lower- and moderate-income residents by increasing access to favorable loan terms to purchase or improve their homes.

11.4 LAND USE POLICIES

The Land Use Element of the City of Clearlake General Plan identifies three residential land use designations: Very Low Density Residential, Low Density Residential, and Medium Density Residential. The Very Low Density Residential designation allows for single-family housing at a density of one dwelling unit per 1.25 to 10 acres of land. The Low Density Residential designation allows for single family and multifamily residential development at densities ranging from one to nine dwelling units per acre. The Medium Density Residential designation allows for single family, multifamily, and mobile home parks to be developed, at a density range of nine to eleven units per acre. In addition to these residential general plan designations, the City also allows multifamily residential development in commercial areas.

12.0 FINANCES

11.1 2003-2004 ADOPTED BUDGET INFORMATION

According to the City's audit ending June 30th, 2002, City Budgets are adopted and consistent with generally accepted accounting principles. The City adopts project budgets spanning several years for its Capital Project Funds. Budgets are adopted by the City Council after a public review process and unused appropriations lapse at the end of the year. The City does not use encumbrance accounting. The City pools cash and investments and participates in the Local Agency Investment Fund (LAIF). The City maintains accounting of its fixed assets. The City has limitations on the amount of vacation accrual for employees, and unused sick leave benefits do not vest with employees after leaving the City's employment. The City's Financial Report concluded there were no instances of non-compliance with government auditing standards.

According to the audit ending June 30th, 2002, Total Assets and Total Liabilities and Fund Equity are in Balance at \$23,372,875.

12.2 BUDGET SUMMARY

The City of Clearlake operates a total of 12 Funds including the General Fund for the multitude of municipal services it offers with a Total Budget of \$11,741,530. The City Finance Department handles all ordinances regarding claims and payments, purchasing requirements, and also receives a Transient Occupancy Tax (TOT).

Generally, Clearlake's primary revenue sources come from Vehicle License Fees (VLF), property taxes, and sales taxes. The City of Clearlake is required by law to have an independent annual audit.

13.0 ADMINISTRATION AND PERSONNEL

The City of Clearlake includes finance and administrative functions, including an annual budgeting process, expenditure policies, policies for contracting services and policies related to travel. The City has an outside auditor perform its annual audits. The City has a City Administrator, a City Clerk and City Treasurer, and a Finance Director who manage finance and administrative functions, as well as a City Attorney, Engineer, Community Development Director, Chief of Police and Public Works Superintendent. The City employs 49 employees total (City of Clearlake website). Included with this MSR is a copy of the City of Clearlake City Council organizational chart, attached as Appendix B.

As lead staff to the City Council, the City Administrator is responsible for coordinating the work of all City departments in implementing and administering policies of the City Council. Routine duties include budget preparation/administration, management of all facilities and real property, and supervision over the City's new recreation division. The Administrator also serves as the Director of Public Works, Personnel Director, Risk Manager, Labor Negotiator, and Executive Director of the City of Clearlake Redevelopment Agency. All administrative staff members work closely with the City Administrator in carrying out the Department's duties.

As far as cost avoidance is concerned, the City takes advantage of all practices and policies available. The City's liability insurance is provided by the Public Agency Risk Sharing Authority of California (PARSAC), a statewide risk sharing Joint Powers Authority (JPA) formed for the purpose of providing members comprehensive general liability coverage. The City of Clearlake also participates in a pooled worker's compensation program through the League of California Cities. The City strives to handle bookkeeping/accounting and attorney services in house, as much as possible and as law permits to cut contracting costs for the same services.

Currently, the City of Clearlake does not have any type of development impact fees, and there are no agreements with the County regarding development financing for urban

development. The City of Clearlake does not have an annexation history since the original boundaries of the City provided adequate potential for growth. A movement to disincorporate in the late 1980's failed.

14.0 MUNICIPAL SERVICE REVIEW

Lake LAFCO is responsible for determining that an agency is reasonably capable of providing needed resources and basic infrastructure to serve areas within its boundaries and later in the Sphere of Influence. LAFCO will evaluate the present and long-term infrastructure demands and resources available to each district, analyze whether resources and services are, or will be, available at needed levels, and determine whether orderly maintenance and expansion of such resources and services are planned to occur in line with increasing demands.

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

14.1 INFRASTRUCTURE NEEDS AND DEFICIENCIES

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 its boundaries and later in the Sphere of Influence. It is important that such determinations of infrastructure availability occur when revisions to a Sphere of Influence and annexations occur. In the case of this Municipal Service Review, it is prudent for LAFCO to evaluate the present and long-term infrastructure demands and resources available to each district, analyze whether resources and services are or will be available at needed levels, and determine whether orderly maintenance and expansion of such resources and services are planned to occur in line with increasing demands.

14.1.1 Written Determinations Regarding Infrastructure Needs and Deficiencies

The following are written determinations for infrastructure needs and deficiencies:

Parks and Recreation

1-1) The City parks are not sufficient to meet the national standards; however, there is an abundance of open space and County, State and Federal parks and recreation areas to make up the deficiency.

Public Works

1-2) The City of Clearlake should pay special attention to road and street conditions throughout the City. It is commonly agreed upon that drivers within the City of Clearlake are subject to harsh driving conditions due to bad road/street conditions. The Department

of Public works should strive to focus more attention and manpower on street maintenance and repairs in the near future, and the City should strive to set aside more funds devoted specifically to such maintenance projects.

Water

1-3) Four entities within the area, California Cities Water, Highlands Water, and Konocti Water District provide water services within the City of Clearlake and to a lesser extent the Lower Lake County Waterworks District #1. The City provides no water service directly. Developers are required to install water lines that connect to the applicable water system, unless site conditions and the proposed project permit the use of a private well. Most water for residential users is drawn from Clear Lake, and the water districts have indicated that there are sufficient entitlements available to accommodate projected growth. Distribution capacity also appears sufficient to accommodate planned growth in the majority of areas, although increases in distribution line sizes may be necessary in areas with inadequate capacity. Insufficient water supplies or overly burdensome infrastructure requirements have not constrained development in the past, and it is not anticipated that this will serve as a constraint in the near future.

Sewer

1-4) The Lake County Sanitation District (LACOSAN) provides sanitary sewer services within a portion of the City. The City provides no sanitary sewer services directly. Larger residential property developers are required to install sanitary sewer lines that connect to the applicable sewer system flowing to the Southeast Regional Treatment Plant and on to the Geysers injection point. Septic systems and leach lines are allowed for smaller developments when conditions related to lot size and underlying geology/soils are met. During Wet Weather periods, the wastewater treatment system is near capacity so a limited number of connections will occur until inflow and infiltration problems are resolved. Future wastewater connections and growth within the City will be limited by remaining limited permitted capacity of the wastewater facility. The City should jointly plan for WWTP expansion with LACOSAN to ensure adequate capacity exists into the future.

1-5) Though sanitary sewer services are not a function of the City of Clearlake, it is important to note that three areas within the City currently do not receive sewer services from LACOSAN: the “Parkwoods” area (named from the Parkwood Subdivision in northwestern area of the City), from 18th Avenue to 7th Avenue (southeastern part of the City), and on Dam Road (southern area of the City formerly Lower Lake). Because these areas receive no sewer from LACOSAN, these areas are forced to remain on septic systems. Due to high percolation rates in Clearlake, not only could water quality become a concern for these areas on septic systems, but pollutants from sub-surface drainage (i.e., septic systems) could also affect water quality in Clear Lake. It would be prudent for the City to work in conjunction with LACOSAN to provide sewer services to these areas. Without proper wastewater collection and treatment service, growth cannot occur in an orderly and efficient manner resulting in negative repercussions for the City and Clear Lake.

1-6) Final requirements for improvements to local sewer collection systems, necessary upgrades, and connections to the system are based on consultation with the City of Clearlake Public Works Department and LACOSAN, soil suitability, projected demand in the area served by existing collector lines, and other factors. The Public Works Department must approve proposed improvements to residential sewage collection systems and any on-site treatment (such as septic systems).

Drainage

1-7) The City Engineer oversees implementation of flood management control programs in the City of Clearlake. The City requires developers to pay the entire cost of all on-site storm drainage facilities including underground storm drain pipelines, catch basins, detention basins, and other facilities that may be needed. The City also requires each development to maintain consistency with the City of Clearlake Master Drainage Plan, which guides the determination of necessary drainage facilities for individual developments.

1-8) The City is responsible for implementing flood control measures within the City of Clearlake (City Engineer). Significant portions of the City are affected by the Federal Emergency Management Agency's (FEMA) 100-year floodplain designation. Affected areas are primarily near the lakeshore and adjacent to watercourses. The protection of other properties that are more severely prone to flooding is still possible with significant drainage improvements. However, these improvements to the storm drainage and flood control systems of the City are likely to be costly and complex. It is not likely that such improvements can be completed within the next several years. According to the City of Clearlake 2003-2009 Housing Element, such improvements are needed to meet housing needs through at least 2009. The City needs to concentrate on identifying feasible flood protection and drainage measures that can be funded and constructed in future years to meet the City's housing needs after 2009.

Police

1-9) The City of Clearlake Police Department provides 24-hour service to the City of Clearlake and responds to calls outside of the City boundary as the situation requires, or upon request. In addition, the City of Clearlake PD has a mutual aid agreement to help other law enforcement agencies as circumstances require.

1-10) Police Department facilities are in good working order as they moved their office in 1996. The Department offers various special enforcement programs (i.e., Narcotics Task Force, Crime Suppression Unit, etc.) and has developed a mission statement to ensure the best possible law enforcement services.

Fire Protection

1-11) The Lake County Fire Protection District provides fire protection and EMS services to the residents of Clearlake, and the area eastward to the County border. The City of Clearlake houses a full fire station—response time is under 10 minutes within

Clearlake. The District has a current ISO rating of 5. At present the Lake County FPD is able to adequately respond to all emergency situations.

Planning and General Government

1-12) The City needs to update its General Plan. The existing General Plan is outdated by 22 years and does not reflect current policies or address relevant issues for the City of Clearlake.

14.2 GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

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

The ability of the City of Clearlake to meet future service demands of residents and visitors will be affected by population growth in the City, and the continuing impact on services generated by visitors to the City and Lake County.

14.2.1 Written Determinations Regarding Growth and Population

The following are the written determinations for growth and population for the affected area:

2-1) There is no consistent population projections available for the City of Clearlake. According to the State Department of Finance, the City is growing at approximately 1.5% per year. The City will have a population of 17,216 by the year 2010 according to the City of Clearlake Parks Master Plan.

2-2) The City experiences substantial visitor population increases during the summer, and especially on holidays. Demand for services can be three times higher than the residential population during peak vacation periods.

2-3) The City should continue its efforts to identify the future population to be served with urban services, and the general areas of the community in which new residential development would occur (currently the areas known as the “Parkwoods Area” and the “Chapman Tract”). The projections should be consistent for both water and sewer future planning, and should include a written report for reference by the City Council, planning staff, developers and residents.

14.3 FINANCING CONSTRAINTS AND OPPORTUNITIES

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

Financing of City services can be supported by a variety of means, but will also be affected by economic conditions and strategies at the County, state and federal level.

14.3.1 Written Determinations on Financing Constraints and Opportunities

The following are the written determinations for financing constraints and opportunities for the City of Clearlake:

3-1) The City prepares an annual budget with a mid-year update, and strives to use the best practices in managing their financial resources.

3-2) The City should ensure that all applicable new construction meets the City's Density Bonus Ordinance to receive financial incentives for space-effective development.

3-3) The City should consider implementing development impact fees, as this is an untapped resource for the City to acquire additional revenues associated with new development. A few examples of possible fees (under Government Code Section 66000 et seq.) that could be levied by the City are: fees in lieu of parkland dedication, park development projects, road and circulation fees, public safety fees, and general administrative capital improvement fees.

14.4 Cost Avoidance Opportunities

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

Identifying cost avoidance opportunities requires financial reporting and planning, creativity, cooperation and the will to propose and support changes that may be difficult for City officials and residents to accept. Local observers may consider proposals for cost avoidance through cooperation as an abandonment of local control.

14.4.1 Written Determinations on Cost Avoidance

4-1) The City's budget is designed to screen out unnecessary costs through a public review process. Any request for funding in excess of the base budget must be fully justified and approved by the City Council.

4-2) The City takes advantage of many cost avoidance opportunities to reduce costs. The City's liability insurance is provided by the Public Agency Risk Sharing Authority of California (PARSAC), a statewide risk sharing Joint Powers Authority (JPA) formed for the purpose of providing members comprehensive general liability coverage. The City of Clearlake also participates in a pooled worker's compensation program through the League of California Cities and the Local Agency Investment Fund to pool assets..

4-3) The City of Clearlake utilizes in-house staff for all applicable services, including finance, payroll and most municipal services. This allows the City greater budget accountability and ensures local control and retention of expertise.

14.5 OPPORTUNITIES FOR RATE RESTRUCTURING

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

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 Sphere of Influence and Annexation decisions on existing community rates for public service.

14.5.1 Written Determinations on Rate Restructuring

5-1) The City should consider implementing an amendment to its General Plan calling for a review of City fees and other revenue sources (to increase General Fund revenues to support adequate staff levels and services) on a realistic timeframe, such as a 3 or 5-year review basis to allow for a comprehensive review.

5-2) The City should promote full cost recovery for City services such as planning and building inspections.

5-3) The City General Plan does not contain policies to provide annexations to “pay their own way.” Annexations should be cost-neutral to existing residents so that no additional costs or increased rates are levied to them for new development.

14.6 OPPORTUNITIES FOR SHARED FACILITIES

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

Planning for shared facilities usually begins at the staff level, and documentation of costs and benefits early in the decision-making process will make it more likely that staff proposals will gain a fair and reasoned hearing with the public.

14.6.1 Written Determinations on Shared Facilities

6-1) The City cooperates with Lake County Sanitation District (LACOSAN) in providing wastewater disposal, and cooperates with four water entities (Highlands Mutual Water Co., Konocti County Water District, the Lower Lake County Waterworks District, and CAL Cities Water Co.) for the delivery of water to its customers, and with the Lake County Fire Protection District for fire protection and EMS services.

6-2) Wastewater generated within the City of Clearlake is conveyed to the Geysers as part of the Full Circle project, a long-term clean water initiative encircling Clear Lake with the objective of protecting and sustaining Clear Lake as a premier water body. This is significant since additional wastewater outfall can take place without impacting water quality around Clear Lake.

14.7 GOVERNMENT STRUCTURE OPTIONS

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

Restructuring the governmental operation is not, in most cases, a feasible option for the City of Clearlake. Continued examination of service delivery and cost may, from time to time, reveal opportunities for such changes.

14.7.1 Written Determinations on Government Structure Options

7-1) The City of Clearlake is a General Law City and provides a full range of municipal services. However, the City does not provide essential growth inducing services such as potable water service and wastewater collection. Having differing types of entities providing water services can lead to inconsistent services city-wide.

LACOSAN is a County Wastewater provider whose Board of Directors is the Board of Supervisors. The City Council has no control over the provision of water and wastewater services which are essential for the City to grow both within and beyond the City boundaries.

7-2) Library and library services are provided by the County and Fire Protection is provided by the Lake County Fire Protection District.

7-3) Public services provided by the City of Clearlake meet or exceed present levels of service provided in the County. While no modifications to the existing government structure for the City, County and other affected agencies are required, the City may wish to participate in decision making for agencies who provide services within the city limits.

14.8 MANAGEMENT EFFICIENCIES

Purpose: To evaluate the management capabilities of the organization.

The City of Clearlake maintains a solid organizational structure for its various departments, with the City Council giving the final approval for new development.

14.8.1 Written Determinations on Management

8-1) The City's Budget formulation process provides balanced accounting of all revenues and expenses providing opportunities for the public to participate.

8-2) Long-term affects of individual annexations and development will be analyzed when site-specific annexations are presented. A cost-benefit analysis should be included as part of a City's annexation policy that evaluates the effects on both City, District and County service requirements when these proposals are prepared and submitted.

8-3) The City is in need of an updated General Plan meeting current local and state requirements and needs.

14.9 LOCAL ACCOUNTABILITY AND GOVERNANCE

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

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

14.9.1 Written Determinations on Local Accountability and Governance

9-1) The City of Clearlake complies with the Brown Act, Public Records and Political Reform Acts and has demonstrated its commitment to public accountability. The City Council has regularly scheduled meetings whereby the public is invited to attend. Regular meetings of the City Council are held on the second and fourth Thursdays of each month beginning at 6:00 pm in the City Council Chambers within City Hall.

9-2) The City of Clearlake maintains a web site. The web site contains information on the various functions of the City of Clearlake, including links to the specific departments, contact numbers, and downloadable files outlining major projects for the year. This web site is an excellent way to transmit information about the City's affairs to the general public especially given the increased access of citizens to the Internet.

9-3) The City has maintained relationships with local news media, providing information or interviews as requested. Generally speaking, local elected and appointed officials pride themselves in being available to their constituencies.

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Persons Consulted

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