

**Local Agency Formation Commission
of
Lake County**

**KONOCTI COUNTY WATER DISTRICT
MUNICIPAL SERVICE REVIEW
AND
SPHERE OF INFLUENCE UPDATE**

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Resolution 2007-14 (Sphere Update)**

KONOCTI COUNTY WATER DISTRICT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE

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KONOCTI COUNTY WATER DISTRICT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE

1. INTRODUCTION

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

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

1.1 Role of LAFCO

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

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

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

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

1. To encourage orderly growth and development which are essential to the social, fiscal, and economic well being of the State.

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

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

1.2 General Policies

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

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

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

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

1.3 Municipal Service Reviews

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

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

[LAFCO’s legislative] Directives imply that each LAFCO has comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider. Although some LAFCOs may have access to such essentials, many do not, and the Cortese-Knox Act offers no mechanism for assisting

and encouraging them to gather the basic necessary information. The Commission believes that such provision should be added to the statute.

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

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

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

1.3.1 Requirements for Municipal Service Reviews

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

1. Infrastructure needs or deficiencies;
2. Growth and population projections for the affected area;
3. Financing constraints and opportunities;
4. Cost avoidance opportunities;
5. Opportunities for rate restructuring;
6. Opportunities for shared facilities;

7. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
8. Evaluation of management efficiencies; and
9. Local accountability and governance.

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

1.3.2 Goals for Municipal Services Reviews

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

1. A comparison of each agency’s existing service levels with identified minimum acceptable, minimum desired, or appropriate levels of service.
2. The generation of the information necessary to develop achievable policies targeted at specific services.
3. Development of a means for identifying opportunities for service improvements through appropriate changes in government organization, identification and acquisition of additional revenues, decreases in service costs, improved communication and coordination, more efficient management practices and use of physical and financial resources.
4. Prudent and achievable strategies and service alternatives that will enable the improvement and enhancement of levels of service.
5. Development of specific recommendations of options for alternative service delivery systems.
6. Provide LAFCO with the background information necessary to make Sphere of Influence determinations pursuant to Section 56425 of the CKH Act.
7. Provide LAFCO with the background information necessary to evaluate and render decisions on various organizational changes or reorganization proposals.

1.4 Sphere of Influence Contents

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

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

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

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

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

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

1.5 Lake LAFCO Statement of Intent

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

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

1.6 Lake LAFCO Policies

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

- 1) A map defining the probable 20-year boundary of its service area, delineated to show the following three time periods: 0-5 year, 6-10 year, and 11-20 year. These planning increments are termed "sphere horizons" and should depict the agency's logical boundaries at the 5-, 10-, and 20-year time periods.
- 2) Maps and explanatory text delineating the following:
 - 2-A) The present land uses in the area, including, without limitation:
 - a) improved and unimproved parcels;
 - b) actual commercial, industrial, residential uses; and
 - c) agricultural and open space lands.
 - 2-B) The proposed future land uses in the area.
- 3) The present and probable need for public facilities and services in the sphere area. The discussion should include consideration of the need for all types of major facilities, not just those provided by the agency.

- 4) The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- 5) Identification of any relevant social or economic communities of interest in the area. For example, an area which is completely within one subdivision governed by a single homeowner's association should be noted, in order to assist in avoiding unnecessary division of the territory between service agencies.
- 6) A phased plan for annexation of Sphere of Influence territory.
- 7) Existing population and projected population at build-out of each of the sphere horizons of the agency.

1.7 Master Service Element

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

A Master Services Element shall contain the following:

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

1.8 The Sphere of Influence Update Process

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

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

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

2. EXISTING COMMUNITY LIMITS AND SPHERE OF INFLUENCE

2.1 Location of Konocti County Water District

The Konocti County Water District is a municipally oriented water provider located within the City of Clearlake in rural Lake County. Lake County is approximately two hours northwest of Sacramento and two hours northeast of San Francisco. The District is slightly southeast of Clear Lake, covering the eastern portions of the town of Clearlake and surrounding areas (between Highway 53 to the west and roughly the eastern edge of the City of Clearlake) for a total of 600 acres of service area. The City of Clearlake includes approximately 10.5 square miles (not entirely served by the Konocti County Water District) along the southeastern shore of the Lake. The Konocti County Water District Office is located in the City of Clearlake.

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:

1. California Cities Water Company (a Public Utility),
2. Highlands Mutual Water (a Water Company), and
3. Konocti County Water District (a County Water District).
4. 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)

In addition to the above entities, wastewater service in the area is provided by the Lake County Sanitation District (LACOSAN). LACOSAN provides wastewater treatment to portions of the City of Clearlake. Some portions of the City do not receive sewer services from LACOSAN and remain on septic systems.

The City of Clearlake is easily accessible from Highway 53, a major connector between State 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.

The Konocti County Water District is named after Mt. Konocti, the most visible landmark in Lake County other than Clear Lake. Mt. Konocti is located between the towns of Lakeport and Clearlake, directly south of Soda Bay and Riviera Heights and east of Kelseyville.

2.2 History of Konocti County Water District

The Konocti County Water District provides domestic water to residential and commercial customers in the southeastern portion of the City of Clearlake and surrounding areas.

The Konocti County Water District was formed in January 1961, under California Water Code Section 30000 *et seq.* The District serves approximately 600 acres.

2.3 Population Data

The Konocti County Water District serves a portion of the City of Clearlake. Using Lake County Census data of 2.3 persons per household, the District serves an estimated population of approximately 4,500.

As of 2007, the District serves a total of 2,066 connections. Out of this total count, 1,765 are active and 301 are listed as inactive. The total connection count represents an increase of 316 connections from 1998 (1,750 connections). These figures imply an average of 35 connections per year, though District Staff has commented that the rate is closer to 19 new connections per year for the period 2001 to 2006 (Frank Costner, General Manager, February 2007).

2.4 Konocti County Water District Government

The government structure of this service provider is a special district organized under the principal act County Water District Law, California Code §30000 *et seq.* The District provides water service within an isolated system and within a geographically distinct area. Consumer Confidence and DHS reports indicate that the District has been shown to meet water quality standards and has adequate infrastructure. There are no community service districts, cities or other local government agencies in the area that could feasibly be joined with the District to improve service levels to residents of the District.

A five-member Board of Directors governs the District and its staff. Local accountability is attributed to open and publicized meetings, regular elections, and locally available staff. Directors are elected at-large by residents of the District to four-year terms. The Board of Directors meets the second Wednesday of every month at the district office located at 15844 35th Avenue in Clearlake. The District complies with the Brown Act. The current makeup of the Board of Directors is as follows:

Board Member	Title	Term Expiration
Walter Cole	Director	2009
Deloy Gibson	Director	2009
Richard Petty	Director	2009
Darin McCosker	Director	2007
Donald Bachman	Director	2007

Frank Costner is the General Manager with the following contact information: 15844 35th Street, Clearlake, CA 95422, Phone (707) 994-2561

2.5 Annexation History

There have been several reorganizations to the Konocti County Water District since its inception. Reorganizations on record for the Konocti County Water District include the 1964 Paul Lewis Annexation of approximately 10 acres, the 1970 Clearlake Highlands Annexation of Tracts 1, 2 and 5 of approximately 335 acres, the 1970 Redbud Hospital Annexation, the and the 1973 Jones-Coolahan Detachment of 12 acres.

The Sphere of Influence for the Konocti County Water District includes a large undeveloped area southeast of the District Boundary, and another large portion of partially developed land directly northeast of the District Boundary. Two additional small areas of developed land to the northwest of the District (just south of Olympic Drive) and directly south of the District respectively are also included in the Konocti CWD Sphere of Influence.

2.6 Proposed Annexation

The Konocti CWD has proposed an annexation of 346 acres of land into the District (North of 38th Ave and East of Irving within the City limits of Clearlake). The District has indicated that water is provided to 45 out of 46 houses in the area presently.

The existing land uses in the Konocti County Water District generally correspond to the land use and zoning designations for the area. The proposed Sphere of Influence area (generally referred to as the Davis Avenue Annexation) includes approximately 346 acres. Most of the area currently developed within the proposed annexation territory is being served by the District yet remains outside District boundaries. The unserved portion of this annexation consists mostly of large parcels of land. No development proposal is proposed in this area. The District desires to annex the unserved area since it is currently within the City limits of the City of Clearlake.

3. MASTER SERVICE ELEMENT DESCRIPTION OF EXISTING SYSTEMS

3.1 Konocti County Water District Water Supply

The District provides municipal water to the south and east portions of the City of Clearlake. The District does not own any riparian water rights to Clear Lake, but purchases water from the Yolo County Flood Control and Water Conservation District under a water sale agreement limiting non-littoral property water use within the District to 2,500 acre feet annually. As of December 2005, the agreement between the Konocti CWD and Yolo County Flood Control and Water Conservation District automatically renewed for an additional ten years, as per Document Number 95-009543. The Konocti County Water District draws its water from Clear Lake at Mike Thompson Harbor.

According to Department of Water Resources 2005 Public Water System Statistics, annual delivery of municipal water is approximately 111.94 million gallons (mg), well below their water rights of 814.6 (814,627,500 gallons per year [2,500 acre-feet]).

Currently, the District's water system capacity is approximately 1.2 million gallons per day (gpd). Current average daily flow is approximately .310 gpd, or approximately 25% of capacity. A peak daily flow of 756,000 gpd is the greatest demand recorded in the last 5 years (Frank Costner, General Manager, 2007).

3.2 Water Treatment

Clear Lake is the most prominent landmark in Lake County, and is used heavily for recreational activities (boating, skiing, etc.) that can leave contaminants in the lake water. In addition, historic mining operations and usage of septic systems in the immediate vicinity all contribute to lake water contamination. The District uses chlorination and granular activated carbon filtration treatment to its surface water supply.

The most recent available Consumer Confidence Report (dated July 2006), states that the District met or exceeded all Federal and State requirements for drinking water. The system did show high levels of trihalomethanes (a bi-product of chlorination) though the District reduced these levels by reducing chlorination to the lowest level possible and by using a chlorine alternative (potassium permanganate) in the early phase of the treatment process to pre oxidize the raw water (General Manager's Report, FY 2002-2003).

The District is in the process of upgrading various aspects of their treatment system, including installation of a new radio remote meter reading system, turbidity monitoring, installation of a SCADA alarm system (to provide warning of coagulation failure), a water odor reduction plan, an ozone dosage plan, a rehabilitation effort of the Clearwell Tank, a distribution system flushing and disinfection program, and preparation of a Master Plan of the KCWD system. As of this MSR, these programs/upgrades are in the

implementation stages (DHS Water System Inspection Findings For Konocti County Water District, May 23, 2006).

3.3 Konocti County Water District Water Storage

The District uses 5 storage tanks for a total storage capacity of 1.8 million gallons (1,849,702). Two storage tanks are approximately 10 years old, with three being approximately 20 years old. At an average daily usage of 425,000 gallons, this represents approximately 4.2 days of water usage. District General Manager Frank Costner communicated that all tanks in operation are in excellent condition, either new or recoated as of recently (The older steel tanks were re-coated in 2002, and one 500,000 steel tank was added in 2003 at 19th Avenue location). Complete tank information is as follows:

Storage Location	Tank	Pressure Zone	Type	Volume
Eureka West		1	Welded Steel	414,314
Eureka Middle		1	Welded Steel	246,146
Eureka East		1	Welded Steel	359,824
19 th Avenue North		2	Welded Steel	559,785
19 th Avenue South		2	Welded Steel	269,633
				Total: 1,849,702 Treated Water Storage

There are two pressure zones in the system. The upper zone, or Eureka zone (located on School Teacher Hill, off Eureka Street) is served by three storage tanks with a capacity of 1,020,284 gallons and serves approximately 55% of the total connections. The pressure ranges from 20 to 60 psi. The treatment plant is controlled by the water level in the Eureka Tank (large). A pressure transducer is located in the tank which then sends a signal to the treatment plant to activate the plant on or off based on its water level.

The lower zone, or 19th Street zone (located off 19th Street between Oak and Eureka) has two storage tanks with a capacity of 829,418 gallons and serves approximately 45% of the system. The old 19th Street Tank #1 was taken out of service in 1996 due to structural instability. The 19th (old Tank #2) tank has a float switch sensor that sends a signal to the pressure sustaining altitude valve to open when the water level drops three feet and closes when the tank is full. The lower zone receives water from the upper zone by gravity through the pressure sustaining altitude valve. When the water level in one of the storage tanks drops to a certain level, a signal is sent to the valve to open and vice versa, the valve closes when the tank is full. Pressure ranges from 20 to 110 psi.

The California Department of Health Services suggests a storage requirement based on the following formula:

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

Using this formula, the District has storage needs as follows:
 $425,000 + \frac{1}{4}(756,000) + 240,000 = 854,000 \text{ gallons}$

By this formula, the present storage capacity is more than adequate at 1,800,000 gallons (1.8 mg).

3.4 Konocti County Water District Fire Flows

California Department of Health Services suggests a commercial district fire flow of 2,000 gpm for two hours which should be obtained by using 2 dry barrel hydrants that are on separate small mains, or on the same large main. Lake County desires 750 gpm in urban residential areas and 500 gpm in rural residential areas.

The KCWD has approximately 95 hydrants, with 17 being Warf head hydrants and 78 dry barrel hydrants. The majority of the hydrants range from 4" to 6" with some 8" as well.

Most areas of the KCWD have fire hydrants within 500 feet to 1,000 feet of residences, though there are areas within the district where this is not the case. Specifically, areas along the western and northern edges of the District do not appear to have hydrants in the immediate vicinity (Konocti County Water Boundaries Map, Frank Costner, 2007). It has been communicated that the Lakeshore FPD must tank water into these areas as fire suppression dictates.

Areas that have fire hydrants in close proximity (500 feet to 1,000 feet) experience fire flows that meet acceptable standards. The only areas with low fire flows are those areas close to the distribution tanks, and in areas with no hydrants. It has been reported that the District is in the process of implementing a "hydrant maintenance and flushing program" for their system (Frank Costner, February 2007).

The District has a total of two pressure zones, with pressures ranging from 20-60 psi for the Upper Zone and 20-110 psi for the Lower Zone. These pressures are adequate to serve fire protection services.

3.5 Konocti County Water District Water Supply Infrastructure

Water delivery occurs through metering and the rate structure is developed accordingly. The District recently finished a major pipeline replacement project, replacing a majority of the 2 inch pipelines with 6 inch PVC C900 piping. The District's transmission system includes approximately 32 to 33 miles of piping. Water mains distributing District water

range in size from four to ten inches, with laterals ranging from three quarters of an inch to one inch. Most mains serving the District are approximately ten years old (80%), with a small percentage (20%) being approximately 20 years old. Most laterals connected to the system are approximately 10 years old, with a very small percentage (10%) being approximately 20 years old.

Mains and laterals along the system are repaired as needed, and maintenance along the system lines occurs annually. In addition, the District's surface water treatment facilities are repaired on an annual basis (\$3 million expended in 1994, \$1.4 million for the treatment plant and \$1.7 million for the distribution system). As stated above, the District recently completed a \$4,700,000 pipeline replacement project replacing all 2-inch diameter piping with new 6-inch diameter PVC C900 pipes.

The District has two intakes at Clear Lake. Two centrifugal pumps are located in a small pump house building on the shoreline of Clear Lake near the Redbud Park public boat launch. The first pump is a 60 hp pump with a capacity of 580 gpm, the second pump is a 40 hp pump with a capacity of 400 gpm. The 580 gpm intake pump discharges into an 8-inch PVC transmission line, whereas the 400 gpm intake pump discharges into a 6-inch Asbestos Cement (AC) transmission line. Both pumps can be valved to use the 8" PVC line at the same time. Both transmission lines travel approximately 4,270 feet to the treatment plant where they join a 12-inch diameter PVC pipe.

System pressure is maintained by gravity. Two lake pumps pump water from the lake to the treatment plant. They are used independently or together to achieve the proper flow needed. Two filter pumps are used to pump the water through the clarifiers into a clearwell. Both filter pumps are 30 hp and have a capacity of 700 gpm each. The district uses two booster pumps (a 40 hp pump has a capacity of 500 gpm and a 50 hp pump with a capacity of 700 gpm) into the distribution system and tanks. The District uses seven booster pumps ranging from 30 to 60 hp to maintain pressure through the water system. The booster pumps are recorded as ten years old, and are maintained every six months.

The District is currently in the process of implementing various flushing/maintenance programs including a "distribution system inspections and flushing program", a "main disinfecting program", and a "valve maintenance and flushing program". In addition, in 2003, the District successfully replaced an ozone generator and rebuilt the other, and replaced the Raw Water Pump VFD, which allows the operator to control the speed of the pump, thus controlling the flow of water through the plant. In addition, in 2003 the District replaced the carbon filter media, which was due for replacement (General Manager's Report, Fiscal Year 2002/2003). Multi-media filters were rebuilt in 2005 with new underdrains, a new ozone system was installed in 2006 to help disinfect and remove taste and odor.

Since the District's 1997 Inspection Report, the District has successfully prepared and implemented an emergency disinfection program. The most recent DHS inspection was in 2006.

3.6 Emergency Backup

The District has established two emergency interties with Highlands Mutual Water Company. The first intertie is located off Spruce Avenue on the property of two of Highland's water tanks. The intertie has one 40 hp pump to discharge water from Highlands distribution system to the District's system in the event of an emergency. The pump would discharge against a static hydraulic head of approximately 270 feet. Current plumbing does not allow water to gravity flow from the District to Highland's distribution system.

The second intertie is located off 19th Avenue and is on the property of one of Highland's water tanks. Water can only flow from the District's distribution system to Highlands in the event of an emergency. There is no pump at this intertie to allow water to be discharged into the District's system (Konocti County Water District Water System Inspection Report, February 1997).

Since the 1997 Inspection Report, the KCWD has added backup generators for their facilities. In the case of a major blackout that affects both entities, the District would be able to pump water if needed and wouldn't have to rely on storage capacity alone to provide water to Highlands Mutual Water Company or to their own customers for a prolonged period of time.

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

The District reported a total of 2,066 existing connections in 2007, serving approximately 4,500 customers. At present, annual water delivery totals 111.94 million gallons. The District has adequate source capacity at 2,500 acre-feet (814,627,500 gallons) to serve its existing customers under average and maximum day demands.

The District has 5 storage tanks for a combined water storage total of 1.8 mg, well above the DHS recommended storage requirement for a water system of this size and nature. The District is able to achieve acceptable fire flows to meet County standards, though some portions of the District do not have hydrants available for fire suppression needs.

3.8 Master Service Element Projected Future Demand on the System

The Konocti CWD is a municipally oriented water provider located entirely within the City of Clearlake. Future development of the District's facilities will be closely tied to planning activities of the City.

The District currently serves 2,066 connections in Fiscal year 2004-2005 – 54 new connections occurred, in 2005-2006 - 115 new connections occurred and in 2006-2007 - 65 new connections occurred. The District has adequate source supply (2,500 acre-feet per year), water storage (1.8 mg), and adequate system capacity (1.2 mgpd) to accommodate existing and future growth.

3.9 Mater Service Element Planned Improvements and Funding

The latest rate revisions were made effective April 2007 by Ordinance 07-01. Monthly charges for water usage are based on meter size and range from \$28.00 for a 5/8-inch meter to \$224.00 for a two-inch meter, in addition to a \$.250 charge per cubic foot of usage. In addition, the District charges a capacity expansion fee for all new residential and commercial connections. Rates developed for the District are generally consistent with the average water rate charges in Lake County, and the rates are considered reasonable.

3.10 Master Service Element Projected Costs and Funding Sources

The Konocti CWD finances its operations through a combination of charges for water sales, connection fees, assessments, and new meter sales. The District submits financial information to the Lake County Auditor-Controller's Office annually, as required by State law. The Konocti CWD is a taxing entity and generates income from property taxes on parcels within the District.

According to Financial Statements for the year ended June 30th, 2006, the District had an operating revenue of \$1,328,938, an increase of \$251,543 from \$1,077,395 in 2005. Total operating expenditures totaled \$1,129,520, so the District saw a surplus of operating revenue over operating expenses of \$199,418. The District saw its largest FY 2006 expenditures in the categories of water treatment, depreciation, administration, and water transmission and distribution. Fiscal Year 2006 also saw a substantial change in net assets, from \$45,316 to \$211,156 a change of \$165,840.

California statutes authorize the District to invest in a variety of credit instruments as provided for in the California Government Code Section 53600, Chapter 4 – Financial Affairs. The Konocti CWD invests in the State Treasurer's Local Agency Investment Fund (LAIF) and has a balance of \$1,079,026.

The District has a significant debt from bonds and certificates of participation. Cumulatively, the District has nearly \$4,200,000 in outstanding debt. This debt level is high for water districts in the County, and will require substantial dedication of expenditures to meet debt service obligations in coming years.

The District appears financially stable, according to the financial information available for review. Operational income is sufficient to cover both operating and non-operating costs, leaving all incomes from property taxes and investment interests to be applied to reserve and capital improvements funding.

Overall, the District maintains good financial records. Financial reporting requirements appear to be met in a timely fashion, and budgetary documents for the District were easily obtained and reviewed through the County Auditor-Assessor's Office.

4. MUNICIPAL SERVICE REVIEW FINDINGS

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

4.1 Konocti County Water District Infrastructure Needs and Deficiencies

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

4.1.1 Infrastructure Background

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

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

4.1.2 MSR Determinations for Infrastructure Needs and Deficiencies

- 1-1) The Konocti County Water District water supply (2,500 acre-feet annually), water system (1.2 mg), storage facilities (1.8 mg) and distribution system are considered adequate to serve existing customers and future growth.
- 1-2) The Konocti CWD recently added emergency generators to their facilities. In the event of an extended blackout, the District can still provide service to customers in the event of a blackout.
- 1-3) Bacteriological testing is performed regularly by the Konocti CWD as required by State and Federal Regulations.
- 1-4) A Water System Inspection Report (2006) has been prepared by the State Department of Health Services. In addition, the District is in the process of updating their 1989 Master Plan.

4.2 Growth and Population Projections for the Affected Area

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

4.2.1 Konocti County Water District Population Projections

The District serves approximately 4,500 water customers, for a total of 2,066 connections (1,765 are active). Due to the District's close proximity to Clear Lake, the District can experience noticeable fluctuation in seasonal populations, as much as 1,000 to 2,000 additional residents on summer weekends and holiday events such as Fourth of July and Labor Day. Maximum water production usually occurs in July, with records indicating over 16 mg produced in July alone. According to connection activity from the last five years, the District averaged 19 new connections per year since 2001-2002.

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

- 2-1) The District has adequate capacity to serve existing residents and seasonal fluctuations as well as growth well into the future.
- 2-2) The District is not planning to increase its source capacity or system capacity in the near future. With an annual purchase of 2,500 acre-feet of raw water from the Yolo County Flood and Conservation District, the District has adequate water supply indefinitely, until such time as either party gives notice to the other party of its desire not to renew Document 95-009543 (Agreement for Sale of Water).
- 2-3) The District should work together with the Lake County Community Development Department to understand the zoning and general plan designations for the area and to develop specific population and building projections.
- 2-4) The Department of Finance estimates a 1.5% growth rate for Lake County, including the unincorporated Konocti area. Actual growth will depend largely on development in and around the City of Clearlake.

4.3 Financing Constraints and Opportunities

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

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

4.3.1 Konocti CWD Budget

The Konocti County Water District had operating revenue for FY 2003-2004 of \$975,454, including \$100,000 dedicated to capital improvements for 2003-2004. The District has sufficient revenues (through the sale of water and fees associated with new services, and monthly water charges) to cover the cost of current operations, including staffing costs. The District has kept operational costs below revenues in each of the prior three fiscal years.

4.3.2 MSR Determinations for Financing Constraints and Opportunities

- 3-1) The Konocti CWD has sufficient revenues to cover the current cost of operations, including staffing costs.
- 3-2) The District is in the process of updating the Master Plan, which will aid the District in making cost-effective decisions in relation to maintenance and treatment plant upgrades.
- 3-3) The District has significant debt from issuance of bonds and certificates of participation. Cumulatively, the District has over \$4 million in outstanding debt. This debt level is high for water districts, and will require substantial dedication of expenditures to meet debt service obligations in coming years.
- 3-4) The District generates revenues and incomes beyond those necessary to sustain services, but it is expected that his additional revenue is being used to pay down the outstanding debt service obligations.
- 3-5) Government Code Section 53901 requires that every special purpose taxing district shall provide a copy of its annual budget to the County Auditor's Office for public inspection and review. The District is in compliance with this law.

4.4 Cost-Avoidance Opportunities

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

LAFCO should consider the relative burden of new annexations to the district when it comes to its ability to provide wastewater service, as well as capital maintenance and replacements required as a result of expanding the district boundary. At this time there is one annexation proposal being considered.

4.4.1 Konocti CWD Costs

In the last five years the District replaced a large section of old transmission pipes that has allowed resources to go toward water plant maintenance rather than constant repair of leaking pipes. Overtime and cost of repair materials has also been greatly reduced by this replacement project.

The Konocti County Water District Budget is designed to screen out unnecessary costs. A base budget is submitted to the District Board for review and approval. The Board of Directors makes changes as necessary. Overall, the Konocti CWD takes advantage of every cost-avoidance method available to them.

4.4.2 MSR Determinations for Cost-Avoidance Opportunities

- 4-1) The Konocti CWD should amend their Fiscal Policies and Procedures Manual to include a requirement for an annual review of cost-avoidance opportunities.
- 4-2) The District's budgeting process provides a forum for cutting unnecessary costs and placing resources where most needed.
- 4-3) The District is in the process of implementing a "valve maintenance and flushing program" in addition to a "hydrant maintenance and flushing program".
- 4-4) The District has prepared an emergency disinfection plan including actions to be taken in the event of a disinfection failure.

4.5 Opportunities for Rate Restructuring

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

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

4.5.1 Konocti CWD Water Rates

The Konocti CWD water delivery occurs through metering and the rate structure is developed accordingly. The last rate revisions were made effective March 2007 by Ordinance 07-01. Monthly charges for water usage are based on meter size and range from \$28.00 for 5/8 to 3/4-inch meter to \$224 for a two-inch meter.

All new residential meter installations are charged a capacity expansion fee of \$3,000 per Equivalent Dwelling Unit (EDU). One EDU is equal to one single-family dwelling, one apartment unit, or one mobile home in a park. All new commercial non-residential meter installations are charged a capacity expansion fee based upon meter flow rating, such that each 20 gpm of capacity will be considered to be one EDU.

Meter installations within the 1994 assessment district are charged \$1150.49 . the assessment district was formed to finance plant and distribution improvements constructed in 1994.

Rates developed for this District are generally consistent with the average water rate charges in Lake County, and the rates are considered reasonable.

4.5.2 MSR Determinations for Opportunities for Rate Restructuring

- 5-1) Based on the existence and use of meters, as well as the review of budgetary documents, the existing rate structure of the Konocti CWD is considered reasonable and appropriate.
- 5-2) Rates and fees for services are established using the provisions of State Law. Public outreach is performed and hearings are held.
- 5-3) The District's policies provide that any annexation to the District shall be cost neutral to the existing residents.

4.6 Opportunities for Shared Facilities

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

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

4.6.1 Konocti CWD Facilities

All water treated by the Konocti County Water District is purchased from the Yolo County Water Conservation and Flood District and is drawn from Clear Lake. Geography in the Clear Lake area does not lend itself to shared facilities opportunities, because joint use of infrastructure and facilities would be cost-prohibitive. However, the Konocti CWD does take advantage of its close proximity to the Highlands Mutual Water Company and has established two separate emergency interties into their system.

The first intertie is located off Spruce Avenue on the property of two of Highland's water tanks. The intertie has one 40 hp pump to discharge water from Highlands distribution system to the District's system in the event of an emergency. The pump would discharge against a static hydraulic head of approximately 270 feet. Current plumbing does not allow water to gravity flow from the District to Highland's distribution system.

The second intertie is located off 19th Avenue and is on the property of one of Highland's water tanks. Water can only flow from the District's distribution system to Highlands in the event of an emergency. There is no pump at this intertie to allow water to be discharged into the District's system (Konocti County Water District Water System Inspection Report, February 1997).

4.6.2 MSR Determinations for Opportunities for Shared Facilities

- 6-1) The Konocti CWD has two emergency interties into the Highlands Mutual Water Company that would allow water into the Konocti CWD and vice versa (from Konocti into the Highlands system) in the event of a power outage. These interconnections serve a needed purpose for both entities (emergency backup water provision) and provide a good example of shared facilities mutually benefiting separate service providers.

4.7 Government Structure Options

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

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

4.7.1 Konocti CWD Governmental Structure

The current government structure of the Konocti County Water District (established in 1961) is a special district, organized under the principal act County Water District Law, California Water Code Section 30000 *et seq.* The District provides water service within an isolated system and within a geographically distinct area.

The District has an established SOI under LAFCO, and has indicated an intention to revise the Sphere to more accurately reflect current and planned service areas. The District has an administrative and financial structure that allows for the orderly provision of water services in the Konocti area, and revisions to the District's boundaries, based on service needs, should be considered as necessary. Among potential water providers in the area, the District appears best able to provide extended services to area residents and businesses.

Consumer Confidence Reports issued by the California Department of Health Services indicate that the District has been shown to meet water quality standards, and the Department of Health Services 2006 Inspection Report indicates the District has adequate infrastructure. There are no community service districts, cities or other local government agencies in the area that could feasibly be joined with the District to improve service levels to residents of the District.

4.7.2 MSR Determinations for Government Structure Options

- 7-1) The Konocti CWD will provide water service for the southeastern portion of the City of Clearlake and surrounding area, and these services will meet customer expectations.
- 7-2) The District provides water service, operating an isolated system within a geographically distinct area. There are no community service districts, cities, or other local government agencies in the area that could feasibly be joined with the District to improve service levels to residents.

4.8 Management Efficiencies

Purpose: To evaluate the management capabilities of the organization

4.8.1 Konocti CWD Management

The District services residential and commercial customers and is governed by an elected five member Board of Directors, and employs 7 personnel for management, operation, maintenance, and secretarial duties. The Department of Health Services has classified the Konocti Water District treatment plan as a grade 4. Shift operators must be a grade 3 Section 7107, title 17 of the California Code of Regulations requires that the person with overall responsibility for a filtration plant with a capacity of between 1 to 5 mgd be certified as a Grade 3 Water Treatment Plant Operator. Persons with eight-hour shift responsibility must be certified as Grade 2 Water Treatment Plant Operators. Mr. Frank

Costner is the General Manager and has primary responsibility for the operation of the entire system. Mr. Costner is a grade 4 treatment operator and a grade 2 distribution. Also, all shift operators have a minimum of a Grade 3 Certification. The District is in compliance with Section 7107.

The Konocti CWD updated and revised its Fiscal Policy and Procedures Manual in 1996. The manual includes procedures for fiscal management and accounting, procurement processes, disposal of properties, fees, payroll, personnel, etc.

4.8.2 MSR Determinations for Management Efficiencies

- 8-1) The District Manager performs managerial duties and employs a team of qualified personnel to perform operational, secretarial, auditing and maintenance duties for the operation of the water system. This is the most efficient manner to operate the KCWD water system.
- 8-2) A Capital Improvements Program will be included in the District's new Master Plan being developed in Summer 2007.
- 8-3) The District has an efficient management structure, responsive to legal, administrative, and operational issues that arise in the provision of water service.
- 8-4) There are no alternative management structures that offer significant improvement over the current structure, and no recommendations are made related to changes in management structure and operations.

4.9 Local Accountability/Governance

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

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

4.9.1 Konocti CWD Government

A five-member Board of Directors governs the District and its staff. Local accountability is attributed to open and publicized meetings, regular elections, and locally available staff. Board Directors are elected at-large by residents of the District to four-year terms. The current membership of the Board as of January 2006 is as follows:

Board Member	Title	Term Expiration
Walter Cole	Director	2009
Deloy Gibson	Director	2009

Richard Petty	Director	2009
Darin McCosker	Director	2007
Donald Bachman	Director	2007

The District Board meets monthly at its District Offices, located at 15844 35th Avenue, in Clearlake, CA. All meetings are open to the public. 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.

4.9.2 MSR Determinations for Local Accountability/Governance

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

5. SPHERE OF INFLUENCE (SOI) DETERMINATIONS

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

5.1.1 Lake County General Plan

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

5.1.2 City of Clearlake General Plan

The City of Clearlake adopted its General Plan in 1983 (City Resolution 83-24). 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.

5.1.3 Present and Planned Land Use

The existing land uses in the Konocti County Water District generally correspond to the land use and zoning designations for the area (City of Clearlake).

5.1.4 SOI Determinations for Present and Planned Land Use

- 1-1) The 0-5 year Sphere of Influence will include all areas already included in the present Sphere of Influence but outside of District boundaries. At present, there is one annexation (the Davis Road Annexation) into the Konocti County Water District currently in process).
- 1-2) It is the intention of LAFCO to include no additional lands into the Konocti County Water District Sphere of Influence.
- 1-3) Existing land uses generally correspond to the City of Clearlake General Plan planned land uses and zoning.

5.2 Municipal Services—Present and Probable Capacity and Need

5.2.1 Present and Probable Capacity and Need Background

LAFCO is responsible for determining if an agency is reasonably capable of providing needed infrastructure and services to serve areas within its Sphere of Influence. LAFCO is required to evaluate present and long-term infrastructure demands and resource availability and to evaluate whether the resources and services are available at needed service levels and that orderly maintenance and expansion of such resources and services are made inline with increasing demands.

5.2.2 SOI Determinations—Present and Probable Capacity and Need

- 2-1) LAFCO shall encourage the applicable planning jurisdiction to act as lead agency for purposes of the California Environmental Quality Act (CEQA) for annexation proposals. When LAFCO is required to act as Lead CEQA agency, LAFCO shall coordinate with both the City and County, as applicable.
- 2-2) LAFCO encourages development of a Capital Improvements Plan. Currently \$100,000 is budgeted for capital improvements. Developers fund all new infrastructure associated with new growth. There is no extra cost imposed on existing customers to fund new development.
- 2-3) LAFCO shall support the concurrent provision of potable water service by the Konocti County Water District for areas to be annexed.
- 2-4) The District has adequate water supply to meet current estimated day demands and serve the areas within the Konocti County Water District and the Sphere of Influence.

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

5.3.1 Adequacy of Services Provided by Konocti CWD

The Konocti County Water District provides adequate services. The District will have to increase fees and /or taxes in the distant future to provide the same level of service as costs and regulations increase.

5.3.2 SOI Determinations on Adequacy of Services Provided

- 3-1) The Konocti County Water District has adequate public facilities to provide services to the residents of the District and Sphere of Influence.
- 3-2) Water service could be extended to include areas within the Sphere of Influence.

- 3-3) A small Sphere of Influence is adequate for growth in the next five years.

5.4 Social or Economic Communities of Interest

5.4.1 Community Background

The Konocti County Water District serves the southeastern portion of the City of Clearlake, with District boundaries located entirely within the City Limits of Clearlake.

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. The Konocti CWD is estimated to serve approximately 4,500 residents in 2007 (Department of Finance population projections). The City is relatively new since it was incorporated in 1980. No additional land is needed for the Sphere of Influence.

5.4.2 SOI Determinations—Social or Economic Communities of Interest

- 4-1) The Konocti County Water District shall be provider of municipal water in the Konocti County Water District area.
- 4-2) Priority for water service shall remain the existing service area. The District has proven that water supply is available to provide service to the Sphere of Influence area.
- 4-3) LAFCO is charged with overseeing orderly development in the area. The City of Clearlake is charged with Land Use Planning within its City Limits, and Lake County is charged with Land Use Planning in unincorporated lands. The Konocti County Water District Sphere of Influence includes land included in the City of Clearlake and also includes unincorporated land south and east of present Konocti County Water District boundaries.

ABBREVIATIONS

AC	Asbestos Cement
CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CWD	County Water District
DHS	Department of Health Services
District	Konocti County Water District
EDU	Equivalent Dwelling Unit
FPD	Fire Protection District
FY	Fiscal Year
gpd	gallons per day
gpm	gallons per minute
KCWD	Konocti County Water District
LAFCO	Local Agency Formation Commission
LAIF	Local Agency Investment Fund
mgd	million gallons per day
MSR	Municipal Service Review
psi	pounds per square inch
PVC	polyvinyl chloride
SCADA	Supervisory Control and Data Acquisition
SOI	Sphere of Influence SOI

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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