



Municipal Service Review Ukiah Valley Special Districts

LAFCO of Mendocino County

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ACRONYMS AND ABBREVIATIONS

AB	Assembly Bill
ADA	Americans with Disabilities Act
ADWF	average dry weather flow
AF	acre-feet
AFY	acre-feet per year
ALS	advanced life support
AWT	Advanced Wastewater Treatment
BLS	basic life support
CAD	Computer Aided Dispatching
CAL FIRE	California Department of Forestry fire department
Cal-ISO	California Independent System Operator
CALTRANS	California Department of Transportation
CARB	California Air Resources Board
CCWD	Calpella County Water District
CDOF	California Department of Finance
CEQA	California Environmental Quality Act
cfs	cubic feet per second
CWMB	California Integrated Waste Management Board
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CWD	County Water District
EMD	Emergency Medical Dispatching
EMS	emergency medical services
ESSUs	equivalent sewer service units
FEMA	Federal Emergency Management Agency
FOG	Fats, Oils, and Grease
FY	fiscal year
gpd	gallons per day
gpm	gallons per minute
HazMat	hazardous materials
HCF	hundred cubic feet
HPUD	Hopland Public Utility District
HWY	Highway

ISO	Insurance Services Office
JPA	Joint Powers Agreement
JPIA	Joint Powers Insurance Authority
LAFCO	Local Agency Formation Commission
MCIWPC	Mendocino County Inland Water and Power Commission
MCWA	Mendocino County Water Agency
MCWD	Millview County Water District
MG	million gallons
mgd	million gallons per day
MSR	Municipal Service Review
NCIRWMP	North Coast Integrated Regional Water Management Plan
O&M	Operation and Maintenance
OASA	Out of Area Service Agreement
POU	publicly owned utility
PPD	pounds per person per day
PUD	public utility district
PVID	Potter Valley Irrigation District
PVP	Potter Valley Project
RRFC	Russian River Flood Control and Water Conservation Improvement District
RVCWD	Redwood Valley County Water District
RRWA	Russian River Watershed Association
RTU	remote telemetry unit
SB	Senate Bill
SCADA	Supervisory Control and Data Analysis
SCWA	Sonoma County Water Agency
SDRMA	Special District Risk Management Authority
sfc	surface
SOI	Sphere(s) of Influence
TTS	total suspended solids
UAF	unaccounted for water
UFD	Ukiah Fire Department
USACE	United States Army Corps of Engineers
UVA	Ukiah Valley Area
UVAP	Ukiah Valley Area Plan

UVFD	Ukiah Valley Fire District
UVSD	Ukiah Valley Sanitation District
UWMP	Urban Water Management Plan
WCWD	Willow County Water District
WTP	Water treatment plant
WWTP	wastewater treatment plant

1: INTRODUCTION

Eight districts are the subject of this Municipal Service Review (MSR), whose scope comprises the services provided within the current boundaries of each district. The only exception is the Ukiah Valley Sanitation District (UVSD), which has applied to LAFCO to update its sphere of influence. Per the Mendocino LAFCo decision of May 6, 2013, the UVSD MSR has been removed from this document to be presented individually. Table 1-1 shows the six single-service districts and two multi-service districts that are included in this review. Exhibit 1-1 shows boundaries of each of the districts.

Table 1-1: Ukiah Valley Special Districts

DISTRICT	SERVICES	MORATORIUM
Ukiah Valley Fire Protection District (UVFD)	Fire	
Millview County Water District (MCWD)	Water	X
Potter Valley Irrigation District (PVID)	Water	X
Redwood Valley County Water District (RVCWD)	Water	X
Russian River Flood Control and Water Conservation Improvement District (RRFC)	Water	
Willow County Water District (WCWD)	Water	
Calpella County Water District (CCWD)	Water and Sewer	X
Hopland Public Utility District (HPUD)	Water and Sewer	

Four agencies that will be part of this review are under a moratorium for extending new service. A moratorium can be the result of a number of factors, including uncertain supply or misuse of permitted water rights. A listing of those districts is shown in Table 1-1.

Role and Responsibility of LAFCO

The fundamental role of a Local Agency Formation Commission (LAFCO) is to implement the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (Government Code Section 56000, et seq.), which provides for the most logical, efficient, and appropriate formation of local municipalities, service areas, and special districts. The CKH requires all LAFCOs, including LAFCO of Mendocino County, to conduct a Municipal Service Review (MSR) prior to updating the sphere of influence (SOI) of the various cities and special districts in the County (Government Code Section 56430). CKH requires an MSR and SOI update every 5 years.

Purpose of the Municipal Service Review

The focus of this MSR is to provide LAFCO of Mendocino County with all the necessary and relevant information related to services provided by the Ukiah Valley special districts. This MSR will provide Mendocino LAFCO with an informational document and make determinations for each of the seven elements prescribed by CKH; it evaluates the structure and operation of each district; and it

discusses possible areas for improvement, coordination, or changes to the SOI. The purpose of the MSR is to collect data in order to provide a comprehensive analysis of service provision by the Ukiah Valley special districts (Table 1-1). Key sources for this study included agency-specific information gathered through a questionnaire, strategic plans, general plans, websites, financial reports, agency audits, research, personal communication, and the Municipal Service Review Guidelines published by the Governor's Office of Planning and Research.

The report contains one section for each of the following seven elements as prescribed by CKH:

- **Growth and Population Projections for the Affected Area.** This section reviews projected growth within the existing service boundaries of the district and analyzes the district's plans to accommodate future growth.
- **The Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence.** This section was added by Senate Bill (SB) 244, which became effective in January 2012. A disadvantaged community is defined as having a median household income of 80 percent or less of the statewide median income.
- **Present and Planned Capacity of Public Facilities and Adequacy of Public Services Including Infrastructure Needs or Deficiencies.** This section discusses the services provided, including their quality; the ability of the district to provide those services.; It will include a discussion of capital improvement projects currently underway and projects planned for the future where applicable.
- **Financial Ability of Agencies to Provide Services.** This section reviews the district's fiscal data and rate structure to determine viability and ability to meet service demands. It also addresses funding for capital improvement projects.
- **Status of and Opportunities for Shared Facilities.** This section examines efficiencies in service delivery that could include sharing facilities with other agencies to reduce costs by avoiding duplication.
- **Accountability for Community Service Needs, including Government Structure and Operational Efficiencies.** This section examines the district's current government structure, and considers the overall managerial practices. It also examines how well the each district makes its processes transparent to the public and invites and encourages public participation.
- **Matters Related to Effective or Efficient Service Delivery Required by Commission Policy.** This section includes a discussion of any Mendocino LAFCO policies that may affect the ability of each district to provide efficient services.

Uses of the Municipal Service Review

The MSR is used to shed light on the operations of a local agency; to identify agencies unable to perform their mandated services; or to identify ways to provide more effective, efficient services. Government Code Section 56375 allows LAFCO to take action on recommendations found in the MSR, such as initiating studies for changes of organization, updating the SOI, or initiating a change of organization.

Studies in anticipation of a change of organization are useful to identify potential issues that may arise during the process. Issues can range from legal barriers to fiscal constraints to concerns of residents and landowners. A study would allow more focused analysis and the opportunity to resolve issues or options before beginning the process.

The MSR also provides the necessary information to help LAFCO make decisions on the proposed SOI update, and to determine if the agency has the capability to serve a larger area. The MSR discusses the financial condition of each district, source of revenues, and projected expenses. It also includes a discussion of the projected infrastructure needs that would allow for expansion of those services. However, it does not address California Environmental Quality Act (CEQA) requirements for the SOI update. That requires a separate analysis.

Alternately, the MSR can recommend changes of organization: consolidation, dissolution, merger, establishment of a subsidiary district, or the creation of a new agency that typically involves a consolidation of agencies. Those changes of organization may also require an environmental review, a property tax sharing agreement, and an election.

Sphere of Influence

The SOI is defined as “a plan for the probable physical boundaries and service areas of a local agency” (Government Code 56076). The SOI represents one of the most important tools LAFCO uses to “carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies” (Government Code Section 56425).

CKH requires LAFCO to adopt an SOI for each city and special district in the County. The SOI serves much the same function for LAFCO as general plans serve for cities and counties: it guides the Commission in its consideration of annexations and other forms of reorganization. The sphere represents the logical extent of the agency’s boundary in the next 5 to 10 years. However, since LAFCO is required to update and review the sphere every 5 years, the sphere in all practicality has a 5-year planning horizon. When adopting the SOI, the Commission must make the following determinations:

- **Present and planned land uses in the area.** This consists of a review of current and planned land uses, including agricultural and open-space, based on planning documents.
- **Present and probable need for public facilities and services.** This includes a review of the services available in the area and the need for additional services.
- **Present capacity of public facilities.** This section includes an analysis of the capacity of public facilities and the adequacy of public services that the district provides or is authorized to provide.
- **Social or economic communities of interest.** This section discusses the existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the district. These are areas that may be affected by services provided by the district or may be receiving services in the future.
- **Present and probable need for services to disadvantaged communities.** Beginning July 1, 2012 the commission must also consider services to disadvantaged communities which are defined as populated areas within the SOI whose median household income is less than or equal to 80 percent of the statewide median income.

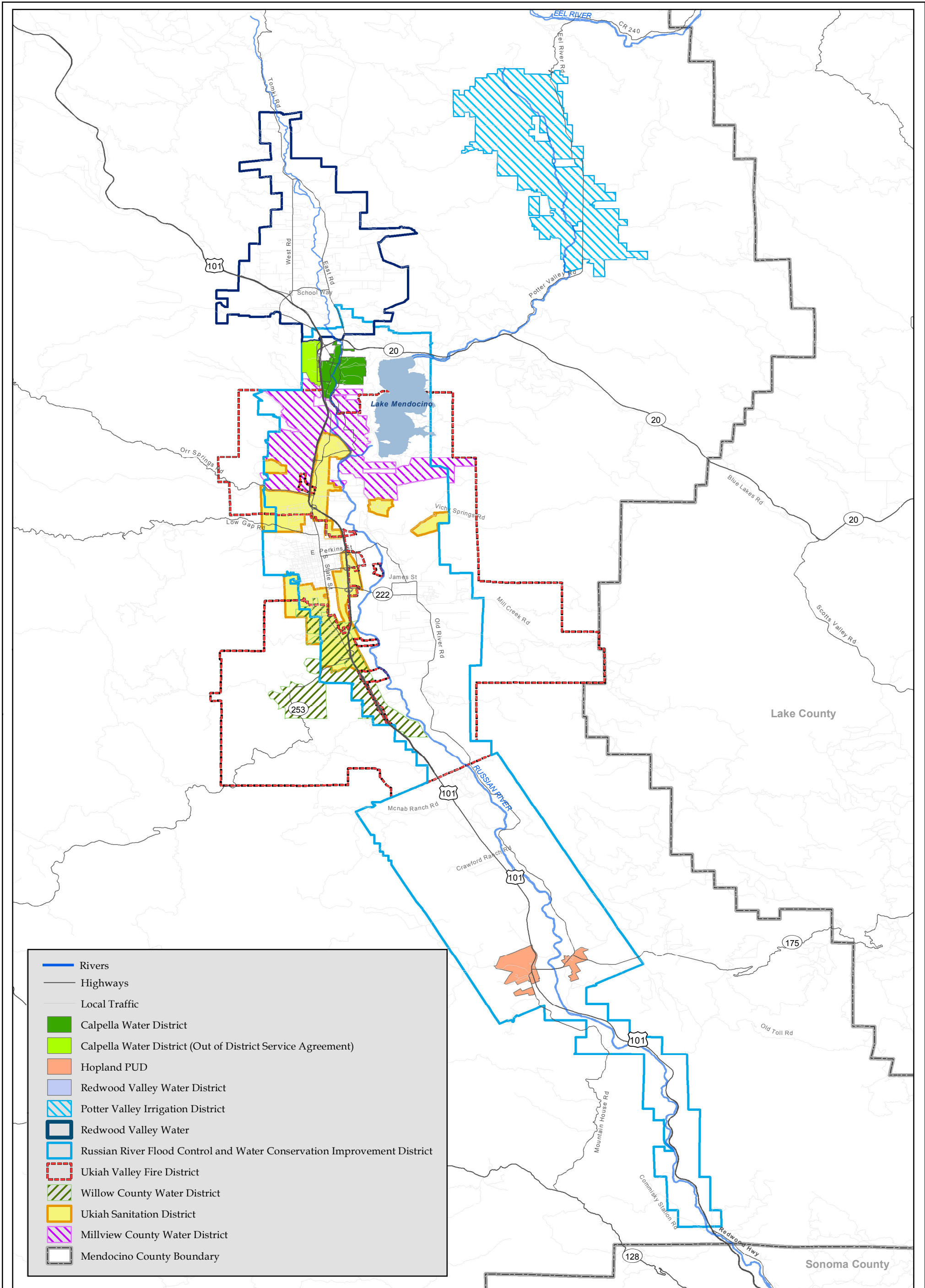
A SOI may be amended or updated. An amendment is a relatively limited change to the SOI to accommodate a specific project. Amendments can add or remove territory, address a change in provision of services by an agency, or revise a plan for services when it becomes impractical.

An update is a comprehensive review of the SOI that includes the map and relevant portions of one or more MSRs. The review allows for the identification of areas that are likely to receive services and to exclude those territories that are not or will not be served in the SOI.

California Environmental Quality Act (CEQA)

Public Resources Code Section 21000, et seq., also known as the California Environmental Quality Act (CEQA), requires public agencies to evaluate the potential environmental effects of their actions. This MSR is exempt from CEQA under a Class 6 categorical exemption. CEQA Guidelines Section 15306 states that "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource."

Establishment of the SOI is not exempt. The lead agency, most likely LAFCO, may prepare an Initial Study to determine whether a Negative Declaration, a Mitigated Negative Declaration, or a full Environmental Impact Report is needed to satisfy CEQA requirements.



Created September, 2012 - Exhibit1_1.mxd Data Sources: City of Ukiah, County of Mendocino, Esri

Exhibit 1.1



Ukiah Valley Special Districts

2: EXECUTIVE SUMMARY

Role and Responsibility of LAFCO

The fundamental role of a Local Agency Formation Commission (LAFCO) is to implement the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (Government Code Section 56000, et seq.), thereby providing for the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. The CKH requires all LAFCOs, including LAFCO of Mendocino County, to conduct a Municipal Service Review (MSR) prior to updating the SOI of the various cities and special districts in the County (Government Code Section 56430). CKH requires an MSR and SOI update every 5 years. The focus of this MSR is to provide LAFCO of Mendocino County with all necessary and relevant information related to services provided by the Ukiah Valley special districts. In all, eight districts will be reviewed. Table 1-1 lists six single-service districts and two multiple-service districts.

Exhibit 1-1 shows the current boundaries of each of the districts, plus the UVSD. The scope of this review will be the services provided within the current boundaries of each of the districts to allow LAFCO to set a coterminous sphere.

This MSR will provide Mendocino LAFCO with an informational document and make determinations in each of the seven areas prescribed by CKH. This MSR evaluates the structure and operation of each of the districts and discusses possible areas for improvement and coordination. The report contains one section for each of the following as prescribed by CKH:

- Growth and Population Projections for the Affected Area
- The Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence
- Present and Planned Capacity of Public Facilities and Adequacy of Public Services Including Infrastructure Needs or Deficiencies
- Financial Ability of Agencies to Provide Services
- Status of and Opportunities for Shared Facilities
- Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies
- Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

The MSR is used to shed light on the operations of a local agency, identify agencies unable to perform their mandated services, or identify ways to provide more effective, efficient services. Government Code Section 56375 allows LAFCO to take action on recommendations found in the MSR, such as initiating studies for changes of organization, updating the SOI, or initiating a change in organization.

Ukiah Valley Fire District

The Ukiah Valley Fire District (UVFD) provides fire protection services to approximately 80 square miles to the north, east, and south outside the city limits (Exhibit 3.1-1). It stretches from Highway 101 at Nelson Ranch Road to the south to the Gold Gulch drainage on Highway 101 to the north—including the southern half of Lake Mendocino—to the top of Cow Mountain to the east and the top of Highway 253 to the west.

Growth and Population Projections for the Affected Area

The current population of 14,764 is expected to grow by an average annual rate of 1 percent to approximately 15,945 by 2020.

Disadvantaged Unincorporated Communities

The communities of Calpella and Redwood Valley to the north and Hopland to the south are adjacent to district boundaries, but only Hopland meets the definition of a disadvantaged unincorporated community. The Hopland community receives municipal services from the Hopland Public Utility District, which provides water and sewer, and the Hopland Fire Protection District.

Present and Planned Capacity of Public Facilities

The UVFD provides structural, wildland fire suppression, and emergency medical services. The UVFD operates from three fire stations (Exhibit 3.1-1). Most of the equipment is located at the main station at 1500 South State Street. That includes four of the five engines, a utility vehicle, a communications vehicle, and a support vehicle.

Over the last four-years, calls for service ranged from a peak of 947 in 2008 to a low of 809 in 2009. Volunteers responded to 188 calls in 2008 or about 23 percent. Between 2008 and 2011, the number of calls ranged from 800 to 900 per year. The UVFD has the capacity to respond to approximately 1,000 calls per year.

Average response time in the Ukiah Valley is 4 minutes. The UVFD currently has an Insurance Services Office (ISO) rating of 4 (on a scale of 1 to 10, where 1 is the highest). By comparison, the Ukiah Fire Department received an ISO rating of 3.

Financial Ability of Agencies to Provide Services

The UVFD's operating budget is just under \$1 million per year. The UVFD derives most of its revenues from property tax and a special assessment. The property tax represents 32 percent of the total and the special assessment accounts for 64 percent. Of the total expenditures, 72 percent goes for salaries and benefits.

The long-term debt totaling \$731,951 represents obligations for vehicles, equipment, land, and workers' compensation liability. As of fiscal year (FY) 20011/12, the UVFD owed approximately \$543,440 on those obligations.

The UVFD has another special tax, Measure B, which generates \$114,000 annually for vehicle replacement. The UVFD collects fire mitigation fees that allow the UVFD sufficient funding to accommodate new growth.

Status of and Opportunities for Shared Facilities

The UVFD works cooperatively with state and local agencies. It has automatic aid agreements with the City of Ukiah and CAL FIRE, and a mutual aid agreement with Redwood Valley/Calpella Fire District and the Hopland Fire Protection District. The UVFD is a sponsor of the Mendocino Fire Safe Council.

Government Structure and Accountability

The Board of Directors consists of five members elected at large to four-year staggered terms. They meet regularly on the second Wednesday of the month at 1500 South State Street. The UVFD does not maintain a website; rather, it communicates with the public through noticed public meetings.

Fire agencies are structured as paramilitary agencies. The fire chief is supported by battalion chiefs, who in turn are supported by captains, engineers, and firefighters. District staff includes seven full-time and 29 volunteers, sufficient to provide fire protection and basic life support emergency medical services.

The UVFD and the City are moving toward consolidation. On August 1, 2012, the City hired the UVFD/Hopland Chief to be Chief of the Ukiah Fire Department as well. On October 3, 2012, the City Council approved a cooperative agreement with UVFD to drop jurisdictional boundaries of the two fire agencies as a step toward consolidation. In addition, the UVFD and the City have moved to assigning three firefighters to an engine—including two paid firefighters—and one volunteer to staff the north station and the south station, leaving the central station in the city limits to respond to ambulance calls. To help accomplish that, volunteers will now be given a stipend. On October 17, the City moved to consolidate dispatch services with CAL FIRE so that both the UFD and the UVFD would be dispatched from the same center effective March 2013.

Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

LAFCO policies for the efficient provision of services apply as the UVFD and the City of Ukiah move toward consolidating fire protection services.

Millview County Water District

The Millview County Water District (MCWD) was formed by the Mendocino County Board of Supervisors on November 19, 1956 under the California Water Code Section 30000. The MCWD provides water via 1,608 total connections, of which 1,333 are residential customers, 234 are commercial customers with 41 fire service connections, within an 8.5-square-mile service area northeast and immediately north of the city limits. The MCWD also wheels treated water to Calpella. The MCWD is currently under a State-imposed moratorium on new water hookups. Exhibit 3.2-1 illustrates the MCWD boundaries and the relationship to the City of Ukiah.

Growth and Population Projections for the Affected Area

The population of the MCWD is estimated at approximately 5,156. The population and growth study completed for the Ukiah Valley Area Plan estimated a growth rate between 1 percent and 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the MCWD in 2020 is expected to be 5,568.

Disadvantaged Unincorporated Communities

There are no disadvantaged unincorporated communities in the vicinity of the MCWD boundaries.

Present and Planned Capacity of Public Facilities

The MCWD receives most of its water from surface water rights. In addition, it can purchase up to 1,520 acre-feet (AF) of Lake Mendocino water. During the period from 2000 to 2009, the MCWD was able to meet demand. The average demand from 2000 to 2008 was 1,462 AF and production was 1,556 AF. Demand for a year with normal precipitation (2004) was 1,522 AF, which is used as the baseline for projections to 2030.

The MCWD has sufficient supply to serve its customers through 2015. A recent cease and desist order would reduce available supply by 785 acre-feet per year (AFY). The order is being contested; however, if it is upheld, the MCWD would have difficulty supplying water in 2020 and beyond unless it can purchase additional Lake Mendocino water or find another source.

Financial Ability of Agencies to Provide Services

The MCWD's annual budget is approximately \$1 million. As an enterprise, district revenues are generated by fees and charges. Water sales account for nearly all the income.

In 2009, the MCWD instituted a new rate schedule that provides sufficient funding for expenses and leaves a balance of approximately \$130,000 annually. In addition to a meter charge, the MCWD charges a fee of \$3.42 for every 1,000 gallons, which goes to operation and maintenance and capital improvements. As a result of the rate increase, the MCWD has the ability to provide services.

Status of and Opportunities for Shared Facilities

The MCWD works cooperatively with other local water purveyors. The MCWD treats and wheels water to the Calpella County Water District. The MCWD shares office space and the boardroom at 151 Laws Avenue.

Government Structure and Accountability

The MCWD is governed by a five-member board elected at large to four-year staggered terms. Board members receive a stipend of \$25 per meeting for a maximum of six meetings or \$150 per month. The board meets regularly on the third Tuesday of the month at 5 p.m. at Mendocino College, Room 1060. Meetings are noticed according to the Brown Act.

The MCWD communicates with its residents through inserts in their monthly water bills. The MCWD provides a subscription service to the agendas. The service is free but requires renewal each calendar year. The MCWD does not maintain a website.

The MCWD currently has four employees, including the general manager, two operators of the water treatment plant, and an administrative assistant. The staff and structure are sufficient to provide for efficient operations of the MCWD. The MCWD has adopted a number of policies and procedures to ensure it provides safe, potable water; tracks maintenance needs; and ensures that potable water is not used for agricultural irrigation.

Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

Expansion of the MCWD's boundaries is dependent on lifting the moratorium. Until that happens, establishing a coterminous sphere may be appropriate but would not affect current service delivery.

Potter Valley Irrigation District

The Potter Valley Irrigation District (PVID) was formed by the Board of Supervisors in 1924 under Section 20500 of the Water Code, which relates to irrigation districts. The purpose was to provide irrigation water to support agriculture in Potter Valley. Potter Valley produces wine grapes, pears, grass-fed cattle, sheep, and other agricultural products. The PVID serves 272 agricultural customers on 6,964 acres.

Growth and Population Projections for the Affected Area

The PVID has a population of approximately 1,700, based on California Department of Finance (CDOF) analysis of zip codes in the 2010 census. A similar analysis of 2000 census data indicated no growth in population between 2000 and 2010. The projected population in 2020 is the same as it was in 2010.

Disadvantaged Unincorporated Communities

There are no disadvantaged unincorporated communities within the sphere of influence of the PVID.

Present and Planned Capacity of Public Facilities

The PVID has three licenses (5246, 1199, 5545) with the State Water Resources Control Board that allow it to divert up to 22,670 AFY between April 1 and November 15 of each year. As part of this allotment, the PVID has a contract with PG&E to supply 19,000 AFY of irrigation water through 2022.

The Contract between the District and PG&E is depends on a Federal Energy Regulatory Commission (FERC) hydropower production license that PG&E holds allowing the diversion of water from the Upper Main Eel River termed the Potter Valley Project. Water from the Potter Valley Project feeds the Potter Valley Powerhouse which supplies water to the District's delivery canals. The Potter Valley Project consists of Scott Dam which impounds Lake Pillsbury; Cape Horn Dam forming Van Arsdale Reservoir, which serves as the forebay for the diversion tunnel; the fish screen and ladder at Van Arsdale which partially mitigate the impact of the diversion; the diversion tunnel itself which conveys water through the hill to the north end of Potter Valley; and finally the penstock and powerhouse in Potter Valley. The District's delivery canals begin at the Potter Valley Powerhouse. The current FERC license expires on April 14, 2022. The relicensing process is scheduled to begin in 2017.

The total annual diversion of water through the Potter Valley Project has been reduced by up to 60% of the flows allowed prior to the last relicensing in 1983. In the past six years the total diversion from the Eel River has, on average, been approximately 77,000 acre feet. The District uses some of the water. The remaining water, and recharge from the District system, flows into the East Branch of the Russian River and is stored in Lake Mendocino. The water stored in Lake

Mendocino subsequently becomes the majority of the water supply for downstream water users, including Redwood Valley, Calpella, Ukiah, Ukiah Valley, Hopland and northern Sonoma County above the confluence with Dry Creek. Any further reduction of this water supply will impact the economy of and quality of life for all of these communities. The water stored in Lake Mendocino is also an integral part of Russian River flow releases provided to protect and enhance anadromous fish populations. The relicensing of the Potter Valley Project will be of critical importance to water purveyors throughout Mendocino County.

The average annual demand is 16,588 AF with a normal year supply of 22,670. In dry years, the supply is reduced by more than 50 percent. The uncertainty in capacity has resulted in a moratorium on new customers through 2022.

Financial Ability of Agencies to Provide Services

The PVID budget operates on a calendar-year basis. Revenue sources are derived primarily from property taxes, which accounts for 70 percent of all revenues; water sales of 12.5 percent; and standby charges of 13.5 percent. Revenues for 2011 amounted to \$412,050 and expenses were \$299,230. The PVID has shown an average net income of \$115,000 over the last five years. The PVID has sufficient revenues to provide service.

Status of and Opportunities for Shared Facilities

The PVID works cooperatively with federal, state, and local agencies. The PVID holds a seat on the Mendocino County Inland Water and Power Commission (MCIWPC) and is active with a number of conservation groups to maintain the quality of the Upper Main Stem Eel River Watershed.

Government Structure and Accountability

The PVID is governed by a five-member board elected at large from divisions. Board members receive no compensation. The board meets regularly on the third Wednesday of the month at 7 p.m. at the PVID office at 10170 Main Street in Potter Valley. Board meetings are noticed according to the Brown Act. The board has one standing committee, the Safety Committee, and functions under a set of by-laws.

The PVID maintains a website that allows for communication with the public. It engages the public through community events such as the Eel River Cleanup.

The PVID has four full-time and seven part-time employees who provide efficient services to the PVID residents and customers.

Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

Because of the moratorium, the PVID is precluded from expanding services or seeking to expand its SOI. The PVID is responsible for providing irrigation water to maintain production of agricultural lands, which is consistent with LAFCO policies for preservation of agricultural land and open space.

Redwood Valley County Water District

The Redwood Valley County Water District (RVCWD) was incorporated on January 16, 1964 under Sections 30322 and 30323 of the Water Code. The RVCWD's service area is roughly 15 square miles in a valley 5 miles long by 3 miles wide. The RVCWD has a total of 1,335 connections, of which 1,135 are residential and 200 are agricultural.

Growth and Population Projections for the Affected Area

The population of the RVCWD is estimated at approximately 3,349. The population and growth study completed for the Ukiah Valley Area Plan estimated an annual growth rate between 1 percent and 1.63 percent. Economic conditions would favor the lower rate, so the estimated population of the RVCWD is expected to be 3,617 in 2020.

Disadvantaged Unincorporated Communities

There are no disadvantaged unincorporated communities in the vicinity of the RVCWD boundaries.

Present and Planned Capacity of Public Facilities

The annual demand is approximately 750 AF domestic and 1,450 AF for irrigation, a total of 2,200 AF. The RVCWD maintains a 68-acre-foot storage tank of untreated water from which water is transmitted to the water treatment plant to produce domestic water. The plant has a capacity of 1.7 million gallons per day.

The RVCWD's supply consists of a right to divert up to 4,900 AF from Lake Mendocino if flow at the confluence of the forks of the Russian River exceeds 72,000 AF. It is estimated that water will be available for 70 days in wet years and one or two days in dry years. As a result of the uncertain supply, the RVCWD is under a moratorium for new domestic and irrigation connections.

Financial Ability of Agencies to Provide Services

The RVCWD has an annual budget of approximately \$1 million. Sources of revenues are water sales, property taxes, and interest. Water sales account for 96 percent of all operating revenues. Revenues are split between 75 percent domestic and 25 percent irrigation.

A new rate schedule went into effect on January 1, 2010. The need for a rate increase was shown by the net operating loss in the preceding two fiscal years. The rates include a meter charge based on the size of the meter plus a usage charge. Domestic water customers are assessed on a five-tier usage schedule ranging from \$3.75 to \$5.50 per 1,000 gallons. Agricultural customers are charged a flat \$0.69 per 1,000 gallons.

The RVCWD has a capital improvement plan with a schedule of projects to be completed each year. In the last three years, the RVCWD allocated an average of \$87,000 annually for capital improvements.

Status of and Opportunities for Shared Facilities

The RVCWD works cooperatively with federal, state, and local agencies. For instance, the RVCWD is a member of the MCIWPC and is a partner in the assessment of the quagga/zebra mussel impacts

on water delivery systems. The RVCWD is also a member of the Joint Powers Insurance Authority (JPIA) to reduce insurance costs by joining in a pool with other agencies.

Government Structure and Accountability

A five-member board elected by division to four-year staggered terms governs the RVCWD. Board meetings are held regularly on the third Thursday of the month and are noticed according to the Brown Act. The RVCWD is unique in its use of a sandwich board to publicize its meetings. The RVCWD also maintains a website that is used to communicate with its residents.

The RVCWD has six employees: a general manager, one full-time and one part-time office staff, and three field technicians. Staffing is sufficient to perform the functions of the RVCWD.

One of the key issues is the potential consolidation with the RRFC. An ad hoc committee has been at work to address issues. The consolidation is complicated by its interaction with SCWA, which controls water from Lake Mendocino that is critical to successful consolidation.

Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

Since the RVCWD is considering consolidation with the RRFC, LAFCO policies relating to consolidation will apply.

Russian River Flood Control and Water Conservation Improvement District

The Mendocino County Russian River Flood Control and Water Conservation Improvement District (RRFC) was formed to serve as the local sponsor for the development of Coyote Dam and Lake Mendocino, along with the Sonoma County Water Agency. The RRFC encompasses approximately 51,000 acres from just north of the Sonoma County line to Calpella in the north.

The RRFC provides raw water for irrigation (nearly 60% of its allocation) and to municipal water purveyors within its boundaries and place of use. The municipal service provider then treats and distributes the water to its customers. The RRFC has contracts to provide Lake Mendocino water to nine water agencies in the Ukiah Valley, including the City of Ukiah, three county water districts (Millview, Calpella, and Redwood Valley), one public utility district (Hopland Public Utility District), two mutual water companies (River Estates and Henry Station), one water company (Rogina), and one irrigation district (East Sanel).

Growth and Population Projections for the Affected Area

The population of the RRFC is estimated at 33,300. Projected growth ranges from 1 percent to 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the RRFC is expected to be approximately 36,000 in 2020.

Disadvantaged Unincorporated Communities

There are no disadvantaged unincorporated communities in the vicinity of the RRFC boundaries.

Present and Planned Capacity of Public Facilities

The RRFC is limited to a maximum of 8,000 AF of water from Lake Mendocino by water right permit 12947B. Of these, the RRFC presently has contracts for 6,600 AF. The remaining 1,400 AF, when

available, are considered surplus and historically have been sold to the Redwood Valley County Water District.

Financial Ability of Agencies to Provide Services

The RRFC has a budget for FY 2012-13 of approximately \$342,000. The RRFC receives approximately 10 percent of its revenues from property taxes and 90 percent from water sales. In the last 3 years, the RRFC has had some surplus water, which it sells to RVCWD. The capacity is limited by its water right permit.

Status of and Opportunities for Shared Facilities

The RRFC works cooperatively with a number of other water agencies such as SCWA. The RRFC holds a seat on the IWPC and has participated in the study with other regional agencies to assess impacts of the quagga/zebra mussels.

Government Structure and Accountability

The RRFC is governed by a five-member board elected at large to four-year staggered terms. The board meets on the second Wednesday of the month at RRFC headquarters. The board has four standing committees. Meetings are noticed according to the Brown Act. The RRFC communicates with residents through its website and meeting notices.

The RRFC has one employee, the general manager. He is able to manage water contracts, has the technical background to operate the RRFC, and provides technical expertise to other agencies.

The RRFC has been actively working with the Redwood Valley County Water District on a consolidation. Both Districts have signed a Memorandum of Agreement that has expired; however, the consolidation hinges on the ability to acquire additional water rights.

Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

Since the RRFC is considering consolidation with the RRFC, LAFCO policies relating to consolidation apply.

Willow County Water District

The Willow County Water District (WCWD) was formed on July 20, 1950 under section 30321 of the Water Code. The WCWD provides water service to approximately 990 residential and 60 commercial connections covering approximately 2,760 acres located immediately south of Ukiah. The WCWD also serves 85 customers in the City on South Dora, Rose, and Yokayo Streets. The area was annexed to the City; however, in order to maintain revenue stability, the WCWD continues to provide service.

Growth and Population Projections for the Affected Area

The current population of the WCWD is estimated at 3,760. The unincorporated portion of the Ukiah Valley is expected to grow at a rate of 1.00 to 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the WCWD is expected to be approximately 4,200 by 2020.

Disadvantaged Unincorporated Communities

Hopland to the south is adjacent to district boundaries and meets the definition of a disadvantaged unincorporated community. The Hopland community receives municipal services from the Hopland Public Utility District, which provides water and sewer, and from the Hopland Fire Protection District.

Present and Planned Capacity of Public Facilities

During a normal year such as 2004, the WCWD distributes 1,210 AF of water for domestic and irrigation uses. Between 2000 and 2009, the average production was 1,094 AF, of which 94 percent was for domestic uses.

The WCWD maintains a storage capacity of 1.348 million gallons in nine storage tanks strategically located throughout the WCWD. It has surface water rights of 2,166 AF and can purchase up to 515 AF from RRFC.

Demand in 2010 was 1,301 AF and is expected to increase to 1,904 AF in 2030, assuming there are no conservation measures in place. Total supply from all sources is estimated at 2,681 AF in a normal year and 2,308 AF in an extended dry year. On that basis, the WCWD has sufficient capacity to meet anticipated demand.

Financial Ability of Agencies to Provide Services

The WCWD budget is approximately \$680,000, which is sufficient to fund domestic and irrigation services. Water sales account for 70 percent of all revenues; of that total, approximately 81 percent is derived from residential sales, 14 percent is derived from commercial or sales to businesses, and 5 percent comes from industrial customers.

The WCWD also receives revenue from management contracts. It currently provides staffing for the Calpella County Water District, the Hopland Public Utility District, and the River Estates Mutual Water Company.

The WCWD has a long-term capital improvement plan funded as "pay-go," which means projects are initiated as funding becomes available. The WCWD has no long-term debt obligations.

Status of and Opportunities for Shared Facilities

The WCWD works with other water agencies in the Ukiah Valley and maintains an emergency intertie with the City of Ukiah. Cooperation among the water agencies is facilitated by the fact that RRFC, Millview, Calpella, Hopland, Ukiah Valley Sanitation District, and Willow all have offices in the 151 Laws Avenue building.

Government Structure and Accountability

The WCWD is governed by a five-member board of directors elected at large to four-year staggered terms. Directors receive a stipend of \$25 per meeting. The board meets regularly on the second Monday of the month at district headquarters. Meetings are noticed according to the Brown Act.

The WCWD does not have a website but communicates with residents by posting the agenda. The WCWD also maintains regular office hours to answer billing questions and provide customer service.

The WCWD has five employees, each with well-defined responsibilities. One measure of management efficiency is long-range planning. The WCWD has a capital improvement plan, a disaster plan, and maintains a policy and procedure manual.

The WCWD provides staffing for Calpella CWD and Hopland PUD through management contracts. The contracts provide for functional consolidation of the two districts with Willow CWD.

Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

The only LAFCO policies that could affect service delivery are those related to consolidation, should that action be of interest to Calpella CWD, Hopland PUD, and Willow CWD.

Calpella County Water District

The Calpella County Water District (CCWD) was formed in 1955 under the County Water District Law. The CCWD provides water and sewer to the Calpella Community. The CCWD is located in the northwest corner of the Ukiah Valley Area Plan (UVAP), and it currently provides water to 140 residential and 25 commercial water connections and sewer services to approximately 103 sewer connections in the community of Calpella and surrounding area. The CCWD serves an area of approximately 1,297 acres. In addition, there is an area to the west that is not part of the CCWD but where services are provided through an out-of-area service agreement to provide water for non-agricultural uses. The area consists of 46 parcels and approximately 233 acres. The CCWD boundaries along with the present sphere of influence are shown in Exhibit 4.1-1.

Growth and Population Projections for the Affected Area

The current population of the CCWD is estimated at 679. The unincorporated portion of the Ukiah Valley is expected to grow at a rate of 1.00 to 1.63 percent annual. Economic conditions would favor the lower rate, so the estimated population of the CCWD is expected to be approximately 730 by 2020.

Disadvantaged Unincorporated Communities

There are no disadvantaged unincorporated communities in the vicinity of the CCWD boundaries.

Present and Planned Capacity of Public Facilities

The average normal year demand is 119 AF. The CCWD operates one well with a capacity of 40 AF and in order to meet demand must contract with RRFC for the remainder. Because of geographical constraints, the CCWD must contract with Millview County Water District for treatment and transport. Because of the uncertainty in water supply, the CCWD is under a new hookup moratorium.

The CCWD serves 103 sewer connections and operates a wastewater treatment plant. The capacity of the plant was increased to 80,000 gpd. In 2007, the average daily flow rate was estimated at 32,000 gallons. The CCWD has additional treatment capacity and can accommodate up to 1,000 residents, which is about 300 more than the current population of the CCWD.

Financial Ability of Agencies to Provide Services

Revenue sources are water sales, sewer charges, and limited amount of property taxes. Relative proportions are property tax, 8 percent; sewer charges, 39 percent; and water sales, 53 percent.

The CCWD has a budget of income averaging approximately \$207,000 and expenses averaging approximately \$223,000. The actuals for FY 2007-08 through FY 2009-10 also show deficits.

In 1979, the CCWD secured a revenue bond for \$31,300. The bond is due in 2019. The CCWD pays \$1,000 a year to repay the bond.

Status of and Opportunities for Shared Facilities

The CCWD shares office space with the Willow County Water District. The CCWD has a contract with WCWD for staff services that includes administrative services as well as operations. The CCWD has no employees.

Government Structure and Accountability

The CCWD is governed by a five-member board elected at large to four-year staggered terms. Board member receives a stipend of \$40 per meeting up to \$80 per month. The board meets on second Wednesday of each month at 6 p.m. at Calpella Elementary School on Moore Street in Calpella.

Meeting notices are posted on the front door of the CCWD Office on Laws Avenue and as required by the Brown Act. The CCWD keeps a mailing list of interested parties who receive a notice by mail. The CCWD does not maintain a website.

The CCWD and the Commission should consider a change in organization that could include annexation of the Out of Area Service Agreement (OASA) area and/or consolidation with Willow CWD.

Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

The only LAFCO policies that could affect service delivery are those related to annexation and consolidation, should that action be of interest to Calpella CWD and Willow CWD.

Hopland Public Utility District

The Hopland Public Utility District (HPUD), established in 1955, is located south of the Ukiah Valley Area Plan study area. Hopland PUD originally provided water, wastewater, and fire services. The Fire department became a separate entity in 1995. Willow CWD ran the system from 1983 to 1992 and more recently was asked by the board of directors to operate the system through a staffing agreement.

The HPUD now provides water and sewer service to the Hopland community. There are 350 water connections and 303 sewer connections. The HPUD had been supplying water to the Hopland Band of the Pomo Indian Tribe and their casino. In September 2007, the California Department of Public Health imposed a moratorium on new water hookups by the Hopland Public Utility District after concluding the HPUD pumped 24.1 million more gallons of water from the Russian River than it was entitled to. The moratorium was lifted in 2011 because the HPUD was able to show compliance.

Growth and Population Projections for the Affected Area

The population of Hopland is estimated 756 by the 2010 Census. Growth in the previous 10 years was 10 percent or about 1 percent per year. Using the 1 percent growth rate, the population is estimated at 830 in 2020.

Disadvantaged Unincorporated Communities

There are no disadvantaged unincorporated communities within the sphere of influence of the HPUD.

Present and Planned Capacity of Public Facilities

The HPUD serves 350 water customers but has no water rights. The HPUD maintains two storage tanks with a capacity of 800,000 gallons, which is approximately half the summer supply. Current demand is 350 AFY. The HPUD contracts with RRFC for up to 400 AF of Lake Mendocino water. The HPUD has sufficient water capacity.

The HPUD has 303 sewer connections. Average daily flow is 45,000 gpd while capacity is 90,000 gpd. The peak daily flow capacity is 220,000. The HPUD has the capacity to double its sewer customers.

Financial Ability of Agencies to Provide Services

The HPUD's annual budget averages \$470,000. Revenues are derived primarily from sewer charges (56 percent) and water sales (36 percent). The long-term debt obligation is \$1,380,221. Annual principal interest payments amount to \$62,000 in FY 2012-13. Operating revenues exceed operating expenses; however, net operating revenue has been less than interest expenses for long-term debt three of the last four-years.

Status of and Opportunities for Shared Facilities

The HPUD shares office space with the staff of Willow CWD as part of their staff services agreement. The HPUD has no employees.

Government Structure and Accountability

The HPUD is governed by a five-member board elected at large to four-year staggered terms. They meet on the second Thursday of each month at 6:30 p.m. at the Old Train Depot. Directors receive a monthly stipend of \$84.40, which is deducted from their water and sewer bill.

The HPUD keeps a record of the proceedings. Meetings are noticed according to the Brown Act. The contract with Willow CWD allows the HPUD to maintain an office where staff can respond to customers and the public.

Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

The only LAFCO policies that could affect service delivery are those related to consolidation, should that action be of interest to HPUD and Willow CWD.

Recommendations

Anticipated growth in the Ukiah Valley is less than 1 percent annually through 2020. The enterprise-funded districts can adjust to growth through their ability to make rate adjustments. The Ukiah Valley Fire District is funded by a special tax and property taxes. The UVFD has the ability to respond to approximately 1,000 calls per year. Between 2008 and 2011, the number of calls ranged from 800 to 900 per year. With a 1 percent growth rate, it is anticipated the Ukiah Valley Fire District will be responding to approximately 1,000 calls per year by 2020. The present level of funding for the UVFD should accommodate the limited growth.

Consolidations. After review of the eight districts, there are several recommendations concerning consolidation, annexation, and others. A number of agencies have achieved a functional consolidation, including (1) UVFD with the City of Ukiah Fire Department and (2) Willow CWD, Calpella CWD, and Hopland PUD. These agencies should consider a formal consolidation through LAFCO.

Calpella CWD. The Calpella CWD has been providing water service to an area west of US 101 through an out-of-area service agreement since 2001. Although the CCWD is under a moratorium, the CCWD should consider an annexation of this area primarily because it has already been providing service. Service to this area may not be considered new connections. In addition, the CCWD may receive some additional property tax to help balance shortfall due to interest payments on debt service. Should the Calpella CWD pursue annexation, it may have to establish two zones of services. One zone would provide water and sewer, while the other zone would provide water only.

Hopland PUD. A review of the financial statements for Hopland PUD shows that although the HPUD's revenues exceed expenses, the interest payments on debt service have exceeded net income in two of the last three years. One solution would be to perform a rate study and adopt a schedule that provides sufficient revenue to cover debt service.

Websites. Of the eight districts included in this municipal service review, only three districts—Redwood Valley, RRFCD, and PVID—have websites. Websites are an inexpensive way to communicate with residents and other agencies. Websites are recognized as a way to notice a public meeting. The other five districts—UVFD, WCWD, MCWD, CCWD, and HPUD—do not. These districts should establish websites to improve exchanges of information.

3: SINGLE SERVICE DISTRICTS

3.1 – Ukiah Valley Fire District

District Profile

The Ukiah Valley Fire District (UVFD) provides fire protection services to approximately 80 square miles to the north, east, and south outside the city limits. As shown in Exhibit 3.1-1, it stretches from the Highway 101 at Nelson Ranch Road to the south; to the Gold Gulch drainage on Highway 101 to the North, including the southern half of Lake Mendocino; to the top of Cow Mountain to the east; and the top of Highway 253 to the west.

The UVFD provides structural, wildland fire suppression, and emergency medical services. UVFD staff are trained to provide emergency medical service at the Basic Life Support (BLS) level and are the first responders to these types of calls. Two private ambulance companies, Ukiah Ambulance Service and Vari Health Ambulance Service, provide Advanced Life Support (ALS) and transport to the hospital. The UVFD reviews all applications for new commercial construction, multi-unit housing, occupancy changes, or tenant changes that are within its service area and require a building permit.

3.1.1 – Growth and Population Projections

The UVFD boundaries are contained within three census tracts whose population in the 2010 census is estimated at 15,443. Those census tracts also include the community of Calpella, which is not in the UVFD and has a population of 679. Excluding Calpella, an upper limit for the population is 14,769. Table 3.1-1 shows the population estimates of the three census tracts in comparison to the population of the City of Ukiah and Mendocino County. The table indicates the population of the UVFD is comparable to the City of Ukiah.

Table 3.1-1: Ukiah Valley Fire District Population Estimates

Area	2010 Population
Census Tract 109	4,863
Census Tract 113	6,340
Census Tract 117	4,240
Less Calpella	679
Estimated District Total	14,764
City of Ukiah	15,628
Mendocino County	87,487
Source: U.S. Census 2010.	

Another population estimate can be derived from a study undertaken by the City of Ukiah to evaluate fire service alternatives. The study assessed the advantages and disadvantages of a consolidation of the Ukiah Fire Department and the Ukiah Valley Fire Protection District. That

study, completed in 2012, estimated population of the UVFD as 13,000. As a result, the population of the UVFD can be estimated between 13,000 and 15,000.

The population of the UVFD was also studied as a part of the Ukiah Valley Area Plan (UVAP). In a review completed in 2007 for the Ukiah Valley, the population between 2005 and 2020 was projected to increase at a rate of 1.63 percent per year, but this may be optimistic, since the analysis was completed before the economic downturn. The same study shows an average 1 percent annual growth rate between 1990 and 2005. Using the more conservative historic growth rate the population for 2020 would grow to 13,650. With the higher population and the higher growth rate, the population in 2020 may be expected to reach 16,700.

However, given economic conditions and the historic slow growth rate in the Ukiah Valley, the 16,700 figure can be viewed as an upper bound. Perhaps the best estimate of growth would be 1 percent annual growth rate on the census population of 14,764, so that in 2020, the population of the UVFD would likely grow to 15,945.

DETERMINATIONS:

3.1.1.1 The current population of 14,764 is expected to grow by an average annual rate of 1 percent to approximately 15,945 by 2020.

3.1.2 – Disadvantaged Communities

In 2011, the legislature passed SB 244, which was signed into law and became effective on January 1, 2012. The new law added a seventh area to evaluate in the MSR. SB 244 requires identification of disadvantaged unincorporated communities that lie within the UVFD's SOI or proposed SOI.

By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within a city's sphere of influence. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean. An unincorporated legacy community means a geographically isolated community that is inhabited and has existed for at least 50 years.

There are no island communities or legacy communities, but three communities just outside the district boundaries that should be evaluated are Hopland to the south and Calpella and Redwood Valley to the north. Both areas are served by fire protection districts, the Hopland Fire Protection UVFD and the Redwood Valley Calpella Fire District.

Table 3.1-2 shows the median household income of each area compared to the statewide median household income, based on the 2010 census. The data show that the median income for Calpella and Redwood Valley exceed the 80-percent threshold and should not be considered disadvantaged unincorporated communities. The Hopland community, however, meets the test. Despite the designation, the Hopland community does receive essential municipal services from special districts. The Hopland Public Utilities District provides water and sewer and the Hopland Fire Protection Department provides fire suppression.

Table 3.1-2: Median Household Income – Ukiah Valley Fire District Communities

LOCATION	CENSUS TRACT	MEDIAN HOUSEHOLD INCOME	PERCENT OF MEDIAN CALIFORNIA HOUSEHOLD INCOME OF \$57,708
Calpella	109	\$53,725	93
Redwood Valley	108.01	\$53,563	93
Hopland	118	\$44,700	77

Source: U.S. Census 2010.

DETERMINATIONS:

3.1.2.1 The communities of Calpella and Redwood Valley to the north and Hopland to the south are adjacent to district boundaries. Of these, only Hopland meets the definition of a disadvantaged unincorporated community. The Hopland community receives municipal services from the Hopland Public Utility District, which provides water and sewer, and from the Hopland Fire Protection District providing fire suppression.

3.1.3 – Present and Planned Capacity of Public Facilities

The UVFD operates from three stations. The station at 1500 South State Street is its main station. A second station to serve the northern portion of the UVFD is located at 1800 North State Street. Its new station on 1301 Talmage Road is the Talmage Volunteer Fire Station (Exhibit 3.1-1).

The UVFD’s emergency fleet consists of 11 vehicles: three Type 1 (structural) fire engines, two Type 3 (wildland) fire pumpers, one multi-purpose squad vehicle, one wildland patrol vehicle, one incident support unit, one water tender, and two utility vehicles. The UVFD facilities, allocation of personnel, and equipment are shown in Table 3.1-3.

Table 3.1-3: Ukiah Valley Fire District Stations Staffing and Equipment

STATION LOCATION	STAFFING	PERSONNEL	APPARATUS
Station 1 (South Station) 1500 South State Street Ukiah, CA 95482	Staffed 24/7 365 days/year	Battalion Chief or Captain Volunteers	Unit 6400. Utility 6440 Support 6456 Engine 6460, Engine 6472 Engine 6483, Engine 6481 Communication 11 MCI/USAR 64
Station 2 (North Station) 1800 North State Street Ukiah, CA 95482	Staffed 24/7 365 days/year	Captain Engineer Volunteers	Engine 6485 Squad 6431
Station 3 (Central Station) 1301 Talmage Road Ukiah, CA 95482		Volunteers	Water Tender 6490 Patrol 6468

Source: Bartlett, 2012.

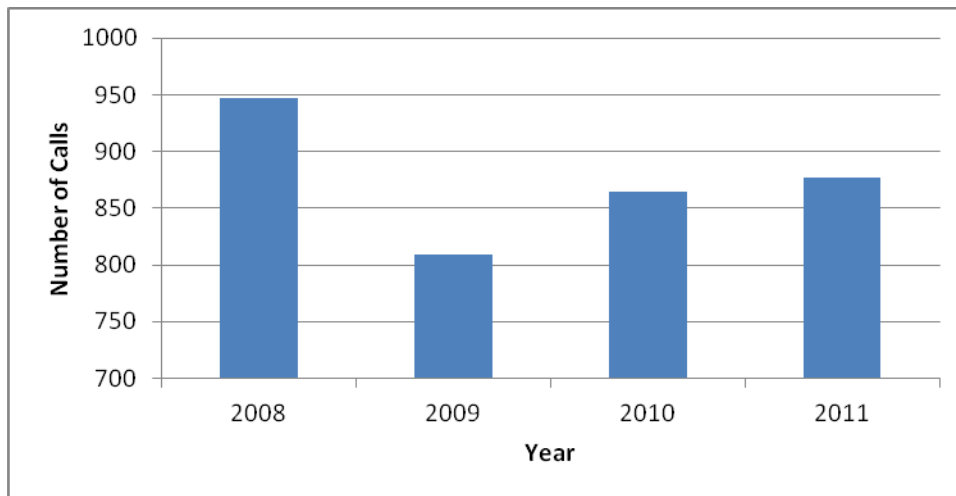
Several pieces of equipment are in need of replacement. Table 3.1-4 shows the need to replace three engines and a patrol mini pumper.

Table 3.1-4: Ukiah Valley Fire District Fleet Replacement Needs

APPARATUS	AGE (YEARS)
Patrol Mini Pumper	22
Engine - Type III Wildland	32
Engine - Type I	17
Engine - Type I/II	16
Source: Citygate, 2012.	

Emergency calls for service are dispatched via radio from CAL FIRE’s Emergency Command Center located on US 101 at the top of the Ridgewood Grade. Calls for service for the period 2008–2011 are shown in Exhibit 3.1-2. As shown, calls for service have ranged from 809 to 947, with a steady increase over the last three years. In 2008, volunteers were alerted for 188 calls out of the 809 handled by UVFD.

Exhibit 3.1-2: Ukiah Valley Fire District Calls for Service 2008–2011



Source: Grebil, 2012.

In 2011, UVFD responded to 877 calls for service up from 864 calls in 2010. Of these, an average of 79 percent were for non-fire incidents and volunteers responded to 21 percent.

Average response time to a fire or medical emergency in the Ukiah Valley Area Plan area is approximately 4 minutes. The UVFD currently has an Insurance Services Office (ISO) rating of 4 (on a scale of 1 to 10, with 1 being the best). In comparison, the ISO rating for the Ukiah Fire Department is 3.

Emergency Medical Dispatching (EMD) provides a tiered emergency medical response, based on national standards, and pre-arrival instructions to the 911 caller. In 2011, this tiered response reduced UVFD's medical responses by approximately 120. A non-emergency ambulance handled those calls alone.

DETERMINATIONS:

- 3.1.3.1 The UVFD provides structural, wildland fire suppression services, and emergency medical services.
- 3.1.3.2 The UVFD operates from three fire stations staffed by full-time, volunteers, and part-time staff.
- 3.1.3.3 Most of the equipment is located at the main station at 1500 South State Street. Equipment includes four of the five engines, a utility vehicle, a communications vehicle and a support vehicle.
- 3.1.3.4 Over the last four-years, calls for service ranged from a peak of 947 in 2008 to a low of 809 in 2009. Volunteers responded to 188 calls in 2008 or about 23 percent. Between 2008 and 2011, the number of calls ranged from 800 to 900 per year. The UVFD has the capacity to respond to approximately 1,000 calls per year.
- 3.1.3.5 Average response times in the Ukiah Valley are 4 minutes. The UVFD currently has an Insurance Services Office (ISO) rating of 4 (on a scale of 1 to 10, with 1 being the best). In comparison, the ISO rating for the Ukiah Fire Department is 3.

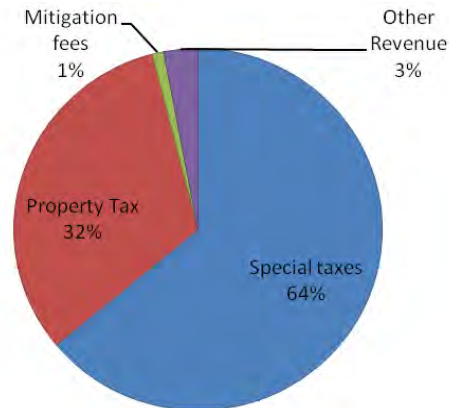
3.1.4 – Financial Ability to Provide Services

The UVFD is funded primarily by property taxes and a special assessment. A special fire tax passed by voters on March 4, 1998 replaced 95 percent of the Benefit of Assessment that was nullified by the passage of Proposition 218. This special fire tax is assigned a variable unit value of \$50 per "unit." For example, a single-family household within the UVFD is assigned two units of value for an annual tax of \$100.

On November 4, 2003, UVFD voters passed Measure B, a special tax for the specific purpose of replacing fire suppression vehicles, emergency equipment, personnel safety equipment, and the provision of training. The tax funds approximately \$114,000 annually and is assigned a variable unit value of \$10 per unit. To date, the Measure B Fund has allowed for the replacement of seven of the UVFD's eleven emergency response vehicles, radio communications equipment, fire hose, self-contained breathing apparatus, and other firefighting equipment.

Exhibit 3.1-3 shows revenues for FY 2010-11, which are fairly representative of the split between property tax and the special assessment. The exhibit shows that the special assessment accounts for nearly two-thirds of the revenue and property taxes account for approximately one-third.

Exhibit 3.1-3: Ukiah Valley Fire District Revenue Sources FY 2010–11



Source: Citygate, 2012.

The UVFD relies on Fire Protection Mitigation Fees authorized by County Ordinance No. 4175 as a funding mechanism for capital facilities and equipment needed to accommodate new growth. The UVFD assesses a fee of \$0.39 per square foot of new development. At present, the mitigation fees are sufficient for infrastructure needs of new areas. Exhibit 3.1-3 shows mitigation fees account for approximately 1 percent of UVFD revenues.

The annual budget is approximately \$1 million. Table 3.1-5 summarizes budgeted revenues and expenditures for FY 2012-13. The table also shows the percent of total revenues and expenses for each account. Revenues are split between property tax (32 percent) and special tax (64 percent). Mitigation fees to accommodate growth are approximately 1.5 percent. On the expenditure side, salaries and benefits account for 72 percent.

Table 3.1-5: Ukiah Valley Fire District FY 2012–13 Budget

ACCOUNT	REVENUES	PERCENT TOTAL REVENUES	ACCOUNT	EXPENSES	PERCENT TOTAL EXPENSES
Secured and Unsecured Property Tax	\$278,200	31.2%	Salaries and Benefits	\$640,00	72.0%
Special Tax	572,850	64.3%	Services and Supplies	199,900	22.5%
Fire Protection Mitigation Fees	12,900	1.4%	Other Charges	48,100	5.4%
Other revenues	22,400	2.5%	Fixed Assets	1,000	0.1%
Miscellaneous Fees	5,000	0.6%			
Total Revenues	\$891,350				
Total Revenues less Reserves	\$889,000		Total Expenses	\$889,000	

Source: Bartlett, 2012b.

Table 3.1-6 shows long-term debt obligations of the UVFD ending FY 2009-10. The UVFD has borrowed to purchase equipment and vehicles. In addition, the UVFD has borrowed to meet its Workers' Compensation liability. The outstanding debt is approximately 57 percent of one year's revenues.

Table 3.1-6: Ukiah Valley Fire District Long-Term Debt

PURPOSE	YEAR ISSUED	ENDING MATURITY	AMOUNT	OUTSTANDING FY2011/12
Fire Protection	2010	2020	\$200,000	\$204,305
Workers' Compensation Liability	2003	2013	\$26,951	\$11,311
Real Estate Purchase	2008	2018	\$200,000	\$156,810
Vehicle Purchase	2005	2015	\$265,000	\$131,014
Total			\$731,951	\$503,440

Source: State Controller's Report, 2011, Bartlett, 2013.

More recently, instead of borrowing for equipment purchases, the UVFD leases new equipment. The cost of leasing is approximately \$67,500 annually.

DETERMINATIONS:

- 3.1.4.1 The UVFD's operating budget is just under \$1 million per year. The UVFD derives most of its revenues from property tax and a special assessment. The property tax represents 32 percent of the total and the special assessment accounts for 64 percent. Of the total expenditures, 72 percent goes for salaries and benefits.
- 3.1.4.2 The long-term debt totals \$731,951 and represents obligations for vehicles, equipment, land, and Workers' Compensation liability. As of FY 2011/12, the UVFD owed approximately \$543,440 on those obligations.
- 3.1.4.3 The UVFD has another special tax, Measure B, which generates \$114,000 annually for vehicle replacement.
- 3.1.4.4 The UVFD collects fire mitigation fees that allow the UVFD sufficient funding to accommodate new growth.

3.1.5 – Status and Opportunities for Shared Facilities

The UVFD can draw upon the emergency resources of other fire departments located in the area on the basis of automatic and mutual aid agreements. The UVFD is a participant in the statewide fire and rescue mutual aid system and can call upon statewide assistance if needed. UVFD has automatic aid agreements with the City of Ukiah Fire Department and the CAL FIRE. It has a mutual aid agreement with the Redwood Valley/Calpella Fire District and the Hopland Fire Protection District. The UVFD also receives dispatch services via radio from CAL FIRE's Emergency Command Center.

The UVFD also supports the Redwood Empire Hazardous Incident Team, which responds to calls involving hazardous materials spills. The team is a cooperative effort of County fire agencies and the Mendocino County Division of Environmental Health, which oversees the team.

The UVFD is one of the sponsors of the Mendocino Fire Safe Council. The Mendocino County Fire Safe Council, founded in 2004, assists by (1) educating residents about the dangers of wildfire and how they can save their lives and property when one occurs; (2) encouraging mapping, evacuation route planning, road sign installation, water supply development, and other projects in rural areas to prepare for wildfire situations; and (3) obtaining grant funding to help residents make the necessary changes.

The UVFD has worked with the City on the Ad Hoc Fire Integration Study Committee. The Committee consists of 10 members appointed by the Ukiah City Council and the UVFD's Board of Directors to evaluate opportunities to bring greater efficiencies to the fire service in the Ukiah area. The Committee met regularly between October 2007 and January 2008. During April of 2012, the committee was reduced to two members from the UVFD board and two from the City Council. On August 1, 2012, the City Council approved the hiring of Chief Bartlett as Chief of the Ukiah Fire Department. The City and UVFD are working to consolidate dispatching services, which should become effective in March 2013.

DETERMINATIONS:

3.1.5.1 The UVFD works cooperatively with state and local agencies. It has automatic aid agreements with the City of Ukiah and CAL FIRE. It has a mutual aid agreement with Redwood Valley/Calpella Fire District and the Hopland Fire Protection District.

3.1.5.2 The UVFD is a sponsor of the Mendocino Fire Safe Council.

3.1.6 – Government Structure and Accountability

The Board of Directors consists of five members elected at large to four-year staggered terms. The board meets on the second Wednesday of each month at 7 p.m. at 1500 South State Street. Meetings are noticed according to the Brown Act and the public is welcomed. The UVFD does not maintain a website and communicates with the public by noticing its public meetings.

The UVFD is a combination of a full-time and volunteer department. The structure of the organization is typical of many fire departments and appears to be appropriate for the type of department. Table 3.1-7 shows staffing and status of the UVFD personnel.

There are seven paid career staff: a fire chief, three fire captains, and three fire apparatus engineers. Career staff provide support to the volunteers by managing day-to-day operations of the UVFD in such areas as administration, prevention, training, and equipment maintenance.

In addition, the UVFD employs an average of 29 volunteers and part-time staff who support the career staff in times of emergency. Volunteers attend training every Thursday evening and participate in public education events. UVFD volunteers are alerted of emergency incidents by a radio pager and either respond directly to the scene or stop at a fire station to staff additional emergency vehicles.

Table 3.1-7: Ukiah Valley Fire District Total Staffing

POSITION	NUMBER	STATUS
Chief	1	paid
Battalion Chief	2	1 paid, 1 volunteer
Captains	4	3 paid, 1 part-time
Engineers	6	2 paid, 4 volunteer
Firefighters	20	volunteer
Support Personnel	3	volunteer
Total	36	7 paid, 29 volunteer/part-time
Source: Bartlett, 2012.		

One of the main governance issues is consolidation of the Ukiah Fire Department and the UVFD. In 2007, the Ad Hoc Fire Integration Study Committee was formed to look at ways to provide more efficient services. The Committee discussed merging volunteer programs, merging the vehicle fleet, merging fire inspection programs, training, and eliminating duplication of effort. One of the

issues raised was allowing the UVFD to maintain service to areas detached and annexed to the City so the UVFD could retain its tax revenues and the possibility of consolidation.

In December 2011, the City Council directed staff to hire a consultant, Citygate, to study consolidation options with the UVFD. In February 2012, Citygate presented its findings to the City Council that concluded that consolidation would improve service but would not provide any cost savings. Some of the hurdles include the salary differential between City fire personnel and UVFD personnel, and the substantial apparatus replacement needs of both agencies.

The City Fire Department and the UVFD continued discussions on consolidation. On August 1, 2012, the City hired the UVFD/Hopland Chief to be Chief of the Ukiah Fire Department as well. On October 3, 2012, the City Council approved a cooperative agreement with UVFD to drop jurisdictional boundaries of the two fire agencies as a step toward consolidation. In addition, the UVFD and the City assigned three firefighters to an engine, which included two paid firefighters and one volunteer, to staff the north station and the south station, leaving the central station in the city limits to respond to ambulance calls. To accomplish that, volunteers will now be given a stipend. On October 17, the City moved to consolidate dispatch services with CAL FIRE so that both the UFD and the UVFD will be dispatched from the same center effective March 2013.

DETERMINATIONS:

- 3.1.6.1 The Board of Directors consists of five members elected at large to four-year staggered terms. They meet regularly on the second Wednesday of the month at 1500 South State Street. The UVFD does not maintain a website but communicates with the public through noticed public meetings.
- 3.1.6.2 The UVFD staff includes seven full-time personnel and 29 volunteers, which is sufficient to provide fire protection and basic life support emergency medical services.
- 3.1.6.3 The UVFD and the City are moving toward consolidation by dropping jurisdictional boundaries, hiring the same fire chief, using CAL FIRE as the common dispatch center, and providing three-person engine companies at the north end and south end of the City.

3.1.7 – LAFCO Policies Affecting Service Delivery

Mendocino LAFCO has established policies to help meet its CKH mandates. This section identifies local LAFCO policies that may affect delivery of services by the UVFD. One of the goals of LAFCO is “encouraging orderly formation of local agencies and the efficient provision of services.” As the District and the City of Ukiah move toward functional consolidation, the policies related to efficient provision of services would apply.

Section H in Chapter IV states “LAFCO requires that all service providers must document their ability to provide service to proposed annexations. An evaluation of an agency’s plan for services is necessary to the proper consideration of any change of organization or reorganization, which expands or diminishes a service provider’s responsibilities. The intent of the plan for service evaluations is to ensure that the capacity, cost and adequacy of service within the existing district or city are not adversely impacted by the proposed LAFCO action and that the agency can provide all the services to the subject territory as the same level, or greater, than that presently received by the existing agency territory” (56375(g), 56375(h), 56668, 56653). The completion of the MSR

for the UVFD and the City's recently completed MSR address the requirement for a study to consider a potential out-of-area service agreement by the UVFD or annexation.

DETERMINATIONS:

- 3.1.7.1 LAFCO policies for the efficient provision of services apply as the UVFD and the City of Ukiah move toward consolidation of fire protection services.

3.1.8 – Summary of Determinations

- 3.1.1.1 The current population of 14,764 is expected to grow by an average annual rate of 1 percent to approximately 15,945 by 2020.
- 3.1.2.1 The communities of Calpella and Redwood Valley to the north and Hopland to the south are adjacent to district boundaries. Of these, only Hopland meets the definition of a disadvantaged unincorporated community. The Hopland community receives municipal services from the Hopland Public Utility District, which provides water and sewer, and from the Hopland Fire Protection District providing fire suppression.
- 3.1.3.1 The UVFD provides structural, wildland fire suppression services, and emergency medical services.
- 3.1.3.2 The UVFD operates from three fire stations staffed by full-time, volunteers, and part-time staff.
- 3.1.3.3 Most of the equipment is located at the main station at 1500 South State Street. Equipment includes four of the five engines, a utility vehicle, a communications vehicle and a support vehicle.
- 3.1.3.4 Over the last four-years, calls for service ranged from a peak of 947 in 2008 to a low of 809 in 2009. Volunteers responded to 188 calls in 2008 or about 23 percent. Between 2008 and 2011, the number of calls ranged from 800 to 900 per year. The UVFD has the capacity to respond to approximately 1,000 calls per year.
- 3.1.3.5 Average response times in the Ukiah Valley are 4 minutes. The UVFD currently has an Insurance Services Office (ISO) rating of 4 (on a scale of 1 to 10, with 1 being the best). In comparison, the ISO rating for the Ukiah Fire Department is 3.
- 3.1.4.1 The UVFD's operating budget is just under \$1 million per year. The UVFD derives most of its revenues from property tax and a special assessment. The property tax represents 32 percent of the total and the special assessment accounts for 64 percent. Of the total expenditures, 72 percent goes for salaries and benefits.
- 3.1.4.2 The long-term debt totals \$731,951 and represents obligations for vehicles, equipment, land, and Workers' Compensation liability. As of FY 2011/12, the UVFD owed approximately \$543,440 on those obligations.
- 3.1.4.3 The UVFD has another special tax, Measure B, which generates \$114,000 annually for vehicle replacement.
- 3.1.4.4 The UVFD collects fire mitigation fees that allow the UVFD sufficient funding to accommodate new growth.
- 3.1.5.1 The UVFD works cooperatively with state and local agencies. It has automatic aid agreements with the City of Ukiah and CAL FIRE. It has a mutual aid agreement with Redwood Valley/Calpella Fire District and the Hopland Fire Protection District.
- 3.1.5.2 The UVFD is a sponsor of the Mendocino Fire Safe Council.

- 3.1.6.1 The Board of Directors consists of five members elected at large to four-year staggered terms. They meet regularly on the second Wednesday of the month at 1500 South State Street. The UVFD does not maintain a website but communicates with the public through noticed public meetings.
- 3.1.6.2 The UVFD staff includes seven full-time personnel and 29 volunteers, which is sufficient to provide fire protection and basic life support emergency medical services.
- 3.1.6.3 The UVFD and the City are moving toward consolidation by dropping jurisdictional boundaries, hiring the same fire chief, using CAL FIRE as the common dispatch center, and providing three-person engine companies at the north end and south end of the City.
- 3.1.7.1 LAFCO policies for the efficient provision of services apply as the UVFD and the City of Ukiah move toward consolidation of fire protection services.

3.2 – Millview County Water District

District Profile

The Millview County Water District (MCWD) was formed by the Mendocino County Board of Supervisors on November 19, 1956 under the California Water Code Section 30000. The MCWD provides water to 1,608 total connections, of which 1,333 are residential customers 234 are commercial customers and 41 fire service connections. The residential connections include 36 connections that serve several mobile home parks, apartments and single- family homes equivalent to 738 connections. That amounts to 2071 equivalent dwelling units that receive service.

The MCWD serves an 8.5-square-mile service area northeast and immediately north of Ukiah city limits. Exhibit 3.2-1 illustrates the MCWD boundaries and the relationship to the City of Ukiah. The District wheels treated RRFC water to Calpella under a separate contract with the RRFC. The District remains under the 2001 State imposed moratorium on new service connections due to a lack of reliable source capacity.

3.2.1 – Growth and Population Projections

One method to estimate population relies on the number of residential connections multiplied by persons per household of the unincorporated portion of the County. The method assumes all residential connections are to single residences. Table 3.2-1 represents population and housing for 2011 from the California Department of Finance.

Table 3.2-1: Mendocino County Population and Housing – 2011

CITY	TOTAL POPULATION	TOTAL HOUSING UNITS	TOTAL HOUSEHOLDS	PERSONS PER HOUSEHOLD
Fort Bragg	7,308	3,206	2,872	2.54
Point Arena	450	225	192	2.34
Ukiah	16,109	6,491	6,161	2.61
Willits	4,898	2,074	1,915	2.56
Unincorporated	59,432	28,417	23,882	2.49
County Total	88,197	40,413	35,022	2.52

Source: California Department of Finance 2011a.

Using 2.49 persons per household and 2,071 equivalent dwelling units estimates a population of 5,156.

The population of the MCWD was also studied as a part of the Ukiah Valley Area Plan (UVAP). In a review completed in 2007 for the Ukiah Valley, the population of the unincorporated portion between 2005 and 2020 was projected to increase at a rate of 1.63 percent per year. Since the analysis was completed before the economic downturn, the estimate may be optimistic. The same study shows the historic growth rate between 1990 and 2005 averages 1 percent annually. Using

the more conservative growth rate projects a population of 5,568 in 2020. With the higher growth rate, the population in 2020 would be expected to reach 35,828.

DETERMINATIONS:

3.3.1.1 The population of the MCWD is estimated is approximately 5,156. The population and growth study completed for the Ukiah Valley Area Plan estimated a growth rate between 1 percent and 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the MCWD is expected to be 5,568 in 2020.

3.2.2 – Disadvantaged Unincorporated Communities

By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within the SOI. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean. An unincorporated legacy community refers to a geographically isolated community that is inhabited and has existed for at least 50 years.

There are no island communities or legacy communities, but the community of Calpella lies just outside the district boundaries. The Calpella community is served by the Calpella County Water District, which provides both water and sewer, and the Redwood Valley/Calpella Fire District, which provides fire protection.

Table 3.2-2 shows the median household income compared with the statewide median household income, based on the 2010 census. The data show that the median income for Calpella exceeds the 80-percent threshold and should not be considered a disadvantaged unincorporated community.

Table 3.2-2: Median Household Income Millview County Water District Communities

LOCATION	CENSUS TRACT	MEDIAN HOUSEHOLD INCOME	PERCENT OF MEDIAN CALIFORNIA HOUSEHOLD INCOME OF \$57,708
Calpella	109	\$53,725	93

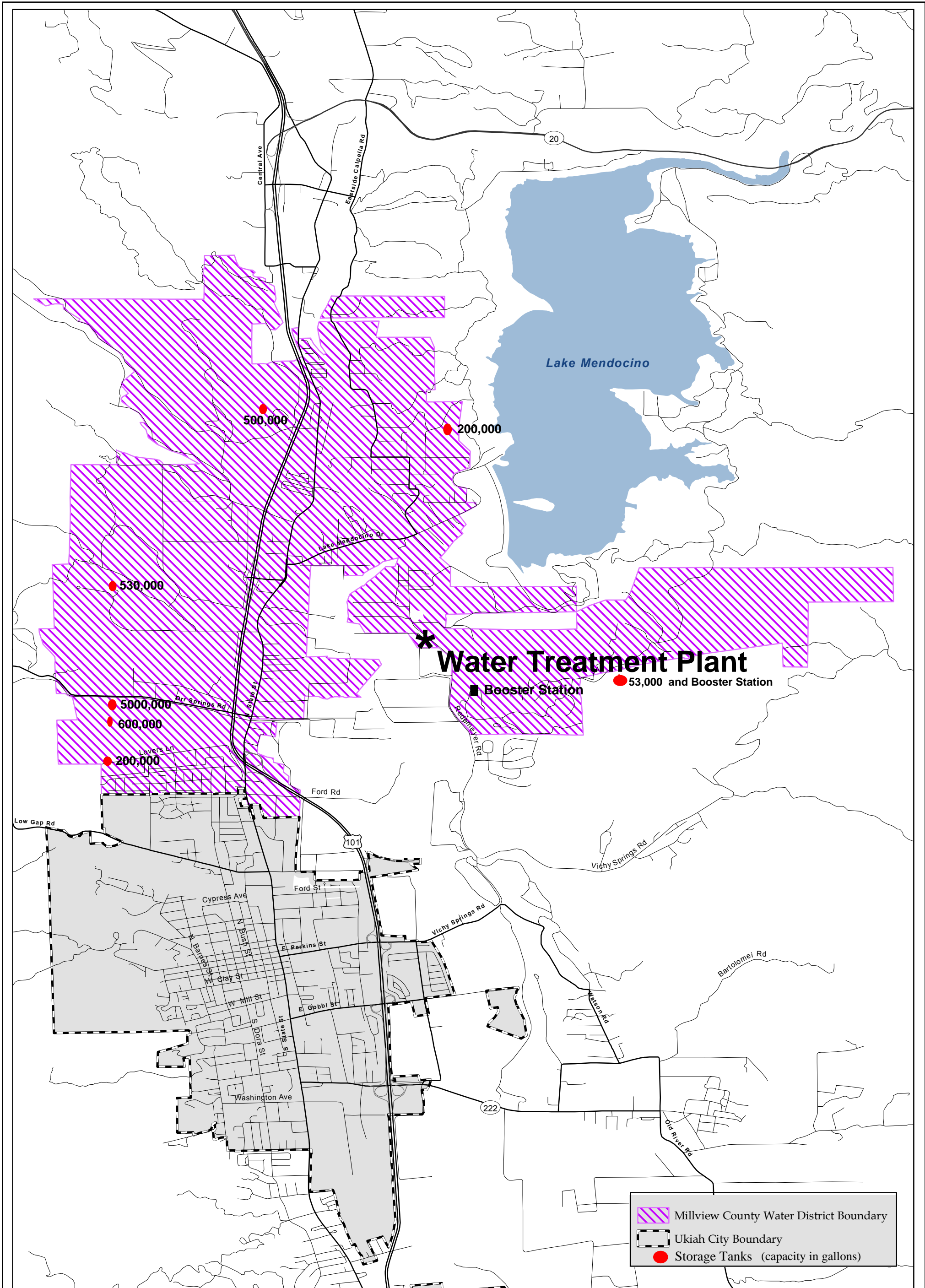
Source: U.S. Census 2010.

DETERMINATIONS:

3.3.2.1 There are no disadvantaged unincorporated communities in the vicinity of the MCWD boundaries.

3.2.3 – Present and Planned Capacity of Public Facilities

The MCWD produces about 1,500 AFY from surface water rights. Exhibit 3.2-2 shows production and demand for the period 2000 through 2009. In addition to variation caused by climatic conditions such as drought, the exhibit shows the MCWD has had sufficient production to meet demand. The difference between production and demand is often sold to other water purveyors, such as the Calpella County Water District.



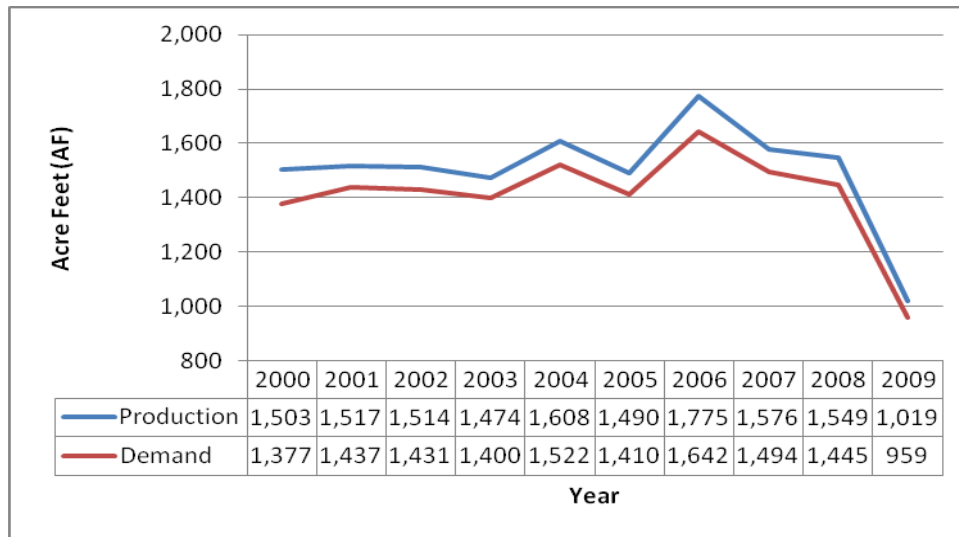
Created August, 2012 - Exhibit3_3_1.mxd Data Sources: City of Ukiah, County of Mendocino, Esri

Exhibit 3.3.1



Millview County Water District Boundary Map

Exhibit 3.2-2: Millview County Water District Production and Demand 2000–2009 (AF)



Source: Mendocino County Water Agency, 2010.

Excluding 2009, production averaged 1,556 AFY and demand averaged 1,462 AFY. During the period shown, the region experienced severe drought conditions from 2007 through 2009 and well below average precipitation in 2002. Conditions were particularly challenging in 2009, when Lake Mendocino water levels receded to record lows and mandatory rationing, a 50-percent reduction in water use, was instituted by the Mendocino County Board of Supervisors. Water usage in 2004, a year of near average precipitation and a year in which no extraordinary efforts to conserve water occurred, is considered more realistic and the best available representation of current average annual water production.

Under existing conditions, approximately 75 percent of the water produced is used for residential purposes, while commercial uses account for approximately 15 percent of the total production, and the remaining 10 percent is used for industrial and miscellaneous purposes.

Table 3.2-3 shows monthly water production for 2008. The pattern is typical for water use in that more water is used in the summer, when water is used for outdoor landscaping than in winter, when most of the water is for indoor use.

Table 3.2-3: Millview County Water District Monthly Water Production 2008 (AF)

JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC
78	74	87	106	170	186	207	209	172	147	78	70

Source: MMCWAendocino County Water Agency, 2010 Table 2-2.

Table 3.2-4 shows expected demand and supply from 2010 to 2030. The table also shows available supply during normal years, a single dry year, and multiple dry years. The table shows the MCWD has surface water rights of 1,522 AFY. That includes some pre-1914 rights, which are being

contested. In 2002, the MCWD purchased pre-1914 water rights that had been issued for a 34-acre parcel along the West Fork of the Russian River for 15 AFY. According to an investigation by the State Water Resources Control Board, the MCWD has changed the purpose of use from irrigation water to domestic uses, the place of use from the 34-acre parcel to its entire service territory, and point of diversion from the West Fork to a point below the confluence of the East and West Forks with greater flow. As a result, diversion exceeded the 15 AFY allowable. In 2008, the diversion was 800 AFY, about half the surface water rights shown in Table 3.2-4.

In 2006 the District negotiated an agreement with the Masonite Corporation the transfer of their water right license to Millview for diversion of Russian River underflow. Both parties understood that the water available under the license was subject to reduction based on recent use of 1100 – 1200 acre feet per year. In August of 2006 the SWRCB transferred the license to Millview and in September 2006 the State Water Resources Control Board received a request to have the license revoked. A hearing is scheduled for April 2, 2013.

On October 18, 2011, the State Water Resources Control Board issued a cease and desist order for the unauthorized diversion of water. The order restricts the MCWD to 15 AFY between April and September for this water right. The MCWD is likely to replace the diverted surface water by purchasing more Lake Mendocino water from the RRFC. In the meantime, the MCWD has filed suit to block implementation of the cease and desist order. It appears the MCWD will have the ability to serve its present customers and still have enough supply to serve anticipated demand.

As seen in Table 3.2-4, normal year and single dry year supply is sufficient for anticipated growth assuming the MCWD implements the SBX7 requirement of 20 percent conservation; however, the MCWD would have difficulty meeting the anticipated demand in 2025 and beyond without conservation programs and in extended dry years beyond 2025 even with conservation. If the cease and desist order is upheld, the MCWD would have difficulty meeting demand in 2020 in an extended dry period and in 2025 and beyond unless it can purchase additional Lake Mendocino water or find another source.

Table 3.2-4: Millview County Water District Supply and Demand (AFY)

SCENARIO	2010	2015	2020	2025	2030
Demand (no 20X20 conservation) ¹	1,787	2,223	2,666	3,104	3,541
Demand (with conservation) ¹	1,430	1,778	2,133	2,483	2,833
2004 Production ²	1,522	1,522	1,522	1,522	1,522
Normal/Single Dry Year Supply¹					
Lake Mendocino	1,520	1,520	1,520	1,520	1,520
Surface Water Rights	1,522	1,522	1,522	1,522	1,522
Totals	3,042	3,042	3,042	3,042	3,042
Extended/Critical Dry Year Supply¹					
Lake Mendocino	1,140	1,140	1,140	1,140	1,140
Surface Water Rights	1,525	1,525	1,525	1,525	1,525
Totals	2,665	2,665	2,665	2,665	2,665

Notes: 1 Ukiah Valley Area Plan Water Supply Assessment Table 6-1
 2 Ukiah Valley Area Plan Water Supply Assessment Table 2-12
 Source: MCWA 2010.

The MCWD also owns and operates a treatment plant capable of treating 2400 gallons per minute. The plant is located at 2850 Redemeyer Road (Exhibit 3.2-1). It has a design capacity of 3.0 million gallons per day (mgd). Average daily demand is 1.7 mgd, maximum daily demand is 2.7 mgd. The plant has sufficient capacity to meet an estimated peak demand of 2.8 mgd.

The plant consists of three river intake pumps, four horizontal press filters, two clearwells, and three high-service pumps. The plant is normally used in the summer months, due to higher demands. The MCWD also owns and operates a well field located immediately adjacent to the existing water treatment plant. The well field is used to provide water through the water treatment plant and to the distribution system for a majority of the year. During the summer higher demand period, groundwater is blended with treated surface water.

The MCWD has a storage capacity of 3.24 million gallons or approximately two days' supply. The MCWD also maintains two pump stations located in the Deerwood subdivision that pump water to and from its storage facilities. The MCWD's existing infrastructure is sufficient to meet current demand; as additional supplies are secured, the MCWD can increase treatment plant capacity and storage to meet demands of additional new services. However, with the moratorium, expansion is not contemplated in the near future.

DETERMINATIONS:

- 3.3.3.1 The MCWD receives most of its water from surface water rights. In addition, it can purchase up to 1,520 AF of Lake Mendocino water.
- 3.3.3.2 During the period from 2000 to 2009, the MCWD was able to meet demand. The average demand from 2000 to 2008 was 1,462 AF and production was 1,556 AF. Demand for a year with normal precipitation, 2004, was 1,522 AF, which is used for projections to 2030.
- 3.3.3.3 The Millview County Water MCWD has sufficient supply to serve its customers through 2015. A recent cease and desist order would reduce available supply by 785 AFY. The order is being contested, but should it be upheld, the MCWD would have difficulty supplying water in 2020 and beyond unless it can purchase additional Lake Mendocino water or find another source.

3.2.4 – Financial Ability to Provide Service

The MCWD as an enterprise district relies on fees and charges to produce sufficient revenues to provide services. Table 3.2-5 summarizes the budgets for the fiscal years from FY 2007-2008 to FY 2011-2012.

Table 3.2-5: Millview County Water District Budget Summary, FY 2007–2008 to FY 2011–2012

ITEM	FY 2007–08	FY 2008–09	FY 2009–10	FY 2010–11	FY 2011–12
Total Income	\$688,363.00	\$772,750.00	\$860,790.20	\$1,043,794.84	\$1,055,470.28
Total Cost of Water	\$486,896.18	\$473,634.28	\$440,054.00	\$542,355.06	\$543,117.23
Total Expenses	\$406,543.89	\$496,158.82	\$392,991.91	\$366,873.65	\$382,800.47
Net Ordinary Income	(\$205,077.07)	(\$197,043.10)	\$27,743.81	\$134,566.13	\$129,552.54
Source: Millview CWD Budgets FY2007-08 through FY2011-12.					

Total income in the table refers to fees, charges, and water sales. Water sales comprise 98 percent of the total income. The cost of water is the total cost of billing customer accounts, operating the distribution system, supply, purchased water, and water treatment. The cost of water is not included in total expenses that relate to employee salaries and benefits, insurance costs, utilities, professional services, and vehicle expenses.

Table 3.2-5 also shows that the MCWD was operating at a loss in FY 2007-08 and FY 2008-09. A rate study showed that the charges for metered water were well below the cost to the District. In January 2009, the MCWD Board of Directors approved a three-step rate increase beginning in June of 2009. The first step raised meter charges for a standard 1-inch meter from \$5.95 to \$25.30. Subsequent increases in January 2010 and January 2011 raised the rate to its present value of \$33.46. The rate increase also included a surcharge per 1,000 gallons: \$1.92 for operations and maintenance and \$1.50 for capital improvements. The usage surcharge for capital improvements goes into a capital improvement reserve account to be used as needed.

The MCWD has one outstanding debt obligation that was assumed in 2003 and is due in 2014. The MCWD pays \$59,370 per year to repay the debt.

DETERMINATIONS:

- 3.3.4.1 The MCWD’s annual budget is approximately \$1 million. As an enterprise district, revenues are generated by fees and charges. Water sales account for nearly all the income.
- 3.3.4.2 In 2009, the MCWD instituted a new rate schedule that provided sufficient funding for expenses and leaves a balance of approximately \$130,000 annually. In addition to a meter charge, the MCWD charges a fee of \$3.42 for every 1,000 gallons, which goes for operation and maintenance and capital improvements. As a result of the rate increase, the MCWD has the ability to provide services.

3.2.5 – Status and Opportunities for Shared Facilities

The MCWD works cooperatively with other local agencies. The MCWD maintains an emergency intertie with the City of Ukiah to the south and the CCWD to the north. In addition, the MCWD treats and wheels water to CCWD. The MCWD also has a contract to purchase Lake Mendocino Water from the RRFC.

The MCWD offices have moved to 151 Laws Avenue, which houses the RRF and WCWD, and shares office space with the staff of the Willow County Water District. This move has resulted in the cross training of office staff, field personnel and the opportunity to combine resources, reduce cost, and provide more efficient service to better serve the customers of the districts. The MCWD occasionally uses the boardroom at that location for special meetings.

Management Efficiencies

The MCWD has implemented routines and procedures to improve efficiency. One such procedure includes daily inspections of the water treatment facility to record instrument readings, mix chemicals, perform routine maintenance, and identify potential operational changes needed to meet daily demands. When the treatment plant is unmanned, a Supervisory Control and Data Analysis (SCADA) system monitors and records all instrument data that can be viewed at the administration office from a remote telemetry unit (RTU). If an alarm condition arises, the RTU reports the alarm condition locally at the main panel and notifies the treatment plant operator by phone, using a phone dialer and modem to announce a recorded message that identifies the nature of alarm condition. The plant operator may also monitor conditions remotely simply by calling the unit and entering a series of numbers to examine any operational parameter.

Other procedures relate to operating parameters established by the regulatory agencies to safeguard and protect public health. After ensuring high-quality water standards are met, the MCWD focuses on improving the methods used for pumping and treating the water by examining utility and chemical bills, length of filter runs, scheduled maintenance frequency, and water production to identify possible adjustments that will increase production while reducing the overall cost.

In order to provide improved and more efficient customer service, the MCWD created a work order system that is based largely on customer contacts with the MCWD. Any time a customer reports a leak, requests water service to be turned on or off, has a water quality complaint, requests assistance in locating a leak or service line, has concerns regarding pressure being too high or too low, reports water theft, complains of a neighbor wasting water, or any other water-related issues, a work order is generated. Information on the work order includes the customer's name and address, the time the call was received, which field operator is assigned to respond to the call, the time and date the operator arrived at the address, corrective action taken, and if customer contact is made during the site visit. The operations supervisor reviews each completed work order for completeness, the amount of time onsite, materials used, and confirmation that customer contact was made. This has proven effective, as the MCWD has not received any complaints regarding customer service in the past four-years, and it occasionally receives letters thanking the staff for providing prompt quality service.

Since agriculture has placed increased demands in the past upon MCWD resources, resulting in the use of treated water being used for irrigation, the MCWD has adopted policies to prohibit use of treated water for irrigation.

DETERMINATIONS:

- 3.3.5.1 The MCWD works cooperatively with other local water purveyors. The MCWD treats and wheels water to the Calpella County Water District.
- 3.3.5.2 The MCWD shares office space and the boardroom at 151 Laws Avenue.

- 3.3.5.3 The MCWD has adopted a number of policies and procedures to ensure it provides safe potable water, keeps track of maintenance needs, and ensures that potable water is not used for agricultural irrigation.

3.2.6 – Government Structure and Accountability

The MCWD is governed by a five-member board of directors elected at large to staggered four-year terms. Board members receive a stipend of \$25 per meeting with a maximum of \$150 per month. The board is considering an option to waive the stipend. Board meetings are held regularly on the third Tuesday of the month at 5 p.m. at Mendocino College, 1000 Hensley Creek Road, Room 1060. Special Meeting Agenda's are posted at the District office a minimum three days prior to the meeting and are held at 151 Laws Avenue. Board meetings are posted to comply with the Brown Act.

The MCWD currently has four employees and one vacant position. Employees are the general manager, two operators responsible for operating the water treatment plant, and an administrative assistant. The vacant position is for the operations manager, which may or may not be filled. The MCWD responds to calls for service during normal business hours or through an answering service that operates 24 hours a day, 7 days a week.

The MCWD does not maintain a website but communicates with the public by means of its meeting postings and notices. The MCWD does maintain a mailing list of interested parties that wish to subscribe to meeting notices. There is no charge to be on the list but the subscription must be renewed annually.

DETERMINATIONS:

- 3.3.6.1 The MCWD is governed by a five-member board elected at large to four-year staggered terms. For their services, board members receive a stipend of \$25 per meeting for a maximum of six meetings or \$150 per month.
- 3.3.6.2 The board meets regularly on the third Tuesday of the month at 5 p.m. at Mendocino College, Room 1060. Meetings are noticed according to the Brown Act.
- 3.3.6.3 The MCWD currently has four employees: the general manager, two operators of the water treatment plant, and an administrative assistant. The staff and structure are sufficient to provide for efficient operations of the MCWD.
- 3.3.6.4 The MCWD communicates with its residents through inserts in their monthly water bill. The MCWD provides a subscription service to its agendas. The service is free but requires renewal each calendar year. The MCWD does not maintain a website.

3.2.7 – LAFCO Policies Affecting Service Delivery

The MCWD is in the middle of resolving a cease and desist order and sorting out water rights to serve existing customers. The District has received a request for service to the former Masonite property east of the Railroad tracks. The applicants intend to file a petition with LAFCO for annexation to the District and the District intends to submit a resolution requesting the annexation. However, no expanded services can be approved until the moratorium is lifted. Should LAFCO want to establish a sphere before the moratorium is lifted it may want to establish a

coterminous sphere. Those policies are found in Chapter V policy 23, which states that a local agency may be assigned a coterminous sphere with its existing boundaries if:

- There is no anticipated need for the agency's services outside its existing boundaries.
- There is insufficient information to support inclusion of areas outside the agency's boundaries in a sphere of influence.
- The agency does not have the service capacity, access to resources (e.g., water rights) or financial ability to serve an area outside its boundaries.
- The agency's boundaries are contiguous with the boundaries of other agencies providing similar services.
- The agency's boundaries are contiguous with the sphere of influence boundaries previously assigned to another agency providing similar services.
- The agency requests that their sphere of influence be coterminous with their boundaries.

The establishment of a coterminous sphere would not affect service delivery at the present time.

DETERMINATIONS:

- 3.3.7.1 Expansion of the MCWD's boundaries is dependent on lifting the moratorium. Until that happens, establishing a coterminous sphere may be appropriate but would not affect current service delivery.

3.2.8 – Summary of Determinations

- 3.3.1.1 The population of the MCWD is estimated is approximately 5,156. The population and growth study completed for the Ukiah Valley Area Plan estimated a growth rate between 1 percent and 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the MCWD is expected to be 5,568 in 2020.
- 3.3.2.1 There are no disadvantaged unincorporated communities in the vicinity of the MCWD boundaries.
- 3.3.3.1 The MCWD receives most of its water from surface water rights. In addition, it can purchase up to 1,520 AF of Lake Mendocino water.
- 3.3.3.2 During the period from 2000 to 2009, the MCWD was able to meet demand. The average demand from 2000 to 2008 was 1,462 AF and production was 1,556 AF. Demand for a year with normal precipitation, 2004, was 1,522 AF, which is used for projections to 2030.
- 3.3.3.3 The Millview County Water District has sufficient supply to serve its customers through 2015. A recent cease and desist order would reduce available supply by 785 AFY. The order is being contested, but should it be upheld, the MCWD would have difficulty supplying water in 2020 and beyond unless it can purchase additional Lake Mendocino water or find another source.
- 3.3.4.1 The MCWD annual budget is approximately \$1 million. As an enterprise district, revenues are generated by fees and charges. Water sales account for nearly all the income.

- 3.3.4.2 In 2009, the MCWD instituted a new rate schedule that provided sufficient funding for expenses and leaves a balance of approximately \$130,000 annually. In addition to a meter charge the MCWD charges a fee of \$3.42 for every 1,000 gallons, which goes for operation and maintenance and capital improvements. Because of the rate increase, the MCWD has the ability to provide services.
- 3.3.5.1 The MCWD works cooperatively with other local water purveyors. The MCWD treats and wheels water to the Calpella County Water District.
- 3.3.5.2 The MCWD share office space and the boardroom at 151 Laws Avenue.
- 3.3.5.3 The MCWD has adopted a number of policies and procedures to ensure it provides safe potable water, keeps track of maintenance needs, and ensures that potable water is not used for agricultural irrigation.
- 3.3.6.1 The MCWD is governed by a five-member board elected at large to four-year staggered terms. For their services, board members receive a stipend of \$25 per meeting for a maximum of six meetings or \$150 per month.
- 3.3.6.2 The board meets regularly on the third Tuesday of the month at 5 p.m. at Mendocino College, Room 1060. Meetings are noticed according to the Brown Act.
- 3.3.6.3 The MCWD currently has four employees: the general manager, two operators of the water treatment plant, and an administrative assistant. The staff and structure are sufficient to provide for efficient operations of the MCWD.
- 3.3.6.4 The MCWD communicates with its residents through inserts in their monthly water bill. The MCWD provides a subscription service to its agendas. The service is free but requires renewal each calendar year. The MCWD does not maintain a website.
- 3.3.7.1 Expansion of the MCWD's boundaries is dependent on lifting the moratorium. Until that happens, establishing a coterminous sphere may be appropriate but would not affect current service delivery.

3.3 – Potter Valley Irrigation District

District Profile

The Potter Valley Irrigation District (PVID) was formed by the Board of Supervisors in 1924 under Section 20500 of the Water Code that relates to irrigation districts. The purpose was to provide irrigation water to support agriculture in Potter Valley. Potter Valley produces wine grapes, clover/grass hay, pears, grass-fed cattle, sheep, and other agricultural products. The PVID serves 272 agricultural customers on 6,964 acres. Exhibit 3.4-1 shows the district boundaries.

The PVID diverts water from the tailrace of the PG&E Potter Valley Powerhouse into its canals to provide irrigation water to its customers. Lake Pillsbury was formed as part of the PG&E Potter Valley Project (PVP), which diverts water from the Eel River. The PVP, which began in 1905, consists of a 9.4-megawatt hydroelectric project, owned and operated by PG&E, and two dams on the Upper Main Stem Eel River. Scott Dam forms Lake Pillsbury and Cape Horn Dam forms Van Arsdale Reservoir. The PVID has a contract with PG&E for 50 cubic feet per second (cfs) from Lake Pillsbury water through 2022.

Table 3.3-1 provides a quick overview of the districts as well as some key statistics.

Table 3.3-1: Potter Valley Irrigation District Overview

STATISTIC	VALUE
Total area	6963.97 acres
Total acres being irrigated	4,727.84
Total acres not being irrigated ¹	1,838.81
Number of landowners in district	276
Water customer accounts	260
Note: ¹ Includes lands in district but not connected to PVID, fallow land, lands not being farmed Source: Elliott 2012a, 2012b.	

3.3.1 – Growth and Population Projections

According to the 2010 Census, the Potter Valley community has approximately 646 residents. Table 3.3-2 contains the population data from the census compared with Ukiah and Mendocino County.

Table 3.3-2: 2010 Census Population of Potter Valley

GEOGRAPHIC AREA	TOTAL POPULATION	TOTAL HOUSING UNITS	TOTAL HOUSEHOLDS	PERSONS PER HOUSEHOLD
Potter Valley	646	267	241	2.68
Ukiah	16,069	6,488	6,158	2.61
County Total	87,841	40,323	34,945	2.51

Source: U.S. Census 2012.

However, the PVID is much larger in area than the Potter Valley community. The California Department of Finance (CDOF) also analyzed the population by zip codes in the 2000 and 2010 census. According to the CDOF, the population ranged from 1,883 in 2000 to 1,767 in 2010. However, the size of the zip code area was reduced by 10 square miles in 2010, which would account for the decrease in population. The population density in 2000 and 2010 remained at 10 persons per square mile. Based on this information, the population in the PVID remained unchanged over a 10-year period and no growth rate in population is inferred.

DETERMINATION:

3.4.1.1 The PVID has a population of approximately 1,700, based on CDOF analysis of zip codes in the 2010 census. A similar analysis to the 2000 census data indicated no growth in population between 2000 and 2010. The projected population in 2020 is the same as in 2010.

3.3.2 – Disadvantaged Unincorporated Communities

By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within the sphere of influence. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean. An unincorporated legacy community refers to a geographically isolated community that is inhabited and has existed for at least 50 years.

There are no island communities or legacy communities or fringe communities adjacent to the PVID's boundaries. Therefore, there are no disadvantaged unincorporated communities within the SOI of the PVID.

DETERMINATION:

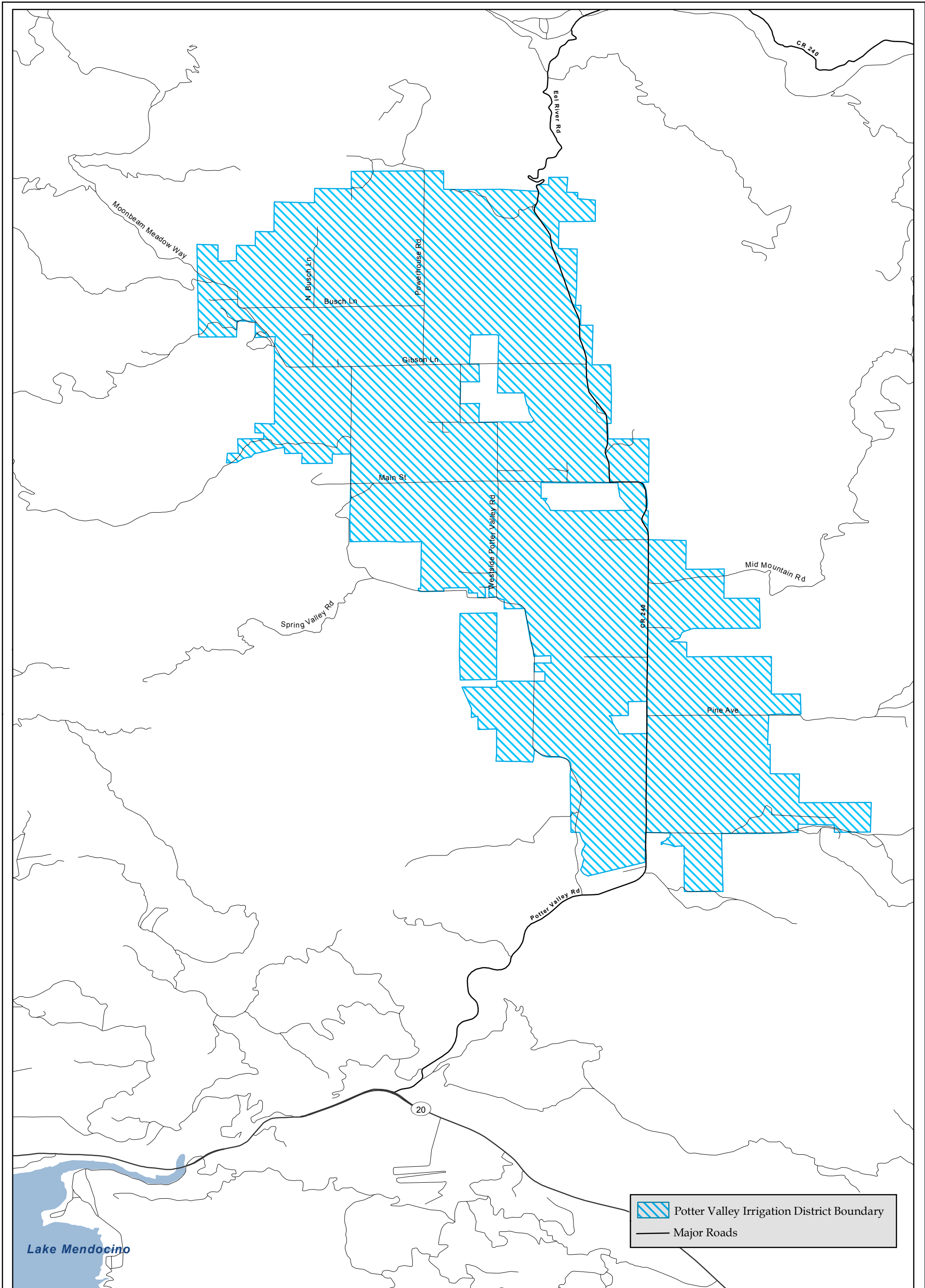
3.4.2.1 There are no disadvantaged unincorporated communities within the SOI of the PVID.

3.3.3 – Present and Planned Capacity of Public Facilities

The PVID has access to water under three licenses (5246, 1199, 5545) with the State Water Resources Control Board that allow it to divert up to 22,670 AFY between May 1 and April 30 of each year. As part of this allotment, the PVID has a contract with PG&E to supply 19,000 AFY irrigation water through 2022.

The Contract between the District and PG&E is depends on a Federal Energy Regulatory Commission (FERC) hydropower production license that PG&E holds allowing the diversion of water from the Upper Main Eel River termed the Potter Valley Project. Water from the Potter Valley Project feeds the Potter Valley Powerhouse which supplies water to the District's delivery canals. The Potter Valley Project consists of Scott Dam which impounds Lake Pillsbury; Cape Horn Dam forming Van Arsdale Reservoir, which serves as the forebay for the diversion tunnel; the fish screen and ladder at Van Arsdale which partially mitigate the impact of the diversion; the diversion tunnel itself

which conveys water through the hill to the north end of Potter Valley; and finally the penstock and powerhouse in Potter Valley. The District's delivery canals begin at the Potter Valley



Created August, 2012 - Exhibit3_4_1.mxd Data Sources: City of Ukiah, County of Mendocino, Esri

Exhibit 3.4.1

Potter Valley Irrigation District Boundary Map

E Mulberg & Associates

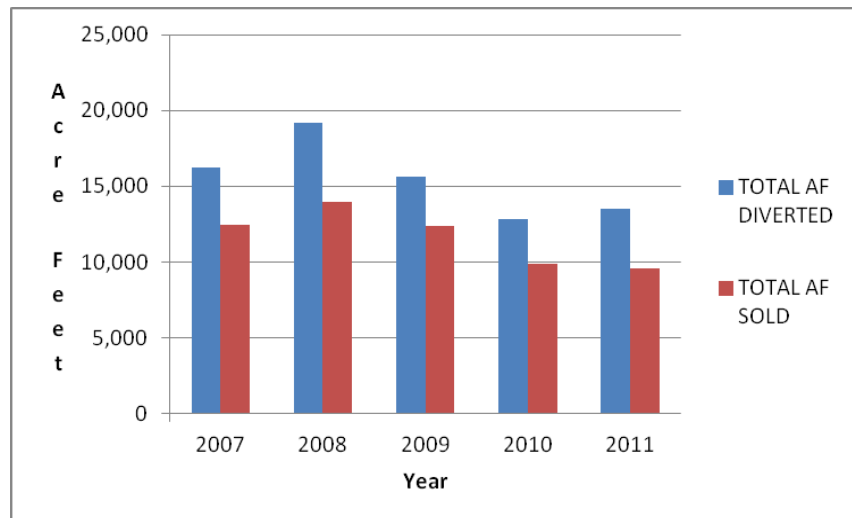
LAFCO of Mendocino • Ukiah Valley Special Districts MSR

Powerhouse. The current FERC license expires on April 14, 2022. The relicensing process is scheduled to begin in 2017.

The total annual diversion of water through the Potter Valley Project has been reduced by up to 60% of the flows allowed prior to the last relicensing in 1983. In the past six years the total diversion from the Eel River has, on average, been approximately 77,000 acre feet. The District uses some of the water. The remaining water, and recharge from the District system, flows into the East Branch of the Russian River and is stored in Lake Mendocino. The water stored in Lake Mendocino subsequently becomes the majority of the water supply for downstream water users, including Redwood Valley, Calpella, Ukiah, Ukiah Valley, Hopland and northern Sonoma County above the confluence with Dry Creek. Any further reduction of this water supply will impact the economy of and quality of life for all of these communities. The water stored in Lake Mendocino is also an integral part of Russian River flow releases provided to protect and enhance anadromous fish populations. The relicensing of the Potter Valley Project will be of critical importance to water purveyors throughout Mendocino County.

The Exhibit 3.4-2 shows the PVID sells between 70 to 80 percent of the water that is diverted. The remainder is returned to the East Branch Russian River. Average daily supply and average daily demand are 120 AF. Maximum daily water demand is 170 AF and minimum is 100 AF. The PVID's peak demand capacity is 100 cfs or 200 AF per day.

Exhibit 3.3-2: Potter Valley Irrigation District Water Usage 2007–2011



Source: Elliott 2012b.

Exhibit 3.4-3 is a schematic showing the PVID system, including canals, ponds, and gates. The exhibit shows that water is diverted to two canals—one on the east side of the valley and the other on the west side. The East Branch Russian River flows north to south near the center of the PVID. Table 3.3-3 shows the details of the water rights.

Table 3.3-3: Potter Valley Irrigation District Water Rights

WATER RIGHT	OWNER	SOURCE	AMOUNT	SEASON	PURPOSE	POINT OF USE
S-1010	PG&E (filed)	Eel R. (Van Arsdale/Cape Horn Dam)	340 cfs	Jan 1-Dec 31	Power & Irrigation	PVID
L-1199	PG&E	Eel R. (Lake Pillsbury	4,500 AF	Nov 1-Apr 1	Irrigation	PVID
L-5545	PG&E	Eel R (Lake Pillsbury and Van Arsdale Dam)	a. 4,908 storage b. 50 cfs diversion	a. March 15-Oct 30 b. Nov 1-June 1	Irrigation	PVID
L-5246	PVID	Powerhouse Canal	50 cfs diversion	Apr 1-Nov 15	Irrigation	PVID

Source: Elliot 2012b.

Other characteristics of the PVID system are summarized in

Table 3.3-4. The table identifies the total capacity, the length of the two canals, service gates, private storage ponds, flumes, and siphons. It is important to note that private storage allows for an additional 650 AF.

Table 3.3-4: Potter Valley Irrigation District System Characteristics

CHARACTERISTIC	AMOUNT
Total PVID Annual Water Rights ¹	22,670 AF
Main Canals	18 miles
Laterals	18 miles
Main Service Gates	88
Private Storage Ponds	40
Private Storage	650 AF
Private Storage Ponds Outside District	12
Private Storage Outside District	140 AF
Flumes	3
Siphons	6
Note: ¹ Includes PGE contract for 19,000 AF and PVID Lic. 5246 Source: Elliott 2012a, 2012b.	

The average annual demand is 16,588 AF; therefore, the PVID has sufficient capacity to serve its customers in normal years. During drought years it is estimated the total available water could be reduced by 50 percent. In dry years, customers must rely on private ponds and storage facilities to address the district rotational delivery interval. The PVID also looks to winter storage in Lake Pillsbury to meet customer demand. A self-imposed annexation moratorium was placed on the

PVID in 1997, due to uncertainty in capacity. The moratorium extends through 2022 limiting the number of new customers to the PVID.

POTTER VALLEY IRRIGATION DISTRICT WATER MAP

- E NUMBERS ARE FLOW GAUGING STATIONS
- E-2 = PILLSBURY TO EEL RIVER
- E-5 = PVID EAST WEIR
- E-6 = PVID WEST WEIR
- E-7 = PG&E TAIL RACE
- E-11= EEL RIVER
- E-16= DIVERSION TUNNEL TO POTTER VALLEY
-

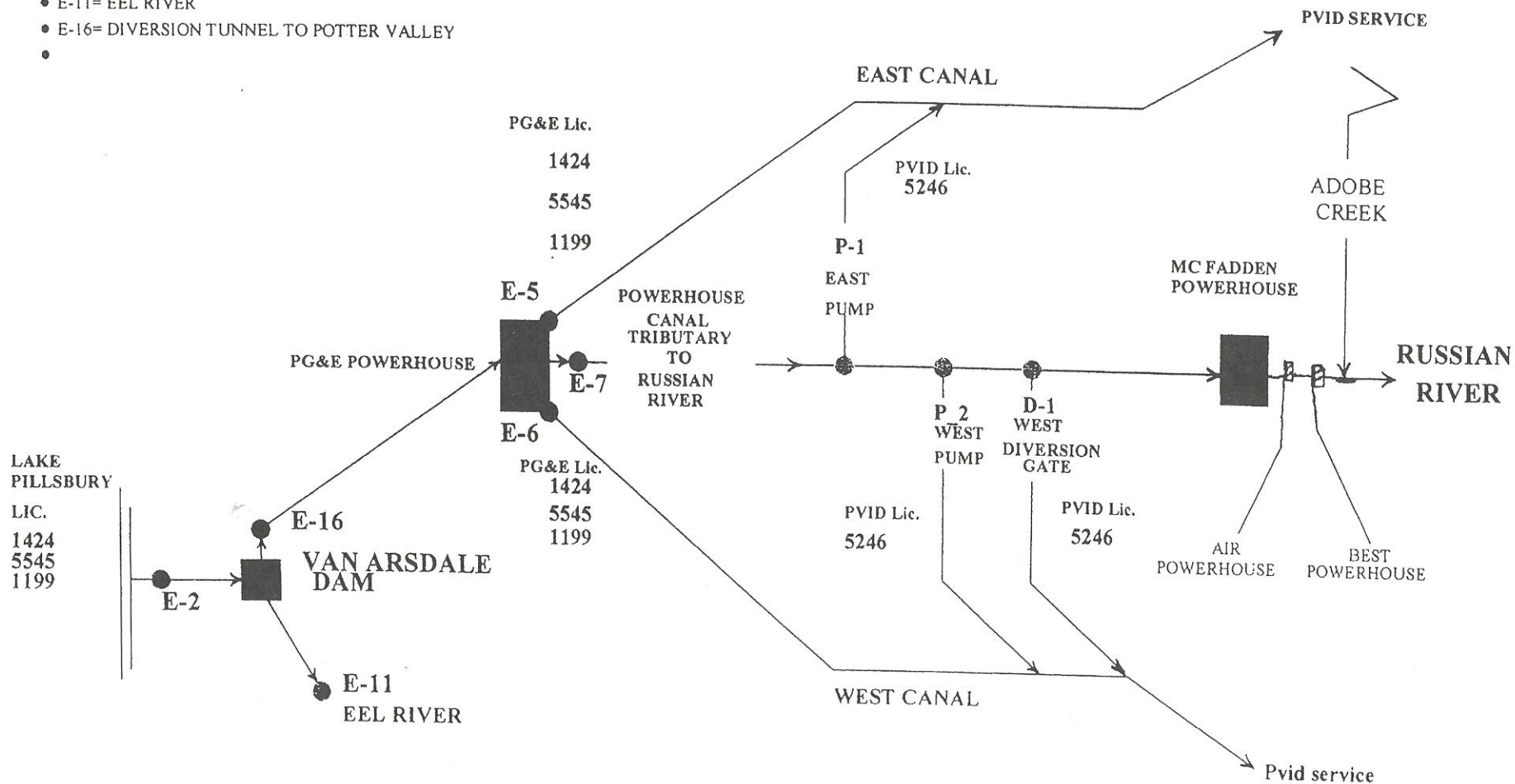


Exhibit 3.4.3 Potter Valley Irrigation System Schematic

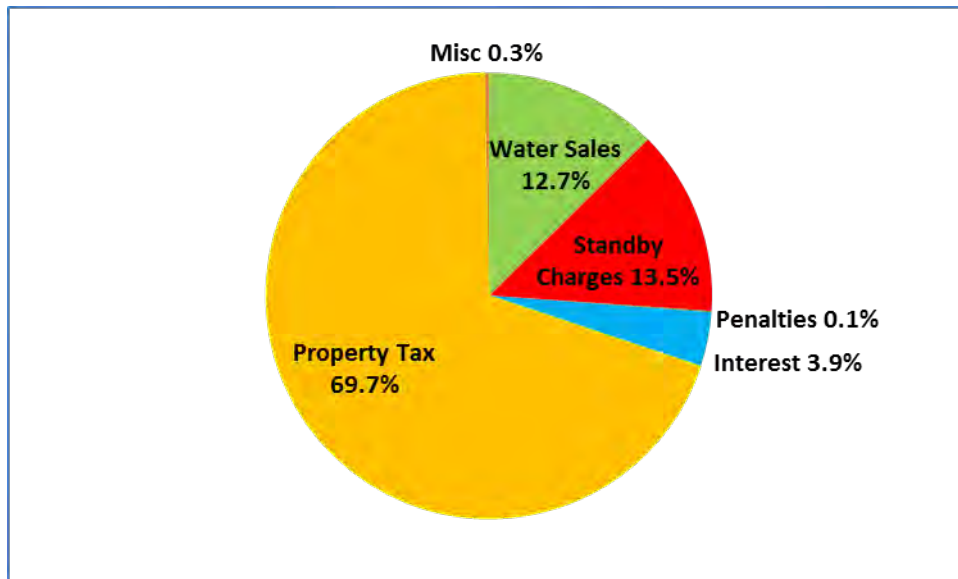
DETERMINATION:

- 3.4.3.1 The PVID operates under three licenses (5246, 1199, 5545) with the State Water Resources Control board that allow it to divert up to 22,670 AFY between May 1 and September 30 of each year. As part of this allotment, the PVID has a contract with PG&E to supply 19,000 AFY irrigation water through 2022.
- 3.4.3.2 The average annual demand is 16,588 AF and a normal year supply of 22,670. In dry years, the supply is reduced by more than 50 percent. The uncertainty in capacity has resulted in a moratorium on new customers through 2022.

3.3.4 – Financial Ability to Provide Services

The PVID’s budget operates on a calendar-year basis. The 2011 total income was \$412,050; total expenses were \$299,230, for a net income of \$112,820. The PVID is funded primarily by property taxes, in addition to a combination of standby charges and water sales. The PVID charges an \$8.50 standby fee per acre per year and \$4.50 per acre-foot of water used. The PVID bills annually on December 1 with payment due on December 15. Standby charges are assessed on January 1. Exhibit 3.4-4 shows the distribution of revenues. As shown, property tax accounts for approximately 70 percent of revenues.

**Exhibit 3.3-4: Potter Valley Irrigation District Distribution of Revenues
5-Year Average of 2007–2011**



Source: Potter Valley Irrigation District 2007b,2008,2009,2010,2011

Table 3.3-5 summarizes revenues and expenses for the period 2007 to 2011. All data are actual numbers. The table shows revenues and expenses have been fairly consistent and that the PVID has been able to show an average net income of approximately \$115,000 per year. The net profit has been able to fund capital expenses and special studies without drawing down reserves.

Table 3.3-5: Potter Valley Irrigation District Revenues and Expenditures 2007 to 2011

YEAR	REVENUES	EXPENSES	BALANCE	RESERVE EXPENSES ¹	RESERVE BALANCE
2007	\$402,111	\$251,966	\$150,145	\$61,948	\$88,197
2008	\$428,479	\$309,865	\$118,614	\$71,519	\$47,915
2009	\$435,190	\$319,766	\$115,424	\$63,158	\$52,266
2010	\$394,500	\$313,373	\$81,127	\$59,015	
2011	\$412,050	\$299,230	\$112,820	\$30,990	

Note:
¹ Reserve Expenses include construction, capitalized salary, and an ongoing dam study.
 Source: Elliott 20112b.

The PVID also maintains 5- and 10-year capital improvement plans. Funding for projects is shown in Table 3.3-5 as reserve expenses. Most of the projects are construction and maintenance projects to keep the canals and works in good working order and to repair leaks.

DETERMINATION:

- 3.4.4.1 The PVID budget operates on a calendar-year basis. Revenue sources are derived primarily from property tax, which accounts for 70 percent of all revenues; water sales for 12.5 percent; and standby charges for 13.5 percent. Revenues for 2011 amounted to \$412,050 and expenses \$299,230.
- 3.4.4.2 The PVID standby charges are \$8.50 per acre per year and water use charges are \$4.50 per acre-foot water.
- 3.4.4.3 The PVID has shown an average net income of \$115,000 over the last five years. The PVID has sufficient revenues to provide service.

3.3.5 – Status and Opportunities for Shared Facilities

The PVID’s purpose and mission is the equitable and efficient distribution of the water carried in its canals and ditches. The PVID sees that part of its mission is to protect the environment to allow the free flow of water through its canals. PVID works cooperatively with federal, state, and local agencies toward that goal.

Most recently, the PVID has been working with the National Oceanic and Atmospheric Administration (NOAA) on the Upper Main Stem Eel River Draft Coho Recovery Action Plan. The purpose of the study is to protect the Central California Coast Coho Salmon population, which is on the endangered species list. The goal of the plan is restoring and safeguarding a future for the species so that the protections of the Endangered Species Act are no longer needed.

The PVID works with the Department of Fish and Wildlife on Russian River frost water regulations and supports the quagga and zebra mussel monitoring program. Quagga and zebra mussels are recent invaders to California. The mussels are internationally recognized pests that have caused significant impacts on water delivery systems, fisheries, and ecosystems, with control costing millions of dollars annually in many states and countries.

The PVID works with the North Coast Regional Water Quality Control Board Irrigated Lands Discharge Program. The goal of the Irrigated Lands Discharge Program is to set water quality goals for receiving waters in the region and to suggest farm water quality management goals.

The PVID works with other county agencies such as the Mendocino County Inland Water and Power Commission (MCIWPC). The MCIWPC is a joint powers agency that includes Mendocino County, the City of Ukiah, Potter Valley Irrigation District, Russian River Flood Control and Water Conservation Improvement District, and Redwood Valley County Water District. The agency was formed to protect and procure adequate water supplies for its members.

The PVID also works with a number of private environmental groups such as the Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council), the Eel River Recovery Project, and the Eel River Task Force. The Stewardship Council is a private, nonprofit foundation that was established in 2004 as part of a PG&E settlement. Its goals are to ensure that over 140,000 acres of PG&E watershed lands are conserved for the public good through a Land Conservation Program and to invest in outdoor programs that serve California's young people through its Youth Investment Program. The PVID is active in the Land Conservation Program, which includes the Upper Main Stem Eel River Watershed.

The Eel River Recovery Project addresses water conservation, nutrient pollution, and ecosystem recovery. This project is operating under the umbrella of the Trees Foundation and has an Advisory Group made up of people from throughout the Eel River Basin, which includes communities, Tribes, and government agencies.

In addition, the PVID is working with the community and the Potter Valley Tribe to form the Upper Eel River Conservancy to protect the land in the Upper Main Stem Eel River watershed.

DETERMINATION:

3.4.5.1 The PVID works cooperatively with federal, state, and local agencies. The PVID holds a seat on the MCIWPC and cooperates with a number of conservation groups to maintain the quality of the Upper Main Stem Eel River Watershed.

3.3.6 – Governance and Accountability

The PVID is governed by a five-member board of directors elected by division at large to four-year staggered terms. Board members receive no compensation. Board meetings are held on the third Wednesday of the month at 7 p.m. at the PVID office, 10170 Main Street, in Potter Valley. Meetings are noticed according to the Brown Act and function under a set of by-laws. An agenda is posted at Hoppers Corner Store, outside the office door, and on the website. The PVID contracts with an independent CPA for a biannual audit of PVID operations.

The board has one standing committee, the Safety Committee. As a standing committee the meetings are noticed according to the Brown Act. The board hires the elected Secretary/Treasurer as the bookkeeper. The board operates with a written set of policies and procedures.

The PVID has four full-time and seven-part-time employees. The full-time employees include the superintendent, who has day-to-day responsibility for managing the affairs of the PVID; a secretary-treasurer, who acts as the chief financial officer; and an assessor-collector who is responsible for billing and standby assessments. An additional employee serves under the Superintendent as Operations and Maintenance Supervisor. The seven part-time employees are responsible for operating and maintaining the system. The PVID contracts for maintenance of the website. Given the size and nature of the operations of the PVID, the structure appears to be sound because the PVID appears to be efficiently providing irrigation services to its customers.

The PVID co-sponsors the annual Eel River cleanup event where the public is involved in cleanup along the river and highways. Volunteers collect trash on 26 miles of county roads and 12 miles of river. Trash is taken to the Potter Valley Transfer Station.

DETERMINATION:

- 3.4.6.1 The PVID is governed by a five-member board elected at large from divisions. Board members receive no compensation.
- 3.4.6.2 The board meets regularly on the third Wednesday of the month at 7 p.m. at the PVID office at 10170 Main Street in Potter Valley. Board meetings are noticed according to the Brown Act.
- 3.4.6.3 The board functions under a set of by-laws and has one standing committee the Safety Committee.
- 3.4.6.4 The PVID has four full-time and seven part-time employees who provide efficient services to the PVID residents and customers.
- 3.4.6.5 The PVID maintains a website that allows for communication with the public. It engages the public through community events such as the Eel River Cleanup.

3.3.7 – LAFCO Policies Affecting Service Delivery

One of the main functions of LAFCO is the preservation of agricultural land and open space. As an irrigation district, PVID is responsible for helping to maintain land in productive use for agriculture. There are no plans to expand the PVID's sphere of influence. Providing services to additional customers is limited by the self-imposed moratorium that expires in 2022. There are no policies that would be of concern or limit the mission of the PVID, as operations of the PVID are consistent with local LAFCO policies.

DETERMINATION:

- 3.4.7.1 Because of the moratorium, the PVID is precluded from expanding services or seeking to expand its SOI. The PVID is responsible for providing irrigation water to maintain production of agricultural lands, which is consistent with LAFCO policies for preservation of agricultural land and open space.

3.3.8 – Summary of Determinations

- 3.4.1.1 The PVID has a population of approximately 1,700, based on CDOF analysis of zip codes in the 2010 census. A similar analysis with the 2000 census data indicated no growth in population between 2000 and 2010. The projected population in 2020 is the same in 2010.
- 3.4.2.1 There are no disadvantaged unincorporated communities within the SOI of the PVID.
- 3.4.3.1 The PVID operates under three licenses (5246, 1199, 5545) with the State Water Resources Control board that allow the PVID to divert up to 22,670 AFY between May 1 and September 30 of each year. As part of this allotment, the PVID has a contract with PG&E to supply 19,000 AFY irrigation water through 2022.
- 3.4.3.2 The average annual demand is 16,588 AF and a normal year supply of 22,670 AF. In dry years the supply is reduced by more than 50 percent. The uncertainty in capacity has resulted in a moratorium on new customers through 2022.
- 3.4.4.1 The PVID budget operates on a calendar-year basis. Revenue sources are derived primarily from property taxes, which accounts for 70 percent of all revenues; water sales account for 12.5 percent; and standby charges account for 13.5 percent. Revenues for 2011 amounted to \$412,050 and expenses were \$299,230.
- 3.4.4.2 The PVID standby charges are \$8.50 per acre per year and water use charges are \$4.50 per acre-foot of water.
- 3.4.4.3 The PVID has shown an average net income of \$115,000 over the last five years. The PVID has sufficient revenues to provide service.
- 3.4.5.1 The PVID works cooperatively with federal, state, and local agencies. The PVID holds a seat on the MCIWPC and is active with a number of conservation groups to maintain the quality of the Upper Main Stem Eel River Watershed.
- 3.4.6.1 The PVID is governed by a five-member board elected at large from divisions. Board members receive no compensation.
- 3.4.6.2 The board meets regularly on the third Wednesday of the month at 7 p.m. at the PVID office at 10170 Main Street in Potter Valley. Board meetings are noticed according to the Brown Act.
- 3.4.6.3 The board functions under a set of by-laws and has one standing committee the Safety Committee.
- 3.4.6.4 The PVID has four full-time and seven part-time employees who provide efficient services to the PVID residents and customers.
- 3.4.6.5 The PVID maintains a website that allows for communication with the public. It engages the public through community events such as the Eel River Cleanup.
- 3.4.7.1 Because of the moratorium, the PVID is precluded from expanding services or seeking to expand its sphere of influence. The PVID is responsible for providing irrigation water to maintain production of agricultural lands, which is consistent with LAFCO policies for preservation of agricultural land and open space.

3.4 – Redwood Valley County Water District

District Profile

The Redwood Valley County Water District (RVCWD) was incorporated on January 16, 1964 under Sections 30322 and 30323 of the Water Code. The size of the service area is roughly 15 square miles in a valley 5 miles long by 3 miles wide. The original irrigable acreage in the RVCWD was estimated between 3,300 and 3,500 acres. That acreage has grown to a gross area of 5,470 acres as reported in the 2001 Crop and Water Data report to the U. S. Bureau of Reclamation. The RVCWD went into operation with the dual distribution system for irrigation water service in April 1979 and for domestic water service in November 1979. The RVCWD serves a total of 1,345 equivalent dwelling units and 200 agricultural customers. Exhibit 3.5-1 illustrates the RVCWD boundaries.

3.4.1 – Growth and Population Projections

One method to estimate population relies on the number of residential connections, multiplied by the person per household of the unincorporated portion of the County. The method assumes all residential connections are to single residences. Table 3.4-1 represents population and housing for 2011 from the California Department of Finance. Using 2.49 persons per household and 1,345 connections, the estimated population would be 3,349. The California Department of Health estimates they serve a population of 3,969; however, since the RVCWD cannot verify that number, the accuracy of that number is questionable.

Table 3.4-1: Mendocino County Population and Housing—2011

CITY	TOTAL POPULATION	TOTAL HOUSING UNITS	TOTAL HOUSEHOLDS	PERSONS PER HOUSEHOLD
Fort Bragg	7,308	3,206	2,872	2.54
Point Arena	450	225	192	2.34
Ukiah	16,109	6,491	6,161	2.61
Willits	4,898	2,074	1,915	2.56
Unincorporated	59,432	28,417	23,882	2.49
County Total	88,197	40,413	35,022	2.52

Source: California Department of Finance 2011a.

The population of the RVCWD was also studied as a part of the Ukiah Valley Area Plan (UVAP). In a review completed in 2007 for the Ukiah Valley, the population between 2005 and 2020 was projected to increase at a rate of 1.63 percent per year. Since the analysis was completed before the economic downturn, it may be optimistic. The same study shows an average 1 percent annual growth rate between 1990 and 2005. Using the more conservative historical growth rate, the population would grow to 3,617 in 2020. With the higher population and the higher growth rate, the population in 2020 may be expected to reach 3,786.

DETERMINATIONS:

3.5.1.1 The population of the RVCWD is estimated at approximately 3,349. The population and growth study completed for the Ukiah Valley Area Plan estimated a growth rate between 1 percent and 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the RVCWD is expected to be approximately 3,617 in 2020.

3.4.2 – Disadvantaged Unincorporated Communities

By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within the sphere of influence. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean. An unincorporated legacy community refers to a geographically isolated community that is inhabited and has existed for at least 50 years.

There are no island communities or legacy communities but the community of Calpella lies just outside the district boundaries to the south. The Calpella community is served by the Calpella County Water District that provides both water and sewer and the Redwood Valley/Calpella Fire District that provides fire protection.

Table 3.4-2 shows the median household income compared with the statewide median household income, based on the 2010 census. The data show that the median income for Calpella exceeds the 80-percent threshold and would not be considered a disadvantaged unincorporated community.

Table 3.4-2: Median Household Income Redwood Valley County Water District Communities

LOCATION	CENSUS TRACT	MEDIAN HOUSEHOLD INCOME	PERCENT OF MEDIAN CALIFORNIA HOUSEHOLD INCOME OF \$57,708
Calpella	109	\$53,725	93

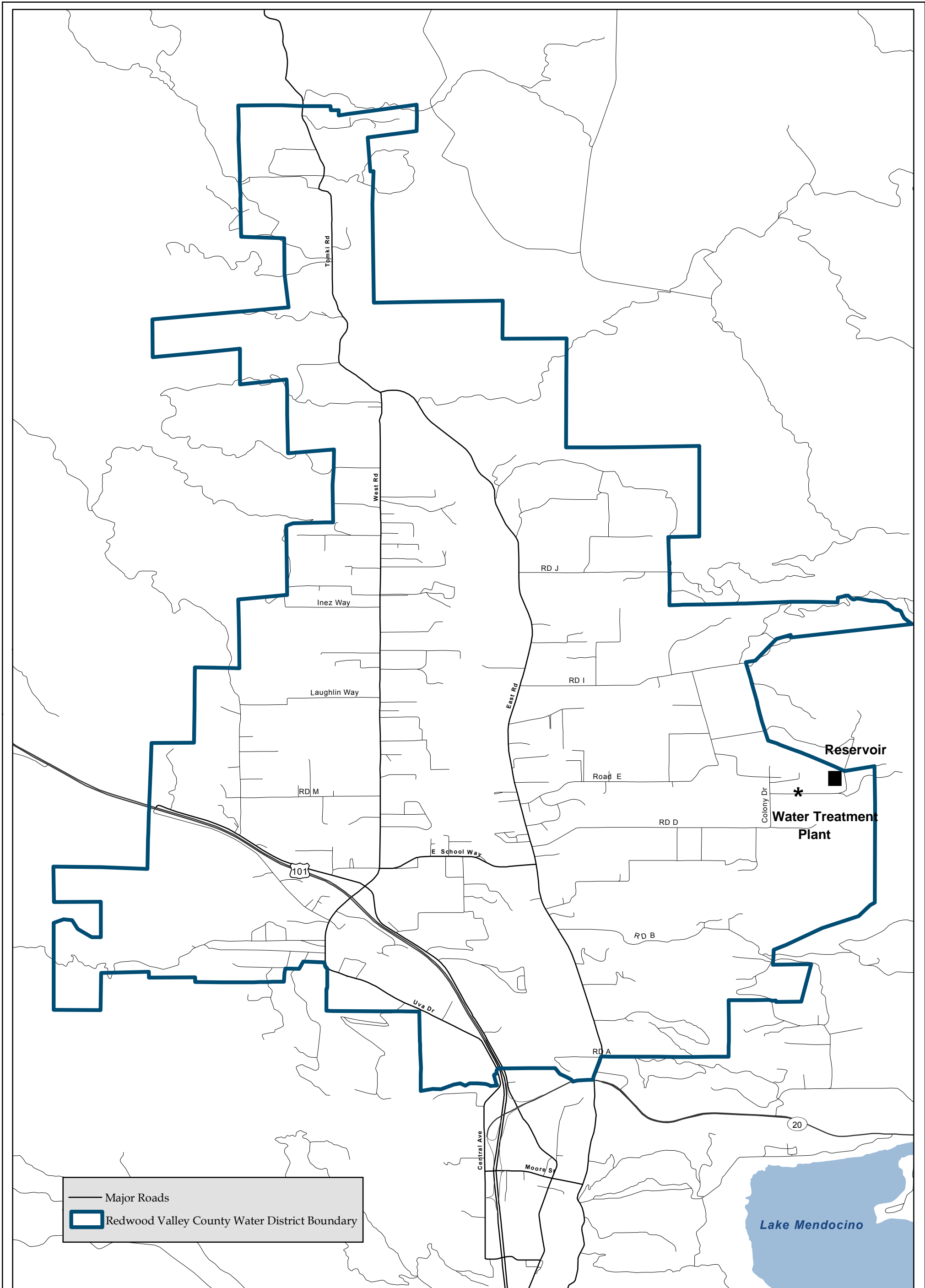
Source: U.S. Census 2010.

DETERMINATIONS:

3.5.2.1 There are no disadvantaged unincorporated communities in the vicinity of the RVCWD boundaries.

3.4.3 – Present and Planned Capacity of Public Facilities

The RVCWD’s water supply comes from Lake Mendocino. A pump station located at the Lake pumps water to a holding reservoir 4.5 miles from the Lake. The holding reservoir has a capacity of 68 AF. During typical demand, water is pumped to the reservoir from the lake at night to take advantage of lower electricity rates. From there, domestic water is delivered by gravity flow to the water treatment plant. The plant can treat up to 1.7 mgd. Treated potable water is pumped to six covered steel tanks with a total volume of 1.85 million gallons.



Created August, 2012 - Exhibit3_5_1.mxd Data Sources: City of Ukiah, County of Mendocino, Esri

Exhibit 3.5.1



Redwood Valley County Water District Boundary Map

E Mulberg & Associates

LAFCO of Mendocino • Ukiah Valley Special Districts MSR

Water flows by gravity from these tanks to customers. Irrigation water flows by gravity to the irrigation distribution system. During periods of high demand gravity flows are augmented by pressure flows from the lake pumps.

Redwood Valley currently delivers approximately 750 AF for residential and commercial uses, and 1,450 acre-feet for agricultural purposes—a combined total annual demand of 2,200 AFY. The RVCWD’s water supply consists of a largely un-exercisable right to divert up to 4,900 AF directly from Lake Mendocino between November 1 and April 30 of each year, and divert surplus water supplies from RRFC and the Sonoma County Water Agency. Water diversions made according to the RVCWD’s Lake Mendocino water right can only occur in instances when stream flows in the Russian River main stem (as measured at the confluence of the East and West forks) exceed 150 cfs and Lake Mendocino storage exceeds 72,000 acre-feet. This represents a relatively narrow window of opportunity that can be as much as 70 days in wet years, but as little as one or two days in dry years. Because of the uncertain supply, the RVCWD is currently under court-ordered moratorium for domestic connections and a board-initiated moratorium for irrigation connections.

By definition, the water being sold to Redwood Valley by the RRFC and the Sonoma County Water Agency is surplus to the ongoing needs of the two respective organizations. Since the surplus water that the RVCWD receives is for residential and commercial use, the RRFC and the Redwood Valley could agree on a set amount for those uses. That would preclude the RRFC surplus water supply from being used, at least in part, to meet future water demands in the Ukiah Valley. It would also provide a more stable source of water for Redwood Valley.

The RVCWD adopted a conservation ordinance in 2007 to deal with droughts such as those that occurred in 2007-2009. The ordinance is based on six tiers, of which the most severe restrictions are declared for Tier 6. Tier 4 was implemented in 2009 when Lake Mendocino water levels receded to record lows and mandatory rationing was instituted by the Mendocino County Board of Supervisors, resulting in a 50-percent reduction in water use.

DETERMINATIONS:

- 3.5.3.1 The annual demand is approximately 750 AF domestic and 1,450 AF for irrigation, a total of 2,200 AF.
- 3.5.3.2 The RVCWD maintains a 68-acre-foot storage tank of untreated water from which water is transmitted to the water treatment plant to produce domestic water. The plant has a capacity of 1.7 mgd.
- 3.5.3.3 The RVCWD’s supply consists of a right to divert up to 4,900 AF from Lake Mendocino if flow at the confluence of the forks of the Russian River exceeds 72,000 AF. It is estimated that water will be available for 70 days in wet years and one or two days in dry years.
- 3.5.3.4 As a result of the uncertain supply, the RVCWD is under a moratorium for new domestic and irrigation connections.

3.4.4 – Financial Ability to Provide Service

The RVCWD operates with a budget of approximately \$1 million. The primary source of revenues is water sales, for domestic and irrigation purposes. It also receives a limited amount of property

tax. Water sales account for approximately 96 percent of all revenues; property taxes and interest income about 2 percent each. Of the total water sales, 75 percent is for domestic water and 25 percent is for irrigation water. The average volumetric split is 1/3 domestic and 2/3 irrigation. The actual ratio of domestic to irrigation water is highly weather-dependent. Table 3.4-3 provides a summary of revenues and expenses for the FY 2007-08 through FY 2009-10.

**Table 3.4-3: Redwood Valley County Water District Revenues and Expenditures
 FY 2007-08 to FY 2009-10 (\$ thousands)**

ACCOUNT	FY 2007-08	FY 2008-09	FY 2009-10
Total Operating Revenues	\$1,136.10	\$1,126.70	\$801.30
Total Operating Expenses	1,363.50	926.80	874.10
Net Operating Income before Depreciation	(227.30)	199.90	(72.80)
Depreciation & Amortization	302.90	314.50	320.70
Operating Income (Loss)	(530.20)	(114.60)	(393.50)
Interest Expense	(1.10)	1.00	1.90
Other Income	77.80	45.40	28.70
Change in Net Assets	(453.50)	(70.30)	(366.70)
Beginning Net Assets	1,623.40	1,169.90	1,099.60
Ending Net Assets	\$1,169.90	\$1,099.60	\$732.90
Source: Bowers 2010, 2011.			

As a consequence of the drought in 2009 and restrictions placed on water usage, revenues in calendar year 2009 were depressed. As a consequence, the board froze salaries of its employees. The salary freeze has been in place for nearly four-years and RVCWD salaries are becoming less competitive. The board addressed the salary issue in the 2012-13 budget.

Rates

The RVCWD adopted a new rate structure that became effective January 1, 2010. The rate structure shown in Table 3.4-4 is the residential and commercial tiered rate structure. There is a base charge related to the size of the meter and a usage charge. Typical residential rates are \$10 per month plus the usage rate. When residential users take service as commercial service, the monthly per-dwelling fee of \$10 applies.

Table 3.4-4: Redwood Valley County Water District Residential/Commercial Meter Charges

Meter Size	Base charge (per month)
¾-inch, 1-inch, 1.5-inch, 2-inch (Residential Service)	\$10
2-inch	\$30
3-inch	\$45

4-inch	\$60
Source: RVCWD 2012.	

The monthly billing formula is the meter charge plus a usage charge, shown in Table 3.4-5. Although the table shows a rate for each 1,000 gallons used, the customer is billed for actual number of gallons consumed.

Table 3.4-5: Redwood Valley County Water District Residential/Commercial Usage Charges

Usage (gallons)	Charge per 1,000 gallons
1-4,000	\$3.75
4,001-8,000	\$4.00
8,001-12,000	\$4.50
12,001-20,000	\$5.00
>20,000	\$5.50
Source: RVCWD 2012.	

Agricultural customers are charged a meter charge, a minimum acre-foot charge, plus a fee for usage above the minimum. Unlike the residential rate, which charges for actual gallons used, irrigation water is sold in 1,000-gallon units. Table 3.4-6 summarizes the agricultural rates.

Table 3.4-6: Redwood Valley County Water District Agricultural Rates

Meter Size	Meter Charge	Pre Purchase at \$225/AF	Usage per 1,000 gallons
2-inch	\$20	1 AF	\$0.69
4-inch	\$40	2 AF	\$0.69
Source: RVCWD 2012.			

Long-Term Debt

The RVCWD has two outstanding, long-term debt obligations. One is a loan from the Department of Water Resources. During the 1992-93 fiscal year, the RVCWD received a loan from the Department of Water Resources for \$52,000. The loan carries interest at 3.2205 percent and is payable in semi-annual installments of \$1,371 over 30 years.

The loan was made in conjunction with a \$400,000 grant from the Department of Water Resources and was used to finance the construction of three water main extensions.

A second debt obligation was for purchase of a 2010 Ford Ranger for \$14,350. The loan is payable monthly at \$441.98, which includes principal and interest at 6.79 percent, through January 2013.

A third obligation to the U.S. Bureau of Reclamation for \$7,313,000 has been suspended to allow the RVCWD to apply for additional water rights. The obligation was suspended under Public Law

110-229 that would allow RVCWD to be free from penalties and interest on the original loan until RVCWD was able to procure additional non-Federal funding to construct diversion and/or storage facilities to relieve its moratorium. Lifting the moratorium would allow full design build-out of the District. That would allow repayment of the second loan which in turn would allow repayment of the original loans.

Capital Improvements

Each year, the RVCWD addresses capital improvement needs in its budget. Projects include upgrades to the water treatment plant, meter upgrades, filter upgrades, SCADA upgrades, and security. Table 3.4-7 shows actual and budgeted capital expenses for FY 2008-09 through 2010-11.

**Table 3.4-7: Redwood Valley County Water District Capital Improvement Expense
 FY 2008-09 to FY 2010-11**

YEAR	CAPITAL IMPROVEMENT EXPENSE
FY 2008-09	\$117,683
FY 2009-10	\$ 70,929
FY 2010-11 (Budgeted)	\$ 74,304

Even with the new rate structure, the RVCWD has been concerned about whether there is sufficient revenue to fund needed capital improvement projects. The RVCWD is considering hiring a consultant to review the rate structure in terms of the ability to fund future projects.

DETERMINATIONS:

- 3.5.4.1 The RVCWD has an annual budget of approximately \$1 million.
- 3.5.4.2 Sources of revenues are water sales, property taxes, and interest. Water sales account for 96 percent of all operating revenues. The split between domestic and irrigation revenues is 75 percent and 25 percent, respectively.
- 3.5.4.3 A new rate schedule went into effect on January 1, 2010. The need for a rate increase has been shown by the net operating loss in the preceding two fiscal years. The rates include a meter charge based on the size of the meter plus a usage charge. Domestic water customers are assessed on a five-tier usage schedule ranging from \$3.75 per 1,000 gallons to \$5.50. Agricultural customers' usage charge is a flat \$0.69 per 1,000 gallons.
- 3.5.4.4 The RVCWD has a capital improvement plan with a schedule of projects to be completed each year. In the last three years, the RVCWD allocated an average of \$87,000 annually for capital improvements.

3.4.5 – Shared Facilities

The RVCWD works cooperatively with federal, state, and local agencies. The RVCWD is very active with agencies that are involved with the Russian River Watershed and the Eel River related to the Potter Valley Project that supplies water to Lake Mendocino. The RVCWD also participates in joint powers agencies to reduce cost of insurance.

The RVCWD works with other county agencies such as the Mendocino County Inland Water and Power Commission (MCIWPC). The MCIWPC is a joint powers agency that includes Mendocino County, the City of Ukiah, Russian River Flood Control and Water Conservation Improvement District, and Potter Valley Irrigation District. The agency was formed to protect and procure adequate water supplies for its member agencies and to facilitate coordination between the Potter Valley Irrigation District and PG&E on the Potter Valley Project.

The RVCWD has worked successfully with Mendocino County Water Agency (MCWA) and Sonoma County Water Agency (SCWA). RVCWD has a contract for surplus water from SCWA. The RVCWD continues to work with MCWA and other local water districts regarding their participation in one or both of the water rights projects.

The RVCWD participates in and monitors meetings of the Eel-Russian River Commission. The Eel-Russian River Commission was formed in 1978 by supervisors from Humboldt, Mendocino, Sonoma, and Lake Counties. The original purpose was to investigate modifying flow agreements. Participants include the Department of Fish and Wildlife, PG&E, SCWA, and the Department of Water Resources.

The RVCWD has signed on to the quagga/zebra mussel MOU. The quagga and zebra mussels are recent invaders to California. The mussels are internationally recognized pests that have caused significant impacts on water delivery systems, fisheries, and ecosystems, with control costing millions of dollars annually in many states and countries. The SCWA is preparing the MOU to fund an assessment of the risk they pose for Lake Mendocino and Lake Sonoma. The study will cost an estimated \$120,000 and the RVCWD's contribution would be \$5,000.

The RVCWD is a participating member of the Joint Powers Insurance Authority (JPIA). JPIA is an association of a large number of independent water agencies that have pooled funds to be self-insured for liabilities up to \$1,000,000 per occurrence. The JPIA also purchases excess insurance to cover each member for liabilities to \$50 million per occurrence.

Determinations:

- 3.5.5.1 The RVCWD works cooperatively with federal, state, and local agencies. For example the RVCWD is a member of the MCIWPC and is a partner in the assessment of quagga/zebra mussel impacts on water delivery systems.
- 3.5.5.2 The RVCWD is a member of the JPIA to reduce insurance costs by joining in a pool with other agencies.

3.4.6 – Government Structure and Accountability

The RVCWD is governed by a five-member board of directors elected by division to staggered four-year terms. Board members receive a stipend of \$25 per meeting with a maximum of \$150 per month. Board meetings are held regularly on the third Thursday of the month at 7 p.m. at 2370 Webb Ranch Road.

Board meetings are posted to comply with the Brown Act. In addition to notices on its website, the RVCWD advertises board meetings using two permanent, portable sandwich board signs placed at

two busy intersections in Redwood Valley on the Monday preceding the Thursday meeting. Meeting notices are also posted at three commercial locations.

The RVCWD has six employees: a full-time General Manager, a full-time office manager, a three-quarter-time office staff person, and three full-time field technicians. Staffing is sufficient to perform the functions of the RVCWD.

The RVCWD communicates with residents through its website. The website contains information on board meetings, the history of the RVCWD, and the process by which water is conveyed from

Lake Mendocino to the treatment plant to residential customers. In addition, the website contains information on upcoming events and potential areas of concern to customers. The website includes posted information on the potential consolidation, agenda items of the ad hoc committee, and the Memorandum of Agreement signed in April 2011. The RVCWD also posted the results of a survey taken to gain information on the concerns of its customers.

The board has established an ad hoc committee to discuss the possibility of consolidation with the RRFC. The goal is to be able to secure permanent water rights to provide service to RVCWD customers. On March 30, 2011, the boards of the RVCWD and the RRFC approved a Memorandum of Agreement for a consolidation. The agreement had four main points:

- RVCWD purchases 3,500 AF to be reassigned from 12947A (SCWA) to 12947B (RRFC).
- RRFC abandons its petition for 6,000 AF.
- RVCWD and RRFC merge to become new entity.
- SCWA agrees not to protest Point Of Use petition for RVCWD rights.

Although the agreement expired in July 2011, the RVCWD has continued its discussions with RRFC and SCWA. While there appears to be consensus agreement with RRFC, some issues still need to be addressed with SCWA, including added water allocations to RRFC.

DETERMINATIONS:

- 3.5.6.1 The RVCWD is governed by a five-member board elected by division to four-year staggered terms. Board meetings are held regularly on the third Thursday of the month and noticed according to the Brown Act. The RVCWD is unique in that it uses a sandwich board to publicize its meetings.
- 3.5.6.2 The RVCWD has six employees: a general manager, one full-time and one part-time office staff, and three field technicians. Staffing is sufficient to perform the functions of the RVCWD.
- 3.5.6.3 The RVCWD maintains a website that is used to communicate with its residents. It contains meeting notices, meeting minutes, and other relevant information.
- 3.5.6.4 One of the key issues is the potential consolidation with the RRFC. An ad hoc committee has been at work to address issues. The consolidation is complicated by the interaction with SCWA, which controls water from Lake Mendocino that is critical to making the consolidation work.

3.4.7 – LAFCO Policies Affecting Service Delivery

As the RVCWD continues its discussion on consolidation with the RRFC, the LAFCO policies relating to consolidation apply. The policies are found in Chapter V, Section B 8, 9, and 10. Policy 8 comes directly from CKH, which asserts that if two districts wish to consolidate and pass substantially similar resolutions, LAFCO cannot deny them. LAFCO's actions are subject to protest proceedings whereby a protest of 25 percent of affected registered voters will trigger an election, and a protest of 50 percent of affected registered voters will stop the consolidation. Policies 9 and 10 state that LAFCO cannot materially change the conditions of the consolidation unless agreed upon by the two districts.

DETERMINATIONS:

- 3.5.7.1 As the RVCWD is considering consolidation with the RRFC, LAFCO policies relating to consolidation apply.

3.4.8 – Summary of Determinations

- 3.5.1.1 The population of the RVCWD is estimated at approximately 3,349. The population and growth study completed for the Ukiah Valley Area Plan estimated a growth rate between 1 percent and 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the RVCWD is expected to be approximately 3,617 in 2020.
- 3.5.2.1 There are no disadvantaged unincorporated communities in the vicinity of the RVCWD boundaries.
- 3.5.3.1 The annual demand is approximately 750 AF for domestic use and 1,450 AF for irrigation, a total of 2,200 AF.
- 3.5.3.2 The RVCWD maintains a 68-acre-foot storage tank of untreated water from which water is transmitted to the water treatment plant to produce domestic water. The plant has a capacity of 1.7 mgd.
- 3.5.3.3 The RVCWD's supply consists of a right to divert up to 4,900 AF from Lake Mendocino if flow at the confluence of the forks of the Russian River exceeds 72,000 AF. It is estimated that water will be available for 70 days in wet years and one or two days in dry years.
- 3.5.3.4 As a result of the uncertain supply, the RVCWD is under a moratorium for new domestic and irrigation connections.
- 3.5.4.1 The RVCWD has an annual budget of approximately \$1 million.
- 3.5.4.2 Sources of revenues are water sales, property taxes, and interest. Water sales account for 96 percent of all operating revenues. The split between domestic and irrigation is 75 percent and 25 percent, respectively.
- 3.5.4.3 A new rate schedule went into effect on January 1, 2010. The need for a rate increase has been shown by the net operating loss in the preceding two fiscal years. The rates include a meter charge based on the size of the meter plus a usage charge. Domestic water customers are assessed on a five-tier usage schedule ranging from \$3.75 per 1,000 gallons to \$5.50. Agricultural customers' usage charge is a flat \$0.69 per 1,000 gallons.

- 3.5.4.4 The RVCWD has a capital improvement plan with a schedule of projects to be completed each year. In the last three years, the RVCWD allocated an average of \$87,000 annually for capital improvements.
- 3.5.5.1 The RVCWD works cooperatively with federal, state, and local agencies. For example, the RVCWD is a member of the MCIWPC and is a partner in the assessment of the quagga/zebra mussel impacts on water delivery systems.
- 3.5.5.2 The RVCWD is a member of the JPIA to reduce insurance costs by joining in a pool with other agencies.
- 3.5.6.1 The RVCWD is governed by a five-member board elected by division to four-year staggered terms. Board meetings are held regularly on the third Thursday of the month and noticed according to the Brown Act. The RVCWD is unique in that it uses a sandwich board to publicize its meetings.
- 3.5.6.2 The RVCWD has six employees: a general manager, one full-time and one part-time office staff, and three field technicians. Staffing is sufficient to perform the functions of the RVCWD.
- 3.5.6.3 The RVCWD maintains a website that is used to communicate with its residents. It contains meeting notices, meeting minutes, and other relevant information.
- 3.5.6.4 One of the key issues is the potential consolidation with the RRFC. An ad hoc committee has been at work to address issues. The consolidation is complicated by the interaction with SCWA, which controls water from Lake Mendocino that is critical to successful consolidation.
- 3.5.7.1 As the RVCWD is considering consolidation with the RRFC, LAFCO policies relating to consolidation apply.

3.5 – Russian River Flood Control and Water Conservation Improvement District

District Profile

The Mendocino County Russian River Flood Control and Water Conservation Improvement District (RRFC) was formed to serve, along with the Sonoma County Water Agency, as the local sponsor for the development of Coyote Dam and Lake Mendocino. The RRFC encompasses approximately 51,000 acres from just north of the Sonoma County line to Calpella. Exhibit 3.5-1 shows the RRFC boundaries.

The RRFC provides raw water for irrigation and to municipal water purveyors within its boundaries and place of use. The municipal service provider then treats and distributes the water to its customers. The following municipal water districts or companies receive water from the RRFC:

- City of Ukiah
- Millview County Water District
- Calpella County Water District
- Hopland Public Utility District
- Rogina Water Company
- River Estates Mutual Water Company
- Henry Station Mutual Water Company
- Redwood Valley County Water District
- East Sanel Irrigation District

3.5.1 – Growth and Population Projections

The population of the RRFC can be estimated from the population of the zip codes contained in the RRFC boundaries. The RRFC covers much of zip code 95449 and 95482. Zip code 95449 covers the rural area from Hopland to the Sonoma County border. The 2010 Census estimates the population of zip code 95449 at 1,500. Zip code 95482 includes the City of Ukiah and most of the Ukiah Valley. The population of the 95482 zip code is 31,800, so the estimated population of the RRFC is 33,300.

The population of the RRFC was also studied as a part of the Ukiah Valley Area Plan (UVAP). In a review completed in 2007 for the Ukiah Valley, the population of the unincorporated portion between 2005 and 2020 was projected to increase at a rate of 1.63 percent per year. Since the analysis was completed before the economic downturn, it may be optimistic. The same study shows an average 1 percent annual growth rate between 1990 and 2005. Based on these growth rates, the 2020 the population of the RRFC would be between 36,000 and 37,600.

DETERMINATIONS:

- 3.6.1.1 The population of the RRFC is estimated at 33,300. Projected growth ranges from 1 percent to 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the RRFC is expected to be approximately 36,000 in 2020.

3.5.2 – Disadvantaged Unincorporated Communities

In 2011, the legislature passed SB 244, which was signed into law and became effective January 1, 2012. The new law added a seventh area to evaluate in the MSR. SB 244 requires identification of disadvantaged unincorporated communities that lie within the RRFC's SOI or proposed SOI.

By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within a city’s sphere of influence. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean. An unincorporated legacy community refers to a geographically isolated community that is inhabited and has existed for at least 50 years.

There are no island communities or legacy communities but the community of Redwood Valley lies just north of the district boundaries and should be evaluated. Redwood Valley receives water service from the Redwood Valley County Water District and fire services from the Calpella/ Redwood Valley Fire District. Table 3.5-1 shows the median household income compared with the statewide median household income, based on the 2010 census. The data show that the median income for Redwood Valley exceeds the 80-percent threshold, and it should not be considered a disadvantaged unincorporated community.

Table 3.5-1: Median Household Income RRFC Communities

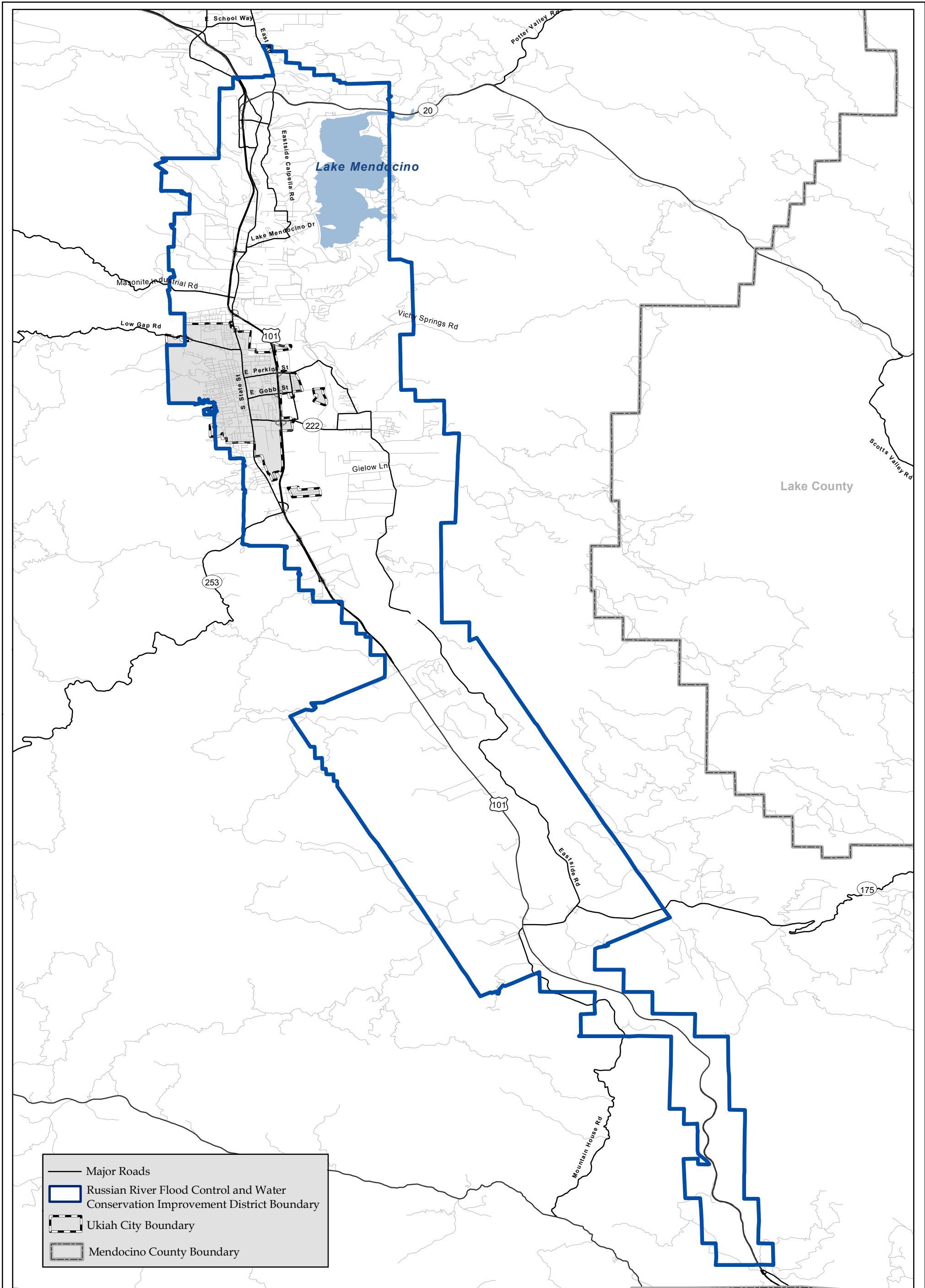
LOCATION	CENSUS TRACT	MEDIAN HOUSEHOLD INCOME	PERCENT OF MEDIAN CALIFORNIA HOUSEHOLD INCOME OF \$57,708
Redwood Valley	108.01	\$53,563	93
Source: U.S. Census 2010.			

DETERMINATIONS:

3.6.2.1 There are no disadvantaged unincorporated communities in the vicinity of the RRFC boundaries.

3.5.3 – Present and Planned Capacity of Public Facilities

The RRFC operates under water right permit 12947B. The RRFC is authorized to divert 8,000 AFY from Mendocino Lake for domestic, municipal, irrigation, and recreational purposes within the RRFC service area. This water is diverted and sold as raw water to public water systems, where it is subsequently treated for municipal use, and to private agricultural entities for irrigation and frost protection purposes. As of 2010, all but approximately 1,400 AF of the 8,000-acre-foot supply have been contracted to public water systems and agricultural entities. The balance is considered surplus water and is currently sold to the Redwood Valley County Water District, where it is used for municipal and agricultural purposes. Table 3.5-2 provides a summary of municipal water customers and the amount of water they are contracted to purchase. As seen in the table, agriculture receives about 58 percent of the annual allocation.



	Major Roads
	Russian River Flood Control and Water Conservation Improvement District Boundary
	Ukiah City Boundary
	Mendocino County Boundary

Created August, 2012 - Exhibit3_6_1.mxd Data Sources: City of Ukiah, County of Mendocino, Esri

Exhibit 3.6.1

Russian River Flood Control and Water Conservation Improvement District Boundary Map



Table 3.5-2: Summary of RRFC Water Supply Agreements

AGENCY	ANNUAL CONTRACT AMOUNT(AF)
City of Ukiah	800
Willow CWD	515
Millview CWD	970
Calpella CWD	51
Rogina Water Company	400
Hopland PUD ^a	192
Agricultural ^b	3,793
<i>Non-Agricultural Subtotal</i>	<i>2,797</i>
Grand Total	6,590
Notes: Not located in the UVA ^a Includes agricultural users not in the UVA ^b The difference between the allocated supply and the maximum quantity available (8,000 AF) is considered surplus to the needs of the RRFC water contractors and has historically been sold to the Redwood Valley County Water District. Source: Mendocino County Water Agency, 2010; White, 2013.	

DETERMINATIONS:

3.6.3.1 The RRFC is limited to a maximum of 8,000 AFY of water from Lake Mendocino by water right permit 12947B. Of those 8,000 AF, the RRFC has contracts for 6,600 AF. The remaining 1,400 AF, when available, are considered surplus and historically have been sold to the Redwood Valley County Water District.

3.5.4 – Financial Ability to Provide Services

The budget for FY 2012-13 forecasts revenues of \$341,895 and expenses of \$340,450. The RRFC receives both property tax and revenues from water sales. Table 3.5-3 summarizes revenues and expenses for the most recent three years, FY 2009-10 through FY 2011-12.

Table 3.5-3: RRFC Revenues and Expenses FY 2009-10 to FY 2011-12

Account	FY 2009-10	FY 2010-11	FY 2011-12
Property Taxes	\$39,814	\$39,875	\$40,624
Water Sales	\$339,645	\$347,550	\$263,347
Total Income	\$379,866	\$387,448	\$304,732
Total Expenses	\$244,296	\$265,872	\$305,799
Net Income	\$121,575	\$135,570	(\$1,066)
Source: RRFC 2011, 2012.			

The table shows that waters sales represent approximately 90 percent and that property taxes are 10 percent. The RRFC contracts with the agencies shown in Table 3.5-23.6.1 at a rate of \$47 per AF. Using that rate, water sales for the three years—FY 2009-10, FY 2010-11, and FY 2011-12—were 7,226 AF, 7,395 AF and 5,603 AF, respectively. The drop in sales can be attributed to the wet spring experienced in the region. As a result, less irrigation water was needed with the corresponding drop in sales. It is clear that sales are limited by permit 12947B. Unless the District can acquire more water rights, the District is near capacity.

Review of revenues and expenses for FY 2011-12 shows a net operating loss. This can be explained by lower water sales and higher payroll expenses.

DETERMINATIONS:

3.6.4.1 The RRFC has a budget for FY 2012-13 of approximately \$342,000. The RRFC receives approximately 10 percent of its revenues from property taxes and 90 percent from water sales. In the last three years, the RRFC has had surplus water that it sells to RVCWD. Revenues are limited by available water in its water right permit.

3.5.5 – Status and Opportunity for Shared Facilities

The RRFC works cooperatively with other government agencies. It works closely with SCWA to monitor water levels on Lake Mendocino. The RRFC works with other county agencies such as the MCIWPC, a joint powers agency that includes Mendocino County, the City of Ukiah, Russian River Flood Control and Water Conservation Improvement District, and Potter Valley Irrigation District. The agency was formed to protect and procure adequate water supplies for its member agencies and to facilitate coordination between the Potter Valley Irrigation District and PG&E on the Potter Valley Project.

The RRFC has signed on to the quagga/zebra mussel MOU. Quagga and zebra mussels are recent invaders to California. The mussels are internationally recognized pests that have caused significant impacts on water delivery systems, fisheries, and ecosystems, with control costing millions of dollars annually in many states and countries. The SCWA is preparing the MOU to fund an assessment of the risk for Lake Mendocino and Lake Sonoma. The study will cost an estimated \$120,000, shared among signatories.

The RRFC helps fund the Independent Science Review Panel (ISRP), which works with the California Land Stewardship Institute. The ISRP reviews and provides input on the scientific basis for policies related to river supply and river management. The General Manager also actively participates in the Upper Russian River Alliance.

The RRFC's General Manager has been appointed to the Technical Peer Review Committee of the North Coast Integrated Regional Water Management Plan (NCIRWMP). The goal of the NCIRWMP is to determine the best way to use state funding for water quality, conservation, recycling and supply, watershed and fisheries enhancement, stormwater and flood management, and environment and habitat protection projects. The NCIRWMP is a collaborative effort of seven North-Coast counties, including Mendocino, Del Norte, Humboldt, Modoc, Siskiyou, Sonoma, and Trinity. The Technical Peer Review Committee reviews projects and makes recommendations to

the Policy Review Panel of the NCIRWMP. The General Manager has also been active in developing alternatives to water diversions to deal with frost.

The RRFC also shares the cost for the cooperative water resources program conducted by the U.S. Geological Survey with SCWA.

DETERMINATIONS:

- 3.6.5.1 The RRFC works cooperatively with a number of other water agencies such as SCWA. The RRFC holds a seat on the IWPC and has participated with other regional agencies in the study to assess impacts of quagga/zebra mussels.

3.5.6 – Government Structure and Accountability

The RRFC is governed by a five-member board elected at large to staggered four-year terms. The board meets on the second Wednesday of the month at 5 p.m. at RRFC offices at 151 Laws Avenue in Ukiah. Meetings are posted according to the Brown Act. Board members receive compensation of \$50 per meeting.

There are four standing committees of the board: Engineering and Operations, Personnel and Organization, Government Affairs, and Finance.

The RRFC operates with one full-time employee, a general manager who occasionally hires a part-time office assistant when he takes vacation.

The RRFC communicates with its residents by means of its website and posted meeting notices. The website was revised and updated in August 2011.

The RRFC has been actively working with the Redwood Valley County Water District on consolidation of the two districts. The RVCWD receives surplus water from RRFC. In 2011, the two districts signed a Memorandum of Agreement that has since expired; however, consolidation depends on being able to secure water rights for an additional 6,000 AF. The application has received three protest letters. The RRFC has formally responded to all protests. The RRFC and RVCWD have been in discussion with SCWA to resolve the SCWA's concerns. Until the protests are resolved, the application cannot go forward.

DETERMINATIONS:

- 3.6.6.1 The RRFC is governed by a five-member board elected at large to four-year staggered terms. The board meets on the second Wednesday of the month at RRFC headquarters. The board has four standing committees. Meetings are noticed according to the Brown Act.
- 3.6.6.2 The RRFC operates with one full-time employee, the general manager.
- 3.6.6.3 The RRFC communicates with residents through its website and meeting notices.
- 3.6.6.4 The RRFC has been actively working with the Redwood Valley County Water District on a consolidation. Both districts signed a Memorandum of Agreement that has expired. However, the consolidation hinges on the ability to acquire additional water rights.

3.5.7 – LAFCO Policies Affecting Service Delivery

As the RRFC continues discussions on consolidation with the RRFC, LAFCO policies relating to consolidation apply. The policies are found in Chapter V Section B 8, 9, and 10. Policy 8 comes directly from CKH, which asserts that if two districts wish to consolidate and pass substantially similar resolutions, LAFCO cannot deny them. LAFCO's actions are subject to protest proceedings whereby a protest of 25 percent of affected registered voters will trigger an election, and a protest of 50 percent will stop the consolidation. Policies 9 and 10 state that LAFCO cannot materially change the conditions of the consolidation unless agreed upon by the two districts.

DETERMINATIONS:

3.6.7.1 As the RRFC is considering consolidation with the RRFC, LAFCO policies relating to consolidation apply.

3.5.8 – Summary of Determinations

3.6.1.1 The population of the RRFC is estimated at 33,300. Projected growth ranges from 1 percent annually to 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the RRFC is expected to be approximately 36,000 in 2020.

3.6.2.1 There are no disadvantaged unincorporated communities in the vicinity of the RRFC boundaries.

3.6.3.1 The RRFC is limited to a maximum of 8,000 AFY of water from Lake Mendocino by water right permit 12947B. Of those, the RRFC has contracts for 6,600 AF. The remaining 1,400 AF, when available, are considered surplus and historically have been sold to the Redwood Valley County Water District.

3.6.4.1 The RRFC has a budget for FY 2012-13 of approximately \$342,000. The RRFC receives approximately 10 percent of its revenues from property taxes and 90 percent from water sales. In the last three years, the RRFC has had surplus water that it sells to RVCWD. Revenues are limited by available water in its water right permit.

3.6.5.1 The RRFC works cooperatively with a number of other water agencies such as SCWA. The RRFC holds a seat on the IWPC and has participated with other regional agencies in the study to assess impacts of quagga/zebra mussels.

3.6.6.1 The RRFC is governed by a five-member board elected at large to four-year staggered terms. The board meets on the second Wednesday of the month at RRFC headquarters. The board has four standing committees. Meetings are noticed according to the Brown Act.

3.6.6.2 The RRFC operates with one full-time employee, the general manager.

3.6.6.3 The RRFC communicates with residents through its website and meeting notices.

3.6.6.4 The RRFC has been actively working with the Redwood Valley County Water District on a consolidation. Both Districts signed a Memorandum of Agreement that has expired. However, the consolidation hinges on the ability to acquire additional water rights.

3.6.7.1 As the RRFC is considering consolidation with the RRFC, LAFCO policies relating to consolidation apply.

3.6 – Willow County Water District

District Profile

The Willow County Water District (WCWD) was formed on July 20, 1950 under section 30321 of the Water Code. The WCWD provides water service to approximately 990 residential and 60 commercial connections covering approximately 2760 acres located immediately south of Ukiah. The WCWD also serves 85 customers in the City on South Dora, Rose, and Yokayo Streets. The area was annexed to the City; however, in order to maintain revenue stability, the WCWD continues to provide service. Exhibit 3.7-1 shows the WCWD boundaries.

3.6.1 – Population

Population in the WCWD was estimated at 3,760 in 2004. Given the proximity to the City of Ukiah, where the historic growth has been 0.5 percent per year, the population in 2012 would be 3,910.

The population of the WCWD was also studied as a part of the Ukiah Valley Area Plan (UVAP). In a review completed in 2007 for the Ukiah Valley, the population between 2005 and 2020 was projected to increase at a rate of 1.63 percent per year. Since the analysis was completed before the economic downturn, it may be optimistic. The same study shows an average 1 percent annual growth rate between 1990 and 2005. Using the more conservative growth rate, the WCWD anticipates a population of 4,222 in 2020. With the higher population and annual growth rate of 1.63 percent, the population in 2020 may be expected to reach 4,418.

DETERMINATION:

- 3.7.1.1 The current population of the WCWD is estimated at 3,910. The unincorporated portion of the Ukiah Valley is expected to grow at a rate of 1.00 to 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the WCWD is expected to be approximately 4,200 in 2020.

3.6.2 – Disadvantaged Communities

In 2011, the legislature passed SB 244, which was signed into law and became effective January 1, 2012. The new law added a seventh area to evaluate in the MSR. SB 244 requires identification of disadvantaged unincorporated communities that lie within the District's SOI or proposed SOI.

By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within a city's sphere of influence. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean. An unincorporated legacy community refers to a geographically isolated community that is inhabited and has existed for at least 50 years.

There are no island communities or legacy communities, but the Hopland community—which lies just outside the district boundaries—should be evaluated. Table 3.6-1 shows the median household income compared with the statewide median household income, based on the 2010 census. The data show that the Hopland community can be considered a disadvantaged unincorporated

community. Despite the designation, the Hopland community does receive essential municipal services from special districts. The Hopland Public Utilities District provides water and sewer and the Hopland Volunteer Fire Department provides fire suppression.

Table 3.6-1: Median Household Income Willow County Water District Communities

LOCATION	CENSUS TRACT	MEDIAN HOUSEHOLD INCOME	PERCENT OF MEDIAN CALIFORNIA HOUSEHOLD INCOME OF \$57,708
Hopland	118	\$44,700	77
Source: U.S. Census 2010.			

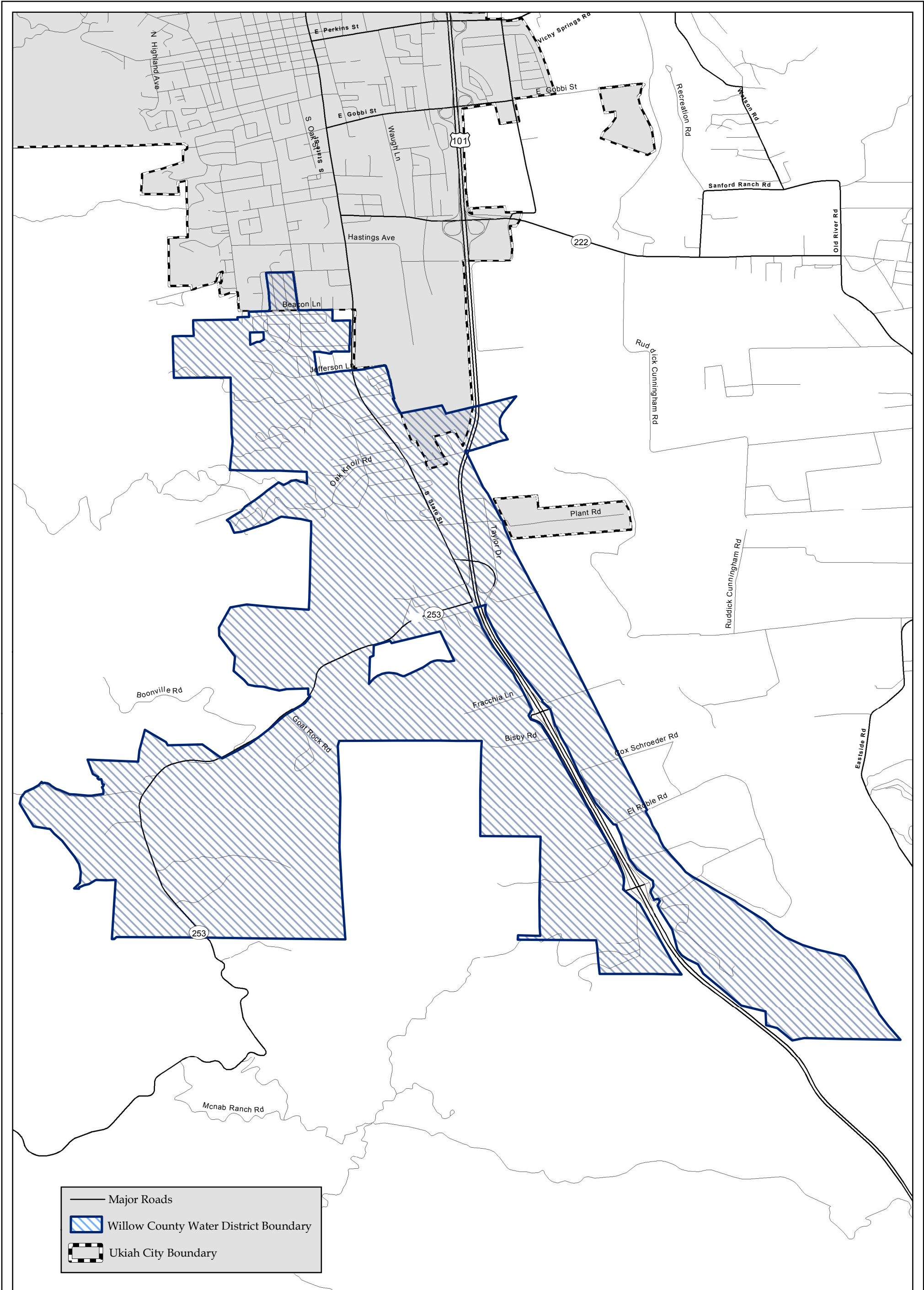
DETERMINATION:

3.7.2.1 Hopland to the south is adjacent to district boundaries and meets the definition of a disadvantaged unincorporated community. The Hopland community receives municipal services from the Hopland Public Utility District, which provides water and sewer, and the Hopland Volunteer Fire District, which provides fire protection.

3.6.3 – Present and Planned Capacity of Public Facilities

The WCWD provides both domestic and irrigation water. Exhibit 3.7-2 shows production for the period of 2000 to 2009. As shown, domestic production ranges up to 1,200 AFY and irrigation water ranges up to 100 AF. The exhibit also shows that production declined from 2006 to 2009, which coincided with a severe drought in the area. During that period, Lake Mendocino water levels receded to record lows, and mandatory rationing—a 50-percent reduction in water use—was instituted by the Mendocino County Board of Supervisors. Water usage in 2004, a year of near-average precipitation and a year in which no extraordinary efforts to conserve water occurred, is considered more typical of an average year. In 2004, domestic production was 1,137 AF and agricultural production was 73 AF, a total production of 1,210 AF. The average production over the ten-year period was 1,094 AF, of which 94 percent was for domestic use and 6 percent was for irrigation.

The WCWD supplies water through a number of sources, including wells, surface water, and Lake Mendocino water. The WCWD has surface water rights for 1,440 AFY from November to June and 726 AFY year round through diversion of underflow of the Russian River. The WCWD also contracts with RRFC for 515 AFY.



	Major Roads
	Willow County Water District Boundary
	Ukiah City Boundary

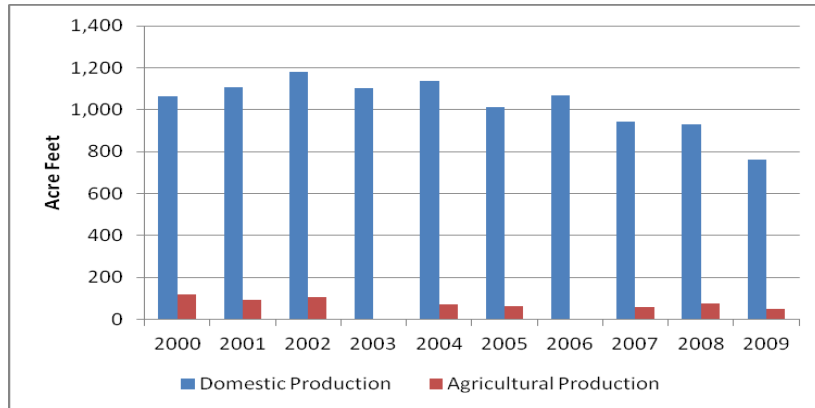
Created August, 2012 - Exhibit3_7_1.mxd Data Sources: City of Ukiah, County of Mendocino, Esri



Exhibit 3.7.1

Willow County Water District Boundary Map

Exhibit 3.6-2: Willow County Water District Water Production 2000–2009



Source: Mendocino County Water Agency, 2010.

Table 3.6-2 provides a listing of the main components of the water system. As seen in the table, the WCWD has five wells, of which three are used only during dry months. The total capacity of the two well fields is 2,700 gallons per minute. The WCWD does not operate a treatment plant. Domestic water is treated in the pump house at the well site.

In addition, there are nine storage tanks with a capacity of 1,348,000 gallons. The WCWD has signed a contract to replace the 100,000-gallon storage tank at Firecrest 1 with a 350,000-gallon tank. When that work is complete, the WCWD will have a storage capacity of 1.598 million gallons. The WCWD office location on Laws Avenue serves as the utility yard and shop.

Table 3.6-2: Willow County Water District System Components

Location	Component	Description
Norgard Lane Well Field	Three wells	Not used in winter—pump capacity 0.7 mgd/750 gpm
Burke Hill Well Field	Wells 7 & 8	Pump capacity 1.4 mgd/2,000 gpm
Stipp Lane Storage	Storage tank	500,000 gallon capacity
Spanish Canyon 1	Two booster pumps	0.28 mgd
Spanish Canyon 2	Two storage tanks	500,000 gallon/200,000 gallon
Spanish Canyon 3	One storage tank	15,000 gallons
Firecrest 1	One storage tank, two booster pumps	350,000 gallons/0.20 mgd
Firecrest 2	One storage tank, two booster pumps	10,000 gallons/0.19 mgd
Oak Knoll 1	One storage tank, two booster pumps	10,000 gallons/0.20 mgd
Oak Knoll 2	One storage tank	10,000 gallons
Crestview 1	Two booster pumps	0.18 mgd
Crestview 2	One storage tank	3,000 gallons
Source: Redding, 2006.		

Projected supply and demand are shown in Table 3.6-3. Since 2004 was a good representation of a normal year, it serves as a benchmark. With conservation the average production for 2004 would be sufficient to meet projected demand through 2015. However, the WCWD has sufficient water rights and purchase agreements to meet future demands, assuming no conservation programs for normal, single dry year, and multiple dry year scenarios.

Table 3.6-3: Willow County Water District Supply and Demand (AFY)

SCENARIO	2010	2015	2020	2025	2030
Demand (no 20X20 conservation) ¹	1,301	1,451	1,602	1,752	1,904
Demand (with conservation) ¹	1,041	1,161	1,282	1,402	1,523
2004 Production	1,210	1,210	1,210	1,210	1,210
Normal/Single Dry Year Supply					
Lake Mendocino	515	515	515	515	515
Surface Water Rights	2,166	2,166	2,166	2,166	2,166
Totals	2,681	2,681	2,681	2,681	2,681
Extended/Critical Dry Year Supply					
Lake Mendocino	386	386	386	386	386
Surface Water Rights	1,922	1,922	1,922	1,922	1,922
Totals	2,308	2,308	2,308	2,308	2,308
Note: ¹ Based on Ukiah Valley Area Plan preferred project alternative normal year demand Source: Mendocino County Water Agency 2010, Table 2-12 and Table 6-1.					

DETERMINATION:

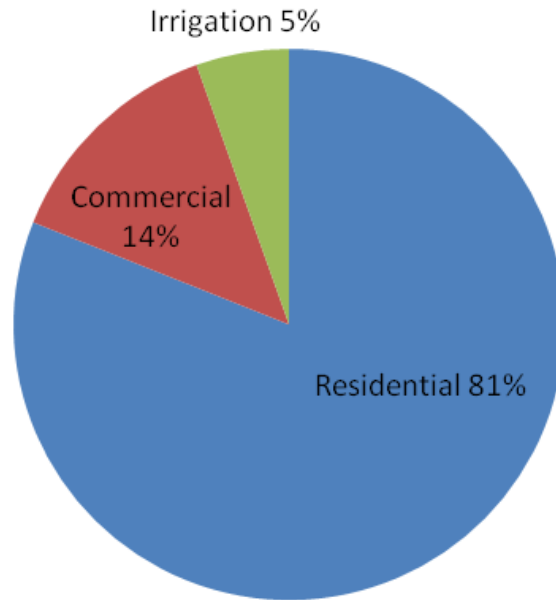
- 3.7.3.1 During a normal year such as 2004, the WCWD distributed 1,210 AF of water for domestic and irrigation uses. Between 2000 and 2009, the average production was 1,094 AF, of which 94 percent was for domestic uses.
- 3.7.3.2 The WCWD maintains a storage capacity of 1.348 million gallons in nine storage tanks strategically located throughout the WCWD. It has surface water rights of 2,166 AF and can purchase up to 515 AF from RRFC.
- 3.7.3.3 Demand in 2010 was 1,301 AF and is expected to increase to 1,904 AF in 2030 if required conservation measures are not put in place. Total supply from all sources is estimated at 2,681 AF in a normal year and 2,308 AF in an extended dry year. On that basis, the WCWD has sufficient capacity to meet anticipated demand.

3.6.4 – Financial Ability to Provide Services

Over the last three years, the WCWD operated with a budget of around \$680,000. Of the total anticipated revenues, approximately 73 percent are from water sales. Exhibit 3.6-3 shows the distribution of water sales revenues as an average of the budgeted values for FY 2009-10 through FY 2011-12. The exhibit shows residential customers account for 80 percent of water sales.

Management services represent another source of revenue. The WCWD has contracts to manage and staff the Calpella County Water District, the Hopland Public Utility District, and the River Estates Mutual Water Company. Revenues from these management contracts account for approximately 17 percent of all revenues.

Exhibit 3.6-3: Willow County Water District Distribution of Water Sales Revenues



Source: Redding 2012a.

The largest expenses are salaries. Since WCWD has a contract to manage Calpella CWD and Hopland PUD, the WCWD allocates part of its salary expenses to be charged against contracts with those districts.

The WCWD continues to fund capital improvements. Over the three years from FY 2009-10 to FY 2011-12, capital improvements averaged 14 percent of expenses or just over \$100,000 per year. The WCWD initiates projects when funds are available. As a result, the WCWD has no long-term debt. Its capital improvement plan is a 15-year list of projects. Most recently, it has increased capacity on one of the storage tanks and has replaced many of the original pipes from the 1950s.

Rates

WCWD water rates and connection fees are shown in Table 3.6-4.

**Table 3.6-4: Willow County Water District Water Rates and Connection Fees
 (Effective May 20, 2012)**

USE	% CUSTOMERS	BASE 0-4500 GALLONS	USAGE EACH ADDITIONAL 1,000 GALLONS
Domestic Stage 1	94	\$15.00	\$1.40
Domestic Stage 2	2	\$17.15	\$1.55
Domestic Stage 3	1	\$18.25	\$1.85
Domestic Stage 4	1	\$19.45	\$2.05
Irrigation	—	—	\$1.40

Source: Redding 2012b.

Irrigation customers are charged at \$1.40 per thousand gallons with a standby charge of \$180 per year. Connection fees are \$750 for ¾-inch service and \$1,000 for 1-inch service.

DETERMINATIONS:

- 3.7.4.1 The WCWD budget is approximately \$680,000, which is sufficient to fund domestic and irrigation services. Water sales account for 70 percent of all revenues; of that total, approximately 81 percent comes from residential sales, 14 percent comes from commercial or sales to businesses, and 5 percent comes from industrial customers.
- 3.7.4.2 The WCWD also receives revenue from management contracts. It currently provides staffing for the Calpella County Water District, the Hopland Public Utility District, and the River Estates Mutual Water Company.
- 3.7.4.3 The WCWD has a long-term capital improvement plan funded as “pay-go,” which means that projects are initiated as funding becomes available. The WCWD has no long-term debt obligations.

3.6.5 – Status and Opportunity for Shared Facilities

This section will focus on potential opportunities to provide more efficient services to City residents. Such opportunities could include not only sharing physical facilities but also working regionally with other service providers to exchange knowledge and participate in joint ventures for new or expanding facilities. Sharing facilities can lead to cost savings and a more efficient delivery of municipal services. This section will also discuss management efficiencies and staffing.

The WCWD works cooperatively with other agencies in the area. Cooperation among the water agencies is facilitated by the fact that RRFC, Millview, Calpella, Hopland, and Willow all have offices in the 151 Laws Avenue building. The WCWD has an emergency intertie with the City of Ukiah. In case of an emergency, water can flow freely to the WCWD or to the City.

Management Efficiencies

Management of district services is clearly defined. One measure of management efficiency is long-range planning. The WCWD has a 15-year capital improvement plan, a disaster plan, and it maintains a policy and procedure manual.

DETERMINATIONS:

- 3.7.5.1 The WCWD works with other water agencies in the Ukiah Valley and maintains an emergency intertie with the City of Ukiah. Cooperation among the water agencies is facilitated by the fact that RRFC, Millview CWD, Calpella CWD, Hopland PUD, Ukiah Valley Sanitation District, and Willow CWD all have offices in the 151 Laws Avenue building.
- 3.7.5.2 One measure of management efficiency is long-range planning. The WCWD has a capital improvement plan, a disaster plan, and a policy and procedure manual.

3.6.6 – Government Structure and Accountability

The WCWD is governed by a five-member board of directors, elected at large to four-year staggered terms. Each member receives a stipend of \$25 per meeting. Members meet regularly on

the second Monday of the month at 7:30 p.m. at WCWD offices at 151 Laws Avenue. Meetings are noticed according to the Brown Act.

The WCWD has five full-time employees: two in management, two in operations, and one support person. Office staff also address customer concerns about billing and service. The WCWD maintains regular office hours and has an answering service to forward calls during after-hours emergencies.

The WCWD does not have a website. However, it communicates with its customers through its noticing procedure and with bill stuffers—flyers or newsletters that are included with the monthly bill. Establishment of a website would be desirable and should be considered.

The WCWD has management agreements with three other water agencies: Calpella County Water District CWD, Hopland PUD, and River Estates Mutual Water Company. Under the agreements, WCWD provides staffing, office space, and field staff. Other than the boards of CCWD and the HPUD, the districts are essentially one with WCWD. The agreements represent a functional consolidation of the three districts.

One reason the three districts have not consolidated is their desire to maintain community identity. Although having separate districts is one way, other ways include community advisory councils that would be made up of concerned residents of Calpella and Hopland. Community advisory councils would be able to focus on their respective communities and would maintain a standing with the board of directors. Other options include establishing districts so that representation on the board would be sure to include residents of Calpella and Hopland. Over the years, there have been many discussions regarding a regional water agency for the Ukiah Valley. Such a consolidation would need to involve the City of Ukiah.

DETERMINATIONS:

- 3.7.6.1 The WCWD is governed by a five-member board of directors elected at large to four-year staggered terms. Directors receive a stipend of \$25 per meeting.
- 3.7.6.2 The board meets regularly on the second Monday of the month at district headquarters. Meetings are noticed according to the Brown Act.
- 3.7.6.3 The WCWD has five employees, each with well-defined responsibilities.
- 3.7.6.4 The WCWD does not have a website but communicates with residents by posting the agenda. The WCWD also maintains regular office hours to answer billing questions and provide customer service.
- 3.7.6.5 The WCWD provides staffing for Calpella CWD and Hopland PUD through management contracts. The contracts provide for what can be considered a functional consolidation of the two districts with Willow CWD.

3.6.7 – LAFCO Policies Affecting Service Delivery

As the Willow CWD has contracted with Calpella CWD and Hopland PUD for a functional consolidation, the three districts at some point may want to formally apply to LAFCO for consolidation. In that case the LAFCO policies relating to consolidation would apply.

Policies relating to consolidation are found in Chapter V Section B and Section C under reorganization. The consolidation can be initiated by petition (section 4); by the action of the boards of the three agencies (sections 8, 9, and 10); and section C, which relates to a LAFCO-initiated consolidation. If the action is initiated by petition, section 4 requires the signatures of 5 percent of the registered voters.

If action is initiated by the districts, section 8 requires the districts to adopt substantially similar resolutions. In that case, LAFCO cannot deny the consolidation and can only make changes to the terms with the consent of the districts.

A LAFCO-initiated consolidation must be based on an initial study that recommends consolidation. Policy C 6 requires a second study called a "Reorganization Study" or a reorganization committee to establish terms of the consolidation. The LAFCO action is subject to protest proceedings.

DETERMINATIONS:

- 3.7.7.1 The only LAFCO policies that could affect service delivery are those related to consolidation, should that action be of interest to Calpella CWD, Hopland PUD, and Willow CWD.

3.6.8 – Summary of Determinations

- 3.7.1.1 The current population of the WCWD is estimated at 3,910. The unincorporated portion of the Ukiah Valley is expected to grow at a rate of 1.00 to 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the WCWD is expected to be approximately 4,200 in 2020.
- 3.7.2.1 Hopland to the south is adjacent to district boundaries and meets the definition of a disadvantaged unincorporated community. The Hopland community receives municipal services from the Hopland Public Utility District, which provides water and sewer, and the Hopland Volunteer Fire District, which provides fire protection.
- 3.7.3.1 During a normal year such as 2004, the WCWD distributed 1,210 AF of water for domestic and irrigation uses. Between 2000 and 2009, the average production was 1,094 AF, of which 94 percent was for domestic uses.
- 3.7.3.2 The WCWD maintains a storage capacity of 1.348 million gallons in nine storage tanks strategically located throughout the WCWD. It has surface water rights of 2,166 AF and can purchase up to 515 from RRFC.
- 3.7.3.3 Demand in 2010 was 1,301 AF and is expected to increase to 1,904 AF in 2030 if required conservation measures are not put in place. Total supply from all sources is estimated at 2,681 AF in a normal year and 2,308 AF in an extended dry year. On that basis, the WCWD has sufficient capacity to meet anticipated demand.
- 3.7.4.1 The WCWD budget is approximately \$680,000, which is sufficient to fund domestic and irrigation services. Water sales account for 70 percent of all revenues; of that total, approximately 81 percent comes from residential sales, 14 percent comes from commercial or sales to businesses, and 5 percent comes from industrial customers.
- 3.7.4.2 The WCWD also receives revenue from management contracts. It currently provides staffing for the Calpella County Water District, the Hopland Public Utility District, and the River Estates Mutual Water Company.

- 3.7.4.3 The WCWD has a long-term capital improvement plan funded as “pay-go,” which means projects are initiated as funding becomes available. The WCWD has no long-term debt obligations.
- 3.7.5.1 The WCWD works with other water agencies in the Ukiah Valley and maintains an emergency intertie with the City of Ukiah. Cooperation among the water agencies is facilitated by the fact that RRFC, Millview CWD, Calpella CWD, Hopland PUD, Ukiah Valley Sanitation District, and Willow CWD all have offices in the 151 Laws Avenue building.
- 3.7.5.2 One measure of management efficiency is long-range planning. The WCWD has a capital improvement plan, a disaster plan, and a policy and procedure manual.
- 3.7.6.1 The WCWD is governed by a five-member board of directors elected at large to four-year staggered terms. Board members receive a stipend of \$25 per meeting.
- 3.7.6.2 The board meets regularly on the second Monday of the month at district headquarters. Meetings are noticed according to the Brown Act.
- 3.7.6.3 The WCWD has five employees, each with well-defined responsibilities.
- 3.7.6.4 The WCWD does not have a website but communicates with residents by posting the agenda. The WCWD also maintains regular office hours to answer billing questions and provide customer service.
- 3.7.6.5 The WCWD provides staffing for Calpella CWD and Hopland PUD through management contracts. The contracts provide for what can be considered a functional consolidation of the two districts with Willow CWD.
- 3.7.7.1 The only LAFCO policies that could affect service delivery are those related to consolidation, should that action be of interest to Calpella CWD, Hopland PUD, and Willow CWD.

4: MULTIPLE SERVICE DISTRICTS

4.1 – Calpella County Water District

District Profile

The Calpella County Water District (CCWD) was formed in 1955 under the County Water District Law. The CCWD is located in the northwest corner of the UVAP area and currently provides water and sewer services to approximately 140 residential and 25 commercial water connections and 103 sewer connections in the community of Calpella and the surrounding area. In addition, there is an area to the west that is not part of the CCWD where the CCWD has an out-of-area service agreement to provide water for non-agricultural uses. The area consists of 46 parcels and approximately 233 acres. In total, the CCWD serves an area of approximately 1,297 acres. The CCWD boundaries along with the present sphere of influence are shown in Exhibit 4.1-1.

4.1.1 – Growth and Population Projections

The population of the Calpella community, based on the 2010 census, is 679. Table 4.1-1 shows the population of Calpella relative to the City of Ukiah and Mendocino County. The table shows the persons per household is slightly higher than the City and the County.

Table 4.1-1: 2010 Population Calpella CWD

GEOGRAPHIC AREA	TOTAL POPULATION	TOTAL HOUSING UNITS	TOTAL HOUSEHOLDS	PERSONS PER HOUSEHOLD
Calpella	679	272	253	2.68
Ukiah	16,069	6,488	6,158	2.61
County Total	87,841	40,323	34,945	2.51
Source: U.S. Census 2010.				

The population of the CCWD was also studied as a part of the Ukiah Valley Area Plan (UVAP). In a review completed in 2007 for the Ukiah Valley, the population between 2005 and 2020 was projected to increase at a rate of 1.63 percent per year. Since the analysis was completed before the economic downturn, it may be optimistic. The same study shows an average 1 percent annual growth rate between 1990 and 2005. Using the more conservative growth rate, the expected population in 2020 would reach 730.

DETERMINATION:

- 4.1.1.1 The current population of the CCWD is estimated at 679. The unincorporated portion of the Ukiah Valley is expected to grow at a rate of 1.00 to 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the CCWD is expected to be 730 in 2020.

4.1.2 – Disadvantaged Unincorporated Communities

By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within the sphere of influence. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean. An unincorporated legacy community refers to a geographically isolated community that is inhabited and has existed for at least 50 years.

There are no island communities or legacy communities but the community of Redwood Valley lies just outside the district boundaries to the north. The Redwood Valley community is served by the Redwood Valley County Water District, which provides water and the Redwood Valley/Calpella Fire District, which provides fire protection.

Table 4.1-2 shows the median household income compared with the statewide median household income, based on the 2010 census. The data show that the median income for Redwood Valley exceeds the 80-percent threshold and should not be considered a disadvantaged unincorporated community.

Table 4.1-2: Median Household Income - Calpella CWD Communities

LOCATION	CENSUS TRACT	MEDIAN HOUSEHOLD INCOME	PERCENT OF MEDIAN CALIFORNIA HOUSEHOLD INCOME OF \$57,708
Redwood Valley	108.01	\$53,563	93
Source: U.S. Census 2010.			

DETERMINATIONS:

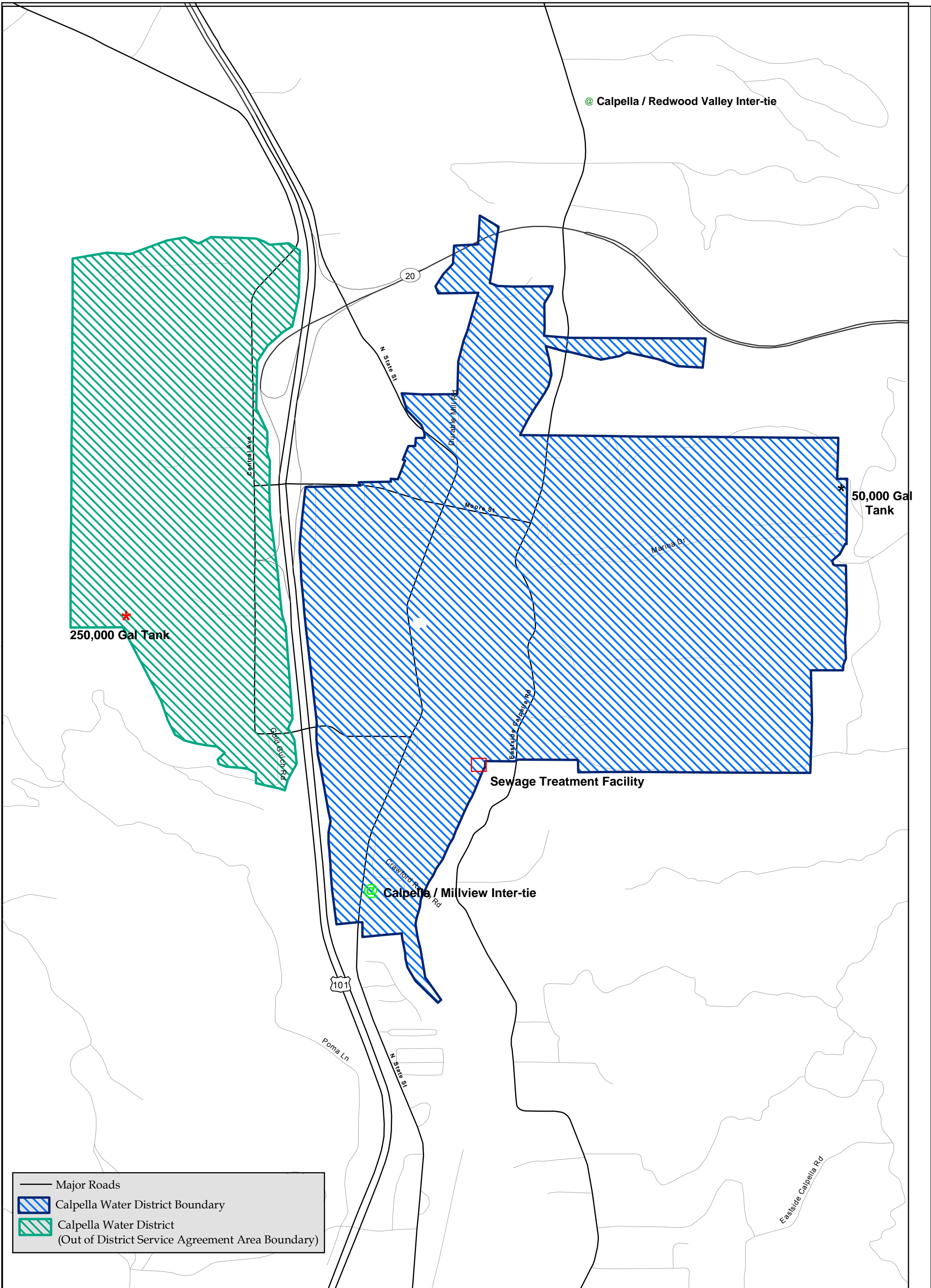
- 4.1.2.1 There are no disadvantaged unincorporated communities in the vicinity of the CCWD boundaries.

4.1.3 – Present and Planned Capacity of Public Facilities

The Calpella County Water District provides both water and wastewater services. Exhibit 4.1-1 also shows the location of facilities operated by the CCWD.

Water

Calpella’s water supply consists of groundwater from a single groundwater well with a rated capacity of 25 gallons per minute (40 AFY), and surface water (51 AF) purchased from the RRFCD and wheeled to Calpella by Millview CWD. Limited emergency water supplies are available via an intertie with Redwood Valley. Calpella does not own or operate any water treatment facilities. Water treatment services for surface water are provided on a continuing basis by Millview CWD. The CCWD has no water rights.



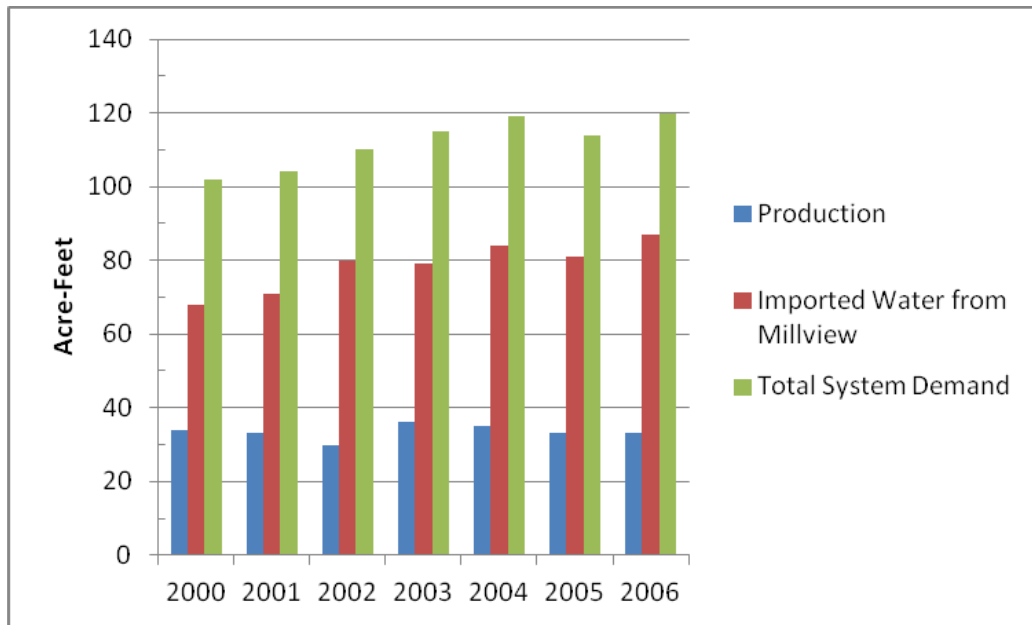
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Exhibit 4.1.1 Calpella County Water District Boundary Map

Exhibit 4.1-2 shows system sources and demand for the period 2000 to 2006. The exhibit shows demand increase from approximately 100 AF to 120 AF. It also shows production from the one well is fairly consistent at 30 to 40 AF, which is about 30 percent of demand, and that imported water supplies most of the demand or an average of 70 percent. Water usage in 2004, a year of near-average precipitation, is considered more realistic and the best available representation of current average annual water production. During 2004, the Calpella well produced 35 AF, imported water was 84 AF, and total demand was 119 AF. Of the 84 AF of imported water 51 AF was purchased from RRFC. The data show that the CCWD was able to purchase additional to meet demand.

Exhibit 4.1-2: Water Demand 2000–2006



Source: Mendocino County Water Agency, 2010.

The CCWD maintains two storage tanks. One has a capacity of 250,000 gallons, built in 2001, while the other has the capacity of 50,000 gallons. The 250,000-gallon facility was at 83-percent capacity, while the 50,000-gallon facility is was at 17 percent capacity in 2006. The storage facilities provide a three-day supply for average daily demand and a two-day supply based on maximum daily demand.

Table 4.1-3 shows projected demand and supply. With a maximum pump capacity of 40 AFY and a recent contract for 101 AF from RRFC, the maximum the CCWD can supply is 140 AF. The table shows that there is insufficient supply to meet future demands without purchasing water from other sources.

Table 4.1-3: Projected Supply and Demand Calpella CWD

CALPELLA COUNTY WATER DISTRICT					
	2010	2015	2020	2025	2030
Water Demands					
Table 2-12 (no 20x20 conservation)	140	175	210	243	279
With 20x20 conservation	112	140	168	194.4	223.2
Water Supply					
<i>Normal/Single Dry Year</i>					
Lake Mendocino	51	51	51	51	51
Groundwater	40	40	40	40	40
<i>Totals:</i>	91	91	91	91	91
<i>Extended/Critical Dry Year</i>					
Lake Mendocino	38	38	38	38	38
Groundwater	40	40	40	40	40
<i>Totals:</i>	78	78	78	78	78
Source: Mendocino County Water Agency 2010.					

The CCWD has adequate infrastructure capacity but lacks additional water capacity. The Calpella Water District is currently under a new hookup moratorium because of the lack of a reliable water supply.

DETERMINATION:

- 4.1.3.1 The average normal year demand is 119 AF. The CCWD operates one well with a capacity of 40 AF and in order to meet demand must contract with RRFC for the remainder. Because of geographical constraints, the CCWD must contract with Millview County Water District for treatment and transport.
- 4.1.3.2 Because of the uncertainty in water supply, the CCWD is under a new hookup moratorium.

Wastewater

The CCWD provides sewer service to the Calpella community and surrounding areas. The CCWD services 113 sewer connections.

The wastewater treatment plant is on the east side of Highway 101 (Exhibit 4.1-1) in an agricultural and rural residential setting approximately 0.67 mile south of Calpella. The site is bounded on the west by railroad tracks, on the east by the Russian River, and on the north and south by undeveloped land.

The major treatment plant components include two aerated lagoons, a facultative pond in the area of the former holding and polishing pond, a chlorine contact pipe in the area of the former sedimentation basin, and three percolation ponds (Exhibit 4.1-1) . Other key components include an influent pump station, headworks, and a control building.

Untreated wastewater entering the plant is pumped from the influent pump station to the aerated lagoons. The aerated lagoons are operated in series. Effluent is directed to the facultative pond where further treatment by natural aeration and biological activity occurs. Effluent from the facultative pond is directed to the chlorine contact chamber where the wastewater remains for a minimum 30-minute contact time. Side gates control effluent flow rates to the percolation ponds; effluent samples are collected on a regular basis by the treatment plant. Disposal in the ponds, which is rotated every 30 days, is accomplished by a combination of evaporation and percolation.

The CCWD performed a study in 1995 that showed the facility nearing capacity. In 2001, the CCWD started construction of the Wastewater Treatment Feasibility Improvement Project, which was completed in 2004. The current average dry weather flow (ADWF) was estimated at 36,000 gpd. The 2004 improvements allowed for an ADWF of 80,000 gpd. Peak daily flow capacity is 200,000 gpd. The 80,000 gpd can accommodate a population of 1,000.

DETERMINATION:

- 4.1.3.3 The CCWD serves 103 sewer connections and operates a wastewater treatment plant. The capacity of the plant was increased to 80,000 gpd. In 2007, the average daily flow rate was estimated at 32,000 gpd. The CCWD has additional treatment capacity and can accommodate up to 1,000 residents, which is about 300 more than the current population of the CCWD.

4.1.4 – Financial Ability to Provide Services

The CCWD's revenues are primarily fees and charges for water and wastewater services. The CCWD also receives a limited amount of property tax for its wastewater services.

The budget for the last three years has been fairly consistent, with a total income of approximately \$207,000 and expenses of approximately \$223,000. Table 4.1-4 shows the budget for the current fiscal year for water and wastewater. The budgets for the last three years have been identical; therefore, only the most recent budget is shown. The table shows a positive difference between revenues and expenditures, not considering depreciation. However, the annual budget does include an allowance for depreciation of \$22,000 for water and \$30,000 for wastewater assets. As a result, the budget shows a deficit of approximately \$15,000.

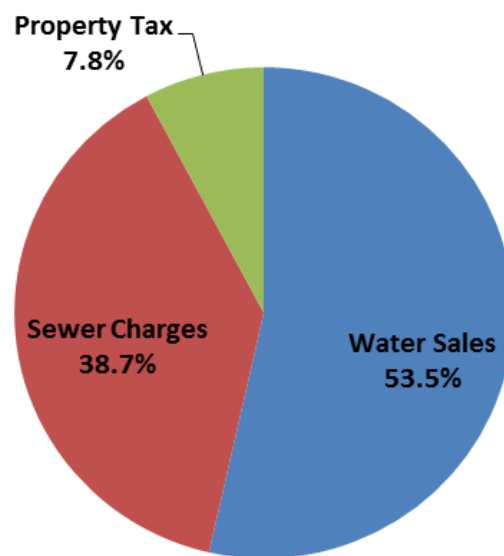
Table 4.1-4: Calpella CWD FY 2011–12 Budget

SERVICE	REVENUES	EXPENSE LESS DEPRECIATION	DIFFERENCE	DEPRECIATION	REVENUES LESS TOTAL EXPENSES
Water	\$109,870	\$106,103	\$3,767	\$22,000	(\$18,233)
Wastewater	\$97,050	\$ 64,153	\$32,897	\$30,000	\$2,897
Total	\$206,920	\$170,256	\$36,664	\$52,000	(\$15,336)

Source: Redding 2012b.

Exhibit 4.1-3 shows the distribution of revenue sources based on average of actual revenues for the FY 2007-08 to FY 2009-10 for both water and sewer. The average total revenues for that period were \$200,905. As shown, water sales are the majority of revenues.

Exhibit 4.1-3: Calpella CWD Revenue Sources



Source: California State Controller 2009, 2011a, 2011b.

Table 4.1-5 shows actual revenues and expenses for FY 2007-08 to FY 2009-10. Revenues for sewer services include property tax. As seen in the table, expenses have exceeded revenues. Expenses include depreciation, so that the CCWD does not actually run out of cash. When equipment needs to be replaced, depreciation will have to be accounted for.

Table 4.1-5: CCWD Actual Revenues and Expenses FY 2007/08 - FY 2009/10

ACCOUNT	FY 2007-08	FY 2008-09	FY 2009-10
Revenues			
Water Sales	\$119,643	\$115,584	\$101,776
Sewer Charges	\$94,716	\$97,341	\$93,285
Total Revenues	\$214,359	\$212,925	\$195,061
Expenses			
Water	\$143,678	\$132,899	\$141,346
Sewer	\$102,248	\$108,198	\$108,041
Total Operating Expenses	\$245,096	\$240,050	\$248,799
Net	(\$30,737)	(\$27,125)	(\$53,738)
Depreciation	\$63,866	\$54,421	\$56,452

Source: California State Controller 2009, 2011a, 2011b.

Rates and Connection Fees

Table 4.1-6 shows domestic water and sewer rates. Stage 2 rates are specifically for Marina Estates.

Table 4.1-6: Calpella CWD Domestic Water and Sewer Rates

USE	BASE 0-7,500 GALLONS	USAGE EACH ADDITIONAL 1,000 GALLONS
Stage 1	\$25.00	\$2.75
Stage 2	\$28.75	\$3.00
Sewer	\$35.00	\$1.85
Hydrant Water	\$48.00 ¹	\$4.00
Note: ¹ For 0 to 12,000 gallons Source: Redding 2012c.		

Water connection fees are \$1,500 for a ¾-inch line and \$2,500 for a 1-inch line. Current industry standard is 1-inch for new residences. However, there will be no new connections until the moratorium is lifted. Connection fees for sewer service are \$1,400 with an average monthly charge of \$28 per single-family residence.

Long-Term Debt

In 1979, the CCWD secured a revenue bond for \$31,300. The bond is due in 2019. The CCWD pays \$1,000 a year to repay the bond.

DETERMINATIONS:

- 4.1.4.1 Revenue sources are water sales, sewer charges, and limited amount of property taxes. Proportionally, property tax accounts for 8 percent, sewer charges account for 39 percent, and water sales account for 53 percent.
- 4.1.4.2 The CCWD has a budget of income averaging approximately \$207,000 and expenses of averaging approximately \$223,000. The actuals for FY 2007-08 through FY 2009-10 also show deficits.
- 4.1.4.3 In 1979, the CCWD secured a revenue bond for \$31,300. The bond is due in 2019. The CCWD pays \$1,000 a year to repay the bond.

4.1.5 – Status and Opportunities for Shared Facilities

In 1993, the CCWD agreed to share office space and staff services with the Willow County Water District (WCWD). The CCWD relies on the general manager, office personnel, and maintenance staff of the WCWD. As such, the CCWD has no employees; the Board of Directors works directly with Willow CWD staff.

DETERMINATIONS:

- 4.1.5.1 The CCWD shares office space with the WCWD. The CCWD has a contract with WCWD for staff services that includes administrative services as well as operations. The CCWD has no employees.

4.1.6 – Government Structure and Accountability

A five-member board is elected at large to four-year terms. Board members receive a stipend of \$40 per meeting up to \$80 per month. The board meets on the second Wednesday of each month at 6 p.m. at Calpella Elementary School on Moore Street in Calpella. Meeting notices are posted on the front door of the CCWD Office on Laws Avenue and at the Calpella Elementary School. The CCWD keeps a mailing list of interested parties who receive a notice by mail. The CCWD does not maintain a website.

The minutes are compiled in a minutes book. The CCWD maintains a set of policies and procedures, which was last updated in August of 2005. Each board member files a public disclosure document with the County.

Since the CCWD has no employees, it contracts with WCWD for staff services, and its office is co-located with the WCWD; consolidation should be considered. One possible adverse impact is the loss of identity; however, that can be remedied by electing the WCWD board of directors by district so that Calpella would have at least one director. Alternately, the consolidated district could establish a community advisory committee for the Calpella Community.

In addition, the CCWD may want to consider annexation of the Out of Area Service Agreement (OASA) area. Should that occur, the CCWD would have to establish two zones of service, one for water only and one for water and sewer. Since the CCWD receives a share of the property tax, annexation could provide for additional needed revenues.

DETERMINATIONS:

- 4.1.6.1 The CCWD is governed by a five-member board elected at large to four-year staggered terms. Board members receive a stipend of \$40 per meeting up to \$80 per month. The board meets on second Wednesday of each month at 6 p.m. at Calpella Elementary School on Moore Street in Calpella.
- 4.1.6.2 Meeting notices are posted on the front door of the CCWD Office on Laws Avenue and at the Calpella Elementary School. The CCWD keeps a mailing list of interested parties who wish to receive a notice. The CCWD does not maintain a website.
- 4.1.6.3 The CCWD and the Commission should consider a change in organization that could include annexation of the OASA and/or consolidation with WCWD.

4.1.7 – LAFCO Policies Affecting Service Delivery

CCWD has an out-of-area service agreement for the area west of the CCWD's boundaries that should be considered for annexation. In addition, CCWD has contracted with Willow CWD for a functional consolidation with WCWD the districts at some point may want to formally apply for consolidation with LAFCO. In that case, the LAFCO policies relating to annexation and consolidation would apply.

LAFCO policies in Chapter V Section B and Section D under reorganization would apply. Should the CCWD decide to annex the territory LAFCO policies, Chapter V Section D 9 requires that a completed MSR and sphere update be submitted as part of the application. Completion of this study satisfies the MSR requirement. The policy also allows the consideration of the sphere update with the annexation. The moratorium may further simplify the process since the CCWD is precluded from serving new customers. That would allow the Commission to reaffirm the current sphere along with the annexation.

The consolidation can be initiated by petition (section 4); by the action of the boards of the three agencies (sections 8, 9, and 10); and by LAFCO, section C, which relates to a LAFCO-initiated consolidation. If the action is initiated by petition, section 4 requires the signatures of 5 percent of the registered voters.

If action is initiated by the districts, section 8 requires the districts to adopt substantially similar resolutions. In that case, LAFCO cannot deny the consolidation and can only make changes to the terms with the consent of the districts.

A LAFCO-initiated consolidation must be based on an initial study that recommends consolidation. Policy C 6 requires a second study called a "Reorganization Study" or a reorganization committee to establish terms of the consolidation. The LAFCO action is subject to protest proceedings.

DETERMINATIONS:

- 4.1.7.1 The only LAFCO policies that could affect service delivery are those related to annexation and consolidation should that action be of interest to CCWD and WCWD.

4.1.8 – Summary of Determinations

- 4.1.1.1 The current population of the CCWD is estimated at 679. The unincorporated portion of the Ukiah Valley is expected to grow at a rate of 1.00 to 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the CCWD is expected to be 730 in 2020.
- 4.1.2.1 There are no disadvantaged unincorporated communities in the vicinity of the CCWD boundaries.
- 4.1.3.1 The average normal year demand is 119 AF. The CCWD operates one well with a capacity of 40 AF and in order to meet demand must contract with RRFCD for the remainder. Because of geographical constraints, the CCWD must contract with Millview County Water District for treatment and transport.
- 4.1.3.2 Because of the uncertainty in water supply, the CCWD is under a new hookup moratorium.
- 4.1.3.3 The CCWD serves 103 sewer connections and operates a wastewater treatment plant. The capacity of the plant was increased to 80,000 gpd. In 2007, the average daily flow rate was estimated at 32,000 gpd. The CCWD has additional treatment capacity and can accommodate up to 1,000 residents, which is about 300 more than the current population of the CCWD.
- 4.1.4.1 Revenue sources are water sales, sewer charges, and limited amount of property taxes. Relative proportions are property tax, 8 percent; sewer charges, 39 percent; and water sales, 53 percent.
- 4.1.4.2 The CCWD has a budget of income averaging approximately \$207,000 and expenses of averaging approximately \$223,000. The actuals for FY 2007-08 through FY 2009-10 also show deficits.
- 4.1.4.3 In 1979, the CCWD secured a revenue bond for \$31,300. The bond is due in 2019. The CCWD pays \$1,000 a year to repay the bond.
- 4.1.5.1 The CCWD shares office space with the WCWD. The CCWD has a contract with WCWD for staff services that includes administrative services as well as operations. The CCWD has no employees.
- 4.1.6.1 The CCWD is governed by a five-member board elected at large to four-year staggered terms. Board members receive a stipend of \$40 per meeting up to \$80 per month. The board meets on second Wednesday of month at 6 p.m. at Calpella Elementary School on Moore Street in Calpella.
- 4.1.6.2 Meeting notices are posted on the front door of the CCWD Office on Laws Avenue and at the Calpella Elementary School. The CCWD keeps a mailing list of interested parties who wish to receive a notice. The CCWD does not maintain a website.
- 4.1.6.3 The CCWD and the Commission should consider a change in organization that could include annexation of the OASA and/or consolidation with WCWD.
- 4.1.7.1 The only LAFCO policies that could affect service delivery are those related to annexation and consolidation should that action be of interest to CCWD and WCWD.

4.2 – Hopland Public Utility District

District Profile

The Hopland Public Utility District (HPUD) established in 1955 is located approximately 12 miles south of Ukiah and outside the Ukiah Valley Area Plan study area. Hopland PUD originally provided water, wastewater, and fire services. The fire department became a separate entity in 1995. WCWD operated the system from 1983 to 1992 and more recently was asked by the board of directors to resume operating the system under a staffing agreement. The boundaries of HPUD are shown in Exhibit 4.2-1.

The HPUD now provides water and sewer service to the Hopland community. There are 350 water connections and 303 sewer connections. The HPUD had been wheeling water to the Hopland Band of the Pomo Indian Tribe and their casino. In September 2007, the California Department of Public Health imposed a moratorium on new water hookups by the HPUD after concluding the District pumped 24.1 million more gallons of water from the Russian River than was permitted. The moratorium was lifted in 2011, as the HPUD was able to show compliance.

4.2.1 – Growth and Population Projections

The population of Hopland was estimated at 756 by the 2010 Census. Table 4.2-1 shows the population of Hopland compared with the City of Ukiah and Mendocino County. It is important to note that the persons per household in Hopland are higher than in Ukiah and the County.

Table 4.2-1: Population 2010 Census Hopland PUD

GEOGRAPHIC AREA	TOTAL POPULATION	TOTAL HOUSING UNITS	TOTAL HOUSEHOLDS	PERSONS PER HOUSEHOLD
Hopland	756	287	263	2.87
Ukiah	16,069	6,488	6,158	2.61
County Total	87,841	40,323	34,945	2.51
Source: U.S. Census 2010.				

In a review completed in 2007 for the Ukiah Valley, the population of the unincorporated portion between 2005 and 2020 was projected to increase at a rate of 1.63 percent per year. Since the analysis was completed before the economic downturn, it may be optimistic. The same study shows a historic average growth rate of 1 percent between 1990 and 2005.

An alternate method is to compare populations of zip codes from 2000 to 2010, then estimate the growth rate and apply it to the population of Hopland from the 2010 census. The zip code area is much larger than the area of the HPUD and the population in 2000 was 1,359. The 2010 census estimated a population of 1,507. That represents 10-percent growth in 10 years or approximately 1 percent per year. Using that growth rate, the estimated population in Hopland in 2020 would be 830.

DETERMINATIONS:

- 4.2.1.1 The population of Hopland is estimated 756 by the 2010 Census. Growth in the previous 10 years was 10 percent or about 1 percent per year. Using the 1-percent growth rate, the population would be estimated at 830 in 2020.

4.2.2 – Disadvantaged Unincorporated Communities

By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within the sphere of influence. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities or by one or more cities and a county boundary or the Pacific Ocean. An unincorporated legacy community refers to a geographically isolated community that is inhabited and has existed for at least 50 years.

There are no island communities or legacy communities or fringe communities adjacent to the HPUD's boundaries. Therefore, there are no disadvantaged unincorporated communities within the sphere of influence of the HPUD.

DETERMINATIONS:

- 4.2.2.1 There are no disadvantaged unincorporated communities within the sphere of influence of the HPUD.

4.2.3 – Present and Planned Capacity of Public Facilities

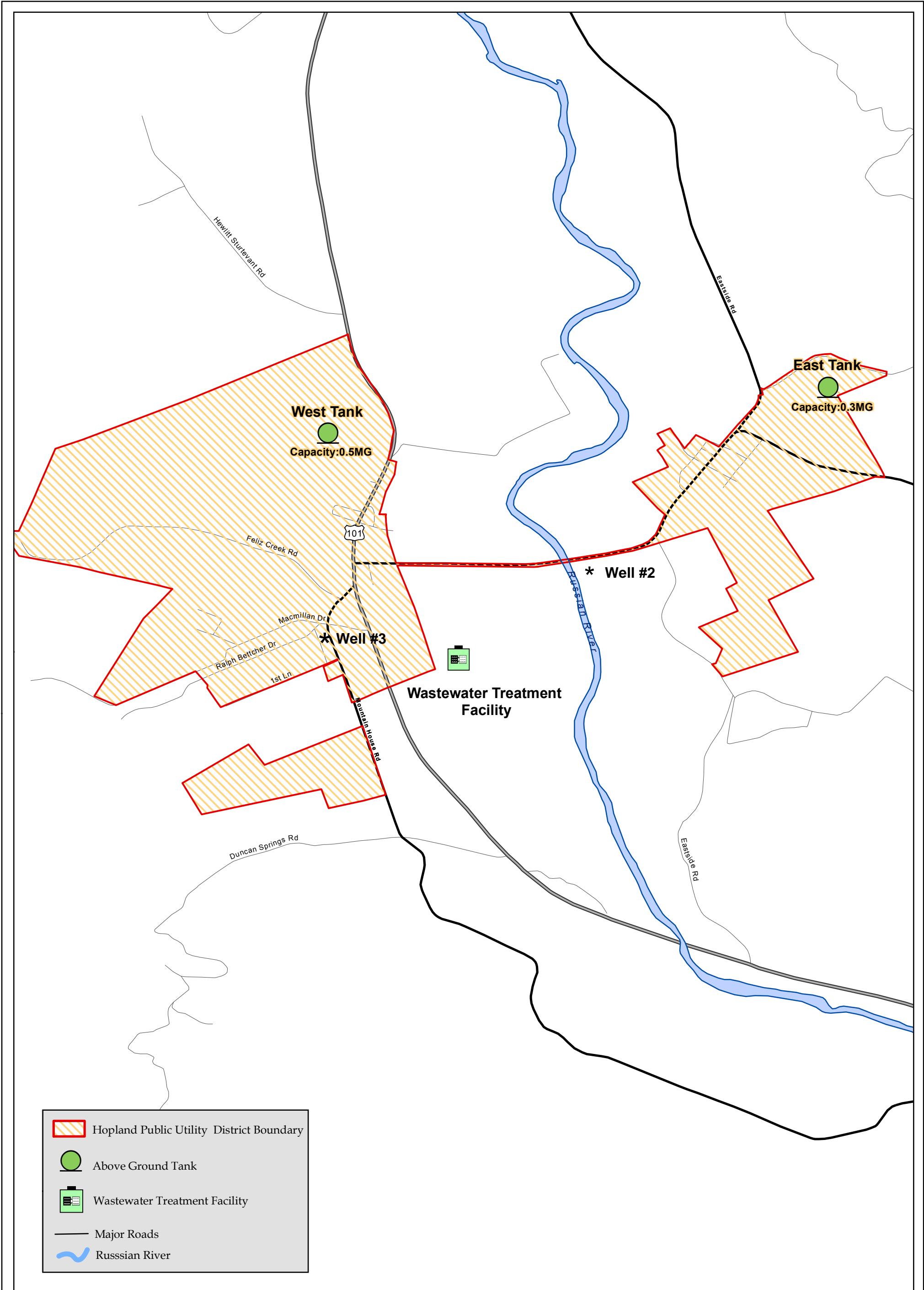
Hopland provides both water and wastewater services to its customers. It has several facilities within its district boundaries.

Water

Hopland currently provides water to approximately 350 service connections, as well as a nearby, tribally owned casino. Exhibit 4.2-1 also shows the location of the water facilities and storage facilities. Current annual water demands are estimated to be approximately 350 AF.

The HPUD has no water rights. HPUD purchases up to 400 AF of water per year from the RRFC. Hopland may have the opportunity to purchase additional surplus water from RRFC, since only 6,600 AF of a total of 8,000 AF are under contract.

The HPUD maintains two storage tanks, one to the east and one to the west. The east tank has a capacity of 300,000 gallons and the west tank has a capacity of 500,000 gallons. Total storage capacity is 800,000 gallons or about half the summer supply.



Created August, 2012 - Exhibit4_2_1.mxd Data Sources: County of Mendocino, Esri

Exhibit 4.2.1



Hopland Public Utility District Boundary Map

E Mulberg & Associates

LAFCO of Mendocino • Municipal Service Review City of Ukiah

DETERMINATIONS:

- 4.2.3.1 The HPUD serves 350 water customers but has no water rights. The HPUD maintains two storage tanks with a capacity of 800,000 gallons, which is approximately half the summer supply.
- 4.2.3.2 Current demand is 350 AFY. The HPUD contracts with RRFC for up to 400 AF of Lake Mendocino water. The HPUD has sufficient water capacity.

Wastewater

Hopland has 303 sewer connections. The current average daily flow (ADF) is 45,000 gpd compared with a capacity of 90,000 gpd. The daily peak flow capacity is 220,000. The HPUD has sufficient capacity to double its sewer connections.

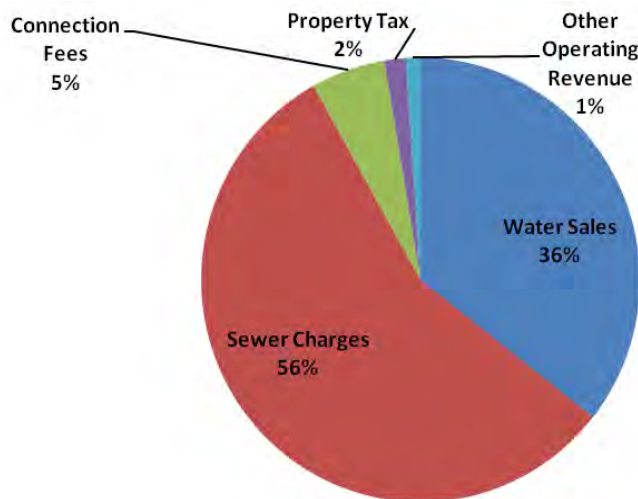
DETERMINATIONS:

- 4.2.3.3 The HPUD has 303 sewer connections. Average daily flow is 45,000 gpd, while capacity is 90,000 gpd. The peak daily flow capacity is 220,000. The HPUD has the capacity to double its sewer customers.

4.2.4 – Financial Ability to Provide Services

The HPUD provides both water and sewer services with an annual operating budget of \$470,000. Over the four-year period from FY 2008-09 to FY 2011-12, operating revenues averaged \$514,000. Revenues are broken down as shown in Exhibit 4.2-2. The exhibit shows a majority of revenues are derived from sewer charges.

Exhibit 4.2-2: Hopland PUD Distribution of Revenues FY 2008–09 to FY 2011–12



Source: Celentano, Michael 2010, 2011, 2012.

Table 4.2-2 shows revenues and expenses for the last four fiscal years. The table shows operating income is positive each year. However, interest expense is substantial so that there is a net loss

for three of the four-years. The interest expense is associated with long-term debt as described below.

Table 4.2-2: Hopland PUD Summary of Revenues and Expenses FY 2008–09 to FY 2011–12

ACCOUNT	FY 2008–2009	FY 2009–2010	FY 2010–2011	FY 2011–2012
Total Operating Revenue	\$511,163	\$535,208	\$522,228	\$487,693
Total Operating Expenses	496,631	492,813	431,103	456,759
Operating Income	14,532	42,395	91,125	30,934
Interest expense	(72,059)	(62,172)	(64,314)	(62,586)
Total Non-Operating Revenues (Expenses)	(81,164)	(100,974)	(53,526)	(58,149)
Net Income (Loss)	(\$66,632)	(\$58,579)	\$37,599	(\$27,215)

Source: Celentano, Michael 2010, 2011, 2012.

Rates and Connection Fees

HPUD has a rate schedule that is easy to administer. Water rates are \$22.00 for the first 6,000 gallons and \$1.00 for each thousand gallons thereafter. The sewer rate is \$62.40 per residential equivalent unit. Connection fees are \$2,950 for water and \$6,866 for sewer.

Long-Term Debt

The HPUD has three long-term debt obligations. They include both bonds and loans for the sewer system and loans for the water system. The total obligation as of June 30, 2012 is \$1,380,221.

In 1974, the HPUD issued general obligation sewer bonds at an aggregate amount of \$187,000. The interest rate of 5 percent is payable each year on the first day of January and the last day of July. As of June 30, 2012, the balance is \$6,000 with payments of \$3,000 due in FY 2012-13.

The HPUD received a loan from CALTRANS for the sewer system for \$300,000. The interest rate is the rate of earnings of the State’s Surplus Money Investment Fund, currently at 0.49 percent. Principal and interest is payable June 1 and December 1. The current balance is \$90,000, with payments of \$36,053 due in FY 2012-13.

The HPUD received a loan of \$1,489,000 for its water system from the Rural Utility Service, which is part of the U.S. Department of Agriculture Rural Development Agency. The interest rate is 4.75 percent payable each year on April 1 and September 1. The loan requires the HPUD to establish a separate debt service reserve in the amount equal to the average annual loan installment. The current balance is \$1,284,000 with payments of \$23,000 due in FY 2012-13.

DETERMINATIONS:

- 4.2.4.1 The HPUD has a budget that averages \$470,000. Revenues are primarily sewer charges, which make up 56 percent of all revenues, and water sales, which are 36 percent.

4.2.4.2 The long-term debt obligation is \$1,380,221. Annual principal interest payments amount to \$62,000 in FY 2012-13.

4.2.4.3 Operating revenues exceed operating expenses; however, net operating revenues were less than interest expenses for long-term debt three of the last four-years.

4.2.5 – Status and Opportunities for Shared Facilities

The HPUD has entered into a joint powers agreement (JPA) with Special District Risk Management Authority (SDRMA) for insurance. SDRMA's purpose is to jointly fund and develop programs to provide stable, efficient, and long-term risk financing for special districts.

In 2008, the HPUD agreed to share office space and staff services with the WCWD. The HPUD relies on the general manager, office personnel, and maintenance staff of the WCWD. As such, the HPUD has no employees. Similar to CCWD, the Board of Directors works directly with staff of WCWD.

DETERMINATIONS:

4.2.5.1 The HPUD shares office space with the staff of WCWD as part of its staff services agreement. The HPUD has no employees.

4.2.6 – Governance and Accountability

A five-member board elected at large to four-year terms meets on the second Thursday of the month at the Old Train Depot at 6:30 p.m. Meetings are noticed according to the Brown Act. Minutes are compiled in a minutes book.

Board members receive a stipend of \$84.40 per month. The stipend is deducted from their water and sewer bill. Each board member files a public disclosure document with the County. There are no standing committees.

The HPUD does not have a website. Residents are welcome at noticed board meetings. The contract with the WCWD allows the HPUD to maintain an office where staff can communicate with customers and the public.

DETERMINATIONS:

4.2.6.1 The HPUD is governed by a five-member board elected at large to four-year staggered terms. They meet on the second Thursday of each month at 6:30 p.m. at the Old Train Depot. Directors receive a monthly stipend of \$84.40, which is deducted from their water and sewer bill.

4.2.6.2 The HPUD keeps a minute book. Meetings are noticed according to the Brown Act. The contract with WCWD allows the HPUD to maintain an office where staff can respond to customers and the public.

4.2.7 – LAFCO Policies Affecting Service Delivery

HPUD has contracted with WCWD for staff services. At some point, HPUD may want to formally apply to LAFCO for consolidation with WCWD. In that case, the LAFCO policies in Chapter V Section D under reorganization would apply.

The consolidation can be initiated by petition (section 4); by the action of the boards of the two agencies (sections 8, 9, and 10); and section C, which relates to a LAFCO-initiated consolidation. If the action is initiated by petition, section 4 requires the signatures of 5 percent of the registered voters.

If action is initiated by the districts, section 8 requires the districts to adopt substantially similar resolutions. In that case, LAFCO cannot deny the consolidation and can only make changes to the terms with the consent of the districts.

A LAFCO-initiated consolidation must be based on an initial study that recommends consolidation. Policy C 6 requires a second study called a "Reorganization Study" or a reorganization committee to establish terms of the consolidation. The LAFCO action is subject to protest proceedings.

DETERMINATIONS:

- 4.2.7.1 The only LAFCO policies that could affect service delivery are those related to consolidation, should that action be of interest to HPUD and WCWD.

4.2.8 – Summary of Determinations

- 4.2.1.1 The population of Hopland is estimated 756 by the 2010 Census. Growth in the previous 10 years was 10 percent or about 1 percent per year. Using the 1 percent growth rate, the population would be estimated at 830 in 2020.
- 4.2.2.1 There are no disadvantaged unincorporated communities within the sphere of influence of the HPUD.
- 4.2.3.1 The HPUD serves 350 water customers, but has no water rights. The HPUD maintains two storage tanks with a capacity of 800,000 gallons, which is approximately half the summer supply.
- 4.2.3.2 Current demand is 350 AFY. The HPUD contracts with RRFCD for up to 400 AF of Lake Mendocino water. The HPUD has sufficient water capacity.
- 4.2.3.3 The HPUD has 303 sewer connections. Average daily flow is 45,000 gpd, while capacity is 90,000 gpd. The peak daily flow capacity is 220,000 gallons. The HPUD has the capacity to double its sewer customers.
- 4.2.4.1 The HPUD has a budget that averages \$470,000. Revenues are derived primarily from sewer charges, which make up 56 percent of all revenues, and water sales which are 36 percent.
- 4.2.4.2 The long-term debt obligation is \$1,380,221. Annual principal interest payments amount to \$62,000 in FY 2012-13.
- 4.2.4.3 Operating revenues exceed operating expenses; however, net operating revenues were less than interest expenses for long-term debt three of the last four-years.
- 4.2.5.1 The HPUD shares office space with the staff of WCWD as part of its staff services agreement. The HPUD has no employees.
- 4.2.6.1 The HPUD is governed by a five-member board elected at large to four-year staggered terms. It meets on the second Thursday of each month at 6:30 p.m. at the Old Train Depot. Directors receive a monthly stipend of \$84.40, which is deducted from their water and sewer bill.

- 4.2.6.2 The HPUD keeps a minutes book. Meetings are noticed according to the Brown Act. The contract with WCWD allows the HPUD to maintain an office where staff can respond to customers and the public.
- 4.2.7.1 The only LAFCO policies that could affect service delivery are those related to consolidation should that action be of interest to HPUD and WCWD.

5: RECOMMENDATIONS

Recommendations are based on the evaluation of each district's ability to provide effective and efficient services during the five-year horizon of this MSR. From the analysis provided in the recently adopted Ukiah Valley Area Plan and historic growth rates, growth of 1 percent or less during the next five years is anticipated. Recommendations fall into four categories: consolidations, annexations, reviewing rates, and sphere of influence.

5.1 – Consolidations

Ukiah Valley Fire District

The Ukiah Valley Fire District has completed a functional consolidation with the City of Ukiah Fire Department. Not only did the City hire the UVFD fire chief to serve in a similar capacity, but it has also agreed to share personnel and equipment. The arrangement allows for three-person engine companies at the District's North State Street station and the South State Street station that would respond to calls from the Cal Fire dispatch center. As of March 2013, the dispatch center will serve both the City and the District. The arrangement also allows the City to locate its ambulances at the Ukiah station at 300 Seminary Avenue. Since the District and the City have an automatic aid agreement, dispatch of ambulance service, providing advanced life support, would not be affected. Three-person engine companies would be a significant improvement in services.

To that end, the District and the City should work on a formal consolidation that would include a more formal chain of command, common training, and updated equipment. The City maintains 12 apparatus, 10 of which are scheduled for replacement within the next five years. Of those 10, four are overdue for replacement. The District has five engines, three of which are over 15 years old and in need of replacement. In addition, the patrol mini pumper is 22 years old and should also be replaced. A consolidation could help fund new equipment.

Redwood Valley County Water District and Russian River Flood Control

Both RVCWD and RRFC have expressed interest in consolidation. A consolidation would offer RVCWD a more reliable source of water and the RRFC an opportunity to acquire more water rights. In fact, there is a pending application with the SWRCB for an additional 6,000 AF of water rights. The RRFC is in the process of meeting with the authors of protest letters to help resolve protests. The consolidation hinges on an agreement with SCWA, which controls much of the water in Lake Mendocino. Should the water rights application be approved and both districts adopt substantially similar resolutions to consolidate, LAFCO cannot turn them down.

Willow County Water District / Calpella County Water District / Hopland Public Utility District

Willow CWD has management agreements with both Calpella CWD and Hopland PUD whereby Willow CWD provides office space, administrative staff, and field staff for the two districts. Both Calpella and Hopland have no employees, so the management agreements represent a functional consolidation of the three districts. Other than maintaining separate boards directors, CCWD and HPUD are essentially one with Willow CWD. Given this arrangement, the Districts should consider consolidation so that policies and service delivery are consistent.

The three districts have not yet consolidated because they desire to maintain community identity. Although having separate districts is one way to maintain identity, other ways include community advisory councils that would be made up of concerned residents of Calpella and Hopland. Community advisory councils would be able to focus on their respective communities and have standing with the board of directors. Other options include establishing districts so that representation on the board would be sure to include residents of Calpella and Hopland. Nevertheless, the three districts should evaluate the options.

5.2 – Annexations

Calpella County Water District

Calpella CWD provides water services to the area of the Central Avenue corridor west of US 101. The District has been providing services since 2001. According to LAFCO policies, Calpella CWD should consider annexation.

One concern with annexation is that the District is under a moratorium for new water service connections. Since the Calpella CWD already provides services, there would be no additional hookups that would violate the moratorium. Annexation may allow the District to collect some additional property tax revenue. Since the average of revenues and expenditures has shown a deficit in the last couple of years, the added property tax may help resolve the deficit.

Should the District pursue annexation, it may have to establish two zones of services. One zone would provide water and sewer. The other zone would provide water only.

5.3 – Other

Hopland Public Utility District

A review of the financial statements for Hopland PUD shows that although its revenues exceed expenses, the interest payments on debt service have exceeded net income in two of the last three years. One solution would be to perform a rate study and adopt a rate schedule that provides sufficient revenue to cover debt service.

Websites

Of the eight districts included in this municipal service review, only three districts—Redwood Valley, RRFCD, and PVID—have websites. Websites are recognized as a way to notice a public meeting. Websites are an inexpensive way to communicate with residents and other agencies. The other five—UVFD, WCWD, MCWD, CCWD, and HPUD—do not. One drawback to having a website is that state law requires meetings to be noticed on the website. If the server is down or if for some unforeseen circumstance the agenda could not be posted in time, the District may be in violation of the Brown Act. The Legislature will be addressing that issue in upcoming sessions. Each district should evaluate the advantage of enhanced accountability in determining whether or not to establish a website.

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- Authorize listed budget amendment, repurposing funds from 105.2101.250.000 (\$144,000) for the purpose of chief services (\$42,000) and volunteer stipend program (\$102,000).
- Authorize the city manager to sign a cooperative agreement with Hopland Fire District and Ukiah Valley Fire District to share fire chief services at a cost of \$42,000 per year (\$3,500 per month), from fund 105.2101.250.000.
- Authorize negotiations with both Ukiah Valley Fire District and Hopland Fire District to establish a volunteer stipend program to augment fire services for the greater Ukiah Valley Area.
- Authorize staff to explore options with CAL FIRE for combining City Of Ukiah and Ukiah Valley Fire District dispatching services. August 1.

City of Ukiah. 2012c. Staff Report. Consider approval of:

- Authorize the city manager to contract with the Ukiah Valley Fire District to establish a volunteer stipend program to augment fire services for the greater Ukiah area, utilizing \$102,400 in funding from fund 105.2101.250.000.
- Authorize staff to move to a boundary drop concept for fire services between the City of Ukiah and the Ukiah Valley Fire District and move to a 3-person engine company staffing concept. October 3.

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