



STAFF REPORT

Agenda Item No. 6a	
MEETING DATE	February 3, 2025
MEETING BODY	Mendocino Local Agency Formation Commission
FROM	Uma Hinman, Executive Officer
SUBJECT	WORKSHOP Elk County Water District Municipal Service Review and Sphere of Influence Update

RECOMMENDED ACTION

Hold a Workshop on the Draft Elk County Water District Municipal Service Review and Sphere of Influence Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing at a regular meeting of the Commission.

BACKGROUND

This is a Workshop to introduce Draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for Elk County Water District (ECWD/District). This is the second [MSR](#) and [SOI](#) Update for the District; the first round was adopted in 2014 and 2015, respectively. The Workshop Draft ECWD MSR/SOI Update includes the following information related to the District: history, government structure and accountability, operational efficiency, finances, projected growth, disadvantaged unincorporated communities, service capacity and needs, and proposed sphere. The District reviewed and provided feedback on an Administrative Draft of the study and changes have been incorporated into this Workshop Draft as appropriate.

As background, the District was formed on April 22, 1957, to provide water services to the community of Elk, which is located 16 miles south of the community of Mendocino along Highway 1 in the unincorporated area on the southwestern coast of Mendocino County. The District's boundaries include 103 parcels totaling 128 acres.

District facilities include a water treatment plant, two wells (one standby and one active), several miles of pipeline, two water storage facilities (30,000 gallons and 84,000 gallons), and two parcels of land. ECWD also maintains a hydrant system, providing fire flows for the local fire district. Other municipal service providers in the area include the Elk Community Services District, which provides fire protection to properties within ECWD. Additionally, the Elk Community Services District owns a property with a private wastewater disposal system and a leach field that serves 10 parcels in the core of the downtown area. All other parcels are served by individual on-site septic systems.

In 2015, the Commission adopted an SOI that included two Outside Agency Service Areas (1 and 2). The study recommends the District's existing SOI be affirmed.

This workshop is an opportunity to receive Commission and public input on the document; no action will be taken on the study on this date. A public hearing will be scheduled at a later date for formal consideration of the study.

ATTACHMENTS

- (1) Workshop Draft Elk County Water District MSR/SOI Update

Attachment 1

Workshop Draft



Photo Credit: Lee Rentz

Elk County Water District

2025 Municipal Service Review and Sphere of Influence Update

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Workshop: February 3, 2025

Public Hearing:

Adopted: [Publish Date]

LAFCo Resolution No: XXXX-XX-XX

Workshop Draft

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ACRONYMS

AB	Assembly Bill
ACS	American Community Survey
ADU	Accessory Dwelling Unit
AFY	Acre feet per year
AMI	Area Median Income
AOI	Area of Interest
APN	Assessor Parcel Number
APR	Annual Progress Report
CCR	Consumer Confidence Report
CDP	Census Designated Place
CIP	Capital Improvement Plan
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPA	Certified Public Accountant
CSDA	California Special Districts Association
DUC	Disadvantaged Unincorporated Community
DWR	California Department of Water Resources
ECWD	Elk County Water District
ECSD	Elk Community Services District
EVFD	Elk Volunteer Fire Department
DOF	California Department of Finance
ELEC	California Elections Code
EPA	United States Environmental Protection Agency
FY	Fiscal Year
FTE	Full Time Equivalent
GC	California Government Code
Gpd	gallons per day
Gpm	gallons per minute
HCD	California Department of Housing and Community Development
IBWD	Irish Beach Water District
IRWMP	Integrated Regional Water Management Plan
JADU	Junior Accessory Dwelling Unit
LAFCo	Local Agency Formation Commission
LCP	Local Coastal Program
MCOG	Mendocino Council of Governments
MCCSD	Mendocino City Community Services District
MG	Million gallons
MHI	Median Household Income
MPO	Metropolitan Planning Organization
MSR	Municipal Service Review
OPR	Governor's Office of Planning and Research
PRWD	Pacific Reefs Water District
RHNA	Regional Housing Needs Assessment
RTP	Regional Transportation Plan
RUE	Residence Unit Equivalent
RWQCB	California Regional Water Quality Control Board

SAFER	Safe and Affordable for Equity and Resilience
SB	Senate Bill
SDUC	Severely Disadvantaged Unincorporated Community
SDWIS	Safe Drinking Water Information System
SOI	Sphere of Influence
SWRCB	State Water Resources Control Board
WAT	California Water Code
WTP	Water Treatment Plant
WTPO	Water Treatment Plant Operator

Workshop Draft

1 INTRODUCTION

1.1 Local Agency Formation Commission

Local Agency Formation Commissions (LAFCo/Commission) are quasi-legislative, independent local agencies established by State legislation in 1963 to oversee the logical and orderly formation and development of local government entities including cities and special districts. There is one LAFCo for each county in California.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) under California Government Code (GC) Section (§) 56000 et seq., to promote orderly growth, prevent urban sprawl, preserve agricultural and open space lands, and oversee efficient provision of municipal services.

LAFCo has the authority to establish and reorganize cities and special districts, change their boundaries and authorized services, allow the extension of public services, perform municipal service reviews, and establish spheres of influence. Some of LAFCo's duties include regulating boundary changes through annexations or detachments and forming, consolidating, or dissolving local agencies.

1.2 Mendocino LAFCo

The CKH Act provides for flexibility in addressing State regulations to allow for adaptation to local needs. Each LAFCo works to implement the CKH Act to meet local needs through the flexibility allowed in how state regulations are implemented through establishment of local policies to address the unique conditions of the county. As part of this process, Mendocino LAFCo has adopted policies, procedures, and principles that guide its operations. These policies and procedures can be found on Mendocino LAFCo's website¹.

Mendocino LAFCo has a public Commission with seven regular Commissioners and four alternate Commissioners. The Commission is composed of two members of the Mendocino County Board of Supervisors, two City Council members, two Special District Board of Directors members, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

Table 1-1 below lists the current members, the organization they represent, if they are an alternate, and the date their term expires.

Table 1-1: Current Mendocino LAFCo Commissioners, 2025

Commissioner Name	Position	Representative Agency	Term Expires
Madeline Cline	Commissioner	County	2028
Gerardo Gonzalez	Commissioner	City	2026
Candace Horsley	Commissioner	Special Districts	2026
Susan Mahoney	Commissioner	Special Districts	2028
Maureen Mulheren	Chair	County	2026
Mari Rodin	Commissioner	City	2025
Gerald Ward	Vice-Chair/Treasurer	Public	2026
Vacant	Alternate	Special District	2026
Douglas Crane	Alternate	City	2025
John Haschak	Alternate	County	2027
Raghda Zacharia	Alternate	Public	2027

¹ Mendocino LAFCo Policies and Procedures Manual: [Policies & Procedures Manual \(specialdistrict.org\)](https://www.specialdistrict.org/policies-procedures-manual).

1.3 Municipal Service Review

The CKH Act requires each LAFCo to prepare a Municipal Service Review (MSR) for its cities and special districts ([GC §56430](#))². MSRs are required prior to and in conjunction with the update of a Sphere of Influence (SOI)³. This review is intended to provide Mendocino LAFCo with the necessary and relevant information related to the services provided by Elk County Water District (ECWD/District).

An MSR is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. An MSR must address the following seven factors:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

Municipal Service Reviews include written statements or determinations with respect to each of the seven mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of a service provider's existing and future service area boundary. This MSR Update studies the water services provided by ECWD. This review also provides technical and administrative information to support Mendocino LAFCo's evaluation of the existing boundary for the District.

With this MSR, Mendocino LAFCo can make informed decisions based on the best available data for the service provider and area. Written determinations (similar to 'findings'), as required by law, are presented in Chapter 3.3. LAFCo is the sole authority regarding approval or modification of any determinations, policies, boundaries, spheres of influence, reorganizations, and provision of services. This MSR/SOI study makes determinations in each of the seven mandated areas of evaluation for MSRs.

Ideally, an MSR will support LAFCo and will also provide the following benefits to the subject agencies:

- Provide a broad overview of agency operations including type and extent of services provided;

² GC §56430 (2023) can be found here: [California Government Code § 56430 \(2023\) :: 2023 California Code :: US Codes and Statutes :: US Law :: Justia](#).

³ Assembly Committee on Local Government, "Guide to the Cortese-Knox-Hertzburg Local Government Reorganization Act of 2020." December 2023.

- Serve as a prerequisite for a SOI Update;
- Evaluate governance options and financial information;
- Demonstrate accountability and transparency to LAFCo and to the public; and
- Allow agencies to compare their operations and services with other similar agencies.

1.4 Sphere of Influence

The CKH Act requires LAFCo to adopt a Sphere of Influence (SOI) for all local agencies within its jurisdiction. An SOI is “a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission” ([GC §56076](#))⁴.

When reviewing an SOI for a municipal service provider, under [GC §56425\(e\)](#)⁵, LAFCo will consider the following five factors:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to [GC §56425\(g\)](#)⁵ on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities (DUCs) within the existing SOI.

Sphere of Influence studies include written statements or determinations with respect to each of the five mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of establishing or modifying a service provider’s SOI or probable future boundary.

1.5 Senate Bill 215

Senate Bill (SB) 215 (Wiggins) requires LAFCo to consider regional transportation plans and sustainable community strategies developed pursuant to SB 375 before making boundary decisions. Senate Bill 375 (Sustainable Communities and Climate Protection Act) requires each Metropolitan Planning Organization (MPO) to address regional greenhouse gas (GHG) emission reduction targets for passenger vehicles in their Regional Transportation Plan (RTP) by integrating planning for transportation, land use, and housing in a sustainable communities strategy.

Mendocino County is not located within an MPO boundary and therefore is not subject to the provisions of SB 375. However, the Mendocino Council of Governments (MCOG) supports and coordinates the local planning efforts of Mendocino County and the cities of Fort Bragg, Point Arena, Ukiah, and Willits to

⁴ GC §56076 (2023) can be found here: [California Government Code § 56076 \(2023\) :: 2023 California Code :: US Codes and Statutes :: US Law :: Justia](#).

⁵ GC §56425 (2023) can be found here: [California Government Code § 56425 \(2023\) :: 2023 California Code :: US Codes and Statutes :: US Law :: Justia](#).

address regional housing and transportation needs and helps provide a framework for sustainable regional growth patterns through the 2018 Mendocino County Regional Housing Needs Assessment (RHNA) Plan and Vision Mendocino 2030 Blueprint Plan. The MCOG is also responsible for allocating regional transportation funding to transportation improvement projects consistent with the 2017 RTP for Mendocino County.

Mendocino County and the cities of Fort Bragg, Point Arena, Ukiah, and Willits are the local agencies primarily responsible for planning regional growth patterns through adoption and implementation of general plan and zoning regulations. While Mendocino County is not subject to the provisions of SB 375, LAFCo will review applicable regional transportation and growth plans when considering a change of organization or reorganization application.

2 AGENCY OVERVIEW

Table 2-1: ECWD Profile	
Agency Name:	Elk County Water District
District Manager/Water	Charles Acker, District Manager
Treatment Plant Operator	Rio Russell, Water Treatment Plant Operator
Office Location:	6129 S. Highway 1, Elk, CA 95432
Mailing Address:	PO Box 54, Elk, CA 95432
Phone Number:	707-877-8001
Website:	https://www.elkcountywaterdistrict.org/home.html
Email:	info@elkcountywaterdistrict.org
Date of Formation:	April 22, 1957
Agency Type:	Independent Special District, Single-Service Provider
Enabling Legislation	Water District Law: Water Code §34000 - 38501
Board Meeting Schedule:	Monthly meetings are held on the first Tuesday of each month, except for August and December, which are optional meeting months. The Board meets at 6:30 p.m. at 6129 S Highway 1 in Elk, at the Community Center Annex building (easternmost section). Dates and agendas are distributed two weeks before meetings.

2.1 History

2.1.1 Formation

The Elk County Water District (ECWD/District) was established on April 22, 1957 by the Mendocino County Board of Supervisors through the issuance of a Statement of Creation under the provisions of Division 12 of the California Water Code (WAT) for the primary purpose of providing water service to customers in the community of Elk within unincorporated Mendocino County ([Resolution No. 2231](#))⁶.

2.1.2 Boundary

The District is located approximately 16 miles south of the community of Mendocino along Highway 1 in the unincorporated area of southwestern, coastal Mendocino County. The ECWD boundaries encompass 103 parcels totaling approximately 128 acres. Of those 103 parcels, the District serves 102 developed parcels, with the remaining being vacant land.

The small community of Elk is the socioeconomic center of the District area, and comprises the Greenwood Community Center, Greenwood Elementary School, a post office, two churches, a store, an art center, restaurants, a visitor center, and several bed & breakfast inns. The Mendocino County Coastal Element indicates that the District boundaries are located wholly within the Coastal Zone.

2.1.2.1 BOUNDARY CHANGE HISTORY

At the time of the District’s formation, no boundary map was provided to LAFCo nor does LAFCo have any archived records for ECWD. Neither LAFCo nor ECWD records show whether there have been any changes to the District boundaries since its original formation.

⁶ Mendocino County Board of Supervisors Resolution No. 2231 can be found here: [ECWD SMNT of CREATION.pdf](#).

In 2014, Mendocino County staff developed a map using available geographic information system (GIS) data for the County-wide Water and Wastewater Municipal Service Review (MSR) which shows the District's current boundaries (refer to Figure 2-1).

In 2020, the District was donated a 72-acre parcel in the watershed above its water supply wells. The parcel is located outside the ECWD service area boundaries and Sphere of Influence (SOI) boundaries.

2.1.3 Services

Out of 102 developed parcels, the District provides water services to 88 residential parcels and 14 commercial parcels. The District primarily supplies potable water to its customers, but it provides raw water service to one parcel within its service boundaries. ECWD also maintains a hydrant system consisting of 20 hydrants to provide fire flows for the Elk Community Services District (ECSD), which is the umbrella agency for the Elk Volunteer Fire Department (EVFD).

The ECWD also provides water services to two Outside Agency Service Areas (1 and 2) within the District's SOI boundaries and supplies surplus water to water delivery trucks. For more information regarding District services, refer to Section 3.

2.1.3.1 LATENT POWERS

Latent powers are those services, functions, or powers authorized by the principal act under which the District is formed, but that are not being exercised or authorized by LAFCo.

The California Water District Law ([WAT Section \(§\) 34000 – 38501](#))⁷ identifies the following potential powers:

- a) Production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto.

The ECWD is a single-service provider delivering domestic water services and no other latent powers are authorized under its principal act.

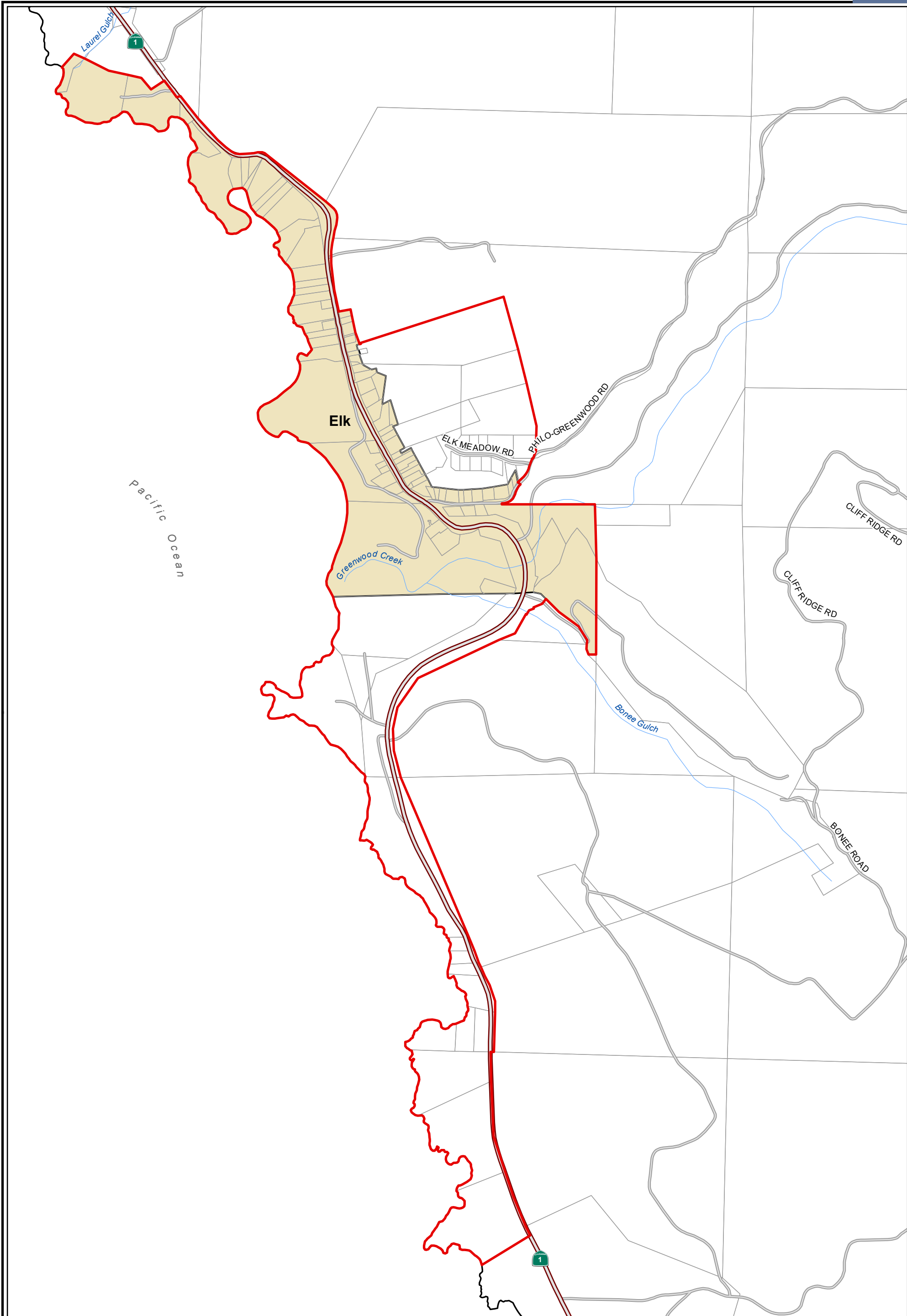
Wastewater services within the District boundary are currently provided by a combination of individual on-site septic systems and a limited community collection line and leach field that serves 10 parcels in the core of the downtown area.

For the District to expand the existing scope of water services, the ECWD must receive LAFCo approval through an activation of latent powers application, which follows the normal Commission proceedings for a change of organization or reorganization ([GC §56650 et seq.](#))⁸.

⁷ WAT §34000 – 38501 can be found here:

https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=WAT&division=13.&title=&part=&chapter=&article=&nodetreepath=12.

⁸ GC §56650 et seq. can be found here: [California Code, GOV 56650](#).



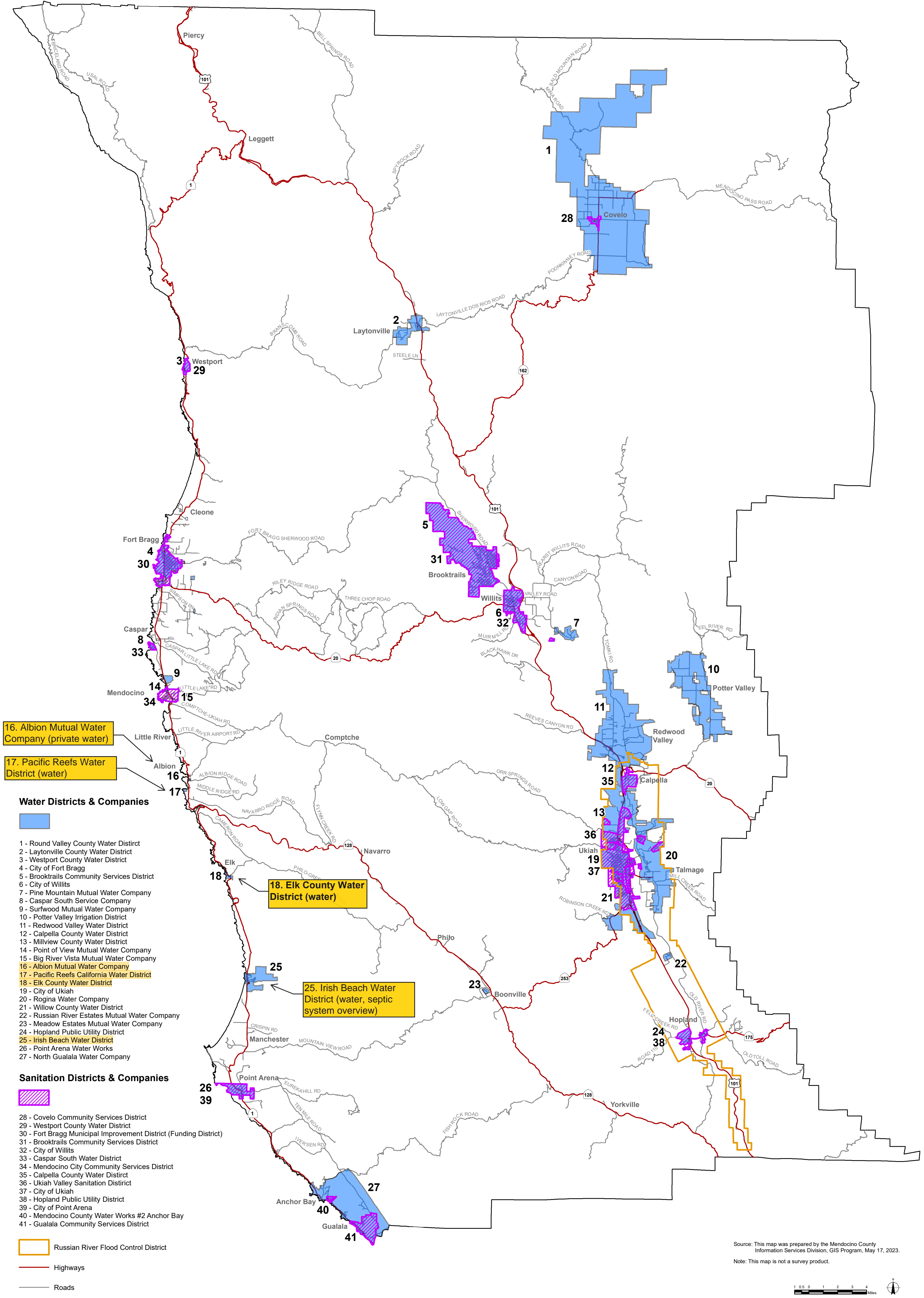
Elk County Water District

Source: This map was prepared by the Mendocino County
 Division of Information Services GIS Program, June 6, 2023..
 Note: This map is not a survey product.

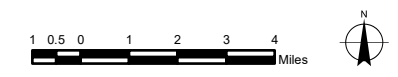
- Elk County Water District
- Sphere of Influence
- Parcels
- Highways
- Roads
- Streams



Mendocino County Water & Sanitation Districts & Companies



Source: This map was prepared by the Mendocino County Information Services Division, GIS Program, May 17, 2023.
Note: This map is not a survey product.



2.2 Government Structure

2.2.1 Governing Body

The Board of Directors is the legislative body for the District and is responsible for establishing policy, adopting and amending the annual budget, enacting ordinances, adopting resolutions, and appointing committees. The District is governed by a five-member Board of Directors, elected at-large to staggered four-year terms by registered voters within the District boundaries.

Eligible candidates must be registered voters residing within the District boundaries. If there are insufficient candidates for election of Board vacancies, or if the number of filed candidates is equal to the number of Board vacancies, then District Board members may be appointed by the County Board of Supervisors per [California Elections Code \(ELEC\) §10515⁹](#). New Board members take office at noon on the first Friday in December following the election. The current Board Members, positions, and terms are shown in Table 2-2 below.

Name	Office/Position	First Year of Service	Term Expiration
Kermit Carter	President	2015	2028
Jay Penrod	Vice President	2017	2026
Denise Georganas	Secretary	2017	2026
Juliette Wilcox	Director	2022	2026
Gemma Barsby	Director	2020	2028

Source: ECWD 2025.

[Government Code §1780-1782](#) governs the process for appointments of Board of Director seats vacated before the scheduled term expiration date¹⁰. The District Board of Directors has 60 days to appoint an interested and qualified individual to a vacant seat if proper notice requirements have been met. If the District cannot fill the seat within 60 days, the Mendocino County Board of Supervisors may appoint a Director to the District Board during a 30-day period following the initial 60-day period. If the vacant seat is not filled during the total 90-day period, the vacant seat remains empty until the next election.

The Board currently has no vacancies and is fully seated by five Board members. All five Board members were appointed by the County Board of Supervisors and have served the District for multiple consecutive terms, which can be a significant benefit in establishing long-standing positive working relationships in the community, understanding the history and unique aspects of the organization, and maintaining institutional knowledge. Board members are volunteers and do not receive compensation.

The Board officers consist of a president, vice president, and secretary, which are elected annually at a regular meeting held in December.

⁹ ELEC §10515 can be found here:

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=10515.&lawCode=ELEC.

¹⁰ GC §1780-1782 can be found here:

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1780.&lawCode=GOV.

2.2.2 Public Meetings

Regular Board meetings are held on the first Tuesday of each month, except for August and December, which are optional meeting months. The Board generally meets in-person at 6:30 p.m. at 6129 S Highway 1 in Elk, at the Greenwood Community Center Annex building (easternmost section). In December 2024, the Board held a special meeting via teleconference; no other Board meetings have been held remotely in the last six months.

With the State's rescission of the declaration of health emergency following the COVID pandemic, the ability of Board members to remotely participate in meetings has been greatly curtailed under current legislation. Generally, the Brown Act rules for in-person meetings again applies; however, Assembly Bill (AB) 2449 was signed into law in September 2022 and allows local government officials to participate via teleconference under limited circumstances ([GC §54953](#))¹¹. The District is encouraged to review the current Brown Act and teleconferencing requirements regarding the conduct of remote meetings to ensure compliance with the Brown Act.

In accordance with the Brown Act, all District Board meetings are open to the public. Meeting dates and agendas are distributed two weeks before they are scheduled to take place. Public notices and meeting agendas for regular Board meetings are publicly posted at least 72 hours in advance in four locations: the Greenwood Community Center, the Elk Store, the Elk Garage, and the Elk Post Office. Public notices regarding the Board of Director vacancies are also advertised at the same posting locations. Meeting agendas for special Board meetings are publicly posted at least 24 hours in advance.

The District maintains a website that includes the Board meeting agendas and minutes, public information documents, ordinances, and staff contact information¹².

2.2.3 Standing Committee

Standing committees to assist in carrying out various functions of local government. The District currently does not have any standing committees.

2.2.4 Public Outreach

With the passage of Senate Bill (SB) 929 in 2018, all special districts are required to establish and maintain a website with specific information and accessibility requirements (a compliance handout is included in Appendix B – Website Compliance Handout). The District's [website](#) includes meeting agendas, minutes, compliance documents, current Board of Directors, staff contact information, and Enterprise Systems Catalog information. It is recommended that the District review their website to ensure compliance with the latest federal and state laws and standards.

The District keeps residents informed of District requirements and activities through its website, word-of-mouth, and public meetings.

2.2.5 Complaints

Customers may submit complaints in person, by phone, email, or mail to the District manager. The District has not received any formal complaints in the last five years.

¹¹ GC §54953 (2022) can be found here: [Today's Law As Amended - AB-2449 Open meetings: local agencies: teleconferences.](#)

¹² ECWD Website can be accessed at the following link: <https://www.elkcountywaterdistrict.org/home.html>.

2.2.6 Transparency and Accountability

The ECWD Bylaws were originally approved in 1957; District staff share that no changes have been made to the Bylaws since its original approval and are governed by California Water Code. The Bylaws serve as the legal guidelines of the organization by providing written rules that control and guide internal affairs. They define the group's official name, purpose, requirements for membership, officers' titles and responsibilities, how offices are to be assigned, how meetings should be conducted, and how often meetings will be held.

The District also maintains policies related to operations, personnel, conflicts of interest, and financial matters, which were adopted on May 14, 2021.

The Political Reform Act requires all state and local government agencies to adopt and promulgate a Conflict-of-Interest Code pursuant to [GC §81000 et seq](#)¹³. The District does not currently maintain a Conflict-of-Interest Code.

The Political Reform Act also requires persons who hold office to disclose their investments, interests in real property, and incomes by filing a Statement of Economic Interests (Fair Political Practices Commission Form 700) each year pursuant to [GC §87203](#)¹⁴. The District informed LAFCo staff that the Board's five directors, the District manager, and the secretary are current on their required Form 700 filings.

According to Assembly Bill (AB) 1234, if a local agency provides compensation or reimbursement of expenses to local government officials, then all local officials are required to receive two hours of training on public service ethics laws and principles at least once every two years and establish a written policy on reimbursements under [GC §53235](#)¹⁵. Although the District does not compensate its Board members, District staff indicate that Board members are not current on their Brown Act and ethics training.

Refer to Appendix A – Open Government Resources for a brief list of educational resources regarding open government laws and Appendix B – Website Compliance Handout for information on website compliance.

2.3 Operational Efficiency

2.3.1 Management and Staffing

Day-to-day operations are managed by the part-time District manager who has served as the ECWD manager since 2001. In addition, the position of District manager also assumes the responsibilities of the water treatment plant operator (WTPO) and performs both sets of duties. The District manager/WTPO is responsible for overseeing the operation of plant equipment, including the pumping system, performance of preventative maintenance on equipment, handling of chemicals, maintenance of plant records, collection of water samples and performance of lab tests, conducting safety inspections, public education, effective communication, and reporting to the Board of Directors on District issues.

¹³ GC §87300 et seq. (2011) can be found here: [Codes Display Text \(ca.gov\)](#).

¹⁴ GC §87203 (2023) can be found here: [California Code, Government Code - GOV § 87203 | FindLaw](#).

¹⁵ GC §53235 (2023) can be found here: [California Code, Government Code - GOV § 53235 | FindLaw](#).

The District also employs three part-time positions that are managed by the District manager: a secretary; a treatment and distribution operator; and a distribution operator/maintenance worker. Including the District manager, the District employs 2.5 Full Time Equivalent (FTE) positions.

The Board of Directors assumes responsibility for annual budget preparation, expenditure monitoring, discharge permits compliance, and California Regional Water Quality Control Board (RWQCB) reporting.

2.3.1.1 CONTRACT STAFFING AND SERVICES

For contract services, the District utilizes an independent Certified Public Accountant (CPA) for audits, Matt Emrick for legal counsel, and AVEVA Select for IT support.

2.3.2 Agency Performance

A component of monitoring agency performance is routinely evaluating staff productivity. The District conducts annual oral performance evaluations for their part-time employees.

In the regular performance of duty, District staff identify areas of improvement and take corrective action when feasible and appropriate or inform the Board when further direction is needed.

The District also monitors and evaluates agency operations through regular District manager updates, regulatory reporting, and review of District databases and records.

2.3.2.1 CHALLENGES

The District reports that it is currently verifying water rights to the Bonee Gulch water source to increase water sources through a survey and appraisal process.

2.3.2.2 STRATEGIC OR SUCCESSION PLANNING

The District does not have an established strategic plan, mission statement, or official goals. While the District is not legally obligated to maintain these types of documents and/or plans, doing so helps to provide an identity and some sense of security for the future of the District. In lieu of these documents, goals are noted in monthly Board meeting minutes which can be accessed on the District's website.

LAFCo staff recommend that the District consider preparing a strategic plan when the resources to do so are readily available.

2.3.3 Regional and Service-Specific Participation

The District does not participate in any formal interagency collaborative arrangements or mutual aid agreements. However, the ECWD works closely with local community groups and the EVFD to facilitate positive interactions to best serve the needs of the small community of Elk and the surrounding area.

The District also maintains informal communications with the Irish Beach Water District (IBWD) for shared operating resources and best practices. Until September 2024, the ECWD and IBWD shared a District manager, which facilitated the exchange of operational knowledge and coordination between the two agencies. The ECWD shares that three part-time and on-call employees work for both districts. The districts continue to share equipment, vendor and consultant services, and staffing resources for large emergency projects.

The District does not participate in an Integrated Regional Water Management Plan (IRWMP) Program. However, participation in these types of large-scale planning organizations often offers opportunities to

pursue joint grant applications and to leverage other community resources, and it may be beneficial to the District to consider participation in future IRWMP efforts.

LAFCo staff recommends that the District consider future group participation efforts by attending regional and service-specific meetings and communicating with colleagues regarding industry standards, best management practices, changing regulations, and service delivery models implemented by other local agencies and organizations.

2.3.4 Shared Service Delivery

2.3.4.1 ADJACENT PROVIDERS

There are no immediately adjacent local agencies providing water services. The nearest public water service providers are the IBWD (CA2310012) located approximately 7.8 miles south of Elk and the Pacific Reefs Water District (PRWD) (CA2300871) located approximately 6.5 miles north of the District (see Figure 2-3).

There are a few private water service providers in the region that are located within 10 miles of the ECWD:

- Mendocino School District – Albion School (CA2300846) – non-transient non community water service area, 2 service connections, approximately 6.25 miles northeast;
- Albion Mutual Water Company (CA2300502) – transient non-community water service area, 27 service connections, approximately 7.2 miles north;
- Albion Field Station (CA2300512) – transient non-community water service area, 29 service connections, approximately 7.3 miles north;
- Camp Navarro (CA2300873) – transient non-community water service area, 19 service connections, approximately 8.5 miles east; and
- Seafoam Lodge (CA2300620) – transient non-community water service area, 24 service connections, approximately 9.6 miles north.

The ECWD does not currently participate in any shared collaborations with adjacent private water service providers and given its isolation, there are no opportunities for shared collaborations identified as part of this MSR process. However, should the need arise, [Government Code §56375\(r\)](#)¹⁶ authorizes LAFCo to approve, with or without amendment, wholly, partially, or conditionally, or disapprove the annexation of territory served by a mutual water company that operates a public water system into the jurisdiction of a city, a public utility, or a special district, with the consent of the respective public agency or public utility and mutual water company.

Wastewater services within the ECWD boundaries are primarily by individual on-site septic systems. The exception is a privately-owned community leach field serving 10 commercial and residential properties along State Highway 1 that form the core downtown of Elk. The property with the community leach field consists of two open-space parcels owned by ECSD. Until the recent acquisition by the ECSD, the community leach field was owned and maintained by a private group, Li Foo Alliance, which provided limited wastewater services to the parcels primarily through a collection line and leach field. The ECSD has an active application filed with LAFCo proposing an activation of latent wastewater powers for leach field disposal of septic effluent serving 10 parcels within the District boundary (LAFCo File No. L-2022-01).

¹⁶ GC §56375(r) (2023) can be found here: [California Code, Government Code - GOV § 56375 | FindLaw](#).

As an isolated community, the nearest wastewater provider is either the Mendocino City Community Services District (MCCSD) approximately 13 miles north of the District or the City of Point Arena’s Wastewater Treatment Plant approximately 15.25 miles south of the District. For a regional map of Mendocino County’s water and sanitation districts and companies, see Figure 2-2.

Fire protection services are provided by the ECSD, a single-service provider that includes the entirety of the ECWD boundaries and extends east generally along the Philo-Greenwood Road and south to Irish Beach.

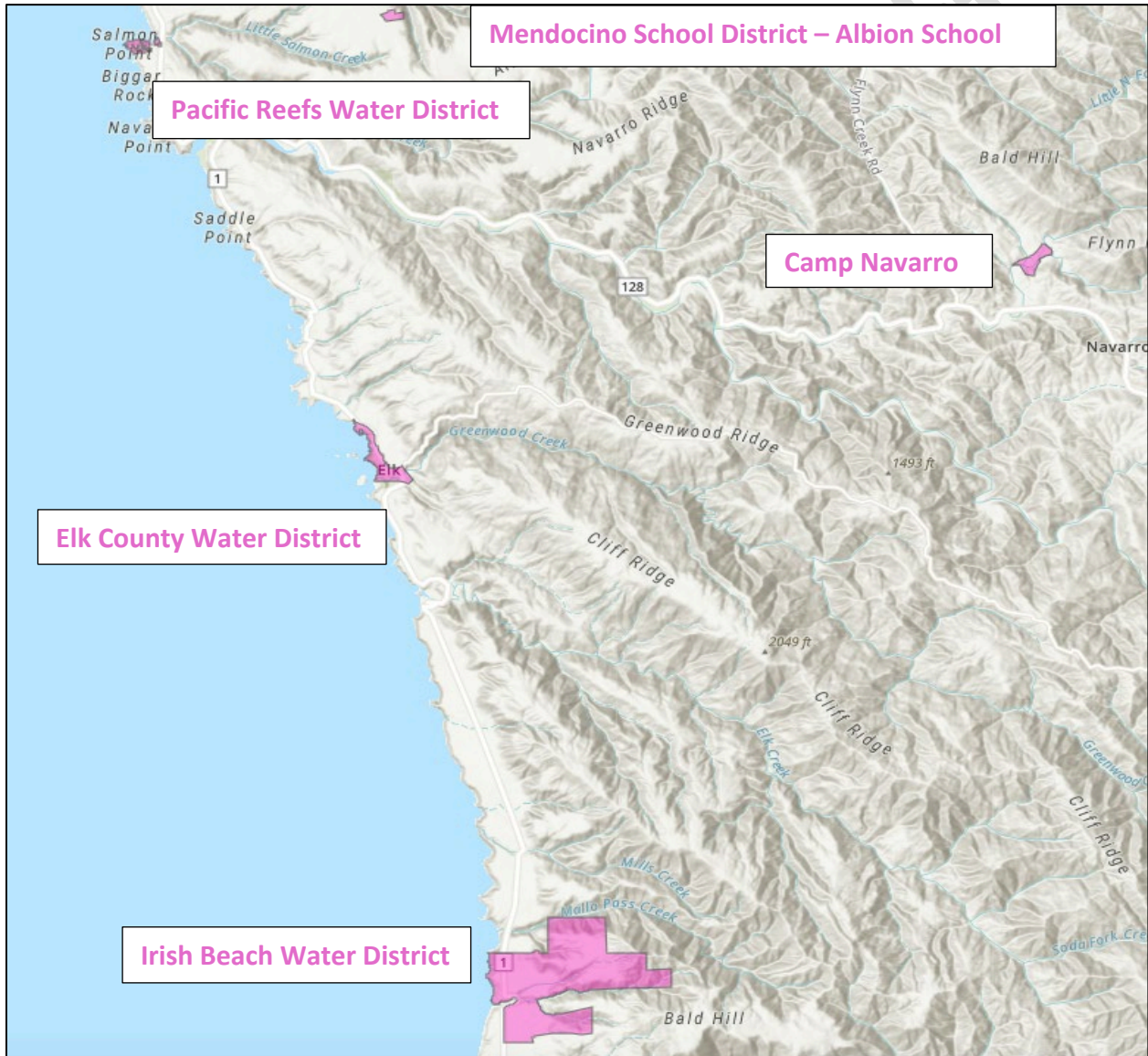


Figure 2-3: Adjacent Water Service Providers

Source: SWRCB 2024.

2.3.4.2 SHARED SERVICES AND FACILITIES

The District maintains a hydrant system consisting of 20 hydrants to supply water for fire protection to the ECSD, which supports the EVFD. In addition, the District owns two parcels of land which are both located outside of the District's boundary. One of these parcels is used by the Greenwood Community Center and the ECSD as part of a lease agreement with the District to share the land.

2.3.4.3 DUPLICATION OF SERVICES

The District does not currently have any formal overlap, duplication, or redundancy of services with local government agencies, non-profit organizations, or private businesses nearby because of its isolated location.

2.3.4.4 INTERAGENCY COLLABORATION

The District does not participate in interagency collaborative arrangements or mutual aid agreements. However, as previously mentioned, the District informally shares operating resources with the IBWD, such as equipment, vendor and consultant services, and staffing for large emergency projects. Up until September 2024, the districts shared a District manager. Three part-time and on-call employees work for both districts. As such, there is potential for further collaboration between the two agencies.

As previously noted, the District coordinates with the ECSD. With respect to emergency drought conditions, the District collaborates informally with neighboring water service providers and answers calls for assistance when appropriate.

2.3.5 Government Structure and Community Needs

2.3.5.1 ENHANCED SERVICE DELIVERY OPTIONS

The District is the only agency providing water services to the unincorporated community of Elk. The ECWD does not share services or facilities with other districts apart from those listed in Section 2.3.4.2 above. Fire protection for properties within ECWD is provided by the ECSD. Wastewater services within the ECWD are provided by a combination of individual on-site septic systems and limited community collection line and leach field that serves 10 parcels.

No opportunities for the District to achieve organizational or operational efficiencies were identified during the preparation of this MSR.

2.3.5.2 GOVERNMENT RESTRUCTURE OPTIONS

Government restructuring options should be pursued if there are potential benefits in terms of reduced costs, greater efficiency, better accountability or representation, or other advantages to the public.

No opportunities for government restructuring options were identified during the preparation of this MSR.

2.4 Finances

2.4.1 Current Fiscal Health

The District operates as a water enterprise fund, meaning that charges for services are intended to pay for the costs of providing such services. The ECWD prepares an annual budget and audited financial statement prepared by an independent CPA. The District utilizes a proprietary fund with a focus on economic resource measurement and an accrual basis of accounting. In this proprietary fund, operating revenue is distinguished from expenses and non-operating items.

The last financial audit prepared for the District was completed in 2023 for Fiscal Years (FYs) 2021-22 and 2022-23. The District did not provide information on whether it is current on its audit schedule.

The following table provides the District’s financial information for the period covering FY 2018-19 through FY 2022-23. Information was sourced from the District’s audited financial statements for FY 2021-22 and FY 2022-23 prepared by Rick Bowers, CPA (refer to Appendix 7.4 for a copy of the financial statements). Additionally, information regarding FYs 2018-19, 2019-20, and 2020-21 was provided by District staff during this study’s request for information stage.

Table 2-3 summarizes the District’s expenses and revenues over the past five years.

Table 2-3: ECWD Financial Summary					
	FY 18-19 (\$)	FY 19-20 (\$)	FY 20-21 (\$)	FY 21-22 (\$)	FY 22-23 (\$)
Beginning Net Position	975,695	982,399	1,000,312	1,830,654	1,955,049
Ending Net Position	982,399	1,000,312	1,830,654	1,955,049	1,958,593
Operating Revenue					
Water Sales	77,422	78,504	100,104	95,202	83,567
Hookup Fees				955	1,146
Total Operating Revenues	79,869	79,025	103,288	96,157	84,716
Operating Expenses					
Payroll and Employee Benefits				56,533	51,321
Distribution				1,883	1,434
Electronic Monitoring				4,445	3,332
Equipment Rent				2,904	1,994
Operating Supplies				312	1,486
Source of Supply				4,951	410
Treatment				4,770	2,051
Utilities				13,508	12,837
Water Analysis				3,530	3,133
General and Administrative				20,526	18,528
Depreciation				56,761	62,376
Total Operating Expenses	151,174	138,544	175,841	170,123	158,902
Operating Income/(Loss)	(71,305)	(59,519)	(72,553)	(73,966)	(74,189)
Non-Operating Revenues (Expenses)					
Special Assessments				73,622	73,680
Cross Connection Fees				2,350	3,137
Capital Contributions				120,940	-
Rent and Other Incomes				1,009	297
Interest and Late Fees				440	619

	FY 18-19 (\$)	FY 19-20 (\$)	FY 20-21 (\$)	FY 21-22 (\$)	FY 22-23 (\$)
Total Non-Operating Revenue (Expenses)	78,009	77,432	248,394	198,361	77,733
Change in Net Position from Prior FY	6,704	17,913	830,342	124,395	3,544

Source: Rick Bowers, CPA 2023, pg. 3 and ECWD 2025.

Cash accounts for the District are summarized in Table 2-4. The District has four designated certain savings accounts including:

- Infrastructure Repair and Replacement
- Hookups
- Operations Reserve
- Capital Reserves

The total designated account balance for FY 2021-22 is \$383,836 and FY 2022-23 is \$444,762. As for this workshop draft, receipt of the dollar amount in the District’s cash accounts for FYs 2018-19, 2019-20, and 2020-21 are pending and have not been provided to LAFCo staff.

Type	FY 18-19 (\$)	FY 19-20 (\$)	FY 20-21 (\$)	FY 21-22 (\$)	FY 22-23 (\$)
Checking				14,590	16,032
Infrastructure Repair and Replacement				162,220	192,601
Hookup				3,087	4,195
Operations Reserve				6,925	6,925
Capital Reserves				211,607	241,041
Total Cash	344,505	308,199	368,064	398,426	460,794

Source: Rick Bowers, CPA 2023, pg. 7 and ECWD 2025.

2.4.1.1 REVENUES AND EXPENDITURES

Expenditures totaled \$151,174 in FY 2018-19, \$138,544 in FY 2019-20, \$175,841 in FY 2020-21, \$170,123 in FY 2021-22, and \$158,902. Top expenditures in FYs 2021-22 and 2022-23 include the depreciation of capital assets, payroll and employee benefit, and general and administrative costs.

Operating revenue for the District primarily consists of water sales and water hookup charges. Non-operating revenue includes special assessments, cross connection fees, capital contributions, rent and other incomes, and interest and late fees. In FY 2021-22, the District accounted for \$120,940 in capital contributions; receipt of details on the specific capital contribution are pending at the time of this workshop draft.

Over the past five years, the District has been operating at a loss between \$59,519 (FY 2019-20) and \$74,189 (FY 2022-23).

As for this workshop draft, receipt of the details regarding the District's revenues and expenditures for FYs 2018-19, 2019-20, and 2020-21 are pending and have not been provided to LAFCo staff.

2.4.1.2 ASSETS AND LIABILITIES

For FYs 2021-22 and 2022-23, the largest assets for the District are pipe replacement and equipment, land, and buildings for which depreciation costs have been accounted for buildings and completed projects related to pipe replacement and equipment.

It is important to note that the balance of the net capital assets for FY 2022-23 (\$1,500,944) and FY 2021-22 (\$1,563,320) were unable to be verified by the CPA (Rick Bowers, CPA 2023, pg. 1).

The District shares that it does not have any outstanding debts, and its liabilities are limited to accounts payable, payroll tax liabilities and prepaid assessments for FYs 2021-22 and 2022-23. Total estimate for current liabilities in FY 2021-22 is \$8,186 and in FY 2022-23 is \$7,640.

As for this workshop draft, receipt of the District's assets and liabilities for FYs 2018-19, 2019-20, and 2020-21 are pending and has not been provided to LAFCo staff.

2.4.1.3 NET POSITION

Revenues have exceeded expenses in many of the last few years, indicating that the District is operating at a net positive. Additionally, the total amount in the District's cash accounts shows a general upward trend. The ending net position for FY 2022-23 is \$1,958,593 (Rick Bowers, CPA 2023, pg. 3).

2.4.2 Long-Term Financial Considerations

2.4.2.1 RESERVES

The District does not maintain any formal policies related to reserves. As of December 2023, reserve funds totaled \$247,966. For more information regarding the reserve accounts, refer to Table 2-4.

The ECWD does not have a depreciation policy, but the District has a reserves savings account that allocated seven percent of the last rate increase of 10 percent. The goal is to build up reserves to offset depreciation.

2.4.2.2 OUTSTANDING DEBT/COST AVOIDANCE

The District shares that it has no outstanding debt and has never defaulted on repayment of any bonds or other debt.

To reduce operational costs, most projects are completed "in-house" by District staff. If it is necessary to retain contractors for specific tasks, they are chosen carefully using a bidding process.

2.4.2.3 RATE RESTRUCTURING

The current rate structure was adopted in 2003 and reflects the following:

Proposition (Prop) 218 was approved by California voters in November 1996 to ensure that the setting of all taxes and most charges to property owners be transparent and subject to voter approval. In addition, Prop 218 seeks to curb some perceived abuses in the use of assessments and property-related fees, specifically the use of these revenue-raising tools to pay for general governmental services rather than property-related services.

Compliant with Prop 218, the District adopted a “Rate and Distribution of Cost” Ordinance in December 2003 and last updated the Ordinance in 2012. The Ordinance(s) mandates a fee structure using a metric called a Residence Unit Equivalent (RUE), defined as a single-family home. Commercial properties are assigned RUEs, the lowest one being 1.05 for a post office or a commercial retail store. Restaurants are assessed a certain percentage of a RUE per seat, and bed and breakfast inns are assigned a certain percentage of a RUE per room.

The rate formula established by the 2003 Ordinance has remained consistent throughout the years, with a connection/hook-up fee of \$3,000 per RUE which is a one-time fee. Monthly service fees are based upon a system charge of \$20.12 per month per RUE, plus a metered usage fee of \$9.35 per 1,000 gallons of water.

The ECWD Resolution No. 2012-02 also provides a mechanism to adjust the price of the connection fee based on inflation and a cost index of two percent per year. In the year 2024-25, the connection fee is \$4,842.78.

The District has an adopted rate structure, which was last updated in 2024 in a manner compliant with Proposition 218 requirements. Rates should continue to be reviewed and adjusted as necessary to fund District costs and provide for capital improvements as needed. The District should ensure that the establishment of future rate changes are completed in compliance with the Prop 218 process.

2.4.2.4 CAPITAL IMPROVEMENT PLAN

The District does not have an adopted Capital Improvement Plan (CIP); however, a capital reserves account is maintained to replace pipelines by zone and priorities, which effectively serves as a CIP.

The District has been collecting a monthly pipe replacement charge (currently at \$16.77) for the past few years and these funds accumulate in a savings account. When enough funds have been collected, a section of pipe is replaced. The District chose to fund its pipe replacement project and infrastructure replacement in this way to avoid having to incur debt.

Similarly, the District collects an “infrastructure replacement fee” for major cost items such as water storage tanks at the same \$16.77 rate. Approximately \$40,000 per year is accumulated and utilized to replace pipes and facilities. This “debt-free” approach saves thousands of dollars in financing costs.

As of 2025, the total infrastructure replacement total is \$257,700 and the pipe replacement account is \$207,405.

2.5 [Land Use, Population and Growth](#)

2.5.1 Area History

The current village of Elk, also known as the town of Greenwood, is an outgrowth of the first local settlement about a mile north, known as Cuffey’s Cove. It was settled in 1850 by two schooner shipmates, Frank Farnier and Nathaniel Smith, who soon sold the area to James Kenney and John Kimball. Development in the area grew and railroad tie mills began to sprout up in Cuffey’s Cove. In 1868, Kenney constructed a wharf and chute system to transfer goods down the cliffs to the rocks below, where they were floated out to schooners waiting offshore.

Eventually, land in Elk began to shift towards a milling town; smaller mills and timber enterprises kept the local economy afloat until 1966 when the last two mills closed, and the town’s timber industry ended.

Today, Elk is still a bustling small town offering residents and visitors alike all the amenities of a small town including a grocery store and deli, a full-service garage with towing, fine dining and casual cafés, local shops and galleries, churches, a handful of bed and breakfast inns and vacation properties, a community center, post office, Greenwood Creek State Beach, and an historic museum.

2.5.2 Present and Planned Land Use and Development

The ECWD boundary is entirely located within the unincorporated area of Mendocino County. Mendocino County has land use authority over privately owned lands within the District boundary and makes land use decisions based on the County's General Plan and Zoning Code regulations. The ECWD is in the Coastal Zone and is subject to the regulations of the Coastal Element, a part of Mendocino County's Local Coastal Plan as approved by the Coastal Commission. Any proposed changes to the land use or development patterns of the District area must be approved by the Coastal Commission.

2.5.2.1 LAND USE

The specific land use designations within the District according to Mendocino County's General Plan are primarily rural residential uses with several parcels zoned open space, rangeland, and public and semi-public facilities.

- Open Space (OS);
- Rural Village (RV),
- Rural Residential, five acres minimum (RR5);
- Rangeland, 160 acres minimum (RL 160); and
- Public and Semi-Public Facilities (PF).

Refer to Figure 2-4 for the Mendocino County General Plan land use map.

A large portion of the District is designated Rural Village, which is intended to preserve and maintain the character of the rural atmosphere and visual quality of existing coastal rural villages; to provide a variety of community-oriented neighborhood commercial services; and to provide and allow for mixed residential and commercial activities. The Rural Residential designation (RR5) is intended for residential and associated utilities, light agriculture, and home occupation. Rural Residential is not intended to be a growth area and residences should create minimal impact on agricultural viability.

The surrounding parcels adjacent to the District boundary include a mix of the same designations within the District boundary including Open Space (OS), Rangeland (RL), Rural Village (RV), and Rural Residential (RR) uses.

Land Uses of Outside Agency Service Areas

Land use designations within Outside Agency Service Area 1 include Rural Residential (RR), Rural Village (RV), Open Space (OS), and Public Facility (PF). Of the 13 parcels designated RV, six parcels are vacant, and seven parcels are developed with single-family residences. In addition, there is a range of vacant and developed public uses, including District-owned property, Pacific Gas & Electric-owned property, and private wastewater facility on land designated RR and PF. The parcel zoned as OS does not receive services from the District and is incorporated to provide a logical boundary.

Land use designations within Outside Agency Service Area 2 include Rural Residential (RR), Open Space (OS), and Rangeland (RL). The District provides water services to the 17 residentially designated parcels

and does not provide service to the residential structures on the rangeland designated parcels. Three parcels within this area are vacant, and nine are developed with single-family residences that receive water service from the District.

2.5.2.2 DEVELOPMENT

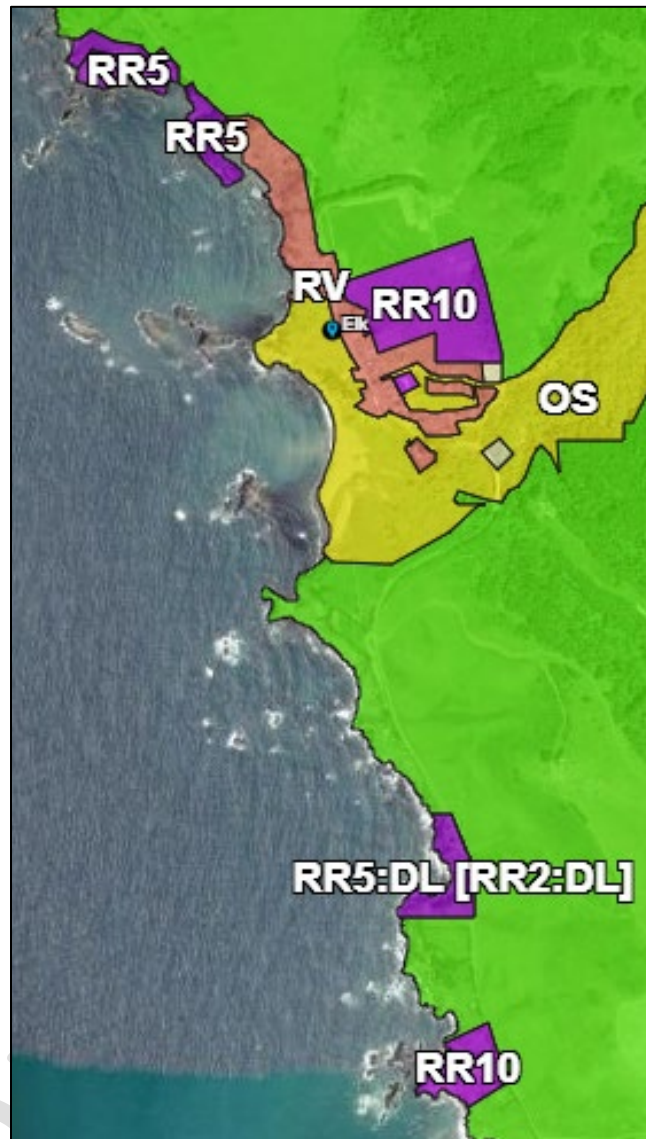
Future growth and development of the District are subject to Mendocino County land use regulations. The County has adopted plans and policies to regulate growth, including a General Plan and a Zoning Code. The County's Zoning Code contains three major geographical zones: Inland, Coastal, and Mendocino Town. The Elk area is included in the Coastal Zone. As shown in Figure 2-5, the zoning map designates most of the Elk community and surrounding parcels as single-family rural residential and open space uses.

Figure 2-4: Mendocino County General Plan Land Use Map



Source: Mendocino County 2024.

Figure 2-5: ECWD Zoning Map



Source: Mendocino County 2024.

2.5.3 Existing Population

Although the number of water connections served by the District does not change throughout the year, the demand for service increases during tourist seasons. According to the District, there are approximately 45 permanent residents in Elk, with increases of 100 seasonal residents at various times of the year. Additionally, the District serves two Outside Agency Service Areas; the total number of customers served in these areas is 18. The District consists primarily of second homes and short-term vacation rental properties.

The nearest community which is a Census Designated Place (CDP) is Albion to the north, with a population of 222. The Albion CDP encompasses approximately 1.8 square miles and includes primarily rural residential properties with commercial development along Highway 1. Elk is not a CDP, but is located

within Census Tract 110.01 in Mendocino County, which has a population of 1,889 (986 households) and an MHI of \$40,529.

2.5.4 Projected Growth

The District's population is limited to residents within the Elk community; currently, 88 residential lots and 14 commercial lots are developed. The anticipated growth rate is limited to approximately six residential lots that could be developed. Assuming the County's average of 2.46 people per household, these lots, when developed, would generate an additional 15 residents.

The District anticipates little growth in resident population within the near-term (five years) and long-term (20 years) planning horizons. The California Department of Finance (DOF) projects that the population of Mendocino County will decline by a little more than 2.7 percent in the next 10 years, from 91,601 in 2023 to 89,091 in 2033, and 89,139 in 2043. The projected decline of 2.7 percent throughout the County suggests that the buildout of the residential parcels will not occur well beyond the planning horizon of this document (DOF 2024). Given that the ECWD is limited to the community of Elk, which has a limited number of undeveloped residential lots, the buildout of the District is limited to the remaining six lots.

However, changes to California housing laws could result in a slight increase in development and density within the District above what is discussed above.

2.5.5 California Housing Goals

In 2017, the State of California passed SB 299 and SB 1069 to address the increasingly desperate need for affordable housing in the State. The legislation allowed local ordinances for Accessory Dwelling Unit (ADU) construction in districts zoned for single and multifamily residential uses. An ADU is a secondary dwelling unit for one or more persons on the same parcel as a larger, primary dwelling. An ADU can either be attached or detached to the primary residential structure on the property but must include complete independent living facilities (including permanent provisions for entry, living, sleeping, eating, cooking and sanitation, and adequate water service and sewage disposal systems).

As codified by [GC §65852.150](#)¹⁷, the California Legislature found and declared that, among other things, allowing ADUs in zones that allow single-family and multifamily uses provides additional rental housing and is an essential component in addressing California's housing needs. In the years since, state ADU law has been revised to improve its effectiveness in creating more housing units.

New laws have since been passed which address barriers to their implementation at scale; for example, setting development criteria for ADUs, streamlined permit processing, and limiting impact fees. Implementation of state law requires updating local ordinances, estimating ADU capacity when used to address Regional Housing Needs Assessment (RHNA) in housing element updates, and a housing element program to incentivize and promote ADUs that can be offered at affordable rents.

As the state continues to pass legislation to help tackle the ongoing housing crisis, the inevitable impacts on service providers because of development will continue to mount. It is imperative that small districts such as ECWD stay up to date on legislative changes.

¹⁷ GC §65852.150 (2023) can be found here: [California Government Code § 65852.150 \(2023\) :: 2023 California Code :: US Codes and Statutes :: US Law :: Justia.](#)

For additional information and data on housing legislation see Appendix 7.3.

2.6 Disadvantaged Unincorporated Communities

Senate Bill 244, which became effective in January 2012, requires LAFCo to evaluate any disadvantaged unincorporated communities (DUCs), including the location and characteristics of any such communities when preparing an MSR that addresses agencies that provide water, wastewater, or structural fire protection services¹⁸. A DUC is an unincorporated geographic area with 12 or more registered voters with a median household income (MHI) that is less than 80 percent of the State MHI. This State legislation is intended to ensure that the needs of these communities are met when considering service extensions and/or annexations in unincorporated areas.

According to the United States American Community Survey (ACS) 2022 1-Year estimates, the statewide MHI for California was \$91,551 (U.S. Census Bureau 2022). Thus, the MHI DUC threshold is \$73,240 and the threshold for severely disadvantaged unincorporated communities (SDUCs) (less than 60 percent of the State MHI) is \$54,930.

Disadvantaged unincorporated communities are identified to address a myriad of issues from environmental justice to land use planning. Linking these disparate issues together, the sole statutory criterion for the determination of a DUC is the MHI. The smallest geographic units for which MHI data is publicly available are Census Block Groups. Outside of heavily urbanized areas, Census Block Groups are geographically expansive. They often include both incorporated and unincorporated territory and do not necessarily coincide with typically understood community boundaries. Although a block group might be identified as having an MHI of less than 80 percent, various portions of that block group could be significantly wealthier in rural areas, or the block group could split into an otherwise contiguous community.

As a result, within rural areas, such as Mendocino County, assembling income data for specific unincorporated communities is not always straightforward. In Mendocino County, identifying and mapping DUC locations is a complex process because the delineation of DUC boundaries often differs from those common to the local agency and the public. Some entities, such as Sonoma County LAFCo and Stanislaus County, utilize CDP communities to help provide usable geographies for DUC boundaries, but even then, mapping and data challenges persist. MHI ratios are subject to adjustment over time and can result in a change to a community's disadvantaged status. Similarly, the number of registered voters can fluctuate during election years causing further variability. SB 244 describes the general characteristics of DUCs and provides the following criteria:

- Contains 10 or more dwelling units in close proximity to one another;
- Is either within a city SOI, is an island within a city boundary, or is geographically isolated and has existed for more than 50 years; and
- Has an MHI that is 80 percent or less than the statewide MHI
- For this analysis, per the California Association of Local Agency Formation Commissions (CALAFCO) recommendation, calculated the "MHI Threshold" i.e. 80 percent of the statewide MHI as \$73,240, per the ACS MHI data (the MHI for the State of California is \$91,551) (U.S. Census Bureau 2022d).

¹⁸ Technical advisory on SB 244 can be found here: https://opr.ca.gov/docs/SB244_Technical_Advisory.pdf.

- Income data was sourced from the ACS 5-Year estimates dataset for 2018-2022 and the 2022 ACS 1-Year estimates.

Mendocino County has an MHI of \$65,520 with a majority of the County considered DUCs including both the Census Tract and Census Block Group that the District is located within (U.S. Census 2024).

As previously stated, the District is located south of the community of Albion which is a CDP. The population of Albion is 153 (79 households). While there is no recent income data for the CDP, approximately 44 percent of the Albion CDP population lives below the poverty line (U.S. Census 2024).

The smallest geographic unit with publicly available data that includes the District is a Census Block Group (Block Group 1, Census Tract 110.01). A Census Block Group is a smaller subdivision of a Census Tract, offering more detailed demographic information about an area. However, it is important to consider that Census Block Groups are generally geographically expansive in rural areas. Block Group 1 has a population of 762 (463 households; 57.5 square miles) and a MHI of \$42,428 which is lower than the MHI SDUC threshold of \$54,930 (U.S. Census Bureau 2022). For further comparison, the Census Tract that Block Group 1 is located within (Census Tract 111.01) has a population of 1,889 (986 households; size is unknown) and a MHI of \$40,529 which is lower than the MHI SDUC threshold (U.S. Census Bureau 2022). By these measures, the District would generally be considered a SDUC.

It is important to note that the Elk community is a mixture of secondary homes and short-term vacation rentals located immediately on the coastline. The District and surrounding areas have a notable number of seasonal homes that are only occupied a portion of the year. As such, these high earning households tend to skew the data thus making it even more difficult to get an accurate representation of the District's representative MHI. At the time of this study, real estate prices in the community range from \$500,000 to over two million dollars.

Table 2-5: MHI Data

Census Tract	Census Block Group	Population	Number of Households	Median Household Income (MHI)
110.01*	1**	762	463	\$42,428
110.01*	2	1,127	523	\$30,393
111.02	1	1,108	476	\$66,300
111.02	2	1,853	649	\$91,806
111.02	3	1,866	843	\$79,596
1543.08	1	935	463	\$86,806

1* Census Tract ECWD is located within

** Census Block Group is located within

Data sourced from Census Reporter which utilized the ACS 2022 5-Year estimates.

The residents within Elk receive adequate services with respect to water as provided by ECWD, and fire services which are provided by ECSD. Wastewater services are provided by a combination of limited private wastewater services in the area via a collection line and leach field and individual on-site septic systems. No reports of septic failures were brought to the attention of LAFCo staff during the preparation of this study.

3 MUNICIPAL SERVICES

A Municipal Service Review (MSR) is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. The MSR determinations inform the Sphere of Influence (SOI) Update process and assist the Local Agency Formation Commission (LAFCo/Commission) in considering the appropriateness of a public service provider's existing and future service area boundary. The information and analysis presented in Chapters 2 and 3 of this document form the basis for the MSR determinations provided under Section 3.3

3.1 Service Overview

This is the second MSR prepared for the Elk County Water District (ECWD/District). The first MSR was completed and adopted by the Commission in October 2014.

3.1.1 Services

The ECWD provides water supply, treatment, and distribution services to lot owners within the community of Elk.

Additional municipal services are provided to District residents by other public agencies or non-profit organizations through agreements and private businesses through service contracts. This MSR only reviews services provided by the District.

3.1.1.1 SERVICE AREA

The District's jurisdictional boundaries encompass 100 parcels (128 acres or 0.2 square miles) and provide water services to 88 residential lot owners and 14 commercial lot owners within the Elk community. The District primarily supplies treated water, but it also provides raw water services to one parcel located within the District boundaries. The property contains a plant nursery and shares ownership with an adjacent parcel, which receives potable water service. According to the District, the parcel receives raw water for agricultural purposes from a separate service connection. This parcel is the only parcel reported to receive raw water in the area.

The District service area trends north to south along Highway 1 and includes connections on both sides of the highway.

Furthermore, the District provides services to areas outside of the District's boundaries (see Section 3.1.2).

3.1.2 Outside Agency Services

Currently, the District provides water service to 18 customers located outside its boundaries. The District services two outside agency areas.

- Outside Agency Service Area 1 covers approximately 1/4 square miles and is located east of Highway 1; it includes the Greenwood Community Center and Firehouse as well as a residential subdivision with nine lots along Elk Meadows Road.
- Outside Agency Service Area 2 covers approximately 1/3 square miles and is located approximately one mile south of the District's boundary along Highway 1.

Additionally, the District's water treatment plant (WTP) and an 84,000-gallon water storage tank are located outside and south of the District's boundaries. A 30,000-gallon water storage tank with a pressure system is located outside and east of the District's boundaries.

The ECWD has also supplied surplus water to water haulers via a water delivery truck. The District sells approximately 4,000 gallons per month to water haulers serving homes in coastal communities that lack sufficient water resources. The District reports that it does not have any active surplus water agreements.

3.2 Water

3.2.1 Service Overview

The District's water supply is regulated by the State Water Resources Control Board (SWRCB) Division of Drinking Water as Public Water System No. 2300514 under [Domestic Water Supply Permit No. 02-03-16P2300514](#) issued in February 2016 and consists of two appropriative water rights within the Greenwood Creek watershed (see Table 3-1).

Permit ID	Year	Source	Amount (AFY)	Maximums
21206	11/14/2007	Greenwood Creek Subterranean Stream	40.3	0.097 cfs
15559	03/02/1967	Bonee Gulch	20	18,000 gpd

The District's primary water supply is groundwater which is obtained from one active well (Well 04) located adjacent to Greenwood Creek. Greenwood Creek is a trout stream that originates high in the coast range at an elevation of 2,300 feet, descending to sea level where it drains into the Pacific Ocean. Greenwood Creek is dependent on rainfall, which usually varies between 40 to 60 inches per year, with most rain falling in the wet season between October and May.

Since the District's well is relatively shallow, the groundwater table is likely relatively close to the surface and hydrologically connected to surface water. As such, portions of ECWD's service area are designated a Critical Water Resource area in the California Department of Water Resources (DWR) 1982 Coastal Groundwater Study (LAFCo 2014, pg. 32).

The District maintains water rights permits for supply diversions at Greenwood Creek and Bonee Gulch. The first water right permit at Greenwood Creek falls under [SWRCB Permit for Diversion and Use of Water No. 21206](#) for an annual amount not to exceed 40.3 acre-feet per year (AFY) at a rate of up to 43 gallons per minute (gpm). The second water right is located on Bonee Gulch and falls under Permit No. 15559, which allows for a daily diversion of 18,000 gallons per day (gpd) for a total not to exceed 20 AFY.

The District's Domestic Water Supply Permit covers the District's two wells: Well 01, a standby well; and Well 04, an active well. Well 01 was activated in 2023 but serves on standby. Well 04 is six inches in diameter and 45 feet in depth with a 15 foot-deep concrete surface seal and 30 gpm submersible pump. Well 04 has a maximum pumping capacity of 28 gpm and Well 01 can pump a similar water supply.

3.2.2 Facilities and Infrastructure

The District's water system consists of a water treatment plant (WTP); two water storage facilities consisting of a 30,000-gallon tank with a pressure system and a 84,000 gallon tank; and two groundwater supply wells. The WTP was constructed in 1979 and upgraded in 2002. It is a surface WTP that uses direct filtration to treat water quality standards and has a permitted flow capacity of 42 gpm (0.061 million gallons per day (mgd)) (SWRCB 2016, pg. 3). Water is distributed by ECWD through three miles of pipeline from the water storage tanks to customer homes. Several of the pipes run under State Highway 1 to serve

residential and commercial customers on the west side of the highway. The District also maintains a hydrant system consisting of 20 hydrants to provide fire flow for the Elk Community Services District (ECSD), which supports the Elk Volunteer Fire Department (EVFD).

The District owns two parcels of land, both of which are partially outside the District boundaries: a 72-acre parcel on which Well 04 is located, and a 1.5-acre parcel of land that houses a storage shed for the District and which is shared with the Greenwood Community Center and the Firehouse.

3.2.2.1 SYSTEM IMPROVEMENTS

The 2016 Domestic Water Supply Permit identified several system improvements required to be implemented within the year, as follows:

- The District shall properly cap Well-03 and submit photographic documentation no later than March 31, 2016;
- Submit an updated Operations Plan no later than August 31, 2016;
- Submit an Asset Management Plan (or asset master plan) to the Division by December 31, 2016, with, at a minimum, the following elements addressed:
 - Adequate backup power available at both the WTP and the pump station in distribution;
 - Replace or refurbish the 30,000-gallon storage tank in the distribution system; and
 - Inventory of the water system components, estimating life of the components and plans to replace aging components.

The District shares that Well-03 is currently offline but was improved in compliance with the Water Supply Permit.

The 84,000-gallon water storage tank is estimated to be 40 years old and slated for replacement scheduled in 2026. In addition, two sections of the District's water main are scheduled for replacement in 2026. The 30,000-gallon water storage tank with a pressure system is estimated to be 20 years old and has undergone improvements such as relining and re-painting. Since 2015, the District has added an aeration treatment component to its WTP, refurbished its 84,000-gallon water storage tank, relined its 30,000-gallon water storage tank, and replaced one of its now active wells. The District estimates that 90 percent of its water pipelines have been replaced since 2007; the most recent improvement was the replacement of the pipe bridge over Greenwood Creek that was completed in 2019.

3.2.2.2 ENGINEERING REPORTS

No engineering reports were provided to LAFCo staff.

3.2.3 Service Adequacy

Based on the SWRCB's consumer confidence reports (CCRs) and Safe and Affordable Funding for Equity and Resilience (SAFER) assessment, it appears the District's existing facilities support the adequate provision of services to its customers. Further, buildout of the six undeveloped residential lots within its boundaries is expected to be within the service capacity of the District's existing facilities.

3.2.3.1 REGULATORY PERMITS AND COMPLIANCE HISTORY

The Safe Drinking Water Act requires states to report drinking water information periodically to the United States Environmental Protection Agency (EPA). This information is maintained in a federal database, the Safe Drinking Water Information System (SDWIS) Federal Data Warehouse. According to the most recent data uploaded to SDWIS, there have been no water quality violations within the last ten

years. There are four individual sampling sites available to be tested as part of the SDWIS monitoring for ECWD (Water System No. CA2300514).

- Elk County Treatment Plant – Last sampled 6/5/2024
- Well 04 Surface Influenced – Last sampled 9/26/2023
- Well 01 Surface Influenced – Last sampled 8/8/2023
- DBP 5260 – Last sampled 9/26/2023
- Lead and Copper Sample Sites - Last sampled 9/27/2023

Source: California Public Drinking Water Watch 2024.

Out of the last six years, there are Consumer Confidence Reports available for the years 2016, 2017, 2018, 2019, 2020, and 2022.

The SWRCB has developed the SAFER Dashboard to assess the risk drivers of California public water systems by using data from the SWRCB, the DWR, and the Office of Environmental Health Hazard Assessment.

For ECWD, the SAFER status and risk assessment results are “Not At-Risk” for system failure. The SAFER dashboard identified several thresholds in the water accessibility and affordability categories at “High Risk”. Under the accessibility risk level, the dashboard identified the absence of an intertie as “High Risk” However, the District shares that the absence of an intertie was mistakenly reported to SAFER and is not incorrect. The household socioeconomic burden score (0.62 – 1.0; high risk) and percent of Median Household Income (MHI) relative to the annual system-wide average residential water bill for six hundred cubic feet score (2.5 percent or higher) were cited under the affordability risk level. The dashboard also identified “Medium Risk” for increasing presence of water quality trends toward maximum contaminant levels, with a score meeting the threshold of 25 percent or greater of sources have a nine-year average of running annual averages at or greater than 80 percent of maximum contaminant levels and the running annual average has increased by 20 percent or more (SWRCB 2024)¹⁹.

3.2.3.2 WATER DEMAND AND CAPACITY

The District’s WTP capacity is 42 gpm and actual use is approximately 26 gpm average maximum, meaning the system is operating at approximately 62 percent capacity. On average, the District supplies 21.476 AFY to its 102 customers. Average daily use for the District is estimated at 19,160 gpd, with an average peak day demand at 41,000 gpd. See Table 3-2 for a summary of annual water demand over the past five years.

Parameter	2019	2020	2021	2022	2023	Average
Average Daily Flow (gpd)	16,344	20,609	18,030	17,655	19,993	18,526
Average Dry Weather Flow (gpd)	22,232	27,806	18,228	23,749	49,650	28,333
Average Wet Weather Flow (gpd)	14,140	18,299	8,016	12,334	12,156	12,989
Maximum Daily Flow (gpd)	29,400	33,900	33,319	33,049	60,959*	32,417

¹⁹ "SAFER Dashboard - Elk County Water District." California Water Boards. State Water Resources Control Board, January 28, 2024. https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/saferdashboard.html.

Table 3-2: ECWD Water Flow Data 2019-2023

Maximum Monthly Flow (gal)	689,200	861,988	565,088	736,227	364,684	643,437
Total Annual Use (AFY) ¹	18.31	23.16	15.15	20.34	24.09	20.21
Permit No. 21206	18.32	23.10	20.21	19.80	22.41	21
Permit No. 15559	1.41	0.58	0.55	0.61	0.38	1

Notes:
¹Source: CIWQS Water Rights data:
https://ciwqs.waterboards.ca.gov/ciwqs/ewrims/EWServlet?OWASP_CSRFTOKEN=L6O8-3S1B-USDX-FKUV-S3C9-S4E9-W89L-C54F.

*In August of 2023, ECWD supplied water to a County paving project.

The District's water supply and infrastructure is sufficient to accommodate the buildout of the remaining six residential lots and there are no current plans to increase the capacity of the system.

3.2.3.3 DROUGHT CONTINGENCY PLANNING

In the time since the last MSR/SOI report was prepared for the District, drought conditions throughout the State have recurred cyclically, leaving some smaller service providers in dire positions. The District does not have a formal drought contingency plan. During the 2020-2022 extreme drought conditions, the District, despite not having a drought contingency plan in place, reports that it had sufficient water supplies to serve its customers.

The District encourages water conservation through metering and pricing. Metering allows customers to track their water use and encourages reduced usage; the District reports they have observed at least a 10 percent reduction in water usage since the metering was installed.

Although the District did not report supply deficits during the severe drought of 2020-2022, given the wide annual variations in available water supply throughout the region and the District's reliance on groundwater, it is recommended that the District develop a drought contingency plan to prepare for that eventuality.

3.2.3.4 NEEDS AND DEFICIENCIES

Based on information within the MSR, the provision of water services to the customers located in the District's boundaries appears to be sufficient but limited. Maintaining the small system is an ongoing challenge and with such a limited customer base, small number of registered voters, and unknown future system upgrades or replacement requirements, adequate funds for capital improvements are and will remain a challenge. To reduce depreciation costs and secure funds for capital improvements, the District maintains a capital reserves savings account to replace pipelines by zone and priorities. The District shares that it has accumulated \$465,105 in pipeline and infrastructure accounts as of 2025.

The District has been collecting a monthly pipe replacement charge (currently at \$16.77) for the past few years and these funds accumulate in a savings account. When enough funds have been collected, a section of pipe is replaced. The District chose to fund its pipe replacement project and infrastructure replacement in this way to avoid having to incur debt.

Similarly, the District collects an "infrastructure replacement fee" for major cost items such as water storage tanks at the same \$16.77 rate. Approximately \$40,000 per year is accumulated and utilized to replace pipes and facilities.

The SAFER program has assessed the ECWD and the overall classification is “Not At-Risk.” While three of the assessment categories are in fair standing, the affordability category is assessed at “high-risk” due to the household socioeconomic burden.

The District does not have any existing planning documents that address future water supplies, infrastructure, or facility needs, such as an adopted Capital Improvement Plan. It is recommended that the District prioritize creating a planning document that plans for future water supplies to the community and analyzes the needs and deficiencies of the existing system.

3.3 MSR Determinations

This section presents the required MSR determinations pursuant to the California Government Code (GC) Section (§) 56430(a) for the ECWD.

3.3.1 MSR Review Factors

3.3.1.1 GROWTH

Growth and population projections for the affected area

1. The ECWD was established in 1957 by the Mendocino County Board of Supervisors under the provisions of the California Water Code (WAT), Division 12 to provide water supply, treatment, and distribution services to the community of Elk.
2. A population of approximately 45 people reside in Elk year-round, with increases of 100 seasonal residents and tourists at various times of the year.
3. The District consists primarily of second homes and short-term vacation rental properties. The number of water connections that the District serves at 93 does not change throughout the year, but demand for service increases during tourist seasons.
4. The District does not anticipate significant growth in population or development. Buildout of the remaining six undeveloped residential parcels within the District could result in an estimated increase of 15 residents based on the County’s average of 2.46 people per household. However, based on population projections and developmental constraints, it is unlikely for the District to reach buildout within the next 10 years.

3.3.1.2 DISADVANTAGED UNINCORPORATED COMMUNITIES

The location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the sphere of influence

5. The District is wholly located in a Census Tract and Census Block Group, which both meet the income threshold to qualify as a severely disadvantaged unincorporated community (SDUC) based on the statewide median household income (MHI) SDUC threshold of \$54,930.
6. The District and surrounding areas are proliferated with seasonal homes that are only occupied a portion of the year. As such, these high-earning households tend to skew the data thus making it difficult to get an accurate representation of the District’s representative median household income (MHI).
7. For wastewater services, customers within the District utilize a combination of sewage disposal methods, primarily individual septic tanks and a small community leach field that serves 10 parcels in the core of the downtown area.
8. While the residents of Elk are receiving the essential municipal services of fire, water, and wastewater, only fire and water services have proven to be adequate in the area.

3.3.1.3 CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence

9. Out of 100 parcels within the District service area, the District provides treated water services to 54 residential customers and 21 commercial customers.
10. The District also provides untreated water to a single parcel located within the District boundaries. The property contains a plant nursery and shares ownership with an adjacent parcel which receives potable water service. This parcel is the only parcel reported to receive raw water by the District.
11. The District provides water services outside of its boundaries. Outside Agency Service Area 1 covers approximately 2.5 acres and is located east of Highway 1; it includes the Greenwood Community Center and Firehouse as well as a residential subdivision with 10 lots along Elk Meadows Road. Outside Agency Service Area 2 covers approximately four acres and is located approximately one mile south of the District's boundary along Highway 1.
12. The ECWD does not currently participate in any active surplus water agreements but supplies 4,000 gallons per month of surplus water via a water delivery truck. At the time of this workshop draft, it is unclear whether treated or raw water is being hauled and the approximate amount that is being supplied. If treated water is being hauled and it started post-2001, LAFCo must review and approve the process according to [GC §56133\(c\)](#)²⁰.
13. The District's water supply is regulated by the SWRCB Division of Drinking Water as Public Water System No. 2300514 under Domestic Water Supply Permit No. 02-03-16P2300514.
14. The District has two water rights naming points of diversion on Greenwood Creek and Bonee Gulch.
15. The District owns the following infrastructure: a surface WTP, two wells (one standby and one active), approximately three miles of pipeline, and two water storage facilities consisting of 30,000 gallons and 84,000 gallons each. The District also maintains a hydrant system that consists of 20 hydrants, providing fire flows for the ECSD, which supports the EVFD.
16. The District supplies 21.476 AFY to its customers. Average daily use for the District is estimated at 19,160 gpd, with an average peak day demand at 41,000 gpd.
17. The system is operating at approximately 62 percent capacity.
18. The ECWD system has sufficient water supply and capacity to serve existing connections as well as future connections for six additional residential units for the full buildout of all residential parcels
19. The District provides adequate water services to its customers despite fluctuating drought conditions and continues to actively monitor the drought situation. LAFCo recommends the development of a drought contingency plan given the wide annual variations in available water supply throughout the region and the state.

3.3.1.4 FINANCIAL ABILITY OF AGENCY

Financial ability of agencies to provide services

20. The ECWD has been operating at a net positive and appears to be financially stable.

²⁰ GC §56133(c) (2017) can be found here: [GC §56133\(c\) Text](#).

21. The District's primary source of ongoing revenue for Fiscal Years (FYs) 2021-22 and 2022-23 is from water sales and special assessments. As of this workshop draft, it is currently unknown whether the District is receiving grant funding.
22. As of 2025, the District's reserves funds totaled \$247,966.
23. The District does not have an adopted Capital Improvement Plan. The District does, however, maintain a capital reserve account and reviews infrastructure maintenance and upgrade needs during its annual budget development.
24. The District reported that the current financing level is adequate to deliver services presently.
25. Any new development that is built in the community will need to pay for any required improvements to connect to the water system.
26. The District has an adopted rate structure, which was last updated in 2024 in a manner compliant with Proposition (Prop) 218 requirements. Rates should continue to be reviewed and adjusted as necessary to fund District costs and provide for capital improvements as needed. Any future rate changes should be established in compliance with the Prop 218 process.

3.3.1.5 SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities

27. The ECWD owns two parcels outside of the District boundary, one of which contains facilities shared with the Greenwood Community Center and the Firehouse. The District holds its public meetings in the Community Center building.
28. The District maintains a hydrant system consisting of 20 hydrants to supply water flow for fire protection to the ECSD, which supports the EVFD.
29. The District informally shares operating resources with the neighboring water district to the south, the Irish Beach Water District (IBWD), which streamlines communication and monitoring efforts.
30. No further opportunities for facility sharing were identified.

3.3.1.6 ACCOUNTABILITY, STRUCTURE AND OPERATIONAL EFFICIENCIES

Accountability for community service needs, including governmental structure and operational efficiencies

31. The District demonstrated accountability through its disclosure of information requested by LAFCo for the preparation of this MSR.
32. The Board currently has no vacancies and is fully seated by five Board members. All five Board members have served the District for multiple consecutive terms, which can be a significant benefit in establishing long-standing positive working relationships in the community, understanding the history and unique aspects of the organization, and maintaining institutional knowledge.
33. The District hosts a website (<https://www.elkcountywaterdistrict.org/home.html>) that includes meeting agendas, minutes, compliance documents, current Board of Directors, staff contact information, and Enterprise Systems Catalog information. It is recommended that the District continue to build its website and increase accessibility by posting public notices, service rate information, Board resolutions, and District Bylaws. Additionally, the District can enhance transparency with its customers and members of the public by including its audited financial statements and budget plans on its website. To ensure compliance with Senate Bill (SB) 929 website compliance requirements for local governments, the District should review Appendix 7.2 of this report and implement outstanding items.
34. Every elected official and public employee who makes or influences governmental decisions is required to submit a Statement of Economic Interest (Form 700) to provide transparency and

accountability. The District reports that its Board members are current on their required Form 700 filings with the Mendocino County Clerk's Office.

35. Although the District does not compensate its Board members, District staff indicate that Board members are not current on their Brown Act and ethics training.
36. The Political Reform Act requires all state and local government agencies to adopt and promulgate a Conflict-of-Interest Code pursuant to [GC §81000 et seq](#)²¹. The District does not currently maintain a Conflict-of-Interest Code.
37. The District did not provide a strategic plan that outlines its mission statement, vision statement, and goals and objectives. Development of a strategic plan could help the District improve upon 1) planning efforts, 2) accountability and transparency, and 3) plan for and prioritize facilities and system upgrades.
38. The District provides accountability to its constituents by holding board meetings at the Greenwood Community Center, maintaining current meeting records on its website, posting notices and reports in suitable public places, and preparing annual reports.
39. With the State's rescission of the declaration of health emergency following the COVID pandemic, the ability of Board members to remotely participate in meetings has been greatly curtailed under current legislation. Generally, the Brown Act rules for in-person meetings again applies; however, Assembly Bill (AB) 2449 was signed into law in September 2022 and allows local government officials to participate via teleconference under limited circumstances ([GC §54953](#))²². The District is encouraged to review the current Brown Act and teleconferencing requirements regarding the conduct of remote meetings to ensure compliance with the Brown Act.

3.3.1.7 OTHER SERVICE DELIVERY MATTERS

Any other matter related to effective or efficient service delivery, as required by Commission policy

37. There are no other matters related to service delivery required by Mendocino LAFCo policy.

²¹ GC §87300 et seq. (2011) can be found here: [Codes Display Text \(ca.gov\)](#).

²² GC §54953 (2022) can be found here: [Today's Law As Amended - AB-2449 Open meetings: local agencies: teleconferences.](#)

4 SPHERE OF INFLUENCE

The Local Agency Formation Commission (LAFCo/Commission) prepares a Municipal Service Review (MSR) prior to or in conjunction with the Sphere of Influence (SOI) Update process. An SOI Update considers whether a change to the SOI, or probable future boundary, of a local government agency is warranted to plan the logical and orderly development of that agency in a manner that supports Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) Law and the Policies of the Commission. The MSR and required determinations are presented in Chapters 2 and 3 of this document and form the basis of information and analysis for this SOI Update. This chapter presents the SOI Update and required determinations pursuant to California Government Code (GC) Section (§) [56425\(e\)](#)²³.

4.1 Mendocino LAFCo Policies

In addition to making the necessary determinations for establishing or modifying an SOI consistent with the CKH Act, the appropriateness of an agency's SOI is also based on an evaluation of consistency with local LAFCo policies.

The following Sphere of Influence policies are from the Mendocino LAFCo Policies and Procedures Manual²⁴, adopted on November 5, 2018.

10.1.1 Legislative Authority and Intent

A sphere of influence is the probable 20-year growth boundary for a jurisdiction's physical development. The Commission shall use spheres of influence to:

- a) promote orderly growth and development within and adjacent to communities;
- b) promote cooperative planning efforts among cities, the County, and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands, and efficient provision of public services;
- c) guide future local government reorganization that encourages efficiency, economy, and orderly changes in local government; and
- d) assist property owners in anticipating the availability of public services in planning for the use of their property.

10.1.2 Definitions

The Commission incorporates the following definitions:

- a) an "establishment" refers to the initial development and determination of a sphere of influence by the Commission;
- b) an "amendment" refers to a limited change to an established sphere of influence typically initiated by a landowner, resident, or agency; and

²³ GC §56425(e) (2023) can be found here: [California Government Code § 56425 \(2023\) :: 2023 California Code :: US Codes and Statutes :: US Law :: Justia](#).

²⁴ The Mendocino LAFCo Policies and Procedures Manual can be found here: <http://www.mendolafco.org/policies.html>.

- c) an “update” refers to a comprehensive change to an established sphere of influence typically initiated by the Commission.

10.1.3 Sphere Updates

In updating spheres of influence, the Commission’s general policies are as follows:

- a) The Commission will review all spheres of influence every five years for each governmental agency providing municipal services. Municipal services include water, wastewater, police, and fire protection services.
- b) Sphere of influence changes initiated by any agency providing a municipal service shall generally require either an updated or new service review unless LAFCo determines that a prior service review is adequate.
- c) Spheres of influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall be updated, as necessary.

10.1.4 Reduced Spheres

The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission shall, however, consider removal of land from an agency’s sphere of influence if either of the following two conditions apply:

- a) the land is outside the affected agency’s jurisdictional boundary but has been within the sphere of influence for 10 or more years; or
- b) the land is inside the affected agency’s jurisdictional boundary but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

10.1.5 Zero Spheres

LAFCo may adopt a “zero” sphere of influence encompassing no territory for an agency. This occurs if LAFCo determines that the public service functions of the agency are either nonexistent, no longer needed, or should be reallocated to some other agency (e.g., mergers, consolidations). The local agency which has been assigned a zero sphere should ultimately be dissolved.

10.1.6 Service Specific Spheres

If territory within the proposed sphere boundary of a local agency does not need all of the services of the agency, a “service specific” sphere of influence may be designated.

10.1.7 Agriculture and Open Space Lands

Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall not be assigned to an agency’s sphere of influence unless the area’s exclusion would impede the planned, orderly, and efficient development of the area. In addition, LAFCo may adopt a sphere of influence that excludes territory currently within that agency’s boundaries. This may occur when LAFCo determines that the territory consists of agricultural lands, open space lands, or agricultural

preserves whose preservation would be jeopardized by inclusion within an agency's sphere. Exclusion of these areas from an agency's sphere of influence indicates that detachment is appropriate.

10.1.8 Annexations Are Not Mandatory

Before territory can be annexed to a city or district, it must be within the agency's sphere of influence ([GC §56375.5](#))²⁵. However, territory within an agency's sphere will not necessarily be annexed. A sphere is only one of several factors that are considered by LAFCo when evaluating changes of organization or reorganization.

10.1.9 Islands or Corridors

Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

10.1.10 Overlapping Spheres

LAFCo encourages the reduction of overlapping spheres of influence to avoid unnecessary and inefficient duplication of services or facilities. In deciding which of two or more equally capable agencies shall include an area within its sphere of influence, LAFCo shall consider the agencies' service and financial capabilities, social and economic interdependencies, topographic factors, and the effect that eventual service extension will have on adjacent agencies. Where an area could be assigned to the sphere of influence of more than one agency, the following hierarchy typically applies:

- a) Inclusion within a city's sphere
- b) Inclusion within a multi-purpose district's sphere
- c) Inclusion within a single-purpose district's sphere

Territory placed within a city's sphere indicates that the city is the most logical provider of urban services. LAFCo encourages annexation of developing territory (i.e., area not currently receiving services) that is currently within a city's sphere to that city rather than to one or more single-purpose special districts. LAFCo discourages the formation of special districts within a city's sphere. To promote efficient and coordinated planning among the county's various agencies, districts that provide the same type of service shall not have overlapping spheres.

10.1.11 Memorandum of Agreements (For City Sphere Amendments and Updates)

Prior to submitting an application to LAFCo for a new city sphere of influence or a city sphere of influence update, the city shall meet with the County to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements as contained in [GC §56425](#)²⁶. If an agreement is reached between the city and County the agreement shall be forwarded to LAFCo. The Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by LAFCo and the County, and LAFCo shall give great weight to the

²⁵ GC §56375.5 (2023) can be found here: [California Code, Government Code - GOV § 56375 | FindLaw.](#)

²⁶ GC §56425 (2023) can be found here: [California Government Code § 56425 \(2023\) :: 2023 California Code :: US Codes and Statutes :: US Law :: Justia.](#)

agreement to the extent that it is consistent with LAFCo policies in its final determination of the city sphere.

10.1.12 Areas of Interest

LAFCo may, at its discretion, designate a geographic area beyond the sphere of influence as an Area of Interest (AOI) to any local agency.

- a) An AOI is a geographic area beyond the sphere of influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency (the "Interested Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of a city and its sphere of influence may result in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such a situation would be the Interested Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the city.
- b) When LAFCo receives notice of a proposal from another agency relating to the Area of Concern, LAFCo will notify the Interested Agency and will consider its comments.
- c) LAFCo will encourage Acting and Interested Agencies to establish Joint Powers Agreements or other commitments as appropriate.

4.2 Existing Sphere of Influence

LAFCo last reviewed and adopted the Elk County Water District (ECWD/District) SOI in 2015, at the time which LAFCo included in the SOI two areas outside its boundaries receiving services: Out of District Service Areas 1 and 2. The District also owns two parcels of land both located outside the District boundary; one which houses a storage shed, the Greenwood Community Center, and the Firehouse, and the other which houses one of the District's wells.

Lastly, the District's water treatment plant (WTP) and an 84,000-gallon water storage tank are located outside and south of the District's boundaries. A 30,000-gallon water storage tank with a pressure system is located outside and east of the District's boundaries.

The District infrastructure, though located outside of ECWD boundaries, is not considered when defining a SOI.

4.2.1 Study Areas

Study areas are unique to a specific agency and are used to define the extent of one or more locations for SOI analysis purposes. Study areas may be created at various levels of scope and/or specificity based on the circumstances involved. The following descriptions demonstrate the array of scenarios that may be captured by an SOI study area.

- An area with clear geographic boundaries and scope of service needs based on years of interagency collaboration or public engagement and a project ready for grant funding or implementation.
- An area involving broader community regions or existing residential subdivisions with a large or long-term vision in need of fostering and/or establishing interagency partnerships.
- An area in early stages of conception that is not currently geographically well-defined and generally involves one or more ideas identified by agency or community leaders needing further definition.

- An area geographically defined by a gap between the boundaries of existing public service providers.
- An area adjacent to an existing agency's boundary slated for development needing urban services.

Study areas can result in a proposed SOI or sphere expansion area or the designation of an Area of Interest to earmark areas for enhanced interagency coordination or future SOI consideration.

4.2.1.1 OUTSIDE AGENCY SERVICE AREA 1

Outside Agency Service Area 1 consists of 13 parcels encompassing approximately 2.5 acres and is located east of Highway 1 along Elk Meadows Road. Outside Agency Service Area 1 includes the Greenwood Community Center and the Firehouse.

Within the Outside Agency Service Area 1 (Area 1), the majority of parcels are designated Rural Village pursuant to the County of Mendocino General Plan and already receive water service from the ECWD. Within the area, there are several vacant parcels owned by Pacific Gas & Electric which do not receive services; however, these parcels are designated Rural Residential and are included in the SOI. In addition, there are two vacant parcels owned by Elk Community Services District (ECSD), one of which has a water service connection and is currently used as a leach field. Given these parcels are also designated Rural Residential, they have been included in the District's SOI. Finally, there is a parcel which is designated Open Space (assessor parcel number (APN) 127-232-028) that is owned by a homeowner's association and is within the District to create a logical boundary.

4.2.1.2 OUTSIDE AGENCY SERVICE AREA 2

Out of District Service Area 2 (Area 2) covers approximately four acres and is located approximately one mile south of the District's boundary along Highway 1. Most of the parcels in Area 2 already receive water service from the ECWD. The Area 2 parcels that are not receiving service are also included in the SOI to promote connectivity and logical boundaries.

4.2.2 Area of Interest Designation

LAFCo's AOI Policy, per Section 10.1.12, provides for the designation or identification of unincorporated areas located near to, but outside the jurisdictional boundary and established SOI of a city or district, in which land use decisions or other governmental actions of another local agency directly or indirectly impact the subject local agency.

An AOI designation serves as a compromise approach that recognizes situations involving challenging boundary or municipal service delivery considerations, or for which urbanization may be anticipated in the intermediate or long-range planning horizons. It is a tool intended to enhance communication and coordination between local agencies.

An AOI designation is most helpful when the county and city or district can reach an agreement that development plans related to LAFCo-designated AOI will be treated the same as if these areas were within the city or district SOI boundary, particularly regarding notification to and consideration of input from the city or district.

No AOIs have been identified for the ECWD.

4.3 Proposed Sphere of Influence

There are no proposed changes to the SOI and it is recommended the Commission affirm the existing sphere.

The District considers its SOI to be appropriate and does not provide services to any properties outside the SOI boundary.

Additionally, as previously noted, there is an existing relationship between the District and the Irish Beach Water District (IBWD) in which the two share operational resources such as equipment, vendor and consultant services, and staffing resources for large emergency projects. The two districts shared a water system manager/acting general manager until September 2024 and currently share three part-time and on-call employees, which facilitated operational knowledge, communication, and coordination efforts. As such, there is potential for further collaboration between the two.

4.4 Consistency with LAFCo Policies

Mendocino LAFCo has established local policies to implement its duties and mandates under the Cortese-Knox-Hertzberg Act. This section identifies potential inconsistencies between the proposed SOI and local LAFCo policies.

The proposed District SOI is consistent with Mendocino LAFCo Policies (see Section 4.1 for the specific SOI policies).

4.5 Determinations

In determining the SOI for an agency, LAFCo must consider and prepare written determinations concerning five factors as outlined in [GC §56425\(e\)](#)²⁷. These factors are as follows:

1. The present and planned land uses in the area, including agricultural and open space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
5. The present and probable need for public facilities and services (including sewers, municipal and industrial water, or structural fire protection) of any disadvantaged unincorporated communities within the existing Sphere of Influence.

LAFCo staff propose no change to the existing SOI for the District and recommend the Commission approve the SOI determinations as presented below.

4.5.1 Present and Planned Land Uses

The entirety of the District is located south of the community of Albion in coastal unincorporated Mendocino County. The primary uses of the coastal zone are rural residential and agricultural uses. Future development in the District is limited to the buildout of the remaining six residential lots within the community. The two Outside Agency Service Areas (1 and 2) that the District serves are limited to the development of six lots. However, based on population projections for the County, it is likely buildout of the residential parcels will not occur until well beyond the planning horizon of this document. Based on

²⁷ GC §56425(e) (2023) can be found here: [California Government Code § 56425 \(2023\) :: 2023 California Code :: US Codes and Statutes :: US Law :: Justia.](#)

the District's location in the Coastal Zone, the area is subject to additional development regulations, and land use changes in the area must be approved by both the County and Coastal Commission.

4.5.2 Present and probable need for facilities and services in this area

The District provides treated water services to 54 residential connections and 21 commercial connections. In addition, one individual parcel within the District's boundaries receives raw water service for agricultural purposes. The District also provides out-of-agency water services in two areas; Outside Agency Service Area 1 includes eight connections and Out of Outside Agency Service Area 2 includes nine connections. The District anticipates little growth in resident population within the near term (five years) and long-term planning horizon (20 years). Development within the ECWD is limited to the six undeveloped residential parcels and potentially ADUs. Further, the projected population decline of 2.7 percent throughout the County suggests that the buildout of the residential parcels will likely not occur until well beyond the planning horizon of this document.

4.5.3 The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

The District utilizes one main source of water; Greenwood Creek is located adjacent to the District with a portion located within the boundaries. The District draws from one active well (Well 04) and maintains a standby well (Well 01). The District supplies 21.476 AFY to its 102 customers. Average daily use for the District is estimated at 18,526 gpd, with an average peak day demand at 32,417 gpd. The system is operating at approximately 62 percent capacity.

The current water system capacity appears to be adequately sized for existing development with sufficient room for growth to accommodate buildout of the remaining six vacant lots. Given the low anticipated growth rate, the District should have sufficient water supply and service capability for the planning horizon of this document.

4.5.4 The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

The ECWD serves the unincorporated community of Elk, which is the primary community of interest for this SOI Update. The ECWD works closely with local community groups and the Elk Community Services District (ECSD) and the Elk Volunteer Fire Department (EVFD) to facilitate positive interactions to best serve the needs of the small community of Elk and the surrounding area. The ECWD owns a parcel located outside the service boundary and shares facilities on the parcel with the Greenwood Community Center and the Firehouse.

Additionally, given the existing relationship between the District and IBWD in which the two share operational resources such as equipment, vendor and consultant services, and staffing resources for large emergency projects. The two districts shared a water system manager/acting general manager until September 2024, which facilitated operational knowledge, communication, and coordination efforts. Additionally, the districts currently share three part-time and on-call employees. As such, there is potential for further collaboration between the two.

4.5.5 The present and probable need for public facilities and services of any disadvantaged unincorporated communities

The District is wholly located in a Census Block Group. Because the median household income (MHI) of the block group is lower than the statewide MHI for the severely disadvantaged unincorporated

community (SDUC) threshold of \$54,930, by this measure, it would generally meet the income threshold to qualify as a SDUC. However, the District and surrounding areas have a notable number of second homes and short-term vocational rentals immediately on the coastline; as such, these high earning households tend to skew the data, making it difficult to get an accurate representation of the District's representative MHI.

Residents of the Elk are currently receiving the essential municipal services of fire and water at adequate service levels. Wastewater services are provided by a combination of private on-site septic systems and a community leach field that serves 10 parcels. No health or safety issues have been identified.

4.6 Recommendation

Pursuant to [California Water Code \(WAT\) §34000 et seq.](#), and [California Health and Safety Code \(HSC\) §6955](#), the Commission does hereby establish the functions and classes of services provided by the ECWD as limited to providing water. Based upon the information contained in this report, it is recommended that the District Service Area Boundary and SOI for all services remain unchanged.

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6.1 Report Preparation

This Municipal Service Review and Sphere of Influence Update was prepared by Hinman & Associates Consulting, Inc., contracted staff for Mendocino LAFCo.

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6.2 Assistance and Support

This Municipal Service Review and Sphere of Influence Update could not have been completed without the assistance and support from the following organizations and individuals.

Elk County Water District	Charles Acker, General Manager Rosi Acker, Secretary
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7 APPENDICES

7.1 Appendix A – Open Government Resources

The purpose of this appendix is to provide a brief list of some educational resources for local agencies interested in learning more about the broad scope of public interest laws geared towards government transparency and accountability. This appendix is not intended to be a comprehensive reference list or to substitute legal advice from a qualified attorney. Feel free to contact the Mendocino LAFCo office at (707) 463-4470 to make suggestions of additional resources that could be added to this appendix.

The websites listed below provide information regarding the following open government laws: (1) **Public Records Act** (Government Code §6250 et seq.), (2) **Political Reform Act** – Conflict-of-Interest regulations (Government Code §81000 et seq.), (3) **Ethics Principles and Training** (AB 1234 and Government Code §53235), (4) **Brown Act** – Open Meeting regulations (Government Code §54950 et seq.), and (5) **Online Compliance** regulations (Section 508 of the US Rehabilitation Act and Government Code §11135).

- Refer to the State of California Attorney General website for information regarding public access to governmental information and processes at the following link: <https://oag.ca.gov/government>.
- Refer to the State of California Attorney General website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <https://oag.ca.gov/ethics>.
- The Fair Political Practices Commission (FPPC) is primarily responsible for administering and enforcing the Political Reform Act. The website for the Fair Political Practices Commission is available at the following link: <http://www.fppc.ca.gov/>.
- Refer to the California Department of Rehabilitation website for information regarding Section 508 of the US Rehabilitation Act and other laws that address digital accessibility at the following link: <http://www.dor.ca.gov/DisabilityAccessInfo/What-are-the-Laws-that-Cover-Digital-Accessibility.html>.
- Refer to the Institute for Local Government (ILG) website to download the Good Governance Checklist form at the following link: www.ca-ilg.org/post/good-governance-checklist-good-and-better-practices.
- Refer to the Institute for Local Government (ILG) website to download the Ethics Law Principles for Public Servants pamphlet at the following link: www.ca-ilg.org/node/3369.
- Refer to the Institute for Local Government (ILG) website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <http://www.ca-ilg.org/ethics-education-ab-1234-training>.
- Refer to the California Special Districts Association (CSDA) website for information regarding online and website compliance webinars at the following link: <http://www.csda.net/tag/webinars/>.

7.2 Appendix B – Website Compliance Handout

Workshop Draft

Appendix B

California Website Compliance Checklist

Use this checklist to keep your district's website compliant with State and Federal requirements.

Public Records Act

SB 929

Our district has created and maintains a website

Passed in 2018, all independent special districts must have a website that includes contact information (and all other requirements) by Jan. 2020

SB 272

Our Enterprise System Catalog is posted on our website

All local agencies must publish a catalog listing all software that meets specific requirements—free tool at getstreamline.com/sb272

AB 2853 (optional):

We post public records to our website

This bill allows you to refer PRA requests to your site, if the content is displayed there, potentially saving time, money, and trees

The Brown Act

AB 392:

Agendas are posted to our website at least 72 hours in advance of regular meetings, 24 hours in advance of special meetings

This 2011 update to the Act, originally created in 1953, added the online posting requirement

AB 2257:

A link to the most recent agenda is on our home page, and agendas are searchable, machine-readable and platform independent

Required by Jan. 2019—text-based PDFs meet this requirement, Microsoft Word docs do not

State Controller Reports

Financial Transaction Report:

A link to the Controller's "By the Numbers" website is posted on our website

Report must be submitted within seven months after the close of the fiscal year—you can add the report to your site annually, but posting a link is easier

Compensation Report:

A link to the Controller's PublicPay website is posted in a conspicuous location on our website

Report must be submitted by April 30 of each year—you can also add the report to your site annually, but posting a link is easier

Healthcare District Websites

AB 2019:

If we're a healthcare district, we maintain a website that includes all items above, plus additional requirements

Including budget, board members, Municipal Service Review, grant policy and recipients, and audits

Open Data

AB 169:

Anything posted on our website that we call "open data" meets the requirements for open data

Defined as "retrievable, downloadable, indexable, and electronically searchable; platform independent and machine readable" among other things

Section 508 ADA Compliance

CA gov code 7405:

State governmental entities shall comply with the accessibility requirements of Section 508 of the federal Rehabilitation Act of 1973

Requirements were updated in 2018—if you aren't sure, you can test your site for accessibility at achecker.ca



California Special Districts Association
CSDA
Districts Stronger Together

csda.net



STREAMLINE
Website compliance made easy

getstreamline.com

The Brown Act: new agenda requirements

Tips for complying with AB 2257 by January, 2019

Placement:

What it says: An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda.

What that means: Add a link to the **current agenda directly to your homepage**. It cannot be in a menu item or otherwise require more than a single click to open the agenda.

Exception:

What it says: A link to the agenda management platform may be added to the home page instead of a link directly to the current agenda, if the agency uses an integrated agenda management platform that meets specified requirements, including, among others, that the current agenda is the first agenda available at the top of the integrated agenda management platform.

What that means: If you use an agenda management system, you may add a link to that system directly to your homepage (again, not in a menu item), if the format of the agenda meets the requirements below, and if the current agenda is the first at the top of the list.

Format:

What it says: [agenda must be] Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications. Platform independent and machine readable. Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

What that means: You cannot add Word Docs or scanned (image-based) PDFs of your agenda to your website—Word Docs are not platform independent (the visitor must have Word to read the file), and scanned PDFs are not searchable. Instead, **keep your agenda separate from the packet** and follow these steps:

1. From Word or other document system: Export agenda to PDF
2. Add that agenda to your website (or to your agenda management system), and include a link to that agenda on your homepage
3. Then, you can print the agenda, add it to your pile of documents for the packet, and scan that to PDF - just keep the packet separate from the agenda (only the agenda must meet AB 2257)
4. Keep the link on the homepage until the next agenda is available, then update the link

Questions? Contact sloane@getstreamline.com or dillong@csga.net



California 2024 Web Accessibility Checklist

Updated May 1, 2024. Download the latest at getstreamline.com/ada

Congratulations on your commitment to ensuring that your district's website is accessible to your entire community, including those with disabilities. This checklist will help you ensure compliance with **The Unruh Act** and **AB 434**.

Before you begin

- Perform an initial scan to check for known issues using checkmydistrict.org or another tool
- Have your website provider's contact information to report any issues

One-time actions - examples available at <https://getstreamline.com/accessibility-policy>

1. **Designate an accessibility officer** - We have designated one staff member as the accessibility officer who will be the go-to contact for accessibility issues.
2. **Approve an accessibility policy** - Our board has approved an accessibility policy that includes the level of accessibility you are adhering to, like WCAG 2.1 AA.
3. **Create and post an accessibility page** - We have created a dedicated accessibility website page to house all accessibility-related content, including the policy and plan. If we have components that are not yet compliant, we have added information about our remediation plan and timeline to get compliant.
4. **Create a process for community concerns** - We have a process in place where a community member can submit a concern via form, phone number, and/or email address.
5. **Enable closed captions on your videos** - Our videos all have closed captions, and we have a process for including closed captions in future videos. (YouTube includes this for free when enabled. [Learn how](#). It is important that a human verifies the general accuracy of the captions.)

Ongoing actions - recommended once per month

6. **Scan your website pages each month** - We have scanned every page of our website, every page has a score and list of issues to remediate. Free tools include checkmydistrict.org, Google Chrome Lighthouse (F12 will activate), and wave.webaim.org. Demand your web developer address any issues that arise.
7. **Check your attachments**. We have checked all of our attachments and we have removed or added a written a disclaimer for any third-party attachments that we are unable to remediate.
8. **Perform remediations** - We have taken action to fix issues detected by a scan/reported by our community

Other actions to consider

- **Third-party ADA audit** - larger districts should consider hiring an outside firm to conduct an audit. Manual testing by users with disabilities is the gold standard to ensure access.
- **Indemnification** - Choosing a platform or insurance that indemnifies or insures you against the risk of fines

*Remember, Streamline is only a software company, and Streamline's templates and guides are not a substitute for getting your own competent legal advice.

7.3 Appendix C – Housing Legislation Trends and Results

Mendocino County and ADUs

In response, the County of Mendocino has taken a number of steps to facilitate ADU construction and operation in an attempt to address the local housing crisis. This includes adopting an ADU ordinance which outlines specific development standards. Another General Plan update was adopted on 11/9/2021 which amended the Coastal Zoning Code component of the Local Coastal Plan to establish and revise standards for Accessory Dwelling Units in the Coastal Zone.

Because Elk is located in the Coastal Zone of the County it is subject to coastal specific ADU regulations. The number of permitted ADUs within the Coastal Zone of Mendocino County (excluding the Gualala Town Plan area) is limited to 500 units. Junior Accessory Dwelling Units (JADU), which are accessory structures typically limited to 500 square feet in an existing space, are exempted from this cap. Any change to the cap on the number of ADUs shall require a Local Coastal Program amendment.

Per Section 20.458.040 - Public Health and Safety Requirements, of the County's Municipal Code, both an adequate water supply and sewage capacity must be available to serve the proposed new residence as well as existing residences on the property. Most notably, if the property is located in a service district (such as Irish Beach), the property owner must provide written approval from the service district specifically authorizing the connection of the ADU.

With respect to coastal resource protections, ADUs and JADUs are subject to additional requirements that impact the viability of their development. Some of the most pertinent requirements can be found in Section 20.458.045 of the County's Municipal Code.

The Larger Picture

As for how ADUs fit into the larger picture of the Mendocino County population trends, the housing data provided in the County's General Plan Annual Progress Report (APR) provides a reliable snapshot. Required by the Governor's Office of Planning and Research (OPR) and the State's Department of Housing and Community Development (HCD), every jurisdiction is required to provide an annual report detailing the progress made towards implementing their housing element and meeting their RHNA allocations.

The data provided in the most recent APR for Unincorporated Mendocino County (adopted June 6TH, 2023 by the Board of Supervisors) suggests that despite strict development regulations in some places, ADUs are certainly a factor in local housing development trends. Out of the 143 housing development applications received in the 2022 reporting year, 38 were for ADUs; in 2021 a total of 102 housing development applications were received, of which 35 were for ADUs. This small number of ADUs compared to single-family home applications suggests that there could continue to be some limited development of ADUs throughout the unincorporated areas of the County. This kind of development could very slightly increase demand for wastewater services provided by ECWD in Elk. However, any new development requires written approval from the service provider to authorize services.

Regional Housing Needs Assessment Allocation (RHNA)

It is worth noting that in response to statutory requirements, policy direction from the State of California Department of Housing and Community Development (HCD), and mandated deadlines for delivery of

housing need allocation numbers to local jurisdictions within Mendocino County, the Mendocino Council of Governments (MCOG) adopted a Regional Housing Needs Plan in 2018.

Although MCOG does not typically deal with housing issues, they have been designated by HCD as the appropriate regional agency to coordinate the housing need allocation process. The political jurisdictions that comprise the region consist of the Mendocino County unincorporated area and the Cities of Ukiah, Fort Bragg, Willits, and Point Arena.

The Regional Housing Needs Plan went through numerous iterations prior to being adopted which took into account different allocation factors for the methodology. Throughout the process, each member jurisdiction provided statements of constraints to HCD which detailed the land-constraints that challenge residential development in unincorporated Mendocino County. Water resources and availability was cited by multiple MCOG member jurisdictions as a constraint and contributed to the adjustments made by the state on the region's required housing allocations.

The RHNA allocations for Unincorporated Mendocino County are projected for a planning period between 8/15/2019 and 8/17/2027. Since adopting the Regional Housing Needs Plan in 2018 the County has made progress across all income levels; the number of housing units developed and how many remain with respect towards its RHNA allocation are detailed below broken down by income level and deed restricted versus non-deed restricted.

Table 7-1: Mendocino County RHNA Allocations

Income Level		RHNA Allocation	Projection Period - 01/01/2019-08/14/2019	2019	2020	2021	2022	Total Units to Date (All Years)	Total Remaining RHNA
Very Low	Deed Restricted	291	--	--	39	--	21	125	166
	Non-Deed Restricted		--	--	--	65	--		
Low	Deed Restricted	179	--	--	--	--	--	21	158
	Non-Deed Restricted		--	-	--	21			
Moderate	Deed Restricted	177	--	--	--	--	--	156	21
	Non-Deed Restricted		4	--	--	--	--		
Above Moderate		702	46	40	67	51	58	262	440
Total RHNA		1,349							
Total Units			50	60	149	186	119	564	785

*Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).

Extremely Low-Income Units*		145			15	26	21	62	83
-----------------------------	--	-----	--	--	----	----	----	----	----

(HCD, 2023)

With respect to how RHNA requirements may affect Elk, the State continues to push for more housing across the state including in communities located on the coast such as Elk. While these coastal communities are subject to additional regulation and governing bodies (i.e., the Coastal Commission), housing mandates can affect these areas just the same as more inland communities. While there is not currently much left to develop under current regulations in Elk, evolving legislation could allow for increased development potential that supports the State’s housing goals.

Additional Recent State Housing Legislation

While the state legislator has made a concerted effort to progress ADU development throughout the state, there have been numerous other housing bills passed in recent years aimed at addressing the housing affordability crisis.

- SB9 - Authorizes a property owner to split a single-family lot into two lots and place up to two units on each new lot. Therefore, the bill permits up to four units on properties currently limited to single-family houses. SB 9 also mandates that local agencies approve development projects that meet specified size and design standards.
- SB10 - Establishes a process for local governments to increase the density of parcels in transit-rich areas or on urban infill sites to up to 10 residential units per parcel. Such an ordinance must be adopted between Jan. 1, 2021, and Jan. 1, 2029, and is exempt from CEQA.
- SB35 - Applies in cities that are not meeting their Regional Housing Need Allocation (RHNA) goal for construction of above-moderate income housing and/or housing for households below 80% area median income (AMI). SB-35 amends Government Code Section 65913.4 to require local entities to streamline the approval of certain housing projects by providing a ministerial approval process.

7.4 Appendix D – District Financial Audits

Workshop Draft

ELK COUNTY WATER DISTRICT

**AUDITED
FINANCIAL STATEMENTS**

JUNE 30, 2023 and 2022

**Rick Bowers, CPA
A Professional Corporation**

ELK COUNTY WATER DISTRICT

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Independent Auditor's Report

Certified Public Accountant
Personal Financial Specialist
Certified Management Accountant

Board of Directors
Elk County Water District
Elk, CA

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the accompanying financial statements of the Elk County Water District (the District), which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenue, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

I was unable to verify the balance of net capital assets of \$1,500,944 and \$1,563,320 at June 30, 2023 and 2022, respectively, and was unable to determine the validity of those balances through the use of alternative procedures.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to test the validity of net capital assets, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023 and 2022, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is supplementary information required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.



Rick Bowers, CPA
Ukiah, CA
December 6, 2023

ELK COUNTY WATER DISTRICT
STATEMENTS OF NET POSITION
June 30, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and Cash Equivalents	\$ 460,794	\$ 398,426
Accounts Receivable	4,495	1,489
Total Current Assets	<u>465,289</u>	<u>399,915</u>
Capital Assets		
Land	888,480	888,480
Buildings	788,398	788,398
Pipe Replacement and Equipment	964,753	964,753
Accumulated Depreciation	<u>(1,140,687)</u>	<u>(1,078,311)</u>
Total Net Capital Assets	<u>1,500,944</u>	<u>1,563,320</u>
TOTAL ASSETS	<u>1,966,233</u>	<u>1,963,235</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	-	1,228
Payroll Tax Liabilities	1,527	2,222
Prepaid Assessments	<u>6,113</u>	<u>4,736</u>
Total Current Liabilities	<u>7,640</u>	<u>8,186</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	1,500,944	1,563,320
Unrestricted	<u>457,649</u>	<u>391,729</u>
TOTAL NET POSITION	<u><u>\$1,958,593</u></u>	<u><u>\$1,955,049</u></u>

The accompanying notes are an integral part of these financial statements.

ELK COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
For The Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Water Sales	\$ 83,567	\$ 95,202
Hookup Fees	1,146	955
Total Operating Revenues	<u>84,713</u>	<u>96,157</u>
Operating Expenses		
Payroll and Employee Benefits	51,321	56,533
Distribution	1,434	1,883
Electronic Monitoring	3,332	4,445
Equipment Rent	1,994	2,904
Operating Supplies	1,486	312
Source of Supply	410	4,951
Treatment	2,051	4,770
Utilities	12,837	13,508
Water Analysis	3,133	3,530
General and Administrative	18,528	20,526
Depreciation	62,376	56,761
Total Operating Expenses	<u>158,902</u>	<u>170,123</u>
Operating Income (Loss)	<u>(74,189)</u>	<u>(73,966)</u>
Non-Operating Revenues		
Special Assessments	73,680	73,622
Cross Connection Fees	3,137	2,350
Capital Contributions		120,940
Rent and Other Income	297	1,009
Interest and Late Fees	619	440
Total Non-Operating Revenues	<u>77,733</u>	<u>198,361</u>
Change in Net Position	3,544	124,395
Net Position - Beginning of Year	<u>1,955,049</u>	<u>1,830,654</u>
Net Position - End of Year	<u><u>\$1,958,593</u></u>	<u><u>\$1,955,049</u></u>

The accompanying notes are an integral part of these financial statements.

ELK COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
For The Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 83,084	\$ 98,409
Cash Payments to Suppliers	(46,433)	(61,592)
Cash Payments for Employees and Benefits	(52,016)	(56,415)
Net Cash Used by Operating Activities	(15,365)	(19,598)
Cash Flows from Non-Capital Financing Activities		
Special Assessments	73,680	73,622
Cross Connection Services	3,137	2,350
Rent and Other Income	297	1,009
Net Cash Provided by Non-Capital Financing Activities	77,114	76,981
Cash Flows from Capital and Related Financing Activities		
Capital Contributions		120,940
Acquisition of Capital Assets		(148,401)
Net Cash Used by Capital and Related Financing Activities		(27,461)
Cash Flows from Investing Activities		
Interest and Late Fees	619	440
Net Increase in Cash and Cash Equivalents	62,368	30,362
Cash and Cash Equivalents - Beginning of Year	398,426	368,064
Cash and Cash Equivalents - End of Year	\$ 460,794	\$ 398,426
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (74,189)	\$ (73,966)
Depreciation	62,376	56,761
Net Changes in Assets and Liabilities:		
Accounts Receivable	(3,006)	1,943
Accounts Payable	(1,228)	(4,763)
Payroll Tax Liabilities	(695)	118
Prepaid Assessments	1,377	309
Net Cash Used by Operating Activities	\$ (15,365)	\$ (19,598)

The accompanying notes are an integral part of these financial statements.

**ELK COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

The Elk County Water District (the District) was formed in 1957 by the County of Mendocino Board of Supervisors under the California Water Code. The District serves areas in and around Elk, California.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity

Criteria used in determining the scope of the reporting entity includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The reporting entity consists of the District as the primary, and sole, reporting entity.

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the District are prepared in conformity with accounting principles generally accepted in the United States of America, as defined by the Government Accounting Standards Board (GASB), the independent and ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The District's reporting entity applies all relevant GASB pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

The District is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues include revenues derived from water services and related activities. Operating expenses include all expenses applicable to the furnishing of these activities. Non-operating revenues and expenses include revenues and expenses not associated with the District's normal business activities.

**ELK COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2023 and 2022**

c. Budgetary Accounting

An annual budget is adopted by the Board of Directors each fiscal year. The budget may be revised during the year to reflect unanticipated revenues or expenses. The budget is used for operating management and internal accounting control purposes, and is prepared on the modified cash basis of accounting.

d. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand and amounts in demand deposits, as well as short-term highly liquid investments with maturities of three months or less from the date of acquisition.

e. Accounts Receivable

Accounts receivable represent amounts due for water services. All amounts are considered to be collectible, and no allowance for doubtful accounts has been recorded. If accounts receivable do result in losses they are recognized when the amounts become determinable.

f. Capital Assets

Capital assets are recorded at cost. Major improvements and additions are charged to the related capital asset accounts. Improvements and additions which do not significantly improve or extend the life of the asset are charged against earnings in the period incurred. Donated capital assets are recorded at their estimated fair market value on the date received.

g. Depreciation

Depreciation is charged to expense for all capital assets; except land, right of ways, and any projects in progress. Projects in progress are considered depreciable upon completion of the related project.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Buildings and Improvements	20 - 40 years
Pipe Replacement and Tanks	5 - 20 years
Equipment	5 - 10 years

h. Special Assessments

Special assessments represent amounts collected from customers designated for capital and infrastructure replacement.

**ELK COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS (Continued)
 June 30, 2023 and 2022**

i. Net Position

Net position represents the difference between assets and liabilities. The District’s net position is classified as follows:

Net Investment in Capital Assets – This represents the District’s total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets.

Restricted Net Position – Restricted net position represents resources which are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

Unrestricted Net Position – Unrestricted net position represents resources available for transactions relating to the general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

j. Capital Contributions

Capital contributions represent cash contributed to the District by other community organizations that benefited from the capital project.

k. Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

l. Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 5, 2023, the date the financial statements were available to be issued.

NOTE 2. CASH

Cash consists of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Checking	\$ 16,032	\$ 14,590
Savings – Designated Accounts	<u>444,762</u>	<u>383,836</u>
Total Cash and Cash Equivalents	<u>\$ 460,794</u>	<u>\$ 398,426</u>

**ELK COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2023 and 2022**

The District has designated certain savings accounts for the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Infrastructure Repair and Replacement	\$ 192,601	\$ 162,220
Hookup	4,195	3,087
Operations Reserve	6,925	6,922
Capital Reserves	<u>241,041</u>	<u>211,607</u>
Total Designated Account Balances	<u>\$ 444,762</u>	<u>\$ 383,836</u>

District deposits are fully insured. The *California Government Code* requires California banks and savings and loan associations to secure local agency deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a local agency's deposits.

NOTE 3. CAPITAL ASSETS

Following is a summary of changes to capital assets for the year ended June 30, 2023 and 2022:

	<u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>2023</u>
Land	\$ 888,480	\$	\$	\$ 888,480
Buildings and Improvements	788,398			788,398
Equipment, Tanks, and Pipe				
Replacement	<u>964,753</u>	<u> </u>	<u> </u>	<u>964,753</u>
Total Depreciable Assets	1,753,151	<u> </u>	<u> </u>	1,753,151
Less: Accumulated Depreciation	<u>1,078,311</u>	<u>62,376</u>	<u> </u>	<u>1,140,687</u>
Total Net Depreciable Assets	<u>678,840</u>			<u>612,464</u>
Total Net Capital Assets	<u>\$ 1,563,320</u>			<u>\$ 1,500,944</u>

	<u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>2022</u>
Land	\$ 888,480	\$	\$	\$ 888,480
Buildings and Improvements	643,258	145,140		788,398
Equipment, Tanks, and Pipe				
Replacement	<u>961,512</u>	<u>3,241</u>	<u> </u>	<u>964,753</u>
Total Depreciable Assets	1,604,770	<u>148,381</u>	<u> </u>	1,753,151
Less: Accumulated Depreciation	<u>1,021,550</u>	<u>56,761</u>	<u> </u>	<u>1,078,311</u>
Total Net Depreciable Assets	<u>583,220</u>			<u>678,840</u>
Total Net Capital Assets	<u>\$ 1,471,700</u>			<u>\$ 1,563,320</u>

**ELK COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2023 and 2022**

The District has designated certain savings accounts for the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Infrastructure Repair and Replacement	\$ 192,601	\$ 162,220
Hookup	4,195	3,087
Operations Reserve	6,925	6,922
Capital Reserves	<u>241,041</u>	<u>211,607</u>
Total Designated Account Balances	<u>\$ 444,762</u>	<u>\$ 383,836</u>

District deposits are fully insured. The *California Government Code* requires California banks and savings and loan associations to secure local agency deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a local agency's deposits.

NOTE 3. CAPITAL ASSETS

Following is a summary of changes to capital assets for the year ended June 30, 2023 and 2022:

	<u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>2023</u>
Land	\$ 888,480	\$	\$	\$ 888,480
Buildings and Improvements Equipment, Tanks, and Pipe Replacement	788,398	_____	_____	788,398
	<u>964,753</u>	_____	_____	<u>964,753</u>
Total Depreciable Assets	1,753,151	_____	_____	1,753,151
Less: Accumulated Depreciation	<u>1,078,311</u>	<u>62,376</u>	_____	<u>1,140,687</u>
Total Net Depreciable Assets	<u>678,840</u>	_____	_____	<u>612,464</u>
Total Net Capital Assets	<u>\$ 1,563,320</u>	_____	_____	<u>\$ 1,500,944</u>

	<u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>2022</u>
Land	\$ 888,480	\$	\$	\$ 888,480
Buildings and Improvements Equipment, Tanks, and Pipe Replacement	643,258	145,140	_____	788,398
	<u>961,512</u>	<u>3,241</u>	_____	<u>964,753</u>
Total Depreciable Assets	1,604,770	<u>148,381</u>	_____	1,753,151
Less: Accumulated Depreciation	<u>1,021,550</u>	<u>56,761</u>	_____	<u>1,078,311</u>
Total Net Depreciable Assets	<u>583,220</u>	_____	_____	<u>678,840</u>
Total Net Capital Assets	<u>\$ 1,471,700</u>	_____	_____	<u>\$ 1,563,320</u>