Mendocino
Local Agency Formation Commission

Municipal Service Reviews

Caspar South Water District

Elk County Water District

Gualala Community Services District

Irish Beach Water District

Laytonville County Water District

Pacific Reefs Water District

Round Valley County Water District

Westport County Water District

Adopted October 2014

Chapter 1 Introduction

This Municipal Service Review (MSR) has been prepared to provide technical and governance information for eight water, wastewater, and conservation and flood control service providers within Mendocino County. The eight service providers reviewed herein include the following:

Service Provider	Services Provided
Caspar South Water District	Wastewater
Elk County Water District	Water
Gualala Community Services District	Wastewater
Irish Beach Water District	Water, Septic System Overview
Laytonville County Water District	Water
Pacific Reefs Water District	Water
Round Valley County Water District	Flood Control, Water Conservation
Westport County Water District	Water, Wastewater

Refer to Figure 1-1 for a County-wide Map showing locations for these Districts.

Report Preparation

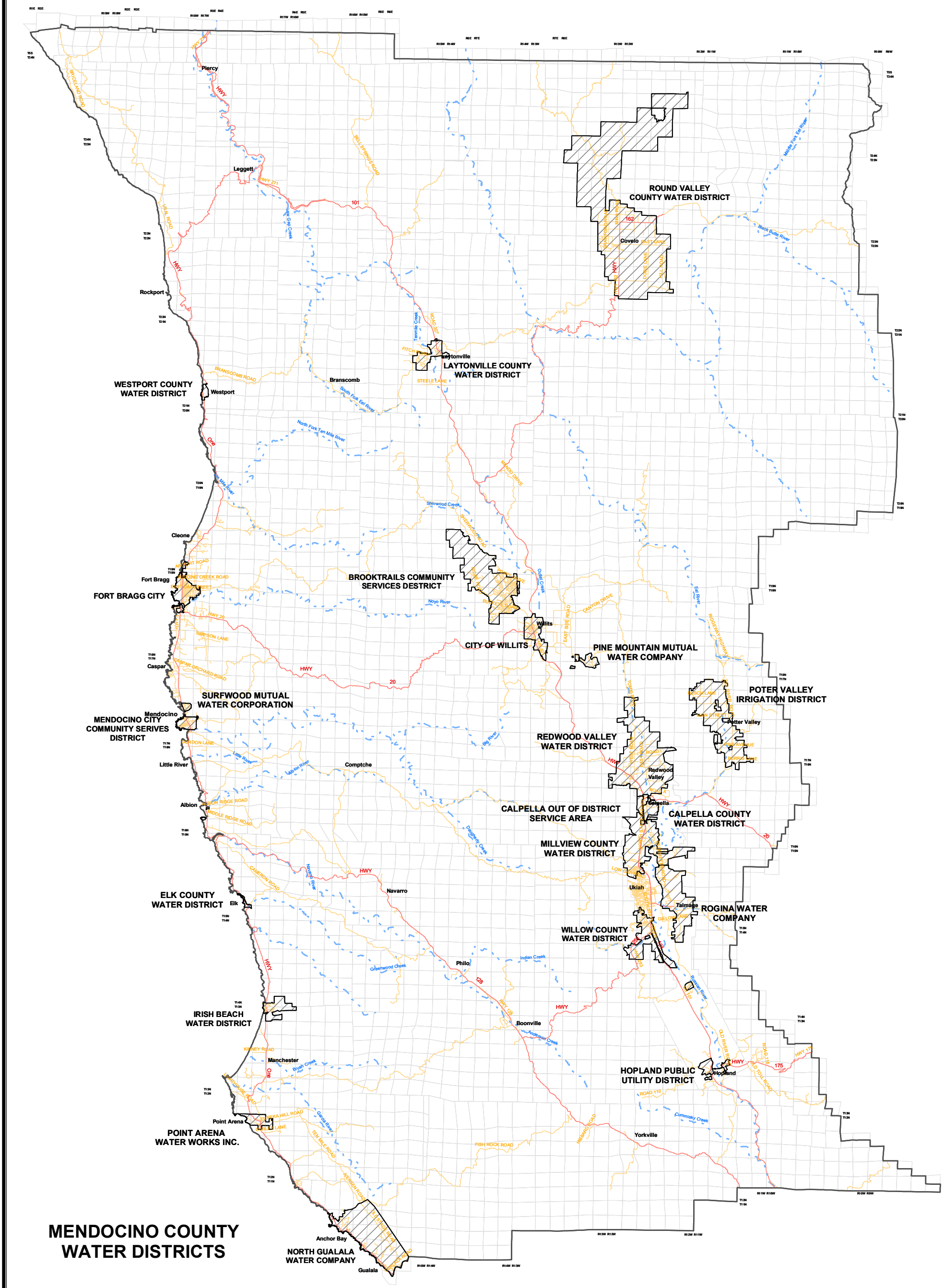
This MSR was prepared by:

Kateri Harrison, SWALE, Inc.
Uma Hinman, Uma Hinman Consulting

Administrative Draft and Public Review Draft MSR

The Administrative Draft Water and Wastewater MSR was prepared in August, 2014. Following input from the Districts and comments made by LAFCo Commissioners at the August 4, 2014 and September 2, 2014 Commission meetings, a Public Review Draft MSR was prepared. This Final MSR was approved by the Commission October 4, 2014.

Figure 1-1: Map of Small Water and Wastewater Districts in Mendocino County



MENDOCINO COUNTY WATER DISTRICTS

Source: Map perpared by the Department of Planning and Building Services Cartographic Section, June 2009.
Data was extracted from the County's Property System Database using the appropriate use codes asigned by the Assessors Office.

This map is provided as a visual display of County Information.
Reasonable effort has been made to ensure the accuracy of the map and data provided: nevertheless, some information may not be accurate.
The positional accuracy of the data is approximate and not intended to represent map accuracy from a published record of survey.
THE MAPS AND ASSOCIATED DATA ARE PROVIDED WITHOUT WARRANT OF ANY KIND.
Either expressed or implied, including but not limited to, the impelled warranties of merchantability and fitness for a particular purpose.
Do not make a business decision based on these data without first validating the information with appropriate County agency or other government entity.

CHAPTER 2 CASPAR SOUTH WATER DISTRICT

SECTION 2-1 AGENCY OVERVIEW

PROFILE

Caspar South Water District		
Type of District:	Water District	
Principal Act:	California Water Code Sections 34000 *et seq.*	
Functions/Services:	Collection, processing, and disposal of wastewater generated by hook ups within the service area and maintenance of related facilities and equipment.	
Main Office: Mailing Address:	None (No main office) Caspar South Water District PO Box 744, Mendocino, CA 95460	
Phone No.: **Fax No.:** **Web Site**:	(707) 964-9195 Not available Not available	**Email:** Not available
General Manager:	Steve Clouse, President	**Email:** sclou@comcast.net
Meeting Schedule:	4th Saturday of the month at 3:00 PM as necessary, with notice provided to property owners	
Meeting Location:	Mendocino Community Library 10591 William Street Mendocino CA 95460	
Date of Formation:	1978	
Principal County:	Mendocino County	

OVERVIEW OF DISTRICT

The Caspar South Water District (CSWD/District) is a small independent district that administers a community sewage disposal system and provides four wastewater related services: 1) wastewater collection; 2) wastewater processing through a dosing chamber; 3) wastewater disposal through a leachfield system; and 4) maintenance of related facilities and equipment. The facility is a sewage collection system originally installed in the early 1960's. A leach field was subsequently installed in 1982. This is the first Municipal Service Review for the District.

TYPE AND EXTENT OF SERVICES

The District was organized in 1978 under the California Water Code, §34000-38501 for the primary purpose of providing wastewater treatment and disposal to the Caspar South Residential Subdivision within the County of Mendocino.

LOCATION AND SIZE

CSWD serves a residential subdivision situated along the coast in Mendocino County, and is located south of the unincorporated community of Caspar. Caspar is located along State Highway 1 between the City of Fort Bragg and the Village of Mendocino.

The boundaries of the District encompass approximately 105 acres. The District serves 75 lots within the Caspar South Subdivision. When the District was originally formed in 1978, the By-laws listed its office location as 14340 Hilma Circle, Mendocino, CA. The office location moves with changes in the governing Board. The District's mailing address remains the same at PO box 744, Mendocino CA 95460.

FORMATION AND BOUNDARY

The Caspar South Water District was established following a vote of its constituents and approval from LAFCo via a Certificate of Completion. Mendocino County Board of Supervisors adopted Resolution No. 78-501 to order the formation of Caspar South Water District on December 19, 1978.

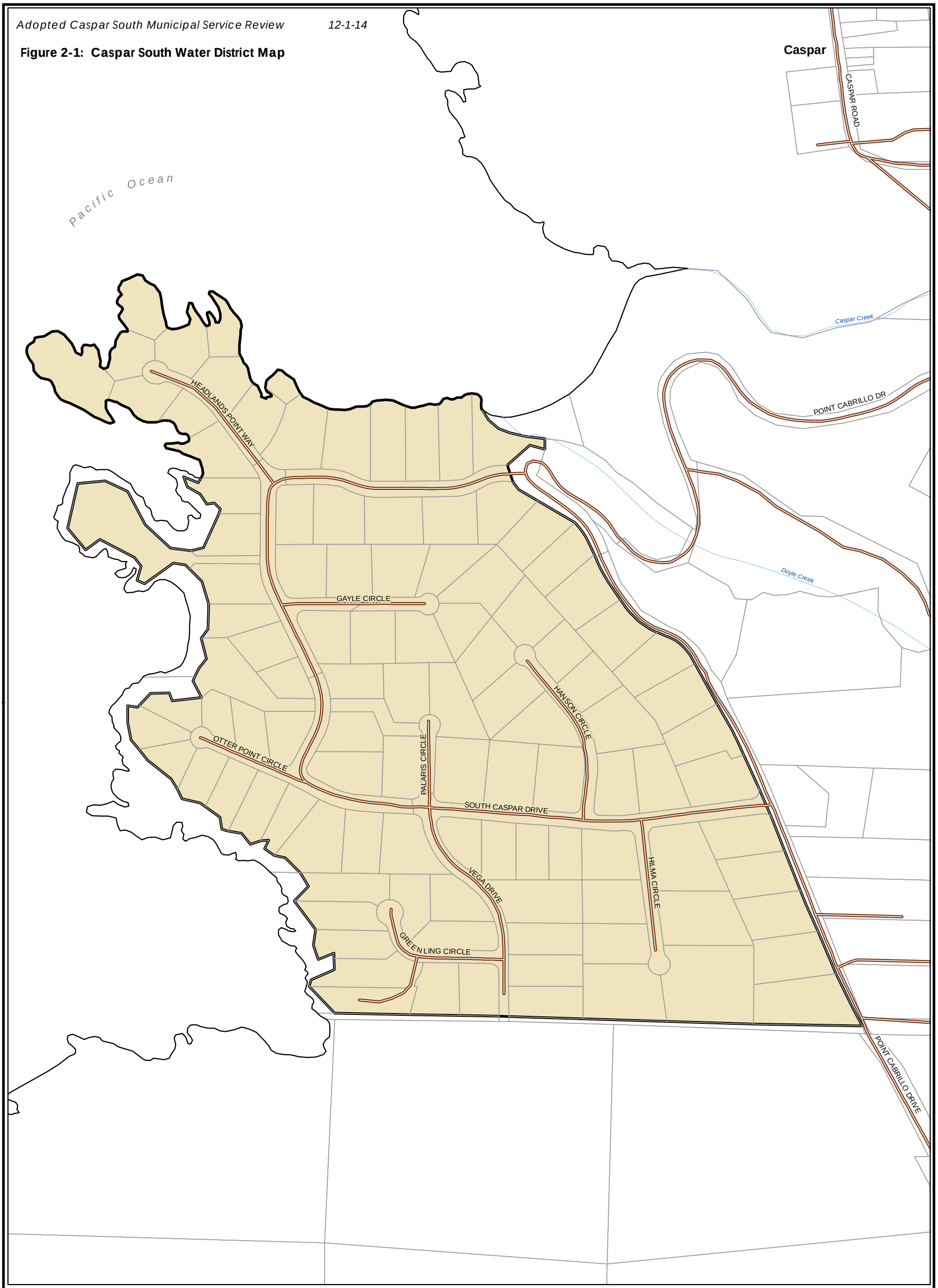
The original centralized sewage system for the Caspar South Subdivision was constructed in 1965 and initially discharged effluent into a cave which led directly to the Pacific Ocean. This method of effluent discharge ran afoul of water quality regulations and led to a cease and desist order in 1979 by the North Coast Regional Water Quality Control Board. When the CSWD was formally organized in 1978, it acquired the centralized sewage system.

BOUNDARY HISTORY

The District's boundaries encompass approximately 105 acres. Since the original establishment in 1978, there have been no other changes to the District boundaries. (Refer to Figure 2-1: Caspar South Water District Map)

Within the Caspar South Subdivision are 107 lots, of which one serves as a community leach field, five are open space parcels, and 101 are residential lots. (Refer to Figure 2-4) In 2006, the District's then General Manager indicated that there are lots within the subdivision that are not presently provided with wastewater service because 26 households are located within below-grade locations and therefore cannot access the system. At the present time, the District has the ability to provide wastewater service to 75 residential lots, of which 66 have residential dwellings and nine are vacant.

Figure 2-1: Caspar South Water District Map



Caspar South Water District

Caspar South Water District
Parcels
Roads
Streams

200 100 0 200 Feet

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, September 2013.

Note: This map is not a survey product.

SPHERE OF INFLUENCE

The Sphere of Influence (SOI) for CSWD was established by LAFCo via Resolution No. 94-4 dated August 1, 1994. LAFCo's approval of the SOI included approval of a Master Service Element Plan and a Negative Declaration per CEQA. LAFCo's Resolution No. 94-4 approved SOIs for a large number of Districts and CSWD was one of these Districts. Due to the practice of approving SOIs for a large group of districts at once, the details about CSWD's specific SOI are not readily apparent in the files. Since the SOI was originally approved in 1994, there have been no changes.

The District believes that its sphere of influence is co-terminus with its existing boundary and there is no information in LAFCo files to indicate otherwise.

EXTRA-TERRITORIAL SERVICES

No service is provided outside the District's boundaries, nor has anyone outside the District boundaries requested service from the District.

AREAS OF INTEREST

No areas outside the District boundaries have been identified as requiring services from the District. The District has no plans to expand its boundaries or SOI.

ACCOUNTABILITY AND GOVERNANCE

The CSWD's Bylaws were originally approved in 1978 and amended in 1995. The Bylaws serve as the legal guidelines of the organization by providing written rules that control the 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.

Although the Bylaws require the District to have a five-member Board of Directors, currently there are four Directors with one position vacant. The Board of Directors is generally elected at large to staggered four year terms by registered voters within the District boundaries. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election which is the current situation. With CSWD being such a small district, finding willing candidates to serve on the Board is a continual problem. The current Board Members, positions, and terms are shown in Figure 2-2.

FIGURE 2-2: SUMMARY OF CSWD BOARD MEMBERS

MEMBER NAME	POSITION	TERM EXPIRATION	MANNER OF SELECTION	LENGTH OF TERM
Steve Clouse	President	December 2017	Appointed	4 years
Marc Wasserman	Vice-President	December 2017	Appointed	4 years
Mary Lynn Oxford	Director	December 2017	Appointed	4 years
Elmer W. Whaley	Director	December 2015	Appointed	2 years
Vacant				

Serving as CSWD Director is a volunteer position and as such is not compensated, per the Bylaws. The District has experienced difficulty in finding volunteers who are willing to take on the responsibilities of being a Director, as evidence by filling vacancies by appointment instead of by election, and ongoing vacancies. The MSR consultants queried the League of Women Voter's Smart Voter database and found that the November 8, 2011 Election for CSWD Directors did not appear on the ballot because an insufficient numbers of candidates applied. The District does actively recruit volunteers for Board positions**;** however, the lack of volunteers represents an on-going problem. The next election for CSWD Board of Directors is scheduled for November 2015. If only two qualified candidates are identified, appointments to the Board of Directors may be made by the Mendocino County Board of Supervisors, in lieu of election.

Annual public disclosure forms required under the California Fair Political Practices Commission are filed with the Mendocino County Clerk's Office, and have been filed for 2014.

Regular District meetings are held on the fourth Saturday of the month as necessary, and are held at the Mendocino Community Library. The District indicated that meeting notices and agendas are posted at the subdivision kiosk and the local library. The District no longer publishes a newsletter, but keeps residents informed of District activities.

The District does not have any established strategic plan, mission statement or official goals. However, the Board of Directors and their staff aim to continue to concentrate on addressing deferred maintenance items and identifying areas of water intrusion, which is an on-going issue. Per Board policy, no Board Member may participate in any major decision located within 300-feet of the Board Member's residence.

CSWD has a formal policy to receive and address complaints as follows: "All requests must be in writing and signed, not made by email or phone to individual Board members or to our attorney. New document disclosure forms have been adopted to better track this process. All formal correspondence with the Board should be addressed to the Board in writing and signed. Our address is noted in the letterhead. We encourage informal contact or questions by phone, email, or via attendance at monthly meetings." The Board has received complaints in the past as part of an on-going disagreement regarding erosion along a bluff and access to District public records. During 2006-2009, former LAFCo Executive Officer Frank McMichael did attempt to communicate with all parties regarding the aforementioned concerns. However, it is beyond the scope of this MSR to delve into the details of specific complaints or to attempt to resolve any complaints. No formal complaints have been received by the Board in 2012 or 2013. (Steve Clouse, Board President; personal communication)

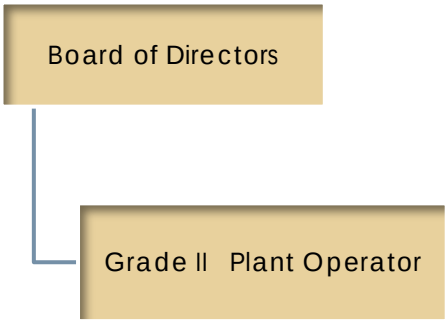
MANAGEMENT EFFICIENCIES AND STAFFING

Day-to-day operations of the District are managed by the volunteer Board of Directors, who oversee all management and customer service, including customer billings, customer complaints, and connection enforcement duties. All accounting services are provided by Computaccount, a firm located in Mendocino. The Board of Directors ultimately assumes responsibility for preparing the annual budget, monitoring expenditures, keeping the operations in compliance with the Discharge Permits and preparing any reports for the RWQCB.

The only employee of the District is a half-time plant operator who provides weekly oversight of plant operations and maintenance, including pumping sludge and cleaning the screens and "D" boxes. The plant operator also inspects the system several times per week and sends monthly reports to the Water Quality Control Board. The Plant Operator is authorized to make repairs or secure replacement parts for costs not to exceed $500.

The District also contracts with a septic service company to dispose of wastewater solids. The total employment at the District is at 0.5 full-time equivalent (FTE) as shown in Figure 2-3, Organization Chart, below.

FIGURE 2-3: CSWD ORGANIZATION CHART



Permits

The CSWD service area is located along the California coast near sensitive forest, riparian, and coastal habitats. Given this geography with sensitive environmental issues, obtaining permits to develop and maintain public facilities from the various local, state, and federal agencies can sometimes be a challenge. Additionally, keeping up with new changes to laws and regulations present an additional challenge. In 1979, the District was subject to a cease and desist order adopted by the North Coast Regional Water Quality Control Board due to non-conforming discharge of waste into the Pacific Ocean. The District pursued remedies to this situation as evidenced by their application to the California Coastal Commission in 1982. The final resolution was construction of a sewage treatment plant; thereby eliminating the effluent discharge into the ocean.

On May 2, 2006, the State Water Resources Control Board issued a general order to all districts to bring their systems into compliance with permissible average daily flow allowances. CSWD did exceed flow allowances during the wettest winter months up to the year 2006. At that time, the District actively pursued repairs to the wastewater infrastructure to remedy this situation.

In 1982, the District obtained a permit from the California Coastal Commission to construct a pumping station and install one large community leach field to service the existing Caspar South Subdivision. At that time, the treatment plant located at the end of Otter Point Circle was de-commissioned, and subsequently served as a sewage collection tank. (Refer to Figure 2-10) Permits were also obtained from the Mendocino County Department of Environmental Health and the North Coast Regional Water Quality Control Board. This project was completed in a timely manner. (Steve Clouse, District President; personal communication)

POPULATION AND GROWTH

Within the District boundary, there are nine vacant lots. If these lots are ever developed, the population of the District could increase by approximately 18 persons.

The unincorporated community of Caspar has a central area that includes a community center, church, and a nightclub. It is bounded on three sides by state parks and therefore, future expansion and development around the community is constrained by geography and land ownership patterns.

POPULATION

Caspar is a census-designated place (CDP) in Mendocino County. At the time of the 2000 Census, the population was 317 people in a total of 145 households. Ten years later, the population in the CDP had grown to 509. The Caspar South Subdivision is included within the CDP boundary.

The District defines its customers as homeowners within the subdivision who are hooked-up to, and receiving services from, the community wastewater system. Of the 101 residential parcels within the District boundary, there are currently 75 customers that are eligible to receive service. Within the District, there are 92 developed parcels, 26 of which use individual septic systems (most of yellow areas on Figure 2-4 below). Additionally, there are nine vacant parcels, with two homes currently under construction. The colors on the map represent Subdivision Units as follows: Cabrillo (coral), Headland Estates (blue), Unit 1 (green), Unit 2 (yellow), and Unit 3 (pink).

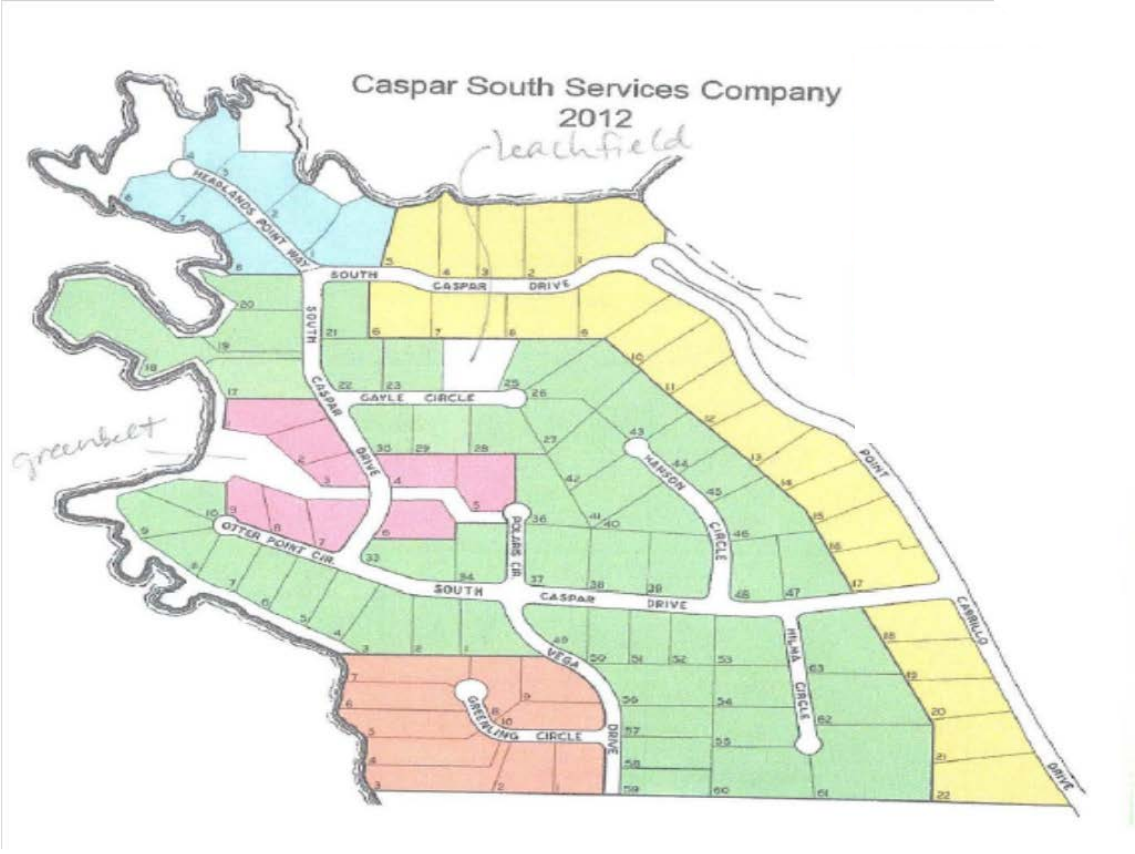
Many of the developed lots are vacation (i.e., second) homes that are occupied seasonally. The District estimates that approximately one-third of the parcels have full time residents. During the low season, assuming that 25 customer parcels are occupied and assuming the County's average of 2.46 people per household, then the District serves 62 people. Under the persons per household and assuming all homes are occupied, the District serves approximately 185 people during the high season.

PROJECTED GROWTH AND DEVELOPMENT

In general, potential future growth and development that may occur within or near the District's boundaries is regulated by Mendocino County. The County has adopted several plans and policies to regulate this growth including a General Plan and a zoning ordinance. The County's zoning ordinance contains three major geographical parts and the Casper area is included in Coastal Zoning Code. The County's General Plan and Zoning Ordinance designate most of the Casper area as single family residential, as is Caspar South.

Given the constrained capacity of the wastewater processing facilities in the District, nine additional homes could be served by the District, unless there were major improvements to the facilities. These improvements would likely include securing additional land to increase the leachfield disposal area, and construction of additional leach lines. The District is responsible for approving all connections. It is theoretically possible that the County planning/building services could allow new homes to be constructed within the District boundary or SOI and be served by a private individual septic tank, rather than through the District; however, obtaining necessary permits from the Regional Water Quality Control Board and other agencies would be a challenge to this approach. Given these constraints, it is not likely that the population within the District's boundaries/SOI will grow significantly, or that the District will see an increased demand for wastewater services over the next 20 years.

FIGURE 2-4: CASPAR SOUTH SUBDIVISION MAP



Disadvantaged Unincorporated Communities

LAFCo is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income.

Caspar South Water District is a portion of the community of Caspar, a 'census designated place' (CDP). The Caspar CDP does not qualify as a DUC because the median household income is greater than 80% of the State median household income of $61,632. For Caspar, the median household income is $72,885 (or 118.3% of the State median household income).

FINANCING

Caspar South Water District operates as a waste disposal enterprise fund, meaning that charges for services are intended to pay for the costs of providing such services.

The District typically holds the first public hearing on its annual budget in February, with adoption scheduled at a public meeting in April or May. The budget is typically listed as an agenda item as part of the District's regular meeting.

The District re-vamped its budget and finance methods in 2013. As part of the transition, a new accounting firm was retained, and the Board took a more active role in District finances.

Revenues and expenditures for FY 10-11, FY 11-12 and FY 12-13 as reported by the State Controller are presented in Figure 2-5.

Figure 2-5: CSWD BUDGET INFORMATION FOR FY 10-11, FY 11-12, AND FY 12-13

	FY 10-11		***FY 11-12***		***FY 12-13***	
Revenues						
Service Charges	$840	1%	$870	1%		
Connection Fees						
Service Type Assessments	66,090	97%	67,410	97%	$66,632	99%
Other Services					30	
Interest	1,119	2%	1,554	2%	438	1%
Total Income	***$68,049***	100%	***$69,834***	100%	***$66,800***	100%
Expenses						
Sewage Collection						
Sewage Treatment						
Sewage Disposal	$19,715	51%			$17,234	43%
Administration & General	19,392	49%	$19,520	100%	22,841	57%
Total Expenses	***$39,107***	100%	***$19,520***	100%	***$40,075***	100%
Net Income (or Loss)	***$28,942***		***$50,314***		***$26,725***	
Depreciation & Amortization	$11,828		$22,069		$24,872	

Revenues have exceeded expenditures over the past three fiscal years. However, there were no Sewage Disposal costs in FY 11-12. This omission is attributed to the change over in accounting firms and efforts by the new Board of Directors to detail expenditures by line item. (Marc Wasserman, Board Vice President; personal communication)

As of September 2014, the District maintained $327,400 in available funds; $100,000 in a Certificate of Deposit, $69,400 in a savings account, and $158,000 in the District checking account.

The Board has authorized Computaccounts, the District's accountant, to disburse funds for expenditures as approved in the District budget. Monthly financial reports are filed with the Board.

In addition to preparation of an annual budget, the District also carefully manages its finances by having independent audits of its financial statements. The audits are conducted in accordance with auditing standards generally accepted in the United States. The District prepares its financial statements on a modified cash basis. In 2005, the Independent Audit offered the following suggestions to the CSWD to help with overall efficiency, clarity, and consistency:

- The Board could consider formal authorization for "rolling over" CD's upon their maturity. This may be being done, but it is not reflected in the minutes.
- The presentation in the monthly Board minutes is proving much more information and a reconciliation of cash balances. However, it would also be helpful for the board to see an ongoing financial statement showing the net income and results of operations. It can be a very useful tool in decision making. All of the basic information is available; it just needs to be in an income statement format.
- In any organization, but especially a public entity, the primary responsibility of management is the safeguarding of assets. This responsibility is magnified in a small organization with the lack of available personnel makes it impossible to segregate duties as prescribed in a perfect world. Accordingly, it is imperative that the Board remain actively involved in decision making and oversight.

Annual audits for FY 2011-12 and FY 2012-13 are being prepared but are not yet complete. These audits require additional information from the District, which has been difficult to provide due to the transition to a new accounting system under a new Board of Directors. (Steve Clouse, Board President; personal communication)

Insurance for its business activities is provided to the District via participation in the California Special Districts Association (CSDA) which is a 501c(6), not-for-profit association that offers cost-efficient programs to independent special districts.

The Board of Directors is considering the establishment of a Capital Improvement Fund in order to finance system improvements such as pipeline replacement and stormwater infiltration and inflow (I&I). Such a fund could also be utilized for property acquisition and leachfield expansion. (Steve Clouse; Board President; personal communication)

RATE RESTRUCTURING

The current rate structure was adopted in October 2011 and reflects the following:

- Annual assessment – Developed property $900;
- Annual assessment – Undeveloped property $600; and
- For new construction, there is an $875 connection fee.

The Board publishes its rate structure in its newsletter so that the rate schedule is transparent. A payment schedule on a quarterly basis is also offered to homeowners, which also includes a $15 service charge with each payment.

The current fee structure yields the following revenue:

FIGURE 2-8: RELATIONSHIP BETWEEN CSWD RATE STRUCTURE AND ESTIMATED INCOME

ANNUAL FEE	NUMBER OF LOTS	TOTAL ESTIMATED INCOME
$900 per developed lot	68*	$61,200
$600 per vacant lot	7	$4,200
Total Served	75	$65,400

*Includes two homes under construction.

COST AVOIDANCE

In recent years, the Board of Directors has taken several steps to reduce costs and promote efficiency in operations. For example, CSWD has hired a plant operator, which improved services and made operations more efficient. Additionally, they have delegated the collection of delinquent bills to the County, which has saved CSWD approximately $16,000. The District also works to maintain and control budget expenditures through discussion at its monthly Board meetings.

In the early 1980s, CSWD obtained grant funds through the clean water fund administered by the State Water Board to improve its infrastructure and to remedy the then non-compliant discharge to the Pacific Ocean. In 2006 the District received a loan from the U.S. Department of Agriculture for infrastructure improvements. This willingness to apply for and manage grant and low-interest loan funds shows that the District is willing to explore cost avoidance options.

Currently, the District does not have any bonded indebtedness, having paid off the USDA loan.

SECTION 2-2 DISTRICT SERVICES

SERVICE OVERVIEW

The District currently serves 66 residential parcels within its 105-acre service boundary. No commercial, municipal, or industrial areas are located within the District. CSWD administers a community sewage facility and provides four wastewater related services: 1) wastewater collection; 2) wastewater processing; 3) wastewater disposal; and 4) maintenance of related facilities and equipment. The facility is a sewage collection system originally installed in the early 1960's. A community leach field on one of the subdivision lots (0.75 acres) was installed in 1982 and is owned by the District. Effluent is pumped from two lift stations via a high pressure line for processing. Refer to Figure 2-9: Wastewater Treatment Capacity. Most recently, the District has installed filters at the pump stations, added fans and stainless steel 'cat walks' to insure that the pump stations operate properly. Another recent area of emphasis is eliminating stormwater leaks into the system (inflow and Infiltration – I&I).

The pumped effluent is collected in a 10,000 gallon 'dosing chamber' located on the leachfield parcel. From there, effluent is disbursed into eight 8-inch disposal lines within the community leachfield for final disposal. These leach lines are utilized on a rotating basis by the Plant Operator, who also inspects and monitors the system on a daily basis.

The Plant Operator is responsible for monitoring and reporting effluent conditions. This information includes a Monthly Monitoring Report and a Weekly Log Report which are made available to the Board of Directors and the public. These reports address average daily flow, any occurrences to the system, and any maintenance activity. Currently, the CSWD Onsite Wastewater Treatment System (OWTS) operates within the parameters required by the Water Resources Control Board (WRCB). No adjustments or modifications to the OWTS are necessary. (Steve Horne, Plant Operator; personal communication)

The District contracts with a septic service company to dispose of wastewater solids. This occurs approximately once per year when the solids in the dosing chamber reach a depth of 12-inches, and grease on the surface reaches 6-inches.

CAPACITY/DEMAND

For wastewater service providers, the capacity to provide service is typically limited by the design capacity of the wastewater treatment process. The CSWD treatment process has a design capacity to process wastewater from 76 parcels, which is approximately 16,000 gallons per day (gpd). This capacity includes the existing 66 residential dwellings served, plus new residential dwellings on the nine vacant parcels. Currently, the District processes an average of 4,000 gallons per day during dry weather conditions and 8,000 gallons per day during peak (wet weather) conditions. This is the maximum capacity for the system, as effluent must be retained in the system for 24-hours.

The District does not currently have plans to increase the capacity of this system, although the District is considering purchasing easements on property adjacent to the existing community leach field parcel. Should it become necessary, the District would add an additional 8,000 to 10,000 gallon dosing chamber and additional leach lines. The District has not had any recent episodes where flow exceeded capacity.

FIGURE 2-9: WASTEWATER TREATMENT CAPACITY

DESCRIPTION	CAPACITY
Treatment Capacity of System	Two tanks, 8,000 gallons each, for a total capacity of 16,000 gallons
Average Flow Volume	Approximately 5,000 gallons per day
Wet weather Peak Flow	8,000 gallons per day

INFRASTRUCTURE AND FACILITIES

The CSWD wastewater system was constructed in the early 1960's as part of the subdivision's initial development. The system consists of gravity fed connection laterals, collection tanks, screen separators, and a force main-fed leach field. District-owned treatment facilities were updated in 1982. These improvements consisted of a pumping station and installation of one large community leach field. At that time, the treatment plant located at the end of Otter Point Circle was de-commissioned, and subsequently served as a sewage collection tank. (Refer to Figure 2-10)

As of 2006, the treatment capacity was 13,200 gallons per day, which has since been updated to 16,000 gallons per day.

Three engineering reports were previously prepared for the District: 1) the 'Ritterman Associates Report' in 2007; 2) the Winzler & Kelly Consulting Engineers Report' in 2006; and 3) the 'Lescure Engineers, Inc. Report' in 2010. The current Board of Directors has re-reviewed these reports in consultation with the Plant Operator and determined that a majority of the recommendations in these reports are no longer valid or necessary.

Two components analyzed in these reports related to the collection system and the disposal system, are being implemented as follows: 1) properly operating the disposal system (including rotating the dispersal of processed effluent through the existing eight leach lines); and 2) eliminating infiltration and intrusion (I&I) from stormwater into the collection system. (Steve Clouse, Board President; personal communication)

The District works to ensure the integrity of its system via testing and other measures including continual maintenance and monitoring, video camera inspection of lines, and locating and eliminating 'wet areas' where leaks are present. Through a series of 'mini-projects' (average cost of $15,000), the District is replacing worn-out lines. The most recent mini-project was replacing a 300-foot section of pipe in the southerly portion of the District.

The District is also working to identify storm water intrusion sources. Through another series of small projects, the District has been working toward eliminating the intrusion problem. The District has also installed backflow prevention devices in each residential lateral, and has added two generators at each pump station in case of a power outage.

Currently, the District is making system improvements including replacing aged pipes. CSWD has noted that its existing facilities are sufficiently sized to accommodate a total of 75 residential dwelling units.

According to Charles Reed, Engineer with the North Coast Regional Water Quality Control Board (NCRWQCB), the District should report its determinations with respect to the recommendations in the three engineering reports, as well as work completed or underway to the NCRWQCB.

PERMITS AND COMPLIANCE HISTORY

CSWD is regulated under two separate permits: 1) Waste discharge Requirements Order No. 82-76; and 2) an old order that regulates the collection, treatment, and disposal of wastes within the District. The District is also enrolled under the Statewide General Waste discharge Requirements for Sanitary Sewer Systems (State Water Board Order No. 2006-0003-DWQ). This order regulates the District's sewage collection system (pipelines, pumps, intermediate septic tanks, etc.) up to the point where sewage enters the main septic tanks.

As indicated on page 9, The District experienced flows in excess of the permitted discharge of 13,200 gallons per day. Flow exceeding 13,200 gallons per day also occurred routinely during wet weather from 2000 to 2008. There have been no reported flow violations since 2006, perhaps due to lower than average seasonal rainfall (Charles Reed, Engineer, NCRWQCB; personal communication)

With respect to State Water Board Order No. 2006-003-DWQ, the District is not in compliance with this permit which requires the preparation and implementation of a Sanitary Sewer Management Plan (SSMP) for the wastewater system. The SSMP also requires an Operation and Maintenance Program, a Fats, Oils and Grease (FOG) Program, and a System Evaluation and Capacity Assurance Plan, all in accordance with minimum requirements specified in the Water Board Oder. In addition, the District is required to provide monthly 'No Overflow' certifications to the California Integrated Water Quality Management System spill database. (Charles Reed, Engineer, NCRWQCB; personal communication)

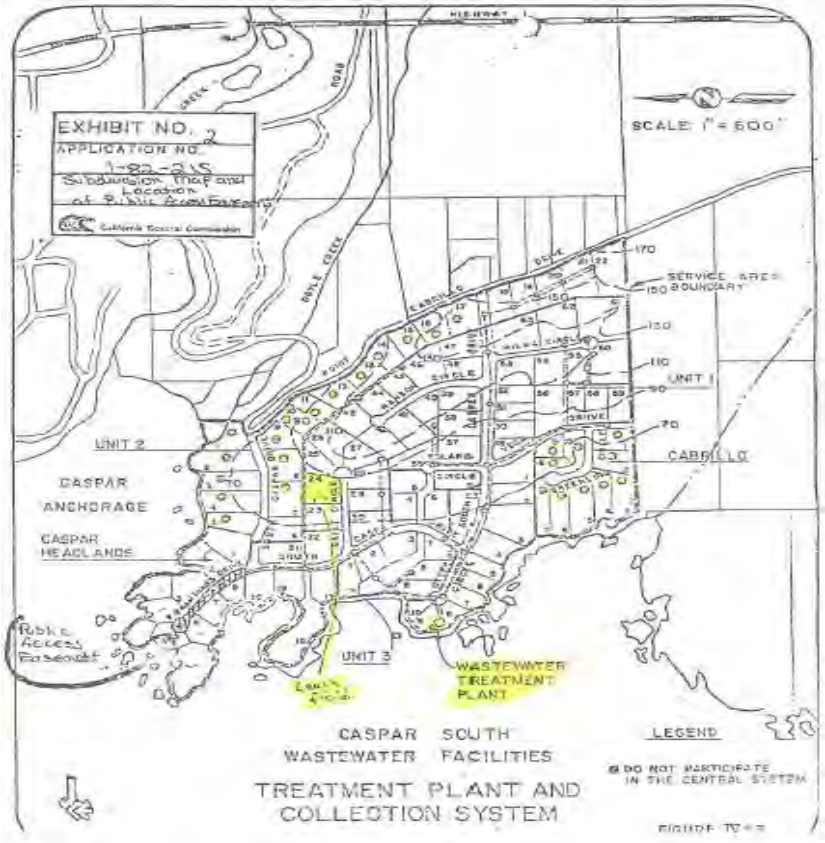
OPPORTUNITIES TO SHARE FACILITIES

The District does not currently jointly own or share facilities or services with other agencies. There are no areas in or near the District boundaries that would be better served by a different agency. The District does not participate in any mutual aid agreements. The District does not belong to or participate in any joint power authority or joint decision-making efforts.

In the past, CSWD did explore options to merge with the Caspar South Service Company (the private water service provider for the Caspar South Subdivision). However, that turned out to be an unfeasible option partly because the Caspar South Service Company is a private corporation. There are no other service providers/agencies/districts in geographic proximity, which makes sharing facilities with another organization unlikely.

The District does not participate in an Integrated Regional Water Management (IRWM) Plan. Participation in these types of joint planning activities often offers opportunity to pursue joint grant applications and to leverage other community resources, and it might be beneficial to the District to consider participation in future IRWM efforts.

FIGURE 2-10: CSWD FACILITIES MAP



CHALLENGES

To continue providing a high quality service, the District needs the cooperation of parcel owners and their understanding of the constraints of this engineered system. For example, some parcel owners have piped rooftop and storm water drainages into the wastewater collection system illegally. To compound this issue, there is some water intrusion into the system. The District is working to identify these areas and will remedy the situation as soon as possible.

SERVICE ADEQUACY

The provision of wastewater treatment and disposal services to the customers located in the District's boundaries appears to be sufficient. There have no major service outages reported. The District works to overcome significant barriers including geographically isolation, small size, and the need for volunteers to primarily run the enterprise. In 2006, the then District Manager identified several other challenges including repair and upgrades of an aged system, and wastewater recycling and the use of 'grey' water.

SECTION 2-3 DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

1. The estimated number of residents served by Caspar South Water District varies, depending on the season; from 62 people during the low occupancy season, up to 185 people during the high occupancy season.
2. It is not likely that the population within the District's boundaries/SOI will grow significantly, or that the District will see an increased demand for wastewater services beyond the current design capacity of the system.
3. A significant increase in the capacity to collect, process, and dispose of wastewater for the system would be required to expand service provision. Such an expansion would require additional land for additional leaching capacity.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

4. CSWD was established in 1978 to provide wastewater/sewage collection, treatment, and disposal service.
5. CSWD consists of a total of 105 acres and has the ability to serve up to 75 residential units within its boundaries.
6. The CSWD sewage processing facility is located within its boundaries.
7. The CSWD system has sufficient capacity to serve existing connections as well as future connections for nine additional residential units.
8. The District reported that the sewage processing system is in good condition, and is operating properly now that effluent is being discharged on a rotating basis to the leachfield from the eight discharge pipes.
9. Through a series of improvement projects, the District is eliminating infiltration and intrusion from stormwater runoff.
10. Expansion of wastewater collection, processing, and disposal service would require significant infrastructure upgrades in the system capacity.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

11. The CSWD is funded through new connection service charges and annual assessments.
12. The District should establish and fund a Capital Improvement Plan.
13. Rates should continue to be reviewed and adjusted as necessary to fund District costs and provide for capital improvements as needed.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

14. CSWD does not presently practice facility sharing due to its geographic isolation and limited **availability** of suitable partners.
15. No opportunities for shared facilities have been identified at this time.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

16. CSWD demonstrated accountability through extra efforts by the new Board of Directors to provide information requested by LAFCo for preparation of this MSR.
17. Board meetings are publically noticed and do comply with the Brown Act, California's open meeting law.
18. Because there is no District office, official records and files appear to be in various locations. It is considered necessary for the District to establish a central depository for District records, perhaps at the accountant's office in Mendocino.
19. The District practices cost reduction through careful purchasing, bidding processes, and other mechanisms.
20. In the short-term, no additional cost avoidance opportunities have been identified at this time. In the long-term future, the District could explore the use of new technology to develop and capture renewable energy to reduce its annual expenditures on utility costs.
21. No boundary changes are pending or proposed at this time.
22. CSWD follows standard accounting procedures and has engaged an accounting firm to manage District revenues and expenditures. This will result in better financial record keeping and more frequent financial reports to the Board and the constituents.
23. CSWD Board of Directors holds public meetings on the fourth Saturday of the month as necessary. All property owners should receive notice of Board meetings by e-mail at least 72-hours in advance.
24. All Board Members have access to CSWD data, records and information.
25. Accountability to residents in the District could be improved by improving constituent outreach efforts, including building a website.
26. The District does not currently have a strategic plan that outlines its mission statement, vision statement, and goals and objectives. Such a strategic plan could help the District improve upon 1) planning efforts, and 2) accountability and transparency.
27. The District's wastewater processing facility, equipment, and property are located inside of District boundaries.
28. The District is not in compliance with Statewide General Requirements under Order No. 2006-0003-DWQ, including the preparation of a Sanitary Sewer Management Plan (SSMP) and associated plans and programs.
29. The District does not currently participate in an Integrated Regional Water Management Plan. Participation in these types of collaborative planning efforts may benefit the District by connecting it with other similar community leaders and by providing notice of upcoming grant opportunities.
30. This Municipal Service Review shall be reviewed by LAFCo 12-months from adoption in order to evaluate the District's operations and compliance with regulatory requirements. In particular, LAFCo will look for the District initiation process to develop a Capital Improvement Plan and a Sanitary Sewage Management Plan.

MENDOCINO **Local Agency Formation Commission**

Ukiah Valley Conference Center ◊ 200 South School Street ◊ Ukiah, California 95482
Telephone: 707-463-4470 Fax: 707-462-2088 E-mail: eo@mendolafco.org Web: www.mendolafco.org

January 4, 2016

ADDENDUM

Caspar South Water District MSR One Year Review

Review

At the December 1, 2014 meeting, the Commission approved the Caspar South Water District (CSWD) section in the Countywide Water and Wastewater MSR, contingent upon a review by LAFCo 12 months after adoption as reflected in Determination #30 of the document, which states:

> *This Municipal Service Review shall be reviewed by LAFCo 12-months from adoption in order to evaluate the District's operations and compliance with regulatory requirements. In particular, LAFCo will look for the District initiation process to develop a Capital Improvement Plan and a Sanitary Sewage Management Plan.*

Staff contacted the CSWD and the Board's president, Mr. Clouse, discussed the current status of a Capital Improvement Plan (CIP), a Sewer System Management Plan (SSMP), as well as other details regarding compliance with regulatory requirements, infrastructure upgrades, system capacity and current connections. Mr. Clouse explained that since the 2014 MSR adoption, the District has worked to implement both a CIP and SSMP. The District has an internal plan focusing on aging infrastructure, though it is not specifically called a Capital Improvement Plan. As part of this plan, CSWD has been monitoring, prioritizing and upgrading infrastructure. The process is ongoing and to date, CSWD's average daily flow has been reduced by 50% compared to pre-2014 flows due to replacement and/or maintenance of system. Additionally, they have hired a licensed chief plant operator who monitors the system on a weekly basis, which also contributes to reduced flows. The new chief plant operator is in the process of preparing a SSMP for the North Coast Regional Water Quality Control Board. The District also sends monthly wastewater and lift station reports to the Regional Water Quality Control Board.

Following the 2014 MSR, the District's sphere of influence was evaluated in November of 2015 and updated to remain coterminous with District boundaries. The adopted sphere considered the flow capacity of the District's system and the ongoing maintenance and upgrades to infrastructure. This action demonstrates that there is no anticipated need for the agency's services outside its existing boundaries based on service demand and current design capacity of the system.

Action

This report represents a review of District operations subsequent to the 2014 MSR and fulfills determination #30 in that report. Upon review of this report at its January 4, 2016 meeting, the Commission directed that this report be made into an addendum to the 2014 MSR.

CHAPTER 3 ELK COUNTY WATER DISTRICT

SECTION 3.1 AGENCY OVERVIEW

PROFILE

Elk County Water District

Type of District:	Water District	
Principal Act:	California Water Code Section 30000 *et seq.*	
Functions/Services:	Water: treated and raw	
Main Office:	ECWD c/o Greenwood School, 5150 S Highway 1, Elk, CA 95432	
Mailing Address:	PO Box 195, Elk, CA 95432	
Alternative Address:	6129 S Highway 1 Elk, CA 95432	
Phone No.:	(707) 877-1800	
Fax No.:	(707) 877-1833	
Web Site:	www.elkweb.org/ec_water_disctrict.php	**Email:** cacker@mcn.org
General Manager:	Charlie Acker, Manager	**Email:** cacker@mcn.org
Alternative Contact:	Norman de Vall, Board Member P.O. Box 54, Elk, CA 95432	**Email:** ndevall@mcn.org
Meeting Schedule:	First Wednesday of each month at 6:30 PM	
Meeting Location:	Greenwood School, 5150 S Highway 1, Elk, CA 95432	
Date of Formation:	April 22, 1957	
Principal County:	Mendocino County	

OVERVIEW OF DISTRICT

The Elk County Water District (ECWD/District) provides water service, including both treated and raw water. This is the first Municipal Service Review for the District.

TYPE AND EXTENT OF SERVICES

The District provides treated water services to 100 parcels and raw water to one parcel. ECWD also maintains a hydrant system, thereby providing fire flows for the local fire district.

LOCATION AND SIZE

The District encompasses the unincorporated community of Elk which is located 16.7 miles south of the town Mendocino along Hwy 1 in the coastal zone. ECWD's boundaries encompass 0.2 square miles (127.7 acres). The community of Elk is the socioeconomic center of the District area and it includes a community center, Greenwood Elementary School, post office, two churches, a store, an art center, three restaurants, visitor center, and several bed & breakfast inns.

Formation and Boundary

On April 22, 1957 the Mendocino County Board of Supervisors issued a "Statement of Creation" which served to form the Elk County Water District, under the provisions of the California Water Code, Division 12, for the primary purpose of providing water to customers in the unincorporated community of Elk in the County of Mendocino.

Boundary History

At the time of formation, there was a boundary map contained in an "Exhibit A." However, Exhibit A was not provided to LAFCo, nor does LAFCo have archived records for ECWD. Neither LAFCo nor ECWD records show whether there have been any changes to the District boundaries since its original formation. For this MSR, County staff developed a map using available GIS data, which shows the District's current boundary as shown in Figure 3-1: Elk County Water District Map.

Sphere of Influence

LAFCo files and ECWD files do not contain any records of the establishment of a Sphere of Influence (SOI) for the District. ECWD indicates it does provide water service to customers located outside the District boundary but inside what the District considers to be its "service area"; however, it is not clear whether the "service area" is related to an SOI. ECWD notes that its existing "service area" is adequate for addressing future needs.

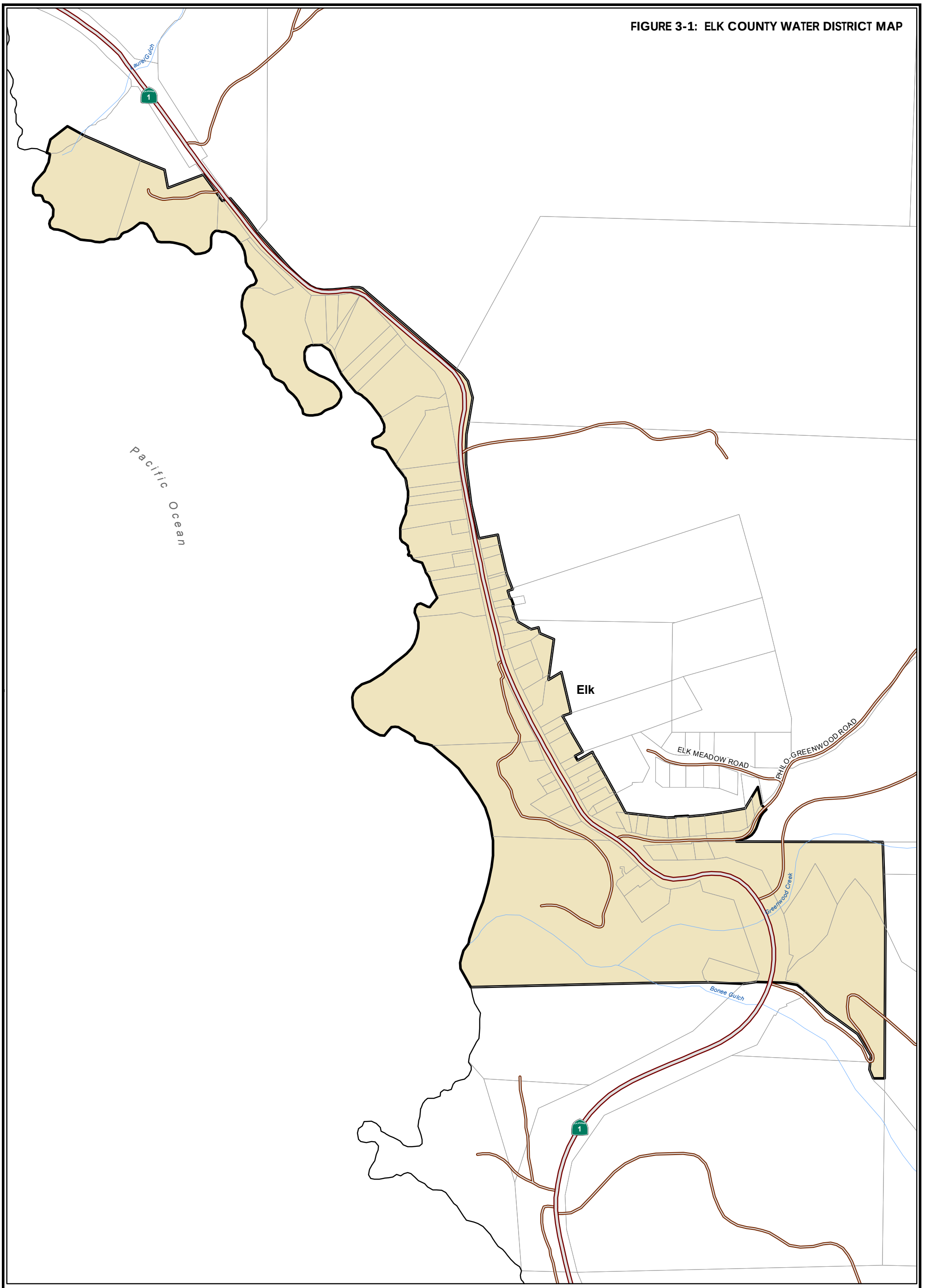
Extra-territorial Services

ECWD provides out-of-area service to an area east of Highway 1, including the Community Center and Firehouse as well as one residential subdivision along Elk Meadows Road. The District also serves several parcels extending approximately 1.1 miles south of the ECWD boundary along highway 1. ECWD provided a map of its service area, which is shown in Figure 3-9. In addition, the 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 tank with pressure system is also located outside of and east of District boundaries. ECWD also has surplus water agreements and supplies surplus water to a water delivery truck.

Areas of Interest

Those out-of-area properties receiving water service from the District, as well as District facilities (treatment plant and water storage tanks), and the Community Center and Firehouse are considered areas of interest. These areas should receive consideration from LAFCo when establishing the District SOI.

FIGURE 3-1: ELK COUNTY WATER DISTRICT MAP



Elk County Water District

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, September 2013.

Note: This map is not a survey product.

Elk County Water District
Parcels
Highways
Roads
Streams

250 125 0 250
Feet

ACCOUNTABILITY AND GOVERNANCE

The District is governed by a five member Board of Directors, generally elected at large to staggered four year terms by registered voters within the District boundaries. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election, as has been the case for ECWD. The current Board Members, positions, and terms are shown in Figure 3-2.

FIGURE 3-2: SUMMARY OF ECWD BOARD MEMBERS

MEMBER NAME	POSITION	TERM EXPIRATION	MANNER OF SELECTION	LENGTH OF TERM
Gerald Huckaby	Director	December 2015	Appointed	4 years
Anthony R. Cook	Director	December 2017	Appointed	4 years
Norman de Vall	Director	December 2015	Appointed	4 years
Kirk H. Handly	Director	December 2017	Appointed	4 years
Denise Georganas	Director	December 2017	Appointed	2 years

Regularly scheduled meetings are held on the first Wednesday of each month at 6:30 PM. Meetings are held at Greenwood Elementary School, 5150 S Highway 1, Elk, CA 95432.

Board members are volunteers and do not receive compensation. All meetings agendas are publicly posted at least three days prior to Board meetings in four locations: Community Center, Elk Store, Elk Garage, and Elk Post Office. Meetings are conducted in adherence to the Brown Act rules. Meeting packets are hand delivered to Board Members and made available to the public as requested. All Board Members have access to ECWD data, records and information.

Complaints may be directed to the District Manager. The District noted it had received four complaints in 2011 and 2012, which were related to concerns regarding chlorine taste and odor.

The District does not currently have a strategic plan that outlines its mission statement, vision statement, and goals and objectives. However, they do plan to replace pipelines by zone and priorities, which in effect is a Capital Improvement Plan (CIP). A more formal strategic plan could help the District improve upon planning efforts, accountability, and transparency.

In addition to being accountable to its Board and customers, ECWD is also accountable to various permitting agencies. Since the Coastal Area contains sensitive habitat, there are many local, state and federal regulations governing water withdrawal, use, and discharge, such as:

- Federal Safe Drinking Water Act (Established 1974);
- California State Resources Control Board; and
- California Safe Drinking Water Acts (Established 1976).

In addition to the above regulations, the Mendocino County General Plan contains several policies that relate to water resources and although these don't directly apply to ECWD, they do indicate the intent of the County in managing water resources.

The ECWD has obtained permits from, and reports annually to, the Water Resources Control Board (WRCB). ECWD also reports monthly and annually to the California Department of Public Health (DPH), now the Division of Drinking Water Programs of the State Water Resources Control Board

When the DPH issued a water supply permit to ECWD, it included 61 of conditions of approval. While ensuring that these conditions are met is the responsibility of DPH and ECWD, a few conditions are described here so that LAFCo has an understanding of the type of items that are required:

- Complete a watershed sanitary survey by December 2012;
- Update the Master Plan by December 2012 ; and
- Perform bacteriological and chemical monitoring.

These conditions have been complied with, and the District is currently meeting the requirements of its water supply permit.

MANAGEMENT EFFICIENCIES AND STAFFING

An Organization Chart for the District is shown in Figure 3-3. Day-to-day operations are managed by the District Manager. The position of District Manager is combined with the position of Water Treatment Plant Operator (WTPO) so that one person performs both sets of duties. ECWD has a defined job description for the District Manager/WTPO, which includes: 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.

In addition to the District Manager position, the District employs three part-time positions: a Secretary; a Treatment and Distribution Operator; and a third licenses Distribution Operator/Maintenance Worker. Including the District Manager, the District employs 2.5 full time equivalent (FTE) positions.

POPULATION AND GROWTH

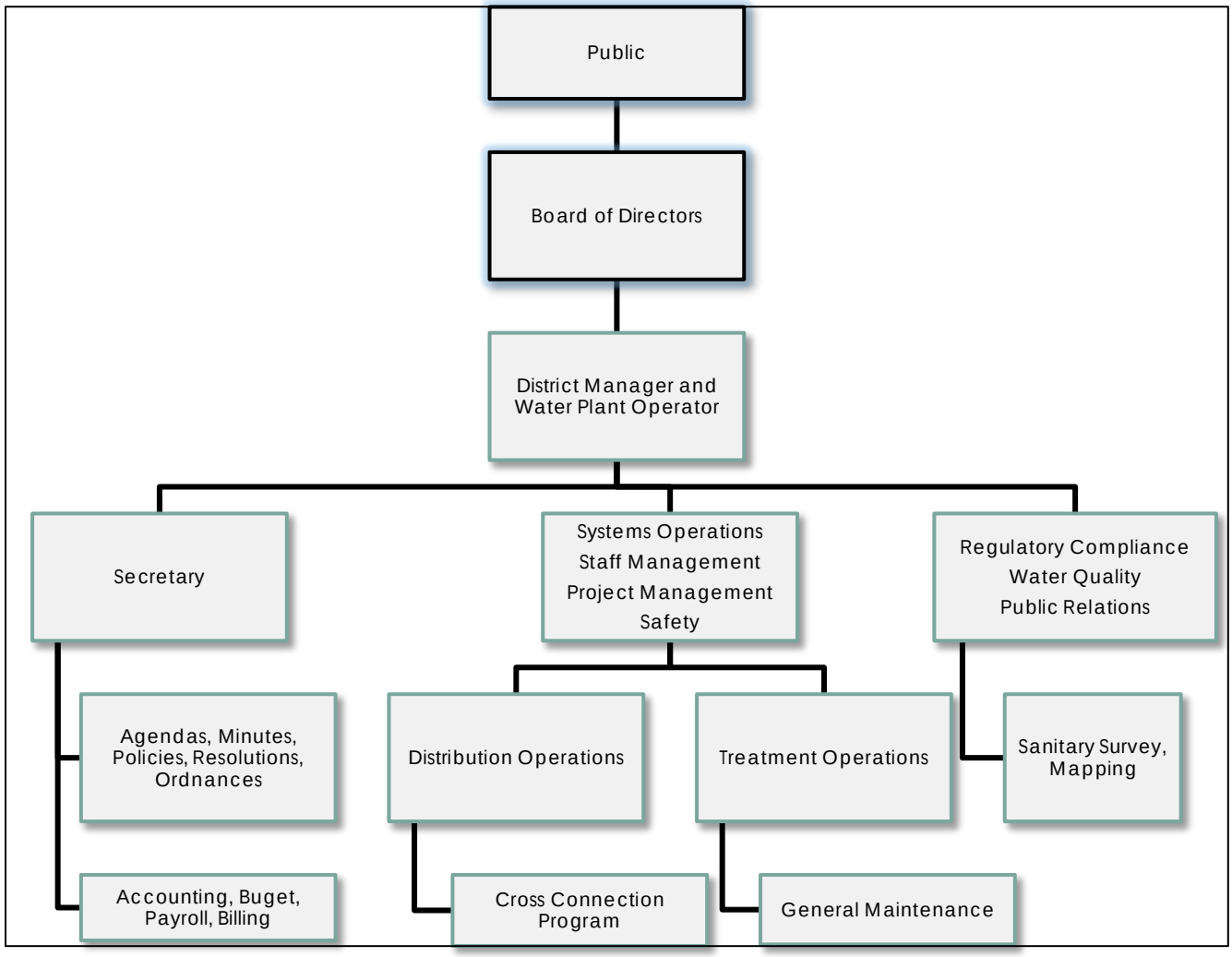
POPULATION

The District currently serves 80 residential dwelling units. Based on the County average of 2.46 persons per household, the estimated population within the District Service Area is 197 persons. However, approximately 12 residential customers are outside the District boundary, thereby reducing the District population to approximately 167 persons.

PROJECTED GROWTH AND DEVELOPMENT

Future population is often related to growth and development which is subject to land use approvals from Mendocino County. The primary land-use type within the District's boundaries is residential. The Mendocino County Zoning Ordinance is the primary guide for future development of the area. The community of Elk and surrounding areas are located in the County's Coastal Zone and the predominant zoning designations are Rural Residential, Rural Village, and Open Space. Additionally, the goals and policies of the Local Coastal Program (LCP) are applicable.

FIGURE 3-3: ORGANIZATION CHART FOR ECWD



ECWD noted that the anticipated growth rate in the Service Area is limited to approximately six residential lots that could be developed as infill. These lots, when developed, will generate an additional 15 residents. Although the District does not prepare service demand projections for the future, they have indicated that they see demand for water to be fairly steady over the next 20 years.

Disadvantaged Unincorporated Communities

LAFCo is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income.

Elk County Water District is a portion of the community of Elk. However Elk is not a 'census designated place' (CDP), therefore the median household income amount is not available.

Even if the Elk community qualified as a DUC, there are no indications that water service from ECWD is substandard, or does not meet safe drinking water standards.

FINANCING

Elk County Water 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 financial statement, which includes an independent auditor's report. The District utilizes a proprietary fund with a focus on economic resources measurement and an accrual basis of accounting. In this proprietary fund, operating revenue is distinguished from expenses and from non-operating items. The District reported that current financing levels are adequate to deliver services presently. The District provided a copy of their Audited Financial Statement for fiscal years ending June 30, 2012, 2011 and 2010. Key findings of the financial statement are shown in Figure 3-4. The Audits reported "no reportable items" and "no items of material weakness." The audit also offered recommendations for further improvement including:

- Minutes of Board meetings with closed sessions should reflect required reporting and functional rules such as the time closed session started and reporting out afterward.
- Agendas for Board meetings should note closed sessions and provide time for public reporting (if required).
- Budget workshops should generally occur during an open public meeting.
- Supporting documents and manual documents should be reconciled to financial reports.
- The Board of Directors should continue to maintain close oversight of District operations.
- ECWD should consider developing and implementing a capitalization policy to provide guidance about expenditures which can be expensed rather than carried on a depreciation schedule.

FIGURE 3-4: KEY FINDINGS OF AUDITED FINANCIAL STATEMENT

FISCAL YEAR	NET ASSETS	WATER REVENUES	OPERATING EXPENSES
2009-2010	+1%	-14%	-6%
2010-2011	-2%	-10%	26%
2011-2012	-6%	13%	53%

Revenues

ECWD has two primary sources of revenue: water sales, and water service charges. The largest revenue source is water sales, as shown in Figure 3-5.

Figure 3-5: ECWD BUDGET INFORMATION FOR FY 10-11, FY 11-12, AND FY 12-13

	FY 10-11		***FY 11-12***		***FY 12-13***	
Revenues						
Water Sales	$65,667	70%	$68,728	65%	$74,249	66%
Water Service Charges	28,089	30%	33,095	31%	30,145	27%
Rents & Leases			2		2	
Taxes & Assessments						
Intergovernmental						
Interest Income	345		158		283	
Other Non-Operating Revenue			4,300	4%	8,258	7%
Total Income	***$94,101***	100%	***$106,283***	100%	***$112,652***	100%
Expenditures						
Source of Supply	$2,145	3%	$7,274	6%	$2,283	3%
Pumping	5,387	7%	4,543	4%	4,531	5%
Water Treatment	24,454	30%	30,183	25%	26,868	30%
Transportation & Distribution	16,660	20%	35,502	29%	9,801	11%
Administration & General	30,204	37%	29,669	25%	35,409	39%
Other Operating Costs	2,215	3%	13,552	11%	11,194	12%
Non-Operating Costs						
Total Expenses	***$81,065***	100%	***$120,723***	100%	***$90,086***	100%
Net Income (or Loss)	***$13,036***		***($14,440)***		***$22,566***	
Depreciation & Amortization	$18,658		$18,650		$18,700	

Fiscal Year 2010-2011 was a wet water year with a high amount of natural rainfall, which corresponded with a decreased demand for water service since less water was needed for gardening and other outdoor purposes. Consequently, ECWD received less income from metered water sales that year. Additionally, surplus water sales were reduced as work to refurbish ECWD's primary water storage tank resulted in less water being stored and therefore less water was available to sell as surplus.

Revenues in FY 2011-2012 increased over the previous year partly due to the sale of some fixed assets and new revenue from the Cross Connection program.

EXPENDITURES

Expenditures increased significantly during the years 2009 to 2012 between FY 10-11 and FY 11-12 as shown in Figure 3-5. During the years 2009 to 2012, the District has faced rising costs on numerous fronts including infrastructure, water quality, and regulatory reporting. Operating expenses in FY 2010-2011 and FY 2011-2012 increased significantly mostly due to problems encountered during refurbishment of the District's largest water storage tank. The painting and refurbishment of the tanks should add another 20 years to its life. Due to this project, the reserve fund was depleted by approximately $37,000. Since reserves were used, no debt was incurred.

Additionally, Caltrans work to improve the Highway 1 Bridge over Greenwood Creek disrupted the District's wells and two new wells had to be drilled. The cost for these wells resulted in expenditures that were higher than previous years. Collecting water samples, laboratory analysis of the samples, statistical analysis of water quality data, and reporting of water quality testing results have become more expensive over the years; thereby contributing to increased expenditures. The DPH's annual reporting requirements have also gotten more detailed and this contributes to the District's increased costs.

In FY 2011-2012, ECWD made several improvements to its infrastructure including replacing a pipeline under Highway 1 and installing a new fire hydrant in town. These infrastructure improvements are reflected as increased expenditures for this fiscal year. The District has replaced aging pipe in three major sections of the District so far, and has one more large and costly section (under pavement) left to complete.

The District has been collecting a "system charge" monthly (currently at $13.85) 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 in this way in order to avoid having to incur debt.

Other costs which have affected the District include the installation of an aeration system which utilizes a lot of electricity, resulting in higher PG&E costs for electric use. An old electronic monitoring system was discontinued and a new electronic system has been installed. ECWD does not have a depreciation policy but the District has a Reserve Savings account which is allocated 7 percent of the last rate increase of 10 percent. The goal is to slowly build up reserves to offset depreciation. ECWD has no outstanding debt and they have never defaulted on repayment of any bonds or other debt.

Over this period of time, the District has been balancing its operating expenses by utilizing reserves. According to the FY 2011-12 Audit, the District's reserves as of June 30, 2012 were $97,939.

RATE RESTRUCTURING

The District adopted a "Rate and Distribution of Cost" Ordinance in December 2003 and updated the Ordinance in 2012. The impetus for the development of the Ordinance was the passage of Proposition 218 and the development of a Master Plan for the District by consultants Brelje + Race Engineering Company. Based on the Master Plan, 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 Post Office, Store, etc. Restaurants are assessed a certain percentage of an RUE per seat, Bed and Breakfast Inns are assigned a certain percentage of an 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 generally a one-time fee. Monthly service fees are based upon a system charge of $13.85 per month per RUE, plus a metered usage fee of $6.30 per 1,000 gallons of water. District Resolution 2012-02 provides a mechanism to adjust the price of the connection fee based upon inflation and a cost index of 2 percent per year. In the year 2012, the connection fee was $3,817.00.

The District does not have an adopted Capital Improvement Plan; however, they do maintain a Capital Reserve Account.

COST AVOIDANCE

ECWD continuously works to lower expenses and/or improve services at the same costs. For example, infrastructure replacements are funded using a small "replacement cost" added to each water bill. About $25,000–$30,000 per year is accumulated and utilized to replace pipe and facilities. This "debt free" approach saves many thousands of dollars in financing costs.

To reduce operational costs, most projects are completed "in-house." If it is necessary to retain contractors for specific tasks, they are chosen carefully using a bidding process. ECWD reduces insurance costs through participation in pooled insurance through Golden State Risk Management Authority. The District also practices cost reduction through careful purchasing.

3.2 DISTRICT SERVICES

SERVICE OVERVIEW

The District pumps and treats groundwater to provide water service to 101 customers (parcels) within its service area. A map of the District's service area showing the relationship with the two wells is shown in Figure 3-9.

SUPPLY

The water supply for the District is groundwater which is obtained from a new well located adjacent to Greenwood Creek. The well is located within the Greenwood Creek Watershed. Greenwood Creek is a trout stream which originates high in the Coast Range at an elevation of 2,300 feet, descending to sea level where it drains into the Pacific Ocean. The 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 ECWD well is relatively shallow, it's likely that the groundwater table is relatively close to the surface and hydrologically connected to surface water. Portions of ECWD's service area are designated a Critical Water Resource area by the CA Department of Water Resources (DWR) in the 1982 Coastal Groundwater Study.

The District does not have another source of water, other than the new well, and does not have any water supply purchase agreements to purchase water from other sources. ECWD has water right permits at Greenwood Creek for approximately 41 gpm and Bonee Gulch for about 13 gpm). ECWD submits monthly reports to the DPH, which describe the amount of raw water pumped, the amount of water treated and the results of various water quality tests including turbidity and pH. Refer to Figure 3-8 for well purpose and status.

ECWD pumped a total of 9 million gallons in 2009, 6.5 million gallons in 2010, and 11 million gallons in 2011 from the two original wells. Water diversion (pumping) declined by approximately 32 percent between 2009 and 2010; however, water pumping increased significantly from the year 2010 to 2011, going up by 59 percent. During the summer months (June, July, and August) of 2011, the average amount of water pumped was 786,992 gallons per month. In January 2011, the District pumped almost 4.5 million gallons of water, which was quite high compared to the remaining months and accounted for 39 percent of the annual water diversion.

DEMAND

The District defines a customer as a "parcel" that is served by the water system, and is tracked by name and address. The District currently has approximately 101 customers, of which 80 customers are residential uses. One customer, a local nursery, receives raw water.

In 1982, DWR estimated that average per capita water use in coastal Mendocino County was 180 gallons per day. However, for this MSR the calculated actual water demand by ECWD was approximately 123 gallons per day per capita in 2012. (Average annual use of 8.9 million gallons divided 365 days/year and divided by 197 people).

ECWD's system has a water permit from the Water Resources Control Board for the Greenwood Creek source of about 41 gpm. Filter plant capacity is about 42 gpm. Actual use is approximately 26 gpm average maximum. The District does not have any plans to increase the capacity of the system.

The District encourages water conservation through metering water and pricing. Metering allows customers to track their water use. High water costs encourage reduced usage. ECWD does not have any outstanding "will serve" letters for new/proposed development. Water demand for districts are typically impacted by new housing and/or commercial development occurring within the District that could result in an increased water use. The community of Elk is an isolated community with little growth projected. Demand for water from ECWD is not expected to increase significantly over the next few years.

INFRASTRUCTURE AND FACILITIES

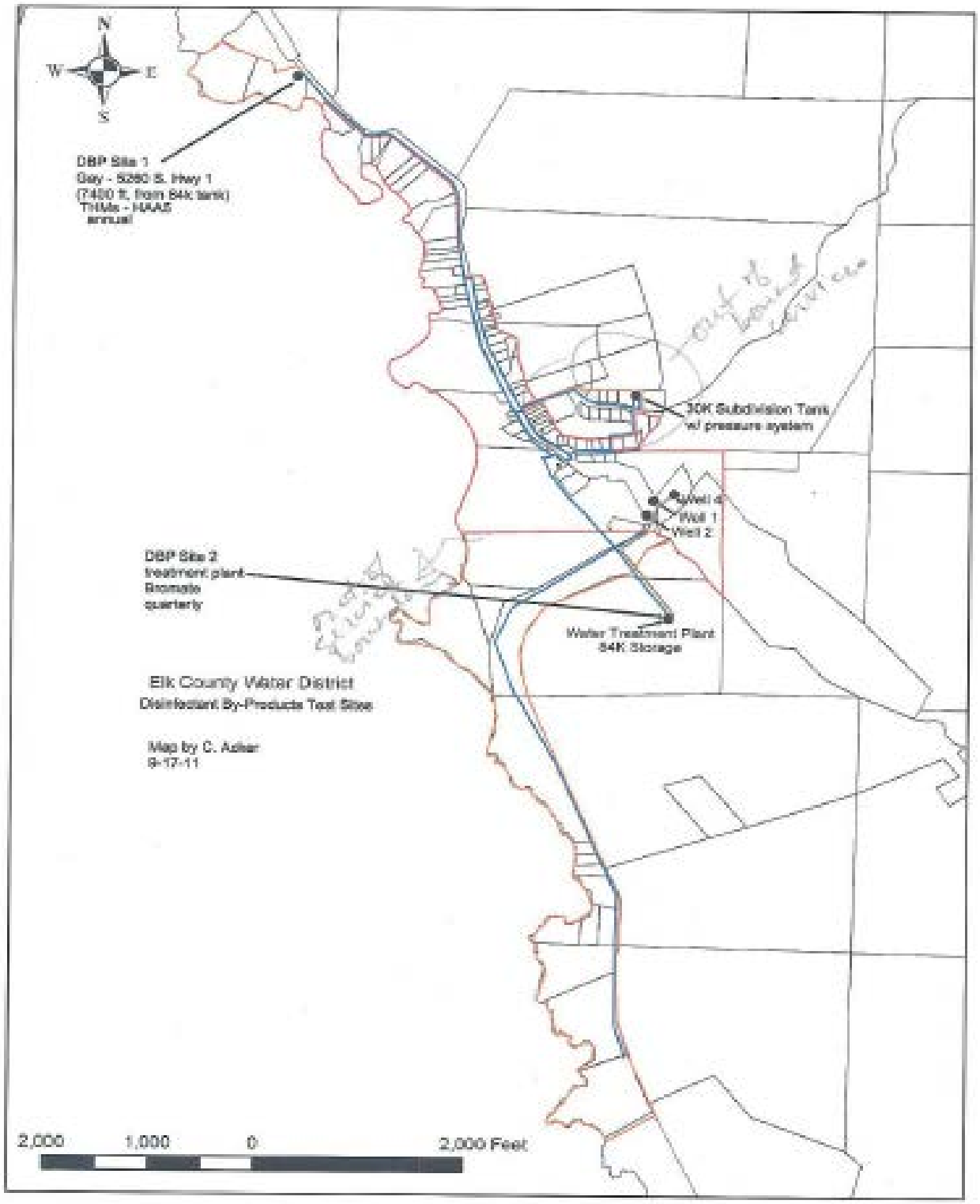
ECWD's water system is classified as a 'community water system' and includes a water treatment plant (WTP), one well, and several miles of pipeline. (Refer to Figure 3-9) The WTP uses direct filtration to remove 99 percent of *Giardia lamblia* cysts and 90 percent of viruses. The District does not own any major equipment. The District owns the following infrastructure:

- water treatment plant;
- two water storage facilities – 30,000 and 84,000 gallons
- pipes;
- One new supply well;
- parcel of land where the well is located (one parcel is owned and ECWD has an easement over the second parcel); and
- parcel of land that houses a storage shed, community center, and volunteer fire station.

FIGURE 3-8: DETAILS ON ECWD WELLS

WELL NUMBER	PURPOSE OF WELL IN 2011	STATUS OF WELL IN 2013
1	Active shallow well that supplies water to ECWD	Deactivated
2	Active shallow well that supplies water to ECWD	Deactivated
3	New well to replace Wells 1 & 2	Activitated

FIGURE 3-9: ECWD SERVICE AREA IN RELATION TO PLANT, TANKS, AND WELLS



In the spring of 2012, Caltrans replaced the Hwy 1 Bridge over Greenwood Creek, the construction of which necessitated the de-activation and capping of ECWD's two water wells that had been located beneath the bridge. Well No. 1 is now being prepared for service and should be back on line in a few months. It does not appear to be feasible to re-establish these wells. Associated with the well deactivation was the removal of District water supply lines and other pipes. In preparation for this work, ECWD had drilled a new well, which required additional permits, water quality testing, and new pipeline for connection to the water storage tank.

The new replacement well requires continual maintenance and the District works to keep it flowing at an efficient capacity by cleaning and purging iron deposits which otherwise limit flow. The District identified pipelines as an infrastructure deficiency and pipe replacement is currently ongoing.

Water is distributed by ECWD through several miles of pipeline. The water is piped from its water storage tank to customer homes. Several of the pipes run under Highway 1.

OPPORTUNITIES TO SHARE FACILITIES

The ECWD works closely with local community groups and the Elk County Community Services District (volunteer fire department) to facilitate positive interactions to best serve the needs of the small community of Elk and surrounding area. ECWD owns a parcel of land in Elk and shares this parcel with the Greenwood Community Center and the Volunteer Fire Department.

There are no areas within the District boundaries that might be more efficiently served by another agency. The District does not maintain any aid agreements with other agencies. New facility needs have not been identified.

CHALLENGES

Projects or impacts to Greenwood Creek have the potential to negatively affect the District's water supply. For example, a project to replace the Greenwood Creek Bridge resulted in temporary impacts to the District.

SERVICE ADEQUACY

The District focuses its efforts to the provision, processing, and distribution of water to its 101 customers. The ECWD system has sufficient capacity to serve existing connections. The District reported that the treatment plant is in good condition. The District recently refurbished its water storage tank and recently replaced its water wells. Water services offered by the District appear to be adequate based on the low number of complaints, moderate rates, and good water quality. The District actively maintains its equipment and facilities, thereby extending the expected life cycle. In summary, ECWD's infrastructure is adequate to pump, treat and distribute ~~of~~ water for the next several years.

Currently, the District provides service to a number of customers located outside its boundaries.

SECTION 3-3 DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

1. The number of residents served by ECWD is estimated to be 197. This is based upon the number of residential connections and average household size in the County, and includes 12 residential customers outside the District boundary.
2. The District anticipates limited population growth in the future.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

3. ECWD was established in 1957 to provide water service including pumping, processing, and distribution.
4. The Mendocino County Board of Supervisor**s** issued a Statement of Creation on April 22, 1957 to establish the District.
5. The District's water treatment facility as well as a 30,000 gallon water storage tank, an 84,000 gallon water storage tank, and the Community Center/Fire Station are all outside the District boundary.
6. The ECWD system has sufficient capacity to serve existing connections.
7. The District reported that the water treatment plant is in good condition.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

8. The ECWD is funded through service charges and fees.
9. Operating costs have been rising the past few years due to infrastructure expansion and replacement, increased costs associated with more stringent water quality requirements for sampling and analysis, and due to more reporting to regulatory agencies.
10. The District does not have an adopted Capital Improvement Plan. The District does however, maintain a Capital Reserve Account.
11. The District reported that the current financing level is adequate to deliver services presently.
12. Any new development that is built in the community will need to pay for any required improvements in order to to connect to the water system.
13. The District has an adopted rate structure.
14. Rates should continue to be reviewed and adjusted as necessary to fund District costs and provide for capital improvements as needed.
15. A recent audited financial statement offered comments for further improvement including:
    - Minutes of Board meetings with closed sessions should reflect required reporting and functional rules such as the time closed session started and reporting out afterward.
    - Agendas for Board meetings should note closed sessions and provide time for public reporting (if required).
    - Budget workshops should generally occur during an open public meeting.
    - Supporting documents and manual documents should be reconciled to financial reports.

- The Board of Directors should continue to maintain close oversight of District operations.
- ECWD should consider developing and implementing a capitalization policy to provide guidance about expenditures which can be expensed rather than carried on a depreciation schedule.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

16. ECWD does practice facility sharing as it shares a parcel with the local community center and volunteer fire department.
17. ECWD collaborates with local community organizations to post items on a community website at: www.elkweb.org/ec_water_disctrict.php.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

18. ECWD demonstrated accountability through its prompt disclosure of information requested by LAFCo for preparation of this MSR.
19. Board meetings are publically noticed and do comply with the Brown Act, California's open meeting law.
20. ECWD employs four part-time staff, with a total FTE (full time equivalent) of 2.5.
21. The District practices cost reduction by avoiding debt and associated interest charges; completing projects "in-house" rather than hiring contractors, which may be more expensive; and by participation in pooled insurance through Golden State Risk Management Authority.
22. In the short-term, no additional cost avoidance opportunities have been identified at this time.
23. The District's expenditures on electricity have been rising over the past few years. The District could explore the use of new technology to reduce its annual expenditures on utility costs.
24. The history of the District's boundary formation and possible boundary modification is not clear, partly because LAFCo does not have a historic or archived file for the District.
25. The administrative record is not clear about whether or not a sphere of influence was ever established for the District.
26. No boundary changes are pending or proposed at this time. However, the District does provide service to customers located outside its boundaries.
27. ECWD has surplus water agreements and supplies surplus water to a water delivery truck.
28. ECWD follows standard accounting procedures consistent with an 'enterprise' type District.
29. ECWD Board of Directors holds public meetings the first Wednesday of each month at 6:30 PM.
30. All Board Members have access to ECWD data, records and information.
31. The District does not currently have a strategic plan that outlines its mission statement, vision statement, and goals and objectives. Such a strategic plan could help the District improve upon 1) planning efforts, 2) accountability and transparency. However, the District does have an informal aim to replace aging pipelines in a methodical process by zone.

SECTION 4-1 AGENCY OVERVIEW

PROFILE

Gualala Community Services District

Type of District:	Community Services District
Principal Act:	California Government Code Section 61000 *et seq.*
Functions/Services:	Collection, treatment, and disposal of wastewater generated by hook ups within the service area, and maintenance of related facilities and equipment.
Main Office:	38851 California Hwy 1, Gualala, CA 95445
Mailing Address:	P.O. Box 124 Gualala, CA 95445-0124
Phone no.:	707-884-1715
Fax No.:	707-884-1782
Web Site:	None **Email:** gcsdoffice@wildblue.net
General Manager:	Jerry Orth **Email:** guacsd@wildblue.net
Meeting Schedule:	Third Thursday of each month at 5:30 PM
Meeting Location:	Elaine Jacob Center at 38550 South Hwy 1, Gualala, CA 95445. During the summer, Board meetings are sometimes held at the wastewater treatment plant located at 42455 South Hwy 1, Sea Ranch CA. 95497.
Date of Formation:	August 5, 1986
Principal County:	Mendocino County is the principal county for this District and Mendocino LAFCO is the principal LAFCO. In a few instances, services are provided within Sonoma County.

OVERVIEW OF DISTRICT

The Gualala Community Services District (GCSD/District) provides collection, treatment, and disposal of wastewater generated by connections within the service area and provides maintenance of related facilities and equipment. This is the first Municipal Service Review for the District.

In preparing this analysis of the GCSD, the consultants conducted one in-person interview with District staff and visited the District's facilities. The consultants also spoke with staff on the telephone to collect additional detail. A Request for Information was mailed to the District in March 2013. The District promptly responded and provided the requested information shortly thereafter. Relevant documents such as reports, maps, sewage plant specifications, and fiscal audits were also provided by the District.

TYPE AND EXTENT OF SERVICES

The District provides collection, treatment, and disposal of wastewater generated by connections within the service area, and provides maintenance of related facilities and equipment. The District boundaries include four (4) zones and encompass 1,330 acres (2.07 square miles). (Refer to Figures 4-1 and 4-2)

The District was initially formed in 1986 with Mendocino LAFCo's approval of Resolutions 86-2 and 86-4 on July 7, 1986; and the Mendocino County Board of Supervisor's approval of Resolution 86-175 on August 5, 1986. Construction of GCSD facilities was accomplished with 10 percent local funding and a grant under the Clean Water Act through the State Water Resources Board. Construction of the infrastructure and treatment facilities was completed in September 1992 and the wastewater treatment plant began operations on October 1, 1992. These facilities provide service to Zones 1 and 2 along the Highway 1 corridor. Currently service is provided only within Zones 1 and 2, which contain approximately one-third of the District's territory. Properties within Zones 3 and 4, while within the District boundaries, use septic tanks and do not receive services from the District.

LOCATION AND SIZE

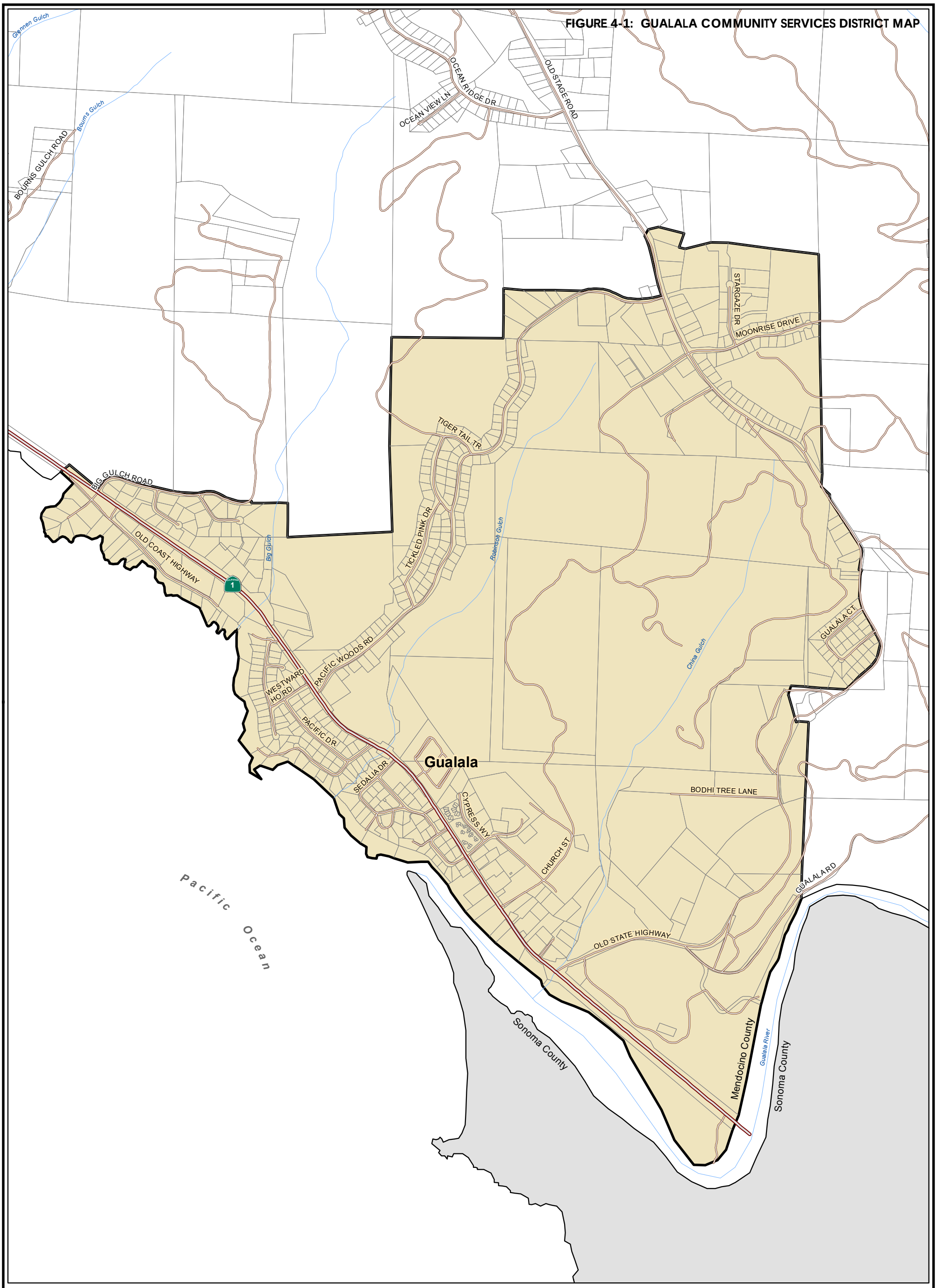
The District is located near the unincorporated community of Gualala, in the southwest portion of Mendocino County and adjacent to the Pacific Ocean. The community of Gualala is the socioeconomic center of the area. The geography in this area offers several unique environmental features. The Pacific Ocean forms the western boundary of the District and offers coastal resources such as beaches, wildlife, and fish. The primary drainage in the area is the Gualala River, which contains several sensitive fish species. China Gulch, a tributary of the Gualala River, and Robinson Gulch are seasonal creeks that drain the area and which also contain sensitive environmental resources. Robinson Gulch flows directly to the Pacific Ocean.

The District defines a customer as a parcel or billable unit that is connected to the wastewater system and receiving service. Within the District boundaries, there are currently 428 connections receiving service. Assuming there are 2.25 persons per connection, the District serves approximately 963 persons.

BOUNDARY HISTORY

The District boundaries were originally established in 1986 as part of the original resolutions from Mendocino LAFCo and from the County Board of Supervisors. There have been no changes to the District boundaries since that time.

FIGURE 4-1: GUALALA COMMUNITY SERVICES DISTRICT MAP



Gualala Community Services District

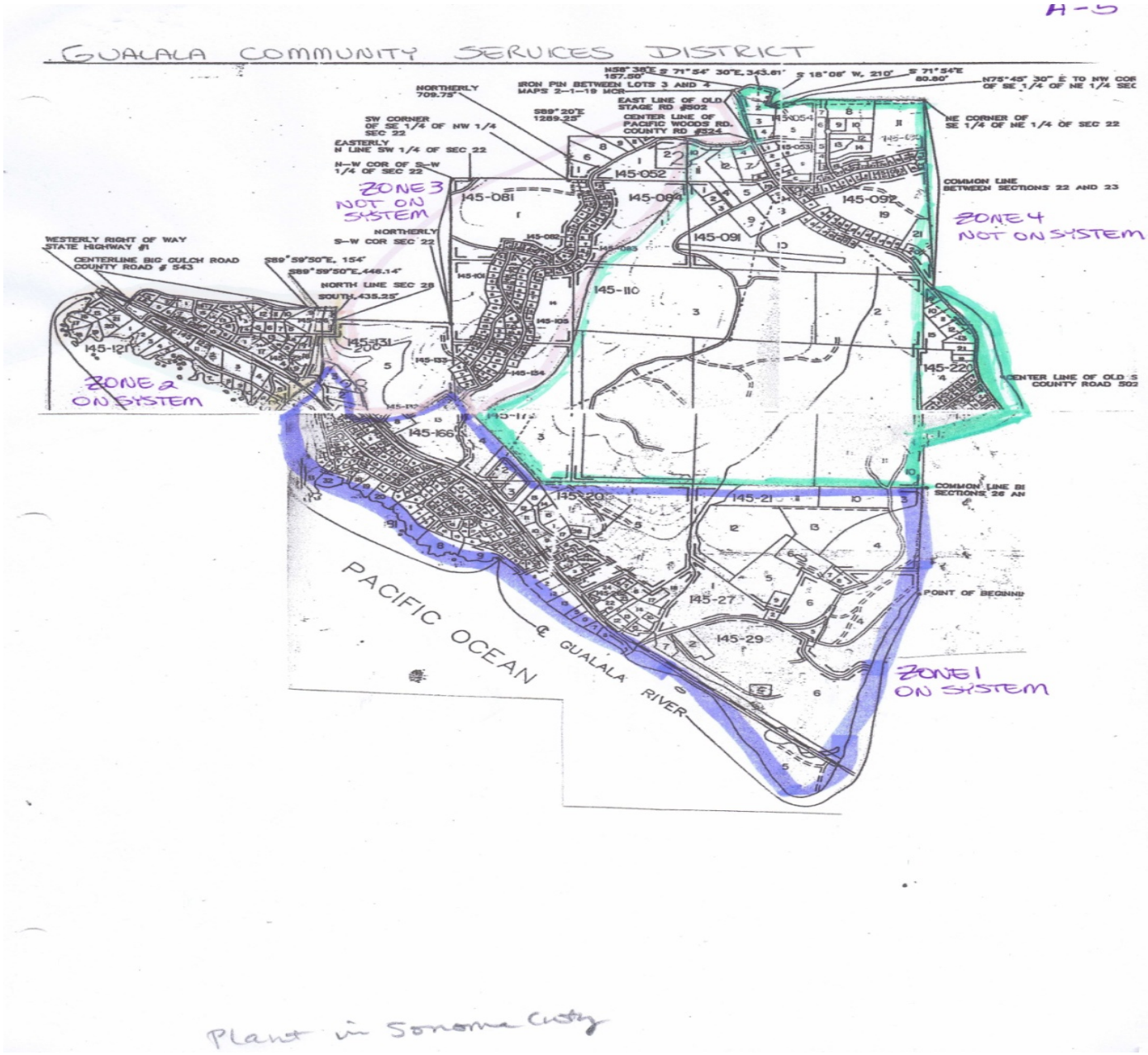
Gualala Community Services District
Parcels
Highways
Roads
Streams

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, October 2013.

Note: This map is not a survey product.

0.1 0.05 0 0.1 Miles

FIGURE 4-2: MAP OF GCSD'S FOUR SEWER ZONES



SPHERE OF INFLUENCE

The District's Sphere of Influence (SOI) was originally established in 1986 as part of District formation and it has not been updated since. The SOI is shown on a map dated August 5, 1991, which is located in LAFCo's file. This map may have been prepared as part of a Master Service Element that was prepared at that time. The map depicts three zones within the SOI, Zones A, B, and C. Zones A and B are located to the north of Zone 2. Zone C is located to the east/south-east of Zone 4. The map notes that the intent was to provide sewer service to Zones A and C within 10 years and service to Zone B within 15 years. If in fact Zones A, B, and C are within the existing SOI, the District has indicated it will not seek expansion of the existing boundaries into the Sphere of Influence this SOI for at least another 15 years.

EXTRA-TERRITORIAL SERVICES

The District has an agreement with the Sonoma County Water Agency to treat secondary effluent from the District at the northern wastewater treatment plant (WWTP) of The Sea Ranch to tertiary standards. GCSD disposes of this tertiary effluent by selling it to The Sea Ranch Golf Links for irrigation purposes. The GCSD also collects and treats wastewater originating from the Gualala Point Park, which is managed by the Sonoma County Parks Department. It should also be noted that the District's WWTP is physically located in Sonoma County, outside the District's service area boundaries.

AREAS OF INTEREST

A geographical area of interest includes the Gualala River Watershed in which the District is located. Currently, the District does not participate in the Gualala River Watershed Council, a not-for-profit community group that creates an atmosphere conducive to facilitation and shared understanding among landowners, resource managers, agencies, community organizations and interested citizens in working towards restoring the natural balance of the Gualala River Watershed. Since the GCSD has very good environmental practices, its participation in the Council could benefit the overall community and could facilitate its interaction with this network of community leaders. Participation on the Watershed Council would also give the District advance notice on upcoming grant opportunities.

GOVERNANCE AND ACCOUNTABILITY

The District is governed by a five-member Board of Directors, who are normally elected by registered voters within the District boundaries. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election, which is the current situation. The current Board Members, positions, and terms are shown in Figure 4-3.

FIGURE 4-3: SUMMARY OF GCSD BOARD MEMBERS

MEMBER NAME	POSITION	TERM EXPIRATION	MANNER OF SELECTION	LENGTH OF TERM
Bruce Jones	Chair	December 2017	Appointed	4 years
Adele Funderburk	Vice Chair	December 2017	Appointed	4 years
Susan Aicher	Secretary	December 2017	Appointed	2 years
John Denten	Director	December 2015	Appointed	4 years
Randy Burke	Director	December 2015	Appointed	2 years

Regularly scheduled meetings are held on the third Thursday of the month at 5:30 PM. Meetings are in the Elaine Jacob Center at 38550 South Hwy 1, Gualala, CA 95445 in winter months. During the summer, Board meetings are held at the WWTP located at 42455 South Hwy 1, Sea Ranch California, 95497.

The District notes that it follows the rules of the Brown Act. All meetings are publicly posted at least three days prior to Board meetings. Postings are located on public information boards located in town at the Sundstrom Mall, the Gualala Post Office, and at Fort Gualala. Board meeting notices are also published in the Independent Coast Observer newspaper. Meeting agendas and minutes are distributed in hard copy format. The District does not currently have a website.

In 2007, the Mendocino Grand Jury reported that "As is often the case with many rural special districts, GCSD has experienced a lack of interested community members to serve on its Board of Directors (BOD). Therefore, a small group of lay people have had to continually provide the necessary leadership and operation of the district. The BOD has not always made certain decisions and actions in a timely manner and/or in accordance with laws governing Special Districts. However, in most instances those decisions and actions were not done with any malice and appear to be in the best interest of the district as a whole." (MCGJ, 2007). In the past five years since the Grand Jury report was issued, GCSD has made significant strides in improving the leadership and operation of the District. Jerry Orth, the District Manager, was hired in 2008. Several new members have been elected/appointed to the GCSD Board of Directors and the Board has a new Chair. These actions have resulted in an increase in interest in serving on the Board. Recently two candidates applied for one open Board position. These changes that GCSD has made to its staff and Board membership have resulted in more transparent and effective operation of the District.

A key component to effective governing is the development of a mission statement along with goals and objectives. GCSD has not yet developed these key governance items. GCSD notes that because of the Tri-Party Agreement that the GCSD is party to, expansion is not possible until 2030. If something arises to change this, the GCSD will adopt goals and objectives at that time.

The Tri-Party Agreement between GCSD, Sonoma County Water Agency and the Sea Ranch Golf Course is a 40-year agreement that was adopted in 1992. There are a number of current issues related to the agreement, including treatment capacity and costs for services. The parties are currently re-writing the agreement, which is also related to the District's renewal of its permit from the Regional Water Quality Control Board. A revised Agreement is expected to be considered by the parties in 2015.

Part of governing a District involves establishing and maintaining positive relationships with external partners and stakeholders. The GCSD has several external partners including the Sea Ranch Golf Course, the Gualala Municipal Advisory Council (GMAC), the Sonoma County Water Agency (SCWA), and Mendocino County. Issues with two of these partners were raised in the 2007 Grand Jury report.

In the past, there was a dispute with the Sea Ranch Golf Course for non-payment for tertiary treated water provided by GCSD to the golf course. GCSD had placed liens against the Sea Ranch Golf Course in the amounts of those non-payments. The Sea Ranch Golf Course is a private organization. Since 2008-2009 all of the payment issues have been resolved and the relationship between GCSD and the golf course has been restored. A process to help maintain positive relations with the golf course, Sea Ranch, and the SCWA has been developed and includes a meeting once per month among the signatories of the tri-party agreement. These monthly meetings have been effective in opening communication and resolving problems.

The 2007 Grand Jury report also states that "There appears to be a conflict between the goals and unofficial positions of the GMAC and the GCSD. The Gualala Town Plan estimates a deficit of 543 connections at build out unless the plant is expanded." Upon further review of the 2007 Grand Jury report it seems they did not consider the March 2007 Community Action Plan which provides updated and slightly reduced estimates of future growth, based on the market and other trends. Another impediment to new residential and commercial growth in this area is a moratorium on new water connections imposed by the North Gualala Water Company until it can meet requirements of the California Water Board (CWB) and the CA Public Utilities Commission (CPUC). Furthermore, future expansion of the wastewater treatment plant would likely require a Local Coastal Plan amendment and further environmental review. Given this situation, GCSD currently has no plans for expansion of wastewater treatment services into Zones 3 and 4. At that time, the Grand Jury recommended that "the GMAC and the GCSD make every effort to work together on common issues facing each other individually for the ultimate overall benefit of the citizens of the Gualala community." Since then, GMAC's Board members have worked diligently to improve relationships with the GCSD.

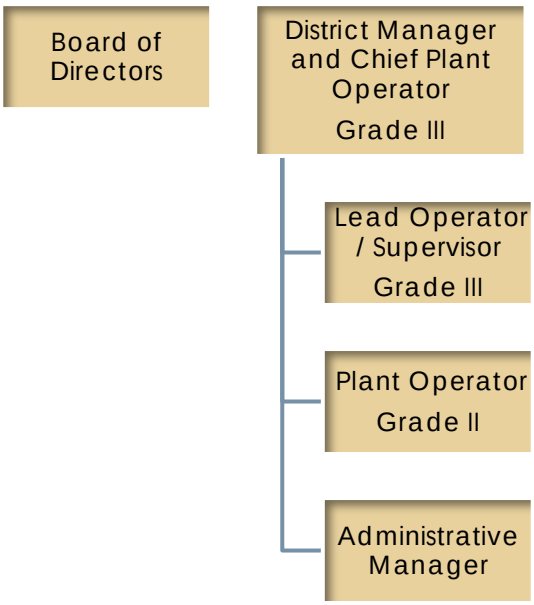
Accountability of the Board of Directors and District staff is primarily to their customers. Customers may send their comments or complaints to the District via mail, phone, or email. During the years 2011 and 2012, the District did not receive any complaints from customers.

The District is also responsible for complying with the permit conditions of the Regional Water Quality Control Board (RWQCB). The RWQCB does not conduct regular inspections and reports; however, GCSD does produce and submit annual monitoring reports.

MANAGEMENT EFFICIENCIES AND STAFFING

There are four employees of the District, for a total employment of 3.75 full-time equivalent (FTE). Day-to-day operations are managed by the full-time District Manager, who is also a Grade III Chief Plant Operator. Other employees include a full-time Grade II Lead Operator/Supervisor, a full-time Grade II Plant Operator, and a three-quarter time Administrative Manager. The District Manager oversees all plant and collection system operations; schedules all maintenance and work assignments for the operators; helps prepare the annual budget; monitors expenditures; keeps the operations in compliance with the Discharge Permits; and prepares monthly and annual reports for the RWQCB. The District Manager and both operators have recently increased their Operator Certificates issued by the State Office of Operator Certification. The District Manager has received a Utility Management Certification issued by the National Rural Water Association. An organization chart is shown in Figure 4-4.

FIGURE 4-4: GCSD ORGANIZATION CHART



POPULATION AND GROWTH

Gualala is a small unincorporated community situated along the coast in the southwest corner of Mendocino County, near the mouth of the Gualala River. The town of Gualala is the economic and social hub for the south coast of Mendocino County and for The Sea Ranch development located in northern Sonoma County. The former logging town attracts many thousands of visitors each year due to its scenic qualities and recreational opportunities. State Route 1 (Pacific Coast Highway/PCH) is the primary corridor through the town.

POPULATION

The District estimates that 750 people currently live within the District's boundaries (i.e., Zones 1, 2, 3, and 4). The current population within the Sphere of Influence (i.e., in-boundary plus those within SOI of Zones A, B, and C) is approximately 1,000 persons.

PROJECTED GROWTH AND DEVELOPMENT

Future growth and development that may occur within the District's boundaries is regulated by Mendocino County. The County has adopted several plans and policies to regulate this growth including a General Plan (Mendocino, 2009) and a zoning ordinance. The County's zoning ordinance contains three major parts and the Gualala area is included in the Coastal Zoning Code.

On January 15, 2002, Mendocino County adopted The Gualala Town Plan as part of the Coastal Element of the Mendocino County General Plan. This plan serves as the Local Coastal Plan required as part of the California Coastal Act. The Gualala Town Plan provides planning goals and policies that establish a scenario for growth within the Town Plan area over a 30-year planning horizon (i.e. until 2032). Additionally, the Board of Supervisors created the Gualala Municipal Advisory Council (GMAC) in 1990 with a two-part mandate to 1) advise the Board of Supervisors on current development applications; and 2) to indicate long-range planning efforts to update the Coastal Element of the Mendocino County General Plan as it pertains to the Gualala area. The Gualala Town Plan area includes most of the GCSD area.

Properties within the District are primarily zoned residential, commercial, light agricultural and coastal opens space. Local businesses include lodging establishments, restaurants and cafes, supermarkets, bakeries, shops, galleries, medical services, pharmacy, real estate services, and banks. The Gualala Town Plan does provide policies to support new development in the area. For example, the Ocean Ridge Subdivision, located near the eastern part of Zone 3, has a total of 100 approved lots and only 40 percent of these lots are currently developed. Additionally, a 480-acre "residential reserve" is located east of town and was identified as a suitable location for future residential development.

Projecting future growth within the District boundaries is a bit of a challenge since Gualala is a small unincorporated town and has no central point to obtain economic data. U.S. Census data is not separated out for Gualala. Compounding this problem is that a large part of the market is driven by economic activities in Sonoma County. A Community Action Plan was prepared for the community of Gualala in 2007. During plan preparation, a socio-economic study was created and entitled "Appendix D, Economic Inputs to Gualala Community Action Plan". This study estimates a future growth rate for Gualala at approximately 16 new residences per year with an average household size of 2.25 persons per household. This results in an average annual growth rate of 8 percent, which is much higher than that projected for Mendocino County as a whole. For purposes of this MSR analysis, the 1.1 percent annual growth rate estimated by the California Department of Finance (DOF) is utilized. Population estimates to the year 2035 are shown in Figure 4-5.

FIGURE 4-5: ESTIMATED POPULATION GROWTH RATES FOR THE TOWN OF GUALALA

	2010 (EXISTING)	2015	2020	2025	2030	2035
Population	2,093	2,133	2,173	2,215	2,257	2,300
No. Households	930	948	966	984	1,003	1,022

The actual growth rate in Gualala is likely to be much less than that estimated in Figure 4-5 due to the water moratorium imposed on the North Gualala Water Company by the CPUC. Due to difficulty in securing rate increases to support needed infrastructure repair, the North Gualala Water Company is not accepting new connections to its water service and this is a constraint on future growth in the area. Since no new homes can be built due to lack of water infrastructure, the GCSD is not expecting any increases in demand for its wastewater treatment services until the water moratorium is lifted and growth and development resume.

Disadvantaged Unincorporated Communities

LAFCo is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income.

The Gualala Community Services District is a portion of the community of Gualala. However Gualala is not a 'census designated place' (CDP), therefore the median household income amount is not available. Even if the Gualala community qualified as a DUC, there are no indications that wastewater service from GCSD is substandard, especially given that effluent is treated to tertiary standards.

FINANCING

Gualala Community Services District operates as a waste disposal enterprise fund, meaning that charges for services are intended to pay for the costs of providing such services.

The GCSD prepares annual budgets and financial statements. The financial statement includes an independent auditor's report. The District reported that current financing levels are adequate to deliver services at the present time. The District operates out of a single fund for operation and maintenance purposes. Additionally, the District maintains a separate fund for capital improvements called the "Capital Account."

REVENUES

According to Financial Transaction Reports filed with the State Controller (and as shown in Figure 4-6), revenues for the past three Fiscal Years have been adequate to provide services. Net income from each Fiscal Year is then transferred to the District's reserve fund. Operating revenue is derived from service charges (90% on average), sewer fees, reclaimed water fees (primarily sale of treated water to the golf course at Sea Ranch), and leachate hauling. Non-operating revenues consist primarily of interest income.

FIGURE 4-6: GCSD BUDGET INFORMATION FOR FY 10-11, FY 11-12 AND FY 12

	FY 10-11		***FY 11-12***		***FY 12-13***	
Revenues						
Service Charges	$473,848	91%	$471,400	89%	$465,456	95%
Connection Fees						
Service Type Assessments						
Other Services	32,322	6%	42,257	8%	15,422	3%
Interest	14,288	3%	14,706	3%	11,279	2%
Other Non-Operating Revenue	2,378	>1%				
Total Income	***$522,836***	100%	***$528,363***	100%	***$492,157***	100%
Expenditures						
Sewage Collection	$82,586	19%	$92,027	20%	$101,215	20%
Sewage Treatment	212,967	49%	237,312	50%	267,171	54%
Sewage Disposal						
Administration & General	91,797	21%	102,290	22%	88,712	18%
Non-Operating Expenses	45,719	11%	39,065	8%	41,645	8%
Total Expenses	***$433,069***	100%	***$470,694***	100%	***$498,743***	100%
Net Income (or Loss)	***$89,767***		***$57,669***		***($6,586)***	
Depreciation & Amortization	$266,476		$258,867		$240,378	

EXPENDITURES

Expenditures for the past three Fiscal Years are shown in Figure 4-6 and include costs for sewage collection and treatment, as well as administrative and general costs (which includes salaries and benefits to employees). All of these expenditures are considered to be 'operating costs.' Non-operating expenses consist primarily of interest payments.

A comparison of Revenues with Expenditures shows that revenues exceeded expenditures for FY 10-11 and FY 11-12, with a small deficit for FY 12-13. The District utilizes its reserve funds to make up for net losses when necessary.

Depreciation is shown as a separate line item and is a reduction in the value of an asset with the passage of time, due in particular to wear and tear. The District's wastewater treatment plant is a physical asset that the financial statement rightly depreciates over time. This depreciation does not represent an actual immediate cash cost. Because depreciation is not included as an annual cost in the figures, depreciation is not counted as an annual expenditure.

In order to address increased costs for fixed assets, On July 1, 2014, the Board of Directors increased the monthly sewer fee by $12 per customer to cover these costs over the next five years.

The current debt that is associated with the original cost of constructing the treatment plant and related facilities is a 1915 Act Bond in the amount of $665,000. The District has an annual payment of $20,000. The State Controller reports that for FY 11-12, the Districts debt was $66,362. The District has never defaulted on repayment of any bonds or other debt.

The District maintains insurance for professional activities with the Special District Risk Management Authority, a not-for-profit public agency formed under California Government Code Section 6500 et seq. which provides a full-service risk management programs for California's local governments.

The District describes its approach to long-term capital needs in its Sewer System Management Plan (SSMP). The SSMP states that "The collection system in place has the necessary capacity to handle all four zones with enough extra capacity to build out the remaining lots in the District with no adverse effects on the Collection System." In summary, at this time there are no plans for increases in the system. The District does not have a separate capital needs assessment.

The District does not appear to have a formal policy on maintaining financial reserves; however GCSD did maintain general reserves of $428,201 at the end of the 2012-13 Fiscal Year.

RATE RESTRUCTURING

The District's rate schedule is as follows:

- Monthly fee: $59
- Admin fee: $51 per year
- Special Assessment: $180 per year
- County collection fee for fees paid with property taxes: $19 per year
- Total annual rate: $958
- Commercial properties are charged .0235 dollars per gallon of water used or the flat rate above, whichever is greater.
- There is an annual increase of 2 percent for residential units and commercial units charged the flat rate plus $0.0005 per gallon of water used for commercial units.

If a residential unit goes over the set annual water usage, based on a winter average, the additional gallons are assessed at the commercial rate. Any unit proving that the usage over the set annual amount is due to outside watering is not charged for the overage.

The District has indicated that it follows the General Accounting Standard Board Statement No. 34 (GASB 34) accounting standards.

The two most recent audits did contain standard recommendations. Because the GCSD is a small District with only one office employee, the auditor must make note each year about the inability of District staff to separate duties. The GCSD follows the auditor's recommendations by having a Board member approve deposits and bank statements. The office employee is not a signer on any accounts and there must be two signers for all transactions and checks: typically the District Manager and a Board member, otherwise two Board members.

COST AVOIDANCE

The District actively searches for potential cost savings opportunities. The District's meeting spaces at both the Elaine Jacobs Center and at the wastewater treatment plant are free and this saves significant funds in rental fees. Additionally, the GCSD does competitive bidding for major projects. The District has minimal overhead costs, having already trimmed expenditures. When making major expenditures, such as new equipment, pumps or other operational items, the GCSD always shops around for the best possible prices. District staff has indicated that they have cut operating costs down to the bare minimum.

One area where additional effort could be devoted to cost avoidance is the District's expenditures on utilities. During the three fiscal years studied, the District spent an average of $37,274 on utility bills. This represents 7.4 percent of average revenue during those three years. New technology for energy production may offer opportunities for the District to explore ways to reduce its energy costs and become more energy self-sufficient. Solar, wind, bio-digesters to capture methane, and other renewable energy technologies could be options for the District to explore in the future.

SECTION 4-2 DISTRICT SERVICES

SERVICE OVERVIEW

The District provides collection, treatment, and disposal of wastewater generated by hookups within the service area and maintenance of related facilities and equipment services. Wastewater is treated to a tertiary level. To achieve the tertiary level of treatment, the District utilizes an extended aeration activated sludge plant with clarification and Title 22 Sand Filter and Disinfection method. The Wastewater Treatment Plant is a Step System. The waste solids are disposed of at a solids disposal site and the treated effluent is used to irrigate the Sea Ranch Golf Links.

Using GCSD's reclaimed water at the golf course is beneficial because the North Coast Regional Water Quality Control Board (RWQCB) indicates that wastewater effluent cannot be discharged directly to a ditch, creek, or stream. This is to protect sensitive natural resources within these types of drainages.

Wastewater is collected within the GCSD boundaries in Mendocino County and transported for treatment at the District's facility, which is located in Sonoma County. Each parcel has its own interceptor tank. Heavy rain in the area required a design for extended effluent storage during the winter season. The State Water Resources Control Board (SWRCB) took particular interest, and recommended that the plant be located in Sonoma County partially as a reclamation facility for the Sea Ranch development and golf course. Authorities felt that this recommendation would reduce and offset freshwater demands on the environmentally sensitive Gualala River.

The wastewater system was designed to serve existing development and provide for additional growth within the GCSD Sewer Assessment District boundaries. All new development within Zones 1 and 2 must connect to the wastewater treatment system. Currently, GCSD has no plans for expansion, including the provision of service into Zones 3 and 4, or elsewhere, primarily because of the costs of new system infrastructure. The Sea Ranch North Treatment Facility processes its wastewater to a secondary level which is then pumped to the GCSD's wastewater treatment facility for additional and final tertiary treatment. A few holding ponds provide temporary storage of treated effluent that is awaiting final disposal on the golf course. The golf course accommodates all of the effluent generated by the treatment plant.

GCSD operates under a 1992 permit (Order # 92-120) from the RWQCB. The permit's Monitoring and Reporting Program (MRP) was approved in September 1992 and updated in April 1997. The District has recently initiated the process of updating the permit. As part of the original 1992 permit, the District Manager prepares monthly and annual reports for the RWQCB.

Although Zones 3 and 4 are located within the District's boundaries, they do not currently receive sewer service. Rather these areas are served via private septic systems. Groundwater can be high during the winter and spring in this region. Additionally, the area has clay type soil, which reduces permeability. If a septic system is not properly maintained, high groundwater and soil conditions can contribute to odors, water quality, and public health issues. For this reason, in 2003 GCSD commissioned a Sewer Feasibility Study by Winzler & Kelly, Consulting Engineers. This study outlines various options and costs for extending and expanding District facilities to provide sewer service to these zones. The District has also surveyed residents within these two zones and the survey results indicate that most residents prefer to retain their septic system. Therefore, the District does not have any immediate plans to expand their facilities into Zones 3 and 4.

CAPACITY/DEMAND

For wastewater service providers, the capacity to provide service is typically limited by the design capacity of the wastewater treatment plant. The GCSD treatment plant has a design capacity of 0.131 million gallons per day (mgd). The District does not currently have plans to increase the capacity of this system. District policy requires that if a structure in Zones 1 and 2 is within 500 feet of the collection line, it must be connected to the system. (Refer to Figure 4-8 for capacity and flow.)

Demand for wastewater service was studied as part of the 2003 report, which indicated that the treatment plant currently receives approximately 66 gpd per person during the winter period, which is approximately two-thirds of the average flow volume shown in Figure 4-8.

Enforcement actions that the RWQCB has imposed on the District include incidents in 2005 and 2008 when there were three minor sanitary sewer overflows. RWQCB levied fines on the District, which were paid. Additionally, peak flow capacity was exceeded in February 2009 and January 2010 at 0.1324 mgd and 0.1726 mgd, respectively.

FIGURE 4-8: SUMMARY OF GCSD CAPACITY AND FLOW

CAPACITY DETAIL	MGD
Existing treatment capacity	0.131
Average flow volume	0.065
Peak flow within the past year	0.125

The District takes measures to ensure the integrity of the wastewater collection system, including regular inspections of the system (visual and video) and adding cleanouts in the gravity lines for camera access.

INFRASTRUCTURE AND FACILITIES

The GCSD owns 15.47 acres of land on which the treatment plant is located. The parcel is located in Sonoma County (Assessor's parcel number 122-040-010) and contains the wastewater treatment plant, a maintenance garage, office trailer, and lab. The GCSD also owns several pieces of construction equipment that are used for trenching, driveway maintenance, drying bed cleaning and work around the facility. The backhoe is in excellent condition and is 11 years old. The CAT is in very good condition and is 35 years old. The GCSD just acquired a roller that is in good condition, is several years old (exact age not known), and has a trencher that is in excellent condition that was purchased new in 2006.

The District reported that the plant and collection system is generally in good condition. The existing collection system is shown in Figure 4-9.

The District is currently experiencing a failing filter, which is being replaced with a second filter. This will allow the District to recondition the first filter at a low cost. A second clarifier is being added in 2015, making the major components of the treatment plant fully redundant. This will substantially reduce risk in case of a major equipment failure, and will also increase the plant's peak capacity.

OPPORTUNITIES TO SHARE FACILITIES

The District does not jointly own or share any capital facilities or services with other agencies. The Manager works primarily from the wastewater treatment plant location. Due to the geographic isolation of the District, there are no areas within the existing District boundaries that might be served more efficiently by another agency. The District does not participate in any mutual aid or automatic aid agreements. The District does not belong to or participate in any joint power authorities (JPAs) or joint decision-making efforts. No other facility needs have been identified.

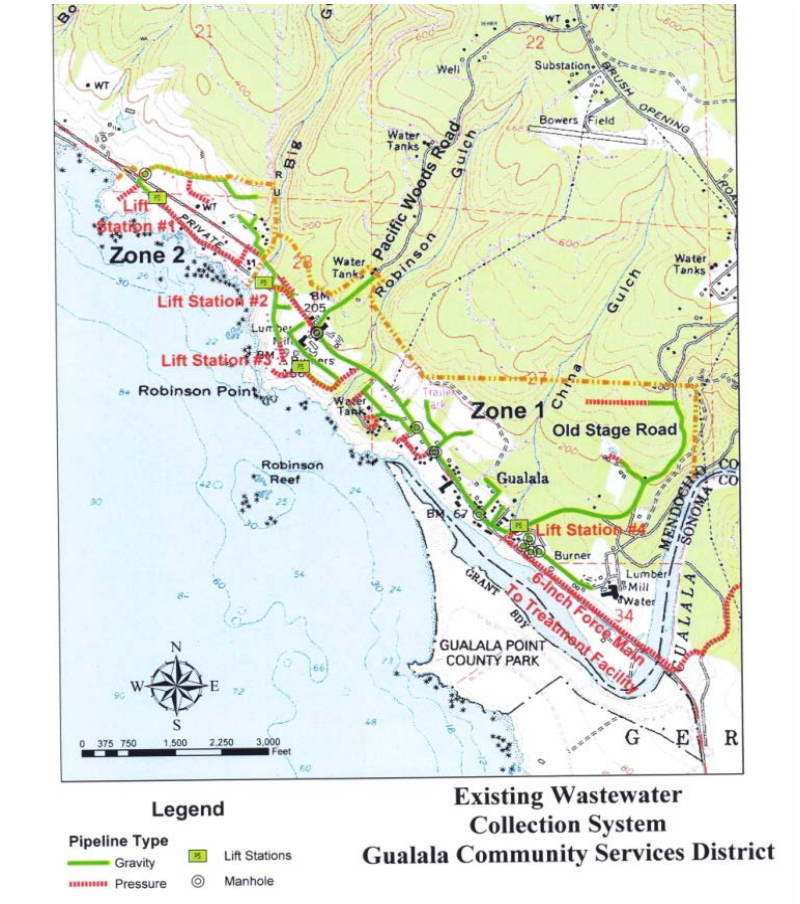
COLLECTION AND TRANSMISSION

The District's wastewater collection system includes interceptor tanks, collection pipes, and lift stations to the treatment plant. (Refer to Figure 4-9) Treated water is stored in ponds and delivered to the golf course via an 8-inch pipeline from the ponds to Sonoma County's Community Service Area (CSA) 6 plant where the line connects to a previously existing line to the golf course.

CHALLENGES

When asked about challenges the District sees in the next 12 months to five years, staff indicated that there are no foreseeable challenges.

FIGURE 4-9: EXISTING COLLECTION SYSTEM, GCSD 2003



SERVICE ADEQUACY

The District focuses its efforts on the provision of collection, treatment, and disposal of wastewater generated by Zones 1 and 2 within its boundaries. The GCSD system has sufficient capacity to serve existing connections and significant remaining capacity to serve anticipated demand, given that future demand is estimated to be low. Wastewater services offered by the District appear to be adequate based on overflow rates, peak flows, response times, and treatment effectiveness. The District actively maintains its equipment and facilities, thereby extending the expected life cycle. In summary, GCSD's infrastructure is adequate to treat and dispose of wastewater inflows for the next several years for Zones 1 and 2.

SECTION 4-3 DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

1. The estimated number of residents served within Zones 1 and 2 in 2010 was 750, based on the number of residential connections and average household size in the County and based upon information provided by the District.
2. The population growth within Mendocino County was approximately an average of 1.1 percent annually between 2000 and 2010.
3. The District anticipates limited population growth in the future within Zones 1 and 2 due to a moratorium on new potable water connections, which constrains new building.
4. A significant increase in the capacity to collect and treat wastewater for the system would be required to expand service provision to Zones 3 and 4. GCSD does have a sewer feasibility study that analyzes and provides options for future expansion of service to Zones 3 and 4.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

5. GCSD was established in 1986 to provide wastewater/sewage treatment service.
6. Mendocino County Board of Supervisor Resolution 86-175 also indicates the District can provide storm water services. However, the District has never activated this service.
7. GCSD consists of a total of four zones (Zones 1, 2, 3, and 4) within its boundaries.
8. Currently, only Zones 1 and 2 are being serviced for a total of 353 parcels along the Highway 1 corridor.
9. All new development within the Zones 1 and 2 must connect to the wastewater treatment system. Each parcel in Zones 1 and 2 has its own interceptor tank.
10. GCSD treatment facility is located south of the Gualala River in Sonoma County. Treated wastewater from the Sea Ranch north treatment facility (Sonoma County CSA 6) is processed at the GCSD facility to tertiary standards for irrigation use on the Sea Ranch Golf Course. When the District SOI is updated, consideration should be given to adding these areas to the District Sphere.
11. There are three zones which may be within the existing SOI: Zones A, B, and C. Zones A and B are located to the north of Zone 2. Zone C is located to the east/south-east of Zone 4. The District has indicated it will not seek expansion of the existing boundaries into these zones for at least another 15 years. These zones should be excluded from the SOI.
12. The GCSD system has sufficient capacity to serve existing connections.
13. The District reported that the treatment plant is in good condition.
14. Expansion of wastewater collection, treatment, and disposal service into Zones 3 and 4 would require significant infrastructure upgrades in the system capacity. These upgrades have been studied in detail by the District in their 2003 Sewer Feasibility Study.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

15. The GCSD is funded primarily through service charges and sewer fees.
16. The District reported that the current financing level is adequate to deliver services presently.
17. The District's Sewer System Management Plan describes their approach to addressing long-term capital improvement needs. Essentially, new developments that are proposed to be permitted and built in the community will need to pay for any required improvements to the system's capacity.
18. Expansion of service into Zones 3 and 4 has been extensively studied by GSCD. Paying for the upgrades in infrastructure that would be needed to achieve this expansion is a concern to the District and residents. Potential sources of funding have been identified and include property assessments, bonds, and grants. However, a detailed financing plan has not yet been completed, partly due to preferences by local property owners to retain their existing septic systems.
19. Rates should continue to be reviewed and adjusted as necessary to fund District costs and provide for capital improvements as needed.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

20. GCSD does not presently practice facility sharing; however it does collaborate with Sonoma County Water Agency and Sonoma County's CSA 6 to provide an additional level of treatment to water from The Sea Ranch and to dispose of treated water at the local golf course.
21. No opportunities for shared facilities have been identified at this time.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

22. GCSD demonstrated accountability through its prompt disclosure of information requested by LAFCo for preparation of this MSR.
23. Board meetings are publically noticed and do comply with the Brown Act.
24. The District practices cost reduction through careful purchasing and bidding processes.
25. In the short-term, no additional cost avoidance opportunities have been identified at this time. In the long-term future, the District could explore new technology to develop and capture renewable energy to reduce its annual expenditures on utility costs.
26. No boundary changes are pending or proposed at this time.
27. During the District's Sphere of Influence Update, consideration should be given to removing Zones A, B and C from the Sphere, and adding District-related property in Sonoma County to the Sphere.
28. GCSD follows standard accounting procedures.
29. GCSD Board of Directors holds public meetings the third Thursday of each month.
30. All Board Members have access to GCSD data, records and information.
31. Accountability to residents in Zones 1, 2, 3, and 4 could be improved by improving constituent outreach efforts, including building a website.

32. The District does not currently have a strategic plan that outlines its mission statement, vision statement, and goals and objectives. Such a strategic plan could help the District improve upon 1) planning efforts; and 2) accountability and transparency.
33. The District does not currently participate on the Gualala River Watershed Council. Participation on this Council may benefit the District by connecting it with other similar community leaders and by providing notice of upcoming grant opportunities.
34. The District's wastewater treatment plant, equipment, and property are located in Sonoma County, outside of District boundaries. The District disposes of treated wastewater on a golf course, also located in Sonoma County. In the future, the GCSD Board, the Sonoma County Water Agency, The Sea Ranch Property Owners Association, the local regional park, and the golf course should comprehensively look at future (projected) wastewater service needs to determine if some adjustment in the GCSD boundary might be helpful in addressing those needs.

CHAPTER 5 IRISH BEACH WATER DISTRICT

SECTION 5-1 AGENCY OVERVIEW

PROFILE

Irish Beach Water District

Type of District:	Water District
Principal Act:	California Water Code Section 34000 *et seq.*
Functions/Services:	Water supply and treatment, oversight of future private and community septic system maintenance
Main Office:	15401 Forest View Road, Manchester, CA 95459
Mailing Address:	P.O. Box 67, Manchester, CA 95459
Phone No.:	707-882-2072
Fax No.:	None
Web Site:	www.ibwd.org **Email:** **ibwd@mcn.org**
General Manager:	Charles Acker **Email:** cacker@mcn.org
Meeting Schedule:	Second Saturday of each odd numbered month at 10:00 AM.
Meeting Location:	Rex Dunning Firehouse (also known as the Irish Beach Fire House) 15401 Forest View Road, Manchester, CA 95459
Date of Formation:	1967
Principal County:	Mendocino County is the principal county and Mendocino LAFCo is the principal LAFCo.

OVERVIEW OF DISTRICT

The Irish Beach Water District (IBWD/District) provides water services and private and community septic system maintenance to landowners within Irish Beach, a subdivision community consisting primarily of second homes. This is the first Municipal Service Review for the District.

In preparing this analysis of the IBWD, the consultants conducted one in-person interview with District staff. A request for information (RFI) was mailed to the District in March 2013, to which the District responded in full. Relevant documents such as reports, annexation files, maps, and fiscal audits were also provided by the District.

TYPE AND EXTENT OF SERVICES

The District provides water supply, treatment and distribution. Additionally, the District provides administrative oversight of current and future private and community septic system maintenance as described in the 'District Services' Section.

LOCATION AND SIZE

The District is located approximately four miles north of Manchester and south of Elk on Mendocino's south coast in the unincorporated area of southwestern Mendocino County. The District encompasses 1,294 acres (2.02 square miles) and originally served the subdivision known as Irish Beach, which consists of approximately 460 parcels, 200 of which are developed.

FORMATION AND BOUNDARY

The Irish Beach Water District is an independent special district established on April 14, 1967 for the primary purpose of providing water to the community of Irish Beach on the southern coast of the County of Mendocino. In 1980, under Health and Safety Code Section 6955 *et seq*., the District added a wastewater disposal zone to its purview and provides oversight of existing and future private and community septic systems.

BOUNDARY HISTORY

The District was originally formed in 1967 and consisted of 220 acres (LAFCo Resolution No. 67-2). In 1972, the Moore's annexation added 400 acres to the District (LAFCo Resolution No. 72-7). A second Moore's Annexation added an additional 720 acres to the District (LAFCo Resolution No. 75-14). The last completed boundary change was the Arnold detachment, which removed 112.23 acres from the District in December 1988 (LAFCo Resolution No. 88-9). Refer to Figure 5-1: Irish Beach Water District Map).

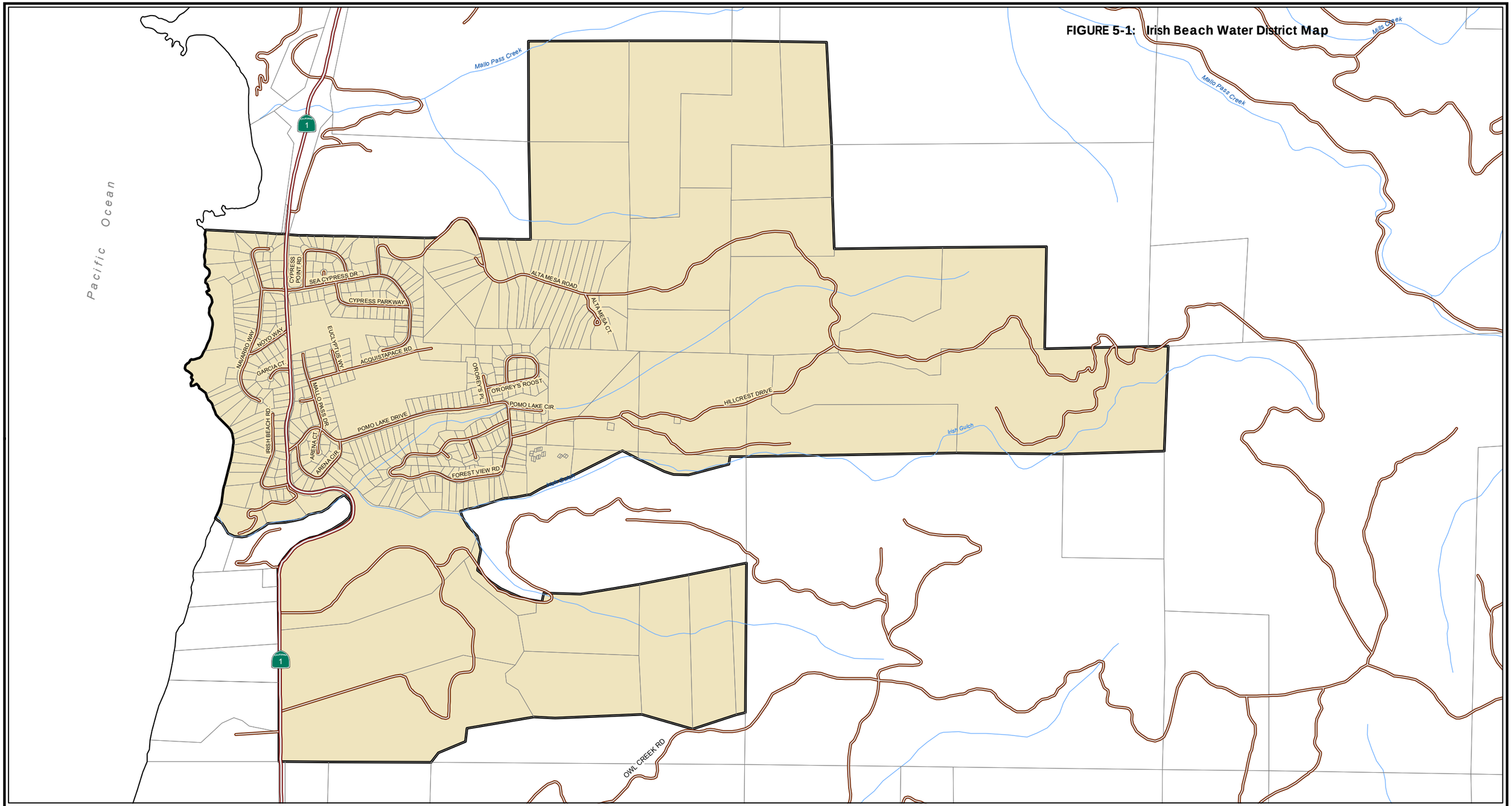
SPHERE OF INFLUENCE

The District's Sphere of Influence (SOI) was last updated in 1994 to include the "Inn Site" (APN 131-110-04 and 131-110-36) consisting of approximately 17 acres. Excepting the "Inn Site," the SOI is otherwise coterminous with the District's boundaries. The District considers the current SOI to be appropriate.

EXTRA-TERRITORIAL SERVICES

The District does not provide services to any properties outside its boundaries.

FIGURE 5-1: Irish Beach Water District Map



Irish Beach Water District

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, October 2013.
Note: This map is not a survey product.

Irish Beach Water District
Parcels

Highways
Roads
Streams

500 250 0 500 Feet

AREAS OF INTEREST

The "Inn Site," consisting of approximately 17 acres, was included in the District's SOI in 1994. In 2009, application was made to LAFCo to annex the parcel into the District. However, under LAFCo policy, the annexation could not move forward until completion of the District MSR.

ACCOUNTABILITY AND GOVERNANCE

The District is governed by a five member Board of Directors, who are elected by landowners within the District boundaries. The Directors are normally elected at large in staggered four-year terms. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election. Of the current Board Members, one is elected**,** three have been appointed and there is one vacancy. Board Members, positions, and term expiration dates are shown in Figure 5-2.

FIGURE 5-2: Summary of IBWD Board Members

MEMBER NAME	POSITION	TERM EXPIRATION	MANNER OF SELECTION	LENGTH OF TERM
Donald Jassowksi	President	December 2017	Appointed	4 years
Kathleen U. Poling	Vice-President	December 2015	Elected	4 years
Don Harley	Secretary	December 2017	Appointed	4 years
Leon Drolet	Director	December 2015	Appointed	4 years
Vacant				

Regularly scheduled meetings are held on the second Saturday of every odd numbered month at 10:00 AM. Meetings are held at the Rex Dunning Firehouse (also known as the Irish Beach Fire House). The District maintains a website (www.ibwd.org) on which agendas, meeting packets, budgets, audits, water reports, and District information are kept up to date. Meeting notices, agendas and minutes are posted on the District's website; are provided at meetings; and are mailed by request.

Landowners within the District file written complaints with the Manager or Secretary. The complaints are typically discussed at the next board meeting and direction given to the Manager to address the complaints, as appropriate. The District received approximately four complains in 2011–2012, which were related to water quality and turbidity.

The IBWD demonstrates accountability and transparency through adherence to the Brown Act for meetings, election of directors, maintenance of current information on its website, and disclosure of information and cooperation with Mendocino LAFCo. The District responded to the questionnaire and cooperated with documentation requests for this MSR.

The District maintains a Policy Manual, which was last updated in September 2012 and is posted on the District's website (http://www.ibwd.org/IBWD_Policy_Manual.pdf).

MANAGEMENT EFFICIENCIES AND STAFFING

Daily operations are managed by the District's General Manager. The Manager oversees two water technician employees. Board Members review and approve meeting minutes. The District performs formal evaluations of overall district performance, including benchmarking and annual reports.

POPULATION AND GROWTH

The District was established to serve the unincorporated community of Irish Beach, a subdivision located between Manchester and Elk on the southern Mendocino Coast. An estimated population of 65 resides in Irish Beach year-round, with increases by 250 seasonal residents at various times of the year. The closest communities are Manchester and Point Arena to the south, approximately four and eight miles distance respectively, and Elk and Mendocino to the north, approximately 9 and 25 miles respectively.

POPULATION

The 2010 Census for zip code 95459 consists of 67.1 square miles and includes the communities of Manchester and Irish Beach. Population within the zip code was tabulated at 504 in the 2010 Census, with an average population concentration of eight persons per square mile. Manchester, approximately four miles south of Irish Beach, is a census designated place (CDP) located within Census Tract 011102 in Mendocino County and has a population of 195. Although rural residential properties are scattered throughout the zip code area, Irish Beach is the only other planned community in the area. Between the Census years 2000 and 2010, the area experienced a decrease in population of 81 people, from 585 to 501, a loss of approximately 14 percent of the population.

PROJECTED GROWTH AND DEVELOPMENT

The District anticipates little growth in population within the next few years; however, no formal population projections have been made by the District. The State Department of Finance (DOF) projects that the unincorporated population of Mendocino County will grow by a little more than 4 percent in the next 20 years, from 87,924 in 2010 to 91,498 in 2020 and 95,158 in 2030.

Given Irish Beach's relatively isolated location and limited development potential, it's unlikely to experience significant population increases in the next few decades. In the application for formation of the District in the late 1960s, a buildout population of 1,200 was estimated. However, the area has experienced little growth with only 200 of the 460 parcels currently developed. Additionally, the occupancy rate has been reduced substantially since the 1960s, which further reduces the projected buildout population. While the District has undergone a number of annexations since its formation, little to no development has occurred within those areas.

Disadvantaged Unincorporated Communities

LAFCo is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income.

The Irish Beach Water District makes up a majority of the community of Irish Beach. However Irish Beach is not a 'census designated place' (CDP), therefore the median household income amount is not available. Because Irish Beach is primarily a 'second home' residential area with higher value homes, it is not expected that the community qualifies as a DUC. In addition, Annual Consumer Confidence Reports issued by the District continue to find that the District provides safe and abundant water to the community.

FINANCING

Irish Beach Water District operates as a water enterprise fund, meaning that charges for services are intended to pay for the costs of providing such services. The District also receives property assessment revenues.

The District operates out of a single fund for operation and maintenance purposes. The District reported that current financing levels are adequate to deliver services.

REVENUES AND EXPENDITURES

Revenues for the District consist primarily of assessments and charges for water and wastewater services. The Irish Beach Water District receives a property tax assessment on landowners within the District boundaries, which now comprises one-third of total revenues. Other funding for the provision of water services is primarily from fees collected for water usage (Water Sales line item) and standby charges (Water Services line item). The District annually adopts a budget and has an independent audit performed each year. Annual audits for 2011 and 2012 were provided by the District for this MSR.

Benefit Assessment fees are collected by the Mendocino County Treasurer at a cost to the District of two percent. The District's fiscal year runs from October 1 through September 30.

Both operating revenues and non-operating revenues for the past three fiscal years are shown in Figure 5-3. Over this period revenues have exceeded expenditures each year. While annual revenues and expenditures have declined over the past three years, net income has increased. This is attributed to a reduction in Administrative costs (including salaries), as costs for water treatment and distribution continue to rise due to increased energy costs.

Figure 5-3: IBWD BUDGET INFORMATION FOR FY 10-11, FY 11-12, AND FY 12-13

	FY 10-11		*FY 11-12*		*FY 12-13*	
Revenues						
Water Sales	$28,170	9%	$24,582	8%	$28,024	10%
Water Service Charges	143,752	46%	145,980	50%	156,334	55%
Rents & Leases	1,500	>1%	1,500	>1%	1,125	>1%
Taxes & Assessments	94,086	30%	96,702	33%	98,336	34%
Intergovernmental						
Interest Income	23,201	7%	15,123	5%	21	
Other Non-Operating Revenue	24,153	8%	8,273	3%	1,927	1%
Total Income	***$314,862***	100%	***$292,160***	100%	***$285,767***	100%
Expenditures						
Source of Supply	$7,091	3%	$7,298	3%	$6,959	3%
Pumping						
Water Treatment	22,585	9%	19,013	9%	32,651	16%
Transportation & Distribution	12,559	5%	11,718	5%	25,837	12%
Administration & General	188,968	73%	168,091	75%	117,907	58%
Other Operating Costs	19,699	7%	12,505	6%	15,633	8%
Other Non-Operating Costs	7,327	3%	5,400	2%	5,970	3%
Total Expenses	***$258,229***	100%	***$224,025***	100%	***$204,957***	100%
Net Income (or Loss)	***$56,633***		***$68,135***		***$80,810***	
Depreciation & Amortization	$19,840		$18,840		$21,564	

In 2002, voters within the District approved a Proposition 218 capital improvement assessment for the water system. The tax is levied annually and collected by the Mendocino County Treasurer. The funds are restricted for: 1) Mallo Pass Creek water diversion project[1]; 2) replacement of greater than 40 year capital items; 3) system wide projects as detailed in the Bartle & Wells Engineered Assessment Report dated 2002; and 4) two-thirds of the loan repayment. The assessment is adjusted for inflation annually based upon the inflation factor reflected in the January Engineering News Record (ENR) Construction Cost Index (20 cities average). There are currently 459 parcels that pay the assessment.

[1] The water rights for the Mallo Pass Creek diversion have been revoked by the State Water Resources Control Board (SWRCB), after the District did not seek a hearing with the SWRCB objecting to revocation (see Water Supply/Demand Section for more information). Consequently, the District's Board of Directors transferred the Mallo Pass funds to a new water development fund now called The Alternate Water Development Fund.

The District has a Safe Drinking Water loan from California Statewide Communities Development Authority, which is secured by a pledge of water revenues – payable in semi-annual principal and interest payments. This long-term debt was obligated in 1993 has an unpaid balance of approximately $56,500 as of June 30, 2012. The District continues to make annual payments of $14,000, and expects to pay the loan in full in 2018, three years earlier than originally scheduled.

The District put forward another Proposition 218 ballot measure in May 2011, which failed to pass. The measure was intended to provide additional support for the long-term maintenance of the system, provided specific support for the expansion of the system to provide for future water needs, and provided support for the legal costs associated with the development of the wells (see Outstanding Litigation, below). The District is considering other options including another Proposition 218 ballot measure and increases to the District's water user's availability charge.

Rate Restructuring

The District charges fees for both developed and undeveloped (stand by) parcels within Irish Beach. The Proposition 218 voter approved annual assessment of three percent is based on the current year of the ENR. The following reflects current (2013) water service fees:

- Availability: $66.49 per month
- Usage: $4.40 per 1,000 gallons
- Benefit Assessment: $228.92 (collected by the Mendocino County Treasurer)

Outstanding Litigation

In November 2009, a local developer initiated court proceedings for inverse condemnation claiming the District trespassed and inversely condemned private property for the drilling of a well. Four years later, on June 20, 2012, the Superior Court issued a judgment in the case finding the District liable for inverse condemnation, but reserved for another phase of the trial a determination of the amount of damages due for the taking. That second phase trial has not yet been completed, but has had much prior preparation by both sides and has been costly. To date, the District has spent over $185,000 and may have possible future costs, which could amount to an additional $50,000 to $300,000 or more, depending on the outcome of all phases of the trial. The ongoing litigation has affected completion of another well development that has been drilled near Tank 2, and which is awaiting utilities and connection to the system.

Cost Avoidance

The District shares meeting space with the fire district at the Rex Dunning Firehouse. Appropriate cost avoidance measures are employed by the District. Additionally, the District informally shares operating resources with the neighboring district to the north (Elk County Water District), which streamlines communication and monitoring efforts.

Section 5-2 DISTRICT SERVICES

SERVICE OVERVIEW

The District provides water services and monitoring and maintenance of post-development private and community septic systems for property owners with their boundaries. The District requires septic system inspections every five years.

WATER SERVICES

SUPPLY/DEMAND

The Irish Beach Water District has four developed sources of water, and one additional partially developed well source: 1) the upper diversion on Irish Gulch (SWRCB Permit No. 15580); 2) the lower diversion on Irish Gulch (SWRCB Permit No. 20443); 3) the well (Well 9) located east of the main subdivision; and 4) the new well (Well 5) located 500 feet southeast of Well 9. (Refer to Figure 5-4 for a summary of water source capacity.) The additional partially developed well (Well 2) is located east of Tank 2, and was developed with the property owner's permission. This well has been drilled, cased and tested, but has not yet been connected to the system or had utilities connected to it (refer to 'Outstanding Litigation' above). Well 9 production volume has diminished in the past few years. The District maintains that the current water system capacity is adequately sized for existing development with some room for growth. Current source capacity estimates indicate an adequate water supply for 365 homes at 300 gallons per day per home. Source capacity at full buildout is estimated to be 96 to 104 gallons per minute, which is anticipated to be achieved sometime between 2038 and 2067.

FIGURE 5-4: SUMMARY OF WATER SOURCE CAPACITY

WATER SOURCE	**CAPACITY** (AS OF OCTOBER 2014)
Irish Gulch Upper Diversion	12 gallons per minute
Irish Gulch Lower Diversion	36 gallons per minute
Unit 9 Well	8 gallons per minute
Tank 5 Well	10 gallons per minute
Tank 2 Well (Not Yet Online)	10 gallons per minute
Total	**76 gallons per minute or 109,440 gallons per day**

The District also held a permit for stream diversion from Mallo Pass Creek (Permit No. 16622) to ensure adequate water supply for undeveloped portions of the development.

The permit was originally issued to an individual in 1974, and was assigned to the District by that individual in 1988. The permit's issuance included a condition that the project be completed within a specified period of time, to which several extensions of time had been granted by the SWRCB. However, due to the slow pace of development and ongoing litigation, the project has not been completed and on March 11, 2009, the State Water Resources Control Board revoked the permit, finding that the water was not being put to 'beneficial use.'

In November of 2008, the Board of Directors adopted a resolution officially abandoning the Mallo Pass Creek project and transferred assessment monies from that project to the new Alternative Water Development Fund.

One of the District's water sources, Upper Irish Gulch, which diminishes in capacity in the fall, especially during drought conditions. When the Upper Irish Gulch point of diversion reduces in capacity, the Lower Diversion facility is used. A Mitigated Negative Declaration (MND) prepared for an extension of time for SWRCB Permit No. 15580 concluded that there will be insufficient water in Irish Gulch for the District, even if the entire stream flow is utilized. In response to these determinations, the SWRCB added mitigation limiting the diversions in Irish Gulch to 56.7 acre-feet at the upper point of diversion and 40.8 acre-feet at the lower point of diversion. Furthermore, use of the upper diversion was limited to winter and spring and direction given to use the lower diversion point during the summer months. The District supplements its Irish Gulch water diversions with two wells. The District also has property and a trust fund to develop an additional water source and treatment plant when required.

The District is obligated to serve the 'Inn Site' through a contractural agreement with the property owner. No other 'will-serve' letters are currently in force.

Infrastructure and Facilities

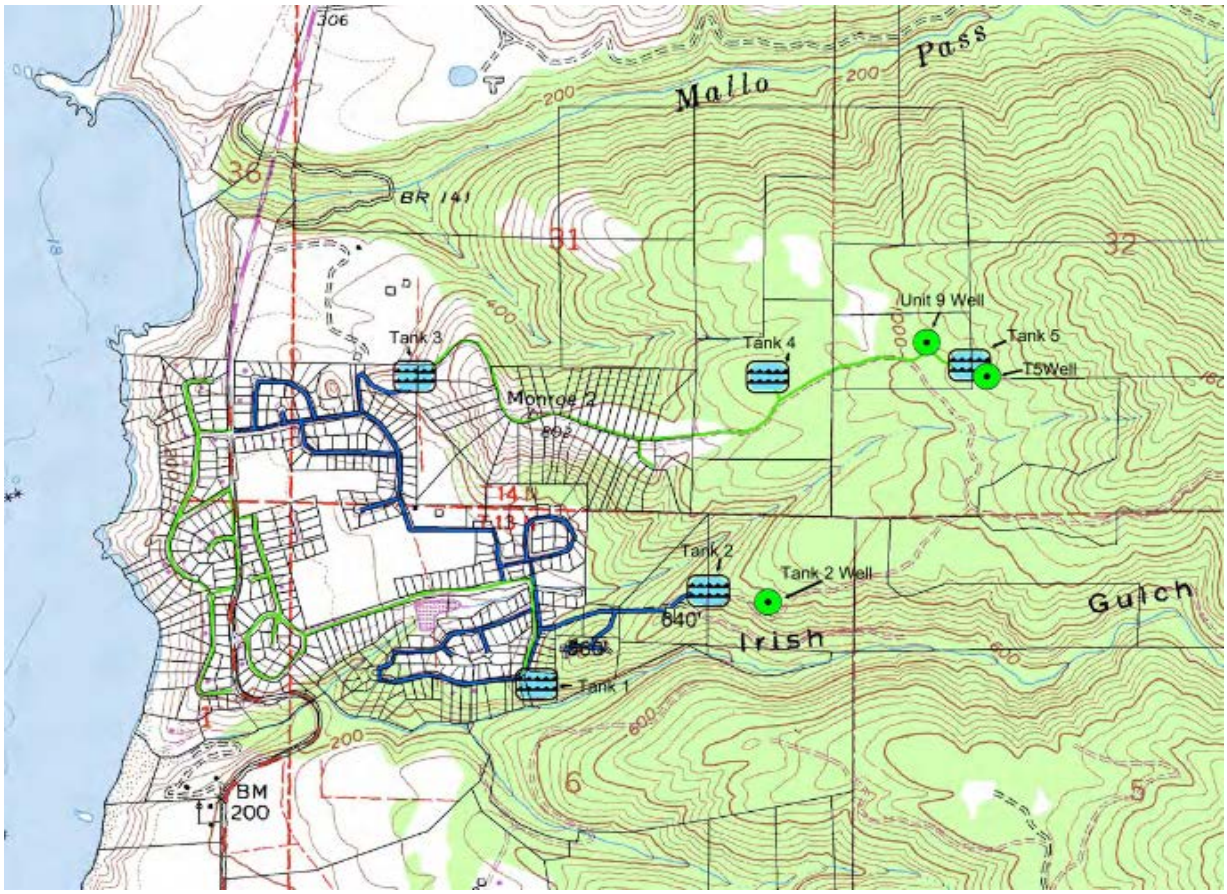
The District has five water tanks strategically located throughout the District (Refer to Figure 5-5). Tank 3 is an 84,000 gallon tank that supplies water to the eastern side of the subdivision and was replaced in 2010. The western side of the subdivision is supplied via Tank 1, which is a 210,000 gallon tank that was replaced in 2013. A 10,000 gallon settling tank is located between the Irish Gulch diversion and treatment facility, which has a design capacity of 42 gpm (0.09 cfs) or 57 gpm (0.127 cfs) with a filter unit kept in reserve.

In the 2010–2011, the lower diversion at Irish Gulch was put online, numerous fire hydrants were added throughout the subdivision, water treatment modifications were made, a transfer station was rebuilt, and a pressure reducing station was installed.

Opportunities to Share Facilities

The District holds its meetings in the Rex Dunning Firehouse, a community building. The Manager works from a home office – no other facility needs have been identified by the District.

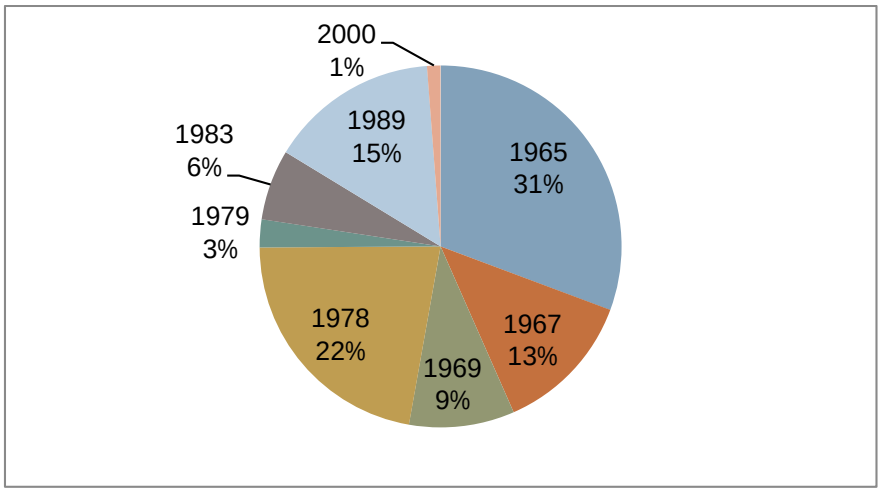
Figure 5-5: Map of IBWD Water Supplies and Tanks



DISTRIBUTION AND TRANSMISSION

The District has five water storage facilities, a pipeline network, hydrant system, and a water treatment plant. (Refer to Figure 5-5). The District has approximately 7.6 miles of pipeline, ranging from 6 to 2 inches in diameter. Parts of the District's distribution system dates from 1965, with sections added over the years, the newest of which was installed in 2000. Over 83 percent of the District's distribution and transmission system is more than 30 years old. Much of this system has an estimated useful life of 40 years. (Refer to Figure 5-6) To address aging infrastructure needs, a Proposition 218 Assessment was passed by District voters in early the 2000s. The assessment funds are kept in a special reserve account specifically for capital improvements including but not limited to replacement of pipelines, pumps, valves, tanks, hydrants, and connections.

Figure 5-6: Percentage of IBWD Distribution and Transmission Pipelines by Age



CHALLENGES

The District faces a number of challenges including ongoing litigation and identification and development of water sources for future development. Although not an immediate need, the District will need to identify additional sources to provide water supply as buildout of the District nears. Additionally, aging infrastructure is reaching the end of its lifespan and will need to be replaced or repaired in the near future.

SERVICE ADEQUACY

The District has a capital improvement plan and schedule for maintenance and replacement projects to ensure continued water service to its customers. Furthermore, the District has expanded the fire hydrant system and continues to complete additional projects identified in the capital improvement plan that benefit the customers and property owners within its boundaries. The Consumer Confidence Reports continue to find that the District provides safe and abundant water to the community, and that IBWD has developed sources to meet the current system demand.

Based on information provided by the District regarding facilities, management practice and accountability, and financing, IBWD's service appears to be adequate. Little growth is anticipated within the District and its facilities are keeping up with demand and growth. Regular Board meetings, records, annual budgets and financial audits are kept current and maintained by the board president and secretary.

WASTEWATER SERVICES

In 1980 the IBWD passed a Resolution of Intention to form a wastewater disposal zone under Health and Safety Code Sections 6955, et seq. The purpose of the establishment of the zone was to monitor, the maintainance, repair, replacement and pumping of wastewater disposal systems after such systems are initially installed pursuant to County Health and/or Regional Water Quality Control Board permits and standards on properties previously established as building sites within the subdivision known as Irish Beach. The District was not required to go through LAFCo to initiate the zone.

As such, the District is responsible for maintaining individual wastewater disposal system records, including date of installation, as-built plans of installed systems and service records of systems. It is also under the purview of the District to send to new owners and owners of new systems information regarding maintenance practices that should be followed and local contractors that provide service. To enforce this, IBWD passed Resolution No. 93-5, which requires that all septic tanks be inspected and/or pumped if necessary every five years by a registered sanitarian or a septic tank operator. In 2011, the District passed Resolution No. 2011-2 to establish discharge limits of waste that may contaminate the waters of the state flowing through Irish Beach.

CHALLENGES

No challenges to the District's wastewater services responsibilities were identified by the District or in the preparation of this service review.

SERVICE ADEQUACY

The District does not own, lease, operate or maintain any wastewater facilities or collection systems. District responsibilities regarding wastewater are limited to keeping individual septic system records and reminding owners to properly maintain their systems. Based on information provided by the District regarding facilities, management practice and accountability, and financing, IBWD's service appears to be adequate. Regular board meetings, records, annual budgets and financial audits are kept current and maintained by the General Manager and secretary.

SECTION 5-3 DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

1. Approximately 200 of the 460 lots within the District are developed with residences. The District is currently at 43 percent of buildout.
2. The District estimates that there are 65 year-round residents and an additional 250 part-time residents.
3. The District is expected to continue growing by approximately one new homes per year, until buildout at 460 homes. At the current slow rate of development, full buildout will not occur in the foreseeable future.
4. The District does not anticipate significant growth in population or development. Buildout of parcels within the District could result in an estimated population of approximately 1,200.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

5. The District provides adequate water services to its customers and operates with a surplus of water much of the year.
6. The District is in the process of identifying water supply sources for future growth. One additional well has already been established but is not connected, pending litigation with developer.
7. The District is faced with replacing aging infrastructure including water transmission pipes.
8. Lot owners are required to install their own septic systems. The District then has the responsibility to monitor, ensure maintenance and repair, inform and maintain records of individual systems.
9. The District does not own or operate any wastewater collection, treatment or disposal facilities.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

10. The IBWD is funded through service charges, fees, and tax assessments.
11. The District reported that current financing levels are adequate to continue to operate as a District.
12. The District continues to look for various funding options for development of additional water supplies and capital improvements.
13. The District has a good bond rating.
14. Rates should continue to be reviewed and adjusted as necessary to fund District costs and provide for capital improvements as needed.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

15. The District holds its meetings in a community building, the Rex Dunning Firehouse.
16. The District shares operating resources with Elk County Water District.
17. No further opportunities for facility sharing were identified.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

18. The District demonstrated accountability through its disclosure of information requested by LAFCo for preparation of this MSR.
19. Fire services were transferred from IBWD to the Redwood Coast Fire Protection District in 1994.
20. In 1980, the District included a wastewater disposal zone to provide oversight of private and community septic systems within the District.
21. The District practices cost reduction through careful purchasing, bidding processes, and other mechanisms.
22. In the short-term, no additional cost avoidance opportunities have been identified at this time. In the long-term future, the District could explore the use of new technology to develop and capture renewable energy to reduce its annual expenditures on utility costs.
23. One boundary change has been proposed, which would involve annexing the 'Inn Site' (APN 131-110-04 and 36) to the District. No other boundary changes are pending or proposed at this time. The new owner of a 60-acre parcel (APN 132-210-44) has indicated possible detachment of this parcel from the District.
24. IBWD follows standard accounting procedures.
25. The District maintains a Policy Handbook, which is posted on the District website.
26. The District does not currently have a strategic plan that outlines its mission statement, vision statement, and goals and objectives. Such a strategic plan could help the District improve upon 1) planning efforts, 2) accountability and transparency.
27. The District provides accountability to its constituents through holding board meetings at the Rex Dunning Firehouse, maintaining current meeting records and notices on its website, posting notices and reports in suitable public places, and preparing annual reports.

CHAPTER 6 LAYTONVILLE COUNTY WATER DISTRICT

SECTION 6-1 AGENCY OVERVIEW

PROFILE

Laytonville County Water District

Type of District: County Water District

Principal Act: California Water Code Section 30000 *et seq.*

Functions/Services: Water

Main Office: 45020 Highway 101 in Laytonville, CA 95454
Mailing Address: PO Box 32, Laytonville, CA 95454

Phone No: (707) 984-6444
Fax No: (707) 984-6084
Web Site: Not Available **Email:** info@lcwdh2o.org

General Manager: Jim Shields, District Manager **Email:** info@lcwdh2o.org
Alternative Contact: Kary Foltz, Office Manager **Email:** info@lcwdh2o.org

Meeting Schedule: The Board of Directors meets monthly on 4th Tuesday of the month at 6:00 PM; with Committee meetings more frequently.

Meeting Location: 45020 Highway 101 in Laytonville, CA 95454.

Date of Formation: July 1, 1957

Principal County: Mendocino County

OVERVIEW OF DISTRICT

The Laytonville County Water District (LCWD/District) provides potable water service to the unincorporated community of Laytonville. This is the first Municipal Service Review for the District.

TYPE AND EXTENT OF SERVICES

During the years 1951 to 1957, a private company, the Laytonville Water Company, provided water services to the community. In 1957, the Laytonville County Water District was organized with a small-sized geographic boundary, and in 1970 the District acquired all of the assets and infrastructure of the Laytonville Water Company. The District provides treated water for residential, commercial, and landscape use. The District does not provide irrigation or raw water supply.

LOCATION AND SIZE

The District is located 40 miles north of Ukiah in Mendocino County. Ten Mile Creek and Long Valley Creek are unique geographic features of the Laytonville Valley. The community of Laytonville is the socio-economic center of the District area. As shown in Figure 6-1, LCWD encompasses approximately 1,377 acres, which is equivalent to 2.15 square miles; and contains approximately 550 parcels. The District's Customer Service Office is located at 45020 Highway 101 in Laytonville.

LCWD is operated via two separate pressure or distribution zones (the East Zone and the West Zone). The East Zone lies east of Ten Mile Creek, and includes the downtown area of Laytonville, the Laytonville K-12 school facilities, and surrounding areas along a two-mile-plus stretch of Highway 101. The West Zone, where approximately 60 percent of District customers reside, lies west of Ten Mile Creek, and includes the Cahto Indian Rancheria and Casino, as well as adjacent residential neighborhoods located on or adjacent to Branscomb Road.

FORMATION AND BOUNDARY

The Laytonville County Water District was established in July, 1957 by vote of its constituents during a special election. The election results were acknowledged by the Mendocino County Board of Supervisors via Resolution No. 2271, adopted on July 1, 1957, thereby forming the Laytonville County Water District. The California Secretary of State also filed formation documents for the District in July 1957.

BOUNDARY HISTORY

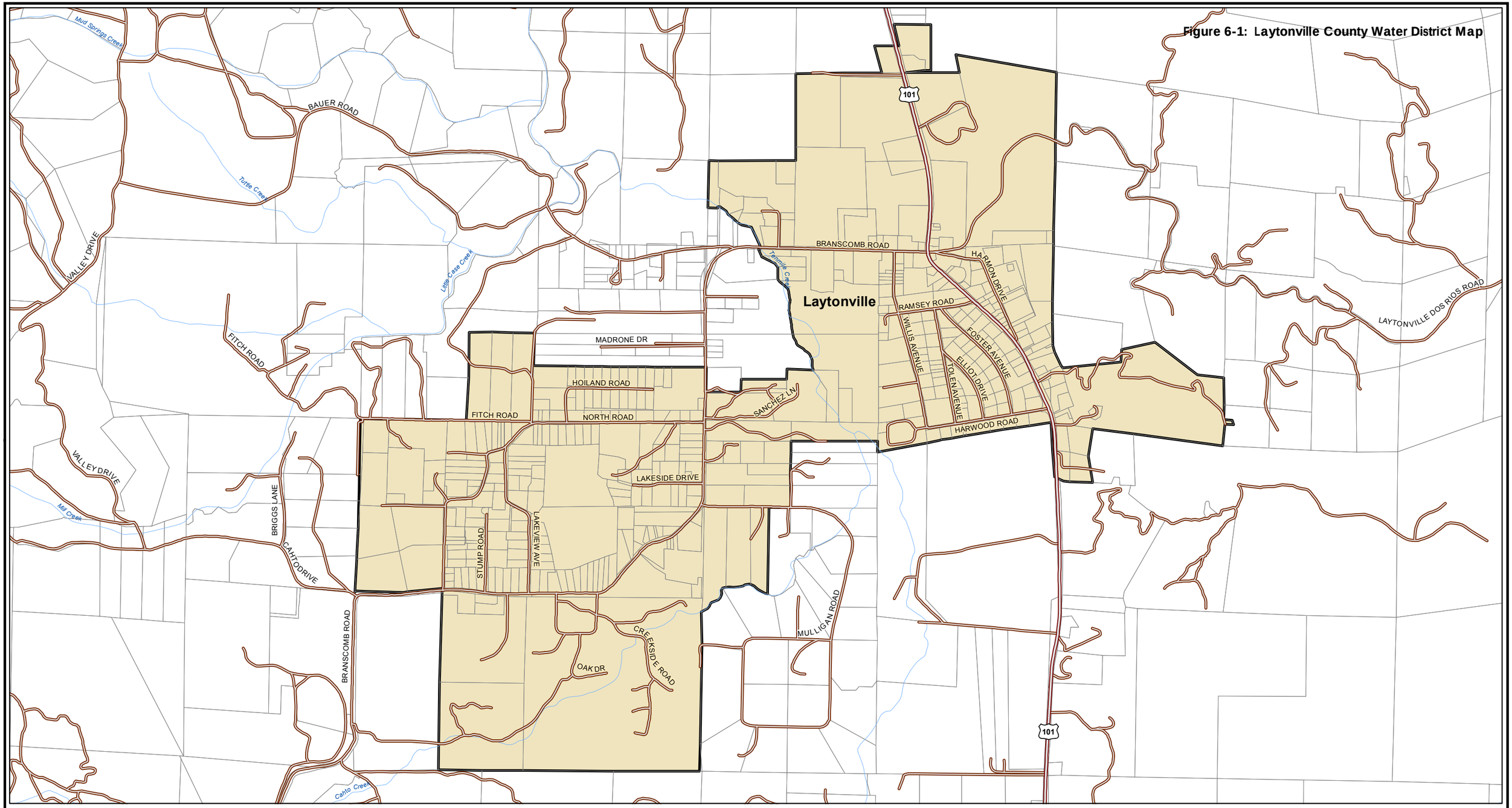
Since the original establishment of the LCWD in 1957, there have been several changes to the District boundaries and/or SOI as indicated in Figure 6-2, which was derived from LAFCo's files.

FIGURE 6-2: SUMMARY OF LAFCO FILES ON LCWD BOUNDARIES AND/OR SOI

YEAR	ACTION	RESOLUTION NO.	ACREAGE
2003	Out-of-Area Service Agreements	2003-6	5 parcels - acreage not calculated
2003	Proposed Out of District Water Service Agreement (In Sphere) on Fitch Road	None	None
2001	Annexation Including Sphere of Influence Amendment	01-01	900 acres (Note: this may include the area of SOI; file is not clear)
1999	Proposed formation of Sewer District	None	None
1975	Annexation to LCWD	75-6	Unknown
1971	Annexation to LCWD	71-4	600

Figure 6-2 indicates that at least 1,500 acres have been annexed to the District since 1971. However, there appears to be an error in the acreage calculation, since the County's GIS system calculates the District boundary to encompass 1,377 acres total. It is possible that the 2001 annexation and sphere of influence amendment combined totaled 900 acres, but it is not clear based on the file.

Figure 6-1: Laytonville County Water District Map



Laytonville County Water District

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, October 2013.
Note: This map is not a survey product.

Laytonville Water District
Parcels
Highways
Roads
Streams

0.1 0.05 0 0.1 0.2 Miles

In 1971, LAFCo Resolution No. 71-4 resulted in the annexation of 600 acres of property located due west of Ten Mile Creek. Many of the individual private wells in the area had run dry, which resulted in residents seeking service from the District.

In April 1975, LAFCo Resolution No. 75-6 was approved to allow annexation of approximately 400 acres to LCWD for the provision of water service; however, it was later contested by members of the public and the water district approved a special election to consider the issue in 1976. The outcome of the special election is not described in LAFCo's file. The proposed acreage to be annexed did change during the approval process as the original request was to annex 720 acres. The area was reduced to about 400 acres by the time of final approval in 1976. The original application included a request to provide sewer service and this particular request was dropped during the process.

In 1999, LCWD worked with community members to consider the feasibility of adding wastewater treatment to the list of services provided by the District. At that time, it was determined to be unfeasible for a variety of reasons, including financial.

In 2001, LCWD applied to LAFCo to annex a 900-acre area because most of the properties within the area had already been receiving water service from the District. LCWD recognized that out-of-district water service was not in compliance with state law and sought to remedy the situation. LAFCO held a public hearing on the item in December 2001 and approved Resolution No. 01-01. Following a protest hearing held in February 2002, LAFCo's Executive Officer issued Certificate of Completion No. 2002-01 certifying that the annexation was approved and final.

SPHERE OF INFLUENCE

The District's Sphere of Influence (SOI) was last updated in 2002. The District has indicated that the current configuration of the SOI is adequate to meet its needs. The SOI extends past the boundary to the west approximately 0.3 miles, to the southeast approximately 0.4 miles, and to the northwest by about 0.6 miles.

EXTRA-TERRITORIAL SERVICES

Based upon the information provided, water service is provided to five customers located outside the District's boundaries, per approval of Resolution No. 2003-06 from LAFCo in September 2003. The property owners requested District service based on the poor water quality of their private individual wells. Three of these customers are also located outside the District's SOI. (Refer to Figure 6-3)

FIGURE 6-3: DETAILS ON OUT-OF-AREA SERVICE AGREEMENT, RESOLUTION NO. 2003-06

ASSESSOR PARCEL NUMBER	LOCATED OUTSIDE DISTRICT BOUNDARY/WITHIN THE SOI	LOCATED OUTSIDE DISTRICT BOUNDARY/OUTSIDE SOI
014-260-58-01		X
014-260-30-00		X
014-260-26-01	X	
014-250-29-00		X
014-500-20-00	X	

AREAS OF INTEREST

No additional areas outside the District boundaries have been identified that require services from the District.

ACCOUNTABILITY AND GOVERNANCE

The District is governed by a five-member Board of Directors, who are normally elected at large to staggered four year terms by registered voters within the District. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election. This is the current situation for LCWD, along with one vacancy. The current Board Members, positions, and terms are shown in Figure 6-4.

FIGURE 6-4: CURRENT BOARD MEMBERS OF THE LCWD

MEMBER NAME	POSITION	TERM EXPIRATION	MANNER OF SELECTION	LENGTH OF TERM
Michael J. Davis	Chair	December 2017	Appointed	4 years
John Phillip McCaffrey, Jr.	Vice Chair	December 2017	Appointed	4 years
Kary Lynne Foltz	Director	December 2017	Appointed	4 years
Alvin Dodd	Director	December 2015	Appointed	2 years
Vacant				

Regularly scheduled monthly meetings are held at the District's office located at 45020 Highway 101 in Laytonville, CA. Full Board meetings are held on the 4th Tuesday of the month at 6:00 PM; committee meetings occur more frequently.

All meetings are publicly posted at least three days prior to Board meetings. Postings are located on public information boards in the District Office. Additionally, agendas and minutes are mailed or e-mailed to members of the public upon request. The District does not have a website.

The District's "Organization and Meeting Roles and District Administrative Manual" specifies important features of governance and accountability structure including Board voting procedures, special voting procedures, and procedures for conducting meetings. The District also has an "Emergency Notification Plan," which outlines an emergency response flow chart and emergency contacts; this plan was updated and sent to the California Department of Public Health in 2010. Although the LCWD does not have a master plan, its Executive Committee performs District-wide planning on a regular basis.

Customers and other members of the general public may either contact District employees directly or through the District's Customer Service Office with complaints or concerns. LCWD's 2012 log of complaints was provided to LAFCo, and this log indicates the District received a total of 45 complaints, all of which were investigated. Most complaints (39) were in regards to service connection breaks or leaks. Four complaints were related to water pressure, one regarding a water main break, and one miscellaneous complaint was received.

MANAGEMENT EFFICIENCIES AND STAFFING

The duties of key staff members are specified in the District's "Organization and Meeting Roles and District Administrative Manual." Day-to-day operations are managed by the District Manager. The District Manager is authorized to communicate with the public on behalf of the District. The Clerk of the Board handles meeting minutes and correspondence for the Board. The Administrative Officer reports directly to the Board and is responsible for various administrative operations and programs, including legislative matters and budgeting.

The Treasurer reports directly to the Board and is responsible for carrying out the directives of the Audit/Budget Committee and serving as the District's "Trust Administrator." The Administrative portion of the Manual describes rules of conduct for staff, employee benefits, use of District vehicles, employee health benefits, office procedures, customer service policies, petty cash procedures, customer water service shutoff procedures, and policies regarding access to District property. An organization chart is provided in Figure 6-5.

POPULATION AND GROWTH

The community of Laytonville is a census designated place (CDP) under the provisions of the US Census. The Laytonville CDP encompasses 5.4 square miles; however, it does not coincide with the boundaries of the LCWD. The District comprises a portion of the Laytonville CDP.

POPULATION

The 2010 Census reported 1,227 residents in the CDP, which was a decline of 74 people from the 2000 Census of 1,301 people. The California Department of Finance's (DOF) Table E-4 Population Estimate lumps Laytonville with the unincorporated parts of Mendocino County and thus a numerical breakdown is not readily available. However, based on the population density shown in Figure 6-6, the estimated population within LCWD boundaries is 488.

Land-use in the community of Laytonville is primarily low-density residential. Since the community relies upon individual private septic tanks for sewage disposal, lot sizes must be large enough to accommodate the septic system, thereby reducing overall density.

FIGURE 6-5: LCWD ORGANIZATION CHART

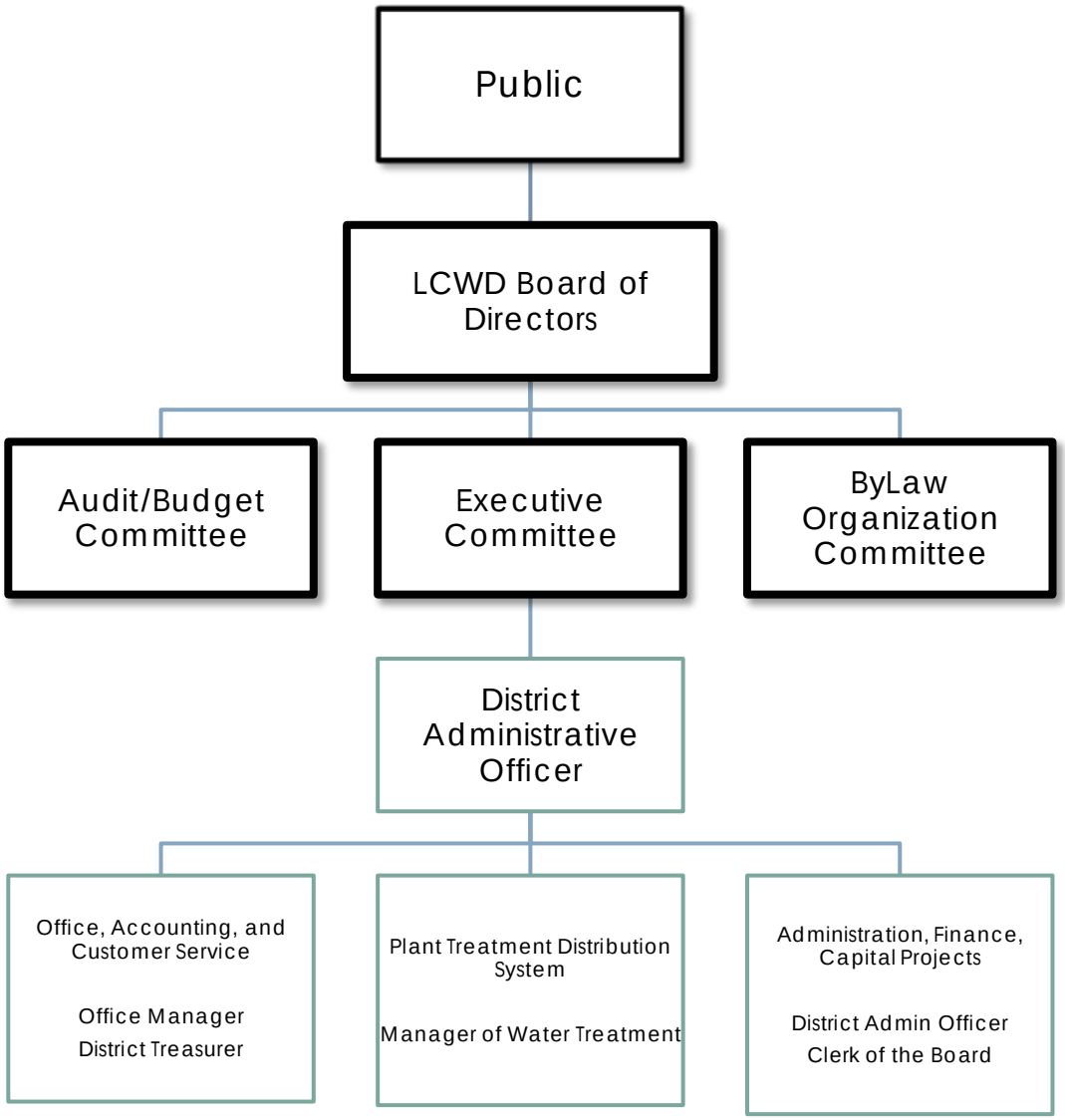


FIGURE 6-6: SUMMARY OF POPULATION IN LAYTONVILLE CDP

CENSUS YEAR	TOTAL POPULATION IN CDP	NUMBER OF HOUSEHOLDS	LAND AREA (SQ. MILES)	POPULATION PER SQ. MILE
2000	1,301	496	5.4	240
2010	1,227	493	5.4	227

The LCWD has approximately 370 active customer accounts, which includes 306 single family residences, nine multi-family residences, 59 commercial/institutional customers, five landscape irrigation customers, and one "other" type customer. LCWD estimates that it provides water to approximately 2,200 people on a daily basis. All water sales are metered, including bulk water sales, i.e., water sold to commercial and public sector water haulers. It should be noted that the customer estimate provided by the District is not consistent with the population estimate calculated from the CDP.

PROJECTED GROWTH AND DEVELOPMENT

Studies on projected growth and development in Laytonville were not readily available to the consultants during preparation of this MSR. Based on the census data presented above, the population level in the community appears stable, with little growth or decline. It is likely that this trend will continue over the next few years. During the years 2000 to 2010 the number of "connections" the District served increased by three percent annually, on average. It is also possible that this trend of steady increase in the number of connections serviced by the District could continue over the next few years, if other capacity issues are resolved.

Disadvantaged Unincorporated Communities

LAFCo is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income. Within a DUC, three basic services are evaluated: water supply, sewage disposal, and structural fire protection.

Laytonville qualifies as a DUC because the median household income within the Laytonville CDP is $35,391, which is less (57.4%) than 80% of the State median household income of $61,632.

For LCWD, one of the three basic services – water supply – is provided by the District. Based on annual reports to the State Department of Public Health, as well as a review of the District's complaint log for 2012, water supply services to customers within the District is considered to be satisfactory. The District does not provide sewer services or structural fire protection, and is therefore not responsible for assuring that these services are adequately provided to the community.

FINANCING

The Board of Directors has established a Budget Committee whose responsibility it is to produce an annual budget and to track the current year's budget. The Committee is able to make recommendations for budget adjustments as necessary and it performs audits of the District's account by reconciling them to its bank account statement on a monthly basis. The LCWD also has several other financial control features that ensure fiscal order, including the following:

- Two signatures are required on checks;
- Payroll procedures, including timecard approval;
- Purchase order and invoice procedures; and
- Banking and deposit procedures.

Laytonville County Water District operates as a water enterprise fund, meaning that charges for services are intended to pay for the costs of providing such services.

The LCWD is comprised of one proprietary fund, whose accounting methodology uses economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, the depreciation of plant, property and equipment is recorded as an expense, using the straight line method. The estimated useful life for the water system is 40 years.

REVENUE

Sales of water and property assessments are the primary sources of operating revenue for the District. In recent years, the District's revenue has averaged $356,000. Figure 6-7 provides details on revenue for the past three fiscal years.

Figure 6-7: LCWD BUDGET INFORMATION FOR FY 10-11, FY 11-12, AND FY 12-13

	FY 10-11		***FY 11-12***		***FY 12-13***	
Revenues						
Water Sales	$333,707	95%	$387,506	94%		
Water Service Charges						
Rents & Leases						
Taxes & Assessments	18,029	5%	23,246	6%		
Intergovernmental	182		182			
Interest Income	27		9			
Other Non-Operating						
Total Income	***$351,945***	100%	***$410,943***	100%		100%
Expenditures						
Source of Supply						
Pumping	$57,248	15%	$82,564	21%		
Water Treatment	60,067	15%	39,933	10%		
Transportation & Distribution	94,152	24%	70,335	18%		
Administration & General	80,761	20%	137,932	35%		
Other Operating Costs	46,832	12%	914	>1%		
Non-Operating Costs	54,502	14%	58,732	15%		
Total Expenses	***$393,562***	100%	***$390, 410***	100%		100%
Net Income (or Loss)	***($41,617)***		***$20,533***			
Depreciation & Amortization	$143,572		$142,899		$142,395	

EXPENDITURES

The District incurs expenses associated with the normal operation of the service and the type of expenses include salaries, payroll taxes, employee benefits, repairs, chemicals, analysis, supplies, licenses, permits, office expenses, utilities, insurance, auditing, rent, and vehicle expenses. Additionally, there are non-operating expenses such as taxes and interest payments. A summary of expenses incurred for the past three fiscal years are listed in Figure 6-7. For those years in which expenditures exceed revenues, the District utilizes a portion of its reserve funds to make up the difference. The current reserve fund stands at $98,000.

The District does not have a current capital improvement plan; however, it did complete capital improvement projects in 2009, which included installation of new water mains, new storage tank, and a new arsenic treatment facility.

The District also has two outstanding loans from the US Department of Agriculture (USDA) Utilities Loan Program. The loans totaled $1,330,000, and were obtained in 2004 to finance improvements to water source and storage facilities, increase water flows for fire protection purposes, and alleviate water quality concerns. The loan rates are 4.25% and 4.5%, and are scheduled to be paid in full in the year 2044. The annual loan payments total $18,000.

The District adopts an annual budget each year. LCWD does have audits of its financial statements prepared annually, consistent with good business practices. The audits are typically performed on the District financial statements on June 30th of every year and published in December. For the years 2011 and 2012 the audits were performed by Frank Gloeggler, CPA. The two audits reviewed for this MSR did not note any items of concern.

RATE RESTRUCTURING

The water district is authorized to charge reasonable fees for its services. The District charges the following rates for water:

FIGURE 6-8: LCWD WATER RATE SCHEDULE

TYPE	MONTHLY SERVICE FEE	RATE FOR 100 CUBIC FEET
Commercial & Residential	$25.00	$4.15
Bulk Water[1]	$25.00	$16.00
[1] Bulk water sales consists of water sold to commercial and public sector water haulers.		

Since the audited financial statements indicate that expenditures can sometimes exceed revenues, the District should continue to monitor its rate structure and make adjustments as needed, consistent with Proposition 218.

COST AVOIDANCE

The District has pursued measures to reduce costs including securing a low-interest loan from the USDA for infrastructure improvements and using a competitive bidding process when purchasing supplies and services from outside vendors. The District also works to maintain and control budget expenditures through discussion at its monthly Board meetings. The geographic isolation of the District is a substantial limitation to collaboration with nearby agencies.

SECTION 6-2 DISTRICT SERVICES

SERVICE OVERVIEW

The District has approximately 370 active customer accounts and provides water to approximately 2,000 people on a daily basis. All water sales are metered, including bulk water sales.

SUPPLY/DEMAND

SUPPLY

The water supply for the LCWD is the aquifer that underlies the Laytonville Valley, which the California Department of Water Resources (DWR) has labeled Groundwater Basin Number 1-38. The lower Laytonville Valley contains water-bearing formations including alluvium and continental Terrace Deposits. A 1986 report by the U.S. Geological Service (USGS) found that storage capacity estimates for the basin in Laytonville Valley are approximately 14,000 acre-feet. Abundant rainfall (35 to 56 in/yr.) generally recharges the basins to capacity. Water levels are approximately 10 feet or less below the ground surface. Seasonal water level fluctuation was found to be nearly constant, except during drought years. However, a more recent but less detailed report prepared by the DWR found that there is insufficient information available to make judgments regarding groundwater levels, storage capacity, groundwater budget, or water quality. Furthermore, a groundwater management plan for this aquifer was not available.

The District currently has two active water supply wells: Wells 1 and 3. Well 1 is located at the water treatment plan (WTP), approximately 75 feet from the operations building. Well 3 is located approximately 200 feet due north of Well 1 on the adjacent Rodeo Grounds. The wells are located approximately 300 feet east of Ten Mile Creek.

The first Laytonville community water system was comprised of Well 1, a 100,000 gallon water storage tank in the east zone, and a distribution system consisting of a mixture of 2-, 4-, and 6-inch diameter steel, galvanized steel and asphalt concrete pipe. Well 1 was drilled in 1951 with a well casing reaching 528 feet in depth. It should be noted that at one time there was a Well 2 which was in use throughout the 1990s (and perhaps before), but decommissioned in September 1999 due to low water level.

According to a 1986 report, "Ground-Water Resources in Mendocino County" by C.D. Farrar, USGS, "Well 21N/15W-13B1, the supply well for Laytonville's community water system, produced 700 gpm with about 18 feet of drawdown during a 60-hour pump test shortly after drilling was completed in June 1951. This well was originally drilled to a depth of 528 feet, but has subsequently silted-in to a depth of about 480 feet. The well penetrates about 130 feet of Holocene alluvium and 150 feet of terrace deposits before encountering rocks of the Franciscan Complex at a depth of 280 feet. During 1981, this well was being pumped at a rate of about 275 gpm with a pumping level of about 37 feet in August."

The report states, "Ground-water availability in the Laytonville Valley area is classified into four categories: Type I, II, III and IV. The most favorable area for ground-water production (Type I) extends nearly the entire length of the valley floor, includes 3 square miles, and is underlain by Holocene alluvium. Wells drilled in this area can be expected to provide sufficient water for domestic supplies; wells near the valley axis can provide up to several hundred gpm."

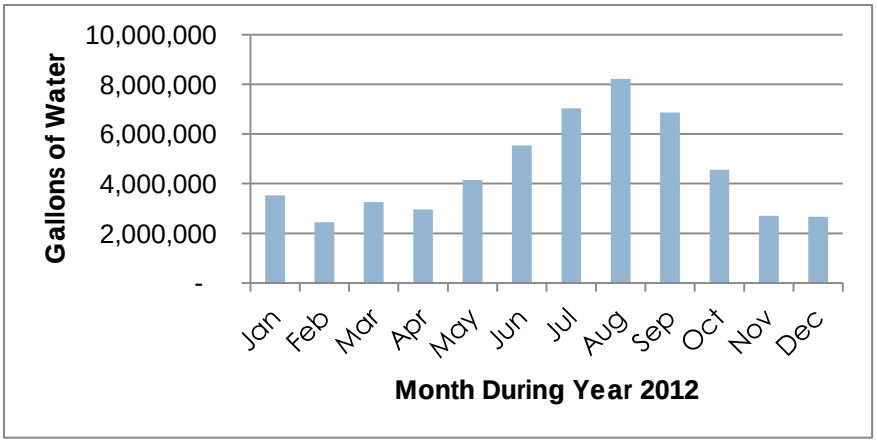
Both of the District wells are located in the Type I area described above. It should be noted that the Laytonville area where the Type I area is located receives an average annual rainfall of 65.58 inches. The District believes that one of the main reasons the valley aquifer is so healthy is due to the area's historically high rainfall.

The 1986 report also quantifies the aquifer from which the District draws its water: "The quantity of available groundwater stored in the upper 100 feet of the most productive areas of valley fill is estimated to be about 14,000 acre-feet."

In 2005, Well 3 was constructed on the adjacent rodeo grounds pursuant to an agreement between the District and the Laytonville Rodeo Association. The total depth of the completed well is 220 feet, even though the total depth of the boring was 503 feet. It has 10-inch casing from surface to 220 feet. The well has a 50-foot annular seal.

Annual water production during the year 2012 for the District (including both wells) is summarized in Figure 6-9.

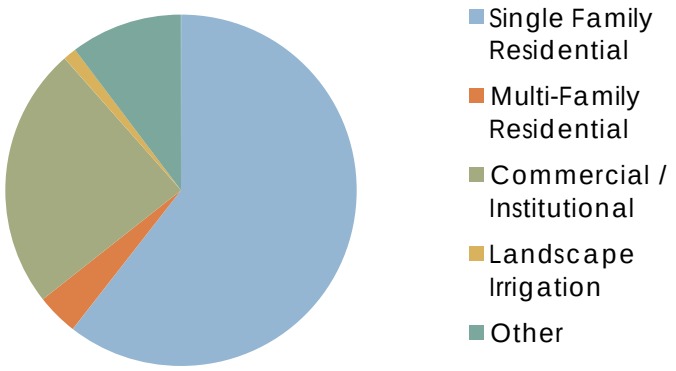
FIGURE 6-9: WATER PRODUCTION BY MONTH IN YEAR 2012



Based on this data, LCWD pumps approximately 53 million gallons per year from the aquifer via its two wells. Water demand/production is slightly higher during the warmer summer months. The groundwater basin is not adjudicated; therefore, there are no legal limits on the amount of water that can be withdrawn annually. Another important feature of this basin is its potential hydrologic connection to surface waters such as Ten Mile Creek, as evidence by the relatively high water table.

The distribution of water deliveries based on customer type is as follows: single-family residential receives 61 percent, multi-family residential receives 4 percent, commercial/Institutional receives 24 percent, landscape Irrigation receives 1 percent, and other receives 10 percent. (Refer to Figure 6-10)

FIGURE 6-10: LCWD WATER DELIVERIES BY CUSTOMER TYPE (LCWD, 2012)



There are no outstanding will-serve letters for new or proposed development within the District. LCWD does not have any water supply purchase agreements to obtain water from outside its boundaries. The District also does not currently have plans to increase the capacity of this system.

Water quality is an important component of water supply. LCWD reports that water quality is currently very good and it has worked diligently to resolve past water quality issues. For the purposes of transparency, those past water quality issues are summarized here. The U. S. Geologic Survey in 1986 reported that chemical quality of water in basement rocks and valley fill is generally acceptable for most uses. Some wells may have naturally occurring high iron, arsenic, or manganese levels. The Environmental Working Group reported in 2009 that levels of manganese and arsenic exceeded adopted health limits. Additionally other constituents including total haloacetic acids, total trihalomethanes, dibromochloromethane, bromodichloromethane, bromoform, chloroform, alpha particle activity, dichloracetic acid, and radium 228 were noted. Some of these constituents are byproducts of water treatment and distribution and the District received violation notices from the State Department of Public Health CDPH) in 2006 and 2008. The District has refined its practices to reduce byproducts and is now in compliance with standards for these constituents.

The District also treats its water to lower the levels of naturally-occurring iron, manganese, and arsenic in the system. Iron and manganese in treated water do not pose a health hazard; however, arsenic in well water is a human health hazard. When the arsenic standard was lowered to 0.010 milligrams per liter in January 2006, the District was out of compliance and received notice of violation from the CDPH in 2006. The new arsenic treatment system was installed in 2008 and successfully operated in 2009. The District continues to monitor this constituent to ensure compliance with regulatory standards. In December 2009, the District updated its permit application with the CDPH to acknowledge the installation of its new arsenic treatment plant. However, those Valley residents who live outside the District boundaries and utilize their own private water wells as their primary drinking water supply do not benefit from the District's water treatment process and remain at risk of exposure to arsenic. This is an issue that may need to be addressed with the County Environmental Health Department.

A related water quality issue is the presence of hundreds of septic tanks near the ground surface and above the aquifer. Since the community of Laytonville does not have access to a formal centralized wastewater treatment system, septic tanks serve as the primary treatment and disposal method. Sometimes aging septic tanks can fail and create water quality problems such as *E coli* contamination. Mendocino County is aware of the issues and the Council of Governments (MCOG) and Municipal Council have developed a community plan for Laytonville to start discussing solutions.

Protecting water quality is important to LCWD and it has conducted an assessment of Well 1 called a Drinking Water Source Assessment and Protection (DWSAP) Program, as managed by the CDPH. This Assessment found that a potential source of contamination for Well 1 is the rodeo restroom leach field, located adjacent to the WTP. The closed Well 2 also represents a potential source of contamination to Well 1. The District has not yet conducted a Drinking Water Source Assessment and Protection Program for Well 3 and this is a to-do item for the District.

DEMAND

Supply and demand for water districts are typically impacted by development occurring within the District that could result in an increase in demand and need for additional infrastructure. Minimal development is anticipated in the District due to constraints on infrastructure and public services such as wastewater treatment and disposal. Laytonville is an isolated community with little future growth projected. The community has developed a plan through the Mendocino Council of Governments entitled "Laytonville Traffic Calming & Downtown Revitalization: Planning for a Livable Community," although this planning document does not contain future growth projections.

During the years 2000 to 2010, the number of District water connections increased from 258 to 370, which indicates a growth rate of approximately 3 percent per year. A District study has estimated that average daily use per connection is approximately 1,160 gallons. Based upon its present infrastructure configuration, it is estimated that the District can support a total of 392 customer connections. Given that the District currently serves 370 connections, there is capacity to serve 22 new connections. These numbers show limits to the capacity of the District's system.

It should be emphasized that the aquifer likely contains sufficient water supply to support continued growth in the District. However, additional studies would be needed to support a definitive conclusion about the aquifer. Rather, the most significant limitation is the District's capacity to treat the water to meet water quality regulations in a cost effective manner. A recent engineering report recommended that the District begin planning for future upgrades to the water treatment plant to provide additional capacity.

INFRASTRUCTURE AND FACILITIES

The District's WTP is located at the south end of Willis Avenue where it intersects with Harwood Road, less than one-half mile west of Highway 101. It sits back approximately 400 feet west from Willis Avenue. This is the original and only site of the WTP since the District's inception in 1951. The immediate neighbors of the WTP are Harwood Park, a baseball field, a Community Hall, Healthy Start Annex, and the Laytonville Rodeo Grounds. The WTP and the District's two active wells are located approximately 300 feet east of Ten Mile Creek. The water treatment plan is classified as a T2 treatment plant and its Chief Operator does have a T2 certification.

The water treatment process includes oxidation with chlorine via a reaction tank, processing through filter pumps, and the addition of various coagulants and sodium bisulfite to reduce chlorine residue. Treatment with the new arsenic filtration components is also performed. After treatment, water is moved to the distribution system, which includes four storage tanks that connect to the water mains.

LCWD also has a supervisory control and data acquisition (SCADA) system to allow plant operators or the District Manager to view the operations of the treatment plant remotely from their home computers.

In 2003, the District received a grant from CDPH for modifications to Well 1. The grant was used to remove the old pump; remove approximately 100 feet of sediment that had fallen into the well; remove a section of galvanized pipe and tee that had fallen to the bottom of the well; install new 8-inch steel casing; install a gravel pack and 50-foot annular seal; and install a new pump.

In summary, District owned infrastructure and facilities includes storage tanks, water treatment plant, conveyance infrastructure, office building, and other support facilities. The District also owns maintenance equipment which is listed on the District's inventory. Equipment includes two trucks, a trailer, air compressor, boring tool, pneumatic hammer, several trash pumps, backhoe, gate opener, metal locator, and a sonic waterline locator. Additionally, the District has several pieces of equipment associated with its automatic meter reading system (AMR).

An engineering report associated with a permit application from the CDPH contained eight pages of recommended conditions of approval for the permit. A few of the suggested improvements to facilitate optimal operation of water facilities and the District are listed below to provide an overview of the types of actions to be considered:

- Proper abandonment of Well 2;
- Conduct a source assessment for Well 3;
- Investigate chemical compatibility of a concentrated sulfuric acid line with sodium hypochlorite;
- Remove aeration tower from contact tank;
- Construct housing for and alarm the sodium bisulfite day tank;
- Re-coat the 250,000 gallon storage tank;
- Ensure that all workers on the D2 distribution facility are certified; and
- Comply with federal groundwater rules by submitting a Groundwater Rule Plan.

While the CDPH is ultimately responsible for enforcing its permit conditions, many of these actions make sense and it would be beneficial if the District could report on its progress in addressing the permit conditions/actions.

The District does not have a Capital Improvement Plan; although it has recently (2009) completed a large capital improvement project. The District does not currently have plans to increase the capacity of this system.

DISTRIBUTION AND TRANSMISSION

There are approximately 13 miles of water mains that carry water to 2 separate pressure or distribution zones (the East Zone and the West Zone) as shown in Figures 6-11 and 6-12. The East Zone lies east of Ten Mile Creek and includes two storage tanks that have a combined capacity of 750,000 gallons. The West Zone lies west of Ten Mile Creek and has two storage tanks with a combined capacity of 310,000 gallons. All four tanks, with a combined capacity of 1,060,000 gallons, are filled through the distribution system.

OPPORTUNITIES TO SHARE FACILITIES

The District does not currently jointly own or share facilities or services with other agencies. There are no areas in or near the District boundaries that would be better served by a different agency. The District does not participate in any mutual aid agreements. The District does not participate in an Integrated Regional Water Management Plan. Participation in these types of joint planning activities sometimes offer opportunity to pursue joint grant applications and to leverage other community resources.

The District does participate in a joint powers agreement with the Special District Risk Management Authority to obtain cost effective insurance. LCWD also shares recycled/grey water resources with the adjacent Rodeo Grounds for landscape irrigation purposes. A recent study found that there are no technical limitations on the District to expand its water recycling/grey water use to other locations.

CHALLENGES

The District did not list any specific challenges for the next few years.

SERVICE ADEQUACY

The District focuses its efforts to the provision, treatment, and distribution of water for household, landscape, and business use. The LCWD relies upon a large aquifer with sufficient supply to serve existing and projected customers. The District reports that its water facilities are in good condition. Water services offered by the District appear to be adequate. The District actively maintains its equipment and facilities, thereby extending the expected life cycle. In summary, LCWD's infrastructure is adequate to treat and distribute for the next several years. In the longer term, if the area experiences any significant population growth, expansion of the District's facilities may become necessary.

FIGURE 6-11: EAST ZONE FACILITIES MAP

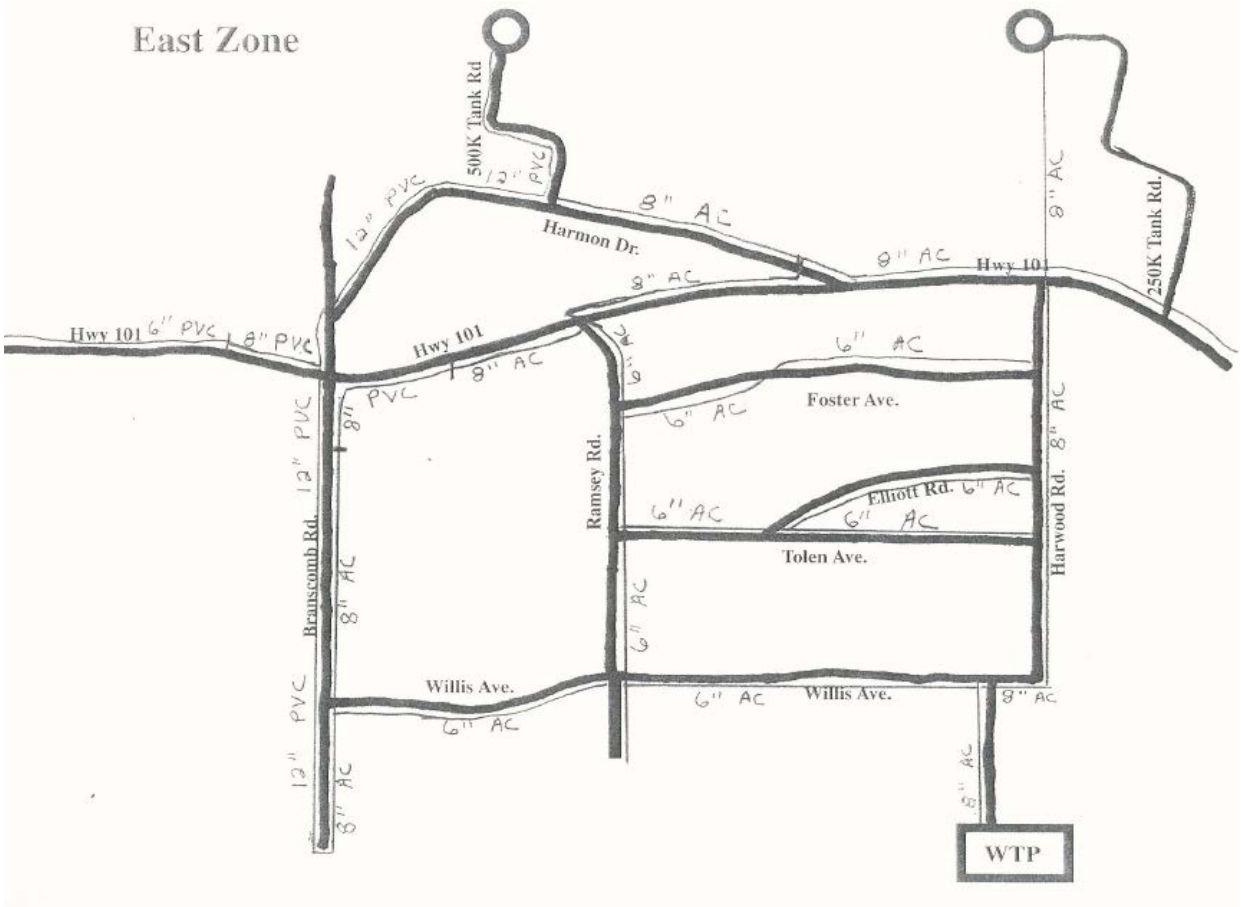
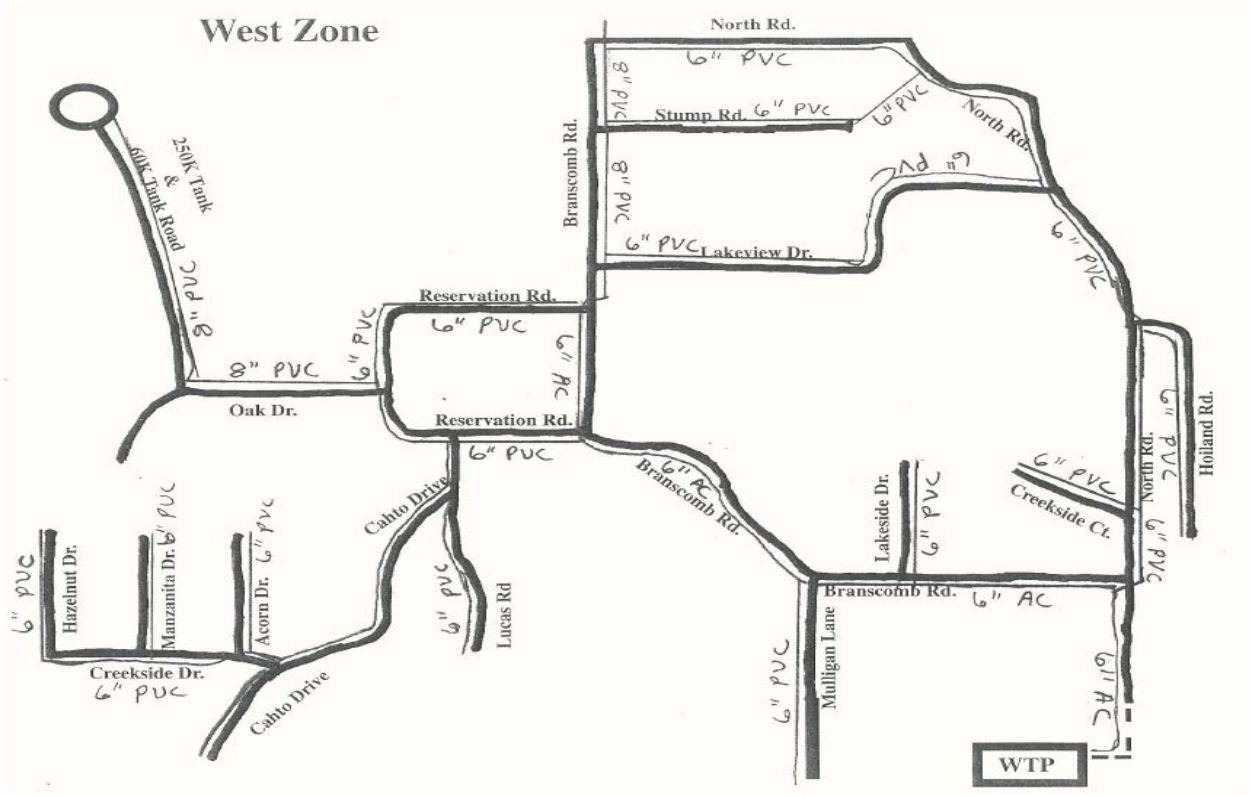


FIGURE 6-13: WEST ZONE FACILITIES MAP



SECTION 6-3 DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

1. The estimated number of residents served by the District is 2,200 based upon information provided by the District.
2. The population growth within Mendocino County is approximately an average of 1.1 percent annually between 2000 and 2010. However, population in Laytonville specifically declined a bit from the year 2000 to 2010 but overall seems to be stable.
3. The District anticipates limited population growth in the future, partially due to lack of a centralized sewage treatment plan for the community.
4. The District may wish to consider future growth potential in more detail and decide whether and how to expand the capacity of its water treatment and other facilities.

Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

5. Laytonville qualifies as a Disadvantaged Unincorporated Community (DUC) because the median household income within the Laytonville CDP (census designated place) is $35,391, which is less (57.4%) than 80% of the State median household income of $61,632.
6. For the Laytonville County Water District, one of the three basic services – water supply – is provided by the District. Based on annual reports to the State Department of Public Health, as well as a review of the District's complaint log for 2012, water supply services to customers within the District is considered to be satisfactory.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

7. The District was established in 1957 to provide water service including treatment, distribution, and facility maintenance.
8. During the years 2000 to 2010 the average growth in the number of new connections for the District averaged three percent per year.
9. The District has the capacity to add approximately 22 new connections, which would be a six percent increase over existing connections.
10. The District's ability to expand its number of customers is limited by its capacity to treat the water to meet water quality regulations in a cost effective manner.
11. A recent engineering report recommended that the District begin planning for future upgrades to the water treatment plant to provide additional capacity.
12. The community of Laytonville does not have access to a formal centralized wastewater treatment system and septic tanks serve as the treatment method. Wastewater treatment is an infrastructure deficit for this community.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

13. The District is funded primarily through the sale of water.
14. The audited financial statements indicate that expenditures can sometimes exceed revenues. Therefore, the District should continue to monitor its rate structure and make adjustments as needed, consistent with Proposition 218.

15. The Board of Directors has established a number of methods to closely monitor both revenues and expenditures. The Budget Committee produces an annual budget and tracks the current year's budget. The Committee also provides recommendations for budget adjustments as necessary and it audits the District's accounts on a monthly basis. The District's finances appear well managed.
16. Rates should continue to be reviewed and adjusted as necessary to fund District costs and provide for capital improvements as needed.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

17. Given the geographic isolation of the Laytonville community, there are no nearby agencies for the District to partner with and share facilities. No opportunities for shared facilities have been identified at this time.
18. The District does not participate in an Integrated Regional Water Management Plan. Participation in these types of joint planning activities sometimes offers opportunity to pursue joint grant applications and to leverage other community resources.
19. The District provides grey/recycled water to the local rodeo grounds for landscape purposes. Additional programs such as this appear to be technically feasible; however the financial costs have not been studied.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

20. The District demonstrated accountability through its prompt disclosure of information requested by LAFCo for preparation of this MSR.
21. Board meetings are publically noticed and do comply with California open meeting law, known as the Brown Act.
22. The District practices cost reduction through careful purchasing and other mechanisms.
23. In the short-term, no additional cost avoidance opportunities have been identified at this time. In the long-term future, the District could explore the use of new technology to develop and capture renewable energy to reduce its annual expenditures on utility costs.
24. No boundary changes are pending or proposed at this time.
25. During The Sphere of Influence Update for the District, the current SOI should be verified and the out-of-agency service parcels should be added to the SOI.
26. The District follows standard accounting procedures.
27. The Board of Directors holds public meetings the fourth Tuesday of each month.
28. All Board Members have access to LCWD data, records and information.
29. Accountability to residents within the District could be improved by improving constituent outreach efforts, including building a website.
30. The District does not currently have a strategic plan that outlines its mission statement, vision statement, and goals and objectives. Such a strategic plan could help the District improve upon 1) planning efforts, 2) accountability and transparency.
31. The District has a comprehensive organization that is able to handle issues that arise with the operation and maintenance of its water system.
32. The District should consider how to best share with the public the progress it is making to address the permit conditions/actions associated with its recent new permit for its system Number 2310011 from CA Dept. of Public Health.

CHAPTER 7 PACIFIC REEFS WATER DISTRICT

SECTION 7-1 AGENCY OVERVIEW

PROFILE

Pacific Reefs Water District

Type of District:	Water District	
Principal Act:	California Water Code Section 34000 *et sec.*	
Functions/Services:	Provision of water to the residents of the Pacific Reefs Subdivision.	
Main Office:	None	
Mailing Address:	P.O. Box 314, Albion, CA 95410	
Phone No.:	650-524-6962	
Fax No.:	None	
Web Site:	prwdboard.wordpress.com (Out of date – not maintained)	**Email:** None
Board President:	John Hall	**Email:** johnh@kcsm.net
Meeting Schedule:	Quarterly; dates and agendas are distributed two weeks prior to meetings	
Meeting Location:	Board member residences within the District/Subdivision, on a rotating basis	
Date of Formation:	June 5, 1967	
Principal County:	Mendocino County is the principal county and Mendocino LAFCo is the principal LAFCo.	

OVERVIEW OF DISTRICT

The Pacific Reefs Water District (PRWD/District) provides water services to landowners within the Pacific Reefs Subdivision, located immediately south of Big Salmon Creek near the community of Albion in southwestern Mendocino County. The subdivision is located between State Highway 1 and the Pacific Ocean. This is the first Municipal Service Review for the District.

In preparing this analysis of the PRWD, the consultants conducted one in-person interview with District staff. A request for information (RFI) was mailed to the District in March 2013, to which the District promptly responded. Relevant documents such as water rates, District bylaws, and fiscal audits were also provided by the District.

Type and Extent of Services

The Water District was formed on June 5, 1967 under Section 34503 of the California Water Code for the purpose of providing water service to customers within the Pacific Reefs Subdivision.

Location and Size

The District is located in an unincorporated area of southwestern Mendocino County and encompasses approximately 34 acres. The small, unincorporated community of Albion is the nearest socioeconomic center in the area. Located between Highway 1 and the Pacific Ocean, the Subdivision is a narrow strip of land on the ocean bluffs.

Formation and Boundary

The District was formed on June 5, 1967 as a water district by LAFCo Resolution No. 67-5. The Certificate of Filing with the Office of the Secretary of State is dated January 8, 1968. The sole purpose of the District is to provide water services to the property owners within the Pacific Reefs Subdivision.

Boundary History

The District's boundaries coincide with those of the Pacific Reefs Subdivision, a 24-lot residential subdivision served by private streets. There have been no annexations to or detachments from the District since its original formation. (Refer to Figure 7-1)

Sphere of Influence

The District's Sphere of Influence (SOI) was first adopted in August 1994 (LAFCo Resolution No. 94-4). The SOI is coterminous with the District boundaries and encompasses the Pacific Reefs Subdivision in its entirety. In response to questions regarding an appropriate SOI for the District, the District responded that it is limited to the Subdivision with no potential for expansion.

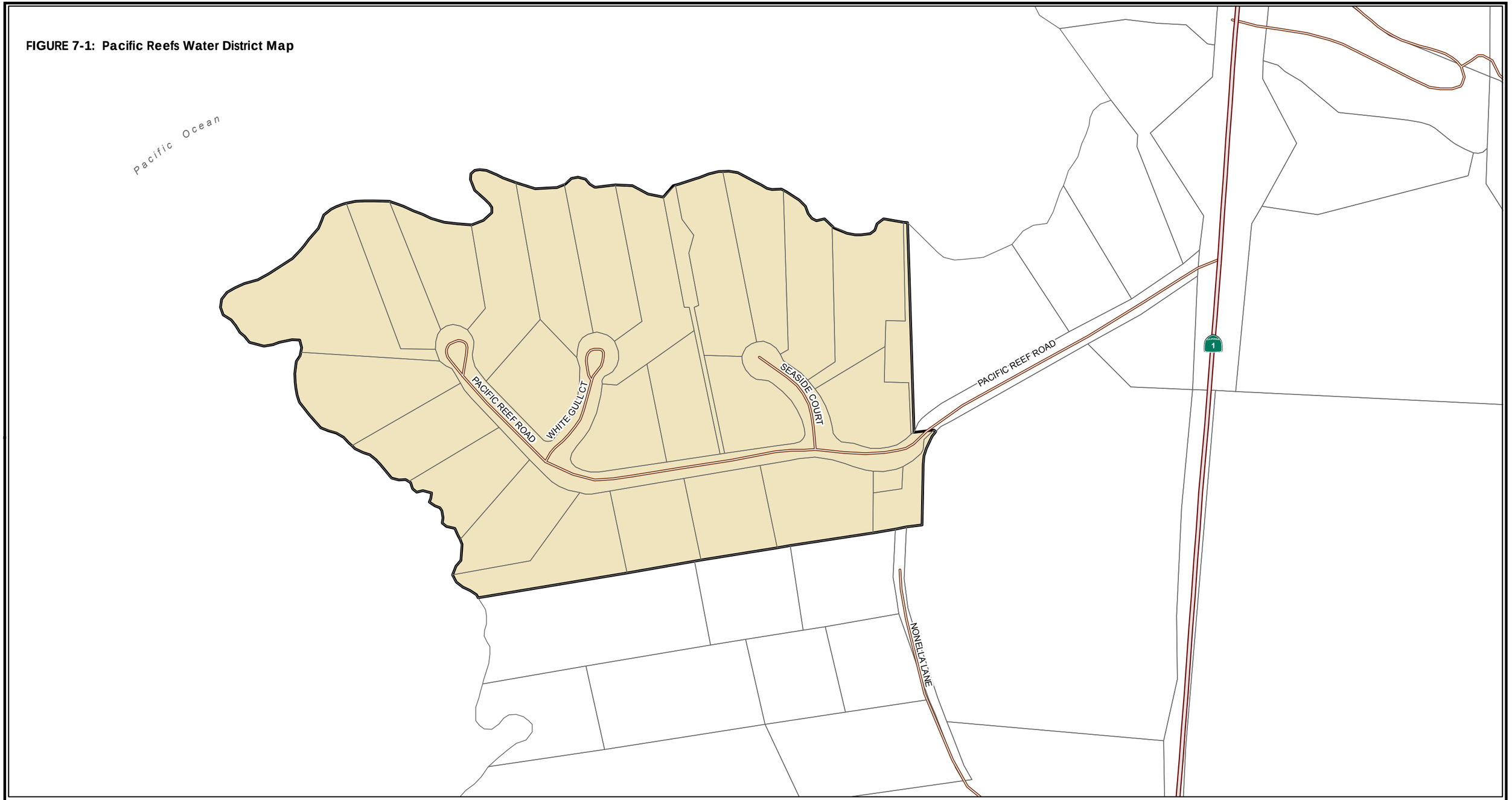
Extra-territorial Services

The District does not provide any services outside its boundaries. Further, because of the physical limitations of the subdivision, which is located between Highway1 and the Pacific Ocean, the provision of services beyond its boundaries is not readily feasible.

Areas of Interest

No specific areas outside the District boundaries have been identified that require services from the District. PRWD is located just south of the community of Albion. Based on the type and size of the residential units within the subdivision, the median household income is expected to be much higher than the State median household income. PRWD is not within a Disadvantaged Unincorporated Community (DUC), and is not required to demonstrate adherence to water supply standards under Senate Bill 244.

FIGURE 7-1: Pacific Reefs Water District Map



Pacific Reefs Water District

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, Modified, September 2014.
Note: This map is not a survey product.

Pacific Reefs Water District
Parcels
Highways
Roads

100 50 0 100 Feet

ACCOUNTABILITY AND GOVERNANCE

The District is governed by a five member Board of Directors, which until 1993 was made up of the Mendocino County Board of Supervisors. In 1993, an independent board was appointed by the Board of Supervisors to serve the District. PRWD is a 'landowner voter' district with Directors selected by landowners within the District boundary to two or four-year terms. Elections are only required when there is more than one candidate for each open position. Current Board Members, positions, and term expiration dates are shown in Figure 7-2.

EFIGURE 7-2: CURRENT BOARD MEMBERS OF THE PRWD

MEMBER NAME	POSITION	TERM EXPIRATION	MANNER OF SELECTION	LENGTH OF TERM
John Hall	President	December 2015	Elected	2 years
Donald Falk	Director	December 2015	Elected	4 years
Robert Cutler	Director	December 2015	Elected	4 years
Howard Pines	Director	December 2015	Elected	2 years
Jeannette Rasker	Director	December 2015	Elected	2 years

Board meetings are held quarterly. Meetings are held at Board Member's homes, on a rotating basis. Agendas are e-mailed and mailed to each of the property owners and interested parties two weeks prior to each meeting. Minutes of the meetings are distributed within two weeks following the meetings. Public comments are accepted at each meeting. The District anticipates developing a website in the future.

Landowners within the District may file complaints with any director or staff member in person or by phone, e-mail or mail. The complaints are typically discussed at the next board meeting.

The PRWD demonstrated accountability and transparency in its disclosure of information and cooperation with Mendocino LAFCo. The District responded to the questionnaire and cooperated with documentation requests for this MSR.

MANAGEMENT EFFICIENCIES AND STAFFING

The water system is automated to reduce daily operating requirements. Operations and maintenance are performed by a part time Water Master under contract; the District does not employ any staff. A small stipend is paid to the Treasurer ($2,240/year) and a Secretary ($1,200/year).

Given the small size and lack of District staff, there is little need for evaluations and work load monitoring. Board members review and approve meeting minutes, quarterly budgets and perform financial reviews. The District does not conduct formal evaluations of overall district performance, such as benchmarking or annual reports.

POPULATION AND GROWTH

The District is specific to a 25-lot subdivision in unincorporated Mendocino County, known as Pacific Reefs. Located between Highway1 and the Pacific Ocean, immediately south of the community of Albion, the District consists entirely of residential properties. Seventeen of the subdivision lots are developed, and are comprised of primary and secondary homes. Approximately 50 percent of the residences are year-round homes, the remaining are summer and vacation homes.

POPULATION

The subdivision consists of primary and secondary homes owned and occupied by retirees, and according to the District, the average occupancy is two persons per household. The year-round residency is approximately 34 persons, with additional weekend and seasonal residents. The District anticipates little growth in population within the near term (five years) and long-term planning horizon (20 years).

The nearest community is Albion, which is a Census Designated Place (CDP) with a population of 168. The Albion CDP encompasses approximately 1.8 square miles, and includes primarily rural residential properties with commercial development along Highway1.

PROJECTED GROWTH AND DEVELOPMENT

The State Department of Finance (DOF) projects that the population of the unincorporated portion of Mendocino County will grow by a little more than 4 percent in the next 10 years, from 87,924 in 2010 to 91,498 in 2020 and 95,158 in 2030.

Because the District is limited to the Subdivision, and 17 of the 24 lots are developed, the anticipated growth of the District is limited to development of an additional 7 residences. At the current persons per household (approximately 2 persons per household), buildout of the subdivision would result in an estimated population of 48 persons. At the overall County growth of less than one percent, buildout of the Subdivision would not occur until well beyond the planning horizon of this document.

FINANCING

Pacific Reefs Water District operates as a water enterprise fund, meaning that charges for services are intended to pay for the costs of providing such services.

Funding sources for the District include tax assessments and fees for water usage. The District operates out of a single fund for operational and maintenance purposes. (Refer to Figure 7-3 for District revenues and expenditures.)

REVENUES

The PRWD receives a portion of the County property taxes assessed on owners within the subdivision, which equates to approximately $700 per residence annually (total of approximately $12,000 annually). The District also adopts water rates, which consist of a tiered rate system (discussed below). The District started adopting an annual budget in 2010 at its auditor's recommendation. The District has an independent audit performed each year.

Figure 7-3: PRWD BUDGET INFORMATION FOR FY 10-11, FY 11-12, AND FY 12-13

	FY 10-11		*FY 11-12*		*FY 12-13*	
Revenues						
Water Sales	$8,860	43%	$6,555	36%	$7,237	31%
Water Service Charges						
Rents & Leases						
Taxes & Assessments	11,753	57%	11,805	64%	11,760	50%
Intergovernmental						
Interest Income	11		11		6	
Other Non-Operating					4,488	19%
Total Income	***$20,624***	100%	***$18,371***	100%	***$23,491***	100%
Expenditures						
Source of Supply	$833	6%			$10,162	35%
Pumping	3,406	27%	$3,520	28%	3,535	12%
Water Treatment	800	6%	1,439	11%	769	3%
Transportation & Distribution						
Administration & General	2,650	21%	3,389	26%	4,548	16%
Other Operating Costs	3,800	30%	4,568	35%	9,658	34%
Non-Operating Costs	1,230	10%				
Total Expenses	***$12,719***	100%	***$12,916***	100%	***$28,672***	100%
Net Income (or Loss)	***$7,905***		***$5,455***		***($5,181)***	
Depreciation & Amortization	-0-		-0-		-0-	

EXPENDITURES

Expenditures totaled $12,719 in FY 2010-2011, $12,916 in FY 2011-2012, and $28,672 in FY 12-13. The top expenditures included maintenance, insurance, permits/fees, utilities, administration and contributions. In FY 12-13, the District expended additional monies for pump repair and tank removal totaling $9,658. Of that amount, $4,488 was reimbursed under an insurance claim. Reserve funds were utilized for the remaining repair costs. Reserve funds as of June 30, 2013 totaled $17,282. The District currently has no debt.

RATE RESTRUCTURING

Each property owner has a metered water hookup to the system, which is read monthly by the Water Master. Billings are quarterly and prepared and sent by the District Treasurer. Rates are tiered to encourage water conservation, and are as follows:

0–4,000 gallons:	Free
4,001–15,000 gallons:	$0.015 per gallon
15,001+ gallons:	$0.06 per gallon

COST AVOIDANCE

The District holds its meetings at board member residences and has no administrative office outside residences. Furthermore, the District contracts with a water master who provides his own tools for maintenance purposes. The District contracts with local contractors to do larger repairs and maintenance. Appropriate cost avoidance measures are employed by the District.

SECTION 7-2 DISTRICT SERVICES

SERVICE OVERVIEW

The District provides water services to lot owners within the Pacific Reefs Subdivision. No other services are provided and no out-of-district connections exist. Water service is also provided as a backup to lot owners with private wells.

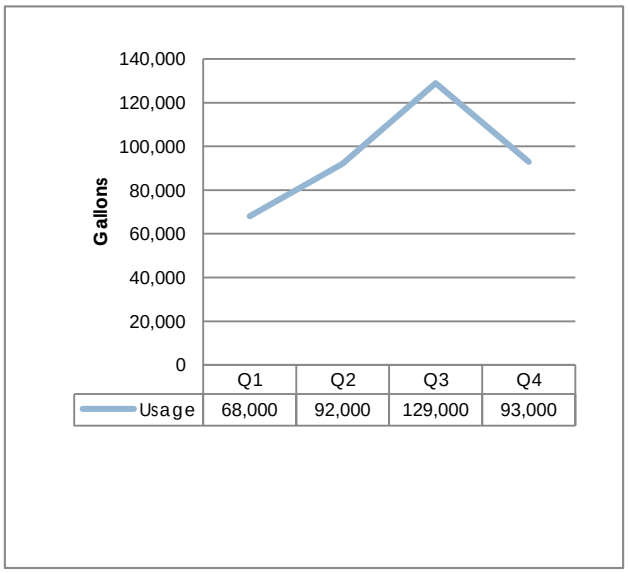
WATER SUPPLY AND TREATMENT

The District is located in the Whitesboro Cove Springs watershed, which drains to the Pacific Ocean. The District's water supply consists of two springs and a well, both of which are located within the subdivision and District boundaries, and on District-owned land. The well is equipped with a pump that operates at approximately 1.5 gallons per minute (gpm). The spring water is also collected and pumped to the storage tanks. All water flows through a chlorinator before being pumped into the District's two storage tanks. The storage tanks include a 40,000 gallon steel tank (which collapsed in May 2013) and a 20,000 gallon wooden tank. The District is planning to replace the 40,000 gallon tank. The existing storage is estimated to be the equivalent of 57 days of average usage. A number of lot owners have private wells; however, the District has infrastructure in place and provides backup water service in the event of well failure.

FIGURE 7-4: PRWD Average Seasonal Water Demand

WATER DEMAND

On average, the District supplies approximately 400,000 gallons annually to its 14 customers and provides backup water supply to 3 additional customers within the District that are on private wells. Average daily use for the District is estimated at 1,050 gallons per day (75 gallons per residence per day on average), with an average peak day demand at 1,370 gallons per day (100 gallons per residence). (Refer to Figure 7-4) The system is operating at approximately 60 to 80 percent capacity. Thus, the District's water supply and infrastructure is sufficient to accommodate full buildout (24 residential lots) of the subdivision.



Infrastructure and Facilities

The District owns the small parcel on which the spring/well and water storage tanks are located, as well as the two water tanks and pumphouse facilities. The storage tanks include a 40,000 gallon steel water tank (now collapsed and to be replaced), a 20,000 gallon wooden tank, both built in 1960 and renovated in 2005. The useful life of the water system is estimated at 15-30 years.

Opportunities to Share Facilities

The District is isolated from surrounding development by Highway 1 and holds its meetings in board members' residences. Administrative work is performed from a home office – no other facility needs have been identified by the District.

Distribution and Transmission

The distribution system consists of graduated water lines from the water tanks to each of the 24 lots within the subdivision. The water supply is pumped from the well into the two storage tanks, from which it is distributed by gravity to the District's customers. The distribution system consists of approximately 2,000 feet of 3-inch and 4-inch lines.

Steel Tank (top) now collapsed; to be replaced

Challenges

No service provision challenges were identified by the District or in the preparation of this MSR.

Service Adequacy

Based on information provided by the District regarding facilities, management practice and accountability, and financing, PRWD's service appears to be adequate. Very little growth will occur within the District and its facilities are adequate to serve buildout of the Subdivision. Although the District operates without staff of its own, board and resident involvement insure facility and operational needs are met. Maintenance and operations are monitored by a contracted water master who is local to the area. Regular board meetings, records, annual budgets and financial audits are kept current and maintained by the board president and secretary

SECTION 7-3 DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

1. The estimated population of the District is 34 residents.
2. The District is limited in growth to buildout of the 24 lots within the Pacific Reefs Subdivision.
3. At full buildout of the Subdivision and at current occupancy rates, the District will have an estimated population of approximately 48 at current occupancy rates.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

4. The District's water sources consist of two springs and one well, which provide adequate water supply to serve its current and projected population.
5. The District's water system has a useful life of approximately 15–30 years.
6. The collapsed 40,000 gallon steel storage tank should be expeditiously replaced.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

7. In 2011-2012, the District operated at a net loss; however, the District indicates that they believe current financing levels are adequate to continue to operate as a District.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

8. The District operates with minimal facilities and no opportunities for facility sharing were identified either by the District or through this MSR process.
9. The District does not own or lease any administrative facilities.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

10. The District demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCo requests.
11. The District provides accountability to its constituents through holding regular quarterly board meetings and distribution of agendas, notices and meeting records.
12. The District should consider posting meeting notices on a public information board such as the Albion Store bulletin board.
13. The District should better utilize its website and post current information.
14. No boundary changes are pending or proposed.
15. The District does not have a written mission statement or established goals and objectives. The District should consider developing a strategic plan that could help the District improve upon 1) facility planning efforts, 2) identification of future funding goals and opportunities, and 3) accountability and transparency.
16. No cost avoidance measures have been identified.

CHAPTER 8 ROUND VALLEY COUNTY WATER DISTRICT

SECTION 8-1 AGENCY OVERVIEW

PROFILE

Round Valley County Water District

Type of District: Flood Control and Water Conservation District

Principal Act: California Water Code Section 30000 *et seq.*

Functions/Services: Flood control and stream restoration services to landowners within Round Valley

Main Office: County Office – 76301 Main Street, Covelo, CA 95428
Mailing Address: P.O. Box 535, Covelo, CA 95428

Phone No.: 707-983-8383
Fax No.: None
Web Site: www.roundvalley.org/water (Website needs updating) **Email:** waterdistrict@roundvalley.org

General Manager: Lee Marder **Email:** waterdistrict@roundvalley.org

Governing Body: Board of Directors

Meeting Schedule: Last Wednesday of each month at 7:00 PM

Meeting Location: County Office/Covelo Community Services District at 76301 Main Street, Covelo, CA 95428

Date of Formation: February 17, 1953

Principal County: Mendocino County is the principal county and Mendocino LAFCo is the principal LAFCo.

OVERVIEW OF DISTRICT

The Round Valley County Water District (Round Valley CWD/District) provides flood control and stream restoration services to landowners within Round Valley and its watershed to the north. This is the first Municipal Service Review for the District.

As its mission, the Round Valley County Water District "focuses on flood control projects and stream restoration in Round Valley. As the creeks are a watershed to the Eel River and the prime source of water for Round Valley's aquifer, the District is committed to maintaining the quality and historic levels of these resources for present and future use."

In preparing this analysis of the RVCWD, the consultants conducted one in-person interview with District staff. A request for information (RFI) was mailed to the District in March 2013, to which the District promptly responded. Relevant documents such as historical reports, County grand jury reports, maps, and fiscal audits were provided by the District.

Type and Extent of Services

The District provides flood control and stream restoration services. Primary activities of the District include collaborative flood control projects with the Covelo Community Services District, Mendocino County Public Works Department, and Caltrans for area drainage improvements, particularly along roadways.

The Water District is a special district organized in 1953 under the County Water District Law (Water Code, §§ 30000–33901) for the primary purpose of mitigating stream erosion and stream flooding within Round Valley in the County of Mendocino. Approximately 15 miles of stream banks are maintained by the District, and its budget is about $15,000 annually. The District is not responsible for the maintenance of storm water ditches or storm water drains; is not involved in the distribution or supply of water[1], and does not perform sewage collection, treatment or disposal services for its inhabitants.


Courtesy of Kari Nummelin

Location and Size

The District is located in the unincorporated area of northeastern Mendocino County and encompasses approximately 52 square miles (33,298 acres). The community of Covelo is the socioeconomic center of the District area. Further, the Round Valley Indian Tribes (RVIT) has substantial Tribal lands within the District boundaries, both within Round Valley and in the mountainous northern portion of the District. The District covers portions of two watersheds: the Outlet Creek watershed, which drains the Round Valley area into the Middle Fork Eel River; and the Hulls Creek watershed, which drains to the North Fork Eel River.

FORMATION AND BOUNDARY

The District was formed in February 17, 1953 as an independent special district. The District was originally formed for the purpose of negotiating with State and Federal Agencies for water rights to the Middle Fork of the Eel River, the proposed Franciscan Dam (and Short Creek and Williams Creek), and to obtain funding for irrigation projects in Round Valley. However, in the 1980's Governor Ronald Reagan officially dropped the proposed Franciscan Dam project.

BOUNDARY HISTORY

On June 30, 1961, the Round Valley Storm Water District was consolidated into the Round Valley County Water District by approval of the Board of Directors. There have been no other annexations or detachments from the District. (Refer to Figure 8-1: Round Valley County Water District Map)

SPHERE OF INFLUENCE

The District's Sphere of Influence (SOI) has not been adopted. In response to questions regarding an appropriate SOI for the District, the Manager responded that there is no foreseeable need for expansion and a coterminous boundary/SOI was reasonable.

EXTRA-TERRITORIAL SERVICES

Due to the nature of the District's responsibilities, services are not typically provided on the individual parcel level; rather it provides restoration and flood control services for areas within the watershed.

AREAS OF INTEREST

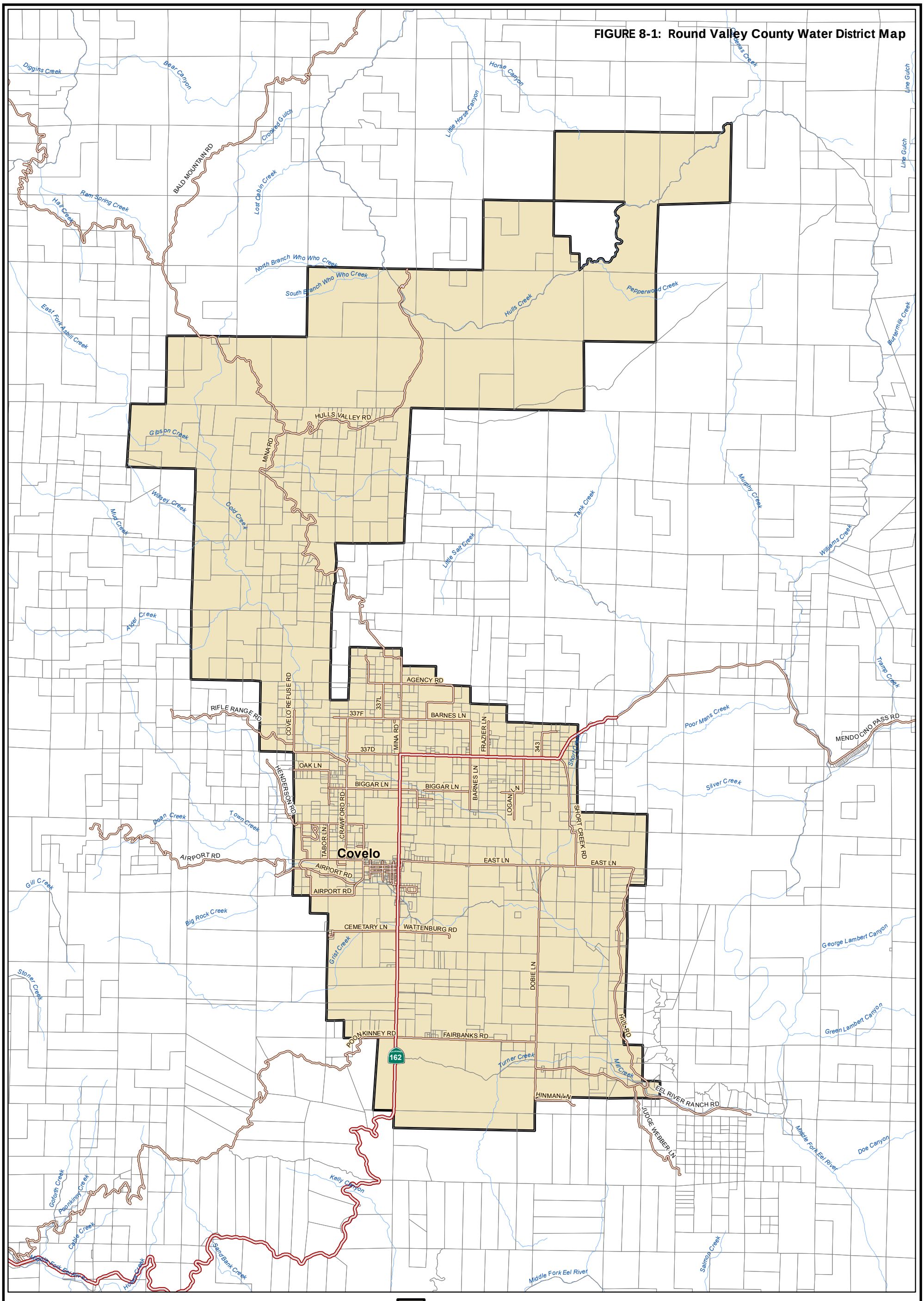
Because floodwaters and stream restoration does not always initiate within District boundaries, the District Manager indicated that they are always concerned with all areas within the watersheds, not just the parcels within the District. However, no specific areas outside the District boundaries have been identified that require services from the District.

Town Creek, which runs from west to east through Round Valley and through the community of Covelo, was identified in the Mendocino County General Plan as an area with infrastructure and residential and nonresidential development susceptible to flooding and inundation. A 100-year floodplain is associated with Town Creek, and the channel through Covelo has substantially degraded over the past 50 years. Consequently, two bridge crossings of Town Creek are substantially constrained: the State Highway 162 crossing in Covelo, and the Airport Road crossing just west of Covelo.

Mill Creek and Short Creek are other primary drainages in the Valley, and drain the northern and eastern portions of the Valley through Outlet Creek in the southeast corner to the Middle Fork of the Eel River. Both Creeks are known to be in a degraded state from livestock use within the stream zone, unmitigated[1] seasonal roadway crossings (at Short Creek and Dobie Lane), and eroding banks.

[1] The mentioned crossings are seasonal roads that allow vehicles to drive down the stream bank and through the creek bed; there are no bridges or culvert crossings at these locations.

FIGURE 8-1: Round Valley County Water District Map



Round Valley Water District

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, October 2013.

Note: This map is not a survey product.

Round Valley Water District
Parcels
Highways
Roads
Streams

0.5 0.25 0 0.5 Miles

The northern portion of the District includes a mountainous area north of Round Valley, the major features of which include Hulls Valley and Hulls Creek. Hulls Creek flows north to the North Fork of the Eel River. This portion of the District is sparsely populated, contains no commercial areas, and consists primarily of Round Valley Tribal lands and Mendocino National Forest lands with some areas of privately holdings scattered throughout.

ACCOUNTABILITY AND GOVERNANCE

The District is governed by a five member Board of Directors, who are normally elected by registered voters within the District boundaries. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election, as has been the case for RVCWD. Current Board Members, positions, and term expiration dates are shown in Figure 8-2.

FIGURE 8-2: Summary of Round Valley CWD Board Members

MEMBER NAME	POSITION	TERM EXPIRATION	MANNER OF SELECTION	LENGTH OF TERM
Denis L. Moore	Chairman	December 2015	Appointed	4 years
George Hemholz	Director	December 2017	Appointed	4 years
Terry Proschold	Director	December 2015	Appointed	4 years
Dane Downing	Director	December 2015	Appointed	2 years
John Marshall	Director	December 2017	Appointed	4 years

Typically, as the four year terms of office of incumbent board members expire, existing District board members are reappointed or new District board members are appointed by the County Board of Supervisors in lieu of an election. This reflects a general lack of candidate participation in the District's governance. However, this is a fairly common scenario for areas of such limited population and geographic isolation.

Regularly scheduled meetings are held on the last Wednesday of the month at 7:00 PM. Meetings are held at the Covelo Community Services District County office, at 76301 Main Street, Covelo. All meetings are publicly posted at least three days prior to Board meetings. Postings are located on public information boards in Covelo including on the notice board at the Round Valley Library Commons, the County office where the meetings are held, and announced on KYBU (the local radio station). Meeting notices, agendas and minutes are also posted on the District website: www.roundvalley.org/water. However, the website is out of date and does not provide current information.

Landowners within the District may file complaints with any director or the manager. The complaints are typically discussed at the next board meeting and direction given to the manager to address the complaints, if necessary.

In the past, the District had a director that served on both the Round Valley CWD and the Community Services District boards, which have overlapping boundaries. However, in 2002, an opinion from the California Attorney General was published (November 26, 2002), stating that a person may not serve concurrently as a director of both Districts.

The Round Valley CWD demonstrates accountability and transparency it its disclosure of information and cooperation with Mendocino LAFCo. The District responded to the questionnaire and cooperated with documentation requests for this MSR.

MANAGEMENT EFFICIENCIES AND STAFFING

Daily operations are managed by the District Manager, a part-time employee. The Manager also serves as Secretary and Treasurer for the District, and reports to the Board at each meeting. There are no other employees of the District.

Given the small size and informal nature of the District, there are no formal evaluations of overall district performance, such as benchmarking or annual reports. The Board performs an annual staff evaluation for the Manger.

POPULATION AND GROWTH

Excepting the community of Covelo and the Round Valley Indian Tribal (RVIT) lands, land uses within the District are primarily designated for rural residential, agriculture and forestry. Most of the population within the District is located within Round Valley and is concentrated in Covelo, which resides in the center of Round Valley, and in RVIT's residential development in the northern portion of the Valley. Covelo is a Census Designated Place (CDP) and includes 7.1 square miles. This encompasses an area larger than the community of Covelo, but it does not include all of Round Valley or the District. The Covelo CDP contains residential and commercially designated areas and had an estimated population of 1,255 people in 2010 according the U.S. Census.

POPULATION

The 2010 Census for the Round Valley area includes 225.2 square miles and encompasses a population of 2,516. The average population concentration is 11 persons per square mile. The Round Valley area, which includes the community of Covelo and the Round Valley Indian Tribal (RVIT) lands, is located in Census Tract 010100 in Mendocino County. Historical population and density numbers are shown in Figure 8-3.

FIGURE 8-3: Summary of Census Years for Tract 010100, covering Northeastern Mendocino County

CENSUS YEAR	TOTAL POPULATION	PERCENT CHANGE	LAND AREA (SQUARE MILES)	POPULATION PER SQUARE MILE
1970	1,898	--	241.2	8
1980	2,137	13	241.2	9
1990	2,066	-3[2]	241.2	9
2000	2,285	11	241.2	9
2010	2,516	11	225.2	11

Source: California Department of Finance.

Notes: The change in land area between the 2000 and 2010 Censes was a result of statewide revisions to Census Tracts.

[2] The Louisiana Pacific lumber mill closed in the 1980s and was a major employer in Round Valley.

PROJECTED GROWTH AND DEVELOPMENT

The District anticipates little growth in population within the next few years; however, no formal population projections have been made by the District. The State Department of Finance (DOF) projects that the population of the unincorporated portion of Mendocino County will grow by a little more than 4 percent in the next 10 years, from 87,924 in 2010 to 91,498 in 2020 and 95,158 in 2030.

Round Valley is a remote area that is bordered by the Mendocino National Forest. Factors affecting community growth include limited vehicular access, distance to employment centers such as Willits and Ukiah, lack of a public water system, and limited wastewater capacity provided by the Covelo Community Services District. Given Covelo's relatively isolated location and planning constraints, it's unlikely to experience significant population increases in the next few decades. Further, significant industrial or commercial development is also unlikely within the District's boundaries; therefore, associated increases in impervious surfacing that could affect stormwater and flood potential are not anticipated.

Properties are zoned primarily inland upland residential, agriculture, rangeland, forestland, and timber production. Covelo is the community center and is located in the center of Round Valley. The District includes all of Round Valley and extends north up into the Hulls Creek watershed, which drains to the North Fork Eel River. A large portion of the RVIT is also included in the District.

Disadvantaged Unincorporated Communities

LAFCo is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income. Within a DUC, three basic services are evaluated: water supply, sewage disposal, and structural fire protection.

Two DUCs are identified within the RVCWD: the unincorporated community of Covelo and the Round Valley Indian Tribe. Covelo, a census designated place, had a 2010 population of 1,255 and a median income of $28,114. The median income for Covelo residents is less than 80 percent (45.6%) of the statewide median household income of $61,632, and is therefore considered to be a DUC.

The Round Valley Indian Tribe is a federally recognized Indian Community and is located within Round Valley, approximately one mile north of Covelo. The RVIT has an enrollment of approximately 3,700, although not all live in Round Valley. It is estimated that 89 percent of RVIT members are unemployed.

RVCWD does not provide any of the three basic service - water, sewer or structural fire protection services - and is therefore not responsible for assuring that these services are adequately provided to the community.

FINANCING

The RVCWD prepares an annual budget and financial statement. The financial statement includes an independent auditor's report. The District reported that current financing levels are inadequate to deliver additional services considered necessary by the Board of Directors, and they are continually searching for grants to perform flood control and restoration projects. The District operates out of a single fund for operation and maintenance purposes.

REVENUES

The Round Valley CWD receives a portion of the County property taxes assessed on owners within the District boundaries, which equates to approximately $16,000 annually. (Refer to Figure 8-4) Funding for flood control, stream bank restoration and watershed studies has come from federal and state funding grants. The District annually adopts a budget and has an independent audit performed each year. Annual audits for 2011 and 2012 were provided by the District for this MSR.

In 2000, the District received a $15,771 grant from NOAA Fisheries for a fencing and riparian project. The major goals of which were to stabilize stream-banks, restore riparian vegetation and to eliminate current livestock pressures on critical stream banks in Turner Creek, an historically important migration route for adult steelhead and juvenile Chinook salmon.

EXPENDITURES

According to the State Controller's Report, expenditures totaled $12,053 in FY 2010-2011, $16,649 in FY 2011-2012 and $11,366 in FY 2012-2013. Expenditures included audit fees, contract labor, insurance, memberships and office expenses. (Refer to Figure 8-4) Any projects require funding to be obtained from grant sources, or as part of a project initiated through another entity such as Caltrans, Department of Conservation, Department of Fish and Wildlife, or Mendocino County.

Reserve funds as of June 30, 2013 totaled $43,730. The District currently has no debt.

RATE RESTRUCTURING

The District does not charge fees; there is no rate schedule.

Figure 8-4: RVCWD BUDGET INFORMATION FOR FY 10-11, FY 11-12, AND FY 12-13

	FY 10-11		***FY 11-12***		***FY 12-13***	
Revenues						
Taxes and Assessments	$15,204	98%	$15,580	98%	$16,405	99%
Licenses and Fees						
Intergovernmental	170	1%	177	1%		
Interest	105	1%	154	1%	164	1%
Other Revenues						
Total Income	***$15,479***	100%	***$15,911***	100%	***$16,569***	100%
Expenditures						
Salaries and Wages	$5,640	47%				
Services and Supplies	5,312	44%	$16,649	100%	$11,366	100%
Debt Service						
Fixed Assets						
Other Expenditures	1,101	9%				
Total Expenses	***$12,053***	100%	***$16,649***	100%	***$11,366***	100%
Net Income (or Loss)	***$3,426***		***($738)***		***$5,203***	
Depreciation & Amortization	-0-		-0-		-0-	

COST AVOIDANCE

The District shares meeting space with the Covelo Community Services District in a small County building in Covelo. The District has no staff other than the Manager (a contract position), no facilities and no equipment. Appropriate cost avoidance measures are employed by the District.

Section 8-2 DISTRICT SERVICES

SERVICE OVERVIEW

The District provides flood control and stream restoration (conservation) services within Round Valley and north into the Hulls Valley area. Flood control efforts focus on roadway flood prevention and are performed in coordination with the Covelo Community Services District (CCSD), Mendocino County Public Works, and Caltrans. Additionally, through acquisition of grants, the District coordinates with Department of Fish and Wildlife and the Department of Conservation to conduct stream restoration activities on area creeks and natural drainages to increase their floodwater capacity and provide bank stabilization.

Additionally, the District monitors groundwater wells established by the District and the California Department of Water Resources (DWR) in compliance with the requirements of SBX7 6–2009, which requires monitoring and public reporting of groundwater elevations in all groundwater basins in California. These, and volunteered private wells, are monitored four times a year. The data is sent to the Mendocino County Water Agency for anonymous posting on the DWR website. Further, the District responds on behalf of DWR to any reports of dry wells within the service area. In July 2011, the District initiated a Groundwater Management Plan (GMP) in accordance with CA AB3030, the primary purpose of which was to monitor groundwater levels. This work has been on hold, but is scheduled to restart in early 2015.

SUPPLY/DEMAND

Supply and demand for flood control and conservation districts are typically impacted by development occurring within the District that could result in an increase in stormwater runoff through increased impervious surfaces, further degradation of natural waterways, and need for additional infrastructure. While some development is expected to occur on Tribal lands within the District, minimal development is anticipated in the remainder of the District. Round Valley is an isolated community with little growth projected.

INFRASTRUCTURE AND FACILITIES

The District does not own or operate any infrastructure or facilities.

OPPORTUNITIES TO SHARE FACILITIES

The District holds its meetings in a County-owned building in Covelo that also serves as the office for the Covelo Community Services District. The Manager works from a home office – no other facility needs have been identified by the District.

DISTRIBUTION AND TRANSMISSION

In general, creeks and drainages within Round Valley drain to the southeast corner of the valley through Outlet Creek and into the Middle Fork Eel River. Major creeks located within the Round Valley portion of the District include Town Creek, Grist Creek, Cold Creek, Short Creek, Mill Creek, and Turner Creek. These creeks are the primary flood control "infrastructure" for the District. In order to maintain the creeks' drainage capacity, restoration projects are performed by the District as grant-funding allows.

CHALLENGES

Flood control and stream restoration services provided by the District face a general lack of funding. Additional issues identified include traditional ranching methods that allow cattle unfettered access to creeks and drainages, and which challenge the District's efforts to reduce and prevent stream bank erosion. Some educational outreach has been provided over the years, but the current practice of unlimited creek access for livestock continues.

SERVICE ADEQUACY

Based on information provided by the District regarding ongoing flood and stormwater control, watershed restoration efforts, management practice and accountability, and financing, RVCWD's service appears to be adequate. Little growth is expected to occur within the District that would impact flood control and watershed restoration efforts. Public outreach and assistance is provided by the General Manager in a timely manner, and regular board meetings, records, annual budgets and financial audits are kept current and maintained by the District. Further, the District collaborates with Mendocino County Public Works, Caltrans, Department of Fish and Wildlife, and Department of Water Resources to provide, plan and monitor flood control and stream restoration projects within its boundaries.

Section 8-3 DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

1. The estimated number of residents within the District is approximately 2,500.
2. The District is anticipated to grow at a rate of approximately 0.4 percent (four tenths of one percent) annually, increasing by approximately 103 people by 2020.
3. The District does not anticipate significant growth in population or development that could result in increased impervious surfacing and runoff, which would impact flooding.

LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR ADJACENT TO THE SPHERE OF INFLUENCE

4. Two disadvantaged unincorporated communities (DUCs) have been identified within the RVCWD. The unincorporated community of Covelo, a census designated place, and the Round Valley Indian Tribes. Covelo has a 2010 census population of 1,255 and a median household income 46 percent of the California median income, well below the 80 percent threshold for determining DUCs. The Round Valley Indian Tribes has an estimated population of 3,700 and an 89 percent unemployment rate. However, since the RVCWD does not provide water, sewer, or structural fire protection services, the adequacy of District services is not an issue.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

5. The District does not own or maintain any facilities.
6. The District continues to seek grant funding and collaborates with Department of Fish and Wildlife and private landowners to develop and implement stream restoration efforts, such as bank stabilization.
7. The District continues to work with Department of Water Resources to monitor groundwater levels within Round Valley.
8. No needs or deficiencies were identified by the District.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

9. The District is funded solely through property tax apportionment.
10. Current financing levels are adequate to continue District administrative operations. However, additional funding must be obtained to carry out specific flood control and restoration projects.
11. The District may be able to reduce audit costs by only performing a District audit every other year.
12. The District actively seeks grant funding to perform flood control and restoration projects as they are identified.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

13. The District does not own, lease or operate any facilities.
14. The District shares meeting facilities with the Covelo Community Services District in a County office.
15. No further opportunities for facility sharing were identified at this time.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

16. The Round Valley CWD demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCo requests.
17. The District provides accountability to its constituents through holding board meetings at the County Court building in Covelo, maintaining meeting records and notices on its website, and posting notices in suitable public places.
18. The District has established a website; however, agendas and minutes are not up to date, and some information is not available.
19. All current board members are appointed. The District should consider encouraging more public interest in developing its goals and objectives in an effort to also encourage interest in involvement at the Board level.
20. No additional cost avoidance opportunities have been identified at this time.
21. No boundary changes are pending or proposed at this time.
22. A Sphere of Influence (SOI) has not been adopted for the District. An SOI should be established.
23. The District does have a mission statement, but does not currently have a strategic plan that could help the District improve upon 1) planning efforts, 2) identification of future funding goals and opportunities, and 3) accountability and transparency.

CHAPTER 9 WESTPORT COUNTY WATER DISTRICT

SECTION 9-1 AGENCY OVERVIEW

PROFILE

Westport County Water District

Type of District: County Water District

Principal Act: California Water Code Section 30000 *et sec.*

Functions/Services: Water supply and treatment; wastewater collection, treatment and disposal

Main Office: 36970 Omega Drive, Westport, CA 95488
Mailing Address: P.O. Box 55, Westport, CA 95488

Phone No.: 707-962-1612, 707-964-6471
Fax No.: None
Web Site: None **Email:** westportwater@yahoo.com

General Manager: Josh Azevedo **Email:** wcwdaz@yahoo.com

Governing Body: Board of Directors

Meeting Schedule: Scheduled and held as-needed

Meeting Location: Westport Firehouse
36970 Omega Drive, Westport, CA 95459

Date of Formation: July 2, 1971

Principal County: Mendocino County is the principal county and Mendocino LAFCo is the principal LAFCo.

OVERVIEW OF DISTRICT

The Westport County Water District (WCWD/District) provides water supply and treatment services, and wastewater collection, treatment and disposal services to landowners within Westport, a small unincorporated community north of Fort Bragg on the northern Mendocino Coast. A Municipal Service Review (MSR) for the District was initiated in 2005, but was not completed. This will be the first MSR for the District.

In preparing this analysis of the WCWD, the consultants conducted one in-person interview with District staff. A request for information (RFI) was mailed to the District in March 2013, to which the District responded in full. Relevant documents such as reports, annexation files, and maps were also provided by the District. The District does not currently perform audits or have an adopted budget.

Type and Extent of Services

The District provides water supply and treatment services; and wastewater collection and treatment services, including land disposal of treated effluent.

Location and Size

The District is located approximately 15 miles north of Fort Bragg on Mendocino's north coast in the unincorporated area of northwestern Mendocino County. The District encompasses approximately 235 acres.

Formation and Boundary

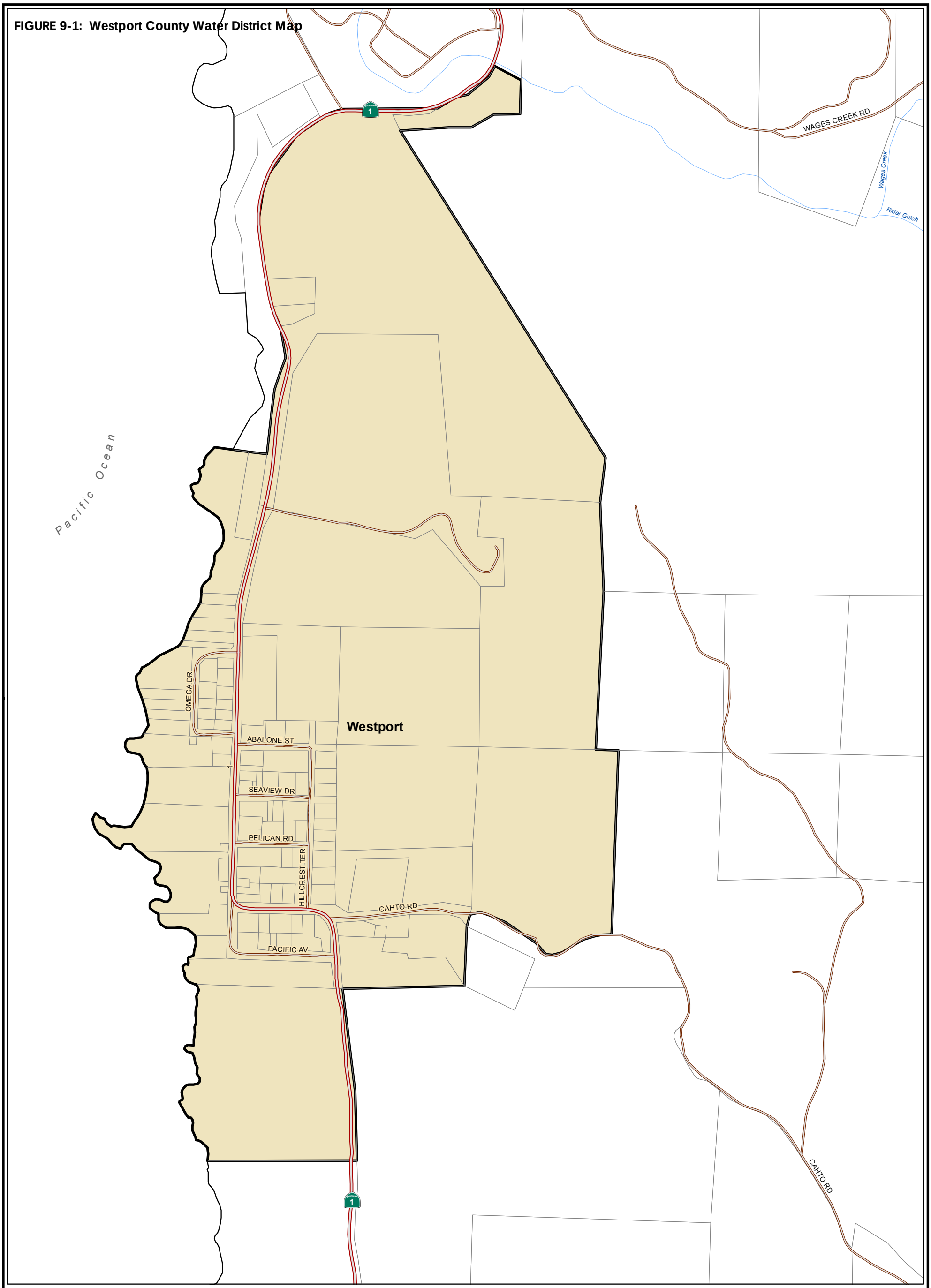
The Water District is a special district that was established in 1971 under the County Water District Law (Water Code, §§ 30000–33901) for the purpose of providing water, wastewater and fire protection services to the community of Westport on the northern coast of the County of Mendocino. In 2007, the Westport Volunteer Fire Department separated from the District and became a 501(c)3 non-profit organization, which was further formalized in 2009 as a Fire Company. The WCWD now provides water and wastewater services to the residents within its boundaries. (Refer to Figure 9-1: Westport County Water District Map)

The District is 235 acres in size. The current boundary includes the community of Westport, which consists of approximately 66 residences, a small hotel/restaurant (five rooms), small motel (6 rooms), and a store/deli. The boundary extends north along the east side of Highway 1 to Wages Creek, and just south of the community on the west side of Highway 1. To the west is the Pacific Ocean and in the eastern portion of the District are a number of large, undeveloped rangeland parcels, as well as the District's water tanks and wastewater treatment facilities.

Boundary History

The District was originally formed in 1971 (Mendocino County Board of Supervisors Resolution No. 71-369; Mendocino LAFCo Resolution No. 71-1). Just a few months after formation, in May 1971, an 18-acre area of land in the northern portion of the newly formed District was detached. No detachments or annexations have since occurred.

FIGURE 9-1: Westport County Water District Map



Westport County Water District

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, October 2013.

Note: This map is not a survey product.

Westport County Water District
Parcels
Highways
Roads
Streams

250 125 0 250 Feet

SPHERE OF INFLUENCE

The District's Sphere of Influence (SOI) has not been established by LAFCo but is considered to be coterminous with the District's boundaries at this time. In response to questions regarding the appropriateness of the SOI for the District, the Manager responded that the current SOI is appropriate for the seeable future.

EXTRA-TERRITORIAL SERVICES

The District also provides water service to the Westport Beach RV and Campground, which is adjacent and coterminous to the District's northern boundary along Wages Creek on the west side of Highway 1. Consideration should be given to including the RV Park in the District SOI.

AREAS OF INTEREST

Westport Beach RV Park and Campground is located just 0.7 miles north of the community of Westport at the mouth of Wages Creek. The 50-acre park provides 75 full hookup RV sites, 50 tent sites, and 5 group sites. Westport Beach also has a bluff-top two bedroom, rental cabin. Amenities include a camp store, two restroom/shower buildings, a laundromat, and play area. The District provides out-of-district water and wastewater service to Westport Beach under contract. (Refer to Figure 9-2)

FIGURE 9-2: Westport Beach RV Park and Campground

Additionally, one large lot within the District, which is divided into nine undeveloped parcels, has five RVs hooked up to a single water line and single sewer line and are paying a single rate. A 2001-2002 Grand Jury Report recommended a complete review of all properties within the District, both occupied and vacant, be made to determine if the District is receiving all revenues due.

ACCOUNTABILITY AND GOVERNANCE

The District was set up to be governed by a five member Board of Directors, to be elected by registered voters within the District boundaries. Directors were to be elected at large in staggered three-year terms. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election. There are currently three board members serving, all of whom were appointed; along with two vacancies. Current board members, positions, and term expiration dates are shown in Figure 9-3.

FIGURE 9-3: Summary of Westport CWD Board Members

MEMBER NAME	POSITION	TERM EXPIRATION	MANNER OF SELECTION	LENGTH OF TERM
Steven D. Cardullo	Chair	December 2017	Appointed	4 years
David Brothers	Director	December 2017	Appointed	4 years
Jeffrey H. Whitehouse	Director	December 2015	Appointed	4 years
Vacant	Director			
Vacant	Director			

Board meetings are held as-needed and are held at the Westport Volunteer Fire Department. Meeting notices and agendas are posted on the town bulletin board at the Westport Community Store.

Landowners within the District can submit written complaints with their water bills or by calling the District Manager. The complaints are typically discussed at the next board meeting and direction given to the Manager to address the complaints, as appropriate. The number of complaints received by the District in FY 12-13 is unknown as District records are incomplete.

The Westport County Water District demonstrates accountability and transparency through adherence to the Brown Act for meetings, election of directors, and cooperation with Mendocino LAFCo. The District met with the consultant in response to the questionnaire and cooperated with some of the documentation requests for this MSR.

MANAGEMENT EFFICIENCIES AND STAFFING

Daily operations are managed by the District Operations Manager who manages two divisions and reports directly to the Board of Directors. Staff for each Division (water and sewer) includes an operator/manager, relief operator, and consultant operator. Two administrative staff members serve both divisions. All employees are part-time.

POPULATION AND GROWTH

The District was established to serve Westport, a small, isolated, and unincorporated community on the northern Mendocino Coast. There is no designated Census block for Westport, nor is Westport a census designated place. The District services are limited to the community of Westport and immediately surround parcels. The closest communities are Cleone and Fort Bragg, approximately 9 and 15 miles to the south, respectively.

POPULATION

A permanent population of approximately 70 resides in Westport. The District provides service to 61 residential and 12 commercial customers within the District, as well as one extraterritorial customer (Westport Beach RV and Campground). It should also be noted that the community is comprised primarily of residential and residential vacation homes, which are vacant part of the year.

The 2003 Water Supply Feasibility Study (Study) noted that populations can as much as double during summer months. There are 113 parcels within the District, the majority of which are developed with residences or commercial uses. Approximately 13 large parcels immediately surrounding the town center and within the District are zoned Rangeland (RL) or Agriculture (AG60) and are either undeveloped or developed with a single family residence.

PROJECTED GROWTH AND DEVELOPMENT

The State Department of Finance (DOF) projects that the population of the unincorporated portion of Mendocino County will grow by a little more than 4 percent in the next 10 years, from 87,924 in 2010 to 91,498 in 2020. The growth rate within the District was estimated at 2.1 percent in 2001; however no growth has occurred since the economic downturn in 2007-2008. Further, the District anticipates little growth in population within the next few years; however, no formal population projections have been made by the District.

The Study identified approximately 40 acres within the District that could be developed, although no details of what type of development or density was discussed. The Study also identified approximately 1,000 acres within the general vicinity of the District that were for sale and could potentially be developed. However, communication with District staff indicated that it was highly unlikely that the area would be further developed in the near- or long-term planning horizon.

Given Westport's isolated location and limited development potential, it's unlikely to experience significant population increases in the next few decades. There are no outstanding will-serve letters and no known developments pending. The District's water and wastewater systems were designed to accommodate 95 services each and are approximately 77 percent built out; however, the area has experienced little to no growth in recent years. Additionally, the occupancy rate has been reduced quite a bit since the 1960s, which further reduces the projected buildout population.

Disadvantaged Unincorporated Communities

LAFCo is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income. Within a DUC, three basic services are evaluated: water supply, sewage disposal, and structural fire protection.

The unincorporated community of Westport has an estimated permanent population of 70. Because Westport falls within the County of Mendocino and is not a census designated place, the median household income of its residents is assumed to approximate the County median household income of $43,721. The median household income for Westport is less than 80 percent (71%) of the statewide median household income of $61,632, and is therefore considered to be a DUC.

For WCWD, two of the three basic services – water supply and sewer service – are provided by the District. Based on annual reports to the State Department of Public Health, both water supply services and sewage services to customers within the District is considered to be satisfactory. The District does not provide structural fire protection, and is therefore not responsible for assuring that that service is adequately provided to the community.

FINANCING

Both the water service and wastewater service operate as enterprise funds, meaning that charges for services are intended to pay for the costs of providing such services.

The WCWD budget is based primarily on revenue received from water and sewer services. The Westport County Water District receives a portion of the County property taxes assessed on owners within the District boundaries. Other funding for the provision of water services is primarily from fees collected for water usage and standby charges. Rates for water and wastewater services are set by ordinance and collected by the District.

Revenues and expenditures for Water Service for the past three fiscal years are shown in Figure 9-4. Revenues and expenditures for Wastewater Service for the past three fiscal years are shown in Figure 9-5.

Figure 9-4: WCWD WATER SERVICE BUDGET INFORMATION FOR FY 10-11, FY 11-12, AND FY 12-13

	FY 10-11		***FY 11-12***		***FY 12-13***	
Revenues						
Water Sales	$72,080	64%	$71,156	80%	$92,620	74%
Water Service Charges						
Rents & Leases						
Taxes & Assessments	3,222	3%	17,112	19%	4,578	4%
Intergovernmental	913	>1%	148	>1%	27,806	22%
Interest Income	91		2		18	
Other Non-Operating	36,993	33%				
Total Income	***$113,299***	100%	***$88,418***	100%	***$125,022***	100%
Expenditures						
Source of Supply						
Pumping	$5,533	17%	$4,658	5%	$4,839	5%
Water Treatment			59,675	62%	73,636	75%
Transportation & Distribution	16,021	48%	9,665	10%	11,818	12%
Administration & General	10,065	30%	9,584	10%	7,308	7%
Other Operating Costs						
Non-Operating Costs	1,458	5%	13,187	13%	410	>1%
Total Expenses	***$33,077***	100%	***$96,769***	100%	***$98,011***	100%
Net Income (or Loss)	***$80,222***		***($8,351)***		***$27,011***	
Depreciation & Amortization	$23,145		$25,438		$23,145	

Figure 9-5: WCWD WASTEWATER BUDGET INFORMATION FOR FY 10-11, FY 11-12, AND FY 12-13

	FY 10-11		*FY 11-12*		*FY 12-13*	
Revenues						
Sales	$63,409	91%	$63,586	92%	$84,767	100%
Connection Fees						
Service Type Assessment						
Rents and Leases	6,175	9%	5,700	8%		
Interest						
Total Income	***$69,584***	100%	***$69,286***	100%	***$84,767***	100%
Expenditures						
Sewage Collection						
Sewage Treatment	$130,824	88%	$67,680	76%	$55,174	
Sewage Disposal	6,989	5%	7,510	9%	176	
Administration & General	10,065	7%	13,493	15%	6,549	
Total Expenses	***$147,896***	100%	***$88,683***	100%	***$61,899***	
Net Income (or Loss)	***($78,312)***		***($19,397)***		***$22,868***	
Depreciation & Amortization	$26,056		$25,216		-0-	

Over the past three years, District expenditures by line item have been very inconsistent, and vary significantly from year to year. This may be the result of reporting errors or changes in bookkeeping.

The budget numbers in Figures 9-4 and 9-5 show that both Water Service and Wastewater Service are operating at a deficit in specific years.

The District noted that it is unable to afford annual audits. No budgets or audits were provided by the District for this MSR. Budgets and audits for both the Water Enterprise Fund and the Wastewater Enterprise Fund are considered essential in order for the District to establish control over District fiscal operations.

Reserve funds are limited. As of June 30, 2013, the Water Enterprise Fund had a reserve of $23,942; while the Wastewater Enterprise Fund had a reserve of $93,739.

The District has one Water Enterprise debt obligation, a General Obligation Bond issued in 1976 for construction of the water system. This bond was for a total of $79,500 and will be retired in 2016. The annual payment is $4,100 for which the District utilizes a portion of its property tax allocation. The Wastewater Enterprise Fund does not have any bonded indebtedness.

The District maintains professional insurance through Utility Resource Insurance Services (URIS), a subsidiary of the California Rural Water Association.

RATE RESTRUCTURING

The District charges water and sewer fees for both developed and undeveloped (stand by) parcels within the District. The basic rate for water and sewer is $83.01 per month for each residential and commercial user. Additionally, commercial users and summer rentals are charged a higher commercial rate. Although the District has meters on each service, basic residential rates are based on a usage of 12,000 gallons per month. Water use in excess of 12,000 gallons per month is charged according to amount of usage. Additionally, the District is authorized to charge $30 per month to owners of undeveloped and unoccupied parcels. However, the District has not implemented billing or collection of standby fees due to the difficulty in collection from absentee landowners.

The District also provides water services under contract to Westport Beach RV Park and Campground , just to the north and outside of District boundaries. Additionally, water is supplied by request and fee to contractors with water trucks.

OUTSTANDING LITIGATION

The District has no outstanding litigation at this time.

COST AVOIDANCE

The District shares office and meeting space with the Westport Volunteer Fire Department. Appropriate cost avoidance measures are employed by the District.

SECTION 9-3 DISTRICT SERVICES

SERVICE OVERVIEW

The District provides water services and wastewater collection and treatment for property owners within their boundaries, which are detailed in the following sections.

WATER SERVICES

SUPPLY/DEMAND

The Westport County Water District has two developed sources of water: an appropriative water right on Wages Creek (SWRCB Permit No. 16729) and a well near the water tank site, which is not currently useable. The Wages Creek permit was obtained in 1972 and allows the District to divert flows year-round at a rate of 0.125 cubic feet per second (cfs) for a maximum 47 acre-feet/year (af/yr). Conditions of the permit require bypass flows for environmental resources, as follows:

FIGURE 9-6: Wages Creek Water Rights Permit Bypass Flow Requirements

Timeframe	Bypass Flow Requirement
November 15 – February 29	20 cfs
March 1 – May 31	10 cfs
June 1 – November 14	3 cfs

At the end of the dry season, October and into December, the flow In Wages Creek can become very low. The bypass flow requirement increases from 3 cfs to 20 cfs on November 15, making it very difficult to impossible for the District to meet if the winter rains have not yet started. Conversely, during very high flows, turbidity of the water poses a difficulty in meeting current standards. District staff report that on average approximately 28 cfs flows through the treatment plant, which far exceeds demand.

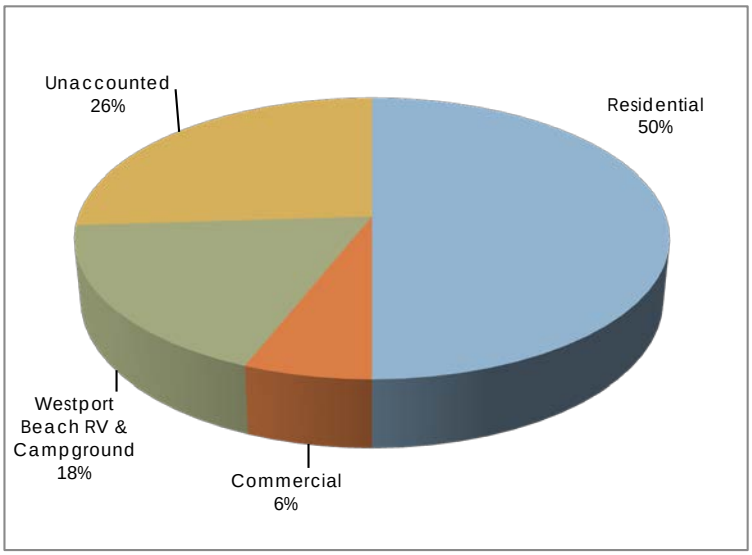


FIGURE 9-7: BREAKDOWN OF WATER USE BY CATEGORY WITHIN THE WCWD

During its annual inspection on 2000, the State Water Resources Control Board (SWRCB) found that the District was not yet putting to use the full water appropriation found in their water right permit. The WCWD is currently using approximately 41 percent of its permitted annual diversion, based on an annual raw water demand of 6.32 million gallons, which is 19.4 af. Even at the unrealistically high growth rate indicated in Figure 9-7 below, the District would utilize approximately 63 percent of its permitted annual diversion. The limitations in using its surface water right include limited storage space and seasonal bypass flow requirements as noted in Figure 9-4, above.

The District has capacity to serve 95 connections. Average day demand is approximately 26,230 gallons per day (GPD), and maximum day demand is 78,600 GPD. The District maintains approximately 8-10 days of storage at all times.

The District drilled a deep well, which has a high flow rate, but is unusable because of high manganese and iron content. Use of the well water requires a filtration system that had a 2001 estimate of more than $100,000. There is currently no funding for construction of a filtration system.

FIGURE 9-7: Summary of WCWD Projected Water Demands for the Year 2022

Water Demand[1]	Projected Demand Existing WCWD Service Area (2020)	
	gpd	cfs
Average Day Demand	26,230	0.04
Average Day Maximum Month Demand	39,350	0.06
Maximum Day Demand	78,600	0.12

[1] Water demands are based on a growth rate of 2.1 percent per year and an average of the raw water production of 6.32 MG. The 2.01 percent growth rate is from the trend in metered water use from 1979 to 2001. The raw water production of 6.32 MG is the average annual volume from 1999 to 2001.

Notes: The growth rate is likely substantially higher than reality. Growth rates throughout Mendocino County are generally much lower than projected rates made in the early 2000s due to the economic downturn that started in 2007. The most current growth rates in the unincorporated lands of Mendocino County have been estimated at 0.4 percent per year. However, the District has estimated that there will be little to no growth in the District within the 20-year planning horizon.

Source: (Winzler & Kelly, 2003, pp. ES-6).

The District has a drought management plan in place, which specifies voluntary conservation at Stage 1 and limits supply to 150 GPD to each homeowner in extreme drought conditions. Average daily water consumption is approximately 250 GPD. During drought conditions the District has approval to withdraw needed supplies if less than one inch of flows are in Wages Creek.

INFRASTRUCTURE AND FACILITIES

A community treatment, storage, and distribution system was installed in 1976 using Wages Creek as the water supply. Water is siphoned from the Creek via an infiltration gallery under the creek bottom. In 2000, to reduce turbidity problems during very high and low flows, the infiltration gallery was moved upstream and buried further underground.

In 2009, the District constructed a 100,000 gallon steel water tank with the assistance of Proposition 50 Integrated Regional Water Management Plan Implementation Grant, to increase water supply reliability, fire protection, emergency water supply and maintenance of bypass flows in Wages Creek as required by the water right. The tank is located above the community and provides water supply via gravity. Although it provides improved water supply reliability within the District, the tank provides limited term storage (10 days, up to 30 days with conservation measures implemented) and water rationing has been implemented during times of high turbidity.

Additionally, the District has a 100,000 gallon Redwood Water Tank. The Redwood Water tank is in a state of degradation and is leaking. Staff has identified two solution alternatives: line the tank; or repair the floor of the tank. The District currently has no funding for completing either alternative and continues to monitor and temporarily patch the leaks as best it can.

Water storage needs also include fire storage, which is required to meet standards of 1,500 GPM flow for 2 hours. This flow and duration corresponds to a fire storage volume of 180,000 gallons, nearly all of the District's current storage capacity. Additionally, emergency storage is needed to ensure water service is continued in the event there is an interruption in water supply, a transmission line breaks, or if there are other emergency needs. Emergency storage is typically one to three days of existing water demand, which was estimated at nearly 80,000. (Refer to Figure 9-8)

Figure 9-8: RECOMMENDED STORAGE VOLUMES FOR WCWD

Storage Element	Storage Volume (gallons)
Recommended Storage	
Working Storage[1]	30,000
Fire Storage	180,000
Emergency Storage[2]	160,000
Total Recommended Storage	290,000
Existing Storage	200,000
Storage Deficit	**90,000**

[1] The working storage provides water to accommodate the daily variations in water use given constant water plant output. It is estimated to be 35 percent of the maximum day average demand

[2] Emergency storage should be one to three days of additional water supply. Based on a demand of 78,600 GPD, one day's supply would be approximately 80,000 gallons.

Source: (Winzler & Kelly, 2003, pp. 8-3)

DISTRIBUTION AND TRANSMISSION

The District's distribution consists of two water storage tanks, a waterline network, meters, and a fire hydrant system. The hydrant system is up to date. Transmission lines consist of a four-inch PVC pipe that conveys water from the District's treatment plant along Wages Creek to the road leading up to the storage tank. (Refer to Figure 9-9: Water Transmission System) From there a six-inch PVC pipe connects the storage tank with the distribution system. The remainder of the distribution system is composed primarily of six-inch pipe constructed of asbestos-cement, PVC, and ductile iron. The lines remain in serviceable condition; however the mains are more than 35 years old and are reaching the end of their useful lives. The distribution lines are fed from the storage tanks, which are co-located thereby essentially feeding the distribution lines from one source. It is unknown whether or not the District has a capital improvement plan in place to plan ahead for replacement of aging distribution and transmission lines.

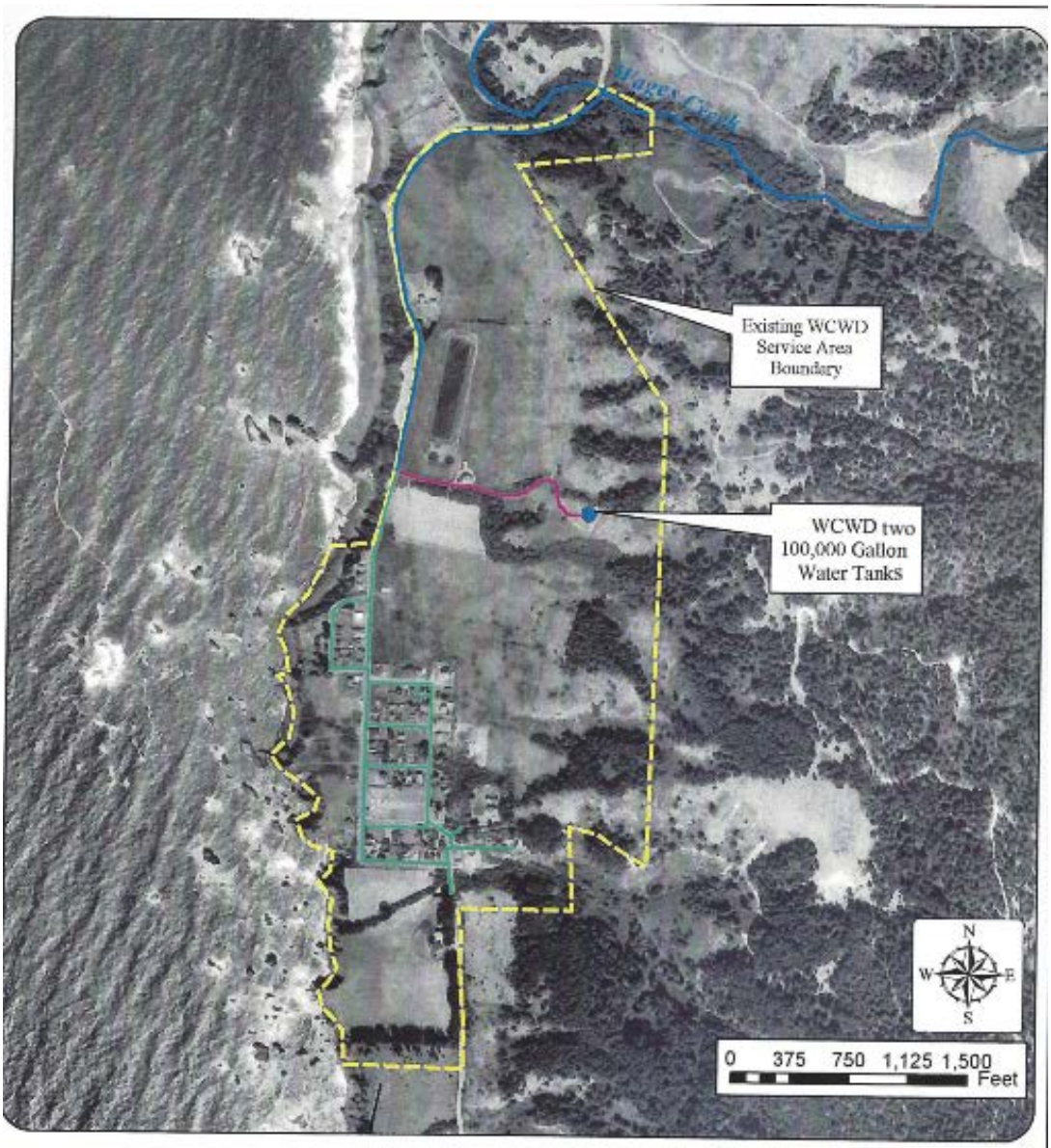
OPPORTUNITIES TO SHARE FACILITIES

The District has offices and holds its meetings in the Westport Volunteer Fire Department, a community building. No other facility needs have been identified by the District.

SERVICE ADEQUACY

The District maintains water service to its customers and has been very successful with grants to study water supply reliability (Proposition 84 Grant funds) and to construct a second 100,000 gallon water storage tank (Proposition 50 Grant funds). There is evidence in LAFCo files of past customer complaints involving inability to contact the WCWD regarding individual water service problems; however, there is nothing to indicate these problems are currently occurring.

FIGURE 9-9: WCWD Water Transmission System



CHALLENGES

Water supply for the District is dependent on adequate annual rainfall and water quality of Wages Creek, its primary water supply. Although the District drilled a deep well, it is unusable due to high concentrations of manganese and iron. To use the well water, the District would need to install a filtration system that would cost in excess of $100,000. The District has upon occasion been granted permission by the State Department of Health and Safety to use the well water for supply in periods of drought (early 2000s); however, it is not a reliable water source due to the issues identified above.

District policy requires bills to be mailed out by the 15th of each month. However, due to a shortage of personnel, the District has implemented a payment coupon method which relies on customers to mail in monthly payments.

The District has an ongoing problem of obtaining enough citizen participation to fill the Board of Director positions. The District has experienced a chronic shortage of revenue from lack of economy of scale.

WASTEWATER SERVICES

The WCWD provides wastewater services to 66 residences and has treatment capacity of a maximum of 20,000 GPD per day averaged over a period of 30 consecutive days.

INFRASTRUCTURE AND FACILITIES

The District has approximately 11.3 million gallons of space available. Should development occur that required additional wastewater capacity, the District has space to an additional 25 feet to the existing lagoon. Peak flow was last exceeded in March2011 due to heavy rainfall. The infrastructure has recently been replaced, including almost all of the District's original wastewater system equipment, pump station, and collection lines.

FIGURE 9-10: Aerial View of Wastewater Facilities
Source: Google Earth, 2012

COLLECTION AND TREATMENT

The Westport Wastewater Treatment Plant is designed to provide secondary treatment for up to 20,000 gallons of wastewater per day of average dry weather flow. Treatment consists of two aerated ponds followed by an 11.3 MG polishing/storage pond. Wastewater from the polishing/storage pond is disinfected prior to being irrigated over a 16.8-acre open field west of the community. Solids are reduced to an insignificant volume in the aerated ponds. The Plant also handles approximately 6.4 million gallons of rainfall and stormwater annually.

Opportunities to Share Facilities

The District owns approximately five acres on which the Fire Department is located, as well as the wastewater treatment plant and ponds. The District shares the Fire Station with the Westport Volunteer Fire Department, who leases the building for $1 annually. The Fire Station is used for WCWD meetings and office space. No other opportunities for shared facilities were identified by District staff or LAFCO in the preparation of this MSR.

Service Adequacy

There are no indications in the LAFCo files, or in interviews with District staff, that there are wastewater service issues in the District.

Challenges

A Grand Jury Report in 2001-2002 identified the sewage settlement ponds as suffering from sediment accumulation and sewage seepage. The District has no funds available for the required dredging, draining, and lining.

As mentioned in the Water Service section above, District policy requires water and sewer bills to be mailed out by the 15th of each month. However, due to a shortage of personnel, the District has implemented a payment coupon method which relies on customers to mail in monthly payments.

SECTION 9-3 DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

1. Given Westport's isolated location and limited development potential, it's unlikely to experience significant population increases in the next few decades. The area has experienced little to no growth in recent years.
2. There are no outstanding will-serve letters and no known developments pending.
3. The District's water and wastewater systems were designed to accommodate 95 services each and are approximately 77 percent built out.
4. The current population of the District is approximately 70 year-round residents, which can double during summer vacation months.

Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

5. Westport likely qualifies as a Disadvantaged Unincorporated Community (DUC) because the median household income of its residents is assumed to approximate the County average: $43,721 which is less (570.1%) than 80% of the State median household income of $61,632.
6. For WCWD, two of the three basic services – water supply and sewer services – are provided by the District. Based on annual reports to the State Department of Public Health and the Regional Water Quality Control Board, water supply services and sewage services to customers within the District are considered to be satisfactory.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

7. The District provides adequate water services to its customers and operates with a surplus of water much of the year during typical water years.
8. During dry periods, the District is at times unable to withdraw its permitted water flows from Wages Creek, its primary water source, due to environmental inflow stream bypass requirements.
9. The District is in the process of identifying funding sources to repair its leaking Redwood Tank, one of two 100,000 gallon tanks upon which the District relies for water supply and storage.
10. The District's wastewater collection infrastructure has recently been upgraded.

FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

11. It is unknown if the current financing levels are adequate to continue to operate as a District, as financial documents were not provided by the District in the preparation of this MSR.
12. The District should engage a CPA to perform district audits for at least the last three years.
13. The Board of Directors should adopt and publish the current Fiscal Year budget.

14. The District received a Proposition 204 Grant in 2004 through the North Coast Integrated Water Management Program to conduct a water supply feasibility study and a Proposition 50 Grant in 2007 to construct a second water storage tank. The District continues to look for various funding options for capital improvements.
15. The District should consider performing a complete review of water and sewer rates.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

16. The District holds its meetings in a community building, the Westport Volunteer Fire Department.
17. No further opportunities for facility sharing were identified in the preparing of this MSR.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

18. Fire services were removed from the Westport County Water District services in 2007.
19. WCWD By-Laws require five Board members serve the District. For the past decade or more, only three members sit on the Board. The District should make a greater effort to fill Board vacancies.
20. WCWD By-Laws require monthly Board meetings. However, current practice is to hold Board meetings "as-needed." The District should establish regular, monthly Board meetings.
21. The District should consider providing an online information portal to post agendas, meeting minutes, notices, board member information, District contacts, and emergency call numbers.
22. The District should prepare annual budgets and audits and have them available for public review.

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ACRONYMS, ABBREVIATIONS, AND GLOSSARY

ADWF..... Average dry weather flow
af ..... Acre-feet
afa ..... Acre-feet per annum
BCSA ..... Beckwourth County Service Area
BLS ..... Basic Life Support
BOD ..... Biological oxygen demands
BOE..... California Board of Equalization
CCSD ..... Covelo Community Services District
CEO ..... Chief Executive Officer
CEQA ..... California Environmental Quality Act
cfs ..... Cubic feet per second
CIP ..... Capital improvement plan
CSA ..... County Service Area
CSD ..... Community Services District
CSDA..... California Special District Association
CSWD ..... Caspar South Water District
DFW ..... California Department of Fish and Wildlife
DOF ..... California Department of Finance
DPH..... California Department of Public Health
DWR ..... California Department of Water Resources
ECWD..... Elk County Water District
EPA ..... U.S. Environmental Protection Agency
ERAF ..... Educational Revenue Augmentation Fund
FEMA ..... Federal Emergency Management Agency
FPD ..... Fire Protection District
FTE..... Full Time Equivalent
FY ..... Fiscal year
GCSD ..... Gualala County Sanitation District
GIS ..... Geographic Information Systems
GM ..... General Manger
gpd..... Gallons per day
gpm..... Gallons per minute
GP..... General Plan
IBWD..... Irish Beach Water District
I/I..... Infiltration and inflow
IRWM ..... Integrated Regional Water Management
JPA ..... Joint Powers Authority
LAFCo ..... Local Agency Formation Commission
LCWD ..... Laytonville County Water District
MCL..... Maximum Contaminant Level
mg ..... Millions of gallons
mgd..... Millions of gallons per day

MSR.....Municipal services review
N/A..... Not applicable
N/P.....Not provided
NPDES ..... National Pollutant Discharge Elimination System
OASA .....Out-of-Area Service Agreement
OES..... Office of Emergency Services
OPR ..... Governor's Office of Planning and Research
PRWD .....Pacific Reefs Water District
RUE ..... Residential Unit Equivalent
RWQCB.....Regional Water Quality Control Board
RVCWD.....Round Valley County Water District
RVIT..... Round Valley Indian Tribes
SCADA..... Supervisory Control and Data Acquisition
SDMRA.....Special District Risk Management Authority
SDWA .....Safe Drinking Water Act
SOI ..... Sphere of influence
SSMP.....Sewer System Management Plan
SSO .....Sewer System Overflow
SR .....State Route
SWRCB ..... State Water Resources Control Board
TDS.....Total dissolvable solids
TMDL.....Total maximum daily load
TSS..... Total suspended solids
USDA .....United States Department of Agriculture
USFS ..... United States Forest Service
UWMP ..... Urban Water Management Plan
WWTP .....Wastewater treatment plant
WFD .....Westport Fire Department
WCWD .....Westport County Water District
WTP.....Water treatment plant

Acre-foot/feet (AF): Measurement of water volume--the volume of water that would cover one acre of land to a depth of one foot, equivalent to 325,851 gallons of water.

Agricultural Demand – the quantity of raw water allocated for irrigation of an agricultural crop or other agricultural use, such as livestock.

Annexation: The annexation, inclusion, attachment, or addition of territory to a city or district.

Buildout: the maximum development potential when all lands within an area have been converted to the maximum density allowed under the General Plan.

Board of Directors: The legislative body or governing board of a district.

Board of Supervisors: The elected board of supervisors of a county.

Canal Flow: total flow of water delivered in cubic feet per second (cfs) at the head of a canal. Canal flows typically include agricultural and urban/suburban raw water delivered to raw (untreated) water customers, raw water supplied to water treatment plants, and canal conveyance and exit losses.

City: Any charter or general law city.

Consolidation: The uniting or joining of two or more districts into a single new successor district. In the case of consolidation of special districts, all of those districts shall have been formed pursuant to the same principal act.

Conveyance loss: loss of water from a canal due to exfiltration through the canal bottom and walls (the canal's wetted perimeter), and to evapotranspiration.

Contiguous: In the case of annexation, territory adjacent to an agency to which annexation is proposed. Territory is not contiguous if the only contiguity is based upon a strip of land more than 300 feet long and less than 200 feet wide.

Cost avoidance: Actions to eliminate unnecessary costs derived from, but not limited to, duplication of service efforts, higher than necessary administration/operation cost ratios, use of outdated or deteriorating infrastructure and equipment, underutilized equipment or buildings or facilities, overlapping/inefficient service boundaries, inefficient purchasing or budgeting practices, and lack of economies of scale.

County Service Area (CSA): A dependent agency governed by the Board of Supervisors of a County pursuant to §25210.1 - §25211.33 of the Government Code. A CSA may perform most services, which the county is authorized to perform by law, but is limited by the county's ability to show that the proposed level of extended service is not otherwise provided on a county-wide basis.

Cubic foot per Second (cfs): a unit of measuring the rate of one cubic foot of water moving past a given point in one second.

Dependent special district: A special district whose board of directors is another legislative body, such as a city council or board of supervisors. Also see special district.

Detachment: The detachment, deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.

Dissolution: The dissolution, disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.

District or special District: An agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. "District" or "special district" includes a county service area.

District of limited Powers: An airport district, community services district, municipal utility district, public utilities district, fire protection district, harbor district, port district, recreational harbor district, small craft harbor district, resort improvement district, library district, local hospital district, local health district, municipal improvement district formed pursuant to any special act, municipal water district, police protection district, recreation and park district, garbage disposal district, garbage and refuse disposal district, sanitary district, or county sanitation district.

Dissolution: The termination of the existence of a district.

Enabling legislation: Legal statute authorizing the creation of the agency or district considered.

FEMA: Federal Emergency Management Agency

Floodplain - a generally flat, low-lying area adjacent to a stream or river that is subjected to inundation during high flows. The relative elevation of different floodplains determines their frequency of flooding, ranging from rare, severe storm events to flows experienced several times a year. For example, a "100-year floodplain" would include the area of inundation that has a frequency of occurring, on average, once every 100 years.

Formation: The formation, incorporation, organization, or creation of a district.

Function: Any power granted by law to a local agency or a county to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of all persons or property.

Functional revenues: Revenues generated from direct services or associated with specific services, such as a grant or statute, and expenditures.

FY: Fiscal year

General plan: A document containing a statement of development policies including a diagram and text setting forth the objectives of the plan. The general plan must include certain state mandated elements related to land use, circulation, housing, conservation, open-space, noise, and safety.

General revenues: Revenues not associated with specific services or retained in an enterprise fund.

Impervious: Unable to infiltrate, no way through.

Impervious cover - any surface in the urban landscape that cannot effectively absorb or infiltrate rainfall; for example, sidewalks, rooftops, roads, and parking lots.

Incorporation: The incorporation, formation, creation, and establishment of a city with corporate powers. Any area proposed for incorporation as a new city must have at least 500 registered voters residing within the affected area at the time commission proceedings are initiated.

Independent Special District: Any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in §56036.

Infrastructure: public services and facilities, such as pipes, canals, levees, water-supply systems, other utility, systems, and roads.

Irrigation Season: Typically, the time of year when crops are irrigated. Generally, April 15 to October 14, although this may vary by irrigation district and/or by crop.

LAFCo: Local Agency Formation Commission.

Local accountability and governance: a style of public agency decision making, operation and management that includes an accessible staff, elected or appointed decision-making body and decision making process, advertisement of, and public participation in, elections, publicly disclosed budgets, programs, and plans, solicited public participation in the consideration of work and infrastructure plans; and regularly evaluated or measured outcomes of plans, programs or operations and disclosure of results to the public.

Local agency: A city, county, or special district or other public entity, which provides public services.

Management Efficiency: the organized provision of the highest quality public services with the lowest necessary expenditure of public funds. An efficiently managed entity (1) promotes and demonstrates implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement, (2) has the ability to provide service over the short and long term, (3) has the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service, (4) meets or exceeds environmental and industry service standards, as feasible considering local conditions or circumstances, (5) and maintains adequate contingency reserves.

Merger: The termination of the existence of a district, and the assumption of the district's responsibilities by a city.

Miner's Inch (MI): a unit of measuring the rate of water flow. Equivalent to 1/40 cfs or 11.2 gallons per minute.

Municipal services: The full range of services that a public agency provides, or is authorized to provide, except general county government functions such as courts, special services and tax collection. As understood under the CKH Act, this includes all services provided by Special Districts under California law.

Municipal Service Review (MSR): a study designed to determine the adequacy of governmental services being provided in the region or sub-region. Performing service reviews for each city and special district within the county may be used by LAFCO, other governmental agencies, and the public to better understand and improve service conditions.

Mutual Water Company or Mutual Water Association: an entity which purchases raw water service and distributes water from its service to its members. This entity is not considered a government agency or district.

Overlapping territory: Territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities.

Peak flow: maximum measured daily flow in cfs

Plan of reorganization: A plan or program for effecting reorganization and which contains a description of all changes of organization included in the reorganization and setting forth all terms, conditions, and matters necessary or incidental to the effectuation of that reorganization.

Prime agricultural land: An area of land that has not been developed for a use other than agriculture and meets certain criteria related to soil classification or crop and livestock carrying capacity.

Principal act: In the case of a district, the law under which the district was formed and, in the case of a city, the general laws or a charter, as the case may be.

Principal LAFCo for municipal service review: The LAFCo with the lead responsibility for a municipal service review. Lead responsibility can be determined pursuant to the CKH Act definition of a Principal LAFCo as it applies to government organization or reorganization actions, by negotiation, or by agreement among two or more LAFCos.

Proceeding: A course of action. Procedures.

Public agency: The state or any state agency, board, or commission, any city, county, city and county, special district, or other political subdivision, or any agency, board, or commission of the city, county, city and county, special district, or other political subdivision.

Rate restructuring: Rate restructuring does not refer to the setting or development of specific rates or rate structures. During a municipal service review, LAFCo may compile and review certain rate related data, and other information that may affect rates, as that data applies to the intent of the CKH Act (§56000, §56001, §56301), factors to be considered (§56668), SOI determinations (§56425) and all required municipal service review determinations (§56430). The

objective is to identify opportunities to positively impact rates without adversely affecting service quality or other factors to be considered.

Raw Water: untreated surface water which flows from a source (such as rivers) downstream to a water supply reservoir or conveyance structure and serves agricultural, urban/suburban customers and water treatment plants.

Reorganization: Two or more changes of organization initiated in a single proposal.

Responsible LAFCo: The LAFCo of a county other than the Principal County that may be impacted by recommendations, determinations or subsequent proposals elicited during a municipal service review being initiated or considered by the Lead LAFCo.

Retained earnings: The accumulated earnings of an enterprise or intragovernmental service fund which have been retained in the fund and are not reserved for any specific purpose (debts, planned improvements, and contingency/emergency).

Reserve: (1) For governmental type funds, an account used to earmark a portion of fund balance, which is legally or contractually restricted for a specific use or not appropriable for expenditure. (2) For proprietary type/enterprise funds, the portion of retained earnings set aside for specific purposes. Unnecessary reserves are those set aside for purposes that are not well defined or adopted or retained earnings that are not reasonably proportional to annual gross revenues.

RWQCB: Regional Water Quality Control Board

Service review: A study and evaluation of municipal service(s) by specific area, subregion or region culminating in written determinations regarding nine specific evaluation categories.

Special Reorganization: A reorganization that includes the detachment of territory from a city or city and county and the incorporation of that entire detached territory as a city.

Specific plan: A policy statement and implementation tool that is used to address a single project or planning problem. Specific plans contain concrete standards and development criteria that supplement those of the general plan.

Sphere of influence (SOI): A plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCo.

Sphere of influence determinations: In establishing a sphere of influence, the Commission must consider and prepare written determinations related to present and planned land uses, need and capacity of public facilities, and existence of social and economic communities of interest.

Stormwater best management practice - a structural or non-structural technique designed to temporarily store or treat stormwater runoff in order to mitigate flooding, reduce pollution, and provide other amenities

Stormwater runoff - rainwater which does not infiltrate into the soil and runs off the land

Subject agency: Each district or city for which a change of organization is proposed or provided in a reorganization or plan of reorganization.

SWRCB: State Water Resources Control Board

Treated water: raw water which has been treated for human consumption through secondary or tertiary processes at a water treatment plan (WTP).

Watershed - An area of land that drains water, sediment and dissolved materials to a common receiving body or outlet. The term is not restricted to surface water runoff and includes interactions with subsurface water. Watersheds vary from the largest river basins to just acres or less in size. In urban watershed management, a watershed is seen as all the land which contributes runoff to a particular water body.

Zoning: The primary instrument for implementing the general plan. Zoning divides a community into districts or "zones" that specify the permitted/prohibited land uses.

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The local agencies have provided a substantial portion of the information included in this document. Each local agency provided budgets, financial statements, various plans, and responded to questionnaires. The service providers provided interviews covering workload, staffing, facilities, regional collaboration, and service challenges.