
Resolution 2012-04

of the

Calaveras Local Agency Formation Commission

*Approving Municipal Service Review for Water Services Provided by the Union
Public Utility District and Adopting Written Determinations Thereon*

WHEREAS, California Government Code Section 56425 requires that the Local Agency Formation Commission ("LAFCO") adopt and periodically review Sphere of Influence Plans for all agencies in its jurisdiction; and,

WHEREAS, California Government Code Section 56430 requires that LAFCO conduct a review of the municipal services provided by and within an agency prior to updating or adopting its Sphere of Influence Plan; and,

WHEREAS, the Sphere of Influence Plan is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and,

WHEREAS, the Commission adopted guidelines for conducting Municipal Service Reviews (MSRs) included in its Policies, Standards and Procedures adopted on August 17, 2009, which applies to this MSR for water and wastewater services; and,

WHEREAS, the Commission adopted Resolution 2012-02 on May 21, 2012 adopting Municipal Service Review Determinations for all wastewater and water services providers in Calaveras County with the exception of water services provided by the Union Public Utility District and continued the Public Hearing until June 18, 2012 so LAFCO staff could meet and review and amend, as necessary the UPUD determinations.

WHEREAS, at the time and in the manner provided by law, the Executive Officer gave notice of the date, time, and place of a public hearing by the Commission for the MSR, including approval of the report and adoption of the written determinations contained therein; and,

WHEREAS, the Commission hereby determines that the Municipal Service Review for water services provided by the Union Public Utility District in Calaveras County and written determinations contained therein will provide information for updating its Sphere of Influence, and is otherwise consistent with the purposes and responsibility of the Commission for planning the logical and orderly development and coordination of the district so as to advantageously provide for its present and future needs; and,

WHEREAS, the Commission has heard all interested parties desiring to be heard and has considered the report by the Executive Officer and all other relevant evidence and information presented at said hearing;

NOW, THEREFORE, the Calaveras Local Agency Formation Commission hereby resolves, orders and determines the following:

UNION PUBLIC UTILITY DISTRICT

Growth and population projections

- 1) UPUD serves a population of approximately 3,722 people. The District serves 1,947 customers. Roughly half of its water demand is irrigation water.
- 2) There is substantial development capacity remaining in Vallecito and Murphys. The draft County General Plan projections imply that UPUD's service area will add 1,200-1,900 connections by 2035.
- 3) There are a growing number of vineyards in UPUD's service area. UPUD has restricted growth in irrigation water demand due to infrastructure limitations.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

- 4) UPUD has adequate capacity to provide service to existing water connections. The District will need to expand its treatment and distribution systems to serve future growth in its domestic system.
- 5) Treated water services in the UPUD service area were identified as generally adequate with a well-operated and maintained system.
- 6) Domestic water infrastructure needs include replacement of water mains to provide adequate fire flows. Additional fire hydrants are needed in the Vallecito area, Douglas Flat, and Murphys Ranch subdivision.
- 7) The District, in concert with UPA and the City, needs to determine both safe annual yield during drought conditions and curtailment procedures.
- 8) UPUD does have adequate contracted water supplies during the irrigation season to meet new demand. There is a limitation on net new irrigation connections due to infrastructure imitations in certain locations. Additional upstream storage reservoirs and supplies during irrigation season would enhance the irrigation water supplies to accommodate growth in service demand.
- 9) Portions of the irrigation distribution system are aged and need replacement. In recent years, UPUD has not kept pace with its capital plans in terms of annual replacement outlays.

10) UPUD last prepared a domestic water master plan in 2004 and irrigation pipeline replacement plan in 1999. Given anticipated growth within and adjacent to UPUD bounds, the District should tailor its growth projections to its service area and update its growth plans regularly.

Financial ability of agencies to provide services

11) The District reported that financing is adequate to deliver services. Due to ongoing challenges related to deteriorating irrigation distribution infrastructure, irrigation water rates should be reviewed to ensure continued adequate financing.

12) UPUD capital outlays have not kept pace with depreciation in recent years based on the audited reports.

Status of, and opportunities for, shared facilities

13) The District practices facility sharing of its raw water delivery system with City of Angels and Utica Power Authority.

14) CCWD and Utica Power Authority intend to negotiate by 2015 additional consumptive water rights that could benefit UPUD's ability to serve future growth.

15) CCWD, NCPA and UPA could potentially renegotiate terms for their water supply agreement to ensure adequate supplies to the UPUD service area to accommodate growth in irrigation demand.

16) Availability of uphill recycled water presents opportunities for dry-year water supplies for irrigation uses in UPUD's service area.

17) The District did not identify opportunities for future facility sharing.

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

18) Accountability is promoted by somewhat active interest in serving on the governing body, as indicated by recently contested elections.

19) Local accountability is promoted by the relatively small size of the District and the inherent degree of local control.

20) UPUD demonstrated a limited degree of accountability through its constituent outreach efforts and disclosure of information. The District lacks a website, and makes minimal efforts at outreach.

- 21) The District is encouraged to enhance its growth, demand and facility planning efforts and improve its transparency by making key information available to the public through a website.
- 22) There are accountability and management challenges at Murphys Sanitary District (MSD) whose bounds overlap the northernmost portion of UPUD. Governance options include UPUD assuming responsibility for MSD, creation of a new agency (likely a community services district) to begin afresh with operating and managing water and wastewater services in the UPUD service area, or consolidation with CCWD.
- 23) There are planned and proposed development projects outside UPUD bounds, and substantial growth anticipated over the next 20 years in UPUD's service area. A governance option is to expand UPUD's sphere of influence so the District may annex such territory.

The foregoing resolution was duly passed by the Calaveras Local Agency Formation Commission at a regular meeting held on June 18, 2012, by the following roll call vote:

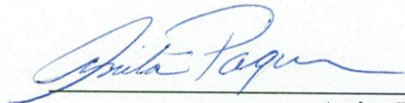
Ayes: Tyrrell, Lavaroni, Lynch, Neuman, Spellman and Paque

Noes:

Absentions:

Absent: Tryon

Signed and approved by me after its passage this 18th day of June 2012.



Anita Paque, Chair
Calaveras LAFCO

Attest:



John Benoit, Executive Officer

CALAVERAS LOCAL AGENCY FORMATION COMMISSION,