

***CALAVERAS
LOCAL AGENCY FORMATION
COMMISSION
(LAFCO)***

***CALAVERAS COUNTY WATER
DISTRICT (CCWD)
SPHERE OF INFLUENCE (SOI)
REPORT***

April 2017

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1 INTRODUCTION

1.1 LAFCO's Responsibilities

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (“CKH Act”) (California Government Code §§56000 et seq.), is LAFCO’s governing law and outlines the requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCO to satisfy its legislative charge of “discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (§56301).

CKH Act Section 56301 further establishes that

“one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

Based on that legislative charge, LAFCO serves as an arm of the State; preparing and reviewing studies and analyzing independent data to make informed, quasi-legislative decisions that guide the physical and economic development of the state (including agricultural uses) and the efficient, cost-effective, and reliable delivery of services to residents, landowners, and businesses.

While SOIs are required to be updated every five years, they are not time-bound as planning tools by the statute, but are meant to address the “probable physical boundaries and service area of a local agency” (§56076). SOIs therefore guide both the near-term and long-term physical and economic development of local agencies their broader county area, and MSRs provide the near-term and long-term time-relevant data to inform LAFCO’s SOI determinations.

1.2 SOI Determinations

In 1972, LAFCOs were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, “‘sphere of influence’ means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission” (§56076). SOIs are designed to both proactively guide and respond to the need for the extension of infrastructure and delivery of municipal services to areas of emerging growth and development. Likewise, they are also designed to discourage urban sprawl and the premature conversion of agricultural and open space resources to urbanized uses.

The role of SOIs in guiding the State’s growth and development was validated and strengthened in 2000 when the Legislature passed Assembly Bill (“AB”) 2838 (Chapter 761, Statutes of 2000), which was the result of two years of labor by the Commission on Local Governance for the 21st Century, which traveled up and down the State taking testimony from a variety of local government stakeholders and assembled an extensive set of recommendations to the Legislature to strengthen the powers and tools of

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LAFCOs to promote logical and orderly growth and development, and the efficient, cost-effective, and reliable delivery of public services to California's residents, businesses, landowners, and visitors.

The requirement for LAFCOs to conduct MSR's was established by AB 2838 as an acknowledgment of the importance of SOI's and recognition that regular periodic updates of SOI's should be conducted on a five-year basis (§56425(g)) with the benefit of better information and data through MSR's (§56430(a)). A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it. LAFCO is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

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

1.3 SOI Update Process

LAFCO is required to establish SOI's for all local agencies and enact policies to promote the logical and orderly development of areas within the SOI's. Furthermore, LAFCO must update those SOI's every five years. In updating the SOI, LAFCO is required to conduct a MSR and adopt related determinations.

This report identifies preliminary SOI policy alternatives and recommends an SOI option for the Calaveras County Water District. Development of actual SOI updates will involve additional steps, including opportunity for public input at a LAFCO public hearing, and consideration and changes made by Commissioners.

LAFCO must notify affected agencies 21 days before holding a public hearing to consider the SOI and may not update the SOI until after that hearing. The LAFCO Executive Officer must issue a report including recommendations on the SOI amendments and updates under consideration at least five days before the public hearing.

1.4 Possible Approaches to the SOI

The following table shows various approaches to the Sphere of Influence.

SPHERE TYPE	DEFINITION
Growth sphere	Contains territory beyond the jurisdictional boundaries of the local agency and is an indication that the need for public services in the area has been established and the agency has the ability to effectively and efficiently extend the full spectrum of services provided by the agency.
Coterminous sphere	Coincides with the jurisdictional boundaries of the local agency and is an indication that the agency is landlocked, that there is no anticipated need for the agency's services outside of its existing boundaries, or the agency lacks the capacity or ability to serve additional territory or there is insufficient information to make such a determination.
Zero sphere	A zero sphere contains no territory and indicates that the Commission has determined that one or more of the public service functions of the agency are either non-existent, inadequate, no longer needed, or should be reallocated to some other agency of government. Adoption of a zero sphere indicates the agency should ultimately be reorganized or dissolved. The Commission may initiate dissolution of an agency as the law allows.
Smaller-than-agency sphere	Contains less territory than the jurisdictional boundary of the local agency. The smaller-than-agency sphere indicates that territory within the local agency, but not within its sphere, should be detached and either transferred to another local agency or not served by any agency.
Overlapping sphere	If more than one agency appears equally qualified to serve an area, and if fiscal considerations and community input do not clearly favor a specific agency, an overlapping sphere may be appropriate.
Provisional sphere	A designation indicating that LAFCO has identified in its most recent municipal service review the need for an agency to address organizational issues. Agencies given a provisional sphere will be encouraged to discuss reorganization options or alternatives to existing service provision or governmental structure and to provide LAFCO with written results of their discussions and/or studies.
Service specific zone within a sphere	To accommodate situations where territory within an agency's jurisdiction may require some, but not all of the services that the agency is authorized to provide, the LAFCO may designate an area within an SOI to which it may attach specific policies, including limiting the types of services authorized in that area. The intent of a service specific zone is to limit the types of services provided in a defined area and is not intended in any way to circumvent annexation.

The recommendation for the CCWD is both a growth sphere (because small amounts of land in the County have been excluded from the District boundary) and an overlapping sphere (because other water and wastewater service providers are included within the proposed Sphere of Influence which is the same as the County boundary).

1.5 Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

CKH Act Section 56375(a)(8)(A) prohibits LAFCO from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCO.

The legislative intent is to prohibit “cherry picking” by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

1.6 SOI Amendments and CEQA

LAFCO has the discretion to limit SOI updates to those that it may process without unnecessarily delaying the SOI update process or without requiring its funding agencies to bear the costs of environmental studies associated with SOI expansions. Any local agency or individual may file a request for an SOI amendment. The request must state the nature of and reasons for the proposed amendment, and provide a map depicting the proposal.

LAFCO may require the requester to pay a fee to cover LAFCO costs, including the costs of appropriate environmental review under CEQA. LAFCO may elect to serve as lead agency for such a review, may designate the proposing agency as lead agency, or both the local agency and LAFCO may serve as co-lead agencies for purposes of an SOI amendment. Local agencies are encouraged to consult with LAFCO staff early in the process regarding the most appropriate approach for the particular SOI amendment under consideration.

Certain types of SOI amendments are likely exempt from CEQA review. Examples are SOI expansions that include territory already within the bounds or service area of an agency, SOI reductions, and zero SOIs. SOI expansions for limited purpose agencies that provide services (e.g., fire protection, levee protection, cemetery, and resource conservation) needed by both rural and urban areas are typically not considered growth inducing and are likely exempt from CEQA. Similarly, SOI expansions for districts serving rural areas (e.g., irrigation water) are typically not considered growth inducing.

Remy et al. write

In City of Agoura Hills v. Local Agency Formation Commission (2d Dist. 1988) 198 Cal.App.3d480, 493-496 [243 Cal.Rptr.740] (City of Agoura Hills), the court held that a LAFCO’s decision to approve a city’s SOI that in most respects was coterminous with the city’s existing

municipal boundaries was not a “project” because such action did not entail any potential effects on the physical environment.¹

1.7 Recommendation for Calaveras County Water District Sphere of Influence

1.7.1 Calaveras County Water District Background²

A. Services

The Calaveras County Water District deals with water, power and wastewater as follows:

- 1) provides raw and treated surface water,
- 2) provides hydroelectric power, and
- 3) provides wastewater collection, treatment and disposal services to a number of unincorporated communities throughout Calaveras County.

Outside these three direct service areas, the District’s services include the following:

- 1) protecting water rights,
- 2) providing wholesale water deliveries to those with failed wells,
- 3) groundwater management and monitoring, and
- 4) assisting other agencies with wastewater planning.

B. History

The Municipal Service Review provides the following history of the CCWD:

Calaveras County Water District (CCWD) was formed on August 30, 1946 as an independent special district.³ The District was formed to acquire water rights, construct water works and distribute and sell water. The District’s formation was approved countywide⁴ by 97 percent of voters, with the groundswell attributed largely to the sponsorship and countywide outreach efforts of the Calaveras Grange.⁵ The first CCWD board was elected on November 5, 1946. Initial CCWD activities involved acquiring water rights on the Mokelumne River, Calaveras River and the north fork of the Stanislaus River, discussion of county water issues and growth, and initiation of a property tax levy.⁶

The principal act that governs the District is the County Water District Law.⁷ The principal act empowers the District to “store water for the benefit of the district, conserve water for future use, and appropriate,

¹ Remy, Michael H., Tina A. Thomas, James G. Moose, Whitman F. Manley, Guide to CEQA, Solano Press Books, Point Arena, CA, February 2007, page 111.

² Calaveras LAFCO, Report to the Calaveras Local Agency Formation Commission, Water and Wastewater Municipal Services Review, Beverly Burr, Jennifer Stephenson and John Benoit, Adopted June 18, 2012, Pages 136-166.

³ State of California, Board of Equalization, Official Date.

⁴ State of California, Office of the Secretary of State, *Certificate of Incorporation of the Calaveras County Water District*, September 6, 1946. The election was held on August 27, 1946.

⁵ CCWD, *Calaveras County Water District*, undated two-page history paper (typed, appears to predate the personal computer).

⁶ CCWD Board minutes for meetings held in 1946 and 1947 (Nov. 22, 1946, March 25, 1947, May 23, 1947, and July 25, 1947).

⁷ California Water Code §30000-33901.

acquire, and conserve water and water rights for any useful purpose,⁸ to provide sewer, stormwater and solid waste services,⁹ and to provide fire protection services,¹⁰ recreation services, and hydroelectric power services. CCWD assumed responsibility in 1972 for countywide wastewater planning and providing wastewater services to unsewered communities.¹¹

1.7.2 Calaveras County Water District Sphere of Influence Considerations

The boundaries of CCWD upon its formation were countywide. Two areas were detached in 2009; these areas make up 137 acres. The District has a boundary area of approximately 1,037 square miles. CCWD provides domestic water and wastewater services to service areas scattered throughout the County.

The District has dual purposes, functioning in some respects as a countywide entity and in other respects as a retail service provider to specific unincorporated communities. CCWD provides the following services on a countywide basis:

- 1) promoting beneficial use for area-of-origin water rights,
- 2) providing wholesale water deliveries to service providers with groundwater supply deficiencies,
- 3) selling treated water to properties with failed wells,
- 4) groundwater management and monitoring, and
- 5) assisting other agencies with wastewater planning.

CCWD provides water and wastewater services to certain unincorporated communities, and is responsible for planning and, where feasible, serving previously unserved communities that may need such services due to dry wells or increased development densities.

There are limitations on CCWD's powers given its geographic overlap with other agencies empowered to provide the same services. The principal act protects the legal rights of cities and other public agencies that provide similar services.¹² **CCWD may not provide wastewater services within the territory of a county, city or special district without its consent.**¹³ LAFCO is empowered to modify CCWD boundaries and authorized powers, and to reorganize the District under the provisions of the CKH Act.¹⁴

⁸ California Water Code §31021.

⁹ California Water Code §31110.

¹⁰ California Water Code §31120.

¹¹ CCWD Resolution No. 1392, March 1, 1972. The resolution states that "the Board of Supervisors of the County of Calaveras has requested that [CCWD] be the responsible agency to represent the entire County in sewer matters," and that CCWD accepts "responsibility for County-wide planning relative to sewage for communities within the County which are not now sewered; and that the District staff may assist those sewered or unsewered areas who may desire various information regarding sewage planning." CCWD began providing wastewater services several years prior to this resolution, as indicated by formation of its first sewer improvement district in 1970.

¹² California Water Code §30065.

¹³ California Water Code §31100.

¹⁴ Calaveras LAFCO, Report to the Calaveras Local Agency Formation Commission, Water and Wastewater Municipal Services Review, Beverly Burr, Jennifer Stephenson and John Benoit, Adopted June 18, 2012, Pages 136-166.

1.7.3 CCWD Sphere of Influence Options

Within the Municipal Service Review, six potential options were identified with respect to the CCWD water and wastewater SOIs.¹⁵ Although none of these options were chosen they are included below for background information:

Option #1: Reduce SOIs to exclude territory in other local agencies' SOIs

The CCWD water and wastewater SOIs adopted by LAFCO presently include territory served by other agencies and within the bounds of other agencies. This appears to have been done accidentally, as the 2004 Water MSR reasoned that the SOI "will be influenced by changes to the SOIs of the other public agency water purveyors in the County as they expand their service territories." By excluding territory in the SOIs of other local agencies providing water and wastewater services, LAFCO would more clearly communicate to property owners which agency is the likely future service provider and would reduce the potential for inter-agency conflicts. Also under this option LAFCO would clarify the limitation on services outside the CCWD SOIs.

Option #2: Update SOIs to exclude territory outside Community Plan Areas

This option would remove from the CCWD water and wastewater SOIs not only
1) territory in other local agencies' SOI, but also
2) territory that is not planned for development and is outside Community Plan Areas.

By excluding territory that is not likely to develop, LAFCO would more clearly communicate to property owners whether or not property is likely to be included in CCWD water and wastewater service areas in the future.

Option #3: Update SOIs to include only planned growth areas logically served by CCWD

This option is more restrictive than option #2, and would remove from the CCWD water and wastewater SOIs not only

- 1) territory in other local agencies' SOI, and
- 2) territory that is not planned for development and is outside Community Plan Areas, but also
- 3) territory in Community Plan Areas where there are no presently planned growth areas.

This would exclude territory that is not expected to develop in the near future.

¹⁵ Calaveras LAFCO, Report to the Calaveras Local Agency Formation Commission, Water and Wastewater Municipal Services Review, Beverly Burr, Jennifer Stephenson and John Benoit, Adopted June 18, 2012, Pages 136-166.

Option #4: Include Wallace CSD

The fourth option is to include in the CCWD water and wastewater SOI territory within the existing Wallace CSD SOI to signal the likelihood of CCWD taking over water and wastewater services in Wallace. This option could be combined with options 1, 2 or 3 above.

Option #5: Include MHSD and/or MSD in CCWD Wastewater SOI

The fifth option is to include in the CCWD wastewater SOI territory within the existing Mokelumne Hill SD and/or Murphys SD SOI to signal the desirability of CCWD taking over MHSD and/or MSD wastewater services. This option could be combined with options 1, 2 or 3 above. See chapters 10 and 11 for further details. However, CCWD may not provide wastewater services within the territory of a county, city or special district without its consent.¹⁶

Option #6: Include Private Water Companies

The sixth option is to include in the CCWD water SOI territory within the private water companies, i.e., Blue Lake Springs MWC, Snowshoe Springs Association and Fly-In Acres, to allow for these private companies to elect to be served directly by CCWD. CCWD already provides wholesale water services to these areas. This option could be combined with options 1, 2 or 3 above.

Even though these options were considered in the MSR, the recommendation is for the SOI to have four distinct spheres as recommended in 1.7.4 below.

1.7.4 CCWD Sphere of Influence Recommendation

During the MSR process, CCWD's position was that the current countywide SOI is appropriate and essential in light of the countywide functions for which CCWD was established. Calaveras LAFCO proposes to adopt four distinct Spheres of Influence for CCWD based on service categories provided as follows:

- 1. Water SOI. (Includes those areas currently being provided with CCWD water services and adjacent probable growth areas)**
- 2. Sewer Service SOI (Includes those areas currently being provided with CCWD wastewater service and adjacent probable growth areas).**
- 3. Irrigation Water Service Area (does not include territory within the Utica Power Authority and the Union Public Utility District, Calaveras Public Utility District and the City of Angels Camp SOI).**
- 4. County-wide Water Planning SOI area (includes the entire county).**

¹⁶ California Water Code §31100.

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Calaveras LAFCO recommends that the SOI for water planning purposes be the entire County. This does not mean that the CCWD will provide services that encroach on the City of Angels Camp and District's providing domestic or irrigation water or sewer service. This sphere acknowledges the CCWD is the overall coordinator of water planning in the County.

The CCWD boundary is nearly countywide which made sense at the time of the District's formation because CCWD was initially intended to acquire and protect water rights throughout the County. CCWD continues to have certain geographically expansive functions in its roles as guardian of area-of-origin and other water rights, as groundwater monitor, and in providing wholesale water supplies to other service providers with failed or low-yielding wells. In addition, CCWD collects property taxes from properties throughout the County. It makes sense for CCWD to continue providing geographically expansive services (in exchange for countywide property taxes that it receives),

A problem that dates back to CCWD formation is that the principal act did not provide any restrictions on CCWD's ability to provide retail water services within territory already being served by another local agency or a private company. LAFCo has the ability to restrict CCWD's domestic water and irrigation water services within the bounds or sphere of another domestic water or irrigation water service provider. The principal act precludes CCWD from providing wastewater services within the bounds of another wastewater provider without that provider's consent. Therefore there are distinct spheres for wastewater, domestic water and irrigation water services

The SOI should clearly not restrict CCWD's ability to serve as guardian for area-of-origin water rights, provide irrigation water services outside other irrigation providers' SOIs, and to conduct groundwater management activities. It is also possible that the CCWD may be needed in the future to provide qualified water system operators, wastewater system operators, or administrative/financial services for various districts on a contract basis.

2 PRESENT AND PLANNED LAND USES IN THE CALAVERAS COUNTY WATER DISTRICT AREA, INCLUDING AGRICULTURAL AND OPEN SPACE LANDS¹⁷

2.1 General Plan and Zoning for Calaveras County Water District SOI Area

2.1.1 Land Use

The proposed General Plan describes Calaveras County as follows:

Calaveras County is one of the more rural counties in California with a population of 45,668 in a land area of 1020 square miles (663,478 acres.) This is roughly 0.07 persons per acre or almost 15 acres for every person in the county. The county's population is expected to grow to 54,912 by 2035, based on California Department of Finance estimates and projections in 2015, an increase of approximately 9000 people.

The county consists of a number of small, historic communities established primarily during the Gold Rush period of early California history, separated by large landholdings of agricultural land (primarily used for grazing) and timberland, interspersed with rural residential homes on larger acreage lots of five to twenty acres or more. There are several active and inactive mines in the county along with the recreational resources of several reservoirs, Stanislaus National Forest lands, and Calaveras Big Trees State Park. Approximately 21 percent of the land in the county is publicly owned.

Calaveras County's communities lie primarily along the historic routes of Highways 49 and 12. These include Mokelumne Hill, San Andreas, Valley Springs, and the incorporated city of Angels Camp. State Route 4 is the only trans-Sierra route in the County and along it lie Copperopolis, Murphys, and Arnold. Other smaller communities include Wallace and Burson in the western end of the county, West Point, Wilseyville, and Mountain Ranch in the north-central part, and Avery and Dorrington on Highway 4. More detailed descriptions and history of these and other communities are included in the Community Planning Element of the General Plan.

The historic communities have been the centers of commerce and population for much of the County's history. In more recent decades, beginning in the 1960s and 1970s, manufacturing and resource-based jobs began to decline when the cement plant in San Andreas closed and the timber industry contracted. The economy has shifted in the past several decades to rely more on tourism and service industries, and residential home construction.

¹⁷ California Government Code Section 56425 (e)(1)

The growth rate for Calaveras County during the 1970s and 1980s was 4.3 percent. It increased to 4.4 percent during the 1990s but dropped to 2.6 percent from 2000 to 2007. During those decades a number of residential subdivisions were built near Valley Springs, Copperopolis, and along the Highway 4 corridor, while rural residential parcels were developed in large areas in the western, southern, and central parts of the county.

Many new residential projects were proposed and built leading up to the economic crisis of 2007-08, targeting housing for commuters to cities in the San Joaquin Valley and other nearby communities. Since the economic collapse new construction has been stagnant, with the County experiencing a population decline for several years. Current projections by the California Department of Finance show a growth rate of 0.2 percent.

The 1996 General Plan land use map accommodated this prior growth by identifying large areas of land designated "Future Single Family Residential" throughout the western and central portions of the county, and "Community Center" in areas around existing communities.

In addition, six Community Plans (Valley Springs, San Andreas, Mokelumne Hill, Murphys-Douglas Flat, Avery-Hathaway Pines, and Arnold) were adopted, along with two Special Plans (Rancho Calaveras and Ebbetts Pass.) In 2004, a specific plan was adopted for a large development project in the Copperopolis area, Oak Canyon Ranch.¹⁸

The MSR noted the following about present and planned land uses within the Calaveras County Water District:

The District boundary encompasses a wide variety of land uses because the boundary is nearly countywide. CCWD service areas are primarily composed of community centers and residential centers with residential, commercial and public land uses.

The estimated population in 2010 in CCWD bounds was 45,870. There were approximately 19,551 residents in CCWD water service areas, and 6,888 residents in CCWD wastewater service areas.¹⁹

There are a number of planned or proposed developments in or adjacent to CCWD service areas. The larger projects are in and near the Copper Cove area (4,345 potential dwelling units). Other growth areas include Vallecito (117 potential new units), Ebbetts Pass (704 potential new units), Jenny Lind/La Contenta (910 potential new units) and Southworth (22 potential units).²⁰

¹⁸ Calaveras County, General Plan Land Use Element, Planning Commission Recommendation, November 5, 2015, Page-LU2.

¹⁹ Calaveras LAFCO, Report to the Calaveras Local Agency Formation Commission, Water and Wastewater Municipal Services Review, Beverly Burr, Jennifer Stephenson and John Benoit, Adopted June 18, 2012, Page 160.

²⁰ Calaveras LAFCO, Report to the Calaveras Local Agency Formation Commission, Water and Wastewater Municipal Services Review, Beverly Burr, Jennifer Stephenson and John Benoit, Adopted June 18, 2012, Page 160.

CCWD is planning for growth in irrigated agricultural acreage.²¹

The proposed General Plan shows the following goals for land use designations:

Land uses are widely distributed throughout the county. Higher density residential, commercial, and industrial uses follow the historical development pattern in and around the existing communities, where infrastructure and services are available. Areas around these communities have been designated to provide for expansion of commercial, industrial, and residential uses to take advantage of that infrastructure, and to reduce the costs of providing services to a more widely scattered population. Land use policies are intended to encourage development within and nearby existing communities, while maintaining their character and economic vitality. The plan does, however, provide ample opportunity for additional rural residential development, along with providing land to support a vibrant agricultural and timber economy.²²

2.1.2 Population Growth

The following table shows the population growth in Calaveras County from 1920 to 2014. The population is expected to increase slowly in the future.

Population Change Calaveras County²³	
Year	Population
1920	6,183
1930	6,008
1940	8,221
1950	9,902
1960	10,289
1970	13,585
1980	20,710
1990	31,998
2000	40,554
2010	45,578
2014	44,624 ²⁴

Although the population of Calaveras County has decreased slightly since the 2010 census, it is expected to increase slowly in the future through growth in and adjacent to established communities.

²¹ Calaveras LAFCO, Report to the Calaveras Local Agency Formation Commission, Water and Wastewater Municipal Services Review, Beverly Burr, Jennifer Stephenson and John Benoit, Adopted June 18, 2012, Page 160.

²² Calaveras County, General Plan Land Use Element, Planning Commission Recommendation November 5, 2015, Page-LU3.

²³ Calaveras County, Housing Element, May 2015, Page 12.

²⁴ US Census Bureau, <http://www.census.gov/quickfacts/table/PST045215/06009,00>, March 9, 2016

2.2 SOI Determinations on Present and Planned Land Use for Calaveras County Water District Area

- 1-1] The Calaveras County Water District is not a land use authority. Land use decisions are made by the Calaveras County Board of Supervisors with advice from the Planning Commission and likewise, by the City of Angels Camp with advice from their Planning Commission.
- 1-2] The CCWD should maintain close contact with Calaveras County and the Planning Commission and Planning Department as well as those with the City of Angels Camp to understand land use regulations and any proposed changes.
- 1-3] The County General Plan shows that both agriculture and development land uses will be continued into the future.
- 1-4] The estimated population in 2010 within the CCWD boundary was 45,870. There were approximately 19,551 residents in CCWD water service areas, and 6,888 residents in CCWD wastewater service areas.
- 1-5] There are a number of planned or proposed developments in or adjacent to CCWD service areas. The larger projects are in and near the Copper Cove area (4,345 potential dwelling units). Other growth areas include Vallecito (117 potential new units), Ebbetts Pass (704 potential new units), Jenny Lind/La Contenta (910 potential new units) and Southworth (22 potential units).
- 1-6] CCWD is planning for growth in irrigated agricultural acreage.
- 1-7] CCWD favors growth strategies that put countywide surface water rights to beneficial use in order to retain those rights and avoid losing water rights to downstream users.
- 1-8] The SOI for the CCWD will be the same as the County boundary for water planning and water rights purposes. The SOI will be restricted to areas served for domestic water service and sewer service. The SOI for irrigation water service will include most of the county except where another irrigation provider currently exists. i.e. within the boundaries of the UPUD, CPUD and City of Angels Camp SOI's and the Utica Power Authority.
- 1-9] The County-wide SOI will allow the Calaveras County Water District to continue to focus on the County as a whole for water planning and water rights.

3 PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE CALAVERAS COUNTY WATER DISTRICT AREA²⁵

3.1 Service Background

CCWD has nine special assessment districts where property owners pay special assessments to repay bonds that financed improvements; the assessments are collected on the property tax bill, but are not general (one percent) property taxes. Due to subsequent growth, CCWD's present-day service areas extend beyond the boundaries of the original improvement districts, particularly in the Valley Springs/Jenny Lind area.²⁶

The estimated number of residents in CCWD water service areas in 2009 was 19,551, based on number of connections and average household size in unincorporated areas (DOF data). The population density of the District's water service areas was approximately 403 per square mile in 2009, compared with the countywide density of 45. The projected population growth rate from 2009 to 2030 is 32 percent countywide.

By comparison, the District projects that domestic water demand in its service areas will increase by 93 percent between 2010 and 2030, and that wastewater demand will increase by 327 percent.²⁷ CCWD's primary growth areas are Copper Cove and Jenny Lind; CCWD also projects significant growth in its Forest Meadows and Ebbetts Pass service areas. CCWD also expects growth in the agricultural sector requests for raw water.²⁸

There are a number of planned or proposed developments in or adjacent to CCWD service areas, particularly Copperopolis and Jenny Lind (Valley Springs). The larger potential development projects in and near the Copper Cove service area are Copper Valley Ranch (2,400 units), Sawmill Lake (800 units approved) and Oak Canyon Ranch (676 units). The larger potential development projects in and near the Jenny Lind service area are Gold Creek Estates (385 units approved, of which about half are already built), North Vista Plaza, Mission Ranch, and Hogan Oaks.

CCWD favors growth strategies that put countywide surface water rights to beneficial use in order to retain those rights and avoid losing water rights to downstream users. Another such strategy is to promote agricultural development that can be feasibly irrigated with surface water deliveries.²⁹

²⁵ California Government Code Section 56425 (e)(2)

²⁶ Calaveras LAFCO, Report to the Calaveras Local Agency Formation Commission, Water and Wastewater Municipal Services Review, Beverly Burr, Jennifer Stephenson and John Benoit, Adopted June 18, 2012, Page 138.

²⁷ *Calaveras County General Plan: Water Element Baseline Report Supplement*, by MWH, February 2009, Pages. 12, 27-33.

²⁸ Calaveras LAFCO, Report to the Calaveras Local Agency Formation Commission, Water and Wastewater Municipal Services Review, Beverly Burr, Jennifer Stephenson and John Benoit, Adopted June 18, 2012, Page 140.

²⁹ Interview with CCWD Water Resources Manager Edwin Pattison, Nov. 8, 2010.

3.2 SOI Determinations on Facilities and Services Present and Probable Need for Calaveras County Water District

- 2-1] There is a clear and present need for CCWD domestic water and wastewater facilities and services within existing CCWD service areas.
- 2-2] There is clearly a present need for CCWD to continue providing countywide water planning services for which CCWD collects countywide property taxes as shown on the CCWD Planning Area Sphere of Influence Map.
- 2-3] Wastewater services offered by CCWD appear to be adequate based on treatment effectiveness, response times and planning efforts.
- 2-4] LAFCo recognizes there is a probable need for CCWD domestic water and wastewater facilities and services within adjacent growth areas outside the SOIs of other water and wastewater service providers including the City of Angels Camp. Such areas with a probable need for such public facilities and services are in and near lands in the County where there are existing communities and are depicted on the various water and sewer area service sphere maps.
- 2-5] CCWD will eventually need to increase water supplies, treatment capacity, storage and extend the distribution system to serve growth in the Copper Cove and Jenny Lind service areas.
- 2-6] The SOI for the CCWD will be the same as the County boundary for water planning and water rights purposes. The SOI will be restricted to areas served for domestic water service and sewer service. The SOI for irrigation water service will include most of the county except where another irrigation provider currently exists. i.e. within the boundaries of the , CPUD, Angels Camp, UPUD SOI's and the Utica Power Authority.
- 2-7] The County-wide SOI will allow the Calaveras County Water District to continue to focus on the County as a whole for water planning and water rights.

4 PRESENT CAPACITY OF PUBLIC FACILITIES PRESENT AND ADEQUACY OF PUBLIC SERVICES³⁰

4.1 CCWD Capacity Background

CCWD Water facilities and services appear to be adequate based on State inspection reports, recent regulatory compliance, treatment effectiveness rates, and response times. There are needed improvements at existing water facilities, and particularly pipeline replacement. CCWD conducts master planning, capital improvement planning, growth planning and other best management practices to provide for such improvements, although the District has in recent years struggled to keep its capital investment rate even with depreciation. The District could improve by providing information on its existing domestic water service areas.

Wastewater services appear to be adequate based on treatment effectiveness, response times and planning efforts. Wastewater facilities need improvements. CCWD's extensive planning efforts and planned rate increases indicate needed improvements are likely to be made.

The financial ability of the District to provide services is the best indicator of "capacity." The District reported that current financing is not adequate to deliver services, and that additional funding is needed to deliver adequate service levels to meet both existing and future demand.³¹ Due to declining interest income and connection fee revenues during the recession, CCWD reduced its staffing level in recent years, and deferred capital maintenance expenditures.

The District's total revenues were \$16.8 million in FY 10-11.³² Revenue sources included rates and charges (66 percent), property taxes (15 percent), grants (9 percent), connection fees (3 percent), and other sources (primarily hydroelectric power sales). By comparison, total revenues were \$18.6 million in FY 06-07 and \$19.7 million in FY 07-08. The primary revenue sources that declined during the recession and housing market collapse were interest income and connection fee revenues; CCWD revenues from rates increased significantly over this period. The District's expenditures were \$20.8 million in FY 10-11. Of this amount, 37 percent was spent on compensation, 26 percent on services and supplies, 10 percent on capital expenditures, 17 percent on depreciation, and 10 percent on long-term debt.

The District's policy on maintaining financial reserves is to maintain operating reserves covering 90 days of operating expenditures; CCWD aims to maintain rate stabilization reserves of 10 percent of operating revenues. CCWD had \$2.5 million in unrestricted net assets at the close of FY 10-11. The amount is equivalent to 12 percent of all expenditures or 19 percent of operating expenditures in FY 10-11. In other words, the District maintained 1.4 months of working reserves on average.

³⁰ California Government Code Section 56425 (e)(3)

³¹ CCWD, *FY 2009-10 Final Budget*, 2009.

³² Revenue source is audited financial statements, cash flow statement. For consistency with other agencies, contributed capital was added to revenues and deducted from expenditures (purchase of capital assets). Use of reserve funds and inter-fund transfers were excluded from revenues.

4.2 SOI Determinations on Public Facilities Present and Future Capacity for Calaveras County Water District

- 3-1] The District reported that its current financing level is not adequate to deliver services, and that additional funding is needed to deliver adequate service levels.
- 3-2] The District's operating costs are higher than other providers (perhaps partly because the employees are covered by California PERS).
- 3-3] The CCWD capital reinvestment rate was healthy during the housing boom but has failed to keep pace with depreciation during the recession.
- 3-4] Unrestricted financial reserves were relatively low compared with other providers, particularly in the wastewater operation.
- 3-5] CCWD has quantified capital improvement needs in its Water and Wastewater Master Plans. Planned capital improvement projects included in the CIP total \$100 million.
- 3-6] CCWD's rates and fees were last updated in 2011. In the future, rates and fees should be reviewed and updated annually.
- 3-7] The District's water and wastewater rates are near the average in the County.
- 3-8] Connection fees are comparable to other providers in Calaveras in most areas, although La Contenta wastewater connection fees and Ebbetts Pass water connection fees are higher than average.
- 3-9] CCWD capital outlays have been significantly lower than depreciation, indicating a low capital investment rate, during the recession. Financial reserves were somewhat sparse.
- 3-10] The District should make every effort to update equipment in ways that would ultimately result in cost savings.
- 3-11] The SOI for the CCWD will be the same as the County boundary for water planning and water rights purposes. The SOI will be restricted to areas served for domestic water service and sewer service. The SOI for irrigation water service will include most of the county except where another irrigation provider currently exists. i.e. within the boundaries of the , CPUD and City of Angels Camp SOI's and the Utica Power Authority (See Irrigation Areas SOI map).
- 3-12] The County-wide SOI will allow the Calaveras County Water District to continue to focus on the County as a whole for water planning and water rights.
- 3-13] The CCWD may need to provide contract service employees to smaller districts in the future.

5 SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST FOR CALAVERAS COUNTY WATER DISTRICT³³

5.1 Community Background

Calaveras County has an identity as a whole in addition to the various small communities, which are included within the county.

For purposes of the CCWD domestic water SOI, communities of interest within the District's boundary and SOI include the unincorporated communities of Arnold, Copperopolis, La Contenta, Sheep Ranch, and West Point where CCWD is the existing service provider. Other communities of interest within the existing CCWD water SOI are communities that are served by other local agencies who require economies of scale in order to contain costs and a meaningful SOI in order to plan future facilities and services.

For purposes of the CCWD wastewater SOI, communities of interest within the District's boundary and SOI include the unincorporated communities of Arnold, Copper Cove, Country Houses, Forest Meadows, Indian Rock, La Contenta, Millwoods, Sequoia Woods, Six Mile, Southworth, Vallecito, West Point and Wilseyville Camp where CCWD is the existing service provider. Other communities of interest within the existing CCWD wastewater SOI are communities that are served by other local agencies who require economies of scale in order to contain costs and a meaningful SOI in order to plan future facilities and services.

5.2 SOI Determinations on Social or Economic Communities of Interest for Calaveras County Water District

- 4-1] The Calaveras County Water District provides water and wastewater services to various communities within the County and may be needed to assist additional communities in the future.
- 4-2] The SOI for the CCWD will be the same as the County boundary for water planning and water rights purposes. The SOI will be restricted to areas served for domestic water service and sewer service. The SOI for irrigation water service will include most of the county except where another irrigation provider currently exists. i.e. within the boundaries of the , CPUD, City of Angels Camp SOI and the Utica Power Authority.
- 4-3] The County-wide SOI will allow the Calaveras County Water District to continue to focus on the County as a whole for water planning and water rights.

³³ California Government Code Section 56425 (e)(4)

6 DISADVANTAGED UNINCORPORATED COMMUNITY STATUS

6.1 Disadvantaged Unincorporated Communities

SB 244 requires LAFCOs to consider disadvantaged unincorporated communities when developing spheres of influence as follows:

- 1) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere; and
- 2) The present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated community within or contiguous to the sphere of influence.

In determining spheres of influence, SB 244 authorizes LAFCO to assess the feasibility of and recommend reorganization and consolidation of local agencies to further orderly development and improve the efficiency and affordability of infrastructure and service delivery.

Median household income is used to determine whether a community is disadvantaged. If the median household income is less than 80% of the State Median household income (less than \$49,120) then the community is disadvantaged.

The Median household income (in 2014 dollars) for Calaveras County was \$54,936 which is greater than 80% of the State of California Median Household Income noted above (California Median Household Income was \$61,489).³⁴

6.2 SOI Determinations on Disadvantaged Unincorporated Community Status

- 5-1] The unincorporated communities served by the CCWD have public services of water, wastewater treatment and fire protection.
- 5-2] The population of Calaveras County as a whole would not be considered to be a disadvantaged unincorporated community.

³⁴ US Census Bureau, <http://www.census.gov/quickfacts/table/INC110214/06009,06>, March 16, 2016

**CALAVERAS LAFCO
CALAVERAS COUNTY WATER DISTRICT
SPHERE OF INFLUENCE REPORT**

ABBREVIATIONS

AB	Assembly Bill
CA	California
CCWD	Calaveras County Water District
CEQA	California Environmental Quality Act
CIP	Capital Improvement Plan
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
County	Calaveras County
CSD	Community Services District
District	Calaveras County Water District
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
LAFCO	Local Agency Formation Commission
MHSD	Mokelumne Hill SD
MSD	Murphys SD
MSR	Municipal Service Review (LAFCO)
PERS	Public Employee Retirement System
SB	Senate Bill
SD	Sewer District
SOI	Sphere of Influence (LAFCO)
US	United States

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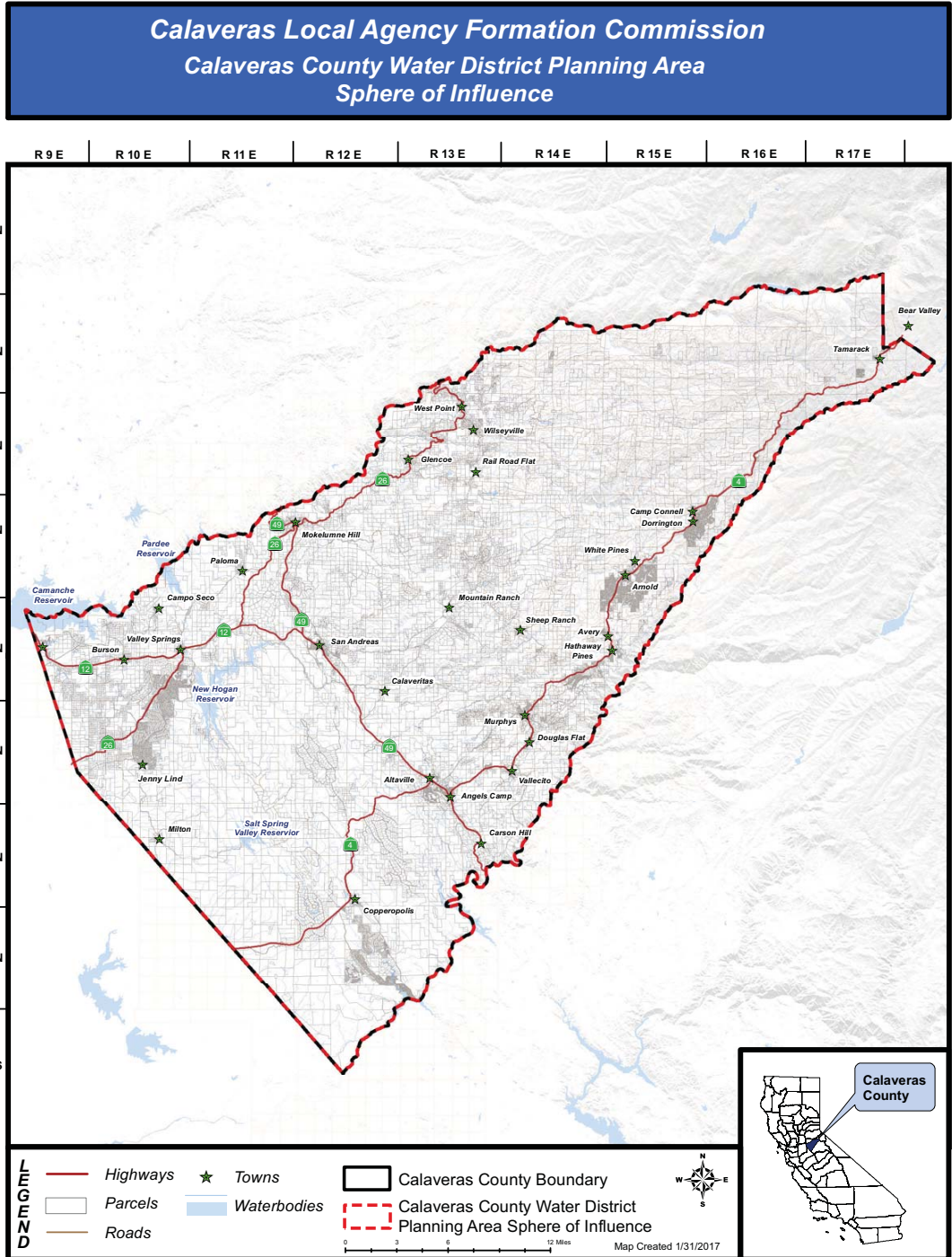
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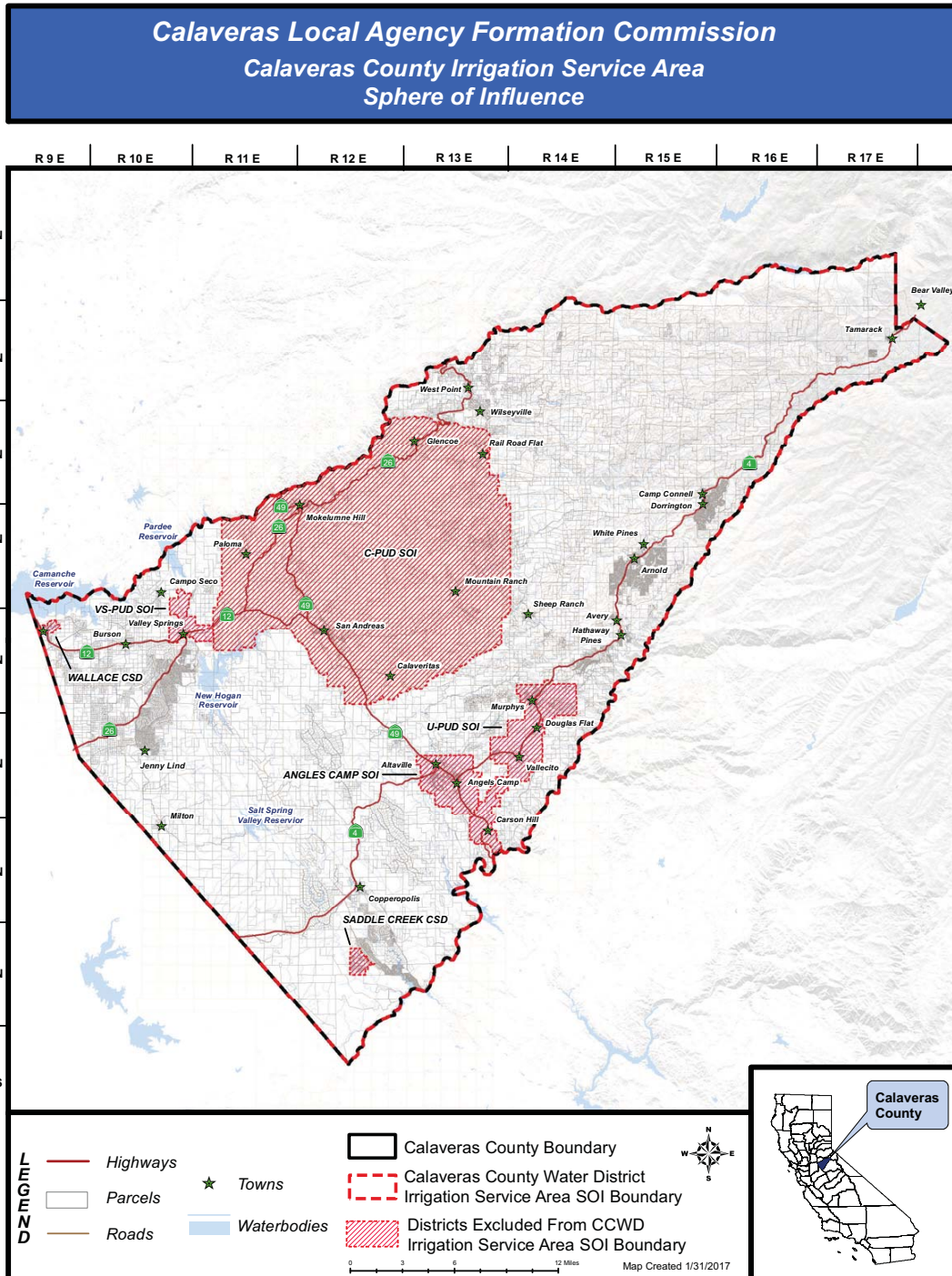
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**CALAVERAS LAFCO
 CALAVERAS COUNTY WATER DISTRICT
 SPHERE OF INFLUENCE REPORT**

Calaveras County Water District Planning Area Sphere Map

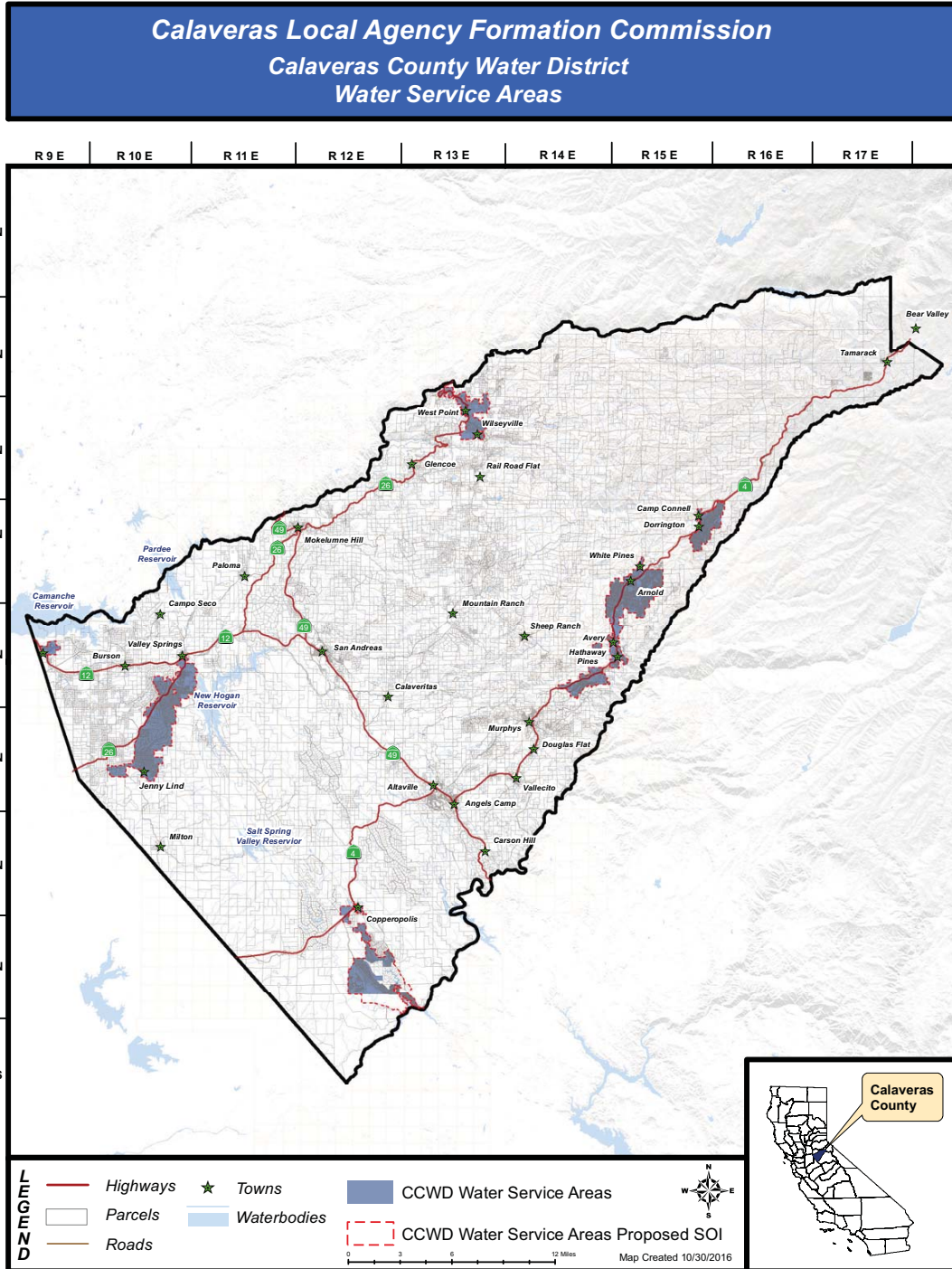


CCWD – Irrigation Services SOI Map



**CALAVERAS LAFCO
 CALAVERAS COUNTY WATER DISTRICT
 SPHERE OF INFLUENCE REPORT**

CCWD Water Service Area Sphere of Influence Map



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 SPHERE OF INFLUENCE REPORT**

CCWD Sewer Service Area Sphere of Influence Map

