

***Attachment A***

***CALAVERAS  
LOCAL AGENCY FORMATION COMMISSION***

***CALAVERAS PUBLIC UTILITY DISTRICT  
SPHERE OF INFLUENCE UPDATE***

***December 16, 2013***

***Resolution 2013-0011***

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## **1 INTRODUCTION**

### **1.1 Sphere of Influence Description**

The Calaveras Local Agency Formation Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county. Once Calaveras LAFCO has adopted the MSR determinations as it did in 2012, it must update the SOI for the Calaveras Public Utility District (CPUD).

An SOI is a LAFCO-approved plan that designates an agency's probable future boundary and service area. The definition for a Sphere of Influence in Government Code Section 56076 is a "Sphere of Influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCO to a city or district unless it is within that agency's sphere. The purposes of the SOI include the following:

- To ensure the efficient provision of services
- To discourage urban sprawl and premature conversion of agricultural and open space lands
- To prevent overlapping jurisdictions and duplication of services

The Cortese-Knox-Hertzberg (CKH) Act requires LAFCO to develop and determine the SOI of each local governmental agency within the county and to review and update the SOI every five years, as necessary. LAFCOs are empowered to adopt, update and amend the SOI. They may do so with or without an application and any interested person may submit an application proposing an SOI amendment.

While SOIs are required to be updated every five years, as necessary, this law does not necessarily define the planning horizon of the SOI. The term or horizon of the SOI is determined by each LAFCO. In the case of Calaveras LAFCO, the Commission's policies state that an agency's near term SOI shall generally include land that is anticipated to be annexed within the next five years, while the agency's long-term SOI shall include land that is within the probable growth boundary of an agency and therefore anticipated to be annexed in the next 20 years.

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. In determining the SOI, LAFCO is required to complete an MSR and adopt six determinations. The MSR for Calaveras Public Utility District was adopted by Calaveras LAFCO Resolution 2012-02 on June 18, 2012.

### **1.2 Sphere of Influence Requirements**

In determining the Sphere of Influence for each local agency, LAFCO must consider and prepare a statement of determinations with respect to each of the following:

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 which the agency provides, or is authorized to provide
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.

Additionally, the CKH Act stipulates several procedural requirements in updating SOIs. It requires that special districts file written statements on the class of services provided and that LAFCO clearly establish the location, nature and extent of services provided by special districts.

By statute, LAFCO must publish a notice and notify affected agencies 21 days before holding the 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.

### **1.3 Calaveras LAFCO Sphere of Influence Policies**

In addition to State requirements for SOIs, Calaveras LAFCO has adopted policies regarding Spheres of Influence in the County and minimum requirements necessary in order to update or adopt an agency's SOI. Six highlighted requirements are summarized as follows:

1. The Sphere of Influence Plan must be consistent with LAFCO's policies, State law, other agencies' SOI plans, the municipal service review, and long range planning goals of the area.
2. LAFCO will not include lands that are unlikely to require the services of the agency or which cannot be feasibly served within a time frame consistent with the sphere plan.
3. Agencies are encouraged to keep the supporting documentation for their SOI plans up to date.
4. Sphere of Influence Plans have to be updated every five years or more frequently.
5. If an agency is unable to provide an adequate level of service within a portion of its service area boundaries within the time frame provided for that boundary, the Sphere of Influence Plan has to be updated so that the probable service boundaries are consistent with the determinations in the Municipal Service Review.
6. A District Sphere of Influence Plan shall contain the following:

Proof that the territory within the District's SOI is likely to require the district's services and that the district has or will have the capacity to serve the area at the appropriate level.



In the case of multi-service districts, LAFCO has to adopt an SOI plan for each distinct function or class of service provided by a district. These sphere plans may or may not be coterminous. Each sphere shall establish the nature, location, and extent of the functions or classes of services provided by the district.

LAFCO adopts a sphere of influence plan for a newly formed district within two years of the completion of formation proceedings.

Amendment proposals involving sphere expansion to include open space or prime agricultural land will not be approved by LAFCO if there is sufficient alternative land available for annexation within the existing sphere of influence.

#### **1.4 Possible Approaches to the Sphere of Influence**

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. Based on review of the guidelines of Calaveras LAFCO as well as other LAFCOs in the State, various conceptual approaches have been identified from which to choose in designating an SOI. These seven approaches are explained below:

1) Coterminous Sphere:

A Coterminous Sphere means that the sphere for a city or special district that is the same as its existing boundaries.

2) Annexable Sphere:

A sphere larger than the agency's boundaries identifies areas the agency is expected to annex. The annexable area is outside its boundaries and inside the sphere. This is the recommendation for the Calaveras PUD.

3) Detachable Sphere:

A sphere that is smaller than the agency's boundaries identifies areas the agency is expected to detach. The detachable area is the area within the agency bounds but not within its sphere.

4) Zero Sphere:

A zero sphere indicates the affected agency's public service functions should be reassigned to another agency and the agency should be dissolved or combined with one or more other agencies.

5) Consolidated Sphere:

A consolidated sphere includes two or more local agencies and indicates the agencies should be consolidated into one agency.

6) Limited Service Sphere:

A limited service sphere is the territory included within the SOI of a multi-service provider agency that is also within the boundary of a limited purpose district which provides the same service (e.g., fire protection), but not all needed services. Territory designated as a limited service SOI may be considered for annexation to the limited purpose agency without detachment from the multi-service provider.

This type of SOI is generally adopted when the following four conditions exist:

- a) The limited service provider is providing adequate, cost effective and efficient services
- b) The multi-service agency is the most logical provider of the other services
- c) There is no feasible or logical SOI alternative, and
- d) Inclusion of the territory is in the best interests of local government organization and structure in the area

Government Code §56001 specifically recognizes that in rural areas it may be appropriate to establish limited purpose agencies to serve an area rather than a single service provider, if multiple limited purpose agencies are better able to provide efficient services to an area rather than one service district.

Moreover, Government Code Section §56425(i), governing sphere determinations, also authorizes a sphere for less than all of the services provided by a district by requiring a district affected by a sphere action to “establish the nature, location, and extent of any functions of classes of services provided by existing districts” recognizing that more than one district may serve an area and that a given district may provide less than its full range of services in an area.

7) Sphere Planning Area:

LAFCO may choose to designate a sphere planning area to signal that it anticipates expanding an agency’s SOI in the future to include territory not yet within its official SOI.

## **1.5 SOI Options for Calaveras Public Utility District**

### **1.5.1 Calaveras Public Utility District**

Calaveras Public Utility District (CPUD) provides treated water services to Mokelumne Hill, San Andreas, Paloma, and portions of Glencoe and Railroad Flat, as well as raw water services. CPUD was formed on January 18, 1934 as an independent special district.<sup>1</sup>

The District was formed to provide water services to the communities of Mokelumne Hill and San Andreas. Shortly after its formation, CPUD acquired a Gold Rush era system of ditches and flumes from the Mokelumne River Power and Water Company.

The District has a five-member governing body. Board members are elected at large to staggered four-year terms. The last contested election for a board seat occurred in 2009 when four candidates ran for three seats; the 2007 and 2011 elections were uncontested.

CPUD provides surface water treatment and distribution, for domestic use, directly. CPUD provides limited raw water service to four accounts. The District generates hydroelectric power at four generating stations for sale to PG&E.

The District’s staff consists of seven full-time employees—a general manager, two office staff, , a treatment plant supervisor, and four field staff members—. The general manager is responsible for managing day-to-day operations. The field staff report directly to the treatment plant supervisor who, in turn, reports to the general manager.

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<sup>1</sup> Board of Equalization Official Date.

Employees are evaluated on an annual basis, and more frequently when necessary. The District did not provide specifics as to how it monitors its productivity. The District operates employee training programs, including safety training.

The State Department of Public Health inspects District facilities and practices annually, and most recently described the water system operation as good. The District compares its water rates with similar service providers, but does not practice performance benchmarking/comparisons with other providers.

The District prepared a water master plan in 2008 that identified capital project priorities for a six-year planning horizon. The plan identifies annual pipe replacement costs, and a need to begin planning for an expanded WTP within the next 10 to 15 years. Prior to the master plan, CPUD most recently prepared a capital improvement plan in 2005. Capital improvements are also addressed annually in the District's budget. The District has reviewed the 2008 master plan and will have the a updated capital improvement plan implemented in fiscal year 2015.

Financial planning efforts include annual preparation of budgets, annually audited financial statements, and occasional rate studies (most recently in 2012). The most recent audited financial statement provided by the District was for FY 11-12. The auditor found deficiencies relating to a need for the District to maintain a listing of reserve requirements for its long-term debt, to have written financial and accounting policies. The District's most recent rate study was conducted in 2012a 5 year water rate increase was implemented in January 2013.

The District reported that the current financing level is adequate to deliver services, and indicated that additional funding is needed to provide for paid staffing to provide adequate service levels to meet both existing and future demand.

The District does not have a formal policy on maintaining financial reserves. CPUD had \$6.5 million in unrestricted reserves at the close of FY 11-12, none of which was formally designated for debt payments or capital projects. The amount is equivalent to 371 percent of all expenditures in FY 10-11. In other words, the District maintained three years and eight months of working reserves.<sup>2</sup>

### **1.5.2 Option #1: Confirm Existing SOI**

The CPUD sphere of influence is substantially more expansive than the CPUD boundary area, encompassing about 159 square miles. Beginning near the Channel Arm of Pardee Reservoir, the northern SOI runs along the Mokelumne River. Near Glencoe the SOI runs east along the South Fork Mokelumne River beyond Railroad Flat Road. The SOI extends east beyond Railroad Flat Road, including the community of Mountain Ranch. The SOI runs south along San Antonio Creek, the South Fork Calaveras River and along the north of New Hogan Reservoir.

### **1.5.3 Option #2: SOI Expansion**

A second option is for LAFCO to adopt a wastewater SOI for CPUD to signal the desirability of consolidation of Mokelumne Hill Sanitary District (MHSD) into CPUD. As discussed in the Municipal Service Review chapter on MHSD, MHSD faces significant challenges in accountability

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<sup>2</sup> Calaveras LAFCO, Final Water and Wastewater Municipal Service Review, Adopted June 18, 2012.

and management of its affairs. One option identified for MHSD, depending on priorities and needs of the community, may be the dissolution of MHSD and services assumed by another overlapping agency, such as CCWD or CPUD, which are both empowered to take on wastewater services.

#### **1.5.4 SOI Options Analysis**

The recommendation for the Calaveras Public Utility District is for the Sphere of Influence to remain the same as the previously adopted SOI. Although a Public Utility District is allowed to provide wastewater services it would not be advisable for the Calaveras PUD to include the Mokelumne Hill Sanitary District (MHSD) into the District at this time.

#### **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 usually 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 sphere of influence 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.<sup>3</sup>*

The recommendation for the Calaveras Public Utility District is for the Sphere of Influence to remain the same as the previously adopted SOI. This would not require environmental review.

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<sup>3</sup> 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      *SPHERE OF INFLUENCE (SOI) DETERMINATIONS FOR CALAVERAS PUBLIC UTILITY DISTRICT***

### **2.1      *Present and Planned Land Uses in the Calaveras Public Utility District Area, Including Agricultural and Open Space Lands***

#### **2.1.1      *Calaveras County General Plan and Zoning for San Andreas and Mokelumne Hill Area***

The boundaries of CPUD extend from Mokelumne Hill in the northwest along the Mokelumne River to Glencoe, extends an eastern arm along Ridge Road toward Railroad Flat, and south to the South Fork Calaveras River including the community of San Andreas. The boundary area includes a non-contiguous area in the community of Paloma. The District has a boundary area of approximately 38 square miles.

The District bounds encompass a variety of land uses, as they include the communities of San Andreas and Mokelumne Hill, in addition to the Highway 49 corridor between the two. In the community of San Andreas, land uses include residential, commercial, public, and parks and recreation land uses; and in the community of Mokelumne Hill, land uses include residential, commercial, agricultural, and public land uses. Significant planned development is associated with both communities. Other land uses within CPUD include agricultural preserve, timberland and mineral resources.

Local businesses include commercial and institutional operations located in the communities of San Andreas and Mokelumne Hill. Major employers within the District include Calaveras County, Mark Twain St. Joseph's Hospital, Mark Twain Convalescent Hospital, and Calaveras Unified School District.

The District considers its customer base to be the water connections served and the residents within the District boundaries. As of 2009, the District provided water services to 1,985 water connections—1,461 single-family residential, 285 multi-family residential, 228 commercial, seven public, no industrial, and four irrigation connections.

The estimated number of residents in 2009 was 3,915, based on analysis of connections served and 2010 DOF household size data. San Andreas had a 2010 population of 2,783 and Mokelumne Hill had a 2010 population of 646. Thus the majority of the District residents are from these two areas.

The District's population density was approximately 50 per square mile in 2009, compared with the countywide density of 45 per square mile. The District's projected population growth rate from 2009 to 2030 is 49 percent (two percent annually), which is somewhat higher than the countywide projected growth of 32 percent over that period.

### **2.1.2 SOI Determinations on Present and Planned Land Use for Calaveras Public Utility District**

- 1-1] The District bounds encompass a variety of land uses, as they include the communities of San Andreas and Mokelumne Hill, in addition to the Highway 49 corridor between the two. In the community of San Andreas, land uses include residential, commercial, public, and parks and recreation land uses; and in the community of Mokelumne Hill, land uses include residential, commercial, agricultural, and public land uses. Significant planned development is associated with both communities. Other land uses within CPUD include agricultural preserve, timberland and mineral resources.
- 1-2] The District is not a land use authority, and does not hold primary responsibility for implementing growth strategies. The District should maintain close contact with the Calaveras County Planning Department to be aware of new developments and changes in the General Plan.
- 1-3] The population within the CPUD boundary area was 5,089 residents in 2009. The majority of the population in the District is from San Andreas.
- 1-4] If built, planned and proposed developments would add new housing units and jobs in areas such as Toyon, Saddleback, Mountain Ranch Road, and along Gold Strike Way.
- 1-5] Growth projections within the CPUD area involve substantial growth in housing units in and around San Andreas and Mokelumne Hill, and substantial growth in the job base in San Andreas by 2035.

## **2.2 Municipal Services—Present and Probable Capacity and Need**

### **2.2.1 Present and Probable Capacity and Need Background**

Key infrastructure for water service includes the District's water supplies, its water treatment plant, three pump stations, two reservoirs, six storage tanks, three pressure-reducing stations, 18 miles of transmission mains, and 23 miles of distribution pipeline.

#### **Calaveras PUD Water Supplies**

CPUD purchased its original water system from Mokelumne River Power and Water Company in 1939, and with it came water rights on the Middle, Licking and South Forks of the Mokelumne River. The District negotiated an agreement the following years with EBMUD which provides up to 9,125 afa, including rights to store water in Schaads reservoir.<sup>4</sup> A subsequent water right order limits the maximum diversion to 6,656 af; that amount is more than adequate to supply the 2,181 af in projected CPUD water demand well past 2030.<sup>5</sup>

<sup>4</sup> Peterson, Brustad, Inc., *CPUD Water Master Plan*, October 2008, p. 14. State Water Resources Control Board, permit number 16338.

<sup>5</sup> Water Right Order 16338. The 6,656 af right is a part of the 27,000 afa of Mokelumne River water reserved for Calaveras County.

CPUD obtains its water from the South Fork of the Mokelumne River where the District has a diversion dam; the dam is located just below the confluence of the South and Licking Forks of the Mokelumne River. The dam causes the river water to pool, so CPUD can extract the water from the river through a pump station (3,300 gpm capacity) and transport it via a three-mile pipeline (9.7 mgd capacity) to the Jeff Davis Reservoir. From there, it enters the treatment plant and then flows through transmission mains into the distribution system.

The District also has facilities for extracting water from the Middle Fork of the Mokelumne River. CPUD's Schaads Reservoir on the Middle Fork of the Mokelumne River is used to supply CCWD with up to 200 afa. The reservoir capacity is 1,800 afa. Historically, water was moved from Schaads Reservoir through a diversion canal to the Licking Fork of the Mokelumne River (which is upstream from the CPUD pump station). Due to the poor condition of the diversion canal, the Middle Fork water has not been diverted into the Licking Fork for some time.<sup>6</sup> Schaads Reservoir is not connected hydraulically to the CPUD treated water system at this time. Schaads Reservoir needs improvements to remove siltation, install flashboards and reconstruct the pressure reducing facility there; CPUD plans to do these improvements when financial feasibility anticipated by FY 15-16.

CPUD reported that it has rights to store 400 afa of Calaveras River water at its Redhawk Reservoir located to the east of the intersection of Ridge Road and Railroad Flat. The water was used in the past to supply downstream agricultural users.<sup>7</sup> CPUD has not supplied those agricultural users since approximately 2002, and is not actively operating the Redhawk Reservoir.<sup>8</sup>

#### Calaveras PUD Treatment Systems<sup>9</sup>

The District owns, operates and maintains a treatment plant for surface water. The Jeff Davis WTP consists of six dual media pressure filters, and has capacity to produce 6 mgd of treated water. The WTP was designed to allow for expansion to 12 mgd capacity with the addition of six pressure filters. By comparison, average day demand is 1.3 mgd and peak day demand is 3.02 mgd. There is adequate WTP capacity. CPUD plans to start planning for WTP expansion within the next 10-15 years.<sup>10</sup> The WTP is in good condition, having been upgraded recently.<sup>11</sup> When it is expanded, the WTP will need to provide more treated water storage and to re-engineer to avoid in-plant pumping.

#### Calaveras PUD Water Storage

The Agency owns and maintains six treated water storage facilities. The storage tanks have a combined storage of 5.66 mg of water. Treated water storage would accommodate 1.9 days of peak demand or 4.4 days of average system demand. Four storage tanks were built in the 1970s, a minor storage tank in Golden Hills was built in the 1980s, and the Railroad Flat storage tank was built in 2002. Storage facilities in Golden Hills and Paloma lack capacity to meet District standards.

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<sup>6</sup> California Department of Public Health, *2009 Annual Inspection Report*, June 10, 2009, p. 2.

<sup>7</sup> Dennis Dickman and Associates. *Service Review Report for the Calaveras Local Agency Formation Commission: Public Agency Water Purveyors*, December 2003, p. VII-3.

<sup>8</sup> Interview with CPUD General Manager Donna Leatherman, October, 4, 2010.

<sup>9</sup> Calaveras LAFCO, Final Water and Wastewater Municipal Service Review, Adopted June 18, 2012, Page 174.

<sup>10</sup> Peterson, Brustad, Inc., *CPUD Water Master Plan*, October 2008, p. 34.

<sup>11</sup> Peterson, Brustad, Inc., *CPUD Water Master Plan*, October 2008, p. 34.

## Calaveras PUD Distribution and Transmission

The transmission system consists of 18 miles of mains made primarily from cement, mortar-lined and-coated steel pipe of 16 to 27 inches in diameter. The transmission main runs from the WTP and generally follows SR 26 but crosses open country in some locations. The distribution system consists of 20 miles of pipeline made of steel, PVC and other materials; some distribution pipelines are 50 years or older in age. The CPUD master plan calls for \$795,000 in annual pipeline replacement expenditures to replace aging pipelines; under this plan 25 percent of the CPUD pipeline will be replaced by 2030. The most recent State inspection report indicated that a majority of distribution lines are steel mains installed in the 1940s and 1950s.<sup>12</sup>

The District quantified its long-term capital plans in 2008, identifying \$22 million in capital needs (in 2009 dollars) through 2030. CPUD updates the CIP annually during the budget process. Due to the housing market collapse, projected revenue and facility expansion needs were less than anticipated by the 2008 CIP. CPUD capital spending steadily declined between FY 06-07 and FY 08-09; however, capital outlays in FY 10-11 approach the level in FY 06-07. Significant capital outlays have been financed in the past with connection fees, loans, rates and reserves. The District's master plan contemplates funding some capital projects through an assessment district. In the past five fiscal years, capital outlays have not kept pace with capital depreciation.

The District had \$0.35 million in long-term debt at the end of FY 12-13. Of this amount, 100 percent involves a USDA loan to finance construction of the Railroad Flat water pipeline and tank installation. The 1970 loan for constructing CPUD water facilities, 1972 water construction project, a 1977 loan to finance water facilities in Paloma, were paid off in fiscal year 2012-13

### **2.2.2 SOI Determinations on Present and Probable Capacity and Need for Calaveras Public Utility District**

- 2-1] As of 2009, the district boundaries included approximately 5,089 residents.
- 2-2] Modest growth is anticipated within the District in the next 20 years. The existing SOI includes 11 proposed and planned residential development projects involving 350 potential dwelling units, most of which lie within existing CPUD bounds.
- 2-3] ~~The proposed Calaveras Oaks projects is partly within the CPUD bounds, and the Alan King project in Paloma is outside CPUD bounds.~~ not sure this project exist anymore?
- 2-4] Non-residential development projects are planned or proposed in San Andreas and Railroad Flat within District bounds, as well as an industrial project in Toyon which lies inside the existing CPUD SOI. CPUD had determined in its 2008 Master Plan that water service to the Toyon area appears not to be cost-effective

<sup>12</sup> California Department of Health Services, *2009 Annual Inspection Report*, 2009, p. 15.



## **2.3 The Present Capacity of Public Facilities and Adequacy of Public Services Provided by Calaveras Public Utility District**

### **2.3.1 Adequacy of Services Provided by Calaveras Public Utility District**

Key infrastructure for water service includes the District's water supplies, its water treatment plant, three pump stations, two reservoirs, six storage tanks, three pressure-reducing stations, 18 miles of transmission mains, and 23 miles of distribution pipeline. These facilities are described above in this report.

### **2.3.2 SOI Determinations on Adequacy of Services Provided by Calaveras Public Utility District**

- 3-1] CPUD has adequate water supplies to serve anticipated growth beyond 2030.
- 3-2] Treatment capacity is adequate to serve near-term growth, but will eventually need to be expanded to serve long-term growth. CPUD intends to initiate WTP expansion planning within the next 15 years.
- 3-3] Aging pipelines are a challenge for CPUD, and may be the reason for the District's relatively high water loss rate. The District has a plan to replace one quarter of its pipeline by 2030. According to the State inspection report, a majority of CPUD's distribution lines were installed in the 1940s and 1950s.
- 3-4] There are water pressure issues in portions of the CPUD system, specifically low pressure in Church Hill
- 3-5] Financing is adequate to deliver minimally adequate services to the CPUD systems. However, CPUD reported that additional funding is needed for paid staffing to provide adequate service levels.
- 3-6] CPUD has the lowest service rates and connection fees among the service providers. The District conducted a rate study in 2012 and implemented a five year rate increase in 2013. This will enhance revenue sources for capital improvements and additional staffing.
- 3-7] CPUD appears to have adequate financial reserves.
- 3-8] CPUD capital outlays have not kept pace with depreciation in recent years.

## **2.4 Social or Economic Communities of Interest**

### **2.4.1 San Andreas Area Community Background**

Communities of interest within the District's boundary and SOI include the unincorporated communities of Mokelumne Hill, San Andreas, Paloma, and portions of Glencoe and Railroad Flat.

San Andreas, the largest community within the District, is an unincorporated census designated place and the county seat of Calaveras County. The population was 2,783 at the 2010 census, up from 2,615 at the 2000 census. Like most towns in the region, it was originally founded during the California Gold Rush. The town is located on State Highway 49 and is registered as California Historical Landmark #252.<sup>13</sup>

Mokelumne Hill (also, Big Bar, Mok Hill, and The Hill) is also a census designated place (CDP) in Calaveras County. The population was 646 at the 2010 census, down from 774 at the 2000 census. It is commonly referred to as "Moke Hill" by locals. The town takes its name from the neighboring Mokelumne River, which in turn is Miwok for the "people of Mokel," the likely name of an Indian village in the area.

San Andreas is the largest service area of the communities within the Calaveras PUD. There are more services in San Andreas and the other communities are dependent on most of these services.

#### **2.4.2 *SOI Determinations on Social or Economic Communities of Interest for Calaveras PUD***

4-1] San Andreas is the largest service area of the communities within the Calaveras PUD.

4-2] The communities within the Calaveras PUD are not divided by the District's boundaries or SOI.

### **2.5 *Disadvantaged Unincorporated Community Status***

#### **2.5.1 *Disadvantaged Unincorporated Communities***

In addition to a consideration of population growth, the State Law requires LAFCO to consider whether or not an area is a Disadvantaged Unincorporated Community (DUC). A DUC is an area where the Median Household Income is less than 80% of the State of California Median Household Income.

For 2009 the Median Household Income for San Andreas (the largest community within the Calaveras PUD) was \$41,096. Since 80% of the \$58,931 State of California Median Household Income for 2009 is \$47,145,<sup>14</sup> the San Andreas area is a DUC. However, there is no incorporated city for this area to be annexed into.

#### **2.5.2 *Calaveras PUD Area and Disadvantaged Unincorporated Community Status***

<sup>13</sup> State of California, Office of Historical Preservation, California State Parks.  
<http://ohp.parks.ca.gov/ListedResources/Detail.aspx?num=252>. Retrieved 2012-10-06.

<sup>14</sup> <http://www.city-data.com/city/San-Andreas-California.html>, February 10, 2013.

5-1] The San Andreas area is a disadvantaged unincorporated community because the median household income is below 80% of the State median household income; however, there is no incorporated area for this community to join.

## **ABBREVIATIONS**

af	Acre-feet
afa	Acre-feet per annum
CCWD	Calaveras County Water District
CEQA	California Environmental Quality Act
CKH Act	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPUD	Calaveras Public Utility District
District	Calaveras Public Utility District
DUC	Disadvantaged Unincorporated Community
EBMUD	East Bay Municipal Utility District
FY	Fiscal Year
gpm	gallons per minute
LAFCO	Local Agency Formation Commission
mgd	million gallons per day
MHSD	Mokelumne Hill Sanitary District
MSR	Municipal Service Review (LAFCO)
PG&E	Pacific Gas and Electric Company
PUD	Public Utility District
PVC	poly-vinyl-chloride (pipe material)
SOI	Sphere of Influence (LAFCO)
USDA	United States Department of Agriculture
WTP	Water Treatment Plant

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