

7. HAMILTON BRANCH COMMUNITY SERVICES DISTRICT

Hamilton Branch Community Services District (HBCSD) provides domestic water service to the community of Hamilton Branch.

The most recent municipal service review (MSR) for HBCSD was completed in 2008.

AGENCY OVERVIEW

Background

Hamilton Branch CSD was formed by citizens living near or on the shore of Lake Almanor from the mouth of the Hamilton Branch, north of the boundary of the Lake Almanor Peninsula District. The previous owner of the water system was Lake Almanor Water Supply Company, under which an inferiorly constructed water system deteriorated even more. When it became a danger to residents' health, they appealed to LAFCo and in 1982 HBCSD was formed.⁶²

The principal act that governs the District is the State of California Community Services District Law.⁶³ CSDs may potentially provide a wide array of services, including water supply, wastewater, solid waste, police and fire protection, street lighting and landscaping, airport, recreation and parks, mosquito abatement, library services; street maintenance and drainage services, ambulance service, utility undergrounding, transportation, abate graffiti, flood protection, weed abatement, hydroelectric power, among various other services. CSDs are required to gain LAFCo approval to provide those services permitted by the principal act but not performed by the end of 2005 (i.e., latent powers).⁶⁴

HBCSD is located on the northern shore of Lake Almanor, just east of Almanor Peninsula. The District encompasses the community of Hamilton Branch and borders Walker Ranch CSD to the west.

Boundaries

HBCSD's boundary is entirely within Plumas County. The present bounds encompass approximately 0.8 square miles. There have been no annexations to or detachments from the District since its formation.

⁶² State Board of Equalization.

⁶³ Government Code §61000-61226.5.

⁶⁴ Government Code §61106.

Sphere of Influence

The Sphere of Influence (SOI) for the District was first adopted in 1983 as coterminous with HBCSD's boundaries. The SOI was further revised in 2008 after a municipal service review had been completed for the District. At that time, the SOI was expanded outside the District's boundaries. The extension included territories where it was expected that private development might occur in the future. It was anticipated that any new development may have included the installation of new and separate and/or independent domestic water and sanitary sewer systems and/or packaged systems. The SOI was expanded for the purpose of giving the landowners of the territory within the added SOI territory the opportunity to annex into an existing district to receive existing administrative and technical service if not actual hookups to existing service lines.⁶⁵

The current SOI overlaps with territory presently within Walker Ranch CSD. The SOI is 2.7 square miles compared to about 0.8 square miles of boundary area. Figure 7-1 depicts HBCSD's boundaries and SOI.

Extra-territorial Services

HBCSD has a mutual aid agreement with Lake Almanor Mutual Water Company to provide water service in its territory in case of an emergency. To date, there has not been a need to use it.

Areas of Interest

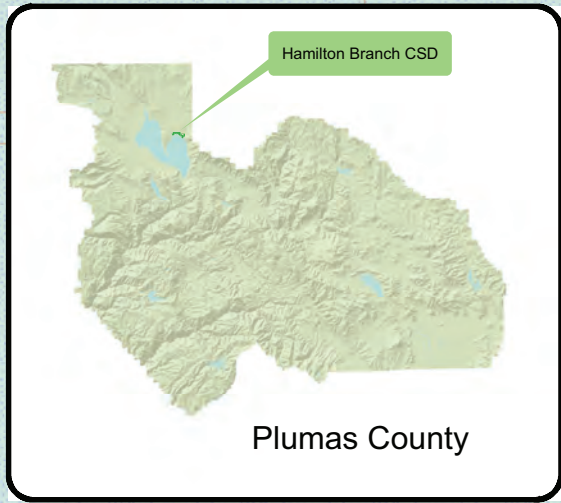
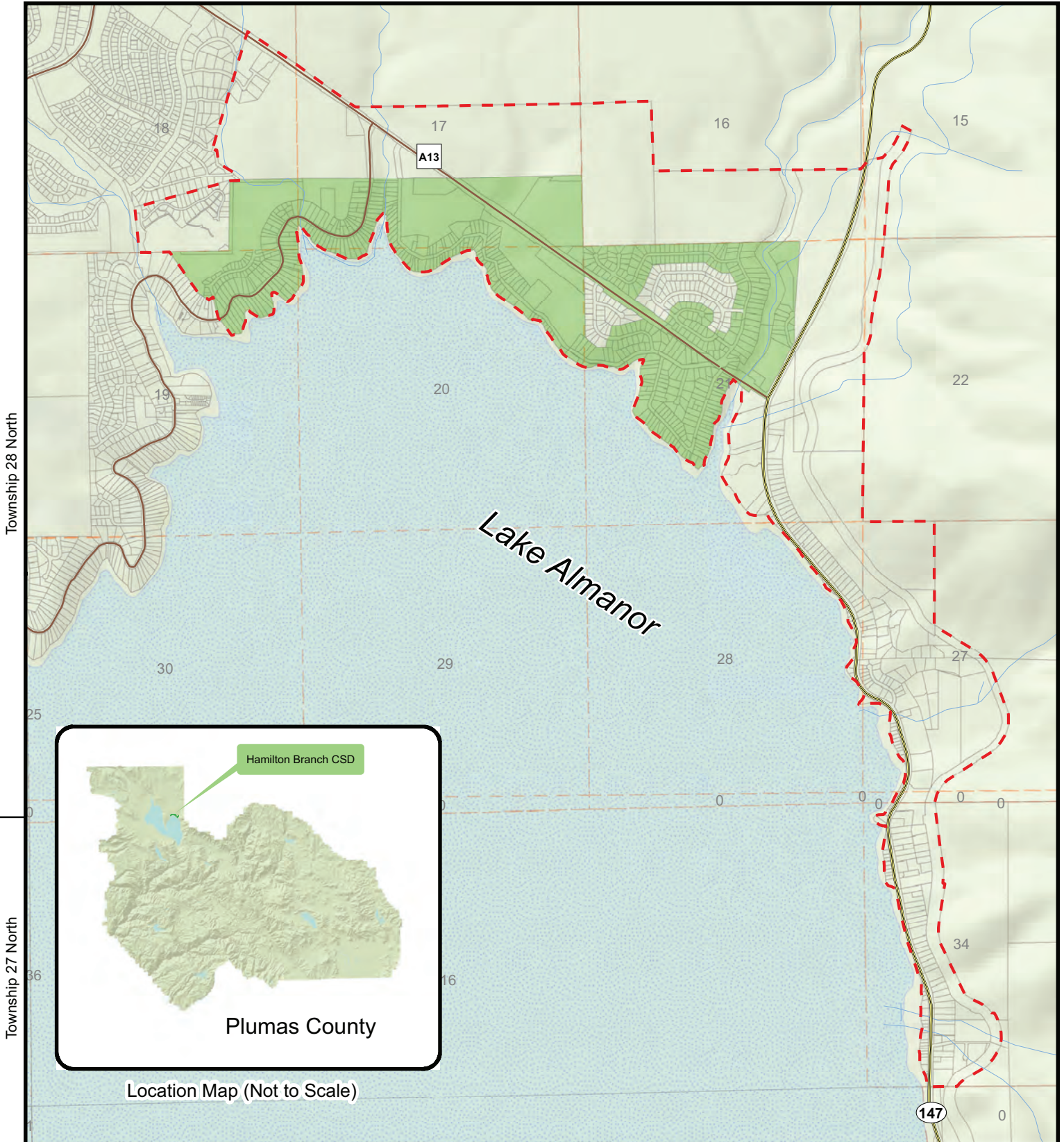
An area of interest for HBCSD is the territory of Hamilton Branch Mutual Water Company, which is completely surrounded by HBCSD. This mutual water company (MWC), which continues to exist independently, evolved before the formation of the HBCSD because numerous residents were dissatisfied with services provided by Lake Almanor Water Supply Company. The water in HBMWC's service area comes from two deep wells and the water supply is maintained via a large storage tank. At the present, the District's and the MWC water systems remain completely separate, although they do have a common water line between them to allow the MWC service should the need arise.

The two agencies informally considered consolidation in 2008; however, HBMWC wanted compensation that HBCSD was not willing to pay. Consolidation would also require negotiation of composition of the consolidated board in order to adequately represent both communities.

⁶⁵ John M. Gullixson, Hamilton Branch CSD Municipal Service Review and Sphere of Influence Amendment, 2008.

Hamilton Branch Community Services District

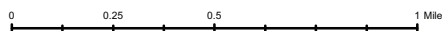
Range 8 East



Location Map (Not to Scale)

Legend

- Highways
- Major Roads
- Stream / River
- Waterbodies
- Parcels
- Sectional Grid (MDB&M)
- Hamilton Branch CSD
- Hamilton Branch CSD (SOI)



Hamilton Branch CSD
Resolution: 80-08
Formed: September 10, 1980

Hamilton Branch CSD (SOI)
Resolution: 2008-001
Adopted: February 11, 2008

Source: Plumas LAFCo Map Created 5/02/2012

Accountability and Governance

HBCSD is governed by a five-member Board of Directors who are to be elected by the residents of the District to staggered four-year terms. There are currently five board members, all of whom were elected. There has not been a contested election in the last decade. Current board member names, positions, and term expiration dates are shown in Figure 7-2.

The Board meets on the third Wednesday of each month at 6:00 in the afternoon at the district office. Board meeting agendas are posted at the office building, a local market, the fire department, and in a newspaper. Minutes are available upon request at the office.

Figure 7-2: Hamilton Branch CSD Governing Body

Hamilton Branch CSD				
<i>District Contact Information</i>				
Contact:	Mike Roarty, General Manager			
Address:	3767 SR A13, Lake Almanor, CA 96137			
Telephone:	(530)596-3002			
Email/website:	hbcسد@digitalpath.net			
<i>Board of Directors</i>				
Member Name	Position	Term Expiration	Manner of Selection	Length of Term
Glen C. Donley	President	December 2015	Elected	4 years
Christen Delucchi	Vice President	December 2015	Elected	4 years
Jay M. Williams	Director	December 2013	Elected	4 years
Robert C. Warner	Secretary	December 2013	Elected	4 year
Jan Hammill	Director	December 2015	Elected	4 years
<i>Meetings</i>				
Date:	Third Wednesday of every month at 6:00 pm.			
Location:	Meetings are held at the district office.			
Agenda Distribution:	Posted at the office building, a local market, the fire department, and in a newspaper.			
Minutes Distribution:	Available upon request.			

In addition to the required agendas and minutes, the District communicates with its constituents through announcements included in water bills sent out to customers. In addition, HBCSD uses mailers as necessary. The District tries to encourage public attendance of board meetings; however, only one member of the community has attended in the last eight years. The District does not maintain a website where documents or information is made available to the public.

If a customer is dissatisfied with the District's services, complaints may be submitted verbally or in writing to the general manager who then passes them on to the Board. HBCSD received one complaint in 2009 about a high bill, which was due to a leak. There have been no complaints since 2009. Sometimes informal complaints are received about chlorine quantities, which in fact are in compliance with state requirements.

HBCSD demonstrated accountability in its disclosure of information and cooperation with Plumas LAFCo. The District responded to the questionnaires and cooperated with interview and document requests.

Planning and Management Practices

Daily operations of the District are managed by the general manager. There are three part-time staff that total 1.5 FTEs during peak demand in the summer. The chief operator dedicates about 20 hours a week to water operations. The office manager spends about 20 hour a week on billing. The general manager also assists in the field if necessary.

The general manager reports to the Board of Directors and is supported by the office manager and chief operator.

The employees of the District are evaluated during the annual budget process. To track staff workload, district employees fill out and submit timecards on a biweekly basis. The day-to-day work schedule is usually determined by field evaluations and a list of needs kept on a chalkboard.

The District does not conduct district-wide evaluations such as annual reports; however, the State Department of Public Health (DPH) conducts regular site visits and inspections of the District's system. Additionally, the District has conducted minimal benchmarking by reviewing rates charged by other similar providers for comparison purposes.

The District's financial planning efforts include an annually adopted budget and annually audited financial statements. The financial statements were last audited for FY 10-11. The District plans for capital improvement projects informally on an as-needed basis. HBCSD does not adopt any other planning documents, such as a master plan or strategic plan.

Existing Demand and Growth Projections

A majority of the land uses within the District are residential, commercial, and recreational. The District's bounds encompass approximately 0.8 square miles.

Population

There are approximately 537 residents within the District, based on census place population in the 2010 Census.⁶⁶

The resident population consists mainly of retired individuals and blue-collared workers.

⁶⁶ Census Place Hamilton Branch in Plumas County.

Existing Demand

The District reported that it had observed limited growth in demand in the last few years. Between 2007 and 2012, HBCSD has added a total of four new connections, going from 495 to 499 connections during that time frame. Over the last three years (2010 – 2012), the District has had no new connections.

Projected Growth and Development

HBCSD anticipates minimal growth in population and similarly in service demand within the District in the next few years. The building industry has crashed and the decline in the economy caused a lot of foreclosures and outflow of people from the area.

The State Department of Finance (DOF) projects that the population of Plumas County will grow by five percent in the next 10 years. Thus, the average annual population growth in the County is anticipated to be approximately 0.5 percent. Based on these projections, the District's population would increase from 537 in 2010 to approximately 564 in 2020.

Slow or no growth is anticipated by HBCSD within the district boundary area in the next several years; however, no formal projections were made. No proposed or planned developments were identified within or near the District.

Growth Strategies

The District is not a land use authority, and does not hold primary responsibility for implementing growth strategies. The land use authority for unincorporated areas is the County.

With regard to possible governance structure alternatives, HBCSD reported that it may be interested in consolidating with HBMWC, which the District surrounds. Additionally, the District reported that should the Dyer Mountain Ski Resort come to fruition, that it would be interested in providing water to the development. However, the resort has faced litigation and financing challenges and is not expected to be realized in the short term.

Financing

The District reported that the current financing level was between minimally adequate to adequate to deliver services to existing customers. Some of the challenges the District identified are the rising costs of gas and insurance, occasional unanticipated incidents requiring capital expenditures, and a decline in revenues as a result of unpaid bills, vacant houses and turned off accounts.

The District's total revenues for FY 10-11 were \$241,886. Operating revenues were \$214,559 which included water sales (94 percent), reconnection fees (0.7 percent), finance and delinquency charges (three percent), reimbursed legal fees (two percent), and transfer changes (0.3 percent). Non-operating revenues amounted to \$31,664 and consisted mainly of special assessment income (92 percent). Other non-operating income revenue sources

included assessment late charges, assessment administration, interest earned, and interest earned from the local area investment fund (LAIF).

As its primary source of income, HBCSD charges various fees for its services. The service installation fee is \$450 plus any additional costs of bringing a distribution line to the customer's property and an additional 10 percent for administrative expenses. Upon connecting to the system, new customers must also pay a construction reserve fee of \$850. The service installation fee and construction reserve fee amount to \$1,300. The disconnection/reconnection fees vary by permanency between \$0 and \$100. The service call fee is \$55 plus \$55 more for each additional hour. Water service charges depend on the type of service—\$26 per month for residential connections with 5/8"-3/4" meters, which includes 2,000 cubic feet of water per month and \$38 per month for business connections with 1" meters for 2,000 cubic feet of water per month. In addition, there is a stand-by charge, excess usage charge, transfer of ownership fee, change of billing agent fee, delinquent fee, returned check fee, meter testing fee, and subdivision will-serve letter fee.

HBCSD bills its customers every two months. In the winter months, when the District is unable to read meters due to heavy snow, it charges a flat rate for which it has a tiered system. In April, when the meters are able to be read, connections are then charged for any excess water use during the winter months.

In addition to these service fees, HBCSD assessed each parcel \$137 to pay a loan that was taken out in 1986 in order to make improvements to the water system. In FY 11-12, the District was able to pay this loan in full and provide a refund to the property owners of \$64.72 per parcel.

The District's expenditures in FY 10-11 were \$213,406. Operating expenditures amounted to \$87,524 and consisted mainly of the manager's salary (33 percent), maintenance salaries (22 percent), field maintenance (22 percent), payroll taxes (five percent), auto expenses (five percent), fees (five percent), and supplies for operations (four percent). Other minor operating expenses included radios, engineering, safety equipment, small tools, and other expenses. The District's non-operating expenditures were \$125,882 and included mostly office salaries (16 percent), depreciation (26 percent), interest on mortgage (13 percent), professional services (nine percent), and municipal financing (nine percent). The remainder was spent on payroll taxes, employee benefits, bank service charges, compensation insurance, amortization, various types of insurance, legal expenses, office maintenance, office supplies, office expenses, postage, printing and publishing, telephone, uniforms, utilities, and other.

HBCSD has a management practice to keep a financial reserve. The District tries to make contributions of \$6,000 to the reserve every billing cycle (two months). At the end of FY 10-11, the District's unrestricted cash fund balance was \$31,664. Additionally, the District also maintained a construction reserve of \$17,500 and restricted funds of \$145,954.

The District's long-term liabilities include a loan from the State Department of Water Resources and a mortgage for the District's building. At the end of FY 10-11, municipal

financing debt amounted to \$184,778 and mortgage debt to \$233,110. As mentioned previously, the District was able to pay the State loan in full in FY 11-12.

After the formation of the District, residents voted to begin collection of a special assessment per parcel property tax to pay for infrastructure improvement and the acquisition of the water system. HBCSD obtained a loan from the Department of Water Resources. Terms of the loan required the District to begin depositing \$70,000 per year into a designated "Building Fund Account". Funds left over from the Special Tax, which were first used to acquire the water rights, did not cover this expense and a \$4 per month surcharge was placed on each service account. Currently, each parcel pays \$137 per year to pay off the loan. In FY 11-12, the District paid off the loan and refunded some of the money back to property owners having collected an excess of about \$12,000 per year.

The District does not participate in any joint power authorities (JPAs) or joint financing mechanisms.

WATER SERVICES

Service Overview

The District provides retail water services, including water extraction, chlorination, and distribution to individual users. Maintenance and operation of the water system are provided directly through district staff.

Staffing

The chief operator spends about 20 hours a week dedicated to water services. The operator maintains a certification level of T2 for treatment systems and D2 for distribution systems, which meets the system requirements.

Facilities and Capacity

The District provides water services through a natural spring, a chlorination system, two storage tanks, and 10.6 miles of distribution main.

The District's only water source is groundwater from Schumaker Springs. The water is generally of good quality. The springs can provide a maximum flow of between 200 and 400 gallons per minute or up to 576,000 gallons per day. At present, the District delivers 260,000 gallons per day on average and 430,000 gallons per day on the maximum demand day in 2011.

The distribution system is comprised of 10.6 miles of mains composed of uncoated and coated steel and PVC. The uncoated steel lines are considered to be in fair condition. The coated steel lines are in good condition, and the PVC mains are in excellent condition. The entire system is gravity fed. Many of the existing mains were originally bought in 1917 by the Red River Lumber Company and were used to pipe steam and hot water under sidewalks to keep them snow free in winter months. As a result, the pipes were already forty years old when they were installed as water mains. From the time the entire system was completed until it was acquired by HBCSD, there were no additions or improvements made to the system and maintenance costs were kept to a bare minimum. Consequently, the system infrastructure deteriorated to the point where many people were left with insufficient water pressure.

Upon acquiring the system the District made significant improvements by installing a new water tank and renovating the spring house and spring location. Other major infrastructure improvements were completed after 1986. More recently, the District made substantial improvements to the housing surrounding the spring by completely replacing the old building and fully enclosing the main spring with a metal structure. The disinfection system has been completely replaced with a new metering pump and solar power supply. A new chlorine injection vault and production meter has also been constructed. In total, these improvements cost \$115,000.

The distribution system still suffers from deterioration. Occasionally, small holes develop in the lines that suck up debris from outside the system. The District has had to put mesh filters on each of the connections to block this debris.

The District makes use of two storage tanks—one bolted steel tank with a storage capacity of 194,000 gallons and one welded steel tank with a capacity of 200,000 gallons. The tanks have a combined capacity of 394,000 gallons. The tanks were recoated in 2005 and are visually inspected annually. DPH considers the tanks to be in excellent condition. During DPH's most recent inspection, the agency noted that systems with less than 1,000 connections must have storage equal to or greater than maximum day demand. The highest maximum day demand over the last 10 years has been 586,000 gallons. Therefore, according to DPH, the District needs an additional 192,000 gallons of storage or needs an additional source of supply, which can provide the additional necessary flow should the need arise. However, the District reported that during regular usage of the system, the tanks are rarely needed to cover daily demand, and are sufficient capacity for the needs of the system. Additionally, for emergency outages at the springs, the District has interties with the Lake Almanor Country Club and the Hamilton Branch Mutual Water Company. Also, should there be a significant need for fire flow, the fire providers can draft directly from Lake Almanor.

Infrastructure Needs

During the Department of Public Health's most recent inspection in 2010, three infrastructure needs were identified primarily related to eliminating standing water around the spring house. These needs included:

1. The new Schumaker Spring House should be protected against local spring runoff.
2. The East and West Spring manholes should be sealed.
3. The East and West Spring overflow needs to be located and covered with a mesh screen.

These deficiencies were corrected in September 2011 at a cost of \$20,000.

The District needs an additional storage tank or an additional source of water to cover maximum day demand should the spring become non-operational. At present, there are no plans to install a new well or storage tank.

During the winter of 2011-2012, the solar panels that operate the chlorination system did not collect enough energy to continue operating, so the system lost power. The District had to plow the snow in order to access the area and get power to the system. The District has purchased an all-terrain vehicle to access the springs, should this occur again.

Challenges

The primary challenge to providing adequate services is limited access to the spring during the winter months. Long periods of snow cover the road up to the spring, so any repairs during those months require the District to plow the road up to the spring. As previously mentioned, the District has purchased an all-terrain vehicle to improve access to the springs during the winter months.

Service Adequacy

This section reviews indicators of service adequacy, including the California Department of Public Health system evaluation, drinking water quality, and distribution system integrity.

The DPH is responsible for the enforcement of the federal and California Safe Drinking Water Acts and the operational permitting and regulatory oversight of public water systems. Domestic water providers of at least 200 connections are subject to inspections by DPH. During the Department of Public Health's most recent annual inspection in 2010, DPH reported that the District's system "appears to be well operated and maintained."⁶⁷ While the inspection noted a few infrastructure needs, these have been addressed since the report was issued. The DPH report also indicated that the District was past due on lead and copper sampling. According to the District, sampling was brought up to date in July 2011.

Drinking water quality is determined by a combination of historical violations reported by the EPA since 2000 and the percent of time that the District was in compliance with Primary Drinking Water Regulations in 2011. Since 2000, the District has had one health violation and one monitoring violation, both of which were in 2002 and related to coliform. This equates to almost four violations per 1,000 connections served. There have been no other violations since that time. By comparison, the other water providers in the Lake Almanor region of the County had an average of 2.16 violations per 1,000 connections served during that same time frame. The median water service provider in the region was in compliance 100 percent of the time in 2011. The District was in compliance with drinking water regulations 100 percent of the time, in 2011 which was equal the regional average.

Indicators of distribution system integrity are the number of breaks and leaks in 2011 and the rate of unaccounted for distribution loss. The District reported approximately 47 breaks and leaks per 100 miles of pipe lines in 2011, while other providers in the region had a median rate of 11 breaks per 100 pipe miles. The District estimated that it loses approximately seven percent of water between the water source and the connections served. By comparison, other providers in the area averaged 12 percent distribution losses.

⁶⁷ Department of Public Health, Annual Inspection Report, 2011, p. 10.

Figure 7-3: WRCSD Water Service Adequacy Indicators

Water Service Adequacy and Efficiency Indicators			
<i>Service Adequacy Indicators</i>			
Connections/FTE	998	O&M Cost Ratio ¹	\$336,276
MGD Delivered/FTE	0.52	Distribution Loss Rate	7%
Distribution Breaks & Leaks (2011)	5	Distribution Break Rate ²	47
Water Pressure	50 to 120 psi	Total Employees (FTEs)	0.5
Customer Complaints CY 2011: Odor/taste (0), leaks (0), pressure (0), other (0)			
<i>Drinking Water Quality Regulatory Information</i> ³			
	#	Description	
Health Violations	1	Total Coliform exceeded MCL in 2002	
Monitoring Violations	1	Failed to sample for Coliform in 2002	
DW Compliance Rate ⁴	100%		
Notes:			
(1) Operations and maintenance costs (exc. purchased water, debt, depreciation) per volume (mgd) delivered.			
(2) Distribution break rate is the number of leaks and pipeline breaks per 100 miles of distribution piping.			
(3) Violations since 2000, as reported by the U.S. EPA Safe Drinking Water Information System.			
(4) Drinking water compliance is percent of time in compliance with National Primary Drinking Water Regulations in 2011.			

Figure 7-4: Hamilton Branch CSD Water Tables

Water Service Configuration & Infrastructure				
<i>Water Service</i>	<i>Provider(s)</i>	<i>Water Service</i>	<i>Provider(s)</i>	
Retail Water	HBCSD	Groundwater Recharge	None	
Wholesale Water	None	Groundwater Extraction	HBCSD	
Water Treatment	HBCSD	Recycled Water	None	
<i>Service Area Description</i>				
Retail Water	Developed parcels withing HBCSD's bounds			
Wholesale Water	NA			
Recycled Water	NA			
<i>Water Sources</i>		<i>Supply (Acre-Foot/Year)</i>		
Source	Type	Average	Maximum ²	Safe/Firm
Lake Almanor Valley Groundwater Basin	Groundwater	288	637	Unknown
<i>System Overview</i>				
Average Daily Demand	0.26	mgd	Peak Day Demand	0.43 mgd
<i>Major Facilities</i>				
Facility Name	Type	Capacity	Condition	Yr Built
Spring Head	Well	400 gpm	Excellent	2010
Storage Tank 1	Storage	194,000 gallons	Good	1983
Storage Tank 2	Storage	200,000 gallons	Good	1992
<i>Other Infrastructure</i>				
Reservoirs	0	Storage Capacity (mg)	0.394 mg	
Pump Stations	0	Pressure Zones	1	
Production Wells	0	Pipe Miles	10.6	
Other:				
<i>Facility-Sharing and Regional Collaboration</i>				
Current Practices: The District shares an intertie with Hamilton Branch Mutual Water Company for emergency purposes and maintains a mutual aid agreement with the company.				
Opportunities: There may be the potential of consolidation with Hamilton Branch Mutual Water Company (MWC). No steps have been taken by either entity towards consolidation at this time; however, the proximity of the two water systems presents the opportunity for collaboration in emergency situations.				
Notes:				
(1) NA means Not Applicable, NP means Not Provided, mg means millions of gallons, af means acre-feet.				
(2) Based on the well pumping capacity of 400 gpm.				
(3) The capacity of the springs was recently reduced from 250 gpm to 150 gpm.				
(4) The well is presently offline due to high arsenic levels.				

Water Demand and Supply							
Service Connections	Total		Inside Bounds		Outside Bounds		
Total	499		499		0		
Irrigation/Landscape	0		0		0		
Domestic	487		487		0		
Commercial/Industrial/Institutional	12		12		0		
Recycled	0		0		0		
Other	0		0		0		
Average Annual Demand Information (Acre-Feet per Year) ¹							
	2000	2005	2010	2015	2020	2025	2030
Total	174	179	129	132	135	139	142
Residential	NA	NA	NA	NA	NA	NA	NA
Commercial/Industrial	NA	NA	NA	NA	NA	NA	NA
Irrigation/Landscape	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Supply Information (Acre-feet per Year) ³							
	2000	2005	2010	2015	2020	2025	2030
Total	NA	174	288	295	303	310	318
Imported	0	0	0	0	0	0	0
Groundwater	NA	174	288	295	303	310	318
Surface	0	0	0	0	0	0	0
Recycled	0	0	0	0	0	0	0
Drought Supply and Plans							
Drought Supply (af) ⁴	Year 1: Unknown		Year 2: Unknown		Year 3: Unknown		
Storage Practices	Storage is for treatment and short-term emergency supply only.						
Drought Plan	The District adopted a contingency plan for a water shortage in 1991. The plan outlines measures to encourage conservation, and should it be necessary, mandatory reductions to 1,000 cubic feet of water per connection.						
Water Conservation Practices							
CUWCC Signatory	No						
Metering	Yes						
Conservation Pricing	Yes						
Other Practices	None						
Notes:							
(1) Annual demand estimated based on TK percent distribution loss in 2011 reported by the District.							
(2) Projected water demand and supply based on DOF population projection of 0.5 percent annually throughout the County.							
(3) In 2010, the District changed the flow meter at the springs. Prior to that, the flow meter appears to have been greatly inaccurate, and consequently the recorded flow in 2005 appears to be low. The flow at the springs flows into the storage tanks and overflows out of the tanks onto the ground when they are full, consequently the supply shown is significantly greater than the amount delivered to the connections.							
(4) The District has not estimated available supply during a three year drought. During past droughts, the District reported that it has experienced little difference in spring levels.							

Water Rates and Financing			
Residential Water Rates-Ongoing Charges FY 11-12¹			
	Rate Description	Avg. Monthly Charges	Consumption ²
Residential	\$26 per month for the first 2,000 cubic feet of water used per month, with use of additional water billed at \$2.50 per 100 cubic feet (1-2,000 cubic feet), \$3.00 per 100 cubic feet (2,001-4,000 cubic feet), \$3.75 per 100 cubic feet (4,001-6,000 cubic feet), \$4.75 per 100 cubic feet (6,001+cubic feet)	\$26	7,600 gal/month (1,016 cubic feet)
Rate-Setting Procedures			
Most Recent Rate Change	7/1/2011	Frequency of Rate Changes	Annually
Water Development Fees and Requirements			
Fee Approach	Includes installation and construction reserve costs.		
Connection Fee Amount	\$1,300 per connection		
Development Impact Fee	None		
Notes:			
(1) Rates include water-related service charges and usage charges.			
(2) Water use assumptions were used to calculate average monthly bills. Assumed use levels are consistent countywide for comparison purposes.			

HAMILTON BRANCH COMMUNITY SERVICES DISTRICT DETERMINATIONS

Growth and Population Projections

- ❖ There are approximately 537 residents within Hamilton Branch Community Services District (HBCSD).
- ❖ Over the past few years, the District has experienced little or no growth in population. Over the last three years (2010 – 2012), the District has had no new water connections.
- ❖ Minimal growth is expected within HBCSD over the next 10 years, no proposed or planned developments were identified within or near the District.
- ❖ Should the Dyer Mountain Ski Resort ever come to fruition, which is not likely in the short term, the District indicated it would be interested in serving the area, which presently lies outside of its bounds and SOI.

The Location and Characteristics of Disadvantaged Unincorporated Communities Within or Contiguous to the Agency's SOI

- ❖ The population threshold by which Plumas LAFCo will define a community is yet to be determined. Specific disadvantaged unincorporated communities and characteristics of the communities will be identified when appropriate as other areas are to be annexed to the District.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- ❖ At present, HBCSD makes use of 45 percent of its maximum source supply on average. During peak day usage, the District uses 75 percent of its supply. The District appears to have sufficient supply to meet existing and anticipated future water needs.
- ❖ According to DPH, the District needs an additional storage tank or an additional source of water to cover maximum day demand should the spring become non-operational; however, the District maintains two interties to weather emergency outages.
- ❖ There is a need for a backup power supply should the solar panels become nonoperational again.

Financial Ability of Agencies to Provide Services

- ❖ The District reported that the current financing level was between minimally adequate to adequate to deliver services to existing customers. Some of the challenges the District identified are the rising costs of gas and insurance, occasional unanticipated incidents requiring capital expenditures, and a decline in revenues as a result of unpaid bills, vacant houses and turned off accounts.
- ❖ The District has been able to pay off a loan, issue a refund to residents for over payment, and maintain a healthy balance for contingencies.

Status of, and Opportunities for, Shared Facilities

- ❖ HBCSD shares an intertie with Hamilton Branch Mutual Water Company and Lake Almanor Country Club for emergency purposes and maintains a mutual aid agreement with the companies.
- ❖ There may be the potential of consolidation with Hamilton Branch Mutual Water Company. No steps have been taken by either entity towards consolidation at this time; however, the proximity of the two water systems presents the opportunity for collaboration in emergency situations.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

- ❖ HBCSD demonstrated accountability and transparency in its disclosure of information and cooperation with Plumas LAFCo. The District responded to the questionnaires and cooperated with the document and interview requests.
- ❖ While HBCSD conducts outreach in addition to legally required agendas and minutes, it is a recommended practice that a District the size of HBCSD enhance accountability by maintaining a website where all district information is readily available to constituents.
- ❖ With regard to possible governance structure alternatives, HBCSD reported that it may be interested in consolidating with HBMWC, which the District surrounds.
- ❖ The District reported that should the Dyer Mountain Ski Resort ever come to fruition, that it would be interested in providing water to the development.