

## 9. *JOHNSVILLE PUBLIC UTILITY DISTRICT*

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Johnsville Public Utility District (JPUD) provides domestic water services to the community of Johnsville. LAFCo adopted a resolution in 2008 initiating the MSR and SOI update process for JPUD;<sup>32</sup> however, it was never completed. This is the first MSR for the District.

### AGENCY OVERVIEW

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#### Background

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JPUD was formed November 15, 1947 to provide water treatment and distribution for the community.

The principal act that governs the District is the Public Utility District Act.<sup>33</sup> The principal act empowers the District to acquire, construct, own, operate, control, or use works for supplying light, water, power, heat, transportation, telephone service, or other means of communication, or means for the disposal of garbage, sewage, or refuse matter.<sup>34</sup> In addition, the District may acquire, construct, own, complete, use, and operate a fire department, street lighting system, public parks and other recreation facilities, and provide for the drainage of roads, streets, and public places.<sup>35</sup> Districts must apply and obtain LAFCo approval to exercise services authorized by the principal act but not already provided (i.e., latent powers) by the district at the end of 2000.<sup>36</sup>

Specific to JPUD, within the Public Utility District Act is an exception to the requirement that only those that reside within the District are eligible to sit on the Board of Directors. Because of the small full-time resident population, the Act also allows for land owners to sit on the Board of Directors only in the case of JPUD.<sup>37</sup>

JPUD is located in south central Plumas County and encompasses the community of Johnsville, which is in the heart of the Plumas National Forest and surrounded by the Plumas Eureka State Park. The nearest public purveyor of drinking water is Plumas Eureka Community Services District (PECSD) to the northeast, but the two agencies are not adjacent to one another. While not within PECSD's boundaries, the Johnsville community is within PECSD's fire service area.

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<sup>32</sup> LAFCo Resolution 2008-007.

<sup>33</sup> Public Utilities Code §15501-17501.

<sup>34</sup> Public Utilities Code §16461.

<sup>35</sup> Public Utilities Code §16463.

<sup>36</sup> Government Code §56824.10.

<sup>37</sup> Public Utilities Code §15974.

### Boundaries

The JPUD boundary is entirely within Plumas County. The present boundaries encompass approximately 0.85 square miles. Since its formation, the District has never undergone a boundary change.

The District overlaps and is surrounded by Plumas Eureka State Park as shown in Figure 9-2.

### Sphere of Influence

The sphere of influence (SOI) for the District was first adopted in 1976.<sup>38</sup> The SOI was adopted to include portions of the Plumas Eureka State Park where water service and structural fire protection service is needed (the headquarters area and campground) and the areas to the north of the District, which were being developed at the time. It should be noted that there is State park property between Johnsville and the developed community along Red Dirt Road that is within the District's SOI. JPUD reported that it may be cost prohibitive to extend its water system all the way to the development, making it unlikely that this area would ever be served by JPUD.

As the resolution adopting the SOI in 1976 lacked a map, a map of the SOI was developed based on the description in the SOI justification. The SOI will need to be updated to reflect current conditions following adoption of this MSR. The District's boundaries and sphere of influence are shown in Figure 9-1.

### Extra-territorial Services

The District provides services to connections within Plumas Eureka State Park; however, these connections are within JPUD's boundaries and it does not provide services outside of its bounds.

### Areas of Interest

No areas of interest have been identified for JPUD.

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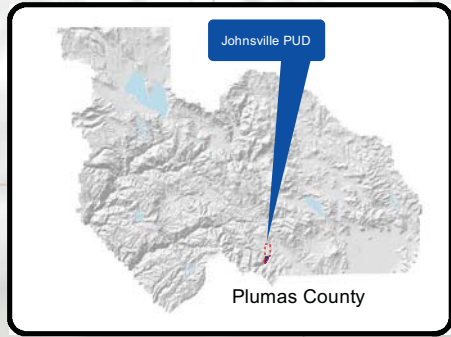
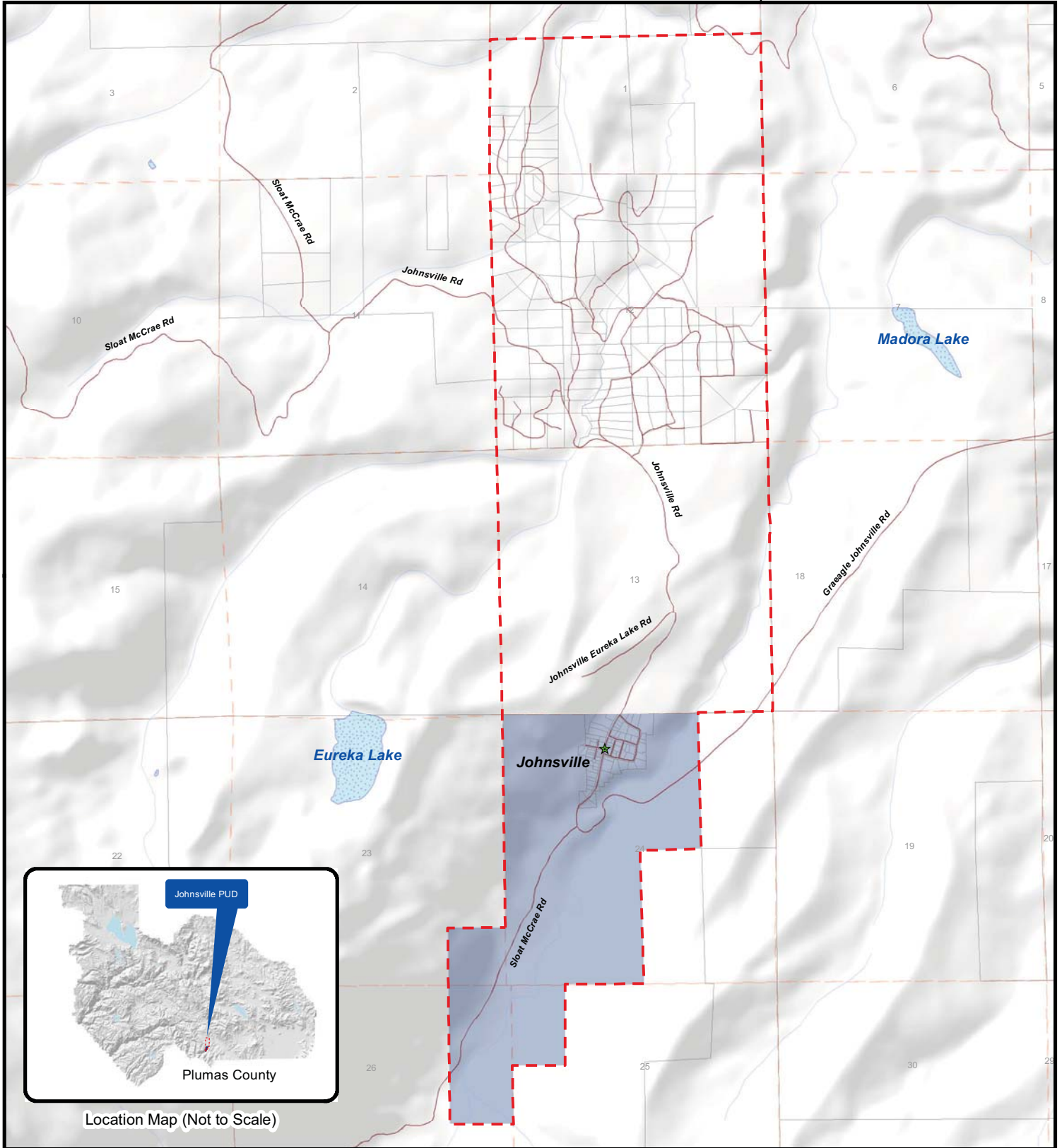
<sup>38</sup> LAFCo Resolution 76-26.

# Johnsville Public Utility District

Range 11 East

Range 12 East

Township 22 North



Location Map (Not to Scale)

## Legend

- Highways
- Major Roads
- Stream / River
- Waterbodies
- Parcels
- Sectional Grid (MDB&M)
- Communities
- Johnsville Public Utility District
- Johnsville Public Utility District Sphere of Influence Boundary

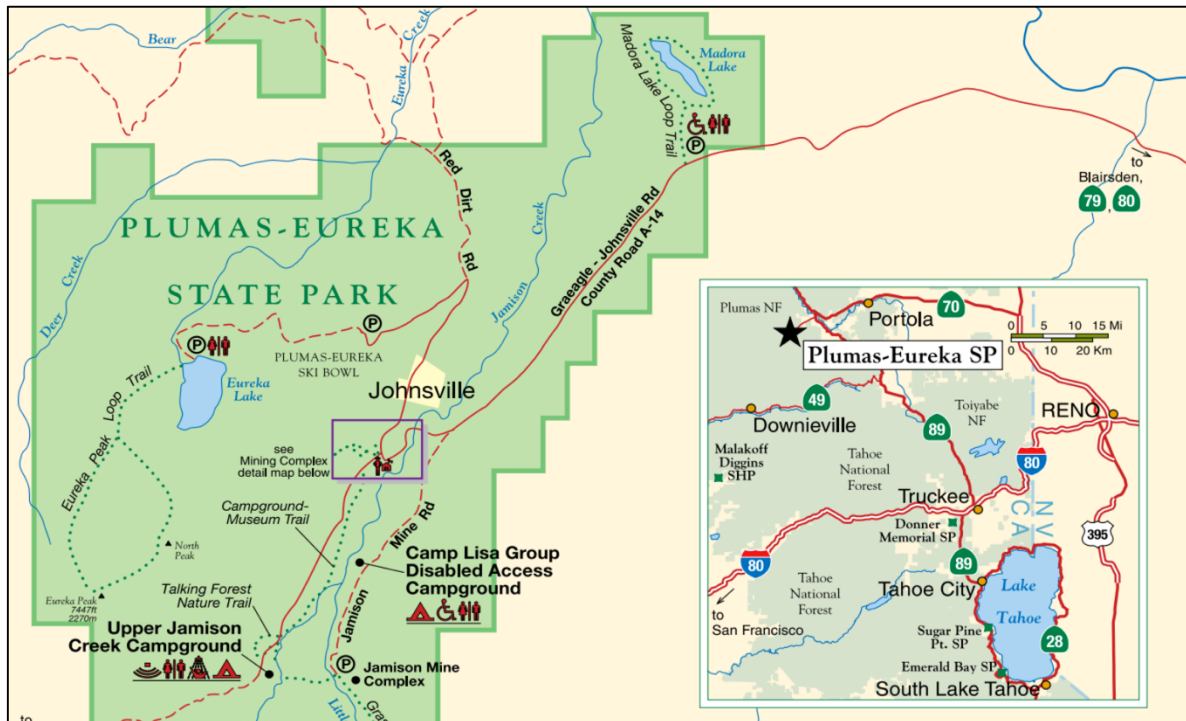


Johnsville Public Utility District  
 Resolution:  
 Adopted: November 3, 1947  
 Johnsville Public Utility District  
 Sphere of Influence  
 Resolution: 76-226  
 Adopted: May 21, 1976

Source: Plumas LAFCo

Map Created 11/20/2016

Figure 9-2: Plumas Eureka State Park




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## Accountability and Governance

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JPUD is governed by a three-member Board of Directors who are elected at-large to staggered four-year terms. As previously mentioned, Directors are not required to reside within the District, but instead can be landowners within the District. Current board member names, positions, and term dates are shown in Figure 9-3.

The Board meets three times a year, generally during the summer months when the non-resident Directors can be present. Meeting dates vary from month to month, but are generally held on Saturdays at 8 am at St. John’s Church. The community is reportedly very engaged in JPUD’s activities, which results in a very high turnout for meetings. Board meeting agendas are posted at the local firehouse, the museum, and the church. Minutes are available upon request.

The District’s Board members are not compensated. Government Code §53235 requires that if a district provides compensation or reimbursement of expenses to its board members, the board members must receive two hours of training in ethics at least once every two years and the district must establish a written policy on reimbursements. It was reported that the District’s Board members are likely not up-to-date on ethics training; however, if the board members do not receive reimbursements, then the training is not required. The District has not established an explicit written policy on Board member expense reimbursement.

**Figure 9-3: Johnsville PUD Governing Body**

<b>Johnsville Public Utility District</b>		
<b>Governing Body and Board Meetings</b>		
<i>Manner of Selection</i>	Elected at large	
<i>Length of Term</i>	Four years	
<i>Meetings</i>	Meetings are held at St. John’s Church. Meeting time and dates vary from month to month but are generally held on Saturdays in summer months.	
<i>Agenda Distribution</i>	Agendas are posted at the local firehouse, the museum, and the church.	
<i>Minutes Distribution</i>	Minutes are available upon request.	
<b>Board of Directors</b>		
<i>Board Member</i>	<i>Position</i>	<i>Joined Board</i>
Norman Hattich	Director	2010
David Piepho	Director	2015
John La Tourrette	Director	2010
<b>Contact</b>		
<i>Contact</i>	David Piepho, Director	
<i>Mailing Address</i>	P.O. Box 294 Blairsden, CA 96103	
<i>Phone</i>	530-836-2701	
<i>Email/Website</i>	bcs@psln.com	

The District has not yet formally compiled bylaws or policies and procedures to guide its efforts and activities. It is recommended that the District consider adopting a formal set of policies to provide a framework for operations and governance of the District.

The District does not maintain a website where information is made available to the public.

Water Code §64453 requires that each water supplier maintain records on all water quality and system outage complaints, both verbal and written, received and corrective action taken. These records are to be retained for five years. JPUD maintains records of all complaints, including date, time, location, nature of the complaint, and what was done to resolve the complaint. There were no complaints received by the District regarding water quality in 2013, 2014, and 2015.

Government Code §87203 requires persons who hold office to disclose their investments, interests in real property and incomes by filing appropriate forms each year. Unlike other counties in the State, the Plumas County Clerk-Recorder does not act as the filing officer for the special districts. Each district holds responsibility for collecting the Form 700s and maintaining copies in their records. The Board is aware of the filing requirement, and has filed the annual Form 700s in a timely fashion.

JPUD 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.

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## Planning and Management Practices

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The District employs one part-time clerk and general manager. The water system is maintained through an informal agreement with Graeagle Land and Water Company (GLWC) for all treatment plant operations. While the contractor is not responsible for maintenance of other portions of the water system, GLWC has done some work on other parts of the system as supplemental contract work.

The general manager reports directly to the Board. The independent contractor (Dan West) at GLWC, who runs the water treatment system, reports to the general manager.

The District does not perform employee evaluations of the clerk/general manager nor the maintenance contractor. The workload of staff and the contractor is not tracked in a formal manner (i.e., time sheets) as they are paid flat amounts.

Similarly, the District does not perform any formal evaluations of its own performance, but its system is regularly evaluated by the State Water Resources Control Board (SWRCB). In its regular system inspections, SWRCB assesses the safety of the water system and identifies any necessary system improvements.

The District's financial planning efforts include annually adopted budgets. While the District is required to audit its financials every five years, it is presently behind schedule in conducting its most recent audit. The last audit was through 08-09. As of the drafting of this report, the District has not yet performed an audit for FYs 09-10 through 14-15. JPUD does not adopt a formal Capital Improvement Plan (CIP). The District is basing its capital needs on the SWRCB inspection report.

Government Code §53901 states that within 60 days after the beginning of the fiscal year each local agency must submit its budget to the county auditor. The District adopts a budget each year. These budgets are to be filed and made available on request by the public at the county auditor's office. Additionally, all special districts are required to submit annual audits to the County within 12 months of the completion of the fiscal year, unless the Board of Supervisors has approved a biennial or five-year schedule.<sup>39</sup> JPUD is on a five-year audit schedule and was last audited thru 08-09. The District is overdue for its next five-year audit. The District should ensure that it is meeting the adopted audit requirements as determined by the Board of Supervisors.

Special districts must submit a report to the State Controller of all financial transactions of the district during the preceding fiscal year within 90 days after the close of each fiscal year, in the form required by the State Controller, pursuant to Government Code §53891. If filed in electronic format, the report must be submitted within 110 days after the end of the fiscal year. The District has complied with this requirement.

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## Existing Demand and Growth Projections

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The area within the District is zoned for multiple uses, including 0.5-acre single family residential, general forest, and recreational open space.

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<sup>39</sup> Government Code §26909.

Population

The community is seasonal/recreational, with minimal occupation during the winter. According to the District, there are only four residences that are habited full time by residents. The other 42 homes are seasonally occupied. The full-time population of the District is estimated to be nine based on the average household size in Plumas County of 2.29 individuals and the number of full-time residences within the PUD.

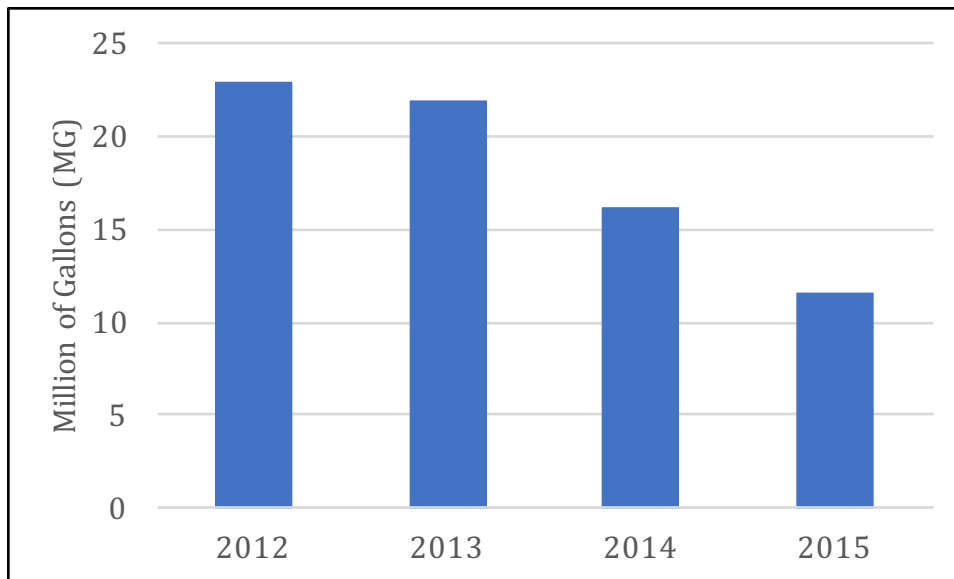
Existing Demand

At present the District serves a total of 48 active connections (46 residential, one commercial, and the Plumas Eureka State Park with a visitor center, office, and 67 campsites) and 12 standby lots.

Due to the significant drought, demand for water has declined in recent years, across the State and within the District. The District’s annual water usage was cut in half between 2012 and 2015. Figure 9-3 shows the amount of water supplied annually in millions of gallons (mg). Due to the drought and resulting conservation efforts, demand in California has moved independently of population growth.

Demand for water services within JPUD is also affected by the influx of seasonal tourists and second home owners during the warmer months.

**Figure 9-4: Johnsville PUD Annual Supply (2012 - 2015)**



Projected Growth and Development

The District does not make any formal or informal population projections. The District does not anticipate any growth in the near term attributable to new development.

The State Department of Finance (DOF) projects that the population of Plumas County will decrease by four percent in the next 10 years. Thus, the average annual population growth in the County is anticipated to be approximately negative 0.33 percent. Based on these projections, the District’s population would remain at approximately nine residents through 2020. It is anticipated that demand for service within the District will not be impacted by the projected unchanged full-time population.

### 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.

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### Financing

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The District's financing level appears to be adequate to meet the needs of the community. The Board has been able to adjust rates to meet operational and capital needs of the water system. Additionally, the District has been able to accumulate a healthy financial reserve that can cover contingencies. However, JPUD is in need of a sizeable amount of funds to replace its redwood water storage tanks, and the District's reserves are anticipated to only partially cover the amount needed. Similar to other small water systems, the District will have to rely on grant funds (likely from the State) to fully finance the new storage tanks. The District would benefit from a capital improvement plan to aid in assessing long-term capital needs and the financing that will be required to meet those needs.

In FY 15-16, the District's revenues totaled \$50,602, which consisted of property taxes (18 percent), service charges (81 percent), and interest income (one percent).

The District charges each connection for the water service received. Residential lots are charged \$278 twice a year, commercial lots are charged \$556 twice a year, and standby lots are charged \$92 twice a year. The State park is charged for water services based on a separately negotiated rate. The District is in the process of getting the service charges placed on the property tax bill administered by the County. Additionally, the District recently passed a resolution allowing the Board to preemptively raise rates for the next fiscal year based on the adopted budget, within the confines of Proposition 218 requirements.

Expenses in FY 15-16 totaled \$52,122. Expenses were predominantly (89 percent) attributed to services and supplies, of which a large portion (\$34,226) was for contract labor for maintenance of the water system. Salaries and benefits and fixed asset expenditures made up the remaining costs.

JPUD did not have any long-term debt at the end of FY 15-16.

The District does not have a policy regarding maintaining a minimum financial reserve. At the end of FY 15-16, the District had a cash balance of \$155,775, which is equivalent to about three years of district expenditures. The fund balance is not earmarked for a particular purpose or project.

JPUD does not adopt a formal CIP; all projects are planned for at the District's Board meetings. The District is basing its infrastructure needs on the most recent SWRCB inspection report, which outlines a need to replace the redwood water storage tanks. The District is searching for a financing source to complete this project through the State Water Resources Control Board's Division of Financial Assistance.

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



## WATER SERVICES

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### Service Overview

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The District has pre-1914 water rights to spring water from an unnamed spring in the Johnsville area. The raw water supply consists of springs, known as Upper Springs and Bennett Springs. The springs are approximately three miles southwest of the Johnsville Water Treatment Plant and approximately 500 to 600 feet higher in elevation. Upper Springs has two collection boxes, one at each of two different locations; each box has approximately 500-gallons of capacity. The remaining source, Bennett Springs, has a small reservoir. There is also a collection gallery at Bennett Springs that discharges to the reservoir.

From the springs, the water is transported to the water treatment plant. The water treatment process consists of coagulant addition, a dual media clarifier, three filters (anthracite and graded sand) and a chlorination system. After filtration, water is chlorinated and discharged to one of two 88,000-gallon redwood clear wells with overflows. From the clear well, the water is distributed to the users. During the winter, the plant is operated on a continuous basis at a low flow to prevent freezing of the system piping, with a consequent continuous overflow of finished water to the clear wells.

Water is delivered to each of the 48 unmetered active connections through an unknown length of water mains and pipes. The six-inch transmission pipes are composed of ductile iron, while the transmission mains are composed of PVC. The mains and pipes are considered to be in generally good condition based on SWRCB's most recent inspection.

The District's permit was issued in 1995 and the system was rated as a transient non-community water system. According to SWRCB, the permit is out of date as it does not account for new tanks, treatment equipment and expansion of the water system. JPUD is currently under review for its status as a transient system. Reclassification may be considered by SWRCB, which could mean additional testing requirements.

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### Staffing

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JPUD's treatment plant requires an operator with at least a T2 certification, while the distribution system requires at least a D1 certification. JPUD appears to be in compliance with these requirements.

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### Facilities and Capacity

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JPUD's raw water yield is estimated at 160 gallons per minute (gpm); however the source capacity is limited to the pipe capacity, which is estimated at approximately 80 gpm. Based on SWRCB's most recent inspection, the District's source capacity is approximately 150 percent the estimated supply capacity (amount the District is able to deliver through the water system). Consequently, JPUD's source capacity is in compliance with Waterworks Standards.

The maximum day demand has been decreasing over the past five years. In 2015, JPUD provided 11.551 mg of water to its customers, which is equivalent to 22 gpm. The maximum

day supply in 2015 was 54 gpm. It is apparent that the District operates well within its source and supply capacity.

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## Infrastructure Needs

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At present, the most significant infrastructure need related to the District's water system is the deteriorating water storage tanks. The District owns and maintains two redwood storage tanks, each with approximately 88,000 gallons of storage capacity. During SWRCB's most recent inspection, the tanks were identified as having reach the end of their life, as they are showing signs of leakage at the base and bird pecking holes are evident. The District is working with the State to find funding to replace the two tanks. The District has not yet determined how much replacement of the tanks will cost.

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## Challenges

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Due to the small size of the community, the District has a challenge financing any significant infrastructure improvements, the cost of which would have to be shared amongst the few connections. Instead the District has in the past relied on grant funding to implement necessary capital improvements.

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## Service Adequacy

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This section reviews indicators of service adequacy, including the SWRCB system evaluation, drinking water quality, and distribution system integrity.

The Division of Drinking Water Programs of SWRCB 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. SWRCB took over evaluations of the JPUD water system from Plumas County. The most recent evaluation took place in 2015. The annual inspection report stated that the system "is operated in a conscientious and professional manner." The report also identified deficiencies that were in need of correction—updating of the Emergency Notification Plan, Bacteriological Sampling Site Plan, an Operations Plan. Also, the inspection report noted that the redwood storage tanks have reached the end of their service life, and recommended that JPUD pursue funding to replace the tanks. The District reported that it had completed the three required plan updates and was working with the State to find funding for the tank replacement.

Drinking water quality is determined by a combination of historical violations reported by the EPA and the percent of time that the District was in compliance with Primary Drinking Water Regulations in 2016. JPUD has had no health based nor monitoring violations in the last 10 years, 2006 to 2016. The District was in compliance with drinking water regulations 100 percent of the time in 2016.

Indicators of distribution system integrity are the number of breaks and leaks in 2015 and the rate of unaccounted for distribution loss. The District reported no breaks and leaks in 2015. Because all of the connections are unmetered, it is unknown what percentage is lost between the water source and the connections served.

## JOHNSVILLE PUBLIC UTILITY DISTRICT DETERMINATIONS

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### Growth and Population Projections

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- ❖ The community within Johnsville Public Utility District (JPUD) is seasonal/recreational, with minimal occupation during the winter. The full-time population of the District is estimated to be nine based on the average household size in Plumas County of 2.29 individuals and the four full-time habited residences within the PUD.
- ❖ No population growth is anticipated within the District in the near term. Other factors affect the District's demand for water services, including water conservation efforts due the drought and the influx of seasonal tourists and second home owners.

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

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- ❖ JPUD's raw water yield is estimated at 160 gallons per minute (gpm); however the source capacity is limited to the pipe capacity, which is estimated at approximately 80 gpm. JPUD's source capacity is in compliance with Waterworks Standards.
- ❖ The maximum day demand has been decreasing over the past five years. It is apparent that the District operates well within its source and supply capacity, and has sufficient capacity to address demand well into the future, if customers continue conservations efforts.
- ❖ Based on the SWRCB system evaluation, drinking water quality, and distribution system integrity, JPUD provides adequate water services.
- ❖ There is a need for formalized contracts, plans, and policies, including a capital improvement plan, formal contract with the operator, bylaws, and policies and procedures. It is recommended that the JPUD begin formalizing these documents to guide district efforts.
- ❖ At present, the most significant infrastructure need related to JPUD's water system is the deteriorating water storage tanks. The District needs to get a cost estimate for tank replacement in order to move forward, then the District can continue working with the State to find funding to replace the two tanks.

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### Financial Ability of Agencies to Provide Services

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- ❖ The District's financing level appears to be adequate to meet the needs of the community.
- ❖ JPUD recently adjusted rates to ensure sufficient funding. However, the District does not have a formal capital improvement plan that outlines future capital needs, so it is unclear if the rate increase will be sufficient to cover any future large scale capital needs. It is recommended that the District create a capital improvement plan and then assess the rates to ensure that they are adequate.

- ❖ The District will require grant funding to address its infrastructure needs, which is common among small water systems such as JPUD's.
- ❖ The District has a sufficiently healthy reserve that is equivalent to about three years of district expenditures.
- ❖ JPUD should be aware that it is legally required to conduct an audit every five years and ensure that it meets its legal obligations.

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### Status of, and Opportunities for, Shared Facilities

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- ❖ The District does not share facilities or resources with other agencies.
- ❖ It is recommended that JPUD work with other special districts in the area in negotiating for audit services at a reduced cost.

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

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- ❖ JPUD demonstrated accountability in its disclosure of information and cooperation with Plumas LAFCo. The District responded to the questionnaires and cooperated with the document and interview requests.
- ❖ JPUD's SOI needs to be updated to align with the District's existing service area and feasible future service area.