

***PLUMAS LOCAL AGENCY FORMATION
COMMISSION***

HEARING DRAFT

***HAMILTON BRANCH CSD
SPHERE OF INFLUENCE***

***WALKER RANCH CSD
SPHERE OF INFLUENCE***

February 2016

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1 INTRODUCTION

1.1 Role and Responsibility of LAFCO

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

CKH Act Section 56301 further establishes that

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

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

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

1.2 Purpose of a Sphere Of Influence

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

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

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

The requirement for LAFCOs to conduct MSRs was established by AB 2838 as an acknowledgment of the importance of SOIs and recognition that regular periodic updates of SOIs should be conducted on a five-year basis (§56425(g)) with the benefit of better information and data through MSRs (§56430(a)). A MSR is conducted prior to, or in conjunction with, the update of a SOI and provides the foundation for updating it.

LAFCO is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

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

1.3 Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to "disadvantaged unincorporated communities," including the addition of SOI determination #5 listed above. Disadvantaged unincorporated communities, or "DUCs," are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. On March 26, 2012,

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

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

1.4 Possible Approaches to the SOI

SPHERE TYPE	DEFINITION
Annexable sphere	Contains territory beyond the jurisdictional boundaries of the local agency and is an indication that the need for public services in the area has been established and the agency has the ability to effectively and efficiently extend the full spectrum of services provided by the agency. The Hamilton Branch CSD is proposed to have an annexable SOI to remain the same as the SOI adopted in 2008.
Coterminous sphere	Coincides with the jurisdictional boundaries of the local agency and is an indication that the agency is landlocked, that there is no anticipated need for the agency's services outside of its existing boundaries, or the agency lacks the capacity or ability to serve additional territory or there is insufficient information to make such a determination. The Walker Ranch CSD is proposed to have a coterminous sphere.
Zero sphere	A zero sphere contains no territory and indicates that the Commission has determined that one or more of the public service functions of the agency are either non-existent, inadequate, no longer needed, or should be reallocated to some other agency of government. Adoption of a zero sphere indicates the agency should ultimately be reorganized or dissolved. The Commission may initiate dissolution of an agency as the law allows.
Smaller-than-agency sphere	Contains less territory than the jurisdictional boundary of the local agency. The smaller-than-agency sphere indicates that territory within the local agency, but not within its sphere, should be detached and either transferred to another local agency or not served by any agency.
Overlapping sphere	If more than one agency appears equally qualified to serve an area, and if fiscal considerations and community input do not clearly favor a specific agency, an overlapping sphere may be appropriate.
Provisional sphere	A designation indicating that LAFCO has identified in its most recent municipal service review the need for an agency to address organizational issues. Agencies given a provisional sphere will be encouraged to discuss reorganization options or alternatives to existing service provision or governmental structure and to provide LAFCO with written results of their discussions and/or studies.
Service specific zone within a sphere	To accommodate situations where territory within an agency's jurisdiction may require some, but not all of the services that the agency is authorized to provide, the LAFCO may designate an area within an SOI to which it may attach specific policies, including limiting the types of services authorized in that area. The intent of a service specific zone is to limit the types of services provided in a defined area and is not intended in any way to circumvent annexation.

1.5 SOI Update Process

LAFCO is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCO must update those SOIs every five years, as necessary. In updating the SOI, LAFCO is required to conduct a Municipal Service Review (MSR) and adopt related determinations, which was adopted on October 15, 2012.

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

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.

Certain types of SOI amendments are likely exempt from CEQA review. Examples are SOI expansions that include territory already within the bounds or service area of an agency, SOI reductions, zero SOIs and coterminous SOI's. 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."¹

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

2 HAMILTON BRANCH CSD SPHERE OF INFLUENCE

2.1 Hamilton Branch Area

Hamilton Branch, located on the south-east shore of Lake Almanor, is a census-designated place (CDP). The population was 587 at the 2000 census but declined to 537 in 2010.

The 2010 US Census reported that in Hamilton Branch 537 people lived in households 234 households, out of which 50 (21.4%) had children under the age of 18 living in them, 58 households (24.8%) were made up of individuals and 27 (11.5%) had someone living alone who was 65 years of age or older. The average household size was 2.29. There were 162 families (69.2% of all households); the average family size was 2.72.

The population was spread out in age as follows:

HAMILTON BRANCH AGE DISTRIBUTION 2010

Under the age of 18	105 people	19.6%
Aged 18 to 24	27 people	5.0%
Aged 25 to 44	78 people	14.5%
Aged 45 to 64	187 people	34.8%
65 years of age or older	<u>140 people</u>	<u>26.1%</u>
TOTAL	537 people	100.0%

The median age was 52.3 years. For every 100 females there were 106.5 males. For every 100 females age 18 and over, there were 101.9 males.

In Hamilton Branch there were 434 housing units of which 201 (85.9%) were owner-occupied, and 33 (14.1%) were occupied by renters. The homeowner vacancy rate was 2.9%; the rental vacancy rate was 19.5%. There were 446 people (83.1% of the population) living in owner-occupied housing units and 91 people (16.9%) living in rental housing units.

2.2 Hamilton Branch CSD Background²

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

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

² Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, Pages 108-124.

even more. When it became a danger to residents' health, they appealed to LAFCO and in 1982 HBCSD was formed.³

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. 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.

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 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.

2.3 Hamilton Branch CSD Sphere of Influence Determinations

The Hamilton Branch CSD Sphere of Influence includes land outside the District boundary which could be annexed to the District should the need arise. The Hamilton Branch CSD includes 679.6 acres. The Hamilton Branch CSD Sphere of Influence includes an additional 1,032.6 acres. The Sphere is proposed to include the same area as the 2008 Sphere with the exception of the Fowler property, which was annexed to the District in 2014.

2.3.1 SOI Determinations on Present and Planned Land Use for the Hamilton Branch CSD Area

- 1-1] A majority of the land uses within the Hamilton Branch CSD are residential, commercial, and recreational. The District's boundary encompasses approximately 1.06 square miles.
- 1-2] There are approximately 537 residents within the Hamilton Branch Community Services District, based on census place population in the 2010 Census.⁴
- 1-3] The HBCSD resident population consists mainly of retired individuals and blue-collared workers.⁵
- 1-4] 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

³ State of California Board of Equalization.

⁴ Census Place Hamilton Branch in Plumas County.

⁵ Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, Page 112.

the decline in the economy caused a lot of foreclosures and outflow of people from the area.

- 1-5] 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. (Note, this is less than the 587 population of 2000.)
- 1-6] No proposed or planned developments were identified within or near the Hamilton Branch Community Services District.
- 1-7] The HBCSD is not a land use authority, and does not hold primary responsibility for implementing growth strategies. The land use authority for unincorporated areas is Plumas County.
- 1-8] With regard to possible governance structure alternatives, HBCSD reported that it may be interested in consolidating with Hamilton Branch Municipal Water Company (HBMWC), which the District surrounds.
- 1-9] The Hamilton Branch CSD reported that should the Dyer Mountain Ski Resort come to fruition, that it would be interested in providing water to the development even though it is outside of the SOI. However, the resort has faced litigation and financing challenges and is not expected to be realized in the short term.⁶
- 1-10] From 2010 to 2012, the District had no new water connections in 2014 the District Annexed the Fowler property with one additional connection.

2.3.2 SOI Determinations on Facilities and Services: Present and Probable Need for the Hamilton Branch CSD

- 2-1] The HBCSD 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.
- 2-2] The HBCSD has been able to pay off a loan, issue a refund to residents for over-payment, and maintain a healthy balance for contingencies.
- 2-3] The Hamilton Branch CSD has 499 water service connections which include 487 domestic connections and 12 commercial connections. These people will continue to need water and the services of the Hamilton Branch CSD. (There are

⁶ Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, Page 113.

more service connections than the permanent population would indicate due to vacation homes.)

2.3.3 SOI Determinations on Public Facilities Present and Future Capacity for the Hamilton Branch CSD

- 3-1] The Hamilton Branch Community Services District provides water services through a natural spring, a chlorination system, two storage tanks, and 10.6 miles of distribution main.
- 3-2] The Hamilton Branch Community Services 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. The District delivers 260,000 gallons per day on average and 430,000 gallons per day on the maximum demand day in 2011.⁷
- 3-3] The Hamilton Branch CSD water 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.
- 3-4] Upon acquiring the system the Hamilton Branch Community Services 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
- 3-5] The Hamilton Branch CSD water 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.

⁷ Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, Page 116.

- 3-6] The Hamilton Branch Community Services District makes use of two water 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.
- 3-7] During DPH's most recent inspection of the HBCSD, the State 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 HBCSD 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.
- 3-8] 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:
- The new Schumaker Spring House should be protected against local spring runoff.
 - The East and West Spring manholes should be sealed.
 - 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.
- 3-9] 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.
- 3-10] 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.
- 3-11] 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.

3-12] According to DPH, the HBCSD 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.

3-13] The HBCSD needs a backup power supply should the solar panels become nonoperational again.

2.3.4 SOI Determinations on Social or Economic Communities of Interest for the Hamilton Branch CSD

4-1] The Hamilton Branch CSD is an economic community because the home owners want to maintain the value of the homes. They need to have the domestic water supply to do this.

4-2] The Hamilton Branch area does not offer a full range of social and economic facilities; the residents depend on Chester or other areas for these services.

4-3] 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.

4-4] The HBCSD tries to encourage public attendance of board meetings; however, only one member of the community has attended in the last eight years.

4-5] The HBCSD does not maintain a website where documents or information is made available to the public. A website would be helpful because the seasonal residents could keep up with the HBCSD via the website.

2.3.5 Present and probable need for public facilities and services of any Disadvantaged Unincorporated Communities within the existing Hamilton Branch CSD Sphere of Influence

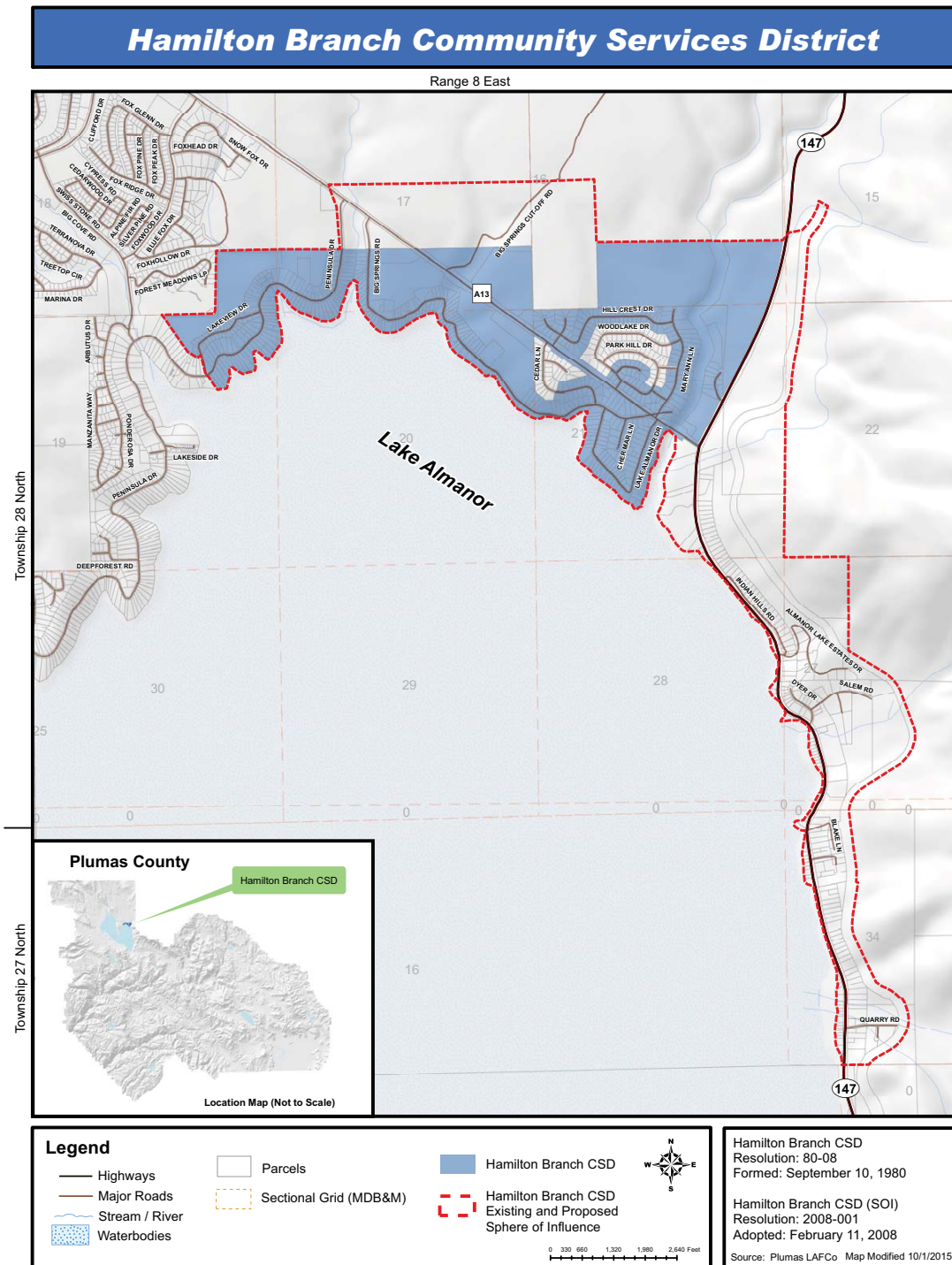
- 5-1] In addition to a consideration of population growth, the State Law requires LAFCO to consider whether or not an area is a Disadvantaged Unincorporated Community (DUC). A DUC is an area where the Median Household Income is less than 80% of the State of California Median Household Income.
- 5-2] The Median Household Income is not available for the Hamilton Branch CSD, only for Plumas County. The Plumas County Median Household Income for 2007-2011 was \$44,151.⁸ The State of California Median Household Income for 2007-2011 was \$61,632.⁹ Eighty percent of the State Median Household Income was \$49,306. Therefore, Plumas County could be considered to be a Disadvantaged Unincorporated Community.
- 5-3] The purpose of this law is to consider whether a DUC could become part of an incorporated city with more services; but there are no incorporated cities near to the Hamilton Branch CSD.

⁸ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06063.html>, April 18, 2013.

⁹ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06063.html>, April 18, 2013.

PLUMAS LAFCO
SPHERE OF INFLUENCE UPDATE
Hamilton Branch CSD & Walker Ranch CSD
February 8, 2016

MAP:



3 WALKER RANCH CSD SPHERE OF INFLUENCE

3.1 Walker Ranch CSD Area

Walker Ranch is a 2,400 residential lot land development project located at Lake Almanor, California. Walker Ranch Community Services District (WRCSD) is located on the north end of the Lake Almanor peninsula. The District serves three subdivisions: Bailey Creek, Foxwood and Trailhead. The nearest adjacent water and wastewater utility service providers include Hamilton Branch CSD to the east and West Almanor CSD to the southwest.

The Plumas County Engineer is the manager of the Walker Ranch Community Services District, which provides and maintains domestic/emergency water service and sewer collection, wastewater treatment and disposal services. Roadway maintenance and snow removal is provided for by Plumas County Public Works on public roadways within the District.

3.2 Walker Ranch CSD Background¹⁰

Walker Ranch CSD was formed in 1995¹¹ as a dependent special district of Plumas County. The purpose for the formation, according to the formation resolution, was to ensure adequate and orderly maintenance of community services for the Walker Ranch property.

Walker Ranch Community Services District (WRCSD) provides domestic/emergency water and sewer collection, treatment and disposal services. Additionally, WRCSD is charged with inspecting all drainage ditches on a monthly basis to ensure that they are kept free of debris or materials, which could affect stormwater runoff. WRCSD also provides snow removal on private roads around the water and sewer systems in order to gain access to the systems in the winter months. The Walker Ranch CSD pays PG&E for electricity related to street lighting.

WRCSD provides collection and disposal of wastewater from 149 septic systems in two community leachfield systems—one in the Baily Creek Subdivision and one in the Foxwood and Trailhead Subdivisions.

The Governing Board (the Plumas County Board of Supervisors) meets on the first three Tuesday mornings of every month in the Courthouse Board of Supervisors' Chambers. The Governing Board meeting agendas are part of the Board of Supervisor's agendas and are posted on the Plumas County website. Governing Board meeting minutes are also available on the Plumas County website.

The County Engineer acts as the general manager of the District and is supported by two other county staff. Other staff members from the Department of Public Works are also available for support as circumstances dictate. The District also contracts with Sierra Water Management for operation and maintenance of the water and wastewater

¹⁰ Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, Pages 199 to 222.

¹¹ Plumas LAFCO File Number 1-F-94.

facilities. The District contracts with Sierra Water Management for one operator for both, water and wastewater facilities. The operator occasionally hires part-time help. The District contracts with another company to perform water testing services and an outside accountant for billing services.

Since the District operates out of a single fund for both utilities, actual expenditures by service type are not available.

3.3 Walker Ranch CSD Sphere of Influence Determinations

The Walker Ranch CSD Sphere of Influence should be the same as the District Boundary as supported by the following determinations.

3.1 SOI Determinations on Present and Planned Land Use for the Walker Ranch CSD Area

- 1-1] Planning documents include master plans for the Foxwood and Bailey Creek Subdivisions. There is a lack of an overall master plan for the entire District; instead plans have been made for each individual subdivision.
- 1-2] Land uses within the District are primarily residential, with some areas planned for commercial and light industrial uses,¹² including a golf course. The area within the District's boundaries is approximately 4.4 square miles.
- 1-3] Based on census designated place and census block population in the 2010 census, there are 469 permanent residents within the Walker Ranch Community Services District.¹³
- 1-4] The District has experienced little growth in recent demand, due to the economic recession and decline in the housing market.
- 1-5] Based on DOF projections of approximately 0.5 percent growth annually throughout the County, the Walker Ranch Community Services District's population would increase to approximately 492 in 2020; however, the DOF's projections may be low, given the development potential in the area.
- 1-6] The WRCSD is not a land use authority, and does not hold primary responsibility for implementing growth strategies. The land use authority for unincorporated areas is Plumas County.

¹² Plumas County Parcel Application.

¹³ Census designated place Lake Almanor Peninsula, and Tract 5.02 Blocks 1000, 1014 and 1022 in Plumas County.

3.2 SOI Determinations on Facilities and Services: Present and Probable Need for the Walker Ranch CSD

- 2-1] The District reported that it had observed little change in the level of service demand during the last few years. Generally there have been only a few new water and wastewater connections each year. Construction of new dwelling units stalled around 2007. Between 2002 and 2007, WRCSD had between 17 and 33 new connections a year. In 2007, that number drastically declined to six connections in a single year, and new connections have been consistently very low since.
- 2-2] The District anticipates growth in population and similarly in service demand in the future should the economy recover. At present, the District reported that it anticipates population growth similar to that projected by Caltrans in its recent Almanor Regional Transportation Assessment (ATRA), which assumes a future growth rate of one percent per year in the region.
- 2-3] The Walker Ranch Community Services District reported that the Walker Ranch subdivision has the potential to experience high growth, but the recent recession stalled development. Empty lots are located throughout the property. There are 1,500 unconstructed lots that are proposed to be developed within the Lake Front subdivision. The Trail Head development has 20 empty lots, and Bailey Creek has one development phase left; however, both of these developments are presently in receivership.
- 2-4] WRCSD reported that the current financing level was adequate to deliver services; however, the District's revenues have been negatively affected by the economic recession. Due to a slowdown in new development, the District has experienced a decline in connection fee and standby fee revenue. However, WRCSD feels confident about its financing level, due to a high fund balance. At the end of FY 10-11, the District's unreserved cash fund balance was \$113,450, and the reserved cash fund balance was \$1.8 million.

3.3 SOI Determinations on Public Facilities Present and Future Capacity for the Walker Ranch CSD

Water¹⁴

- 3-1] The capacity of the WRCSD water system appears to be more than sufficient to serve current and long-term demand, as the District uses on average less than 10 percent of the available supply daily.
- 3-2] The WRCSD needs to establish a written main distribution line disinfection program, as well as written valve maintenance and water line flushing programs.
- 3-3] WRCSD water system infrastructure needs an additional water source should Well 1 become nonoperational, an operational generator, and storage tank improvements.
- 3-4] WRCSD has considered adding an office building on location within the District's boundary; at present, the contract operator works out of his residence.
- 3-5] The Walker Ranch Community Services District owns and maintains two wells, one of which is inactive. The water supply for the area is provided entirely through the single active well with a capacity of 1,100 gallons per minute. The well water is treated on an as-needed basis by a stand-by chlorine solution with a metering pump.
- 3-6] Walker Ranch CSD water is provided entirely from the Lake Almanor Valley groundwater basin. The water is considered to be generally of excellent quality, but is most vulnerable to turbidity, lead, copper, total coliforms, fecal coliforms, and terrorist attacks. Lake Almanor Valley Basin has locally high levels of copper, lead, iron, manganese, calcium, and boron.¹⁵
- 3-7] The Walker Ranch CSD has three water storage tanks—two welded steel bulk storage tanks with a combined storage capacity of one million gallons and one captive air tank with a capacity of 3,500 gallons.
- 3-8] The Walker Ranch CSD water distribution system consists entirely of C900 PVC piping and is considered to be in good condition.
- 3-9] The WRCSD stand-by generator was non-functional at the time of the County's inspection according to the water system operator. As the generator is included in the operating permit, the water system must maintain an operational generator that is capable of providing sufficient back-up power to operate the water system. The operator has received quotes to get the generator repaired, but the improvement has yet to be made.

¹⁴ Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, Pages 207 to 212.

¹⁵ State Water Resources Control Board, *Lake Almanor Valley Groundwater Basin – California's Groundwater Bulletin* 118, 2003, p. 2.

- 3-10] No needs were identified with respect to the active well. With regard to the distribution system, the District reported that there are eight air relief valves that need to be replaced, and two pressure reducing valves that need to be installed.
- 3-11] It was recommended by the County, in 2012, that the Walker Ranch Community Services District establish a written water main distribution line disinfection program, as well as written valve maintenance and water line flushing programs. In response to this recommendation the District prepared an operation plan that includes these three written programs, as well as others.
- 3-12] Future water system needs for the entire Walker Ranch Community Services District were recently considered by County agencies during the approval phase of the Lake Front Subdivision. In particular, and in accordance with SB 610/221, the Governing Board conducted public hearings on water supply assessment studies for the Lake Front Subdivision. On January 15, 2008 a motion was adopted to accept the water supply assessment report and supporting findings.

Wastewater¹⁶

- 3-13] WRCSD operates two leach fields with sand filtration systems and 50 miles of collection lines.
- 3-14] The Walker Ranch CSD community wastewater treatment system consists of privately-owned individual septic tanks with pump chambers and submersible pumps discharging to a recirculating sand filter followed by disposal to one of two common leach fields. Poor soil conditions and high groundwater required the developer to provide alternatives to individual on-site sewage disposal.
- 3-15] The remaining capacity of the two Walker Ranch CSD leach field systems is unclear, due to the high demand during the summer months, which are averaged out during the low demand periods throughout the remainder of the year.
- 3-16] The WRCSD wastewater system operation and maintenance are provided by a contract operator. The operator dedicates approximately 15 hours to the WRCSD wastewater system each week. The operator has a Grade 2 certification level, which meets the required certification levels of the system.
- 3-17] The Walker Ranch Community Services District is regulated by Waste Discharge Requirements (Order No. 96-264), which were issued in 1996. An update to the permit was considered in 2008 by the Regional Water Quality Control Board; however, to date, no new requirements have been adopted.

¹⁶ Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, Pages 213 to 219.

- 3-18] Within the Bailey Creek development, the existing Bailey Creek leach field is located on private property, under a golf course fairway, owned by Bailey Creek Golf Course. WRCSD does not own the leach field, as the property or easement was never transferred to the District. However, WRCSD continues to maintain the leach field as that was the reasoning behind the formation of the District. In addition, within the Bailey Creek development, there are four lots identified for a future leach field, three of which WRCSD owns in fee, with reservations for the use and construction of a leach field by Bailey Creek. The other lot is owned by the Bailey Creek development. The Bailey Creek leach field was reported as being in good condition. The leach field has a capacity of 2.3 million gallons per year or approximately 6,300 gallons per day. At present, the average dry weather flow into this leach field is 14,833 gallons, which is approximately 235 percent of the system's capacity. While this flow is double the District's permitted capacity, this is the peak demand period when other wastewater systems would generally be experiencing low flows.
- 3-19] Sometime after construction of the Bailey Creek subdivision, and following approval of the Foxwood Subdivision, an 18-acre parcel was granted to WRCSD for wastewater disposal for the Foxwood Subdivision parcels. This currently is home to the Foxwood and Trailhead subdivision leach field. The leach field has a capacity of approximately 20,000 gallons per day.
- 3-20] WRCSD reported that the sand filter is the only form of wastewater effluent treatment and is an open air filter bed, which is vulnerable to precipitation and dirt and weeds and consequently reduces effluent flow.
- 3-21] At the time the WRCSD subdivision developments were first being considered, wastewater treatment expansion was planned to be phased in as the influent flow increased during build out. The initial phase was installation of a recirculating sand filter followed by subsurface disposal to two community leach fields. Phase 2 was planned to be construction of an advance secondary package treatment plant with effluent quality sufficient to be used as reclaimed water for golf course irrigation. At present, the demand for wastewater services is not sufficient to warrant development of a treatment plant.

Drainage¹⁷

- 3-22] In the Walker Ranch CSD, there is a need to address drainage issues around Big Cove Road and Peninsula Drive. The District has plans to complete these improvements.

¹⁷ Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, Page 220.

3.4 SOI Determinations on Social or Economic Communities of Interest for the Walker Ranch CSD

- 4-1] WRCSD lacks a master plan for all areas within its boundary. The District relies on the plans specific to each new development in the area, and for developers to come up with a means to address needed water and wastewater services. It is recommended that the District develop a master plan to better prepare for orderly future growth and development.
- 4-2] It is a recommended practice that districts maintain a website where all district information is readily available to constituents. A website would be a benefit to the WRCSD because it would be available to the seasonal residents as well as the year-round residents.

3.5 Present and probable need for public facilities and services of any Disadvantaged Unincorporated Communities within the existing Walker Ranch CSD Sphere of Influence

- 5-1] 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.
- 5-2] The Median Household Income is not available for the Walker Ranch CSD, only for Plumas County. The Plumas County Median Household Income for 2007-2011 was \$44,151.¹⁸ The State of California Median Household Income for 2007-2011 was \$61,632.¹⁹ Eighty percent of the State Median Household Income was \$49,306. Therefore, Plumas County could be considered to be a Disadvantaged Unincorporated Community.
- 5-3] The purpose of this law is to consider whether a DUC could become part of an incorporated city with more services; but there are no incorporated cities near to the Walker Ranch CSD.

¹⁸ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06063.html>, April 18, 2013.

¹⁹ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06063.html>, April 18, 2013.

MAP: WALKER RANCH CSD SPHERE OF INFLUENCE



ABBREVIATIONS

AB	Assembly Bill
ATRA	Almanor Regional Transportation Assessment
CDP	census-designated-place
CEQA	California Environmental Quality Act
CKH Act	Cortese-Knox-Hertzberg Local Government Reorganization Act Of 2000
County	Plumas County
CSA	County Service Area
CSD	Community Services District
DOF	Department of Finance (California)
DPH	Department of Public Health (California)
DUC	Disadvantaged Unincorporated Community
FTE	Full-time Equivalent (employment)
HBCSD	Hamilton Branch Community Services District
HBMWC	Hamilton Branch Municipal Water Company
LAFCO	Local Agency Formation Commission
MSR	Municipal Service Review
PG&E	Pacific Gas and Electric Company
PVC	poly-vinyl chloride (pipe)
SB	Senate Bill
SOI	Sphere of Influence
SR	State Route
WACSD	West Almanor Community Services District
WRCSD	Walker Ranch Community Services District

REFERENCES

Plumas LAFCO File Number 1-F-94

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