

****AGENDA****

AMADOR LOCAL AGENCY FORMATION COMMISSION

**6:00 P.M. – THURSDAY, SEPTEMBER 20, 2018
810 COURT STREET, JACKSON
BOARD OF SUPERVISORS CHAMBERS**

Please Note: All LAFCO meetings are recorded. Anyone who wishes to address the Commission must speak from the podium and should print their name on the Meeting Speaker list, which is located on the podium.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the LAFCO staff, at (209) 418-9377, by e-mail to amador.lafco@gmail.com. Requests must be made as early as possible, and at least two business days before the start of the meeting.

Meeting Materials are available for Public Review at the LAFCO desk, located at the County Planning Department, 810 Court Street, Jackson, and posted on the Amador LAFCO website.

- 1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA FOR SEPTEMBER 20, 2018**
- 4. APPROVAL OF THE MINUTES OF JUNE 21, 2018**
- 5. APPROVAL OF CLAIMS TO SEPTEMBER 20, 2018**
- 6. PUBLIC FORUM –PUBLIC COMMENT**

Any person may address the Commission on any subject within the jurisdiction of LAFCO which is not on the agenda. No action may be taken at this meeting. There is a five (5) minute limit.

- 7. PUBLIC REVIEW DRAFT MUNICIPAL SERVICE REVIEW (MSR) 2018 UPDATE, DRYTOWN COUNTY WATER DISTRICT (public hearing)**

Staff will present the Drytown County Water District draft MSR and it will be circulated for comment. Final action is planned for November 15, 2018.

- 8. PUBLIC REVIEW DRAFT MUNICIPAL SERVICE REVIEW (MSR) 2018 UPDATE, RANCH HOUSE ESTATES COMMUNITY SERVICE DISTRICT (public hearing)**

Staff will present the Ranch House Estates Community Service District draft MSR and it will be circulated for comment. Final action is planned for November 15, 2018.

9. OTHER BUSINESS, REPORTS

- a. Correspondence
- b. Commissioner Announcements
- c. Executive Officer's Report
- d. Project Status Report
- e. Legislation Report

10. ADJOURNMENT

Note: The October meeting will be cancelled. The next regular LAFCO meeting is scheduled for November 15, 2018.



Roseanne Chamberlain
Executive Officer

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCO action in court you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 48 hours before the hearing will be distributed to the Commission. If you wish to submit written material at the hearing, please supply 10 copies.

NOTE: State law requires that a participant in LAFCO proceedings who has a financial interest in the decision and who has made a campaign contribution to any Commissioner in the past year must disclose the contribution. If you are affected, please notify commission staff before the hearing.

**PLEASE DO NOT REMOVE POSTING BEFORE:
SEPTEMBER 21, 2018**

AMADOR LAFCO



LOCAL AGENCY FORMATION COMMISSION

810 COURT STREET ♦ JACKSON, CA 95642 ♦ (209) 223-6380

MINUTES

June 21, 2018

DRAFT

This meeting was available via live audio streaming and was digitally recorded.

1. **Call to Order, Pledge of Allegiance & Roll Call**

The June 21, 2018, meeting of the Amador Local Agency Formation Commission (LAFCO), held at the County Administration Center, 810 Court Street, Jackson, California, was called to order by Chairman Crew at 5:59 p.m.

2. **Roll Call**

Members Present:

Pat Crew, Chairman
Dominic Atlan, City Member
Tim Murphy, City Member
Jim Vinciguerra, Public Member
Brian Oneto, County Member (arrived at 6:32 p.m.)

Staff Present:

Roseanne Chamberlain, Executive Officer
Nancy Mees, Clerk to the Commission

3. **Approval of Agenda for June 21, 2018**

Motion: It was moved by Commissioner Vinciguerra, seconded by Commissioner Murphy, and carried unanimously to approve the agenda as submitted.

4. **Approval of the Minutes of May 17, 2018**

The Commission pointed out a typographical error in Agenda Item 8, page 3, of the minutes.

Motion: It was moved by Commissioner Murphy, seconded by Commissioner Atlan, and carried unanimously to approve the Minutes for May 17, 2018, with the correction.

5. **Approval of Claims to June 21, 2018**

Motion: It was moved by Commissioner Murphy, seconded by Commissioner Vinciguerra, and carried unanimously to approve the Approval of Claims – Meeting Final, as submitted.

6. **Public Forum – Public Comment**

There was no public comment.

7. **River Pines Public Utility District Annexation in El Dorado County (LAFCO Project #292), Resolution #2018-05 (public hearing)**

Executive Officer Chamberlain pointed out that the map included with the meeting packet was a descriptive map, and that the final map, currently in the surveyor's office, will be available in a few weeks. She noted that Candi Bingham, RPPUD General Manager, and Rocky Raymond, Chair of the RPPUD Board of Directors, were in the audience, and she thanked them for the extra effort they have put into keeping this project efficient and inexpensive.

Ms. Chamberlain briefly reviewed the information in the Executive Officer's report regarding the history of this project, the land use designations involved, and the CEQA documents approved by RPPUD. She also introduced Jose Henriquez, El Dorado LAFCO Executive Officer, who was in the audience.

Chairman Crew opened the Public Hearing. There was no public comment.

Motion: It was moved by Commissioner Vinciguerra, seconded by Commissioner Atlan, and carried unanimously to close the Public Hearing.

Motion: It was moved by Commissioner Murphy, seconded by Commissioner Atlan, and carried unanimously to adopt Resolution 2018-05 approving the annexation to River Pines Public Utility District, and adopting the determinations and orders included in the resolution.

The Commission thanked RPPUD for its efforts and cooperation in this project.

8. **Municipal Service Review (MSR) 2018 Update, Jackson Valley Fire Protection District (JVFPD), LAFCO Resolution #2018-06 (public hearing)**

Executive Officer Chamberlain stated she was grateful for the edits and corrections from JVFPD, and that there were no substantive changes from the Review Draft presented at the May 17, 2018, Commission meeting, although the new Determinations are now included. Ms. Chamberlain reported that the District does have some challenges in its administrative operations, and has had them for some time. The District is responsive to correcting them, however, and some of the problems were ones the District did not realize it had or was unable to address. In the past the District's focus has been on staffing and providing service, but they are willing to work on correcting administrative issues.

Commissioner Atlan noted that the District does provide good service, and realizes there have been many new regulations regarding Special Districts, making it difficult to keep current with them. He then asked if all fire district boards are appointed by the Board of Supervisors. Ms. Chamberlain responded that they are not. The appointment process for Jackson Valley had been included in the District's formation documents, but was clarified as permanent by county counsel later. She explained that it would not be difficult, however, to switch to open elections. The District has not been good at keeping track of appointment dates and terms of office.

Chairman Crew opened the Public Hearing. Jake Herfel introduced himself as Chairman of the JVFPD Board, and then explained that the reason they had decided to use appointments by the Board of Supervisors was due to the cost of elections and the District's lack of money for such. He added that two board members are currently up for reappointment, the others have four-year terms, and that the board is trying to make itself compliant with current laws.

Motion: It was moved by Commissioner Atlan, seconded by Commissioner Vinciguerra, and carried unanimously to close the Public Hearing.

Motion: It was moved by Commissioner Atlan, seconded by Commissioner Vinciguerra, and carried unanimously to adopt Resolution 2018-06, approving the 2018 Update of the Municipal Service Review for Jackson Valley Fire Protection District.

9. **Adoption of a Sphere of Influence of the Jackson Valley Fire Protection District (JVFPD), LAFCO Resolution #2018-07 (public hearing)**

Executive Officer Chamberlain reported that the prior SOI, approved in 1977, appeared to be coterminous. There will be changes in services due to the casino being built, but through a contract with the county, CALFire will augment service so that JVFPD should not be impacted.

Ms. Chamberlain recommended that in six months the Commission review the progress of the District with respect to the administrative issues addressed in the MSR.

Chairman Crew agreed that, although there would be increases in service due to the casino, it would not expand the sphere of the District.

Chairman Crew opened the Public Hearing. Jake Herfel stated that the District was having some issues with CALFire regarding the ISA, so new agreements need to be reached. There was some discussion among the Commission and Mr. Herfel regarding wildfires, the quality of the roads leading to the casino, and other issues with the ISA.

Motion: It was moved by Commissioner Murphy, seconded by Commissioner Atlan, and carried unanimously to close the Public Hearing.

Motion: It was moved by Commissioner Murphy, seconded by Commissioner Vinciguerra, and carried unanimously to adopt Resolution 2018-07, approving the Sphere of Influence for Jackson Valley Fire Protection District.

10. **Other Business, Reports**

a. Correspondence – none.

b. Commissioner Announcements – none.

c. Executive Officers Report – Executive Officer Chamberlain reported that this has been a busy year. She is working with Drytown Water District regarding assessing their boundaries. There was an annexation that was recorded with the wrong legal description which will need to be corrected. Due to the boundaries research there will have to be some annexations. As a result of this work on Drytown's boundaries, theirs will probably be the next MSR brought to the Commission. Ms. Chamberlain added that Cindy with ACTC has been mapping all changes and updating those with the county.

Ms. Chamberlain reminded the Commission that the annual CALAFCO conference is October 3-5, and that Commissioners Crew and Vinciguerra had expressed interest in attending. Ms. Chamberlain said she would be unable to attend this year, and needed to know if anyone else was interested.

- d. Project Status Report – Executive Officer Chamberlain reported there was a pending annexation to Sutter Creek due to a boundary line adjustment that would include a road in the city boundaries.
- e. Legislation Report – Executive Officer Chamberlain reported that there has been significant opposition from the California Special Districts Association regarding the legislation for grant funding for dissolution of inactive districts, although she is not sure why.

11. Adjournment

The next regular LAFCO meeting is scheduled for July 19, 2018. Executive Officer Chamberlain stated that it may be cancelled due to lack of agenda items. Chairman Crew adjourned the meeting at 6:41 p.m.

Pat Crew, Presiding Officer
LOCAL AGENCY FORMATION COMMISSION

ATTEST: _____
Nancy Mees, Clerk to the Commission

APPROVAL OF CLAIMS - PACKET DRAFT

AGENDA OF September 20, 2018

APPROVAL OF CLAIMS TO

September 20, 2018

Agenda Item 5

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>INV.DATE</u>	<u>AMOUNT</u>
R Chamberlain 6/19/2018-8/3/2018	Consulting Services Labor	8/3/2018**	\$ 4,176.00
	Expense Total, includes mileage	8/3/2018**	\$ 356.01
N Mees 6/21/2018-8/3/2018	Clerical & Admin Labor	8/3/2018**	\$ 768.00
	Expenses		\$ -
R Chamberlain 8/4/2018-9/17/2018	Consulting Services Labor	9/20/2018 estimate	\$ 3,550.00
	Expense Total, includes mileage	9/20/2018 estimate	\$ 160.00
N Mees 8/4/2018-9/18/2018	Clerical & Admin Labor	9/20/2018 estimate	\$ 835.00
	Expenses		\$ -
Amador Ledger	Public notice for July 17, 2018	8/3/2018**	\$ 73.68
Amador Ledger	Public notice for June 21, 2018	9/20/2018	\$ 82.80
Surveyor	Map scans	7/2/2018	\$ 16.55
Alliant Insurance	Liability insurance	9/3/2018	\$ 2,954.04
CALAFCO	Conference registration	6/28/2018**	\$ 1,560.00
CALAFCO	Annual dues	7/26/2018**	\$ 925.00
LAFCO Board	Meeting Stipends (Maximum of 5 @ \$50.00)		\$ 250.00
TOTAL			\$ 15,707.08

** Note: Denotes any invoices paid prior to Commission Approval, per Policy 2.3.7

CHAIR:

Presiding Officer

ATTEST:

Nancy Mees
CLERK TO THE COMMISSION

AGENDA ITEM #7

TO: ALL COMMISSIONERS, ALTERNATES
FROM: ROSEANNE CHAMBERLAIN, EXECUTIVE OFFICER
SUBJECT: **PUBLIC REVIEW DRAFT MUNICIPAL SERVICE REVIEW (MSR), 2018 UPDATE,
DRYTOWN COUNTY WATER DISTRICT (LAFCO PROJECT #301)**
DATE: MEETING OF SEPTEMBER 20, 2018

BACKGROUND:

The Public Review Draft Municipal Service Review (MSR) for Drytown County Water District is attached. This MSR was undertaken at this time to facilitate a district-initiated annexation of properties adjacent to the district where construction of several new homes is underway.

DISTRICT HISTORY:

The district was formed in 1961, including the area of the Drytown township. The district provides retail water service with wholesale water purchased from Amador Water Agency (AWA). The formation boundaries split numerous parcels. Over the years lot line adjustments (BLA) have changed the parcel configuration, but not the district boundaries. The resulting boundary-service area mismatch and boundary confusion is a problem for the district and the public.

DISCUSSION:

The attached draft MSR describes the district and its services. Management and administration of the district is performed by part-time district staff and board members. The district has commitments to serve water outside its boundaries and intends, in the near future, to annex the parcels that have water or will need water service.

LAFCO and GIS staff have extensively researched the district boundaries and resolved each unclear boundary area with records obtained in the county surveyor's office, the board of supervisors office, LAFCO files and State Board of Equalization records. The current boundary map provides clarity and certainty.

STAFF RECOMMENDATIONS:

1. Receive the Draft MSR and direct staff to circulate the report for comment.
2. Set the public hearing for the final action on the MSR for November 15, 2018.

Attachments:

Public Review Draft MSR 2018 Update for Drytown County Water District
District Map

DRYTOWN COUNTY WATER DISTRICT

Drytown County Water District (DCWD) provides retail water distribution and delivery services.

AGENCY OVERVIEW

Background

Drytown County Water District (DCWD) was formed on July 17, 1961, as an independent special district.¹ DCWD was formed to provide water services to the unincorporated community of Drytown.

The principal act that governs the District is the County Water District Law.² The principal act empowers the District to “store water for the benefit of the district, conserve water for future use, and appropriate, acquire, and conserve water and water rights for any useful purpose.”³ Districts must apply and obtain LAFCO approval to exercise latent powers, i.e., those services authorized by the principal act but not already provided by the district at the end of 2000.⁴

Boundary

The DCWD boundary encompasses the community of Drytown, which is located in northwestern Amador County, approximately three miles south of the City of Plymouth. The boundary area extends west of SR 49, east along Spanish Street and New Chicago Road. The District has a boundary area of approximately 159 acres.

LAFCO staff has extensively researched the boundary records for DCWD. The original formation of the district specified the Drytown Township area as the boundaries of the district; however the resolution of the Board of Supervisors ordering the formation (Resolution #487, June 26, 1961) specified five areas for annexation, including land adjacent to the township boundary and in the New Chicago township. Additionally, three annexations have been completed. Project #94 attempted to include portions of parcels that were split by the township line and some additional property. Project #94 also annexed the lands in the New Chicago township area, that were intended to be included in the formation, but were not clearly defined by the formation legal description. These parcels form a dis-contiguous portion of the district with roadways excluded. The Bewsey Annexation (LAFCO Project #185) was recorded with an inadequate legal description. The corrected certificate of completion has now been recorded and the correction has been accepted by the State Board

¹ Formation date is from Board of Equalization records.

² California Water Code §§30000-33901.

³ California Water Code §31021.

⁴ Government Code §56824.10.

of Equalization. The Cruz-Robbins annexation (LAFCO Project #297) was completed August 2, 2018.

The current district boundaries divide some parcels, in part due to parcel line adjustments and changes since the boundaries were established. The District has not used clearly defined boundaries to support its decisions and actions for extending service, and has extended water service and made commitments to serve water to property outside the district's jurisdictional area. Definite and certain boundaries with maps will now be available to the public and the district.

Sphere of Influence

The District's SOI was originally adopted in 1976, but the resolution did not include any description of the area. LAFCO minutes from the time indicate that the District expressed a desire to concentrate on serving its existing customers and the vacant lots inside the District as they developed, leading the Executive Officer to infer that the SOI was established in 1976 as coterminous. Most recently, in 2009, LAFCO updated the District's SOI to include all territory within the District's boundaries, plus parcels outside the boundaries then receiving service.⁵ The Sphere of Influence is expected to be updated following this review, as the district intends to annex those parcels already receiving service and annex property where commitments to serve have been negotiated. Some newly subdivided parcels are for sale adjacent to the district and will need new water service from Drytown.

Local Accountability and Governance

DCWD is governed by a five-member board of directors. Directors are to be elected; although, in practice, there have been no contested elections in recent history. Directors have been appointed by the Board of Supervisors. The District describes that recently, when a board position became vacant, it put an ad out for those interested in becoming a Director. Following the application period, those submitting an application were interviewed by the Board and DCWD voted on who they thought would be the best choice for the position. This is consistent with elections code for filling the remainder of an unexpired term. County Elections department advises that when terms expire for all districts, the Elections office publishes notice at the opening of the filing period.

⁵ LAFCO Resolution 2009-06.

Figure 1: DCWD Governing Body

Drytown County Water District			
Governing Body			
	Name	Position	Term Ends
<i>Members</i>	Edwin Kaffer	Chair	Dec-2021
	Michael Borunda	Vice Chair	Dec-2019
	Linda Lacey	Secretary	Dec-2021
	Sandra Frey	Treasurer	Dec- 2019
	David Estey	Sgt of Arms	Dec-2021
<i>Manner of Selection</i>	Elections at large; appointment by Board of Supervisors for uncontested positions		
<i>Length of Term</i>	Four years, staggered		
<i>Meetings</i>	Date: First Thursday at 7 p.m.	Location: Drytown School House	
<i>Agenda Distribution</i>	Posted at Old Well Motel and the school house		
<i>Minutes Distribution</i>	By request		
Contact			
<i>Contact</i>	Nancy Gibbs, Clerk of the Board		
<i>Mailing Address</i>	P.O. Box 323, Ione, CA 95640		
<i>Phone</i>	(209) 274-6480 or (209)304-0940		
<i>Fax</i>	(209) 274-6480		
<i>Email/Website</i>	nancygibbs@yahoo.com		

The District does not routinely perform constituent outreach efforts, and does not maintain a website where public documents can be accessed. Drytown is a small community and informal communications among neighbors are common.

With regard to customer service, the District reported that past complaints included water quality (odors) and billing (incorrect meter reading). Complaints may be submitted to a board member or the clerk via mail, phone, or in person. The District did not report any complaints.

The District reported that it had not had any Brown Act violations in recent history. Appropriate financial disclosure forms and terms of office were available at the county Elections office. The District demonstrated accountability in its disclosure of information and cooperation with LAFCO.

Management

The District contracts on a limited basis for services, including part-time bookkeeper/manager/board clerk, meter reader, and distribution operator. The manager, Nancy Gibbs, is the primary contact and administrator for the district, and her position is paid \$465/month to approximate 40 hours/month. This represents payment for a portion of the actual hours worked. She considers her position to be semi-volunteer and often works more than the hours paid.

The meter reader is a former board member and is paid \$75 to read the meters every other month for the bi-monthly billing. The district pays \$5 per delivery for any shut-off notices.

Routine tank level monitoring and tests are performed totaling 3.5 to 4 hours/month. The distribution operator performs water testing and minor repairs as needed, and is paid on an hourly basis. Roark Weber is the District's Engineer, when needed. Any of these staff may make reports to the Board at monthly meetings. The District does not conduct performance or operations evaluation practices, such as tracking workload, monitoring productivity, or staff evaluations. There is no General Manger position; board members share responsibility for district operations. The District has long desired to hire a full-time General Manager, but has determined that financing levels do not permit this.

The District adopted an emergency response plan on January 5, 2017. DCWD does not have a capital improvement plan and has limited funds for capital improvements. Staff states they are working on a capital improvement plan, but did not indicate the status, and no estimated completion date was provided. District staff did not report any other planning efforts, such as a master plan for the water system.

District financial planning efforts include annual preparation of budgets and financial audits every two years. The District does not participate in the county treasury, as do many small districts in the county.

The District is a member of California Special Districts Association and has liability insurance through the Special District's Risk Management Authority for coverage up to \$2.5 million for all events, with the exception of employee dishonesty, which is covered up to \$400,000. The District's property insurance covers up to \$10 million in losses.

Nancy Gibbs states that each board member completes the required ethics training every two years as required and explains that the board members do not need to complete sexual harassment training because there are no employees, only contractors.

The district does not maintain a separate office. Records are held by the manager and board members.

Service Demand and Growth

Existing land uses in the District's boundary are primarily suburban residential (i.e., five acres per unit on average). Other land uses within the district boundary include commercial properties located along SR 49. Economic activity in the District's boundary area includes a bar, a motel, and a restaurant.

There are 63 residential water connections served by DCWD, and two commercial connections. Service is in place within and outside of the district boundaries. The number of water connections has increased by two connections with one additional connection about to be installed. The estimated population within District bounds is 136.⁶ The District's population density is 578 per square mile, compared to the countywide overall density of 64.

⁶ The population estimate for the District is the product of the number of water connections within the boundary area and the average household size (2.3) in Amador County in 2010, according to Census information.

The District reported that service demand in the form of volume of water purchased by customers has remained relatively constant.

The St. Elizabeth subdivision was originally planned to add 11 new connections to the District's water system, but was reduced to nine parcels. Much of this subdivision area is outside the District boundaries. Construction is underway. The District has resolved a disagreement with the previous landowner/developer, including transfer of water system infrastructure constructed and installed by the landowner. System infrastructure to the St. Elizabeth subdivision (partially within District boundaries) was constructed by a developer and the line was transferred to the district. A portion of the line is outside district boundaries.

The Thomas Estate, 18.84 acres, is partially within the District's bounds. Tentative Subdivision Map #174 was revised from 17 parcels to eight parcels, and will expire October 13, 2021. The property is now for sale, and annexation will be needed if the parcels are developed.

Two 20-acre parcels and one 67.58-acre parcel are adjacent to the district and are also for sale.

The District has had communications in the past with some landowners on the western side of SR 49, along Varia Ranch Road. Property owners there were interested in annexation because their private wells were drying up. Landowners have not pursued annexation, perhaps due to cost of annexation and infrastructure.

The District is not a land use authority, and does not hold primary responsibility for implementing growth strategies, but is aware of the development approvals within or adjacent to its service area. It is likely that developing areas adjacent to the district will annex soon.

Disadvantaged Unincorporated Communities

LAFCO is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community is defined in state law as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.⁷

Any MSR conducted by LAFCO for a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, shall identify any DUCs within and contiguous to the sphere of influence of that city or special district and describe the present and probable needs and deficiencies for the provision of those public facilities and services within such DUC.⁸

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged communities median

⁷ Government Code §56033.5.

⁸ LAFCO Policy 7.3, adopted 2-16-17.

household income definition.⁹ DWR identified nine disadvantaged communities within Amador County—three of which are cities and are therefore not considered unincorporated¹⁰. The entirety of the Drytown Census Designated Place (which includes the entirety of DCWD and extends outside of the District’s bounds) is considered a disadvantaged unincorporated community by DWR’s standards.

LAFCO policy 7.3, adopted February 16, 2017, defines disadvantaged communities as those consisting of 15 dwelling units at a density not less than one unit per acre. Drytown may be a DUC by this standard.

LAFCO policy 7.7 adopted February 16, 2017, further defines a Legacy Community as a geographically isolated community that meets DUC criteria and is at least 50 years old. Drytown is a legacy community.

The District and other regional providers provide services for water, wastewater, and structural fire protection within the Drytown CWD at adequate levels.

Financing

Existing financing may not be sufficient to adequately maintain the system and deliver adequate services in the long term. The District’s 2007 water rate study found that “the long-term interest of the water system is not well served with the existing very lean operation,” and recommended the District increase rates by 24 percent in FY 07-08, by 12 percent in FY 08-09, and by 12 percent in FY 09-10.¹¹ The District has raised rates incrementally with the last increase in mid-2017. The flat bi-monthly rate is \$122.27 for the first 40,000 gallons of water use and \$2.67 per each additional 1,000. Capital costs are not directly incorporated into the present or proposed rate structure. The District would need to increase rates further to provide for ongoing maintenance, rehabilitation and upgrade of the water system.

The District tracks its finances through a single enterprise fund. Revenues are held in a money market fund with a bank, as allowed by statute. The account is covered by Federal depository insurance. Audits are conducted biennially. The most recent Audit covered the period ending June 30, 2017. The district omitted the Management Discussion and Analysis (MD&A) section of the Audit. Generally accepted accounting principles require the MD&A as a supplement to the audit statements. The MD&A places the audit information in the appropriate operational, economic and historical context.

The district financial information is filed with the State Controller’s Office and is available on their website.

Total water enterprise revenue in FY 17 was \$69,256.77, per the District Manager. The 2017 Audit identified \$52,965 as operating revenues. Revenue sources are water rates (76 percent), property taxes (24 percent), and interest and other sources comprised less than one percent of revenues.

⁹ Based on census data, the median household income in the State of California in 2010 was \$57,708, 80 percent of which is \$46,166.

¹⁰ DWR maps and GIS files are derived from the US Census Bureau’s American Community Survey (ACS) and are compiled for the five-year period 2006-2010.

¹¹ Reed Group, *Water Rate Study*, Oct. 5, 2007, Exhibit 4.

Total expenditures for FY 17 were \$72,240.49, per the District Manager. The same amount was reported in the Audit. These expenses are composed of water purchased from AWA (53 percent), administration and general costs (27%), capital depreciation (14%), and operations and maintenance (6%).

The District relies on cash reserves and grants for capital improvements. In FY 06-07, the District received CDBG funds from the County to finance construction of a new water storage tank. Long-term maintenance of the infrastructure may require a more stable funding source.

The District has no long-term debt.

The District does not have an adopted policy on its target level for financial reserves. DCWD had a net position of \$698,224 at the end of 2017. The District would appear to have more than four years of working capital, reserves however, are the District's only existing capital financing source.

WATER SERVICES

This section describes the nature, extent and location of the water services provided, as well as key infrastructure and water sources. The tables provide further information and indicators of the agency's water service supplies, demand, financing, service adequacy, and facilities.

Nature and Extent

DCWD purchases treated water from AWA through a master meter and a secondary meter located on Bunker Hill, and distributes it by gravity to residential and commercial users and more than 30 hydrants throughout the district. The District does not provide water treatment services. The District provides maintenance and operation of the water distribution system directly through its part-time distribution operator, and, in addition, maintains a contract with AWA for additional maintenance support in the event of a major problem.

The District does not use ground water, produce or use recycled water, and does not practice conjunctive use.

The District relies on state directives and AWA for responding to droughts. Nancy Gibbs noted that voluntary efforts by customers reduced water consumption about 25% during the recent drought.

Gene Mancebo, General Manager, Amador Water Agency, provides the following system information related to water rights, treatment, transmission and service growth potential for Drytown:

The Water Agency serves Drytown CWD through a source diversion at Lake Tabeau, flowing via the Amador Transmission Pipeline to the Tanner Water Treatment Plant and to Drytown via treated water lines that also serve Amador City and the City of Plymouth. The water service agreement between AWA and Drytown CWD dates to 1966 for raw water and was revised in 1977 for treated water with PG&E. The Water Agency purchased its Amador Water System in 1985 and has continued service to Drytown CWD under this contract.

AWA source water is from the Mokelumne River under a pre-1914, 15,000 AF annual water right for consumption. There is sufficient source capacity in the near-term for new services within Drytown CWD and the five Amador cities. The Amador Transmission Pipeline was sized to deliver the total water right. Since AWA is currently using about 50 percent of its water right, there is about 50 percent remaining capacity in the pipeline.

The Tanner Water Treatment Plant has current capacity to serve more than 1,400 additional single family homes or the equivalent. The pipeline(s) that serves Drytown CWD has excess capacity, some of which is dedicated to the City of Plymouth. The capacity can be increased with improvements.

AWA estimates that, at this time, Drytown CWD could add about 30 additional homes or the equivalent without capacity concerns affecting Amador Water Agency facilities. This increase would be a substantial percentage increase for Drytown CWD,

which has seen limited growth in the past. If demand in the Drytown service area exceeded 30 additional connections, the Water Agency would want to review the pipeline capacity in greater detail. The treated water pipeline is the first concern for capacity constraints.

The Water Agency charges a wholesale participation fee to Drytown CWD (as well as the City of Plymouth) and those revenues can be used to make improvements to the water pipeline system to further increase capacity in an incremental fashion. The participation fees would also allow incremental capacity improvements for the Tanner Water Treatment Plant. Drytown CWD should contact the Water Agency in advance of approving any significant number of connections (such as a subdivision) to insure there is available capacity in the treated water system.

Drytown CWD is responsible for providing treated water storage and for maintaining their distribution system.

Location

DCWD provides services within its bounds and to several parcels outside of its bounds. The District's water services are available to all of its boundary area, and there are no areas within the boundary that could not be served. Service connections outside the boundaries were added by LAFCO in 2009 to the sphere of influence to allow future annexation.

Infrastructure

Key infrastructure includes the District's water storage tank and approximately five miles of distribution pipelines. Water from Amador Water Agency's Tanner treatment tank is delivered via gravity to six to seven hydrants, approximately ten service connections and ultimately to the 274,000-gallon steel bolted storage tank. The district maintains approximately 30 additional hydrants. Most of the community of Drytown is served via gravity from the storage tank, which was constructed in 2007. The District must apply to AWA for a commitment to serve additional connections.

The storage tank is reported by the district to be in excellent condition, and the District did not identify any storage needs or deficiencies.

In the event of emergencies, the District would rely on reserves in the storage tank, which would accommodate peak demand for six days. The District also has two interties with the AWA system—the AWA pipeline from Tanner Plant to the storage tank and AWA's Plymouth Pipeline. If the water supply from AWA were to be halted for any emergency situation, the District would rely entirely on its stored water. All District board members and staff are trained to handle emergency events; the District adopted an emergency response plan January 5, 2017.

The distribution system consists of about five miles of six and eight-inch iron pipe. There is no asbestos-cement pipe in the system. Individual connections are via two-inch diameter pipe. The 2008 and 2014 MSRs reported that the distribution system has a significant rate of loss, which averaged 20 percent between 1995 and 2007.

The district manager explains that water usage comparing water sold to customers and water purchased from Amador Water Agency is difficult to calculate as the accounting

periods vary and are not routinely monitored. Additionally, water service to the community room where the District Board meets is not metered. Use of water by AWA at the sewer treatment plant (backwash) is also not metered or billed. At the request of LAFCO, water loss rates, including these two unmetered beneficial uses, were calculated for 12 month periods for 2013 through 2017. Loss rates were typically five to eight percent. The 2014 water loss was 11 percent, and 2015 water loss was 15 percent due to a line break that year.

The quality of water is generally good, with past occurrences of strong chlorine odors, as reported by the District. Corrosion of lead distribution pipes previously led to increased lead levels in the water. DCWD exceeded the regulatory standards for lead in 2002 and 2007. Ultimately, AWA was required by the California Department of Public Health to reduce the corrosiveness of the water being delivered to Drytown from Tanner Plant by maintaining a pH of between 7.6 and 8. From the time that AWA enacted these measures, beginning in 2011, lead and copper levels have remained within regulatory standards in DCWD's system. The 2015 water system report conducted by Amador County Environmental Health Department notes that the District has adopted a cross connection control program.

Source water quality monitoring is performed by Amador Water Agency. Drytown is required to monitor its distribution monthly for coliform bacteria and chlorine residual. The water system is in compliance with this requirement.

The 2007 rate study noted rate restructuring would finance gradual replacement of the entire system over a 50-year timeline.¹² While there is no capital improvement plan, increases in the District's reserves demonstrate progress towards accruing sufficient funding to assist with system improvements. These funds are maintained in a single enterprise accounting fund, the district general fund, and are available at the Board's discretion for any purpose. The funds are not restricted or reserved.

¹² Reed Group, *Water Rate Study*, October 5, 2007.

Figure 2: DCWD Water Service Profile

DCWD				
Water Service Configuration & Infrastructure				
Water Service	Provider(s)	Water Service	Provider(s)	
Retail Water	Direct	Groundwater Recharge	None	
Wholesale Water	AWA	Groundwater Extraction	None	
Water Treatment	AWA	Recycled Water	None	
Service Area Description				
Retail Water	The District's service area lies along SR 49 in the community of Drytown. The District serves parcels on both sides of the highway and along Spanish Street, Main Street and New Chicago Road.			
Wholesale Water	NA			
Recycled Water	NA			
Boundary Area	0.25 sq. miles	Population (2013)	136	
System Overview				
Average Daily Demand	28,474 gal.	Peak Day Demand	59,087 gal.	
Supply	The District is not aware of any limits on the amount of water that can be purchased from AWA with the current number of connections served. The District was unable to provide the distribution capacity of the system.			
Major Facilities				
Facility Name	Type	Capacity	Condition	Yr Built
Storage tank	Storage	0.27 mg	Excellent	2007
Other Infrastructure				
Reservoirs	0	Storage Capacity (mg)	0.27 mg	
Pump Stations	0	Pressure Zones	0	
Production Wells	0	Pipe Miles	5 miles	
Infrastructure Needs and Deficiencies				
Pipes are old and in poor condition. To minimize distribution losses, the District needs to replace a significant portion of its distribution system. The District should perform an evaluation of the entire system to prioritize replacement.				
Facility-Sharing and Regional Collaboration				
Current Practices: The District currently receives treated water from the AWA Tanner Treatment Plant through AWA pipelines, in conjunction with the City of Amador. Additionally, in 2009, AWA completed the Plymouth Pipeline which is connected to the main serving DCWD to provide back up in the event of a water supply failure or main improvements. Also, the District has an agreement in place with AWA for the provision of specialized services such as water line repairs.				
Opportunities: No further opportunities were identified.				
Notes:				
(1) NA means Not Applicable, NP means Not Provided, mg means millions of gallons, af means acre-feet.				

continued

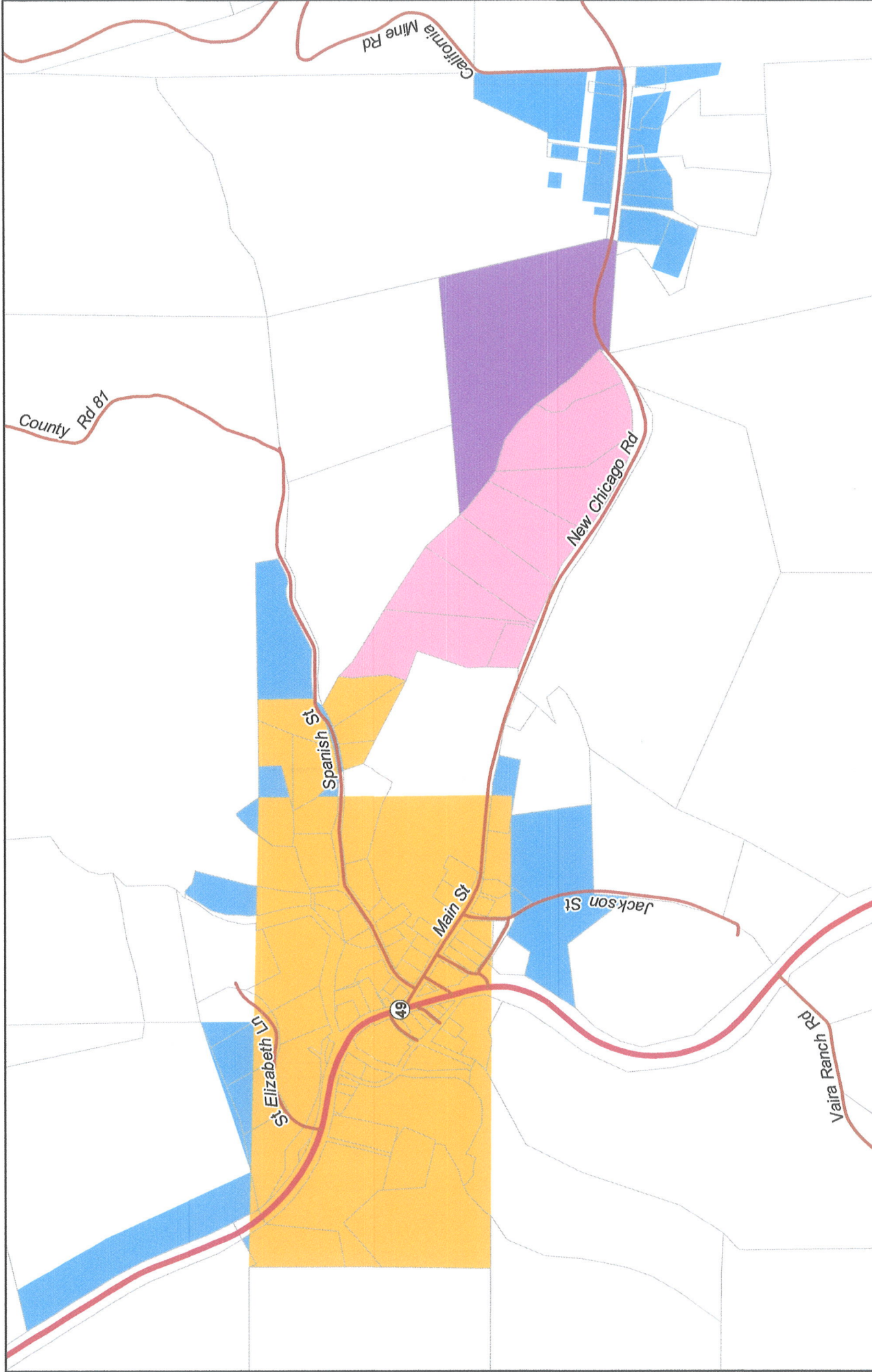
DCWD							
Water Demand and Supply							
Service Connections	Total	Inside Bounds	Outside Bounds				
Total	63						
Irrigation/Landscape	0	0	0				
Domestic	60						
Commercial/Industrial/Institutiona	3	3	0				
Recycled	0	0	0				
Other	0	0	0				
Average Annual Demand Information (Acre-Feet per Year)							
	2000	2005	2010	2015	2020	2025	2030
Total	25.4	30.9	31.8	32.8	NP	NP	NP
Residential	23.7	28.9	29.8	31.6	NP	NP	NP
Commercial/Industrial	2.0	2.0	2.0	1.2	NP	NP	NP
Irrigation/Landscape	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Water Sources		Supply (Acre-Feet/Year)					
Source	Type	Average	Maximum	Safe/Firm			
Purchased water from AWA	Surface	35.9	NP	NP			
Supply Information (Acre-feet per Year)							
	2000	2005	2010	2015	2020	2025	2030
Total	38.3	40.0	34.3	##	NP	NP	NP
Imported/Purchased	38.3	40.0	34.3	31.3	NP	NP	NP
Groundwater	0	0	0	0	0	0	0
Surface	0	0	0	0	0	0	0
Recycled	0	0	0	0	0	0	0
Drought Supply and Plans							
Drought Supply (af) ¹	Year 1: NP	Year 2: NP	Year 3: NP				
Significant Droughts	1976, 1977, 1988-1994, 2007-200 2013						
Storage Practices	Storage is for short-term emergencies only.						
Drought Plan	from AWA. Even during multiple-year droughts, AWA has received its full water rights and has never enacted curtailments. Voluntary reductions resulted in about 25% decrease in use						
Water Conservation Practices							
CUWCC Signatory	No						
Metering	Yes						
Conservation Pricing	Yes						
Other Practices	None						
Notes:							

continued

DCWD			
Water Rates and Financing			
Domestic Water Rates-Ongoing Charges FY 17-18 ¹			
	Rate Description	Avg. Monthly Charges	Consumption ²
Residential	Flat Bi-monthly: \$127.27 for 40,000 gallons Water Use: \$2.67 per 1,000 gallons in	\$63.63	250 gal/day
Special Rates			
Water rates are the same throughout the District.			
Rate-Setting Procedures			
Policy Description	The rate is calculated to cover operational costs and water purchases from AWA. Rate increases are meant to include a portion of the cost of capital improvements, however these funds are not reserved or restricted for capital improvements.		
Most Recent Rate Change	2017	Frequency of Rate Changes	As needed
Water Development Fees and Requirements			
Connection Fee Approach	New connections pay actual cost for connection, but initially deposit \$1,500 for connection costs. Staff states Capital improvement fees are also charged. New owners must extend the pipe to the nearest "T" at their own cost.		
Connection Fee Timing	Prior to connection.		
Connection Fee Amount ³	\$6,380 for ¾-inch meter. \$7,297 for 1-inch meter.		
Water Enterprise Revenues, FY 17			Expenditures, FY 17
Source	Amount	%	Amount
Total	\$69,492	100%	Total \$72,241
Rates & charges	\$52,965	76%	Administration + legal \$19,816
Property tax	\$16,238	23%	O & M \$4,125
Grants	\$0	0%	Capital Depreciation \$10,192
Interest	\$54	0%	Debt \$0
Connection Fees	\$25	0%	Purchased Water \$38,108
Other	\$210	0%	Capital Investments \$0
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.			
(3) Connection fee amount includes both the \$1,500 deposit and the capital improvement fee.			

continued

DCWD			
Water Service Adequacy, Efficiency & Planning Indicators			
Water Planning	Description	Planning Horizon	
Water Master Plan	None		
UWMP	None, not required		
Capital Improvement Plan	None		
Emergency Response Plan	Adopted 1/5/2017		
Service Challenges			
The District identified encroaching development and limited capacity for additional connections as challenges to providing water services. The County Department of Environmental Health also identified the aging distribution system as a challenge for the District.			
Service Adequacy Indicators			
Connections/FTE	2,480	O&M Cost Ratio ¹	\$154,773
MGD Delivered/FTE	1.14	Distribution Loss Rate	7%
Distribution Breaks & Leaks ²	0	Distribution Break Rate ³	0
Response Time Policy	ASAP	Response Time Actual	NP
Water Pressure	NP	Total Employees (FTEs)	0.03
Water Operator Certification			
The District's water manager has a D4 certification for distribution systems. The District is required to have a D1 certified chief operator; the District is exceeding this requirement.			
Drinking Water Quality Regulatory Information ⁴			
	#	Description	
Health Violations	0		
Monitoring Violations	0	Deficiencies in lead and copper sampling in 2000.	
DW Compliance Rate ⁵	100%		
Notes:			
(1) Operations and maintenance costs (exc. purchased water, debt, depreciation) per volume (mgd) delivered.			
(2) Although there are problems with pipe corrosion, the District reported no preceptable leaks or breaks in 2012.			
(3) Distribution break rate is the number of leaks and pipeline breaks per 100 miles of distribution piping.			
(4) Violations since 2000, as reported by the U.S. EPA Safe Drinking Water Information System.			
(5) Drinking water compliance is percent of time in compliance with National Primary Drinking Water Regulations in 2012.			



Drytown County Water District

Boundary History

- Original Formation
- Project 94 - Boundary Adj. Annexation
- Project 185 - Bewsey Annexation
- Project 297 - Cruz Robbins Annexation
- Road
- Parcel
- State Highway

Map created by:
 Amador County Transportation Commission GIS staff
 117 Valley View Way, Sutter Creek CA 95685
 July, 2018; Amended September, 2018.

The Amador County Transportation Commission assumes no responsibility arising from the use of this information. THE MAPS AND ASSOCIATED DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND, expressed or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Do not make any business decisions based on this data before validating your decision with the appropriate County office.

AGENDA ITEM #8

TO: ALL COMMISSIONERS, ALTERNATES
FROM: ROSEANNE CHAMBERLAIN, EXECUTIVE OFFICER
SUBJECT: PUBLIC REVIEW DRAFT MUNICIPAL SERVICE REVIEW (MSR), 2018 UPDATE,
RANCH HOUSE ESTATES COMMUNITY SERVICES DISTRICT (LAFCO PROJECT
#304)
DATE: MEETING OF SEPTEMBER 20, 2018

BACKGROUND:

The Public Review Draft Municipal Service Review (MSR) for Ranch House Community Services District is attached. This MSR was undertaken at this time to comply with the statutory requirement of completing a new MSR once every five years.

DISTRICT HISTORY:

The district was formed in 1977 as an independent special district. The District was originally created to provide fire protection, recreation services, street maintenance and water services. While never providing fire protection and recreation services, water service was provided until 1990, at which time that service was transferred to Amador Water Agency. The District currently provides street maintenance service to three short courts.

The District currently encompasses 60 acres, consisting of 78 parcels, 70 of which are assessed. The current boundary exists after several annexations over the years, and a detachment in 2016. RHECSD has a zero sphere of influence, most recently affirmed in 2016.

DISCUSSION:

The attached draft MSR describes the district and its services. Management and administration of the District is performed by a volunteer District Board of five members and a volunteer General Manager. Services consist primarily of chipping and sealing the three private courts once every ten years, crack filling every fifth year in between, and additional tar filling on an as-needed basis.

The current boundary map was affirmed at the time of the District's last SOI in 2016.

STAFF RECOMMENDATIONS:

1. Receive the Draft MSR and direct staff to circulate the report for comment.
2. Set the public hearing for the final action on the MSR for November 15, 2018.

Attachments:

Public Review Draft MSR 2018 Update for Ranch House Estates Community Services
District
District SOI Map