

***HERLONG PUBLIC UTILITY DISTRICT &
WEST PATTON VILLAGE COMMUNITY SERVICES
DISTRICT
MUNICIPAL SERVICE REVIEW***

Resolution 2014-0005 MSR Adopted August 11, 2014

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Prepared for the
Local Agency Formation Commission of Lassen County
by
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ACRONYMS

ADWF:	Average dry weather flow
af:	Acre-feet
afa:	Acre-feet per annum
BOE	California Board of Equalization
ccf:	Hundreds of cubic feet
CCTV:	Closed circuit television
CEQA:	California Environmental Quality Act
cfs:	Cubic feet per second
CIP	Capital improvement program
CY:	Calendar year
DFG:	California Department of Fish and Game
DOF	California Department of Finance
DPH	California Department of Public Health
DWR:	California Department of Water Resources
EPA:	U.S. Environmental Protection Agency
FY:	Fiscal year
GIS:	Geographic Information Systems
gpd:	Gallons per day
gpm:	Gallons per minute
I/I	Infiltration and inflow
JPA:	Joint Powers Authority
LAFCO:	Local Agency Formation Commission
MCL:	Maximum Contaminant Level
mg:	Millions of gallons
mgd:	Millions of gallons per day
MSR:	Municipal services review
NA:	Not applicable
NP:	Not provided
NPDES:	National Pollutant Discharge Elimination System
OPR:	Governor's Office of Planning and Research
PWWF:	Peak wet weather flow
RWQCB:	Regional Water Quality Control Board
SCADA:	Supervisory Control and Data Acquisition
SDWA:	Safe Drinking Water Act
SOI:	Sphere of influence
SR	State Route
SWRCB:	State Water Resources Control Board
TDS:	Total dissolvable solids
TMDL:	Total maximum daily load
WWTP:	Wastewater treatment plant

PREFACE

Prepared for the Local Agency Formation Commission of Lassen County (LAFCO), this report is a district-specific municipal service review (MSR)—a state-required comprehensive study of services offered by Herlong Public Utility District and West Patton Village Community Services District.

CONTEXT

LAFCO of Lassen County is required to prepare this MSR by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000, et seq.), which took effect on January 1, 2001. The MSR reviews services provided by a special district whose boundaries and governance are subject to LAFCO. Herlong Public Utility District and West Patton Village Community Services District, are the focus of this review. In order to provide comprehensive information on service provision, other service providers are mentioned in this MSR.

CREDITS

The authors extend their appreciation to those individuals at Herlong PUD and West Patton Village CSD that provided the comprehensive information and documents used in this report. The Districts provided a substantial portion of the information included in this report. The Districts provided budgets, financial statements, various plans, and responded to questionnaires. The Districts also cooperated during an extensive interview covering workload, staffing, facilities, regional collaboration, and service challenges.

Lassen LAFCO Executive Officer, John Benoit, provided project direction and review. Joel Rathje prepared maps and provided GIS analysis. This report was prepared by Jennifer Stephenson and Oxana Wolfson of Policy Consulting Associates.

1. EXECUTIVE SUMMARY

This report is a Municipal Service Review (MSR) on Herlong Public Utility District and West Patton Village Community Services District prepared for the Lassen Local Agency Formation Commission (LAFCO). An MSR is a State-required comprehensive study of services within a designated geographic area, in this case, Lassen County. The MSR requirement is codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.). After MSR findings are adopted, the Commission will begin the process of updating both of the Districts' SOIs. This report identifies and analyzes SOI options for the Commission's consideration.

Significant findings from this report include the following:

- ❖ **Planning:** HPUD has implemented its Water Master Plan and Facility Plans and The WPVCSD does not have planning documents, in particular with respect to capital improvements due the lack of funds to prepare plans. Therefore, the WPVCSD does not have any master planning documents. Nor does it maintain a long-term capital improvement plan, but instead plans for capital projects as needed in the annual budget. WPVCSD could improve its management practices by conducting long-term capital and strategic planning. While HPUD compiled a water master plan in 2006 and a wastewater facility plan in 2009, as well as a capital improvement plan that was completed in 2007 and further revised in 2008 and 2012, the district adapts its planning and revises its capital plans on a as needed basis. For Example, numerous changes occurred in 2013.
- ❖ **Management:** District management methods on the part of both agencies appear to generally meet accepted best management practices. HPUD and WPVCSD prepare a budget before the beginning of the fiscal year, conduct annual financial audits, maintain current transparent financial records, track employee and district workload, and have an established process to address complaints. As mentioned, both agencies could improve upon their management practices by updating or compiling planning and capital improvement documents, as necessary.
- ❖ **Accountability:** Both agencies demonstrated accountability and transparency in their cooperation with the MSR process and public outreach efforts (i.e., websites). The fire chief provides monthly reports to the District Board of Directors. Improvements could be made by WPVCSD to ensure that Fire Department functions are properly overseen by the district manager and governing body. **Wastewater Capacity:** Both agencies appear to have sufficient capacity to serve existing customers. At present, HPUD is making use of 68 percent of its treatment plant's capacity on average. HPUD's WWTP would need to be expanded to take any major increase in flow from the community at large. As WPVCSD does not track its wastewater flows and the collection system has not been fully inspected to

determine what portion of capacity is in use, the extent of remaining capacity cannot be determined.

- ❖ **Water Capacity:** At present, HPUD makes use of eight percent of its wells' pumping capacity, which is also reported as the District's safe or firm water yield—indicating substantial remaining water source capacity. The capacity of WPVCSD's water system is unknown; however, it appears that the District has adequate capacity to serve the existing number of connections. The District reported that it also has capacity to service anticipated growth in demand, but this determination cannot be made due to a lack of available information on historical and current water use. The District will greatly benefit from its current efforts to track water use.
- ❖ **Fire Capacity:** The extent of WPVCSD's Fire Department to handle existing and future demand is unknown. The District faces a particular constraint by operating out of two separate locations for administration and vehicle storage. In some cases fire apparatus are stored at private residences. The District has considered building a new fire station, which would be able to function as a fire station with administration space. WPVCSD has not yet found grants to fund a new building, so plans have been put on hold.
- ❖ **Wastewater Service Adequacy:** Based on indicators of wastewater service adequacy including regulatory compliance, treatment effectiveness, sewer overflows and collection system integrity, both districts appear to provide adequate wastewater services. Since the WPVCSD collection system is over one mile in length then a SSMP as required by the Clean Water Act is required.
- ❖ **Water Service Adequacy:** Based on indicators of water service adequacy, including the California Department of Public Health system evaluation, drinking water quality and distribution system integrity, HPUD appears to provide adequate services. WPVCSD is working to address concerns identified by the Department of Public Health, including the lack of a certified water system operator and an operations plan. WPVCSD has subcontracted with a certified water system operator for operations in the interim and training of staff to attain required certification. The District anticipates that an operations plan will be compiled by the certified operator. There are also concerns that WPVCSD does not complete a thorough annual consumer confidence report as required by law, WPVCSD states they received a CCR from SAID but not the HPUD. Nevertheless, a 2013 consumer confidence report (CCR) dated April 2014 has been developed and submitted along with comments on the public draft of this review
- ❖ **Fire Service Adequacy:** The District was not able to provide the exact response times for calls in 2013. It is recommended that the District begin tracking response time information in an easily accessible format in order to assess the District's service adequacy. The District continues to operate with an ISO rating of 10 as it has not yet undergone a rating update since the Fire Department was established.

- ❖ **Financial Adequacy:** Both HPUD and WPVCSD consider the current funding levels to be adequate to deliver satisfactory services. However, WPVCSD will likely face a need to increase rates when HPUD begins charging based on water consumption in January 2015.

Governance Structure Options: Eight governance options were identified for HPUD and WPVCSD over the course of this service review, including 1) continued operation of both agencies with the current governance structure, 2 & 3) dissolution of either WPVCSD or HPUD with that agency's territory annexed by the remaining district identified as the successor agency, 4) consolidation of WPVCSD and HPUD, or 5) dissolution of WPVCSD and HPUD with both areas served by a single newly formed successor district (the zero sphere alternative). 6) Expansion of the SOI for the WPVCSD or a successor agency to include the SR 395 area to include the 63 parcels. 7) Consolidation of the lighting, water and wastewater functions with the HPUD having the same boundaries of the current HPUD and create and maintain an independent fire district to include the entire Herlong Area from Doyle to Highway 395. 8) HPUD and WPVCSD Consolidation Committee (Board of Directors Recommendation) On July 29, 2014 the Boards of Directors of the HPUD and WPVCSD met and decided to pursue consolidation or reorganization of their Districts.

2. BACKGROUND

This report is prepared pursuant to legislation enacted in 2000 that requires LAFCO to conduct a comprehensive review of municipal service delivery and update the spheres of influence (SOIs) of all agencies under LAFCO's jurisdiction. This chapter provides the background of LAFCO, the purpose of the service review, the sphere of influence updating process, and the process and methodology of this particular review.

LAFCO OVERVIEW

After World War II, California experienced dramatic growth in population and economic development. With this boom came a demand for housing, jobs and public services. To accommodate this demand, many new local government agencies were formed, often with little forethought as to the ultimate governance structures in a given region, and existing agencies often competed for expansion areas. The lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service boundaries, and the premature conversion of California's agricultural and open-space lands.

Recognizing this problem, in 1959, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963, resulting in the creation of a Local Agency Formation Commission, or "LAFCO," operating in every county except San Francisco.

LAFCO was formed as a countywide agency to discourage urban sprawl and encourage the orderly formation and development of local government agencies. LAFCO is responsible for coordinating logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers and dissolutions of districts, as well as reviewing ways to reorganize, simplify, and streamline governmental structure. The Commission's efforts are focused on ensuring that services are provided efficiently and economically while agricultural and open-space lands are protected. To better inform itself and the community as it seeks to exercise its charge, LAFCO conducts service reviews to evaluate the provision of municipal services within the County.

LAFCO regulates, through approval, denial, conditions and modification, boundary changes proposed by public agencies or individuals. It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCO is empowered to initiate updates to the SOIs and proposals involving the dissolution or consolidation of special districts, mergers, establishment of subsidiary districts, and any

reorganization including such actions. Otherwise, LAFCO actions must originate as petitions or resolutions from affected voters, landowners, cities or districts.

Lassen LAFCO consists of five regular members: two members from the Lassen County Board of Supervisors, two city council members, and one public member who is appointed by the other members of the Commission. There is an alternate in each category. All Commissioners are appointed to four-year terms.

Figure 2-1: Commission Members, 2014

Appointing Agency	Members	Alternate Members
Two members from the Board of Supervisors appointed by the Board of Supervisors	Larry Wosick Jim Chapman	Robert Pyle
Two member representing the cities in the County. Must be city officer and appointed by the City Selection Committee	Brian Wilson Rod DeBoer	Cheryl McDonald
One member from the general public appointed by the other four commissioners	Todd Eid	Andrew Wellborn

MUNICIPAL SERVICE REVIEW ORIGINS AND LEGISLATION

The MSR requirement was enacted by the Legislature months after the release of two studies recommending that LAFCOs conduct reviews of local agencies. The “Little Hoover Commission” focused on the need for oversight and consolidation of special districts, whereas the “Commission on Local Governance for the 21st Century” focused on the need for regional planning to ensure adequate and efficient local governmental services as the California population continues to grow.

Little Hoover Commission

In May 2000, the Little Hoover Commission released a report entitled *Special Districts: Relics of the Past or Resources for the Future?* This report focused on governance and financial challenges among independent special districts, and the barriers to LAFCO’s pursuit of district consolidation and dissolution. The report raised the concern that “the

underlying patchwork of special district governments has become unnecessarily redundant, inefficient and unaccountable.”

In particular, the report raised concern about a lack of visibility and accountability among some independent special districts. The report indicated that many special districts hold excessive reserve funds and some receive questionable property tax revenue. The report expressed concern about the lack of financial oversight of the districts. It asserted that financial reporting by special districts is inadequate, that districts are not required to submit financial information to local elected officials, and concluded that district financial information is “largely meaningless as a tool to evaluate the effectiveness and efficiency of services provided by districts, or to make comparisons with neighboring districts or services provided through a city or county.”

The report questioned the accountability and relevance of certain special districts with uncontested elections and without adequate notice of public meetings. In addition to concerns about the accountability and visibility of special districts, the report raised concerns about special districts with outdated boundaries and outdated missions. The report questioned the public benefit provided by health care districts that have sold, leased or closed their hospitals, and asserted that LAFCOs consistently fail to examine whether they should be eliminated. The report pointed to service improvements and cost reductions associated with special district consolidations, but asserted that LAFCOs have generally failed to pursue special district reorganizations.

The report called on the Legislature to increase the oversight of special districts by mandating that LAFCOs identify service duplications and study reorganization alternatives when service duplications are identified, when a district appears insolvent, when district reserves are excessive, when rate inequities surface, when a district’s mission changes, when a new city incorporates and when service levels are unsatisfactory. To accomplish this, the report recommended that the State strengthen the independence and funding of LAFCOs, require districts to report to their respective LAFCO, and require LAFCOs to study service duplications.

Commission on Local Governance for the 21st Century

The Legislature formed the Commission on Local Governance for the 21st Century (“21st Century Commission”) in 1997 to review statutes on the policies, criteria, procedures and precedents for city, county and special district boundary changes. After conducting extensive research and holding 25 days of public hearings throughout the State at which it heard from over 160 organizations and individuals, the 21st Century Commission released its final report, *Growth Within Bounds: Planning California Governance for the 21st Century*, in January 2000. The report examines the way that government is organized and operates and establishes a vision of how the State will grow by “making better use of the often invisible LAFCOs in each county.”

The report points to the expectation that California's population will double over the first four decades of the 21st Century, and raises concern that our government institutions were designed when our population was much smaller and our society was less complex. The report warns that without a strategy open spaces will be swallowed up, expensive freeway extensions will be needed, job centers will become farther removed from housing, and this will lead to longer commutes, increased pollution and more stressful lives. *Growth Within Bounds* acknowledges that local governments face unprecedented challenges in their ability to finance service delivery since voters cut property tax revenues in 1978 and the Legislature shifted property tax revenues from local government to schools in 1993. The report asserts that these financial strains have created governmental entrepreneurship in which agencies compete for sales tax revenue and market share.

The 21st Century Commission recommended that effective, efficient and easily understandable government be encouraged. In accomplishing this, the 21st Century Commission recommended consolidation of small, inefficient or overlapping providers, transparency of municipal service delivery to the people, and accountability of municipal service providers. The sheer number of special districts, the report asserts, "has provoked controversy, including several legislative attempts to initiate district consolidations," but cautions LAFCOs that decisions to consolidate districts should focus on the adequacy of services, not on the number of districts.

Growth Within Bounds stated that LAFCOs cannot achieve their fundamental purposes without a comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider. Comprehensive knowledge of water and sanitary providers, the report argued, would promote consolidations of water and sanitary districts, reduce water costs and promote a more comprehensive approach to the use of water resources. Further, the report asserted that many LAFCOs lack such knowledge and should be required to conduct such a review to ensure that municipal services are logically extended to meet California's future growth and development.

MSRs would require LAFCO to look broadly at all agencies within a geographic region that provide a particular municipal service and to examine consolidation or reorganization of service providers. The 21st Century Commission recommended that the review include water, wastewater, and other municipal services that LAFCO judges to be important to future growth. The Commission recommended that the service review be followed by consolidation studies and be performed in conjunction with updates of SOIs. The recommendation was that service reviews be designed to make nine determinations, each of which was incorporated verbatim in the subsequently adopted legislation. The legislature since consolidated the determinations into six required findings.

Municipal Service Review Legislation

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO review and update SOIs no less than every five years and to review municipal services before updating SOIs. Lassen County LAFCO policies state that “Lassen LAFCO must review and, if necessary, update each Sphere of influence at least every five years.” The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California’s anticipated growth. The service review provides LAFCO with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

Effective January 1, 2008, Government Code §56430 requires LAFCO to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following topics:

- ❖ Growth and population projections for the affected area;
- ❖ The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI (newly added with the November 2011 CKH update);
- ❖ Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies;
- ❖ Financial ability of agencies to provide services;
- ❖ Status of, and opportunities for shared facilities;
- ❖ Accountability for community service needs, including governmental structure and operational efficiencies; and
- ❖ Any other matter related to effective or efficient service delivery, as required by commission policy.

MSRs are exempt from California Environmental Quality Act (CEQA) pursuant to §15262 (feasibility or planning studies) or §15306 (information collection) of the CEQA Guidelines. LAFCO’s actions to adopt MSR determinations are not considered “projects” subject to CEQA.

While LAFCO prepared the MSR document, LAFCO did not engage the services of experts in engineering, hydrology, law, fire protection and other specialists in related fields, but relied upon reports, Lassen County and the West Patton Village CSD and Herlong Public Utility District staff for information. In the event of conflicts both sources have been documented.

The MSR process does not require LAFCO to initiate changes of organization based on service review findings, only that LAFCO identify potential government structure options. However, LAFCO, other local agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization or to establish or amend SOIs. Within its legal authorization, LAFCO may act with respect to a recommended change of organization or reorganization on its own initiative (e.g., certain types of consolidations), or in response to a proposal (i.e., initiated by resolution or petition by landowners or registered voters).

MUNICIPAL SERVICE REVIEW PROCESS

Standard analytical tools and practices were used to gather and analyze information for the water service review. The service review process is outlined as follows:

- ❖ **Establishment of Criteria:** Preliminary criteria to be used in making the determinations required under the laws governing service reviews were developed.
- ❖ **Data Discovery:** Collection of data from available online and central data resources (i.e., agency website, and the Regional Water Quality Control Board).
- ❖ **Request for Information:** Creation of a personalized questionnaire based on available information for the agency.
- ❖ **Interviews:** After reviewing the agency's questionnaire response and submitted documents, HPUD and WPVCSD were interviewed to fill in missing information, follow up on current matters, as well as to see what progress was made on issues identified in the previous service review.
- ❖ **Drafting of Report:** A report on each district was compiled, using a standard format, based on the interview and data collected.
- ❖ **Agency Review for Accuracy:** The document was provided to the agency for internal review and comment, to ensure accuracy prior to release.
- ❖ **Data Analysis and Service Review Determinations:** Information gathered from the agency and the interview was analyzed and applied to the determination criteria to make the required determinations for the District.
- ❖ **Public Review Draft Released:** The draft document is released for public review and comment.
- ❖ **LAFCO Hearing:** LAFCO holds a public hearing to solicit agency and public feedback and comments on the draft report.

- ❖ **Final Draft Released:** The revised redlined draft document is released with a comment log indicating any action taken pursuant to the comment.
- ❖ **Adoption of Final Report:** LAFCO holds a meeting where the Commission may adopt the final report.

SPHERE OF INFLUENCE UPDATES

The Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county. Once LAFCO has adopted the MSR determinations, it must update the SOI for both the HPUD and WPVCSD.

An SOI is a LAFCO-approved plan that designates an agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCO to a city or district unless it is within that agency's sphere. The purposes of the SOI include the following: to ensure the efficient provision of services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

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

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

LAFCO cannot regulate land use, dictate internal operations or administration of any local agency, or set rates. LAFCO is empowered to enact policies that indirectly affect land use decisions. On a regional level, LAFCO promotes logical and orderly development of communities as it considers and decides individual proposals. LAFCO has a role in reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of current and future area residents and property owners.

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. In determining the SOI, LAFCO is required to complete an MSR and adopt the six determinations previously

discussed. In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

- ❖ Present and planned land uses in the area, including agricultural and open-space lands;
- ❖ Present and probable need for public facilities and services in the area;
- ❖ Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide;
- ❖ Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency; and
- ❖ Present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.

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

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

Lassen LAFCO Sphere of Influence Policies

In addition to State requirements for SOIs, Lassen LAFCO has adopted policies regarding Sphere of Influences in the County and minimum requirements necessary in order to update or adopt an agency's SOI. Highlighted requirements are summarized as follows:

1. The Sphere of Influence Plan must be consistent with LAFCO's policies, State law, other agencies' SOI plans, the municipal service review, and long range planning goals of the area.
2. LAFCO will not include lands that are unlikely to require the services of the agency or which cannot be feasibly served within a time frame consistent with the sphere plan.
3. Agencies are encouraged to keep the supporting documentation for their SOI plans up to date.
4. Sphere of Influence Plans have to be updated every five years or more frequently.

5. If an agency is unable to provide an adequate level of service within a portion of its service area boundaries within the time frame provided for that boundary, the Sphere of Influence Plan has to be updated so that the probable service boundaries are consistent with the determinations in the Municipal Service Review.
6. A District Sphere of Influence Plan shall contain the following:
 - a. Proof that the territory within the District's SOI is likely to require the district's services and that the district has or will have the capacity to serve the area at the appropriate level.
 - b. In case of the multi-service districts, LAFCO has to adopt an SOI plan for each distinct function or class of service provided by a district. These sphere plans may or may not be coterminous. Each sphere shall establish the nature, location, and extent of the functions or classes of services provided by the district.
 - c. LAFCO adopts a sphere of influence plan for a newly formed district within two years of the completion of formation proceedings.
7. Amendment proposals involving sphere expansion to include open space or prime agricultural land will not be approved by LAFCO if there is sufficient alternative land available for annexation within the existing sphere of influence.

3. **HERLONG PUBLIC UTILITY DISTRICT**

AGENCY OVERVIEW

Herlong Public Utility District (HPUD) provides water and wastewater services. The last Municipal Service Review (MSR) for the District was conducted in 2010.

Background

Herlong PUD was formed in February 2008 as an independent special district to provide wholesale and retail water and wastewater services in the Herlong area.¹ The District replaced a private predecessor agency called Herlong Utilities, Inc. (HUI), which became a successor to the Herlong Utilities Cooperative (HUC). The newly formed Herlong Public Utility District is currently operating the water and wastewater systems.

HPUD would like to add parks and recreation to the services provided by the District. There is a need for park and recreation facilities and services in the area, and the County is unable to serve this need. HPUD is planning to submit an application to LAFCO in the near future to receive authorization for the park and recreation latent power. The District reported that it had a parcel of land on which to build a park; however, no funding has been secured to date.

The principal act that governs the District is the Public Utility District Act.² The principal act empowers the District to acquire, construct, own, operate, control, or use works for supplying light, water, power, heat, transportation, telephone service, or other means of communication, or means for the disposal of garbage, sewage, or refuse matter.³ In addition, the District may acquire, construct, own, complete, use, and operate a fire department, street lighting system, public parks and other recreation facilities, and provide for the drainage of roads, streets, and public places.⁴ Districts must apply and obtain LAFCO

¹ LAFCO Resolution 2007-0009.

² Public Utilities Code §15501-17501.

³ Public Utilities Code §16461.

⁴ Public Utilities Code §16463.

approval to exercise services authorized by the principal act but not already provided (i.e., latent powers) by the district at the end of 2000.⁵

Herlong PUD is located in the southeastern portion of Lassen County, next to Honey Lake.

Boundaries

HPUD's boundary is entirely within Lassen County. The District's boundaries encompass approximately 7,394 acres or 11.5 square miles. Based on LAFCO and Board of Equalization (BOE) records, there has been one annexation to the District since its formation, which was approved by LAFCO on March 10, 2009 and involved the District's well field property (275 acres), which was not contiguous to the District's boundaries.⁶ Currently, land between the well field and the rest of the boundary area, which holds the HPUD pipeline is owned by the District but is located outside of its boundaries. The purpose of this annexation was to include the District's well field and water source in the district boundaries and alleviate a property tax burden for the District. The property is located in the Honey Lake Valley south of Honey Lake on property known as 767-700 and 767-600 Herlong Access Road (A-25).

Except for the well field territory, the rest of the HPUD boundary area is entirely encompassed in West Patton Village CSD's (WPVCSD) bounds.

Sphere of Influence

The District's SOI was first established in 2010 to be coterminous with HPUD's boundaries.⁷ There have been no changes to the District's sphere of influence since its adoption.

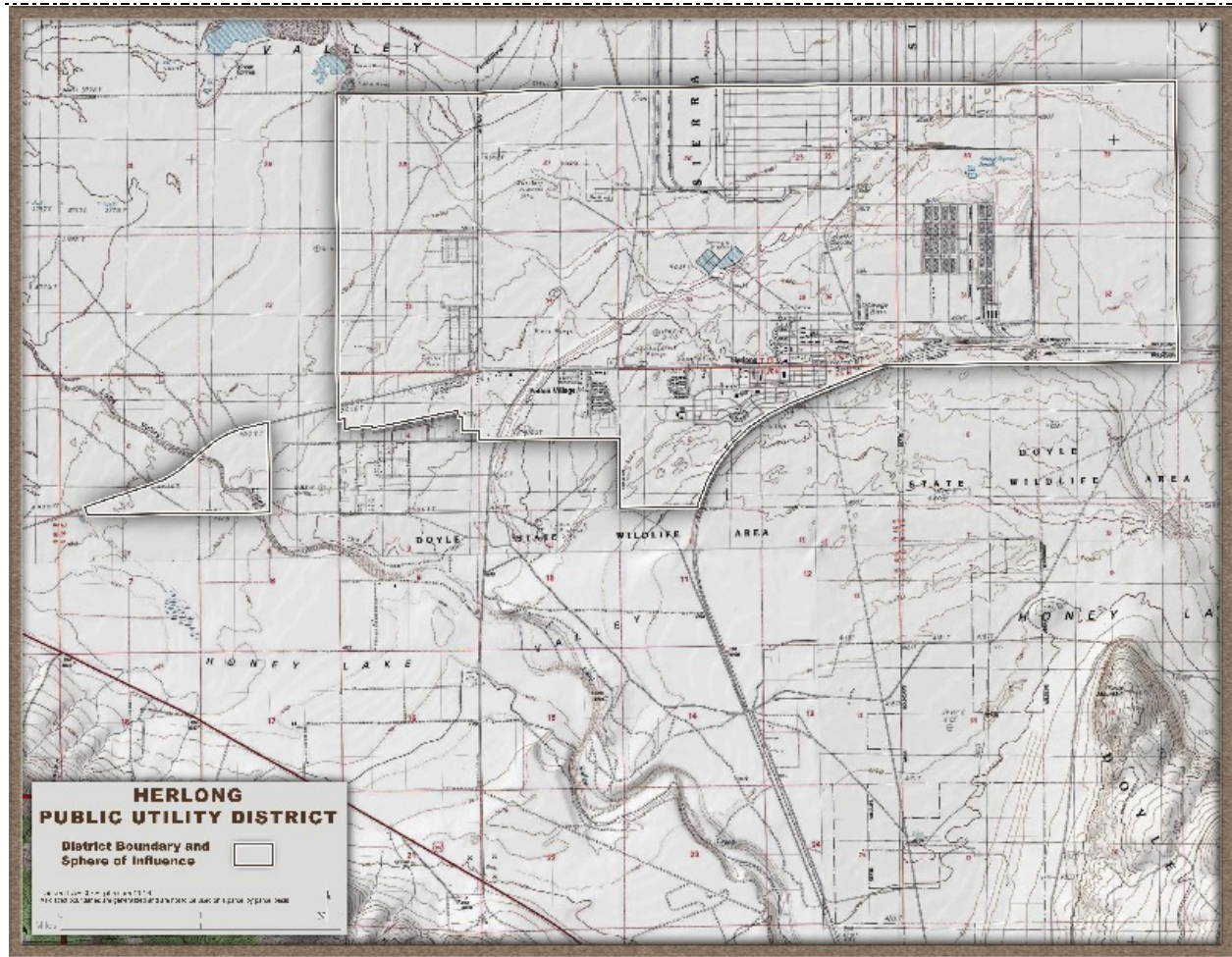
HPUD's boundaries and sphere of influence are shown in Figure 4-1.

⁵ Government Code §56824.10.

⁶ LAFCO Resolution 2009-0003.

⁷ LAFCO Resolution 2010-0007.

Figure 3-1: Herlong PUD Boundaries and SOI



Type and Extent of Services

HPUD provides production and distribution of drinking water, and collection, treatment and disposal of wastewater. The District's water service clients include residential, wholesale, irrigation, commercial, and institutional customers. The only customer for the District's wastewater services is the Federal Correctional Institution - Herlong (FCI).

The District provides contract services to the Herlong Mobile Home Park. HPUD oversees testing of the mobile home park's drinking water, which is being currently derived from private water well. The District is working on connecting the 20-unit mobile home park to the HPUD system.

After the transfer of the water system from the Sierra Army Depot (SIAD) to HPUD in 2013, the District started providing water to the SIAD non-army customers, including West Patton Village CSD.

Collaboration

HPUD reported that it had participated in the Lassen County Groundwater Management Plan. The District is also a member of California Special District Association, California Water Environment Association, and California Rural Water Association.

The District participates in one joint venture under joint powers agreements (JPA) with the Special District Risk Management Authority (SDRMA), a public entity risk pool established to provide health, liability, property, and workers' compensation insurance coverage to its members.

The WPVCSD is a member of the CSDA and SDRMA.

Extra-territorial Services

The District does not provide services outside of its boundary area.

Unserved Areas

WPVCSD serves domestic water to the WPV subdivision (called Title IX) and some individuals in Hillcrest Area. The WPVCSD provides sewer collection to the subdivision only. The majority of the WPVCSD service area remains unserved for everything excepting fire. The District reported that the western side of the District, including the Herlong Mobile Home Park, was unserved as the area historically had had its own wells. However, a decline in groundwater has impacted several residents and the area is expected to be the next phase of the HPUD water system expansion.

FCI is the District’s only wastewater customer. The rest of the boundary area is served either through individual septic tanks or through the SIAD wastewater system.

SIAD continues to provide its own water and wastewater services within the fenced territory of the army depot.

ACCOUNTABILITY AND GOVERNANCE

The District’s Board consists of five Directors elected at large to two- to four-year terms. Elections are held pursuant to the Health and Safety Code and Election Code. Four current board members were elected and one appointed. The District tries to encourage voter participation by advertisements in the newspaper, word of mouth and vacancy announcements in public places, such as post office and family resource center. Current board member names, positions, and term expiration dates are shown in Figure 4-2.

HPDU policy allows for board members to be compensated at \$100 per meeting; however, no director currently accepts the compensation. Regular meetings are held once a month on the second Tuesday at 5:30 pm at the Herlong PUD Board Room. Agendas are posted at the post office in Herlong and on the District’s website. Minutes of the meetings are available on the website.

Figure 3-2: Herlong PUD Governing Body

Herlong PUD				
<i>District Contact Information</i>				
Contact:	Pat Williams, General Manager			
Address:	448-805 Pole Line Road, Herlong CA 96113			
Telephone:	(530) 827-3150			
Fax:	(530) 827-3153			
Email/website:	http://www.herlongpud.com			
<i>Board of Directors</i>				
Member Name	Position	Term Expiration	Manner of Selection	Length of Term
Felix Flores	President	November 2016	Elected	4 years
Cindy Wheeler	Vice President	November 2014	Elected	4 years
Jim Swistowicz	Director	November 2014	Elected	4 year
Phillip Gonzales	Director	November 2016	Elected	4 years
Ray Flowers	Director	November 2014	Elected	2 years
<i>Meetings</i>				
Date:	Second Thursday of the month at 5:30pm.			
Location:	Meetings are held at Herlong PUD Board Room.			
Agenda Distribution:	Posted at the post office and on the website.			
Minutes Distribution:	Available on the District website.			

In addition to the required agendas and minutes, the District keeps its constituents apprised of its activities through its website and organizing community meetings to educate customers of HPUD's current projects and their impacts.

If a customer is dissatisfied with the District's services, complaints may be submitted over the phone. The person responsible for handling complaints depends on the type of complaint filed. The District only tracks and logs water quality complaints; complaints about bills and rates are addressed, but not logged. HPUD reported that it had received three complaints in 2011. All of the complaints received were about the discoloration of the water. Water sometimes had slightly muddy color due to outdated pipes. All pipes were replaced in mid-2013. In 2013, the District received two water quality complaints. One of the complaints was regarding high water pressure, and the second one related to water color, which was due to the resident's corroded water heater.

Herlong PUD demonstrated full accountability and transparency in its disclosure of information and cooperation with Lassen LAFCO. The District responded to the questionnaires and cooperated with document and interview requests. The HPUD has been recently awarded a District Transparency Certificate of Excellence from the Special Districts Leadership Foundation (SDLF)

MANAGEMENT AND STAFFING

The mission of Herlong Public Utility District is to "provide safe drinking water that meets or exceeds all of the State and Federal Government standards and maintain a water reclamation plant that disposes of wastes in an effective and efficient manner and produces reclaimed water. The District will provide these services as economically as possible."

HPUD employs four full-time paid employees—a general manager, a lead operator, a district clerk, and a utility worker. There are no part-time staff. In addition, HPUD contracts with SPB Utility Services for a wastewater operator who oversees the District's sewer plant. The contractor comes onsite twice a month and reports to the Lahontan Regional Water Quality Control Board.

The general manager is responsible for the day-to-day water and wastewater operations of the District and administrative duties in the office. The district manager reports directly to the governing board; all other employees report to the district manager. The field water operations are led by the lead operator. The billing, collection and office administrative duties are performed by the district clerk.

The District evaluates its personnel annually. Employee workload is tracked through timesheets for office employees and logs for field staff. Logs and timesheets are checked in case of unexpected problems and during evaluation periods. HPUD reports that recording employee workload helps resolve performance issues that occasionally arise.

HPUD does not perform formal evaluations of overall district performance, such as benchmarking or annual reports; however, the District informally looks at other similar providers for operational best practices. The Regional Water Quality Control Board also evaluates the management, operations and infrastructure of the District's system(s) to ensure that public and environmental health is safeguarded. Due to odd jurisdictional boundaries, Lassen County is managed by two separate RWQCBs. The Lahontan RWQCB is responsible for overseeing the area surround Susanville, while the western and northern areas of the County are under the jurisdiction of the Central Valley RWQCB. HPUD is under the jurisdiction of Lahontan RWQCB.

The District's financial planning efforts include an annually adopted budget and annually audited financial statements. All special districts are required to submit annual audits to the County within 12 months of the completion of the fiscal year, unless the Board of Supervisors has approved a biennial or five-year schedule.⁸ In the case of HPUD, the District must submit audits annually.

In addition, the District adopted a water master plan in 2006 and updated in 2010, a wastewater system facility plan in 2009 and capital improvement plans (CIP) for water and wastewater. The first water CIP was completed in 2007 and further revised in 2008 and 2012. However, since numerous changes occurred in 2013, the District reported that it was in need of a new CIP and a water master plan. The wastewater CIP was also completed in 2007 and further revised in 2011. The District subsequently found a number of inaccuracies and omissions in the wastewater CIP. Reportedly, the part of the wastewater CIP that is fully complete, up to date and being utilized is the asset list. The rest of the document requires revision.

While public sector management standards do vary depending on the size and scope of the organization, there are minimum standards. Well-managed organizations evaluate employees annually, track employee and agency productivity, periodically review agency performance, prepare a budget before the beginning of the fiscal year, conduct periodic financial audits to safeguard the public trust, maintain relatively current financial records, conduct advanced planning for future service needs, and plan and budget for capital needs.

According to these standards, HPUD is a reasonably well-managed agency that conducts annual employee evaluations, tracks agency and staff workloads, maintains up-to-date financials and budgets, and conducts capital and strategic planning. HPUD could improve its management practices by annually reviewing the success of its services offered and performing benchmarking with other similar service providers, as well as regularly updating its planning documents.

⁸ Government Code §26909.

SERVICE DEMAND AND GROWTH

This section discusses the factors affecting service demand, such as land uses, population growth, and disadvantaged unincorporated communities (DUCs).

Land Use

The District's boundary area is approximately 11.5 square miles. Land uses within HPUD vary from neighborhood commercial, high-density residential, low density residential, rural residential, agricultural and industrial. The FCI and SIAD are currently the most prominent industrial type users, while West Patton Village is currently the most prominent residential development in the area. Fort Sage Unified School District (FSUSD) presently includes elementary, middle and high schools. There is also the Susanville Indian Rancheria (SIR)– a property, which is a part of the Tribes Economic Development (SIRCo) and used as a source of rental revenue for a Native American tribe.

The County updated its General Plan in 2000. For the Herlong area, the County has adopted the Lassen Southeast Area Plan.

Existing Population

According to the 2010 U.S. Census, Herlong PUD contains a population of about 1,000 residents.⁹

Projected Growth and Development

The District reported that it had observed an increase in service demand since its formation, due to the shift in water service provision from SIAD to the District. Although, HPUD anticipates little growth in population within the District in the next few years, Herlong PUD expects a rise in service demand as the District adds new water connections to its system, such as Herlong Mobile Park and individuals with private wells, as well as takes on other SIAD wastewater customers such as schools, county property, SIR, and WPVCSD.

There are large areas of vacant land within the District's boundary area; however, there are currently no planned or proposed developments, which have a potential to increase population of HPUD.

⁹ Census Designated Places Patton Village and Herlong in Lassen County.

The State Department of Finance (DOF) projects that the population of Lassen County will grow by 12 percent in the next 10 years. Thus, the average annual population growth in the County is anticipated to be approximately 1.1 percent. Based on these projections, the District's population would increase from 1,000 in 2010 to 1,120 in 2020. It is anticipated that demand for service due to population growth within the District will increase minimally based on the DOF population growth projections through 2020.

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 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.¹⁰

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged communities median household income definition.¹¹ DWR identified six disadvantaged communities within Lassen County—one of which is the City of Susanville and is therefore not considered unincorporated.¹² The entirety of the Herlong Census Designated Place is considered a disadvantaged unincorporated community by DWR's standards. The Herlong Census Designated Place had a population of 298 as of 2010; it does not include the community of Patton Village.

DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. Because income information is not available for this level of analysis, disadvantaged unincorporated communities that meet LAFCO's definition cannot be identified at this time.

¹⁰ Government Code §56033.5.

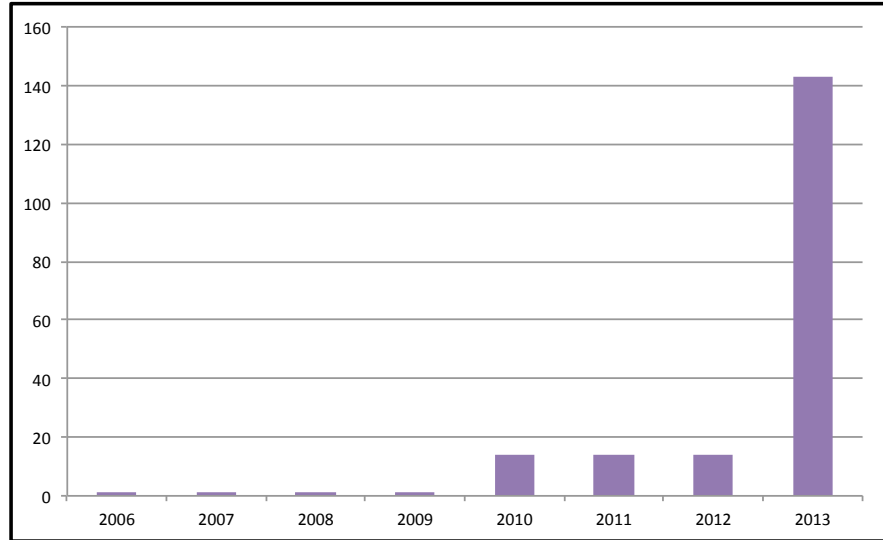
¹¹ Based on census data, the median household income in the State of California in 2010 was \$57,708, 80 percent of which is \$46,166.

¹² 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.

Demand

Figure 3-3: Active Water Connections (2006-2013)

The District reported that it had observed a steep increase in water service demand in 2009 when 13 new connections or 137 equivalent dwelling units (EDUs) were added to the HPUD water system. The number of connections went up from one in 2006 to 14 in 2012 and finally to 143 in 2013, as shown in Figure 4-3, while the number of EDUs increased from 674 to 811.



In 2013, HPUD added two more wholesale connections (both, for West Patton Village CSD), which consist of 155 EDUs. In addition, the District added five irrigation connections (three of them to SIR) and three military commercial facilities located outside of SIAD. At the same time, two SIR connections (two large meters) were removed and replaced with 120 residential connections within SIR. Some of the other commercial service connections were also reconfigured, which resulted in a higher total number of connections in 2013.

During the same time frame, from 2006 to 2013, the number of wastewater connections has not changed. There continues to be only one sewer connection to the District's wastewater system.

FINANCING

The financial ability of agencies to provide services is affected by available financing sources and financing constraints. This section discusses the major financing constraints faced by HPUD and identifies the revenue sources currently available to the District. Finally, it assesses the financial ability of HPUD to provide services.

The District reported that current financial levels were adequate to deliver services. The primary challenge identified by the District was the absence of accurate water usage data for the recently added areas. The District will not know how much water it will have to pump till the meter data is gathered. Other challenges include the continuing increases in

premiums for healthcare insurance and future expansion projects, which will use up a lot of the District's resources.

HPUD, however, identified multiple financing opportunities. The District reported that it was trying to optimize operations to avoid certain costs. HPUD is also looking at solar projects, which can be at times cost prohibitive. To improve its financial situation, HPUD is also planning to build a sewer interceptor, which will bring all communities' sewer flows into the District's system. The construction of the interceptor is scheduled to begin in 2014.

The District operates out of a proprietary fund. The District's total revenues in FY 2012¹³ were \$2,578,856, which was comprised of 36 percent by service charges (\$332,091 for water and \$592,840 for wastewater) and 64 percent from federal funding for the utility privatization project (water infrastructure transfer from SIAD).

A majority of the District's regular revenue (aside from the grant funding, which does not occur regularly) comes from charges for services. The District does not receive any property tax income.

A majority of the water and wastewater revenue comes from the District's main customer, the Federal Bureau of Prisons. HPUD supplies water and wastewater services to the prison facility (FCI) located in Herlong. Until last year, FCI Herlong paid according to a contract. The contract, that expired on December 31st, 2012, was a "take or pay" type of agreement where the FCI was purchasing 0.3 mgd of water for the year. If FCI went over that amount HPUD could bill them for any overage on an annual basis. Any under-usage on FCI's part was kept by the District. Since the expiration of the contract, HPUD has been providing service to FCI based on purchase orders (POs). The Bureau of Prisons (BOP) assured HPUD that the new 10-year contract would be in place in 2014; however, the District already has POs from FCI that run through September 2014. FCI pays the District \$20,000 a month for water services.

HPUD currently charges water customers the base tier rate of \$1.70 per 1,000 gallons. The meter charges vary by meter size and range from \$20 to \$501. Monthly debt service charge for residential and non-residential customers is \$18.04 per month per single family equivalent.

The District never adopted an irrigation rate because HPUD never developed an irrigation source. Irrigation customers are charged same rates as water service customers.

HPUD currently does not have a wholesale rate but will conduct a rate analysis in July, 2014 to develop a billing schedule for WPVCS D based on the usage data collected.

¹³ HPUD fiscal year is a calendar year, ending on December 31st.

As of December 2013, SIR residents started paying HPUD for water service directly based on connection size.

Currently, West Patton Village CSD is paying a flat rate of \$2,489 a month to HPUD, as it had previously done with SIAD. The rate had not changed since 2009, because the Army meter malfunctioned and was never repaired. The current contract expiration date is December 2014, at which time the fee will be adjusted based on actual usage and a rate study. A new rate was adopted in April 2014.

Current wastewater rates were adopted in 2008. HPUD is currently in the process of developing a rate ordinance to begin the voter approval process, as required by Proposition 218.

FCI pays the District \$55,000 a month for sewer services.

Connection fees for water and wastewater are used to replace and/or upgrade the existing infrastructure as needed. They are collected based on the replacement values of the treatment plant, sewage collection system and water system. HPUD's connection fee for water is \$5,125 per EDU. The District is currently working on establishing connection fees for wastewater services, which will be adopted in summer of 2014.

The District's expenditures in FY 2012 were \$1,278,619, out of which 48 percent was spent on water operations and 52 percent on wastewater operations.

At the end of FY 2012, the District had \$3 million in long-term debt. The District's long-term debt is represented by a USDA loan payable in semi-annual installments for 40 years. The loan, which has the interest rate of 4.25 percent, was received in 2009 to upgrade the water system infrastructure within the District.

In addition, the District received a \$4.3 million USDA award for a wastewater project. The funding will consist of a \$1 million grant and a \$3.3 million loan including a 200,000 match. Preliminary engineering began in 2012; construction began near the end of 2012. Regarding the wastewater project finances, the breakdown of this project is \$3.1 mil loan, \$1.0 mil grant and \$200K match from HPUD. HPUD to date has spent approximately \$350K to bring this project to construction.

The District started a utility privatization construction project in 2012; the estimated cost of this project is \$6.8 million and is being funded by the Department of Defense general Military Construction Army (MCA) program. The District had spent \$1,622,501 in construction and related costs as of December 31, 2012. Additional connection fees will be collected at the end of the project.

HPUD has an adopted policy to keep two financial reserves. The first reserve is used for water and wastewater emergencies and at the end of FY 2012 had a balance of \$1.3 million. The balance in the capital recovery fee reserve is financed by water connection charges and

can only be used on water infrastructure. The balance in the second reserve fund at the end of FY 2012 was \$250,413.

WATER SERVICES

Service Overview

The District provides drinking water production and distribution to 120 residential connections within Susanville Indian Rancheria, one FCI institutional connection (683 EDUs), two wholesale connections for WPVCSD (155 EDUs), 15 commercial connections, and five irrigation connections.¹⁴

Through the transfer of water services from Sierra Army Depot (SIAD) to HPUD, the District started providing wholesale water services to West Patton Village CSD in 2013. WPVCSD is served by two connections to increase water quality and redundancy.

During 2013, the District also connected three SIAD commercial facilities and five new irrigation facilities (three to SIR, one to a baseball field owned by the school, and one to a strip park that Lassen County has transferred ownership of to HPUD). HPUD also disconnected two large SIR meter connections and started providing residential water service to 120 residences within SIR.

Water services in HPUD are provided by 1.25 FTE staff and 0.01 FTE of consultant's time.

Facilities and Capacity

District infrastructure dedicated to water services consists of two wells, two storage tanks, 17 miles of distribution pipelines, one booster pump station, two pressure zones, and 47 fire hydrants.

Water Source

Herlong PUD obtains water from the Honey Lake Valley Groundwater Basin.

HPUD owns a well field approximately three miles west of Herlong community. The well field presently contains two wells. The wells are approximately 1,800 feet apart and are separated by Long Valley Creek. Both wells were similarly constructed. Each is cased with 14-inch casing and is 600 feet deep. Both wells have a 200 foot deep cement surface seal and contain 14 inch 80 slot wire wrapped screen at various intervals.

¹⁴ The District's definition of equivalent dwelling unit (EDU) in terms of the average demand/flow is 450 gpd per EDU.

Pump test studies show that Well 1 has a specific capacity value of 52.11 gallons per minute per foot of draw down (gpm/ft.dd) and Well 2 has a specific capacity value of 61.2 gpm/ft.dd.

Well 1 is fitted with a vertical turbine pump and appurtances. It is located at 767-700 Herlong Access Road and was built in 2003. Well 1, which was reported to be in excellent condition, has a capacity of 1,350 gpm.

Well No. 1 is equipped with a 150 horse power vertical turbine pump set approximately 300 feet. The pump discharge piping is equipped with a deep well control valve that bypasses flow to a holding pond on start up and shut down, a check valve and a magnetic flow meter. The facility also has a large surge tank and a dedicated diesel driven back up generator; 12-½ percent sodium hypochlorite solution is currently injected into the discharge piping.

Well 2, fitted with a 125 HP HEF vertical turbine pump set at 135 feet, pump house, and motor control center, the well was upgraded in 2012 and is located at 767-600 Herlong Access Road. The well has a capacity of 1,550 gpm and was reported to be in excellent condition.

Water Quality

The water quality currently meets all Federal and State drinking water standards.

The water provided by the PUD is not treated. HPUD obtains its water from wells from a groundwater source. The District uses chlorination with sodium hypochlorite to prevent groundwater contamination.

Honey Lake Valley groundwater basin, a 490-square mile basin with internal drainage, stores an estimated 16 million af of water. Groundwater quality within this basin is listed as “intermediate” in the State Water Resources Control Board 1992 Water Quality Assessment, indicating that beneficial uses are supported while there is occasional degradation of water quality by natural or nonpoint-source pollutants.

Capacity

The District’s total water storage capacity is 0.75 mg. The District estimates that two percent of the water is lost in the distribution system. The water reserves for fire and emergency purposes are 0.32 mg.

The maximum water supply available annually is 1,150 acre feet (af). The District’s total annual water demand in 2012 and 2013 was 375 and 352 af, respectively, meaning that the District appears to have substantial remaining water source capacity.

The pumping capacity of the wells is 4.176 mgd. HPUD’s peak day demand is 0.325 mgd or eight percent of the wells’ pumping capacity.

The District's emergency planning follows the Incident Command System structure (ICS), now called National Incident Management System (NIMS). HPUD's last update to the plan took place in July 2011 and is due to be reviewed in 2014 to incorporate new infrastructure and higher security demands with having some SIAD facilities connected to the District's system.

HPUD has not developed a specific drought emergency planning. However, based on pump test data HPUD is in a good position in regard to a long-term sustained drought. In addition, HPUD actively educates and provides water conservation information to its customers, including water budgets for irrigation and a small-scale rebate program for water conservation devices, such as low flow toilets and shower heads.

Serving FCI is a major consideration for HPUD, due to its importance, regional significance, and the large amount of water HPUD is contractually obligated to provide. According to the contract that expired at the end of 2012, HPUD was required to supply about 0.3 mgd annually. The FCI facility has its own storage and pumping facilities to provide pressurized potable supply and fire flow. HPUD is required to supply water to the FCI's ground level storage tank.

Distribution System

The distribution system for the District includes 17 miles of eight- to fourteen-inch lines in excellent condition, all recently put in or upgraded.

HPUD owns three 500 GPM pumps. The first pump serves normal demand, the second one is for peak demand and the third one is redundant. In addition, there is a 2,500 GPM emergency pump for fire flow for redundancy. The District also owns two storage tanks. One tank is an elevated water storage tank with 0.25 mg capacity; the second one is a ground level tank with 0.5 mg capacity.

Infrastructure Needs

HPUD is currently completing a water utility privatization project funded by Department of Defense Military Construction. In 2013, the SIAD infrastructure outside of the depot fence was transferred with a bill of sale developed by U.S. Army Corps of Engineers (USACE). The old existing infrastructure was replaced and abandoned in place, and physically disconnected from SIAD at the depot fence line.

As part of the infrastructure replacement and improvement associated with the service transfer from SIAD, multiple upgrades were completed at Well 2, including capacity increase from 400 gpm to 1,500 gpm, and additions to the well in the form of the vertical turbine pump, pump house, and motor control center SCADA (supervisory control and data acquisition) upgrades. HPUD acquired a 0.25-mg elevated water storage tank and re-equipped booster pump station from 250 gpm triplex pumps to 500 gpm pumps. The

District put in approximately 3,500 linear feet of 12-inch main and 12,400 linear feet of eight-inch main and appurtenances. In addition, all old HPUD pipes were replaced in 2013.

The District reported that the unserved area in the western part of the District had marginal water availability, due to shallow private well construction practices. The District is planning to connect these residences to its water system; however, the funding for the project has not yet been secured.

The District also reported a need to update its Water Master Plan, last updated in 2006.

Challenges

The District reports that currently the main challenge is the change of wholesale water service provider from SIAD to HPUD, which requires a lot of time and resources. In addition, there is some resistance from the customers that were transferred from SIAD to HPUD, as their fees are most likely to increase now that water usage will be metered.

Another challenge reported is the lengthy distance to good quality groundwater.¹⁵

Service Adequacy

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

The California Department of Public Health (DPH) is responsible for the enforcement of the federal and California Safe Drinking Water Acts, and the operational permitting and regulatory oversight of public water systems. During the Department's most recent inspection in 2010, the DPH noted three deficiencies related to the District's failure to submit an Operations and Maintenance Plan, accurate Bacteriological Sample Siting Plan and Groundwater Rule Monitoring Form.¹⁶ All three deficiencies have subsequently been addressed, as reported by HPUD. However, the documents are now out of date due to the

¹⁵ The Honey Lake Valley Groundwater Basin Bulletin states: "Water quality varies in the basin. Calcium bicarbonate to sodium bicarbonate type waters occur in the Janesville-Buntingville area and south of Herlong and along the southwestern side of Honey Lake. Sodium bicarbonate type waters occur east of Honey Lake and north of the railroad. Poor quality waters, sodium-calcium bicarbonate-sulfate in character, exist east of Honey Lake and north of Herlong near the ordnance depot. Dissolved solids generally increase west to east and range from 89 to 2,500 mg/L, averaging 518 mg/L (DWR unpublished data). Poor quality water with high boron, arsenic, ASAR, total dissolved solids, fluoride, and nitrate levels occur between Litchfield and Honey Lake, and east of Honey Lake and north of Herlong. Some wells in the vicinity of Standish have high concentrations of arsenic."

¹⁶ Lassen County Public Health Agency, Letter to the District re: Public Water System No. 1805007 Inspection, March 30, 2011, pp. 1-2.

2013 system expansion. HPUD is in the process of rewriting its Operations and Maintenance Plan and Groundwater Plan.

Figure 3-4: HPUD Water Service Adequacy Indicators

Water Service Adequacy and Efficiency Indicators				
Service Adequacy Indicators				
Connections/FTE	113	O&M Cost Ratio ¹	\$668,840	
MGD Delivered/FTE	0.24	Distribution Loss Rate	2%	
Distribution Breaks & Leaks (2013)	2	Distribution Break Rate ²	\$11	
Water Pressure	60 psig design, 45 psig peak demand		Total Employees (FTEs)	1.26
Customer Complaints CY 2013: 2 Odor/taste (1), leaks (0), pressure (1), other (0)				
Drinking Water Quality Regulatory Information³				
	#	Description		
Health Violations	0	N/A		
Monitoring Violations	0	N/A		
DW Compliance Rate ⁴	100%			
Notes:				
(1) Operations and maintenance costs (exc. purchased water, debt, depreciation) per volume (mgd) delivered.				
(2) Distribution break rate is the number of leaks and pipeline breaks per 100 miles of distribution piping.				
(3) Violations since 2000, as reported by the U.S. EPA Safe Drinking Water Information System.				
(4) Drinking water compliance is percent of time in compliance with National Primary Drinking Water Regulations in 2010.				

Drinking water quality is determined by a combination of historical violations reported by the EPA for the last 10 years and the percentage of time that the District was in compliance with Primary Drinking Water Regulations in 2013. The District in its history as a public agency never had any health or monitoring violations. The District was in compliance with drinking water regulations 100 percent of the time in 2013.

Indicators of distribution system integrity are the number of breaks and leaks in 2013 and the rate of unaccounted for distribution loss. The District reported approximately 11 breaks and leaks per 100 miles of pipelines in 2013. The District loses approximately two percent of water between the water source and the connections served.

Figure 3-5: HPUD Water Service Tables

Water Service Configuration & Infrastructure				
Water Service	Provider(s)	Water Service	Provider(s)	
Retail Water	HPUD	Groundwater Recharge	None	
Wholesale Water	HPUD	Groundwater Extraction	HPUD	
Water Treatment	None	Recycled Water	None	
Service Area Description				
Retail Water	Retail water to 120 connections in SIR. 15 commercial. 1 institutional.			
Wholesale Water	Wholesale water to 2 connections within WPVCSD.			
Irrigation Water	5 connections			
Water Sources		Supply (Acre-Feet/Year)		
Source	Type	2013	Maximum	Safe/Firm
Honey Lake Valley GW Bas	Groundwater	352	1,150	1,150
System Overview				
Average Daily Demand		0.3 mgd	Peak Day Demand	0.325 mgd
Major Facilities				
Facility Name	Type	Capacity	Condition	Yr Built
Well 1	Well	1,350 gpm	Excellent	2002-03
Well 2	Well	1,550 gpm	Excellent	2012
Booster Pump Station	Pump Station	500 gpm triplex pump	Excellent	2009
Other Infrastructure				
Reservoirs	0	Storage Capacity (mg)	0.75	
Pump Stations	1	Pressure Zones	2	
Production Wells	2	Pipe Miles	17	
Storage tanks	2			
Facility-Sharing and Regional Collaboration				
Current Practices: Several attempts have been made to discuss intertie with SIAD with no interest on SIAD's part. HPUD has positioned three locations within 100 feet of existing SIAD lines.				
Opportunities: No additional opportunities were identified.				
Notes:				
(1) N/A means Not Applicable, N/P means Not Provided, mg means millions of gallons, af means acre-feet.				

Water Demand and Supply							
Service Connections	Total	Inside Bounds			Outside Bounds		
Total	143	141			0		
Irrigation/Landscape	5	5			0		
Residential	120	120			0		
Commercial	15	15			0		
Institutional	1	1			0		
Wholesale	2	2			Partially		
Average Annual Demand Information (Acre-Feet per Year)							
	2000	2005	2010	2015	2020	2025	2030
Total	N/A	297	318	N/P	N/P	N/P	N/P
Residential	N/A	N/P	N/P	N/P	N/P	N/P	N/P
Commercial/Industrial	N/A	N/P	N/P	N/P	N/P	N/P	N/P
Irrigation/Landscape	N/A	N/P	N/P	N/P	N/P	N/P	N/P
Other	N/A	N/P	N/P	N/P	N/P	N/P	N/P
Supply Information (Acre-feet per Year)							
	2000	2005	2010	2015	2020	2025	2030
Total	N/A	1,150	1,150	N/P	N/P	N/P	N/P
Imported	N/A	0	0	0	0	0	0
Groundwater	N/A	1,150	1,150	N/P	N/P	N/P	N/P
Surface	N/A	0	0	0	0	0	0
Recycled	N/A	0	0	0	0	0	0
Drought Supply and Plans							
Drought Supply (af) ¹	Year 1: N/P		Year 2: N/P		Year 3: N/P		
Storage Practices	The District has 0.3 MG of emergency water storage.						
Drought Plan	Will rely on Lassen County Groundwater Management Plan.						
Water Conservation Practices							
CUWCC Signatory	No						
Metering	Yes						
Conservation Pricing	No						
Other Practices	Water budgets for Fort Sage School Sites and Lassen County facilities.						
Notes:							
(1) Firm or safe water supply from the aquifer is unknown. Limits of water during drought are based on maximum supply determined by the recharge rate of the aquifer.							

Water Rates and Financing				
Current residential water rates				
Rate Description				
The meter charges vary by meter size with ¾-inch meter costing \$20 a month.				
Agricultural & Irrigation Water Rates				
Rate Description				
No established irrigation charges.				
Special Rates				
N/A				
Wholesale Water Rates				
Wholesale rates are being developed for WPVCSD.				
Rate-Setting Procedures				
Most Recent Rate Char		2008	Frequency of Rate Changes Reviewed annually	
Water Development Fees and Requirements				
Fee Approach Based on third party analysis of existing HPUD usage data.				
Connection Fee Amount		\$5,125	Last updated: 2008	
Water Enterprise Revenues, FY 2012			Expenditures, FY 09-10	
Source	Amount	%		Amount
Total	\$1,984,857	100%	Total	\$608,199
Rates & charges	\$332,091	17%	Admin & OM	\$200,652
Property tax	\$0	0%	Capital Depreciation	\$278,921
Grants	\$1,648,428	83%	Debt	\$128,626
Interest	\$4,338	0%	Purchased Water	\$0
Connection Fees	\$0	0%	Other	\$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.				

WASTEWATER SERVICES

Service Overview

HPUD provides wastewater collection and treatment services. At this time, the District has only one wastewater connection—the FCI Herlong, which consists of 1,275 equivalent dwelling units (EDUs), which is 592 EDUs more than the number served for water services. The difference in EDUs is due to the high strength of the wastewater flow, which is typical of a prison.¹⁷

Presently, a majority of other users within the HPUD boundary area, including WPVCSD, SIR, FSUSD, and SIAD facilities, are served by SIAD. The depot indicated that it was interested in terminating its wastewater services to these users (except for SIAD facilities within the depot fence).

Currently, there is no plan for wastewater privatization of the SIAD sewer system; however, there is going to be a conveyance of the existing collection system from SIAD to HPUD. Utility privatization would require congressional approval; and there have not been any requests to Congress for a wastewater project at this time. The majority of the existing SIAD pipe system is believed to be in need of replacement, due to age, deteriorated condition and poor slopes. The District secured funding from USDA Rural Utilities Service (RUS) for the construction of the sewer interceptor, which is currently in design. The interceptor will have sufficient capacity to provide HPUD sewer service to schools, county property, SIR, and WPVCSD. Construction will begin in 2014.

Other users in the HPUD boundary area not served by SIAD include the Herlong Mobile Home Park. The mobile home park is served by private septic disposal systems.

The District's goal regarding response time for clearing blockages is 90 minutes from call to on-site presence. The average response time between receipt of a call and clearing the blockage is four hours.

Wastewater services in HPUD are provided by 0.75 full-time equivalent (FTE) staff and 0.5 consultant FTEs, with one personnel certified as Grade 1 WWTP Operator, one as Grade 2 WWTP operator and one as Grade 5 WWTP operator (consultant). The Permit requires that the operator in charge of the facility be a Grade 3 State of California Certified Wastewater Treatment Plant Operator.

¹⁷ The District's definition of equivalent dwelling unit (EDU) in terms of the average flow is 200 gpd per EDU.

Facilities and Capacity

The sewer system consists of under a mile of 15-inch gravity sewer main along the northern property line that conveys the sewage from FCI to the 21-inch gravity sewer interceptor located on Pole Line Road, which is then directed to the treatment plant that is owned and operated by HPUD. In addition, the District owns one sanitary sewer pump station. The sewer collection system, which is 10 years old, was reported to be in excellent condition. The District's storage capacity is 0.6 mg.

The wastewater treatment plant was constructed in 2003 and the original waste discharge requirements (WDR) were issued on May 21st, 2003, by the California Regional Water Quality Control Board Lahontan Region to the Herlong Utilities Cooperative (HUC).

The facility has an activated sludge process consisting of an oxidation ditch, a secondary clarifier, a chlorine contact tank and related facilities. Treatment includes both, Biochemical Oxygen Demand (BOD) and nitrogen reduction. Groundwater quality is monitored via three monitoring wells. Dewatered sludge is disposed of at the Lockwood Municipal Landfill located in Storey County, Nevada.

The substrata at the authorized disposal sites consist of unconsolidated and semi-consolidated lacustrine and fluvial deposits of clay, silt, sand, and gravel. The infiltration rate of soils is variable, but averages approximately 1.2 inches per hour. The subsurface consists of silty sands, clayey sands and gravelly sands.

The facility is permitted for an effluent flow of 0.375 mgd. The current flow at the plant is 0.255 mgd, which signifies that the District is nearing permitted capacity. FCI-Herlong is 100 percent of the 0.255 MGD of flow and the WWTP would need expansion to take any major increase in flow from the community at large.

Currently, the average dry weather flow at the treatment plant is 1.8 mg per week (0.257 mgd) and peak wet weather flow is 2.2 mg per week (0.314 mgd). Current average annual flow is 95 mg and peak week flow is 1.8 mg.

HPUD owns and maintains a 21-inch diameter PVC gravity sewer interceptor located on Pole Line Road that terminates at the wastewater treatment plant. The 15 inch interceptor serving the FCI is also owned and operated by the HPUD. The point of connection is at the Mobile Home immediately after the prisons pretreatment facility where flow is measured in a Parshall Flume.

HPUD is contractually obligated to FCI to provide wastewater collection and treatment for the annual flow of 93,075,000 gallons, average daily flow of 255,000 gallons, and peak flow of two times the estimated daily flow to occur between 6:00 a.m. and 8:00 p.m.

Infrastructure Needs or Deficiencies

The District reported that the wastewater treatment plant was built solely to serve the FCI Herlong facility, with little additional capacity. The plant would need expansion to meet any future growth. HPUD has applied for funding through the State Revolving Fund (SRF) and is expecting possible funding in 2015.

Currently, HPUD has funding approval from USDA RUS for a sewer inceptor and minor plant expansion project, which is currently at 68 percent design capacity. Construction is scheduled to start in 2014. This project will provide service to the FSUSD schools, Susanville Indian Rancheria, portions of SIAD, WPVCSD, and possibly the Herlong Trailer Park.

Shared Facilities

The District does not presently practice facility sharing with other agencies in the area. The only potential sharing opportunity identified would be infrastructure sharing with SIAD after the new sewer interceptor is built.

Service Adequacy

This section reviews indicators of service adequacy, including regulatory compliance, treatment effectiveness, sewer overflows and collection system integrity.

HPUD has been issued four violations between 2011 and 2013, which is four violations per 1,000 population served. There were three violations in 2011, which included violations for late reporting, failure to provide mean sea level evaluations for groundwater monitoring, and failure to monitor or report effluent pH¹⁸. One violation in 2012 was issued for the failure to report analytical results for pH.

Wastewater treatment providers are required to comply with effluent quality standards under the waste discharge requirements determined by RWQCB. The District reported that in 2013, it was in compliance with effluent quality requirements 100 percent of the time.

¹⁸ Discharger reported in the SMR that, "pH was not tested during the quarter due to an omission on the chain of custody. The problem has been addressed in order to prevent future occurrences."

Figure 3-6: HPUD Wastewater Service Adequacy Indicators

Wastewater Service Configuration and Demand				
Service Configuration				
Service Type	Service Provider(s)			
Wastewater Collection	HPUD			
Wastewater Treatment	HPUD			
Wastewater Disposal	HPUD			
Recycled Water	N/A			
Service Area				
Collection:	SIAD			
Treatment:	SIAD			
Recycled Water:	N/A			
Service Demand				
Type	Connections (2013) Total	Inside Bounds	Outside Bounds	Flow (mgd) Average²
Total	1 (1,275 EDU)	1	0	0.255
Residential	0	0	0	-
Commercial	0	0	0	-
Institutional	1	1	0	0.255
Historical and Projected Demand (ADWF in millions of gallons per day)³				
2005	2010	2015	2020	2025
0.255	0.255	0.32	0.36	0.36
Note:				
(1) NA: Not Applicable; NP: Not Provided.				
(2) Flow by connection type as estimated by the District.				
(3) Projections prepared by HPUD.				

Wastewater agencies are required to report sewer system overflows (SSOs) to SWRCB. Overflows reflect the capacity and condition of collection system piping and the effectiveness of routine maintenance. The sewer overflow rate is calculated as the number of overflows per 100 miles of collection piping per year. The District reported no overflows during the period from 2011 through 2013, which equates to zero spills per 100 miles of pipeline during that period.

There are several measures of integrity of the wastewater collection system, including peaking factors, efforts to address infiltration and inflow (I/I), and inspection practices. The peaking factor is the ratio of peak day wet weather flows to average dry weather flows. The peaking factor is an indicator of the degree to which the system suffers from I/I, where rainwater enters the sewer system through cracks, manholes or other means. The District has a peaking factor of 1.2, which indicates a low incidence of I/I in the District's system. HPUD schedules cleaning and CCTV inspection every five years. The last inspection took place in 2008; the next inspection is scheduled for early spring of 2014. In addition, the District conducts regular visual inspections of its facilities.

Figure 3-7: HPUD Wastewater Service Profile

Wastewater Service Adequacy and Efficiency			
Regulatory Compliance Record, 2011-2013			
Formal Enforcement Actions	0	Informal Enforcement Actions	0
Total Violations, 2011 - 2013			
Total Violations	4	Priority Violations	0
Service Adequacy Indicators			
Treatment Effectiveness Rate ²	100%	Sewer Overflows 201 - 2013 ³	0
Total Employees (FTEs)	1.25	Sewer Overflow Rate ⁴	0
MGD Treated per FTE	0.2	Customer Complaints CY 13: Odor (0), spills (0), other (0)	
Source Control and Pollution Prevention Practices			
None at this time.			
Collection System Inspection Practices			
HPUD schedules cleaning and CCTV inspection every five years. Last such inspection took place in 2008; next inspection is scheduled to be in 2014. In 2013, the District performed visual inspection of facilities.			
Notes:			
(1) Order or Code Violations include sanitary sewer overflow violations.			
(2) Total number of compliance days in 2013 per 365 days.			
(3) Total number of overflows experienced (excluding those caused by customers) from 2011 to 2013 as reported by the agency.			
(4) Sewer overflows from 2011 to 2013 (excluding those caused by customers) per 100 miles of collection piping.			

Wastewater Infrastructure			
Wastewater Collection, Treatment & Disposal Infrastructure			
System Overview			
The sewer system consists of just over a mile of 15-inch gravity sewer main along the northern property line that conveys the sewage from FCI to the 21-inch interceptor located in Pole Line Road, which is then directed to the treatment plant that is owned and operated by HPUD.			
<i>Facility Name</i>	<i>Capacity</i>	<i>Condition</i>	<i>Year Built</i>
WWTP	0.375 mgd ADWF	Excellent	2003
Collection & Distribution Infrastructure			
Sewer Pipe Miles	17	Sewage Lift Stations	0
Treatment Plant Daily Flow (mgd)			
<i>ADWF (mgd)</i>	<i>% of ADWF Capacity in Use</i>	<i>Peak Wet (mgd)</i>	<i>Peaking Factor</i>
0.25	68%	0.31	1.2
Infiltration and Inflow			
The District's collection system experiences minimal I/I as indicated by the low peaking factor experienced during wet weather.			
Infrastructure Needs and Deficiencies			
The primary infrastructure need identified for the District's WWTP is the capacity expansion.			
Wastewater Facility Sharing			
Facility Sharing Practices			
The District does not presently practice facility sharing with other wastewater providers.			
Facility Sharing Opportunities			
HPUD sees an opportunity to share infrastructure with SIAD.			

HERLONG PUD MUNICIPAL SERVICE REVIEW DETERMINATIONS

Growth and Population Projections

- ❖ As of 2010, Herlong Public Utility District (HPUD) served a population of about 1,000. In addition, FCI Herlong has an additional current population of 1850 inmates +350 staff.
- ❖ HPUD observed an increase in service demand since its formation, due to a shift in water and wastewater service provision from Sierra Army Depot (SIAD) to the District.
- ❖ There are large areas of vacant land within the District's boundary area; however, there are currently no planned or proposed developments, which have a potential to increase the population of HPUD.
- ❖ Although, HPUD anticipates little growth in population within its bounds in the next few years, the District expects a rise in service demand as it adds new connections to its system, such as Herlong Mobile Park and individuals with private wells, as well as takes on other SIAD wastewater.

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

- ❖ The entirety of the Herlong Census Designated Place (which includes the area within HPUD's bounds) is considered a disadvantaged unincorporated community by the Department of Water Resource's standards. The Herlong Census Designated Place had a population of 298 as of 2010.
- ❖ DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. Because income information is not available for this level of analysis, smaller disadvantaged unincorporated communities that meet LAFCO's definition cannot be identified at this time.

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

- ❖ HPUD's peak day water demand is 0.325 mgd or eight percent of the wells' pumping capacity.
- ❖ The permitted flow for the wastewater treatment plant is 0.375 MGD. The current flow is 0.255 MGD, which signifies that the District is at 68 percent of permitted capacity. The WWTP would need to be expanded to take any major increase in flow from the community at large.
- ❖ HPUD's unserved area in the western portion of the District has marginal water availability in private wells due to shallow well construction practices. The District is planning to connect these residences to its water system; however, the funding for the project has not yet been secured.
- ❖ Currently, HPUD has funding approval from USDA RUS for a sewer inceptor and minor plant expansion project, which are to be constructed in 2014. The interceptor will provide service to the schools, Susanville Indian Rancheria, portions of SIAD, WPVCSD, and possibly the Herlong Trailer Park.
- ❖ Based on indicators of water service adequacy including the California Department of Public Health system evaluation, drinking water quality and distribution system integrity, HPUD appears to provide adequate services.
- ❖ Based on indicators of wastewater service adequacy including regulatory compliance, treatment effectiveness, sewer overflows and collection system integrity, the District appears to provide adequate services.
- ❖ Currently the primary challenge for HPUD is the transition of water services from SIAD to HPUD, which requires substantial time and resources. There is also some resistance from the customers that were transferred from SIAD to HPUD, as their fees will most likely increase now that water usage will be metered.
- ❖ District management methods appear to generally meet accepted best management practices. The District prepares a budget before the beginning of the fiscal year, conducts annual financial audits, maintains current transparent financial records, tracks employee and district workload, evaluates its employees, has an established process to address complaints, and studies and updates its rates when appropriate. HPUD could improve its management practices by updating its planning documents.

Financial Ability of Agency to Provide Services

- ❖ The District reported that current financing levels were adequate to deliver services.

- ❖ HPUD identified multiple additional financing opportunities. The District is attempting to optimize operations to avoid certain costs. HPUD is also looking at solar projects, and has done so at its new administrative Office. To improve its financial situation, HPUD is planning to build a sewer interceptor, which will bring sewer flows from the surrounding communities into the District's system.
- ❖ A majority of all revenue comes from charges for current serves. The District does not receive any property tax income. A majority of the water and wastewater revenue comes from the District's primary customer, the Federal Bureau of Prisons.

Status and Opportunities for Shared Facilities

- ❖ HPUD provides water treatment and wastewater treatment services to neighboring institutions and agencies, including the Federal Correctional Institution and West Patton Village CSD.
- ❖ HPUD reported that it had participated in the Lassen County Groundwater Management Plan. The District is also a member of California Special District Association, California Water Environment Association, and California Rural Water Association.
- ❖ The District sees an opportunity to share its wastewater facilities with SIAD and surrounding communities after the sewer interceptor is completed. There is a facility sharing opportunity with WPVCSD, should WPVCSD and HPUD come to an agreement regarding transferring of wastewater treatment services from SIAD.

Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

- ❖ HPUD demonstrated accountability in its disclosure of information and cooperation with Lassen LAFCO. The District responded to the questionnaires and cooperated with the document requests.
- ❖ The District has a website through which it keeps its constituents up to date on HPUD activities. HPUD has an establish system of public complaints and conducts outreach activities in the community. Four out of five of the District's current board members were elected, which demonstrates community interest in the District's activities.
- ❖ Governance options identified for HPUD include 1) consolidation with WPVCSD, 2) dissolution with territory annexed by WPVCSD, 3) dissolution with both WPVCSD and HPUD areas served by a single newly formed entity, or 4) continued operations with the current governance structure.

HERLONG PUD

DRAFT SPHERE OF INFLUENCE DETERMINATIONS

Nature, location and extent of any functions or classes of services

- ❖ Herlong Public Utility District (HPUD) provides production and distribution of drinking water, and collection, treatment and disposal of wastewater. The District's water service clients include residential, wholesale, irrigation, commercial, and institutional customers.
- ❖ HPUD does not provide water or wastewater services to areas outside its boundaries.
- ❖ Except for residents with individual water wells, residential customers within the HPUD boundary area are also served by WPVCSD. A Public Utility District is also allowed to provide retail water Services as well as wholesale water services. Note that while the HPUD's boundary is smaller than that of the WPVCSD, HPUD services are provided to the entire Herlong Community
- ❖ The District reported that the western side of the District, including the Herlong Mobile Home Park, was unserved as the area historically had had its own wells. However, a decline in groundwater has impacted several residents and the area is expected to be the next phase of the HPUD water system expansion.
- ❖ The Federal Correction Institution is the District's only wastewater customer. The rest of the boundary area is served either through individual septic tanks or through the SIAD wastewater system.

Present and planned land uses, including agricultural and open-space lands

- ❖ Land uses within HPUD include neighborhood commercial, high-density residential, low density residential, rural residential, agricultural and industrial.
- ❖ The County updated its General Plan in 2000. For the Herlong area, the County has adopted the Lassen Southeast Area Plan.
- ❖ Agriculturally suitable soils and Williamson Act lands are located in the Herlong vicinity adjacent to the HPUD's WWTP property. Depending upon the County's General Plan and Zoning Plans, development entitlements in areas of prime and non-prime agricultural soils may be required. In addition, future development

within Williamson Act territory must be consistent with the Contracted Lands Agreement on file between the County and the current Landowner.

Present and probable need for public facilities and services

- ❖ Based on Department of Finance projections, the District's population would increase from 1,000 in 2010 to 1,120 in 2020, which will likely result in minimal change in service demand for HPUD.
- ❖ Although, HPUD anticipates little growth in population within its bounds in the next few years, the District expects a rise in service demand as it adds new connections to its system, such as Herlong Mobile Park and individuals with private wells, as well as takes on other SIAD wastewater customers.

Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

- ❖ HPUD's peak day water demand is 0.325 mgd or eight percent of the wells' pumping capacity.
- ❖ The permitted flow for the wastewater treatment plant is 0.375 MGD. The current flow is 0.255 MGD, which signifies that the District is at 68 percent of permitted capacity. The WWTP would need to be expanded to take any major increase in flow from the community at large.
- ❖ HPUD's unserved area in the western portion of the District has marginal water availability in private wells due to shallow well construction practices. The District is planning to connect these residences to its water system; however, the funding for the project has not yet been secured.
- ❖ Based on indicators of water service adequacy including the California Department of Public Health system evaluation, drinking water quality and distribution system integrity, HPUD appears to provide adequate services.
- ❖ Based on indicators of wastewater service adequacy including regulatory compliance, treatment effectiveness, sewer overflows and collection system integrity, the District appears to provide adequate services.
- ❖ Currently the primary challenge for HPUD is the transition of water services from SIAD to HPUD, which requires substantial time and resources. There is also some resistance from the customers that were transferred from SIAD to HPUD, as their fees will most likely increase now that water usage will be metered.

- ❖ District management methods appear to generally meet accepted best management practices. The District prepares a budget before the beginning of the fiscal year, conducts annual financial audits, maintains current transparent financial records, tracks employee and district workload, evaluates its employees, has an established process to address complaints, and studies and updates its rates when appropriate. HPUD could improve its management practices by updating its planning documents.

Existence of any social or economic communities of interest

- ❖ The communities of West Patton Village and Herlong are both distinct social and economic communities that are located within HPUD's bounds.

Present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence

- ❖ The entirety of the Herlong Census Designated Place (which includes the area within HPUD's bounds) is considered a disadvantaged unincorporated community by the Department of Water Resource's (DWR) standards. Some residents in the area continue to rely on private septic and well systems, and as the septic systems fail or as groundwater becomes difficult to access, these residents will desire to connect to HPUD's utility systems.

4. WEST PATTON VILLAGE COMMUNITY SERVICES DISTRICT

AGENCY OVERVIEW

West Patton Village Community Services District (WPVCSD) provides retail water, wastewater collection, streetlight maintenance and electricity, fire protection, and emergency medical services. Until recently, WPVCSD also provided library services, but as of March 2014 has stopped offering this service. A municipal service review of all services offered by the District was last completed in 2005. The District was also included in LAFCO's review of fire providers, which was adopted in 2010.

Background

WPVCSD was formed on April 22, 1968 as an independent special district.¹⁹ The intent of this action as stated in the resolution was to give the Community Services District the authority to provide for the following services: water service wastewater collection and disposal, garbage collection, street lighting, parks, playgrounds, fire protection, and library to the West Patton Village No. 2 Subdivision.

West Patton Village No. 2 Subdivision is a subdivision approved by the County in 1953. The original subdivision consisted of 146 lots. In order to qualify for financing, the developers had to ensure water and wastewater services would be provided. Note that of the more than 500 homes in the WPVCSD area, the original subdivision is the only area receiving water distribution and wastewater collection services. The West Patton Village No. 2 Water Company was incorporated in March 1954 to initially provide the distribution of domestic water, wastewater, garbage, refuse collection and disposal.

As residents moved into the area, a West Patton Village Association was formed in the late 1950's to represent the interests of those living within the subdivision. Problems associated with the provision of garbage collection and disposal, police protection and street lighting services, were brought to the attention of Lassen County in the late 1950's and early 1960's by association representatives. Other problems arose concerning the provision of water and wastewater services to community residents.

¹⁹ LAFCO Resolution 68-2.

In 1961, the West Patton Village association petitioned the Board of Supervisors to form a “highway lighting district” for street lights only. The Board of Supervisors formed the West Patton Village Lighting District on July 31st, 1961, and a district board was seated.

In 1962, residents became so dissatisfied with refuse collection service that a local couple proposed to collect the refuse for a fee.

In August 1963, there was concern in the West Patton Village area regarding fire protection and who had the control to ensure fire hazards were removed. It was determined the Sierra Army Depot could provide adequate fire protection but fire hazard abatement would be up to the Lassen County District Attorney’s office.

In addition, the residents in West Patton Village were dissatisfied with the rates and services provided by the West Patton Village Water Company—in particular, the maintenance of the wastewater collection and water pipelines. The residents wanted to have control over the wastewater and water services.

In 1968, LAFCO received an application for reorganization of the West Patton Village Lighting District and forming a community services district. The proponent of this formation was the Board of Directors of the lighting district. The boundaries of the community services district were to remain the same as the original lighting district formed in 1961. The formation of a community services district enabled the residents to have the power to collect, treat or dispose of sewage and supply water to its service area.

The principal act that governs the District is Community Services District Law.²⁰ CSDs may potentially provide a wide array of services, including water supply, wastewater, solid waste, police and fire protection, street lighting and landscaping, airport, recreation and parks, mosquito abatement, library services; street maintenance and drainage services, ambulance service, utility undergrounding, transportation, abate graffiti, flood protection, weed abatement, hydroelectric power, among various other services. CSDs are required to gain LAFCO approval to provide those services permitted by the principal act but not already being performed by the end of 2005 (i.e., latent powers).²¹

Boundaries

The community of West Patton Village is situated in the northeastern portion of the State of California in Lassen County, on the east side of the Sierra Nevada mountain range along U.S. Highway 395 and County Routes A25 (Susanville Road) and A26 (Garnier Road). The community is located in an unincorporated area in southern Lassen County in Honey Lake Valley, adjacent to the Sierra Army Depot (SIAD). Honey Lake is situated north and

²⁰ Government Code §61000-61226.5.

²¹ Government Code §61106.

northwest of the community. The Amadee and Skeedaddle Mountains are to the northeast, the Fort Sage Mountains are to the southeast, and the Diamond Mountains are to the southwest. The area is located four miles west of the State line, approximately 55 miles northwest of Reno, Nevada, and 40 miles southeast of Susanville, California.

Located in a sparsely developed high desert basin, Herlong is well known as the location of Sierra Army Depot. SIAD is surrounded by both public and private lands. The mountainous areas, located west of U.S. Highway 395, are generally under the jurisdiction of the U.S. National Forrest Service (USFS), as part of the Plumas National Forest. The Bureau of Land Management (BLM) manages most of the foothill region located to the north and southeast of Herlong, and State lands are scattered throughout the valley.

WPVCSD's boundary is entirely within Lassen County. The District's boundaries encompass approximately 51.6 square miles. Based on LAFCO and Board of Equalization (BOE) records, there has been a single annexation to WPVCSD since its formation. In 2006, the District was expanded to include the Herlong Town Planning Area and the Sierra Army Depot Redevelopment Area. At the same time, the District was also authorized to provide fire protection and emergency medical services. Refer to Figure 5-1 for a depiction of the District's current boundaries.

It was clarified in the sphere study prior to the Herlong annexation that growth inducing services such as water and wastewater could only be extended to agricultural lands (lands considered prime agricultural land or lands designated for agricultural uses) after appropriate environmental review was conducted. Only after appropriate environmental review is completed and land use entitlements are approved by the County, then services such as water and wastewater may be provided.²²

Sphere of Influence

The original Sphere of Influence for the West Patton Village Community Services District was adopted in 1984 as coterminous with its bounds. In 2006, the SOI was updated to include the Herlong Town Planning Area and the Sierra Army Depot Redevelopment Area,²³ which, prior to 2006, had no designated fire provider. Subsequent to the SOI update, the District annexed all territory in its SOI and began offering fire and emergency medical services to the territory. As it presently exists, the District's SOI is coterminous with its bounds.

²² LAFCO, WPVCSD Sphere of Influence Update Study, 2006, p. 8.

²³ LAFCO Resolution 2006-01.

Figure 4-1: West Patton Village Community Services District Boundaries and SOI

Type and Extent of Services

WPVCSD provides retail water and distribution services. Wholesale water and treatment is provided by Herlong Public Utility District (HPUD).

The District provides wastewater collections services. Effluent is collected and transmitted to SIAD for treatment by contract.

The District owns 28 streetlights for which it collects fees from each parcel for payment to Plumas Sierra Rural Electric for electricity and maintenance.

WPVCSD recently began providing fire protection and emergency medical in 2006. These services consist of fire prevention and suppression for structures and wildland, as well as emergency medical response in the form of basic life support.

Until recently, the District provided staff (primarily volunteers) to operate one County-owned library, which was located on the Army depot. The library was opened in 2003 and all operations were overseen by WPVCSD. The library is open to the public two days a week. Fort Sage Family Resource Center has agreed to take on library operations.

While the District was authorized at formation to provide garbage collection and park services, these services are not presently offered.

Extra-territorial Services

WPVCSD currently does not provide services to areas outside its boundaries with regard to water, wastewater, and streetlight services. However, the District may on occasion respond outside of its bounds to provide fire protection and emergency medical services consistent with applicable mutual aid agreements with Sierra Army Depot, Millford Fire Protection District, and Doyle Fire Protection District. Additionally, each of the fire protection districts in Lassen County is a member of a master agreement that provides for assistance for fire and other emergency events that exceed the capacity of any individual district.

Unserved Areas

There are no unserved areas within the District's bounds with regard to fire services. Utility services are limited to the West Patton Village and Hillcrest areas (of which 9 out of 25 homes are served with water distribution and no homes are served with sewer collection), and do not extend beyond the subdivisions.

Related Service Providers

Electrical service in the project area is provided by the Plumas Sierra Rural Electric Cooperative (PSREC); natural gas is provided by the Tuscarora Gas Transmission Company;

telephone service is supplied by Frontier Communications; law enforcement in Lassen County is provided by the Lassen County Sheriff's Department.

WPVCSD's bounds encompass a majority of HPUD. HPUD was formed on February 14, 2008, originally consisting of 7,146 acres, to provide wholesale and retail water and wastewater services for the entire Herlong area. An annexation of 275 additional acres including a well field was approved by LAFCO on February 9, 2009. This district replaced a predecessor agency called the Herlong Utilities Cooperative (HUC). Both WPVCSD and HPUD provide water and wastewater services to defined areas, and as such, their utility service areas do no overlap. HPUD provides treated wholesale water to WPVCSD for distribution. HPUD does not provide fire protection services, as WPVCSD is the designated fire service provider.

Sierra Army Depot (SIAD) currently owns and operates the existing wastewater system, which provides treatment services to SIAD facilities, Susanville Indian Rancheria (SIR), Fort Sage Unified School District (FSUSD), and WPVCSD.

ACCOUNTABILITY AND GOVERNANCE

The District's Board consists of five Directors elected to four-year terms. General district elections are held in even numbered years pursuant to the Uniform District Election Law. Elections are held pursuant to the Health and Safety Code and Election Code. All current board members were elected; however, there has not been a contested election with two individuals running for a single seat since 2008. Current board member names, positions, and term expiration dates are shown in Figure 5-2.

Regular meetings are held once a month on the fourth Wednesday at seven in the evening at the community center (owned by Lassen County) in West Patton Village. Agendas are posted on at the community center, library, and at the post office. Minutes of each meeting are available upon request at the district office.

Figure 4-2: WPVCSD Governing Body

West Patton Village CSD				
<i>District Contact Information</i>				
Contact:	Vivian Peterson, Manager			
Address:	100 Tamarack St. Herlong, CA 96113			
Telephone:	(530)827-3377			
Email/website:	wpv@psln.com / http://users.psln.com/pete/wpvcsd.htm			
<i>Board of Directors</i>				
Member Name	Position	Term Expiration	Manner of Selection	Length of Term
Eula Johnson	President	Dec 2016	Elected	4 years
Alex McGinnis	VP	Dec 2014	Elected	4 years
Patty Krupa	Director	Dec 2016	Elected	4 years
Mickey Matthews	Director	Dec 2014	Elected	4 years
Theresa Turek	Director	Dec 2014	Elected	4 years
<i>Meetings</i>				
Date:	Fourth Wednesday of every month at 6 p.m.			
Location:	Community center at 100 Tamarack St.			
Agenda Distribution:	Posted at community center, library, and post office			
Minutes Distribution:	Available upon request.			

In addition to the required agendas and minutes, the District attempts to increase public awareness of district activities through a website. The District also distributes an annual report to residents summarizing the various service and functions of WPVCSD, as well as flyers on any issues of interest. Should there be an issue of importance that needs to be passed on to residents in a speedy manner, the District maintains a phone tree for distribution of the information.

If a customer is dissatisfied with the District's services, complaints may be submitted in person, via phone or at the board meetings. The nature of the complaint would determine how it is handled (i.e., at a board meeting or at staff level). The District maintains a log of all public document requests and public comments at meetings are noted in the minutes. The District reported that it had not had any major complaints that were within the jurisdiction of WPVCSD in several years.

WPVCSD demonstrated full accountability and transparency in its disclosure of information and cooperation with Lassen LAFCO. The District responded to the questionnaires and cooperated with document and interview requests.

Accountability of a governing body is signified by a combination of several indicators. The indicators chosen here are limited to 1) agency efforts to engage and educate constituents through outreach activities, in addition to legally required activities such as agenda posting and public meetings, 2) a defined complaint process designed to handle all issues to resolution, and 3) transparency of the agency as indicated by cooperation with the MSR process and information disclosure. WPVCSD practices public outreach, maintains an informal complaint process appropriate to the size of the District, and demonstrated transparency in its cooperation with LAFCO.

MANAGEMENT AND STAFFING

The District currently has six part time staff—one secretary/manager, one maintenance technician, two assistant maintenance personnel, one administrative assistant, and a fire chief. Combined, these positions total three full-time equivalents—1.5 FTEs dedicated to maintenance, one FTE dedicated to administration, and 0.5 FTEs for fire services (dependent on the number of calls for fire services in a certain time frame). In addition, the District relies on volunteers for firefighting personnel. Employees are required to go through monthly safety and technical training sessions. All personnel report to the district manager who, in turn, reports to the Board.

The District makes use of the County Auditor's office for banking and tracking of district funds.

District staff are evaluated every two years. Performance evaluations are conducted by the district manager for all employees. Staff workload is tracked via detailed timesheets and a maintenance log for utility infrastructure.

WPVCSD performs evaluations of overall district performance via its annual report and the financial audit process. The District does not conduct benchmarking with other similar agencies. Additionally, the District is evaluated by regulating agencies. The Regional Water Quality Control Board annually evaluates the management, operations and infrastructure of the District's system to ensure that public and environmental health is safeguarded. Due to odd jurisdictional boundaries, Lassen County is managed by two separate RWQCBs. The Lahontan RWQCB is responsible for overseeing the area surround Susanville, including

WPVCSD, while the western and northern areas of the County are under the jurisdiction of the Central Valley RWQCB. Also, the Department of Public Health regularly inspects the District's water system.

The District does not have any master planning documents. Nor does it maintain a long-term capital improvement plan, but instead plans for capital projects as needed in the annual budget.

The District's financial planning efforts include an annually adopted budget and audited financial statements. The financial statements are audited annually. All special districts are required to submit annual audits to the County within 12 months of the completion of the fiscal year, unless the Board of Supervisors has approved a biennial or five-year schedule.²⁴ In the case of WPVCSD, the District must submit audits annually. As of the drafting of this report, the District had not yet completed an audit for the most recent fiscal year (FY 12-13). The 2012/2013 annual audit was presented and approved at the May 2014 WPVCSD meeting²⁵.

The District does not have a water master plan. A water master plan is normally intended to identify existing facility components of the municipal water delivery system, projected usage and growth and required improvements to meet anticipated demand through a given year into the future. A master plan is intended to be revised from time to time with the addition of preliminary design and cost information meeting the anticipated needs of future demand within the service area of the District. Though the District does not have a water master plan, Shaw Engineering developed a Feasibility Analysis for New Water and Sewer Connections in October of 2004 for a Community Development Block Grant project, which establishes a conceptual design and an opinion of probable costs associated with an improvement of water and sewer services provided to West Patton Village and the Hillcrest area by the West Patton Village Community Services District. At that time the WPVCSD had 155 connections and contracted with SAID for services. This analysis also includes a summary of the work performed, findings and recommendations developed as a result of an evaluation of existing conditions and an effective adaptation to the existing conditions.

While public sector management standards vary depending on the size and scope of the organization, there are minimum standards. Well-managed organizations evaluate employees annually, track employee and agency productivity, periodically review agency performance, prepare a budget before the beginning of the fiscal year, conduct periodic financial audits to safeguard the public trust, maintain relatively current financial records, conduct advanced planning for future service needs, and plan and budget for capital needs.

²⁴ Government Code §26909.

²⁵ Pers comm Vivian Peterson 7.28.14

According to these standards, WPVCSD is a reasonably well-managed agency that conducts biennial employee evaluations, tracks agency and staff workloads, and maintains up-to-date financials and budgets. WPVCSD could improve its management practices by conducting long-term capital and strategic planning, and ensuring that audits are completed within 12 months of the close of the fiscal year.

SERVICE DEMAND AND GROWTH

This section discusses the factors affecting service demand, such as land uses, population growth, and the types of businesses served.

Land Use

Lassen County land use designations in the vicinity of West Patton Village consists of residential, planned community, public lands, commercial land industrial land uses. The Patton Village No. 2 Subdivision is zoned R-1 (single family residential) and planned for low density residential.

Land use within the Herlong area includes existing agriculture, residential and commercial. A Town Center designates the central area of a small, unincorporated community. It typically serves as the commercial and social center of the surrounding community with a mixture of commercial and residential uses and may also include community services and social buildings (i.e., schools, post office, fire hall, Grange, etc). A-1 zoning is used for unincorporated territory of the county and in the Herlong area. Uses allowed by right in the A-1 zoning designation include single-family residential and agricultural activities.

The County has an adopted a Town Center plan and Reuse and Redevelopment Plan for Herlong. This plan designates the central area as the commercial and social center of the surrounding community with a mixture of commercial and residential uses. The area surrounding the Town Center is for public uses.

Most of the land surrounding the Herlong community is in public ownership including the Federal Bureau of Prisons, the Sierra Army Depot, Fort Sage Unified School District, and the Lassen County Reuse Authority.

Much of the area surrounding, and including portions of, the army depot contains soils suitable for agriculture. Moreover, agriculture is an important part of the economy of Lassen County. Hay, alfalfa, rye, wheat and barley are common crops cultivated in the County. Ample acreage for livestock grazing is available and is allowed on public lands under permit from the Bureau of Land Management (BLM).

Williamson Act contracts are entirely voluntary and are annually self-renewing. Williamson Act lands are a specific category of agricultural lands under which the landowner agrees to limit the use of the land to agriculture and compatible uses for a

minimum period of ten years. Agriculturally suitable soils and Williamson Act lands are located in the vicinity of West Patton Village.

Existing Population

The territory within the District's bounds has an approximate population of 485, as reported by the District. Additionally, there are 1,636 individuals who are institutionalized at the correctional facility.

The community of West Patton Village, where utility services are provided, has a population of approximately 400 year round residents. There are 155 water service connections, 145 wastewater service connections. Average population per household for year round residents is approximately 2.6 persons per household.²⁶

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 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.²⁷

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged communities median household income definition.²⁸ DWR identified six disadvantaged communities within Lassen County—on of which is the City of Susanville and is therefore not considered unincorporated.²⁹ The entirety of the Herlong Census Designated Place (which is entirely within WPVCS's bounds) is considered a disadvantaged unincorporated community by DWR's standards. The Herlong Census Designated Place had a population of 298 as of 2010; it does not include the community of Patton Village.

DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. Because income information is not available for this level of analysis, smaller disadvantaged unincorporated communities that meet LAFCO's definition cannot be identified at this time.

²⁶ 2010 U.S. Census.

²⁷ Government Code §56033.5.

²⁸ 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.

²⁹ 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.

Projected Growth and Development

WPVCSD anticipates no growth in population and similarly in service demand within the District in the next five to ten years, due to the downturn in the economy, absence of recent growth and lack of planned or proposed developments in the area. The District does not compile formal population projections.

The State Department of Finance (DOF) projects that the population of Lassen County will grow by 12 percent between 2010 and 2020. Thus, the average annual population growth in the County is anticipated to be approximately 1.1 percent. Based on these projections, the District's population would increase from approximately 485 in 2010 to 583 in 2020. It is anticipated that demand for service within the District will increase minimally based on the DOF population growth projections through 2020.

The territory within WPVCSD is planned and zoned for residential, commercial, industrial, and public services as shown in the Sierra Army Depot Reuse Plan, the Sierra Army Depot Redevelopment Plan and the Herlong Town Planning and Redevelopment Project.

Based on Zoning potential residential development within the District's utility service area is limited to 20 more units. However, based on an agreement with the HPUD, there is little capacity since the WPVCSD and HPUD have an agreement for 155 total units. Within Patton Village there is currently five vacant acres in the east area of the District, proposed to be C-R (commercial) zoning. Potential service areas could be the Amadee Airfield still retained by the County.

There is a limited likelihood of growth in the Herlong area in the next five to twenty years, particularly due to the new Bureau of Prison's Federal Correctional Institute, county economic development efforts and planning and zoning constraints. The new water and wastewater systems provide services to support existing service providers, as well as potential new growth including the SIAD, West Patton Village Subdivision, the Susanville Indian Rancheria, the Fort Sage Unified School District, landowners in the community at large, and former Lassen County holdings which were sold to private parties in 2013.

Demand

The District reported that it had observed no growth in service demand in the last few years, due to the collapse of the housing market and recent recession. The number of water and wastewater connections has remained constant over the last five year period (2008 to 2013). With regard to fire services, no calls were recorded in 2008, and between 2009 and 2013 the District averaged 54 calls per year.

FINANCING

The financial ability of agencies to provide services is affected by available financing sources and financing constraints. This section discusses the major financing constraints faced by WPVCSD and identifies the revenue sources currently available to the District. Finally, it assesses the financial ability of WPVCSD to provide services.

The District reported that current financing levels are adequate to deliver services. The District operates with minimal expenditures and relies on volunteers to the extent practicable to keep costs low for area residents. While the District has been able to maintain funding at levels to continue providing similar services as offered prior to the recession, financing has faced constraints due to loss revenue with houses going into foreclosure. Upon foreclosure of a residence, the District must wait until the house sells to recuperate any overdue payments from that property.

The District operates out of two separate funds—one designated for fire department revenues and expenditures and the other for all other district services. It is recommended that the District operate separate enterprise funds for each utility to ensure accountability and transparency. Water, wastewater, parks and street lighting providers must maintain enterprise funds for each of the water and wastewater utilities separate from street lighting and parks funds, and may not use water and wastewater utility revenues to finance unrelated governmental activities or enterprises. Local agencies providing these services are required to maintain separate enterprise funds to ensure that water- and wastewater-related finances are not commingled with the finances of other enterprises.

In FY 13, the District reported total revenue of \$285,846. Primary revenue sources are charges for water services (54 percent), charges for wastewater services (18 percent), special taxes for fire protection services (eight percent), and a portion of the one percent property tax (20 percent). The District's property tax is assessed and collected by Lassen County. The District receives its ratable share of property tax imposed on all taxable real and personal property. Property tax revenue is apportioned by the County at the time it is billed. Other miscellaneous revenue sources include fire auxiliary contributions and an annual payment from the Susanville Indian Rancheria in the amount of \$12,200.

The District's primary source of revenue is charges for services. The last service rate increase was August 2005. The monthly water rate for West Patton Village and the Hillcrest area is \$45.00 and the monthly sewer rate for West Patton Village is \$30.00. Included in these rates is the monthly cost of electricity for the sewer lift station, utility building, the storage building and 28 streetlights throughout the District.

Compared with other municipal services, there are relatively few financing constraints for water and wastewater enterprises. Generally, agencies may establish service charges on a cost-of-service basis. In the past, water and wastewater providers have not been required to obtain voter approval for rate increases or restructuring however, based on

recent court findings, wastewater providers have been required to complete a Proposition 218 voter protest process when updating rates. The boards of each of the public sector water and wastewater providers are responsible for establishing service charges. Service charges are restricted to the amount needed to recover the costs of providing wastewater service. The wastewater rates and rate structures are not subject to regulation by other agencies. Service providers can and often do increase rates annually.

No annexation policy is present, in the West Patton Village CSD by-laws. The district has hook-up fees and charges³⁰. Additional connections or hook-ups are to be paid by the persons for whom the connections are made at a pro-rated cost based on acquisition cost of the facilities. It is recommended that the District establish defined connection fees to ensure that they are set appropriately to cover any necessary infrastructure improvements/expansions. WPVCSD must insure that future development or the provision of additional services within the boundaries of its Sphere of Influence pays its own way in terms of financing the district.

Shortly after the 2006 annexation was approved and the District was authorized to offer fire protection services, a special tax was approved by the voters whereby a tax per parcel served was established for fire and EMS services. The special tax is adjustable annually based on the Consumer Price Index. As of 2013, the rate was \$126.73 for developed residential parcels, \$60.14 for vacant and agriculture parcels, and \$26.73 for institutional and government parcels. There is no sunset or expiration date for the special tax.

At the same time, a fire impact fee was established for new development within the District. A new residential structure is charged \$.69 per square foot, while commercial and other non-residential structures are charged \$1.48 per square foot. These developer fees are dedicated to fire prevention facilities and equipment.

The District's expenditures in FY 12-13 were \$220,347, out of which 48 percent was for water enterprise services, 38 percent was for fire services, and 14 percent was for wastewater services.

The District had no long-term debt as of the end of FY 12-13.

WPVCSD has a formal policy to maintain \$50,000 in reserves for contingency purposes for the CSD's services with the exception of fire. The District maintains a separate reserve fund for fire services, with a policy to maintain a minimum of \$2,000. At the end of FY 13, the District maintained a combined cash balance of \$194,344.

The District participates in one joint venture under joint powers agreements (JPA) with the Special District Risk Management Authority (SDRMA), a public entity risk pool

³⁰ WPVCSD Ordinance No 4, 1990

established to provide health, liability, property, and workers' compensation insurance coverage to its members.

WATER SERVICES

Service Overview

WPVCSD provides retail of potable water to 155 single family equivalent connections in the West Patton Village subdivision and Hillcrest area, which entails the owning, operating, and maintaining of the District's water distribution system. In order to provide these services, the District dedicates approximately 0.75 full-time equivalent personnel to the operation of the water system. WPVCSD also makes use of a private company for lab services. The District does not contract with any other agencies for services and does provide services to other agencies or organizations under contract.

Until recently, the District received its water supply from SIAD; however, SIAD informed the District that it would no longer provide water outside of the Army Depot. Through the transfer of water services from SIAD to HPUD, WPVCSD started receiving water from HPUD in July 2013. WPVCSD is served by two connections to increase water quality and redundancy. Per the terms of the agreement, WPVCSD pays a flat rate of \$2,489 per month to HPUD for water supply, regardless of amount used. The terms of the contract expire in December 2014. Upon expiration of the contract terms, HPUD will begin charging WPVCSD based on consumption. WPVCSD has begun tracking its use in an effort to adjust rates to its users prior to that time. Note: as of 7/11/14 WPVCSD has not had and does not have a certified operator for its water system as required by the SDWA and a violation of Federal and CA law³¹. West Patton Village CSD is currently pursuing a contract with a certified operator³².

Facilities and Capacity

District infrastructure dedicated to water services consists of four miles of distribution mains and 13 hydrants.

Water Source

HPUD provides wholesale water exclusively from groundwater from the Honey Lake Valley Groundwater Basin. The water provided by HPUD is not treated. The District uses chlorination with sodium hypochlorite to prevent groundwater contamination. For more information on HPUD's groundwater extraction facilities, refer to the Water section in Chapter 4 of this document.

³¹ HPUD Comments on the Service Review 7.11.2014

³² Pers Comm Vivian Peterson, GM WPVCSD 7.28.14

The Honey Lake Basin, in which this study area lies, is located within the larger North Lahontan Hydrologic Region which covers approximately 3.91 million acres and includes portions of several Counties including Modoc, Lassen, Sierra, Nevada, Placer, El Dorado, Alpine, Mono and Tuolumne. Much of this region is chronically short of water due to the arid, high desert climate, which predominates the region with rainfall amounts as low as 4.0 inches per year. Groundwater levels drop significantly during the irrigation season. Groundwater extracted from the Honey Lake Valley Basin accounts for 41,900 acre-feet of the agricultural supply and 12,000 acre-feet of the municipal supply. An additional 3,100 acre-feet is extracted to meet the demands of the Honey Lake Wildlife Area, which provides habitat for several threatened species.³³

The California Department of Water Resources has monitoring wells within the Honey Lake Basin. These wells have been monitored during the spring and fall with the summer/fall ranging from 20 to 60 feet depending upon the year monitored giving a general indication of groundwater levels. However, some water levels of wells in the Honey Lake Basin have had a slight downward trend in recent years.³⁴

Water Quality

Honey Lake Valley groundwater basin, a 490-square mile basin with internal drainage, stores an estimated 16 million acre feet of water. Groundwater quality within this basin is listed as “intermediate” in the State Water Resources Control Board 1992 Water Quality Assessment, indicating that beneficial uses are supported while there is occasional degradation of water quality by natural or nonpoint-source pollutants.

Distribution System

The distribution system consists of four miles of mains that are composed entirely of asbestos cement. WPVCSD reported that the mains are generally in good condition. Laterals are composed entirely of galvanized steel and are in poor condition, due to corrosion. The system is more than 50 years old; however, with the exception of deteriorating galvanized service connection piping, the distribution system is reportedly in good condition. The most recent improvement to the system was the installation of 12 water main shutoff valves in order to enable the District to shut off specific sections when necessary. Previously, the District would have had to shut off the entire system to make any improvements or conduct maintenance. The District also installed 146 water boxes to enable shutoffs at each connection and replaced water laterals from the main to water boxes for 146 connections. The landowner is responsible for maintenance of the water connection from the box to the residence.

³³ Department of Water Resources, Groundwater Bulletin 118, 2003 update.

³⁴ Ibid.

The capacity of WPVCSD's water system is unknown. As of 2009, the meter tracking the District's water supply has been broken and the amount of water supplied to the District has not been followed. Also the District has not conducted flow studies to determine what portion of each main's capacity is in use. The District has resumed tracking flows in conjunction with HPUD, and plans to install meters at each connection to determine individual use. While the remaining capacity available in the system is unknown, it appears that the District has adequate capacity to serve the existing number of connections. The District reported that it also has capacity to service anticipate growth in demand. However, the agreement with the HPUD limits the number of connections.

Projected build out water demand volumes were compiled as part of the *Herlong Water and Wastewater Systems Project Draft Environmental Impact Report* in 2002. At that time, it was projected that on average WPVCSD would require approximately 171 acre feet of potable and non-potable (irrigation and fire protection uses) water each year at build out.³⁵ Note, this EIR is very dated and the circumstances and environmental setting have changed since certification of this EIR. Therefore the assumptions in this EIR are no longer valid and shall not be used as a basis for estimating water and wastewater demand or capacity.

Infrastructure Needs or Deficiencies

There were previously plans to develop a new water supply source to ensure continued wholesale water provision and adequate capacity to serve West Patton Village CSD, as well as surrounding areas; however, these plans were discontinued and HPUD took over supplying water to the District. Note: the District extended a 4" line and added a 6" fire hydrant to it. There was no line replacement. CA Health & Safety Code requires a minimum main size of 8" for any new or rehabilitated water mains. This regulation was changed in 2007 or '08³⁶.

The District has made several improvements to its system over the last year by installing 146 water boxes on each new main water lateral, installing a new water line in the Hillcrest area, and replacing all hydrants within its water service area. WPVCSD plans to install water meters at each connection in order to track individual water use of each customer.

During its most recent inspection of WPVCSD's system, the Department of Public Health identified a need for storage to meet maximum daily demand in event of an outage. The District does not have a water contingency plan since it relies on HPUD for 100% of their supply.

³⁵ Herlong Water and Wastewater Systems Project Draft Environmental Impact Report, Lassen County, May 2002.

³⁶ Herlong Public Utility District Response to Public Draft MSR 7.14.14

Challenges

The primary challenge faced by WPVCSD in the provision of retail water services is the recent transition from SIAD to HPUD for water supply. This change in water suppliers has required the District to make adjustments in how water services are provided, including particular attention to tracking of water usage by the District and customers and likely a water rate modification based on water use. The District has also started to promote conservation of water use as a result of this change in service structure. Most recently, the District purchased and installed four meters at random households to monitor water usage with families of four or more.

Service Adequacy

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

The California Department of Public Health (DPH) is responsible for the enforcement of the federal and California Safe Drinking Water Acts, and the operational permitting and regulatory oversight of public water systems. During the Department's most recent inspection in 2012, the DPH noted that the District had not 1) developed a plan to obtain a dependable/reliable water source, 2) obtained a certified operator that met the minimum certification requirements of the system^{37,38}, 3) developed and submitted an Operations Plan or Cross Connection Program³⁹, 4) maintained storage capacity equal to or greater than the system's maximum day demand. The District has addressed these issues in the following manner: 1) HPUD installed two separate water supply systems as a back-up supply⁴⁰, 2) WPVCSD as contracted with a certified operator and is in the process of training WPV personnel to receive certification⁴¹, 3) an Operation Plan is to be developed by the certified

³⁷ There is no certified operator as of 7.11.2014 per Sandy Tenny, CDPH

³⁸ The WPVCSD is working on a contract for a certified operator. WPVCSD had a certified operator however now needs to contract with another operator. Pers Comm 7.28.14 Vivian Peterson WPCSD.

³⁹ A cross connection program requires a cross connection survey completed by a certified cross connection specialist. This program needs to be implemented via a Resolution. There is no resolution, another violation of the SDWA and Federal and CA Law.

⁴⁰ The HPUD installed 2 connections to improve water quality (and are hopefully forcing circulation through a dead end system. Another SDWA violation, dead end mains are required to be flushed and a formal flushing program needs to be written and followed). The other reason for HPUD's 2 connection is redundancy, so it can serve 100 percent through 1 connection, so if the HPUD has to take 1 connection off line for whatever reason, WPVCSD water customers will still have water.

⁴¹ According to the HPUD and CDPH there is no certified operator working for or under contract as of 7/11/14 nor has there been.

operator, and 4) storage capacity is now supplied by HPUD and the water service connection to SIAD has remained in place. Note: there is no active water lines from the SIAD's water distribution system outside the secure fence of SIAD since July 1, 2013.

Figure 4-3: WPVCSD Water Service Adequacy Indicators

Water Service Adequacy and Efficiency Indicators			
Service Adequacy Indicators			
Connections/FTE	207	O&M Cost Ratio ¹	NP
MGD Delivered/FTE	NP	Distribution Loss Rate	Unknown
Distribution Breaks & Leaks (2013)	0	Distribution Break Rate ²	0
Water Pressure	40 psi	Total Employees (FTEs)	0.75
Customer Complaints CY 2013: 2 Odor/taste (0), leaks (0), pressure (0), other (0)			
Drinking Water Quality Regulatory Information³			
	#	Description	
Health Violations	0	N/A	
Monitoring Violations	0	N/A	
DW Compliance Rate ⁴	100%		
Notes:			
(1) Operations and maintenance costs (exc. purchased water, debt, depreciation) per volume (mgd) delivered.			
(2) Distribution break rate is the number of leaks and pipeline breaks per 100 miles of distribution piping.			
(3) Violations since 2000, as reported by the U.S. EPA Safe Drinking Water Information System.			
(4) Drinking water compliance is percent of time in compliance with National Primary Drinking Water Regulations in 2013.			

Drinking water quality is determined by a combination of historical violations reported by the EPA for the last 10 years and the percentage of time that the District was in compliance with Primary Drinking Water Regulations in 2013. The District has not had any health based or monitoring violations since at least 2000, as reported by the EPA. During 2013, the District was reportedly in compliance with all National Primary Drinking Water Regulations. However, there are concerns that the District does not complete a thorough annual consumer confidence report as required by law albeit, the District Manager .

Indicators of distribution system integrity are the number of breaks and leaks in 2013 and the rate of unaccounted for distribution loss. The District reported that there were no breaks or leaks of pipelines in 2013. Because the District has not yet installed meters at each connection, the extent of unaccounted for losses in the system cannot be accurately determined.

Figure 4-4: WPVCSD Water Service Tables

Water Service Configuration & Infrastructure				
Water Service	Provider(s)	Water Service	Provider(s)	
Retail Water	WPVCSD	Groundwater Recharge	None	
Wholesale Water	HPUD	Groundwater Extraction	HPUD	
Water Treatment	None	Recycled Water	None	
Service Area Description				
Retail Water	West Patton Village Subdivision and Hillcrest area			
Wholesale Water	None			
Irrigation Water	None			
Water Sources		Supply (Acre-Foot/Year)		
Source	Type	Average	Maximum	Safe/Firm
Honey Lake GW Basin	Groundwater	101	1,150	1,150
System Overview				
Average Daily Demand		90,000 gallons	Peak Day Demand 248,500 gallons	
Major Facilities				
Facility Name	Type	Capacity	Condition	Yr Built
None				
Other Infrastructure				
Reservoirs	0	Storage Capacity (mg)	0.00	
Pump Stations	0	Pressure Zones	1	
Production Wells	0	Pipe Miles	4	
Other:				
Facility-Sharing and Regional Collaboration				
Current Practices: WPVCSD practices facility sharing by purchasing water from HPUD.				
Opportunities: No additional opportunities were identified.				
Notes:				
(1) N/A means Not Applicable, N/P means Not Provided, mg means millions of gallons, af means acre-feet.				

Note⁴²: The water supply is based upon HPUD's safe yield figures. Actual Average Water usage figures are unknown. HPUD monitors the amount of wholesale water delivered.

⁴² HPUD comments on the draft MSR 7.11.14

Note regarding Water Demand and Supply below, the WPVCSD has purchased and installed four meters that are monitored monthly and moved to new residences every three months⁴³.

⁴³ WPVCSD comments on the draft MSR 7.11.2014

Water Demand and Supply							
Service Connections	Total		Inside Bounds		Outside Bounds		
Total	155		155		0		
Irrigation/Landscape	0		0		0		
Residential	153		153		0		
Commercial	0		0		0		
Institutional	2		2		0		
Wholesale	0		0		0		
Average Annual Demand Information (Acre-Feet per Year)							
	2000	2005	2010	2015	2020	2025	2030
Total	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Residential	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Commercial/Industrial	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Irrigation/Landscape	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Other	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Supply Information (Acre-feet per Year)							
	2000	2005	2010 ¹	2015	2020	2025	2030
Total	155	142	Unknown	NP	NP	NP	NP
Imported	155	142	Unknown	NP	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)	Year 1: N/P		Year 2: N/P		Year 3: N/P		
Storage Practices	The District does not maintain its own water storage facilities.						
Drought Plan	Will rely on Lassen County Groundwater Management Plan.						
Water Conservation Practices							
CUWCC Signatory	No						
Metering	No						
Conservation Pricing	No						
Other Practices	The District has started to track the amount of water purchased from HPUD and has begun encouraging conservation on the part of its customers.						
Notes:							
(1) In 2009, the flow meter that tracked the volume of water purchased from SIAD broke. The meter was never repaired and no information on the amount of water supplied to WPVCS D was recorded.							

Water Rates and Financing			
Residential Water Rates-Ongoing Charges FY 2012¹			
Rate Description		Avg. Monthly Charges	Consumption²
Residential	Flat monthly rate of \$45.00 for each connection.	\$45.00	7,600 gal/month
Rate-Setting Procedures			
Most Recent Rate Change	2005	Frequency of Rate Changes	As needed
Water Development Fees and Requirements			
Fee Approach	Ordinance 4 from 1990 states that development fees are to be determined by the Board of Directors.		
Connection Fee Amount	Case by case basis	Last updated: 1990	
Water Enterprise Revenues, FY 13			Expenditures, FY 13
Source	Amount	%	Amount
Total	\$154,637	100%	Total \$106,015
Rates & charges	\$87,701	57%	Administration \$27,761
Property tax	\$2,899	2%	O & M \$20,093
Grants	\$0	0%	Capital Depreciation \$17,245
Interest	\$118	0%	Debt \$0
Connection Fees	\$0	0%	Purchased Water \$32,357
Other	\$63,919	41%	Other \$8,559
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.			

Note44: The HPUD has noted the 7,600 gal/month is incorrect. 5.8 MG was used last month 5/16/14 - 6/18/14. That's 37,500 for 155 homes, there is approximately 15 vacancies in WPVCSD. WPVCSD uses on average double the national average for unmetered water users in the USA as determined by the EPA.

⁴⁴ HPUD Comments on Public Draft MSR 7.11.14

WASTEWATER SERVICES

Service Overview

The District provides wastewater collection services to 145 connections in West Patton Village. Effluent is collected and transmitted to SIAD for treatment. Wastewater collection services include the regular maintenance and operations of the wastewater mains that make up the District's collection system.

Facilities and Capacity

The District owns and maintains three miles of collection pipelines and a lift station. The gravity flow system, which serves the WPVCSD area, is comprised primarily of vitrified clay pipe ranging in size from four to 15 inches in diameter. Most mains are six to 12 inches in diameter. Replacement is on an as needed basis. WPVCSD infrastructure is not part of the SIAD property and belongs to the WPVCSD. In 2009 HPUD was granted a Temporary Construction Easement (TCE) to replace a portion of the force main to facilitate a water line installation. The granting agency for the TCE was WPVCSD. The existing lift station pumps were replaced in 1997 along with a section of a four-inch force main. The same pumps were also adjusted in 2013 to ensure continued optimal performance. WPVCSD infrastructure is considered to be in generally good condition by the District. However, there are likely sections of the system that are in need of replacement similar to the SIAD system. It appears that the current collection system has sufficient capacity to serve the existing number of connections. As flows are not tracked, the extent of remaining capacity in the collection system cannot be determined.

WPVCSD directs their sewage flow to the lift station that they own and maintain. This lift station pumps the sewage to a Man Hole (MH). An 8" sewer main was abandoned by SIAD in 1990 when they demolished the housing area.

The wastewater collection and treatment system operated by SIAD consists primarily of gravity fed vitrified clay pipes at various sizes and slopes. These pipes collect the sewage generated not only by the military base, but also WPVCSD, Susanville Indian Rancheria (SIR), Fort Sage School District, and the Commercial/Lassen County Local Reuse Authority properties. The non-SIAD flows from these properties are collected and discharged to a 12-inch vitrified clay main that crosses into the SIAD property at the intersection of Sierra Street and Susanville Road. Based upon past surveys of portions of this system, there are sewer mains that have little to no slope in the gravity pipe system. This allows sewage to build up in the pipes until there is enough back pressure to push the sewage through. The majority of the existing SIAD pipe system is believed to be in need of replacement due to age, deteriorated condition and poor slopes.

SIAD's wastewater plant, which serves WPVCSD, uses a facultative lagoon process with discharge to a set of three wetland cells. Four wetland cells are present, but the plant design is currently approved using three. Currently, the system operates with a lagoon that is aerated by floating surface aerators, followed by an anaerobic polishing pond. One of the cells is a newly active cell with a bentonite natural liner and newly planted wetland vegetation. The other two cells will be used as overflow cells to accommodate temporary increase flows. Two new transfer pumps from the polishing pond to the wetlands were installed in 2003. The treatment facility has a capacity of 5,000 gallons per day.

The District does not track the amount of wastewater flow that is collected and directed to SIAD for treatment. While existing flows are unknown, projected build out flows were compiled as part of the *Herlong Water and Wastewater Systems Project Draft Environmental Impact Report* in 2002. At that time, it was projected that on average WPVCSD would collect 16.13 million gallons per year or approximately 44,200 gallons per day of effluent.⁴⁵ The projected flow of the area within WPVCSD at build out greatly exceeds the maximum capacity of the SIAD treatment facility. Alternative wastewater treatment options will need to be identified to address future flows.

Infrastructure Needs or Deficiencies

In addition to capacity concerns at the SIAD facility, the depot indicated that it was interested in terminating its wastewater services to outside users (except for SIAD facilities within the depot fence).

There were previously plans to develop a new wastewater treatment plant to ensure continued treatment services and adequate capacity to serve the West Patton Village CSD as well as surrounding areas; however, these plans were discontinued and HPUD is being considered to take over wastewater treatment at its wastewater facility for SIAD. WPVCSD and HPUD are presently in negotiations regarding this possibility. As of the drafting of this report, plans for the transfer of services had not been solidified.

A thorough assessment of the District's collection system has not been conducted. As such, the extent of any infrastructure needs specific to the wastewater system is unknown. It is recommended that WPVCSD consider a system-wide smoke test or CCTV inspection of the system in order to assess and prioritize any necessary improvements⁴⁶.

⁴⁵ Herlong Water and Wastewater Systems Project Draft Environmental Impact Report, Lassen County, May 2002.

⁴⁶ HPUD comments as follows: There is no SSMP as required by the CWA, which is a violation of Federal and CA Law.

Shared Facilities

WPVCSD takes advantage of sharing infrastructure with the adjacent SIAD as practicable. The WPVCSD and SIAD currently take advantage of sharing all components of the collection system (wastewater).

There is a facility sharing opportunity with HPUD, should WPVCSD and HPUD come to an agreement regarding transferring of treatment services from SIAD.

Service Adequacy

This section reviews indicators of service adequacy, including regulatory compliance, treatment effectiveness, sewer overflows, and collection system integrity.

WPVCSD has not been issued any violations of regulatory requirements over the last three-year period (2011 to 2013). While not issued any violations there is no SSMP as required by the Clean Water Act which a violation of Federal and CA Law⁴⁷.

Wastewater treatment providers are required to comply with effluent quality standards under the waste discharge requirements determined by RWQCB. Because WPVCSD does not provide treatment services, it is not subject to these standards.

Figure 4-5: WPVCSD Wastewater Service Adequacy Indicators

⁴⁷ HPUD comments on public draft Service Review 7.11.14

Wastewater Service Adequacy and Efficiency			
Regulatory Compliance Record, 2011-2013			
Formal Enforcement Actions	0	Informal Enforcement Actions	0
Total Violations, 2011 - 2013			
Total Violations	0	Priority Violations	0
Service Adequacy Indicators			
Treatment Effectiveness Rate ²	N/A	Sewer Overflows 2011 - 2013 ³	0
Total Employees (FTEs)	0.75	Sewer Overflow Rate ⁴	0
MGD Treated per FTE	Unknown	Customer Complaints CY 13: Odor (0), spills (0), other (0)	
Source Control and Pollution Prevention Practices			
None at this time.			
Collection System Inspection Practices			
Daily inspections of the lift station and the manhole levels are conducted. A chemical is used to clear any build up in the system. The system is pumped semi-annually to clear the system for inspection by a certified company.			
Notes:			
(1) Order or Code Violations include sanitary sewer overflow violations.			
(2) Total number of compliance days in 2013 per 365 days. WPVCSD is not responsible for treatment of effluent.			
(3) Total number of overflows experienced (excluding those caused by customers) from 2011 to 2013 as reported by the agency.			
(4) Sewer overflows from 2011 to 2013 (excluding those caused by customers) per 100 miles of collection piping.			

Wastewater agencies are required to report sewer system overflows (SSOs) to SWRCB. Overflows reflect the capacity and condition of collection system piping and the effectiveness of routine maintenance. The sewer overflow rate is calculated as the number of overflows per 100 miles of collection piping per year. The District reported no overflows during the period from 2011 through 2013, which equates to zero spills per 100 miles of pipeline during that period. Wastewater providers are required to report any spill within 2 hours of the spill occurring.

There are several measures of integrity of the wastewater collection system, including peaking factors, efforts to address infiltration and inflow (I/I), and inspection practices. The peaking factor is the ratio of peak day wet weather flows to average dry weather flows. The peaking factor is an indicator of the degree to which the system suffers from I/I, where rainwater enters the sewer system through cracks, manholes or other means. Because the District does not track the amount of effluent collected, the peaking factor of the system during wet weather events cannot be determined. Manholes are reportedly positioned to prevent stormwater from entering at those points; however, the degree of infiltration and inflow via other sources is unknown.

Figure 4-6: WPVCSD Wastewater Service Profile

Wastewater Service Configuration and Demand				
Service Configuration				
Service Type		Service Provider(s)		
Wastewater Collection		WPVCSD		
Wastewater Treatment		SIAD		
Wastewater Disposal		SIAD		
Recycled Water		N/A		
Service Area				
Collection:		West Patton Village Subdivision		
Treatment:		N/A		
Recycled Water:		N/A		
Service Demand				
Type	Connections (2013)			Flow (mgd) Average
	Total	Inside Bounds	Outside Bounds	
Total	145	145	0	Unknown
Residential	145	145	0	Unknown
Commercial	0	0	0	Unknown
Institutional	0	0	0	Unknown
Historical and Projected Demand (ADWF in millions of gallons per day) ²				
2005	2010	2015	2020	2025
Unknown	Unknown	Unknown	Unknown	Unknown
Note:				
(1) NA: Not Applicable; NP: Not Provided.				
(2) WPVCSD does not track wastewater flow in its system.				

Wastewater Infrastructure			
Wastewater Collection, Treatment & Disposal Infrastructure			
<i>System Overview</i>			
The District owns and maintains three miles of collection pipelines and a lift station. WPVCSD directs their sewage flow to the lift station, which pumps the sewage to an eight-inch PVC gravity main. These flows are then directed across Susanville Road to the treatment area in the SIAD.			
<i>Collection & Distribution Infrastructure</i>			
Sewer Pipe Miles	3	Sewage Lift Stations	1
<i>Treatment Plant Daily Flow (mgd)</i>			
ADWF (mgd)	% of ADWF Capacity in Use	Peak Wet (mgd)	Peaking Factor
Unknown	Unknown	Unknown	Unknown
<i>Infiltration and Inflow</i>			
Because the District does not track the amount of effluent collected, the peaking factor of the system during wet weather events cannot be determined. Manholes are reportedly positioned to prevent stormwater from entering at those points; however, the degree of infiltration and inflow via other sources is unknown.			
<i>Infrastructure Needs and Deficiencies</i>			
In addition to capacity concerns at the SIAD facility, the depot indicated that it was interested in terminating its wastewater services to outside users (except for SIAD facilities within the depot fence). WPVCSD needs to identify a new means to treat its effluent.			
Wastewater Facility Sharing			
<i>Facility Sharing Practices</i>			
The WPVCSD takes advantage of sharing infrastructure with the adjacent SIAD as practicable.			
<i>Facility Sharing Opportunities</i>			
There is a facility sharing opportunity with HPUD, should WPVCSD and HPUD come to an agreement regarding transferring of treatment services from SIAD.			

FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES

Service Overview

WPVCSD recently began providing fire protection emergency medical in 2006. These services consist of fire prevention and suppression for structures and wildland, as well as emergency medical response in the form of basic life support.

WPVCSD is providing fire protection and emergency medical services to West Patton Village and the annexed Herlong area through the Herlong Volunteer Fire Department (HVFD). HVFD is under the umbrella of WPVCSD; however administration of the Fire Department is located in a separate building from the CSD. Given the physical separation of the two branches, it is recommended that WPVCSD ensure proper communication and reporting by the Fire Department to the WPVCSD administration and Board of Directors, for example, through monthly reports to the general manager and at board meetings.

The Bureau of Land Management (BLM) has primary responsibility for providing wildland fire protection. The nearest BLM fire station co-located with the Plumas National Forest is approximately 11 miles south of Herlong in Doyle.

SIAD provides paramedic services to the area within the District's bounds, and also provides support to HVFD in the form of mutual aid.

Collaboration

The District maintains mutual aid agreements with Sierra Army Depot, Milford Fire Protection District, and Doyle Fire Protection District. Additionally, each of the fire protection districts in Lassen County is a member of a master agreement that provides for assistance for fire and other emergency events that exceed the capacity of any individual district. The District also collaborates with the California Department of Forestry and Fire (Cal Fire) protection on wildland fire response when necessary.

Dispatch and Communications

Dispatch is provided by the Susanville Interagency Fire Center (SIFC) to the fire providers in the Almanor Basin. As of 1984, SIFC started providing emergency dispatching services for the Lassen National Forest, Norcal Bureau of Land Management (BLM), CalFire Lassen-Modoc Unit, Lassen Volcanic National Park, Fire Net Lassen, 17 local fire departments, and Sierra Medical Services Alliance (SEMSA). The center coordinates 9-1-1 dispatching for fire and medical emergency services. This merging of Federal, State, and local cooperation began in 1982, when the California Department of Forestry and Fire Protection (now CalFire) joined the Susanville Interagency Fire Center. SIFC grew again in

1984, with the formation of Fire Net Lassen and the beginning of 24-hour dispatching services by the interagency group.

Staffing

District fire services are provided by a full time paid chief and 12 volunteer firefighters.

Currently, there are three certifications in the California firefighter series; Volunteer Firefighter, Firefighter I, and Firefighter II. While the Volunteer Firefighter focuses on skills and tasks necessary to assure safety on the fire ground, Firefighter I & II prepares the firefighter to perform essential and advanced fire ground tasks, as well as allowing entry into all tracks of the certification system. According to the California State Fire Marshal, all paid, volunteer and call firefighters must acquire Firefighter I certification; however, there is no time limit as to how long they may work before attaining certification. Firefighter I certification requires completion of the 259-hour Firefighter I course, which includes training on various fire ground tasks, rescue operations, fire prevention and investigation techniques, and inspection and maintenance of equipment. In addition to this course, Firefighter I certification also requires that the applicant have a minimum of six months of volunteer or call experience in a California fire department as a firefighter performing suppression duties.⁴⁸ WPVCSD has five Volunteer Firefighter, three Firefighter 1, nine First Responder EMT, three EMT 1, and no Paramedic certified personnel.

Training

Training of volunteers is held on Wednesday at 6:00 p.m. at the HVFD Office. The District does not presently have a minimum hourly requirement for training purposes. HVFD reportedly plans to institute training requirements in the near future.

HVFD has CPR Certification and First Aid instructors that provide training to volunteers and the local community.

Demand

The District did not provide the exact number of calls in each year over the last five year period, so any change in demand for fire services could not be identified. The District did not record any calls in 2008. During the period 2009 to 2013, WPVCSD reportedly averaged 54 calls per year. In 2013, there was a total of 92 calls for services—73 for medical services and 19 for fire-related incidents.

⁴⁸ State Fire Marshal, Course Information and Required Materials, 2007, p. 44

Fire Facilities and Capacity

HVFD vehicles are stored in a storage building owned by WPVCSD as well as private residences. The District considers the building to be in good condition. Although it lacks space for administration and has no restroom, and the facility fills the needs of the vehicle storage.

Administration of HVFD is conducted at a different site located at 1121-A Honey Way within the Susanville Indian Rancheria housing area.

The District makes use of six vehicles to provide services, including a Chiefs vehicle, rescue rig, water tender, two wildland brush engines, and one structure engine. None of the vehicles are reportedly in need of replacement. The District recently received its second brush rig, which required some repairs, but the vehicle is generally in good condition.

Water for fire protection services are provided by the two water retailers within HVFD's bounds—WPVCSD and HPUD. WPVCSD recently replaced 10 fire hydrants⁴⁹. HPUD has extended fire hydrant coverage over the last several years and presently maintains 47 hydrants. Total water reserves for fire and emergency purposes are 0.32 mg for HPUD which supplies water supply and storage capacity to WPVCSD. WPVCSD does not maintain water storage facilities of its own. The correction facility has its own storage and pumping facilities to provide pressurized potable supply and fire flow.

Infrastructure Needs or Deficiencies

The District has considered building a new station which would be able to function as a fire station with administration space. WPVCSD has not yet found grants to fund a new building, so plans have been put on hold.

The District's water tender is on loan from the U.S. Forest Service, so the District is interested in purchasing its own vehicle should the opportunity present itself.

Service Adequacy

While there are several benchmarks that may define the level of fire service provided by an agency, indicators of service adequacy discussed here include ISO ratings, response times, and level of staffing and station resources for the service area.

Fire services in the communities are classified by the Insurance Service Office (ISO), an advisory organization. This classification indicates the general adequacy of coverage, with

⁴⁹ WPVSCD has replaced 10 hydrants, added one in the Hillcrest area, and took control of two hydrants during the transfer to HPUD providing water service for a total of 13 hydrants. WPVCSD Comments 7.11.14

classes ranking from 1 to 10. Communities with the best fire department facilities, systems for water distribution, fire alarms and communications, and equipment and personnel receive a rating of 1. WPVCSD has an ISO rating of 10 in all areas. These results are based on an evaluation in 2005, which was prior to formation of HVFD. The District has been waiting to complete hydrant improvements to conduct a new ISO evaluation with the hopes of improving the rating.

The National Fire Protection Association (NFPA) has issued a performance standard for volunteer and combination fire departments (NFPA 1720). This standard, among other guidelines, identifies target response time performance for structure fires. The response time is measured from the completion of the dispatch notification to the arrival time of the first-responder at the scene. Though not a legal mandate, NFPA 1720 does provide a useful benchmark against which to measure fire department performance. NFPA 1720 recommends that the response times for structure fire be nine minutes in urban demand zones at least 90 percent of the time, 10 minutes in suburban zones at least 80 percent of the time and 14 minutes in rural zones at least 80 percent of the time. Response times in remote zones are directly dependent on travel distances.⁵⁰ WPVCSD falls under the definition of rural and remote demand zones.

Emergency medical response time standards vary by level of urbanization of an area: the more urban an area, the faster a response has to be. The California EMS Agency established the following response time guidelines: five minutes in urban areas, 15 minutes in suburban or rural areas, and as quickly as possible in wildland areas. The District's response zones include rural and wilderness classifications. The District was not able to provide the exact response times for calls in 2013. It is recommended that the District begin tracking response time information in an easily accessible format. The District reported that generally personnel can respond within 10 minutes.

The service area size⁵¹ for each fire station varies between fire districts. Densely populated areas tend to have smaller service areas. WPVCSD's station serves the entire District, which is 51.6 square miles.

The number of firefighters serving within a particular jurisdiction is another indicator of level of service; however, it is approximate. The providers' call firefighters may have differing availability and reliability. A district with more firefighters could have fewer resources if scheduling availability is restricted. Staffing levels in Lassen County vary among the various agencies. The fire department has a chief and 12 volunteer fire fighters

⁵⁰ Urban demand zone has population density of more than 1,000 people per square mile; suburban zone—between 500 and 1,000 people per square mile, rural zone—less than 500 people per square mile, and remote zone is identified by eight or more miles of travel distance to an incident.

⁵¹ Service area refers to the area that the agency will respond to, based on a first responder map used by the Sherriff's office.

and has agreements with the Sierra Army Depot, Doyle Fire Department and the Milford Fire Department for mutual aid⁵².

⁵² WPVCSD comments on MSR July 10, 2014

LIBRARY SERVICES

Service Overview

Until recently, the District provided staff (primarily volunteers) to operate one County-owned library, which is located on the Army depot. The library was opened in 2003 and all operations were overseen by WPVCSD. However, the County recently sold the building where the library is located and the new owner asked for rent, which WPVCSD could not afford. The Fort Sage Family Resource Center agreed to take on the library services, and the WPVCSD Board approved relinquishing responsibility for the library to the resource center at its meeting on March 26, 2014. WPVCSD reported that it desires to maintain the power to provide library services should the opportunity or need arise in the future for the District to again offer these services.

Under WPVCSD's operation, the library was open to the public Tuesdays and Fridays from 10 a.m. to 4 p.m. Library services were funded by annual membership dues of \$10 for a family and \$5 for an individual.

Library Infrastructure and Facilities

The Herlong Library was located on the Sierra Army Depot. The building was transferred to the County by the federal government after being closed for approximately three years, and then sold to a private individual. The District managed the reopening of the facility and was responsible for continued operations. The library held approximately 450,280 volumes available for borrowing by the public. The books have now been accepted by the family resource center for use in the new library.

LIGHTING SERVICES

Service Overview

The District owns 28 streetlights for which it collects fees from each parcel for payment to Plumas Sierra Rural Electric for electricity and maintenance. The streetlights are limited to the Patton Village area including the Hillcrest and West Patton Village subdivision.

The District is not responsible for maintaining street lights, and as such does not maintain any staff dedicated to these services. Residents are encouraged to contact the electric company for repairs.

Streetlight Infrastructure and Facilities

The District is responsible for 28 streetlights. The streetlights are repaired as necessary by Plumas Sierra Rural Electric. All streetlights are maintained in operable and good condition. There were no significant infrastructure deficiencies identified.

Service Adequacy

There are no industry standards with regard to street lighting services, such as response times to a service request. Additionally, the District is not responsible for maintenance of the lights, making it difficult to determine service adequacy.

WEST PATTON VILLAGE CSD MUNICIPAL SERVICE REVIEW DETERMINATIONS

Growth and Population Projections

- ❖ West Patton Village Community Services District (WPVCSD) has an approximate population of 900. Additionally, there are 1,850 individuals who are institutionalized at the correctional facility.
- ❖ WPVCSD anticipates no growth in population and similarly in service demand within the District in the next five to ten years, due to the downturn in the economy, absence of recent growth and lack of planned or proposed developments in the area.
- ❖ Based on Department of Finance projections, the District's population would increase from approximately 485 in 2010 to 583 in 2020, which will likely result in minimal change in service demand for WPVCSD.

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

- ❖ The entirety of the Herlong Census Designated Place (which is entirely within WPVCSD's bounds) is considered a disadvantaged unincorporated community by the Department of Water Resource's (DWR) standards. The Herlong Census Designated Place had a population of 298 as of 2010; it does not include the community of Patton Village.
- ❖ DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. Because income information is not available for this level of analysis, smaller disadvantaged unincorporated communities that meet LAFCO's definition cannot be identified at this time.

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

- ❖ The water system is more than 50 years old; however, with the exception of deteriorating galvanized connection piping, it is reportedly in good condition.
- ❖ The capacity of WPVCSD's water system is unknown; however, it appears that the District has adequate source capacity from the HPUD to serve the existing number

of connections. The District reported that it also has capacity to service anticipate growth in demand, but this determination cannot be made due to a lack of available information on historical and current water use as well as limitations in the agreement with HPUD. The District will greatly benefit from its current efforts to track water use.

- ❖ In order to address concerns identified by the Department of Public Health, It has been documented by CDPH and the HPUD the District has not contracted with a certified water system operator for operations and training of staff to attain required certification. The District continues to need an operations plan. There have been concerns that the District did not complete a thorough annual consumer confidence report as required by law. In April 2014, the district released a 2013 Consumer Confidence Report⁵³.
- ❖ A thorough assessment of the District's wastewater collection system has not been conducted. As such, the extent of any infrastructure needs specific to the wastewater system is unknown. It is recommended that WPVCSD consider a system-wide smoke test or CCTV inspection of the system in order to assess and prioritize any necessary improvements. It is also recommended the district prepare a SSMP, which is required by the Clean Water Act.
- ❖ It appears that the current wastewater collection system has sufficient capacity to serve the existing number of connections. As flows are not tracked, the extent of remaining capacity in the collection system cannot be determined.
- ❖ The projected flow of the area within WPVCSD at build out greatly exceeds the maximum capacity of the SIAD treatment facility. Alternative wastewater treatment options will need to be identified to address future flows. In addition to capacity concerns at the SIAD facility, the depot indicated that it was interested in terminating its wastewater services to outside users.
- ❖ Based on indicators of service adequacy including sewer overflows and collection system integrity, and regulatory compliance, the District appears to provide adequate wastewater services.
- ❖ The District has considered building a new fire station, which would be able to function as a fire station with administration space. WPVCSD has not yet found grants to fund a new building, so plans have been put on hold and the District continues to operate out of an administration space and a vehicle storage space.

⁵³ West Patton Village CSD comment 7.10.14

- ❖ The District was not able to provide the exact response times for calls in 2013. It is recommended that the District begin tracking response time information in an easily accessible format.
- ❖ District management methods appear to generally meet accepted best management practices. The District prepares a budget before the beginning of the fiscal year, conducts annual financial audits, maintains current transparent financial records, tracks employee and district workload, and has an established process to address complaints. WPVCSD could improve its management practices by conducting long-term capital and strategic planning, and ensuring that audits are completed within 12 months of the close of the fiscal year⁵⁴.

Financial Ability of Agency to Provide Services

- ❖ The District reported that current financial levels are adequate to deliver services. While the District has been able to maintain funding at levels to continue providing similar services as offered prior to the recession, financing has faced constraints due to loss revenue with houses going into foreclosure.
- ❖ It is recommended that the District track water and wastewater monies through separate enterprise funds to ensure accountability and transparency⁵⁵.
- ❖ It is recommended that the District establish defined connection fees to ensure that they are set appropriately to cover any necessary infrastructure improvements/expansions associated with the new connection.
- ❖ Upon expiration of the water purchase contract terms in December 2014, HPUD will begin charging WPVCSD based on water consumption. WPVCSD has begun tracking its use in an effort to adjust rates to its users prior to that time.

Status and Opportunities for Shared Facilities

- ❖ The District maintains mutual aid agreements with Sierra Army Depot, Milford Fire Protection District, and Doyle Fire Protection District, and is part of a countywide master agreement. The District also collaborates with the California Department of Forestry and Fire, and relies on the Susanville Interagency Fire Center for dispatch.

⁵⁴ WPVCSD notes the district always completes its audits within one fiscal year. The 12/13 audit was accepted in May 2014, for example.

⁵⁵ WPVCSD notes the district's enterprise funds are tracked separately through bookkeeping practices and the audit process.

- ❖ WPVCSD practices facility sharing by purchasing treated water from HPUD. Additionally, WPVCSD takes advantage of sharing wastewater treatment infrastructure with SIAD.
- ❖ There is a facility sharing opportunity with HPUD, should WPVCSD and HPUD come to an agreement regarding transferring of wastewater treatment services from SIAD.

Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

- ❖ Accountability is best ensured when public comments and preferences are taken into consideration, constituent outreach is conducted to promote accountability and ensure that constituents are informed and not disenfranchised, and public agency operations and management are transparent to the public. WPVCSD demonstrated accountability with respect to its public outreach efforts, maintaining an informal complaint process, and cooperation with the MSR process.
- ❖ It is recommended that WPVCSD ensure proper communication and reporting by the Fire Department to the WPVCSD administration and Board of Directors, for example, through monthly reports to the general manager and at board meetings.
- ❖ During the MSR Review process LAFCo received two complaint letters from rate payers regarding District operations with respect to the WPVCSD. Outreach to these rate payers should be a high priority for the district to resolve differences.
- ❖ Governance options identified for WPVCSD include 1) consolidation with HPUD, 2) dissolution with territory annexed by HPUD, 3) dissolution with both WPVCSD and HPUD areas served by a single newly formed entity, or 4) continued operations with the current governance structure.

WEST PATTON VILLAGE CSD

ADOPTED SPHERE OF INFLUENCE DETERMINATIONS

Nature, location and extent of any functions or classes of services

- ❖ West Patton Village Community Services District (WPVCSD) provides retail water, wastewater collection, streetlight maintenance and electricity, fire protection, and emergency medical services.
- ❖ WPVCSD currently does not provide services to areas outside its boundaries with regard to water, wastewater, and streetlight services. However, the District may on occasion respond outside of its bounds to provide fire protection and emergency medical services consistent with applicable mutual aid agreements.
- ❖ There are no unserved areas within the District's bounds with regard to fire services. Utility services are limited to the West Patton Village and Hillcrest areas, and do not extend beyond the subdivisions.

Present and planned land uses, including agricultural and open-space lands

- ❖ Lassen County land use designations in the vicinity of West Patton Village consist of residential, planned community, public lands, commercial land industrial land uses. The Patton Village No. 2 Subdivision is zoned R-1 (single family residential) and planned for low density residential.
- ❖ Land use within the Herlong area includes existing agriculture, residential and commercial. A Town Center designates the central area of a small, unincorporated community.
- ❖ Agriculturally suitable soils and Williamson Act lands are located in the vicinity of West Patton Village. Services within areas designated as prime agricultural land or lands designated for agricultural uses shall only be provided after appropriate environmental review.

Present and probable need for public facilities and services

- ❖ Based on Department of Finance projections, the District's population would increase from approximately 485 in 2010 to 583 in 2020, which will likely result in minimal change in service demand for WPVCSD.

- ❖ It is anticipated that area residents will have a continued need for water distribution, wastewater collection, and fire/emergency medical services offered by WPVCSD or another agency.

Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

- ❖ The capacity of WPVCSD's water system is unknown; however, it appears that the District has adequate capacity to serve the existing number of connections. The District reported that it also has capacity to service anticipate growth in demand, but this determination cannot be made due to a lack of available information on historical and current water use. The District will greatly benefit from its current efforts to track water use.
- ❖ In order to address concerns identified by the Department of Public Health, the District has subcontracted with a certified water system operator for operations and training of staff to attain required certification. The District continues to need an operations plan. There have been concerns that the District does not complete a thorough annual consumer confidence report as required by law. The District has provided to LAFCo a 2013 CCR dated April 2014.
- ❖ A thorough assessment of the District's wastewater collection system has not been conducted. As such, the extent of any infrastructure needs specific to the wastewater system is unknown. It is recommended that WPVCSD consider a system-wide smoke test or CCTV inspection of the system in order to assess and prioritize any necessary improvements.
- ❖ It appears that the current wastewater collection system has sufficient capacity to serve the existing number of connections. As flows are not tracked, the extent of remaining capacity in the collection system cannot be determined.
- ❖ The projected flow of the area within WPVCSD at build out greatly exceeds the maximum capacity of the SIAD treatment facility. Alternative wastewater treatment options will need to be identified to address future flows. In addition to capacity concerns at the SIAD facility, the depot indicated that it was interested in terminating its wastewater services to outside users.
- ❖ Based on indicators of service adequacy including sewer overflows and collection system integrity, and regulatory compliance, the District appears to provide adequate wastewater services.
- ❖ The District has considered building a new fire station, which would be able to function as a fire station with administration space. WPVCSD has not yet found

grants to fund a new building, so plans have been put on hold and the District continues to operate out of an administration space and a vehicle storage space.

- ❖ The District was not able to provide the exact response times for calls in 2013. It is recommended that the District begin tracking response time information in an easily accessible format.
- ❖ District management methods appear to generally meet accepted best management practices. The District prepares a budget before the beginning of the fiscal year, conducts annual financial audits, maintains current transparent financial records, tracks employee and district workload, and has an established process to address complaints. WPVCSD could improve its management practices by conducting long-term capital and strategic planning, and ensuring that audits are completed within 12 months of the close of the fiscal year.

Existence of any social or economic communities of interest

- ❖ The communities of West Patton Village and Herlong are both distinct social and economic communities that are located within WPVCSD's bounds.

Present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence

- ❖ The entirety of the Herlong Census Designated Place (which is entirely within WPVCSD's bounds) is considered a disadvantaged unincorporated community by the Department of Water Resource's (DWR) standards. WPVCSD provides only fire and EMS services to the Herlong area. It is likely that residents will continue to need these services; although, little growth in demand is anticipated over the next 10 years.

5. SPHERE OF INFLUENCE UPDATE

EXISTING SPHERE OF INFLUENCE

Both Herlong Public Utility District (HPUD) and West Patton Village Community Services District (WPVCSD) have spheres of influence that are coterminous with their boundaries. A coterminous SOI indicates that LAFCO anticipates no change in either district's bounds over the planning period of the sphere of influence.

SOI OPTIONS

Several options exist for the HPUD and WPVCSD SOIs. These SOIs are reflective of the governance options that were identified during the course of this MSR—1) continued operation of both agencies with the current governance structure, 2) dissolution of either WPVCSD or HPUD with that agency's territory annexed by the remaining district identified as the successor agency, 3) consolidation of WPVCSD and HPUD, or 4) dissolution of WPVCSD and HPUD with both areas served by a single newly formed successor district. The following six SOI options were identified:

Option #1: Retain Existing Coterminous SOIs

By retaining the existing coterminous SOI, LAFCO is signifying that it does not anticipate that either District will be annexing or detaching territory in the foreseeable future and operations and governance of both district will continue to function in a similar manner.

Option #2: Zero SOI for WPVCSD & SOI Expansion for HPUD to Include WPVCSD

A zero SOI would signify LAFCO's anticipation that WPVCSD will be dissolved and the District's functions passed on to another agency. This option also calls for the expansion of HPUD's SOI to include the entirety of WPVCSD, which would indicate that HPUD is the anticipated successor agency that will continue services to the area's residents.

Option #3: Zero SOI for HPUD & SOI Expansion for WPVCSD to Include HPUD

This option is the reverse to Option #2. A zero SOI would signify LAFCO's anticipation that HPUD will be dissolved and the District's functions passed on to another agency. This option also calls for the expansion of WPVCSD's SOI to include the entirety of HPUD, which would indicate that WPVCSD is the anticipated successor agency that will continue services to the area's residents.

Option #4: Consolidated Sphere - Expand HPUD and WPVCSD SOIs to Encompass the Same Area

By expanding both HPUD's and WPVCSD's SOIs to include the same territory, LAFCO would be indicating that consolidation of the two districts is anticipated. Should the agencies be interested in consolidation, then LAFCO would accept applications for consolidation from the two agencies, then LAFCO can move forward with the consolidation process.

Option #5: Zero SOI for HPUD and WPVCSD

Zero SOIs for both HPUD and WPVCSD would indicate the anticipated dissolution of both districts and the formation of a new agency to take on the functions of both agencies.

An option is to create a new special district in the area to be responsible for a variety of services. Most likely, the successor would be structured as a community services district or a public utility district that would provide existing services such as water, wastewater, and fire services, as well as other services that are currently lacking in the region. A limited service SOI could be established to limit water and wastewater services to the current utility service areas, and avoid growth-inducing effects outside planned development areas.

Option #6: SOI Expansion to SR 395

There are presently 63 parcels that are between WPVCSD's bounds and SR 395 that are currently served by Cal Fire. Expansion of WPVCSD's or a successor agency's SOI would indicate the anticipation of this area being annexed and the territory east of SR 395 receiving fire service from a local fire provider.

Option #7 Consolidation of service functions establishing two Spheres one for public works functions and the other for Fire and EMS.

There are a variety of services provided by the HPUD and WPVCSD. This option would place the street lighting, parks, water and wastewater functions with the HPUD having the same boundaries of the current HPUD and create and maintain an independent fire district to include the entire Herlong Area from Doyle to Highway 395 having a boundary larger than the existing WPVCSD.

Option 8: HPUD and WPVCSD Consolidation Committee (Board of Directors Recommendation)

On July 29, 2014 the Boards of Directors of the HPUD and WPVCSD met and decided to pursue consolidation or reorganization of their Districts. Among the items discussed was

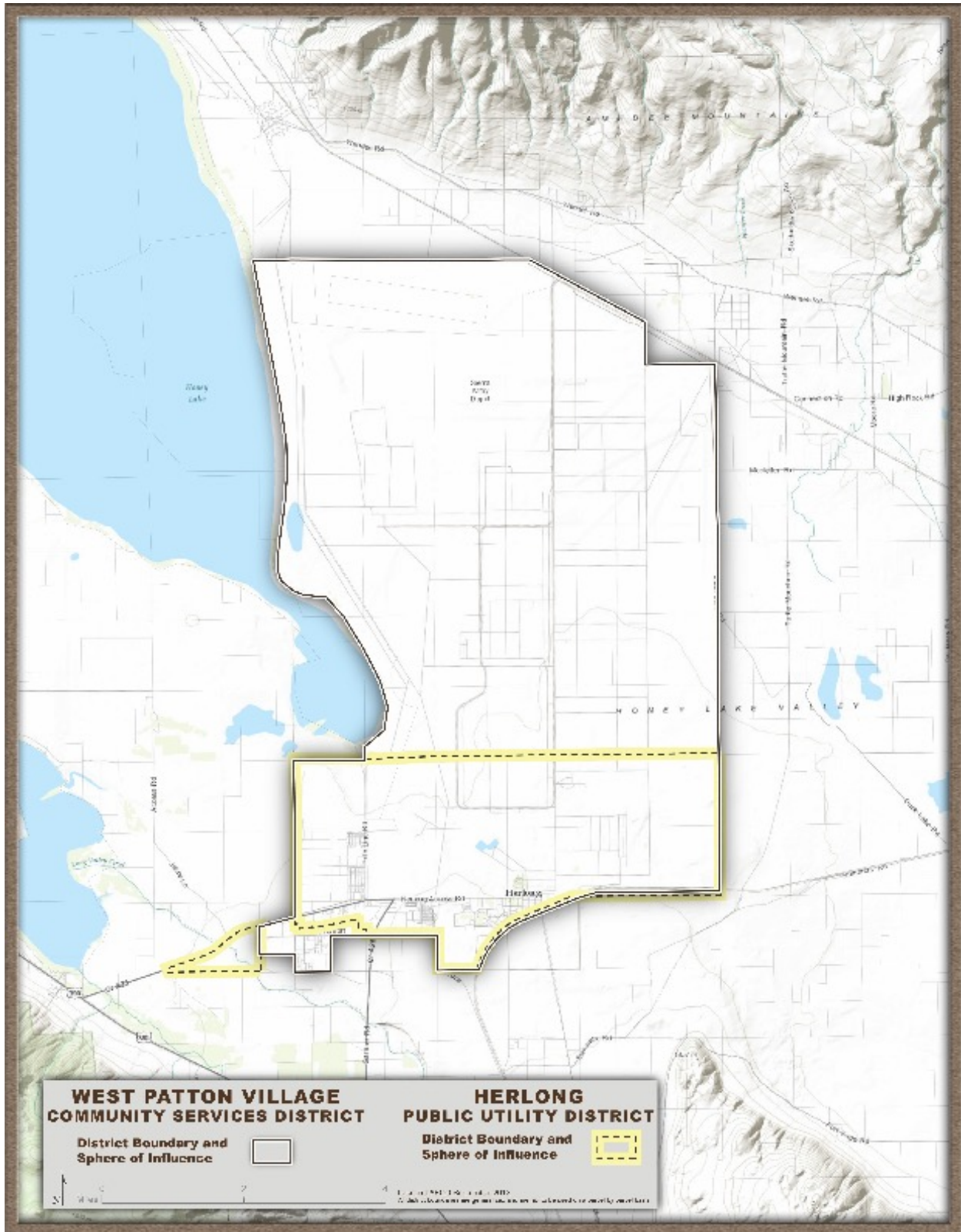
the boundary that would include the unserved areas of the fire department and the Amadee property that the County is in the process of disposing. At this point the discussion is to make the boundary coterminous with the two districts and to include the forest boundary to the west. Should this be the selected option a Sphere of Influence for the newly formed district may not be required until after one year of the new district formation. If this option is selected, no sphere of influence updated would be needed at this time and at a minimum should be deferred until a decision on the revised boundaries is finalized.

SPHERE OF INFLUENCE ANALYSIS

HPUD provides water treatment and distribution and wastewater collection and treatment services. The WPVCSD provides water distribution and wastewater collection services within the bounds of the HPUD. The HPUD sells water to the WPVCSD and is anticipated to be compensated for Wastewater treatment services in the future. Fire and EMS and Street Lighting is provided by the CSD. WPVCSD's bounds encompass a majority of HPUD. HPUD was formed in 2007, originally consisting of 7,146 acres, to provide wholesale and retail water and wastewater services for the entire Herlong area. Both WPVCSD and HPUD provide water and wastewater services to defined areas, and as such, their utility service areas do not overlap. HPUD provides treated wholesale water to WPVCSD for distribution. HPUD does not provide fire protection services, as WPVCSD is the designated fire service provider. The boundaries of each district are shown in Figure 5-1.

Given the proximity of these two agencies and that they provide largely similar services, there may be some benefit from a reorganization of some form. A reorganization of the districts into a single entity may eliminate duplication of efforts and costs, better leverage available resources, and streamline services to be offered in a more efficient and improved manner.

Figure 5-1: West Patton Village CSD and Herlong PUD Boundaries and SOI



At present, both agencies operate relatively satisfactorily. While recommendations for improvement to services were made in this report, no significant deficiencies to service were identified, which would compel a reorganization. The West Patton Village CSD has compliance issues with not having a SSMP and having a Certified Operator. The WPVCSD needs to file for a SSMP. A 2013 Consumer Confidence Report was released in April 2014. However, consolidation/reorganization of the two agencies was identified as an option for several reasons: 1) residents, businesses and institutions in the region would benefit from the enhanced collaboration and regional water and wastewater planning efforts offered by a single robust service provider serving the area, 2) the proximity of the two agencies lends itself to enhanced resource sharing, 3) the two water systems are already connected and there is the potential for the wastewater systems to become connected, 4) the potential for cost savings through elimination of the administration and governing body of one of the entities, and 5) a more sizeable district may be able to offer staffing levels and ensure management practices that may allow for an improved level of services .

The Honey Lake Valley area is undergoing significant change in the manner in which water and wastewater utilities are offered. While the area previously relied heavily on SIAD for water supply and wastewater treatment, the army depot has begun the process of transferring these services to other entities and eliminating services to areas outside of the depot. Over the last few years HPUD has taken on several new water connections, including connections within Susanville Indian Rancheria, the Federal Correctional Institute, and WPVCSD. Similarly, SIAD plans to cease wastewater treatment services to areas outside of the depot in the near future, and HPUD has found funding for capital projects to connect additional customers to its wastewater treatment system in lieu of receiving SIAD services. HPUD identified this transition to a regional provider of utility services as its primary challenge. A single larger special district providing these services in the area would allow for a more unified approach and regional vision of water and wastewater services, benefitting current and future users of the utility systems.

WPVCSD bounds almost entirely encompass HPUD. And, while the utility service areas of the two entities are not adjacent to one another, WPVCSD receives its water supply from the HPUD system through two connections. Additionally, there is the potential for WPVCSD to connect its wastewater collection system to HPUD's system for treatment. This similarity in service configuration would allow for ease of a single provider in consolidating the two systems and in leveraging all available resources towards unified objectives.

In general, consolidation may offer opportunities to enhance planning efforts and service, share a single governing body, management personnel, utility staff and equipment, and meet regulatory requirements. A consolidated operation could offer efficiencies in governance, administration and planning.

Both districts have indicated interest in further discussions regarding consolidation. It is recommend that the districts jointly conduct a more detailed review of the benefits and cost savings that consolidation could offer to shed light on the extent of any cost savings, benefits, or challenges that may be anticipated from the merger of the two districts, and

provide an impetus for a consolidation, should the benefits be proven to substantially exceed any costs or drawbacks. In order to initiate consolidation proceedings, the two agencies would need to submit applications with a detailed plan for services. In the interim, it is recommended that the districts collaborate further on issues of joint-concern. Further collaboration and resource sharing may provide a setting for consideration of future consolidation on the part of the two agencies.

Should HPUD and WPVCSD agree on reorganization in some form, there would need to be consensus on the configuration of the merged or successor agency. The successor agency could take several forms—1) continued services for the entire area by HPUD, 2) continued services for the entire area by WPVCSD, 3) merging of the two entities into a consolidated district, or 4) formation of a new district, most likely a community services district or public utility district. There are several benefits to forming a new district to continue services, including:

- ❖ The new agency would be unencumbered by historical differences and disagreements,
- ❖ Representation on the new governing body would be relatively straightforward,
- ❖ A new agency can be molded into the joint vision of the two agencies, as opposed to being limited by the framework of an existing agency, and
- ❖ A newly formed district provides an opportunity to improve other area services that are lacking and which are not presently under the umbrella of the two districts (i.e., pest abatement or cemetery services).

RECOMMENDED SOIS

Based on the compatibility of the two agencies and the potential benefits that a reorganization could offer, it is recommended that the Commission adopt an SOI that indicates its support of this change in governance. In this case, Option # 5 would be the recommended alternative. Adopting zero SOIs for both agencies will indicate support of dissolution of both districts and the formation of a new district to serve the entire area. The option of dissolving the districts and formation of a new district could be accomplished by an application to LAFCO by an affected agency, a petition of registered voters or by initiation by the LAFCO Commission itself.

An alternative recommendation is Option #7 whereby the public works (utility) functions are under a SOI for the HPUD and Existing Fire and EMS services are under the WPVCSD with an expanded service area. This option would allow the Fire and EMS functions to be independent of the Public Works (Utility) Functions as are most other fire organizations in Lassen County.

A preferred alternative would be Option 8: WPVSD and HPUD Consolidation Committee (Boards of Directors Recommendation) to consolidate the two districts including the unserved areas of the fire department and the Amadee property that the County is in the process of disposing. At this point the discussion is to make the boundary coterminous with the existing two districts and to include the forest boundary to the west. Should this be the selected option a Sphere of Influence for the newly formed district may not be required until after one year of the new district formation. If this option is selected, no sphere of influence updated may be needed at this time and at a minimum the SOI should be deferred until a decision on the revised boundaries is finalized.