

**Local Agency Formation Commission  
Of  
Colusa County**

**February 5, 2009**

**TO:** LAFCO Commissioners

**FROM:** John Benoit, LAFCO Executive Officer

**SUBJECT:** Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for domestic water services and the Colusa County Waterworks District #1.

Staff has prepared a draft Municipal Service Review for Services provided by the Colusa County Waterworks District #1 as well as a Sphere of Influence Update for the Colusa County Waterworks District #1. This MSR reviews the manner in which domestic water services are provided in the Grimes area by the Colusa County Waterworks District #1 and the Sphere of Influence is illustrated as the probable boundary for the district. The proposed Sphere of Influence is contiguous to the existing district boundary and no changes to the Sphere of Influence are recommended.

Below are the Municipal Service Review and the Sphere of Influence Determinations.

The MSR is intended to support preparation and update of Spheres of Influence, in accordance with the provisions of the Cortese-Knox-Hertzberg Act. The objective of this Municipal Service Review (MSR) is to develop recommendations that will promote more efficient and higher quality service patterns; identify areas for service improvement; and assess the adequacy of service provision as it relates to determination of appropriate sphere boundaries.

While LAFCO prepared the MSR document, LAFCO did not engage the services of experts in engineering, fire protection, hydrology and other specialists in related fields, but relied upon reports and district staff for information. Therefore, this MSR reflects LAFCO's recommendations, based on available information during the research period and provided by district and county staff to assist in its determinations related to promoting more efficient and higher quality service patterns; identifying areas for service improvement; and assessing the adequacy of service provision for the District.

**Recommendation:**

1. Adopt Resolution 2009-0001 approving a Municipal Service Review for Domestic water services provided by the Colusa County Waterworks District #1

2. Adopt Resolution 2009-0002 approving a Sphere of Influence Update for the Colusa County Waterworks District #1.

### **Municipal Service Review Determinations**

#### **5.1.2 MSR Determinations on Growth and Population for Colusa County Waterworks District #1**

- 1-1) The District should establish requirements for future annexations.
- 1-2) The District should communicate with the Colusa County Planning Department to make sure that the District is involved in planning decisions which will affect the District.

#### **5.2.2 MSR Determinations Regarding Capacity and Infrastructure for Colusa County Waterworks District #1**

- 2-1) The District should develop a Master Plan to show the existing capacity and how the water service infrastructure will be upgraded in the future.
- 2-2) The District should develop a Capital Improvement Plan for maintaining and improving the infrastructure as shown in the Master Plan.
- 2-3) The District does not have additional capacity to provide for more domestic customers since the fire flows are inadequate.
- 2-4) The District should make installation of water meters a high priority. A rate schedule should then be established that charges more for higher water use.

#### **5.3.3 MSR Determinations on Financial Ability for Colusa County Waterworks District #1**

- 3-1) The District maintains acceptable accounting practices.
- 3-2) The District should plan for the future and have a program of gradually increasing fees to cover increasing costs.
- 3-3) The District should maintain a connection fee for its water service to cover 100% of the costs associated with new development.
- 3-4) The District or County should explore the possibilities for any grants which could help the District.
- 3-5) The District should prepare a Capital Improvement Plan to be prepared for future capital expenditures.

- 3-6) The District should become familiar with Community Facilities Districts and Mello-Roos Bonds as a means for new development to pay infrastructure costs.
- 3-7) LAFCO recommends preparation of a Cost of Services Study to ensure that the fees charged bear a reasonable nexus to the cost of providing that service. This report should provide a comprehensive analysis of the services provided by the District and actual costs of those services to the residents.
- 3-8) Due to the scarcity of resources in the District, it is imperative that the Colusa County Waterworks District #1 set fees and charges in line with the services provided to allow for continuous operation and adequate maintenance.
- 3-9) The District has a small budget. Additional funds would be required to service additional territory.
- 3-10) LAFCO recommends establishing District ordinances that promote full cost recovery (cost neutral) for annexations so that the existing residents shall not have to pay increased rates due to a new development being annexed to the District.

**5.4.2 MSR Determinations on Shared Facilities for Colusa County Waterworks District #1**

- 4-1) Grimes is isolated from other water systems in the County so shared facilities are not easy to achieve.
- 4-2) The District does provide fire hydrants so they do share this facility with the Sacramento River Fire Protection District.
- 4-3) Shared administration may provide cost-savings. Some counties administer many special districts through a single county department.

**5.5.4 MSR Determinations on Government Structure and Accountability for Colusa County Waterworks District #1**

- 5-1) The Board of Directors should work with the Board of Supervisors, the Local Agency Formation Commission and other districts in the County to see if establishment of a County Service Area would be a benefit.
- 5-2) The District could explore the possibility of contracting with another district for administrative services.
- 5-3) The District could develop more programs aimed at improving customer service such as development of a Mission Statement, distribution of a District Newsletter, or development of a website for increased dissemination of District information (such as meeting times, projects, etc.).
- 5-4) The District sends information to its customers on an as-needed basis.

## **Sphere of Influence Determinations:**

### **5.1.2. SOI Determinations Present and Planned Land Use**

- 1-1] The Colusa County Waterworks #1 Sphere of Influence will support the planned land uses shown in the Colusa County General Plan and Zoning Code.
- 1-2] Land surrounding the Colusa County Waterworks District #1 is zoned for agriculture and it would not be appropriate to include this land within the Sphere of Influence.
- 1-3] Land surrounding the Colusa County Waterworks District #1 is in a flood plain and it would not be appropriate to include this land within the Sphere of Influence.
- 1-4] Land within the Colusa County Waterworks District #1 has land use designations which would allow for the small amount of growth that is expected.
- 1-5] The appropriate Sphere of Influence for the Colusa County Waterworks District #1 in Grimes is a Coterminous Sphere, the Sphere of Influence--the same as the District Boundary.
- 1-6] The Sphere of Influence for the Colusa County Waterworks District #1 does not show any areas to be detached or added to the District.

### **5.2.2. SOI Determinations for Facilities and Services**

- 2-1] Colusa County Waterworks District #1 is needed and should be maintained and improved.
- 2-2] The need for the Colusa County Waterworks District #1 water system will continue into the future.

### **5.3.2. SOI Determinations for Public Facilities Present and Future Capacity**

- 3-1] The present capacity of the Colusa County Waterworks District #1 is marginally adequate to provide service within the Sphere of Influence territory for the District.
- 3-2] It will be necessary for the Colusa County Waterworks District #1 to upgrade the water system substantially before a larger Sphere of Influence could be considered.

**5.4.2. SOI Determinations for Social or Economic Communities of Interest**

- 4-1] The Community of Grimes is a separate community with a unique identity.
- 4-2] LAFCO is charged with overseeing orderly development in an area. Colusa County is charged with land use planning.
- 4-3] The Colusa County Waterworks District #1 Board of Directors is working to build community spirit.
- 4-4] The Sphere of Influence for Colusa County Waterworks District #1 should remain coterminous with the District boundaries.

