Municipal Service Review
And
Sphere of Influence Recommendation

Mammoth Community Water District
Mono County, California

October 2009

Prepared By:

Mono County Local Agency Formation Commission
P.O. Box 347
Mammoth Lakes, CA 93546
phone (760) 924-1800; fax (760) 924-1801
commdev@mono.ca.gov

TABLE OF CONTENTS

Summary 1
Municipal Service Review Determinations 1
Sphere of Influence Findings 4
Sphere of Influence Recommendation 4
Reorganization Recommendation 4

I. Introduction 6
Municipal Service Reviews 6
Relationship Between Municipal Service Reviews and Spheres of Influence 6

II. Mammoth Community Water District 7
District Overview 7
Service Area 7
Population Characteristics 7
Services Provided 10
Other Services 10
Planned Land Uses 10
District Planning 10
District Issues of Concern 11
District Services—Water Utility 12
Water Supply 12
Water Storage 12
Water Supply Reliability 13
Potential Additional Water Sources 13
Water Quality and Treatment 14
Water Distribution 14
Water Demand 15
Water Conservation 16
Water Recycling 16
District Services—Sewer Utility 17
Sewer Service 17
Sewer Treatment 17
Service Adequacy 17
District Personnel 18
District Finances 18

III. Service Review Analysis and Determinations 21
Infrastructure Needs and Deficiencies 21
Growth and Population Projections for the Affected Area 21
Financing Constraints and Opportunities 22
Cost Avoidance Opportunities 23
Opportunities for Rate Restructuring 24
Opportunities for Shared Facilities 25

Government Structure Options 26
Evaluation of Management Efficiencies 30
Local Accountability and Governance 31

IV. Sphere of Influence Recommendation 33
Present and Planned Land Uses 33
Present and Probable Need for Public Facilities and Services 33
Present Capacity of Public Facilities and Adequacy of Public Services 34
Social or Economic Communities of Interest 34
Sphere of Influence Recommendation 35
Reorganization Recommendation 37

V. References 38

FIGURES

Figure 1 Mammoth Community Water District Boundaries 8

Figure 2 Town of Mammoth Lakes Proposed Land Use 9

Figure 3 Special District Boundaries, Town of Mammoth Lakes 29

Figure 4 Mammoth Community Water District Sphere of Influence 36

TABLES

Table 1: Past, Current, and Projected Water Demand in Acre-Feet 15

Table 2: Mammoth Community Water District Revenues and Expenses 19

SUMMARY

Municipal Service Review Determinations

1. Infrastructure Needs and Deficiencies

- The expansion and renovation of existing facilities will be needed to maintain or increase the quality of service provided by the district, as well as to serve development at build-out. The district has planned for the required expansion and renovation of its facilities in its long-term plans.
- The replacement of aging equipment and/or the purchase of additional equipment will be needed to maintain or increase the quality of service provided by the district. The district has also planned for its future equipment needs in it long-term plans.

2. Growth and Population Projections for the Affected Area

- The Town of Mammoth Lakes General Plan allows for significant additional growth in the area served by the MCWD.
- Growth is anticipated to occur primarily in and adjacent to existing developed areas and to include a wide spectrum of residential, resort, commercial, and industrial uses.
- The population in the area served by the MCWD is projected to increase to 52,000 PAOT by 2025, creating an increased demand for water and sewer services.

3. Financing Constraints and Opportunities

- The MCWD's future financing will continue to rely on water and sewer charges, water and sewer connection fees, and property tax revenues. These sources of revenue provide a sound financial basis for the district.
- The district's fees and charges are reviewed periodically to ensure that they are adequate.
- The district has long-term planning documents that identify needed capital facilities and the costs associated with developing those facilities.
- The district is in the process of finalizing a Financial Strategic Plan to ensure that it will have adequate funding sources in the short-term and long-term.

4. Cost Avoidance Opportunities

- Mammoth Lakes is a discrete geographic area within Mono County; there is no duplication of service efforts or overlapping or inefficient service boundaries.
- Integrated planning, especially long-range planning, is an important part of cost avoidance. The district has long-range plans that address the demands imposed by growth within the district.
- The district participates in JPAs in order to reduce insurance costs.
- The Town of Mammoth Lakes includes other special district service providers, as well as the Town itself, that have administrative costs associated with the overall management of those districts or the Town. There could be some duplication of services among the districts and the Town, particularly in areas such as personnel management, insurance, risk management, financial management services, fleet maintenance, etc. Further studies would be necessary to determine whether there are opportunities to reduce costs among the districts and the Town.

5. Opportunities for Rate Restructuring

- All funding mechanisms have inherent limitations that may prevent their implementation, use or restructure.
- The district charges connection fees to cover the costs associated with constructing additional infrastructure and equipment necessary to serve new development. The district reviews and adjusts these fees periodically to ensure that the fees are sufficient.
- Each sewer and water customer pays monthly sewer and water fees, based on the type of connection and the amount of water used. The district periodically reviews and adjusts its monthly charges in order to ensure that they are sufficient to cover operating costs.
- The district should continue to seek grant funding.

6. Opportunities for Shared Facilities and Resources

- Due to geographic distances between communities in the county, sharing facilities among water and sewer providers is not possible.
- The Town of Mammoth Lakes includes other special district service providers, as well as the Town itself, that require facilities to support their services. There may be other opportunities for shared facilities among the districts and the Town. Further studies would be necessary to determine whether there are opportunities to reduce costs among the districts and the Town.

7. Government Structure Options

- Due to the distances between communities in Mono County, it is infeasible for the MCWD to consolidate with another water or sewer district since the closest ones are located approximately 15 miles north and south along US 395.
- Several special districts, along with the Town, provide public services within the Town of Mammoth Lakes.
- To alleviate government overlap and fragmentation, LAFCO law and local LAFCO policies promote the consolidation of services under the authority of one multi-purpose agency. District overlap in Mammoth Lakes is fragmented. The only entity that includes all of the special district boundaries within its boundaries (with the exception of the SMHD) is the Town of Mammoth Lakes. Local LAFCO policy also advocates that in an incorporated area, the city instead of special districts should provide urban services because of its substantially broader revenue base and its responsibility to provide services and controls within its boundaries.

8. Evaluation of Management Efficiencies

- The MCWD is managed by an elected Board of Directors, a General Manager, and department managers.
- The district has planned for the future in order to maintain its service levels while providing for the needs of future development.
- The district has committed resources to future facilities and operations.
- The district has a Mission Statement, an Urban Water Management Plan, and a Groundwater Management Plan, and is in the process of developing a Financial Strategic Plan. The district is required to update the Urban Water Management Plan and the Groundwater Management Plan every five years

9. Local Accountability and Governance

- The MCWD complies with the requirements for open meetings and public records.
- The district seeks to inform the community and affected groups of district activities and services.
- The district provides educational information to residents and visitors in Mammoth Lakes.

Sphere of Influence Findings

1. Present and Planned Land Uses

Present land uses within the district and Town boundaries include resort uses, commercial uses, public uses, multiple-family residential uses, and single-family residential uses. The residential uses are a mix of fulltime residential uses and seasonal residential uses. Planned land uses within the Town's Urban Growth Boundary are similar with future development occurring within and adjacent to existing development. The Town's population at build-out is forecast to increase to 52,000 PAOT (people at one time), a fifty-two percent increase over the current PAOT of 34,265 persons.

2. Present and Probable Need For Public Facilities and Services

The MCWD has an existing and continuing need for public facilities and services to serve the increasing and planned development in the area.

3. Present Capacity of Public Facilities and Adequacy of Public Services

The district currently provides an adequate level of service but has identified a need to improve both its facilities and services in order to serve additional development and to improve services to existing development.

4. Social or Economic Communities of Interest

The district shares social and economic interests with the entire incorporated area of the Town. These shared interests promote a coordinated approach to service provision in the Mammoth area. Several special districts, along with the Town, provide public services within the Town of Mammoth Lakes. The boundaries of the special districts in Mammoth Lakes overlap with each other and with the Town of Mammoth Lakes. The only entity that includes all of the special district boundaries within its boundaries (with the exception of the SMHD) is the Town of Mammoth Lakes.

Sphere of Influence Recommendation

The Sphere of Influence for the Mammoth Community Water District should be coterminous with the boundaries of the Town of Mammoth Lakes. These boundaries recognize the district's role as the primary water and sewer provider for the incorporated area, and will enable the district to extend service throughout the incorporated area, to existing and planned developments.

Reorganization Recommendation

Section 56001 of the California Government Code states that:

> The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose

> agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

At some point in the future, the water and sewer services currently provided by the district might best be provided under the authority of the Town of Mammoth Lakes. At that time, the feasibility of such a reorganization should be determined by a reorganization committee consisting of representatives of the district, the Town, and Mono LAFCO. If a reorganization is proposed that involves the Mammoth Community Water District, the Town, and any other special districts in the Mammoth area, the feasibility of such a reorganization should be determined by a reorganization committee consisting of representatives of all involved districts, the Town, and Mono LAFCO, in accordance with Chapter 6 of the Cortese-Knox Act. Such a reorganization should only occur with the concurrence of the governing bodies of all the involved entities.

I. INTRODUCTION

Municipal Service Reviews

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires Local Agency Formation Commissions (LAFCOs) to conduct comprehensive reviews of all municipal services in each county in California and to periodically update that information. The purpose of the municipal service reviews is to gather detailed information on public service capacities and issues.

Relationship Between Municipal Service Reviews and Spheres of Influence

The Cortese-Knox-Hertzberg Local Government Reorganization Act requires LAFCOs to develop and determine the Sphere of Influence (SOI) for each applicable local governmental agency that provides services or facilities related to development. Government Code Section 56076 defines a SOI as "a plan for the probable physical boundaries and service area of a local agency." Service reviews must be completed prior to the establishment or update of SOIs (§56430(a)). Spheres of influence must be reviewed and updated as necessary, but not less than once every five years (§56425).

The information and determinations contained in a Municipal Service Review are intended to guide and inform SOI decisions. Service reviews enable LAFCO to determine SOI boundaries and to establish the most efficient service provider for areas needing new service. They also function as the basis for other government reorganizations. Section 56430, as noted above, states that LAFCO can conduct these reviews "before, in conjunction with, but no later than the time it is considering an action to establish a SOI."

The Mammoth Community Water District Municipal Service Review is being conducted in response to, and in conjunction with, an update of the sphere of influence for the district.

II. MAMMOTH COMMUNITY WATER DISTRICT

DISTRICT OVERVIEW

Service Area

The Mammoth Community Water District (MCWD) was established in 1957 to provide water and sewer service to the community of Mammoth Lakes. The district boundaries include 3,640 acres of land within the developed portion of the Town of Mammoth Lakes (see Figure 1). The boundaries of the district fall almost completely within the boundaries of the Town of Mammoth Lakes.

Mammoth Lakes is surrounded by recreational lands and open space managed by the Inyo National Forest. Mammoth Mountain Ski Area is northwest of the developed portion of the Town and the district, on Forest Service land. The Lakes Basin, to the southwest of the district, is a popular recreation spot for both visitors and residents, with cabins, lodges, and campgrounds. Mammoth Creek, flowing from the Lakes Basin through the town into Long Valley, attracts fishermen.

Wilderness areas surround the town and district to the south and west, and Devil's Postpile National Monument is located west of the town and district in Madera County. June Lake, Mono Lake, Bodie State Historic Park, and the eastern entrance to Yosemite National Park are located north of Mammoth Lakes. US 395 and SR 203 provide the major access to and through the area. Old Mammoth Road and Lake Mary Road provide secondary access throughout the community. Surface waters in the area include the lakes in the Lakes Basin and Mammoth Creek. Topography in the area is characterized by a relatively flat area in the center of the town and steep slopes surrounding the town center. Vegetation throughout the area includes sagebrush scrub, wetland and riparian areas, junipers and pinyon pines, and lodgepole pines.

The district's boundaries include extensive residential and commercial uses, light industrial uses, recreational and resort uses, and public uses such as parks, schools, a library, and government offices (see Figure 2).

Population Characteristics

Mono County GIS estimates that there are 3,940 parcels in the district, including 2,973 developed parcels (residential or commercial parcels valued at $10,000 or more). Population data from the 2000 US Census and California Department of Finance population estimates show the resident population of the Town of Mammoth Lakes to be 7,094 in 2000 and 7,560 in 2007 (Census 2000 Summary File 1, Table 3, Mono County Housing Element; DOF, Table E-1). As a destination resort, the Town of Mammoth Lakes experiences high visitor populations. The average peak population calculated by the town in 2004 was 34,265 PAOT (people at one time). That figure includes permanent residents, transient residents, and visitors and represents the peak

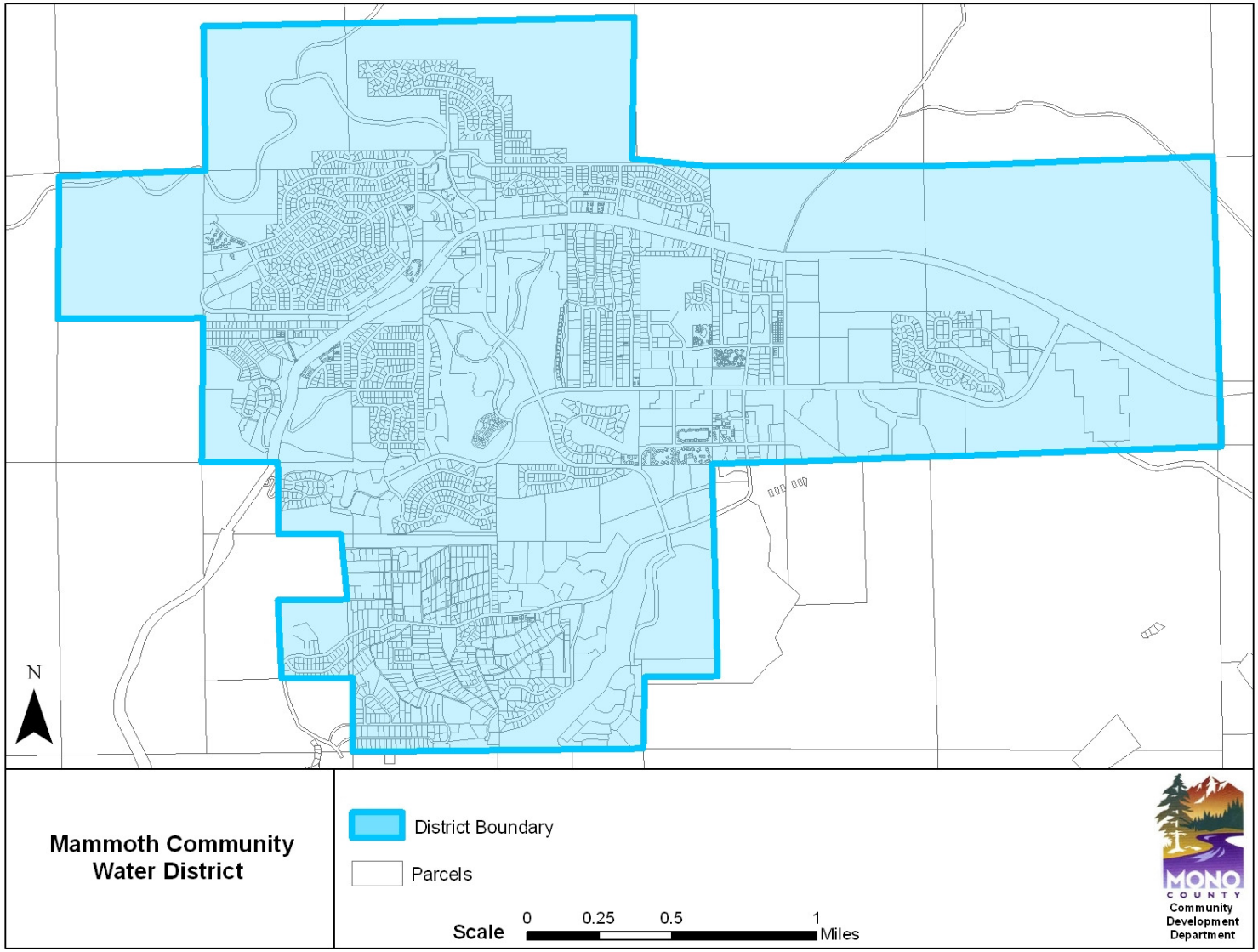

Figure 1 Mammoth Community Water District Boundaries

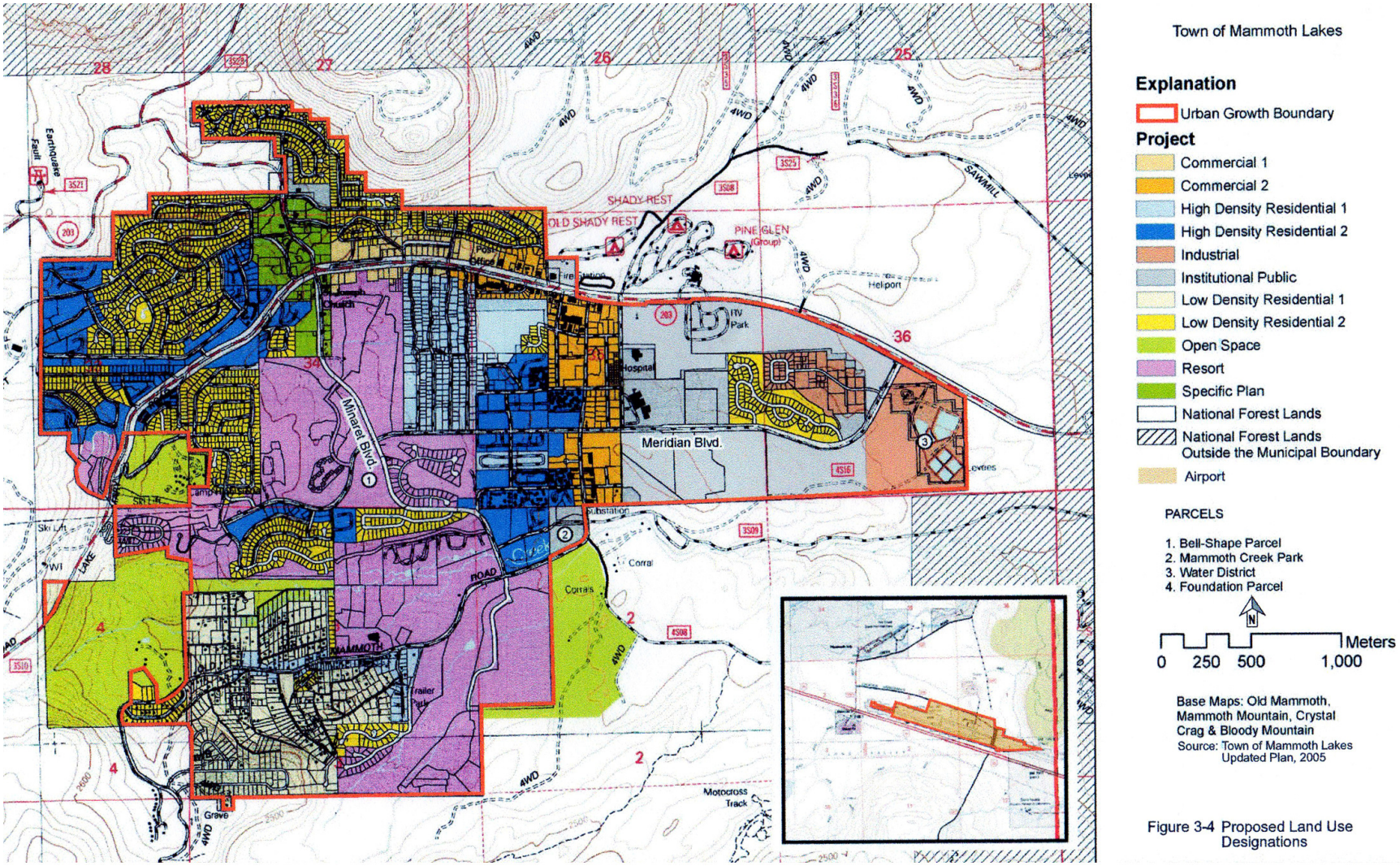

Figure 2 – Town of Mammoth Lakes Proposed Land Use

population on an average winter Saturday (Town of Mammoth Lakes General Plan Update, Chapter 4.9, Population, Housing and Employment).

Services Provided

The district serves a full time residential population as well as business and industrial uses and a large visitor population throughout the year. The district provides water treatment and distribution, sewer collection and treatment, and fire hydrant maintenance.

The district also provides water and sewer services to US Forest Service facilities and some permittees in the Lakes Basin, to the Sierra Pack Station area, and to Sherwin Creek Campground. It also provides water service to Shady Rest Park and Mammoth Creek Park.

The district currently has 9,989 water connections and 8,500 sewer connections. Connections are listed in "meter equivalency units", where one meter equivalency unit is equal to one single-family residence that utilizes a ¾" water meter. Future proposed connections include 5,467 water connections and 9,362 sewer connections.

Other Services

In addition to water and sewer services, as a county water district, the district is authorized to provide electric power, drainage and reclamation of lands within the district, fire protection, and the construction and operation of recreational facilities on water ~~within the district~~. or land under its control. Under special legislation, within its district boundaries, the Mammoth Community Water District is also authorized to operate a propane gas distribution service (California Water Code Section 31013), as well as a geothermal heating service (California Water Code Section 31013.5).

Planned Land Uses

The Town of Mammoth Lakes General Plan provides for additional development within the Urban Growth Boundary established for the incorporated area (see Figure 2). The additional development allowed by the General Plan would be a mix of resort uses, commercial uses, public uses, multiple-family residential uses, and single-family residential uses. The residential uses would be a mix of fulltime residential uses and seasonal residential uses.

District Planning

The district develops long-range goals and objectives through an annual workshop attended by the Board of Directors and district staff. Information from special studies and reports that have been developed by staff and/or consultants is used to develop project timelines and budgets.

The district has a Mission Statement, an Urban Water Management Plan, and a Groundwater Management Plan, and is in the process of finalizing a Strategic Financial Plan. The Urban Water Management Plan identifies capital facilities and the costs associated with developing those facilities.

Service demand projections for the next 5, 10, and 20 years have been prepared and are included in the Urban Water Management Plan. The Financial Strategic Plan currently being prepared will also provide projections for the next 20 years. The district utilizes zoning and residential

and commercial unit growth projections provided in the Town of Mammoth Lakes General Plan to estimate future service demand. Water distribution and wastewater collection system computer models are then used to project the pipeline sizes necessary to meet potential demands.

District Issues of Concern

The district has indicated several concerns, including:

- Providing an adequate and sustainable supply of groundwater to meet the demands of future growth.
- Developing and maintaining a proper level of funding to provide for the replacement of capital water and wastewater facilities as they age.
- Providing a timely response to emergencies, particularly when some employees live outside of the community.
- The volatility of growth patterns in the community makes it very difficult to predict when new facilities will be required.

DISTRICT SERVICES—WATER UTILITY

Water Supply

Surface Water

Mammoth Creek, and its system of lakes and tributaries, is the principal source of surface water for the Mammoth Community Water District. The district is entitled to an annual surface diversion of 2,760 acre-feet (af) from Mammoth Creek at Lake Mary. The district has appropriative rights to a maximum diversion rate of 5 cubic feet per second (cfs) year-round and rights to an additional 25,000 gallons per day (gpd) between May 1 and November 1 of each year[1]. The district's surface water entitlement is governed by a water right permit and two water right licenses issued to the district by the State Water Resources Control Board and by the Master Operating Agreement between the district and the US Forest Service.

Ground Water

This surface water supply is supplemented by eight production wells located within the boundaries of the district's service area. The percentage of surface water and groundwater used varies from year to year depending on annual precipitation and the subsequent availability of surface water. Between 2000 and 2004, the district pumped 10,850 acre-feet of groundwater, averaging 2,170 acre-feet per year. The maximum volume pumped was 2,717 acre-feet in 2002.

The district's Groundwater Management Plan contains a monitoring and operations plan for the long-term use of groundwater and surface water resources. The intent of the Plan is to ensure that local groundwater resources are utilized in a manner that ensures sufficient, high quality groundwater resources for the community while minimizing potential environmental impacts.

To prevent overdraft in the Mammoth Basin, the district has implemented a groundwater and surface water monitoring system. The district monitors groundwater in its eight production wells and in fifteen shallow and deep monitoring wells. Surface water levels and flows are monitored at twelve locations throughout the basin.

Water Storage

The district is authorized to store 660 af annually, of which 606 af may be collected between April 1 and June 30, and 54 af may be collected between September 1 and September 30 of each year. The district is also limited to a maximum drawdown in Lake Mary of 3.0 feet during the period between June 1 and September 15, and a total maximum annual drawdown of 5.7 feet.

The district's storage capacity is 606 af in Lake Mary. The district also has seven tanks for the storage of treated water, with a combined capacity of 6.5 million gallons (19.9 af). The district's surface water diversions are limited by fishery bypass flow requirements currently established for Mammoth Creek as measured at the District's flow gauge located near Old Mammoth Road.

[1] Throughout this document, different units of measure will be used for water, depending on the context. An acre-foot (af) is a measure of volume. It is the amount of water that is required to cover an acre of land to a depth of one foot, approximately 326,000 gallons. The term cubic feet per second (cfs) is a measure of flow, or how much water flows past a measurement gauge in a given period of time. Similarly, gallons per minute (gpm) is a flow measure used for well pumping.

Additional monitoring occurs at a number of locations in the Mammoth Creek system including below Lake Mary, at Bodle Ditch, and where Mammoth Creek crosses US 395.

As noted in the district's Urban Water Management Plan:

> In 2004, the district completed modifications to the Lake Mary surface water treatment plant to meet new standards of the California Department of Health Services. As a result of these modifications, the production capacity of the plant is now rated at the 5 cfs diversion rate allowed for in the water rights permit. These improvements have enabled the district to utilize the full 2,760 acre-feet of water available from its state water rights permits in normal and wet precipitation conditions.

Water Supply Reliability

The district's Urban Water Management Plan notes that the district's:

> …sources of water supply consist of surface water and groundwater. The area is susceptible to drought and both of these sources of supply are impacted to various degrees. Surface water supplies are immediately impacted following a drought season whereas groundwater supplies tend to be affected by an extended drought period of several years.

Surface water supplies from Lake Mary are also affected by constraints on lake level drawdown and Mammoth Creek fishery bypass streamflow requirements. Particularly during periods of drought, the total annual diversion from Lake Mary may not be available.

The district has analyzed projected future water demand data and current supply reliability data and concluded that the third and fourth years of multiple dry years would result in a supply deficiency as the town nears build-out. A single extreme dry year would also result in a supply deficiency. The district has identified means of reducing the impact from drought years including the following:

- Reducing demand through water restrictions, primarily restrictions on irrigation;
- Use of recycled water
- Decreasing the percentage of water losses in the system; and
- Developing new groundwater sources in the Dry Creek and Mammoth Basin watersheds.

Potential Additional Water Sources

The district's Urban Water Management Plan notes that:

> As indicated by groundwater pumping projections for the future, the volume of groundwater currently available from existing wells in insufficient to meet the total demand under multiple dry-year conditions as the town approaches build-out in the year 2025. Additional sources of supply will be required to meet future demand.

The estimated additional supply required at build-out during drought periods is approximately 400 af annually. The district is in the process of identifying and developing additional supplies, i.e.:

- The development of a third water supply source in the Dry Creek drainage basin. This source would provide redundancy for the existing groundwater system in Mammoth Basin and a backup supply for drought years.

- The modification of existing wells to improve capacity and drilling new wells in Mammoth Basin.
- Previously identified sources include a Convict Creek wellfield, surface water diversion or wellfield in McGee Creek, and surface water diversion or wellfield in the Upper Owens River area. These sources would be studied further only if groundwater production in Dry Creek or Mammoth Basin proved infeasible.
- Recycled water as a source for golf course and park irrigation and geothermal power plant cooling purposes.
- Transfer or exchange opportunities in the region were analyzed and determined not to be feasible.

Water Quality and Treatment

The district's surface water is generally of excellent quality, although groundwater resources vary greatly in terms of quality. In most parameters of concern to health officials and water users, the water is of much better quality than required. Surface water from Lake Mary is diverted to the water filtration plant where it is filtered through thirteen granular media filters before being chlorinated. Groundwater sources are treated with chlorine and ferric chloride to oxidize high concentrations of arsenic, iron and manganese and are then filtered to remove the precipitate.

Water Distribution

The district has over 79 miles of pipeline in its distribution system. Pipeline materials vary considerably, and include galvanized iron, cast iron, transite, ductile iron, and steel. The size of the line varies from 2 inches to 20 inches in diameter, with most of the mains 6 or 8 inch pipes. All new pipelines installed by the district are a minimum of 8 inches in diameter.

The district considers the distribution system to be in good condition, with a few exceptions. As shown in Table 1, unaccounted water losses due to leaks in the system currently account for approximately 20 percent of the water use. The district utilizes a leak detection program to locate sources of water loss in the system, along with a main pipeline replacement program and meter replacement to reduce water loss in the system. The district has established a goal of obtaining a 10 to 15 percent loss rate, which would result in a significant decrease in future water demand requirements.

The district currently has 9,989 water connections and 8,500 sewer connections. Connections are listed in "meter equivalency units", where one meter equivalency unit is equal to one single-family residence that utilizes a ¾" water meter. Future proposed connections include 5,467 water connections and 9,362 sewer connections. The district's 3,600 water meters are read on a monthly basis.

Other water system infrastructure includes 3 pumping stations, 3 water treatment facilities, and 7 storage tanks for treated water with a total storage capacity of 6.5 million gallons.

Water Demand

Average Annual Water Demand in 2007 was 2.9 million gallons per day. This value includes system use, golf course irrigation, and unaccounted for water. Seasonal population peaks drive water demand. Although peak populations occur during the winter season, the peak annual 30-day water demand occurs during the summer due to landscape irrigation. Table 1, from the district's Urban Water Management Plan, shows past, current, and projected water demand among various water use sectors.

Table 1: Past, Current, and Projected Water Demand in Acre-Feet

Water Use Sector	2000	2005	2010	2015	2020	2025
Single Family Residential	515	549	586	623	659	696
Condominium	961	948	960	973	985	997
Multi-Family Residential	144	140	211	282	353	424
Commercial/Industrial/ Public	217	278	374	469	565	660
Motel / Hotel	112	111	304	496	689	881
Public Sector	170	296	Included in commercial	Included in commercial	Included in commercial	Included in commercial
Golf Course**	297	255	400	400	400	400
Other*	53	103	80	80	80	80
Unaccounted	486	746	760	760	760	760
Total	**2955**	**3426**	**3674**	**4082**	**4490**	**4898**

Note: Existing hotel/motel water-use sector includes only those units that are separately metered and does not include units that share water meters with commercial. Commercial includes mixed uses such as restaurants, condo/hotel, retail, etc. Public sector is included in the commercial water-use sector for future projections for consistency with data from the Town of Mammoth Lakes General Plan EIR (2005).
*Other = treatment plant process water, fire fighting, line cleaning, etc.
** Golf course water use based on existing demand from Sierra Star and Snowcreek Golf Courses. This value would be reduced by recycled water use in the future.

Future volumes of water attributed to the "unaccounted" category have been estimated based on existing conditions. The District has been placing an emphasis on locating sources of water loss in the system through a leak detection program, main pipeline replacement program, and meter replacement and new meter-reading program. The District will continue to emphasize reducing unaccounted for water losses in the future. The District projects full implementation of the main pipeline replacement program in 2010. The District has established a goal of obtaining a 10 to 15% loss rate, which represents a well-managed system according to the American Water Works Association. As seen in Table 7, reducing the projected volumes of water allocated as "unaccounted" can result in a significant decrease in future water demand requirements.

Water Conservation

The district has planned for and implemented measures to address water conservation on an ongoing basis and also when confronted by a water shortage. The district's water code contains measures that apply to all district customers at all times (Section 3.33, Water Management Requirements):

- No ponding, pooling, or runoff is allowed.
- Leaks on the customer's side of the meter are not allowed.
- Hoses must be equipped with automatic shut-off devices, except for irrigation uses.
- No landscape irrigation is permitted between 10 a.m. and 5 p.m.

Section 3.33 of the Water Code also allows the district to implement five levels of water restrictions (primarily on landscape irrigation) after the Board of Directors has declared the existence or threat of a water shortage.

A number of other district programs are also intended to help customers, and the district, manage water use wisely:

- The district's water rates include an increasing block rate structure where the rate per 1,000 gallons increases as usage increases.
- The district requires a separate landscape water meter for landscapes over 5,000 square feet in area.
- The district has a toilet rebate program that offers a $100 rebate for each toilet that is replaced with a new water-conserving toilet.
- During the irrigation season, the district regularly issues news bulletins that focus on educating the public about water conservation.
- The district has employed a conservation coordinator to assist customers in reducing consumption.
- The district's Water Code requires the installation of water-conserving devices in new buildings and remodels that require permits.
- The district implements an on-going leak-detection program to reduce water losses in the water distribution system.
- The Town of Mammoth Lakes Municipal Code contains detailed water-efficient landscape requirements.
- The district employs a Public Relations Officer to promote knowledge of the area's water supply issues and the need for conservation.

Water Recycling

The district collects and treats all wastewater in Mammoth Lakes as well as from surrounding US Forest Service campgrounds and permittees in the Lakes Basin and Sherwin Creek areas. Treated wastewater is discharged to Laurel Pond, approximately 5 ½ miles southeast of Mammoth Lakes on US Forest Service land. At Laurel Pond, disposal occurs through percolation into the ground and evaporation into the atmosphere.

Recycled wastewater has been used in a pilot project at Mammoth Pacific Geothermal Power Plant for cooling purposes, by contractors in Mammoth Lakes for construction uses, and for landscape irrigation. The estimated future demand for recycled water is approximately 500 acre-feet per year for irrigation uses and 600 acre-feet per year for cooling purposes at the power plant. Various studies performed for the district have concluded that the most feasible use of recycled water is for restricted landscape irrigation, such as golf course irrigation. The district is developing an operations plan for using recycled water at the golf courses in Mammoth Lakes and estimates that delivery of recycled water for golf course irrigation will begin by the year 2010.

DISTRICT SERVICES—SEWER UTILITY

Sewer Service

The district provides sewage collection, treatment, and disposal service for all residential, commercial, and industrial structures in its service area. Sewage collection infrastructure includes 74 miles of 6 and 8 inch collection lines and 8 to 18 inch interceptors, 12 sewage lift stations, a wastewater treatment plant located just east of the Gateway District, and a discharge site at Laurel Pond. The collection system is currently rated at a capacity of 8.0 million gallons per day (mgd); the wastewater treatment plant's existing capacity is estimated to be 4.9 mgd.

Sewer Treatment

The district's wastewater treatment plant provides advanced secondary treatment, which includes biological treatment, filtration, and disinfection with chlorine. The wastewater is suitable for certain types of reuse and meets the standards set by the Lahontan Regional Water Quality Control Board. Treated wastewater is discharged to Laurel Pond, a natural sink approximately 5 ½ miles southeast of Mammoth Lakes on US Forest Service and Los Angeles Department of Water and Power land. The pond provides disposal by percolation and evaporation and is also used as a duck nesting area. The Forest Service, in cooperation with the State Department of Fish and Game and the district, constructed nesting mounds in the lake area, which the district maintains by providing sufficient effluent at the site to partially cover the mounds.

The district's sludge is dewatered and transported to Benton Crossing Landfill where it is mixed with soil and then used for daily cover of the landfill's solid waste. The district considers this method to be suitable for the future, although they are also considering the possibility of reuse of composted material as a soil amendment. There is currently sufficient room at Benton Crossing Landfill to continue this practice.

Service Adequacy

Annual sewer flows are approximately 534 million gallons with average daily wastewater flows of 1.4 million gallons per day (mgd) and peak flows of 2.6 mgd on holiday weekends. During periods of high snowmelt from March through June, the District estimates that at least 0.1 to 0.2 mgd of daily influent are due to infiltration. The capacity of the existing sewage treatment plant is sufficient to serve the projected buildout peak population.

DISTRICT PERSONNEL

The district currently has 38 fulltime employees and 11 seasonal employees. Twenty-five employees have technical certifications, which vary for individual employees depending on specific job requirements. Certifications include water treatment, water distribution, backflow prevention, wastewater treatment, wastewater collection, laboratory technician, and mechanical technologist. District staff also includes six licensed engineers.

Employees also receive safety and technical training depending on their job requirements. All personnel receive in-house safety training. All maintenance and operations personnel receive safety and technical training both in-house and at trade conferences, seminars, and specific training schools. Administrative and professional personnel attend periodic training conferences and seminars. Usually, each employee attends at least one training session per year outside of the district. The district has also participated in joint training with the Mammoth Lakes Fire Department and with surrounding agencies at local training events provided by the California Rural Water Association.

DISTRICT FINANCES

The district's main sources of revenue are property taxes, connection fees, and service/use charges. The district manager considers the fiscal health of the district to be good. The district is projecting a need to finance approximately $4 million in 2010 to assist with capital improvement and/or expansion projects.

The district does not participate in any joint financing, cost sharing or purchasing other than a Joint Powers Agreement for insurance, nor does it utilize any shared facilities. The district periodically applies for and receives grant funding. Most recently, the district received a grant from the California Department of Water Resources for the development of the district's Groundwater Management Plan that was completed in 2006.

Table 2: Mammoth Community Water District Revenues and Expenses

Water Activity Revenues and Expenses—Fiscal Year 2006-2007

Operating Revenues	
Water Sales	$3,018,792
Water Services	$940,055
Total Operating Revenues	$3,958,847
Operating Expenses	
Source of Supply	$1,550,699
Administration and General	$1,149,704
Depreciation and Amortization	$1,640,343
Total Operating Expenses	$4,340,746
Operating Income (Loss)	($381,899)
Non-Operating Revenues	
Interest Income	$362,903
Rents, Leases, Franchises	$14,600
Taxes and Assessments	
Current Secured and Unsecured (1%)	$5,446,180
Intergovernmental	
State	$55,012
Other Governmental Agencies	$184,357
Other Non-Operating Revenues	$46,054
Total Non-Operating Revenues	$6,109,106
Non-Operating Expenses	
Interest Expense	$174,439
Other Non-Operating Expenses	$97,987
Total Non-Operating Expenses	$272,426
Non-Operating Income (Loss)	$5,836,680
Income (Loss) Before Operating Transfers	$5,454,781
Operating Transfers In	$256,406
Net Income (Loss)	$5,711,187

*This budget information was taken from the State Controller's **Special Districts Annual Report, Fiscal Year 2006-2007**

Table 2: Mammoth Community Water District Revenues and Expenses

Sewer Activity Revenues and Expenses—Fiscal Year 2006-2007

Operating Revenues	
Service Charges	$2,062,184
Other Services	$286,937
Total Operating Revenues	$2,349,121
Operating Expenses	
Sewage Disposal	$1,131,361
Administration and General	$1,149,704
Depreciation and Amortization	$866,291
Total Operating Expenses	$3,147,356
Operating Income (Loss)	($798,235)
Non-Operating Revenues	
Interest Income	$362,765
Rents, Leases, Franchises	$14,600
Taxes and Assessments	
Current Secured and Unsecured (1%)	$168,343
Intergovernmental	
State	$1,700
Other Non-Operating Revenues	$22,307
Total Non-Operating Revenues	$569,715
Non-Operating Expenses	
Interest Expense	$207,182
Other Non-Operating Expenses	$40,526
Total Non-Operating Expenses	$247,708
Non-Operating Income (Loss)	$322,007
Income (Loss) Before Operating Transfers	($476,228)
Operating Transfers Out	$256,406
Net Income (Loss)	($732,634)

*This budget information was taken from the State Controller's **Special Districts Annual Report, Fiscal Year 2006-2007**

III. SERVICE REVIEW ANALYSIS AND DETERMINATIONS

Government Code §56430 requires the analysis of several factors when assessing the capabilities of public service agencies. Each of the required factors is discussed below as it pertains to water districts in general and the Mammoth Community Water District specifically.

1. Infrastructure Needs and Deficiencies

Overview

Purpose: To evaluate the infrastructure needs and deficiencies of a district in terms of capacity, condition of facilities, service quality, and levels of service and its relationship to existing and planned service users.

MCWD

The district's long-term planning documents project current and future water demand within Mammoth Lakes, analyze the current water supply in terms of climatic, legal, and environmental constraints, identify potential sources of additional water including reducing losses within the existing system, analyze the potential use of recycled wastewater, and outline a plan of action for various levels of water shortages.

The district has identified future needs to meet growth in the community including additional water storage tanks and expansion of the sewer collection system main pipelines.

Determinations

- The expansion and renovation of existing facilities will be needed to maintain or increase the quality of service provided by the district, as well as to serve development at build-out. The district has planned for the required expansion and renovation of its facilities in its long-term plans.
- The replacement of aging equipment and/or the purchase of additional equipment will be needed to maintain or increase the quality of service provided by the district. The district has also planned for its future equipment needs in it long-term plans.

2. Growth and Population Projections for the Affected Area

Overview

Purpose: To evaluate service needs based on existing and anticipated growth patterns and population projections.

Existing and Anticipated Growth Patterns in Mammoth Lakes

The Town of Mammoth Lakes, in its General Plan Update, has calculated buildout over the 20-year life of that plan. The General Plan projects that the Town would be fully built out in twenty years. The population projections presented in the General Plan include permanent residents, transient residents, and visitors, as indicated by the term "people at one time" (PAOT). The

Town's General Plan limits the peak population of permanent and seasonal residents and visitors to 52,000 people (Town of Mammoth Lakes, General Plan Update, Land Use Policy L.1.A). The Town's General Plan notes that:

> Determining a reasonable build-out forecast for the 20-year planning period of the General Plan is challenging. Although many different approaches can be used to make projections, any forecast must acknowledge that because of changing demographics, market and economic conditions, numbers will be constantly changing.

The potential buildout population for the General Plan was calculated using a recreational trend forecast, a demographic and economic trend forecast, and a land use capacity analysis. The General Plan concludes that:

> The assumptions of the three models support the projection that the total number of residents, visitors and workers on a winter weekend will grow to between 45,000 to 52,000 by the year 2025. Based on these analyses, the General Plan establishes a policy of a total peak population of residents, visitors and employees at 52,000 people. Ultimately, these land use designations could result in a build-out population over 52,000 but less than 60,000 if all land were built to capacity.

Determinations

- The Town of Mammoth Lakes General Plan allows for significant additional growth in the area served by the Mammoth Community Water District.
- Growth is anticipated to occur primarily in and adjacent to existing developed areas and to include a wide spectrum of residential, resort, commercial, and industrial uses.
- The population in the area served by the Mammoth Community Water District is projected to increase to 52,000 PAOT by 2025, creating an increased demand for fire and emergency medical services.

3. Financing Constraints and Opportunities

Overview

Purpose: To evaluate factors that affect the financing of needed improvements.

Expenses for special districts generally fall into one of three categories: (1) acquisition of facilities and major capital equipment, (2) employee expenses, and (3) ongoing operations and maintenance costs. The primary criteria that should be considered when evaluating adequacy of potential funding sources is availability, adequacy to meet the need, equity between existing and future residents, stability, and ability to cover on-going operating and maintenance costs.

MCWD

The district charges water and sewer service rates to its customers. The revenues from those charges fully fund the operation and maintenance expenses of the district's water and wastewater systems. The district also charges new development water and sewer connection fees to fund capital projects needed to serve that new development. The district utilizes the property tax revenue it receives to fund capital projects needed to replace and/or improve existing facilities

that serve existing customers. The district's fees and charges are reviewed periodically to ensure that they are adequate. These sources of revenue provide a sound financial basis for the district.

The district has a Mission Statement, an Urban Water Management Plan, and a Groundwater Management Plan, and is in the process of finalizing a Strategic Financial Plan. The Urban Water Management Plan identifies capital facilities and the costs associated with developing those facilities. The Financial Strategic Plan currently being prepared will provide financial projections for the next 20 years and will enable the district to ensure that it will have adequate funding sources both in the short-term and long-term.

Determinations

- The MCWD's future financing will continue to rely on water and sewer charges, water and sewer connection fees, and property tax revenues. These sources of revenue provide a sound financial basis for the district.
- The district's fees and charges are reviewed periodically to ensure that they are adequate.
- The district has long-term planning documents that identify needed capital facilities and the costs associated with developing those facilities.
- The district is in the process of finalizing a Financial Strategic Plan to ensure that it will have adequate funding sources in the short-term and long-term.

4. Cost Avoidance Opportunities

Overview

Purpose: To identify practices or opportunities that may aid in eliminating unnecessary costs.
Cost avoidance opportunities are defined as actions to eliminate unnecessary costs derived from, but not limited to, duplication of service efforts, higher than necessary administration/operation cost ratios, use of outdated or deteriorating infrastructure and equipment, underutilized equipment or buildings or facilities, overlapping/inefficient service boundaries, inefficient purchasing or budgeting practices, and lack of economies of scale.

MCWD

Generally, in Mono County each community area is a discrete geographic area and, as a result, there is no duplication of service efforts or overlapping or inefficient service boundaries. Mammoth Lakes is its own discrete geographic area; the nearest community is Long Valley, approximately 10 miles to the south.

The district has a Mission Statement, an Urban Water Management Plan, and a Groundwater Management Plan, and is in the process of finalizing a Strategic Financial Plan. The Urban Water Management Plan identifies capital facilities and the costs associated with developing those facilities. The Plan also identifies methods of conserving water and reducing water losses.

Service demand projections for the next 5, 10, and 20 years have been prepared and are included in the Urban Water Management Plan. The Financial Strategic Plan currently being prepared will also provide projections for the next 20 years. The district also participates in Joint Powers Authorities (JPAs) in order to reduce insurance costs.

The MCWD is managed and administered by an elected board of directors, a general manager, and various department managers. The Town of Mammoth Lakes includes other special district service providers, as well as the Town itself, that have administrative costs associated with the overall management of those districts or the Town. There could be some duplication of services among the districts and the Town, particularly in areas such as personnel management, insurance, risk management, financial management services, fleet maintenance, etc. Further studies would be necessary to determine whether there are opportunities to reduce costs among the districts and the Town.

Determinations

- Mammoth Lakes is a discrete geographic area within Mono County; there is no duplication of service efforts or overlapping or inefficient service boundaries.
- Integrated planning, especially long-range planning, is an important part of cost avoidance. The district has long-range plans that address the demands imposed by growth within the district.
- The district participates in JPAs in order to reduce insurance costs.
- The Town of Mammoth Lakes includes other special district service providers, as well as the Town itself, that have administrative costs associated with the overall management of those districts or the Town. There could be some duplication of services among the districts and the Town, particularly in areas such as personnel management, insurance, risk management, financial management services, fleet maintenance, etc. Further studies would be necessary to determine whether there are opportunities to reduce costs among the districts and the Town.

5. Opportunities for Rate Restructuring

Overview

Purpose: To identify opportunities to positively impact rates without decreasing service levels.

As noted in the Financing Constraints and Opportunities Section, the district's funding includes property taxes, connection fees, customer use/service charges, and grants. Each of these categories has inherent constraints that prevent an agency from restructuring them.

MCWD

Property Taxes – In California, the maximum property tax assessed on any land is generally 1% of the property's value.

Connection Fees – The district imposed connection fees on new construction for water and sewer services. Connection fees are based on the type of use and the size of the connection.

The district periodically reviews and adjusts its connection fees in order to insure that the district collects sufficient funds to construct the additional infrastructure and obtain the equipment necessary to serve new development.

Customer Use/Service Charges – Each district customer pays a monthly water fee, which includes a minimum service charge along with a charge for the amount used. The quantity rate charge for the amount used increases as the amount used increases, and is intended to be an incentive to conserve water. Different types of uses (residential, commercial, irrigation) are charged different rates.

Each district customer pays a monthly sewer charge, which is based on the type of connection (single family unit, commercial use, motel room, etc.).

The district periodically reviews and adjusts its water and sewer charges in order to insure that the district is collecting sufficient funds to cover its operating costs.

Grants – Grant money is a one-time source that is useful in funding certain special projects but may be too unreliable or variable for ongoing expenses or recurring needs. The district has applied for and received grant funding in the past.

Determinations

- All funding mechanisms have inherent limitations that may prevent their implementation, use or restructure.
- The district charges connection fees to cover the costs associated with constructing additional infrastructure and equipment necessary to serve new development. The district reviews and adjusts these fees periodically to ensure that the fees are sufficient.
- Each sewer and water customer pays monthly sewer and water fees, based on the type of connection and the amount of water used. The district periodically reviews and adjusts its monthly charges in order to ensure that they are sufficient to cover operating costs.
- The district should continue to seek grant funding.

6. Opportunities for Shared Facilities

Overview

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

Sharing facilities and resources can result in a more efficient and cost-effective delivery of resources.

MCWD --- Sharing Facilities with Other Water or Sewer Districts

Due to the geographic distance between most communities in the county, sharing facilities among water and sewer districts is not possible.

MCWD --- Sharing Facilities with Other Entities within Mammoth Lakes

Currently, the district does not share any facilities. The Town of Mammoth Lakes includes other special district service providers, as well as the Town itself, that require facilities to support their services. There may be opportunities for shared facilities among the districts and the Town. Further studies would be necessary to determine whether there are opportunities to reduce costs among the districts and the Town.

Determinations

- Due to geographic distances between communities in the county, sharing facilities among water and sewer providers is not possible.
- The Town of Mammoth Lakes includes other special district service providers, as well as the Town itself, that require facilities to support their services. There may be other opportunities for shared facilities among the districts and the Town. Further studies would be necessary to determine whether there are opportunities to reduce costs among the districts and the Town.

7. Government Structure Options

Overview

Purpose: To consider the advantages and disadvantages of various government structures to provide service.

Government Code §56001 declares that it is the policy of the State to encourage orderly growth and development essential to the social, fiscal, and economic well being of the State. The Code further states that "this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services."

For local agency consolidations to occur there has to be significant (and popularly desired) cost savings or an increase in service.

MCWD

The Town of Mammoth Lakes is isolated from the nearest water and/or sewer district by 10-15 miles and terrain that is often hazardous in winter. The geographic constraints make it infeasible for the MCWD to consolidate with another water or sewer district.

There are four other special districts within the town boundaries (see Figure 3), i.e.:

- ***Mammoth Community Services District (MCSD)***
  The CSD provides road maintenance and snow removal services to a small portion of the Old Mammoth area.
- ***Mammoth Lakes Fire Protection District (MLFPD)***
  The FPD provides fire prevention and suppression services to all of the area within the town's boundaries.
- ***Mammoth Mosquito Abatement District (MMAD)***
  The MAD provides mosquito abatement services to a small portion of the Old Mammoth area.
- ***Southern Mono Healthcare District (SMHD)***

The district provides acute care hospital services and medical services at its facilities in Mammoth Lakes and at leased facilities in Bridgeport and Bishop. The district's boundaries include portions of Southern Mono County, from Deadman Summit to the Inyo County line, including all of Mammoth Lakes.

The Town of Mammoth Lakes also provides a variety of municipal services, including:

- Airport;
- Community Development;
- Finance Department;
- Mammoth Lakes Housing;
- Parks and Recreation;
- Police;
- Public Works (Infrastructure, Roads, Snow Removal);
- Transit; and
- Visitor's Bureau.

As Figure 3 shows, the boundaries of the special districts in Mammoth Lakes overlap with each other and with the Town of Mammoth Lakes. The only entity that includes all of the special district boundaries within its boundaries (with the exception of the SMHD) is the Town of Mammoth Lakes.

Section 56001 of the California Government Code states that:

> The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

The consolidation of some special district services under the Town government could result in cost savings and the elimination of administrative and operational overlap. The Town, as a general purpose government, may offer potential benefits which a single purpose agency, such as the special districts in Mammoth Lakes, does not. The broad powers under which general purpose governments operate generally provide more extensive financial resources than do single purpose agencies, making them better able to respond to short term and long term service demands. General purpose governments also typically have greater community exposure than single purpose agencies, which allows for greater public accessibility and accountability.

Determinations

- Due to the distances between communities in Mono County, it is infeasible for the MCWD to consolidate with another water or sewer district since the closest ones are located approximately 15 miles north and south along US 395.

- Several special districts, along with the Town, provide public services within the Town of Mammoth Lakes.
- The boundaries of the special districts in Mammoth Lakes overlap with each other and with the Town of Mammoth Lakes. The only entity that includes all of the special district boundaries within its boundaries (with the exception of the SMHD) is the Town of Mammoth Lakes.

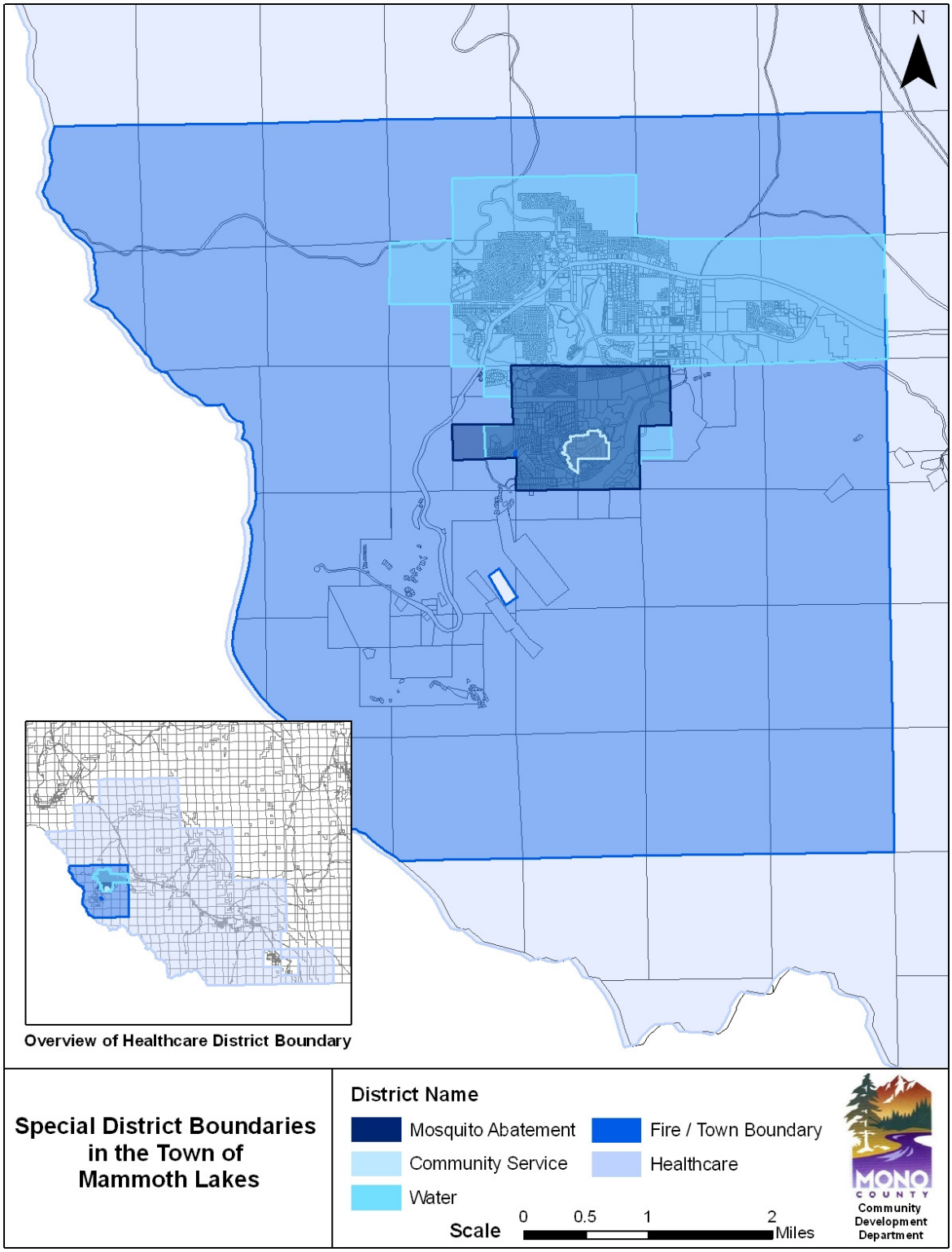

Figure 3 – Special District Boundaries, Town of Mammoth Lakes

8. Evaluation of Management Efficiencies

Overview

Purpose: To evaluate the quality of public services in comparison to cost.

As defined by OPR, the term "management efficiency," refers to the organized provision of the highest quality public services with the lowest necessary expenditure of public funds. An efficiently managed entity (1) promotes and demonstrates implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel and customer service and involvement, (2) has the ability to provide service over the short and long term, (3) has the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service, (4) meets or exceeds environmental and industry service standards, as feasible considering local conditions or circumstances, (5) and maintains adequate contingency reserves. "Management Efficiency" is generally seen as organizational efficiency including the potential for consolidation.

The purpose of management is to effectively carry out the principal function and purpose of an agency. Good management will ensure that the agency's mission is accomplished and that the agency's efforts are sustainable into the future. Unfortunately, "good management" is a relatively subjective issue, and one that is hard to quantify.

MCWD

The MCWD is managed by an elected Board of Directors, a General Manager, a Finance Manager, an Information Systems/Human Resources Manager, District Engineer, Maintenance Superintendent, and Operations Superintendent. The district has a Mission Statement, an Urban Water Management Plan, and a Groundwater Management, and is in the process of developing a Financial Strategic Plan. The Urban Water Management Plan identifies capital facilities and the costs associated with developing those facilities. The district is required to update the Urban Water Management Plan and the Groundwater Management Plan every five years.

Determinations

- The MCWD is managed by an elected Board of Directors, a General Manager, and department managers.
- The district has planned for the future in order to maintain its service levels while providing for the needs of future development.
- The district has committed resources to future facilities and operations.
- The district has a Mission Statement, an Urban Water Management Plan, and a Groundwater Management, and is in the process of developing a Financial Strategic Plan. The district is required to update the Urban Water Management Plan and the Groundwater Management Plan every five years

9. Local Accountability and Governance

Overview

Purpose: To evaluate the accessibility and levels of public participation associated with an agency's decision-making and management processes.

Special districts such as water districts are required to adopt budgets at open public meetings and to file their budgets with the county auditor. They are required to have annual or biennial independent audits. Districts are subject to the Ralph M. Brown Act for meetings, agendas and minutes. They are also subject to the Public Records Act.

Complying with the minimum open meeting and information requirements is not sufficient to allow an adequate amount of visibility and accountability. Outreach efforts, including convenient meeting times, additional notice of meetings and dissemination of district information, are desirable.

MCWD

The MCWD complies with the open meetings and public information requirements and employs various means to inform the community and its customers of its activities. The district is governed by a 5-member Board of Directors that meets monthly. The time of the Board meeting was changed from 9:00 in the morning to 5:30 in the evening to accommodate those wishing to attend who work during the day. Meeting notices and agendas are posted on the district's website, at the community center, on-site, in the local newspaper, and on the local radio station.

The district employs a Public Relations Officer whose role is to provide information on the area's water situation in general and ways of conserving the water supply. The Public Relations Officer is also responsible for providing information about district meetings and activities to the appropriate local news agencies. The district disseminates information to its customers in various ways:

- In the local newspaper;
- Regular transmittal of news releases to local radio stations;
- Access to the district's website;
- Inserts with billing statements; and
- Special brochures/mailings to customers such as the annual Consumer Confidence Report.

The district also engages in a variety of public education activities and community events:

- Prepares and disseminates an annual Consumer Confidence Report regarding water quality;
- Sponsors an annual golf tournament as a fundraiser for local educational scholarships and the DARE program.
- School water conservation educational program and providing school tours of facilities

Determinations

- The MCWD complies with the requirements for open meetings and public records.
- The district seeks to inform the community and affected groups of district activities and services.
- The district provides educational information to residents and visitors in Mammoth Lakes.

IV. SPHERE OF INFLUENCE RECOMMENDATION

In determining the sphere of influence for each local agency, Government Code §56425 requires the Local Agency Formation Commission to consider and prepare a written statement of its determination with respect to four required findings. Each of the required findings is discussed below as it pertains to the Mammoth Community Water District.

1. Present and Planned Land Uses

Discussion:
The Town of Mammoth Lakes General Plan provides for additional development within the Urban Growth Boundary established for the incorporated area (see Figure 2). The additional development allowed by the General Plan would be a mix of resort uses, commercial uses, public uses, multiple-family residential uses, and single-family residential uses. The residential uses would be a mix of fulltime residential uses and seasonal residential uses.

The Town's General Plan calculates the Town's population as PAOT (people at one time), a figure that includes permanent residents as well as transient residents and visitors. The Town of Mammoth Lakes forecasts that the PAOT at build-out in 2025 could reach approximately 52,000 persons. Currently, the PAOT is approximately 34,265 persons.

Finding:
Present land uses within the district and Town boundaries include resort uses, commercial uses, public uses, multiple-family residential uses, and single-family residential uses. The residential uses are a mix of fulltime residential uses and seasonal residential uses. Planned land uses within the Town's Urban Growth Boundary are similar with future development occurring within and adjacent to existing development. The Town's population at build-out is forecast to increase to 52,000 PAOT (people at one time), a fifty-two percent increase over the current PAOT of 34,265 persons.

2. Present and Probable Need For Public Facilities and Services

Discussion:
Increased development throughout the district's service area will create an increased need for water and sewer services now. The build-out allowed by the General Plan will create a greater demand for those services in the future.

Finding:
The MCWD has an existing and continuing need for public facilities and services to serve the increasing and planned development in the area.

3. Present Capacity of Public Facilities and Adequacy of Public Services

Discussion:
As discussed in the "District Services" section of this report, the MCWD currently provides water and sewer services to approximately 3,640 acres of developed land within its boundaries. The district also provides water and sewer services to US Forest Service facilities and some permittees in the Lakes Basin, to the Sierra Pack Station area, and to the Sherwin Creek Campground. Water service is also provided to Shady Rest Park and Mammoth Creek Park.

At build-out in 2024, the Town's population is expected to increase to 52,000 PAOT (people at one time), a fifty-two percent increase over the current PAOT of 34,265 persons. The district has identified future service needs and capital improvements in its Urban Water Management Plan and Groundwater Management Plan, along with the associated costs of implementing those capital improvements.

Finding:
The district currently provides an adequate level of service but has identified a need to improve both its facilities and services in order to serve additional development and to improve services to existing development.

4. Social or Economic Communities of Interest

Discussion:
Mammoth Lakes is the only incorporated community in Mono County and serves as a social, administrative, and economic center for much of the county. Residents of communities throughout the county may interact socially and economically with the Town of Mammoth Lakes but that interaction is limited due to the physical distances involved. The physical distance between unincorporated communities and the town, and the fact that the town is an incorporated entity and other communities are not, make the interdependence of the communities irrelevant in determining the sphere of influence for the district.

Within the Town of Mammoth Lakes, public services are provided by the town, the county, and several special districts:

- Mammoth Community Water District – Water and sewer services, boundaries include the developed area of town within the Urban Growth Boundary.
- Mammoth Lakes Community Services District – Road maintenance and snow removal, boundaries include a small area in Old Mammoth.
- Mammoth Lakes Fire Protection District – Fire protection and emergency medical services, boundaries are the same as the town boundaries.
- Mammoth Lakes Mosquito Abatement District – Mosquito abatement for a small area in Old Mammoth.
- Mono County – Regional services including Assessor, Clerk Recorder, Courts, District Attorney, Public Health, Probation, Social Services, Treasurer/Tax Collector.

- Town of Mammoth Lakes – Municipal services including Airport, Community Development, Finance, Mammoth Lakes Housing, Parks and Recreation, Police, Public Works, Transit, and Visitors Bureau.
- Southern Mono Healthcare District – Medical services and acute care hospital services.

The boundaries of the special districts in Mammoth Lakes overlap with each other and with the Town of Mammoth Lakes. The only entity that includes all of the special district boundaries within its boundaries (with the exception of the SMHD) is the Town of Mammoth Lakes.

Section 56001 of the California Government Code states that:

> The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

The consolidation of some special district services under the Town government could result in cost savings and the elimination of administrative and operational overlap. The Town, as a general purpose government, may offer potential benefits which a single purpose agency, such as the special districts in Mammoth Lakes, does not. The broad powers under which general purpose governments operate generally provide more extensive financial resources than do single purpose agencies, making them better able to respond to short term and long term service demands. General purpose governments also typically have greater community exposure than single purpose agencies, which allows for greater public accessibility and accountability.

Finding:
The district shares social and economic interests with the entire incorporated area of the Town. These shared interests promote a coordinated approach to service provision in the Mammoth area. Several special districts, along with the Town, provide public services within the Town of Mammoth Lakes. The boundaries of the special districts in Mammoth Lakes overlap with each other and with the Town of Mammoth Lakes. The only entity that includes all of the special district boundaries within its boundaries (with the exception of the SMHD) is the Town of Mammoth Lakes.

Sphere of Influence Recommendation

The Sphere of Influence for the Mammoth Community Water District should be coterminous with the boundaries of the Town of Mammoth Lakes. These boundaries recognize the district's role as the primary water and sewer provider for the incorporated area, and will enable the district to extend service throughout the incorporated area, to existing and planned developments.

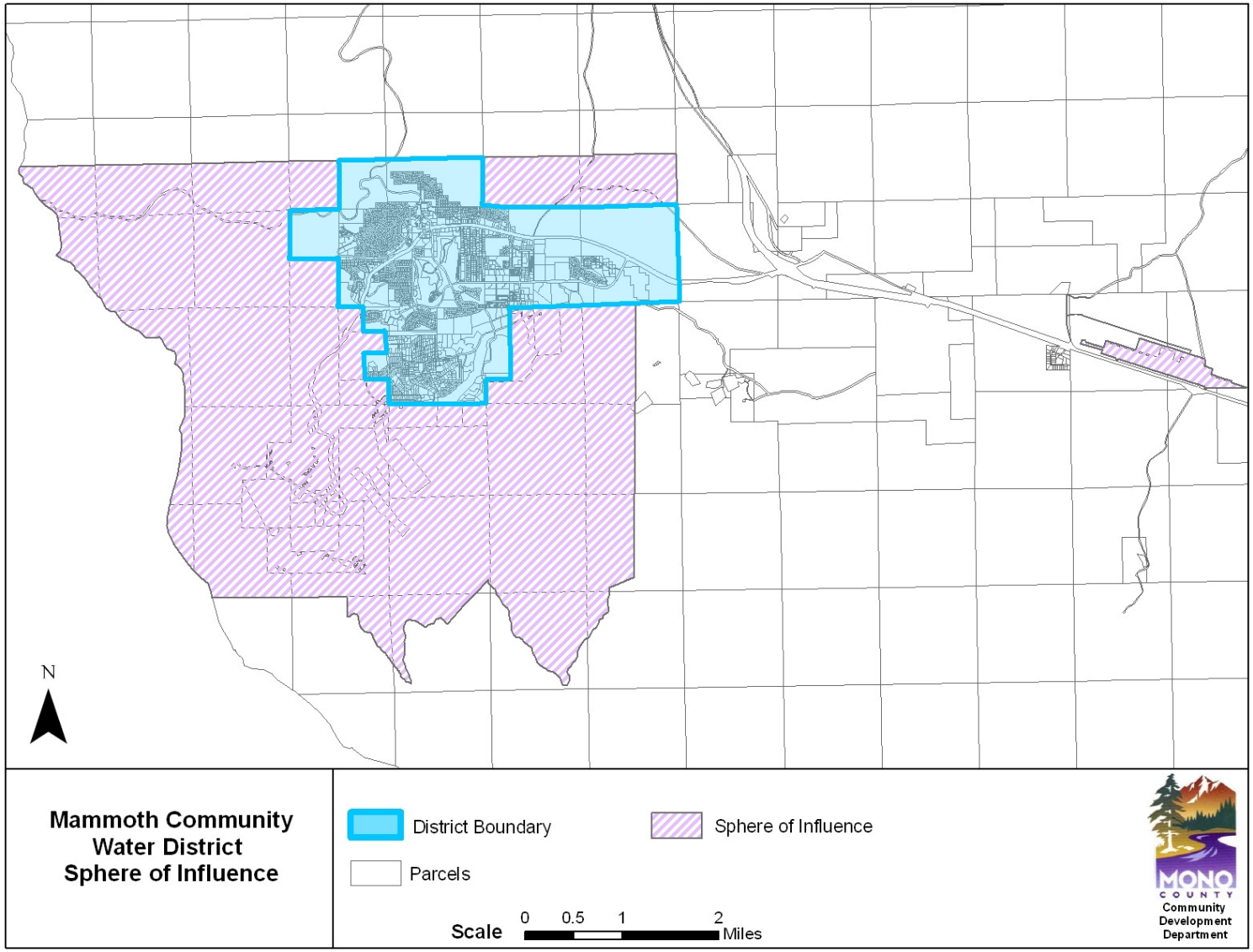

Figure 4 Mammoth Community Water District Sphere of Influence

Reorganization Recommendation

Section 56001 of the California Government Code states that:

> The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

At some point in the future, the water and sewer services currently provided by the district might best be provided under the authority of the Town of Mammoth Lakes. At that time, the feasibility of such a reorganization should be determined by a reorganization committee consisting of representatives of the district, the Town, and Mono LAFCO. If a reorganization is proposed that involves the Mammoth Community Water District, the Town, and any other special districts in the Mammoth area, the feasibility of such a reorganization should be determined by a reorganization committee consisting of representatives of all involved districts, the Town, and Mono LAFCO, in accordance with Chapter 6 of the Cortese-Knox Act. Such a reorganization should only occur with the concurrence of the governing bodies of all the involved entities.

V. REFERENCES

References Consulted

California State Controller
Special Districts Annual Report, Fiscal Year 2006-2007.

California State Department of Finance
Demographic Research Unit, population and housing estimates and projections

California Governor's Office of Planning and Research
Cortese-Knox Act
Guidelines on Municipal Service Reviews

Mammoth Community Water District
Groundwater Management Plan for the Mammoth Basin Watershed. July, 2005.
2005 Urban Water Management Plan. December, 2005.

Mono County Local Agency Formation Commission
Mammoth County Water District Sphere of Influence Report. June 1990.

Town of Mammoth Lakes
General Plan Update. 2007.
General Plan Update EIR. 2007.

Persons Consulted

Mammoth Community Water District
Gary Sisson, General Manager