



# Draft Municipal Service Review

Northstar CSD and PCWA Zone 4

Placer LAFCo

August 8, 2014



# **Placer LAFCO**

## **Municipal Service Review**

### **North Lake Tahoe and Martis Valley**

**Northstar Community Services District and Placer County Water Agency – Zone 4**

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# Municipal Service Reviews

## DISTRICTS IN THE TAHOE AND MARTIS VALLEYS NORTHSTAR CSD AND PCWA

### CHAPTER 1.0 EXECUTIVE SUMMARY

This Municipal Service Review (MSR) contains analysis and conclusions, known as determinations, regarding six topic areas as codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.). These areas of analysis contain the essential operational and management aspects of each service provider, and together constitute a review of the ability of the providers to meet the service demands of the residents within their boundaries. The services considered in this are primarily provided to residents and visitors by special districts. The districts were originally established under a principal act, also known as enabling legislation. Districts are formed with charters allowing them to provide one or more services, within boundaries determined by their Local Agency Formation Commission (LAFCO). Some districts provide only one service, while others provide multiple services. There are 15 such special districts operating in eastern Placer County, providing approximately nine different local services, as follows:

- **Water**  
Water services include the access to, treatment of and distribution of water for municipal purposes.
- **Sanitary Sewer**  
Sanitary sewer services include the collection, transmission and treatment of wastewater.
- **Solid Waste**  
Solid waste includes the collection and disposal of solid refuse. Although this service is generally performed by a private contractor under franchise to the County of Placer, some districts have the authority to provide or regulate the service within their boundaries.
- **Electricity**  
Electricity services include the generation and distribution of electricity within the area. Only one special district provides this service. This service is provided almost entirely by private companies, which are not regulated by Placer LAFCO.

- ***Fire Protection and Emergency Services***  
Fire protection and emergency services consist of a variety of different services, including firefighting and fire prevention, emergency medical response, hospital service, ambulance and rescue services. These services are somewhat interrelated in nature and overlap in functional application.
- ***Park and Recreation Services***  
Parks and recreation services include the provision and maintenance of parks and recreation services. Placer County provides such services in addition to several districts. The types of recreational services provided by the United States Forest Service are not included within this study.
- ***Roadway Services***  
Roadway services include construction, maintenance, and planning of roads, roadway lighting, and snow removal. Placer County and the State of California primarily provide these services. Services provided by districts in Area III are quite limited in comparison to the service provided by these other agencies.
- ***Cemetery***  
Cemetery services include burials and disposal of cremated remains.
- ***Airport***  
Airport services considered in this review include the maintenance and operation of a public airport. There are no commercially scheduled passenger services.

The districts in eastern Placer County that provide the above services are listed in Table 1.1, shown on the next page.





## CHAPTER 2.0 INTRODUCTION

### 2.1 Role and Responsibility of LAFCOs

Local Agency Formation Commissions (LAFCO's) are local independent agencies that were established by state legislation in 1963 for each of the 58 counties in California to ensure that changes in local agency organizations occur in an orderly fashion. It is LAFCO's responsibility to:

- Encourage the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts, including establishment of boundaries
- Promote the efficient expansion of municipal services along with agricultural and open space preservation
- Assure the efficient extension of government services, primarily through boundary decisions and the determination of an agency's Sphere of Influence (SOI) once every five years, as required by Government Code Section 56425 Review the service provision of districts and cities, primarily through meeting the requirements of Government Code Section 56430, Municipal Service Reviews
- Determine the Maximum Service Area and service capacity of an agency [G.C. 56100, 56301, 56425, 56430, 56378]

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code 56000 et seq.--the "CKH Act") specifies that fundamental role of a LAFCO is to implement the CKH Act and to provide for the logical, efficient, and most appropriate formation and development of local agencies such as cities and special districts. In order to carry out their duties, LAFCO's have been granted the power to conduct studies, to review and approve or disapprove proposals for change or organization or reorganization, to modify proposals and to impose reasonable conditions on proposals that are approved. Additionally, all LAFCO's are required to prepare a Municipal Service Review (MSR) for each of its cities, special districts, and other local agencies. MSRs are required prior to and in conjunction with the update of a sphere of influence (SOI).

In order to fulfill the requirement, the Placer Local Agency Formation Commission ("Placer LAFCO") divided Placer County into five separate geographic areas to conduct review of municipal services. This report is a study of the majority of the municipal services being provided by local agencies within that portion of Placer County located generally east of Donner Summit (Figure 2-1, Regional Map).

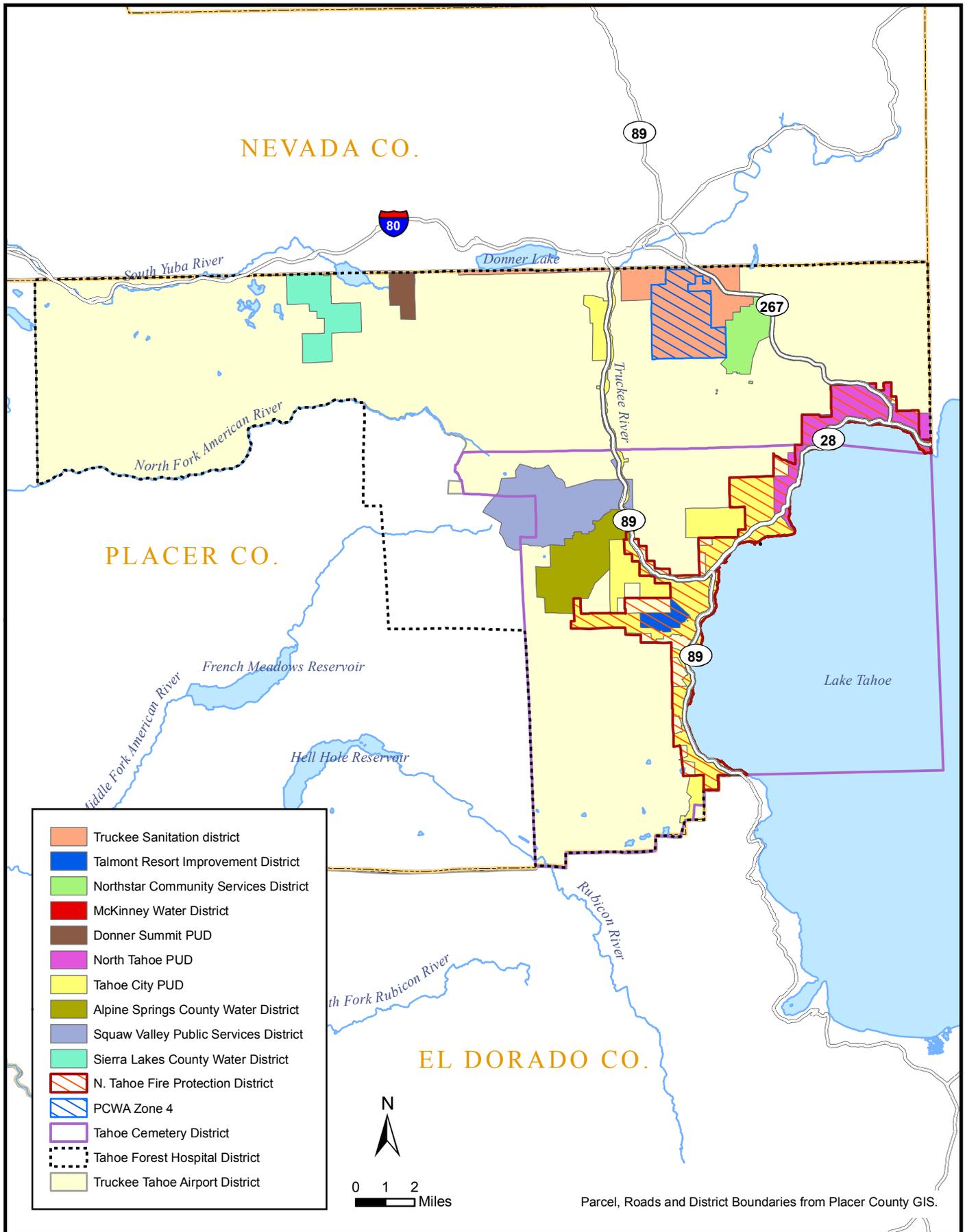


Figure 2 -1

**REGIONAL MAP**

## **Additional Information**

Additional reference documents, such as previous MSR's or sphere studies are available from LAFCO's office and website and contact information is shown below:

110 Maple Street (Air Pollution Control building)  
Auburn, CA 95603  
Phone: 530-889-4097

<http://www.placer.ca.gov/departments/lafco>

## **2.2 Purpose of the Municipal Service Review**

MSRs are intended to provide LAFCO with a comprehensive analysis of services provided by each of the special districts and other service providers within the legislative authority of the LAFCO. This analysis focuses on two districts located in the unincorporated area of eastern Placer County. This review will provide Placer LAFCO with the information and analysis necessary to evaluate existing boundaries and consider spheres of influence for these districts. The MSR makes determinations in each of seven mandated areas of evaluation, providing the basis for the Commission to review proposed changes to a service provider's boundaries or SOI.

A Sphere of Influence (SOI) is defined in Section 56425 of the Government Code as "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission." Placer LAFCO is required to adopt an SOI for each city and each district in its jurisdiction. When reviewing and determining SOI's for these service providers, LAFCO will consider and make recommendations based on the following information:

- The present and planned land uses in the area
- The present and probable need for water, wastewater, and flood control services in the area
- The present ability of each service provider to provide necessary services
- The fiscal, management, and structural health of each provider
- The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the service provider

In addition to serving as a foundation for the Commission's decision-making, this MSR is also intended to provide the following benefits to the Districts:

- Provide a broad overview of district operations including type and extent of services provided
- Serve as a prerequisite for a sphere of influence update that will be completed after approval of the MSR
- Evaluate governance options and financial information

- Demonstrate accountability and transparency to the Commission and to the public
- Allow districts to compare their operations and services with other similar districts

Written determinations, as required by law, are presented in Chapter 3 for Northstar CSD and Chapter 4 for PCWA in this MSR for the Commission's consideration. The Commission is ultimately the decision maker on approval or disapproval of any determinations, policies, boundaries, and discretionary items.

## **2.3 Methodology and Approach**

LAFCO must conduct service reviews prior to or in conjunction with the mandated five-year schedule for reviewing Spheres of Influence (SOIs) for the agencies within its jurisdiction, in accordance with California Government Code §56425. This MSR evaluates the structure and operation of each of the service providers and discusses possible areas for streamlining, improvement, and coordination. Key references and information sources for this study were gathered for each district considered. The references utilized in this study include published reports; review of agency files and databases (agendas, minutes, budgets, contracts, audits, etc.); Master Plans; Capital Improvement Plans; engineering reports; EIRs; finance studies; general plans; and state and regional agency information (permits, reviews, communications, regulatory requirements, etc.). Additionally, the consulting team, in coordination with the LAFCO Executive Officer, sent each district a Request for Information and the districts' responses to these requests were a key information source. One member of the consultant team also conducted site visits and personal interviews with each district. Additionally, the MSR Guidelines prepared by the Governor's Office of Planning and Research (OPR) were reviewed.

This MSR forms the basis for specific judgments, known as determinations, about each district that LAFCO is required to make (Gov. Code §56425 & §56430). These determinations are described in the MSR Guidelines from OPR as set forth in the CKH Act and they fall into seven categories, as listed below:

1. Growth and population projections for the affected area
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
3. Present and planned capacity of public facilities and adequacy of public services including infrastructure needs or deficiencies
4. Financial ability of agency to provide services
5. Status of, and opportunities for, shared facilities
6. Accountability for community service needs, including government structure and operational efficiencies

7. Any other matter related to effective or efficient service delivery, as required by commission policy

An MSR must include an analysis of the issues and written determination(s) for each of the above determination categories. Within each sub-chapter that describes a specific service provider there are sections corresponding to the seven determination categories required by the CKH Act. An explanation of these seven determination categories is provided below.

1. **Growth and Population**

This section (i.e. section 2.4) evaluates existing and projected population estimates for the unincorporated region of Placer County. The ability of each provider to accommodate growth and demand projections is considered in Chapters 3 and 4.

2. **Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence.**

This section was added by Senate Bill (SB) 244, which became effective in January 2012. A disadvantaged community is defined as having a median household income of 80 percent or less of the statewide median household income.

3. **Capacity and Infrastructure**

Also discussed is the adequacy and quality of the services provided by the district, including whether sufficient infrastructure and capital are in place (or planned for) to accommodate planned future growth and expansions. This is detailed in Chapters 3 and 4 for each provider.

4. **Financing**

This section provides an analysis of the financial structure and health of each service provider, including the consideration of rates and service operations, as well as other factors affecting the financial health and stability of each provider. Other factors considered include those that affect the financing of needed infrastructure improvements and compliance with existing requirements relative to financial reporting and management.

5. **Shared Facilities**

Opportunities for districts to share facilities are described throughout Chapter 2 of this MSR. Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined, along with cost avoidance measures that are already being utilized. Occurrences of facilities sharing are listed and assessed for more efficient delivery of services.

6. **Government Structure and Local Accountability**

A sub-section entitled Accountability and Governance is described in Chapters 3 and 4 for each provider. This sub-section addresses the adequacy and appropriateness of existing boundaries and spheres of influence, and evaluates the ability of each service provider to meet its demands under its existing

government structure. Also included in this sub-section is an evaluation of compliance by each provider with public meeting and records laws (Brown Act).

7. **Other Matters Related To Effective or Efficient Service Delivery, as Required By Commission Policy**

Placer LAFCO has not yet specified other “matters” that need to be included in an MSR. Other matters could relate to the potential future SOI determination and/or additional effort to review potential advantages or disadvantages of consolidation or reorganization.

A summary of determinations regarding each of the above categories are provided in Chapter 4 of this document and will be considered by Placer LAFCO in assessing potential future changes to an SOI or other reorganization.

This report is organized around two service providers, PCWA and Northstar Community Service District (CSD). Each service provider is described in Chapters 3 and 4 respectively. Within these two chapters, text related to the seven required determinations is provided. Since some districts, such as the Northstar CSD, can provide many different public services, a section analyzing each major service is provided.

Staff from each of the districts had an opportunity to review an Administrative Draft of this report. Their comments, clarifications, and corrections were incorporated into the public review draft. The Commission held a public meeting that was duly noticed in August 2014 to consider this Draft report. Staff and members of the board of directors from each district were invited to the public meeting, along with the general public.

## **2.4 Growth and Population, Service Demands, Regional Setting**

This section provides an overview of growth and population and describes the regional setting.

### **GROWTH AND POPULATION**

LAFCO is required to make a determination in this MSR on growth and population. When planning for the provision of future services and infrastructure it is important to have ready access to accurate growth and population projections. This MSR also identifies and considers disadvantaged communities and growth and population data contributes to that analysis.

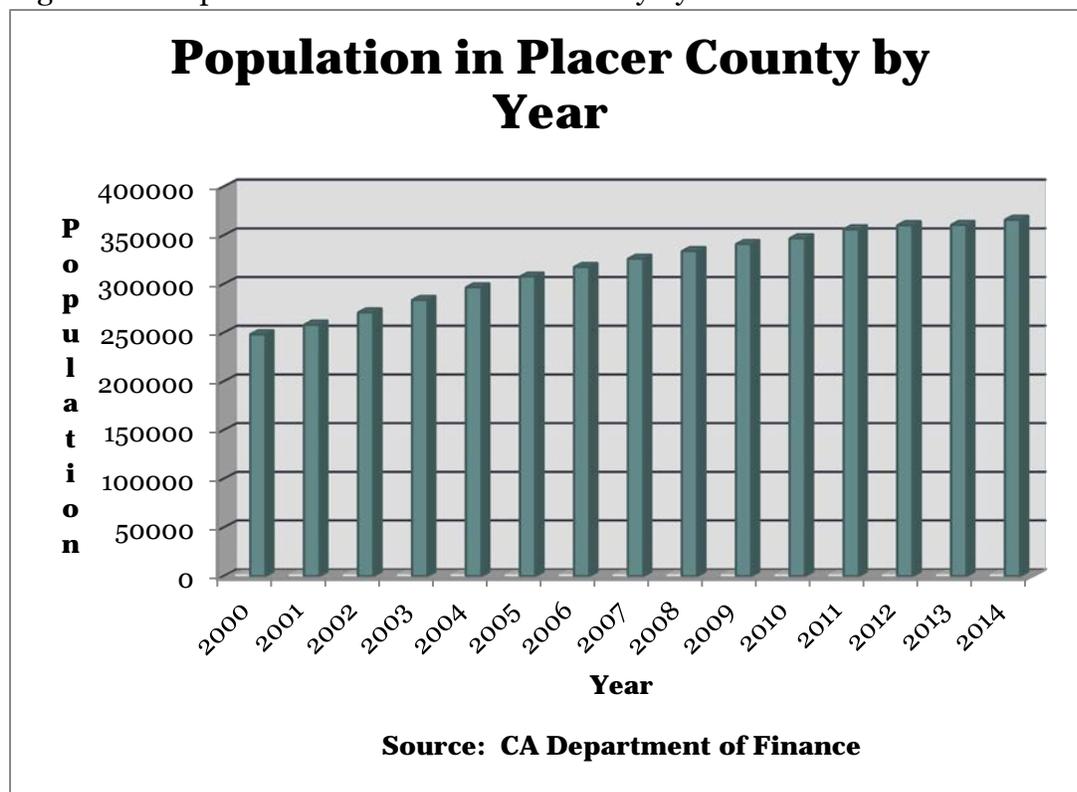
Each district was asked to provide the current population and projected growth in five-year increments through 2030. In Chapters 3 and 4, each Districts’ rates of growth are based on historical development patterns, land use designations in the County General Plan, estimated new construction and demand for development, and information provided by special districts.

The following paragraphs provide an overview of population and growth in the County as a whole. The intent is to provide contextual information which can be used to compare and consider data in subsequent chapters on individual districts.

Policies of the Placer County General Plan aim to steer urban growth to the cities. The 2013 Placer County Housing Element confirms these policies. While the county has grown at a rapid pace, much of this growth has occurred within the cities. Incorporated areas of the county grew at an Average Annual Growth Rate (AAGR) of 5.2 percent. Unincorporated Placer County's population grew at an AAGR of 1.8 percent between 1990 and 2000.

From 2000 to 2010, Placer County as a whole had a 3.4 percent AAGR for population, a rate more than three times California's population AAGR of 1.0 percent during this period. Most of this growth occurred in the incorporated areas of the county where the AAGR was 5.0 percent between 2000 and 2010. Growth in unincorporated areas of the county slowed to an AAGR of 0.7 percent. Overall, the County has seen a steady increase in population as shown in Figure 2.2, below.

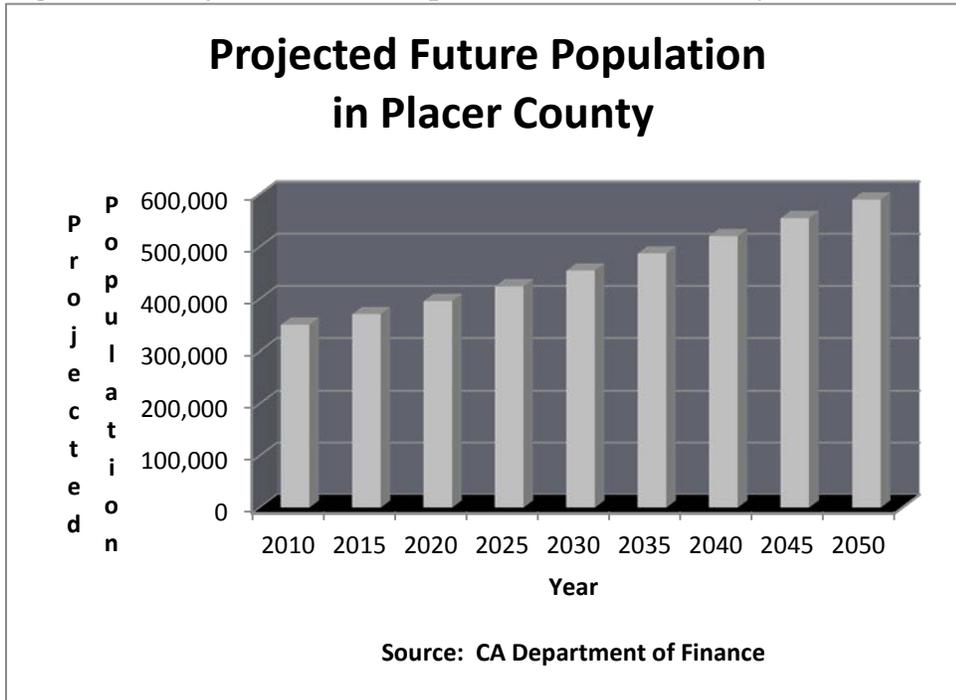
Figure 2.2: Population Growth in Placer County by Year



The eastern part of Placer County had 13,973 residents in 2000 and 12,802 in 2010 (IRWMP, 2014). This represents less than 4% of the County's population. The decrease of 1,171 persons may reflect the effects of the challenging economic conditions in the early part of the recent recession.

The population in Placer County is expected to continue to grow as shown in Figure 2-3, below:

Figure 2.3: Projected Future Population in Placer County



### SERVICE DEMANDS

The population growth estimates for each district serve as a numerical foundation to estimate service demand. There are several services considered in this review, and each service uses different criteria for measuring potential service demand. Projections are made based on the most likely indicator of ability to provide service. By projecting changes to each of these criteria over time, plans and infrastructure of each district can be better analyzed by their ability to accommodate increased demand for services. The following table lists the demand criteria utilized in this MSR.

Table 2.1: Service Demand Criteria

Service	Demand Criteria
Water	Number of water connections
Sewer	Number of sewer connections
Parks	Full-time resident population
Hospital	Calls for service/annual patients
Airport	Hangar storage space
Cemetery	Service requests/full-time resident population
Roadway Services	Number and type of roads maintained
Fire/Emergency Services	Calls for service

Details regarding service demands for specific districts are provided in Chapters 3 and 4.

### REGIONAL SETTING

Eastern Placer County includes three primary geographic regions: North Lake Tahoe basin, Martis Valley, and the Highway 89 corridor as described in further detail in the following paragraphs.

#### **Martis Valley**

The Martis Valley encompasses the northeast corner of Placer County, and the southeast corner of Nevada County, from Highway 89 east to the Nevada state line. The Placer County portion of the Martis Valley includes approximately 25,000 acres of land (39 square miles). The major land uses in the area include residential and commercial, airport, forest lands, and recreation areas. Major recognizable features of the Martis Valley include the Lahontan community, the Truckee Tahoe Airport, and the Northstar at Tahoe ski resort. Population growth in the Martis Valley is regulated through the Martis Valley Community Plan, adopted in December 2003 by Placer County. The 2003 Community Plan updates and supercedes the former Community Plan which had been approved in 1975. Additionally, private agreements among four partners (Sierra Watch, Mountain Area Preservation Foundation, East West Partners, and Northstar Resort) allows transfer of development rights to permanently protect key areas of open space in the Martis Valley in exchange for a certain level of development on other parcels.

#### **North Lake Tahoe**

The North Lake Tahoe area includes all land adjacent to Lake Tahoe within Placer County. This includes portions of the northern and western shores of the Lake, stretching from the Nevada state line on the east to the El Dorado County line on the south. As the largest alpine lake in North America, Lake Tahoe is known for its crystal clear waters and the seasonal display on the surrounding high mountains (LTVA, 2014). The Lake's surface area is split

among four counties (Placer County, El Dorado County, Washoe County, and Douglas County) and 40.96% of its surface area lies within Placer County, more than in any of the other counties (Wikipedia, 2014).

The North Lake Tahoe area is within the area regulated by the Tahoe Regional Planning Agency (TRPA), with planning and development coordinated with the other shorefront areas of Lake Tahoe. Development patterns in the area include a variety of urban uses including residential, commercial, institutional, parks, and public uses. This is the most highly urbanized portion of the study area. Growth rates in North Lake Tahoe are monitored by TRPA, which aims to promote preservation of character in the area and to help preserve water quality in Lake Tahoe.

### **Highway 89 Corridor**

The Highway 89 Corridor includes lands on both sides of Highway 89, running from the Placer County line on the north to Tahoe City on the south. This corridor is the site of several residential areas serving the greater Tahoe basin. Land uses along Highway 89 are primarily small scale commercial and residential in nature, although two ski resorts are also located along the corridor.

In summary, the Martis Valley, North Lake Tahoe, and Highway 89 Corridor serve as home to a full-time resident population of approximately 13,000 people, with the areas immediately surrounding Lake Tahoe accounting for approximately 60 percent of the population. The Lake Tahoe region experiences significant seasonal influx of visitors seeking recreational opportunities. Visitor populations can place additional burdens on service providers and create wide variations in peak demands for particular services. While visitors are present at most times of the year, it is in the winter months of December to March (ski season) that the greatest number visits the region.

## **2.5 Plans, Policies, Studies**

The study area for this MSR lies entirely within Placer County and the County has the primary authority over local land-use and development policies (and growth) for this region. Placer County planning documents fall into four major categories:

- 1994 General Plan
- Community Plans
- Design Guidelines, Ordinances and Guidelines
- Proposed Updates

The North Tahoe area of Placer County is administered under the 1994 Placer County General Plan and Zoning Ordinance. A map of the overall 1994 General Plan is available on the County website:

<http://www.placer.ca.gov/~media/cdr/Admin/GIS/PCGPMMap1994.pdf>. In the Tahoe region, the 1994 General Plan is comprised of twelve (12) Community Plans as listed in the following table:

Table 2.2: List of Placer County Community Plans

<b>Community Plan – Placer County</b>
Alpine Meadows General Plan *
Carnelian Bay Community Plan
Kings Beach Community Plan and Industrial Plan
Martis Valley Community Plan
North Stateline Community Plan
North Tahoe Area General Plan
Squaw Valley Area General Plan (Part 1 and Part 2 ) *
Tahoe Basin Community Plan Update (in process)
Tahoe City Area General Plan (Part 1 , Part 2 , and Part 3 )
Tahoe City Community Plan (Part 1 and Part 2 )
Tahoe Vista Community Plan
West Shore Area General Plan (Part 1 , Part 2 , Part 3 , Part 4 , Part 5 , Part 6 )

*\*Not included in the Tahoe Basin Plan Update*

In most cases the General Plan land-use designation in each of the above community plans is consistent with zoning. In addition to these existing plans, several plan updates are proposed for the Tahoe region. Community input into the County planning process is facilitated by two advisory councils in the region including:

- North Tahoe Municipal Advisory Council
- Squaw Valley Municipal Advisory Council

In the Tahoe Basin, the County closely coordinates with the Tahoe Regional Planning Agency (TRPA) and many of the Community Plans are jointly adopted by both agencies, consistent with their Memorandum of Understanding. TRPA was established in 1969 and its purpose is to protect water quality and other natural features associated with Lake Tahoe. The bi-state compact between California and Nevada which established TRPA was ratified by the U.S. Congress. TRPA coordinates regional planning efforts, reviews development and redevelopment, provides, regulatory enforcement, and facilitates and manages environmental restoration projects. TRPA’s Regional Plan Update, approved in 2012, allows local governments some flexibility in how goals are met through the adoption of Area Plans. Details about TRPA and its policies can be found at this website:

<http://www.trpa.org/about-trpa/>. Please note that TRPA and Placer County have a MOU that requires coordinated planning among both agencies. Updates to the County General Plan (and Community Plans) are currently proposed in the North Tahoe region as listed in table 2.3 below.

Table 2.3: Proposed Updates to General Plan in North Tahoe Region

<b>Name of Plan Update</b>	<b>Website that contains the details</b>
Martis Valley West Parcel Specific Plan	<a href="http://www.placer.ca.gov/departments/communitydevelopment/planning/martisvalleywestparcelspecificplan">http://www.placer.ca.gov/departments/communitydevelopment/planning/martisvalleywestparcelspecificplan</a>
Tahoe Basin Community Plan Update	<a href="http://www.placer.ca.gov/departments/communitydevelopment/planning/tahoebasincpupdate">http://www.placer.ca.gov/departments/communitydevelopment/planning/tahoebasincpupdate</a>

The proposed Tahoe Basin Community Plan update is being led by Placer County in coordination with the Tahoe Regional Planning Agency and its Regional Plan Update. This proposed update has several sections including:

- Greater Tahoe City Area
- North Tahoe East Plan Area
- North Tahoe West Plan Area
- West Shore Plan Area

Please note that the Squaw Valley and the Alpine Meadows Community Plans are NOT included in the Tahoe Basin Plan Update. In addition to the above plans, Placer County also has a Well Construction Ordinance which regulates the construction of water wells throughout the county.

The Truckee River Operating Agreement (2008) (TROA), is a regional planning effort which regulates, and monitors water rights within the Tahoe Region, the Truckee River Watershed, Pyramid Lake and the Carson River. Improvement of the operational flexibility of Truckee River reservoirs is an aim of the Agreement. TROA caps water rights in the Tahoe Region at 34,000 acre-feet annually for surface water and groundwater. Within the 34,000 acre feet, 23,000 acre-feet per year are allocated for use in California and 11,000 acre-feet per year in Nevada.

Individual service providers may have their own individual plans that may be adopted by their elected Board of Directors. These plans may include the following types:

- Urban Water Management Plans
- Strategic Plans
- Capital Improvement Plans

## **2.6 Public Participation**

This public draft document was released on August 18, 2014 and a 30-day public comment period was provided. During the 30-day comment period, the Commission conducted a public hearing on the MSR. Comments from the public were then considered and appropriate revisions incorporated into the Final MSR, released in \_\_\_\_ (month tbd) 2014.

After this MSR is finalized, it will be published on the Commission's website (<http://www.placer.ca.gov/departments/lafco>) thereby making the information contained herein accessible to anyone with an internet connection. A copy of this MSR may also be viewed during posted office hours at LAFCO's office. In addition to this MSR, LAFCO's office maintains files for each district and copies of many of the planning documents and studies that were utilized in the development of this MSR. These materials are also available to the public for review.

## **2.7 Disadvantaged Communities**

In 2011, the legislature passed SB 244, which was signed into law and became effective on January 1, 2012. This new law added a seventh area to evaluate in the MSR. SB 244 requires identification of disadvantaged unincorporated communities that lie within a district's SOI or proposed SOI. By definition, a disadvantaged unincorporated community consists of at least 10 dwelling units in a fringe, island, or legacy community with a median household income of 80 percent or less of the statewide median household income. It further defines an unincorporated fringe community as any inhabited and unincorporated territory that is within a city's sphere of influence. An unincorporated island community is defined as any inhabited and unincorporated territory that is surrounded or substantially surrounded by one or more cities, or by one or more cities and a county boundary, or the Pacific Ocean. An unincorporated legacy community means a geographically isolated community that is inhabited and has existed for at least 50 years. This state legislation to consider needs of disadvantaged unincorporated communities is intended to ensure that their needs are met when considering service extensions and/or annexations; in particular, water, wastewater, drainage and structural fire protection services.

The August 2003 State Office of Planning and Research (OPR) Guidelines for Municipal Service Reviews recommend that municipal service review reports consider environmental justice issues, including the provision of affordable housing. However, neither LAFCO nor the fifteen districts considered in this (and the subsequent) MSR have the legal authority to regulate land use or affordable housing production. Consistent with state law, only cities and the County government control local land use decisions. Information about affordable housing will be provided once Placer County updates its General Plan Land Use Element, including new requirements under SB 244 to identify disadvantaged unincorporated communities.

The median household income (MHI) statewide in the year 2010 was \$60,883. The threshold is 80% of the MHI or \$48,706. Communities whose average MHI is less than 60% of the statewide MHI or \$36,530 are classified as severely disadvantaged communities. (IRWMP, 2010). The IRWMP's data on DAC's in eastern Placer County is shown in Table 2.4, below.

Table 2.4: DUC's in eastern Placer County

<b>Total Pop in East Placer Co.</b>	<b>DAC Population by Census Block Groups</b>	<b>DAC Population by Census Tract</b>	<b>DAC Population by Census Designated Place</b>
12,802	Tract 201.05 BG1 271	Tract 201.0 (Kings Beach) 3,171	Kings Beach 3,315 Carnelian Bay 291
	Tract 201.07 BG 2&3 2,286		

Source: Tahoe Sierra IRWMP

Neither the Northstar CSD boundaries nor the PCWA, Zone 4 boundaries include any communities that are classified as disadvantaged.

## **2.8 Summary Description of Services and Providers**

This MSR considers two districts: Northstar CSD and PCWA, Zone 4. The remaining 13 districts will be described in a subsequent MSR which is anticipated to be available to the public in the Fall of 2014. A regional map showing the location of all 15 of the districts is shown in Figure 2-1.

### **2.8.1 Service (Water) Providers Not Covered in this MSR**

Service providers that are not included in this MSR will be described in a subsequent MSR which is anticipated to be available to the public in the Fall of 2014.

# CHAPTER 3.0 NORTHSTAR COMMUNITY SERVICES DISTRICT

## 3.1 District Overview

### 3.1.1 Profile

#### Northstar Community Services District

**Type of District:** Community Service District

**Principal Act:** The Community Services District Law: Government Code sections 61000-61934.

**Functions/Services:** Fire protection, water, wastewater collection, snow removal, road maintenance, lighting, emergency services, trails, forest fuels management and solid waste.

**Main Office:** 908 Northstar Drive, Northstar, CA 96161

**Mailing Address:** same

**Phone No.:** 530-562-0747

**Fax No.:** 530-823-4897

**Web Site:** [www.northstarcsd.org](http://www.northstarcsd.org)

**General Manager:** Michael Staudenmayer

**Email:** [mikes@northstarcsd.com](mailto:mikes@northstarcsd.com)

**Governing Body:** Elected Board of Directors

Nancy Ives, President	2001 - 2014
Frank Seelig, Vice President	2005 - 2016
Jeann Green	2005 - 2016
Cathy Stewart	2013 - 2014
Darrell Smith	2012 - 2014

**Meeting Schedule:** 3<sup>rd</sup> Wednesday of the month at 9:00 a.m.

**Meeting Location:** Fire Station at 910 Northstar Drive, Truckee, CA

**Date of Formation:** 1991

**Principal County:** Placer County

### **3.1.2 Summary Description of Existing Services**

The Northstar CSD provides water, wastewater, solid waste (including recycling), fire/emergency (including forest fuels management), and roadway services (including snow removal, road maintenance, trails, and street lighting) within its service area. See Figure 3.1 for District boundary and SOI.

The CSD primarily serves the Northstar California resort (formerly known as Northstar-at-Tahoe). This resort community was first developed in the early 1970s as a winter recreation resort and has since grown and expanded to provide year-round recreational activities, private homes and condominiums, and commercial development. Northstar California resort's recreational opportunities include skiing, snowboarding, hiking, biking, an 18-hole golf course and recreational trails that connect to the regional trail system. Northstar Village is the commercial center and includes retail areas, commercial uses, parking and circulation, pedestrian areas, restaurants, residential uses, open space, and recreation areas. The Northstar Community Services District (NCSD) was formed in 1990 to provide public services to the resort community.

## **3.2 District Characteristics**

### **3.2.1 Location and Size**

The Northstar Community Services District (NCSD) serves the resort community of Northstar, which is located south of Highway 267. NCSD covers approximately 1,900 acres and currently serves a population that fluctuates between 136 permanent residents and a weekend/seasonal population of 12,000 during peak recreation periods (Placer County, 2011). The District services residences, a commercial area, golf course and ski slopes.

The 2003 Update to the Martis Valley Community Plan (MVCP) was incorporated into the Placer County General Plan and established the land uses for the area within the Northstar CSD, as well as surrounding areas. A 2005 legal agreement between Northstar Resort and conservation groups further defines developable areas and habitat conservation areas. On June 9, 2014 Placer County released the Northstar Mountain Master Plan Final Environmental Impact Report (Final EIR) (Placer County, 2013).

### **3.2.2 Formation and Boundary**

On November 5, 1990, LAFCO adopted Resolution No. 8-90 thereby approving the formation of the Northstar CSD to provide services to the Northstar resort community. The District is governed by a five-member board with day-to-day operations managed by a General Manager. Prior to its formation, the area was served by Placer County.

The Northstar Fire Department was formed in 1972 under a Placer County Community Services Area (CSA) governed by the Placer County Board of Supervisors. It was absorbed into the CSD in 1990, as a Division.

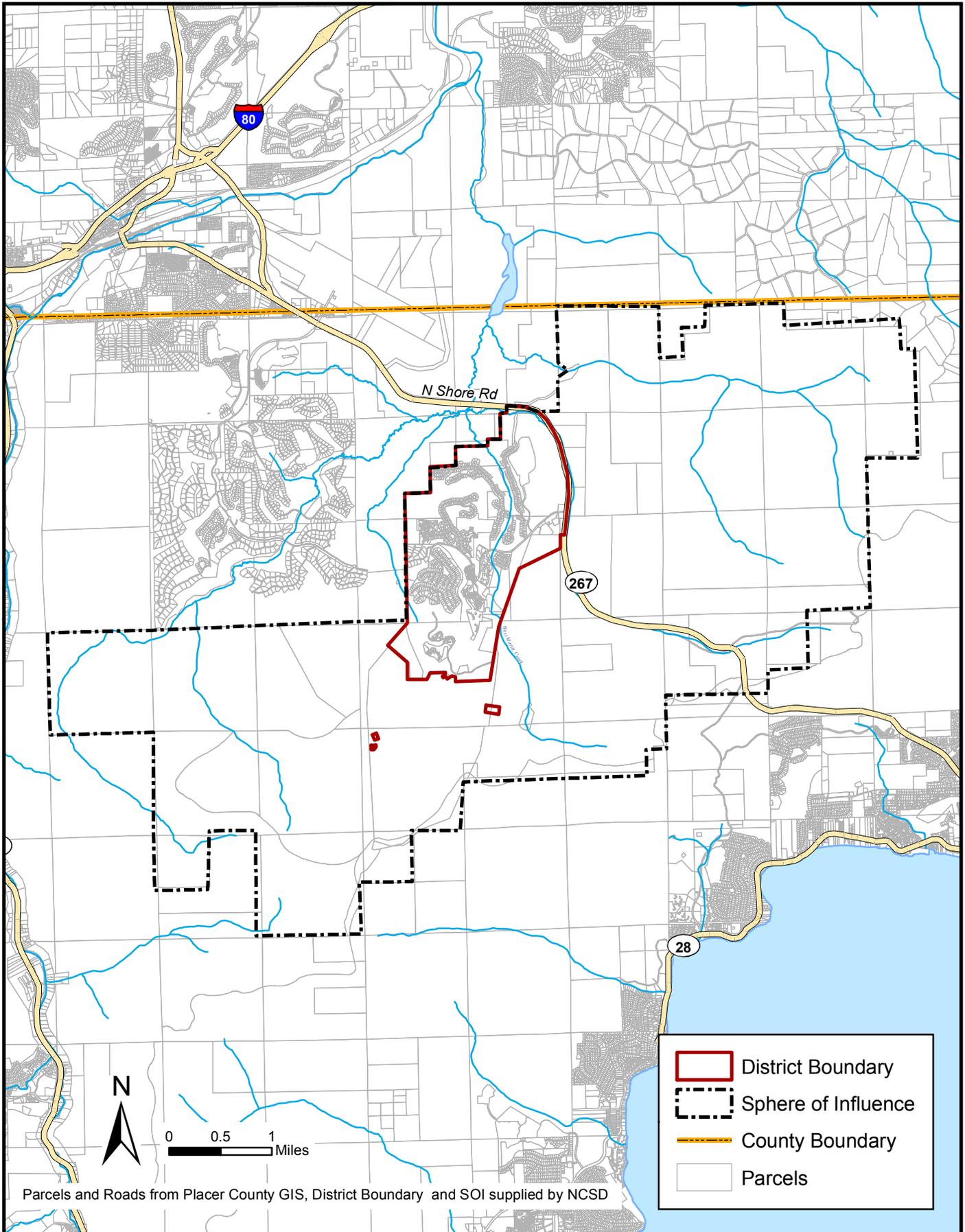


Figure 3 -1

**NORTHSTAR COMMUNITY SERVICE DISTRICT**

## BOUNDARY HISTORY

The Northstar CSD was formed and assumed water, wastewater collection, and fire protection services from Placer County in 1990. Since that time, there have been three annexations: 1.1 acres in 2006, 6.0 acres in 2010 and 1.6 acres in 2012. Current District boundaries encompass approximately 1,846 acres.

## SPHERE OF INFLUENCE

The District's sphere of influence (SOI) covers an area much larger than its boundaries, extending up to the Nevada County line to the northeast of current boundaries (Figure 3.1). The current SOI contains 15,872 acres and includes substantial timber and forestry zoned mountain areas to the west and south of the Northstar resort. These areas are part of the Northstar ski area, but are not otherwise populated. See "Projected Growth and Development" discussion below for more information regarding potential for development within the SOI.

In 2000, LAFCO initiated an SOI update for Northstar CSD and Truckee Sanitary District (TSD). However, due to unresolved questions of sewer services between the two Districts, the update was put on hold indefinitely. Those differences have since been worked through and an agreement put in place to address conflicts.

For the provision of water services only, the District has indicated that they do not feel the current SOI is adequate for future water service needs and has requested assistance from LAFCO to resolve the issue. The SOI could potentially be modified to include areas of proposed new growth and to exclude those areas where growth will never occur, provided certain conditions are met and the Commission approves. An expansion of the District's service area into the SOI has been proposed by various developers and entities to include a number of surrounding developments. See "Areas of Interest" and "Projected Growth and Population" sections below for additional detail.

## EXTRA-TERRITORIAL SERVICES

The District does not provide any extra-territorial services with the exception of PCWA's Zone 4. The NCSD currently operates PCWA's Zone 4 water system under contract, an area which is located outside of the District's current SOI. Discussions are taking place as to the possible annexation of Zone 4 into the NCSD (see "Areas of Interest" below for additional detail).

## AREAS OF INTEREST

Placer County Water Agency's (PCWA) Zone 4 is operated under contract by NCSD and is isolated from the rest of the PCWA system by geography, watershed, and climate. PCWA's Zone 4 boundary is coterminous with NCSD's boundary to the west, and is coterminous with NCSD's SOI on two sides (Figure 2-1).

Zone 4 was established in the late 1990s by PCWA to provide water services to Placer County developments in Martis Valley, southeast of Truckee, and is located west of Northstar CSD. The sole source of water for Zone 4 is groundwater from the Martis Valley groundwater basin. Zone 4 is located outside of both the NCSD's service area and SOI.

Infrastructure includes two wells with a combined maximum production of approximately 1,500 gpm, multiple storage tanks with a total volume of 2.2 million gallons, and approximately 40 miles of distribution pipes.

Zone 4 currently serves the Lahontan, Schaffer's Mill (previously known as Timilick), Hopkins Ranch, and Martis Camp developments. Buildout is anticipated to occur around 2035 and will result in approximately 1,670 residential units and approximately 85 acres of commercial uses. Zone 4 does not provide irrigation water for golf course developments (PCWA, 2011). These communities are currently being built and are primarily seasonal residences on golf courses. Groundwater production in 2011 for Zone 4 was approximately 172 acre-feet, with projected production of 707 acre-feet in 2030 and 800 acre-feet in 2035 (PCWA, 2011). PCWA's 2010 Urban Water Management Plan concluded that adequate groundwater was available to supply Zone 4 demand at buildout through multiple dry water years (PCWA, 2011). Sewer service in the geographical area of PCWA's Zone 4 is provided by the Truckee Sanitation District (TSD), which collects and transmits wastewater to Tahoe-Truckee Sanitation Agency's (TTSA) regional treatment plant (PCWA, 2011).

In December 2012, the NCSD passed a resolution (NCSD Resolution 12-23) directing exploration of annexation of PCWA's Zone 4 into the NCSD boundary for the purposes of providing water service to the Zone 4 customers (NCSD, 2012). Sewer service would continue to be provided by the TSD. In October 2013, PCWA released a public notice announcing its intention to pursue the transfer, which is anticipated to occur in 2014 (PCWA, 2013).

Martis Valley West Parcel Specific Plan. The Martis Valley West Parcel Specific Plan is currently under preliminary administrative review by Placer County. The West Parcel consists of 1,185 acres west of State Highway 267 and adjacent to Northstar to the southeast. The project proposal includes development of 775 acres with 760 residential units including single-family homes, cabins, condominiums and townhomes; and 6.6 acres of commercial lands for homeowner amenities, small community retail and similar uses. The developer has proposed that water and sewer services will be provided by Northstar CSD. The Martis Valley West Parcel Specific Plan is located within NCSD's current SOI but is not coterminous with the District's current boundary.

### **3.1.3 Accountability and Governance**

The District operates under the leadership of an elected five-member Board of Directors, with a General Manager providing daily oversight and management of staff and resources. The District holds regularly scheduled meetings on the third Wednesday of each month, at 9:00 a.m. District staff indicates that all meetings are held in compliance with the Brown Act and all laws governing public meetings. Meetings are posted on two bulletin boards, the District's website, and emailed to a list of interested parties including homeowners, business owners, and the homeowners associations. Meetings may be covered by local media sources, although not televised. Public comments are allowed at scheduled meetings, and also can be provided via letters to the District. Operating procedures and practices, including budgets, personnel policies, fees and rates, capital improvements plans, and other

documents are available for public review at the District’s offices. District operating hours are 8:00 a.m. to 4:00 p.m., Monday through Friday.

The District and its activities undergo public review procedures, including financial review by independent auditors. There are sufficient mechanisms in place to ensure that actions and operating procedures of the District are open and accessible to the public. The District maintains a website at <http://www.northstarcsd.com> where residents can obtain District news, water and sewer rates, minutes from Board meetings, and other helpful information.

Directors are elected to four-year terms, the last election having occurred in 2012. As of November 2013, there was one vacancy on the Board. Each Director is compensated per Government Code Section 61047(a) which allows a CSD board of directors to provide by resolution that its members may receive compensation in an amount not to exceed \$100 per each day of service, not to exceed 6 days of service in a month. Additionally the District reimburses Directors’ health care insurance premium expenses (District Resolution 08-18, Government Code Section 53200 through 53210).

The current board of directors is as follows:

**TABLE 3-1: CURRENT NCS D BOARD OF DIRECTORS, 2013**

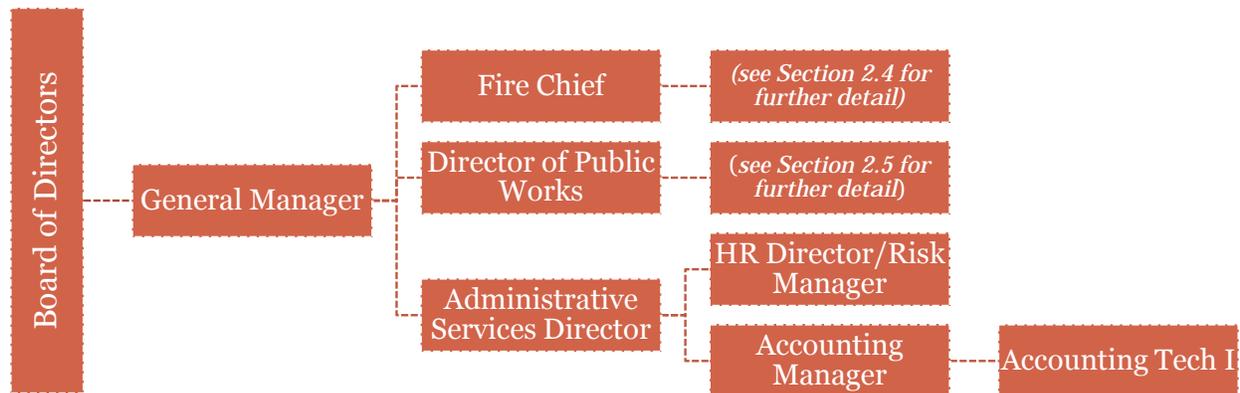
<b>Director</b>	<b>Appointment</b>	<b>Term Expiration</b>
Nancy Ives, President	2001	2014
Frank Seelig, Vice President	2005	2016
Jeann Green	2005	2016
Cathy Stewart	2013	2014
Darrell Smith	2012	2014

As shown in the above table, the term for three of the Commissioner’s expires in December 2014. Elections will be held in November 2014 for the three seats that will expire at the end of this year.

**MANAGEMENT EFFICIENCIES AND STAFFING**

The District consists of a five-member Board of Directors who oversees the functions of the General Manager. District operations are organized into three divisions – operations/utilities (which include water, wastewater, snow removal, road maintenance, and trails), the fire department and administration. The District employs a total of 37 full-time employees (FTE) of which 11 work in the utilities division and operations, 4 in administration, and the remainder in the fire department as of 2014. Staffing has steadily increased from 25 FTE in 2003 and 35 FTE in 2008 (NCS D, 2013). The District’s eleven utility workers are multi-disciplinary trained and work across all utility departments (water, wastewater, solid waste, road maintenance, snow removal, trails, and lighting). Within the

last few years, reorganization of the administrative department and establishing a cap on PERS contributions has increased management efficiencies for the District.



**FIGURE 3-2: NORTHSTAR CSD ORGANIZATIONAL CHART**

### CONTRACT SERVICES

Placer County Water Agency (PCWA) contracts with NCSO for operation of water services to PCWA’s Zone 4. See “Areas of Interest” above for additional detail.

Placer County currently contracts with NCSO to perform street repair and rehabilitation services, as well as snow removal services, within the District boundaries. Road maintenance and water operations are complementary services in that water main repairs often require trenching and roadway reconstruction. The District benefits from using the same heavy equipment, more fully utilizing its maintenance yard, reduced travel costs, and employees. The District contracts out slurry sealing and overlays at an affordable price.

### TECHNOLOGY/MANAGEMENT

Northstar CSD utilizes a Supervisory Control and Data Acquisition (SCADA) system to monitor and regulate its water infrastructure (i.e., storage, pumps, and metering stations) and sewer system. Additionally, the District is in the process of procuring and installing cellular endpoints for all water meters to collect hourly meter data. The District currently utilizes an Automated Meter Reading (AMR) system for water meters. The District’s employees are highly skilled and cross-trained in a variety of disciplines, allowing for more reliable service. The District adheres to specific purchasing policies and practices to ensure products are provided in the most cost-effective manner. GIS applications are used to map critical water and sewer facilities.

With respect to planning tools, the District has a recently adopted (2014) strategic plan, audited financial statements, a master water plan, and a capital/recapitalization plan. These plans are periodically updated to ensure that District operations are run in an efficient manner and that present and future service needs are adequately met. Moreover, the NCSO also maintains mutual aid agreements and contingency plans with other nearby districts. However, the District does not have an emergency operations plan.

### 3.1.4 Population and Growth

#### POPULATION

Northstar is a year round resort community that covers approximately 8,000 acres and currently serves about 1,800 dwelling units of all types, a commercial area, golf course and ski slopes (personal communication Staudenmeyer, 2014). The Northstar actual development area contains approximately 1,900 acres, which also coincides with the existing NCS D boundaries. Currently, population within the NCS D swells from approximately 136 permanent residents to a seasonal population of up to 12,000 (Taggart and Taggart, LTD, 2013). Because Northstar is a resort community, there is a high rate of second/vacation homeowners in the community and temporary populations swell dramatically during peak recreation seasons, primarily during winter and summer months.

The Northstar Resort community is located in Block Group 1, Census Tract 220.11 of the 2010 decennial census. This is a new block group from the 2000 Census. The current population within the block group is 589. While this block group includes other developments within the west Martis Valley area, it is the smallest grouping that can be used for determining population. As noted, the vast majority of dwelling types in this resort community are second or vacation homes. Using the 136 permanent population number provided by Taggart, the following projections for permanent population within the NCS D are provided:

**TABLE 3-2: NCS D SERVICE AREA POPULATION PROJECTIONS 2013–2030**

<b>Population Projections</b>			
<b>2013</b>	<b>2020<sup>1</sup></b>	<b>2025<sup>2</sup></b>	<b>2030<sup>3</sup></b>
<i>Permanent Population</i>			
136	142	149	160
<i>Seasonal Population</i>			
12,000	12,600	13,243	14,267
<sup>1</sup> Based on 0.7 percent AAGR from 2013 through 2020 <sup>2</sup> Assumes 1.0 percent AAGR from 2020 through 2025 <sup>3</sup> Assumes 1.5 percent AAGR from 2025 through 2030 Note: Population projections based on 10 percent occupancy.			

As noted, the permanent population projections do not reveal the actual demands for service. There is no reliable way to project the seasonal population numbers in the future, although it is apparent from Projected Growth and Development discussion below that seasonal population figures will increase over present levels with the new development expected in both the near-term and long-term. NCS D projects that the 2013 seasonal population is approximately 12,000. Using the same AAGR as used for permanent

population, the seasonal population is approximately 12,000 persons as provide in Table 3.2 above.

## PROJECTED GROWTH AND DEVELOPMENT

The Northstar development is the primary community located within NCSD. This community is located within the Martis Valley Community Plan (MVCP) adopted by the Placer County Board of Supervisors on December 16, 2003. The Northstar-at-Tahoe community is a mixed use, year round resort community anchored by an international ski resort. The master plan for the resort consists of 3,300 dwelling units, employee housing (not included in the maximum number of dwelling units) base/village mixed use commercial/residential development, recreational uses including multiple ski runs and ski lift lines, hiking and mountain bike trails, ice skating (in the village) swimming, tennis, golf course recreation center and a variety of other related compatible uses with the natural terrain and year round resort community. The community has three major parking areas for ski season and general visitor usage. An internal transit system transports skiers to and from an intercept parking lot west of Highway 267 off of Northstar Drive and the village. In addition to lands earmarked to accommodate development, there is a vast system of open space and environmentally sensitive lands that limit and define the boundaries for development. These open space lands also provide connectivity to the surrounding forest and MVCP to the south and west. Approximately 75 percent of the land in the area is to be set aside as permanent Open Space and or Forest per the Martis Valley Community Plan and other legal agreements

Land uses within the District are governed by the Placer County General Plan, Placer County Zoning Ordinance and the MVCP. Additionally, the resort is seeking approval of the Northstar Mountain Master Plan from the Placer County Planning Department and an EIR is in progress (Placer County, 2013). The MVCP land use designations applicable to the NCSD include the following:

- “Forest” with a 40 to 640 acre lot size. Allows land uses related to growing and harvesting of timber together with limited recreational uses.
- “Medium Density Residential” (MDR) with a 5-10 unit-per-acre density. Typical land uses include detached and attached single family dwellings, multiple family dwellings and residential accessory uses.
- “High Density Residential” (HDR) with a 10-15 dwelling unit-per-acre density. The typical land uses are the same as the MDR designation.
- Tourist Resort Commercial. Typical land uses include overnight lodging facilities of all types, retail services, food services, along

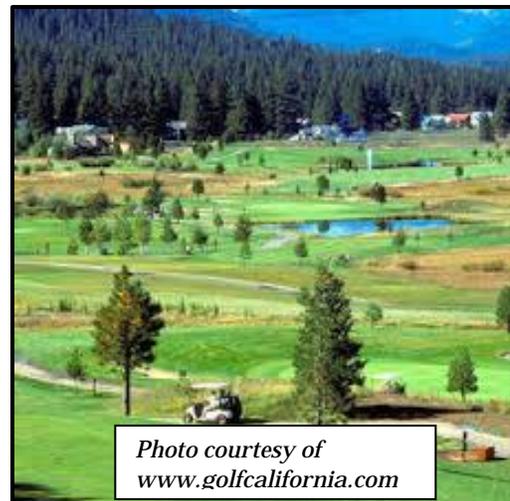


Photo courtesy of  
[www.golfcalifornia.com](http://www.golfcalifornia.com)

with a variety of other similar compatible uses.

- **Public/Quasi-Public.** This designation is reserved for land uses needed by governmental agencies and special districts. Typically these lands and uses are owned and operated by the respective governmental entity.

The SOI is substantially larger than the Northstar Resort community and the NCS D service boundary. The majority of the SOI lands are to the northeast, east, south and southwest of the resort lands. These lands are primarily designated Agriculture/Timberland 40-acre minimum parcel size. With the exception of the following discussion, it is highly unlikely that development requiring services from NCS D will occur on any of these lands. There is, however, a substantial area (660 acres) to the northeast of Highway 267 that is designated Low Density Residential (3.1 to 5.0 dwelling units per acre), along with 6.6 acres of commercial zoning. The maximum residential yield under the zoning to implement the MVCP would be 1,320 dwelling units. There is also a substantial area beyond the “development” area set aside as Agriculture/Timberland, 40 acre-minimum lot size. This area is subject to a rather dramatic change that would all but eliminate any services to be provided by NCS D to these lands. The owner of a large portion of this land is Sierra Pacific Industries (SPI). SPI is currently in the process of shifting development to the west side of Highway 267. The shift in land uses is the result of collaboration and agreement between the project applicant and four conservation organizations—Mountain Area Preservation Foundation, Sierra Watch, Trust for Public Land and Truckee Donner Land Trust—regarding conservation, preservation and development of the East and West parcels.

A development application has been filed with Placer County for a proposed project that is comprised of two components, the East and West Parcels, which are located on either side of SR 267 within the Martis Valley Community Plan. The West Parcel is approximately 1,185 acres adjacent to the Northstar Resort, west of SR 267. The East Parcel is approximately 6,376 acres, of which 660 acres are zoned for residential and commercial development. The proposed project would shift a portion of that allowed development from the East Parcel to the West Parcel. Current zoning allows 1,360 residential units and 6.6 acres of commercial uses within the East Parcel (the remainder of the East Parcel is designated Forest and zoned for Timberland Production). Under the proposed project, 775 acres of the West Parcel would be rezoned from Timberland Production to residential and commercial, allowing for 760 residential units and 6.6 acres of commercial uses. The remaining 345 acres would remain designated Forest. The 660-acres of the East Parcel currently zoned for development would be re-designated Forest, and a limited conservation easement would be placed over the entire 6,376 acres or it will be sold fee simple to conservation groups. As a result, no development would occur on the East Parcel, and the total amount of development would be 600 residential units fewer than allowed under current zoning. The combination of uses on the West Parcel at buildout would be 760 residential units, including single-family homes, townhomes, cabins and condominiums, and 6.6 acres of commercial land for homeowner amenities, small community retail and similar uses.

Development in the Northstar Resort is capped in the Martis Valley Community Plan. As noted above, the maximum number of dwelling units is 3,300. Buildout of the master plan area (1,900 acres) is market driven. As an international year-round resort, Northstar is highly dependent on local as well as global market factors. Table 3-3, below, provides a summary of the maximum development potential of Northstar Resort. The maximum buildout assumption is projected to occur in or around 2034. The following table also includes the development of the west parcel on SPI land.

**TABLE 3-3: NEW DEVELOPMENT PROJECTIONS FOR NORTHSTAR-AT-TAHOE**

Project	Entitled <sup>1</sup>		Constructed <sup>2</sup>		2015 - 2019 <sup>3</sup>		2020 - 2024 <sup>3</sup>		2025 - 2029 <sup>3</sup>		2030 - 2034 <sup>3</sup>	
	Res. Units	Comm. SF	Res. Units	Comm. SF	Res. Units	Comm. SF	Res. Units	Comm. SF	Res. Units	Comm. SF	Res. Units	Comm. SF
<b>Northstar-at-Tahoe</b>												
Village Phase 1	100	84,377	100	84,377	-	-	-	-	-	-	-	-
Village Phase 2	113	113	-	-	-	-	-	-	-	-	-	-
<i>Village Subtotal</i>	<i>213</i>	<i>84,377</i>	<i>213</i>	<i>84,377</i>	-	-	-	-	-	-	-	-
Northstar Lodge Phase 1	34	-	34	-	-	-	-	-	-	-	-	-
Northstar Lodge Phase 2	37	-	-	-	37	-	-	-	-	-	-	-
Northstar Lodge Phase 3	32	-	-	-	-	-	32	-	-	-	-	-
Village Walk Phase 1	12	-	12	-	-	-	-	-	-	-	-	-
Village Walk Phase 2	22	-	-	-	22	-	-	-	-	-	-	-
<i>Northside Subtotal</i>	<i>137</i>	-	<i>46</i>	-	<i>59</i>	-	<i>32</i>	-	-	-	-	-
Highlands I	178	327,942	67	218,628	80	-	31	-	-	-	-	-
Highlands II	446	4,000	16	-	250	-	180	-	-	-	-	-
Highlands III	25	-	1	-	12	-	12	-	-	-	-	-
Highlands Program Level	801	-	-	-	-	-	201	-	300	-	300	-
<i>Highlands Subtotal</i>	<i>1,450</i>	<i>331,942</i>	<i>84</i>	<i>218,628</i>	<i>342</i>	-	<i>424</i>	-	<i>300</i>	-	<i>300</i>	-
<b>Northstar Total</b>	<b>1,800</b>	<b>416,319</b>	<b>343</b>	<b>303,005</b>	<b>401</b>	-	<b>456</b>	-	<b>300</b>	-	<b>300</b>	-
<b>Other Planned Development in the Vicinity (Planned, Not Yet Entitled)</b>												
Martis Valley West Parcel	760	6.6 acres			200	6.6 acres	200	-	200	-	160	-

**Notes:**

\*Table does not reflect the 1,500 dwelling units in the "old" Northstar properties off of Basque Road, Martis Landing, Big Springs Drive, Grouse Ridge Road, Skidder Trail and Northstar Drive

<sup>1</sup> Based on current entitlements

<sup>2</sup> Construction through 2014

<sup>3</sup> Rough estimate based on current projections

<sup>4</sup> Proposed reduction from 1,360 unit approved in the MVCP

Source: East-West Partners, 2013

**TABLE 3-4: EMPLOYEE HOUSING PROJECTIONS FOR NORTHSTAR-AT-TAHOE**

Project	Entitled <sup>1</sup>	Constructed <sup>2</sup>	2015 - 2019 <sup>3</sup>	2020 - 2024 <sup>3</sup>	2025 - 2029 <sup>3</sup>	2030 - 2034 <sup>3</sup>
	Units	Units	Units	Units	Units	Units
Northstar-at-Tahoe	270	96	-	60	60	54
<b>Total</b>	<b>270</b>	<b>96</b>	<b>-</b>	<b>60</b>	<b>60</b>	<b>54</b>

**Notes:**  
 \*Table does not reflect the 1,500 dwelling units in the “old” Northstar properties off of Basque Road, Martis Landing, Big Springs Drive, Grouse Ridge Road, Skidder Trail and Northstar Drive  
<sup>1</sup> Based on current entitlements  
<sup>2</sup> Construction through 2014  
<sup>3</sup> Rough estimate based on current projections  
<sup>4</sup> Proposed reduction from 1,360 unit approved in the MVCP

Source: East-West Partners, 2013

Current and projected water and sewer populations are determined by the number of connections maintained by the District and proposed development. Fire/emergency services are determined by the resident population of the District and projected based on growth estimates and development. Roadway services are required for existing and planned roadways, and thus do not correlate to projected population (Placer LAFCO, 2004). Based on project growth rates, the service demand of the District will increase by the projected number of dwelling units and commercial square footage as reflected in Table 3-4, above. These projections were provided by East-West Partners, the development entity pursuing development of the Northstar-at-Tahoe Resort Community. Also, potential annexation of PCWA Zone 4 would add an estimated buildout of 1,671 homes.

### 3.3 Financing

This section evaluates the factors affecting the financing of operations and improvements for Northstar CSD. Information on District financing is derived from audited financial statements for the Fiscal Year 2012–2013, as well as information provided by District staff. These statements represent the financial statements of the District’s consolidated services, and follow Government Accounting Standards Board (GASB) method of Accrual accounting.

Northstar CSD adopts an annual appropriated budget for the general fund as well as the enterprise fund. Additionally, the District sets aside cash for future major repairs and replacement of its tangible assets used in both the general and enterprise funds. Water, sewer, and solid waste are run through enterprise funds. Administration, fire, trails, fuels management, snow, and roads are run through the general fund.

#### DISTRICT REVENUES AND EXPENDITURES

There is adequate revenue to meet current obligations and those expected in the near future. As shown in Table 3-5, an annual recurring net income of \$684,000 is estimated for the Northstar CSD based on District operating revenues totaling \$9.20 million and District operating expenditures of approximately \$8.51 million (NCSD, 2013a).

#### Recurring Revenues

Northstar CSD operating revenues include service charges, property tax, connection fees, grants and other revenues. Grants and other revenues are allocated to administration

services. Property tax revenue, estimated at approximately \$3.97 million for Fiscal Year 2012–2013, is the District's main source of revenue (NCSD, 2013a). Property tax revenue primarily funds District administrative operations, fire and emergency operations, and supplements other programs as necessary.

**TABLE 3-5: REVENUES AND EXPENDITURES, FISCAL YEAR 2012–2013**

<b>NCSD Fiscal Year 2012-2013</b>		
<b>Source</b>	<b>Amount (\$)</b>	<b>Totals (\$)</b>
<b>Revenues</b>		
Administration:		
Service Charges	\$111,000	\$866,000
Property Tax	755,000	
Grants – Service Charges	7,000	7,000
Other – Service Charges	59,000	59,000
Water Services:		
Service Charges	1,713,000	1,732,000
Connection Fees	\$19,000	
Wastewater Services:		
Service Charges	1,965,000	1,979,000
Connection Fees	\$14,000	
Fire Protection and Emergency Services:		
Service Charges	411,000	3,628,000
Property Tax	3,217,000	
Solid Waste Service Charges	410,000	410,000
Road Maintenance, Snow Removal	514,000	514,000
<b>Total Revenues</b>		<b>\$9,195,000</b>
<b>Expenditures</b>		
Administration		
Service Activity	\$865,000	\$867,000
Capital Outlays	2,000	
Depreciation – Capital Outlays	671,000	671,000
Water Service Activity	1,039,000	1,039,000
Wastewater Service Activity	1,429,000	1,429,000
Fire Protection and Emergency Services:		
Service Activity	3,114,000	3,175,000
Capital Outlays	61,000	
Solid Waste Services Activity	353,000	353,000
Road Maintenance, Snow Removal		
Service Activity	683,000	977,000
Capital Outlays	294,000	
<b>Total Expenditures</b>		<b>\$8,511,000</b>
<b>Net Income</b>		<b>\$684,000</b>

(Source: NCSD, 2013a).

Service charges are collected for all services provided by the District, and connection fees are collected for water and wastewater services. Of the service charges, Measure E Special Tax revenue currently funds the District's snow and fuels management programs. Water and sewer user fee revenue is budgeted at \$3.68 million. Connection fee revenue for both water and sewer will decrease significantly since there are no large commercial projects anticipated for this fiscal year. User fee revenue for water and sewer will increase by 3.5 percent over the prior year based on increases approved by the Board in the Fiscal Year 2010–2011 budget.

### **Recurring Expenditures**

Operating expenditures include direct operating services, administration of direct services, administration of capital outlays, and depreciation costs. Costs of Labor include salaries, payroll taxes, workers' compensation, and benefits to include PERS contributions, health, vision and dental insurance, as well as a health reimbursement arrangement. Cost of labor represents approximately 52 percent of the District's total budget and is budgeted to increase by 4 percent.

### **DISTRICT ASSETS AND LIABILITIES**

Total Northstar CSD net assets amounted to \$66.24 million in Fiscal Year 2012, as shown in Table 3-6, below. The major component of this category is “Investment in Capital Assets, Net of Related Debt,” which represents the District’s investment in capital assets, net of the amount borrowed to purchase these assets. The District has not acquired long-term debt to fund capital projects. Therefore, “Investment in Capital Assets, Net of Related Debt” is equal to “Capital Assets.”

**TABLE 3-6: STATEMENT OF NET ASSETS, JUNE 30, 2012**

<b>Assets and Liabilities</b>	<b>Amount</b>
<b>Assets</b>	
Current Assets	\$ 14,796,457
Capital Assets	53,004,799
Total Assets	\$67,801,256
<b>Liabilities</b>	
Current Liabilities	\$1,249,186
Noncurrent Liabilities	316,750
Total Liabilities	\$1,565,936
<b>Net Assets</b>	
Investment in Capital Assets, Net of Related Debt	\$53,004,799
Assets, Net of Related Debt	
Unrestricted	13,230,521
<b>Total Net Assets</b>	<b>\$66,235,320</b>

## LONG TERM LIABILITIES AND DEBT

### **Long-Term Liabilities**

The District's long-term liabilities at year end 2012 included estimated compensated absences for employees and totaled \$625,415 for governmental funds and \$99,601 for enterprise funds. The long-term portion of retiree termination benefits was \$90,160. Long-term liabilities for Other Post-Employment Benefits (OPEB) for governmental funds and enterprise funds totaled \$217,070 and \$60,800, respectively.

### **Debt Without Government Commitment**

During 2005 and 2006, bonded debt was issued by a special assessment district known as the Northstar Community Facilities District #1 (CFD) to finance infrastructure improvements and facilities within the Northstar area. The District has no legal responsibility with respect to the re-payment of the debt associated with the bonds. However, the District is responsible for managing a portion of the construction and improvements financed by the CFD, and it is also responsible as the CFD's agent for the receipts and disbursements of the CFD. As of June 30, 2012, the outstanding principal amount of bonded debt for the CFD was \$113,415,000.

## ASSET MAINTENANCE AND REPLACEMENT

Capital reserve revenue is a source of revenue that began in the Fiscal Year 2011–2012 and is a result of the capital improvement plan that was implemented by the District. This revenue is reserved for the replacement and major maintenance of water and sewer capital assets. Interest investment earnings with the Local Agency Investment Fund (LAIF) for the first quarter of 2012 averaged 0.39 percent. The District has hired an investment firm to manage capital replacement funds and other reserve funds. Because the firm has provided a better investment opportunity for the District, the District has budgeted total District interest and dividend earnings at \$113,000.

## COST AVOIDANCE

Northstar is a member of two joint-power authorities (JPA) for the operation of a common risk management and insurance program covering workers' compensation, property, general and automobile liability, and automobile physical damage insurance. The District is a member of the public employee retirement system (Placer LAFCO, 2004).

The potential annexation of PCWA Zone 4 water system is a potential cost avoidance strategy in that existing staff could be utilized to share related operational costs. See "Areas of Interest" section above.

## **3.4 Water Services**

### **3.4.1 Service Overview**

The District is located within the Truckee River Watershed in the southwestern portion of the Martis Valley and drainage from the District enters Martis Creek, a tributary to the Truckee River. The NCS D provides domestic water service to the Northstar resort community including residential and commercial uses, and the golf course. The District's

water system facilities include water sources, transmission, distribution, storage, and treatment. Please note that the District does not provide water for snowmaking associated with the ski resort.

The domestic water supply system is owned, operated, and managed by the District. The water supply system consists of two active springs, two active wells, one active storage reservoir, a membrane filtration water treatment plant including chlorination facilities, one clearwell, seven storage tanks, three distribution booster pump stations, and eleven distribution zones (Placer County, 2011).

### **3.4.2 Water Supply/Demand**

#### **WATER SUPPLY**

Together with Trimont Land Company (Trimont), the District holds a number of water rights licenses (Nos. 15906, 16618, and 16619) from the State Water Resources Control Board (SWRCB) for surface water diversions from West Martis Creek and its tributaries. The three current permits are operated together as one unit and allow a total diversion of 1,206 acre-feet annually (AFA) of surface water. However, Trimont and NCS D acknowledge that the District has the primary right to appropriate 600 AFA while Trimont has secondary rights to the remaining 606 AFA. Annual progress reports are filed with the SWRCB in July. Additionally, annual inspections are performed by the California Department of Public Health under permit number 01-02-11(P)002 (issued 2/10/11, amended 5/17/13).

The District's surface water sources include Sawmill Flat Springs, Big Springs and Reservoir A. In addition, the District has two permitted wells accessing the Martis Valley Groundwater Basin (MVGB), which is unadjudicated. The first well (TH-2) was developed in 2006 and the second (TH-1) was completed in 2013. Pumping of the aquifer is unrestricted; however, the District's current infrastructure capabilities can produce up to 2,580 AFA between the two existing wells (NCS D, 2013).

The spring system was originally constructed in 1970; average annual flow varies depending on precipitation and is estimated at up to 300 gallons-per-minute (gpm) in severe drought conditions, 400 gpm in dry years, and 700 gpm in average precipitation years. In summer of 2013, within a multiple dry year scenario, the springs produced approximately 395 gpm combined. Together the two springs produce an estimated 590 acre feet of water annually (Placer County, 2013).

The District's two wells that tap the MVGB each produced 800 gpm. The water treatment plant at maximum capacity can produce 700 gpm (1 MGD) from the springs and Reservoir A.

**TABLE 3-7: WATER PRODUCTION DETAILS AND STORAGE FACILITIES**

<b>Production Facility</b>	<b>Estimated Reliable Pumping Capacity (gpm)</b>	<b>Storage Facility<sup>1</sup></b>	<b>Capacity (million gallons)</b>
Sawmill Flat Spring	30 <sup>2</sup>	Reservoir C-1	1.000
Big Springs	365 <sup>2</sup>	Reservoir C-2	1.000
TH-1 Well	800 <sup>3</sup>	Reservoir D-1	0.285
TH-2 Well	800	Reservoir D-2	0.285
Reservoir A	Up to 700 <sup>4</sup>	Tank E	0.385
		Reservoir F-1	0.285
		Reservoir F-2	0.385
<b>Total Capacity</b>	<b>2,695</b>		<b>3.63</b>

<sup>1</sup> Reservoirs C, D and F are steel tanks.

<sup>2</sup> Yields as of August 2013; a summer with multiple dry years.

<sup>3</sup> The technical report drafted in 2012 for development of the TH-1 Well concluded that under drought conditions, the well can reasonably yield 800 gpm under continuous pumping for 60 days (NCS D, 2013).

<sup>4</sup> Restricted by treatment plant capacity.

*Source: NCS D, 2013; Placer County, 2013.*

The Martis Valley Groundwater Management Plan (MVGMP) was created by a collaboration between the NCS D, Placer County Water Agency (PCWA), and the Truckee Donner Public Utility District (TDPUD), and was released in April 2013 (TDPUD et. al. 2013). The aim of the MVGMP is to ensure long term quality and availability of groundwater in the Martis Valley Groundwater Basin. Background information which contributed towards the development of the MVGMP included studies estimating groundwater recharge at a rate ranging from 18,000 to 34,560 AFA. In 2012, the Desert Research Institute developed annual recharge estimates using the Precipitation Runoff Modelling System (PRMS) – a physically-based hydraulic model. The PRMS modeled recharge for the years 1983 through 2011 with annual recharge estimates ranging from 12,143 AFA (dry year) to 56,792 AFA (wet year), with an average of 32,745 AFA. The calculated annual recharge efficiency ranged from 18–26 percent (TDPUD et. al., 2013). In the past, studies of the Martis Valley groundwater basin estimated that a sustainable yield was approximately 24,000 AFA. However, the MVGMP suggests an alternative approach which uses data from groundwater and stream monitoring to calculate a ‘capturable’ amount of streamflow and to analyze relationship between sustainable pumpage and natural discharge (TDPUD et. al., 2013).

## WATER DEMAND

The Northstar CSD currently serves 1,735 residential water accounts, 70 commercial water accounts and also serves the golf course (Placer County, 2013). The residential accounts serve a mixture of single family homes and condominiums. Annual domestic demand totaled 566 AFA in 2012 and this included 96 AFA for golf course irrigation and 6 AFA for maintenance/dust control mitigation (Taggart and Taggart, LTD, 2013) (Table 3-8). In demonstration of the seasonal flux in demand, the District's 2009 annual report to the Drinking Water Program indicated the water supply system served domestic water to approximately 136 permanent residents with a seasonal daily maximum population of 12,000 individuals (Placer County, 2011). The water used to irrigate the golf course primarily comes from treated well water. Since snowmaking is spring fed and well fed through a private irrigation well in Martis Camp, it is not included in the above estimate.

The NCSO Master Water Plan Update analyzes the adequacy of existing water supplies. The amount of water derived from springs is heavily influenced by the season. The springs provide up to 300 gpm (484 AFA) in severe drought conditions and up to 400 gpm in dry years. However, in normal years with average precipitation, the springs can provide up to 700 gpm (Placer LAFCO, 2004). The District added its TH-2 well in 2006 and TH-1 well in 2013, each of which has the capability to pump 800 gpm from the MVGB. With the addition of the two wells, the District affirms it has ample water supply in multiple dry years as well (NCSO, 2013).

Northstar may eventually serve approximately 4,000 residential units and an expanded commercial area. Future water demand is expected to total 2,044 AFA. Maximum domestic demand at any one period of time, assuming 100 percent occupancy, will be 1,281 gpm for the peak day. Maximum daily requirement for golf course irrigation is approximately 785k gallons (Personal communication Staudenmayer, Northstar, June 2014).

Although water for snowmaking is not provided by the CSD, expanded snowmaking operations at buildout of the resort is expected to be provided in part by the District's system. Snowmaking demand is projected to increase significantly to 594 AFA (Taggart and Taggart, LTD, 2013).

Table 3-8: Projected Water Demand

	<b>#Existing (2012 -2014 averages)</b>	<b>2020 Projection</b>	<b>2025 Projection</b>	<b>2030 Projection</b>	<b>Buildout Projection</b>
Permanent Population	136	142	149	160	
Seasonal Population	12,000	12,600	13,243	14,267	
Residential Accounts *	1,735	2136	2592	2792	
Commercial Accounts	70	70	70	70	
Ave Annual domestic (residential and commercial) water demand calculated from ave population **	566 AFA	593 AFA	624 AFA	681 AFA***	
Estimate from Eco:Logic Engineering, 2002, pp. 3-5					1024 AFA
Estimated Average Annual Demand as estimated by NCSD****	661 AFA	750 AFA	1500 AFA	1500 AFA	1500 AFA

\*Note: # of estimated residential accounts was calculated based on existing number of 1735 provided by NCSD plus the projected growth in number of dwelling units as shown in Table 3-2 above.

\*\*Note: This estimate does not include water demand for snow making which is expected to increase by an additional 205 acre feet annually, some of which will recharge the groundwater table and flow into surface waters (Placer County, 2013).

\*\*\*Note: Estimate includes 9AFA of Annual Demand from other improvements in Northstar Mountain Master Plan (Placer County, 2013)

\*\*\*\*Source: NCSD response to LAFCo's RFI. See NCSD, 2013.



A comparison of the District’s water supply with its projected water demand, shows that the District likely has a surplus of water as shown in Table 3-9 below, which will allow the District to continue to provide water service to its customers well into the future.

Table 3-9: Comparison of Water Supply and Water Demand

	Existing (2012 – 2014)	Projected Year 2030
Water Supply from Springs and Reservoir Only	600 AFA	600 AFA
Total Groundwater Supply Available	Unrestricted/Not Adjudicated	Unrestricted/Not Adjudicated
Groundwater Supply via Existing Infrastructure	2580 AFA	2580 AFA
Water Demand as estimated by NCS D	661 AFA	1500 AFA
Calculated Water Surplus (Total Supply minus Total Demand)	+2519 AFA	+1680 AFA

Source: NCS D, Response to LAFCo’s RFI. 2013

### 3.4.2 Water Infrastructure and Facilities

#### TREATMENT SYSTEMS

Domestic water treatment within the Northstar CSD occurs at three locations: the water treatment plant (WTP) and Well TH-2. The WTP consists of a Pall Aria AP-6 Membrane Filtration process, which was installed in 2007. Processes at the WTP include microfiltration and disinfection with sodium hypochlorite. The treatment facility can produce up to 800 gpm; however, the District operates the WTP at no more than 700 gpm (CDPH, 2011). The District has a 250 KW diesel generator to provide backup power in the event of electrical power outages. Well TH-2 has a raw water bacteriological sample tap, a flow meter, a screened air vent, and an onsite hypochlorite disinfection unit that provides continuous chlorination when the well is in operation. The well is housed in a masonry block building along with the chlorination unit and well controls.

## WATER STORAGE

The Northstar CSD maintains a total of seven reservoirs (steel tanks) for water storage. Reservoir A is a 180 AF impoundment which captures all of the surface run-off from the 500-acre drainage basin in which the two Sawmill Flats springs are located. The reservoir can also receive all of the flow from the Sawmill Flats collection system by gravity and from the Big Springs collection system via pumps located near the water treatment plant. The entire 180-AF volume in Reservoir A can be replenished in any year prior to May 31. Northstar CSD's reservoirs have a combined capacity of 3.67 million gallons. Capacities for Reservoirs C, D, E, and F are summarized in Table 3-10.

California Title 22 requires that a water system must be able to supply maximum day demand with all of its sources operational, including adequate fire flow storage and peak hourly flow volumes. Storage requirements can be calculated as follows: fire flow storage and peak hourly flow volumes. Storage requirements can be calculated as follows: fire protection at 3,000 gpm for three hours, operational storage at 25 percent of maximum day demand, and emergency storage of 25 percent times the sum of fire plus operational storage. Northstar CSD has twice the needed storage requirement in treated water (Table 3-10 below). The Master Plan proposed storage improvements to meet future water storage needs. With the improvements identified in Table 3-10 below, Northstar CSD will continue to have twice the needed storage capacity in treated water.

**TABLE 3-10: NORTHSTAR CSD STORAGE DEMAND**

Storage Requirement	Storage Needs (gallons)	
	Present	Buildout
Fire Flow	540,000	540,000
Operational	445,800	461,258
Emergency	246,450	250,315
<b>Total</b>	1,232,250	1,251,573
<b>Treated Storage</b>		
Reservoir C (2)	2,000,000	2,000,000
Reservoir D (2)	570,000	570,000
Reservoir E (1)	385,000	385,000
Reservoir F (2)	670,000	670,000
Clearwell	60,000	60,000
<b>Total</b>	3,685,000	3,685,000

*Source: Placer County, 2013; CDPH, 2011; ECO:LOGIC, 2002.*

## DISTRIBUTION AND TRANSMISSION

Water from all sources is moved throughout the system via gravity and pump stations. Water mains range from 6 to 14 inches and are designed to ensure 1,500 gpm is available at all hydrants, at a residual pressure of 20 pounds per square inch (psi). Northstar CSD recently completed a 100-year Capital Improvement Program (CIP) for replacement of aging components of its water and sewer system, facilities, vehicles and equipment.

The District has several pressure zones. Pressure Zone J has an inter-tie with PCWA's Zone 4 water system, which consists of a pipe spool with two gate valves. The intertie limits distribution to service from the District to PCWA due to distribution system pressures and pressure reducing stations (CDPH, 2011).

Within the last 10 years, the District has added AMR and an advanced SCADA system, asset management system, a 100-year Capital Improvement Plan (CIP), and mobile access and control of SCADA and system maps and databases.

### **3.4.3 Challenges in Provision of Water Services**

The District has requested that Placer LAFCO assist with updating the SOI. A number of pending projects within and surrounding the District are currently being reviewed by Placer County and will have an impact on NCSD, including the Martis Valley West Parcel Specific Plan and the potential annexation of PCWA Zone 4. Further, this MSR will aid LAFCO and the District in updating the SOI.

### **Climate Change**

The US Bureau of Reclamation manages water supply in the Truckee River Basin and is undertaking a number of studies to evaluate the degree to which water supply and demand may be impacted by future changes in climate. This includes the Truckee River Basin Study, as well as funding researchers at the Desert Research Institute to develop an integrated groundwater, surface water, and climate change model of the MVGB. Scenarios specific to the District accounting for climatically shifting runoff availability have not been completed. However, the District stands poised with redundant water sources to account for anticipated growth and reductions in available supplies.

### **3.4.4 Water Service Adequacy**

The District indicates that it currently has sufficient water supplies to serve customers within its boundaries, including during multiple-year droughts. Although surface water sources are limited by water rights permits held by Northstar CSD and Trimont Land Development, the District also has two wells accessing the unadjudicated Martis Valley aquifer. Furthermore, the District recently completed a 100-year CIP, which includes a schedule and a funding plan for updating and maintaining its water system infrastructure.

## **3.5 Wastewater Services**

### **3.5.1 Service Overview**

Northstar Community Services District (NCSD) owns and operates its sewer collection system for the benefit of residential and commercial customers within its boundaries. The Northstar Resort

sewer collection system was constructed in 1971 and was operated by Placer County Facility Services Department as part of County Service Area #28, Zone #21A. Upon NCSD formation in 1990, the NCSD adopted the sewer collection system from Placer County, and officially began operation of the system located within its boundaries on July 1, 1991 (NCSD, 2013). Wastewater is collected within the District and transmitted through a section of Truckee Sanitary District's (TSD) collection system in route to the Tahoe-Truckee Sanitation Agency (TTSA) treatment facility for treatment. The NCSD maintains a contract with TSD for use of their transmission lines. The TTSA<sup>1</sup> is a regional treatment facility, located in Truckee, California, which was established to treat and dispose of wastewater generated in the area located between Truckee and Lake Tahoe. The TTSA receives wastewater from its member districts at various locations along the Truckee River Interceptor sewer line which runs from Tahoe City to the TTSA wastewater treatment plant. Although not directly a member, wastewater from NCSD is accepted into the TTSA facilities through its contract with TSD. The NCSD currently provides collection services to 59 commercial accounts and 1,724 residential services (NCSD, 2013). The District does not currently provide any out of territory services. The District has a preventive maintenance plan within District boundaries.

### 3.5.2 Wastewater Capacity

The Sanitary Sewer Capacity Analysis authored by Eco:Logic was included as an attachment to the Sewer System Management Plan (SSMP) which was written by the District in March 2005. The SSMP concludes that at buildout, the sewer system has adequate capacity to pass flows under a 10-year, 6-hour design storm. At buildout, a few of the pipes would flow full under a 25-year, 6-hour design storm; however, sufficient capacity exists to prevent sewer overflows. The SSMP concludes that there is no immediate need for capacity improvements. If land uses in the Highland Development are proposed that are not consistent with the 2005 Eco:Logic analysis, a new capacity analysis will be required by the NCSD.

**TABLE 3-11: NORTHSTAR CSD & TRUCKEE SANITARY DIST CURRENT AND FUTURE WASTEWATER FLOWS**

Timeframe	Average Day Demand		Peak-Hour Flow
	MGD	EDU <sup>1</sup>	MGD
Current	0.17	405	0.313
Buildout	2.65	6,309	4.88

<sup>1</sup> EDU = one equivalent dwelling unit (EDU) with wastewater generation of 420 gallons-per-day (gpd).

<sup>2</sup> Peak Hour Flow at Buildout based on current peaking factor of 1.84 times average day demand.

Source: (NCSD, 2013)

NCSD's ability to accommodate sewer flows is linked to the TSD's transmission capacity in that they share transmission pipelines to the TTSA facility. NCSD and TSD entered into an agreement

<sup>1</sup> Members of the Tahoe-Truckee Sanitation Agency (TTSA) include Tahoe City Public Utilities District, North Tahoe Public Utilities District, Alpine Springs County Water District, Squaw Valley Public Services District, and Truckee Sanitation District (Placer County, 2003). Northstar CSD is also served by T-TSA facilities through a contract with TSD for shared use of TSD's collection system infrastructure in route to the TTSA.

with TSD in 1992 (Agreement for Services with Truckee Sanitation District, 1992) that provided for transmission of NCSD wastewater flow to the TTSA facility as long as TSD had capacity available and on a first-come, first-served basis. The 1992 agreement provided NCSD exclusive right to TSD transmission line except for 0.35 mgd of capacity reserved for TSD. NCSD and TSD amended the 1992 agreement in 2005 (Amendment to Agreement for Services with Truckee Sanitation District, 2005), which allows for, among other items, a total of 3700 EDUs of capacity in the NCSD service area. There are no pending disagreements between the agencies at this time, and the amendment seems to be working as intended.

In 2001, T-TSA applied to Placer LAFCO for annexation of Northstar CSD’s lands. To date, no action has been taken on the annexation application.

Further, in 2013, Nevada LAFCO processed an updated SOI for TSD, which identified an Area of Concern surrounding the overlapping SOIs for TSD and NCSD. Since TSD conveys wastewater from NCSD to the TTSA treatment facility, it does have an interest in potential additional demands on its system. Since the principal county for NCSD is Placer County and the principal county for TSD is Nevada County, consultation between the two LAFCOs is necessary. To ensure coordination on land use planning in this area, a Memorandum of Understanding (MOU) was developed between Placer LAFCO and Nevada LAFCO that essentially recognizes the concerns of multi-county special districts and provides a mechanism for consultation (Michael Brandman Associates, 2013).

### 3.5.3 Wastewater Infrastructure and Facilities

#### TREATMENT SYSTEMS

The Northstar CSD provides wastewater collection services to the Northstar resort community, but contracts with the Truckee Sanitary District for transfer of sewage via TSD’s facilities to the TTSA treatment plant. Wastewater is treated at the TTSA facility in Truckee.

#### COLLECTION AND TRANSMISSION

The District’s sewer distribution system is comprised of approximately 25.4 miles of gravity mains, 1,630 feet of force main, 6.8 miles of inverted siphon main, 560 manholes, and 3 lift stations and two flow meters (NCSD, 2013). District ownership ends at the property line cleanout, which is owned by the District, on all service laterals. Service laterals are all privately owned and must be maintained by the property owner to the property line cleanout.

NCSD collection and transmission system consists primarily of polyvinyl chloride (PVC) pipe, is approximately 40 years old, and is in overall good condition. In the District’s 100-year Capital

**TABLE 3-12: SEWER SYSTEM CHARACTERISTICS**

<b>NCSD System Facilities</b>	
Number of Connections	1,796 <sup>1</sup>
Gravity Mains	25.4 miles
Force Mains	1,630 feet
Inverted Siphon Main	6.8 miles
Manholes	560
Main Pumping Stations	3 lift stations
Flow Meters	2
Asset Value	\$19 million
<sup>1</sup> 1,735 residential and 61 commercial connections (per NCSD staff, 2013).  <i>Source: Northstar CSD SSMP, 2013; NCSD responses to LAFCO MSR Questionnaire, 2013.</i>	

Improvement Plan (CIP), mains are scheduled for replacement at 75 years of age. The first large-scale rehabilitation project is scheduled to be undertaken in the mid-2040s. Other sewer facilities within the NCSD service area are maintained frequently and as-needed.

Need for increased capacity is typically driven by larger developments within the District. An ordinance is included in the District's 2013 Sewer System Management Plan (SSMP) which sets standards and specifications for system upgrades depending on size and type of development. Developers are required to upgrade the existing collection system downstream of the development if additional capacity is required (NCSD, 2013).

### **3.5.4 Challenges**

Presently, NCSD does not have duplicate service boundaries with other wastewater collection providers. However, an Area of Concern has been identified for the area that overlaps the sphere of influence of the TSD. Since TSD conveys wastewater from NCSD to the TTSA treatment facility, potential additional demands on the system will require coordination with TSD (PMC, 2013). The majority of the TSD and TTSA are located in Nevada County, with Nevada LAFCO being the principal LAFCO for both agencies. Due to the multi-county nature of TSD and TTSA, a Memorandum of Understanding (MOU) exists between Placer and Nevada LAFCOs that essentially recognizes the concerns of multi-county special districts and provides a mechanism for consultation. NCSD and TSD have applied to annex the same territory east of Northstar. Although these issues do not necessarily represent duplication in current service boundaries, resolution presents a cost avoidance option.

In 2001, TTSA applied to Placer LAFCO on behalf of NCSD for annexation of NCSD's lands. At that time, TSD opposed NCSD becoming a member of TTSA and stated that in the future it will only provide wastewater collection services through annexation rather than contracts. To date no action has been taken on the application (PMC, 2013).

All legal disputes between NCSD and TSD were resolved in 2005. An amendment to the service agreement was negotiated that resolved all boundary disputes and provided the terms and conditions under which NCSD could provide sewer service outside the agreed-upon boundary. There are no pending disagreements between the agencies at this time, and the amendment seems to be working as intended (Michael Brandman Associates, 2013).

### **3.5.5 Wastewater Service Adequacy**

NCSD provides wastewater collection services to its service area customers and transports NCSD wastewater through TSD transmission lines to the regional TTSA facility (Figure 3-3). NCSD currently accesses the TTSA facility through a contract with TSD for use of its transmission lines. If the application for direct annexation of NCSD's area to TTSA is approved, NCSD would continue to operate and maintain its wastewater collection system.

NCSD owns two pipelines extending across the Martis Valley to the current Schaffer Mill Road. This pipeline connects with another pipeline, in which NCSD owns all capacity right except for 350,000 gpd, which extends from Schaffer Mill Road to the main interceptor line of TTSA along the Truckee River. Previous studies have indicated that the lines are sufficient to serve the planned build out of the Northstar resort community, with reasonable improvements, and should accommodate planned wastewater collection and transmission needs from the southern portion of the Martis Valley to the TTSA facility (Placer LAFCO, 2004). However, this will be further studied

in a capacity study being undertaken jointly by NCSD and TSD for the proposed Martis Valley West Parcel development (Personal communication, Staudenmayer Northstar CSD, July2014).

### 3.6 Fire and Emergency Services

#### 3.6.1 Service Overview

The Northstar Fire Department (NFD) was established in 1972 and operates under the Northstar CSD. Services provided by NFD include wildland and structure fire suppression, emergency medical response, hazardous materials response, rescue, fire prevention, and forestry management.

#### FIRE AND EMERGENCY RESPONSE

The NFD is managed by a fire chief that reports to the District’s General Manager, who is accountable to the NCSD five-member, elected Board of Directors. NFD staffing consists of six fire captains, six engineers, and four full-time firefighters, all of which are paramedics (NCSD, 2013).

The fire chief also oversees a fire prevention officer and forestry supervisor. The NFD is staffed 24 hours a day, 365 days a year, with professional firefighters with extensive medical training. Shifts place a minimum of two captains, two engineers, and one firefighter divided between Stations 31 and 32. All NFD staff receives a minimum of 240 hours per year of training.

The NFD has a current Insurance Services Office (ISO) rating of 3 (NCSD, 2014), which is considered good for fire districts. ISO rating takes into account, response times, equipment, water supply and training to help determine the adequacy of the fire department and its infrastructure. Average response times within the District are less than four minutes, which meets the goals of the NFD (NCSD, 2013).

**TABLE 3-13 NORTHSTAR FIRE DEPARTMENT EMERGENCY RESPONSE, 2012**

<b>Emergency</b>	<b>Number of Calls</b>
Fire Suppression	168
EMS/ALS	260
Rescue	18
Hazardous Materials	0
<b>Total</b>	<b>446</b>

In general, industry standards applicable to the Northstar Fire Department are established by the National Fire Protection Agency (NFPA), the Insurance Services Office, Cal Osha, and District ordinances. All of these agencies, as well as many others, directly and/or indirectly affect the type of services, the quality and development of those services, expansion, reliability, facility design, and construction and environmental issues that the District provides. Northstar Fire Department has historically met or exceeded all applicable industry standards. This is achieved through extensive effort, sound fiscal practices, and good training/cross training practices.

#### FORESTRY MANAGEMENT AND DEFENSIBLE SPACE

Within the last 10 years, the NFD has added an aggressive defensible space program, green-waste recycling, and a forest fuels management program. The District employs a full time forestry supervisor to manage a Community Wildfire Protection Plan (CWPP) and a fuels reduction program. Goals of the new programs are to eliminate the loss of life, property and resources caused by a wildfire in the Northstar community. NFD’s forestry management projects aim to reduce excess fuels, the potential

in a capacity study being undertaken jointly by NCSD and TSD for the proposed Martis Valley West Parcel development (Personal communication, Staudenmayer Northstar CSD, July 2014).

### 3.6 Fire and Emergency Services

#### 3.6.1 Service Overview

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for insect and disease infestations, and to restore forest health. The NFD also actively works with residents to comply with local and state ordinances regarding defensible space regulations such as Public Resources Code 4291, California Code of Regulations 1299, and local Ordinance 26-09. Further, to assist residents with defensible space compliance, a Green Waste Recycling Program was instituted to provide curbside collection of green waste. The green waste is chipped and used for erosion control projects within the District or sent to a biomass co-generation facility in Loyalton, California, where it is used for power generation (NCSD, 2014).

### **3.6.2 Fire/Emergency Services Infrastructure Needs & Deficiencies**

The District's fire and emergency service infrastructure and facilities are considered sufficient to allow for efficient provision of services. The NFD operates out of two fire stations, the newest one (Station 32) having been completed in 2009. Based on projected growth rates within the District, the Northstar Fire Department will continue to require expansion to serve future development. Capital improvements and fire and emergency response facilities were incorporated into original development plans of the Northstar area, but changes in projected growth have necessitated additional improvements. Modifications and/or additions to capacities and response system resources can and have been completed commensurate with phased development. Anticipated phased planning and resource development are adequate to serve potential growth.

NFD emergency response equipment consists of two fire engines, one truck with 100-foot aerial ladder, two brush engines, and a rescue truck with a full complement of advanced life support (ALS) equipment and supplies (NCSD, 2014).



A hydrant system is maintained throughout residential and commercial areas of the District. Water mains range from 6 – 14 inches and are designed to ensure 1500 gpm is available at all hydrants at a residual pressure of 20 pounds-per-square-inch (psi) (NCSD, 2013). All fire hydrants are tested to 500 psi and are suitable for working pressures of 250 psi. More than 95 percent of the fire hydrants within the District are within 300 feet of each other and approximately 70 percent of the hydrants are capable of supplying 1500 gpm or more (NCSD, 2014). District regulations require developers to expand the hydrant system to meet new service demands based on type and size of development.

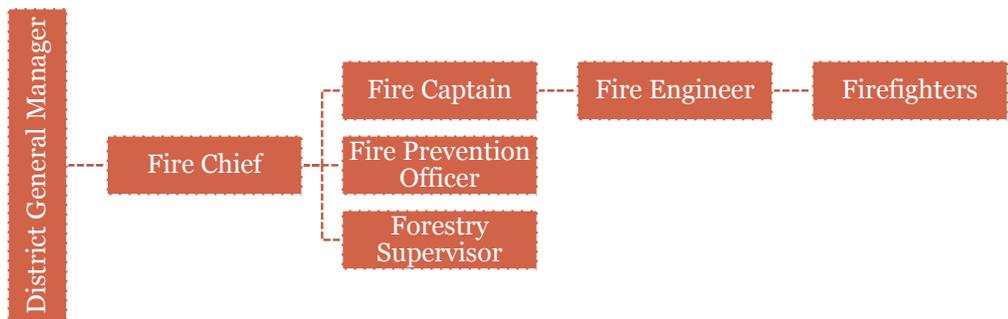
Developers are required to provide detailed, planned engineered drawings for proposed projects that must meet all applicable District rules, regulations, and ordinance requirements. All mitigation costs, applicable District costs, as well as all other planning, permitting, connection fees, capital improvements, and construction costs are paid by the developer. Projects that are initiated by the District are subject to environmental impact analysis and analyses of resources and capacity. Construction projects must meet all local, State, and federal permit criteria prior to start of construction.

### 3.6.3 Fire/ Emergency Efficiencies/Cost Avoidance/Facilities Sharing

The Northstar Fire Department does not currently share facilities with other agencies nor does it plan to do so in the future. For cross training purposes, employees of the Fire Department work internally at all staff positions, including administration. All firefighters are certified as paramedics. Fire protection is not provided by any other entity within the Northstar District boundaries, although the Northstar Fire Department is party to several mutual aid agreements with other fire protection service providers throughout the Truckee and North Tahoe region, including local, State and federal fire protection agencies. NFD has mutual aid agreements with Truckee Fire Protection District, North Tahoe Fire Protection District, Squaw Valley Fire Department, Cal Fire and the USFS. Dispatching is provided by Cal Fire. Hydrants and water service throughout the NFD response area is provided by NCSD (NCSD, 2014).

Administrative functions such as payroll, billing, and accounting are handled by the District's Administration Department. Insurance is obtained through the Fire Agencies Insurance Risk Authority (FAIRA), a pooled insurance company. As a whole, Northstar CSD has a policy to take full advantage of joint insurance and similar opportunities. The District uses PERS for retirement and medical benefits. A risk/benefit analysis is performed periodically to ensure that the policies held by the District are cost efficient.

The District's five Board members set policy, and a general manager manages the day-to-day operations. Because Northstar CSD is a multiple-use special district, the Fire Department's Fire Chief reports directly to the General Manager of the District. The Fire Chief provides supervision of the Captains, who in turn supervise the Department's firefighters. See Figure 3-3 for organizational layout.



**FIGURE 3-3: NORTHSTAR FIRE DEPARTMENT ORGANIZATIONAL CHART**

The Northstar Fire Department has provided service to the area for several decades and will continue to be able to do so in light of projected revenues and planning efforts. Staffing levels are maintained to provide adequate levels of service and operations are regularly evaluated to ensure efficiency.

All of the revenue that funds fire department operations is from property tax revenue. This includes Measure E, a parcel tax that funds, in part, the Districts' Forest Fuels Management operations. Currently, funding for fire department operations is not derived from special taxes or benefit assessments. All of the services that are provided by the Northstar CSD have an associated reserve fund for replacements and capital improvements and designated funds are only allowed for use by

their designated service. The District has an efficient system wherein capital is allowed to be used for projects for the common good or is used to carry services until actual revenue is received. Another example of the District's operational efficiency is its extensive use of computerized tools.

### **3.6.4 Fire and Emergency Services Government Structure**

Fire protection and emergency services are provided to the extent and level at which the Northstar Fire Department has planned. Although the Department anticipates an increase in demand for services, growth is expected to occur within the current Sphere of Influence boundaries, making restructuring of the District unnecessary. Fire protection services can be provided efficiently to all areas within the existing SOI.

## **3.7 Roadway and Trail Services**

### **3.7.1 Service Overview**

The District's Utility Department also oversees roadway maintenance, snow removal, trails, and street lighting within the District. In recent years the NCS D has added trail development and maintenance to its responsibilities. In cooperation with the U.S. Army Corps of Engineers, the state of California, and the Northstar Property Owners Association, the NCS D has constructed and maintains over 14.6 miles of multi-use trails.

### **3.7.2 Infrastructure Needs and Deficiencies**

The Northstar CSD maintains 85,053 linear feet (16.11 linear miles) of paved roadways within its District (Personal communication, Staudenmayer, 2014). This includes 11.35 miles of public roadway in older areas of Northstar, 4.2 miles of roadway included in the Highlands PRD, and 0.53 miles of roadway in the Retreat Community Service Area (CSA). All roads within the District are owned by Placer County, but maintained and improved by the District according to specifications in the District's contract with Placer County. Services provided on these roadways include snow removal, minor roadway maintenance, and periodic major maintenance. Infrastructure related to the provision of roadway service includes the pavement and associated improvements of each roadway, as well as equipment and facilities necessary to provide such services.

The role of the District in providing roadway services is limited to provisions of its contract with the County, Highlands PRD and Retreat CSA. Thus, consideration of infrastructure needs and deficiencies is based on the facilities, equipment, and structures necessary to perform maintenance services. District equipment is shared throughout the Utilities division for water, wastewater, road work, snow removal and trail maintenance. The District owns vehicles and equipment necessary to provide all services, without reliance on the County for provision of equipment or facilities. However, the District maintains a good working relationship with the County such that equipment can be borrowed for completion of services if the need arises. In general, equipment and facilities are replaced or updated as needed. Equipment is maintained in good working order and is generally in good condition; it is not anticipated that replacement of such equipment will be necessary in the near future.

Roadway maintenance is scheduled ten years in advance, with annual updating of scheduled improvements. Snow removal and minor maintenance of roadways and trails are performed by

staff of the Utilities division of the District, while major maintenance (such as resealing of roadways or new construction) is contracted out to private companies using a competitive bid process.

The District is in the process of developing a Capital Improvements Program (CIP) for the roads. The District anticipates a potential funding gap for road maintenance because the County's financing system does not currently allocate sufficient funds to carry out normal road maintenance and replacement activities. As the District works through its CIP process, it will consider various options to ensure appropriate monies are available for replacement of road infrastructure when needed.

Snow removal and roadway maintenance services are conducted continuously as needs warrant. Snow removal demand is based on the amount of roadway to be cleared and the amount of snowfall or ice accumulated, while roadway maintenance is based on the amount of roadway and the rate of deterioration of such roads. The ability of the District's Utility Division to accommodate growth is therefore based on the projected change in the amount of roadway maintained and the amount of snowfall projected to occur. The addition of roadways into its maintenance or snow removal contracts could occur with the annexation of adjacent areas such as the Martis Valley West Specific Plan (see "Areas of Interest" discussion above). Since the last MSR in 2004, approximately six miles of roadway have been added to the District's maintenance responsibility. The District provides for annual inspections of all roadways to ensure that necessary improvements and upgrades are included in future improvement plans. Snow is removed throughout the District and distributed to both sides of the roadway. There are no recognized snow disposal sites other than the recognized snow storage easements located to the side of the County roadways in varying distances measured in feet.

The NCS D Utilities division also maintains over 14.6 miles of multi-use trails within the District. The Tompkins Memorial Trail is located in the lower portion of the mountain and provides the residential developments links to the Martis Valley and Porcupine Hill areas. The trails are open to the public for passive recreation use (hiking, running and biking). In addition, the District is the lead agency on a new regional trail project which will link Northstar with the Truckee Legacy Trail and the Town of Truckee to provide a pathway to the Tahoe basin. The trail, dubbed the Martis Valley Trail, will eventually connect to a number of regional trails including the Tahoe Rim Trail and the Fiberboard Freeway. Environmental review for the project has been completed with a certified EIR (NCS D, 2013). NEPA review is ongoing for the portion of the project on federal lands.

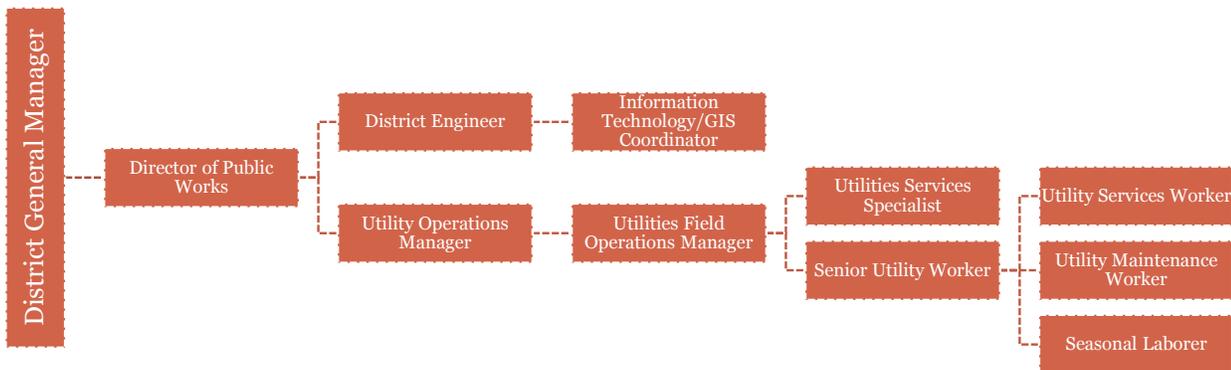
The Utilities division oversees maintenance of two street lights with the District's residential center. The District does not anticipate adding any lights at this time.

### **3.7.3 Management Efficiencies/Cost Avoidance/Facilities Sharing**

In addition to water and wastewater services, the Utilities Division of NCS D is responsible for roadway, snow removal, trail and lighting services provided by the District. The Utilities Division employs a total of 11 full-time employees, all of which are cross-trained and utilized to perform operations and maintenance duties for all services provided under the Utilities umbrella. The District also utilizes contractors on demand for certain projects such as slurry sealing.

Roadway services within the District are provided by staff members of the Utilities division of the Northstar CSD, which is under the direction of the District's General Manager. Ultimate

management of the District is provided by the Board of Directors (see Figure 3-4 for organizational structure). The District’s 11 utility workers are multi-disciplinary trained and work across all utility departments (water, wastewater, solid waste, road maintenance, snow removal, trails, and lighting). The District’s Utilities Division provides roadway maintenance services including the clearance of snow and debris, along with surfacing of roadways and other repairs. Other services provided under the Utilities Division include trails and lighting. Services are coordinated with Placer County and both the County and the District maintain long-term plans for future upgrades and services. Major roadway repairs, including resurfacing and new construction, are performed either directly by the County or contracted out to a roadway construction firm. Any work contracted out by the District is done through a competitive process, open to all bidders.



**FIGURE 2-4: NORTHSTAR CSD PUBLIC WORKS ORGANIZATIONAL CHART**

Staff within the District’s Utilities Division is cross-trained in providing additional District services beyond snow season. This allows for year-round utilization of staff, reducing costs necessary with hiring, training, and providing benefits for additional staff. No additional cost reduction measures have been identified at this time. Further, the County and District maintain a good working relationship, allowing for joint use of equipment and facilities as needs arise and such equipment is available.

Overall, cost avoidance measures enacted by the District appear sufficient at this time. Future opportunities for additional cost reduction by the District are limited as staff maximizes their operational efficiency (i.e. a good range of services are provided with its existing staff). There are no identified cost reductions or facilities sharing measures necessary for continued service provision.

### 3.7.4 Government Structure

The Northstar CSD is a multiple-purpose special district providing a variety of services to residents and businesses in the area. The roadway services provided by the District are secondary to those provided by the County and Caltrans and are part of the charter for operations of the District. As discussed in other sections of this review, the physical boundaries of the Northstar District are appropriate given the community identity of the area, services offered, and natural physical boundaries. The roadways served by the District are generally those leading to the ski resort and its associated businesses, which are the primary source of activity in the area.

There are no opportunities present to change the District's boundaries to improve provision of roadway services in the area. The CSD will continue to provide road and trail maintenance, basic roadway services, snow removal and lighting service. Provision of those services can continue to occur under the current structure into the foreseeable future.

## **3.8 Solid Waste and Recycling**

### **3.8.1 Service Overview**

The District administers residential solid waste services under contract with Tahoe-Truckee Sierra Disposal (TTSD). NCSO has recently included courtesy recycling to its refuse services. The NCSO maintains the general dumpster area, renews the contract with the TTSD, collects the user fees, and pays the TTSD for collection and disposal services. Commercial waste is contracted directly between commercial owners and the TTSD; NCSO is not involved in the disposal of commercial solid waste (PMC, 2013).

### **3.8.2 Infrastructure Needs and Deficiencies**

The District recently improved a site to house courtesy dumpsters and recycle bins, which are located on the south side of Northstar Drive across from the old Sawmill Flat Road (NCSO, 2014). The dumpsters are available daily from 7 a.m. to 8 p.m. for use by all Northstar property owners. The recycle bins are intended for cardboard, paper, plastic and glass. The District also makes periodic curbside pick-ups at residences throughout the summer for green waste recycling of pine needles and branches. No infrastructure needs or deficiencies were noted by the District in the preparation of this MSR.

TTSD does not require infrastructure within the District. The TTSD hauls collected materials to the Placer County Eastern Regional Material Recovery Facility, where they are sorted in efforts to meet the California mandatory solid waste diversion requirements. The MRF is located approximately two miles south of I-80 on Cabin Creek Road at SH 89. Level of service goals set by AB 939 required that California jurisdictions achieve a waste diversion rate of at least 50 percent by the year 2000. Northstar Resort implements a comprehensive waste stream management program at the resort including diversion of customer waste products (bottles, cans, newspaper, etc.) and operational waste products (used oil, batteries, wood pallets, cardboard, metals, etc.). In addition, recycled building materials are used during construction whenever possible, and composted materials from the fuel management program (pine needles and wood mulch) are used for revegetation of ski runs (PMC, 2013).

### **3.8.2 Management Efficiencies/Cost Avoidance/Facilities Sharing**

The District's Utility Operations Manager oversees the contract operation with TSD. Oversight appears both sufficient and efficient. No management efficiencies, cost avoidance, or facilities sharing opportunities were identified in the preparation of this MSR.

### **3.8.3 Government Structure**

The Utility Operations Manager of NCS D administers the contract with TTSD. The Utility Operations Manager answers to the District's General Manager, who works directly with the District's Board of Directors.

## **3.9 Determinations for Northstar CSD**

### **POPULATION AND GROWTH**

- a) The growth rate within the District is approximately 0.7 percent calculated as the average annual growth rate from 2013 through 2020. The growth rate is expected to increase to 1.0 percent between 2020 and 2025 and to 1.5 percent by 2030.
- b) Buildout within the District is expected to occur in 2034.
- c) The current permanent population within the District is approximately 136, which is projected to increase to 160 by 2030.
- d) The current seasonal population within the District is approximately 12,000, which is projected to increase to 14,267 by 2030.
- e) Annexation of the Martis Valley West Parcel Specific Plan area would add an additional 760 residences and 6.6 acres of commercial development.

### **LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE**

- a) No areas within the District qualify as a disadvantaged unincorporated community because the median family income exceeds 80% of the state median family income.

### **PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES**

- a) Northstar CSD was established in 1991 to provide water service within its 1,900 acre boundary in eastern Placer County.
- b) Northstar CSD provides a variety of services including treated water service within the Martis Valley. Additionally, two other districts, the Truckee Donner Public Utility District and the PCWA also provide water service to different portions of the Martis Valley area.
- c) In addition to water service, Northstar CSD also provides fire protection, wastewater collection, snow removal, road maintenance, lighting, fire/emergency services, and solid waste.
- d) Options to provide a new or different internal Northstar CSD governmental structure have not been identified. However, it has been suggested by PCWA that Northstar CSD might be able to more efficiently manage water delivery, operation, and maintenance of water services in the Zone 4 area.

## FINANCIAL ABILITY OF DISTRICT TO PROVIDE SERVICES

- a) The financial position of the District indicates that the District will be able to meet its financial obligations as they become due and that it will be able to provide service obligations to its constituencies, both currently and in the future.
- b) In order to maintain its current financial status and meet future obligations, it is imperative that the District:
  - i. Plan ahead
  - ii. Operate within budget
  - iii. Continue to analyze water/sewer/solid waste rate structures
  - iv. Collect revenue due
  - v. Follow proper internal control procedures
  - vi. Continue to apply the new capital improvement program.
  - vii. Develop additional revenue arrangements with Placer County to support road maintenance activities.

## WATER

- a) Northstar Community Services District can provide an adequate water supply from its current sources to meet its present annual and peak day demand for domestic purposes, based on the data presented in this MSR. District groundwater diversion is not limited by water rights and the Martis Valley Groundwater Management Plan indicates there is adequate water supply available to serve anticipated development in Martis Valley. District water meets all state and federal water quality standards. Existing reservoirs provide adequate storage capacity for domestic and fire flow purposes, both presently and at buildout.
- b) Northstar Community Services District's infrastructure appears well maintained, although accumulated depreciation totals 65 percent of fixed assets. In concert with the District's 100-year CIP (2011), water rates are adjusted annually to fund normal maintenance and recapitalization needs. District plans recommend more than \$12 million in water system improvements to accommodate future growth through buildout. New development will finance needed infrastructure.
- c) Northstar Community Services District appears to have adequate water systems to support domestic and fire flow needs. Water mains are appropriately sized and excess storage capacity is available. Supervisory Control and Data Acquisition (SCADA) upgrades continue to improve the safety, reliability and security of NCS D's water system.
- d) Northstar Community Services District water operation appears to have sufficient financing mechanisms in place to ensure short- and long-term provision of services within its current boundaries. The District has no long-term debt and does have financial reserves and assets sufficient to ensure fiscal stability. The District does not need to find additional sources of revenue to meet projected service demands.
- e) It may be efficient for Northstar CSD to assume operational and management responsibility for providing water service to properties within PCWA's Zone 4. Northstar CSD and PCWA have a Memorandum of Understanding to this effect and will soon be seeking approval from LAFCO.

## WASTEWATER

- a) Northstar Community Service District staff indicates wastewater infrastructure appears to be adequate to accommodate present wastewater flows, which is set forth in the District's 100-year CIP (dated 2011). The District does have a Sewer System Management Plan (SSMP) in place to assist in planning for future wastewater collection needs. NCSO should periodically and regularly revisit its SSMP and include timely updates, particularly as growth within and surrounding the District occurs.
- b) Northstar Community Services District's infrastructure appears well maintained, although accumulated depreciation totals 65 percent of fixed assets. In concert with the District's 100-year CIP (2011), rates are adjusted annually to fund normal maintenance and recapitalization needs. The District recently prepared a 100-year capital improvement plan which identifies needed maintenance and repairs to the wastewater system.
- c) Northstar Community Services District wastewater operation appears to have sufficient financing mechanisms in place to ensure short- and long-term provision of services within its current boundaries. The District has no long-term debt and does have financial reserves and assets sufficient to ensure fiscal stability. The District does not need to find additional sources of revenue to meet projected service demands. As the state continues to increase and tighten water quality regulations, wastewater agencies may encounter additional financial constraints.

## FIRE AND EMERGENCY SERVICES

- a) Currently, infrastructure and facilities being used by the Northstar Community Services District are considered sufficient to allow for efficient provision of services both in the present and the anticipated buildout of Northstar. However, potential annexations of pending developments will require a reassessment of fire and emergency service provision to ensure the District maintains its current high level of service.
- b) Northstar Community Service District has historically met or exceeded all applicable industry standards related to the provision of fire and emergency services, as reflected by the current (2013) ISO rating of 3, the best among fire districts in eastern Placer County.
- c) Although the District maintains mutual aid agreements and contingency plans with neighboring districts, the District should develop an emergency operations plan.

## ROADS AND TRAILS

- a) Northstar CSD's road maintenance section appears to be adequately organized. Infrastructure for roadway services consists of maintenance equipment and related storage facilities. Roadways are owned by and the responsibility of Placer County. The District believes that the current level funding provided by Placer County for road maintenance is not sufficient to sustain the required level of service and maintenance
- b) As the area grows, it will be important for the County and the CSD to work together to ensure that funding is available to accommodate maintenance of roads given increased wear and tear on roads and any increase in road mileage.
- c) The 10-year budget allows for consideration of all regularly occurring maintenance tasks performed by the District. Existing revenue dedication and financial practices are sufficient

to ensure that adequate funding will be available for snow removal service operated by NCSD.

#### SOLID WASTE AND RECYCLING

- a) The District's oversight of its solid waste removal contract with TTSD appears both sufficient and efficient. No management efficiencies, cost avoidance, or facilities sharing opportunities were identified in the preparation of this MSR.
- b) The District, TTSD, and the resort should continue to work together to improve/implement a recycling and waste stream management program.

#### STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

- a) Northstar CSD collaborates with other agencies for regional water supply studies, planning, and development. For example, Northstar CSD collaborated with PCWA and Truckee Donner Public Utility District to prepare the Martis Valley Aquifer Ground Water Management Plan of April 2013 and its associated studies.
- b) Northstar CSD has maintained an on-going agreement for the past several years with PCWA for operations of facilities in Zone 4.
- c) In October 2013, the Northstar CSD Board of Directors approved a Memorandum of Understanding to allow Northstar CSD to assume responsibility for Zone 4, pending approval from LAFCO.

#### ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATION EFFICIENCIES

- a) An elected five-member Board of Directors oversees the management of the District's public resources. Northstar CSD meets its statutory financial reporting requirements that ensure its operations are conducted in an open and transparent manner. Northstar CSD meets its fiscal accountability requirement to its customers through budgetary and financial reporting using its website as a communication channel and other communication tools. The Agency provides public notice of meetings, and posts agendas and minutes online.
- b) Operational and management efficiency is important to Northstar CSD. Management efficiency is obtained in part by the District's organizational structure with a General Manager that manages the District under the direction of the elected Board of Directors. The Board and management work together in the identification of goals and issues and assignment of staff as appropriate for each type of service provided. The District has adopted policies to guide District operations. Northstar CSD uses master plans, annual budget, and annual CIP to plan for and carry out operations and capital programs. The District continues its work to improve efficiency in numerous areas of service, including operations, finance, customer service and field services.
- c) Northstar CSD was established in 1991. It is authorized to provide public services including fire protection, water, wastewater collection, snow removal, road maintenance, lighting, emergency services, trails, forest fuels management and solid waste. No other internal government structure options were noted.

## 4.0 PLACER COUNTY WATER AGENCY, ZONE 4

### 4.1 Agency Overview

#### 4.1.1 Profile

#### Placer County Water Agency

**Type of District:** Water Agency

**Principal Act:** Placer County Water Agency Act of 1957

**Functions/Services:** Water supply, hydroelectric energy

**Main Office:** 144 Ferguson Road, Auburn

**Mailing Address:** P.O. Box 6570, Auburn, CA 95604

**Phone No.:** 530-823-4850

**Email:** [customerservices@pcwa.net](mailto:customerservices@pcwa.net)

**Fax No.:** 530-823-4897

**Web Site:** [www.pcwa.net](http://www.pcwa.net)

**General Manager:** David Breninger

**Email:** [generalmanager@pcwa.net](mailto:generalmanager@pcwa.net)

**Phone:** 530-823-4860

**FAX:** 530-823-4960

**Dir. Of Technical Services:** Brent Smith

**Email:** [bsmith@pcwa.net](mailto:bsmith@pcwa.net)

**Phone:** 530-823-4886

**FAX:** 530-823-4884

**Governing Body:** Elected Board of Directors

Gray Allen, Dist. 1 2006 - 2014

Primo Santini, Dist. 2, Vice-Chair 2013 - 2014

Mike Lee, Dist. 3 2000 - 2016

Robert Dugan, Dist. 4 2012 - 2016

Joshua Alpine, Dist. 5, Chair 2012 - 2016

**Meeting Schedule:** 1<sup>st</sup> and 3<sup>rd</sup> Thursday of each month at 2:00 p.m.

**Meeting Location:** PCWA Business Center, 144 Ferguson Road, Auburn, CA, unless otherwise posted.

**Date of Formation:** 1957

**Principal County:** Placer County

### **4.1.2 Summary Description of Existing Services**

The Placer County Water Agency (PCWA/District) provides water for domestic, commercial/industrial, agricultural, and irrigation use. This is the second Municipal Service Review (MSR) for the District.

## **4.2 District Characteristics**

### **4.2.1 Type and Extent of Services**

PCWA was formed as a county-wide agency by the California State Legislative act called the Placer County Water Agency Act of 1957 to provide the following services:

- make water available for any beneficial use of lands or inhabitants
- store, conserve, appropriate, acquire, import and protect water
- develop and sell hydroelectric energy to aid in financing water projects, and
- control and conserve storm and flood waters.

The boundaries of PCWA are coterminous with the boundaries of Placer County covering 1,502.78 square miles (3,892.2 km<sup>2</sup>) and this makes it the largest water service provider in the County. The Agency is governed by an elected five-member Board of Directors within five districts that align with the County's supervisorial districts. PCWA provides water service to two systems, the eastern system and the western system. The Western System is comprised of four service area zones as listed below:

- Zone 1 serves the Cities of Auburn, Loomis, Lincoln, and Rocklin. PG&E's Wise/South Canal, PCWA's Boardman Canal, and the American River are the sources of water for this zone.
- Zone 2 provides service to 37 residential lots near Roseville's southwest boundary. Surface water is delivered through Roseville via a contractual arrangement.
- Zone 3 extends to the communities of Monte Vista, Applegate, Weimar, Colfax, Gold Run, Alta, and Dutch Flat. Water is supplied from the South Yuba River and conveyed from PG&E's Lake Spaulding in Nevada County through the Boardman Canal.
- Zone 5 provides irrigation water to commercial agriculture in western Placer County.

PCWA's Eastern System encompasses Zone 4. Zone 4 is located in Martis Valley, south of Truckee, in eastern Placer County. Zone 4 provides water to approximately 1,000 residential customers using groundwater pumped from the Martis Valley Aquifer.

This MSR for the North Tahoe and Martis Valley region will only address districts (or portions thereof) located within this geographic region. Therefore, this MSR will only address PCWA's Zone 4, located in the Martis Valley. This is the second Municipal Service Review (MSR) for Zone 4 of the District. Please note that PCWA does not provide retail electric service, therefore this Municipal Service Review (MSR) as related to PCWA does not include electric service.

Since November 7, 2013 PCWA has a contracted with Northstar CSD to provide daily operation of the Zone 4 water system as shown in the Memorandum of Understanding (MOU) shown in Appendix 1. Also in 2013, the PCWA Board of Directors agreed to transfer full responsibility of Zone 4 to Northstar CSD, pending approval from LAFCO. The rationale for the transfer is that Zone 4 is geographically isolated from the rest of PCWA's facilities which are on the western slope of the Sierras. Northstar CSD has administrative offices and operations staff that is local to the North Tahoe area and is thus able to provide continued service in the most cost effective manner.

PCWA does not provide water service outside of Placer County. Additionally, parcels located outside of the Zone 4 area in the Martis Valley are not served by PCWA; rather those parcels may be served by other districts, such as neighboring Northstar CSD or by private wells.

#### LOCATION AND SIZE

The Agency's Zone 4 is located in the unincorporated area of eastern Placer County, south of Truckee, and encompasses approximately six square miles (3,827 acres). Zone 4 is within the Truckee River watershed basin. Although Zone 4 is in the eastern part of the County, most of the administrative and management work for the Zone occurs in the Agency's business offices on Ferguson Road in Auburn. The Agency's General Manager and associated staff work from the main office. PCWA Board meetings are also held at its main office in Auburn. Zone 4 has two informal nicknames that sometimes are used in reports including "The Lahontan System" and the "Martis Valley System". A map of the Placer County Water Agency Zone 4 is provided as Figure 4-1.

#### **4.2.2 Formation and Boundary**

PCWA is an independent special district created by the State legislature via the Placer County Water Agency Act. The Agency's boundaries are coterminous with boundaries of Placer County. The Agency is authorized to provide for any beneficial use of water for lands or inhabitants of Placer County; develop and sell hydroelectric energy to aid in financing water projects; control and conserve storm and flood waters; and store, conserve, appropriate, acquire, import and protect water. PCWA also has the authority to form Zones which provide a financial structure for water facilities serving a specific geographic area.

The Zone 4 boundary includes four primary developments within PCWA. They include Lahontan, Schaffer Mill (Timilick), Hopkins Ranch and Martis Camp developments. Figure 4-1 below shows the boundaries of Zone 4.

#### BOUNDARY HISTORY

The Placer County Water Agency's boundaries are coterminous with Placer County's boundaries. There have been no changes to PCWA's boundaries since its inception. Zone 4 was initially established with its original boundaries designed to serve the Lahontan development by PCWA Resolution #96-31 on August 1, 1996. Subsequent to the establishment of Zone 4, there have been three annexations to the Zone. The first annexation was for the Eaglewood development, which has undergone several name changes to Timilick and is now known as the Schaffer's Mill development. The second annexation was for the Hopkins Ranch development and this annexation was completed on November 18, 2004 per PCWA Board Resolution. The third annexation to Zone 4 was the Martis Camp development which was

formerly known as the Siller Ranch development. The Martis Camp annexation was finalized on Apr. 7 of 2005 by PCWA Board Resolution. The Martis Camp development's 2,168-acres will ultimately include 726 residential units and two golf courses. Together, these four developments form the Zone 4 service area of the Placer County Water Agency.

#### SPHERE OF INFLUENCE

PCWA is a county-wide Agency that provides a single service (water). Since its boundaries match the County's boundaries, PCWA does not have a sphere of influence.

#### EXTRA-TERRITORIAL SERVICES

Service is not provided outside of the Placer County. Additionally, parcels located outside of the Zone 4 area in the Martis Valley are not served by PCWA.

#### AREAS OF INTEREST

No specific areas outside the District boundaries have been identified that require services from the District.

### **4.2.3 Accountability and Governance**

The Agency maintains accountability to its customers primarily through its Customer Services Department and also through open public meetings with the Board of Directors. Comments or complaints can be sent to PCWA Customer Services Department at its Auburn, CA offices. Approximately 150-200 comments or complaints are received each year on a county-wide basis. Most comments relate to billing for water service, general inquiries, water meters, and discontinuances. However, in Zone 4 specifically, very few complaints are received. PCWA reported that in the year 2010 only one complaint was received and it was related to low water pressure due to use of a fire hydrant (CDPH 2012).

In addition to the Agency's internal governance issues, it should be noted that the Martis Valley and Tahoe areas (including Zone 4) are heavily regulated in terms of water withdraw, use, and discharge. PCWA's Zone 4 has a Water Supply Permit #01-02-08(P)001 issued by the California Department of Public Health in 2008. There are many local, state and federal regulations which Zone 4 must comply and a few key regulations are listed below:

- Federal Safe Drinking Water Act (est 1974)
- Federal Public Law 101-618 (Truckee River Operating Agreement)
- Placer County Water Well Construction Ordinance
- California Safe Drinking Water Acts (est 1976)

In addition to the above regulations, the Placer County General Plan and the County's Martis Valley Community Plan also contain several policies that relate to water resources and although these don't directly apply to PCWA, they do indicate the intent of the County in managing water resources. Many regional entities also participate in the Tahoe-Sierra Integrated Regional Water Management Plan (IRWM) which is organized to represent the diverse interests of the Eastern Sierra watersheds from Alpine County through the Lake Tahoe Basin and Truckee areas.

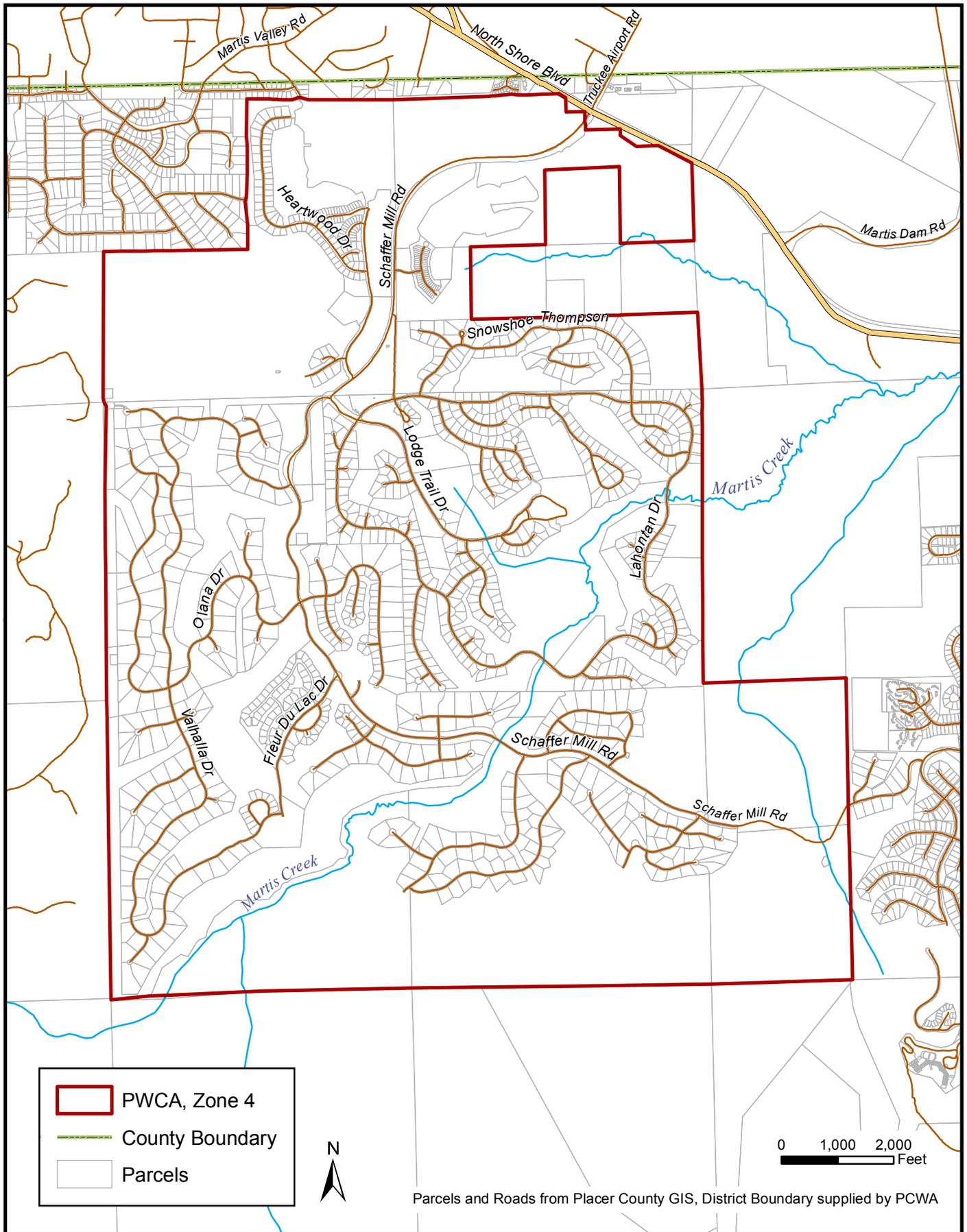


Figure 4-1

**PLACER COUNTY WATER AGENCY, ZONE 4**

The Martis Valley, including Zone 4 and Northstar CSD are within the geographic area covered by the IRWM.

The California Dept. of Public Health conducts annual inspections of Zone 4 facilities as required by the California Safe Drinking Water Act. The 2012 inspection report shows that Zone 4 received good marks with only a few minor corrections to be made. Zone 4 does comply with all permit provisions; however the permit does need to be updated to include three booster stations, three water tanks, and well #3 (CDPH, 2012).

PCWA has a mature public outreach program which includes distribution of newsletters in every billing cycle and an annual consumer confidence report to all customers. Public awareness of the Agency's water conservation activities and other programs is encouraged.

The District is governed by a five-member Board of Directors, elected to four-year terms by geographic areas, which coincide with the County's supervisorial districts. There have been no contested elections in the past five years. The current board of the Placer County Water Agency is as follows:

<u>Name</u>	<u>Role</u>	<u>Term</u>	<u>Compensation</u>
Gray Allen, Dist. 1	Director	2006 – 2014	\$950 per month
Primo Santini, Dist. 2	Vice Chair	2013 – 2014	\$950 per month
Mike Lee, Dist. 3	Director	2000 – 2016	\$950 per month
Robert Dugan, Dist. 4	Director	2012 - 2016	\$950 per month
Joshua Alpine, Dist. 5	Chair	2012 – 2016	\$950 per month

PCWA's Board of Director's Compensation and Benefits Policy describes the rate of pay and benefits provided to those five individuals who are elected to serve on the Board of Directors. In compliance with Resolution 99-16, Directors receive a fixed compensation of \$950 per month and receive dental insurance, vision insurance, and life insurance. Travel expense claims are placed on the Board's meeting agenda and need approval from the full Board (PCWA, 6/27/13).

The Board meets on the first and third Thursdays of each month at 2:00 PM, usually at the PCWA Business Center at 144 Ferguson Road, in Auburn. Meetings are occasionally held in other areas of the County (such as east slope) to encourage more public participation. All meetings are open to the public and notices are publicly posted at least 72 hours prior to the meetings, in accordance with the Brown Act. Agendas are distributed via the Agency's website, fax, email and postal mail. The media is notified via e-mail. The local newspaper also publishes meeting notices. The website ([www.pcwa.net](http://www.pcwa.net)) is a communication vehicle for Agency meeting agendas, meeting minutes and information on the Agency's services and programs.

The Board of Directors engaged in a strategic planning exercise in February and March 2013 and developed four strategic themes to guide their work as a Board. The strategic themes include the following:

- Take a system approach to the consideration of "risk" on the Middle Fork Hydroelectric Project;
- PCWA's role in economic development;
- Community presence; and
- Other policy issues and initiatives of interest to the Board.

The Board of Directors plans to monitor their progress in addressing the above themes and to revisit issues as they arise. This type of strategic planning is indicative of an Agency that is well managed and which demonstrates fortitude to carefully design their desired future conditions and to work to obtain their future goals.

PCWA provides water related public service including water resource planning, management, wholesale and retail water sales. No other agencies were identified that could provide these services on a countywide basis. However, within Zone 4 specifically, water operations were previously contracted out to Truckee Donner Public Utility District and are currently contracted out to the Northstar Community Services District.

#### MANAGEMENT EFFICIENCIES AND STAFFING

PCWA operates under the direction of the elected Board of Directors. The Agency's General Manager directs agency operations. There are 210 employees of the District as shown in the Organization Chart in Figure 4-2, below. As a public agency, all staff positions have a job description. The General Manager's job description is to plan, organize, direct and review the overall activities and operations of the Agency. Representing the Agency locally, regionally and at the state and federal levels and to ensure the best interests of the Agency are met. The General Manager provides overall leadership to the Agency and ensures that staff provides technical and administrative support to the Board of Directors. The General Manager reports directly to the Board of Directors (PCWA. General Manager Job Description. July 2012).

The Agency has three operating units: Agency-Wide, Power System and Water System. These operating units were designed to allow the Agency to identify issues and assign staff for specific services.

The Agency continually works to improve efficient and effective operations in numerous areas of service, including finance, customer service and field services. Management efficiencies enacted include the implementation of radio read meters and refinements to the budgeting process. PCWA practices workforce succession planning to ensure that trained, experienced staff is available.

#### 4.2.4 Population and Growth

##### POPULATION

Since PCWA's boundaries overlap with the County's boundary, it is important to note that the population within the County, as a whole, is currently at 366,115 persons (DOF, 2014). The majority of future new growth is expected to occur in western Placer County. PCWA has factored the County's growth patterns into their long range plans.

The Placer County General Plan policies aim to steer urban growth to the cities. The 2013 Placer County Housing Element confirms that policy. While the county has grown at a rapid pace, much of this growth has occurred within the cities. Incorporated areas of the county grew at an Average Annual Growth Rate (AAGR) of 5.2 percent.

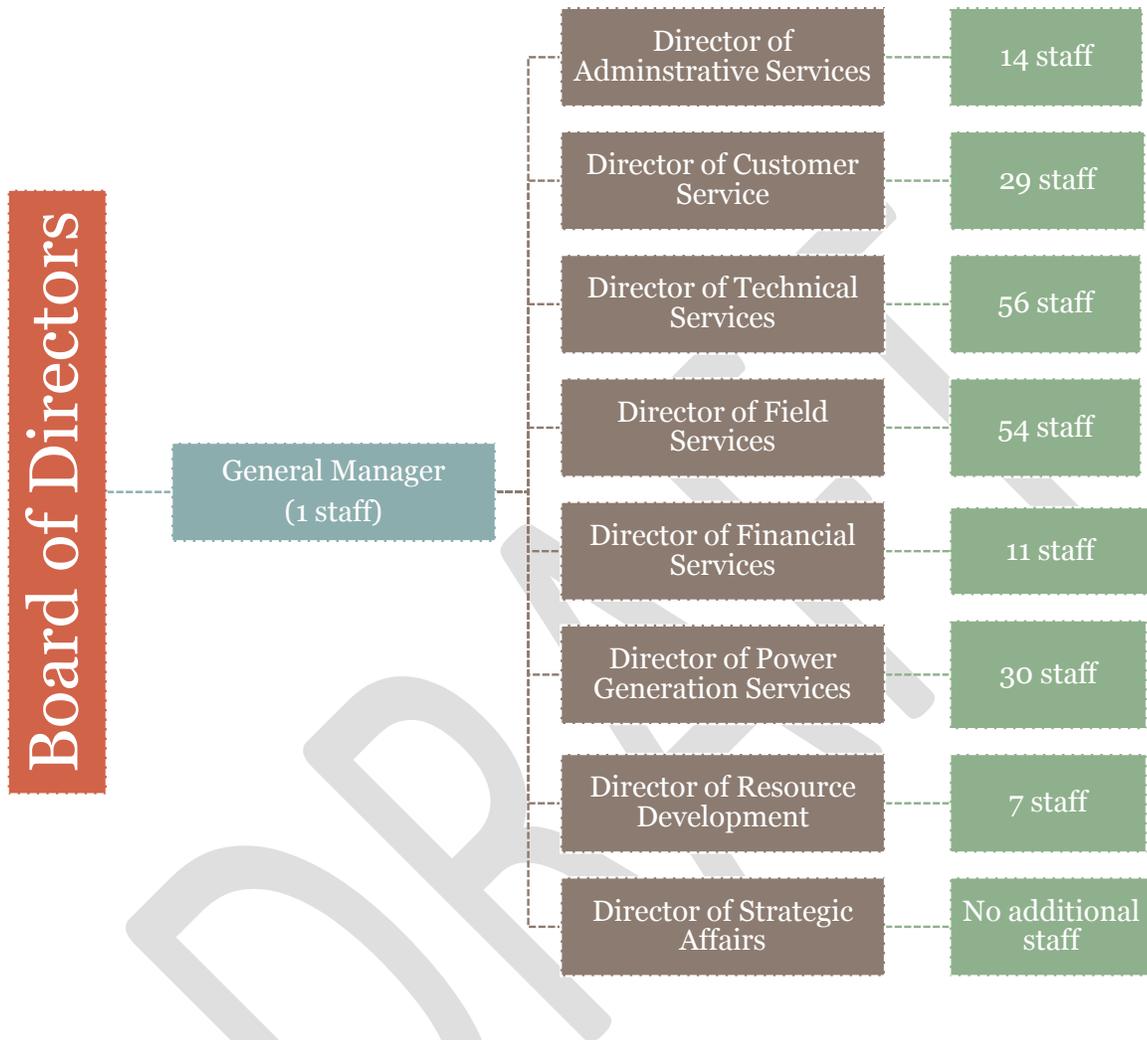
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Figure 4-2: PCWA Organization Chart



(Source: Personal communication, PCWA’s B. Smith, July 2014)

(Note: The total number of PCWA employees is 210.)

Unincorporated Placer County's population grew at an AAGR of 1.8 percent between 1990 and 2000. From 2000 to 2010, Placer County as a whole had a 3.4 percent AAGR for population, a rate nearly three times California's population AAGR of 1.0 percent during this period. Most of this growth occurred in the incorporated areas of the county where the AAGR was 5.0 percent between 2000 and 2010. Growth in unincorporated areas of the county slowed to an AAGR of 0.7 percent.

The area covered by PCWA Zone 4 is comprised primarily of vacation resort residences with golf courses and other recreational amenities. There are four primary developments within PCWA Zone 4. They include Lahontan, Schaffer Mill (Timilick), Hopkins Ranch and Martis Camp developments. Buildout is anticipated to occur around 2035 and will result in approximately 1,671 residential units (see Table 4-1 below) as well as approximately 85 acres of residential/recreational support commercial uses surrounded by permanent open space (PCWA, 2011 [2010 Urban Management Plan]). Like the Northstar-at-Tahoe resort community to the east, there is a high rate of second/vacation homeowners in the community. Temporary populations swell dramatically during peak recreation seasons and peak holiday weekends. NCS D estimates that there approximately 10 percent of the dwelling units are occupied by permanent residents. This same projection is assumed for the Zone 4 area.

PCWA Zone 4 is located in Block Group 1, Census Tract 220.11 of the 2010 decennial census. This is a new block group from the 2000 Census. The current population within the block group is 589. While this block group includes other developments within the west Martis Valley area, it is the smallest grouping that can be used for determining population. As noted, the vast majority of dwellings in these developments are vacation homes. Water service demands is primarily for residential lots scattered throughout the existing golf courses, many of which are second homes or bare lots awaiting new home construction (PCWA, 2011 [2010 Urban Water Management Plan]). The 2009 Placer County Housing Element projects that there are 2.71 persons per owner occupied housing units within the county. Using that owner occupied household figure and a projected 10 percent occupancy factor for a resort/vacation community, the following table projects permanent population for the Zone 4 area.

Table 4-1: Current and Future Residential Development for Zone 4

	<b>2009</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2035</b>
Dwelling Units	297	572	847	1,122	1,396	1,671
Permanent Population*	80	155	230	304	378	453
Total Population In-Season	805	1,550	2,295	3,040	3,783	4,528

\*Based on estimated 2.71 persons per household and a 10 percent permanent occupancy factor

## PROJECTED GROWTH AND DEVELOPMENT

Future growth and development is related to land-use and the County's General Plan. The General Plan sets the standards for the type and quality of land-uses within Zone 4. The Martis Valley Community Plan establishes specific land use designations for the PCWA Zone 4. The majority of uses are single family development, but there are also clustered units in the form of townhouses. The actual designations include Low Density Residential at a density of 3-5 dwelling units per acre and Low Density Residential at a density of 0.1 -1.0 dwelling unit per acre. The entire Zone 4 area is surrounded by and interspersed with permanent open space. The provision of permanent open space was negotiated with Placer County in the development review process for each project and as part of the Martis Valley Community Plan Update in 2003.

Current land-use in Zone 4 includes residential, some minor commercial areas and open space. PCWA has the opportunity to review and provide input regarding planned development projects. For example, the Schaffer's Mill development is an existing 475-acre private gated golf course communities in Truckee, located in Martis Valley, across from the Truckee Airport, which is in the process of planning and constructing future development phases. In May 2013 PCWA's Board approved new water service connections to 48 residential parcels in Phases 2B and 2C of the Schaffer's Mill development. Other future development in Schaffer's Mill may require a future water source to be developed. Hopkins Ranch also has vacant lots that will be made available for purchase and eventual development with single family homes. See Table 4-1 in the Population and Growth Section for the maximum development potential and projected buildout within Zone 4.

### 4.3 Water Service

#### 4.3.1 Service Overview

Zone 4 was established to serve the following developments: Lahontan, Timilick, Hopkins Ranch, and Martis Camp developments. These communities are primarily seasonal residences on golf courses. This zone is geographically isolated from the rest of the PCWA system. Zone 4 is currently supplied by groundwater via two wells plus a third (constructed by New Martis Partners [developer], but not yet accepted by PCWA) well. The first well went into production in 1998. Wells #1 and #2 have a maximum production limit of about 1,500 gallons per minute (gpm) respectively and feed multiple storage tanks with a total volume of about 6.1 MG (PCWA, 2011, page 2-7 and CDPH, 2012, page 8). Water is distributed through about 26 miles of pipe. PCWA does not supply irrigation water to the golf course, as the owners operate their own wells. Zone 4 utilizes water from the Martis Valley groundwater basin (DWR basin 6-67) (PCWA, 2011).



*Photo caption: HGTV's 2014 Dream House is located in Schaffer's Mill within Zone 4.*

### **4.3.2 Supply/Demand**

The primary source of water for Zone 4 is the Martis Valley Aquifer. Zone 4 uses wells to access this groundwater supply. The Martis Valley aquifer encompasses a 35,000-acre area that crosses into both Placer and Nevada counties. The Martis Valley Aquifer is the subject of the April 2013 Martis Valley Groundwater Management Plan that was jointly prepared by the Truckee Donner Public Utility District (TDPUD), Northstar Community Services District (NCS D) and Placer County Water Agency (PCWA). The Aquifer is the main water supply for these three Plan sponsors (PCWA, NCS D, and TDPUD), along with other public and private entities. Funding for the Plan and associated data collection and modeling was provided by the three sponsor districts and other partners including the State of California Groundwater Ambient Monitoring & Assessment Special Studies Program, the Lawrence Livermore National Laboratory (LLNL), and the Bureau of Reclamation.

The Martis Valley Groundwater Management Plan is a collaborative planning tool that guides partnering service providers in their work to ensure high water quality and availability of shared groundwater resources over the long term. The plan supports regional groundwater planning and management along with alignment of policy and actions. The 2013 Martis Valley Groundwater Management Plan identifies that annual average groundwater recharge is approximately 32,745 to 35,168 acre-feet, while buildout of the Martis Valley would generate a groundwater demand below the recharge level (21,000 acre-feet annually). The Groundwater Management Plan coincides with a concurrent work program of the federal Bureau of Reclamation, which is leading and funding 50% of a \$1.7 million effort to study sustainability in the same watershed. The Bureau's Truckee River Basin study and climate change modeling project is expected to be completed in the next two years.

The proposed Truckee River Operating Agreement (TROA) and Settlement Act aims to inform and settle long standing water disputes for the waters of the Truckee River, Carson River, and Lake Tahoe basins. Details on TROA such as maps, reports, models, projects, and tables are available on this website: <http://www.troa.net/>. PCWA continues to collaborate with federal, state, and local agencies on TROA and the Settlement Agreement.

Zone 4 is a relatively small system (as compared to the other PCWA zones) removed from the rest of the PCWA system by geography, watershed, and climate. Zone 4 includes the boundaries of the Lahontan Subdivision, Hopkins Village subdivision, Schaffer's Mill subdivision (formerly known as Timilick) and Eaglewood, as well as a few existing and planned customers within the Martis Camp subdivision. Many of the Zone 4 customers are seasonal/vacation homes. Also within the subdivisions, several bare lots await new home construction. Currently (as of 2010), Zone 4 serves approximately 341 households (plus 28 other customers as of 2010), which calculates to water provision for approximately 920 persons (approximately 2.7 persons/household). Annual water deliveries from Zone 4 to their customers total approximately 141 acre-feet per year (46M gallons per year) (CDPH, 2012). Water demands in Zone 4 are fully met by groundwater. Details are presented in Table 4-2 below:

Table 4-2: Production and Consumer Data for Zone 4

Year	Reported Usage, MG			# of Connections	Max Day gpmc
	Annual	Max Mo.	Max Day		
2003	9.855	1.788	0.168	131	0.89
2004	16.882	2.466	0.131	131	0.69
2005	16.478	2.685	0.111	188	0.41
2006	23.896	3.077	0.144	188	0.53
2007	25.596	6.074	0.364	202	1.25
2008	Not reported		0.395	263	1.04
2009	46.024	7.670	2.786	316	6.12
2010	29.038	4.280	0.414	369	0.78
					<i>Average is</i> <i>0.80</i>

(Source: CDPH, 2012)

It is noted that water usage in 2009 seems to be much higher compared to usage in 2003 to 2007. PCWA has suggested that this higher number might be attributed to construction activities in the area.

#### WATER USE

Water use refers to the amount of water that is pumped and delivered to the customers. For the sake of comparison, water use is typically reported in gallons per person per day. The Squaw Valley Mutual Water Company reports its average water usage per customer in 2004, was 468 gallons per day. (Source: <http://www.svmwc.com/about.html>). In the North Lahontan region, average daily per capita water use is 265 gallons per capita per day (Source: DWR, 2013, page NL-22). Water use in the overall Placer County boundary is slightly higher at 298 gallons daily per capita. The MSR consultants calculate that Zone 4's per capita water use is 98 gallons per day (29 MG annually / 805 total population / 365) and this is quite low compared to that reported in other areas. However, the maximum water use calculates to 514 gallons daily per capita (0.414 MG / 805 people). State guidelines suggest that per capita water use within PCWA's boundaries should decline by 20% prior to 2020 (PCWA, 2011 [2010 UWMP] and DWR 2012).

Calculating future water demand is complicated by climate factors potentially affecting the Martis Valley including reduced snowpack and an increased frequency of wildfires (DWR, 2013). PCWA’s adopted 2010 Urban Water Management Plan, indicates that water supplies will be adequate to meet projected demands through 2035 under normal conditions as well as single and multiple dry year conditions for Zone 4 provided the water resources and infrastructure are developed as planned (PCWA, 2011 [2010 UWMP]).

PCWA’s 2010 Urban Water Management Plan provides projections about future groundwater production in Zone 4 as shown in Table 4-3. These projections assumed build out by 2035 based on County planning documents and provided a reasonable growth profile to achieve this.

PCWA’s water supply meets all applicable primary and secondary drinking water standards promulgated by the U.S. EPA and adopted by the State Department of Health Services. The 2004 MSR noted that two of the three wells had levels of arsenic and radon that complied with regulations at that time. If groundwater is in contact with granitic rock formations, it sometimes does have naturally occurring arsenic and radon. The 2004 MSR speculated that the well water could require treatment if new arsenic and radon standards were to be put into place and this could have required on-site treatment at each well or possibly the design and construction of all new facilities. In 2011 PCWA’s newsletter entitled “PCWA Update” (VOL 25 NO 2 APRIL-MAY 2011) released water quality monitoring data showing that water quality met accepted standards and arsenic, radon, chlorine, copper, and other constituents were at levels lower (i.e. better) than the state and federal regulatory requirements. The Agency’s 2012 Annual Monitoring Report from CDPH reports that Zone 4 is current on all chemical monitoring requirements and the water provided to customers meets all drinking water standards (CDPH, 2012).

Table 4-3: Projection of Future Groundwater Production in Zone 4

Year	Groundwater Production (af)
2011	172
2015	306
2020	439
2025	573
2030	707
2035	800

The Agency has a broad water conservation program for municipal, industrial, and agricultural customers and has an adopted water shortage contingency plan. One component of their water conservation program is offering rebates for water efficient washing machines and toilets as described on their website (<http://www.pcwa.net/water-resources/rebate-programs.html>). Another component is water efficiency program and Best Management Practices as detailed on their website (<http://www.pcwa.net/water-resources/water-use-efficiency.html>). During the current drought (i.e. 2013-2014), PCWA has conducted public outreach to encourage water use reduction and has created a “drought update page” on its website at: <http://www.pcwa.net/drought-updates/>. Additionally, PCWA has adopted Board Policies and Administrative Regulations that govern the extension of service to new customers.



### 4.3.3 Infrastructure and Facilities

As background information, on a county-wide basis, most of PCWA's water system was constructed 1960's to 1980's and it has become the largest water purveyor in the County, serving more than 38,000 water accounts in five water service areas or zones. In Zones #1-4, PCWA reports 38,110 total accounts, which includes 34,029 treated water accounts plus 4,081 untreated accounts. These numbers do not include Zone 5 which provides irrigation water to agricultural land.

The Agency's water system infrastructure includes storage, conveyance, treatment, and distribution systems for both treated and untreated water. The Agency owns and operates 165 miles of canals, ditches, flumes, and several small reservoirs as well as 8 water treatment plants, 32 water tanks, and more than 609 miles of treated water pipelines. PCWA's power system includes five interconnected hydroelectric power plants, two major storage reservoirs, and 24 miles of tunnels, located within the Middle Folk American River Watershed at elevations ranging from approximately 1100 ft. to 5300 ft. .

The infrastructure for Zone 4 is relatively new, having been installed in mostly during years 1990-2010. After Zone 4 was initially established on August 1, 1996, a well and the initial distribution system was constructed in the Fall of 1997. Today, infrastructure in Zone 4 includes a total of three wells. Two of the wells are approximately 900 feet in depth, located near the golf course. These two wells are rated with a capacity to pump at 1,000 gallons per minute each. A third well has been constructed by New Martis Partners (developer) but has yet to be formally accepted by PCWA. This third well is estimated to pump at a rate of approximately 200 gallons per minute; however a developer's hydrogeologist is currently evaluating this third well for capacity ratings. Wells #1 and #2 are housed in a concrete masonry structure surrounded by concrete slab foundations. Well #3 is housed in a wood framed structure on a concrete slab foundation. All wells have casing vents and oil-lubed turbine pumps. Wells #1 and #2 alternate operation.

Zone 4 uses four reservoirs, each constructed of welded steel, to store water. Each reservoir is summarized below:

- Schaffer Mill Road Lower tank, 0.5 MG capacity
- Olana, 0.353 MG capacity
- Camp Muir, 0.60 MG capacity
- Schaeffer Mill Road Upper Tank, 0.22 MG capacity
- Carson Range Tank, 0.55 MG capacity.

The Olana and the Camp Muir reservoirs were both installed in 2007. Schaffer Mill Road Upper Tank is the newest, having been installed in 2010. The oldest reservoir is the Schaffer Mill Road Lower Tank, which was installed in 1997. Each tank has an inlet and a separate outlet with a single pipe connecting each tank to the distribution system. The total storage capacity for Zone 4 is 2.223 MG.

Other infrastructure includes three metering pumps, chlorine residual monitors, and backflow devices. Water is distributed to



customers via pipeline. Zone 4 uses a total of 40 miles of pipeline.

Routine maintenance and facility upgrades are conducted in order to maintain service levels and control costs. PCWA's Five Year Capital Improvement Plan for water system infrastructure details the ongoing maintenance, replacement and improvements for Zone 4.

PCWA has intertie agreements with the NCSD and the TDPUD. The agreement with the TDPUD was signed April 2013 and provides for an emergency water supply intertie only with specific definitions for "emergency", "intertie". The agreement stipulates terms including operations, liability, and water quality. The intertie is located along Star Pine Road, Zone 4's northern border with the TDPUD (PCWA and Truckee Donner PUD 2013). The intertie agreement between PCWA and NCSD is also limited to the provision of emergency water supply and it was signed on February 17, 2011. Operations, responsibilities, liability and terms are described in the agreement. The intertie is located on the western end of Mill Site Road within the Northstar development and directly adjacent to the common border between Zone 4 and Northstar CSD.

PCWA owns several parcels of land within Zone 4 in fee title for those properties which house the wells, reservoirs, pump stations, and valve vaults and which provide access to other critical facilities. Additionally, PCWA owns easements along several parcels, primarily for pipelines and access to facilities.

PCWA has planned to meet water system infrastructure needs through its master plans, annual *Water Resources and Service Reliability analysis, and Urban Water Management Plan*. The District has a 5-year Capital Improvement Program which is updated annually. The plan forecasts that approximately \$100,000 will be spent in the year 2016 for unspecified capital projects in Zone 4.

#### OPPORTUNITIES TO SHARE FACILITIES

PCWA has a long history of collaboration and resource sharing with its partner organizations. For example, in Zone 3 PCWA receives water through PG&E's conveyance facilities. PCWA also works closely with the Nevada Irrigation District. In addition to sharing facilities, PCWA also works collaboratively with several other entities on project such as:

- Preparation of a model for the Martis Valley Groundwater Basin funded via a grant from the US Bureau of Reclamation;
- Preparation of a groundwater management plan for the Martis Valley groundwater basin
- Truckee River Basin Study;
- Collaboration with Northstar CSD and with Truckee Donner PUD on Zone 4 operational issues; and
- Numerous awards and grants for projects in the Western part of the County.

In Zone 4, to achieve fiscal and operation efficiency, PCWA has signed a MOU with Northstar CSD. For the past several years, Northstar CSD has provided day-to-day operation of Zone 4 on behalf of PCWA. In October 2013, the PCWA Board of Directors approved a memorandum of understanding (MOU) with the Northstar Community Services District covering the transfer of the PCWA Zone 4 water system in the Martis Valley to the adjacent Northstar CSD, pending the approval of LAFCO. Additionally, PCWA has intertie agreements with the Northstar CSD and the Truckee Donner PUD.

## DISTRIBUTION AND TRANSMISSION

As water is pumped from the wells, it is disinfected with chlorine. The distribution system chlorine residuals are tracked using a computerized system called Supervisory Control and Data Acquisition (SCADA). The operators of Zone 4 maintain daily records of water tank levels, upstream and downstream pressure at the booster stations, daily flow at the booster stations, daily water production at the wells and pump hours of operation. Water pressure in the system is maintained with a combination of pressure reducing valves and booster stations. There are a total of three booster stations as listed below:

- Schaeffer Mill Booster Station,
- Olana Booster Station
- Newhall Booster Station

Water is transmitted to customers via water mains and pipelines. The mains/pipelines are constructed of PVC or DIP and range in size from six to sixteen inches in diameter.

### 4.4.5 Financing

The Placer County Water Agency has three operational divisions and their annual budget is aligned with these divisions: Agency-Wide, Power System and Water System. Operation of and new improvements to the water infrastructure in Zone 4 are financed primarily through revenue received via water sales to customers. This section summarizes the financial information provided by the Agency including financial statements and budgets. The Agency's financial statements for its proprietary funds follow Government Accounting Standards Board (GASB) method of Accrual accounting.

PCWA has adopted several financial policies including:

- General Financial Policy Guidelines (March 2005) to provide a framework to guide the Agency's decision-making with respect to operations, budgeting, debt issuance, and financial planning;
- Investment policy (updated 2014); and
- Budget policy (Adopted by the Board in November 2006 and amended in 2007)
- Net Asset Reserve and Designation Policy (originally adopted 2005)
- Debt Management Policy (April 2007)
- Capital Asset Policy (August 2009)
- Fraud Policy (originally adopted June 2004)

For the year 2014, PCWA's total combined budget is \$90.8 million. This includes a Water Division budget of \$53.3 million, a Power Division budget of \$33.3 million and an Agency Wide budget of \$4.2 million(PCWA, 2013 [2014 Budget]).

Every year the Board adopts an annual budget and updates its five-year Capital Investment Program (CIP) (PCWA CAFR, 2012). Both the 2012 and the 2013 CIP did not show any capital improvements for Zone 4 during those particular years (PCWA, 2011 [2012 Budget] and PCWA, 2013 Capital Project Budget 5 pages). The 2014 budget also allocates funding for construction of a facility center within the Zone 4 water system. The facility is for basic operations and storage of materials. The proposed project site is currently owned by Placer County, who is coordinating with PCWA to convey an adequate portion

of land for this project. The project is proposed to be funded in part by water rates, with the balance from contributions by local developers under prior facility agreements. Northstar Community Services District is reviewing the proposed project design. PCWA's 2014 budget includes a five-year Capital Improvement Plan which lists the replacement of an air vacuum release valve (AVRV) in Zone 4, with funding to be considered in 2016 (PCWA 2013 [2014 Budget]).



The Agency's financial statements are audited annually by an independent certified public accounting firm (Maze & Associates) from which the opinions rendered have been unqualified or "clean" opinions (PCWA, 2012). These financial audits are required by California Government Code. The audited financial statements for the year ended December 31, 2011 and December 2010 were reviewed as part of this MSR process.

The Agency has the ability to issue tax-exempt debt to fund capital infrastructure for either replacement or expansion needs, which allows major projects to be paid for over the years of use. The capacity of this opportunity is based on the capacity of PCWA's customers to repay the debt. Capital assets are depreciated using a straight-line method over the useful life of the asset.

## REVENUE

For the Eastern Water System, the primary sources of operating revenue are water sales. The renewal and replacement charges are used to fund capital improvements. The water connection charges are based on new connections to the water system, which can vary in number year to year.

As shown in the Table 4-4 below, between the year 2008 to 2012, revenues increased by 115 percent. In 2008 revenue was also designated for specific purposes including state and federal mandates, and renewal and replacement of equipment and these designated revenues totaled \$138,589. In 2012 these designated revenues totaled \$262,796.

Table 4-4: PCWA Revenues

<b>Revenues</b>	<b>2008</b>	<b>2012</b>
Operating Revenue		
Water Sales	\$225,966	\$527,199
Service Charge	\$ 27,448	\$ 39,024
Other	\$ 5,647	\$ 144
Sub-Total Water Sales	\$259,061	\$566,367
Other Revenue		
Customer Service Charges	\$ 2,739	\$ 10,815
Interest Earnings	\$ 18,269	\$ 24,226
Other	\$ 7	\$ 2,380
Sub-Total Other Revenue	\$ 21,015	\$ 37,421
<b>Total Revenue</b>	<b>\$280,076</b>	<b>\$603,788</b>

(Source: PCWA Financial Statement provided by staff)

## EXPENSES

Operating expenditures include direct operating services, administration of direct services, administration of capital outlays, and depreciation costs. Costs of labor include salaries, benefits, insurance, and payroll taxes. Employee benefits include the standard health, vision and dental insurance and retirement through PERS contributions.

Table 4-5: PCWA Operating Expenses

<b>Operating Expenses</b>	<b>2008</b>	<b>2012</b>
Customer Service	\$ 13,319	\$ 29,846
Field Services	\$ 8,861	\$ 543
Technical Services	\$ 9,646	\$111,231
Contracted Services	\$ 48,895	\$107,841
Service level support	\$ 35,024	\$ 76,716
Depreciation	\$128,742	\$549,284
<b>Total operating expenses</b>	<b>\$244,487</b>	<b>\$875,461</b>

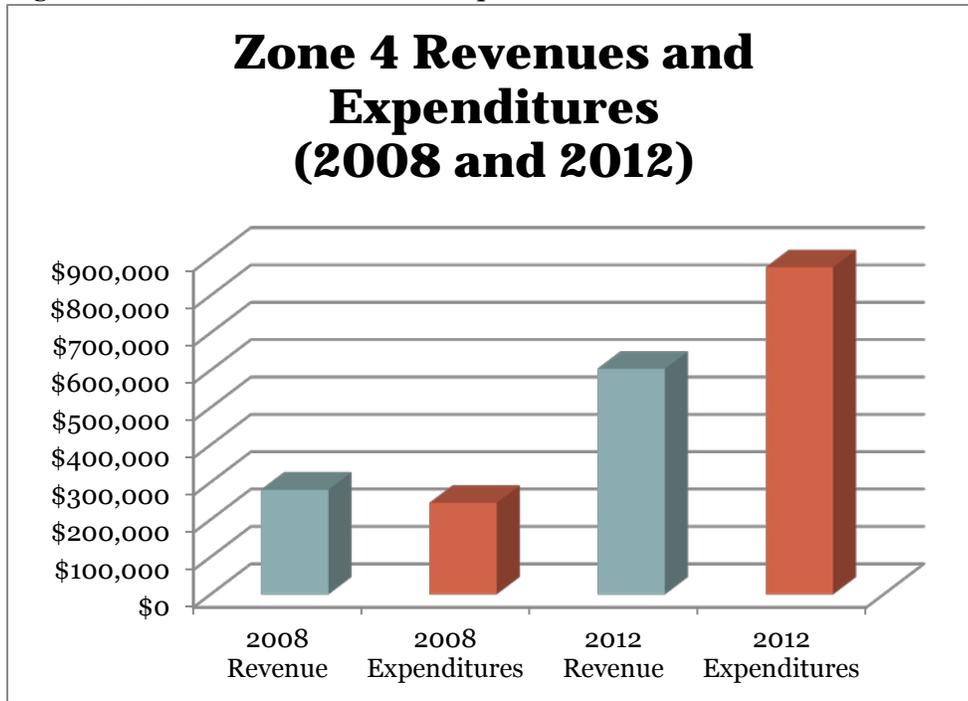
(Source: PCWA, 2012 [2013 Budget])

As shown in Table 4-5 above, between the years 2008 to 2012 expenditures increased by 258 percent. Much of this increase in expense can be attributed to a significant increase in depreciation reflecting the Agency's continual investment in its infrastructure (PCWA, CAFR 2012). It should be noted that the Agency's 2013 Budget shows that revenue and expenditures will be balanced with each at \$687,600 for the year (PCWA, 2012 [2013 Budget]).

In addition to the revenues shown in Table 4-4 above and expenses shown above in Table 4-5, Zone 4 also had reimbursable expenses for specific services including engineering charges, aid in construction. For these reimbursables, revenues matched expenditures indicating that all expenses were sufficiently reimbursed.

As shown in Figure 4-3 below, in 2008 revenues exceeded expenses. However, in 2012 revenues were less than expenses. It is possible that expenditures were higher in 2012 due to construction of a capital improvement project; however this has not yet been verified by PCWA.

Figure 4-3: PCWA Revenues and Expenditures



## ASSETS

PCWA has a formal policy on Net Assets Reserve and Designations that was adopted in 2005 and updated in 2007 (PCWA, 2007 Net Assets Reserve and Designations). This policy guides the Agency's decisions on the establishment of reserves and designations to meet known estimated future obligations and unforeseen needs. These funds can be used in emergencies. The 2012 Budget (page 25) indicates that Zone 4 has \$740,252 in Unrestricted Board Designation Accounts (aka reserve) (PCWA, 2011). By 2013 this UBD Account is expected to be \$1,166,853 (PCWA, 2012 [2013 Budget]).

## Finance Summary

In general, PCWA's financial reporting is very transparent. In fact, PCWA was rewarded with a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the year that ended in December 2012 (Placer County Grand Jury, 2011 and PCWA, CAFR 2012/2013).

## RATE RESTRUCTURING

PCWA's water rate structure differs for each of the service zones. In general, rates reflect a basic monthly service charge, charges to cover unfunded State and Federal mandates, charges for infrastructure renewal and replacement and water usage charges, which are tiered and ascending to promote water use efficiency. The charges for State and Federal mandated programs and projects and the Renewal and Replacement charge are based on meter size. Additionally, there is a connection charge for new service and these fees are based upon water treatment, storage, transmission and planning. The monthly service charges (Fixed and Renewal and Replacement) are payable whether or

not any water is delivered to a connection or lot. The Agency’s 2013 Rules and Regulations also state that a “Discontinuance of Service by Customer” shall not apply to the Eastern Water System. The monthly fixed charge and the renewal and replacement charge are levied against all lots and connections within the Eastern Water System. Underlying costs and any necessary rate adjustments are reviewed annually. Rate setting is determined by three factors including: 1) the fixed charges and water tier rates, 2) the renewal and replacement charges, and 3) the guidelines of Proposition 218. It should be noted that the PCWA does not anticipate any new Proposition 218 related fees in the near future for Zone 4. Current rates per the Agency’s 2013 Rules and Regulations are described in Table 4-6 below.

Table 4-6: Zone 4 Rates

<b>Type of Rate</b>	<b>Monthly fee</b>
Fixed Monthly Charge	\$44.69
Renewal and Replacement Charge	Varies between \$11.41 to \$182.56 per month, depending on the size of the connection’s meter.
Tiered Commodity Rate	Ranges from \$0.42 to 0.56 per 100 cubic feet water used.
Pump Rate Charge	Ranges from zero to \$0.18 per 100 cubic feet used
Estimated Monthly Charge for a hypothetical average home in Zone 4.	\$77  Note: This includes \$44.69 as the fixed monthly charge plus \$11.41 renewal and replacement charge for a 5/8 inch pipe plus an additional estimated commodity charge of \$18 <sup>1</sup> . Pump rate charges average charge of \$0.095. Assuming 3236 cubic feet per month of water is used, the average pump rate charge would be approximately \$3.00 per month. However, only the upper zones pay a pump charge. The charge increases depending on the location (height) of lot within the pressure zone.

(Source: PCWA, 2013. Rules, Regulations)

### COST AVOIDANCE

PCWA controls costs using careful purchasing, operational planning, budget, and management practices. Studies have been conducted on infrastructure needs and projected water demand by zone. A detailed Capital Improvement Plan that includes planned maintenance, replacement, and improvements in Zone 4 has been prepared as part of the Agency’s overall annual budget. A life cycle maintenance management approach can be used to optimize the timing and cost of repair/replacement of water utility facilities and systems.

## **4.5 Challenges**

The provision of water service to 341 households in Zone 4 has been well managed by PCWA over the past several years. Moving forward, PCWA views that delivering water to customers in Zone 4 in the most efficient way possible is a challenge due to the zone's geographic and climatic isolation from the rest of the Agency's facilities on the western slope. PCWA is working to overcome this challenge through its MOU with Northstar CSD. Their goal to turn over all operations and management to Northstar CSD is also one approach to overcoming the challenges on a more permanent basis.

Another challenge is that future changes to water quality standards may potentially make drinking water treatment more complex and expensive.

## **4.6 Service Adequacy**

The District indicates that it currently has sufficient water supplies to serve customers within its boundaries, including during multiple-year droughts. The District has wells accessing the unadjudicated Martis Valley aquifer. Additionally, the District's budget provides funds for updating and maintaining its water system infrastructure.

## **4.7 Determinations**

### **GROWTH AND POPULATION PROJECTIONS**

- a) PCWA provides water and power service to residents within Placer County. The population within Placer County (PCWA's overall boundary) as a whole is currently estimated at 366,115 persons (CA DOF 2014).
- b) The population growth within Placer County was approximately an average of 3.4 percent annually between 2000 and 2010.
- c) The estimated number of residents currently served within Zones 4 is 920 based on the number of residential connections and average household size in the County and based upon information provided by the District. In Zone 4, PCWA only provides water service.
- d) The District anticipates limited population growth in the future within Zone 4 increasing to 1,122 households (3,040 persons) by the year 2025.

### **LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE**

- a) No areas within the District qualify as a disadvantaged unincorporated community because the median family income exceeds 80% of the state median family income.

**PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES**

- e) PCWA was established in 1957 to provide water service within Placer County.
- f) PCWA consists of a total of five zones (Zones 1, 2, 3, 4, and 5) within its county-wide boundaries.
- g) PCWA's Zone 4 provides treated water service within the Martis Valley. Additionally, two other districts, the Truckee Donner Public Utility District and the Northstar Community Services District also provide water service to different portions of the Martis Valley area.
- h) Options to provide a new or different internal PCWA governmental structure have not been identified. However, it has been suggested by PCWA that Northstar CSD might be able to more efficiently manage water delivery, operation, and maintenance of water services in the Zone 4 area.
- i) The PCWA Zone 4 system has sufficient capacity to serve existing connections.
- j) The Agency reported that water service facilities are in good condition.



**FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES**

- a) Information on District financing is derived from audited financial statements for the fiscal year 2012. These statements are consolidated services of financial statements. PCWA's proprietary funds follow Government Accounting Standards Board (GASB) method of Accrual accounting.
- b) As an independent special district, PCWA contributes an annual amount to the ERAF fund which averages approximately \$521,000 (as measured during the years 2004-2006 per PCWA, 2013-e).
- c) Although PCWA does have some debt which is secured by water revenues, all of the debt and the financing occur outside of Zone 4. The Agency's debt is not related to Zone 4.
- d) In 2013 Moody's Investors Services assigned a rating of "Aa2" to PCWA certificates. Standard and Poor issued an "AA+" rating for these same certificates.
- e) PCWA participates in pooled insurance coverage with other agencies and districts. The Agency is a member of the Association of California Water Agencies – Joint Powers Insurance Authority (JPIA). The Agency is insured for general liability as well as losses resulting from crime, pollution, disinfectant release, auto liability, employee benefits, wrongful acts and failure to supply. The Agency's workers compensation coverage is at the statutory limits.
- f) Fee for service user charges are the primary source of revenue for PCWA as well as surcharges, property taxes, and Facility Capacity Charges among others. Funding for capital infrastructure for either replacement or expansion needs could be provided, as needed, through PCWA's ability

to issue tax-exempt debt. Major capital improvement projects can be paid for over the years of use, provided that customers have the capacity to repay the debt.

- g) CWA has obtained alternate funding sources, such as grants, and leverages the use of long term financing for major projects.
- h) Costs are controlled at PCWA by its careful purchasing procedures, annual budgeting, standardizing its operations, and by water resource planning.
- i) PCWA collaborates with other districts and organizations to prepare grant applications, share costs of studies and to share costs of operations, where feasible. Technology and other cost saving solutions are considered to help maintain existing service levels and to keep costs reasonable.
- j) In Zone 4, PCWA has the financial resources to maintain adequate service levels and provide for capital needs in accordance with projected growth.
- k) PCWA last updated its water rates in January 2013 and has the opportunity to consider costs for water treatment, storage, transmission and planning during its annual budgeting process. If the Agency sees rising costs, it can pursue rate adjustments by zone, as needed. PCWA utilizes a combined fixed rate and tiered rate structure for its residential customers in Zone 4.

#### STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

- d) PCWA collaborates with other agencies for regional water supply studies, planning, and development. For example, PCWA collaborated with Northstar CSD and Truckee Donner Public Utility District to prepare the Martis Valley Aquifer Ground Water Management Plan of April 2013 and its associated studies.
- e) The Agency has maintained an on-going agreement for the past several years with Northstar CSD for operations of facilities in Zone 4.
- f) In October 2013, the PCWA Board of Directors approved a Memorandum of Understanding the Northstar CSD to allow Northstar CSD to assume responsibility for Zone 4, pending approval from LAFCO.

#### ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATION EFFICIENCIES

- d) An elected five-member Board of Directors oversees the management of the Agency's public resources. PCWA meets its statutory financial reporting requirements that ensure its operations are conducted in an open and transparent manner. PCWA meets its fiscal accountability requirement to its customers through budgetary and financial reporting using its website as a communication channel and other communication tools. The Agency provides public notice of meetings, and posts agendas and minutes online.
- e) Operational and management efficiency is important to PCWA. Management efficiency is obtained in part by the Agency's organizational structure with a General Manager that manages the District under the direction of the elected Board of Directors. The Board and management work together in the identification of goals and issues and assignment of staff as appropriate for each type of service provided. The District has adopted policies to guide District operations. PCWA uses master plans, annual Water Resources and Service Reliability report, annual budget, and annual CIP to plan for and carry out operations and capital programs. The Agency

continues its work to improve efficiency in numerous areas of service, including operations, finance, customer service and field services.

- f) PCWA was established in 1957 by the State legislature. It is authorized to make water available for any beneficial use of lands or inhabitants; develop and sell hydroelectric energy to aid in financing water projects; control and conserve storm and flood waters; and store, conserve, appropriate, acquire, import and protect water. No other internal government structure options were noted.

## CHAPTER 5.0 COMMENTS RECEIVED & RESPONSES

This Chapter will include comments that members of the public have offered on the Draft MSR. The consulting team and LAFCO staff will also provide responses to the comments and may refine the text of the MSR as appropriate to address those comments. This chapter will be written after the public comment period for this MSR is completed.

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## CHAPTER 7.0 GLOSSARY

**Acre-foot/feet (AF):** Measurement of water volume--the volume of water that would cover one acre of land to a depth of one foot, equivalent to 325,851 gallons of water.

**Annexation:** The annexation, inclusion, attachment, or addition of territory to a city or district.

**Buildout:** the maximum development potential when all lands within an area have been converted to the maximum density allowed under the General Plan.

**Board of Directors:** The legislative body or governing board of a district.

**Board of Supervisors:** The elected board of supervisors of a county.

**City:** Any charter or general law city.

**Consolidation:** The uniting or joining of two or more districts into a single new successor district. In the case of consolidation of special districts, all of those districts shall have been formed pursuant to the same principal act.

**Contiguous:** In the case of annexation, territory adjacent to an agency to which annexation is proposed. Territory is not contiguous if the only contiguity is based upon a strip of land more than 300 feet long and less than 200 feet wide.

**Cost avoidance:** 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.

**County Service Area (CSA):** A dependent agency governed by the Board of Supervisors of a County pursuant to §25210.1 - §25211.33 of the Government Code. A CSA may perform most services, which the county is authorized to perform by law, but is limited by the county's ability to show that the proposed level of extended service is not otherwise provided on a county-wide basis.

**Cubic foot per Second (cfs):** a unit of measuring the rate of one cubic foot of water moving past a given point in one second.

**Dependent special district:** A special district whose board of directors is another legislative body, such as a city council or board of supervisors. Also see special district.

**Detachment:** The detachment, deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.

**Dissolution:** The dissolution, disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.

**District or special District:** An agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. "District" or "special district" includes a county service area.

**District of limited Powers:** An airport district, community services district, municipal utility district, public utilities district, fire protection district, harbor district, port district, recreational harbor district, small craft harbor district, resort improvement district, library district, local hospital district, local health district, municipal improvement district formed pursuant to any special act, municipal water district, police protection district, recreation and park district, garbage disposal district, garbage and refuse disposal district, sanitary district, or county sanitation district.

**Dissolution:** The termination of the existence of a district.

**Principal Act:** Legal statute authorizing the creation of the agency or district considered.

**FEMA:** Federal Emergency Management Agency

**Formation:** The formation, incorporation, organization, or creation of a district.

**Function:** Any power granted by law to a local agency or a county to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of all persons or property.

**Functional revenues:** Revenues generated from direct services or associated with specific services, such as a grant or statute, and expenditures.

**FY:** Fiscal year

**General plan:** A document containing a statement of development policies including a diagram and text setting forth the objectives of the plan. The general plan must include certain state mandated elements related to land use, circulation, housing, conservation, open-space, noise, and safety.

**General revenues:** Revenues not associated with specific services or retained in an enterprise fund.

**Incorporation:** The incorporation, formation, creation, and establishment of a city with corporate powers. Any area proposed for incorporation as a new city must have at least 500 registered voters residing within the affected area at the time commission proceedings are initiated.

**Independent Special District:** Any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in §56036.

**Infrastructure:** public services and facilities, such as pipes, canals, levees, water-supply systems, other utility, systems, and roads.

**LAFCO:** Local Agency Formation Commission.

**Local accountability and governance:** a style of public agency decision making, operation and management that includes an accessible staff, elected or appointed decision-making body and decision making process, advertisement of, and public participation in, elections, publicly disclosed budgets, programs, and plans, solicited public participation in the consideration of work and infrastructure plans; and regularly evaluated or measured outcomes of plans, programs or operations and disclosure of results to the public.

**Local agency:** A city, county, or special district or other public entity, which provides public services.

**Management Efficiency:** 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.

**Merger:** The termination of the existence of a district, and the assumption of the district's responsibilities by a city.

**Municipal services:** The full range of services that a public agency provides, or is authorized to provide, except general county government functions such as courts, special services and tax collection. As understood under the CKH Act, this includes all services provided by Special Districts under California law.

**Municipal Service Review (MSR):** a study designed to determine the adequacy of governmental services being provided in the region or sub-region. Performing service reviews for each city and special district within the county may be used by LAFCO, other governmental agencies, and the public to better understand and improve service conditions.

**Mutual Water Company or Mutual Water Association:** an entity which purchases raw water service and distributes water from its service to its members. This entity is not considered a government agency or district.

**Overlapping territory:** Territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities.

**Peak flow:** maximum measured daily flow in cfs

**Plan of reorganization:** A plan or program for effecting reorganization and which contains a description of all changes of organization included in the reorganization and setting forth all terms, conditions, and matters necessary or incidental to the effectuation of that reorganization.

**Principal act:** In the case of a district, the law under which the district was formed and, in the case of a city, the general laws or a charter, as the case may be.

**Principal LAFCO for municipal service review:** The LAFCO with the lead responsibility for a municipal service review. Lead responsibility can be determined pursuant to the CKH Act definition of a Principal LAFCO as it applies to government organization or reorganization actions, by negotiation, or by agreement among two or more LAFCO's.

**Proceeding:** A course of action. Procedures.

**Public agency:** The state or any state agency, board, or commission, any city, county, city and county, special district, or other political subdivision, or any agency, board, or commission of the city, county, city and county, special district, or other political subdivision.

**Rate restructuring:** Rate restructuring does not refer to the setting or development of specific rates or rate structures. During a municipal service review, LAFCO may compile and review certain rate related data, and other information that may affect rates, as that data applies to the intent of the CKH Act (§56000, §56001, §56301), factors to be considered (§56668), SOI determinations (§56425) and all required municipal service review determinations (§56430). The objective is to identify opportunities to positively impact rates without adversely affecting service quality or other factors to be considered.

**Raw Water:** untreated surface water which flows from a source (such as rivers) downstream to a water supply reservoir or conveyance structure and serves agricultural, urban/suburban customers and water treatment plants.

**Reorganization:** Two or more changes of organization initiated in a single proposal.

**Responsible LAFCO:** The LAFCO of a county other than the Principal County that may be impacted by recommendations, determinations or subsequent proposals elicited during a municipal service review being initiated or considered by the Lead LAFCO.

**Retained earnings:** The accumulated earnings of an enterprise or intragovernmental service fund which have been retained in the fund and are not reserved for any specific purpose (debts, planned improvements, and contingency/emergency).

**Reserve:** (1) For governmental type funds, an account used to earmark a portion of fund balance, which is legally or contractually restricted for a specific use or not appropriable for expenditure. (2) For proprietary type/enterprise funds, the portion of retained earnings set aside for specific purposes. Unnecessary reserves are those set aside for purposes that are not well defined or adopted or retained earnings that are not reasonably proportional to annual gross revenues.

**RWQCB:** Regional Water Quality Control Board

**Service review:** A study and evaluation of municipal service(s) by specific area, subregion or region culminating in written determinations regarding nine specific evaluation categories.

**Special Reorganization:** A reorganization that includes the detachment of territory from a city or city and county and the incorporation of that entire detached territory as a city.

**Specific plan:** A policy statement and implementation tool that is used to address a single project or planning problem. Specific plans contain concrete standards and development criteria that supplement those of the general plan.

**Sphere of influence (SOI):** A plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO.

**Sphere of influence determinations:** In establishing a sphere of influence, the Commission must consider and prepare written determinations related to present and planned land uses, need and capacity of public facilities, and existence of social and economic communities of interest.

**Stormwater runoff** - rainwater which does not infiltrate into the soil and runs off the land

**Subject agency:** Each district or city for which a change of organization is proposed or provided in a reorganization or plan of reorganization.

**SWRCB:** State Water Resources Control Board

**Treated water:** raw water which has been treated for human consumption through secondary or tertiary processes at a water treatment plan (WTP).

**Watershed** - An area of land that drains water, sediment and dissolved materials to a common receiving body or outlet. The term is not restricted to surface water runoff and includes interactions with subsurface water. Watersheds vary from the largest river basins to just acres or less in size. In urban watershed management, a watershed is seen as all the land which contributes runoff to a particular water body.

**Zoning:** The primary instrument for implementing the general plan. Zoning divides a community into districts or "zones" that specify the permitted/prohibited land uses.

DRAFT

## CHAPTER 8.0 ACKNOWLEDGEMENTS

### 8.1 Acknowledgements

Several people contributed information that was utilized in this Municipal Service Review.

LAFCo Staff	Kris Berry, Executive Officer Linda Wilkie, Clerk to the Commission
PCWA Staff	Brent Smith, Director of Technical Services Einar Maisch, Director of Strategic Affairs Tony Firenzi, Senior Engineer
Northstar CSD Staff	Michael Staudenmayer, General Manager

### 8.2 Report Preparers

A team of consultants authored this MSR and provided an independent analysis.

 SWALE Inc.	Kateri Harrison, Project Manager, Co-Author, Editor.  Jessica Hankins, Co-Author, Planner
Uma Hinman Consulting	Uma Hinman, Co-Author, Planner
Baracco & Associates	Bruce Baracco, Co-Author, Project Advisor
Robertson, Bryan Inc. 	Art O'Brien, Engineer for Wastewater and Water information.
Tom Parilo Planning	Tom Parilo, Land-use & Population Analyst
Stolen GIS	Judy Stolen, Geographic Information System Maps
Stanley Hoffman & Associates 	Marcine Osbourn, Financial Analyst

Appendix 1

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN PLACER COUNTY WATER AGENCY AND NORTHSTAR COMMUNITY**  
**SERVICES DISTRICT FOR THE ANNEXATION FOR WATER SERVICE OF THE**  
**AGENCY'S ZONE NO. 4**

This memorandum of understanding (MOU) is made by and between the Placer County Water Agency (Agency), a California public agency created by the Placer County Water Agency Act (California Statutes 1957, Chapter 1234) and the Northstar Community Services District (District) a California local government formed and existing pursuant to the provisions of the Community Services District law (California Government Code Sections § 61000, *et seq.*) (the CSD law).

**RECITALS**

WHEREAS, pursuant to the provisions of the Placer County Water Agency Act, the Agency established its Zone No. 4, the boundaries of which are set forth in Exhibit "A" attached hereto and incorporated herein by reference, for the purpose of providing potable water to the lands and inhabitants in Zone No. 4; and

WHEREAS, because of the distance of Zone No. 4 from the Agency's headquarters in Auburn, California and the proximity of Zone No. 4 to the District's boundaries, the Agency requested that the District assist in operating and maintaining the Zone No. 4 Water System for the Agency; and

WHEREAS, the Agency and the District entered into a contract for the operation and maintenance of the Agency's Zone No. 4 Water System dated October 27, 2009 and amended on December 16, 2010, April 7, 2011, and December 1, 2011 (the Existing Contract); and

WHEREAS, the District has operated and maintained the Zone No. 4 Water System in accordance with the terms and conditions of said contract; and

WHEREAS, the Agency and the District believe it to be in the public's best interest to seek reorganization of the Agency and District to allow the District to become the service provider of potable water to the lands and inhabitants located in Zone No. 4; and

WHEREAS, said reorganization is subject to the review and approval of the Placer County Local Agency Formation Commission (LAFCO); and

WHEREAS, the District is willing to pursue annexation of the territory located within Zone No. 4; and

WHEREAS, the Agency is willing to pursue the annexation by the District for potable water service for the territory located within Agency's Zone No. 4 and for the distribution of all of the remaining assets of Zone No. 4 to the District.

## **AGREEMENT**

NOW, THEREFORE, it is agreed as follows:

### **ARTICLE 1**

#### **Local Agency Formation Commission Proceedings**

1.1 Application for Changes of Organization. The District and the Agency will work together to prepare and submit an application to the LAFCO proposing the District's annexation for potable water service of the territory within the Agency's Zone No. 4. The Agency's Zone No. 4 would remain in place, with only the potable water service within being transferred to the District (Application).

1.1.1 The District and the Agency will work cooperatively to prepare the information required for the Application, as described in Government Code section 56652.

1.1.2 The District and the Agency will work cooperatively to prepare a resolution of application for the proposed changes of organization, as required by Government Code sections 56654 and 56700. The LAFCO will act as the conducting authority for the reorganization process. The Effective Date will be 60-days after LAFCO's recordation of a certificate of completion.

1.1.3 The District and the Agency will work cooperatively to prepare a Plan for Providing Services, as required by Government Code section 56653.

1.2 Cost of Preparing and Processing Application and Related Costs. Under LAFCO policies, the proponent of a change of organization is responsible for the cost of processing the proposal. The Agency shall be responsible for any such costs and shall provide the LAFCO with the initial deposit required to process the proposed changes of organization. Such costs include costs associated with environmental review under the California Environmental Quality Act, if any.

1.2.1 The Agency shall prepare and execute an Agreement to Pay Fees and Costs/Indemnification, as required under the LAFCO policies.

### **ARTICLE 2**

#### **Terms and Conditions of Annexation**

2.1 Future Definitive Terms and Conditions. The Agency and the District will work cooperatively to identify mutually agreeable definitive terms and conditions for the District's annexation of the Zone No. 4 territory for the purpose of the District providing potable water service to Zone No. 4.

2.2 Agreement in Principle. The Agency and District agree in principle to the following terms and conditions for the annexation to the District of Zone No. 4 potable water service:

2.2.1 Designation of District as Successor for Potable Water Service. The District will be designated as the successor to Zone No. 4 only for the purposes of providing

potable water service and will succeed to all of the rights, duties, and obligations of the Agency for that purpose within Zone No. 4. This includes the enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of the Zone No. 4 associated with potable water service.

2.2.2 Annexation of Zone No. 4 Territory. The District will annex the territory within Zone No. 4 for purposes of providing potable water service only. The agencies that provide other services to Zone No. 4 (for example, wastewater disposal, fire protection and road maintenance) will continue to do so, and NCS D shall not be responsible for those other services. Any new indebtedness or liability incurred by the District as the successor agency will be the obligation solely of the territory to be annexed.

2.2.3 Establishment of New District Zone. In accordance with applicable law, the District may establish one or more new zones to encompass the annexed territory within Zone No. 4.

2.2.4 Transfer of Water System. Fee title to the Zone No. 4 Water System, which consists of the facilities described in Exhibit "B" and any additions that are made thereto from time to time ("Water System"), will be transferred to the District as the successor agency for the purpose of providing potable water service following the effective date of the annexation of the Agency's Zone No. 4 potable water service.

2.2.5 Completion and Transfer of Maintenance Center. Notwithstanding Article 2.2.4 above, the Agency will be responsible for completing construction of the Maintenance Center. The Maintenance Center will be considered part of the Water System and will be transferred to the District as the successor agency as soon as it has been accepted as complete by the Agency.

2.2.6 Completion and Transfer of Ongoing Facilities Agreements. Notwithstanding Article 2.2.4 above, the Agency will be responsible for enforcing, managing and completion of existing facilities agreements with developers in Zone No. 4 for construction of new water facilities, unless otherwise agreed by the Parties. Once these facilities have been completed and accepted by the Agency, these facilities will be considered part of the Water System and will be transferred to the District as the successor agency. The Agency agrees to confer and consult with the District during the time period these facilities are being completed.

2.2.7 Continuation of Service. Until the Effective Date, the District will continue to be responsible for the maintenance and operation of the Water System, as provided for in the Existing Contract. On the Effective Date, the Existing Contract will be deemed terminated, any other notice of which is hereby waived by the Agency and the District; provided that the indemnity obligations of each party under the Existing Contract shall not be terminated. As of the Effective Date, as the successor agency, the District will be responsible in accordance with its powers under the CSD law, for the maintenance and operation of the Water System, and compliance of the Water System with applicable standards, including but not limited to the applicable California Department of Health Public Drinking Water System standards, and for providing potable water to the lands and inhabitants located within Zone No. 4.

2.2.8 Continuation of Charges, Fees, Assessments or Taxes. Upon annexation, the territory within Zone No. 4 shall be subject to the levying or fixing and collection of any previously authorized taxes, benefits assessments, fees, or charges of the District. The annexed territory will continue to be subject to any taxes, benefits assessments, fees, or charges authorized by the Agency prior to the Effective Date. The only exception to this are any taxes, benefits assessments, fees, or charges collected by the Agency in connection with the facilities in Article 2.2.5 (Maintenance Center) and 2.2.6 (Ongoing Facilities), which will be collected and utilized by the Agency in completing the facilities for which they are collected, and the taxes collected under the Agency's existing Placer County-wide tax rate.

2.2.9 Transfer of Records and Documents. Upon transfer to the District of the Zone No. 4 potable water service obligation, the Agency will provide the District with copies of all records and documents in the possession of the Agency that pertain to the ownership, operation and maintenance of Zone No. 4 potable water supply.

2.2.10 Collection for and Payment of Financial Obligations. After the Effective Date, as the successor agency, the District will be liable for payment of all or any part of principal, interest, and any other amounts which shall become due on account of all or any part of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations attributable to the Agency's Zone No. 4 potable water service, and the levying or fixing and the collection of any (1) taxes or assessments, or (2) service charges, rentals, or rates, or (3) both taxes or assessments and service charges, rentals, or rates, in the same manner as provided in the original authorization of the bonds and in the amount necessary to provide for that payment.

2.2.11 Transfer of Moneys and Funds. At the Effective Date, or as soon thereafter as practical, the Agency will transfer any monies or funds, including cash on hand, reserve funds specific to the Water System, the right to collect monies due but uncollected, and any other assets which are attributable to Zone No. 4, to the District, except those funds needed for Agency continuing obligations in Zone No. 4, including but not limited to those obligations set forth in Articles 2.2.5, 2.2.6 and 2.2.8 of this MOU.

2.2.12 Indemnity. Except for claims for which the District must indemnify the Agency under the terms of the Existing Contract, the Agency will indemnify and hold harmless, and when requested by the District to do so, defend the District, its directors, agents and employees from any and all claims, demands or charges and from any loss or liability, including attorney's fees and expenses of litigation, arising out of the acts or omissions, violations of law, willful misconduct or fraudulent misrepresentation or concealment of the Agency, its directors, employees, agents or independent contractors which occurred prior to the Effective Date.

### ARTICLE 3 **Term of MOU**

3.1.1 Termination. This MOU shall be effective when fully executed by the parties and shall continue in existence until terminated by either or both parties. Either party may terminate this contract at any time by giving the other party thirty (30) days advance written

notice of its election to terminate. This MOU will terminate automatically on the Effective Date, provided, however, that the Indemnity provisions in Section 2.2.12 shall not terminate.

3.1.2 Continuing Obligations. Notwithstanding the forgoing, any obligations continuing under Articles 2.2.5, 2.2.6 and 2.2.8 will continue until completed, unless otherwise agreed by the Parties. Certain continuing obligations under Articles 2.2.7 (Continuation of Service), 2.2.8 (Charges, Fees, Assessments and Taxes), and 2.2.10 (Financial Obligations) will continue until complete or until additional official actions supersede the continuing obligation.

**ARTICLE 4**  
**Notices**

All notices that are required to be given by one party to the other under this contract shall have been deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in a United States post office for delivery by registered or certified mail addressed to the parties at the following addresses, unless such addresses are changed by notice to the other party:

AGENCY: Placer County Water Agency  
Attn.: David Breninger, General Manager  
P.O. Box 6570  
Auburn, California 95604

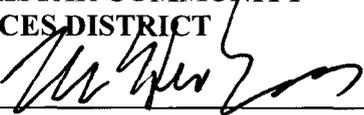
DISTRICT: Northstar Community Services District  
Attn.: Michael Staudenmayer, General Manager  
908 Northstar Drive  
Northstar, California 96161

Either party may change the person to whom notices are to be given by written notification to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the dates written below.

**NORTHSTAR COMMUNITY SERVICES DISTRICT**

**PLACER COUNTY WATER AGENCY**

By: 

By: 

Date: 10/22/13

Date: 11/7/13

ATTEST:  
  
SECRETARY, BOARD OF DIRECTORS

ATTEST:  
  
CLERK, BOARD OF DIRECTORS

## EXHIBIT "A"

All of Sections 25, 26, 35 and 36 and all that portion of Sections 23 and 24, Township 17 North, Range 16 East, MDBM, together with the west half of Section 31, Township 17 North, Range 17 East, MDBM, all in the County of Placer, State of California, and being more particularly described as follows:

Beginning at the northeast corner of said Section 36 and the northwest corner of said Section 31; thence from said **Point of Beginning**, North 87°24'52" East, along the north line of said Section 31 for a distance of 2530.83 feet to the north quarter corner of said Section 31; thence leaving said north line, South 00°14'35" East, along the North/South centerline of said Section 31, for a distance of 5388.98 feet to the south quarter corner of said Section 31; thence leaving said centerline, South 89°33'03" West, along the south line of said Section 31, for a distance of 2562.12 feet to the southwest corner of said Section 31 and the southeast corner of said Section 36; thence South 89°36'03" West, along the south line of said Section 36, for a distance of 5320.07 feet to the southwest corner of said Section 36 and the southeast corner of said Section 35; thence along the south line of said Section 35, the following two (2) consecutive courses and distances:

1. North 89°51'36" West for a distance of 2658.26 feet to the south quarter corner of Section 35 and
2. South 89°06'24" West for a distance of 2654.60 feet to the southwest corner of said Section 35;

thence along the west line of said Section 35, the following two (2) consecutive courses and distances:

1. North 00°35'42" East for a distance of 2674.11 feet to the west quarter corner of said Section 35 and
2. North 00°36'21" East for a distance of 2674.74 feet to the northwest corner of said Section 35 and the southwest corner of said Section 26;

thence along the west line of said Section 26, the following two (2) consecutive courses and distances:

1. North 00°39'28" East for a distance of 2695.56 feet to the west quarter corner of said Section 26 and
2. North 00°13'34" East for a distance of 2654.89 feet to the northwest quarter of said Section 26 and the southwest corner of said Section 23;

thence North 00°10'02" East, along the west line of said Section 23, for a distance of 2653.55 feet to the west quarter corner of said Section 23; thence South 89°25'28" East, along the East/West centerline of said Section 23, for a distance of 2604.92 feet to the center quarter corner of said Section 23; thence North 00°46'55" East, along the North/South centerline of said Section 23, for a distance of 2690.22 feet to the north quarter corner of said Section 23; thence South 88°43'44" East, along the north line of said Section 23, for a distance of 2622.63 feet to the northeast corner of said Section 23 and the northwest corner of said Section 24; thence along the north line of said Section 24, the following two (2) consecutive courses and distances:

1. North 89°15'11" East for a distance of 2675.79 feet to the north quarter corner of said Section 24 and
2. North 89°15'11" East for a distance of 239.99 feet to the southwesterly right-of-way line of State Highway 267;

thence South 58°29'12" East, along said right-of-way line, for a distance of 110.16 feet; thence leaving said right-of-way line, the following eight (8) consecutive courses and distances:

1. South 00°32'53" West for a distance of 273.98 feet,
2. North 89°16'03" East for a distance of 334.69 feet,
3. South 00°30'41" West for a distance of 332.87 feet,
4. North 89°16'55" East for a distance of 669.79 feet,
5. South 00°26'18" West for a distance of 128.03 feet,
6. South 54°35'19" East for a distance of 347.74 feet,
7. North 89°17'47" East for a distance of 418.39 feet and
8. South 62°18'12" East for a distance of 717.47 feet to the east line of said Section 24;

thence South 00°17'31" West, along said east line, for a distance of 1325.48 feet to the east quarter corner of said Section 24; thence South 89°22'06" West, along the East/West centerline of said Section 24, for a distance of 1344.66 feet to the southwest corner of the southeast quarter of the northeast quarter of said Section 24; thence leaving said centerline, along the east, north and west lines of the southwest quarter of the northeast quarter of said Section 24 respectively, the following three (3) consecutive courses and distances:

1. North 00°26'18" East for a distance of 1332.13 feet to the northeast corner of the southwest quarter of the northeast quarter of said Section 24,
2. South 89°18'39" West for a distance of 1341.28 feet to the northwest corner of the southwest quarter of the northeast quarter of said Section 24 and
3. South 00°35'06" West for a distance of 1330.85 feet to the southwest corner of the southwest quarter of the northeast quarter of said Section 24 and a point on the East/West centerline of said Section 24;

thence South 89°22'06" West, along said centerline, for a distance of 1325.55 feet to the northwest corner of the northeast quarter of the southwest quarter of said Section 24; thence along the west and south lines of the northeast quarter of the southwest quarter of said Section 24 respectively, the following two (2) consecutive courses and distances:

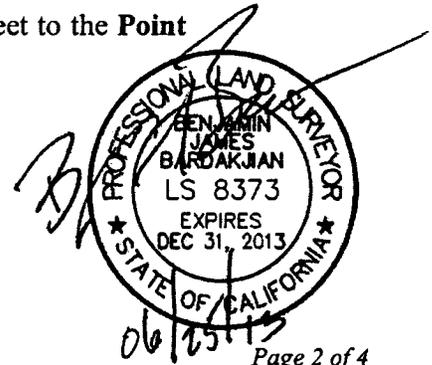
1. South 01°31'57" West for a distance of 1303.12 feet to the southwest corner of the northeast quarter of the southwest quarter of said Section 24 and
2. North 89°53'19" East for a distance of 1346.90 feet to the southeast corner of the northeast quarter of the southwest quarter of said Section 24 and the northwest corner of the south half of the southeast quarter of said Section 24;

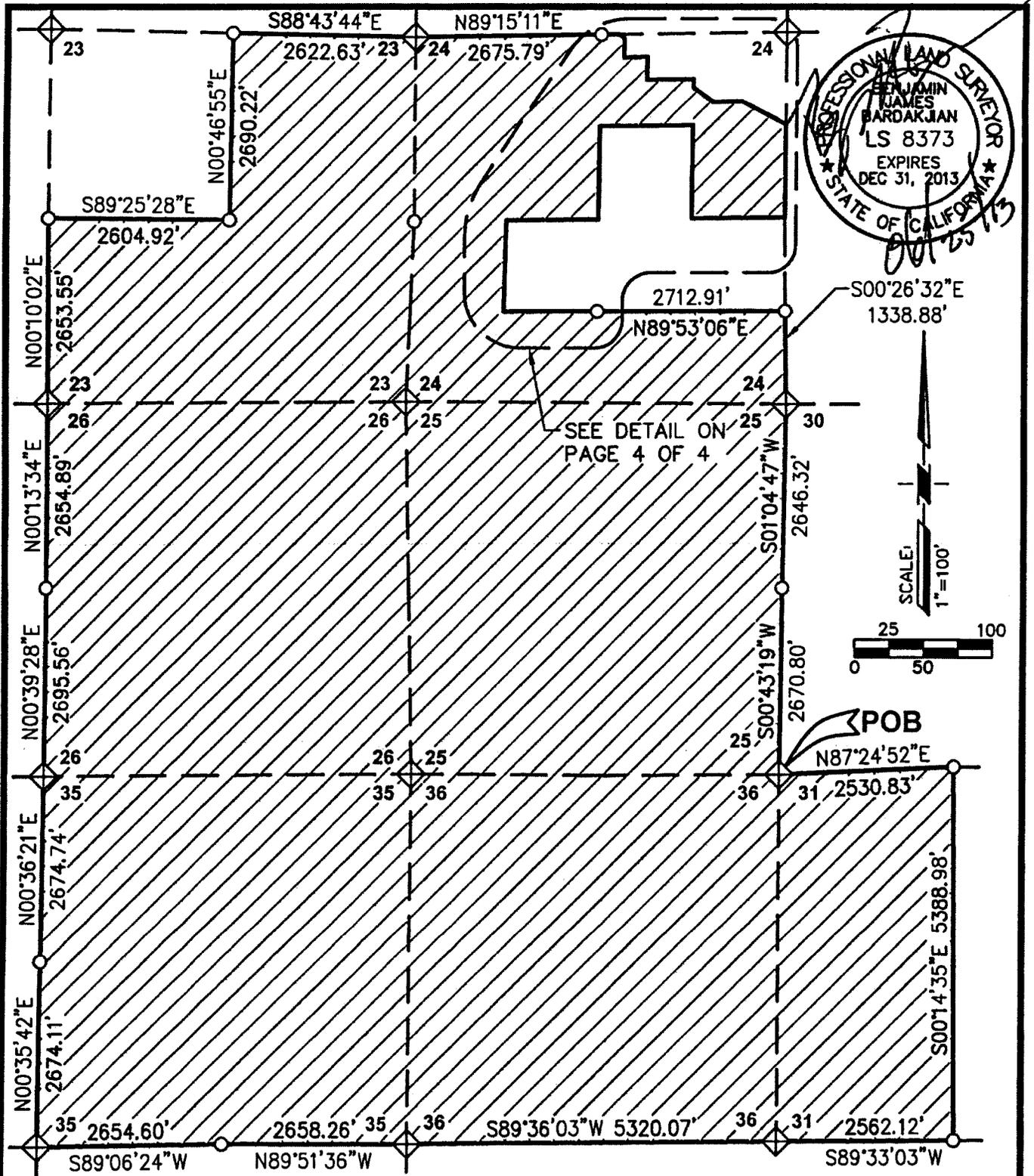
thence North 89°53'06" East, along the north line of the south half of the southeast quarter of said Section 24, for a distance of 2712.91 feet to the northeast corner of the south half of the southeast quarter of said Section 24; thence South 00°26'32" East, along the east line of said Section 24, for a distance of 1338.88 feet to the southeast corner of said Section 24 and the northeast corner of said Section 25; thence along the east line of said Section 25, the following two (2) consecutive courses and distances:

1. South 01°04'47" West for a distance of 2646.32 feet to the east quarter corner of said Section 25 and
2. South 00°43'19" West for a distance of 2670.80 feet to the **Point of Beginning**.

Containing an area of 3,827 acres, more or less.

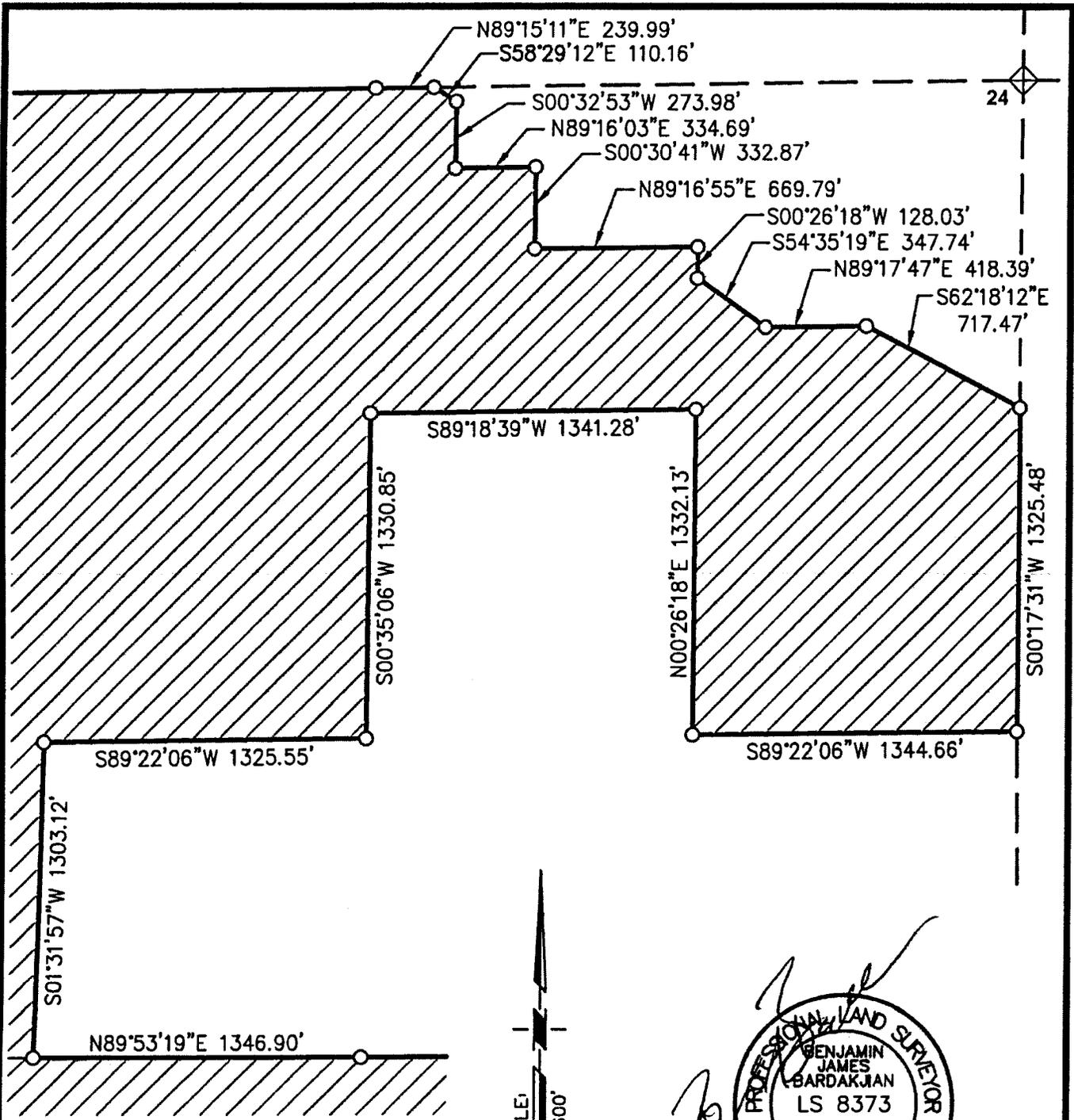
End of Description.



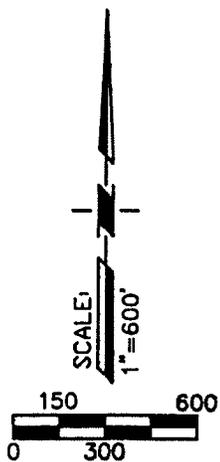


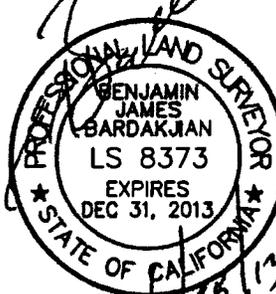
**EXHIBIT "B"**  
**PCWA ZONE 4**  
 SEC 23, 24, 25, 26, 35 & 36, T17N, R16E, MDBM  
 SEC 31 T17N, R17E, MDBM  
 PLACER COUNTY, CALIFORNIA

**ANDREGG**  
**GEOMATICS**  
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 PAGE 3 OF 4



 AREA: 3,827± ACRES



*B*  
  
 06/23/13

**EXHIBIT "B"**  
**PCWA ZONE 4**  
 SEC 23, 24, 25, 26, 35 & 36, T17N, R16E, MDBM  
 SEC 31 T17N, R17E, MDBM  
 PLACER COUNTY, CALIFORNIA

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 PAGE 4 OF 4

EXHIBIT "B"  
WATER SYSTEM FACILITIES

The following Water System facilities are located as shown on pages 1 through 2 of this exhibit. All quantities are to be considered as estimates. All projects listed are constructed and accepted by the Agency unless otherwise noted.

Lahontan Units 1 & 2 and Lahontan Phase II

Two domestic wells: one primary and one backup (Clubhouse Drive Well Nos. 1 and 2)  
500,000 gallon storage tank  
Approximately 9,544 feet of 12 inch pipe  
Approximately 9,501 feet of 8 inch pipe  
Approximately 2,544 feet of 6 inch pipe  
One golf course service connection with radio read meter  
41 fire hydrants  
One landscape service connection with radio read meter  
One guard house service connection with radio read meter  
One maintenance facility connection with radio read meter  
Associated appurtenances and equipment necessary to  
    provide potable water service  
One radio read meter per residence

Lahontan Unit 3

Approximately 3,987 feet of 8 inch pipe  
Approximately 278 feet of 6 inch pipe  
7 fire hydrants  
33 – 1" meter services  
One radio read meter per residence

Lahontan Unit 4

Approximately 3,325 feet of 8 inch pipe  
Approximately 269 feet of 6 inch pipe  
7 fire hydrants  
30 – 1" meter services  
One radio read meter per residence

Lahontan Unit 5

Approximately 1,565 feet of 8 inch pipe  
4 fire hydrants  
5 fire hydrants  
21 – 1" meter services  
One radio read meter per residence

Lahontan Unit 6

Approximately 1,815 feet of 8 inch pipe  
Approximately 235 feet of 6 inch pipe  
2 fire hydrants  
25 – 1” meter services  
One radio read meter per residence

Lahontan Unit 7

Approximately 1,817 feet of 8 inch pipe  
Approximately 175 feet of 6 inch pipe  
4 fire hydrants  
25 – 1” meter services  
One radio read meter per residence

Lahontan Unit 8

Approximately 4,700 feet of 8 inch pipe  
Approximately 225 feet of 6 inch pipe  
8 fire hydrants  
46 – 1” meter services  
One radio read meter per residence

Lahontan Units 9& 10

Approximately 5,495 feet of 8 inch pipe  
Approximately 400 feet of 6 inch pipe  
10 fire hydrants  
55 – 1” meter services  
1 – 1” meter services for sewer lift station  
One radio read meter per residence

Lahontan Units 11, 12, & 13

Approximately 7,470 feet of 8 inch pipe  
Approximately 300 feet of 6 inch pipe  
17 fire hydrants  
68 – 1” meter services  
One radio read meter per residence

Lahontan Unit 14

Approximately 2,101 feet of 8 inch pipe  
4 fire hydrants  
23 – 1” meter services  
One radio read meter per residence

The Camp at Lahontan

Approximately 100 feet of 8 inch pipe  
2 fire hydrants  
1 – 4” fire service connection.  
7 – 1” meter services  
One radio read meter per residence

Lahontan Unit 16

Approximately 570 feet of 8 inch pipe  
Approximately 300 feet of 6 inch pipe  
3 fire hydrants  
14 – 1” meter services  
One radio read meter per residence

Lahontan Clubhouse

Approximately 707 feet of 12 inch pipe  
Approximately 2317 feet of 8 inch pipe  
7 – 1” meter services  
4 fire hydrants

Timilick Phase 1

One domestic well: Schaffer Mill Road Well No. 3  
One irrigation well: Schaffer Mill Road Well No. 1  
Approximately 679 feet of 16” pipe  
Approximately 6,025 feet of 12” pipe  
Approximately 2,240 feet of 8” pipe  
18 fire hydrants  
88 – 1” disk meters  
2 – 3” Irrigation water service connections with radio read meter

Timilick Phase 2A & 2B

Approximately 900 feet of 12” pipe  
Approximately 3,290 feet of 8” pipe  
9 fire hydrants  
48 – 1” disk meters  
One water quality sampling station

Timilick Phase 2C

Approximately 650 feet of 12” pipe  
Approximately 1,215 feet of 8” pipe  
4 fire hydrants  
48 – 1” disk meters  
One emergency intertie with Tuckee Donner PUD

### Timilick Clubhouse

Approximately 15 feet of 12" pipe  
8" fire service connection  
4 fire hydrants  
1 – 3" commercial service

### Timilick Tank & Lines

One 550,000 gallon water tank  
One pressure reducing station  
Approximately 5,852 feet of 12 inch pipe  
Approximately 6,278 feet of 8 inch pipe  
Approximately 600 feet of 6 inch pipe  
6 Fire Hydrants  
23 – 1" disk meters

### Martis Camp Backbone

One 600,000 gallon water tank  
One 325,000 gallon water tank  
One 215,000 gallon water tank  
Three pump stations  
Approximately 50 feet of 12 inch pipe  
Approximately 210 feet of 8 inch pipe  
Approximately 100 feet of 6 inch pipe

### Martis Camp Unit 1

Approximately 11,089 feet of 12 inch pipe  
Approximately 24,554 feet of 8 inch pipe  
Approximately 630 feet of 6 inch pipe  
52 fire hydrants  
3 – ¾" disk meters  
118 – 1" disk meters  
1 – 2" disk meter

### Martis Camp Unit 2

Approximately 11,030 feet of 12 inch pipe  
Approximately 7,130 feet of 8 inch pipe  
Approximately 33 feet of 6 inch pipe  
38 fire hydrants  
80 – 1" disk meters  
1 – 5/8" disk meter  
One water quality sampling station

Martis Camp Unit 3

Approximately 2,835 feet of 12 inch pipe  
Approximately 5,434 feet of 8 inch pipe  
Approximately 170 feet of 6 inch pipe  
17 fire hydrants  
72 – 1” disk meters

Martis Camp Unit 4A

Approximately 190 feet of 12 inch pipe  
Approximately 1,400 feet of 8 inch pipe  
5 fire hydrants  
27 – 1” disk meters

Martis Camp Unit 4B

Approximately 355 feet of 12 inch pipe  
Approximately 4,090 feet of 8 inch pipe  
10 fire hydrants  
58 – 1” disk meters  
One water quality sampling station

Martis Camp Unit 5

Approximately 560 feet of 8 inch pipe  
1 fire hydrant  
11 – 1” disk meters

Martis Camp Unit 6

Approximately 5,966 feet of 12 inch pipe  
Approximately 2,147 feet of 8 inch pipe  
20 fire hydrants  
38 – 1” disk meters  
1 – 1 ½” disk meter

Martis Camp Unit 7A

Approximately 4,715 feet of 12 inch pipe  
Approximately 3,454 feet of 8 inch pipe  
15 fire hydrants  
29 – 1” disk meters

Martis Camp Unit 7B – Under construction, Not Accepted by the Agency

Approximately 1,008 feet of 12 inch pipe  
Approximately 5,829 feet of 8 inch pipe  
15 fire hydrants  
53 – 1” disk meters

Martis Camp Unit 8A

Approximately 620 feet of 12 inch pipe  
Approximately 8,880 feet of 8 inch pipe  
21 fire hydrants  
61 – 1” disk meters  
One water quality sampling station

Martis Camp Unit 8B

Approximately 6,055 feet of 12 inch pipe  
Approximately 905 feet of 8 inch pipe  
18 fire hydrants  
45 – 1” disk meters  
One water quality sampling station

Martis Camp Unit 9

Approximately 2,316 feet of 12 inch pipe  
Approximately 1,382 feet of 8 inch pipe  
10 fire hydrants  
43 – 1” disk meters

Martis Camp Unit 10 – Under construction, Not Accepted by the Agency

Approximately 191 feet of 12 inch pipe  
Approximately 4,530 feet of 8 inch pipe  
10 fire hydrants  
35 – 1” disk meters  
One water quality sampling station

Martis Creek Bridge – Lahontan Drive, Lahontan Units 9 & 10

160 LF of 8 inch pipe in casing 24 inch  
No services or fire hydrants

Martis Creek Bridge – Lahontan Drive, Lahontan Units 11, 12 & 13

160 LF of 8 inch pipe in casing 24 inch  
No services or fire hydrants

Martis Creek Bridge – Schaffers Mill Road, Martis Camp Unit 6

160 LF of 12 inch pipe in casing 24 inch  
No services or fire hydrants

Hopkins Village

Approximately 2,612 feet of 12 inch pipe  
3 fire hydrants  
50 – 3/4” disk meters  
1 – 1” disk meter  
One water quality sampling station