

**MODOC  
LOCAL AGENCY FORMATION COMMISSION  
(LAFCo)**

***CEDARVILLE COUNTY WATER DISTRICT***

***MUNICIPAL SERVICE REVIEW (MSR)***

***and***

***SPHERE OF INFLUENCE (SOI) UPDATE***

***February 2022***

**MODOC LAFCo  
Cedarville County Water District  
Hearing Draft MSR and SOI Feb 8, 2022**

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## **1 INTRODUCTION**

### **1.1 Local Agency Formation Commission (LAFCo) History**

This report is prepared pursuant to State legislation enacted in 2000 that requires Modoc LAFCo to complete a comprehensive review of municipal service delivery and update the spheres of influence (SOIs) of all agencies under LAFCo's jurisdiction. This chapter provides an overview of LAFCo's history, powers and responsibilities. It discusses the origins and legal requirements for preparation of a Service Review commonly referred to as a Municipal Service Review (MSR). Finally, the chapter reviews the process for MSR review, MSR approval and SOI updates.

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

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

LAFCo was formed as a countywide agency to discourage urban sprawl and to encourage the orderly formation and development of local government agencies within its jurisdiction. LAFCo is responsible for coordinating logical and timely changes in local governmental boundaries; including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers and dissolutions of districts, as well as reviewing ways to reorganize, simplify, and streamline governmental structure.

The Commission's efforts are focused on ensuring services are provided efficiently and economically while agricultural and open-space lands are protected or conserved to the extent possible. To better inform itself and the in compliance with the State Law; LAFCo conducts MSR's to evaluate the provision of municipal services for service providers within its jurisdiction.

LAFCo regulates, through approval, denial, conditions and modification, boundary changes proposed by public agencies or individual voters and landowners. It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCo is empowered to initiate updates to the SOIs and proposals involving the dissolution, consolidation or formation of special districts, establishment of subsidiary districts, and any reorganization including such actions. Where LAFCo is not given specific authority, LAFCo actions must originate as petitions from affected voters or landowners, or by resolutions by affected cities or special districts.

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A Plan for Services is required in Government Code Section 56653. A Plan for Services must include the following information: An enumeration and description of services to be provided, the level and range of those services, an indication of how those services are to be extended into the territory, an indication of any improvements or upgrading of structures, Information on how the services are to be financed.

**1.2 Preparation of the MSR**

Research for this Municipal Service Review (MSR) was conducted during the fall of 2021.

This MSR is intended to support preparation and update of Spheres of Influence, in accordance with the provisions of the Cortese-Knox-Hertzberg Act. The objectives of this Municipal Service Review (MSR) are as follows:

- To develop recommendations that will promote more efficient and higher quality service options and patterns
- To identify areas for service improvement
- To assess the adequacy of service provision as it relates to determination of appropriate sphere boundaries

While LAFCo prepared the MSR document, given budgetary constraints, LAFCo did not engage the services of experts in engineering, hydrology, geology, water quality, fire protection, accounting or other specialists in related fields, but relied upon published reports and available information. Insofar there is conflicting or inconclusive information LAFCo staff may recommend the district retain a licensed professional or expert in a particular field for an opinion.

Therefore, this MSR reflects LAFCo's recommendations, based on available information during the research period and provided by District staff to assist in its determinations related to promoting more efficient and higher quality service patterns; identifying areas for service improvement; and assessing the adequacy of service provision by the Cedarville County Water District. Additional information on local government funding issues is found in Appendix A at the end of this report.

**1.3 Role and Responsibility of LAFCo**

Local Agency Formation Commissions (LAFCos) in California are independent agencies created by the California Legislature in 1963 for the purpose of encouraging the orderly formation of local government agencies and conserving and preserving natural resources. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) is the statutory authority for the preparation of an MSR, and periodic updates of the Sphere of Influence (SOI) of each local agency.

LAFCos are responsible for coordinating logical and timely changes in local governmental boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure, preparing a review of services called a

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MSR, and preparing a SOI thereby determining the future “probable” boundary for each city and special district within each county.

The Commission's efforts are directed toward seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. Often citizens are confused as to what LAFCo's role is. LAFCos do not have enforcement authority nor do they have the authority to initiate a city or district annexation or detachment proceeding. LAFCos may initiate consolidation or dissolution proceedings; however, these proceedings are subject to the voter approval or denial.

The Legislature has given LAFCos the authority to modify any proposal before it to ensure the protection of agricultural and open space resources, discourage urban sprawl and promote orderly boundaries and the provision of adequate services.

The Governor's Office of Planning and Research (OPR) has issued Guidelines for the preparation of a MSR. This MSR adheres to the procedures set forth in OPR's MSR Guidelines.

A SOI is a plan for the probable physical boundaries and service area of a local agency, as determined by the affected Local Agency Formation Commission (Government Code §56076). Government Code §56425(f) requires that each SOI be updated not less than every five years, and §56430 provides that a MSR shall be conducted in advance of the SOI update.

**1.4 Municipal Services Review Requirements**

Effective January 1, 2001 and subsequently amended, LAFCo is required to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following six topics (Government Code §56430):

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities (DUC) 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 agencies to provide services
5. Status of, and opportunities for shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies

An MSR is not subject to any of the CEQA requirements in the Public Resources Code and should not be construed to be a CEQA document.

### **1.5 Municipal Services Review Process**

For local agencies, the MSR process involves the following steps:

1. Outreach: LAFCo outreach and explanation of the project
2. Data Discovery: provide documents and respond to LAFCo questions
3. Map Review: review and comment on LAFCo draft map of the agency's boundary and sphere of influence
4. Profile Review: internal review and comment on LAFCo draft profile of the agency
5. Public Review Draft MSR: review and comment on LAFCo draft MSR
6. LAFCo Hearing: attend and provide public comments on MSR

MSRs are exempt from California Environmental Quality Act (CEQA) pursuant to §15262 (feasibility or planning studies) or §15306 (information collection) of the CEQA Guidelines. LAFCo's actions to adopt MSR determinations are not considered "projects" subject to CEQA. The MSR process does not require LAFCo to initiate changes of organization based on service review findings, only that LAFCo identify potential government structure options.

However, LAFCo, other local agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization or to establish or amend SOIs. Within its legal authorization, LAFCo may act with respect to a recommended change of organization or reorganization on its own initiative (e.g., certain types of consolidations), or in response to a proposal (i.e., initiated by resolution or petition by landowners or registered voters).

Once LAFCo has adopted the MSR determinations, it must update the SOI for each jurisdiction. The LAFCo Commission determines and adopts the spheres of influence for each agency. A CEQA determination is made by LAFCo on a case-by-case basis for each sphere of influence action and each change of organization, once the proposed project characteristics are sufficiently identified to assess environmental impacts.

### **1.6 Sphere of Influence Update Process**

The Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county.<sup>1</sup>

An SOI is a LAFCo-approved plan that designates an agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCo to a city or district unless it is within that agency's sphere.

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<sup>1</sup> The initial statutory mandate, in 1971, imposed for no deadline for completing sphere designations. When most LAFCos failed to act, 1984 legislation required all LAFCos to establish spheres of influence by 1985.

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The purposes of the SOI include the following:

- to ensure the efficient provision of services
- to discourage urban sprawl and premature conversion of agricultural and open space lands
- to prevent overlapping jurisdictions and duplication of services

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

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

While SOIs are required to be updated every five years, as necessary, this does not necessarily define the planning horizon of the SOI. The term or horizon of the SOI is determined by each LAFCo.

LAFCo may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. In determining the SOI, LAFCo is required to complete an MSR and adopt the six determinations previously discussed. In addition, in adopting or amending an SOI, LAFCo must make the following five determinations as required in Government Code section 56425(c):

- Present and planned land uses in the area, including agricultural and open-space lands
- Present and probable need for public facilities and services in the area
- Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide
- Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency
- For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services



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of any disadvantaged unincorporated communities within the existing sphere of influence.<sup>2</sup>

The CKH Act stipulates several procedural requirements in updating SOIs. It requires cities to file written statements on the class of services to be provided and LAFCo must clearly establish the location, nature and extent of services provided by special districts.

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

**1.7 Possible Approaches to the Sphere of Influence**

LAFCo may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. Based on review of the guidelines of Modoc LAFCo as well as other LAFCOs in the State, various conceptual approaches have been identified from which to choose in designating an SOI. These seven approaches are explained below:

1) Coterminous Sphere:

A Coterminous Sphere means that the Sphere of Influence for a city or special district that is the same as its existing boundaries of the city or district.

2) Annexable Sphere:

A sphere larger than the agency's boundaries identifies areas the agency is expected to annex. The annexable area is outside the district boundaries and inside the sphere of influence. A recommended change is to include the remaining part of the Rancheria into the Sphere of Influence for the Cedarville County Water District consisting of 17 acres more or less.

3) Detachable Sphere:

A sphere that is smaller than the agency's boundaries identifies areas the agency is expected to detach. The detachable area is the area within the agency bounds but not within its sphere of influence.

4) Zero Sphere:

A zero sphere indicates the affected agency's public service functions should be reassigned to another agency and the agency should be dissolved or combined with one or more other agencies.

5) Consolidated Sphere:

A consolidated sphere includes two or more local agencies and indicates the agencies should be consolidated into one agency.

6) Limited Service Sphere:

A limited service sphere is the territory included within the SOI of a multi-service provider agency that is also within the boundary of a limited purpose district which provides the

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<sup>2</sup> California Government Code Section 56425 (e) (5)

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same service (e.g., fire protection), but not all needed services. Territory designated as a limited service SOI may be considered for annexation to the limited purpose agency without detachment from the multi-service provider.

This type of SOI is generally adopted when the following conditions exist:

- a) The limited service provider is providing adequate, cost effective and efficient services
- b) The multi-service agency is the most logical provider of the other services
- c) There is no feasible or logical SOI alternative
- d) Inclusion of the territory is in the best interests of local government organization and structure in the area

Government Code §56001 specifically recognizes that in rural areas it may be appropriate to establish limited purpose agencies to serve an area rather than a single service provider, if multiple limited purpose agencies are better able to provide efficient services to an area rather than one service district.

Moreover, Government Code Section §56425(i), governing sphere determinations, also authorizes a sphere for less than all of the services provided by a district by requiring a district affected by a sphere action to “establish the nature, location, and extent of any functions of classes of services provided by existing districts” recognizing that more than one district may serve an area and that a given district may provide less than its full range of services in an area.

**1.8 Description of the Public Participation Process**

The LAFCo proceedings are subject to the provisions of California’s open meeting law, the Ralph M. Brown Act (Government Code Sections 54950 et seq.). The Brown Act requires advance posting of meeting agendas and contains various other provisions designed to ensure that the public has adequate access to information regarding the proceedings of public boards and commissions. Modoc LAFCo complies with the requirements of the Brown Act.

The State MSR Guidelines provide that all LAFCOs should encourage and provide multiple public participation opportunities in the MSR process.

## **2 CEDARVILLE COMMUNITY**

### **2.1 Cedarville Location**

The unincorporated community of Cedarville is located in the Surprise Valley area of eastern Modoc County, approximately 257 miles north of Lake Tahoe on State Route 299. The Community is located on the western shore of Middle Alkali Lake and is in close proximity to the Warner Mountains and the Modoc National Forest.

### **2.2 Cedarville History**

Originally known as *Deep Creek*, Cedarville was founded around 1864 as a stopping place for wagon trains. In 1867 a trading post was being run by William Cressler and John Bonner, who later also built the first road over Cedar Pass, which connected Surprise Valley to Alturas and the rest of Modoc County.

The first Post Office opened in 1869.<sup>3</sup> The current name is derived from Cedarville, Ohio. As branch county seat of Siskiyou County, nearby Lake City, was the population center of Surprise Valley until Modoc County formed in 1874. However, by 1880 Cedarville was the largest town in the valley, with a population of around 220,<sup>4</sup> and once Fort Bidwell, 20 miles to the north, was demilitarized Cedarville's central location and access to Cedar Pass made it the natural population and business center of the valley.<sup>5</sup>

A 1913 book described Cedarville as being on Middle Alkali Lake and having a population of about 500.<sup>6</sup> The Laxague Lumber Company mill was located in Cedarville, and employed from 18 to 60 residents.<sup>7</sup>

### **2.3 Cedarville Community**

Cedarville hosts an annual Last Frontier Fair in August. "Louieville," a mythical town comprised of log cabins and old buildings transported in from around Surprise Valley, is located at the Modoc County Fairgrounds in Cedarville. Louieville consists of a slaughterhouse, a schoolhouse, a water tower, the old Ft. Bidwell jail, the old Eagleville jail, a cabin built by Christopher Sharp, one of the first settlers in Cedarville, an old workshop, a church, and a two-seater outhouse.<sup>8</sup>

Tourist services, such as bed and breakfast accommodations, are available in the community. An area attraction is the Warner Mountains most of which are inside Modoc National Forest, and the headquarters of the Warner Mountain Ranger District is in downtown Cedarville.

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<sup>3</sup> Durham, David L. (1998). *California's Geographic Names: A Gazetteer of Historic and Modern Names of the State*. Clovis, Calif.: Word Dancer Press. p. 363. ISBN 1-884995-14-4.

<sup>4</sup> "Cedarville". Greater Surprise Valley Chamber of Commerce. Archived from the original on 2006-02-07. Retrieved 2010-04-04.

<sup>5</sup> Pease, Robert W. (1965). *Modoc County*; University of California Publications in Geography, Volume 17. Berkeley and Los Angeles: University of California Press. pp. 82, 96, 97, 136.

<sup>6</sup> Drury, Wells; Drury, Aubrey (1913). *California tourist guide and handbook: authentic description of routes of travel and points of interest in California*. Western Guidebook Company. p. 249. Retrieved 2009-06-16.

<sup>7</sup> Pease, Robert W. (1965). *Modoc County*; University of California Publications in Geography, Volume 17. Berkeley and Los Angeles: University of California Press. p. 276

<sup>8</sup> <http://www.shastacascade.org/modoc/modoc.htm>, September 13, 2007.

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Public schools in Cedarville are administered the Surprise Valley Joint Unified District and includes the Surprise Valley High School as well the Surprise Valley Elementary and Middle School. The Surprise Valley High School enrolled less than forty students in School Year 2019-2020.<sup>9</sup> The Surprise Valley Elementary School serves grades K-7.<sup>10</sup>

Wired telephone service is provided by Frontier Communications. Cedarville Hospital, operated by the Surprise Valley Hospital District, is located on Main Street at Washington. Cedarville Airport is located along Surprise Valley Road 1.5 miles north of State Route 299.

Churches in Cedarville include the following:

Living Water Fellowship Baptist Church  
Church of Jesus Christ Rivers of Living Water  
Surprise Valley Community Church  
Church of Jesus Christ of Latter Day Saints  
Surprise Valley Seventh-day Adventist Church  
St. James Catholic Church

## **2.4 Cedarville Demographics**

Cedarville has a 2020 population of 606. Cedarville population has increased by 17.9% from the 2010 population of 514.

The median rental cost in recent years comes to \$659 per month, and the median house value is \$115,900. The median age in Cedarville is 45.3 years, 44.8 years for males, and 47.3 years for females.<sup>11</sup>

Median Household Income in Cedarville, CA in 2019:

Cedarville: \$31,541;  
State of California: \$80,440<sup>12</sup>

The “Disadvantaged Community” is considered to have an income below 80% of the State of California Median Household Income which would be \$64,352. Cedarville would also qualify as a “Severely Disadvantaged Community” with income below 60% of the California State Median Household Income (\$48,264).

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<sup>9</sup> [Surprise Valley JUSD - Surprise Valley High School \(svjUSD.org\)](https://www.svjusd.org/), July 7, 2021.

<sup>10</sup> [Surprise Valley JUSD - Surprise Valley Elementary \(svjUSD.org\)](https://www.svjusd.org/), July 7, 2021.

<sup>11</sup> [Cedarville, California Population 2021 \(Demographics, Maps, Graphs\) \(worldpopulationreview.com\)](https://worldpopulationreview.com/), November 8, 2021.

<sup>12</sup> [Cedarville, California \(CA\) income map, earnings map, and wages data \(city-data.com\)](https://city-data.com/), November 8, 2021.

**3 CEDARVILLE COUNTY WATER DISTRICT**

**3.1 Cedarville CWD History**

The Cedarville County Water District is authorized under California Water Code, Sections 30000 to 32732 (County Water District law). The Cedarville CWD is governed by a five-member appointed at large board.

In 1967 the Cedarville County Water District was formed to provide a water system for domestic and fire protection purposes and thereby alleviate well contamination problems resultant from interaction of wells and septic disposal systems on small lots.

The boundaries of the Cedarville CWD encompass the town of Cedarville. Since formation, LAFCO has approved three annexations to the District (1975, 1976, 2012) and disapproved a request to detach residential land lying south of Willows Street and east of Center. The one-half square mile-plus district area includes the hospital facilities and Modoc County Fairgrounds. The service area is completely within the District boundaries: lines were extended to the western part of town (annexed in 1976), which included about 64 acres of industrial and commercially zoned land. An additional 31.73 acres of land, Odgers Annexation, was annexed to the District in 2012.

A portion of the Rancheria including service connections is outside the District Boundary. There is a need to adjust the District boundary to incorporate the remainder of the Rancheria into the District so that the entire service area is within the district.

**3.2 Cedarville CWD Board of Directors**

The Cedarville County Water District Board of Directors was as follows on Dec 6, 2021:<sup>13</sup>

|            |                  |               |
|------------|------------------|---------------|
| President: | Roger Farschon,  | December 2022 |
| Secretary: | Rick Hironymous, |               |
| Member:    | Marlin Schaefer, | December 2024 |
| Member:    | John Bunyard,    | December 2024 |
| Member:    | Renae Sweet,     | December 2022 |

Bookkeeper for the District is Nicole Hinton.

Contact information for the District is as follows:

Cedarville County Water District, PO Box 285, Cedarville, CA 96104

Cedarville County Water District, Phone: 530-249-0244 or 530-279-2310

Email: ccwm@frontier.com<sup>14</sup>

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<sup>13</sup> Modoc County Clerk, Stephanie Wellemeier, Dec 6, 2021

<sup>14</sup> State of California, Division of Drinking Water, 364 Knollcrest Dr. Suite 101, Redding CA, 96002, Phone: 530-224-4800, Email: DWPRedding@waterboards.ca.gov

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The Board meetings are held on the second Monday of each month at 7:00 pm at the District Office, 898 High Street, Cedarville, CA.<sup>15</sup>

### **3.3 District Website Requirement**

Every California independent special district is required to maintain a website by January 1, 2020. Senate Bill 929 added Government Code sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the districts. The requirements for the District website are as follows:

- 1) Contact Information
- 2) Current Agenda
- 3) Financial Transaction Reports (as sent to State Comptroller)
- 4) Compensation Reports (as sent to State Comptroller)

The Cedarville County Water District does not have a website.

### **3.4 Cedarville CWD Water System**

The Cedarville CWD water system serves 265 connections and a population of 514. In Fiscal Year 20-21 the District applied for \$430,000 from the State of California, Drinking Water State Revolving Fund.<sup>16</sup> The District has two wells, one in use and one on stand-by.

The following description of the water system was provided by the District to the State of California:

*The water system consists of two wells, each capable of producing approximately 1,000 gallons per minute, Tank #1 being a 350,000 gallon storage tank and tank #2 being a 370,000 gallon storage tank, a series of water mains ranging from two to ten inches in diameter, and approximately 300 service connections ¾, 1, 1 ½, and 2 inches in diameter. All service connections are metered. There is no treatment infrastructure and water produced from the wells charges the water mains directly without independent piping from the wells to the tanks.<sup>17</sup>*

The following information explains the purpose of the Planning Grant Application:

*The water system infrastructure has been developed over a 45-year period, with the primary well, one storage tank (Tank #1) and most of the water mains installed in the mid-1970s. A backup well was added to the system in the 1980s. In the mid-1990s a second storage tank (Tank #2) and additional water mains were completed.*

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<sup>15</sup> Cedarville CWD, Roger Farschon, November 29, 2021.

<sup>16</sup> [www.waterboards.ca.gov](http://www.waterboards.ca.gov), SFY2020-21 DWSRF Comprehensive List, Page 2 of 20.

<sup>17</sup> Cedarville County Water District, "Certification for Compliance with Water Metering", State of California Financial Assistance Application, Attachment T5a, October 30, 2018.

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*Tank #1 and approximately 1,200 feet of water main are located on lands owned and managed by the Cedarville Rancheria (Rancheria), a federally recognized Native American tribe. In 2015, the District and the Rancheria agreed to transfer ownership of Tank #1 and associated water mains on the Rancheria to the Rancheria in 2021. Prior to that transfer, the District must develop the necessary infrastructure to replace the capacity provided by tank #1. The Board is also hoping to increase redundancy of the water supply by drilling a third well that would ultimately replace a 45-year-old well.<sup>18</sup>*

In addition the Cedarville CWD plans to consider the following projects:

- 1) *Evaluation and replacement of sub-standard or failing sections of water distribution mains.*
- 2) *Evaluation of existing pumps. The main pump went into service in 1974 and has been in almost continuous service since then. The secondary pump went into service in 1995. Both pumps need to be pulled for inspection and potential replacement with modern, high efficiency pumps.*
- 3) *Installation of measures to provide increased security of water tanks and wells. Neither pump sites nor tanks have adequate security fencing, or are monitored for potential trespass.<sup>19</sup>*
- 4) *The District purchased a 27 acre parcel that includes Tank #2 and the potential site for a 3rd tank. The District is considering splitting this parcel into several smaller parcels, retaining a five acre parcel where the current and potential tank are located, and selling the excess parcels, several of which could be used for future residences. Serving these parcels with water would also require a change to the District Boundary*

The Cedarville CWD is doing a good job to work with the State of California to secure funding to plan for and, in the future, construct the necessary improvements.

### **3.5 Cedarville CWD Water Quality**

The 2018 Water Quality Consumer Confidence Report for the Cedarville County Water District showed the following results:

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<sup>18</sup> Cedarville County Water District, PO box 285, Cedarville, CA 96104, Attachment T2.

<sup>19</sup> Cedarville County Water District, PO box 285, Cedarville, CA 96104, Attachment T4.

| <b>Cedarville County Water District<br/>           2018 Water Quality Consumer Confidence Report</b> |                    |                                    |   |                             |
|--|--------------------|------------------------------------|---|-----------------------------|
| <b>LEAD AND COPPER TESTING RESULTS</b>   |                    |                                    |   |                             |
| <b>Lead and Copper</b>   | <b>Year Tested</b> | <b>Number of Samples Collected</b> | <b>90<sup>th</sup> Percentile Result (ppb)*</b> | <b>Action Level (ppm)**</b> |
| Lead (ppb)   | 2017               | 5                                  | 1.8   | 15                          |
| Copper (ppm)   | 2017               | 5                                  | 52  | 1300 (MCL)                  |

\*ppb, parts per billion

\*\*ppm, parts per million



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| <b>Cedarville County Water District<br/>2018 Water Quality Consumer Confidence Report</b> |                      |             |                       |   |
|---|----------------------|-------------|-----------------------|---|
| <b>SODIUM AND HARDNESS RESULTS</b>  |                      |             |                       |   |
| <b>Chemical Detected</b>  | <b>Sample Source</b> | <b>Date</b> | <b>Level Detected</b> | <b>Typical Contaminant Source</b>   |
| Sodium (ppm)  | Well #1              | 2016        | 12                    | Salt present, generally naturally occurring   |
|   | Well #2              | 2016        | 9.4                   |   |
| Hardness (ppm)  | Well #1              | 2016        | 160                   | Sum of polyvalent cations present, generally magnesium and calcium; usually naturally occurring |
|   | Well #2              | 2016        | 130                   |   |

| <b>Cedarville County Water District<br/>2018 Water Quality Consumer Confidence Report<br/>898 High Street, Cedarville, CA 96104, Office 530-279-2310</b> |                       |             |                       |                    |                                     |
|--|-----------------------|-------------|-----------------------|--------------------|-------------------------------------|
| <b>CHEMICAL SAMPLING RESULTS SHOWING DETECTED CONTAMINANTS</b>   |                       |             |                       |                    |                                     |
| <b>Chemical Detected</b>   | <b>Sample Sources</b> | <b>Date</b> | <b>Level Detected</b> | <b>Federal MRL</b> | <b>Typical Contaminant Source</b>   |
| <i>Primary (Health) Standards</i>  |                       |             |                       |                    |                                     |
| Arsenic  | Well #1               | 2016        | 4.3                   | 10                 |                                     |
|  | Well #2               | 2016        | 4.1                   | 10                 |                                     |
| Nitrate  | Well #1               | 2017        | 2.3                   | 10                 | Runoff/leaching from fertilizer use |
|  | Well #2               | 2016        | 1.9                   | 10                 |                                     |
| Chromium   | Well #1               | 2016        | ND*                   | 100                | Erosion of natural deposits         |
|  | Well #2               | 2016        | ND*                   | 100                |                                     |
| <i>Secondary (aesthetic) Standards</i>   |                       |             |                       |                    |                                     |
| Chloride   | Well #1               | 2016        | 8.4                   | 10                 | Runoff/leaching from fertilizer use |
|  | Well #2               | 2016        | 4.0                   | 10                 |                                     |
| Sulfate  | Well #1               | 2016        | 13                    | 45                 |                                     |
|  | Well #2               | 2016        | 7.7                   | 45                 |                                     |
| Total Dissolved Solids   |                       | 2017        | 200                   | 1000 (MCL)         | Erosion of natural deposits         |

ND means Not Detectable.

The above tables show that the Water Quality for the Cedarville County Water District is adequate and meets or exceed State and Federal Standards.

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**3.6 Fee Schedule**

The Cedarville County Water District Board of Directors adopted the following fee schedule on May 10, 2021:

| <b>Cedarville County Water District Resolution May 10, 2021<br/>Cedarville County Water District Monthly Rates for Water Usage<br/>Effective July 1, 2021</b> |                  |  |
|---|------------------|--|
| <b>Meter Size</b>   | <b>Base Rate</b> | <b>Rate for usage above<br/>1,200 cubic feet</b> |
| ¾ inch  | \$32.50          | \$0.70   |
| 1 inch  | \$38.00          | \$0.70   |
| 1 ½ inch  | \$44.50          | \$0.70   |
| 2 inch  | \$57.50          | \$0.70   |

The Board of Directors will evaluate these rates yearly during the 2022 to 2030 period and these rates may be followed by one or two other rate increases of approximately 8 to 10% each to be implemented at two to three-year intervals.

**3.7 Budget**

The flowing information is supplied by the Cedarville County Water District as a monthly budget.

| <b>Cedarville County Water District Budget Average Monthly Expenses and Income</b> |                              |                               |
|--|------------------------------|-------------------------------|
|  | <b>2019-2021<br/>Average</b> | <b>2021-2022<br/>Estimate</b> |
| <b>Expenses</b>  |                              |                               |
| Contracts  |                              |                               |
| Normal Operations  | 1,340.00                     | 1,340.00                      |
| Extra Operations   | 236.36                       | 260.00                        |
| Business   | 1,000.00                     | 1,000.00                      |
| Business Support   |                              |                               |
| Accounting Services  | 720.91                       | 793.00                        |
| Office Supplies  | 122.73                       | 135.00                        |
| County Taxes   | 10.91                        | 12.00                         |
| Professional Services  | 188.18                       | 207.00                        |
| Miscellaneous  | 1,140.91                     | 1,255.00                      |
| Utilities  |                              |                               |
| Electricity  | 2,236.36                     | 2,460.00                      |
| Telephone  | 288.18                       | 317.00                        |
| Maintenance Support  |                              |                               |
| Supplies and Equipment   | 342.73                       | 377.00                        |
| External Maintenance   | 1,027.27                     | 1,130.00                      |
| Water Testing  | 65.45                        | 72.00                         |
| Loan Payment   | 2,510.91                     | 2,762.00                      |
| <b>Total Expenses</b>  | <b>11,230.91</b>             | <b>12,120.00</b>              |
| <b>Income Water Sales</b>  | <b>11,695.00</b>             | <b>13,449.25</b>              |
| <b>Monthly Net</b>   | <b>464.09</b>                | <b>1,329.25</b>               |

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Notes:

*Estimated expenses increased by 5% for current year over previous two year averages except for Normal Operations and Business contracts, which will remain constant this year.*

*Estimated water sales increased by 15% due to rate increase of approximately 17% that went into effect mid-2021.*

The following page shows a yearly budget for the Cedarville County Water District since most government agencies operate on a yearly budget.

The following table shows the yearly budget for the Cedarville County Water District because this is the most common form for district budgets.

| <b>Cedarville County Water District Annual Budget</b> |                   |                               |
|---|-------------------|-------------------------------|
|   | <b>2019-2021</b>  | <b>2021-2022<br/>Estimate</b> |
| <b>Expenses</b>                                       |                   |                               |
| Contracts   |                   |                               |
| Normal Operations                                     | 16,080.00         | 16,080.00                     |
| Extra Operations                                      | 2,836.32          | 3,120.00                      |
| Business  | 12,000.00         | 12,000.00                     |
| Business Support                                      |                   |                               |
| Accounting Services                                   | 8,650.92          | 9,516.00                      |
| Office Supplies                                       | 1,472.76          | 1,620.00                      |
| County Taxes  | 130.92            | 144.00                        |
| Professional Services                                 | 2,258.16          | 2,484.00                      |
| Miscellaneous   | 13,690.92         | 15,060.00                     |
| Utilities   |                   |                               |
| Electricity   | 26,836.32         | 29,520.00                     |
| Telephone   | 3,458.16          | 3,804.00                      |
| Maintenance Support                                   |                   |                               |
| Supplies and Equipment                                | 4,112.76          | 4,524.00                      |
| External Maintenance                                  | 12,327.24         | 13,560.00                     |
| Water Testing   | 785.40            | 864.00                        |
| Loan Payment  | 30,130.92         | 33,144.00                     |
| <b>Total Expenses</b>                                 | <b>134,770.92</b> | <b>145,440.00</b>             |
| <b>Income Water Sales</b>                             | <b>140,340.00</b> | <b>161,391.00</b>             |
| <b>Net</b>  | <b>5,569.08</b>   | <b>15,951.00</b>              |

### **3.8 Audit**

The June 30, 2020 Audit for the Cedarville County Water District is summarized in Appendix B at the end of this report. The Audit notes that the District has the following long-term debts:<sup>20</sup>

#### Davis-Grunsky Loans Payable

*The District received a loan in February 1972 to construct a domestic water development and distribution system from the State Department of Water Resources under the Davis Grunsky Act, Section 12880-12891-1 Water Code. The project was complete in 1973. The 50-year loan for \$265,789 is paid annually with the interest being paid semiannually at a rate of 2.5%. A reserve fund is required in an amount of not less than 1.2 times the amount of principal and interest due within one year. The outstanding balance still owing on the loan at June 30, 2020 is \$62,568 and matures in 2028.*

#### Davis-Grunsky Interest Loan

*During the construction of the water system, the District elected to defer payment of interest for four years under the provisions of the loan agreement. The deferred interest in the amount of \$32,106 is to be paid annually at \$630; with the final payment on 1/1/2028. The outstanding balance still owing on the loan at June 30, 2020 is \$5,035 and matures in 2028.*

#### Water Revenue Bonds Payable

*The District issued bonds in the amount of \$80,000 in March 1981 to pay for a new well. These bonds were purchased by Rural Development. Payments are due annually, plus interest at 5%. The outstanding balance still owing on these bonds at June 30, 2020 is \$5,000 and matures in 2021.*

#### Certificates of Participation

*The Certificates of Participation in the amount of \$360,300 were known as the 1996 Water System Improvement Project. Payments are due annually, plus 5% interest. The outstanding balance still owing on these Certificates of Participation at June 30, 2020 is \$236,000 and matures in 2037.*

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<sup>20</sup> Cedarville County Water District Audited Financial Statements, June 30, 2020, Prepared by Monica Derner CPA PC, 430 S. Main Street, Alturas CA 96101, 530-233-4984, April 29, 2021, Page 11.

**4 CEDARVILLE COUNTY WATER DISTRICT MUNICIPAL SERVICE REVIEW**

**4.1 Growth and Population Projections for the Cedarville County Water District Area<sup>21</sup>**

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

**4.1.1 Cedarville County Water District Area Population Projections**

Even though the County of Modoc population decreased from 9,682 in 2010 to 8,841 in 2019,<sup>22</sup> the population of Cedarville increased (from 514 to 606). This shows that there is increased interest and need for housing in an area where services and jobs are available.

**4.1.2 MSR Determinations on Growth and Population Projections for the Cedarville County Water District Area**

MSR 1-1) The Cedarville community is expected to increase in size as the provision of services is important to lenders and to residents seeking employment.

MSR 1-2) The District should consider annexing the Rancheria territory that is served with district water. This area is recommended to be included into the SOI

**4.2 Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to Cedarville County Water District<sup>23</sup>**

*Purpose: To comply with the State Law to examine any unincorporated areas which could be provided with better services by annexing to an adjacent city.*

**4.2.1 Determination of Cedarville County Water District Area Disadvantaged Unincorporated Community Status**

SB 244 defines disadvantaged unincorporated community as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.

SB 244 also requires LAFCOs to consider disadvantaged unincorporated communities when developing spheres of influence. Upon the next update of a sphere of influence on or after July 1, 2012, SB 244 requires LAFCo to include in an MSR (in preparation of a sphere of influence update):

- 1) *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere; and*

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<sup>21</sup> California Government Code Section 56430. (a) (1)

<sup>22</sup> [U.S. Census Bureau QuickFacts: Modoc County, California](#), November 21, 2021

<sup>23</sup> California Government Code Section 56430. (a) (2)

- 2) *The present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated community within or contiguous to the sphere of influence.*

Median Household Income in Cedarville, CA in 2019:

Cedarville: \$31,541;  
State of California: \$80,440<sup>24</sup>

The “Disadvantaged Community” is considered to have an income below 80% of the State of California Median Household Income which would be \$64,352. Cedarville would also qualify as a “Severely Disadvantaged Community” with income below 60% of the California State Median Household Income (\$48,264).

#### **4.2.2 MSR Determinations on Disadvantaged Unincorporated Communities near Cedarville County Water District**

- MSR 2-1) Cedarville is a Severely Disadvantaged Community with a Median Household Income of less than 60% of that for the State of California.

#### **4.3 Capacity and Infrastructure**

*Purpose: To evaluate the present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.*<sup>25</sup>

##### **4.3.1 Infrastructure**

The infrastructure for the Cedarville County Water District is described above in this report. The District is working with the State of California to assess needs for upgraded and additional infrastructure and to secure grants to improve the water system as needed.

##### **4.3.2 MSR Determinations on Infrastructure for Cedarville County Water District**

- MSR 3-1) The Cedarville County Water District has two wells, two water tanks, and distribution pipelines. Most of the facilities were installed many years ago and need upgrading and/or replacement.
- MSR 3-2) The District is working with the State of California to assess the needs of the District and then apply for funding to update and upgrade the water system.

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<sup>24</sup> [Cedarville, California \(CA\) income map, earnings map, and wages data \(city-data.com\)](#), November 8, 2021.

<sup>25</sup> California Government Code Section 56430. (a) (3)

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MSR 3-3) The District water meets all State and Federal Drinking Water Standards.

MSR 3-4) The District water connections are all metered.

**4.4 Financial Ability to Provide Services**<sup>26</sup>

*Purpose: To evaluate factors that affect the financing of needed improvements and to identify practices or opportunities that may help eliminate unnecessary costs without decreasing service levels.*

**4.4.1 Financial Considerations for Cedarville County Water District**

The Cedarville County Water District has a budget and an updated Fee Schedule and maintains financial records.

**4.4.2 MSR Determinations on Financing for Cedarville County Water District**

MSR 4-1) Cedarville County Water District has raised water rates and is applying for State funding to improve the water system.

**4.5 Status of and Opportunities for Shared Facilities**<sup>27</sup>

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

**4.5.1 Facilities**

The Cedarville County Water District has two water wells, two water storage tanks, and pipeline necessary to serve 300 customers. These facilities are located too far from other water systems to share facilities. The District will transfer one water tank to the Cedarville Rancheria since the tank and associated water mains are located on tribal property.<sup>28</sup>

**4.5.2 MSR Determinations on Shared Facilities for Cedarville County Water District**

MSR 5-1) The Cedarville County Water District is too far from other water systems to share facilities.

MSR 5-2) The Cedarville County Water District should work with the County of Modoc to share the website or have a page on the website to meet the State requirement for a district website.

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<sup>26</sup> California Government Code Section 56430. (a) (4)

<sup>27</sup> California Government Code Section 56430. (a) (5)

<sup>28</sup> Cedarville County Water District, Scope of Work: Cedarville Water District Infrastructure Improvements Planning Phase, Attachment T4.

**4.6 Accountability for Community Service Needs, Government Structure and Operational Efficiencies<sup>29</sup>**

*Purpose: To consider the advantages and disadvantages of various government structures that could provide public services, to evaluate the management capabilities of the organization and to evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.*

**4.6.1 Government Structure**

The Cedarville County Water District is governed by a five member Board of Directors. All work is done by contract employees. The Board of Directors has to supervise the contract employees and manage the District.

**4.6.2 MSR Determinations on Local Accountability and Governance**

- MSR 6-1) The Cedarville County Water District is fortunate to have a five member Board of Directors.
- MSR 6-2) The Board of Directors provides many hours of unpaid service to ensure operation of the water system, billing, and procurement of State Grants for the improvement of the water system.
- MSR 6-3) The District is required to have a website. The Board of Directors should explore options to cooperate with other districts and agencies to provide the State required website.

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<sup>29</sup> California Government Code Section 56430. (a) (6).



**5 CEDARVILLE COUNTY WATER DISTRICT SPHERE OF INFLUENCE  
UPDATE**

**5.1 Recommendation for Cedarville County Water District Sphere of Influence**

The recommendation for the Cedarville County Water District Sphere of Influence is that it be the same as the District boundary with the exception of 17 acres more or less, which should be added. The Sphere of Influence could be updated if the District plans to annex more land in the future after the water system improvements are made.

**5.2 Present and Planned Land Uses in the Cedarville County Water District Area, Including Agricultural and Open Space Lands**<sup>30</sup>

**5.2.1 Modoc County General Plan and Zoning for Cedarville County Water District SOI Area**

The Modoc County General Plan is described as follows:

*The Modoc County General Plan characterizes the county to include natural beauty, abundant wildfire, open space, clean air, and plentiful water (Modoc County 1988, as amended). These values are reflected in the large stretches of open space, public space, and agricultural lands that dominate much of the area rather than development and the built environment.*<sup>31</sup>

*The county allows for camping and RV use for up to 30 days a time and up to 90 days a year. County zoning does not allow for residing on the land full time in an RV or tiny home, unless you have a building permit. The county also permits growing cannabis for recreational or medicinal use after you build a home.*<sup>32</sup>

**5.2.2 SOI Determinations on Present and Planned Land Use for Cedarville County Water District Area**

SOI 1-1] Although the Modoc County General Plan emphasizes open space, agricultural and recreational land uses; it is important to have some residential and commercial lands available for the residents.

SOI 1-2] Residential and commercial land uses require a safe supply of drinking water.

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<sup>30</sup> California Government Code Section 56425 (e)(1)

<sup>31</sup> [Section 5-11 Land Use Zayo PEA.pdf \(ca.gov\)](#), November 27, 2021.

<sup>32</sup> [Modoc County land use - Bing](#), November 27, 2021.

**5.3 Present and Probable Need for Public Facilities and Services in the Cedarville County Water District Area**<sup>33</sup>

**5.3.1 Municipal Service Background**

The Cedarville County Water District serves an area of small lots. There is no sewer system so the public water system is essential to the development of these lots.

**5.3.2 SOI Determinations on Facilities and Services Present and Probable Need for Cedarville County Water District**

SOI 2-1] There is a need for the Cedarville County Water District and this need is expected to continue into the future.

**5.4 Present Capacity of Public Facilities Present and Adequacy of Public Services**<sup>34</sup>

**5.4.1 Capacity Background**

The Cedarville CWD water system is adequate to supply the needs of the community if the system can be upgraded as planned. The District is working with the State of California to secure grant funding to improve the District facilities as outlined in the needs study.

**5.4.2 SOI Determinations on Public Facilities Present and Future Capacity for District**

SOI 3-1] The Cedarville County Water District is working with the State of California to prepare plans for upgrading the water system facilities. These upgrades will be funded by grants and loans from the State of California.

**5.5 Social or Economic Communities of Interest for Cedarville County Water District**<sup>35</sup>

**5.5.1 Cedarville Community Background**

The Surprise Valley encompasses the portion of Modoc County lying east of the Warner Mountain ridgeline, encompassing approximately 756 square miles. Three essentially dry alkali lakes extend approximately 3/4 of the length of the valley floor. Most of the valley is over 4,000 feet above mean sea level and could be characterized as a high altitude desert valley. The Valley encompasses four towns: from north to south are Fort Bidwell, Lake City, Cedarville and Eagleville.

Surprise Valley offers a host of activities including hiking, fishing, birding, skiing, hunting, exploring petroglyphs, photography, pioneer history and some of the most breathtaking scenery in the County. There are numerous campsites, hotels, motels, a geothermal resort

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<sup>33</sup> California Government Code Section 56425 (e) (2)

<sup>34</sup> California Government Code Section 56425 (e) (3)

<sup>35</sup> California Government Code Section 56425 (e) (4)

and a couple of charming bed and breakfasts. The Cockrell Ranch appeals to larger groups and hunting parties and Winje's Farm provides a peaceful hideaway on the Lassen Applegate trail.

Cedarville is an agricultural community, the largest in Surprise Valley. The public schools, several churches and various businesses are located in Cedarville.

**5.5.2 SOI Determinations on Social or Economic Communities of Interest for Cedarville County Water District**

SOI 4-1] The Cedarville County Water District is the focus for Cedarville because there is no incorporated city or other government which includes only Cedarville.

**5.6 Disadvantaged Unincorporated Community Status**<sup>36</sup>

**5.6.1 Disadvantaged Unincorporated Communities**

Median Household Income in Cedarville, CA in 2019:

Cedarville: \$31,541;

State of California: \$80,440<sup>37</sup>

The “Disadvantaged Community” is considered to have an income below 80% of the State of California Median Household Income which would be \$64,352. Cedarville would also qualify as a “Severely Disadvantaged Community” with income below 60% of the California State Median Household Income (\$48,264).

**5.6.2 Cedarville County Water District Disadvantaged Unincorporated Community Status**

SOI 5-1] Cedarville is a Severely Disadvantaged Community with a Median Household Income of less than 60% of that for the State of California.

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<sup>36</sup> California Government Code Section 56425 (e)(5)

<sup>37</sup> [Cedarville, California \(CA\) income map, earnings map, and wages data \(city-data.com\)](#), November 8, 2021.

## **APPENDIX A LOCAL GOVERNEMENT FUNDING ISSUES**

### **1 Municipal Financial Constraints**

Municipal service providers are constrained in their capacity to finance services by the inability to increase property taxes, requirements for voter approval for new or increased taxes, and requirements of voter approval for parcel taxes and assessments used to finance services. Municipalities must obtain majority voter approval to increase or impose new general taxes and two-thirds voter approval for special taxes.

Limitations on property tax rates and increases in taxable property values are financing constraints. Property tax revenues are subject to a formulaic allocation and are vulnerable to State budget needs. Agencies formed since the adoption of Proposition 13 in 1978 often lack adequate financing.

#### **1.1 California Local Government Finance Background**

The financial ability of the cities and special districts to provide services is affected by financial constraints. City service providers rely on a variety of revenue sources to fund city operating costs as follows:

- Property Taxes
- Benefit Assessments
- Special Taxes
- Proposition 172 Funds
- Other contributions from city or district general funds.

As a funding source, property taxes are constrained by statewide initiatives that have been passed by voters over the years and special legislation. Seven of these measures are explained below:

##### **A. Proposition 13**

Proposition 13 (which California voters approved in 1978) has the following three impacts:

- Limits the ad valorem property tax rate
- Limits growth of the assessed value of property
- Requires voter approval of certain local taxes.

Generally, this measure fixes the ad valorem tax at one percent of value; except for taxes to repay certain voter approved bonded indebtedness. In response to the adoption of Proposition 13, the Legislature enacted Assembly Bill 8 (AB 8) in 1979 to establish property tax allocation formulas.

##### **B. AB 8**

Generally, AB 8 allocates property tax revenue to the local agencies within each tax rate area based on the proportion each agency received during the three fiscal years preceding adoption of Proposition 13. This allocation formula benefits local agencies, which had relatively high tax rates at the time Proposition 13 was enacted.

##### **C. Proposition 98**

Proposition 98, which California voters approved in 1988, requires the State to maintain a minimum level of school funding. In 1992 and 1993, the Legislature began shifting

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billions of local property taxes to schools in response to State budget deficits. Local property taxes were diverted from local governments into the Educational Revenue Augmentation Fund (ERAF) and transferred to school districts and community college districts to reduce the amount paid by the State general fund.

Local agencies throughout the State lost significant property tax revenue due to this shift. Proposition 172 was enacted to help offset property tax revenue losses of cities and counties that were shifted to the ERAF for schools in 1992.

**D. Proposition 172**

Proposition 172, enacted in 1993, provides the revenue of a half-cent sales tax to counties and cities for public safety purposes, including police, fire, district attorneys, corrections and lifeguards. Proposition 172 also requires cities and counties to continue providing public safety funding at or above the amount provided in FY 92-93.

**E. Proposition 218**

Proposition 218, which California voters approved in 1996, requires voter- or property owner-approval of increased local taxes, assessments, and property-related fees. A two-thirds affirmative vote is required to impose a Special Tax, for example, a tax for a specific purpose such as a fire district special tax.

However, majority voter approval is required for imposing or increasing general taxes such as business license or utility taxes, which can be used for any governmental purpose. These requirements do not apply to user fees, development impact fees and Mello-Roos districts.

**F. Mello-Roos Community Facilities Act**

The Mello-Roos Community Facilities Act of 1982 allows any county, city, special district, school district or joint powers authority to establish a Mello-Roos Community Facilities District (a "CFD") which allows for financing of public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt.

A CFD is created by a sponsoring local government agency. The proposed district will include all properties that will benefit from the improvements to be constructed or the services to be provided. A CFD cannot be formed without a two-thirds majority vote of residents living within the proposed boundaries. Or, if there are fewer than 12 residents, the vote is instead conducted of current landowners.

In many cases, that may be a single owner or developer. Once approved, a Special Tax Lien is placed against each property in the CFD. Property owners then pay a Special Tax each year.

If the project cost is high, municipal bonds will be sold by the CFD to provide the large amount of money initially needed to build the improvements or fund the services. The Special Tax cannot be directly based on the value of the property. Special Taxes instead are based on mathematical formulas that take into account property characteristics such

as use of the property, square footage of the structure and lot size. The formula is defined at the time of formation, and will include a maximum special tax amount and a percentage maximum annual increase.

If bonds were issued by the CFD, special taxes will be charged annually until the bonds are paid off in full. Often, after bonds are paid off, a CFD will continue to charge a reduced fee to maintain the improvements.

### **G. Development Impact Fees**

A county, cities, special districts, school districts, and private utilities may impose development impact fees on new construction for purposes of defraying the cost of putting in place public infrastructure and services to support new development.

To impose development impact fees, a jurisdiction must justify the fees as an offset to the impact of future development on facilities. This usually requires a special financial study. The fees must be committed within five years to the projects for which they were collected, and the district, city or county must keep separate funds for each development impact fee.

#### **1.2 Financing Opportunities that Require Voter Approval**

Financing opportunities that require voter approval include the following five taxes:

1. Special taxes such as parcel taxes
2. Increases in general taxes such as utility taxes
3. Sales and use taxes
4. Business license taxes
5. Transient occupancy taxes

Communities may elect to form business improvement districts to finance supplemental services, or Mello-Roos districts to finance development-related infrastructure extension. Agencies may finance facilities with voter-approved (general obligation) bonded indebtedness.

#### **1.3 Financing Opportunities that Do Not Require Voter Approval**

Financing opportunities that do not require voter approval include imposition of or increases in fees to more fully recover the costs of providing services, including user fees and Development Impact Fees to recover the actual cost of services provided and infrastructure.

Development Impact Fees and user fees must be based on reasonable costs, and may be imposed and increased without voter approval. Development Impact Fees may not be used to subsidize operating costs. Agencies may also finance many types of facility improvements through bond instruments that do not require voter approval.

Water rates and rate structures are not subject to regulation by other agencies. Utility providers may increase rates annually, and often do so. Generally, there is no voter approval requirement for rate increases, although notification of utility users is required. Water providers must maintain an enterprise fund for the respective utility separate from other funds, and may not use revenues to finance unrelated governmental activities.

## **2 Public Management Standards**

While public sector management standards do vary depending on the size and scope of an organization, there are minimum standards. Well-managed organizations do the following eight activities:

1. Evaluate employees annually.
2. Prepare a budget before the beginning of the fiscal year.
3. Conduct periodic financial audits to safeguard the public trust.
4. Maintain current financial records.
5. Periodically evaluate rates and fees.
6. Plan and budget for capital replacement needs.
7. Conduct advance planning for future growth.
8. Make best efforts to meet regulatory requirements.

Most of the professionally managed and staffed agencies implement many of these best management practices. LAFCo encourages all local agencies to conduct timely financial record-keeping for each city function and make financial information available to the public.

## **3 Public Participation in Government**

The Brown Act (California Government Code Section 54950 et seq.) is intended to insure that public boards shall take their actions openly and that deliberations shall be conducted openly.

The Brown Act establishes requirements for the following:

- Open meetings
- Agendas that describe the business to be conducted at the meeting
- Notice for meetings
- Meaningful opportunity for the public to comment

Few exceptions for meeting in closed sessions and reports of items discussed in closed sessions.

According to California Government Section 54959:

*Each member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this chapter, is guilty of a misdemeanor.*

Section 54960 states the following:

*(a) The district attorney or any interested person may commence an action by mandamus, injunction or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter by members of the legislative body of a local agency or to determine the applicability of this chapter to actions or threatened future action of the legislative body*

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**APPENDIX B AUDIT**

| <b>CEDARVILLE COUNTY WATER DISTRICT STATEMENT OF NET POSITION<br/>JUNE 30, 2020<sup>38</sup></b> |                    |
|--|--------------------|
| <b>Assets</b>  |                    |
| Current Assets:  |                    |
| Cash in banks, unrestricted  | \$71,002           |
| Accounts receivable, net of allowance for doubtful accounts                                      | 18,042             |
| Supply inventory   | 6000               |
| Prepaid expenses   | 3,405              |
| Total current assets   | 33,784             |
| Cash in banks, restricted*   | 33,784             |
| Capital assets, net of accumulated depreciation  | 60,692             |
| <b>Total assets</b>  | <b>\$192,925</b>   |
| <b>Liabilities</b>   |                    |
| Current Liabilities:   |                    |
| Accounts payable   | \$8,831            |
| Current portion of long term debt  | 21,792             |
| Total current liabilities  | 30,623             |
| Long-Term Portion of Notes and Bonds Payable   | 286,811            |
| <b>Total Liabilities</b>   | <b>\$317,434</b>   |
| <b>Net Position</b>  |                    |
| Net investment (deficit) in capital assets**   | \$(247,911)        |
| Restricted for debt service***   | 33,784             |
| Unrestricted****   | 89,618             |
| <b>Total Net Position</b>  | <b>\$(124,509)</b> |

*\*Restricted Cash means that certain resources are set aside for repayment and classified as restricted assets on the balance sheet because its use is limited by applicable loan covenants and are maintained in separate bank accounts. <sup>39</sup>*

*\*\*Net Investment in Capital Assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of debt borrowings that are attributable to the acquisition, construction, or improvement, of those assets. The (deficit) in Net Investment in Capital Assets is due to assets being depreciated over a shorter period than debt payments.*

*\*\*\*Restricted Net Assets consist of net assets with restrictions placed on their use either by external groups such as contributors, grantors or regulation of other governments, or law through constitutional provisions or enabling legislation*

*\*\*\*\*Unrestricted Net Assets consists of all other net assets that do not meet the definition of "restricted" or "net investment in capital assets."<sup>40</sup>*

<sup>38</sup> Cedarville County Water District Audited Financial Statements, June 30, 2020, Prepared by Monica Derner CPA PC, 430 S. Main Street, Alturas CA 96101, 530-233-4984, April 29, 2021, Page 3.

<sup>39</sup> Cedarville County Water District Audited Financial Statements, June 30, 2020, Prepared by Monica Derner CPA PC, 430 S. Main Street, Alturas CA 96101, 530-233-4984, April 29, 2021, Page 8.

<sup>40</sup> Cedarville County Water District Audited Financial Statements, June 30, 2020, Prepared by Monica Derner CPA PC, 430 S. Main Street, Alturas CA 96101, 530-233-4984, April 29, 2021, Page 7.



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| <b>CEDARVILLE COUNTY WATER DISTRICT STATEMENT OF REVENUES,<br/>EXPENSES AND CHANGES IN NET POSITION JUNE 30, 2020<sup>41</sup></b> |                |
|--|----------------|
| <b>Operating Revenues</b>  |                |
| Utility Sales  | \$117,777      |
| <b>Expenses</b>  |                |
| Contract labor*  | 14,437         |
| Depreciation   | 37,321         |
| Insurance  | 4,530          |
| Office   | 2,112          |
| Other operating expenses   | 1,782          |
| Professional services  | 12,796         |
| Provision for bad debts  | 7,311          |
| Pumping costs  | 29,609         |
| Repairs and maintenance  | 7,895          |
| Taxes and licenses   | 2,317          |
| Telephone  | 2,168          |
| Travel   | 880            |
| Total Operating Expenses   | 123,158        |
| <b>Operating Income (Loss)</b>   | <b>(5,381)</b> |
| <b>Non-Operating Revenues and (Expenses):</b>  |                |
| Interest income  | 207            |
| Miscellaneous revenue  | 190            |
| Property taxes**   | 4,951          |
| Interest expense   | (14,989)       |
| Total non-operating revenues and (expenses)  | (9,641)        |
| Income (loss) before capital contributions   | (15,022)       |
| Capital contributions  | 30,000         |
| <b>Change in Net Position</b>  | <b>14,978</b>  |
| Net position, beginning of year  | (139,487)      |
| Net position, end of year  | (124,509)      |

*\*Use of Contract Labor: The District has taken the position that public employers are exempt for bona fide business to business contracting relationships under the guidelines of California AB-2257, Worker Classification: employees and independent contractors, occupations, professional services. Accordingly, the District uses contract labor to carry out its daily operations and has no employees.*<sup>42</sup>

*\*\*Modoc County assesses, bills, and collects tax allocations for the District. The assessment is based on a pro-rata share of collected taxes. Taxes are due November 1 and February 1 (secured, and July 1 (unsecured) and are delinquent if not paid by December 10 and April 10 (secured) and August 31 (unsecured).*<sup>43</sup>

<sup>41</sup> Cedarville County Water District Audited Financial Statements, June 30, 2020, Prepared by Monica Derner CPA PC, 430 S. Main Street, Alturas CA 96101, 530-233-4984, April 29, 2021, Page 4.

<sup>42</sup> Cedarville County Water District Audited Financial Statements, June 30, 2020, Prepared by Monica Derner CPA PC, 430 S. Main Street, Alturas CA 96101, 530-233-4984, April 29, 2021, Page 7.

<sup>43</sup> Cedarville County Water District Audited Financial Statements, June 30, 2020, Prepared by Monica Derner CPA PC, 430 S. Main Street, Alturas CA 96101, 530-233-4984, April 29, 2021, Page 8.

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| <b>CEDARVILLE COUNTY WATER DISTRICT STATEMENT OF CASH FLOWS</b>                       |                  |
|---|------------------|
| <b>JUNE 30, 2020<sup>44</sup></b>   |                  |
| <b>Cash Flows from Operating Activities</b>   |                  |
| Cash received from customers  | \$121,727        |
| Cash payments to suppliers for goods and services                                     | (96,793)         |
| Net cash provided by operating activities   | 24,934           |
| <b>Cash Flows from Non-Capital Financing Activities</b>                               |                  |
| Property taxes  | 4,951            |
| Other income  | 190              |
| Net cash provided by non-capital financing activities                                 | 5,141            |
| <b>Cash Flows from Capital and Related Financing Activities*</b>                      |                  |
| Principal paid on capital debt  | (20,617)         |
| Interest paid   | (14,989)         |
| Net cash (uses) by capital financing activities                                       | (35,606)         |
| <b>Cash Flows from Investing Activities</b>   |                  |
| Interest Income   | 207              |
| Net cash provided by investing activities   | 207              |
| Net increase (decrease) in cash and cash equivalents                                  | (5,324)          |
| Balance, beginning of year  | 110,110          |
| <b>Balance, end of year</b>   | <b>\$104,786</b> |
| <b>Reconciliation of Operating Income to Net Cash Flows from Operating Activities</b> |                  |
| Operating Income  | \$(5,381)        |
| Depreciation  | 37,321           |
| Change in accounts receivable   | 3,950            |
| Change in supplies on hand  | (500)            |
| Change in prepaid expenses  | (135)            |
| Change in accounts payable  | (10,321)         |
| Net cash provided by operating activities   | \$24,934         |
| <b>Supplemental Information</b>   |                  |
| Unrestricted Cash   | \$71,002         |
| Restricted Cash   | 33,784           |
|   | \$104,786        |
| Donated Capital Asset: generator  | 30,000           |

*\*Annual principal and interest payments on revenue bonds and other debt obligations are expected to be less than 30 percent of annual net utility revenues. Principal and interest paid during the year ended June 30, 2020 totaled \$34,935. Total net utility revenues for the year were \$117,777. No interest was capitalized during the year ended 2020. Interest incurred and charged to expense totaled \$14,989.<sup>45</sup>*

<sup>44</sup> Cedarville County Water District Audited Financial Statements, June 30, 2020, Prepared by Monica Derner CPA PC, 430 S. Main Street, Alturas CA 96101, 530-233-4984, April 29, 2021, Page 5.

<sup>45</sup> Cedarville County Water District Audited Financial Statements, June 30, 2020, Prepared by Monica Derner CPA PC, 430 S. Main Street, Alturas CA 96101, 530-233-4984, April 29, 2021, Page 11.

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**ABBREVIATIONS**

|          |  |
|----------|--|
| AB       | Assembly Bill  |
| ACH      | Aluminum Chloride Hydroxide  |
| AC pipe  | Asbestos-cement pipe   |
| ACWA     | Association of California Water Agencies                           |
| AF       | Acre-feet  |
| AFA      | Acre-feet per annum  |
| AWWA     | American Water Works Association                                   |
| BLM      | Bureau of Land Management (US)                                     |
| CEQA     | California Environmental Quality Act                               |
| CFD      | Community Facilities District                                      |
| CIF      | Capital Improvement Fee  |
| CIP      | Capital Improvement Program  |
| CKH Act  | Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 |
| County   | Modoc County   |
| CQA Plan | Construction Quality Assurance Plan                                |
| CSA      | County Service Area  |
| CSD      | Community Services District  |
| DUC      | Disadvantaged Unincorporated Community                             |
| EDU      | Equivalent Dwelling Unit   |
| EIR      | Environmental Impact Report  |
| ERAF     | Educational Revenue Augmentation Fund                              |
| FD       | Fire Department  |
| FY       | Fiscal Year  |
| GAC      | Granular Activated Carbon  |
| GASB     | Government Accounting Standards Board                              |
| GPM      | gallons per minute   |

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|       |  |
|-------|--|
| IRWM  | Integrated Regional Water Management Grant Program |
| LAFCo | Local Agency Formation Commission                  |
| LAIF  | Local Agency Investment Fund (State of California) |
| LAMP  | Local Agency Management Program (water quality)    |
| MCL   | Maximum Contaminant Level                          |
| MCLG  | Maximum Contaminant Level Goal                     |
| MG    | Million Gallons                                    |
| MGD   | million gallons per day                            |
| MRDL  | Maximum Residual Disinfectant Level                |
| MRDLG | Maximum Residual Disinfectant Level Goal           |
| MSR   | Municipal Service Review (LAFCo)                   |
| ND    | not detectable at testing limit                    |
| O&M   | Operations and Maintenance                         |
| OPR   | Office of Planning and Research (California)       |
| OWTS  | Onsite Wastewater Treatment System (septic tank)   |
| PDWS  | Primary Drinking Water Standards                   |
| PG&E  | Pacific Gas and Electric Company                   |
| PHG   | Public Health Goal                                 |
| ppb   | parts per billion                                  |
| ppm   | parts per million                                  |
| PVC   | poly-vinyl-chloride (pipe material)                |
| RCAC  | Rural Community Assistance Corporation             |
| RV    | Recreational Vehicle                               |
| SB    | Senate Bill  |
| SCADA | Supervisory Control and Data Acquisition           |
| SDWS  | Secondary Drinking Water Standards                 |
| SFD   | Single Family Dwelling                             |
| SOI   | Sphere of Influence (LAFCo)                        |

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|       |   |
|-------|---|
| SR    | State Route                             |
| STEP  | Septic Tank Effluent Pump               |
| SWRCB | State Water Resources Control Board     |
| T&D   | Treatment and Distribution              |
| TT    | Treatment Technique                     |
| USDA  | United States Department of Agriculture |
| WTP   | Water Treatment Plant                   |

**DEFINITIONS**

**Acre Foot (AF):** The volume of water that will cover one acre to a depth of one foot, 325,850 U.S. Gallons or 1,233,342 liters (approximately).

**Agriculture:** Use of land for the production of food and fiber, including the growing of crops and/or the grazing of animals on natural prime or improved pastureland.

**Aquifer:** An underground, water-bearing layer of earth, porous rock, sand, or gravel, through which water can seep or be held in natural storage. Aquifers generally hold sufficient water to be used as a water supply.

**Available Supply:** the quantity of groundwater, which can be withdrawn annually from a groundwater basin without exceeding safe yield of the basin.

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

**Board of Supervisors:** the legislative body or governing board of a county.

**California Environmental Quality Act (CEQA):** A State Law requiring State and local agencies to regulate activities with consideration for environmental protection. If a proposed activity has the potential for a significant adverse environmental impact, an environmental impact report (EIR) must be prepared and certified as to its adequacy before taking action on the proposed project.

**Capital Improvement Plan (CIP):** is a short-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan. Essentially, the plan provides a link between a municipality, school district, parks and recreation department and/or other local government entity and a comprehensive and strategic plans and the entity's annual budget.

**Census-Designated Place (CDP):** a concentration of population identified by the United States Census Bureau for statistical purposes. CDPs are delineated for each decennial census as the statistical counterparts of incorporated places such as cities, towns, and villages. CDPs are populated areas that lack separate municipal government, but which otherwise physically resemble incorporated places. CDPs are delineated solely to provide data for settled concentrations of population that are identifiable by name but are not legally incorporated under the laws of the state in which they are located. They include small rural communities, colonias located along the U.S. border with Mexico, and unincorporated resort and retirement communities. The boundaries of a CDP have no legal status. Thus, they may not always correspond with the local understanding of the area or community with the same name. However, criteria established for the 2010 Census require that a CDP name "be one that is recognized and used in daily communication by the residents of the community" (not "a name developed solely for planning or other purposes") and recommend that a CDP's boundaries be mapped based on the geographic extent associated with residents' use of the place name.

**Certified Public Accountant (CPA):** the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA.

**Community Facilities District:** Under the Mello-Roos Community Facilities Act of 1982 (Section 53311, et seq.) a legislative body may create within its jurisdiction a special tax district that can finance tax-exempt bonds for the planning, design, acquisition, construction, and/or operation of public facilities, as well as public services for district residents. Special taxes levied solely within the district are used to repay the bonds.

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**Environmental Impact Report (EIR):** A report required pursuant to the California Environmental Quality Act that assesses all the environmental characteristics of an area, determines what effects or impact will result if the area is altered or disturbed by a proposed action, and identifies alternatives or other measures to avoid or reduce those impacts. (See California Environmental Quality Act.)

**Infrastructure:** Public services and facilities such as sewage-disposal systems, water-supply systems, and other utility systems, schools and roads.

**Inhabited territory:** Inhabited territory means territory within which there reside 12 or more registered voters. The number of registered voters as determined by the elections officer, shall be established as of the date a certificate of filing is issued by the executive officer. All other territory shall be deemed "uninhabited."<sup>46</sup>

**IRWM:** The Integrated Regional Water Management (IRWM) Grant Program is a competitive grant program first created under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) with continuing funding provided by the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coast Protection Bond Act of 2006 (Proposition 84). Complementary funding was also provided by the Disaster Preparedness and Flood Prevention Bond Act or 2006 (Proposition 1E) for Storm water Flood Management Grant Program.

The program is administered by the Department of Water Resources to award funds to local public agencies and non-profit organizations, for projects and programs to improve water supply reliability and improve and protect water quality. Such projects and programs must be consistent with an adopted IRWM Plan.<sup>47</sup>

**Land Use Classification:** A system for classifying and designating the appropriate use of properties.

**Leapfrog Development:** New development separated from existing development by substantial vacant land.

**Local Agency Formation Commission (LAFCo):** A five-or seven-member commission within each county that reviews and evaluates all proposals for formation of special districts, incorporation of cities, annexation to special districts or cities, consolidation of districts, and merger of districts with cities. Each county's LAFCo is empowered to approve, disapprove, or conditionally approve such proposals. The LAFCo members generally include two county supervisors, two city council members, and one member representing the general public. Some LAFCOs include two representatives of special districts.

**Maximum Contaminant Level (MCL):** The designation given by the U.S. Environmental Protection Agency (USEPA) to water-quality standards promulgated under the Safe Drinking Water Act. The MCL is the greatest amount of a contaminant that can be present in drinking water without causing a risk to human health.<sup>48</sup>

**Maximum Contaminant Level Goal (MCLG):** the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency (USEPA).

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<sup>46</sup> California Government Code Section 56046

<sup>47</sup> State of California,

<http://bondaccountability.resources.ca.gov/Program.aspx?ProgramPK=14&Program=Integrated%20Regional%20Water%20Management&PropositionPK=4>, May 30, 2018.

<sup>48</sup> <http://ga.water.usgs.gov/edu/dictionary.html>

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**Maximum Residual Disinfectant Level (MRDL):** The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

**Maximum Residential Disinfectant Level Goal (MRDLG):** The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

**Per Capita Water Use:** The water produced by or introduced into the system of a water supplier divided by the total residential population; normally expressed in gallons per capita per day (gpcd).

**Percolation:** The downward movement of water through the soil or alluvium to a ground water table.

**pH:** a measure of the relative acidity or alkalinity of water. Water with a pH of 7 is neutral; lower pH levels indicate increasing acidity, while pH levels higher than 7 indicate increasingly basic solutions.<sup>49</sup>

**Potable Water:** Water of a quality suitable for drinking.<sup>50</sup>

**pound-force per square inch gauge (Psig):** a unit of pressure relative to the surrounding atmosphere.<sup>51</sup>

**Proposition 13:** (Article XIII A of the California Constitution) Passed in 1978, this proposition enacted sweeping changes to the California property tax system. Under Prop. 13, property taxes cannot exceed 1% of the value of the property and assessed valuations cannot increase by more than 2% per year. Property is subject to reassessment when there is a transfer of ownership or improvements are made.<sup>52</sup>

**Proposition 218:** (Article XIII D of the California Constitution) This proposition, named "The Right to Vote on Taxes Act", filled some of the perceived loopholes of Proposition 13. Under Proposition 218, assessments may only increase with a two-thirds majority vote of the qualified voters within the District. In addition to the two-thirds voter approval requirement, Proposition 218 states that effective July 1, 1997, any assessments levied may not be more than the costs necessary to provide the service, proceeds may not be used for any other purpose other than providing the services intended, and assessments may only be levied for services that are immediately available to property owners.<sup>53</sup>

**Public Health Goal (PHG):** The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

**Ranchette:** A single dwelling unit occupied by a non-farming household on a parcel of 2.5 to 20 acres that has been subdivided from agricultural land.

**Recharge:** flow to groundwater storage from precipitation, infiltration from streams, irrigation, spreading basins and other sources of water.

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<sup>49</sup> <http://ga.water.usgs.gov/edu/dictionary.html#P>, November 29, 2011.

<sup>50</sup> <http://ga.water.usgs.gov/edu/dictionary.html>

<sup>51</sup> <http://www.convertunits.com/info/psig>, March 27, 2012

<sup>52</sup> [http://www.californiataxdata.com/A\\_Free\\_Resources/glossary\\_PS.asp#ps\\_08](http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08)

<sup>53</sup> [http://www.californiataxdata.com/A\\_Free\\_Resources/glossary\\_PS.asp#ps\\_08](http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08)



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**Regulatory Action Level (AL):** The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

**Sanitary Sewer:** A system of subterranean conduits that carries refuse liquids or waste matter to a plant where the sewage is treated, as contrasted with storm drainage systems (that carry surface water) and septic tanks or leech fields (that hold refuse liquids and waste matter on-site).

**Secondary Drinking Water Standards (SDWS):** MCLs for contaminants that affect taste, odor, or appearance of the drinking water. Contaminants with SDWSs do not affect the health at the MCL levels.

**Sphere of Influence (SOI):** The probable physical boundaries and service area of a local agency, as determined by the Local Agency Formation Commission (LAFCo) of the county.

**Treatment Technique (TT):** A required process intended to reduce the level of a contaminant in drinking water.

**Urban:** Of, relating to, characteristic of, or constituting a city. Urban areas are generally characterized by moderate and higher density residential development (i.e., three or more dwelling units per acre), commercial development, and industrial development, and the availability of public services required for that development, specifically central water and sewer service, an extensive road network, public transit, and other such services (e.g., safety and emergency response). Development not providing such services may be “non-urban” or “rural”. CEQA defines “urbanized area” as an area that has a population density of at least 1,000 persons per square mile (Public Resources Code Section 21080.14(b)).

**Urban Services:** Utilities (such as water, gas, electricity, and sewer) and public services (such as police, fire protection, schools, parks, and recreation) provided to an urbanized or urbanizing area.

**Variations and Exemptions:** Department permission to exceed an MCL or not comply with a treatment technique under certain conditions.

**Zoning:** The division of a city by legislative regulations into areas, or zones, that specify allowable uses for real property and size restrictions for buildings within these areas; a program that implements policies of the general plan.

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**MODOC LOCAL AGENCY FORMATION COMMISSION  
CEDARVILLE COUNTY WATER DISTRICT**

