

FINAL

MUTUAL WATER COMPANIES IN MENDOCINO COUNTY

Prepared in Accordance with Assembly Bill 54

MENDOCINO LAFCO

200 South School Street
Ukiah, California 95482

<http://www.mendolafco.org/>

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1 INTRODUCTION

1.1 LOCAL AGENCY FORMATION COMMISSIONS

Local Agency Formation Commissions (LAFCo) are quasi-legislative, independent local agencies that were established by State legislation in 1963 to oversee the logical and orderly formation and development of local government agencies including cities and special districts. There is one LAFCo for each county in California.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (California Government Code Section 56000 et. seq.) in order to promote orderly growth, prevent urban sprawl, preserve agricultural and open space lands, and oversee efficient provision of municipal services.

LAFCo has the authority to establish and reorganize cities and special districts, change their boundaries and authorized services, allow the extension of public services, perform municipal service reviews, and establish spheres of influence. Some of LAFCo's duties include regulating boundary changes through annexations or detachments and forming, consolidating, or dissolving local agencies.

1.1.1 REGULATORY RESPONSIBILITIES

LAFCo's principal regulatory responsibility includes approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities and special districts within their jurisdictions. LAFCos are also provided broad discretion to condition jurisdictional changes as long as they do not directly regulate land use, property development, or subdivision requirements. LAFCos generally exercise their regulatory authority in response to applications submitted by local agencies, landowners, or registered voters. Recent amendments to CKH, however, now empower and encourage LAFCos to initiate on their own jurisdictional changes to form, merge, and dissolve special districts consistent with current and future community needs.

1.1.2 PLANNING RESPONSIBILITIES

LAFCos inform their prescribed regulatory actions through two central and interrelated planning responsibilities: (a) making sphere of influence (SOI) determinations and (b) preparing municipal service reviews (MSR). An MSR is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area, and is prepared to inform SOI determinations. An SOI is "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission" (GC §56076). SOI Updates include written statements or determinations with respect to each of the five mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of establishing or modifying a service provider's SOI or probable future boundary.

1.1.3 STUDY RESPONSIBILITIES

The Legislature has directed LAFCo since its inception to prepare and make available studies contributing towards the appropriate development of local agencies and their municipal services to advantageously address the present and future needs of local communities. LAFCos are afforded broad discretion in exercising their study responsibilities with occasional direction by the Legislature to condition certain topics of statewide interest. Standing examples of this latter direction have included evaluating

governance alternatives, review the need for municipal services in unincorporated areas, identifying and protecting prime agricultural lands, and the relationship between local growth management and environmental justice. More recently, the Legislature has assigned increasing responsibilities to LAFCoS to consider the role and provision of private water services within their respective counties as it relates to supporting growth and development.

1.2 ASSEMBLY BILL 54 - MUTUAL WATER COMPANIES

With the preceding context in mind, the Legislature enacted a series of amendments to various statutes, CKH included, to establish formal reporting relationships between LAFCoS and mutual water companies; the latter representing entities formed as general or non-profit corporations that provide domestic water service only to owners of its shares and appurtenant to specified lands. This legislation was enacted by AB 54 for the explicit purpose of improving mutual water companies' accountability to the public and requires these entities to file maps of their service areas with LAFCoS by December 31, 2012. The legislation also requires mutual water companies to provide service information to LAFCoS as requested, along with board members completing mandatory training.

1.2.1 MUTUAL WATER COMPANIES IN MENDOCINO COUNTY

In accordance with meeting the legislative intent of AB 54, this report identifies and provides basic background information concerning existing mutual water companies operating in Mendocino County. Staff has incorporated the expanded definition for mutual water companies provided under the legislation in identifying and contacting each entity for purposes of establishing formal lines of communication going forward. The following summarizes some statistics for mutual water companies within the County:

- There are 17 mutual water companies currently operating in Mendocino County that provide domestic water service. Additionally, there are numerous small, private water companies that do not meet the defining criteria for inclusion in this report.
- The majority of local mutual water companies were formed in the 1960s.
- The oldest local mutual water company currently operating is Dos Rios Mutual Water Company, formed in 1913.
- The newest local mutual water company currently operating is Point Arena Water Works, Inc., formed in 1990.
- All except one mutual water company (Point Arena Water Works, Inc.) are located in the unincorporated area.
- Local mutual water companies are dependent on surface and groundwater sources for their supply.
- The largest local mutual water company is Rogina Water Company located east of the City of Ukiah. The Company provides services to an estimated population of 985 and water for fire flow to approximately 3,500 residents.
- The smallest mutual water company is Big River Mutual Water Company with 19 service connections; located south of the town of Mendocino.

Maps and basic service information for each local mutual water company are provided in the following section in alphabetical order. This documentation has been prepared by LAFCo staff with opportunities for each mutual water company to provide feedback. Any further revisions identified will be incorporated into a subsequent reports.

2 MUTUAL WATER COMPANY PROFILES

In order to fulfill the State mandate, staff, to the best of their ability, identified and created a list of mutual water companies located in Mendocino County, with assistance from the County Environmental Health Division and the Drinking Water Division of the State Department of Public Health. LAFCo then sent a letter to over 19 mutual water companies requesting their cooperation and assistance in providing information. The letter included a survey, as well as AB 54 legislation.

Twelve of the 19 mutual water companies identified responded to LAFCo’s request for information and maps (Table 2-1). Seven companies did not respond to the information request. Additionally, a number of companies were identified that are listed inactive on the State Water Resources Control Board Drinking Water website. Profiles were not completed for inactive mutual water companies; however, they have been listed here for tracking purposes should they become active in the future.

Table 2-1 Mutual Water Company Response Record		
Mutual Water Company	Status	Response Received
Albion Mutual Water Company	Active	Yes
Bel Arbres Mutual Water Company	Inactive	No
Big River Vista Mutual Water Company	Active	Yes
Branscomb Mutual Water Company	Active	Yes
Caspar South Service Company	Active	Yes
Dos Rios Mutual Water Company	Active	Yes
North Gualala Mutual Water Company	Active	No (refused as per Company legal advice)
Henry Station Mutual Water Company	Active	No
Hills Ranch Mutual Water Company	Active	Yes
Lake View Mutual Water Company	Active	No
Meadow Estates Mutual Water Company	Active	No
Pacific View Mutual Water Company	Inactive	No
Pine Mountain Mutual Water Company	Active	Yes
Point Arena Water Works, Inc.	Active	No (limited response)
Point of View Mutual Water Company	Active	Yes
River Estates Mutual Water Corporation	Active	Yes
Rogina Water Company	Active	Yes
Seafair Road & Water Company	Active	Yes
Surfwood Mutual Water Corporation	Active	Yes

Staff conducted research through telephone calls, e-mail inquiries, and internet resources in attempt to make contact and complete the profiles. In addition to survey responses from mutual water companies, water system information for this report was obtained from the California State Water Resources Control Board’s Safe Drinking Water Information System website (<https://sdwis.waterboards.ca.gov>). Ultimately, 15 mutual water companies were included in this report.

Existing mapping was provided by Mendocino County Information Systems GIS for those mutual water companies for which data was available. However, not all mutual water companies had maps on file with

the County; no new maps were prepared for this report. An administrative draft of the report sections and available maps were provided to each of the mutual water companies for review and comment, and revisions made as appropriate.

2.1 ALBION MUTUAL WATER COMPANY, INC.

Main Contact:	Philip Brown, Treasurer
Phone Number:	530-219-4253
Mailing Address:	PO Box 485, Albion, CA 95410
Email:	pl.brown50@gmail.com
Website:	None
Date of Formation:	1978
Type of services provided:	Residential drinking water
Service area in acres:	10 (approximate)
Water Source:	Groundwater
Drinking Water System No:	CA2300502 ¹

Services and Governance

The Albion Mutual Water Company currently has 28 service connections and provides residential drinking water to approximately 30 full time residents. Average service fees range between \$41 and \$60 per month. The Company has two active wells (East and West Wells) and owns and/or maintains approximately 0.8 miles of pipeline and no additional infrastructure. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Albion Mutual Water Company's governing board consists of five elected members with one year terms. There are no restrictions to the number of terms a member can serve. Stakeholders meet annually at the Whitesboro Grange. The Company has no employees though does contract for Water Master and bookkeeping services. Additionally, Board members assist with administrative and operational responsibilities.

Planning

In order to make decisions about future services and infrastructure needs, the MWC relies upon consumer confidence reports, water quality reports, company budget, and distribution system tracking sheets. Challenges identified by the Company include water availability and water quality. To prepare for such challenges, the Company indicated that it is monitoring water supplies and building reserves for capital improvements.

Compliance

The Safe Drinking Water Information System lists no current violations and none within the past ten years. The United States Environmental Protection Agency has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system². The Albion Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and provided feedback on the administrative draft. An inconsistency in mapping between the Company and County GIS was identified, which has been referred to the entities for resolution.

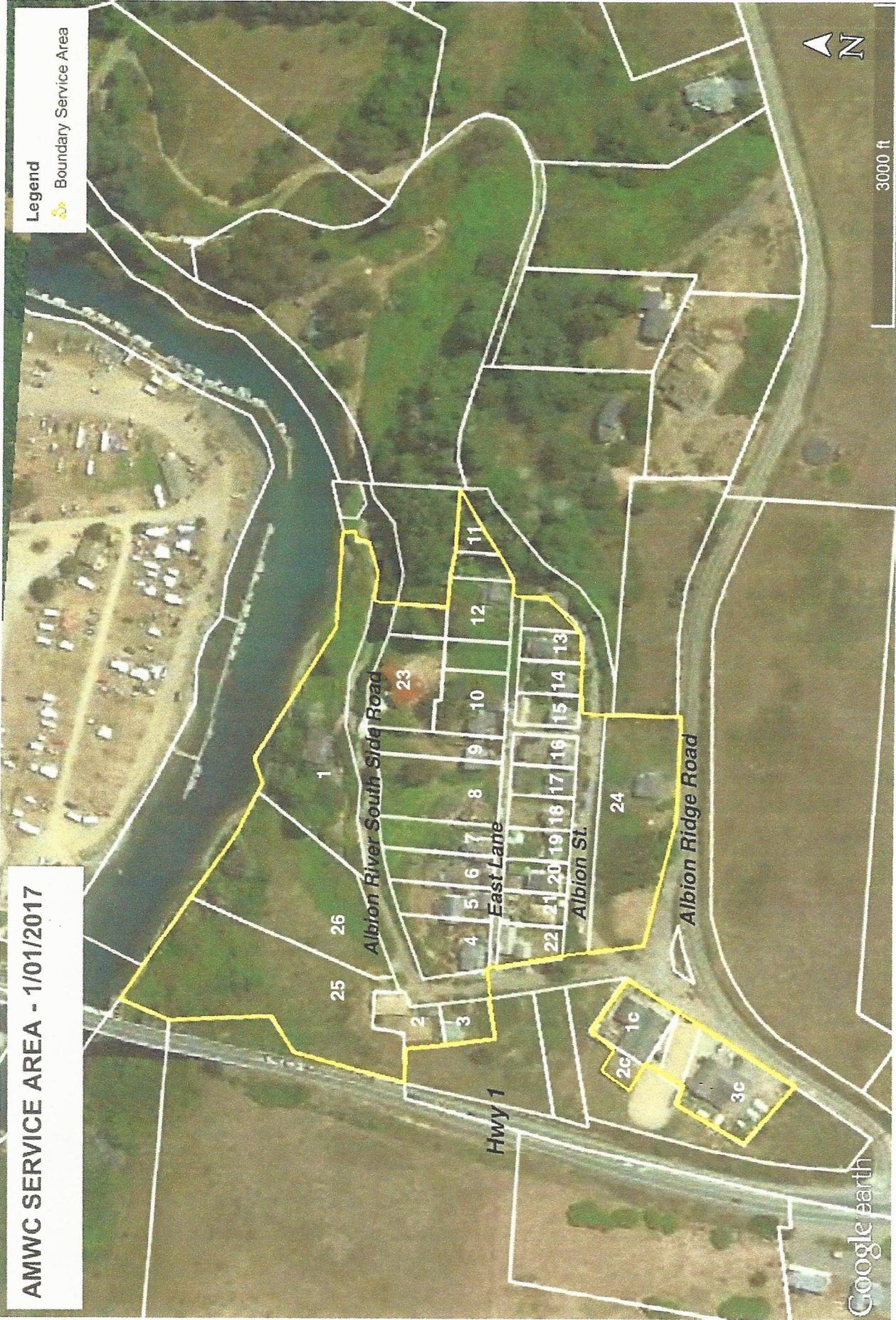
¹ https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2865&tinwsys_st_code=CA&counter=0

² https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300502&state=CA&source=Ground%20water&population=40&vs_num=0

EXHIBIT C

AMWC SERVICE AREA - 1/01/2017

Legend
Boundary Service Area



2.2 BIG RIVER VISTA MUTUAL WATER COMPANY

Main Contact:	Pat Green
Phone Number:	707-937-5572
Address:	PO Box 708, Mendocino, CA 95460, no office
Email:	pat.green221@gmail.com
Website:	None
Date of Formation:	1968 (approximate)
Type of services provided:	Residential drinking water and residential garden irrigation
Service area in acres:	13 (approximate)
Water Source:	Groundwater
Drinking Water System No:	CA2300596 ³

Services and Governance

The Big River Vista Mutual Water Company provides residential drinking water and residential garden irrigation to 19 service connections. The Company has the capacity to serve 5 additional houses on 35 acres directly north of its current service area, which may increase the total of properties served to 24 in the future. Average service fees range between \$81 and \$100 per month. The Company owns and maintains one active well and approximately two miles of pipeline. In addition, the Company owns a well pump, water storage tank and pump, tank liner, treatment building, water treatment equipment, distribution valves, customer meters, and three standpipe hydrants. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Big River Vista Mutual Water Company's governing board currently consists of five elected members with one year terms. The Company noted their articles of incorporation state there shall be a minimum of three elected board members. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually in the town of Mendocino. The Company has no employees and contracts for Water Master services, with volunteer Board members sharing administrative and operational responsibilities. It was noted the Board members attend a Rural Community Assistance Cooperation (RCAC) training every two years.

Planning

In order to make decisions about future services and infrastructure needs, the Big River Vista Mutual Water Company relies upon consumer confidence reports, water quality reports, company budget, State water agency reports, and review of relevant laws and regulations. Within the next 20 years, the Company views infrastructure and financial constraints (replacement of major components like water tanks), State and local regulations and mandates, and drought as challenges. To prepare for future challenges, the Company stated that it develops an annual budget with reserves for equipment replacement. The Company is also developing a disaster recovery plan and discussing other options such as purchasing electric generators. When asked what public agencies could do to make it easier for the Company to address local service challenges, the Company suggested increasing the minimum number of connections threshold that triggers a mandated annual financial review (Cal. Corps Code 14306(b)).

³

https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2885&tinwsys_st_code=CA&wsnumber=CA2300596

Compliance

The United States Environmental Protection Agency has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system.⁴ The Big River Vista Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and provided feedback on the administrative draft. Additionally, the company provided an infrastructure list and the following illustrative map.

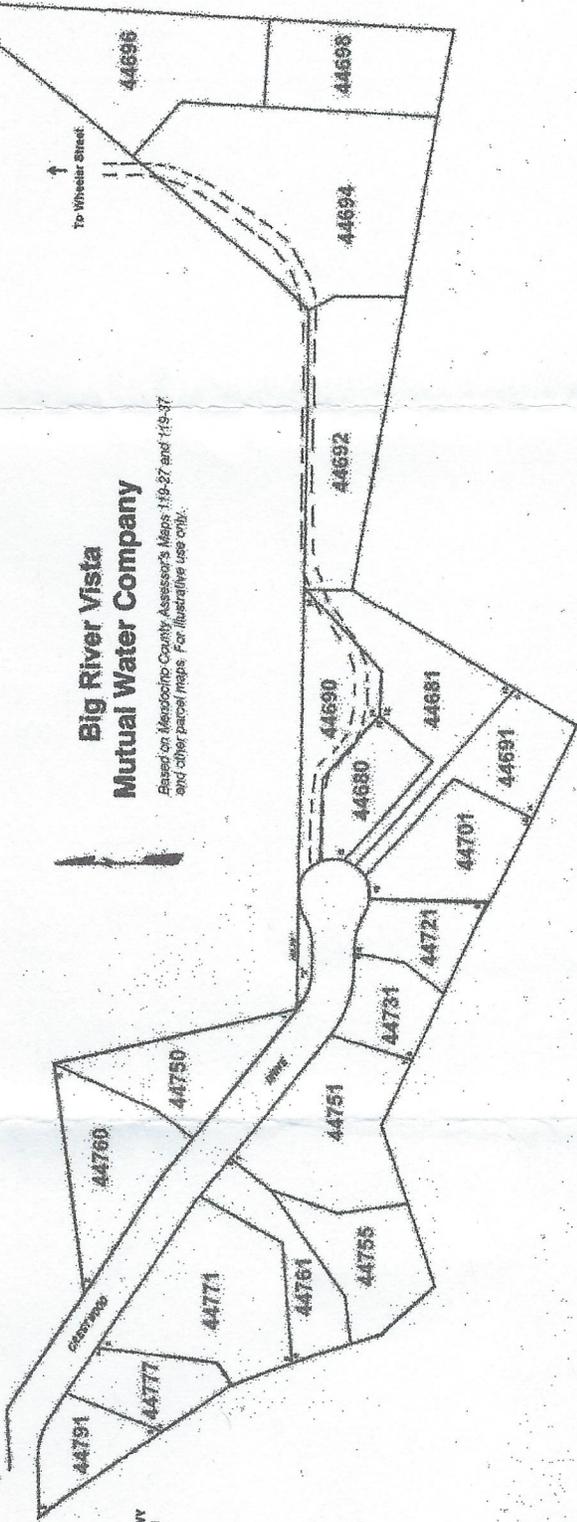
4

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300596&state=CA&source=Ground%20water&population=36&sys_num=0#health=

Big River Vista Mutual Water Company

Based on Mendocino County Assessor's Maps 119-27 and 119-37
and other parcel maps. For illustrative use only.

To Wheeler Street
↑



Big River
& Big River State Park

2.3 BRANSCOMB MUTUAL WATER COMPANY

Main Contact:	Art Harwood
Phone Number:	707-984-6694
Address:	13270 Kenny Creek Road, Branscomb, CA 95417
Email:	artharwood@hughes.net
Website:	None
Date of Formation:	1983
Type of services provided:	Residential Drinking Water
Service area in acres:	Unknown
Water Source:	Surface water (GP spring)
Drinking Water System No:	CA2300663 ⁵

Services and Governance

The Branscomb Mutual Water Company currently has 18 service connections and provides residential drinking water to approximately 100 people. Average service fees range between \$61 and \$80 per month. The Company owns and maintains a surface water spring, approximately one mile of pipeline and a water purification system. The Company contracts with the Westport County Water District for a water plant operator.

The Branscomb Mutual Water Company's governing board consists of three elected members with unknown term lengths. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually at the law offices of Neary & O'Brien, 110 South Main Street, Willits, CA. The Company has no employees though does contract for water plant operator with Westport County Water District and bill collection with Neary & O'Brien Attorneys at Law.

Planning

In order to make decisions about future services and infrastructure needs, the Branscomb Mutual Water Company relies upon consumer confidence reports and the Company budget. Within the next 20 years, the Company views infrastructure, state regulations and mandates, and financial constraints as challenges. To prepare for future challenges, the Company has indicated that it is reorganizing. The Company reported it was "recently experiencing changes, which challenged its capacity to comply with reporting, sampling, etc.," but is working to "rectify the situation and get the Water Company on more stable footing."

Compliance

The Safe Drinking Water Information System lists a number of monitoring violations, dated as recently as September 2017 with compliance achieved March 11, 2018. The United States Environmental Protection Agency (USEPA) notes a monitoring and reporting violation dated January 2009 with compliance achieved in April 2010.⁶ The Branscomb Mutual Water Company provided a timely response to the initial LAFCo inquiry survey, though no maps were provided by the Company and none are on file.

Note: no map of Branscomb Mutual Water Company available.

⁵

https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2918&tinwsys_st_code=CA&wsnumber=CA2300663

⁶

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300663&state=CA&source=Surface%20water&population=92&sys_num=0

2.4 CASPAR SOUTH SERVICE COMPANY

Main Contact:	Marlene Demery
Phone Number:	707-479-8880
Address:	PO Box 774, Mendocino, CA 95460
Email:	marlene@demeryandassoc.com
Website:	None
Date of Formation:	1960s
Type of services provided:	Residential drinking water
Service area in acres:	90 (approximate)
Water Source:	Groundwater
Drinking Water System No:	CA2300610 ⁷

Services and Governance

The Company currently provides residential drinking water to 102 service connections. The Company noted that most of the owners are part-time residents. Average service fees are more than \$100 per month. The Company owns and maintains 8 active wells, approximately 2.2 miles of distribution lines and a filtration system at the headworks. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

It was reported that the Caspar South Service Company's governing board is not currently functioning as intended and term lengths and restrictions are unknown. Stakeholders do not currently meet. The Company has no employees though does contract for administration, bookkeeping, water operations and plumbing repair services, with a receiver appointed by the Superior Court to handle the administrative and operational responsibilities.

Planning

In order to make decisions about future services and infrastructure needs, the Caspar South Service Company relies upon consumer confidence reports, water quality reports, and the company budget. Within the next 20 years, the Company views state regulations and mandates as challenges. To prepare for future challenges, the Company has indicated that it continues to work with the State Water Resources Control Board staff on the implementation of reasonable regulations.

Compliance

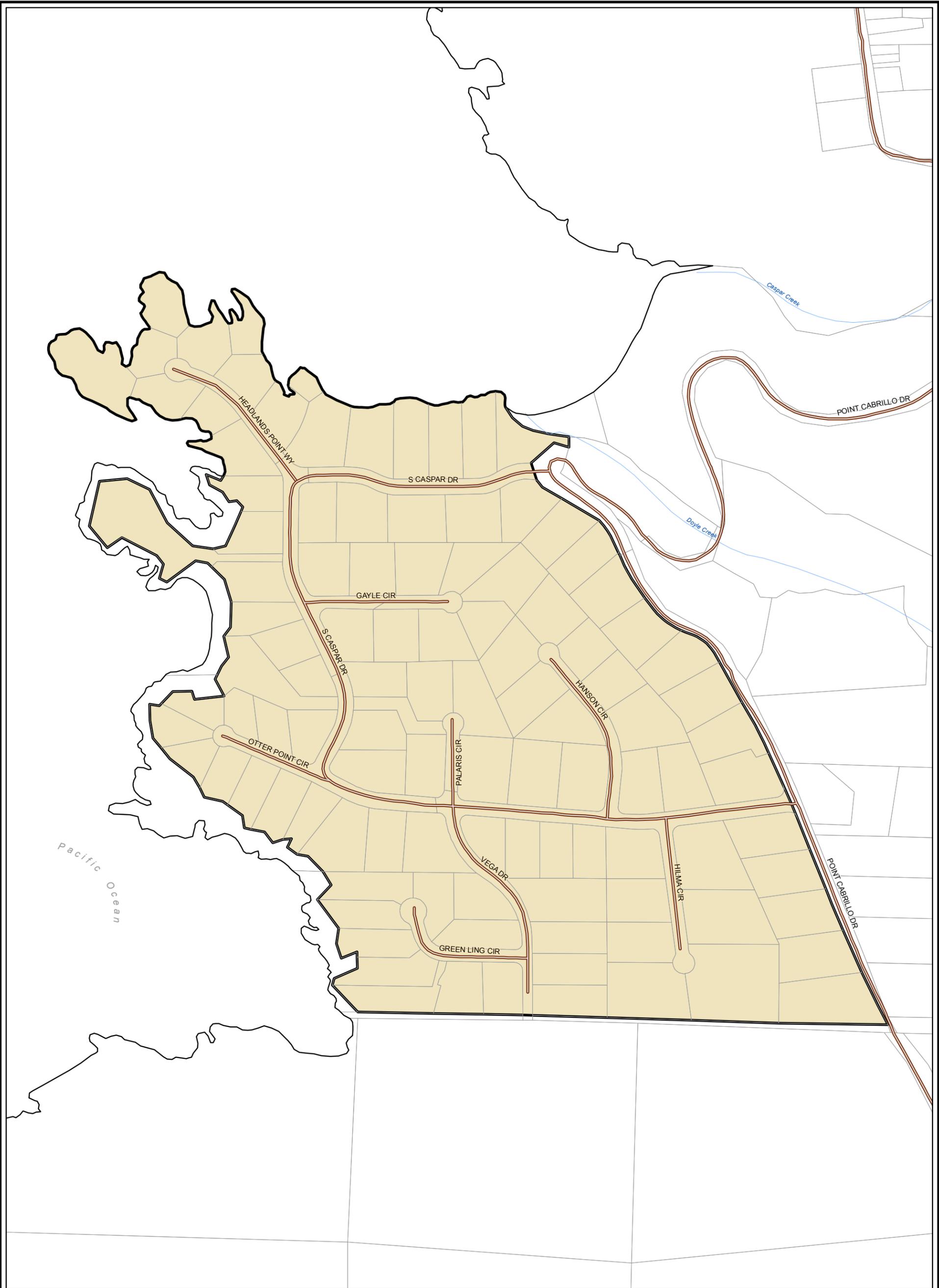
The Safe Drinking Water Information System lists no current violations and none within the past ten years. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system⁸. The Caspar South Service Company provided a timely response to the initial LAFCo inquiry survey; the following map was provided by the County GIS.

⁷

https://sdwis.waterboards.ca.gov/PDWWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2893&tinwsys_st_code=CA&wsnumber=CA2300610

⁸

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300610&state=CA&source=Ground%20water&population=188&sys_num=0



Caspar South Service Company

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, March 2014.

Note: This map is not a survey product.

- Caspar South Service Company
- Parcels
- Roads
- Streams

100 50 0 100
Feet



2.5 DOS RIOS MUTUAL WATER COMPANY

Main Contact:	Greg Kanne
Phone Number:	707-983-6280
Address:	11801 Dos Rios Road, Dos Rios, CA 95429
Email:	doskannes@exede.net
Website:	None
Date of Formation:	1913
Type of services provided:	Residential drinking water
Service area in acres:	Unknown
Water Source:	Groundwater
Drinking Water System No:	CA2300513 ⁹

Services and Governance

The Dos Rios Mutual Water Company currently has 24 service connections and provides residential drinking water to approximately 21 people. Average service fees range between \$41 and \$80 per month. The Company owns and maintains one well and approximately four to five miles of pipeline. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Dos Rios Mutual Water Company's governing board consists of five elected members with one year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet yearly at the community mailboxes. The Company has no employees though does contract for general maintenance and repair services, with Board members sharing administrative and operational responsibilities.

Planning

In order to make decisions about future services and infrastructure needs, the Dos Rios Mutual Water Company relies upon water quality reports and the company budget. Within the next 20 years, the Company views infrastructure needs and financial constraints as its greatest challenges. To prepare for future challenges, the Company has indicated that it conducts regular maintenance and repairs to the system.

Compliance

The Safe Drinking Water Information System lists no violations for the Company. The USEPA has no record of the Dos Rios Mutual Water Company¹⁰. The Dos Rios Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and provided a water system layout map and the following map.

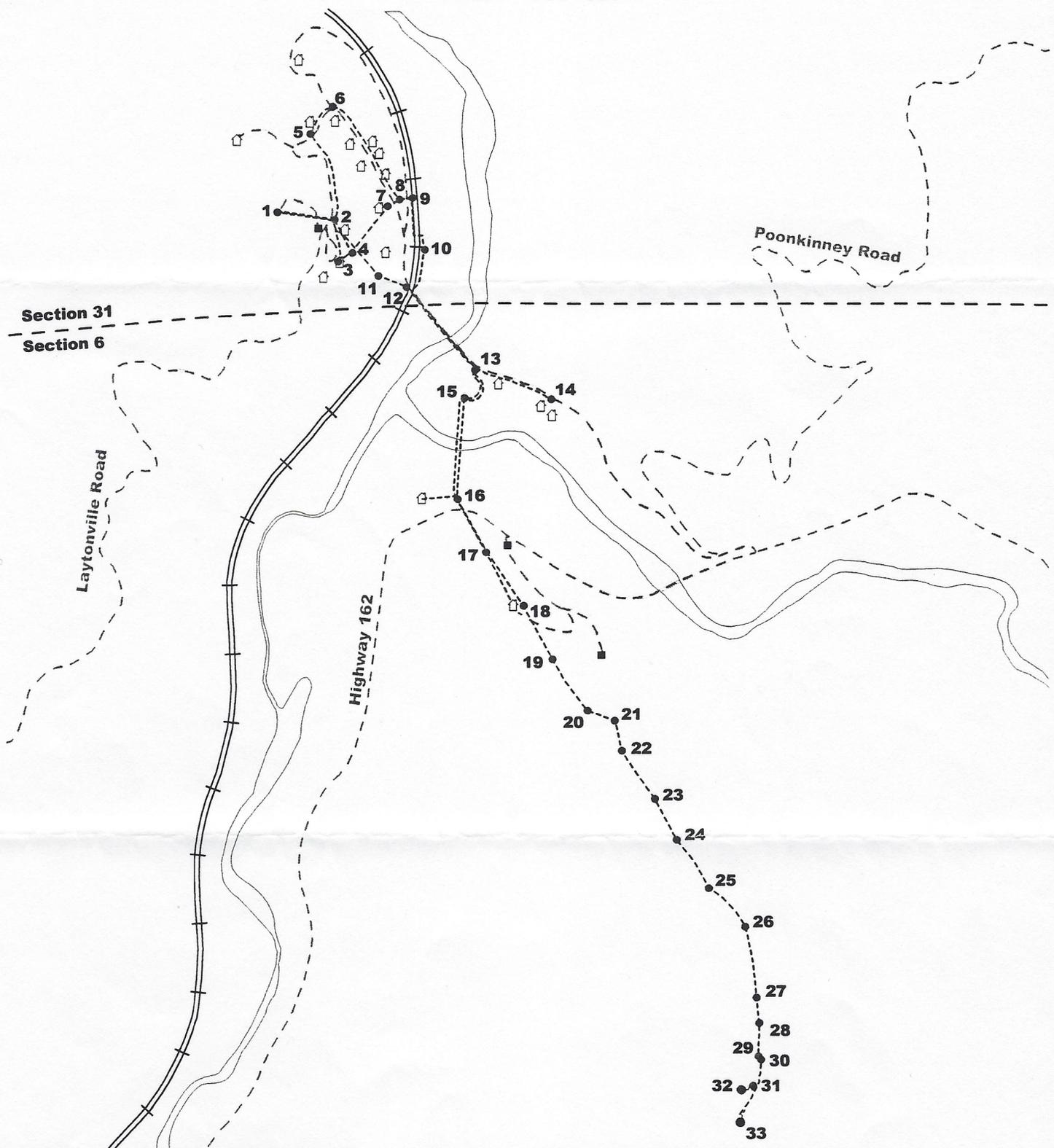
⁹

https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2873&tinwsys_st_code=CA&wsnumber=CA2300513

¹⁰

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300513&state=CA&source=Ground%20water&population=0&sys_num=0

Water System Layout
 Section 6, T21N, R13W, MDB&M
 Section 31, T22N, R13W, MDB&M
 Dos Rios 7.5' USGS Quadrangle
 40-foot contour interval
 1 inch = 800 feet



- | | |
|-------------------------------|--|
| ■ Water System Access Gate | ----- Water System Distribution Pipeline |
| □ Water System User Residence | ----- Water System Main Pipeline |
| ● GPSd Water System Feature | ----- Nonappurtenant Water System Road |
| ⊙ Water System Spring | ----- Appurtenant Water System Road |



2.6 HILLS RANCH MUTUAL WATER COMPANY

Main Contact:	Jeffry Stubbs, President/Secretary
Phone Number:	707-937-6026
Address:	PO Box 1360 Mendocino, CA 95960
Email:	jeffrystubbs@yahoo.com
Website:	None
Date of Formation:	1985
Type of services provided:	Residential Drinking Water & Fire Protection
Service area in acres:	40
Water Source:	Groundwater with right to tap surface water from Slaughterhouse Creek
Drinking Water System No:	CA 2300832 ¹¹

Services and Governance

The Hills Ranch Mutual Water Company currently has 45 residential service connections and provides residential drinking water and fire protection water supply to approximately 60 people. It has one institutional service connection and provides drinking water and fire protection water supply to the Mendocino Fire Protection District. Average service fees range between \$81 and \$100 per month. The Company owns and maintains 4 active wells and approximately 2 miles of pipeline, a 200,000 gallon tank, and 3 chemical feed pumps. The Fire District owns a tank of 100,000 gallons capacity, which is operated by the Company as an integral part of its water supply system. In addition to providing water to the Fire District for fire protection the Company has in the past supported the school district when their water supply failed and the Town of Mendocino during a period of severe drought. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Hills Ranch Mutual Water Company's governing board consists of three elected members with one year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually. The Company has no employees though does contract for water operator and bookkeeper services, with Board members sharing administrative responsibilities.

Planning

In order to make decisions about future services and infrastructure needs, the Hills Ranch Mutual Water Company relies upon consumer confidence reports, water quality reports, firefighting needs, maintenance needs, and a reserve study prepared in 2010. Within the next 20 years, the Company views State and local regulations and mandates as its greatest challenges. In 2014 the Company was placed under the groundwater use regulations of Mendocino City Community Services District (MCCSD), which are susceptible to restrictions during time of droughts. The Company is exploring reactivation of its surface water sources in Slaughterhouse Creek as a means of resolution to the issue. A connection with the Surfwood Mutual Water Corporation is another possibility the Company is considering, as is a connection to a potential citywide water supply system should MCCSD undertake to develop one. Further challenges noted by the Company include improving water quality, upgrading their plant, installing an additional fire hydrant, responding to disasters such as earthquakes, and replacing tanks. To prepare for future

¹¹ https://sdwis.waterboards.ca.gov/PDWW/JSP/Violations.jsp?tinwsys_is_number=2976&tinwsys_st_code=CA

challenges, the Company plans to reactivate two wells in Slaughterhouse Creek not presently in use, and is considering mergers with other companies, as well as using further training and use of consultants. The 2010 reserve study will be updated in the next year or so. The Company has about \$220,000 in financial reserves at present, sufficient to meet expected expenditures including tank replacement. Looking to the future, new customers will help cover meter fees. For this reason, the Company expects it will be able to operate over the foreseeable future without increasing fees.

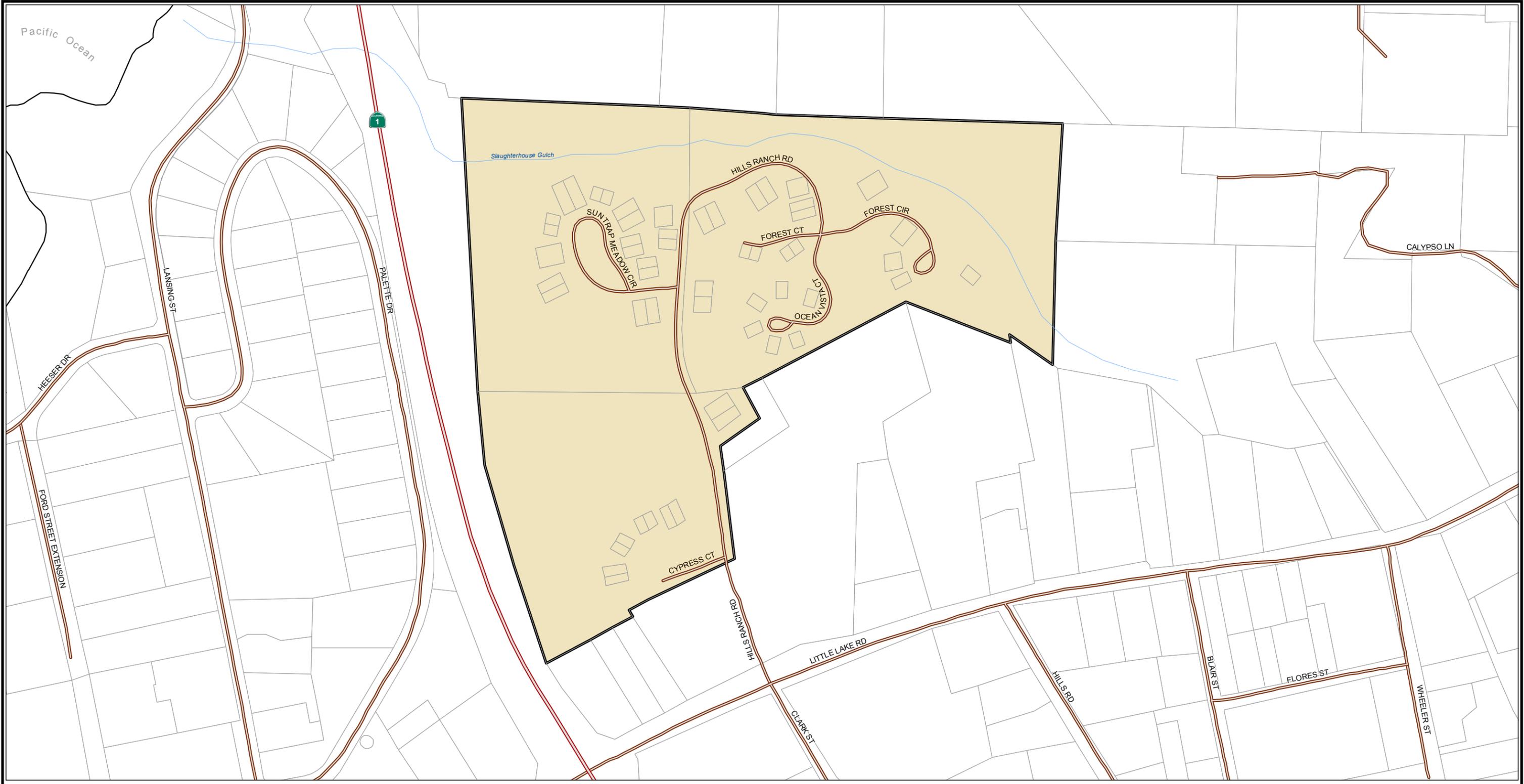
When asked what public agencies should or could do to make it easier for the Company to address local service challenges, the Hills Ranch Mutual Water Company suggested that local public agencies, particularly MCCSD, conduct a study of the feasibility of a piped water supply system for the Town of Mendocino. It was recommended the study cover possible surface and groundwater sources and the potential for reuse of treated sewage effluent. Further, it was suggested the study examine the costs and benefits of action/inaction, and potential for coordination of existing small systems in the town.

Compliance

The Safe Drinking Water Information System lists no current violations and none within the past ten years. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system¹². The Hills Ranch Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and confirmed the following County-prepared map.

¹²

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300832&state=CA&source=Ground%20water&population=60&sys_num=0



Hills Ranch Mutual Water Company

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, February, 2014.

Note: This map is not a survey product.

- Hills Ranch Mutual Water Company
- Parcels
- Highways
- Roads
- Streams



2.7 LAKE VIEW MUTUAL WATER COMPANY

Main Contact:	Unknown
Phone Number:	707-354-0545
Address:	4170 Richey Road, Ukiah, CA 95482
Email:	Unknown
Website:	Unknown
Date of Formation:	1979
Type of services provided:	Residential
Service area in acres:	Unknown
Water Source:	Groundwater
Drinking Water System No:	CA2300606 ¹³

Services and Governance

The Lake View Mutual Water Company currently serves 28 connections and approximately 90 people. The Company owns and maintains three active wells.

Planning

Unknown.

Compliance

The Safe Drinking Water Information System lists several monitoring violations, the latest of which was dated 2017 with compliance achieved September 21, 2017. The USEPA notes a monitoring and reporting violation dated March 2017 with compliance achieved in September 2017¹⁴.

Notes: The Lake View Mutual Water Company did not respond to any LAFCo inquiries. No map of the Company was available.

¹³

https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2889&tinwsys_st_code=CA&wsnumber=CA2300606

¹⁴

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300606&state=CA&source=Ground%20water&population=90&sys_num=0

2.8 MEADOW ESTATES MUTUAL WATER COMPANY

Main Contact:	Unknown
Phone Number:	707-895-2718
Address:	PO Box 64, Boonville, CA 94515
Email:	Unknown
Website:	Unknown
Date of Formation:	1979
Type of services provided:	Residential
Service area in acres:	Unknown
Water Source:	Groundwater
Drinking Water System No:	CA23000506 ¹⁵

Services and Governance

The Meadow Estates Mutual Water Company currently provides 36 residential water connections to serve approximately 85 people. The Company owns and maintains three active wells.

Planning

Unknown.

Compliance

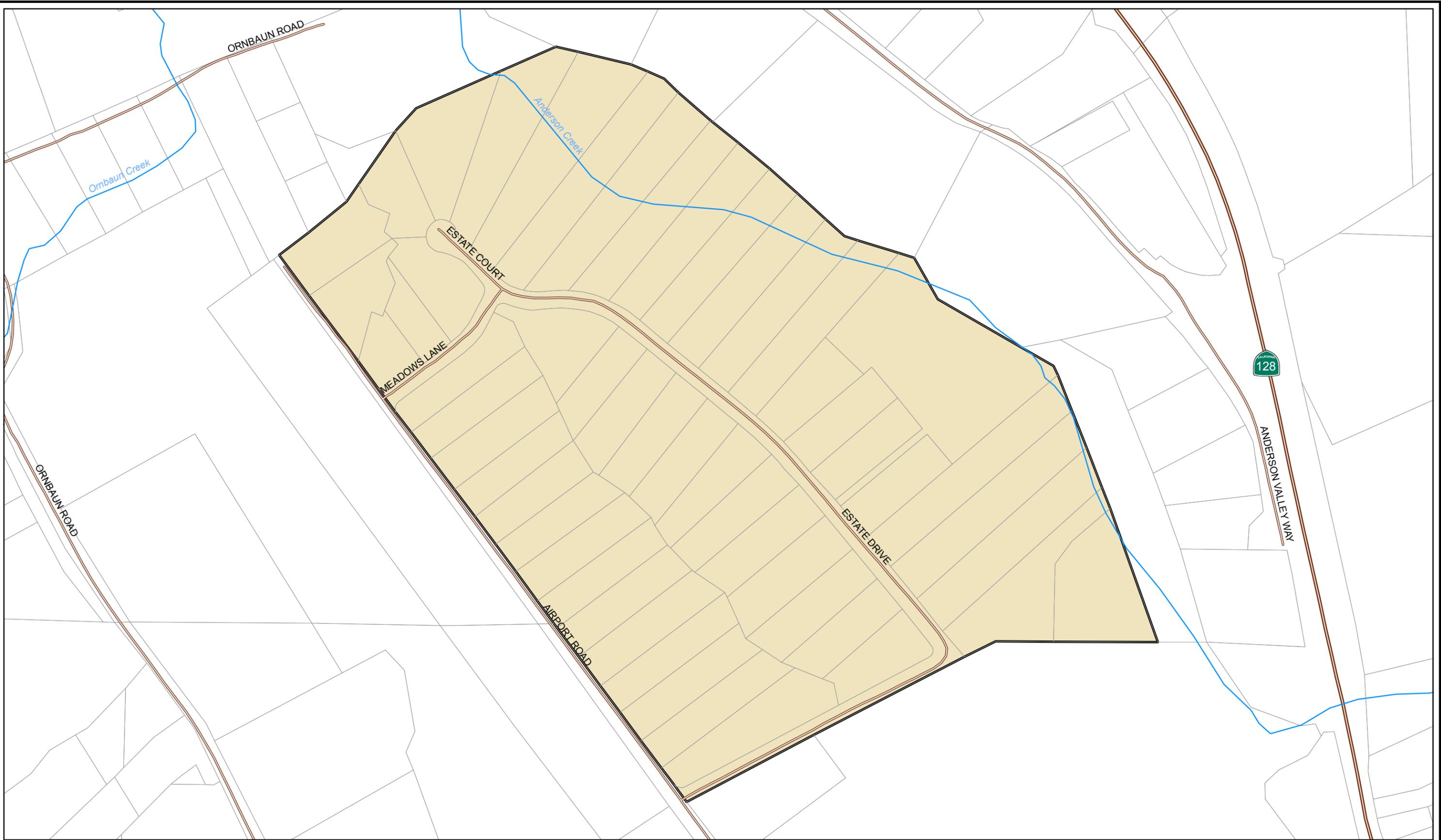
The Safe Drinking Water Information System lists several monitoring violations, the most recent occurring in 2009 with compliance achieved July 7, 2016. The USEPA notes a monitoring and reporting violation dated July 2008 with compliance achieved in July 2016¹⁶.

Note: the Meadow Estates Mutual Water Company did not respond to any LAFCo inquiries.

¹⁵ https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2869&tinwsys_st_code=CA

¹⁶

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300506&state=CA&source=Ground%20water&population=85&sys_num=0



Meadow Estates Mutual Water Company

Source: This map was prepared by Mendocino County's Information Services GIS Program, May 2018.
 Note: This map is not a survey product.

- Albion Mutual Water Company
- Parcels
- Highways
- Roads
- Streams



2.9 PINE MOUNTAIN MUTUAL WATER COMPANY

Main Contact:	Tom Walz
Phone Number:	707-459-5980
Address:	3800 Chinquapin Drive, Willits, CA 95490
Email:	twalz@wildblue.net
Website:	None
Date of Formation:	1964
Type of services provided:	Residential Drinking Water
Service area in acres:	650 acres (approximate)
Water Source:	Surface (Chinquapin Reservoir) and groundwater
Drinking Water System No:	CA2300591 ¹⁷

Services and Governance

The Pine Mountain Mutual Water Company currently has 128 service connections and provides residential drinking water to approximately 300 people. Average service fees range between \$61 and \$80 per month. The Company owns and maintains three active wells, the Chinquapin Lake Intake, approximately six miles of pipeline, and a pump station. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Pine Mountain Mutual Water Company's governing board consists of five elected members with two year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually at the Willits Library. The Company employs a water operator and contracts for accounting services.

Planning

In order to make decisions about future services and infrastructure needs, the Pine Mountain Mutual Water Company relies upon consumer confidence reports, water quality reports, and the Company budget. Within the next 20 years, the Company views infrastructure, State and local regulations and mandates, and financial constraints as challenges. To prepare for future challenges, the Company has indicated that it is undertaking planning and budgeting efforts. When asked what public agencies should or could do to make it easier for the Company to address local service challenges, the Company suggested grant money.

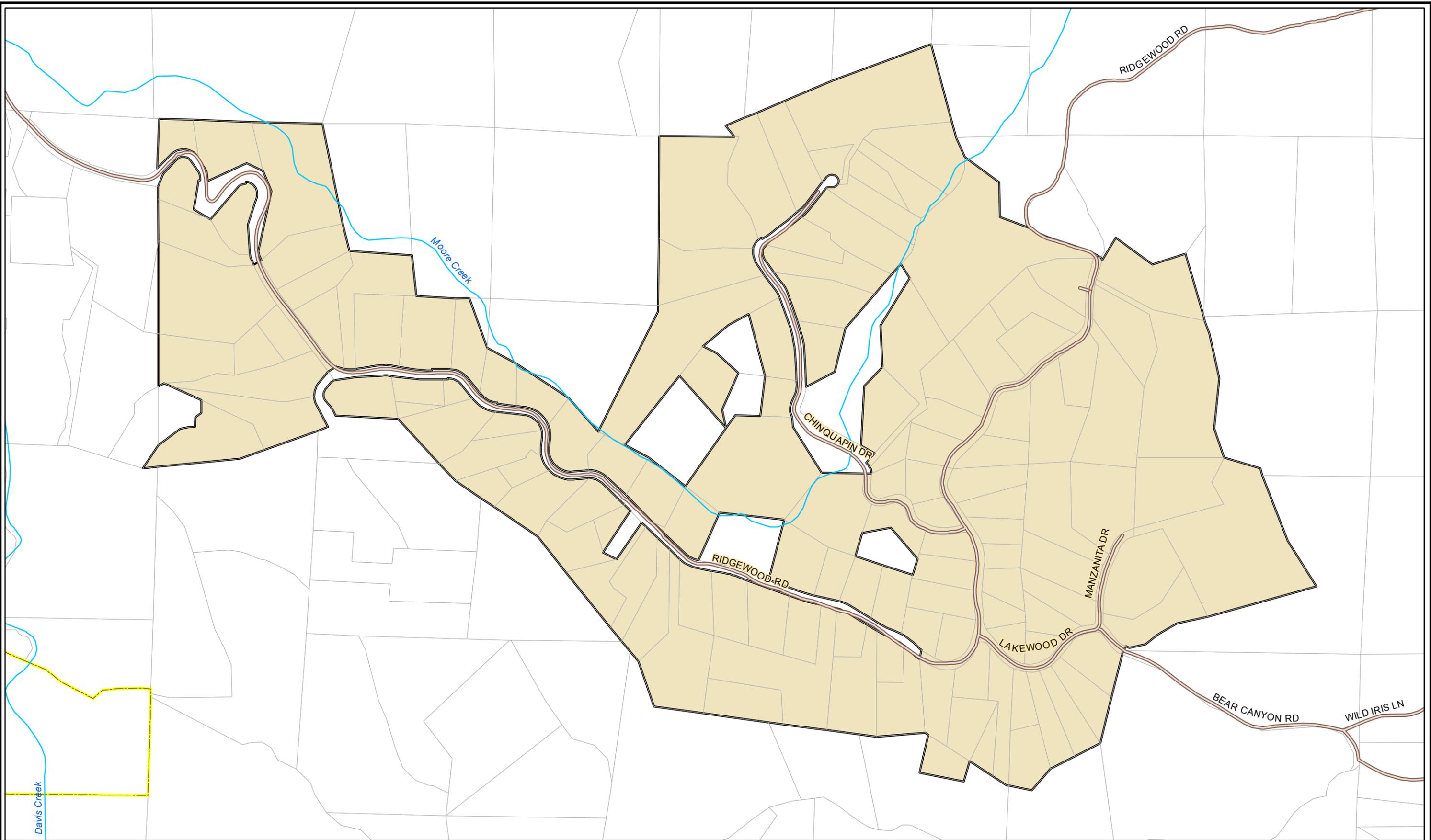
Compliance

The Safe Drinking Water Information System lists the more recent monitoring violation dated 2013 with compliance achieved June 3, 2013. The USEPA notes one monitoring and reporting violation on record dated March 31, 2013, with compliance achieved July 6, 2016 for this water system¹⁸. The Pine Mountain Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and confirmed the following County-prepared map.

¹⁷ https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2884&tinwsys_st_code=CA&counter=0

¹⁸

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300591&state=CA&source=Surface%20water&population=310&sys_nu_m=0



Pine Mountain Mutual Water Company

Source: This map was prepared by the Mendocino County Division of Information Services, GIS Program, July 2018.
 Service area boundary information was supplied by the Pine Mountain Mutual Water Company.
 Note: This map is not a survey product.

- Pine Mountain Mutual Water Company
- City of Willits
- Parcels
- Roads
- Streams



2.10 POINT ARENA WATER WORKS, INC.

Main Contact:	Carla Sigman (Bill Hay, Owner)
Phone Number:	707-882-1696
Address:	PO Box 205, Point Arena, CA 95468 135 Hay Parkway, Pt Arena, CA 95468
Email:	paww@mcn.org
Website:	None
Date of Formation:	1990
Type of services provided:	Residential, Industrial, Commercial
Service area in acres:	Encompasses all of the City of Point Arena
Water Source:	Groundwater
Drinking Water System No:	CA2310013 ¹⁹

Services and Governance

Point Arena Water Works, Inc. (PAWW) is a private water company that provides potable water within its service area, which coincides with the City of Point Arena jurisdictional boundary. PAWW is a Class D water utility, providing service to 132 residential users, 60 commercial users, and 2 industrial users. PAWW is under the jurisdiction of the California Public Utilities Commission (CPUC). The Garcia River is the primary water supply for the Company, which is collected via a 24-inch diameter well and a 12-inch well. Three secondary wells at Whiskey Shoals are also utilized. An average of 12,370 CCF (hundreds of cubic feet) are pumped each year, which is equivalent to 9.2 million gallons or 28.4 acre-feet per year. Average water usage is 87 gallons per residential customer per day, which is very low and indicates water conservation measures are in place.²⁰

PAWW has a current application pending before the CPUC to renew its permit for up to 100 acre-feet of water per year; and a second application to add another 50 acre-feet to the allocation. Company storage facilities include a 285,000 gallon concrete tank and a 272,000 wooden tank. The water distribution system consists of approximately 46,000 lineal feet of pipe; primarily 6-inch, 8-inch and 12-inch, although some 2-inch and 4-inch lines are still in use. Currently, PAWW serves 193 customers, of which 130 are residential and 63 are commercial or industrial. All water services are metered.

Based on current water usage, PAWW appears to have capacity to serve another 492 customers, for a total of 685 water connections, under its current allocation of 100 acre-feet per year. Although PAWW's infrastructure is in relatively good shape, water storage and insufficient fire-flow problems were identified in a 2004 report, the "Water System Master Plan and Feasibility Analysis." Limitations on fire flow water occur in Zone 1 (the downtown area), which are attributed to 6-inch water lines. These lines will not be replaced until there are sufficient funds to do so.

Planning

Unknown.

¹⁹

https://sdwis.waterboards.ca.gov/PDWWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=3022&tinwsys_st_code=CA&wsnumber=CA2310013

²⁰ William Hay, PAWW; personal communication, LAFCo City of Point Arena MSR <http://mendolafco.org/wp-content/uploads/2016/08/Point-Arena-City-of-Approved-2015-MSR.pdf>

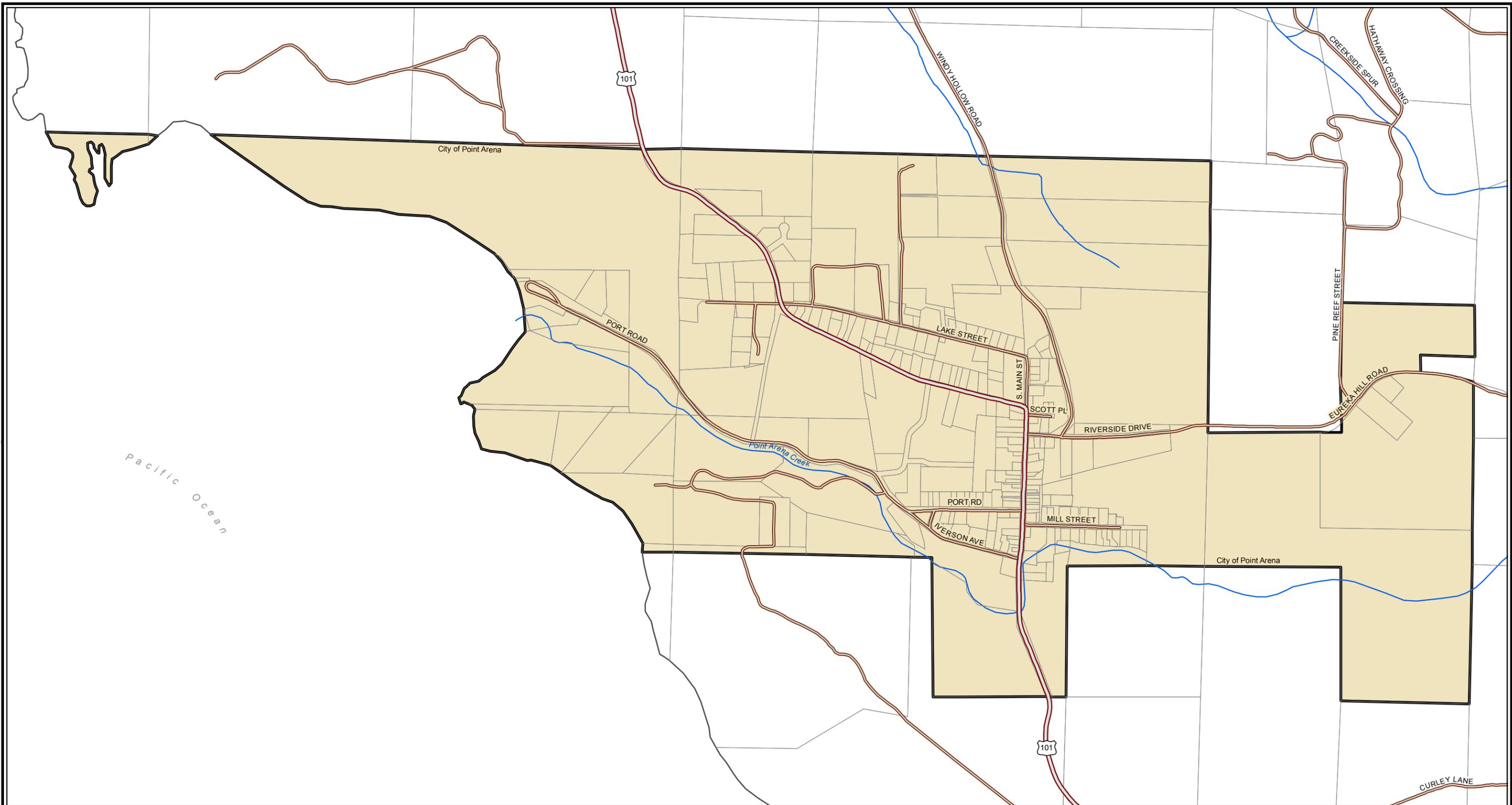
Compliance

The Safe Drinking Water Information System lists no current violations and none within the last ten years²¹. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system²². Point Arena Water Works provided limited response to LAFCo's inquiries; the following map was provided by County GIS.

²¹ https://sdwis.waterboards.ca.gov/PDWW/JSP/Violations.jsp?tinwsys_is_number=3022&tinwsys_st_code=CA

²²

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2310013&state=CA&source=Ground%20water&population=646&sys_num=0



Point Arena Waterworks, Inc.

Source: This map was created by the Mendocino County Department of Information Services GIS Program, February 2014.
 Note: This map is not a survey product.

- Point Arena Waterworks, Inc.
- Parcels
- Highway
- Roads
- Streams



2.11 POINT OF VIEW MUTUAL WATER COMPANY

Main Contact:	Chet Anderson
Phone Number:	707-937-1707
Address:	PO Box 573, Mendocino. CA, no office
Email:	mendochet@mcn.org
Website:	None
Date of Formation:	1965
Type of services provided:	Residential drinking water
Service area in acres:	16 (approximate)
Water Source:	Groundwater
Drinking Water System No:	CA2300604 ²³

Services and Governance

The Point of View Mutual Water Company currently has 29 service connections and provides residential drinking water to approximately 30 full-time and 20 part-time residents. The annual assessment is \$720 per share. The Company owns and maintains four active wells and approximately one mile of pipeline. In addition, the Company owns a storage tank, pumping, and treatment facilities. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time, though noted their willingness to do so.

The Point of View Mutual Water Company's governing board consists of three elected members with one year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually at a shareholder's home. The Company has no employees though does contract for water treatment operations, construction, and repair services, with volunteers handling administrative and operational responsibilities, including Tech Advisor and Treasurer.

Planning

In order to make decisions about future services and infrastructure needs, the Point of View Mutual Water Company relies upon the Company budget, operations reports, and maintenance information. The Board of Directors reviews and sets an annual budget each December for the following fiscal year and increases the assessment as necessary to meet the budget. Within the next 20 years, the Company views State regulations and mandates as challenges. To prepare for future challenges, the Company noted that it continues to increase its reserve funds.

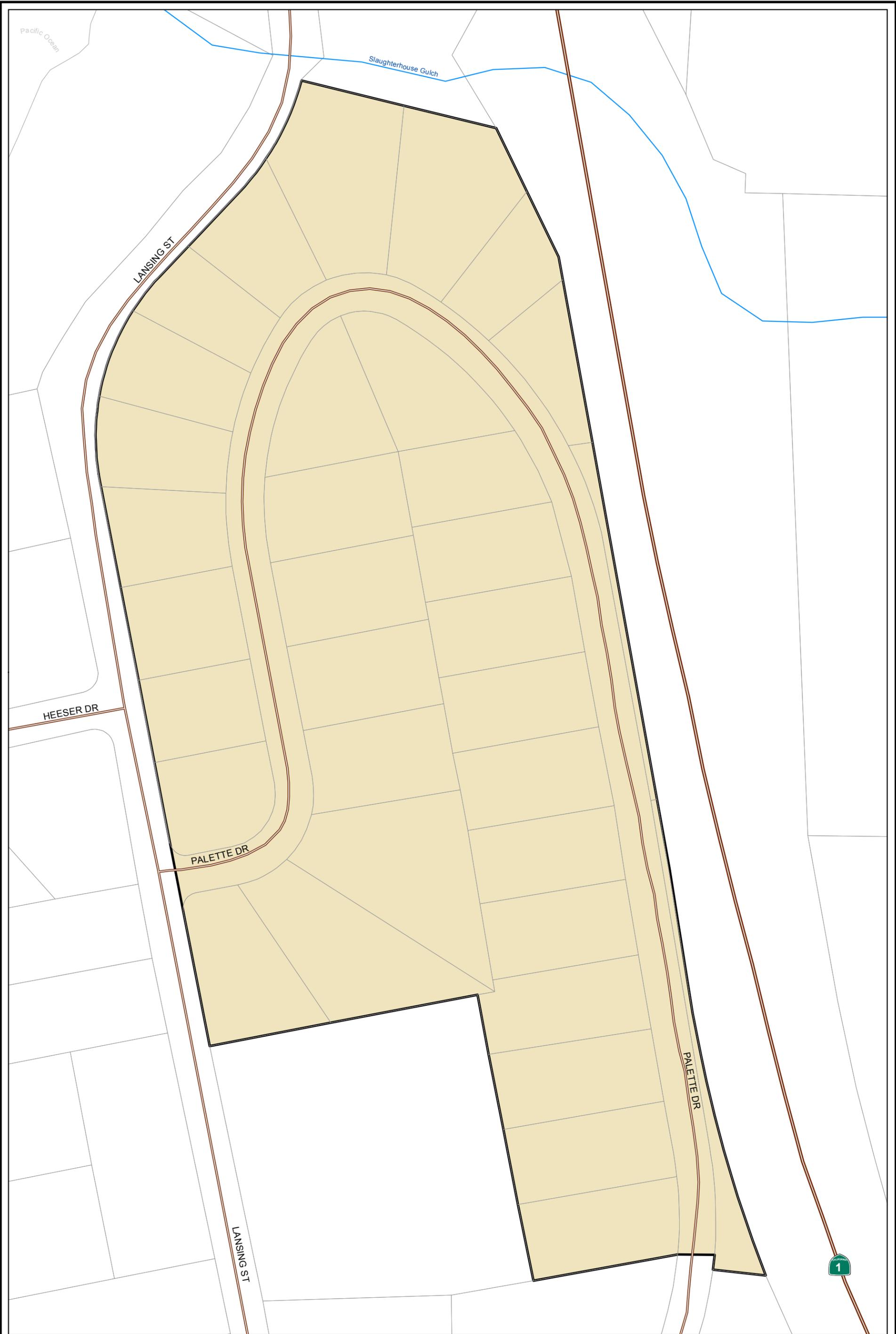
Compliance

The Safe Drinking Water Information System lists several monitoring violations dated 1998, 2000, and 2008 with compliance achieved December 27, 1997 and April 25, 2008 respectively. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system²⁴. The Point of View Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and administrative draft. An inconsistency in mapping between the Company and County GIS was identified, which has been referred to the entities for resolution.

²³ https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2887&tinwsys_st_code=CA&counter=0

²⁴

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300604&state=CA&source=Ground%20water&population=57&sys_num=0



Point of View Mutual Water Company

Source: This map was prepared by Mendocino County Division of Information Services GIS Program, August 2018.

Note: This map is not a survey product.

- Point of View Mutual Water Company
- Parcels
- Highways
- Roads
- Streams



2.12 RIVER ESTATES MUTUAL WATER CORPORATION

Main Contact:	David Redding
Phone Number:	707-462-2666
Address:	151 Laws Avenue, Ukiah, CA 95482
Email:	admin@willowc wd.org
Website:	None
Date of Formation:	1968
Type of services provided:	Residential Drinking Water
Service area in acres:	Unknown
Water Source:	Groundwater
Drinking Water System No:	CA2300605 ²⁵

Services and Governance

The River Estates Mutual Water Corporation currently has 82 service connections and provides residential drinking water to approximately 250 people. Average service fees range between \$61 and \$80 per month. The Company owns and maintains 2 active wells, 1 standby well, and approximately 9,000 feet of pipeline. In addition, the Company owns and operates two storage tanks. They participate in cooperation with Willow County Water District for shared facilities and administrative and operations services.

The River Estates Mutual Water Corporation's governing board consists of five elected members with unlimited terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet as needed within the Company's service area. The Company has no employees though does contract with Willow County Water District for additional services.

Planning

In order to make decisions about future services and infrastructure needs, the River Estates Mutual Water Corporation relies upon water quality reports and the Company budget. Within the next 20 years, the Company views infrastructure and financial constraints as challenges. To prepare for future challenges, the Company has indicated that it has developed a capital improvement program and allocates funds for replacement of infrastructure. When asked what public agencies should or could do to make it easier for the Company to address local service challenges, the Company indicated interest in further clarification of the comparative roles of a mutual water company versus special districts within a community.

Compliance

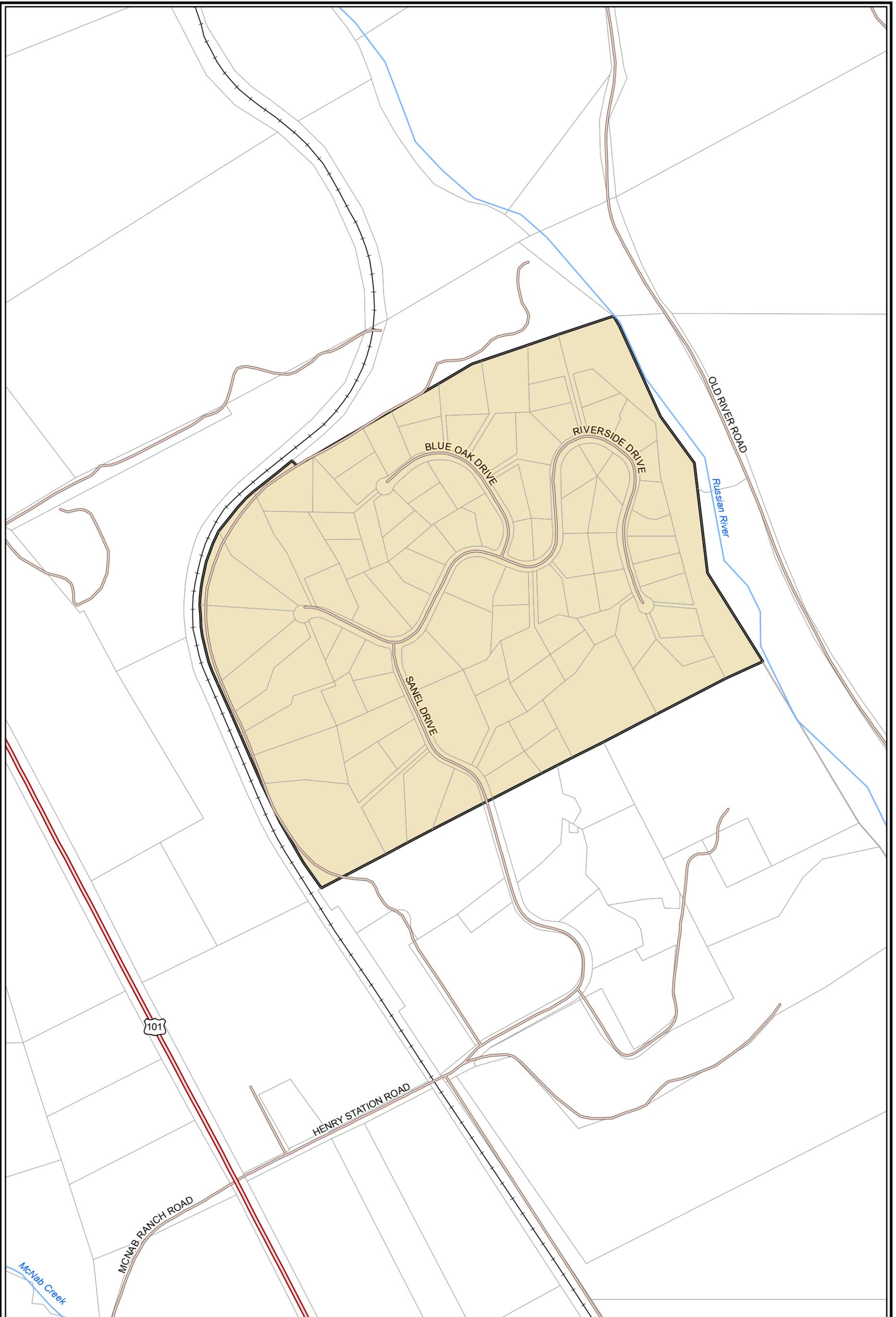
The Safe Drinking Water Information System lists no current monitoring violations. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system²⁶. The River Estates Mutual Water Corporation provided a timely response to the initial LAFCo inquiry survey and administrative draft, and provided the following map of its service area.

²⁵

https://sdwis.waterboards.ca.gov/PDWWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2888&tinwsys_st_code=CA&wsnumber=CA2300605

²⁶

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300605&state=CA&source=Ground%20water&population=250&sys_num=0

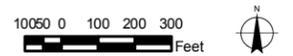


Russian River Estates Mutual Water Company

Russian River Estates
 Mutual Water Company
 Parcels

Highways
 Roads
 Rail Roads
 Streams

Source: This map was prepared by Mendocino County's
 Information Services GIS Program, May 2018
 Note: This map is not a survey product.



2.13 ROGINA WATER COMPANY, INC.

Main Contact:	Daniel D. Rogina
Phone Number:	707-462-4056
Address:	PO Box 310, Talmage, CA 95481, 1850 Talmage Road, Talmage, CA
Email:	drogina@pacific.net
Website:	http://www.roginawater.com/
Date of Formation:	1947
Type of services provided:	Residential drinking water and water for agricultural purposes
Service area in acres:	Unknown
Water Source:	Groundwater
Drinking Water System No:	CA2310002 ²⁷

Services and Governance

The Rogina Water Company currently has 985 service connections and provides drinking, irrigation, and fire suppression water to approximately 3,500 people. Average service fees range between \$61 and \$80 per month. The Company system consists of 5 wells, 4 large tanks for a combined storage of 1.3 million gallons, 2 booster systems, and over 30 miles of main lines made of steel, asbestos cement & plastic. There are 977 domestic customers, 13 irrigation customers, 3 fire lines and 141 hydrants. The Company uses three trucks, backhoe, pumps, and small equipment for new work and repairs²⁸. They do participate in cooperation with other local water districts or mutual water companies through shared water and equipment.

The Rogina Water Company's governing board consists of two appointed members with unknown term lengths. There are no restrictions to the number of terms a member may serve. Stakeholders meet twice a month at shareholder's homes. The Company has five employees including a manager, maintenance and meter reader person, secretary and part time helper. Small jobs, services, leak repair, and maintenance are done by the Company's employees. Large jobs are bid out to contractors.

Planning

The Rogina Water Company reports that its water supply is sufficient through 2050. In the interim, the Company is planning to develop new wells in the Talmage area. Water conservation is promoted through informational bill inserts and water saving yard brochures to new homes. Rogina Water Company has grown over the years with the development of new homes, and provision of water service to areas with limited water availability on the east side of the Russian River. The Company plans to build and expand with growth in this area.

In order to make decisions about future services and infrastructure needs, the Rogina Water Company relies upon consumer confidence reports, water quality reports, and the Company budget. Within the next 20 years, the Company views infrastructure and state regulations and mandates as its greatest challenges.

²⁷

https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=3011&tinwsys_st_code=CA&wsnumber=CA2310002

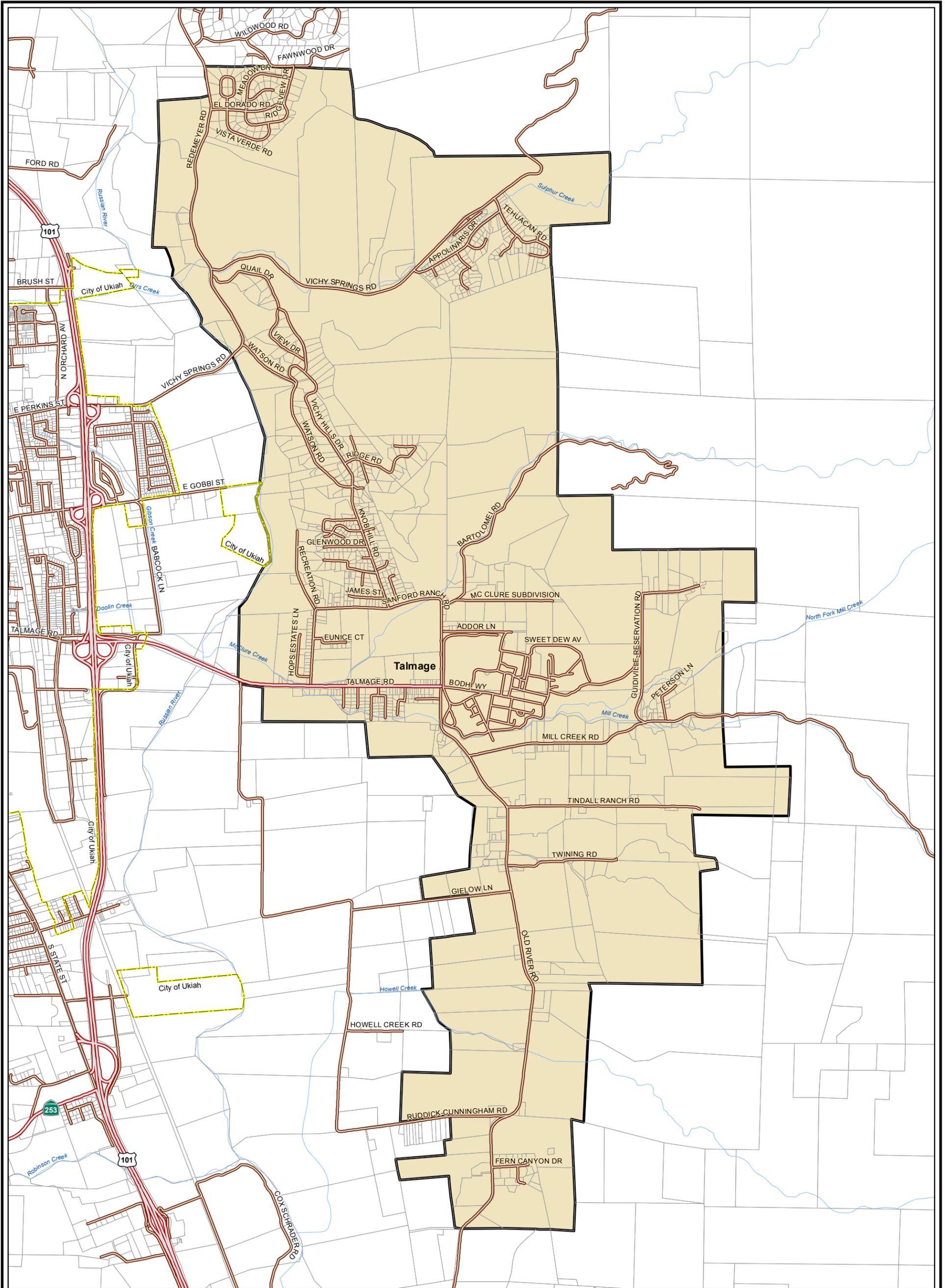
²⁸ <http://www.roginawater.com/>

Compliance

The Safe Drinking Water Information System lists no violations. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system²⁹. The Rogina Water Company provided a timely response to the initial LAFCo inquiry survey and administrative draft, and confirmed the following County-prepared map. In addition to the survey, profile information was obtained from the Company's website.

²⁹

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2310002&state=CA&source=Ground%20water&population=3700&sys_num=0



Rogina Water Company

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, February 2014.

Note: This map is not a survey product.

- Rogina Water Company
- City of Ukiah
- Parcels
- Highways
- Roads
- Streams

0 0.125 0.25 0.5 Miles



2.14 SEAFAIR ROAD & WATER COMPANY

Main Contact:	David Troxel
Phone Number:	707-285-0619
Address:	Steward Property Services, 1 Willowbrook Court, Suite 105, Petaluma, CA
Email:	tconte@stewardprop.com
Website:	None
Date of Formation:	1963
Type of services provided:	Residential Drinking Water
Service area in acres:	Unknown
Water Source:	Groundwater
Drinking Water System No:	CA2300609 ³⁰

Services and Governance

The Seafair Road & Water Company currently provides residential drinking water to 32 service connections. Average service fees range between \$21 and \$40 per month. The Company owns and/or maintains 4 active wells, 2 active standby wells, approximately 1-1.5 miles of pipeline, a water purification system, and a 10,000 gallon storage tank. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Seafair Road & Water Company's governing board consists of five elected members with one year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually in a resident's home. The Company has no employees though does contract with the Seafair Board and Steward Property Services, Inc. for Water Master and administrative services.

Planning

In order to make decisions about future services and infrastructure needs, the Seafair Road & Water Company relies upon water quality reports, Company budgets, and consultants such as Mendocino Water Works in Mendocino, CA, as needed. Within the next 20 years, the Company views infrastructure, state and local regulations and mandates, and financial constraints as challenges. To prepare for future challenges, the Company has indicated that it has had a formal reserve study prepared, which is updated annually, and it maintains a reserve fund for the water system.

Compliance

The Safe Drinking Water Information System lists no current violations and none within the last ten years. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system.³¹ The Seafair Road & Water Company provided a timely response to the initial LAFCo inquiry survey and administrative draft.

Note: No map of the Seafair Road & Water Company was available.

³⁰

https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2892&tinwsys_st_code=CA&wsnumber=CA2300609

³¹

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300609&state=CA&source=Ground%20water&population=50&sys_num=0

2.15 SURFWOOD MUTUAL WATER CORPORATION

Main Contact:	Richard Brandes, Vice President
Phone Number:	707-961-2080 office, 707-937-2369
Address:	PO Box 166 Mendocino, CA 95640
Email:	rbrandes@magnoliahg.com
Website:	None
Date of Formation:	1979
Type of services provided:	Residential
Service area in acres:	789 (contributing drainage area)
Water Source:	Surface Water (Jack Peter's Creek)
Drinking Water System No:	CA23000590 ³²

Services and Governance

The Surfwood Mutual Water Corporation currently provides residential water to approximately 160 homes. Surface water is collected from Jack Peter's Creek, stored, and filtered prior to distribution.

Planning

Unknown.

Compliance

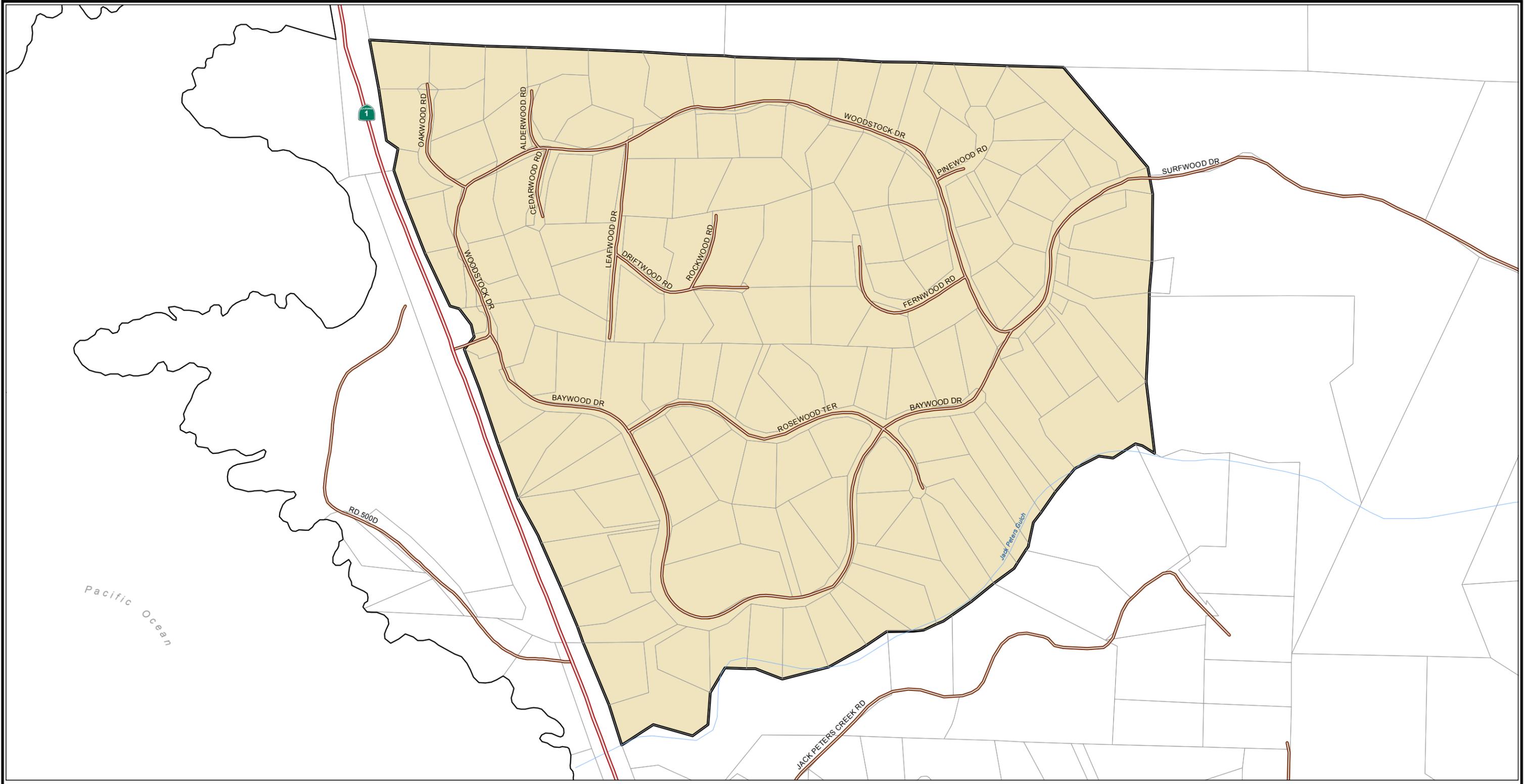
The Safe Drinking Water Information System lists a number of monitoring violations, the most recent occurring in March 2018. The USEPA notes several monitoring and reporting violation dated June 23, 2016 with compliance achieved in November 2016³³.

The Surfwood Mutual Water Corporation noted that SWRCB Compliance Order 02-03-18r-001 was received March 2018 requiring additional water treatment to comply with TTHM and HAA5 maximum contaminate levels. A contract with BWS Municipal Water Group is in progress (May 2018) to achieve compliance. The Surfwood Mutual Water Corporation provided feedback of the administrative draft to LAFCo and confirmed the following County-provided map.

³² https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2883&tinwsys_st_code=CA&counter=0

³³

https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300590&state=CA&source=Surface%20water&population=160&sys_nu_m=0



Surfwood Mutual Water Corporation

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, February, 2014.

Note: This map is not a survey product.

- Surfwood Mutual Water Corporation
- Parcels
- Highways
- Roads
- Streams



3 REFERENCES

California State Water Resources Control Board (SWRCB). 2018. Safe Drinking Water Information System: California Drinking Water Watch. [Online]. Available at: <https://sdwis.waterboards.ca.gov/PDWW/>. Accessed July 25, 2018.

US Environmental Protection Agency (USEPA). 2018. Safe Drinking Water Information System. [Online]. Available at https://iaspub.epa.gov/enviro/sdw_form_v3.create_page?state_abbr=CA. Accessed July 25, 2018.

4 ACKNOWLEDGEMENTS

4.1 REPORT PREPARATION

This report was prepared by Hinman & Associates Consulting, Inc., contracted staff for Mendocino LAFCo.

Uma Hinman, LAFCo Executive Officer

Beth Salomone, LAFCo Commission Clerk

In large part, mapping was provided by Mendocino County Information Services, GIS.

4.2 ASSISTANCE AND SUPPORT

Appreciation is expressed to the participating mutual water companies who provided information and responded to communications from LAFCo staff.

5 APPENDICES

5.1 APPENDIX A – ASSEMBLY BILL NO. 54

CHAPTER 512

An act to amend Section 14300 of, and to add Sections 14300.5, 14301.1, 14301.2, and 14301.3 to, the Corporations Code, to amend Sections 56375 and 56430 of the Government Code, and to add Section 116760.65 to, and to add Article 12 (commencing with Section 116755) to Chapter 4 of Part 12 of Division 104 of, the Health and Safety Code, relating to drinking water.

[Approved by Governor October 7, 2011. Filed with Secretary of State October 7, 2011.]

LEGISLATIVE COUNSEL' S DIGEST

AB 54, Solorio. Drinking water.

(1) Existing law authorizes any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and requires any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use, to provide in its articles or bylaws that water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands, as specified.

This bill would specify that any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use that provides in its articles or bylaws that the water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands shall be known as a mutual water company.

The bill would also require each mutual water company that operates a public water system to, by December 31, 2012, submit a map depicting the approximate boundaries of the property that the municipal water company serves to the local agency commission within the county in which the mutual water company operates. The bill would prohibit a mutual water company from expanding its boundaries without approval from the appropriate local agency formation commission. The bill would require a mutual water company that operates a public water system to supply certain information to a local agency formation commission upon request, as specified. This bill would require a mutual water company that operates a public water system to maintain a financial reserve fund to be used for certain types of activities.

The bill would also require each board member of a mutual water company that operates a public water system to, within 6 months of taking office, complete a 2-hour course offered by a qualified trainer, as specified.

(2) Existing law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting

enforcement regulations, and conducting studies and investigations to assess the quality of water in domestic water supplies.

(3) Existing law establishes the Safe Drinking Water State Revolving Fund, continuously appropriated to the department for the provision of grants and revolving fund loans to provide for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law requires the department to establish criteria to be met for projects to be eligible for consideration for this funding.

This bill would provide that in considering an application for funding a project, the department shall not be prejudiced by the applicant initiating the project prior to the department approving the application for funding. This bill would also provide that preliminary project costs or construction costs that are otherwise eligible for funding shall not be ineligible because the costs were incurred by the applicant during certain time periods.

(4) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the powers to review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

This bill would additionally authorize the commission to approve, with or without amendment, wholly, partially, or conditionally, or disapprove the annexation of territory served by a mutual water company that operates a public water system into the jurisdiction of a city, a public utility, or a special district, with the consent of the respective public agency or public utility and mutual water company.

(5) Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, each local agency formation commission is required to develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere of influence. In order to prepare and update spheres of influence, the commission is required to conduct a service review, including the review of growth and population projections for the affected area, present and planned capacity of public facilities and adequacy of public services, financial ability of agencies to provide services, the status of, and opportunities for, shared facilities, accountability for community service needs, and any other matter related to effective or efficient service delivery, as required by commission policy.

This bill would authorize the commission to include in the service review, a review of whether the agencies under review comply with safe drinking water standards. This bill would provide that a public water system may comply with that review by submitting certain documents.

(5) Existing law provides for the imposition of civil fines in amounts up to \$5,000 or \$25,000 for specified violations of the California Safe Drinking Water Act.

This bill would provide that a mutual water company is liable for any fines, penalties, costs, expenses, or other amounts that may be imposed upon the mutual water company under the California Safe Drinking Water Act. This bill would authorize a mutual water company to levy an assessment to pay those fines. This bill would provide that if the amount of those fines exceeds 5% of the annual budget of a mutual water company, then the mutual water company would be required to levy an assessment to pay those fines.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Californians rely on a broad diversity of public and private organizations to deliver clean and safe drinking water to their home water taps. Regardless of the form of the organization that operates a public water system, these organizations provide a public service that remains one of the core duties of the people's government.

(b) While the state's goal is to ensure clean and safe drinking water, California's drinking water quality has deteriorated and some public water systems continue to suffer poor water quality that are inconsistent with safe drinking water standards.

(c) The state provides funding to public water systems to improve drinking water quality through the Safe Drinking Water Revolving Fund, but demand far exceeds the available funding. Based on the United States Environmental Protection Agency's Drinking Water Infrastructure Needs Survey and Assessment, which was performed in 2007, the State Department of Public Health estimates that the 20-year drinking water infrastructure need for California is \$39 billion. Funding for such projects, however, for 1997–2008 totaled only \$1.2 billion.

SEC. 2. Section 14300 of the Corporations Code is amended to read:

14300. (a) Any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes may provide, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use shall provide, in its articles or bylaws that water shall be sold, distributed, supplied, or delivered only to owners of its shares and that the shares shall be appurtenant to certain lands when the same are described in the certificate issued therefor; and when the certificate is so issued and a certified copy of the articles or bylaws recorded in the office of the county recorder in the county where the lands are situated the shares of stock shall become appurtenant to the lands and shall only be transferred therewith, except after sale or forfeiture for delinquent assessments thereon as provided in Section 14303. Notwithstanding this provision in its articles or bylaws, any such corporation may sell water to the state, or any department or agency thereof, or to any school district, or to any public agency, or, to any other mutual water company or, during any emergency resulting from fire or other disaster involving danger to public health or safety, to any person at the same rates as to holders of shares of the corporations; and provided further, that any corporation may enter into a contract with a county fire protection district to furnish water to fire hydrants and for fire suppression or fire prevention purposes at a flat rate per hydrant or other connection. In the event lands to which any stock is appurtenant are owned or purchased by the state, or any department or agency thereof, or any school district, or public agency, the stock shall be canceled by the secretary, but shall be reissued to any person later acquiring title to the land from the state department, agency, or school district, or public agency.

(b) A corporation described in subdivision (a) shall be known as a mutual water company.

SEC. 3. Section 14300.5 is added to the Corporations Code, to read:

14300.5. For purposes of this chapter, "public water system" shall have the same meaning as provided in Section 116275 of the Health and Safety Code.

SEC. 4. Section 14301.1 is added to the Corporations Code, to read:

14301.1. (a) No later than December 31, 2012, each mutual water company that operates a public water system shall submit to the local agency formation commission for its county a map depicting the approximate boundaries of the property that the mutual water company serves.

(b) A mutual water company that operates a public water system shall respond to a request from a local agency formation commission, located within a county that the mutual water company operates in, for information in connection with the preparation of municipal service reviews or spheres of influence pursuant to Chapter 4 (commencing with Section 56425) of Part 2 of Division 3 of Title 5 of the Government Code within 45 days of the request. The mutual water company shall provide all reasonably available nonconfidential information relating to the operation of the public water system. The mutual water company shall explain, in writing, why any requested information is not reasonably available. The mutual water company shall not be required to disclose any information pertaining to the names, addresses, or water usage of any specific shareholder. This subdivision shall not be interpreted to require a mutual water company to undertake any study or investigation. A mutual water company may comply with this section by submitting to the local agency formation commission the same information that the mutual water company submitted to the State Department of Public Health.

(c) A mutual water company that operates a public water system shall be subject to the requirements of, and has the powers granted by, subdivision (b) of Section 116755 of the Health and Safety Code.

SEC. 5. Section 14301.2 is added to the Corporations Code, to read:

14301.2. Each board member of a mutual water company that operates a public water system shall comply with the training requirements set out in subdivision (a) of Section 116755 of the Health and Safety Code.

SEC. 6. Section 14301.3 is added to the Corporations Code, to read:

14301.3. (a) All construction on public water systems operated by a mutual water company shall be designed and constructed to comply with the applicable California Waterworks standards, as provided in Chapter 16 of Title 22 of the California Code of Regulations.

(b) A mutual water company that operates a public water system shall maintain a financial reserve fund for repairs and replacements to its water production, transmission, and distribution facilities at a level sufficient for continuous operation of facilities in compliance with the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) and the California Safe Drinking Water Act (Chapter 4 (commencing with 116270) of Part 12 of Division 104 of the Health and Safety Code).

SEC. 7. Section 56375 of the Government Code is amended to read: 56375. The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) (1) To review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

(2) The commission may initiate proposals by resolution of application for any of the following:

(A) The consolidation of a district, as defined in Section 56036.

(B) The dissolution of a district.

(C) A merger.

(D) The establishment of a subsidiary district.

(E) The formation of a new district or districts.

(F) A reorganization that includes any of the changes specified in subparagraph (A), (B), (C), (D), or (E).

(3) A commission may initiate a proposal described in paragraph (2) only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430, and the commission makes the determinations specified in subdivision (b) of Section 56881.

(4) A commission shall not disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:

(A) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

(B) Located within an urban service area that has been delineated and adopted by a commission, which is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.

(C) An annexation or reorganization of unincorporated islands meeting the requirements of Section 56375.3.

(5) As a condition to the annexation of an area that is surrounded, or substantially surrounded, by the city to which the annexation is proposed, the commission may require, where consistent with the purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.

(6) A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.

(7) The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and rezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city prezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be rezoned.

(b) With regard to a proposal for annexation or detachment of territory to, or from, a city or district or with regard to a proposal for reorganization that includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in its resolution approving the annexation, detachment, or reorganization, is inhabited or uninhabited.

(c) With regard to a proposal for consolidation of two or more cities or districts, to determine which city or district shall be the consolidated successor city or district.

(d) To approve the annexation of unincorporated, noncontiguous territory, subject to the limitations of Section 56742, located in the same county as that in which the city is located, and that is owned by a city and used for municipal purposes and to authorize the annexation of the territory without notice and hearing.

(e) To approve the annexation of unincorporated territory consistent with the planned and probable use of the property based upon the review of general plan and rezoning designations. No subsequent change may be made to the general plan for the annexed territory or zoning that is not in conformance to the rezoning designations for a period of two years after the completion of the annexation, unless the

legislative body for the city makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the commission.

(f) With respect to the incorporation of a new city or the formation of a new special district, to determine the number of registered voters residing within the proposed city or special district or, for a landowner-voter special district, the number of owners of land and the assessed value of their land within the territory proposed to be included in the new special district. The number of registered voters shall be calculated as of the time of the last report of voter registration by the county elections official to the Secretary of State prior to the date the first signature was affixed to the petition. The executive officer shall notify the petitioners of the number of registered voters resulting from this calculation. The assessed value of the land within the territory proposed to be included in a new landowner-voter special district shall be calculated as shown on the last equalized assessment roll.

(g) To adopt written procedures for the evaluation of proposals, including written definitions consistent with existing state law. The commission may adopt standards for any of the factors enumerated in Section 56668. Any standards adopted by the commission shall be written.

(h) To adopt standards and procedures for the evaluation of service plans submitted pursuant to Section 56653 and the initiation of a change of organization or reorganization pursuant to subdivision (a).

(i) To make and enforce regulations for the orderly and fair conduct of hearings by the commission.

(j) To incur usual and necessary expenses for the accomplishment of its functions.

(k) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.

(l) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

(m) To waive the restrictions of Section 56744 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(n) To waive the application of Section 22613 of the Streets and Highways Code if it finds the application would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.

(o) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810.

(p) To authorize a city or district to provide new or extended services outside its jurisdictional boundaries pursuant to Section 56133.

(q) To enter into an agreement with the commission for an adjoining county for the purpose of determining procedures for the consideration of proposals that may affect the adjoining county or where the jurisdiction of an affected agency crosses the boundary of the adjoining county.

(r) To approve with or without amendment, wholly, partially, or conditionally, or disapprove pursuant to this section the annexation of territory served by a mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code that operates a public water system to a city or special district. Any annexation approved in accordance with this subdivision shall be subject to the state and federal constitutional prohibitions against the taking of private property without the payment of just compensation. This subdivision shall not impair the authority of a public agency or public utility to exercise eminent domain authority.

SEC. 8. Section 56430 of the Government Code is amended to read:

56430. (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Growth and population projections for the affected area.
 - (2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
 - (3) Financial ability of agencies to provide services.
 - (4) Status of, and opportunities for, shared facilities.
 - (5) Accountability for community service needs, including governmental structure and operational efficiencies.
 - (6) Any other matter related to effective or efficient service delivery, as required by commission policy.
- (b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.
- (c) In conducting a service review, the commission may include a review of whether the agencies under review, including any public water system as defined in Section 116275, are in compliance with the Safe Drinking Water Act. A public water system may satisfy any request for information as to compliance with the Safe Drinking Water Act by submission of the consumer confidence or water quality report prepared by the public water system as provided by Section 116470 of the Health and Safety Code.
- (d) The commission may request information, as part of a service review under this section, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code, and private utilities, as defined in Section 1502 of the Public Utilities Code.
- (e) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or 56426.5 or to update a sphere of influence pursuant to Section 56425.

SEC. 9. Article 12 (commencing with Section 116755) of Chapter 4 of Part 12 of Division 104 is added to the Health and Safety Code, to read:

Article 12. Board Member Training

116755. (a) Each board member of a mutual water company that operates a public water system, as defined in Section 116275, shall, within six months of taking office, or by December 31, 2012, if that member was serving on the board on December 31, 2011, complete a two-hour course offered by a qualified trainer regarding the duties of board members of mutual water companies, including, but not limited to, the duty of a corporate director to avoid contractual conflicts of interest and fiduciary duties, the duties of public water systems to provide clean drinking water that complies with the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) and this chapter, and long-term management of a public water system. For the purposes of this subdivision, a trainer may be qualified in any of the following ways:

(1) Membership in the California State Bar.

(2) Accreditation by the International Association of Continuing Education and Training (IACET) ANSI/IACET 1-2007.

(3) Sponsorship by either the Rural Community Assistance Corporation or the California Rural Water Association.

(b) A mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code shall be liable for the payment of any fines, penalties, costs, expenses, and other amounts that may be imposed upon the mutual water company pursuant to this chapter. The mutual water company may levy an assessment, pursuant to Section 14303 of the Corporations Code, to pay these fines, penalties, costs, expenses, and other amounts so imposed. If the amount of outstanding fines, penalties, costs, expenses and other amounts imposed pursuant to this chapter exceed 5 percent of the annual budget of the mutual water company, then the mutual water company shall levy an assessment, pursuant to Section 14303 of the Corporations Code, to pay those fines, penalties, costs, expenses, and other amounts so imposed.

SEC. 10. Section 116760.90 of the Health and Safety Code is amended to read:116760.90. (a) The department shall not approve an application for funding unless the department determines that the proposed study or project is necessary to enable the applicant to meet safe drinking water standards, and is consistent with an adopted countywide plan, if any. The department may refuse to fund a study or project if it determines that the purposes of this chapter may more economically and efficiently be met by means other than the proposed study or project. The department shall not approve an application for funding a project with a primary purpose to supply or attract future growth. The department may limit funding to costs necessary to enable suppliers to meet primary drinking water standards, as defined in Chapter 4 (commencing with Section 116270).

(b) With respect to applications for funding of project design and construction, the department shall also determine all of the following:

(1) Upon completion of the project, the applicant will be able to supply water that meets safe drinking water standards.

(2) The project is cost-effective.

(3) If the entire project is not to be funded under this chapter, the department shall specify which costs are eligible for funding.

(c) In considering an application for funding a project that meets all other requirements of this chapter and regulations, the department shall not be prejudiced by the applicant initiating the project prior to the department approving the application for funding. Preliminary project costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were

incurred by the applicant prior to the department approving the application for funding. Construction costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred after the approval of the application by the department but prior to the department entering into a contract with the applicant pursuant to Section 116761.50.