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**MENDOCINO**    **Local Agency Formation Commission**

Ukiah Valley Conference Center    ♦    200 South School Street    ♦    Ukiah, California 95482

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**POTTER VALLEY IRRIGATION DISTRICT**  
**SPHERE OF INFLUENCE UPDATE**

Prepared in accordance with Government Code §56425

Administrative Draft Workshop- February 1, 2016

Draft Hearing- March 7, 2016

**Adopted March 7, 2016**

## MENDOCINO LOCAL AGENCY FORMATION COMMISSION

### LAFCo Resolution No. 15-16-15

#### A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY APPROVING THE POTTER VALLEY IRRIGATION DISTRICT SPHERE OF INFLUENCE UPDATE 2016

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the "Commission", is authorized to establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Mendocino County; and

WHEREAS, the Commission conducted an update for the Potter Valley Irrigation District's sphere of influence pursuant to California Government Code Section 56425; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the Executive Officer's report and recommendations on the sphere of influence update were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the sphere of influence update on March 7, 2016; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425.

NOW, THEREFORE, the Mendocino Local Agency Formation Commission does hereby RESOLVE, DETERMINE, and ORDER as follows:

1. This sphere of influence update has been informed by the Commission's earlier municipal service review on the Ukiah Valley special districts, for which the section on the Potter Valley Irrigation District was accepted by the Commission on May 6, 2013.
2. The Commission, as Lead Agency, finds the update to the Potter Valley Irrigation District's sphere of influence is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly effecting the environment given no new land use or municipal service authority is granted.
3. The Potter Valley Irrigation District confirmed during the review of its sphere of influence that its services are currently limited to irrigation water services. Accordingly, the Commission waives the requirement for a statement of services prescribed under Government Code Section 56425(i).
4. This sphere of influence update is assigned the following distinctive short-term designation: "Potter Valley Irrigation District Sphere of Influence Update 2016"
5. Pursuant to Government Code Section 56425(e), the Commission makes the written statement of determinations included in the Potter Valley Irrigation District Sphere of Influence Update report, hereby incorporated by reference.

6. The Executive Officer shall revise the official records of the Commission to reflect this update of the Potter Valley Irrigation District sphere of influence.

BE IT FURTHER RESOLVED that the Potter Valley Irrigation District's sphere of influence is reaffirmed to remain larger than the District boundary, as depicted in Exhibit "A".

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 7<sup>th</sup> day of March, 2016, by the following vote:

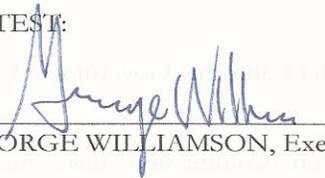
AYES: 7

NOES: 0

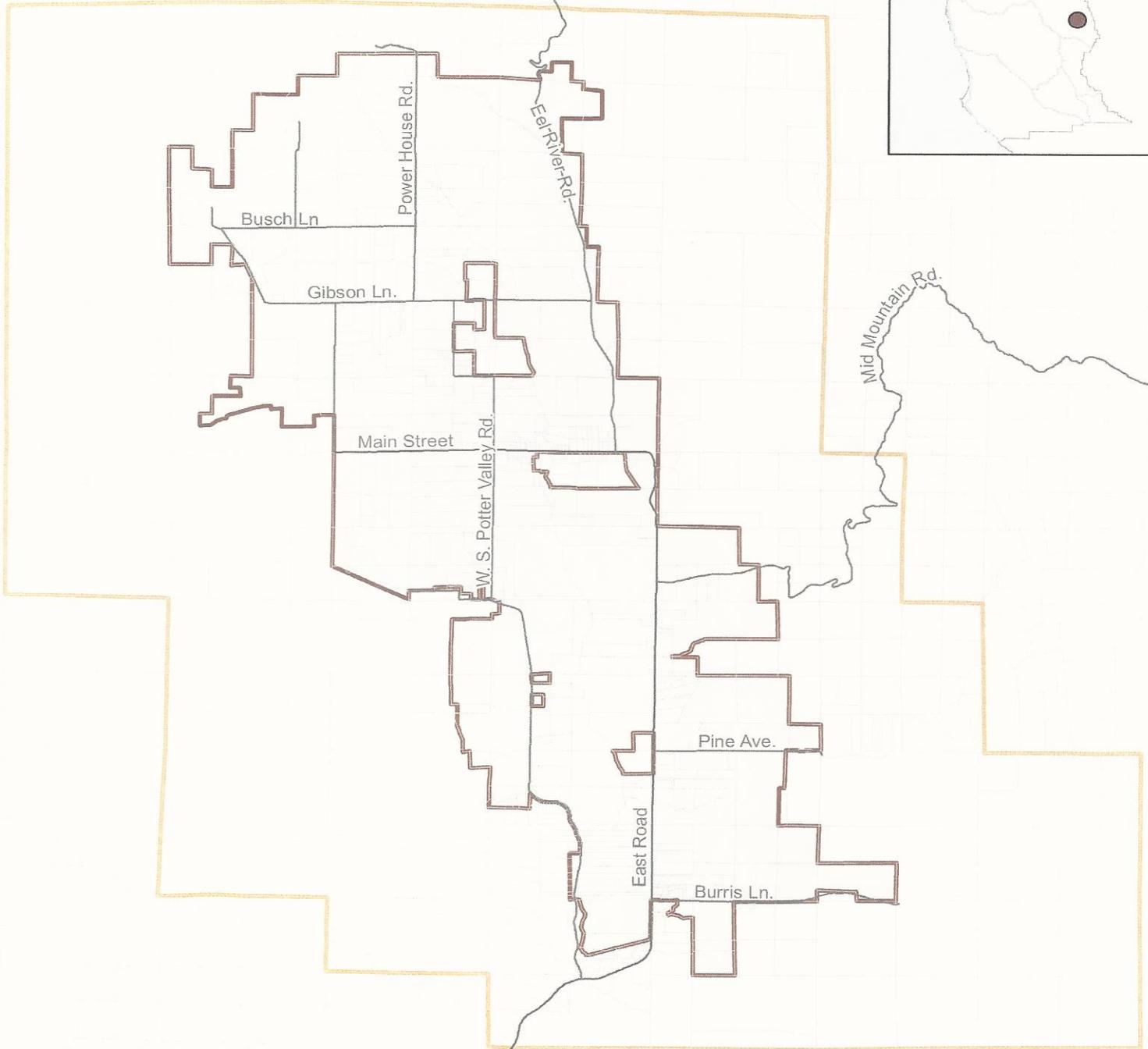
ABSTAIN: 0

ABSENT: 0

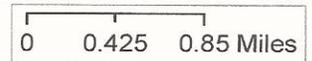
  
JERRY WARD, Chair

ATTEST:  
  
GEORGE WILLIAMSON, Executive Officer

 **EXHIBIT A.**



-  District Boundary
-  District SOI (affirmed 2016)
-  Parcels



# Potter Valley Irrigation District

Source: Bureau of Mendocino County Roads (S Campus 10/11)

LAFCo Resolution No. 15-16-15

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Prepared for  
Mendocino



LAFCo by:

Date: 1/21/2016

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## **INTRODUCTION**

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### **OVERVIEW**

This update is prepared in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH Act) which states, “In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, LAFCo shall develop and determine the Sphere of Influence (SOI) of each local governmental agency within the county” (GC §56425). A “SOI” is defined under the CKH Act as “.... a plan for the probable physical boundaries and service area of a local (government) agency” (GC §56076).

Decisions on organizational changes must be consistent with the SOI boundary and determinations. The adopted SOI is used by LAFCo as a policy guide in its consideration of boundary change proposals affecting each city and special district in Mendocino County. Other agencies and individuals use adopted SOIs to better understand the services provided by each local agency and the geographic area in which those services will be available. Clear public understanding of the planned geographic availability of urban services is crucial to the preservation of agricultural land and discouraging urban sprawl.

The following document will assess and recommend an appropriate Potter Valley Irrigation District (PVID or District) Sphere of Influence (SOI). The objective is to update PVID’s SOI relative to current legislative directives, local policies, and agency preferences. The update draws on information from the Potter Valley Irrigation District Municipal Services Review (MSR), which includes the evaluation of availability, adequacy, and capacity of services provided by the District.

### **REVIEW PERIOD**

SOI reviews and updates typically occur every five years, or as needed. A local agency’s services are analyzed with a twenty year planning horizon, and a sphere is determined in a manner emphasizing a probable need for services within the next 5-10 years. Actual boundary change approvals, however, are subject to separate analysis with particular emphasis on determining whether the timing of the proposed action is appropriate.

### **EVALUATION CONSIDERATIONS**

When updating the SOI, the Commission considers and adopts written determinations:

#### **Sphere Determinations: Mandatory Written Statements**

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1. Present and planned land uses in the area, including agricultural and open space.
  2. Present and probable need for public facilities and services in the area.
  3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.
  4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
  5. If the agency provides services related to water, sewer, or fire, then the present and probable need for these services by any disadvantaged unincorporated communities within the existing sphere should be considered
-

Policies specific to Mendocino LAFCo are also considered along with determinations in administering the CKH Act in Mendocino County. This includes considering the merits of the SOI, or any changes, relative to the Commission's seven interrelated policies, as listed below, with respect to determining the appropriate SOI.

### **General Guidelines for Determining Spheres of Influence**

The following is excerpted from *Mendocino LAFCo's 2016 Policies and Procedures*, "Chapter 9: Spheres of Influence, MSRs, and Special Studies":

#### **Section 1. Spheres of Influence**

##### *Reduced Spheres*

The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission shall, however, consider removal of land from an agency's sphere of influence if either of the following two conditions apply:

- the land is outside the affected agency's jurisdictional boundary but has been within the sphere of influence for 10 or more years; or
- the land is inside the affected agency's jurisdictional boundary but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

##### *Zero Spheres*

LAFCo may adopt a "zero" sphere of influence encompassing no territory for an agency. This occurs if LAFCo determines that the public service functions of the agency are either nonexistent, no longer needed, or should be reallocated to some other agency (e.g., mergers, consolidations). The local agency which has been assigned a zero sphere should ultimately be dissolved.

##### *Service Specific Spheres*

If territory within the proposed sphere boundary of a local agency does not need all of the services of the agency, a "service specific" sphere of influence may be designated.

##### *Agriculture and Open Space Lands*

Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall not be assigned to an agency's sphere of influence unless the area's exclusion would impede the planned, orderly and efficient development of the area. In addition, LAFCo may adopt a sphere of influence that excludes territory currently within that agency's boundaries. This may occur when LAFCo determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency's sphere. Exclusion of these areas from an agency's sphere of influence indicates that detachment is appropriate.

##### *Annexations are not Mandatory*

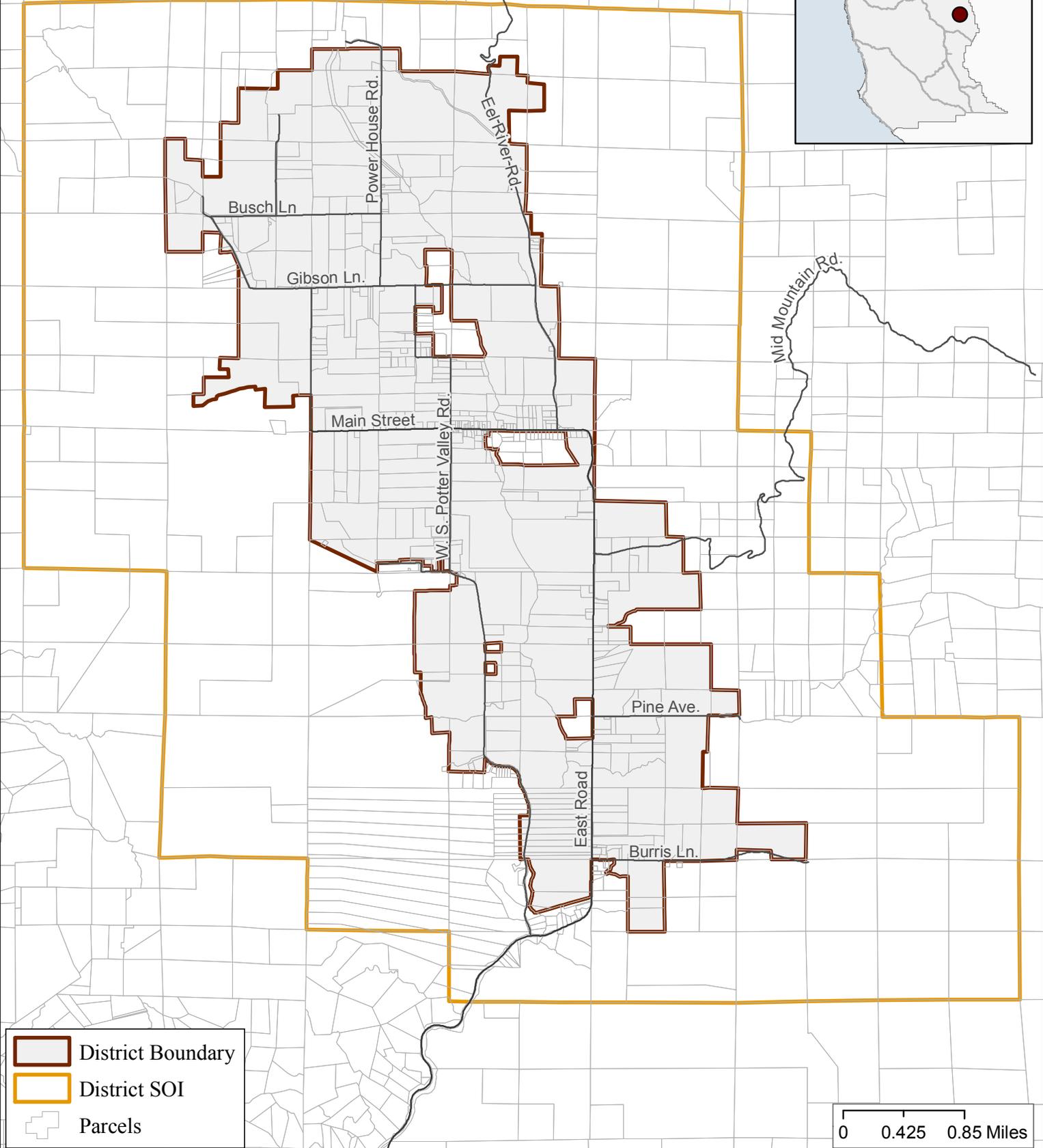
Before territory can be annexed to a city or district, it must be within the agency's sphere of influence (G.G. §56375.5). However, territory within an agency's sphere will not necessarily be annexed. A sphere is only one of several factors that are considered by LAFCo when evaluating changes of organization or reorganization.

##### *Islands or Corridors*

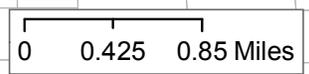
Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.



# FIGURE 1. DISTRICT BOUNDARY AND SOI



-  District Boundary
-  District SOI
-  Parcels



## Potter Valley Irrigation District

Prepared for **PLANWEST PARTNERS, INC.**  
 Mendocino LAFCo by:   
 Date: 1/21/2016

Sources: Boundaries: Mendocino County; Roads: US Census TIGER.  
 Path: D:\Planwest\_GIS\projects\current\Mendocino\_LAFCo\Water\_Districts\mapdocs\Potter\_Valley\_irrigation\_district.mxd

## **OVERVIEW**

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### **CURRENT AGENCY OPERATIONS**

The PVID diverts water from the tailrace of the PG&E Potter Valley Powerhouse into its canals to provide irrigation water to its customers. The PVID serves 272 agricultural customers on 6,964 acres (MSR 2013).

### **BACKGROUND**

The Potter Valley Irrigation District (PVID) was formed by the Board of Supervisors in 1924 under Section 20500 of the Water Code that relates to irrigation districts. The purpose was to provide irrigation water to support agriculture in Potter Valley. Potter Valley produces wine grapes, clover/grass hay, pears, grass-fed cattle, sheep, and other agricultural products (MSR 2013).

Lake Pillsbury was formed as part of the PG&E Potter Valley Project (PVP), which diverts water from the Eel River. The PVP, which began in 1905, consists of a 9.4-megawatt hydroelectric project, owned and operated by PG&E, and two dams on the Upper Main Stem Eel River. Scott Dam forms Lake Pillsbury and Cape Horn Dam forms Van Arsdale Reservoir. The PVID has a contract with PG&E for 50 cubic feet per second (cfs) from Lake Pillsbury water through 2022 (MSR 2013).

### **MUNICIPAL SERVICE REVIEW**

In 2013, LAFCo prepared the Ukiah Valley MSR, which included the Potter Valley Irrigation District. The PVID portion of the MSR was adopted by the LAFCo Commission on May 6, 2013. A MSR is a part of and a prerequisite for a SOI Update; as such, much of the information contained herein comes directly from the 2013 PVID MSR.

### **SPHERE OF INFLUENCE**

The District's SOI was established in 1995 via LAFCo Resolution No. 95-3 (See Figure 1). The SOI expands beyond District boundaries, generally following parcel lines. A few sections of the boundary follow township and range lines instead of parcel boundaries. The District has indicated that they would like to maintain their current SOI. The current SOI and a reduced SOI which is coterminous with District boundaries will both be evaluated in this document.

### **DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCo is required to evaluate disadvantaged unincorporated communities (DUCs) as part of a SOI review, including "...the present and probable need for those public facilities and services of any DUCs within the existing sphere of influence" (GC §56425). A DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewage, and fire protection. PVID provides irrigation water to support agriculture, and is therefore not responsible for assuring that any of the basic services – potable water, sewer, and fire protection – are adequately provided to communities. No potable water services are provided to the community, nor are wastewater services. The Potter Valley Community Services District provides fire protection services to the region.

Potter Valley is a census designated place which has an estimated MHI of \$64,500, which is 106 percent of California's estimated \$61,094 MHI (U.S. Census Bureau, 2014). Therefore Potter Valley is not considered a DUC.

## **POPULATION AND LAND USE**

### **Population and Growth**

According to the 2010 Census, the Potter Valley community has approximately 646 residents. However, the PVID is much larger in area than the Potter Valley community. The California Department of Finance (CDOF) also analyzed the population by zip codes in the 2000 and 2010 census. According to the CDOF, the population ranged from 1,883 in 2000 to 1,767 in 2010. However, the size of the zip code area was reduced by 10 square miles in 2010, which would account for the decrease in population. The population density in 2000 and 2010 remained at 10 persons per square mile. Based on this information, the population in the PVID remained unchanged over a 10-year period and no growth rate in population is inferred (MSR 2013). In summary, PVID has an estimated population of approximately 1,700, with little growth anticipated in the coming decade (MSR 2013).

### **Land Use and Development**

Of the approximately 6,964 acres within the District, 4,728 are irrigated. The MSR estimates 276 landowners are located within PVID and 260 water customer accounts (MSR 2013).

Within the District there are several islands containing parcels which are not within District boundaries. In 1924, during the formation of the District some of the landowners chose not to be part of the PVID. Those properties were excluded, and the boundary was approved by the Mendocino County Board of Supervisors. Some properties were later annexed into the District. Those remaining are still not part of the district, and receive no access to water delivered by PVID (District Superintendent, February 2016).

## **CAPACITY AND SERVICE**

The PVID has access to water under three licenses (5246, 1199, 5545) with the State Water Resources Control Board that allow it to divert up to 22,670 AFY between May 1 and April 30 of each year. As part of this allotment, the PVID has a contract with PG&E to supply 19,000 AFY irrigation water through 2022 (MSR 2013).

The contract between the District and PG&E depends on a Federal Energy Regulatory Commission (FERC) hydropower production license that PG&E holds allowing the diversion of water from the Upper Main Eel River termed the Potter Valley Project. The current FERC license expires on April 14, 2022. The relicensing process is scheduled to begin in 2017 (MSR 2013).

The total annual diversion of water through the Potter Valley Project has been reduced by up to 60% of the flows allowed prior to the last relicensing in 1983. The District uses some of the water. The remaining water, and recharge from the District system, flows into the East Branch of the Russian River and is stored in Lake Mendocino. The water stored in Lake Mendocino subsequently becomes the majority of the water supply for downstream water users, including Redwood Valley, Calpella, Ukiah, Ukiah Valley, Hopland and northern Sonoma County above the confluence with Dry Creek. The water stored in Lake Mendocino is also an integral part of Russian River flow releases provided to protect and enhance anadromous fish populations (MSR 2013).

The PVID sells between 70 to 80 percent of the water that is diverted. The remainder is returned to the East Branch Russian River. Average daily supply and average daily demand are 120 acre feet (AF). Maximum daily water demand is 170 AF and minimum is 100 AF. The PVID's peak demand capacity is 100 cfs or 200 AF per day. The average annual demand is 16,588 AFY (MSR 2013).

The 2013 MSR found that PVID has sufficient capacity to serve its customers in normal years. During drought years, estimated total available water could be reduced by 50 percent. In dry years, customers must rely on private ponds and storage facilities to address the district rotational delivery interval. The PVID also looks to winter storage in Lake Pillsbury to meet customer demand. A self-imposed annexation moratorium was placed on the PVID in 1997, due to uncertainty in capacity. The moratorium extends through 2022 limiting the number of new customers to the PVID.

## **RELEVANT LOCAL AGENCIES AND COMMUNITIES OF INTEREST**

The PVID works with other agencies such as the Mendocino County Inland Water and Power Commission (MCIWPC). The MCIWPC is a joint powers agency that includes Mendocino County, the City of Ukiah, Potter Valley Irrigation District, Russian River Flood Control and Water Conservation Improvement District, and Redwood Valley County Water District. The agency was formed to protect and procure adequate water supplies for its members.

## **RELEVANT PLANNING AND SERVICE FACTORS**

Local planning policies and land-use designations inform LAFCo SOI decisions. Below are relevant policies and service factors that are used as a guide.

### **County of Mendocino General Plan- Development Element (DE)**

General Plan Water Supply and Sewer (Wastewater Treatment) Services Policies:

Policy DE-186: Coordinate community water and sewer services with General Plan land use densities and intensities.

Policy DE-187: The County supports efficient and adequate public water and sewer services through combined service agencies, shared facilities, or other inter-agency agreements.

Action Item DE-187.1: Work aggressively with water and sewer service providers to overcome current and projected system and supply deficiencies necessary to serve planned community growth.

Action Item DE-187.2: Support funding applications to improve and expand water and sewer service capabilities in areas planned for future growth or to resolve existing deficiencies.

Action Item DE-187.3: Work with communities and public water and sewer service entities to monitor, manage and/or maintain community-wide or decentralized water/sewer systems.

Policy DE-188: Encourage water and sewer service providers to incorporate water conservation, reclamation, and reuse.

- Encourage the development and use of innovative systems and technologies that promote water conservation, reclamation, and reuse.
- Encourage the development of systems that capture and use methane emissions from their operation.
- Encourage the development and use of innovative systems and technologies for the treatment of wastewater.

Policy DE-189: Oppose extension of water or sewer services to rural non-community areas when such extensions are inconsistent with land use and resource objectives of the General Plan, except where the extension is needed to address a clear public health hazard.

Policy DE-190: Development of residential, commercial, or industrial uses shall be supported by water supply and wastewater treatment systems adequate to serve the long-term needs of the intended density, intensity, and use.

Policy DE-191: Land use plans and development shall minimize impacts to the quality or quantity of drinking water supplies.

### **County of Mendocino General Plan- Ch. 6 Community Specific Policies (CP) – Potter Valley Community Plan**

“The Potter Valley community planning area lies north of State Route 20 and is accessed via Potter Valley Road. The East Fork of the Russian River bisects the valley. A downtown area located along Main Street includes commercial operations, a school, a post office, a health clinic, and other uses. A “Central Park” is currently being developed off Main Street to invite travelers to stop, rest, and visit the town, and provide a central gathering point for community festivals and events. The remainder of the area is mainly agricultural, with grazing lands, vineyards and orchards covering most of the valley floor. The Potter Valley Irrigation District (PVID) serves agricultural uses in the District. Residential ranchettes of 5 to 10 acre lots are situated in and around these farm sites. The valley floor rapidly transitions to upland forests and rural grazing lands.”

## ***DISCUSSION***

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As an irrigation district, the PVID is responsible for providing irrigation water delivery for agricultural uses, thereby indirectly helping to maintain land in productive use for agriculture. While there is land outside the current district boundary and within the current SOI that could be irrigated, the 1997 moratorium precludes any annexation of lands based on the limited and uncertain future water supply through the PG&E Potter Valley Project until FERC license renewal in 2022. The District maintains a priority list of requests for annexation in the event future water conditions change. PVID Bylaws and recorded stipulations prohibit delivery of water outside of district boundaries (District Superintendent, December 2015).

When the present SOI was established, an environmental review and master plan for service were conducted. As discussed previously, the District has indicated that they would like to maintain their current SOI based on the demand for irrigation water services and requests for annexation, most of which are presumably within the current SOI. Given the District’s water supply may change due to FERC relicensing within the 5 to 10 year planning horizon of this Update, and given the District is the only municipal irrigation water supplier in the Potter Valley, it is appropriate to maintain the current SOI.

## ***ANALYSIS***

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As presented in the introduction, when updating the SOI, the Commission considers and adopts written determinations. The following are the formal determinations for this SOI Update:

**1.) Present and Planned Land Use**

One of the main functions of LAFCo is the preservation of agricultural land and open space. There are no policies that would be of concern or limit the mission of the PVID, as operations of the PVID are consistent with local LAFCo policies.

**2.) Present and Probable Need for Public Facilities and Services**

The PVID has provided irrigation water services to the community of Potter Valley since 1928. Continued service to the area, and a waiting list of customers who desire service should the moratorium be lifted, indicates an ongoing need for services into the future. The self-imposed moratorium limits District growth until 2022, at which time the District may consider whether water supplies are sufficient to support annexation within the current sphere.

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

The PVID has sufficient capacity to serve its customers in normal years. The District does not have supply capacity for additional connections under present conditions.

**4.) Social and Economic Communities of Interest**

The nearby community of the Ukiah Valley is of interest. Multiple agencies provide similar water service in a community which shares geography and water supply concerns. The District has a common interest with the other local water purveyors to manage the water supply systems and watersheds of the region.

**5.) Present and Probable Need for Water, Sewer, or Fire Protection Services for Disadvantaged Unincorporated Communities (DUCs)**

The PVID provides irrigation water to support agriculture, and is therefore not responsible for assuring that any of the basic services – potable water, sewer, or fire protection – are adequately provided to communities.

***CONCLUSION***

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Given the District maintains a waiting list of customers requesting service outside District boundaries and given the District is the most logical irrigation water service provider for Potter Valley, the present sphere of influence should be maintained (See District SOI in Figure 1).

***REFERENCES***

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Mendocino LAFCo, 2016 Policies and Procedures, Chapter 5- Policies That May Apply for Some Applicants, D. Sphere of Influence.

U.S. Census Bureau. American (2014) Fact Finder, “Potter Valley CDP, California.  
[http://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml?src=bkmmk](http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml?src=bkmmk)