

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
**1112 I Street #100**  
**Sacramento, California 95814**  
**(916) 874-6458**

March 2, 2005

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **Municipal Service Review and Sphere of Influence Update  
For Del Paso Manor Water District (17-04)**

**RECOMMENDATION**

1. Adopt the Notice of Exemption as adequate and complete for this project.
2. Approve the Findings and Recommendations in the Municipal Service Review and Sphere of Influence Update for the Del Paso Manor Water District.
3. Find that the Sphere of Influence of the Del Paso Manor Water District is to remain coterminous with the District boundary.
4. Adopt the Resolution Making Determinations set forth in the Municipal Service Review and Sphere of Influence Update for the Del Paso Manor Water District.

PB:Maf  
(Del Paso Manor Water District memo)

**RESOLUTION NO. LAFC 1294**

**RESOLUTION OF THE SACRAMENTO LOCAL AGENCY FORMATION  
MAKING DETERMINATIONS FOR THE MUNICIPAL SERVICE REVIEW  
AND SPHERE OF INFLUENCE UPDATE FOR THE  
DEL PASO MANOR WATER DISTRICT (17-04)**

WHEREAS, the Executive Officer set a public hearing for March 2, 2005, for consideration of the Municipal Service Review and Sphere of Influence Update and the Notice of Exemption; and

WHEREAS, at said hearing, the Sacramento Local Agency Formation Commission reviewed and considered the Executive Officer's Report and Recommendation, each of the policies, priorities and factors set forth in Government Code Sections 56425 et. seq. and Sacramento LAFCo policies, procedures and guidelines; and

WHEREAS, during the public hearing, an opportunity was given to all interested persons, organizations and agencies to present oral and written testimony and any other information concerning the proposal and related matters; and

WHEREAS, the Sacramento Local Agency Formation Commission on the March 2, 2005 public hearing, the Commission adopted the Resolution Making Determinations,

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Sacramento Local Agency Formation Commission as follows:

1. The foregoing recitals; and each of them, are true and correct.
2. The Notice of Exemption (Exhibit A), prepared by the Executive Officer, is approved as the appropriate environmental document for this project because the project falls under General Rule 15061 (b) (3) of the California Environmental Quality Act.
3. The Sacramento Local Agency Formation Commission adopts the recommendations set forth in the Municipal Service Review and Sphere of Influence Update for the Del Paso Manor Water District as set forth in Exhibit B attached hereto and incorporated herein.
4. The Sacramento Local Agency Formation Commission makes the following written determinations:

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- a. Regarding infrastructure needs or deficiencies, the Commission determines that the District currently has no immediate unmet infrastructure needs or existing deficiencies at the current levels of coverage and service response. Del Paso Manor Water District is an effective water district as it relates to water service provision, maintenance and improvement of infrastructure.
- b. Regarding growth and population projections for the affected area, the Commission determines the District is capable of providing service based on growth and population projections; the District is built out and significant growth within District boundaries is not expected to occur.
- c. Regarding financing constraints and opportunities, the Commission determines that the District has no serious financing constraints at this time. The District has the ability to raise rates in accordance with Proposition 13 and Proposition 218.
- d. Regarding cost avoidance opportunities, the Commission determines that the District uses its best efforts to take advantage of all reasonable cost avoidance opportunities.
- e. Regarding opportunities for rate restructuring, the Commission determines that the District's fees and rates provide financing that is reasonable for providing water services, maintaining wells and related pipelines at the current level.
- f. Regarding opportunities for shared facilities, the Commission determines that the District has interconnections with other water providers and continually reviews new opportunities to do so.
- g. Regarding government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines that the District currently provides services to a very specific small geographic area. While there appears to be considerable merit to the concept of consolidation of water services, the Del Paso Manor Water District is operated in an efficient manner.

It is likely that reorganization/ consolidation of a relatively small district would not result in any cost savings to the ratepayers of the District because the District has very low overhead costs. In fact, it is likely that rates would increase because it is more expensive to provide surface water. In the future, reorganization/ consolidations of small districts may be appropriate, though not necessarily cost-effective, for ratepayers of smaller districts. The need to consolidate may be driven by water quality issues, i.e., contamination of groundwater, requirement to treat water, the continued overdraft of the Groundwater Basin.

However, the Del Paso Manor Water District should participate to help protect the North Area Groundwater Basin. There are primarily two ways to accomplish this goal.

1. Conservation efforts and the installation of water meters;
2. The purchase of surface water to provide conjunctive use of both surface water and groundwater.

Both of these efforts have costs as well as impacts to ratepayers but these efforts are part of a regional effort to help promote a sustainable water supply for the North Area Groundwater Basin. These efforts can be accomplished without the formal reorganization/ consolidation of districts.

- h. Regarding evaluation of management efficiencies, the Commission determines the District operates with a high degree of efficiency and professional cooperation with other agencies as well as the public.
  - i. Regarding local accountability and governance, the Commission determines that the District's Board of Directors represents an adequate level of special district accountability and governance within its service territory.
5. The Executive Officer is instructed to:
- a. Mail a certified copy of this Resolution to the Del Paso Manor Water District.
  - b. File the Notice of Exemption with the County Clerk in accordance with the California Environmental Quality Act.

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**PASSED AND ADOPTED by the SACRAMENTO LOCAL AGENCY  
FORMATION COMMISSION on March 2, 2005, by the following vote, to wit:**

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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Robert King Fong, Chair  
***SACRAMENTO LOCAL AGENCY FORMATION COMMISSION***

ATTEST:

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Marilyn Ann Flemmer  
Commission Clerk

***Maf***  
(Reso 1294 Del Paso Manor Water District)