

**Municipal Service Review
And
Sphere of Influence Recommendation**

**Hilton Creek Community Services District
Mono County, California**

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SUMMARY

Municipal Service Review Determinations

1. Infrastructure Needs and Deficiencies

- The district needs to develop long-term planning documents that assess future infrastructure and service needs, identify projects to meet those needs, determine the costs associated with identified projects, and outline a financial plan to pay for future needs and service.

2. Growth and Population Projections for the Affected Area

- The Mono County General Plan Land Use Element allows for significant additional growth in the Long Valley communities.
- Growth is anticipated to occur primarily in and adjacent to existing developed areas and to be primarily single-family residential development with a mix of multi-family residential development and commercial uses in Crowley Lake.
- The residential population in Long Valley is projected to increase to 1,865 by 2,020 and 2,005 by 2,030, creating an increased demand for water and sewer services.
- In addition to the projected residential growth, Long Valley's population experiences significant seasonal increases due to tourism.

3. Financing Constraints and Opportunities

- The CSD's future financing will continue to rely heavily on use fees, property tax revenues, and connection fees.
- The adequacy of property tax revenues to fund local facilities and services has steadily declined over time. There is a need to ensure that property tax assessments are kept current.
- The district should develop a schedule for reviewing its fees in order to ensure that they are adequate to meet on-going operating and maintenance costs and the costs of additional infrastructure to serve new development.
- The district should develop long-term planning documents that identify needed capital facilities and the costs associated with developing those facilities.
- The district should develop a Financial Strategic Plan to ensure that it will have adequate funding sources in the short-term and long-term.

4. Cost Avoidance Opportunities

- In Long Valley, particularly in Crowley Lake, there are some overlapping service boundaries.
- Integrated planning, especially long-range planning, is an important part of cost avoidance. The district has no long-range plans.
- The district does not participate in JPAs in order to reduce insurance costs.
- There are a number of small service providers in Long Valley that have administrative costs associated with the overall management of those organizations. There could be some duplication of services among the service providers, particularly in areas such as personnel management, insurance, risk management, financial management services,

fleet maintenance, etc. Further studies would be necessary to determine whether there are opportunities to reduce costs among the service providers.

5. Opportunities for Rate Restructuring

- All funding mechanisms have inherent limitations that may prevent their implementation, use or restructure.
- The district charges connection fees to cover the costs associated with constructing additional infrastructure and equipment necessary to serve new development. The district reviews and adjusts these fees periodically to ensure that the fees are sufficient.
- Each sewer customer pays monthly sewer fees, based on the type of connection. The district periodically reviews and adjusts its monthly charges in order to ensure that they are sufficient to cover operating costs.
- The district should seek grant funding.

6. Opportunities for Shared Facilities and Resources

- The Long Valley area includes other special district service providers, as well as the County, that require facilities to support their services. There may be other opportunities for shared facilities among the service providers in the area. Further studies would be necessary to determine whether there are opportunities to reduce costs by sharing facilities.

7. Government Structure Options

- Several special districts, along with the County and private service providers, provide public services within the Long Valley communities.
- To alleviate government overlap and fragmentation, LAFCO law and local LAFCO policies promote the consolidation of services under the authority of one multi-purpose agency. District boundaries overlap in Long Valley.
- As a Community Service District, the Hilton CSD is authorized to provide a variety of services including sewage collection and disposal, snow removal/road maintenance, mosquito abatement, water treatment and distribution, fire protection, parks and recreational services, street lighting, police protection, and library services.
- Ultimately, in compliance with LAFCO policies, a regional CSD might be the best provider of a variety of services in the Long Valley area.

8. Evaluation of Management Efficiencies

- The CSD is managed by an elected Board of Directors.
- The district has no long-range planning documents nor has it made any long-range service projections. The CSD develops long-range goals and objectives as part of a 5-year Capital Budget plan.
- The district should develop long-range planning documents, including financial plans, in order to maintain its service levels while providing for the needs of future development.

9. Local Accountability and Governance

- The CSD complies with the minimum requirements for open meetings and public records.
- The district seeks to inform its customers of district activities and services.

Sphere of Influence Findings

1. Present and Planned Land Uses

Present land uses in the area served by the Hilton Creek CSD include residential, commercial, and public uses. The planned land uses for community areas throughout Long Valley are similar with future development concentrated primarily within and adjacent to existing development.

2. Present and Probable Need For Public Facilities and Services

The CSD has an existing and continuing need for public facilities and services to serve the current and planned development in the area.

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

The district currently provides an adequate level of service but has identified a need to improve both its facilities and services in order to serve additional development and to improve services to existing development. As a Community Service District, the district is authorized to provide a wide array of services, including water treatment and distribution, fire protection, parks and recreational services, street lighting, police protection, and library services.

4. Social or Economic Communities of Interest

The Long Valley communities share social and economic interests with the entire incorporated area of the Town. These shared interests promote a coordinated approach to service provision in the Long Valley area. LAFCO law and local LAFCO policies advocate that certain local services should be provided by a multi-purpose service agency, rather than by several single purpose service providers.

Sphere of Influence Recommendation

The Sphere of Influence for the Hilton Creek Community Services District should remain as it is, including privately owned land within the community of Long Valley and US Forest Service permittees at Whiskey Tract (see Figure 2).

Reorganization Recommendation

Section 56001 of the California Government Code states that:

The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

Currently, the Hilton CSD provides adequate services within its boundaries. In the future, a regional water and sewer provider with separate service areas throughout the Long Valley communities might best provide sewer and water services for the region. At that time, a reorganization study should be conducted to determine what governmental structure would best provide services for the region. Such a reorganization should occur only with the concurrence of the involved districts' Boards of Directors.

I. INTRODUCTION

Municipal Service Reviews

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires Local Agency Formation Commissions (LAFCOs) to conduct comprehensive reviews of all municipal services in each county in California and to periodically update that information. The purpose of the municipal service reviews is to gather detailed information on public service capacities and issues.

Relationship Between Municipal Service Reviews and Spheres of Influence

The Cortese-Knox-Hertzberg Local Government Reorganization Act requires LAFCOs to develop and determine the Sphere of Influence (SOI) for each applicable local governmental agency that provides services or facilities related to development. Government Code Section 56076 defines a SOI as “a plan for the probable physical boundaries and service area of a local agency.” Service reviews must be completed prior to the establishment or update of SOIs (§56430(a)). Spheres of influence must be reviewed and updated as necessary, but not less than once every five years (§56425).

The information and determinations contained in a Municipal Service Review are intended to guide and inform SOI decisions. Service reviews enable LAFCO to determine SOI boundaries and to establish the most efficient service provider for areas needing new service. They also function as the basis for other government reorganizations. Section 56430, as noted above, states that LAFCO can conduct these reviews “before, in conjunction with, but no later than the time it is considering an action to establish a SOI.”

The Hilton Creek Community Services District Municipal Service Review is being conducted in response to, and in conjunction with, an update of the sphere of influence for the district.

II. HILTON CREEK COMMUNITY SERVICES DISTRICT

DISTRICT OVERVIEW

Service Area

The Hilton Creek Community Services District (CSD) was established in 1963 to provide sewage collection and disposal for Crowley Lake (Hilton Creek). The district boundaries include approximately 460 acres of land in the community of Crowley Lake (see Figure 1), 440 acres of privately owned land and 20 acres of public land managed by the US Forest Service.

The community of Crowley Lake is part of a larger area known as Long Valley. Long Valley includes developed areas on private lands at Long Valley, McGee Creek, Crowley Lake, Aspen Springs, and Sunny Slopes. The area also includes developed areas, under special use permits, on publicly owned land at Whiskey Tract, Tom's Place, Pine Glade, and Rock Creek Tract.

Long Valley is bordered to the south by the Sierra Nevada Mountains, to the east by the Volcanic Tablelands, to the north by the Glass Mountains, and to the west by the Mammoth Lakes area. Highway 395 provides the major access through the area. Crowley Lake Drive provides secondary access to local communities. Surface waters in the area include Lake Crowley and a number of streams throughout the valley. Topography in the area is characterized by the relatively flat floor of the valley, gently sloping hills to the sides of the valley floor and steep slopes above the hills. Vegetation on the valley floor includes pastureland and wetlands. Vegetation on the surrounding hills includes sagebrush scrub, junipers, and pinon pines.

The communities in Long Valley, with the exception of Crowley Lake, include predominantly single-family residential development. Crowley Lake includes residential and commercial uses, a county park, community center and ball fields, county road facilities, and a water treatment facility. Tom's Place also includes limited commercial uses.

Population Characteristics

Mono County GIS estimates that there are 439 parcels in the district, including 293 developed parcels (residential or commercial parcels valued at \$10,000 or more). Population data from the 2000 US Census and California Department of Finance population estimates show the population of Long Valley to be 1,147 in 2000 and 1,170 in 2003 (Table 3, Mono County Housing Element). In 2000, there were 440 households in Long Valley (Table 12, Housing Element). Eighty-five percent of the households were owner-occupied and 15 percent were rented (Table 12, Housing Element).

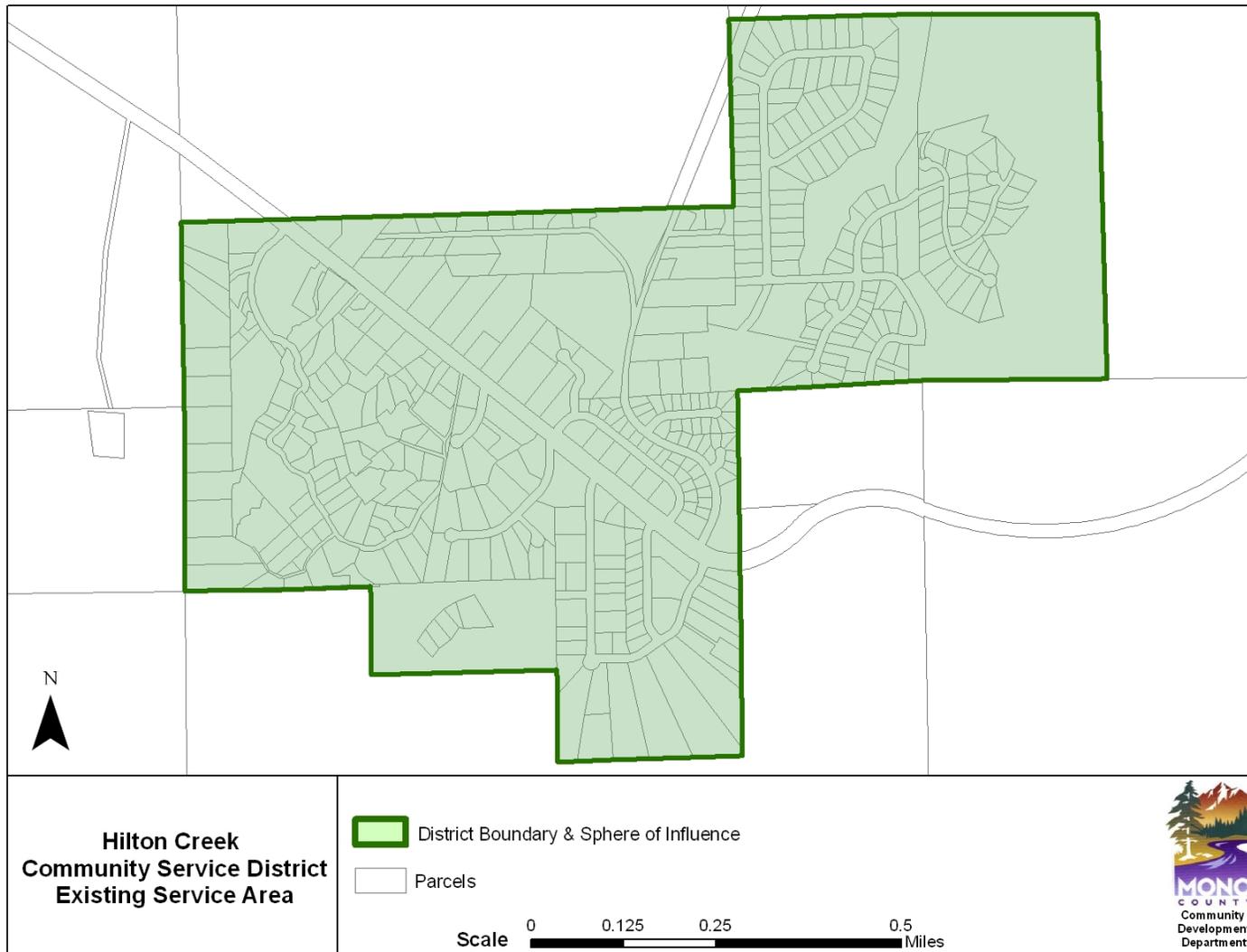


Figure 1 Hilton Creek Community Services District Boundaries

Sewage Treatment and Disposal

The Hilton Creek CSD sewage collection system consists of 12 miles of pipes (10-inch collection pipes, 8-inch interceptor pipes), one pump station and a treatment facility. Sewage is pumped to the treatment facility by two 40-horsepower pumps located within a single pump station. The pump station pumps 80-85% of the district's daily sewage flow to the treatment facility. The remaining 15-20% of the daily sewage flow reaches the treatment plant via a gravity fed system. At the treatment plant, sewage is pumped into an extended aeration tank, then into a secondary clarifier, and finally to percolation/evaporation ponds. During the winter months, sludge must be stored in an aeration tank until the percolation/evaporation ponds are clear of snow and ice.

The district manager estimates that the district's daily waste flow to be approximately 60,000 gallons per day (gpd). The collection system's capacity is 176,000 gpd. The treatment plant's capacity is also 176,000 gpd.

The district currently has 310 sewer connections within its district boundaries and anticipates adding another 50-100 connections. The district estimates it serves approximately 1,000 to 1,200 residents.

Snow Removal and Road Maintenance

The Hilton Creek CSD administers a Zone of Benefit for snow removal and road maintenance that includes the properties accessed by Juniper Drive, a private road located within the boundaries of the district. The CSD collects a monthly maintenance fee from each of the properties within the Zone of Benefit, which is used to pay for snow removal and road maintenance.

Other Services

In addition to sewage collection and disposal and snow removal/road maintenance, the district provides limited mosquito abatement activities. As a Community Service District, the district is authorized to provide a wide array of services, including water treatment and distribution, fire protection, parks and recreational services, street lighting, police protection, and library services.

Planned Land Uses

The Mono County Land Use Element provides for substantial additional development in Long Valley, primarily in the communities along Crowley Lake Drive. The additional development allowed by the plan in community areas would be a mix of single-family residential uses, multiple-family residential uses, and commercial uses.

District Planning

The district has no long-range planning documents nor has it made any long-range service projections. The CSD develops long-range goals and objectives as part of a 5-year Capital Budget plan.

District Issues of Concern

The district has indicated several concerns, including:

- Addressing growth in the area and providing the infrastructure to support that growth.
- The need to increase sewer use fees in order to fund the operation and maintenance expenses of sewer treatment.
- Determining, as a community, how to provide Crowley Lake with a community water system, including adequate fire suppression.

District Personnel

The district employs a district manager and a part-time secretary. The district manager is certified as a sewer treatment operator.

District Finances

The district's main sources of revenue are property taxes and sewer use fees. It also collects road maintenance fees from residents of Juniper Drive, which are then used for road maintenance and snow removal within the zone of benefit established there.

As of May, 2008, the district has operating reserves of \$100,000. The district plans to pay for future improvements out of the reserves instead of utilizing financing.

The district does not participate in any joint financing, cost sharing or purchasing, nor does it utilize any shared facilities. The district does not apply for grant funding.

Table 1: Hilton Creek Community Services District Budget, 2007-2008

Revenues	
Property Taxes	\$82,101
Interest on Investments	\$4,000
Sewer Use Fees	\$178,190
Sewer Connection Inspection Fees	\$500
Sewer Connection Fees	\$52,382
Sewer Availability Fees	\$1,500
Annual Road Maintenance Fees	\$72,052
Total Operating Revenues	\$390,726
Transfer In From Other Funds	\$37,531
Transfer In From Reserves	\$50,779
Total All Funding Sources	\$479,035
Expenses	
Manager Salary	\$68,455
Secretarial Services	\$20,049
Employee Benefits	\$63,200
Payroll Taxes and Insurance	\$4,000
Accounting and Legal	\$16,700
Administration fee (SB1559)	\$1,600
Auto	\$2,00
Capital Purchase/Improvements	\$55,000
Community Improvement Fund	\$16,470
Director's Fees	\$6,600
Director's Medical Expense Plan	\$13,000
Dues and Subscriptions	\$450
Engineering, consulting fees	\$10,000
Insurance	\$7,500
Lateral Extensions	\$2,000
Licenses and Fees	\$9,200
Interest Expense	\$8,980
Mosquito Abatement Program	\$4,000
Miscellaneous	\$100
Office, Postage, Xerox	\$4,500
Office Rent	\$3,600
Outside Labor	\$10,000
Repairs and Maintenance	\$30,000
SCE- Plant	\$16,000
SCE- Pump Station	\$8,500
Snow Removal	\$12,000
Supplies	\$1,000
Telephone	\$3,600

Hilton Creek Community Services District -- Municipal Service Review

Travel	\$200
Total Expenses	\$422,704
Transfer to Reserve	\$4,449
Transfer Out to Other Funds	\$37,531
Total All Uses	\$464,684
Budget Surplus (Shortfall)	\$14,351

III. SERVICE REVIEW ANALYSIS AND DETERMINATIONS

Government Code §56430 requires the analysis of nine factors when assessing the capabilities of public service agencies. Each of the required factors is discussed below as it pertains to community service districts in general and the Hilton Creek Community Services District specifically.

1. Infrastructure Needs and Deficiencies

Overview

Purpose: To evaluate the infrastructure needs and deficiencies of a district in terms of capacity, condition of facilities, service quality, and levels of service and its relationship to existing and planned service users.

CSD

The district has no long-term planning documents, beyond a five-year Capital Budget. The district has identified several concerns that focus on service quality and infrastructure needs for future development in the area:

- Addressing growth in the area and providing the infrastructure to support that growth.
- The need to increase sewer use fees in order to fund the operation and maintenance expenses of sewer treatment.
- Determining, as a community, how to provide Crowley Lake with a community water system, including adequate fire suppression.

Determinations

- The district needs to develop long-term planning documents that assess future infrastructure and service needs, identify projects to meet those needs, determine the costs associated with identified projects, and outline a financial plan to pay for future needs and service.

2. Growth and Population Projections for the Affected Area

Overview

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

Existing and Anticipated Residential Growth Patterns in Long Valley

Future residential growth in Long Valley is anticipated to occur primarily in and adjacent to existing developed residential areas. Aside from development in Crowley Lake, most existing and planned development will be single-family residential development. Existing and planned development in Crowley Lake includes single-family and multi-family residential development,

commercial uses, lodging, and public facilities. The Mono County General Plan Land Use Element provides for the following buildout in the Long Valley:

Table 2: Buildout Figures for Long Valley

Land Use Designation	Density	Acres	Maximum Potential Dwelling Units
ER Estate Residential	1 du/acre	349	123 ^a
RR Rural Residential	1 du/acre	143	24 ^b & d
SFR Single-Family Residential	5.8 du/acre	339	896 ^c
MFR-M Multiple-Family Residential – Moderate	15 du/acre	4	60
MFR-H Multiple-Family Residential – High	15 du/acre	9	135
MU Mixed Use	15 du/acre	37	555
C Commercial	15 du/acre	39	585
PF Public/Quasi-Public Facilities	---	34	---
AG Agriculture	1 du/2.5 ac.	3	1
SP Specific Plan	---	80	114 ^e
Total Private Lands		1,037	2,493
RM Resource Management – Federal/State	---	10,270	---
OS Open Space – LADWP	1 du/80 acres	8,625	107
Total		19,932	2,600

Notes: du = dwelling unit

- a. 10 acres designated ER 1.5 (1.5-acre min. lot size); 188 acres designated ER 3(3-acre min. lot size); 122 acres designated ER 5 (5-acre min. lot size).
- b. 71 acres designated RR 10 (10-acre min. lot size); 69 acres designated RR 5 (5-acre min. lot size).
- c. 6 acres designated SFR 10,000 (10,000 square feet min. lot size); 179 acres designated SFR 15,000 (15,000 square feet min. lot size); 80 acres designated SFR 0.5 (0.5-acre min. lot size); 50 acres designated SFR 1 (1 acre min. lot size); 24 acres designated SFR 7,500 (7,500 sq. ft. min. lot size).
- d. 58 acres in Long Valley covers an area impacted by avalanches which requires special studies for development. No development plan has been submitted for that area.
- e. 80 acres in Hilton Creek is the Lakeridge Ranch Specific Plan, which permits the development of 114 single-family residences.

Seasonal Population

In addition to the projected residential growth, Long Valley’s population experiences significant seasonal increases due to tourism, and to a lesser degree to second homeowners. Long Valley and surrounding areas accommodate large numbers of recreational users and are a vacation destination for outdoor and wilderness activities such as fishing and hiking.

Residential Population Projections

Population data from the 2000 US Census and California Department of Finance population estimates show the residential population in Long Valley to be 1,467 in 2000 and 1,497 in 2003. In 2000, there were 440 households in Long Valley. The population in the Long Valley FPD is

projected to increase to 1,865 by 2020 and 2,005 by 2030 (State Department of Finance Report P-3, Population Projections).

Determinations

- The Mono County General Plan Land Use Element allows for significant additional growth in the Long Valley communities.
- Growth is anticipated to occur primarily in and adjacent to existing developed areas and to be primarily single-family residential development with a mix of multi-family residential development and commercial uses in Crowley Lake.
- The residential population in Long Valley is projected to increase to 1,865 by 2,020 and 2,005 by 2,030, creating an increased demand for water and sewer services.
- In addition to the projected residential growth, Long Valley's population experiences significant seasonal increases due to tourism.

3. Financing Constraints and Opportunities

Overview

Purpose: To evaluate factors that affect the financing of needed improvements.

Expenses for special districts generally fall into one of three categories: (1) acquisition of facilities and major capital equipment, (2) employee expenses, and (3) ongoing operations and maintenance costs. The primary criteria that should be considered when evaluating adequacy of potential funding sources is availability, adequacy to meet the need, equity between existing and future residents, stability, and ability to cover on-going operating and maintenance costs.

CSD

The CSD depends on sewer use fees, property taxes, and sewer connection fees as its main sources of revenue. The district's fees are reviewed periodically to ensure that they are adequate. The district also has reserves of \$100,000 and intends to finance future improvements out of the reserve fund, rather than utilizing loans. The district considers its financial health to be poor.

The district has no long-term planning documents or financial planning documents. Long-range goals and objectives are developed through a five-year Capital Budget.

Determinations

- The CSD's future financing will continue to rely heavily on use fees, property tax revenues, and connection fees.
- The adequacy of property tax revenues to fund local facilities and services has steadily declined over time. There is a need to ensure that property tax assessments are kept current.
- The district should develop a schedule for reviewing its fees in order to ensure that they are adequate to meet on-going operating and maintenance costs and the costs of additional infrastructure to serve new development.
- The district should develop long-term planning documents that identify needed capital facilities and the costs associated with developing those facilities.

- The district should develop a Financial Strategic Plan to ensure that it will have adequate funding sources in the short-term and long-term.

4. Cost Avoidance Opportunities

Overview

Purpose: To identify practices or opportunities that may aid in eliminating unnecessary costs.

Cost avoidance opportunities are defined as actions to eliminate unnecessary costs derived from, but not limited to, duplication of service efforts, higher than necessary administration/operation cost ratios, use of outdated or deteriorating infrastructure and equipment, underutilized equipment or buildings or facilities, overlapping/inefficient service boundaries, inefficient purchasing or budgeting practices, and lack of economies of scale.

CSD

Generally, in Mono County each community area is a discrete geographic area and, as a result, there is no duplication of service efforts or overlapping or inefficient service boundaries. Long Valley is a discrete geographic area in the county, with a number of small residential areas. These residential areas are physically separate from each other and there are few overlapping service boundaries except in Crowley Lake. However, there are a number of small service providers operating within the Long Valley communities which could result in the duplication of some services, particularly in such areas as personnel management, insurance, risk management, financial management services, fleet maintenance, purchasing/budgeting, economies of scale, etc. Further studies would be necessary to determine whether there are opportunities to reduce costs among the service providers.

The district has no long-term planning documents or financial plans, nor does it participate in Joint Powers Authorities (JPAs) in order to reduce insurance costs.

Determinations

- In Long Valley, particularly in Crowley Lake, there are some overlapping service boundaries.
- Integrated planning, especially long-range planning, is an important part of cost avoidance. The district has no long-range plans.
- The district does not participate in JPAs in order to reduce insurance costs.
- There are a number of small service providers in Long Valley that have administrative costs associated with the overall management of those organizations. There could be some duplication of services among the service providers, particularly in areas such as personnel management, insurance, risk management, financial management services, fleet maintenance, etc. Further studies would be necessary to determine whether there are opportunities to reduce costs among the service providers.

5. Opportunities for Rate Restructuring

Overview

Purpose: To identify opportunities to positively impact rates without decreasing service levels.

As noted in the Financing Constraints and Opportunities Section, the district's funding includes property taxes, connection fees, customer use/service charges, and grants. Each of these categories has inherent constraints that prevent an agency from restructuring them.

CSD

Property Taxes – In California, the maximum property tax assessed on any land is generally 1% of the property's value.

Connection Fees – The district imposes connection fees on new construction. Connection fees are based on the type of use and the size of the connection.

The district periodically reviews and adjusts its connection fees in order to insure that the district collects sufficient funds to construct the additional infrastructure and obtain the equipment necessary to serve new development.

Customer Use/Service Charges – Each district customer pays a monthly sewer charge, which is based on the type of connection (single family unit, commercial use, motel room, etc.).

The district periodically reviews and adjusts its sewer charges in order to insure that the district is collecting sufficient funds to cover its operating costs.

Grants – Grant money is a one-time source that is useful in funding certain special projects but may be too unreliable or variable for ongoing expenses or recurring needs. The district does not apply for grant funding.

Determinations

- All funding mechanisms have inherent limitations that may prevent their implementation, use or restructure.
- The district charges connection fees to cover the costs associated with constructing additional infrastructure and equipment necessary to serve new development. The district reviews and adjusts these fees periodically to ensure that the fees are sufficient.
- Each sewer customer pays monthly sewer fees, based on the type of connection. The district periodically reviews and adjusts its monthly charges in order to ensure that they are sufficient to cover operating costs.
- The district should seek grant funding.

6. Opportunities for Shared Facilities

Overview

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

Sharing facilities and resources can result in a more efficient and cost-effective delivery of resources.

CSD

Currently, the district does not share any facilities. The Long Valley area includes other special district service providers, as well as the County, that require facilities to support their services. There may be opportunities for shared facilities among the service providers in the Long Valley communities. Further studies would be necessary to determine whether there are opportunities to reduce costs by sharing facilities.

Determinations

- The Long Valley area includes other special district service providers, as well as the County, that require facilities to support their services. There may be other opportunities for shared facilities among the service providers in the area. Further studies would be necessary to determine whether there are opportunities to reduce costs by sharing facilities.

7. Government Structure Options

Overview

Purpose: To consider the advantages and disadvantages of various government structures to provide service.

Government Code §56001 declares that it is the policy of the State to encourage orderly growth and development essential to the social, fiscal, and economic well being of the State. The Code further states that “this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services.”

For local agency consolidations to occur there has to be significant (and popularly desired) cost savings or an increase in service

CSD

A number of local agencies provide services to the Long Valley communities, including:

- Hilton Creek Community Services District – Sewer services within Crowley Lake. Limited road maintenance and snow removal and mosquito abatement.
- Birchim Community Services District – Water services within Sunny Slopes.

- Crowley Mutual Water Company and Mountain Meadows Water System – Water services within a portion of Crowley Lake.
- Long Valley Fire Protection District – Fire protection and emergency medical services for the Long Valley communities.
- County Service Area #1 – Television services for the Long Valley communities.
- Mono County – Regional services including Assessor, Clerk Recorder, Community Development, Courts, District Attorney, Law Enforcement, Parks and Recreation, Public Health, Probation, Public Works, Social Services, Treasurer/Tax Collector.
- Southern Mono Healthcare District – Medical services and acute care hospital services.

Several of the districts and private service providers in the area are small with limited physical and financial resources. LAFCO policy generally promotes the consolidation of districts where they overlap; however, districts in Long Valley overlap primarily in the community of Crowley Lake. The Birchim Community Service District, which provides a similar type of service to that provided by the Hilton Creek CSD, one that is often provided by the same entity, does not overlap with the Hilton Creek CSD at all. The two community water providers in Crowley Lake, whose boundaries overlap with those of the Hilton Creek CSD, are not special districts but private mutual water companies.

As more development occurs within the area, a regional water and sewer provider might best provide services to the area. In the future, a regional Community Service District with separate service areas throughout the Long Valley communities might best provide sewer and water services for the area.

Determinations

- Several special districts, along with the County and private service providers, provide public services within the Long Valley communities.
- To alleviate government overlap and fragmentation, LAFCO law and local LAFCO policies promote the consolidation of services under the authority of one multi-purpose agency. District boundaries overlap in Long Valley.
- As a Community Service District, the Hilton CSD is authorized to provide a variety of services including sewage collection and disposal, snow removal/road maintenance, mosquito abatement, water treatment and distribution, fire protection, parks and recreational services, street lighting, police protection, and library services.
- Ultimately, in compliance with LAFCO policies, a regional CSD might be the best provider of a variety of services in the Long Valley area.

8. Evaluation of Management Efficiencies

Overview

Purpose: To evaluate the quality of public services in comparison to cost.

As defined by OPR, the term “management efficiency,” refers to the organized provision of the highest quality public services with the lowest necessary expenditure of public funds. An efficiently managed entity (1) promotes and demonstrates implementation of continuous

improvement plans and strategies for budgeting, managing costs, training and utilizing personnel and customer service and involvement, (2) has the ability to provide service over the short and long term, (3) has the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service, (4) meets or exceeds environmental and industry service standards, as feasible considering local conditions or circumstances, (5) and maintains adequate contingency reserves. "Management Efficiency" is generally seen as organizational efficiency including the potential for consolidation.

The purpose of management is to effectively carry out the principal function and purpose of an agency. Good management will ensure that the agency's mission is accomplished and that the agency's efforts are sustainable into the future. Unfortunately, "good management" is a relatively subjective issue, and one that is hard to quantify.

CSD

The CSD is managed by an elected Board of Directors. The district has no long-range planning documents nor has it made any long-range service projections. The CSD develops long-range goals and objectives as part of a 5-year Capital Budget plan.

Determinations

- The CSD is managed by an elected Board of Directors.
- The district has no long-range planning documents nor has it made any long-range service projections. The CSD develops long-range goals and objectives as part of a 5-year Capital Budget plan.
- The district should develop long-range planning documents, including financial plans, in order to maintain its service levels while providing for the needs of future development.

9. Local Accountability and Governance

Overview

Purpose: To evaluate the accessibility and levels of public participation associated with an agency's decision-making and management processes.

Special districts such as fire protection districts are required to adopt budgets at open public meetings and to file their budgets with the county auditor. They are required to have annual or biennial independent audits. Districts are subject to the Ralph M. Brown Act for meetings, agendas and minutes. They are also subject to the Public Records Act.

Complying with the minimum open meeting and information requirements is not sufficient to allow an adequate amount of visibility and accountability. Outreach efforts, including convenient meeting times, additional notice of meetings and dissemination of district information, are desirable.

CSD

The CSD complies with the minimum open meetings and public information requirements. The district is governed by a 5-member Board of Directors that meets monthly. Meeting notices and

agendas are posed locally, at the Crowley Lake Store, Crowley Lake Library, and Crowley Lake Community Center. The district does not post minutes anywhere, nor does it have a website. The district uses inserts with the billing to disseminate information to its customers.

Determinations

- The CSD complies with the minimum requirements for open meetings and public records.
- The district seeks to inform its customers of district activities and services.

IV. SPHERE OF INFLUENCE RECOMMENDATION

In determining the sphere of influence for each local agency, Government Code §56425 requires the Local Agency Formation Commission to consider and prepare a written statement of its determination with respect to four required findings. Each of the required findings is discussed below as it pertains to the Hilton Creek Community Services District.

1. Present and Planned Land Uses

Discussion:

Present land uses in the area served by the Hilton Creek CSD include residential, commercial, and public uses. The Mono County GIS estimates that there are 439 parcels within the district and 293 developed parcels (residential or commercial parcels valued at \$10,000 or more).

Within the larger area of Long Valley, the Mono County GIS estimates that there are 1033 parcels in the district, including 504 developed parcels. Population data from the 2000 US Census and California Department of Finance population estimates show the population in Long Valley was approximately 1,467 in 2000 and 1,497 in 2003. In 2000, there were 440 households in Long Valley. The Mono County General Plan Land Use Element provides for the following buildout in Long Valley:

Table 2: Buildout Figures for Long Valley

Land Use Designation	Density	Acres	Maximum Potential Dwelling Units
ER Estate Residential	1 du/acre	349	123 ^a
RR Rural Residential	1 du/acre	143	24 ^{b & d}
SFR Single-Family Residential	5.8 du/acre	339	896 ^c
MFR-M Multiple-Family Residential – Moderate	15 du/acre	4	60
MFR-H Multiple-Family Residential – High	15 du/acre	9	135
MU Mixed Use	15 du/acre	37	555
C Commercial	15 du/acre	39	585
PF Public/Quasi-Public Facilities	---	34	---
AG Agriculture	1 du/2.5 ac.	3	1
SP Specific Plan	---	80	114 ^e
Total Private Lands		1,037	2,493
RM Resource Management – Federal/State	---	10,270	---
OS Open Space – LADWP	1 du/80 acres	8,625	107
Total		19,932	2,600

Notes: du = dwelling unit

- a. 10 acres designated ER 1.5 (1.5-acre min. lot size); 188 acres designated ER 3(3-acre min. lot size); 122 acres designated ER 5 (5-acre min. lot size).
- b. 71 acres designated RR 10 (10-acre min. lot size); 69 acres designated RR 5 (5-acre min. lot size).
- c. 6 acres designated SFR 10,000 (10,000 square feet min. lot size); 179 acres designated SFR 15,000 (15,000 square feet min. lot size); 80 acres designated SFR 0.5 (0.5-acre min. lot size); 50 acres designated SFR 1 (1 acre min. lot size); 24 acres designated SFR 7,500 (7,500 sq. ft. min. lot size).
- d. 58 acres in Long Valley covers an area impacted by avalanches which requires special studies for development. No development plan has been submitted for that area.
- e. 80 acres in Hilton Creek is the Lakeridge Ranch Specific Plan, which permits the development of 114 single-family residences.

In addition to the projected growth, Long Valley's population experiences significant seasonal increases due to tourism, and to a lesser degree to second homeowners. Long Valley and surrounding areas accommodate large numbers of recreational users and are a vacation destination for outdoor and wilderness activities such as fishing and hiking.

Finding:

Present land uses in the area served by the Hilton Creek CSD include residential, commercial, and public uses. The planned land uses for community areas throughout Long Valley are similar with future development concentrated primarily within and adjacent to existing development.

2. Present and Probable Need For Public Facilities and Services

Discussion:

Increased development throughout the district's service area will create an increased need for sewer services now. The build-out allowed by the General Plan will create a greater demand for those services in the future, as well as for additional community-based services, such as a community water system.

Finding:

The CSD has an existing and continuing need for public facilities and services to serve the current and planned development in the area.

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

Discussion:

As discussed in the "District Services" section of this report, the CSD currently provides sewer services to approximately 460 acres of developed land within its boundaries. The district also provides road maintenance and snow removal services to a Zone of Benefit within its boundaries and limited mosquito abatement activities. The district has identified a need for a community water system, as well as a need to increase fees to pay for the ongoing operations and maintenance of the sewer system.

As a Community Service District, the district is authorized to provide a wide array of services,

including water treatment and distribution, fire protection, parks and recreational services, street lighting, police protection, and library services.

Finding:

The district currently provides an adequate level of service but has identified a need to improve both its facilities and services in order to serve additional development and to improve services to existing development. As a Community Service District, the district is authorized to provide a wide array of services, including water treatment and distribution, fire protection, parks and recreational services, street lighting, police protection, and library services.

4. Social or Economic Communities of Interest

Discussion:

The Long Valley communities of Long Valley, McGee Creek, Crowley Lake, Aspen Springs, Tom's Place, and Sunny Slopes, along with US Forest Service lease areas adjacent to these communities, exhibit substantial social and economic communities of interest. They are predominantly small residential areas that act as bedroom communities for Mammoth Lakes and Bishop. Surrounding recreational lands attract tourists who support the local economy. Residents of these communities rely on Mammoth Lakes or Bishop for major shopping, employment, and a number of services.

Within the Long Valley communities, public services are provided by the county, several special districts, and private mutual water companies:

- Hilton Creek Community Services District – Sewer services within Crowley Lake. Limited road maintenance and snow removal and mosquito abatement.
- Birchim Community Service District – Water services within Sunny Slopes.
- Crowley Mutual Water Company and Mountain Meadows Water System – Water services within a portion of Crowley Lake.
- Long Valley Fire Protection District – Fire protection and emergency medical services for the Long Valley communities.
- County Service Area #1 – Television services for the Long Valley communities.
- Mono County – Regional services including Assessor, Clerk Recorder, Community Development, Courts, District Attorney, Law Enforcement, Parks and Recreation, Public Health, Probation, Public Works, Social Services, Treasurer/Tax Collector.
- Southern Mono Healthcare District – Medical services and acute care hospital services.

Several of the districts and private service providers in the area are small with limited physical and financial resources. LAFCO policy generally promotes the consolidation of districts where they overlap; however, districts in Long Valley overlap primarily in the community of Crowley Lake. The Birchim Community Service District, which provides a similar type of service to that provided by the Hilton Creek CSD, one that is often provided by the same entity, does not overlap with the Hilton Creek CSD at all. The two community water providers in Crowley Lake, whose boundaries overlap with those of the Hilton Creek CSD, are not special districts but private mutual water companies.

As more development occurs within the area, a regional water and sewer provider might best provide services to the area. In the future, a regional Community Service District with separate service areas throughout the Long Valley communities might best provide sewer and water services for the area.

Finding:

The Long Valley communities share social and economic interests with each other. These shared interests promote a coordinated approach to service provision in the Long Valley area.

Sphere of Influence Recommendation

The Sphere of Influence for the Hilton Creek Community Services District should remain as it is, including privately owned land within the community of Long Valley and US Forest Service permittees at Whiskey Tract (see Figure 2).

Reorganization Recommendation

Section 56001 of the California Government Code states that:

The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.

Currently, the Hilton CSD provides adequate services within its boundaries. In the future, a regional water and sewer provider with separate service areas throughout the Long Valley communities might best provide sewer and water services for the region. At that time, a reorganization study should be conducted to determine what governmental structure would best provide services for the region. Such a reorganization should occur only with the concurrence of the involved districts' Boards of Directors.

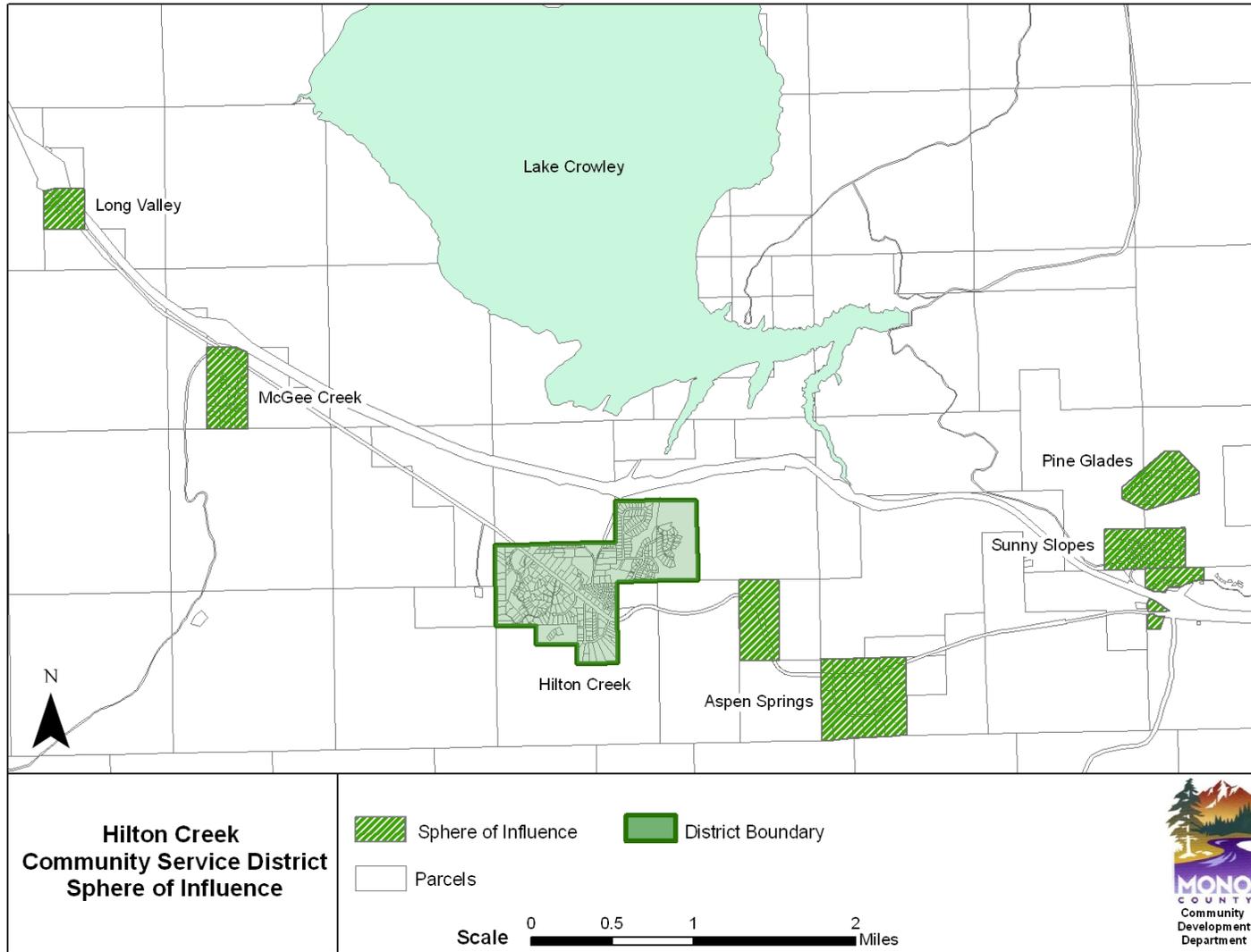


Figure 2 Hilton Creek Community Services District Sphere of Influence

V. REFERENCES

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Persons Consulted

Hilton Creek Community Services District

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