

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

**June Lake Public Utility District  
Mono County, California**

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**TABLE OF CONTENTS**

Summary ..... 1  
Municipal Service Review Determinations ..... 1  
Sphere of Influence Findings ..... 3  
Sphere of Influence Recommendation ..... 3

I. Introduction ..... 4  
Municipal Service Reviews ..... 4  
Relationship Between Municipal Service Reviews and Spheres of Influence ..... 4

II. June Lake Public Utility District ..... 5  
District Overview ..... 5  
    Service Area ..... 5  
    Population Characteristics ..... 5  
    Services Provided ..... 7  
    Other Services ..... 7  
    Planned Land Uses ..... 7  
    District Planning ..... 8  
    District Issues of Concern ..... 8  
District Services—Water Utility ..... 9  
    Water Supply ..... 9  
    Water Storage ..... 9  
    Water Quality and Treatment ..... 9  
    Water Distribution ..... 10  
    Water Demand ..... 10  
District Services—Sewer Utility ..... 11  
    Sewer Service ..... 11  
District Personnel ..... 11  
District Finances ..... 11

III. Service Review Analysis and Determinations ..... 13  
Infrastructure Needs and Deficiencies ..... 13  
Growth and Population Projections for the Affected Area ..... 13  
Financing Constraints and Opportunities ..... 15  
Cost Avoidance Opportunities ..... 16  
Opportunities for Rate Restructuring ..... 17  
Opportunities for Shared Facilities ..... 18  
Government Structure Options ..... 18  
Evaluation of Management Efficiencies ..... 19  
Local Accountability and Governance ..... 20

IV. Sphere of Influence Recommendation ..... 22  
Present and Planned Land Uses ..... 22  
Present and Probable Need for Public Facilities and Services ..... 24

Present Capacity of Public Facilities and Adequacy of Public Services ..... 25  
Social or Economic Communities of Interest ..... 25  
Sphere of Influence Recommendation..... 26  
V. References..... 28

**FIGURES**

Figure 1 June Lake Public Utility District Boundaries..... 6  
Figure 2 June Lake Public Utility District Sphere of Influence..... 27

**TABLES**

Table 1: June Lake Public Utility District Revenues and Expenses..... 12  
Table 2: Buildout Figures for June Lake ..... 14  
Table 3 Projected Population at Buildout, June Lake..... 24

## SUMMARY

### Municipal Service Review Determinations

#### 1. Infrastructure Needs and Deficiencies

- The expansion and renovation of existing facilities will be needed to maintain or increase the quality of service provided by the district, as well as to serve development at build-out. The district has planned for the required expansion and renovation of its facilities in its long-term plans.
- The replacement of aging equipment and/or the purchase of additional equipment will be needed to maintain or increase the quality of service provided by the district. The district has also planned for its future equipment needs in its long-term plans.

#### 2. Growth and Population Projections for the Affected Area

- The Mono County General Plan Land Use Element allows for additional development in the area served by the June Lake Public Utility District.
- Growth is anticipated to occur primarily in and adjacent to existing developed areas.
- Visitors to the area will continue to increase demand for services.
- The population in June Lake is projected to increase to 778 by 2,020 and 837 by 2,030, creating an increased demand for fire and emergency medical services.
- Policies in the **June Lake Area Plan** in the **Mono County General Plan Land Use Element** require the county to allow additional residential development only when adequate services, including water and sewer services, are available.

#### 3. Financing Constraints and Opportunities

- The PUD's future financing will continue to rely heavily on use charges and property tax revenues.
- 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 has long-term planning documents that identify needed capital facilities and the costs associated with developing those facilities.
- The district has ordinances in place to collect development fees from new construction.

#### 4. Cost Avoidance Opportunities

- The June Lake Loop is a discrete geographic area within Mono County; there is no duplication of service efforts or overlapping or inefficient service boundaries.
- Integrated planning, especially long-range planning, is an important part of cost avoidance. The district has long-range plans that address the demands imposed by growth within the district.
- The June Lake Loop includes other special district service providers that have administrative costs associated with the overall management of those districts. There could be some duplication of services among the districts, 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.

#### **5. Opportunities for Rate Restructuring**

- All funding mechanisms have inherent limitations that may prevent their implementation, use or restructure.
- Each sewer and water customer pays monthly sewer and water 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 continue to seek grant funding.

#### **6. Opportunities for Shared Facilities and Resources**

- Due to geographic distances between communities in the county, sharing facilities among water and sewer providers is not possible.
- June Lake 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 districts and the County. Further studies would be necessary to determine whether there are opportunities to reduce costs.

#### **7. Government Structure Options**

- In regions of the county with separate, distinct communities that are geographically remote from each other, public services are most logically provided by a combination of several single purpose special districts.
- If further study indicated that consolidation of services in June Lake under one service provider could save money and if June Lake residents were in favor of consolidation, fire protection, water and sewer services, mosquito abatement, and other local services could be provided by one multi-purpose agency in the future.

#### **8. Evaluation of Management Efficiencies**

- The PUD is managed by an elected Board of Directors and a General Manager.
- The district has a Master Water Plan and a Wastewater System Evaluation.
- The district has planned for the future in order to maintain its service levels while providing for the needs of future development.
- The district has committed resources to future facilities and operations.

#### **9. Local Accountability and Governance**

- The PUD complies with the minimum requirements for open meetings and public records.
- The district seeks to inform the community and affected groups of district activities and services.

## **Sphere of Influence Findings**

### **1. Present and Planned Land Uses**

Land use within June Lake is a mix of resort uses, commercial uses, and single-family residential uses. The planned land uses for the area are resort uses and single-family residential uses. Development will occur within and adjacent to existing development. The June Lake Area Plan allows for substantial development beyond the existing development and for a substantially larger permanent population than the current estimated permanent population of 400.

### **2. Present and Probable Need For Public Facilities and Services**

June Lake has an existing and continuing need for public facilities and services to serve existing 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.

### **4. Social or Economic Communities of Interest**

The district area exhibits social and economic interdependence with Mammoth Lakes, the only incorporated community in the County. This interdependence has no relevance in determining the sphere of influence for the district. Development throughout the June Lake Loop must seek sewer service from the district and therefore share interests with the district.

## **Sphere of Influence Recommendation**

The Sphere of Influence for the June Lake Public Utility District encompasses the district area along with the adjacent area to the northwest along SR 158 that is designated as Concentrated Recreation in the Inyo National Forest Land and Resource Management Plan. These boundaries recognize the district's role as the primary water and sewer provider for the area, and will enable the district to extend service throughout the area, to existing and planned developments.

## **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 June Lake Public Utility 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. JUNE LAKE PUBLIC UTILITY DISTRICT**

### **DISTRICT OVERVIEW**

#### **Service Area**

The June Lake Public Utility District (PUD) was established in 1947 to provide water and sewer service to the community of June Lake. The district boundaries include 1,720 acres of land within the June Lake Loop, starting north of the June Lake Village Proper and continuing around the Loop to just below Silver Lake (see Figure 1). June Lake is located in the center of Mono County, approximately 15 miles south of Lee Vining and Mono Lake and 15 miles north of Mammoth Lakes.

The June Lake Loop is located at the base of the Sierra Nevada Mountains. The area is bordered to the south and west by the mountains and to the north and east by the Mono Basin. The area contains private and public lands. Private lands are concentrated primarily in the June Lake Village and Down Canyon areas. Surrounding public lands are managed by the Inyo National Forest.

The June Lake Loop contains four lakes, June Lake, Gull Lake, Silver Lake and Grant Lake, Reversed Creek, and several other streams. Vegetation in the area is some of the most varied in the county and includes marshlands, meadows, riparian woodlands, mixed riparian areas, juniper-pine scrub, sagebrush-bitterbrush scrub, lodgepole pine, and mixed coniferous-fir communities.

The June Lake Loop is a popular recreation destination as well as a year-round residential community with five distinct community areas spread out along SR 158, the main access route through the area. June Lake Village is the Loop's commercial and residential center with stores, restaurants, lodging, offices, post office, library, community center, park, and a variety of residential uses. The West Village contains ballfields and condominiums, as well as the 90 acre Rodeo Grounds, the largest undeveloped privately owned area of land within the June Lake Loop. The Rodeo Grounds will be developed into a resort center with multi-family and single-family units. June Mountain Ski Area is adjacent to the Rodeo Grounds, on public land managed by the Inyo National Forest. The Down Canyon area of June Lake is predominantly seasonal and year-round single-family residential development with limited commercial development and lodging along SR 158. Silver Lake Meadow, west of Down Canyon, contains limited single-family residential development. Pine Cliff, northwest of June Lake, contains campgrounds and a materials processing operation.

#### **Population Characteristics**

Mono County GIS estimates that there are 1,194 parcels in the district, including approximately 622 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 June Lake to be 613 in 2000 and 626 in 2003 (Census 2000 Summary File 1,

June Lake Public Utility District -- Municipal Service Review

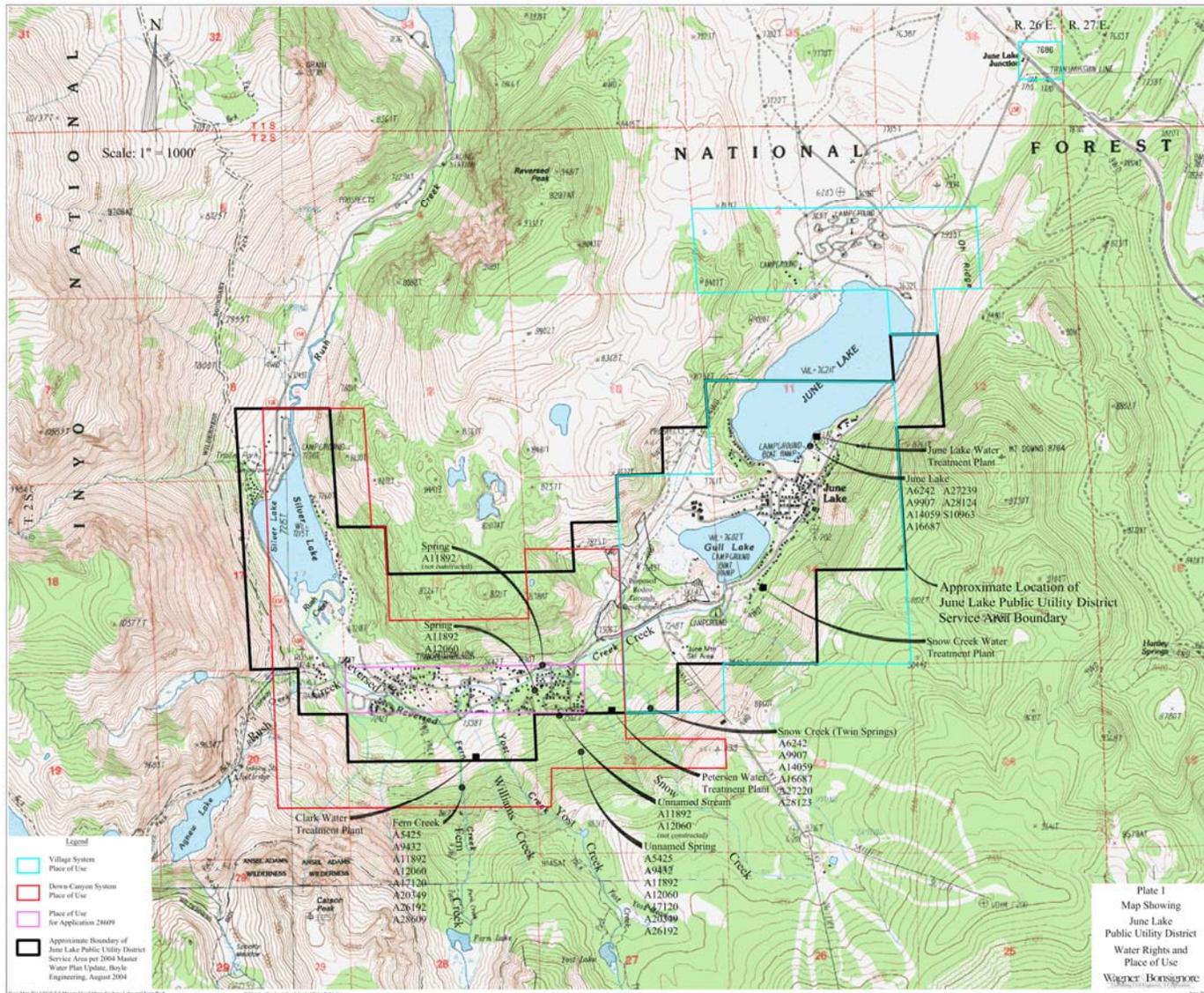


Figure 1 June Lake Public Utility District Boundaries

Table 3, Mono County Housing Element). The district estimates that it now serves a permanent population of 400 and a seasonal population of 2,500.

In 2000, 4 percent of the population in June Lake was under 5 years old, 17 percent was 5-17 years old, 71 percent was 18 to 64, and 8 percent was over 65 (Census 2000 Summary File 1). The median age in June Lake in 2000 was 41.4, slightly higher than the countywide median age of 40 (Census 2000 Summary File 1).

In 2000, there were 264 households in June Lake (Census 2000 Summary File 1). Sixty-six percent of the households were owner-occupied and 34 percent were rented (Census 2000 Summary File 1).

### **Services Provided**

The district serves a full time residential population and a substantial visitor population in the community of June Lake. The residential population is approximately 400 people; the seasonal visitor population is approximately 2,500 people. The district provides water treatment and distribution, sewer collection and treatment, and mosquito abatement services.

The district provides water services to June Lake Village, West Village, and Down Canyon areas within the district, as well as to areas outside of the district, i.e. Pine Cliff, Oh! Ridge, and June Lake Junction. There are two separate water systems within the district, the Village System and the Down Canyon System.

The district provides sewer services to June Lake Village, Down Canyon, and the US Forest Service's Silver Lake Tract. Sewer service is provided on a contractual basis to US Forest Service areas, including Pine Cliff Resort, Oh! Ridge campground, June Lake campground, Reverse Creek (Upper) and Lower Gull Lake campgrounds, Silver Lake campground, Grant Lake Marina and several parking facilities along the June Lake Loop.

The district currently has 664 water connections and 665 sewer connections.

### **Other Services**

In addition to water and sewer services, the district also provides mosquito abatement services throughout the June Lake Loop. As a Public Utility District, the district is authorized to provide lighting, power, heat, transportation, telephone service, other methods of communication, garbage disposal, golf courses, fire protection, parks and recreation, building for public purposes, and drainage improvements.

### **Planned Land Uses**

The Mono County Land Use Element provides for substantial additional development in June Lake. The additional development allowed by the plan would be a mix of uses, including single-family residential development, multi-family residential development, commercial uses, resort development, and commercial lodging. Development would occur in existing community areas along SR 158. The Rodeo Grounds, 90 acres in the West Village area, is currently in the

planning stages for a large-scale resort development that would include lodging, residential uses, and commercial uses.

### **District Planning**

The district has a Master Water Plan Update (2007) and a Wastewater System Evaluation (2005). Both plans contain service demand projections for buildout, identify capital facilities needed to meet demand at buildout, and estimate the costs associated with developing those facilities.

### **District Issues of Concern**

The district has indicated several concerns, including:

- Replacing aging infrastructure.
- Opportunity to grow which would spread the cost for services over more customers.
- The volatility of growth patterns in the community makes it very difficult to predict when new facilities will be required.

## DISTRICT SERVICES—WATER UTILITY

### Water Supply

The district's water supply is surface water from creeks and June Lake. The Village System supply comes from June Lake and Snow Creek. The Down Canyon System supply comes from Yost Creek and Fern Creek. This water is available through various diversion rights allotted to the PUD and to the Inyo National Forest. The diversion rights for the Village System equal approximately 594,566 gallons per day (gpd). The Forest Service "loans" 116,057 gpd to the district to supply Forest Service campgrounds and developments owned or leased by individuals on land managed by the Forest Service. The Down Canyon System has a total of approximately 406,000 gpd in diversion rights. Some of these rights are subject to constraints and conditions imposed on the permits issued to the district by the State Water Resources Control Board.

### Water Storage

The PUD has five storage facilities:

#### Village System

June Lake Tank	225,000 gallons
West Village Tank	300,000 gallons
Snow Creek Tank	376,000 gallons

#### Down Canyon System

Peterson Tank	225,000 gallons
Clark Tank	426,000 gallons

Both the Village system and the Down Canyon system have sufficient storage capacity to meet existing and fire flow demands. Neither system will have sufficient capacity at buildout. The Water Master Plan recommends that both systems build 500,000 gallon reservoirs to meet demands at buildout. This additional storage would be used to meet the deficits identified in water rights and treatment at buildout maximum month average day demand.

### Water Quality and Treatment

The PUD utilizes four surface water treatment plants. All four plants were retrofitted with a remote access control system (SCADA) in 2005, which allows district staff to make changes to the treatment process from the district office. The Village system water treatment plants have sufficient capacity to meet projected demands at buildout. The Down Canyon system does not have sufficient capacity to meet buildout demands. The Master Water Plan recommends that the district add a 200 gpm expansion membrane filtration skid to the June Lake Water Plant to meet the maximum day demand projection in the Village system.

Water quality tests performed on the district's water supply indicate the water is of very good quality from a mineral standpoint with no measured constituents reaching the maximum contaminant level. The district's systems have also been tested for organic chemical contaminants and showed nothing in either the Village or Down Canyon systems.

## **Water Distribution**

The following is from the PUD's Master Water Plan:

The Village distribution system is a fairly old system. Much of the pipes date back to the late 1930s. It is comprised of approximately 47,000 feet of pipeline ranging in size from 1-inch to 10-inches in diameter. The system infrastructure is made up of ductile iron and steel pipeline. A major improvement was made to the Village distribution system in 2001 with the construction of 1,100 feet of 10-inch water main in Boulder Drive from Knoll Avenue to Gull Lake Road with several minor pipeline repairs, replacements and pipeline additions to keep up with growth demands.

The Down Canyon system is a relatively new system. It is comprised of approximately 42,000 feet of pipeline ranging in size from 1-inch to 10-inches in diameter. The system infrastructure is made up of ductile iron and steel pipelines. No major improvements have been made to the Down Canyon distribution system; however, minor pipeline repairs and pipeline additions have been made to keep up with growth demands.

The district's Master Plan also notes that:

The Village system is capable of meeting their current and fire flow demands in most areas with their present system. Improvements will be required to meet fire flows and buildout demands.

The Down Canyon system is capable of meeting their current and fire flow demands in most areas with their present system. It is also capable of meeting its buildout demands and fire flows.

The Master Plan contains recommendations for improvements to both distribution systems. The district currently has 347 water meters that are read on a monthly basis. Other water system infrastructure includes one booster pump station, four water treatment facilities, and 5 storage tanks with a total storage capacity of 1.55 million gallons (1.24 million gallons).

## **Water Demand**

The PUD's Master Plan estimates current water demand, future water demand, and demand at buildout. The report notes that:

The June Lake Public Utility District's water consumption is difficult to predict accurately. The variation in tourist population on a week-to-week basis and the small permanent population along with weather conditions and the economy all contribute significantly to the oscillating water consumption of the two systems.

Rather than correlating water demand to the permanent population (and/or visitors), the Plan estimates water demand on an area basis, for the Village system and the Down Canyon system. The Plan concludes that estimated water demands are expected to peak only for a few days per year and the system has been designed to meet those peak demands. The estimated future normal water demands for both the Village system and the Down Canyon system are less than the proposed design fire flows for the Village and Down Canyon systems. As a result, the distribution system has been sized to meet fire flow requirements rather than normal water demands.

Both the Village system and the Down Canyon system have sufficient diversion rights to meet current demands. Both systems are capable of meeting the average annual demand at buildout with the current diversion rights. However, neither system may be able to meet the projected

maximum month average day demand at buildout. The Master Water Plan recommends that the district monitor future maximum month average day demands and acquire more diversion rights, if necessary.

The district has a water conservation ordinance and is in the middle of a water meter installation program, both of which are intended to reduce water use.

## **DISTRICT SERVICES—SEWER UTILITY**

### **Sewer Service**

The June Lake PUD provides sewer service to three major service areas, the June Lake Village, Down Canyon, and the US Forest Service Silver Lake Tract. Service is also provided on a contract basis to US Forest Service campgrounds, including Oh! Ridge campground, June Lake campground, Reverse Creek (Upper) and Lower Gull Lake campgrounds, Silver Lake campground, and several parking facilities along the June Lake Loop. With the exception of Silver Lake Resort and campground, Grant Lake Marina, and Frontier Pack Station, all wastewater generated in the district's service area flows to the major pump station at the west end of Down Canyon and is then pumped through about 9 miles of force/gravity mains along SR 158 to the treatment plant located adjacent to US 395 approximately 1 ½ miles south of its northern junction with SR 158.

The sewer system currently includes 14 miles of pipeline, 29 lift stations, 5 pump stations, and the wastewater treatment plant. The treatment plant provides secondary treatment. The district's Wastewater System Evaluation contains recommendations for improvements to the system to meet current and projected future demand.

## **DISTRICT PERSONNEL**

The district currently has 7 fulltime employees and 1 seasonal employee. Five employees have technical certifications, which vary for individual employees depending on specific job requirements. Certifications include water treatment, water distribution, wastewater treatment, wastewater collection, and mosquito abatement.

Employees also receive safety and technical training depending on their job requirements. All personnel receive in-house safety training. The district also participates periodically in joint training with other water agencies in Mono and Inyo counties.

## **DISTRICT FINANCES**

The district's main sources of revenue are service/use charges and property taxes. The district manager considers the fiscal health of the district to be good. As of June, 2007, the district had debt totaling \$908,975. The district does not participate in any joint financing, cost sharing or purchasing other than the June Lake Public Financing Authority (JLPFA), nor does it utilize any shared facilities. The district periodically applies for and receives grant funding. For the last three years, the district has received \$15,000 each year for mosquito abatement. The district has also received energy grants.

**Table 1: June Lake Public Utility District Revenues and Expenses**

*Combined Statement of Activities for the Fiscal Year Ending June 30, 2007*

<b>Operating Revenues</b>	
Service charges	\$ 671,337
Taxes and assessments	573,441
Delinquent charges	6,563
Inspection fees	400
Connection fees	<u>13,780</u>
<b>Total Operating Revenues</b>	<b>1,265,521</b>
<b>Operating Expenses</b>	
Salaries and wages	333,079
Employee benefits	203,269
Vacation/holiday/sick leave	77,668
Directors' fees	2,150
Professional fees and contracted services	396,539
Maintenance and repairs	7,983
Office expenses	4,977
General insurance	17,800
Rents and leases	3,761
Communications	10,400
Utilities	82,338
Small tools and supplies	169,414
Dues and subscriptions	26,772
Publications and notices	396
Travel and meetings	938
USFS maintenance	3,510
Gas, fuel and oil	17,646
Uncollectable accounts	<u>875</u>
<b>Total Operating Expenses</b>	<b><u>1,359,515</u></b>
<b>Net operating income (loss) before depreciation</b>	<b>(93,994)</b>
Depreciation expense	<u>304,235</u>
<b>Net operating income (loss)</b>	<b>(398,229)</b>
<b>Non-Operating Revenues</b>	
Other revenue	15,000
Interest revenues	<u>76,223</u>
<b>Total Non-Operating Revenues</b>	<b>91,223</b>
<b>Non-Operating Expenses</b>	
Professional services	2,713
Interest expenses	<u>55,163</u>
<b>Total Non-Operating Expenses</b>	<b>57,876</b>
<b>Change in Net Assets</b>	<b>(364,882)</b>
<b>Beginning Net Assets</b>	<b>6,783,496</b>
<b>Ending Net Assets</b>	<b>6,418,614</b>

### 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 the June Lake Public Utility District.

#### 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.*

##### PUD

The district's long-term planning documents project current and future water demand within the June Lake Loop and analyze the water system in terms of supply, distribution capabilities, treatment capabilities, and fire flow. The Master Water Plan contains recommendations to improve the system to meet current and future water demands. The district's Wastewater System Evaluation also contains recommendations for improvements to the sewer system.

##### Determinations

- The expansion and renovation of existing facilities will be needed to maintain or increase the quality of service provided by the district, as well as to serve development at build-out. The district has planned for the required expansion and renovation of its facilities in its long-term plans.
- The replacement of aging equipment and/or the purchase of additional equipment will be needed to maintain or increase the quality of service provided by the district. The district has also planned for its future equipment needs in its long-term plans.

#### 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 Growth Patterns in June Lake*

The June Lake Loop is a popular recreation destination as well as a year-round residential community with five distinct community areas spread out along SR 158, the main access route through the area. The Loop contains commercial and residential centers, along with extensive resort development. June Mountain Ski Area is adjacent to the Rodeo Grounds, on public land managed by the Inyo National Forest. The Down Canyon area of June Lake is predominantly seasonal and year-round single-family residential development with limited commercial

development and lodging along SR 158. Silver Lake Meadow, west of Down Canyon, contains limited single-family residential development. Pine Cliff, northwest of June Lake, contains campgrounds and a materials processing operation.

The Mono County General Plan Land Use Element provides for the following buildout in June Lake:

**Table 2: Buildout Figures for June Lake**

Land Use Designation	Density	Acres	Maximum Potential Dwelling Units
ER Estate Residential	1 du/acre	9	9
SFR Single-Family Residential	5.8 du/acre	164	951
MFR-L Multiple-Family Residential – Low	11.6 du/acre	9	104
MFR-M Multiple-Family Residential – Moderate	15 du/acre	9	135
MU Mixed Use	15 du/acre	14	210
CL, M Commercial Lodging – Moderate	15 du/acre	21	315
CL, H Commercial Lodging – High	15 du/acre	20	300
RU Rural Resort	1 du/5 acres	152	---
C Commercial	15 du/acre	26	390
RE Resource Extraction	---	132	---
PF Public/Quasi-Public Facilities	---	4	---
NHP Natural Habitat Protection	1 du/5 acres	31	6
SP Specific Plan	---	145	1,450 <sup>a</sup>
<b>Total Private Lands</b>		736	3,870
RM Resource Management – Federal/State	---	46,892	---
OS Open Space – LADWP	1 du/80 acres	8,024	100
<b>Total</b>		55,652	3,970

**Notes:**

du = dwelling unit

a. 145 acres = Rodeo Grounds Specific Plan which permits 10 du/acre. Other sites identified as SP on the June Lake Land Use Maps reflect potential exchange parcels with the US Forest Service.

***Seasonal Population***

In addition to the projected residential growth, June Lake’s population experiences significant seasonal increases due to tourism and second homeowners. The June Lake Loop accommodates large numbers of recreational users and is a vacation destination for outdoor and wilderness activities such as skiing, fishing and hiking.

In 2000, the Census counted 727 housing units in the June Lake Loop; 76 percent of those units were single-family residences, 8 percent were mobilehomes, and 17 percent were multi-family units (Table 35, Housing Element). Sixty-five percent of the units were vacant in 2000;

approximately 95 percent of the vacant units were seasonal uses residences, the remaining vacant units were for sale (Table 14, Housing Element).

### ***Population Projections***

Population data from the 2000 US Census and California Department of Finance population estimates show the population in June Lake to be 613 in 2000 and 626 in 2003. In 2000, there were 264 households in June Lake. The population in June Lake is projected to increase to 778 by 2020 and 837 by 2030 (State Department of Finance Report P-3, Population Projections). Overall, the population in Mono County is aging. The median age in the unincorporated area increased from 33 in 1990 to 40.1 in 2000 (Mono County Housing Element). The number of seniors 65 years and older increased from 10 percent of the unincorporated population in 1990 to 12 percent in 2000. June Lake, however, has one of the smallest percentages of older residents. In 2000, 8 percent of the total population in June Lake was 65 or older.

### ***Area Plan Development Policies***

The Community Development Element of the **June Lake Area Plan** addresses water and sewer services in the section on Community Infrastructure, i.e.:

#### OBJECTIVE A

Maintain local service capabilities by ensuring that new construction service demands do not exceed the capacity of existing public facilities.

Policy 1: Prohibit developments that will create excessive demand on the ability of the local service providers to supply water and sewage treatment, among others, unless adequate mitigation is provided.

Policy 2: Encourage the consolidation of local service agencies to improve efficiency, to allow for flexibility in service financing, and to improve local control and accountability.

### **Determinations**

- The Mono County General Plan Land Use Element allows for additional development in the area served by the June Lake Public Utility District.
- Growth is anticipated to occur primarily in and adjacent to existing developed areas.
- Visitors to the area will continue to increase demand for services.
- The population in June Lake is projected to increase to 778 by 2,020 and 837 by 2,030, creating an increased demand for fire and emergency medical services.
- Policies in the **June Lake Area Plan** in the **Mono County General Plan Land Use Element** require the county to allow additional residential development only when adequate services, including water and sewer services, are available.

## **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.

### ***PUD***

The PUD is heavily dependent on use charges and property taxes for its revenue. These fees and charges are reviewed periodically to ensure that they are adequate. The district has a Master Water Plan and a Wastewater System Evaluation. Those plans identify needed capital facilities and the costs associated with developing those facilities. The district has ordinances in place to collect development fees from new construction.

### **Determinations**

- The PUD's future financing will continue to rely heavily on use charges and property tax revenues.
- 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 has long-term planning documents that identify needed capital facilities and the costs associated with developing those facilities.
- The district has ordinances in place to collect development fees from new construction.

## **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.

### ***PUD***

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. The June Lake Loop is its own discrete geographic area; the nearest communities are Lee Vining, approximately 15 miles to the north, and Mammoth Lakes, approximately 15 miles to the south.

The district has a Master Water Plan and a Wastewater System Evaluation. Both plans identify needed improvements and the costs associated with developing those facilities. Service demand projections for the future have been prepared and are included in both plans.

The PUD is managed and administered by an elected board of directors and a general manager. June Lake includes other special district service providers that have administrative costs associated with the overall management of those districts. There could be some duplication of

services among the districts, 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.

### **Determinations**

- The June Lake Loop is a discrete geographic area within Mono County; there is no duplication of service efforts or overlapping or inefficient service boundaries.
- Integrated planning, especially long-range planning, is an important part of cost avoidance. The district has long-range plans that address the demands imposed by growth within the district.
- The June Lake Loop includes other special district service providers that have administrative costs associated with the overall management of those districts. There could be some duplication of services among the districts, 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.

## **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.

### **PUD**

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

**Customer Use/Service Charges** – Each district customer pays a monthly water fee. Different types of uses (residential, commercial, irrigation) are charged different rates. The district is in the process of installing water meters throughout the district. Users with water meters are charged a monthly service charge that varies with the type and size of use, and a use charge that increases as usage increases (an increasing block rate per 1,000 gallons). 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 water and 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 has applied for and received grant funding in the past.

### **Determinations**

- All funding mechanisms have inherent limitations that may prevent their implementation, use or restructure.
- Each sewer and water customer pays monthly sewer and water 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 continue to 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.

### ***PUD --- Sharing Facilities with Other Water or Sewer Districts***

Due to the geographic distance between most communities in the county, sharing facilities among water and sewer districts is not possible.

### ***PUD --- Sharing Facilities with Other Entities within June Lake***

Currently, the district does not share any facilities. June Lake 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 districts and the County. Further studies would be necessary to determine whether there are opportunities to reduce costs.

### **Determinations**

- Due to geographic distances between communities in the county, sharing facilities among water and sewer providers is not possible.
- June Lake 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 districts and the County. Further studies would be necessary to determine whether there are opportunities to reduce costs.

## **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.

***PUD***

June Lake is isolated from the nearest water and sewer district by approximately 15 miles and in winter is often isolated by severe winter weather. These geographic constraints make it infeasible to consolidate with another water and/or sewer provider.

June Lake is currently served by two special districts with overlapping service boundaries, i.e.:

June Lake Fire Protection District	Fire protection and emergency medical services
June Lake Public Utility District	Water and sewer services

LAFCO law and local LAFCO policies promote the consolidation of services under the authority of one multi-purpose agency in order to alleviate government overlap and fragmentation. The June Lake Public Utility District is a multi-purpose district under which local services could be consolidated. A Community Services District might also meet overall service needs for June Lake. If further study indicated that consolidation of services in June Lake under one service provider could save money and if June Lake residents were in favor of consolidation, fire protection, water and sewer services, mosquito abatement, and other local services could be provided by one multi-purpose agency in the future.

**Determinations**

- In regions of the county with separate, distinct communities that are geographically remote from each other, public services are most logically provided by a combination of several single purpose special districts.
- If further study indicated that consolidation of services in June Lake under one service provider could save money and if June Lake residents were in favor of consolidation, fire protection, water and sewer services, mosquito abatement, and other local services could be provided by one multi-purpose agency in the future.

**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.

### ***PUD***

The PUD is managed by an elected Board of Directors and a General Manager. The district has a Master Water Plan and a Wastewater System Evaluation. Both plans identify needed improvements to the district's systems and estimate the costs associated with developing those facilities.

### **Determinations**

- The PUD is managed by an elected Board of Directors and a General Manager.
- The district has a Master Water Plan and a Wastewater System Evaluation.
- The district has planned for the future in order to maintain its service levels while providing for the needs of future development.
- The district has committed resources to future facilities and operations.

## **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 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.

***PUD***

The PUD 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 at the district office, at the post office, and at the general store.

The district disseminates information to its customers through newsletters and notices sent with the billing.

**Determinations**

- The PUD complies with the minimum requirements for open meetings and public records.
- The district seeks to inform the community and affected groups 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 June Lake Public Utility District.

### 1. Present and Planned Land Uses

*Discussion:*

The June Lake Loop is a popular recreation destination as well as a year-round residential community with five distinct community areas spread out along SR 158, the main access route through the area. June Lake Village is the Loop's commercial and residential center with stores, restaurants, lodging, offices, post office, library, community center, park, and a variety of residential uses. The West Village contains ballfields and condominiums, as well as the 90 acre Rodeo Grounds, the largest undeveloped privately owned area of land within the June Lake Loop. The Rodeo Grounds will be developed into a resort center with multi-family and single-family units. June Mountain Ski Area located on public land managed by the Inyo National Forest is adjacent to the Rodeo Grounds. The Down Canyon area of June Lake is predominantly seasonal and year-round single-family residential development with limited commercial development and lodging along SR 158. Silver Lake Meadow, west of Down Canyon, contains limited single-family residential development. Pine Cliff, northwest of June Lake, contains campgrounds and a materials processing operation.

The Mono County GIS estimates 1,194 parcels in the district, including approximately 622 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 June Lake to be 613 in 2000 and 626 in 2003. In 2000, there were 264 households in June Lake. The district estimates that it now serves a permanent population of 400 persons and a seasonal population of 2,500.

The June Lake Area Plan in the Mono County General Plan Land Use Element provides for the following buildout in June Lake:

**Table 2: Buildout Figures for June Lake**

<b>Land Use Designation</b>	<b>Density</b>	<b>Acres</b>	<b>Maximum Potential Dwelling Units</b>
ER Estate Residential	1 du/acre	9	9
SFR Single-Family Residential	5.8 du/acre	164	951
MFR-L Multiple-Family Residential – Low	11.6 du/acre	9	104
MFR-M Multiple-Family Residential – Moderate	15 du/acre	9	135
MU Mixed Use	15 du/acre	14	210
CL, M Commercial Lodging – Moderate	15 du/acre	21	315
CL, H Commercial Lodging – High	15 du/acre	20	300
RU Rural Resort	1 du/5 acres	152	---
C Commercial	15 du/acre	26	390
RE Resource Extraction	---	132	---
PF Public/Quasi-Public Facilities	---	4	---
NHP Natural Habitat Protection	1 du/5 acres	31	6
SP Specific Plan	---	145	1,450 <sup>a</sup>
<b>Total Private Lands</b>		736	3,870
RM Resource Management – Federal/State	---	46,892	---
OS Open Space – LADWP	1 du/80 acres	8,024	100
<b>Total</b>		55,652	3,970

**Notes:**

du = dwelling unit

- a. 145 acres = Rodeo Grounds Specific Plan which permits 10 du/acre. Other sites identified as SP on the June Lake Land Use Maps reflect potential exchange parcels with the US Forest Service.

The June Lake Area Plan Master Environmental Assessment (MEA) calculated the projected population at buildout based on the projected dwelling unit buildout shown above:

**Table 3: Projected Population at Buildout, June Lake**

	Maximum Dwelling Units <sup>a</sup>	Persons/Unit <sup>b</sup>	Maximum Population at Buildout	Resident Population at Buildout <sup>c</sup>
Owner-Occupied Units	960	2.39	2,294	986
Renter-Occupied Units	3,010	2.50	7,525	3,236
Campground Users	-----	-----	1,608	-----
Summer Cabin Permittees	-----	-----	273	-----
<b>Total</b>	3,970	-----	11,700	4,222

**Notes:**

- a. From Table 3. Assumes units in ER and SFR designations are owner-occupied, all others are renter-occupied.
- b. 2000 U.S. Census, Table DP-1.
- c. Assumes 43 % occupancy rate from 2000 U.S. Census, Table DP-1.

***Finding:***

Land use within June Lake is a mix of resort uses, commercial uses, and single-family residential uses. The planned land uses for the area are resort uses and single-family residential uses. Development will occur within and adjacent to existing development. The June Lake Area Plan allows for substantial development beyond the existing development and for a substantially larger permanent population than the current estimated permanent population of 400.

**2. Present and Probable Need For Public Facilities and Services**

***Discussion:***

The June Lake Loop has an existing need for water and sewer services, along with mosquito abatement services. The buildout allowed by the General Plan will create a greater demand for those services in the future. The district is concerned about the potential impacts of the planned development at the Rodeo Grounds.

***Finding:***

June Lake has an existing and continuing need for public facilities and services to serve existing and planned development in the area.

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

***Discussion:***

The district provides a good level of water and sewer services to its customers. The district's Master Water Plan and Wastewater System Evaluation identify improvements to meet present as well as projected future water and sewer demands.

The district has a number of latent powers that would allow it to provide additional services within the June Lake Loop, i.e. lighting, power, heat, transportation, telephone service, other methods of communication, garbage disposal, golf courses, fire protection, parks and recreation, building for public purposes, and drainage improvements.

***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.

### 4. Social or Economic Communities of Interest

***Discussion:***

Residents of June Lake tend to interact socially and economically with the Town of Mammoth Lakes. Interaction with other communities in Mono County is limited due to the geographic distances involved and the lack of commercial and social centers in other communities. Mammoth Lakes is the only incorporated community in the County; services in Mammoth Lakes are provided by the Town and several special districts. Although June Lake shares social and economic communities of interest with Mammoth Lakes, the physical distance between the two communities and the fact that one is an incorporated entity and one is not make the interdependence of the two communities irrelevant in determining the sphere of influence for the district.

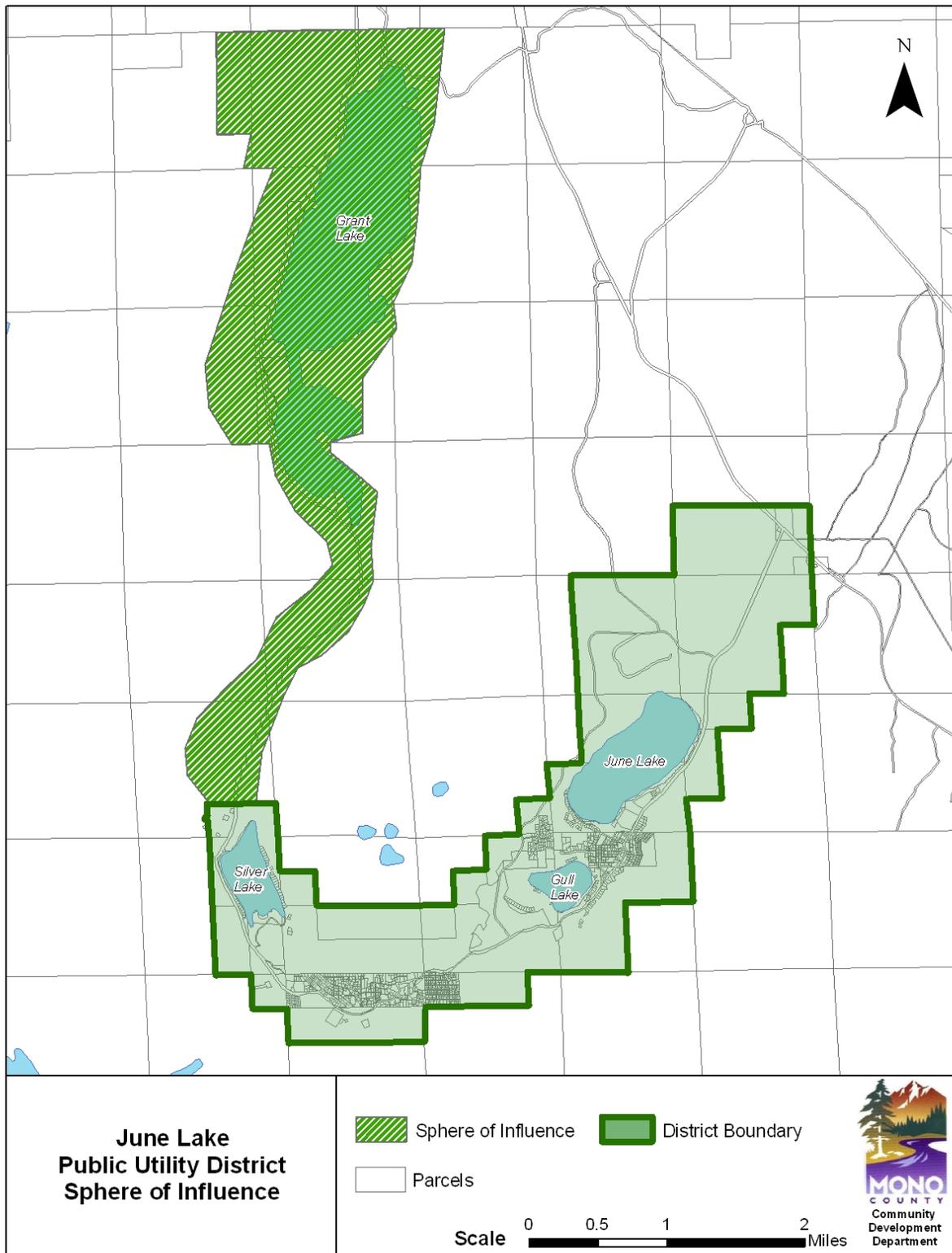
The PUD currently includes all private lands within the June Lake Loop and serves a number of uses on adjacent US Forest Service lands. The Lahontan Regional Water Quality Control Basin Plan for the area prohibits new waste discharge within the Loop basin. The PUD's community of interest consequently includes any development, existing or proposed, that may discharge waste in the basin. The economic costs associated with constructing separate sewage treatment facilities for new development essentially ensures that all new construction within the basin will connect to district sewer facilities.

***Finding:***

The district area exhibits social and economic interdependence with Mammoth Lakes, the only incorporated community in the County. This interdependence has no relevance in determining the sphere of influence for the district. Development throughout the June Lake Loop must seek sewer service from the district and therefore share interests with the district.

## **Sphere of Influence Recommendation**

The Sphere of Influence for the June Lake Public Utility District encompasses the district area along with the adjacent area to the northwest along SR 158 that is designated as Concentrated Recreation in the Inyo National Forest Land and Resource Management Plan. These boundaries recognize the district's role as the primary water and sewer provider for the area, and will enable the district to extend service throughout the area, to existing and planned developments.



**Figure 2 June Lake Public Utility District Sphere of Influence**

## V. REFERENCES

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### Persons Consulted

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June Lake Public Utility District

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