

EXHIBIT A

**EXHIBIT A –
LAFCO MANDATORY
DETERMINATIONS CHECKLIST**

1) SERVICES AND ALTERNATIVES

- a) **Need for Organized Community Services; Probable Future Needs:** *Applicants shall demonstrate the need and/or future need for governmental services and that the proposal is the best alternative to provide service (Gov. Code §56668(b)).*

The CSDs have submitted a plan and have demonstrated the ability to merge services. The proposed CCSD can meet the long-term needs of its residents by providing water service and street lighting. There are no reasonable or feasible alternatives as no other agencies in the area provide water service within the CSD's jurisdiction; therefore, no comparisons can be made.

The geography of the two districts and their characteristics is such that they are uniquely suited to merge. The loop system planned is expected to improve pressure stability in both existing systems, and decommissioning the Westridge wells at the Manor Market will work to protect the aquifer. The proposed consolidation will take advantage of mutually beneficial trade-offs, including the WCSD's higher-performing pipe infrastructure, excess capacity from recently installed wells at the Jill Kinmont School, and the ICCSD's preventative maintenance program.

- b) **Ability to Serve, Level and Range of Service, Time Frames, Conditions to Receive Service:** *Prior to annexation the applicants and proposed service providers shall demonstrate that the annexing agency will be capable of providing adequate services, which are the subject of the application and shall submit a plan for providing services (Gov. Code §56668(j)).*

The CSDs have submitted a plan for services, which outlines strategies for jointly serving their Districts. The merger will not have a negative financial impact on any parties involved and will be in the best interest of existing and future residents. The overall budget of the CCSD is expected to be less than the combined current budgets of the two existing districts. Savings will result from eliminating one five person Board of Directors; the need for fewer people to manage system operations, administration, and maintenance; a reduction in insurance costs; and, a reduction in the cost of water quality testing by eliminating approximately one-half of the sampling. The CCSD will offer better economies of scale and potentially an advantage in procuring grant funding.

Two zones are proposed to coincide with the current District boundaries. If created, the zones would allow the continuation of street lighting service in what is now the WCSD and would allow for continuation of the existing higher capital replacement fund fee in what is now WCSD. The difference in rates is proposed to continue through at least the 2010-11 fiscal year. Once the amounts in each of the capital replacement funds become approximately equal, the water rates in the two zones would then become equal.

- c) **Timely Availability of Adequate Water Supply:** *The commission shall consider the timely availability of water supplies adequate for projected needs (Gov. Code §56668(k)).*

The Service Plan and other submitted materials demonstrate the ability to continue providing water within the CCSD. No substantial change in water demand is anticipated due to the boundary change.

- d) **Alternatives to Service, Other Agency Boundaries, Local Government Structure:** *The commission shall give great weight to any resolution objecting to the action that is filed by a city or a district. The Commission's consideration shall be based only on financial or service related concerns expressed in the protest. (Gov. Code §56668.3(b)).*

No objections from any other public agency have been received.

- e) **Significant Negative Service Impacts:** *Services provided to the territory will not result in a significant negative impact on the cost and adequacy of services otherwise provided. (Gov. Code §56668(c)).*

As it merely combines two existing Districts, the proposal will not alter service in other districts. Decommissioning the wells at the Manor Market is anticipated to better protect the aquifer.

2) **COST AND REVENUE**

- a) **Present Cost/Adequacy of Governmental Services, Including Public Facilities:** *The commission shall consider existing government services and facilities, cost and adequacy of such services and facilities (Gov. Code §56668(b)).*

The Districts have prepared a Service Plan demonstrating the ability to combine in as seamless a manner as possible. Installation of the interties will work to improve water pressure stability. The proposal is not expected to substantially alter the cost of providing the CSD's services or their adequacy.

- b) **Effect of Subdivision on Cost & Adequacy of Service in Area and Adjacent Areas:** *The commission shall consider existing and proposed government services and facilities, the cost and adequacy of such services and facilities and probable effect of the proposal on the area and adjacent areas (Gov. Code §56668(b)).*

The Districts have prepared a Service Plan demonstrating the ability to efficiently combine as seamlessly as possible. The proposal is not expected to substantially alter the cost of providing the CSD's services or their adequacy. The proposal is not anticipated to alter service in other districts. Decommissioning the wells at the Manor Market is anticipated to better protect the aquifer.

- c) **Effect of Alternative Courses of Action on Cost & Adequacy of Service in Area and Adjacent Areas:** *The commission shall consider the cost and adequacy of alternative services and facilities (Gov. Code §56668(c)).*

No alternatives to service exist because no other agencies in the area provide water delivery service within the Districts' jurisdiction. Therefore, no comparisons can be made. Consolidation of the ICCSD and WCSD is the most cost effective and efficient alternative.

d) **Per Capita Assessed Valuation:** *(Gov. Code §56668(a))*

The proposal merely involves merging to existing CSDs, and is not anticipated to impact assessed valuation substantially. The proposed consolidation is "revenue-neutral".

e) **"Best Interest":** *The commission will consider whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district (Gov. Code §56668.3).*

The project does not involve annexation. Regardless, the proposal will be in the best interest of landowners and present and future inhabitants within the district because it will work to reduce costs of service, improve reliability, and take advantage of each District's strengths and weaknesses.

3) **BOUNDARIES**

a) **Logical, Contiguous, Not Difficult to Serve, Definite & Certain:** *The proposed boundary shall be a logical and reasonable expansion and shall not produce areas that are difficult to serve (Gov. Code §56001). Lands to be annexed should be contiguous, and should not create irregular boundaries, islands, peninsulas or flags. The boundaries of the site shall be definite and certain and conform to existing lines of assessment and ownership (Gov. Code §56668(f)).*

The proposed consolidation will result in a contiguous boundary. Due to the WCSD's location in a corner of the ICCSD jurisdiction, the two CSDs are uniquely suited to be merged. The site boundaries correspond to private property lines and represent a logical and reasonable modification to existing boundaries.

4) **EXTERNAL EFFECTS AND COMMENTS**

a) **Effect on Adjacent Areas, Communities of Interest:** *The commission shall consider the effects of the proposal and alternative actions on adjacent areas, mutual, social and economic interests and on the local governmental structure of the county (Gov. Code §56668(c)).*

The proposed consolidation will not have a negative impact any adjacent areas, mutual, social and economic interests and on the local governmental structure of the County. No feasible or superior alternatives are identified.

b) **Effect on Other Community Services, Schools:** *LAFCO's review of services refers to governmental services whether or not those services are provided by local agencies subject to the Cortese-Knox-Hertzberg Act, and includes public facilities necessary to provide those services (Gov. Code §56668 (b)).*

The proposal is not expected to substantially alter services provided by other agencies or quasi-public agencies. Construction activities for installation of the interties and decommissioning the wells at the Manor Market is anticipated to be relatively minor, and will not significantly impact any other service provider. Street lighting within the WCSD will continue to be provided by Southern California Edison.

- c) **Other Agency Comments, Objections:** *All affected and interested agencies are provided application related material and notified of the proposal and proposed property tax redistribution plan. For district annexations and city detachments only, the commission shall also consider any resolution objecting to the action filed by an affected agency (Gov. Code §56668.3(a)(4)). The commission must give great weight to any resolution objecting to the action filed by a city or a district. The commission's consideration shall be based only on financial or service related concerns expressed in the protest (Gov. Code §56668.3(b)).*

Numerous notices have been published regarding the proposal, and LAFCO staff has not received any major concerns from outside interested agencies. No redistribution of property tax outside of the CSDs is anticipated.

5) **LAND USE (HOUSING AND AGRICULTURE)**

- a) **Fair Share of Regional Housing Needs:** *The commission shall review the extent to which the proposal will assist the receiving entity in achieving its fair share of regional housing needs as defined by the council of governments (Gov. Code §56668(l)).*

The project merely involves consolidation two CSDs, and will not alter the regional housing needs allocation.

- b) **Land Use, Information Relating to Existing Land Use Designations:** *The commission shall consider any information relating to existing land use designations (Gov. Code §56668(n)).*

The territory is designated and zoned for commercial and residential uses, and is largely built out. The consolidation is consistent with these designations, and will not alter permitted density and/or uses.

- c) **Population, Density, Growth, Likelihood of Growth in the Area and in Adjacent Areas Over Ten Years:** *The commission will consider information related to current population, projected growth and number of registered voters and inhabitants in the proposal area (Gov. Code §56668(a)).*

The consolidation is not expected to significantly alter population growth patterns or density, or the location or number of register voters or inhabitants, either within the CSDs or the vicinity.

- d) **Proximity to Other Populated Areas:** *The commission shall consider population and the proximity of other populated areas, growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years. (Gov. Code §56668(a)).*

The CSD's jurisdiction is largely built-out. Future growth in nearby areas is expected to be relatively limited. Although the project area is not expected to alter the distribution of development, it lies in close proximity to the City of Bishop.

- e) **Consistency With General Plans, Specific Plans, Zoning:** *The commission shall consider the general plans of neighboring governmental entities (Gov. Code §56668(g)).*

The proposed consolidation is consistent with the Inyo County General Plan and zoning.

- f) **Physical and Economic Integrity of Agriculture Lands and Open Space Lands:** *LAFCO decisions will reflect it's legislative responsibility to maximize the retention of prime agricultural land while facilitating the logical and orderly expansion of urban areas (Gov. Code §56668(e), §56016 and §56064).*

The territory proposed for consolidation is neither prime agricultural land nor particularly valuable open space. The territory is designated by the Inyo County General Plan and zoned for residential development. The proposal is not expected to significantly impact resources in nearby open space and/or agricultural lands.