



STAFF REPORT	
SUBJECT: Discussion and Consideration of Resolution 2023-43 Supporting the Dam Road Annexation by Konocti County Water District and Property Tax Exchange	MEETING DATE: Oct. 19, 2023
SUBMITTED BY: Alan Flora, City Manager	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

Discussion and possible action related to Konocti County Water District’s proposed annexation in the Dam Road area of the City of Clearlake.

BACKGROUND/DISCUSSION:

The City of Clearlake is fairly unique in that it does not provide any utility services within our jurisdictional boundary. Sewer service is provided by Lake County Special Districts. There are technically five water districts within the City, although since the Cache Fire in 2021, really only three are providing service. The water districts are Konocti County Water District, Highlands Mutual Water Company, and Golden State Water Company. A map provided by the California State Water Board of the districts within Clearlake can be accessed [here](#).

Konocti County Water District (KCWD) has filed an application through the Lake County Local Agency Formation Commission (LAFCo) to annex 108.76 acres into the district. This annexation would eliminate the service of two districts Lower Lake Water District and the Creekside Mobile Home Park. The Creekside system was destroyed in the Cache Fire and KCWD has been providing service to the park via an emergency connection since the fire. Lower Lake service the Cache Creek MHP, but the majority of that park was lost to fire. The proposed annexation would allow KCWD to install a new main line along Dam Road and provide upgraded water service to the area. This will be a significant improvement to existing infrastructure.

As part of the LAFCo application process negotiation of property tax with the existing taxing agencies is required and is led by the County Auditor. On August 24, 2023 the City received notice of the need to negotiate property tax within 60 days. The City is not obligated to give up an of its current or future property tax allocation in this scenario.

Staff recommend the Council adopt the resolution supporting the annexation and determining no current or future property tax allocation of the City be changed.

FISCAL IMPACT

None as proposed.

OPTIONS:

1. Adopt Resolution 2023-43
2. Other direction

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other: Funds

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

Attachments:

1. Resolution 2023-43
2. Property Tax Exchange Letters – County Auditor
3. LAFCo Memo & KCWD Annexation Information