

Shasta Local Agency Formation Commission



Municipal Service Review & Sphere of
Influence Update

City of Shasta Lake

Commission Approved
December 2023

SHASTA LOCAL AGENCY FORMATION COMMISSION

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MUNICIPAL SERVICE REVIEW

SPHERE OF INFLUENCE UPDATE

Introduction

Municipal Services Reviews (MSRs) provide agency infrastructure, management, services, and boundary information. The report is for Shasta Local Agency Formation Commission's (LAFCO) use in conducting a statutorily required MSR review process. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that the Commission conduct periodic reviews for cities & special districts in Shasta County (Government Code § 56425).

State law also requires that, prior to Sphere of Influence (SOI) adoption, LAFCO must conduct a review of municipal services provided by that local agency (Government Code §56430). This report provides LAFCO with a tool to study current & future public service conditions comprehensively & evaluate organizational options for accommodating growth, preventing urban sprawl, & ensuring that critical services are provided efficiently.

City Overview

Cities are incorporated under California's Chapter 2 Classification Law (Government Code §34102). They can provide a full range of municipal services including water, wastewater, solid waste disposal, fire protection services, parks and recreation, street maintenance, and other services. The City's Planning area extends approximately 9,469 acres with about 6,930 acres in the City Limits and 2,539 acres within the SOI.

Service Review Determinations

Government Code §56430 requires LAFCO to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following topics:

- 1) Growth and population projections for the affected area;
- 2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI;
- 3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies (including needs or deficiencies related to sewers, municipal and industrial water, in any disadvantaged, unincorporated communities within or contiguous to the SOI)
- 4) Financial ability of agencies to provide services;
- 5) Status of, and opportunities for, shared facilities;
- 6) Accountability for community service needs, including governmental structure and operational efficiencies; and
- 7) Any other matter affecting or related to effective or efficient service delivery, as required by Commission policy.

This service review provides an overview of the City along with an agency profile. The report also includes service review determinations and sphere of influence recommendations for:

City of Shasta Lake

State Guidelines and Commission policies encourage stakeholder cooperation in the municipal service review preparation. It also provides a basis to evaluate, and make changes to the Spheres of Influence, if appropriate.

Sphere of Influence Determinations

A SOI is a LAFCO-approved boundary that designates an agency's probable physical service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCO is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCO must update those SOIs every five years. In updating the SOI, LAFCO is required to conduct a MSR and adopt related determinations. In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

- 1) Present and planned area land uses, including agricultural and open-space lands;
- 2) Present and probable need for public facilities and services in the area;
- 3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- 4) Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
- 5) Present and probable need for public facilities and services related to sewers, municipal or industrial water, or structural fire protection of any disadvantaged unincorporated communities in the existing SOI (effective July 1, 2012).

Uses of the Report

This service review provides the opportunity to identify trends relating to the adequacy, capacity, and cost of providing services in rural areas of Shasta County. Service reviews may identify district boundary changes, where appropriate, to extend services; evaluate consolidation feasibility, where appropriate, and implement other measures to address community water and wastewater service needs. The potential uses of this report are described below.

To Update Spheres of Influence

This MSR serves as the basis for an SOI update which considers territory LAFCO believes represents an agency's appropriate future jurisdiction and service area. All boundary changes, such as annexations, must be consistent with an affected agency's SOI with limited exceptions.

To Consider Jurisdictional Boundary Changes

LAFCO is not required to initiate any boundary changes based on service reviews. However, LAFCO, other local agencies (including cities, special districts, or the County), or the public may subsequently use this report together with additional research and analysis, where necessary, to pursue changes in jurisdictional boundaries.

Resource for Further Studies

Other entities and the public may use this report for further study and analysis of issues relating to the City and municipal services in Shasta County.

Review Methods

The following information was considered in the service review:

- Agency-specific data: responses to LAFCO Requests for Information from City of Shasta Lake, maps, district plans and agency correspondence;
- Land Use and Shasta County General Plan data: Shasta County Resource Management –Planning Division;
- Demographic data: U.S. Census; CA Department of Finance; CA Water Resources Board;
- Finances: budgets, rates and fees; and
- Other Reports and Assessments: State Water Resources Control Board citation.

Information gathered was analyzed and applied to make the required determinations for the agency and reach conclusions about the focus issues identified in the service review. All information gathered for this report is filed by LAFCO for future reference.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code §21000 et seq. Under this law, public agencies are required to evaluate the potential environmental effects of their actions. MSRs are statutorily exempt from CEQA pursuant to §15262 (feasibility or planning studies) and categorically exempt pursuant to CEQA Guidelines §15306 (information collection). It should be noted that when LAFCO acts to update an SOI, CEQA requirements must be satisfied. The lead agency for CEQA compliance would most likely be LAFCO.

Common Agency Profile Topics

Several topics are evaluated in an agency profile. Those topics are defined in this section and discussed further in the agency profile.

Disadvantaged Unincorporated Communities

LAFCO is required to evaluate disadvantaged unincorporated communities (DUCs) as part of its municipal service review process. Per California Senate Bill 244, a DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewer and fire protection.

The most recently available data for US Census Block Groups, Tracts and Places from the US Census American Community Survey (ACS) 5-Year Data is used to determine disadvantaged communities in the region of interest. Using this information, each district or agency is evaluated to determine whether it is a DUC, or in the case of cities, whether there are DUCs within the city's

SOI. In many cases, Census Block Groups are larger than Districts. In these cases, LAFCO's evaluation was conducted with an abundance of caution to ensure no DUCs are overlooked.

City Growth Projections

Local governments can prepare for future growth with actions that protect the residents' health and safety. The City of Shasta Lake has a Compound Annual Growth Rate (CAGR) of 0.9%. This is an increase in population of 104 annually. The 20-year projection estimates a population increase of 2,083. The City experienced the most rapid growth in the early 2000's, with 2002 to 2003 being the fastest at a 3.8 percent average annual growth rate.

According to the most recent California Department of Finance estimate, the Shasta County population decreased by 0.1% from 2018 to 2019. This could be the result of recent wildfires. Although, the Department of Finance projects the County's population will increase from 179,412 to 188,154, between 2020 and 2030, an average annual growth rate of 0.49%.

Governance and Accountability

The city of Shasta Lake operates as a General Law City. General Law Cities are those who operate under the general laws of the state. They do not have their own charter. The City is governed by a five-member City Council that is elected by the residents of Shasta Lake.

AGENCY PROFILE

This section profiles the City listed below. Included in the profile is a description of the agency’s organizational development, tables listing key service information, and maps showing jurisdictional boundaries.

City of Shasta Lake

City of Shasta Lake

The City of Shasta Lake serves the community of Shasta Lake, north of the City of Redding.

Table 1: City of Shasta Lake Overview Summary

Primary Contact	Jessaca Lugo, City Manager		
Address:	4477 Main Street Shasta Lake, CA 96019		
Website	https://www.cityofshastalake.org/		
Services Provided	Water, Wastewater, Stormwater, Electric, Animal Control, Streets, Parks and Recreation Services, Law Enforcement, and Emergency Management		
Population Served:	10,423 (2021)	Service Area Size:	10.93 sq. mi /6,930 acres

Formation

The City of Shasta Lake was incorporated in July of 1993 and encompassed approximately 10.9 square miles. The City was created to provide area inhabitants with water, sewer, and electric services.

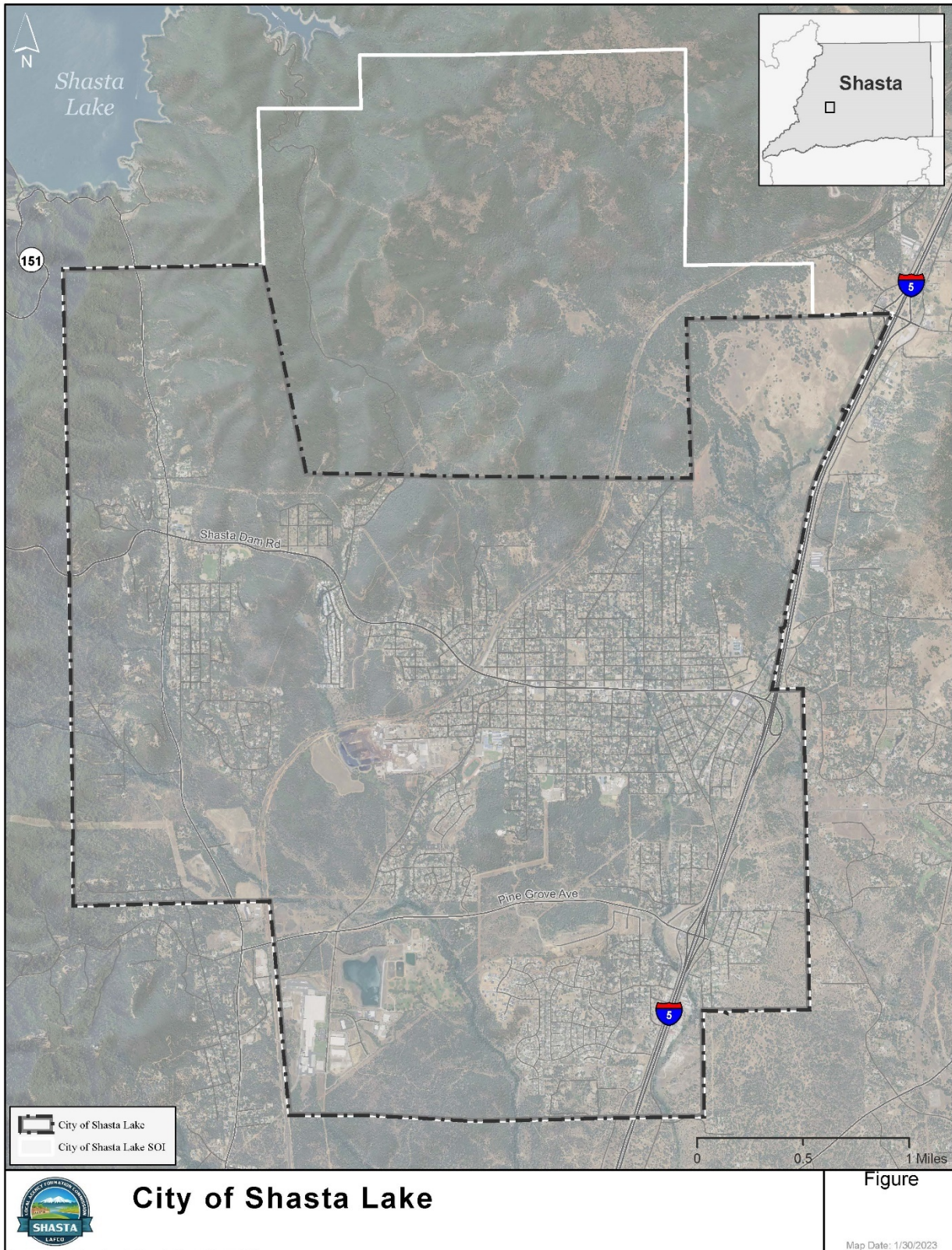
City Boundary and Sphere

The City boundary is shown in Figure 1.

The City of Shasta Lake size:

- o City of Shasta Lake Boundary - 6,930 acres
- o City of Shasta Lake Boundary and SOI - 9,469 acres
- o City of Shasta Lake SOI only (outside district) - 2,539 acres

Figure 1: City Boundary and Sphere of Influence



City Government

The City of Shasta Lake is governed by a five-person council elected to staggered 4-year terms (Table 2). Meetings are held every first and third Thursday of the month at 6pm at the Council Chambers located at 4488 Red Bluff Street. The City maintains a website (<https://cityofshastalake.org/>). Meeting agendas are available at least 72 hours in advance and meeting minutes are available after adoption on the website. Meeting agendas are also available at two local post offices, as well as posted at City Hall.

Table 2: City of Shasta Lake Mayor and City Council

Member	Title	Current Term Expiration
Greg Watkins	Mayor	December 2024
Janice Powell	Vice Mayor	December 2024
Justin Jones	Council Member	December 2026
Pamelyn Morgan	Council Member	December 2026
Tena Eisenbeisz	Council Member	December 2024

Annexations and Detachments since last MSR

None

Other Service Providers

Shasta Lake Fire Protection District

The Shasta Lake Fire Protection District (SLFPD) provides fire protection, fire prevention, and emergency medical services to the City and one square mile east of the City in unincorporated Shasta County. The SLFPD was created in September of 1940 to provide fire services to the area. Currently, the SLFPD employs nine full-time professionals and one admin clerk. The District relies on volunteers to help respond to calls and provide fire protection. They provide 24 hour a day coverage of the City of Shasta Lake and the surrounding areas. The SLFPD responds to approximately 1,500 incidents a year. The SLFPD has three fire stations and personnel and equipment in City limits.

Shasta County Office of Emergency Services

The Shasta County Office of Emergency Services (OES) coordinates with local agencies and jurisdictions, along with state and federal agencies, to prepare for, respond to, and recover from emergencies and disasters. Their office is located south of the City in Redding, CA. OES must maintain and update the Shasta County Emergency Operation Plan. This acts as a guide to ensure optimum flexibility during emergencies and is the county’s all-hazards plan. The City participates and uses the County’s plan, as well as the Emergency Alert System to transmit emergency information to the public.

The Shasta County OES maintains the Emergency Operation Center (EOC). From there, emergency incident responses are coordinated and supported. The main responsibility of maintaining the EOC is to keep staff trained and ready to respond quickly and efficiently in the event of an emergency.

The Shasta County OES assists local agencies in emergency preparedness plans and disaster training. The City is in Office of Emergency Services Region III as part of the Shasta Operational Area. This is the region where they request aid. The Shasta County OES is the Law Enforcement Mutual Aid Coordinator for Region III and gives technical advice and assistance to the Sheriff’s

Office on local emergency declarations. They can work directly with the California Governor's Office of Emergency Services in order to obtain Presidential proclamations for major incidents.

Shasta Mosquito Abatement Vector Control District

The Shasta Mosquito Abatement Vector Control District (SMVCD) extends from the northern Shasta County boundary to the southern Shasta County boundary, covering about a third of the County. It encapsulates the areas of Lakehead, Mountain Gate, Shasta Lake, French Gulch, Bella Vista, Keswick, Redding, Millville, Palo Cedro, Anderson, Cottonwood, and Shingletown. The SMVCD monitors and controls mosquito populations by focusing on juvenile populations where they are most concentrated and easier to abate through physical, biological, and chemical methods. The SMVCD handles adult mosquito control activities and monitors for other vectors, including ticks and rodents.

Telecommunications and Broadband Providers

The City of Shasta Lake has a number of broadband providers with home services, including specialized server message block (smb), enterprise, mobile, and line-of-sight providers. Broadband is available throughout most of the City and several small areas are eligible for the California Advanced Services Fund (CASF) infrastructure grants. These grants are for telephone corporations to help bring service to unserved or underserved areas.

Solid Waste & Recycling Contractors

Solid waste and recycling services are provided by a private entity, Waste Management. Solid waste is flow controlled to the West Central Landfill, located in unincorporated Shasta County southwest of Redding. The facility provides solid waste disposal, recycling, and green waste collection. Municipal residential waste is accepted at the Buckeye Transfer station located in the City of Shasta Lake. The transfer station is owned by Shasta County and operated by Waste Management.

Existing and Planned Land Uses

Land Use

City General Plan 2040 land use designations include:

Rural Residential B (RB),	Rural Residential A (RA),
Suburban Residential (SR),	Urban Residential (UR),
Urban Residential High (URH),	Mixed Use (MU),
Village Mixed Use (VMU),	Commercial (C),
Industrial (I),	Industrial Light (IL),
Public Facilities (PF),	Parks (or improved Open Space) (P),
Open Space (OS).	

Table 3: City of Shasta Lake Land Use Acreage

Land Use	Code	Sum of Acres
Commercial	C	118.9
Industrial	I	725.3
Industrial Light	IL	67.2
Mixed Use	MU	884.2
Community Park	NP	164.5
Open Space	OS	113.9
Public Facilities	PF	344.1
Rural Residential A	RA	351.2
Rural Residential B	RB	701.2
Rural Residential B	RB (USA)	71.6
Suburban Residential	SR	1426.3
Urban Residential	UR	1136.3
Urban Residential High	URH	0.2
Urban Residential High A	URH-A	5.4
Urban Residential High B	URH-B	96.9
Village Mixed Use	VMU	37.4
Grand Total		6244.7

The City's zoning includes Rural Residential (R-R), Interim Residential (I-R), One-Family Residential (R-1), One-Family Mobile Home (R-M), Two-Family Residential (R-2), Multiple-Family Residential (R-3), Multiple-Family Residential – Office (R-4), Mobile Home (T), Mobile Home Park (MHP), City Center Commercial (CC), Village Commercial (VC), Mixed Use (MU), Local Convenience Center (C-1), and Community Commercial (C-2).

City Land Use Diagram shown in Figure 2.

Zoning

Base Zoning in the City is varied with Rural Residential (R-R), Interim Residential (I-R), One-Family Residential (R-1), One-Family Mobile Home (R-M), Two-Family Residential (R-2), Multiple-Family Residential (R-3), Multiple-Family Residential – Office (R-4), Mobile Home (T), Mobile Home Park (MHP), City Center Commercial (CC), Village Commercial (VC), Mixed Use (MU), Local Convenience Center (C-1), Mineral Resource (MR), commercial Recreation (C-R), Commercial-Light Industrial (C-M), Light Industrial (M-L), General Industrial (M), Public Facilities (PF), and Community Commercial (C-2).

The City is operating under an interim zoning ordinance that provides consistency with the updated 2040 General Plan. The Interim Zoning Ordinance will be in effect until the City completes the comprehensive development code update. Interim zoning districts match the General Plan Land use designations.

Land Use Planning

The Planning Division helps with current and long-range planning in the City. They review all land use proposals and ensure compliance with state and local regulations, such as with the City's General Plan, Housing Element, California Subdivision Map Act, and the California Environmental Quality Act. The Planning and Zoning Divisions lead the implementation of the goals, objectives, and policies of the City as adopted by the City Council.

The General Plan, Interim Zoning Ordinance, and base Zoning districts regulate land uses in the City. The City's parcels are assigned a zone district that describes allowable land uses within that zone, land use permit requirements, and site development standards pertaining to setbacks, maximum structural height, landscaping, lighting, parking, and signs.

Growth and Population

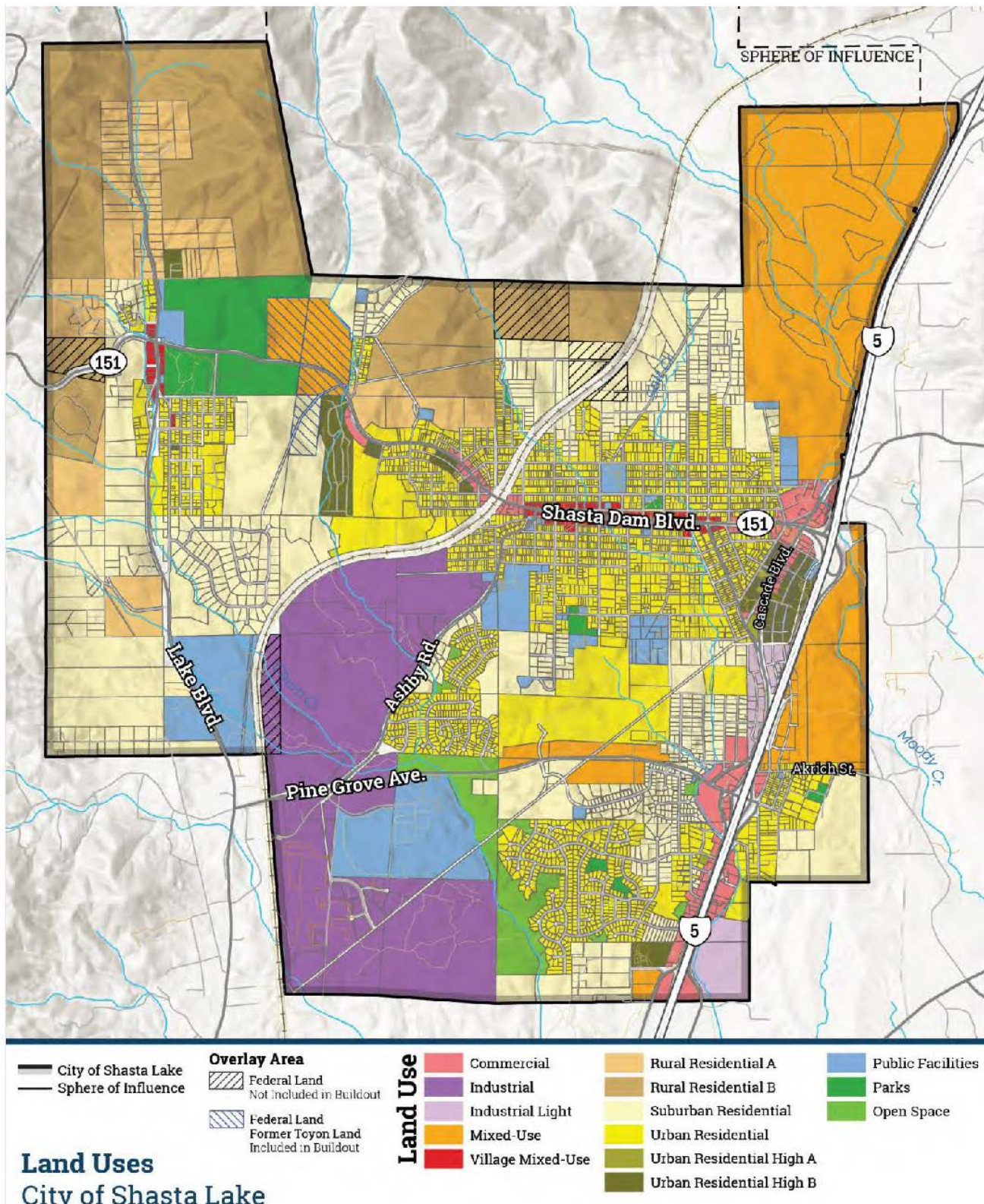
The City's 2021 population estimate was 10,423. The City General Plan Update 2040 includes 20-year unit and population projections. As shown in General Plan 2040 Table 2-2 an additional 837 units, and an additional population of 2,083 is projected. The population is estimated by calculation of 2.49 persons per housing unit (US Census Bureau, Shasta County 2019).

Disadvantaged Communities

The Shasta County 2021 Median Household Income (MHI) was approximately \$48,257 (US Census Bureau, Table S1901 Income in the Past 12 Months (in 2020 Inflation-Adjusted Dollars). This is 61% of the California 2020 MHI of \$78,672. The City is therefore considered to be a disadvantaged community and it is likely that residential areas within and adjacent to the City's boundary and SOI may also qualify as Disadvantaged Unincorporated Communities (DUCs).

The City of Shasta Lake is a Census Designated Place (CDP). The boundary encompasses the entirety of the City. The southeastern corner of Shasta Lake's CDP boundary borders the northern CDP boundary of the City of Redding.

Figure 2: City Land Uses, from General Plan



Municipal Services

City of Shasta Lake provides water, wastewater, stormwater, electric, animal control, circulation planning and street maintenance, parks and recreation services, law enforcement, and emergency management services to the Shasta Lake community and surrounding area within the City Boundary. There are also rental and utility payment assistance programs for many of the services provided by the City.

Water Services

The City provides clean safe drinking water to the City of Shasta Lake, as well as a small portion of the City of Redding in their Buckeye service area and adequate fire flows for residential, commercial and industrial use.

Water Supply

The City water supply is received from diverted surface water from Shasta Lake. There are two sets of intakes that draw water from the face of the dam. The City receives raw water to their Fisherman's Point Water Treatment Plant (WTP) via a Raw Water Pumping Station (RWPS) and transmission line owned and operated by the U.S. Bureau of Reclamation (USBR) located at the base of Shasta Dam. The City of Shasta Lake has the following long-term water contracts: 4,480 Acre-Feet (AF) via a Central Valley Project (CVP) contract with USBR; and 2,000 AF via a transfer agreement with the Anderson Cottonwood Irrigation District (ACID). They have emergency interties with Bella Vista Water District and the City of Redding.

Currently, the City uses approximately 60% of their CVP allocation of 4,480 AF. During low precipitation years, the allocation can be drastically reduced, dependent on USBR's water supply projections. In 2008, the City negotiated a 40-year take-or-pay water transfer with ACID in an attempt to ensure a long-term supply solution and provide drought protection.

Before the City's incorporation, the Shasta Dam Area Public Utilities District (PUD) had a CVP contract with USBR for an unknown amount of water being administered from SCWA. Once incorporated, a portion of the PUD contract was allocated to the City as a shortage supply at first and later as a direct transfer. The City has added this contract into the larger City CVP contract on a permanent basis.

Storage and Infrastructure

The City's water system has eight active treated water reservoirs at six different locations. The City has 5.7 million gallons (MG) of storage capacity and one active raw water reservoir totaling 0.17 MG. The City's storage reservoirs are all ground-level reservoirs that range in volume from 0.17 to 2.9 MG each.

Storage tank 1 named Picard was built in 1948 and has a volume of 0.2 MG. The storage tank number 2 named Rouge was built in 1953 and has a volume of 0.2 MG. The 3A storage tank named Shasta Way A was built in 1954 and had a volume of 0.2 MG. The storage tank numbered 4A and named Montana A was built in 2006 with a volume of 2.9 MG. Storage tank 4B named Montana B was built in 1978 and has a volume of 1 MG. Storage tank 5 named Toyon was built in 1971 with volume of 0.6 MG. Finished Tank 1, or FW 1, was constructed in 1942 and has a volume of 0.20 MG. Finished Tank 2, or FW 2, was built in 1948 and has a volume of 0.30 MG.

The distribution system has approximately 79 miles of pipeline that range from 1 inch to 24 inches. The Raw Water Pump Station (RWPS) has five pumping units: two 125 horsepower (HP) pumps, one 200 HP pump, one 350 HP pump, and one 400 HP pump. It is currently undergoing design review by USBR for installing upgrades in the next several years.

From two sets of intakes located at 750 feet and 950 feet within Shasta Dam, raw water is pumped through a single 16 inch raw water transmission line up the hill to the City’s Raw Water Tank and treatment plant. During drought conditions, the RWPS pumping capacity can be affected by the low water levels at Shasta Lake.

Demand

The City provides water service to the following number and types of connections: 3,549 to Residences, 141 to Multi-Family/Mobile Home Parks, 168 to Commercial/Industrial/Civic uses, 24 to irrigation sites, and nine to schools.

Rates

The City maintains a water services rate structure, as shown below in Table 2.

Table 4: City of Shasta Lake Water Use Rates

RESIDENTIAL		
Meter Size	Base	Tier 1 Rate (per 100 cubic ft.)
5/8"	\$31.08	\$2.44
1"	\$70.45	\$2.44
COMMERCIAL		
5/8"	\$31.08	\$2.63
1"	\$70.45	\$2.63
1.5"	\$136.06	\$2.63
2"	\$214.79	\$2.63

The City will be preparing a new rate study with new rates anticipated in Summer/Fall 2024.

Wastewater

The City owns, operates, and maintains the wastewater collection system and treatment plant. The City serves approximately 3,800 residential, commercial, industrial, and institutional accounts. Within the City limits, there are more than 500 on-site wastewater treatment systems. Most of these are within City limits, but outside of the current wastewater service area to the west. This area is known as Summit City and their septic tanks are regulated by Shasta County.

The system consists of six lift stations, about 58 miles of gravity mains, four miles of force mains, with up to 21-inch pipe sizes conveying flow to the City’s wastewater treatment plant (WWTP) located in southwest corner of the City adjacent to Churn Creek. The WWTP is designed to treat a maximum average dry weather flow (ADWF) of 1.3 million gallons per day (MGD) and a peak wet weather flow of up to 5.3 MGD. Due to water efficiency implementation efforts throughout the City over the last 15 years, the current ADWF being treated has decreased from 0.69 MGD in 2004 to 0.50 MGD in 2022 and 0.58 MGD in 2023. About 80 percent of gravity sewer pipes in the City consist of the original VCP system. The other 20 percent is PVC that has been installed as the collection system expands.

Lift Station 1 is a dry pit submersible station consisting of two pumps with a firm capacity of 0.5 MGD. Lift Station 2 is an ejector pot station consisting of one pot with a capacity of 0.06 MGD. Lift Station 3 is a dry pit station consisting of three pumps with a firm capacity of 2.4 MGD. Lift Station 4 is a dry pit submersible station with a firm capacity of 1.44 MGD. Lift Station 5 is a wet pit submersible station with a firm capacity of 2.9 MGD. Lift Station 6 is a wet pit submersible

station with a firm capacity of 0.31 MGD. There are onsite standby replacement pumps at Lift Stations 1, 3, 4, 5, and 6 to reduce downtime if a pump fails.

Stormwater Management

Drainage Facilities

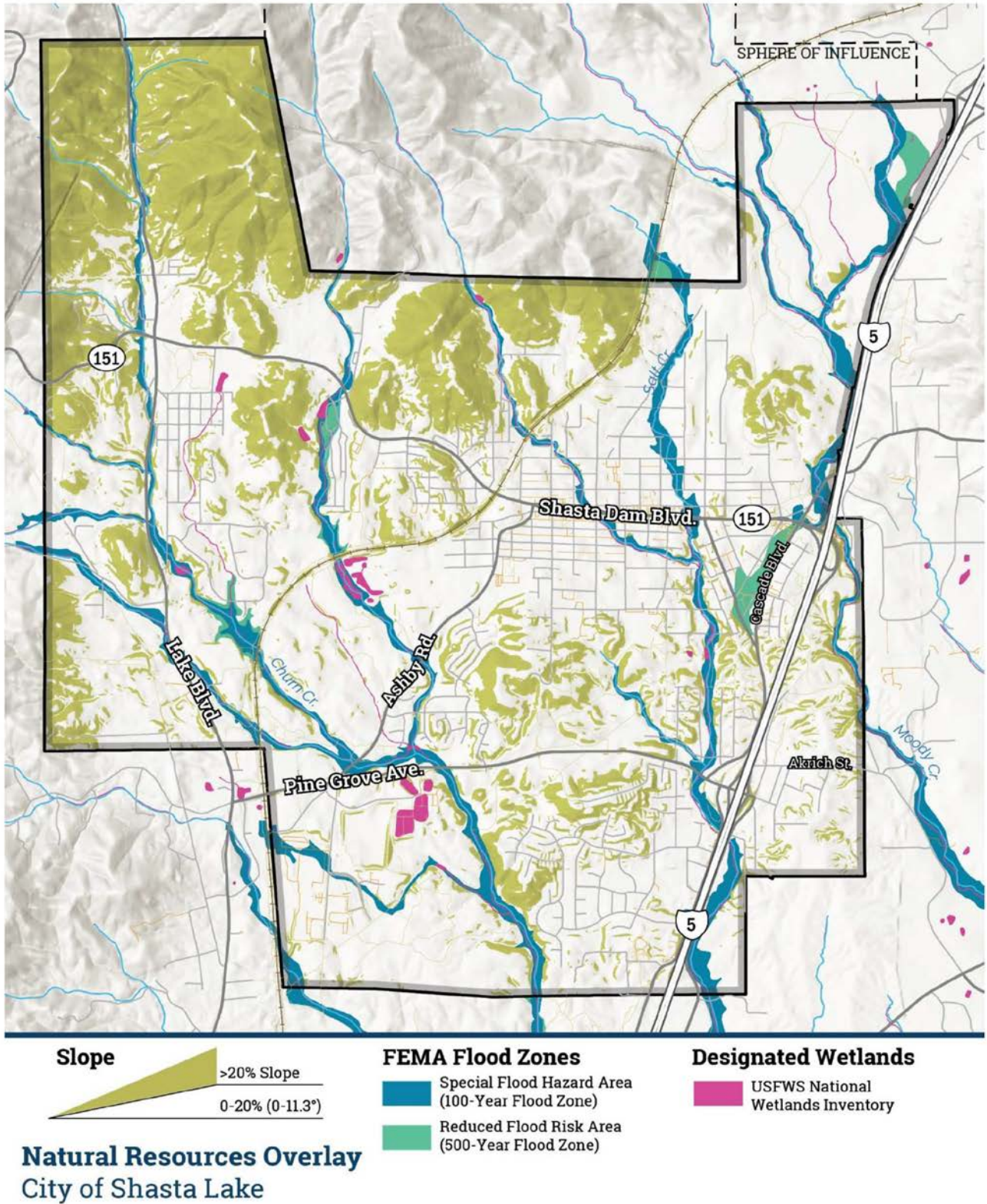
The City's storm drain system consists of natural and manmade open channels and ditches, and a system of storm drainpipes, inlets/outlets, area drains and catch basins. New development runoff is commonly controlled with detention basins.

Pyrethroid Pesticide Management

Pyrethroids are a class of synthetic insecticides found in household pesticides and remain in the environment for a long period of time, frequently transported to aquatic environments by surface runoff. The concentration of these pesticides results in impaired water quality standards and aquatic health; the Central Valley Regional Water Quality Control Board (CVRWQCB) passed a Pyrethroid Pesticide Control Program in 2017 to control the discharge of pyrethroid pesticides.

In 2021, the City of Shasta Lake developed a Pyrethroid Management Plan to respond to the CVRWQCB Program. Pyrethroid pesticides are still allowed and sold in City limits, but consumers and businesses are encouraged to reduce their sales of these pesticides. The full Pyrethroid Management Plan can be found on the City's website.

Figure 3: City Natural Resources and-Flood Zones



Flooding

Past City flood events have been localized when precipitation exceeds channel capacity including backyard, garage, and some street flooding. Flooding also occurs in areas adjacent to creeks following prolonged rain events that generate high runoff volume in areas with saturated soils from previous rain events. The Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRM) identify several properties in the City within designated flood hazard zones. These areas are shown in Figure 3. The City General Plan 2040 includes policy and programs to reduce flooding hazards in specific areas while minimizing the need for construction of flood control facilities.

Electric Services

The City of Shasta Lake provides safe, reliable, environmentally friendly electric service at the lowest possible cost consistent with sound business practices to customers within its electric service territory. The City's customers are served by the Central Valley substation and the Knauf substation. The City has four small solar installations they own and operate located on City facilities.

The City serves the following number of customers: 4,288 Residential, 223 Commercial, 16 Industrial, 14 Schools, 18 Civic, and 68 City/Government.

City electrical assets include transmission lines, distribution lines, substations, and small-scale generation assets, among others. They own 15 miles of 115 kV transmission lines, about 60 circuit miles of overhead primary distribution lines, and approximately eight miles of underground primary distribution lines.

According to the City's 2040 General Plan, they plan to explore locations and projects for "community solar," or utility-scale photovoltaic systems that have supporting programs to directly serve the City's end-users' electricity needs.

Customer-Generator Interconnection Policy

The City of Shasta Lake allows their electric service customers to install a permanent Renewable Electrical Generation Facility to offset part or all of the customer's own electrical requirements and is no more than one megawatt. It is allowed to be located on the customer's owned, leased, or rented premises and must be interconnected and operate in parallel with the City's electric grid. The customer pays a one-time fee to help fund the City's activities related to electric service review, evaluation, inspections, and deactivation/activation during the installation of the Customer-Generator Renewable Electricity Generation Equipment.

Animal Control

The Animal Control Department strives to provide residents with effective and cost-efficient services through active enforcement of state and local laws, humane sheltering, disposal of stray and unwanted animals, and the promotion of responsible pet ownership and animal welfare.

Shasta Lake Municipal Code 6.12.090 describes the requirements for surrendering an animal to the shelter. The surrenderer must have a valid California driver's license or ID with a valid Shasta Lake address, a City of Shasta Lake utility bill that matches the name and address on the license or ID, licensing through the City of Shasta Lake showing proof of ownership and must pay a fee of \$10 for an adult cats or dogs, \$25 for a female with a litter, and \$5 per weaned puppy/kitten. The same requirements apply to non-owned trapped animals. If a resident traps wildlife within the City, they shall not transport it and call animal control to help release or dispatch the wildlife.

Calls for larger wildlife, such as mountain lions, are now directed to the Department of Fish and Wildlife of California.

An impounded animal is held for four days not including the day of impoundment to locate a suspected owner to reclaim their pet. Owned animals not reclaimed within fourteen (14) days will be put up for adoption. When an owner surrenders a pet, the animal will be put up for adoption at the end of four (4) days not including the day of surrender. All adoptions are final. There is an adoption fee of \$10 if the animal is already spay/neutered. For a male feline, the alteration fee is \$119.50 and \$195.50 for a female feline (canine alteration is based on weight). These services include a rabies vaccine, microchip and alteration.

Pet owners in the City must have their canines licensed 6.12.011(D). They are available to purchase at City Hall, and the owner must provide proof of vaccination and pay the fee. If an owner requests a reduced licensing fee, they must provide proof of alteration. The fees are \$25 for one year for unaltered dogs, or for altered dogs it is \$5 for one year, \$9 for two years, and \$12 for three years. Senior citizens get half off the altered dog fees and pay \$5 for one year for unaltered dogs.

Circulation Planning, Accessibility and Transportation Management, Street Maintenance

The City transportation system serves a mix of local, commuter, recreational, visitor, industrial and commercial trips. Tourists pass through the City for destinations like the Shasta Lake Reservoir and Shasta Dam.

Circulation Classification System

Principal/Major Arterial Streets: Serve primarily long-distance travel and typically designed as either access-controlled or partially access controlled with limited locations at which vehicles can enter and exit the roadway. Arterials typically have higher posted speed limits because vehicles encounter few or no at-grade intersections. There are currently no roadways in the City that are designated as principal/major arterials.

Minor Arterial Streets: Provide service for moderate length trips and distribute traffic to smaller geographic areas than major arterials. Minor arterials are typically designed to provide relatively high overall travel speeds, with minimum through traffic delay.

Major Collector Streets: Route traffic from local streets to the arterial roadway network. Major collector streets are typically longer in length, serve higher-density residential and commercial/industrial areas, have higher annual average traffic volumes, have lower connecting driveway densities, are spaced at greater intervals, have higher speed limits, and may have more travel lanes than minor collector streets.

Minor Collector Streets: Route traffic from local streets to the arterial roadway network. Minor collector streets are typically shorter in length, serve lower-density residential and commercial/industrial areas, have lower annual average traffic volumes, have higher connecting driveway densities, are spaced at smaller intervals, have lower speed limits, and may have less travel lanes than major collector streets.

Local Streets: Provide access for 25 to 50 potential residences.

Active Transportation

The City prioritizes infill development to help create opportunities for active transportation by lessening the distance between origins and destinations. The City was involved in the development of the Healthy Shasta Health Impact Assessment and Shasta Walks which help to encourage active transportation. The encouragement of active transportation helps to decrease passenger vehicle use, which in turn reduces greenhouse gas emissions. The Shasta area has had significant investment in bicycle infrastructure. Although, they are generally not well-connected, diminishing their utility. The pedestrian network has also been substantially invested in. Similar to the bike network, the pedestrian network is not complete, having gaps in sidewalks and walkways. To improve active transportation, the City plans to inventory and assess existing and needed repairs, updates, and newly constructed bikeways and sidewalks.

In 2018, the GoShasta Regional Active Transportation Plan (GoShasta Plan or Plan) was published and serves as an active transportation plan for the City of Anderson, the Shasta Regional Transportation Agency (SRTA), Shasta County, and the City of Shasta Lake. This Plan provides the current status of active transportation in the region, the goals of the plan, program and project recommendations, and project prioritization standards and funding opportunities. Program and project recommendations cover topics such as pedestrian and bicycle facilities, transit connections, bike theft prevention, employer incentives, pedestrian networks, corridor improvements, and more. The City was an agency partner in the development of the GoShasta Plan, which serves as a critical resource for sourcing active transportation grant funding within the City.

Local Road Safety Plan

The City was awarded a grant from Caltrans in 2020 to create a Local Road Safety Plan (LRSP), which was published in 2021. The LRSP allowed for the City to conduct an analysis of the roadways, including current collision patterns and high-risk characteristics, and identify mitigation measures to reduce collision severity. To improve the City's roadway safety, it is important to focus on mitigating high injury collisions and loss of life.

According to the stakeholder working group, the emphasis areas should be to find ways to reduce wrong way driving on Shasta Dam Boulevard; evaluate ways to improve pedestrian crossings; promote walking and bicycling; safe routes to school; encouragement and education efforts; evaluate traffic calming options; address COVID-19 related changes to traffic; circulation changes from development projects; and prioritize based on collision frequency, Equivalent Property Damage Only (EDPO) ranking, and crash rates.

To combat the identified problem areas, the City plans to prioritize and incorporate strategies in relation to engineering projects, systemic safety applications, education, emerging technologies, enforcement, and emergency response. The engineering and systemic safety strategies include improving city intersections, such as upgrading signage and a potential roundabout. Another possible strategy is to create an education campaign for drivers and pedestrians. The campaign will address safe driving and safe crossing behaviors in order to reduce collisions, injury, and death. The City is considering implementing emerging technologies, such as Intelligent Transportation Systems (ITS) or crash warning systems. The City would like to improve enforcement of traffic laws, as well as emergency response's ability to provide services.

The LRSP lays out a prioritized list of projects that may be incorporated with the Capital Improvement Program (CIP). This funding is very limited and is typically allocated for roadway paving, so additional funding opportunities will likely need to be sourced from grants. The LRSP is updated every five years and the next version is expected to be published in 2026.

Redding Area Bus Authority

The City's transit services are provided by the Redding Area Bus Authority (RABA). Current service issues include a single route serving the City, long wait times (up to an hour) for buses on that route, and a lack of transit stops with shelters.

Shasta Regional Transportation Agency (SRTA)

The SRTA 2018-2022 Regional Transportation Plan had a goal of starting an on-demand transit pilot project service. The pilot project was to begin a Sunday service in high-demand areas and in the City of Shasta Lake. Based on the project's real-world performance and lessons, SRTA wanted to explore possible expansion of service area and time of day. According to the SRTA's Ways and means Report from 2021, the project, named ShastaConnect On-Demand Transit, began in October of 2019, but was paused for 6-months due to COVID-19. It was relaunched in November 2020, with an expanded service area that includes the cities of Shasta Lake and Anderson. In December of 2020, eligibility for social services transportation was also expanded to include anyone 18 years and older. The project pilot continued through 2022 using new funding, and they continue to evaluate the potential for long-term operations.

Public Facilities, Parks and Recreation

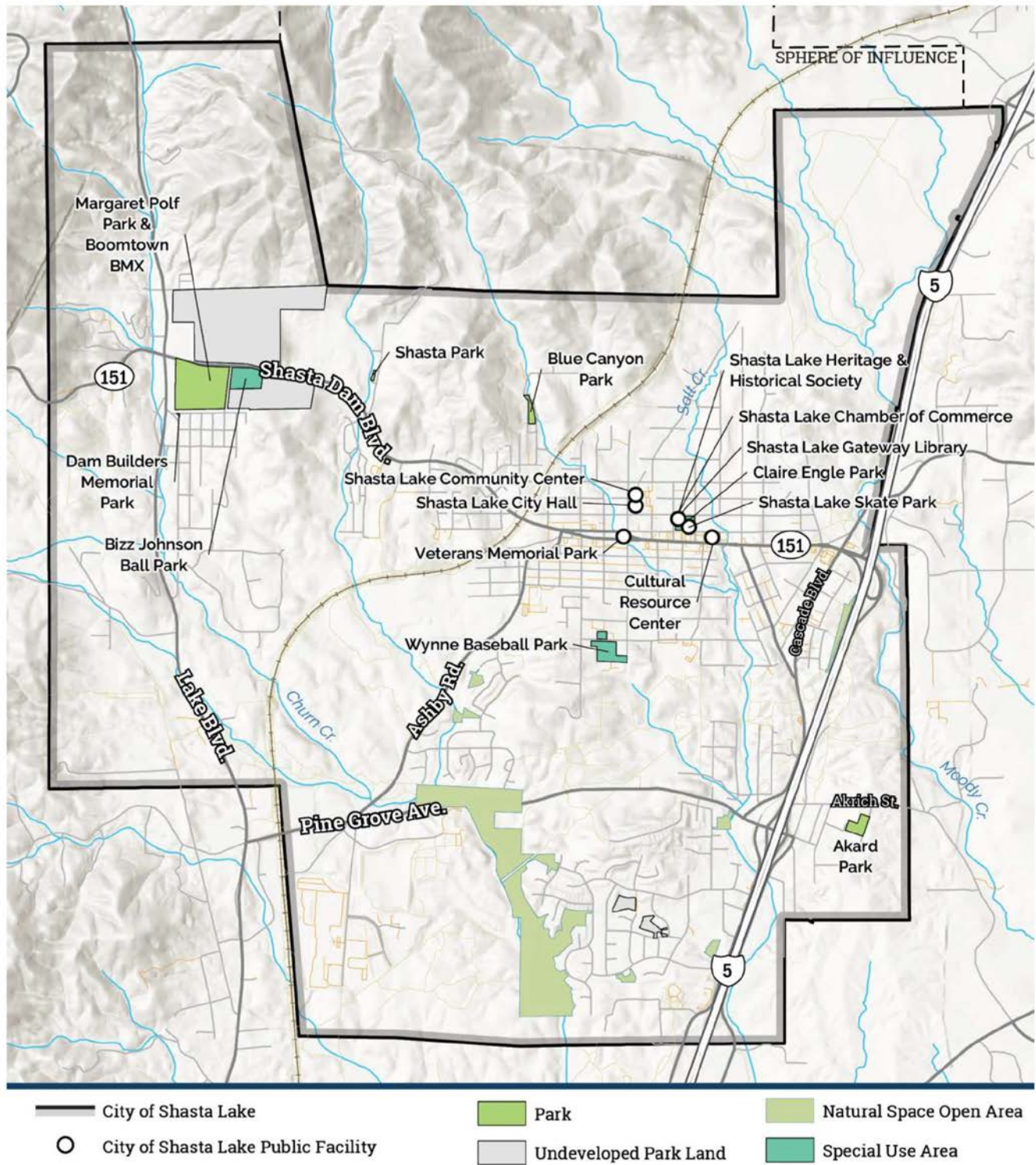
The City is currently the primary provider of parks and recreational facilities. The Gateway Unified School District provides varying athletic facilities but are not available for public use. The Winn-Price field, owned by the City, is used by Central Valley High School for its baseball functions. The City has 1.25 acres of mini parks, 2.92 acres of neighborhood parks, 25.84 acres of community parks, 14.4 acres of special use areas, and 130.52 acres of undeveloped park land.

The City identified their needs for specialized facilities and recreation programs. They found their facilities needs include tourist related facilities (museum, campground, golf course), restrooms in parks, group picnic facilities, and a water playground. The recreation program needs include adult softball, adult basketball, adult volleyball, special interest classes, and youth programs (summer recreation and ongoing programming for teens). Since the identification of these needs, many of the needed recreation programs are now offered through a partnership with the City of Redding Parks and Recreation Department, Recreation Division. Additional youth sports activities offered in this partnership may have subsidized costs provided by the City of Shasta Lake.

The City plans to create a more accessible, Citywide Park system, including interconnected and accessible facilities, with new and upgraded neighborhood and community parks providing basic recreational opportunities within walking distance of most residents. The City proposes to connect parks and neighborhoods with on and off-street trails.

The City has several meeting areas available for use, including the Larry J. Farr Community Center located at 4499 Main Street and the community room at the Shasta Lake Visitor's Center located at 1525 Median Avenue. The Community Center has one event room available to rent and has a capacity of 300 max, or 280 seated. A full day, 6 hours or more, costs \$600 and a partial day, 6 hours or less, costs \$400. Local nonprofits get a 50 percent discount. The rental has a cleaning deposit of \$200 with no alcohol and \$500 with alcohol, and comes with 260 stacking chairs, 10 8' rectangular tables, 32 6' round tables, and a basic AV system. The Visitor Center's meeting room has a max capacity standing or seated of 30, costs \$15/hour, and has no cleaning deposit. The Community Center is open Monday through Friday 8am to 10pm and from 8am to 12am on the weekend.

Figure 4: Public Facilities, Parks and Recreation



Public Facilities
City of Shasta Lake

Law Enforcement

The City contracts with the Shasta County Sheriff's Office for law enforcement services within City limits. The Shasta Lake station is located at 4488 Red Bluff Street adjacent next to Shasta Lake City Hall and primarily serves the incorporated areas of the City. It is their goal to maintain a safe and secure environment for community members and visitors through fair and ethical law enforcement practices. In addition to general law enforcement services, the Sheriff's Office operates the Lake Shasta Boating Safety Unit, Shasta County Jail, Shasta County Coroner's Office, the Office of Emergency Services, Search and Rescue, K-9, Bomb Squad, Dive Team, Special Weapons and Tactics (SWAT), and Citizens Volunteer Patrol. They also provide investigative services for major crimes, such as homicide, sexual assault, and robbery. Emergency and non-emergency dispatch is provided by SHASCOM (Shasta Area Safety Communications Agency), a local joint powers agency.

Shasta Lake substation staffing includes one Lieutenant (Station Commander), two Sergeants, nine Deputies, two Community Service Officers, and two Cadets.

Emergency Preparedness

Flooding, Natural Resources

Surface Water

The three major creeks in the City are Churn Creek, Salt Creek, and Moody Creek, each of which drains sizeable areas ranging between 2,400 and 6,000 acres. Salt Creek collects runoff from the central core of Shasta Lake and converges with Churn Creek in the City of Redding. Moody Creek drains a small area in the northeastern area of the City. Other streams include Rich Gulch, Little Churn, Nelson and Rancheria Creeks. The City's topography and drainage patterns generally flow northwest to southeast.

The Sacramento River Watershed Program (SRWP) identifies no comprehensive Churn Creek or Stillwater Creek water quality studies and no known studies prepared for other streams within the City, although some data exists from periodic sampling by state water resource agencies and from the City's WWTP which discharges treated effluent to Churn Creek. Available data indicates that water quality is generally good; however, there have been concerns with turbidity and suspended solids from channel erosion sources. High sediment loads can be carried to the Sacramento River during peak runoff events.

There is also a potential for elevated bacterial concentrations from urban runoff and failing septic systems. The federal Clean Water Act Section 303(d)(1) requires states to identify surface waters that do not meet applicable water quality standards (impaired water bodies) and prioritize such surface waters for the purposes of developing a total maximum daily load (TMDL). According to the SWRCB 2020-2022 Integrated Report, there are no impaired water bodies within the City limits on the 303(d) list (SWRCB, 2022). The closest impaired water body located near the City is the Sacramento River.

Groundwater and Groundwater Recharge

The DWR is responsible for designating State groundwater basins. Designated groundwater basins reflect where most of the groundwater production in the State occurs. The City of Shasta Lake is not included in a State-designated groundwater basin. Non-basin areas generally consist of impermeable rocks, where groundwater is found in fractures or other voids. In non-basin areas, groundwater typically yields quantities sufficient only for limited domestic use or for agricultural stock use (DWR, 2021). Groundwater use in the City has been limited to a few domestic wells for individual single-family homes. Although not a considerable source of water

supply, non-basin areas provide for groundwater recharge, which occurs when water seeps into the ground to replenish underground aquifers. The City is located immediately north and west of the Enterprise Groundwater Subbasin, and recharge within the City may benefit the aquifer system. Groundwater recharge in the City is mostly by infiltration of stream flows. However, extensive use of groundwater basins within the City SOI for domestic purposes is not possible.

Wildfire

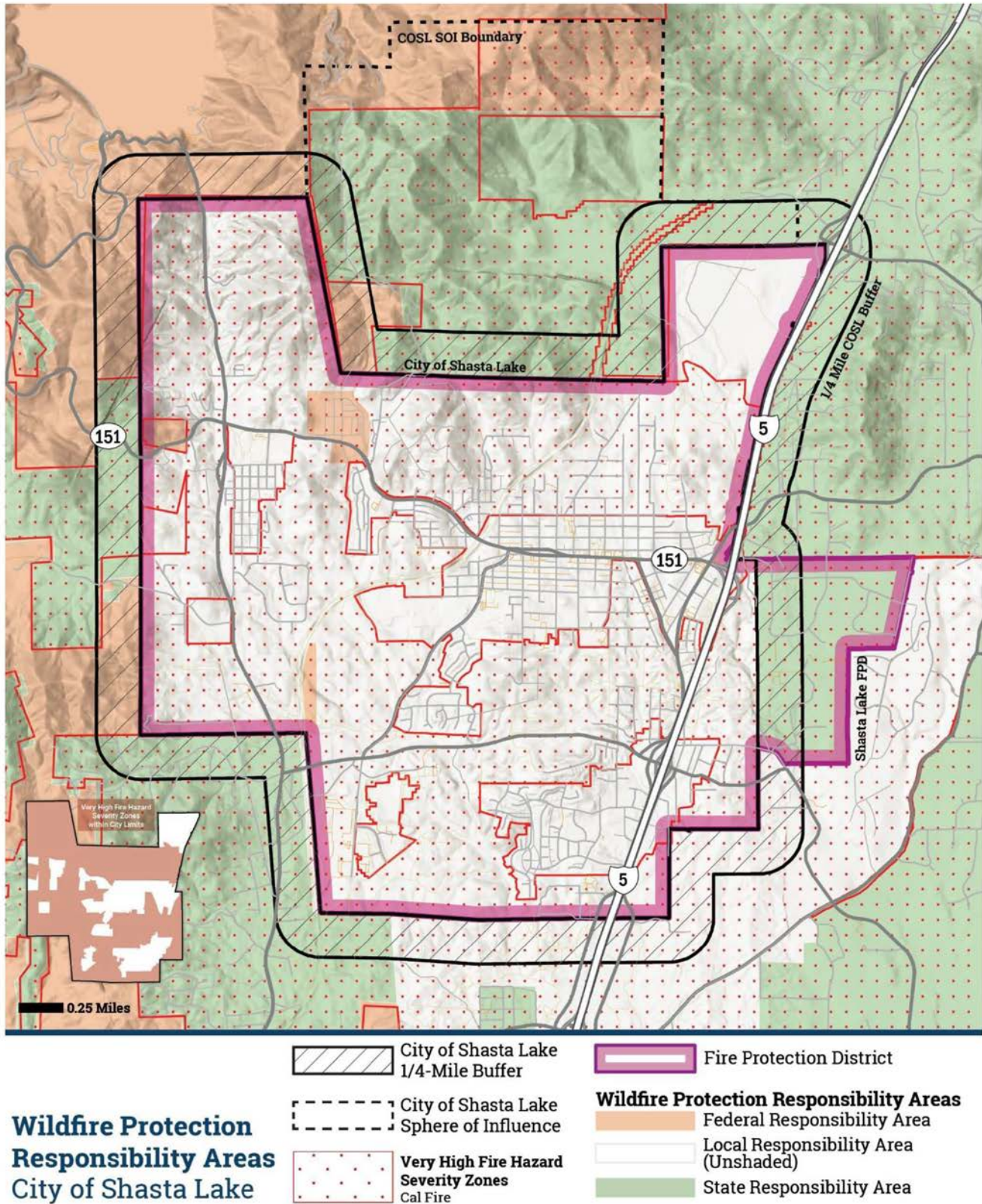
The 2019 City of Shasta Lake Wildfire Mitigation Plan for the City's Electric Department and the 2016 Shasta County Community Wildfire Protection Plan (CWPP) lay out wildfire prevention priorities for the City. The 2016 Shasta County Community Wildfire Protection Plan (CWPP) is being updated, which may encourage the City to develop their first CWPP. The City continually works on wildfire mitigation by focusing on the ground defensible space projects in partnership with local agencies such as Western Shasta RCD, and through planning documents like the hazard mitigation plan and wildfire mitigation planning for the Electric Utility.

The City has been proactive with wildfire prevention efforts by completing fire fuel reduction projects in fire-prone areas. Planned fuel reductions include removal of dense brush and trees, woody debris distribution, as well as removal and trimming of hazardous trees and vegetation management. The City has also been very successful over the last 10 years in obtaining wildfire prevention grants and has implemented these grants to perform wildfire mitigation work at various locations throughout the City. Previously, the City was awarded \$1.45 million in funding from CAL FIRE for a large hazardous fire fuel reduction project. The project consisted of approximately ±272 acres of hazardous fuel clearing in the northern and western parts of the City and its surrounding areas. Most recently in August 2023, the City received a \$1.37 million grant from CAL FIRE for fuel reduction on 56 acres of land in the City. The City borders hundreds of acres of federal lands, dense with brush and trees, on rugged terrain, paired with increasingly dry conditions and additional grant funding is ongoing at any time. To date, the City has received over \$3.1 million in grant funding for wildfire prevention.

Local Responsibility Area (LRA) fire protection is provided by the Shasta Lake Fire Protection District. Those areas may still include areas of flammable vegetation and the wildland urban interface (WUI). Besides a few federal properties located within the City, it is considered an LRA.

State Responsibility Areas (SRAs) are lands in the state where CAL FIRE has legal and financial responsibility for wildfire protection. CAL FIRE is in charge of fire hazard classifications and building standard regulations in these areas. The areas are defined as unincorporated county areas, not federally owned, that have watershed, range, or forage values. CAL FIRE adopts and updates SRA boundaries every five years. Some areas around the City are considered SRAs. According to CAL FIRE's Fire Hazard Severity Zones in State Responsibility Areas interactive map, the City is surrounded by Very High and High severity zones.

Figure 5: Fire Risk, Wildfire Protection-Responsibility Areas



City Utility and Rental Assistance Resources*City of Shasta Lake Life Line Rate Program*

This program provides a discount on customers monthly electric, water, and sewer utility bill for those aged 62 or older or are disabled and fall under income guidelines.

City of Shasta Lake SHARES Program

Every 12 months, the program offers financial assistance to utility customers in the area.

LIHEAP Program

The Home Energy Assistance Program helps give assistance with home energy bills. Customers may apply every 12 months. The amount of assistance depends on income, household size, funding, and current priority plan.

Self Help Home Improvement Program (SHHIP) LIHEAP Weatherization Program

The California Department of Community Services and Development (CSD) funded the Low-Income Home Energy Assistance Program (LIHEAP) and Department of Energy Weatherization Assistance Program (DOE WAP).

Veterans Resource Center (VRC) Supportive Services for Veterans and Families (SSVF)

Veterans can receive funding to pay for motels, rent payments, and utility payments from the VRC's SSVF funding.

Shasta County Tenant Based Rental Assistance Program

Low-income households can receive direct assistance to pay for rent through the TBRA funds. TBRA is a rental subsidy that helps make up the difference between what a renter is able to afford and the actual rent for a home.

Federal Housing Administration (FHA)

Through this program, homeowners that have an FHA-insured single family home mortgage and trouble making payments due to COVID-19 may receive assistance.

Financial Overview

Budget Information

The City of Shasta Lake adopts biennial budgets for each of two fiscal years running from July 1st to June 30th. The most recent budget for the City for FY2022-24 (FY22-23 & FY23-24) was adopted in June 2022. As such, the years under review for this report span from FY 2018-20 to FY 2022-24.

The City's budget is generally divided into its major governmental and enterprise funds. Governmental funds are utilized to operate the day-to-day functions and responsibilities of the City, as well as grants. The City uses enterprise funds to account for utilities. In total, the City's major governmental funds include:

- General Fund - accounts for the resources to carry out basic governmental activities of the City such as general government, public protection, community development, public ways and facilities, planning, and culture and recreation services.
- State Trafficway Fund - for transportation revenues and expenditures.
- CDBG Project Fund - for CDBG program funding primarily from grant revenues.

The City has proprietary funds and uses internal service funds to report activities that provide supplies and services for the City's other programs and activities such as the City's maintenance and public works operating costs. The internal services funds are reported with governmental activities in the Government-Wide Financial Statements. The City's proprietary funds include:

- Water Fund - accounts for activity related to providing customers with water service and billing for water service provided by the City.
- Electric Fund - accounts for activity related to providing customers with electric service and billing for electric service provided by the City.
- Wastewater Fund - accounts for activity related to providing customers with wastewater service and billing for wastewater service provided by the City.

Internal Service:

- Internal Service Funds (ISF) - accounts for the City's motor pool and public works departments, which provide services to other departments on a cost reimbursement basis.

Other:

- Private-Purpose Trust Funds - accounts for fiduciary activities that (a) are not required to be reported in pension (and other employee benefit) trust funds or investment trust funds and (b) are held in a trust in which the assets are (a) administered through a trust in which the government itself is not a beneficiary, (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from government creditors.
- Custodial Funds - accounts for fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These include unapportionable property taxes and other custodial funds.

The General Fund is Shasta Lake's principal discretionary funding source and covers general government, public protection, community development, public ways and facilities, planning, and culture and recreation services. The City also maintains fiduciary funds used to account for resources held for the benefit of parties outside the government.

Table 4: City of Shasta Lake Budgets

	Revenue			Expenditures		
	FY 2018-20	FY 2020-22	FY 2022-24	FY 2018-20	FY 2020-22	FY 2022-24
General Fund	\$15,633,430	\$19,064,385	\$18,838,676	\$8,273,524	\$20,547,64	\$21,718,171
Special Revenue Funds						
Water Plant & Facilities	\$300,300	\$360,000	\$360,000	\$17,377	\$18,436	\$18,436
Electric Plant & Facilities	\$61,000	\$60,000	\$60,000	\$3,530	\$3,745	\$3,745
WWr Plant & Facilities	\$414,767	\$290,226	\$495,000	\$484,691	\$486,104	\$510,431
Parks Plant & Facilities	\$101,000	\$120,000	\$120,000	\$5,844	\$6,200	\$6,200
CDBG Project Fund	\$0	\$300,000	\$0	\$0	\$300,000	\$0
CDBG Housing Rehab	\$4,000	\$0	\$0	\$54,365	\$100,000	\$100,000
CDBG HOME Program	\$600,000	\$700,000	\$200,000	\$552,890	\$654,000	\$603,000
Housing Authority	\$0	\$0	\$0	\$31,500	\$110,000	\$17,000
Trafficway	-	\$1,344,991	\$3,786,587	-	\$2,634,288	\$1,735,824
Transportation	-	\$1,294,000	\$1,480,000	-	\$1,136,868	\$698,953
Transportation/Traffic	\$2,163,714	-		\$3,140,860	-	-
Law Enforce Grant	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$100,000
Grant Fund	\$0	\$0	\$3,350,875	\$0	\$0	\$1,873,457
Debt Services Fund						
1995 WW Treatment	\$502,000	\$500,000	\$500,000	\$478,000	\$458,773	\$228,370
Riddle Rd Water Bond	\$7,500	\$7,500	\$7,500	\$7,000	\$6,600	\$3,150
David-Grunsky Loan	\$23,200	\$23,000	\$0	\$26,868	\$22,154	\$0
Enterprise Funds						
Water	\$7,926,785	\$8,240,024	\$8,240,024	\$6,484,795	\$8,312,638	\$6,668,790
Electric	\$41,458,650	\$44,370,195	\$57,941,027	\$43,388,117	\$48,809,583	\$30,068,877
Wastewater	\$6,799,738	\$6,951,938	\$7,458,552	\$5,476,801	\$9,536,368	\$8,421,578
Industrial Park	\$114,000	\$100,000	\$100,000	\$184,035	\$164,031	\$78,720
Internal Service Funds						
Motor Pool	\$1,610,434	\$1,845,548	\$2,646,025	\$1,546,856	\$1,745,548	\$1,132,908
Community Facils Dist.	\$110,500	\$140,000	\$140,000	\$114,510	\$114,510	\$67,255
Public Works	\$4,290,992	\$4,781,645	\$5,316,458	\$4,349,992	\$4,781,645	\$2,598,464
Total All Funds	\$81,625,235	\$89,187,726	\$111,240,724	\$81,751,560	\$98,332,154	\$129,067,218

Budgeted *General Fund* revenues for FY2022-24 totaled \$18.8 million. *General Fund* monies are primarily drawn from charges for services and taxes which account for over eight-tenths or 80.8% of the budgeted total. The remaining two-tenths of the *General Fund* monies are drawn from revenue from other agencies, other revenue, licenses and permits, revenue from use of money, and fines and forfeitures. Budgeted *General Fund* revenues have increased over the corresponding five-year study cycle by 21.5%.

Table 5: City of Shasta Lake Budgeted General Fund Revenues

General Fund – Budgeted Revenues	FY 2022-24	% of Fund
Charges for Services	5,892,383	31.3%
Taxes	419,200	2.2%
Revenue from Other Agencies	2,233,000	11.9%
Other Revenues	9,229,933	49.0%
Licenses and Permits	18,500	0.1%
Revenue from Use of Money	150,000	0.8%
Fines and Forfeitures	895,660	4.8%
Totals	\$18,838,676	100.0%

Budgeted *General Fund* expenses for FY2022-24 totaled \$21.7 million. Budgeted expenses for public safety, customer services, central services, and personnel and labor relations make up almost three-fourths or 72.4% of all allocated *General Fund* costs. Notably, the percentage of *General Fund* allocations for City Manager, development services, personnel and labor relations, animal control, customer services, and City Council have increased over the five-year study cycle by approximately and are the primary factors underlying an overall rise in *General Fund* budgeted expenses of 94.6%.

Table 6: City of Shasta Lake Budgeted General Fund Expenses

General Fund – Budgeted Expenses	FY 2022-24	% of Fund
Public Safety	8,686,834	40.0%
Customer Services	2,825,107	13.0%
Central Services	2,164,433	10.0%
Personnel & Labor Relations	2,042,646	9.4%
City Manager	1,607,500	7.4%
Development Services	1,578,296	7.3%
Parks	900,507	4.1%
Animal control	796,573	3.7%
Public Services	514,308	2.4%
Capital Outlay - General	214,445	1.0%
Finance Services	161,000	0.7%
Building Services	98,000	0.5%
City Council	83,772	0.4%
Capital Outlay - Public Ways	44,750	0.2%
Totals	\$21,718,171	100.1%

The *General Fund* only accounts for approximately 16.9% of the City's total revenues. The other 83.1% comes from the City's special revenue, debt service, enterprise service, and internal service funds and that help support infrastructure maintenance and improvements. A summary of the City's total budgeted revenues and expenditures by fund type is provided below in Tables 7 and 8.

Table 7: City of Shasta Lake Budgeted Revenues by Fund Type

Budgeted Revenues by Fund Type	FY 2022-24	% of Fund
General Fund	18,838,676	16.9%
Special Revenue Funds	10,052,462	9.0%
Debt Service Funds	507,500	0.5%
Enterprise Funds	73,739,603	66.3%
Internal Service Funds	8,102,483	7.3%
Totals	\$111,240,724	100.0%

Table 8: City of Shasta Lake Budgeted Expenses by Fund Type

Budgeted Expenses by Fund Type	FY 2022-24	% of Fund
General Fund	21,718,171	16.8%
Special Revenue Funds	10,448,600	8.1%
Debt Service Funds	465,888	0.4%
Enterprise Funds	88,430,867	68.5%
Internal Service Funds	8,003,692	6.2%
Totals	\$129,067,218	100.0%

Actual Total Revenues and Expenses

The City of Shasta Lake most recent fiscal year actuals ended in \$8.8 million in General Fund revenues and is an increase of \$0.367 million from the prior fiscal year. The average total revenue for the five-year study period is \$8.3 million. Actual revenues have increased 21.4% and largely comprise of sales taxes and assessments. A summary of recent actual revenues in the General Fund follows.

Table 9: City of Shasta Lake Actual Revenues

Actual Revenues	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Actuals	FY 2020-21 Actuals	Average	Trend
Taxes and Assessments	2,545,804	3,011,001	3,483,183	3,795,954	3,297,672	3,226,723	29.5%
Licenses and Permits	134,205	188,582	233,871	308,509	289,917	231,017	116.0%
Fines -Forfeitures	13,838	8,779	8,455	6,904	5,562	8,708	(59.8%)
Money - Property	13,838	6,873	109,982	120,184	21,808	54,537	57.6%
Intergovernmental	854,904	871,379	894,508	1,052,793	1,296,828	994,082	51.7%
Services Charges	3,671,721	3,781,525	3,746,539	3,842,408	3,848,113	3,778,061	4.8%
Other Revenues	9,267	10,788	76,384	32,283	32,536	32,252	251.1%
Totals	\$7,243,577	\$7,878,927	\$8,552,922	\$9,159,035	\$8,792,436	\$8,325,379	21.4%

The City of Shasta Lake’s most recent fiscal year General Fund actuals ended in 9.6 million in expenses and is an increase of \$1.7 million from the prior fiscal year. The average total expenses for the five-year study period are \$9.0 million. Actual expenses have increased 41.9%. The average operating and total margin based on the five-year study cycle is (8.8%) and (25.8%), respectively. A summary of recent actual expenses, operating and total margins in the General Fund follows.

Table 10: City of Shasta Lake Actual Expenditures

Actual Expenditures	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Actuals	FY 2020-21 Actuals	Average	Trend
General Government	2,392,659	2,505,638	2,808,056	2,945,096	3,427,574	2,815,805	43.3%
Public Safety	2,876,402	3,116,529	3,260,354	3,462,465	3,825,125	3,308,175	33.0%
Public Ways and Facilities	43,986	47,025	49,464	67,740	138,445	69,332	214.7%
Planning	613,211	656,802	551,883	587,176	706,800	623,174	15.3%
Culture and Recreation	193,793	309,626	297,571	316,592	283,411	280,199	46.2%
Community Development	-	6,930	-	-	-	1,386	N/A
Debt Service	9,487	43,536	73,969	273,514	777,752	235,652	8098.1%
Capital Outlay	613,869	6,424,840	617,388	176,475	408,118	1,648,138	(33.5%)
Totals	\$6,743,407	\$13,110,926	\$7,658,685	\$7,829,058	\$9,567,225	\$8,981,860	41.9 %

Table 11: City of Shasta Lake Operating Margin

Operating Margin	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 Actuals	FY 2020-21 Actuals	Average	Trend
Operating Revenues	7,243,577	7,878,927	8,552,922	9,159,035	8,792,436	8,325,379	21.4%
Operating Expenses	6,743,407	13,110,926	7,658,685	7,829,058	9,567,225	8,981,860	41.9%
Totals	6.91%	(66.4%)	10.5%	14.5%	(8.8%)	(8.7%)	(227.6%)

Table 12: City of Shasta Lake Total Margin

Total Margin	FY 2016-17 Actuals	FY 2018-19 Actuals	FY 2019-20 Actuals	FY 2020-21 Actuals	FY 2021-22 Actuals	Average	Trend
Total Revenues	9,720,982	9,804,803	11,707,038	11,748,351	11,281,946	10,852,624	16.1%
Total Expenses	9,165,903	14,701,492	9,797,871	18,472,888	14,196,305	13,266,892	54.9%
Totals	5.7%	(49.9%)	16.3%	(57.2%)	(25.8%)	(22.2%)	(552.4%)

Financial Statements

The City of Shasta Lake contracts with an independent auditor to prepare an annual report to audit the City's financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. This includes auditing the City's financial statements with respect to verifying overall assets, liabilities, and net position. The current independent auditor is Smith & Newell, CPA.

The City of Shasta Lake's most recent audited financial for the five-year study cycle was issued for 2021-2022. The City experienced a significant improvement as the overall net position (full accrual basis) increased by 18.6% from \$112.3 million to \$133.2 million. The independent auditor's report did not identify any notable weakness or concerns in the City's accounting policy and/or practices. A detail of the year-end totals and trends during the report period follows with respect to assets, liabilities, and net position.

Table 13: City of Shasta Lake Five-Year Study Period

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Assets	138,044,589	153,261,628	166,454,200	173,507,611
Liabilities	23,789,148	29,673,489	44,796,954	39,857,173
Net Deferred Resources				
Net Position	\$110,212,147	\$120,603,904	\$121,388,559	\$133,154,982
Net Position Change		\$10,391,757	\$784,655	\$11,766,423

Agency Assets

The City of Shasta Lake's audited assets at the end of 2020-2021 totaled \$173.5 million and reflect an increase of \$7.1 million from the prior fiscal year. Assets are items of value held by the City, such as cash, investments, fixed assets, etc. Assets that are classified as current assets have the expectation they could be liquidated within a year and represent \$62.0 million – or 35.7% of the total assets – and largely tied to cash and investments and receivables. Assets classified as non-current assets and not readily liquid within a year make up the remainder and total \$111.5 million and involve capital assets tied to property, infrastructure, and equipment. Overall, the City's total audited assets have increased by \$44.9 million – or 34.9% – over the corresponding five-year study cycle.

Table 14: City of Shasta Lake Assets: Current & Non-Current

Assets	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Average	Trend
Current Assets							
Cash and Investments	27,427,204	27,812,148	33,531,894	44,476,732	49,864,848		
Accounts Receivable	2,688,526	3,299,486	3,323,887	4,187,868	4,776,826		
Interest Receivable	21,298	25,176	103,978	93,917	34,242		
Taxes Receivable	364,601	466,819	781,961	482,279	538,736		
Intergovernmental Receivable	852,796	2,375,489	481,626	430,864	1,933,353		
Assessments Receivable	3,451,422	3,316,729	3,176,036	3,163,002	3,002,002		
Deposits	643,198	593,874	412,700	428,849	543,406		
Prepaid Costs	628,119	116,468	191,363	94,821	112,252		
Inventory	364,236	392,891	429,001	437,894	486,715		
Internal Balances	0	0	0	0	0		
Cash Fiscal Agents				678,927	677,316		
Total Current	36,441,400	38,399,080	42,432,446	54,475,153	61,969,696	46,743,555	70.1%
Non-Current Assets							
Restricted Cash and Investments	855,542	2,326,316	1,664,576	968,530	382,772		
Loans Receivable	4,896,494	5,177,155	4,819,976	4,553,546	4,279,123		
Land Held for Resale	594,927	594,927	594,927	534,984	534,984		
Capital Assets - Nondepreciable	9,756,722	17,941,860	25,601,771	7,149,149	10,898,968		
Capital Assets - Depreciable	74,260,674	73,605,251	78,147,932	98,454,437	95,202,422		
Net OPEB	1,826,165			318,401	239,646		
Total Non-Current	92,190,524	99,645,509	110,829,182	111,979,047	111,537,915	105,236,435	21.0%
TOTAL ASSETS	\$128,631,924	\$138,044,589	\$153,261,628	\$166,454,200	\$173,507,611	\$151,979,990	34.9%

Agency Liabilities

The City's 2020-2021 audited liabilities total \$39.9 million and reflect a decrease of \$4.9 million from the prior fiscal year. Liabilities are monies due, such as accounts payable, loans and bonds payable, money due to other governmental agencies, etc. Liabilities that are classified as current liabilities have the expectation, they will become due within a year and represent \$7.4 million of the total liabilities – and largely tied to accounts payable, accrued payroll, and compensated absences. Liabilities classified as non-current and considered longer termed debts make up the remainder of the total amount. Overall, the City's total audited liabilities increased by \$22.3 million or 127.0% over the corresponding five-year study cycle.

Table 15: City of Shasta Lake Liabilities: Current & Non-Current

Liabilities	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Average	Trend
Current Liabilities							
Accounts Payable	852,264	2,168,488	1,917,473	865,395	4,113,603		
Retentions Payable	29,568	474,698	787,370	25,943	169,777		
Salaries + Payable	199,238	212,548	222,234	279,316	297,205		
other Governments	848,762	1,154,832	1,246,801	1,124,130	1,740,509		
Deposits Payable	551,916	547,481	616,218	657,402	675,535		
Interest Payable	105,588	105,747	135,600	389,791	405,591		
Unearned Revenues	24,867	43,955	26,233	22,408	22,263		
Total Current	\$2,612,203	\$4,707,749	\$4,951,929	\$3,364,385	\$7,424,483	\$4,612,150	184.2%
Non-Current Liabilities							
Long-term debt - 1 year	757,192	794,951	800,121	1,570,880	1,376,403		
Long-term debt - 1 yr. +	7,146,347	9,243,168	14,687,466	31,685,842	30,825,604		
Net Pension Liability	6,485,096	7,588,576	7,416,000	8,175,847	230,683		
Total OPEB liability	555,814	1,454,704	1,817,973	-	-		
Total Non-Current	\$14,944,449	\$19,081,399	\$24,721,560	\$41,432,569	\$32,432,690	\$26,522,533	117%
TOTAL LIABILITIES	\$17,556,652	\$23,789,148	\$29,673,489	\$44,796,954	\$39,857,173	\$31,134,683	127%

Net Position

The City of Shasta Lake's audited net position at the end of 2021-2022 totaled \$133.2 million and reflects an increase of \$11.8 million from the prior fiscal year. The net position represents the difference between the City's total assets and total liabilities along with adjusting for deferred resources (i.e., pension outflows and inflows). Most of the net position – \$83.4 million – is tied to capital assets. Capital assets are generally a tangible or intangible asset that is used in operations and that has a useful life of more than one year, such as land and improvements to land; buildings and building improvements; vehicles; machinery; equipment; and wastewater, water, and roadway infrastructures. The remainder is comprised of restricted monies tied to establishing new pension related trusts in FY2021. The unrestricted portion of the City's net position as of the last audited fiscal year totaled \$34.3 million. This represents the accrued spendable portion of the fund balance and is only subject to discretionary designations (commitments and assignments) established by the City. The City has sufficient reserves to cover its expenses in the event of a fiscal emergency, such as an economic recession or natural disaster.

Table 16: City of Shasta Lake Net Position

Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Average	Trend
Capital Assets	76,514,842	81,900,784	87,801,684	82,058,020	83,364,994	82,328,065	9.0%
Restricted	9,899,676	4,941,877	5,078,097	10,445,637	15,502,999	9,173,657	56.6%
Unrestricted	25,880,514	23,369,486	27,724,123	28,884,902	34,286,989	28,029,203	32.5%
Net Position	\$112,295,032	\$110,212,147	\$120,603,904	\$121,388,559	\$133,154,982	\$119,530,925	18.6%

Debt – Budget source

The David-Grunsky Loan is repaid through a tax override against properties inside the improvement area. The load is for the debt service requirements to retire the voter-approved override that was issued in 1974 to finance the construction of a water system in Summit City.

The Wastewater Reclamation Facilities Assessment District is a fund for the debt service requirements for retiring an assessment in September 1996 which financed the expansion for the Wastewater Treatment Plant. The first payment was in September 1995 and will mature in September 2034.

Riddle Road Waster Bond accounts for the debt service needed to retire the voter-approved assessments issued in August of 1989 to finance the construction costs for the Riddle Road water system. The first payment was in March 1990 and will mature in September 2029.

Financial Governance

Budgets are approved annually by the City Council which then establishes the scope of work and improvements that can be performed. Annual budgets and audits are available upon request to the District. Annual reporting is provided to the State Controller's Office per state law.

The City is a participant in Small Cities Organized Risk Effort (SCORE), the purpose of which is for member cities to share in the administrative costs of providing liability and workers' compensation insurance. SCORE is composed of 18 member cities and is governed by a board of directors appointed by the member cities.

Water

Water System administrative charges include permits, insurance, depreciation, administrative fees, Motor Pool, and debt expense. Water Distribution services include maintaining distribution mains and service lines, performing routine and emergency maintenance on valves/boxes, meters/boxes and fire hydrants. Water Supply and Treatment services include administering the water conservation program, obtaining an adequate supply of domestic water and treating the water to meet (as a minimum) State health standards. The Water Department is responsible for providing adequate capacity for future growth with infrastructure development and replacement. The capital outlay budget includes capital improvements and capital replacement of the Water Treatment Plant and distribution facilities.

Wastewater

Administrative charges for the Wastewater System Utility include expenses such as permits, insurance, depreciation, administrative fees, Motor Pool, and debt expense. Wastewater Treatment and Reclamation is responsible for processing the City's wastewater to meet state health standards and to provide reclaimed water for industrial and agriculture/landscaping uses. The Department includes the City's reclamation plant and spays fields surrounding the plant as well as the 410 acre reclamation pond. Wastewater Collection is responsible for all types of maintenance, installation, operation, and repair of approximately forty miles of sewer lines and the maintenance of seven pump stations located throughout the City. Capital Outlay provides for the funding of capital improvements and capital replacement of materials and equipment at the Wastewater Treatment Plant and in the Wastewater Collection System.

Electric

Electric System Utility administrative charges include insurance, depreciation, administrative fee, lease payments, debt service and Public Benefit Program expenses. Electric operations are responsible for providing electric utility service to customers within its electric service territory. The Department operates and maintains the distribution system, establishes electric service to

new customers per applicable City policies, plans for future growth, and handles infrastructure replacements. Electric resource management is responsible for electric energy resource and plant management, including the planning, scheduling, purchasing and sales of electric power for the City. The capital outlay budget includes funding for capital replacements, facility improvements, additions, distribution system automation, wildfire mitigation, SMART grid technology, and long-term utility system development.

Animal Control

The Animal Control Department carries out the California Health and Safety agenda for the public's health and animal welfare being. The Department is responsible for collecting stray animals, enforcing the City's Animal Control Ordinance, ensuring animals are licensed and have requisite inoculations, coordinate rabies clinics, spaying and neutering of animals, and is responsible for issuing nuisance citations to local citizenry who do not abide by the City's ordinance in support of neighborly pet ownership.

Public Facilities, Parks and Recreation

The Parks & Recreation Department is responsible for the maintenance of all City park facilities. Recreation services include the administering summer programs. In partnership with the Gateway Unified School District, and the Shasta Lake Garden Project, the Park Department works to help beautify the City.

Law Enforcement, Public Safety Services

The Contract services agreement between the City of Shasta Lake and the Shasta County Sheriff's Offices is a year-to-year agreement. The partnership encompasses law enforcement personnel, equipment, services which include traffic enforcement. The alliance with the community, staff, and the volunteer patrol. This Contract is overseen by the City Manager Department.

Public Services

Under the direction of the City Engineer, the Public Services program is dedicated to the efficient design, construction, operation, and maintenance of public works systems and programs that protect and enhance the quality of life of the citizens of Shasta Lake.

Development Services Department: Building, Planning, and Code Enforcement

Development Services is responsible for building, code enforcement, current and long-range planning in the City. The Planning Division reviews land use proposals and ensures compliance with federal, state, and local regulations. The Division provides direction and leadership in implementing the goals, objectives, and policies of the City as adopted by the City Council.

The Building Division provides enforcement of minimum standards to safeguard life, health, property, and public welfare. The Division is responsible for Code Enforcement and the abatement of dangerous buildings, site conditions, and accumulations of junk and debris on private property.

Municipal Service Review Determinations

(1) Growth and population projections for the affected area

- a) The estimated 2021 City population was 10,423. Based on housing and population projections from the City's General Plan 2040, there could be an additional population of 2,083 and 837 additional housing units by 2040.

(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

- a) Shasta County had a 2021 MHI of \$48,257 which is 61% of the California MHI and qualifies the County as a disadvantaged area. As such, it is likely that DUCs exist adjacent to the City boundary and should be considered carefully prior to any annexations.

3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.

- a) The City is a retail water supplier that receives water from Lake Shasta. They have an existing contract through the Central Valley Project for 4,480 AF per year of which they are utilizing approximately 60%. They also have an additional 40 year take-or-pay transfer contract with ACID for 2,000 AF per year. As of 2023, the City has 3,549 water service connections.
- b) The City provides wastewater collection and treatment to 3,800 connections. The WWTP is designed to treat a maximum average dry weather flow of 1.3 million gallons per day (MGD) and a peak wet weather flow of up to 5.3 MGD. The City has decreased the average dry weather flow through water efficiency implementation efforts.
- c) The City of Shasta Lake provides safe, reliable, environmentally friendly electric service to a total of 4,627 customers of which 93% are residential. The City is interested in developing a community solar or utility-scale photovoltaic systems to help serve customer needs.
- d) The City's Animal Control Department strives to provide residents with effective and cost-efficient services through active enforcement of state and local laws, humane sheltering, disposal of stray and unwanted animals, and the promotion of responsible pet ownership and animal welfare.
- e) The City also provides a number of other services including stormwater conveyance, street maintenance, short and long term planning, and economic development. The City strives to provide excellent service to all its residents.
- f) The City currently has a total of 174.93 acres of park land of which 75% is undeveloped open space. The Cities of Shasta Lake and Redding have partnered to subsidize recreation programs that are now available to Shasta Lake residents.

4) Financial ability of agencies to provide services.

- a) The City adopts a biennial budget and provides for regular audits. The City's overall net position increased by 18.6% over the five year review period from \$112.3 million to \$133.2 million.

5) Status of and, opportunities for, shared facilities

- a) Shasta Lake currently obtains fire services from the Shasta Lake Fire Protection District and law enforcement services from the Shasta County Sheriff's Office. The City of Shasta Lake has also partnered with the City of Redding on recreational services area residents.

6) Accountability for community service needs, including governmental structure and operational efficiencies.

- a) The City of Shasta Lake is governed by a five-member council elected to staggered four year terms. Meetings are held twice monthly and agendas are posted to the City's website at least 72 hours in advance of the meeting.
- b) The City maintains a website in accordance with state law that includes information about all City departments and public utilities including water, wastewater, and electricity.

7) Any other matter related to effective or efficient service delivery.

- a) No others noted.

Sphere of Influence Determinations

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies, to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence, as defined by GC § 56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining each local agency's SOI, the commission shall consider and prepare a written statement of its determinations with respect to the following:

(1) Present and planned land uses in the area, including agricultural and open-space lands.

- a) A wide range of land uses exist within the City of Shasta Lake. The most prominent land use type is Suburban Residential (23%) followed by Urban Residential (18%). Combined, residential designations make up 60% of all land uses within the City.
- b) Existing and planned uses in the City also include Public facilities parks and open space designated lands. The General Plan 2040 includes a land use policy that states: 'As the community grows and faces development pressure along I-5 and on its fringes, the City must be both deliberate and resolute in its commitment to preserve the character and economic vitality of downtown. The City shall encourage economic growth and continued improvement in the downtown area, on already-developed areas, and on underutilized parcels.' This should be sufficient for planned growth without further Sphere of Influence expansion.

(2) Present and probable need for public facilities and services in the area.

- a) The City of Shasta Lake remains populated and is expected to have an annual growth rate of 1% resulting in an estimated population of 12,506 by 2040. This indicates there is a continued need for services in the area.

(3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

- a) City services appear adequate to serve current and future needs. The City is currently using less than its contracted annual water allocation from the CVP and has excess wastewater capacity to meet future demands. The City has also been able to increase its overall net position, indicating adequate financial planning.

(4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

- a) The City of Redding, located directly south of the City of Shasta Lake provides commercial opportunities, service industry, and social activities for residents and visitors. It is the largest of the County's three cities with an estimated 2020 population of 93,393.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

- a) There are no proposed changes to the City's SOI at this time. The existing SOI is reaffirmed as shown in Figure 1 – City Boundary and Sphere of Influence.
- b) Water and wastewater services are currently being provided by the City of Shasta Lake. Fire and emergency response services are provided by the Shasta Lake FPD.