

LAFCO Manager

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Sent: Monday, November 4, 2019 6:11 PM
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Subject: Keswick Transfer

Greetings: Shasta County Supervisors, Shasta LAFCO Commissioners, Attorneys, State Division of Drinking Water, Media, and Others;

On tomorrow's (November 5, 2019) Shasta County Board of Supervisors' meeting Agenda is an item that, if approved in total, will take away water from the Shasta County Water Agency and give it to the Shasta CSD as a reward for taking over the burned-out Keswick County Service Area (CSA). The amount of water involved is hidden; probably in "Contractual Entitlements" under CSA assets. This is water that belongs to the Shasta County Water Agency which is funded by every property tax payer in Shasta County. Because the Keswick CSA is no longer a "cash Cow" for County Public Works, the County Public Works Director has chosen to unload the CSA and the associated restoration expenses and costs. Also included in the County Agenda Item is the transfer of property including the Keswick Fire Hall that was allowed to burn with 2 (two) fire trucks and a pickup inside. This costly destruction occurred 3 (three) days after the initial start of the Carr Fire.

To read the Agenda Item, it appears that on November 28, 2018 the Shasta Community Services District (CSD) made a request to Shasta LAFCO for annexation of the Keswick CSA into the Shasta CSD. The Shasta County Supervisors supported this action on December 11, 2018. The Item further states that to comply with Shasta LAFCO annexation conditions assets to be transferred were to include the Keswick Fire Hall, a vacant surplus parcel, a park, all of the Keswick water treatment and distribution system, the CSA Fund Balance, and Contractual Entitlements. The Agenda Item states that on April 4, 2019, Shasta LAFCO determined that it was proper to proceed with the annexation and transfers without an election and ordered the annexation. An uninformed individual reading this County Agenda Item is led to believe that the Shasta CSD and Shasta LAFCO instigated the Keswick CSA's abandonment and annexation into the Shasta CSD. Nowhere in the Staff Report Recommendation, Summary, or Discussion is the County Public Works Department or its Director mentioned (only as Department and Contact in the Agenda heading). And does LAFCO really order annexations?

Roy Vincent and I spoke before the Shasta LAFCO Commissioners about the Keswick transfer issues and the damaging effect that could be created. Shasta LAFCO Chairman, Irwin Fust disputed our belief that LAFCO had any jurisdiction over water matters. If this is true, then why were water CSAs included in the LAFCO Municipal Services Reviews? Also, before a Spear of Influence boundary change and annexation is approved by LAFCO isn't a technical, managerial, and financial (TMF) review conducted? Would LAFCO really approve a water district expansion if no water was available to property owners in the new assessment? Shasta LAFCO Commissioner, Les Baugh (County Supervisor Baugh) suggested a staff review of the concerns and statements Mr. Vincent and I presented. This review and report would have been discussed at the Shasta LAFCO meeting scheduled for October 3rd. The cancelation of this meeting and rescheduling to December 5th took away any opportunity for our legal concerns to be heard and understood.

There are a number of issues with this Agenda Item but none as critical as the hidden water transfer. Since May of 2005 when 40-year Bureau of Reclamation (BOR) Water Contracts were renewed, the Keswick water allocation became the asset of the Shasta County Water Agency. This new BOR Contract granted 1,022 acre feet of water to the Water Agency and became available to the Shasta County Supervisors, serving as the Board of Director for the Shasta County Water Agency, to distribute in the County's CSAs and elsewhere. A large water transfer from the Water Agency to the Shasta CSD that has an excessive BOR allocation well beyond historical use will be a death blow for future development in the CSAs. The County's Supervisors that refused to accept the 140 acre feet of ACID water secured for the Water Agency by CSA #6 expansion advocates after an extensive environmental review and BOR Water Transfer document development, are now being asked by the County Public Works Director to give away a large amount of the Water Agency's remaining BOR allocation. The Agenda Item further says that the State Water Resources Control supports the annexation. If true, the State agency delegated to protect our water future is ignoring the obvious consequences of this action.

The future is predictable by looking at the past. After the 140 acre feet of ACID water for the Water Agency was refused by County Supervisors, a dry winter required the purchase of water from the McConnell Foundation at a cost of 3 times the cost of the ACID water. If this Agenda Item is approved, any new water demand or shortage will have to be covered by high-cost purchases of water from the McConnell Foundation. The recent high water-rate increases by Shasta County have left some CSA water ratepayers unable to pay their water bills. Paying the high cost of McConnell water will add to the additional hardships and water shut-offs for a community that is designated as severely disadvantaged.

Please do the right thing, County Supervisors, and only send a reasonable amount of Shasta County Water Agency water with the Keswick transfer.

Steve Boyd