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County Member

Irwin Fust
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Pamelyn Morgan
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Executive Officer

Fred Ryness
Special District Alternate

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General Counsel

Kathy Bull
Manager

Agenda Item: 7.b

Meeting Date: May 6, 2021

From: Executive Officer George Williamson

Subject: Igo-Ono Community Services District
Municipal Service Review and Sphere of Influence Update

BACKGROUND

The Igo Ono Community Services District (CSD) is an independent special district under Community Services District law (Government Code §61000, et seq). The principal act authorizes a CSD to provide up to 31 types of governmental services within its boundaries. In Shasta County, they are governed by independent Board of Directors. The Igo Ono Community Services District Municipal Services Review (MSR) and Sphere of Influence (SOI) Update is attached.

District Name	District Size (acres)	Sphere of Influence
Igo Ono CSD	8,460 acres	Unchanged

DISCUSSION

Property owners petitioned for CSD formation in 1960s and Igo-Ono CSD was approved by Shasta LAFCO on June 3, 1964, with an election held on November 1, 1964, and final Board of Supervisors confirmation on November 23, 1964 by Resolution 64-182. The original intent of the District was to find reliable water for the Igo and Ono communities. After many years of limited activity, the CSD purchased Happy Valley Irrigation Canal and associated infrastructure from the Rainbow Water Company in 1989. This purchased include 17 miles of ditch system, two dams, Rainbow Lake, and water rights.

Status of Infrastructure

Igo-Ono CSD regularly inspects and repairs Happy Valley Irrigation Canal which provides raw water to 70 service connections. There is minor canal seepage, considered beneficial by the District as it helps recharge groundwater and supports nearby wells and springs. Misselbeck Dam is located on the North Fork of Cottonwood Creek and impounds water forming Rainbow Lake. Recently, sedimentation and debris clogged dam outlet pipes causing water to flow over spillway impacting dam integrity. The District is pursuing repair funding and will be filing an updated hazard mitigation plan with the state later this year.

The Igo Ono area has experienced severe wildfires in the past few years (most recently the Zogg Fire) which have disrupted Board operations (meeting location burned down) and increased sediment flows. Wildfires continue to be a threat and should be taken into consideration during District planning efforts.

Finances

Igo-Ono CSD currently charges \$1 per miners' inch of water delivered which is approximately 0.025cfs. The CSD Budgets over the last three years, included in the MSR, shows water sales of approximately \$79,000 to \$83,000 for the District. With additional revenue from grants, contributions, and sale of assets, the District is able to maintain a generally positive budget. The Board is currently looking into options for use of surplus funds including repair projects and a reserve account.

Shared Services

Clear Creek CSD is adjacent to Igo-Ono's CSD's eastern boundary and provides potable water service to area residents. There have been some inquiries about extending potable water service from Clear Creek CSD into Igo-Ono CSD's boundary. This could be done through a shared services agreement or potential consolidation of the two districts. However, this would require cooperation and willingness from both district's Board of Directors.

Most potable water in the area comes from onsite wells. An additional potable water service in the Igo-Ono area is being researched, as Shasta County is requiring a reliable source of potable in order to rebuild structures lost in the Zogg Fire. Technical assistance programs are available that could help identify and plan for sources of potable water. The Igo-Ono CSD is encouraged to explore options for assistance and potable water service to District residents.

RECOMMENDATION

Staff recommends the Commission:

Receive verbal report from staff;

Open the public hearing and read testimony; and

Discuss item, close the hearing and consider action on recommendation:

1. Adopt Resolution 2021-08 approving Igo-Ono CSD MSR and SOI Update

Attachments

Igo-Ono CSD MSR and SOI Update

Resolution 2021-08 approving the MSR and SOI Update



Igo-Ono Community Services District

Municipal Service Review & Sphere of Influence Update

Public Hearing Draft

May 2021

SHASTA LOCAL AGENCY FORMATION COMMISSION

Commissioners

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Joe Chimenti, County Member & Vice Chair - District 1 Supervisor

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Acknowledgements:

LAFCO staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by CSD Board Member John Moore and staff of the Igo-Ono CSD.

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MSR AND SOI UPDATE

Introduction

This Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides information about Igo-Ono Community Services District (CSD) infrastructure, management, services, and boundaries. The report is for use by the Shasta Local Agency Formation Commission (LAFCO) in conducting a statutorily required MSR review and SOI update process. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that the Commission conduct periodic reviews and SOI updates of for cities and special districts in Shasta County (Government Code § 56425). State law also requires that, prior to SOI adoption, LAFCO must conduct a review of the municipal services provided by that local agency (Government Code §56430). This report provides LAFCO with a tool to study current and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

CSD Overview

Community Services Districts are independent special districts under Community Services District Law (Government Code §61000, et seq.). They can provide several community services including water, wastewater, solid waste disposal, fire protection services, parks and recreation, street maintenance, and other services to unincorporated areas.

Principal Act

The CSA principal act is Community Services District Law (GC §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Igo-Ono CSD is authorized to provide raw (untreated) water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation. Other services, facilities, functions or powers enumerated in the District's principal act not identified in the formation resolution are "latent," meaning authorized by the principal act under which the District is formed but not being exercised. Latent powers and services activation require LAFCO authorization in GC §25213.5.

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 sphere of influence;
- (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, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence);
- (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 County Service Districts along with a profile for the subject agency. The report also includes service review determinations and sphere of influence recommendations for:

Igo-Ono Community Services District

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 municipal service review (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 in the, 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 sphere of influence (effective July 1, 2012).

Report Uses

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 Community Services Districts and municipal services in Shasta County.

Review Methods

The following information was considered in the service review:

- o Agency-specific data: responses to LAFCO Requests for Information from Igo-Ono CSD, maps, district plans and agency correspondence;
- o Land Use and Shasta County General Plan data: Shasta County Resource Management – Planning Division;
- o Demographic data: U.S. Census; Department of Finance; CA Water Resources Board;
- o Finances: budgets, rates and fees; and
- o 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 Topics for an Agency Profile

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.

Shasta County Growth Projections

Between 2014 and 2018, the estimated Shasta County population grew from 178,520 to 180,040 people, an average annual growth rate of 0.17 percent¹. When reviewing population data, it is important to distinguish between population changes that affect the entire County and the unincorporated portion of the County, which can be affected by annexations and other boundary changes. The unincorporated area of the County currently makes up about 38% of the County's total population. The California 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%². If the unincorporated area's portion of the County's population remains near 38%, it is estimated that the unincorporated area would increase from 68,177 to 71,499 people.

However, according to the most recent California Department of Finance estimate, the Shasta County population decreased by 0.1% from 2018 to 2019³. This could be the result of the Carr Fire that consumed 359 square miles around Whiskeytown Reservoir in 2018, and other wildfires to the east. For report purposes an annual population growth estimate of 0.17% to 0.49% is used to predict the future population range that may be served by the CSD during this MSR cycle. It should also be noted that the Department of Finance, Demographics Division, now states that assumptions used to project future population may no longer be applicable and that these projections could change with their next estimate cycle, which is every 5 years.

Existing and Planned Land Uses

Land use within the unincorporated portion of the districts is subject to the Shasta County General Plan and Zoning Regulations, which was last updated in 2004.

Governance and Accountability

Igo-Ono CSD operates as an independent special district under an elected Board of Directors pursuant to Community Services District Law (Government Code §61000, et seq.).

¹ US Census Bureau, 2014-2018 American Community Survey 5-year Estimates for Shasta County (Table S0101). Accessed July 5, 2020.

² California Department of Finance, Projections, P-1: State Population Projections (2010-2060), Total Population by County (1-year increments).

³ California Department of Finance, E-1 Population Estimates for Cities, Counties, and the State – January 1, 2018 and 2019, May 2019.

AGENCY PROFILE

This section profiles the Community Services District 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.

Igo-Ono Community Services District

Igo-Ono Community Services District

Igo-Ono CSD is located approximately 15 miles west of Redding in Shasta County. The area has a long history of cattle grazing and other agricultural activities dating back to the Gold Rush era. Water conveyance during this era consisted primarily of a ditch and flume systems that transported water from Rainbow Lake across the region. Igo-Ono CSD took on management of the Happy Valley Irrigation Canal & ditch/flume system in the 1960's and has been providing raw water to area residents since.

Table 1: Igo-Ono CSD Overview Summary

Primary Contact:	John Moore, Board Chairman (eromj@gmail.com)		
Address:	Residence: 12700 Platina Road, Igo CA 96047		
Website:	None		
Services Provided:	Raw (untreated) water storage and distribution		
Population Served:	170	Service Area:	8,460 acres
Service Connections:	70	Service Area Population:	~372

Formation

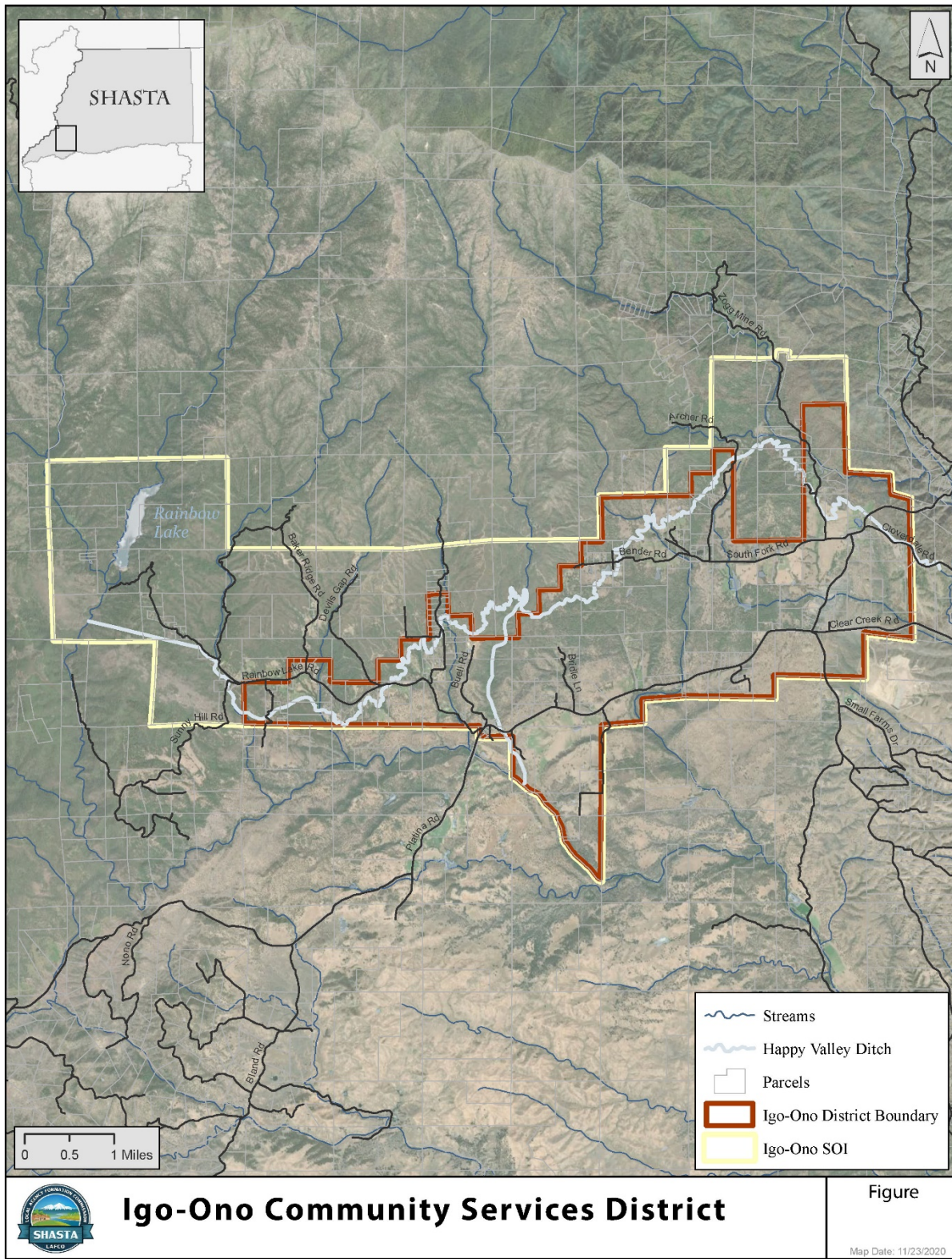
Property owners petitioned for CSD formation in 1960s and the Igo-Ono CSD approved by Shasta LAFCo on June 3, 1964, with an election held on November 1, 1964, Board of Supervisors confirmation November 23, 1964 by Resolution 64-182. The original intent of the District was to find reliable water for the two separate communities. Initially the District was seeking water from Whiskeytown Reservoir, however, this proved to be infeasible.

The District was able to purchase the historic mining ditch system (Happy Valley Irrigation Canal) from the Rainbow Water Company in 1989. This purchase transferred the water system infrastructure, including two dams, Rainbow Lake, and water rights, to the Igo-Ono CSD.

CSD Boundary and Sphere

The Igo-Ono CSD boundary has remained the same since it was formed in 1964 and encompasses 8,460 acres (13 square miles). The SOI was last updated in 2014 and covers an area of 15,612 acres (24 square miles). No annexations or detachments are being proposed at this time. The CSD Boundary and SOI are shown in Figure 1.

Figure 1: Igo-Ono CSD Boundary and Sphere



Other Service Providers

Fire protection in and around the District is provided by County Service Area (CSA) #1 – Shasta County Fire through a contract with CalFIRE which has a station in Ono. The Igo-Ono Volunteer Fire Company works with CalFIRE and has a main station in Igo along South Fork Road and a smaller two bay station across from the Ono store along Platina Road. A full review of fire services provided by CSA #1 was conducted in the 2018 Shasta Central Valley Area Fire Service MSR & SOI Update.

Clear Creek CSD is located adjacent to the eastern Igo-Ono CSD boundary near Gas Point and Clear Creek Roads. Clear Creek CSD provides potable water to customers in their District and has extended service to the Igo-Ono-Platina Elementary School located within the Igo-Ono CSD boundary. Consolidation of the two districts could be considered if each Board of Directors is willing. This would allow Clear Creek CSD to potentially extend potable water service into the Igo Ono area. However, Igo Ono could propose activation of this power independently.

Centerville CSD is also located to the east of the District approximately a quarter mile from the north eastern Igo-Ono boundary and across Clear Creek. Centerville CSD provides domestic water services to approximately 4,000 residents in the area and provides assistance to the Centerville Volunteer Fire Department⁴.

Western Shasta Resource Conservation District (RCD) covers the western half of Shasta County including the communities of Igo and Ono. The RCD's purpose is to facilitate the conservation and restoration of Western Shasta County's natural resources. The District has previously worked with the RCD on debris removal and erosion control projects.

Existing and Planned Land Uses

Land Use

Land use in the District is governed by the Shasta County General Plan Land Use Element and is primarily Rural Residential A and B, and Agricultural Grazing. Additional land uses include Mixed Use and Public Land⁵. The Rural Residential designations allow for development densities of 1 dwelling per 4 to 10 acres. Agricultural Grazing lands are generally limited to family member housing necessary to support grazing activities⁶. Surrounding land uses are similar except with the addition of Timber to the northwest.

Zoning

Zoning in the District consists of various agricultural uses including Exclusive Agriculture (EA) Agricultural Preserve (AP), and Limited Agriculture (A-1) Mobile Home (T) Building Site (B) along with Rural Residential (R-R) (T-B), and Limited Residential (R-L). Much of the District is also Unclassified (U) due to its rural nature and limited potential for growth⁷. These zoning designations indicate limited planned development in the area and are consistent with existing natural resource and agricultural preservation in the area. Surrounding zoning is similar except with the addition of Timber Production (TP) to the northwest. Land use and zoning are shown in Figure 2.

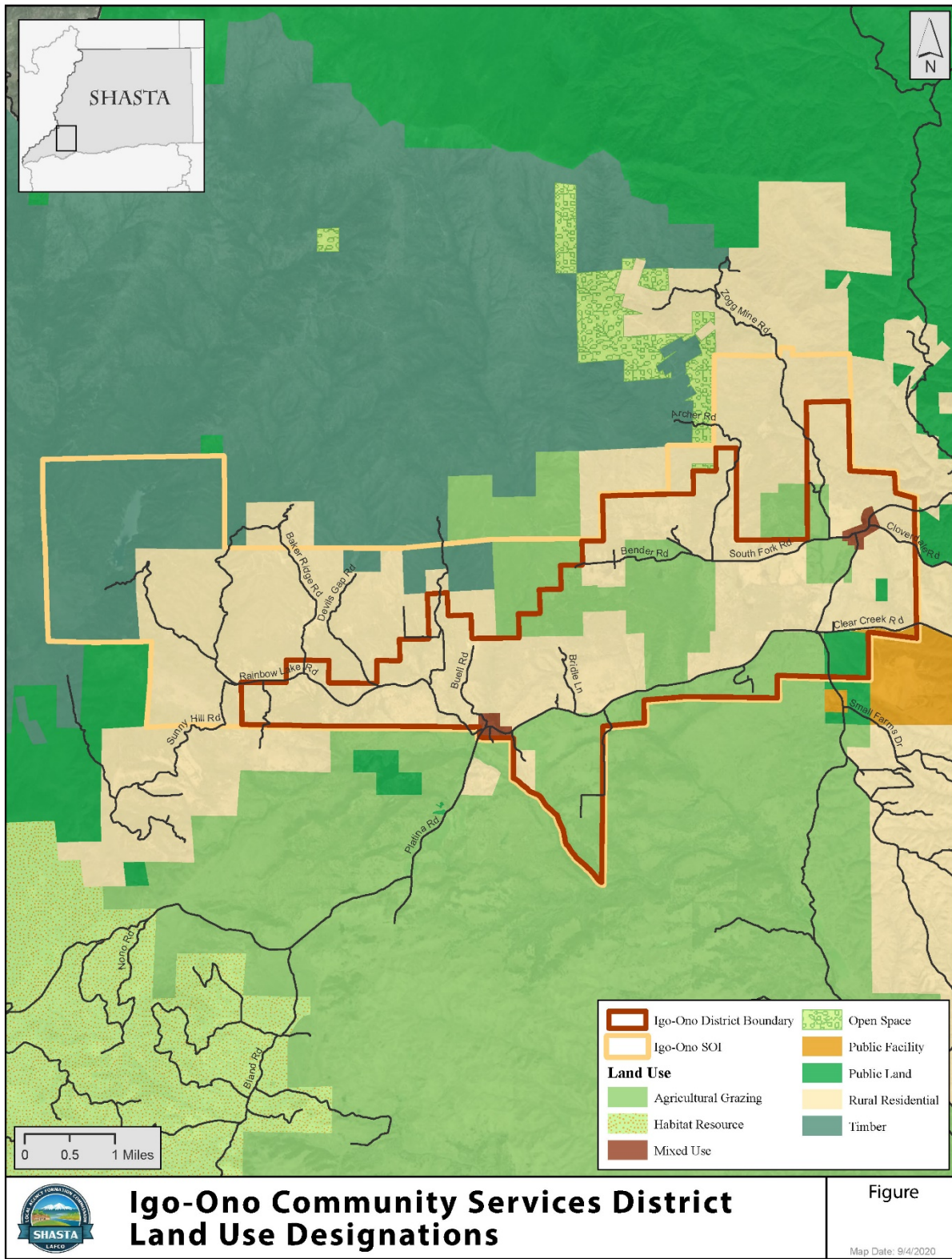
⁴ Shasta LAFCo, Centerville MSR/ SOI Update. November 2014.

⁵ County of Shasta GIS, General Plan Land Use. Accessed August 18, 2020.

⁶ County of Shasta, General Plan, Community Organization and Development Pattern and Agricultural Lands. 2004.

⁷ County of Shasta GIS, Zoning. Accessed August 18, 2020.

Figure 2: Igo-Ono CSD Land Uses



Growth and Population

Igo-Ono CSD is located within Census Tract 124 in Shasta County. This covers a large area to the west of Redding and includes portions of highway 299, Shasta Lake, and Highway 36. Housing characteristics for the area indicate there is an average household size of 2.43⁸. Based on the current number of connections for the District (70), the district is currently serving an estimated population of 170. Since not all residents within the District boundary have established service, the total population is much higher. Based on 2010 decennial census data⁹, and an estimated growth rate for the area of 0.17% to 0.49%, the total population is approximately 372 to 385. Using this same information, the projected population for 2030 is between 378 and 402.

Disadvantaged Unincorporated Communities

As noted under population, Igo-Ono is located within Census Tract 124. According to ACS 2018 estimates, MHI for the tract was \$55,444 which is 78% of the California MHI of \$71,228. As this is just below the 80% threshold, the tract and therefore the District are considered DUCs¹⁰.

As noted earlier, three services are considered when addressing DUCs: water, wastewater, and fire protection. Raw water is provided to the area by the District with residents responsible for treatment and storage of potable. Wastewater is handled by onsite wastewater treatment systems for each dwelling or business as there is no regional wastewater collection system. Fire protection services are provided by CSA #1 and the Igo-Ono Volunteer Fire Company.

Since the area is considered a DUC, efforts should be made to provide a source of reliable and affordable potable water to the area. This may be possible though consolidation with the adjacent Clear Creek CSD.

Municipal Services

Igo-Ono CSD provides raw water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation services to the communities of Igo and Ono in west central Shasta County along County Road A16 (Platina Road). The District is approximately 10 miles west of Interstate 5 and abuts the Centerville CSD boundary.

Water Source

District has pre-1914 water rights that allow for the diversion of 16 cubic feet of water per second (cfs) from the North Fork of Cottonwood Creek into the Happy Valley Irrigation Canal from March 15 to November 1¹¹. Additional water may be appropriated from Eagle Creek and other small creeks that cross the canal along its course. Water is stored in Rainbow Lake (created by Misselbeck Dam) and transferred to the Happy Valley Irrigation Canal by way of Hoover Dam and Hoover Tunnel as explained further below.

Infrastructure and Equipment

The District owns Misselbeck and Hoover dams and Hoover Tunnel which transports water from Rainbow Lake into the ditch system. The following is taken from the 1990 EIR prepared by the Department of Water Resources for Misselbeck Dam:

⁸ US Census, American Community Survey, 2018 5-year Estimates, Table S1101 for Census Tract 124, Shasta County, Ca.

⁹ US Census, Decennial Census 2010. Estimated population of 365.

¹⁰ US Census, American Community Survey, 2018 5-year Estimates, Table S1903 for Census Tract 124, Shasta County, Ca and California.

¹¹ California Department of Water Resources. Final environmental impact report on the revocation of the certificate of approval for Misselbeck Dam and Reservoir. December 1990.

Misselbeck Dam is a hydraulic fill structure with a length of about 1,110 feet and a width that varies from 20 feet at the crest to approximately 600 feet at the toe. The faces of the dam have slopes of 2.5:1 on the downstream side and 3:1 on the upstream side. The upstream face was originally covered with two inches of gunite, which has seriously deteriorated over the years. It is located at an elevation of about 2,026 feet above sea level. The height from the toe to the crest is 96 feet. The dam contains about 250,000 cubic yards of fill. The spillway, located at the west end of the dam, is 100 feet wide at the top, but narrows to 30 feet at the chute entrance. Discharge capacity of the spillway is about 16,000 cfs. Total freeboard between the dam crest and spillway crest is 14 feet.

Rainbow Lake covers an area of about 113 acres and original storage capacity was estimated at 4,300 acre-feet at the spillway crest, and 6,100 acre-feet at the dam crest. An estimate of storage capacity in July 1987 indicates loss of about 700 acre-feet with the sediment deposit approaching gauge 40. Storage capacity to the spillway crest was estimated at 3,600 acre-feet in 1990.

Controlled releases from Misselbeck Dam are made from two 30-inch diameter steel pipes that are located in a tunnel about 10 feet in diameter. The crown of the outlet tunnel is at a gauge height of 22 feet. Gate valves are located on the outlet pipes at both upstream and downstream ends of the tunnel. The pipes direct water releases to the North Fork of Cottonwood Creek.

Hoover Dam is located about 0.7 mile downstream from Misselbeck Dam. Original storage capacity of the 40 foot high concrete arch structure is unknown. The dam was removed from jurisdiction by the Department [of Water Resources] in 1933 for lack of sufficient storage to qualify as a dam. Hoover Dam continues to divert water into Hoover Tunnel, which extends 1.25 miles to Sulphur Creek. This water flows about 0.25 mile to Duckett Creek (also known as Hoover Creek), and then about 0.5 mile to the Happy Valley Irrigation Canal extending 17 miles to the Harbinson Reservoir. About 53 miles of lateral ditches supply water from the main canal to customers. The water supply is augmented by natural flows in the Moon Fork, Duckett, Rector (Byron), Huling (Hulen), and Eagle Creeks. Doby (Dobey) Creek, though flowing past the canal, has not been used to augment the water supply for about 50 years.

Misselbeck Dam experienced clogging in its outlet pipes from sediment runoff from the Carr Fire¹². During heavy storm events water was reported going over the deteriorating spillway. Should this continue, the dam itself could be at risk for failure. It is recommended that the CSD monitor the outlet pipes regularly and assess options for maintenance of the dam and outfall pipes. In order to prevent any future failure, the District is applying for Federal Hazard Mitigation grant funding to design spillway improvements.

There are approximately 17 miles of ditches and flumes which are inspected and maintained regularly. The District owns several pieces of equipment to aid with infrastructure maintenance. Equipment includes: Caterpillar excavator, Honda quad off highway vehicle, and two Husky 450 chainsaws. Ditches are primarily of unlined earthen construction which typically have a high rate of loss, as much as 30%¹³, as water seeps into the substate of the ditch. Typically, canals would be lined to prevent seepage and decrease losses in the system. However, the District reports that the seepage charges the aquifer and supports the many wells and springs in the area. They District

¹² Arthur, Damon. "Misselbeck Dam emergency declared over", Redding Record Searchlight. March 31, 2020.

¹³ Lancaster, Dale M. Measurement of Seepage Losses from Irrigation Canals. June 1952.

may want to consider seeking funding for hydrological modeling of the system to determine benefits and drawbacks of canal seepage.

The Igo-Ono area is susceptible to and has experienced severe wildfires including the Carr Fire in July – August 2018 and the Zogg Fire in September – October 2020. During these fires the District experienced damage to the Rector Creek Flume east support, Shreaves waste gate pipeline, and Petty Butte waste gate. There has also been an increase in the amount of debris on canal embankments and sediment traveling through the canal. Hazard Mitigation Plans (HMPs) identify a range of potential hazards, help reduce the likelihood of hazardous instances through mitigation and also to help guide decisions during hazard events such as wildfire or potential dam failure. The District is currently in the process of developing a Hazard Mitigation Plan which is expected to be completed by the end of 2021. Shasta County will be updating its comprehensive Hazard Mitigation Plan in 2020 and it is expected FEMA will certify both concurrently.

Demand

There are currently 70 customers receiving untreated water from the District with an annual demand of approximately 1,765 acre feet or 575 MG. This equates to roughly 8.2 MG per customer. As the ditch is in a remote area, unmetered diversions may also exist. The large amount of water use per customer can be attributed to irrigation of grazing lands and other agricultural practices along with regular, non-potable household needs. Additionally, residents maintain water storage tanks and ponds for fire response.

Financial Overview

Igo-Ono CSD is primarily funded through fees for services. The current cost of water is \$1 per minor's inch. A minor's inch is a form of measurement from the gold rush days and the actual quantity of water it represents varies from region to region. Historically, the miner's inch was the quantity of water that discharged through a square inch opening of a miner's inch box under a prescribed head. In northern California, a miner's inch is approximately equal to 0.025 cfs¹⁴.

Based on recent audits, the District is operating at a loss without grant funding assistance. The largest area of expense is for District staff compensation with the second largest being fees and licenses. The District may want to explore sustainable budget options such as increasing services charges or shared services with another service provider.

The District currently adopts budgets for the calendar year. Government Code §61110 states that a preliminary and final budget must be adopted for the District on or before July 1 of each year or, for districts using two one-year budgets or a biennial budget, every other year, in accordance with public notice and processing procedures. Government Code §53901 states that within 60 days after the beginning of the fiscal year each local agency must submit its budget to the county auditor. These budgets are to be filed and made available on request by the public at the county auditor's office. Adopting fiscal year (July 1 to June 30) instead of calendar year budgets would increase compliance with current financial practices and CSD law. The District plans to switch to fiscal year budgeting beginning in July 2021.

¹⁴ Georgetown Divide Irrigation District, "What's a 'Miner's Inch'?". Accessed on January 28, 2021 from <https://georgetowndivide.wordpress.com/2009/10/19/whats-a-miners-inch/>.

Table 2: Igo-Ono CSD Financial Summary

Categories	Actual FY2018	Actual FY2019	Adopted 2020
Revenue			
Charges for Services	\$82,781	\$79,454	\$80,318
Accounts Receivable			\$44,401
Grants	\$100,951	\$12,561	\$0
Contributions	\$0	\$1,000	\$0
Interest	\$5	\$5	\$5
Sale of Assets	\$0	\$9,000	\$0
Total Revenue	\$183,737	\$102,020	\$124,724
Expenses			
Salaries and Wages	\$21,027	\$23,905	\$24,000
Fees and Licenses	\$28,799	\$32,235	\$33,000
Insurance	\$9,145	\$10,915	\$11,000
Debris Removal	\$0	\$8,500	\$0
Inspections	\$0	\$9,345	\$0
Depreciation	\$3,096	\$7,737	\$8,000
Interest	\$0	\$1,922	\$2,000
Other	\$22,975	\$16,731	\$15,000
Total Expenses	\$85,042	\$111,290	\$93,000
Net Total	\$98,695	\$(9,270)	\$31,724

The Igo Ono CSD Board is considering options for use of the budget surpluses, including an Eagle Creek flume repair project. Another option would be funding a reserve account.

Accountability and Governance

As noted earlier, Igo-Ono CSD is governed by an independent Board of Directors elected to staggered four-year terms (Table 3). The board current meets on the second Tuesday of every month at 7:00pm. Currently there is no regularly established meeting place as the grange was destroyed in the Zogg fire and the Igo School is closed due to the Covid-19 pandemic. Once Covid-19 restrictions are lifted, the Board will hold regular meetings at the Igo School.

Table 3: Igo-Ono CSD Board of Directors

Member	Title	Term
Brenda Sandifer	Director	2018 - 2022
Irene Ledbetter	Director	2018 - 2022
Joshua Tucker	Director	2020 - 2024
John Moore	Board Chairman	2020 - 2024
Allen Tucker	Director	2020 - 2024

Budgets are approved annually by the Board of Directors 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.

According to GC §61040(a), the Board is to establish policies for the District operations to be implemented by the General Manager. While no such policies are currently in place for the District, the Board is in the process of developing them based on the Special District Risk Management Authority template.

The SB 929 requirement, that all special districts maintain a website, became effective on January 1, 2020. The District does not currently have a website or the means to maintain one. The District has adopted a hardship resolution, as provided for in SB 929.

Staffing

The District currently has one full-time employee, the General Manager/Ditch Tender. This position is responsible for overseeing the District's infrastructure, processing monthly bills, creating and managing the annual budget, and coordinating other District activities as necessary.

Governance Options

Some Igo-Ono area residents purchase and haul potable water from outside the District. Others treat well water for domestic use. Shasta County requires a potable water source for rebuilding structures lost in the Zogg Fire. With Clear Creek CSD being adjacent and providing potable water services, there is an opportunity for shared services between the two CSDs.

Shared services would require the consent of both Boards. There is also a consolidation option, where a single District administration and boundary could facilitate a potable water service extension to the Igo-Ono area. In August 2020, the Clear Creek CSD submitted a Technical Assistance Request (AR) to the State Water Resources Control Board (SWRCB) for funding to study the feasibility of a potable water extension to the Igo Ono community, also called a consolidation but with a separate SWRCB definition¹⁵. The funding was allocated and the Rural California Assistance Corporation (RCAC) was designated to conduct the study. A Redding based engineer was selected for the study, however prior to start of the study, the Clear Creek CSD Board decided not to proceed.

In April 2021, a SWRCB staff person notified RCAC that the agency had decided to close out the existing AR (#6223) from Clear Creek CSD and have the Igo-Ono CSD or community submit a new AR to address their water quality issues. She also wrote that, If Igo-Ono wants to address their water issues, they would need to submit a technical assistance request themselves, although RCAC can help the community submit the AR. The Water Board cannot submit a TA request for the community as the DDW (Division of Drinking Water) does not have jurisdiction over Igo-Ono CSD. The water issues in Igo-Ono are serious, and we would like for the residents to have access to safe drinking water. However, we cannot move forward unless the community is on board.

Should Igo Ono CSD decide to submit a Technical Assistance Request, fire flows should be considered in the study.

Municipal Service Review Determinations

(1) Growth and population projections for the affected area

- a) The current estimated population is approximately 372 to 385. Based on the areas low growth rate, it is not anticipated the population will increase substantially in the next 5 to 10 years.

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

- a. The MHI for the District is considered to be \$71,228 based on 2018 ACS data. This is 78% of the California MHI which qualifies the area as a DUC.
- b. There is no source of potable water in the Igo-Ono area. In an effort to provide a reliable source of water for area residents, the District may want to consider consolidation of services with Clear Creek CSD.

¹⁵ Clear Creek CSD. Request for Technical Assistance Application. August 21, 2020.

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

- a) Misselbeck Dam requires ongoing maintenance and has experience hazardous conditions from high rainfall and wildfire. The District is encouraged to seek funding for dam rehabilitation and maintenance and associated infrastructure.
- b) The primary water conveyance system, the District owned Happy Valley Irrigation Ditch, is generally in good condition and maintained regularly.
- c) The District is able to provide has sufficient seasonal raw water allocations, during non-drought years, to service connections to meet current demands.

(4) Financial ability of agencies to provide services

- a) The District relies significantly on Charges for Services for revenues, with an increase in Accounts Receivables resulting in a surplus for 2020. There were grant awards in FY 2018 and FY 2019, but not in 2020. The District, like many others, is seeing annual increases in Fees Licenses and Insurance. The District is encouraged to seek out options for a more sustainable budget such as increased charges for services or shared services.
- b) The District currently adopts budgets on a calendar year basis. Adopting budgets on the fiscal year better meets current financial standards and CSD law.

(5) Status of and, opportunities for, shared facilities

- a) Clear Creek CSD is adjacent to the District to the east and provides potable water services. Some form of shared service, such as Consolidation of the two districts as defined by the SWRCB would allow for Igo-Ono residents to receive potable water where connections are feasible. SWRCB funding has been allocated for this study.

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

- a) The District is governed by a five member Board of Directors that meets monthly. Once Covid-19 restrictions are lifter, meetings will be held at the Igo School.
- b) The District is encouraged to continue developing and adopt District policies in accordance with CSD law.
- c) The District does not have a current website and has adopted a resolution of hardship in accordance with SB929.

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

- a) None beyond those noted above.

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 Government Code §56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, 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) Land uses in and around the District are Rural Residential and Agricultural Grazing. These low density uses are expected to continue.

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

- a) Some residents have inquired to an adjacent CSD about potable water connections. This represents a current need for water services in the area. State funding has been allocated for a community potable water feasibility study, however the CSD Board has not agreed to the study.

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

- a) The District has a water allocation to meet current and future non-potable water demand during non-drought years. District owned Misselbeck Dam and Rainbow lake are outside the District boundary and inside the SOI. The maintenance of those facilities is a critical responsibility.
- b) The District is unable to provide potable water service to the community due to lack of necessary infrastructure and financing.

(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 is located 15 miles east of the District and offers a wide variety of necessary services including medical and professional services. It also has many shopping and entertainment opportunities that likely draws in residents from the Igo-Ono area.

(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) The District and surrounding areas qualify as a DUC. Currently, wastewater is provided by onsite wastewater systems and fire protection is provided by CSA #1. The District provides non-potable water to area residents which must be treated before residential use. Those without a District connection rely on wells. Some residents have requested potable water service from Clear Creek CSD, which suggests there is need for a reliable potable water source in the area.

LAFCO RESOLUTION 2021-08

RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION ADOPTING THE MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATE OF THE IGO-ONO COMMUNITY SERVICES DISTRICT

WHEREAS, the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 governs the organization and reorganization of cities and special districts by Local Agency Formation Commissions established in each county, as defined and specified in Government Code Sections 56000 et seq.; and

WHEREAS, the Shasta Local Agency Formation Commission (LAFCO), hereinafter referred to as the "Commission", is authorized to conduct municipal service reviews and establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Shasta County; and

WHEREAS, The MSR/SOI update included the **Igo-Ono Community Services District**

WHEREAS, the Executive Officer prepared a Municipal Service Review of the Igo-Ono Community Services District, and a proposed updated sphere of influence boundary recommendation based upon this analysis pursuant to California Code Section 56430; and

WHEREAS, in the accordance with California Government Code Section 56661, the Executive Officer has given sufficient notice of the public hearing by the Commission on the proposal; and

WHEREAS, the Executive Officer has presented to the Commission, a written staff report with recommendation on the proposal in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all testimony and evidence presented at a public hearing held on May 6, 2021; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425; and

NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED as follows:

1. The Commission hereby accepts the Igo-Ono Community Services District Municipal Review and Sphere of Influence update, incorporated herein by reference.
2. The Commission, as the lead agency, finds the sphere of influence update is exempt from further review under the California Environmental Quality Act pursuant to Title 14 of the California Code of Regulations, Chapter 3 CEQA Guidelines, 15061(b)(3).
3. The Commission, pursuant to Government Code Section 56425, makes the written statement of determinations included in the sphere of influence update, hereby incorporated

by reference.

4. The Executive Officer shall revise the official records of the Commission to reflect this Sphere of Influence Update.

BE IT FURTHER RESOLVED The Municipal Service Review and Sphere of Influence update of the Igo-Ono Community Services District is hereby approved and incorporated herein by reference as presented on the attached maps noted as Exhibit A.

Adopted on May 6, 2021, by the following vote:

AYES:
NOES:
ABSTAINS:
ABSENT:

Dated: _____

Irwin Fust, Chairman
Shasta Local Agency Formation Commission

Attest:

Dated: _____

George Williamson, Executive Officer

Exhibit A – Location Map