

Les Baugh
County Member

Irwin Fust
Special District Member

Pamelyn Morgan
City Member Alternate

Mary Rickert
County Member Alternate

Stan Neutze
City Member Alternate

Brenda Haynes
Special District Member

Mark Dacquisto
City Member



Larry Russell
Public Member

Katharine Ann Campbell
Public Member Alternate

Joe Chimenti
County Member

George Williamson
Executive Officer

Fred Ryness
Special District Alternate

James M. Underwood
General Counsel

Kathy Bull
Manager

Agenda Item: 7.c

Meeting Date: March 3, 2022

From: Executive Officer George Williamson

Subject: Mountain Gate Community Services District
Municipal Service Review and Sphere of Influence Update

Background:

The Mountain Gate 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 Mountain Gate Community Services District Municipal Services Review (MSR) and Sphere of Influence (SOI) Update is attached.

District Name	District Size (acres)	Sphere of Influence
Mountain Gate CSD	CSD & SOI 7,510 acres	Reduced

DISCUSSION

The original District intent when formed in May 1956, was to provide water for the Mountain Gate community. Fire Protection and Emergency Services were initiated in 1966. In 1971, water treatment, storage, and distribution facilities were completed .

The District has a proposed Water System Improvement Project. The district plans to replace approximately 26,850 feet of water mains. A separate tank inlet and outlets are planned to be provided to the South Water Tank. Approximately 32 new or replacement of fire hydrants are planned for the area. The Water Improvement overview is shown on the attached map, which is a figure from the project Initial Study/ Mitigated Negative Declaration (IS/MND) prepared for California Environmental Quality Act (CEQA) compliance by Enplan.

The Mountain Gate Sphere of Influence (SOI) extends to the east and west. Land uses in those unincorporated areas of Shasta County include lands designated for Mineral Resource use, as shown MSR/SOI Update Figure 2. There is an limited need for water services from the District in those area. Staff recommends that the SOI be reduced. The proposed reduction would be 2,024 acres. See Attached Mountain Gate CSD SOI Reduction Map.

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 2022-03 approving Mountain Gate CSD MSR and SOI Update

999 Mission De Oro Drive, Suite 106, Redding, CA 96003

Phone: 530.242.1112

exec@shasta.lafco.ca.gov

Attachments

Mountain Gate CSD MSR and SOI Update

Resolution 2022-03 approving the MSR and SOI Update

Water System Improvement Map - IS/MND Figure 2

Mountain Gate CSD SOI Reduction Map

Shasta Local Agency Formation Commission



Mountain Gate Community Services District

Municipal Services Review
& Sphere of Influence Update

Commission Hearing Draft
March 3 2022

SHASTA LOCAL AGENCY FORMATION COMMISSION

Commissioners

Les Baugh, County Member - District 5 Supervisor

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

Mike Dacquisto, City Member – City of Redding

Stan Neutze, City Member - City of Anderson

Brenda Haynes, Special District Member - Anderson Cottonwood Irrigation District

Irwin Fust, Special District Member & Chair - Clear Creek Community Services District

Larry Russell, Public Member

Alternate Members:

Mary Rickert, County Member - District 3 Supervisor

Pamelyn Morgan, City Member - City of Shasta Lake

Fred Ryness, Special District Member – Burney Water District

Katherine Ann Campbell, Public Member

Shasta LAFCO Staff:

George Williamson, AICP, Executive Officer

Kathy Bull, Office Manager

James M. Underwood, Legal Counsel

Planwest Partners Staff:

Krystle Heaney, AICP, Services Specialist

Jason Barnes, GIS Analyst

Cosette McCave, Planning Technician

Acknowledgements:

LAFCO staff would like to thank contributors to this Municipal Service Review. Input instrumental in completing this report was provided by CSD Manager Jeff Cole.

Table of Contents

<u>Municipal Service Review</u>	1
<u>Sphere of Influence Update</u>	1
<u>Introduction</u>	1
<u>Community Services Districts Overview</u>	1
<u>Principal Act</u>	1
<u>Service Review Determinations</u>	1
<u>Sphere of Influence Determinations</u>	2
<u>Uses of the Report</u>	3
<u>Review Methods</u>	3
<u>California Environmental Quality Act</u>	3
<u>Common Topics for an Agency Profile</u>	4
<u>Agency Profile</u>	5
<u>Formation and Mission</u>	5
<u>CSD Boundary and Sphere</u>	5
<u>Other Service Providers</u>	5
<u>Existing and Planned Land Uses</u>	6
<u>Growth and Population</u>	6
<u>Disadvantaged Unincorporated Communities</u>	6
<u>Municipal Services</u>	6
<u>Financial Overview</u>	12
<u>Accountability and Governance</u>	13
<u>Municipal Service Review Determinations</u>	—

Figures

<u>Figure 1: Mountain Gate CSD Boundary and Sphere of Influence</u>	<i>Error! Bookmark not defined.</i>
<u>Figure 2: Mountain Gate CSD Land Uses</u>	<i>Error! Bookmark not defined.</i>

Tables

<u>Table 1: Mountain Gate CSD Overview Summary</u>	5
<u>Table 2: Mountain Gate CSD Water Use Rates</u>	<i>Error! Bookmark not defined.</i>
<u>Table 3: CSD emergency incidents and responses</u>	<i>Error! Bookmark not defined.</i>
<u>Table 4 Gate CSD Financial Summary</u>	
<u>Table 5 Mountain Gate CSD Board of Directors</u>	

MUNICIPAL SERVICE REVIEW SPHERE OF INFLUENCE UPDATE

Introduction

Municipal Services Reviews (MSRs) provide agency infrastructure, management, services & 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.

Community Services Districts 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 CSD principal act is the Community Services District Law (Government Code §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Mountain Gate CSD is authorized to provide water and fire. Other services, facilities, functions or powers enumerated in the District's principal act but not identified in the formation resolution are "latent," meaning that they are authorized by the principal act under which the District is formed but are not being exercised. Latent powers and services activation require LAFCO authorization as indicated in Government Code §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 Community Services District along with an agency profile. The report also includes service review determinations and sphere of influence recommendations for:

Mountain Gate 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) The present and planned land uses in area, including agricultural and open-space lands;
- (2) The present and probable need for public facilities and services in the area;
- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- (4) The 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) The 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).

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 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 Mountain Gate 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; CA Dept of Finance; and 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 Agency Profile Topics

Topics in this section are 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 is broad, to ensure no DUCs are overlooked.

Shasta County Growth Projections

Between 2014 and 2020, 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 County's unincorporated area, which can be affected by annexations and other boundary changes. The unincorporated area population is currently about 38% of the total County 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 recent wildfires. 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.

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. Land Uses are shown in Figure 2.

Governance and Accountability

Mountain Gate CSD operates as an independent special district under an elected Board of Directors pursuant to Community Services District Law (GC §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.

Mountain Gate CSD

Mountain Gate CSD

Mountain Gate CSD serves the community of Mountain Gate

Table 1: Mountain Gate CSD Overview Summary

Primary Contact	Jeff Cole, District Manager		
Address:	14508 Wonderland Blvd. Redding, CA 96003		
Website	https://www.mountaingatecsd.com/		
Services Provided	Water, Fire		
Population Served:	1,578	Service Area:	CSD & SOI 7,510 acres
Service Connections (water)	720 Water		

Formation and Mission

The Mountain Gate CSD was formed in May 1956 and initially established as an independent special district (California Government Code Section 61000 et seq.) to provide water to the Mountain Gate area. Fire protection and emergency services (Health & Safety Code) were initiated in 1966. Their initial water treatment, storage, and distribution facilities were completed in 1971. The District's adopted mission set by the Board of Directors is to provide the Mountain Gate Community with reliable, safe and clean water, and fire protection/ emergency services at the lowest cost possible.

Staffing

The Mountain Gate CSD maintains a staff of seven including a General Manager, Chief Operator, Office Manager, District Clerk, Maintenance I & II positions, and a Fire Chief.

CSD Boundary and Sphere

The CSD boundary is shown in Figure 1

Other Service Providers

The other service provider for this area described below.

The Shasta Mosquito and Vector Control District (SMVD) encompasses the Cities of Redding, Anderson, and Shasta Lake, the entire I-5 corridor through the county, Lakehead area and unincorporated areas to the west and east of Anderson. The current area of SMVD is approximately 1,291 square miles. The District monitors and controls mosquito populations through their focus on juvenile populations that are more concentrated and easier to abate using physical, biological, and chemical methods. The District also works on adult mosquito control activities and monitors for other vectors including ticks and rodents.

Existing and Planned Land Uses

Land Use

Shasta County Land Use designations in the CSD consist of mixed and commercial uses along portions of the Wonderland Boulevard. There are also residential uses, mineral and public facility designations within District boundaries, and an industrial area designated the north end of the District. The Sphere of Influence includes primarily mineral resource lands. The current land use designations are shown in Figure 2.

Zoning

Zoning in the CSD is varied with mixed, commercial, residential, industrial, mineral resource, unclassified and public facility designations.

Growth and Population

Mountain Gate is a Census Designated Place (CDP) in Shasta County. According to the most recently available American Community Survey 5-year estimate (2014-2018) the District population is 1,900.

Disadvantaged Unincorporated Communities

The Shasta County Median Household Income (MHI) is approximately \$63,091. This is approximately 89% of the 2021 California MHI of \$75,235, according to the American Community Survey 2019 1-year Estimates.

The Mountain Gate CDP is much smaller than the CSD, requiring income data to be drawn from the Census Block Group level. The surrounding block groups encompass much larger areas than just the district boundary. The average MHI for the block groups that intersect the district boundary is approximately \$50,890 (ACS 2019), which is 68% of the state MHI.

This qualifies the district as a DUC. Areas outside of the district but within the SOI are also considered to be DUCs. As such, when looking at future annexations for the District, each area should be looked at in detailed and assessed for water, wastewater, and fire services.

Municipal Services

Mountain Gate CSD provides water and fire services to the Mountain Gate community in northern Shasta County east of Interstate 5. Boundary and SOI shown in Figure 1.

Figure 1. District & Sphere of Influence

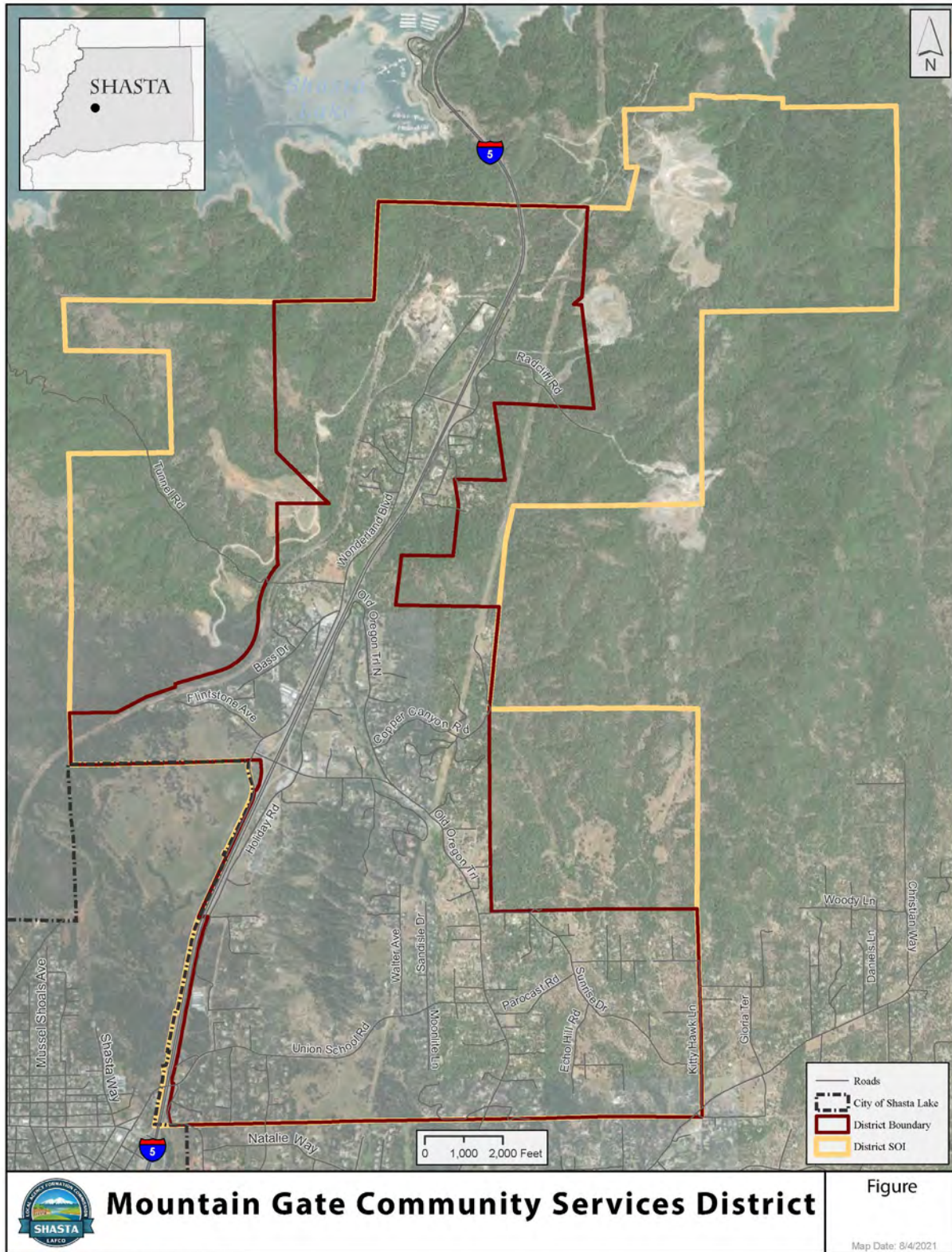
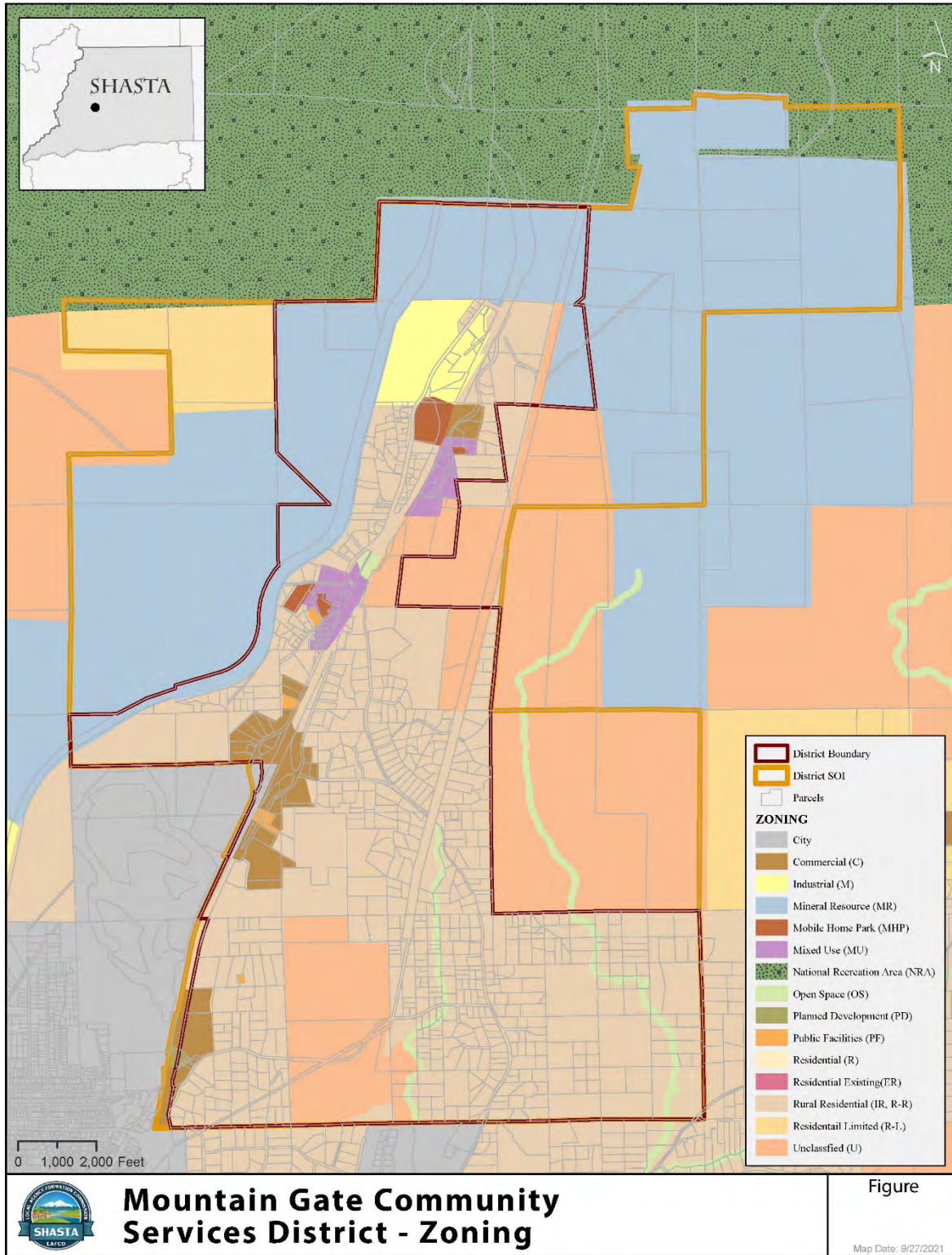


Figure 2. Land Use



Water Services

The water system consists of a Water Treatment Plant (WTP), at the northern end of the MGCSD water service area; five treated-water storage reservoirs with 1.16 million gallons (MG) capacity; a 12-inch transmission main; and 8-inch and smaller pipelines. The MGCSD served 670 water meters and 147 fire hydrants in 2014.

The MGCSD obtains its normal water supply from Shasta Lake through a Bureau of Reclamation contract. The MGCSD also has three groundwater wells; however, groundwater use is limited due to high carbon dioxide content. In an emergency situation, the MGCSD can obtain water from Bella Vista Water District by installing a portable pump between two standpipes on Old Oregon Trail.

A hydraulic analysis completed in conjunction with the MGCSD's 2007 Master Water Plan indicates that small diameter waterlines limit maximum fire flows in some areas. The water service area along Casa Drive and Kitty Hawk Lane is served through an undersized 4-inch Casa PRV, which limits water pressure during high demand periods.

The existing six-inch main dead ends approximately 2,900 feet from the Kitty Hawk Lane and Sunrise Drive intersection. Due to the potential for stagnation and water quality deterioration, dead end lines must be flushed on a weekly basis. In addition, when repairs are needed, the entire pressure zone must be shut down.

The South Water Treatment Zone's Water Tank equalizes supply and provides fire flow storage for the Main and South Zones. When the proposed Old Oregon Trail 12-inch main is installed, the Water Treatment Plant Zone will be connected to the Main and South Zones providing much of the flow rate during peak demand periods and fire flows. The dual-stage PRVs will allow the main to feed the South Zone during peak demand periods.

Rates

The District maintains the following rate structure for water services.

Table 2: Mountain Gate CSD Water Use Rates

Meter Size/Usage	Service Charge/Amount
RESIDENTIAL	
	\$
Up to ¾"	\$44.39 up to 500 cubic ft.
1"	\$55.73 up to 500 cubic ft.
501-2,000 CF	1.04/100 CF
2,000-10,000 CF	1.74/100 CF
10,000-UP	2.06/100 CF
COMMERCIAL AND INDUSTRIAL	
Up to ¾"	\$64.63 up to 1500 cubic ft.
1"	\$75.75 up to 1500 cubic ft.
1 ½"	\$89.98 up to 1500 cubic ft.
2"	\$102.55 up to 1500 cubic ft.
3"	\$140.54 up to 1500 cubic ft.
4"	\$183.84 up to 1500 cubic ft.
1,501-2,000 CF	1.04/100 CF
2,000-10,000 CF	1.74/100 CF
10,000-UP CF	2.06/100 CF

The current rates were established in 2019.

Proposed Water System Improvement Project

The District is proposing improvements to the Mountain Gate Community Services District's (MGCSD) water system. Improvements include replacing/upsizing existing water mains and associated water services, installing a new water main, installing/replacing fire hydrant, replacing/installing Pressure Reducing Valve stations and associated solar panels, and installing a new emergency intertie.

The project will replace aging infrastructure, achieve adequate fire flows, and ensure a safe and reliable potable water supply for MGCSD's water service area customers. Work is anticipated to commence in the spring of 2023 and would be completed in approximately 12 months. The "project site" includes, water line alignments, South Water Tank, hydrant locations, access roads, and staging areas. In addition to the water line improvements, the following are included.

Water Mains, Meters, and associated improvements

Water mains (±26,850 feet) to be replaced:

- ±15,000 feet of 6-inch main with 12-inch water main and associated water services, water meters, meter boxes, and appurtenances, generally between the northern end of Old Oregon Trail North to Redding City limits.
- Existing 4-inch main with 6- and 8-inch mains in Copper Canyon Road, Grande Vista Lane, Lazy J Lane, Webula Drive, El Teda Lane, and Casa Drive and associated water services, water meters, meter boxes and appurtenances replacement.
- ±3,000 feet of 8-inch main in southernmost segment of Sunrise Drive (new segment).

South Water Tank Improvements

Separate tank inlet and outlets to be provided:

- Existing altitude valve removed, and an 8-inch check valve installed in existing inlet piping to ensure water flows across the tank.
- New 8-inch outlet installed from new check valve vault to new tank outlet line.
- New modified overflow piping and new overflow flap gate valve.

Fire Hydrants

Approximately 32 new or replacement fire hydrants to be installed in service area.

Pressure Reducing Supervisory Control Valves

Corporation Yard 6-inch PRV replaced with 6-inch dual stage PRV. Old Oregon Trail North 6-inch PRV, replaced with 10-inch dual stage PRV. Holiday Rd 8-inch PRV, replaced with 8-inch dual stage PRV. Casa Drive 4-inch PRV replaced with 8-inch dual stage PRV. The PRVs would be housed within subsurface vaults. *Source IS /MND*

Fire Services

The Mountain Gate Fire Department rolling stock include one Type I Engine, one Type II Engine, a 3,700 gallon Water tender and a Heavy Rescue vehicle. The Type I Engines serves not only Mountain Gate, but surrounding communities and has been dispatched to Southern California for service. The Type II Engine is configured in the summer months to provide wild land protection and

has been dispatched to other locations outside the District. The District typically responds to approximately 300 to 350 incidents per year.

The District operates a Volunteer, "paid call" department with a current roster of 16 persons. There is a maximum limit of 35 volunteers and always looking for new volunteers. Volunteers must reside within a 7 1/2 minute response time to the Fire Hall at posted speed limits.

The District offers in-house training, enabling volunteers to training locally and not have to take time off work to gain the necessary skills and certifications to be a member.

The District requires new volunteers to attend two months of weekly trainings to prove their commitment. Then allowed to start participating and responding as skill levels improve. There's a six month probationary time to attain all the required certificates, then voted in and become a regular member.

The Department receives most of its fire services revenues from property tax, assessments, and periodically, public safety grants. The Mountain Gate Fire Department consists of one fire station located at 14508 Wonderland Blvd, Redding, California,

The Department maintains mutual and automatic aid agreements with the Shasta Lake Fire Protection District and Shasta County Fire (CSA #1 managed by CAL FIRE).

The Fire Department logged the following incidents

Table 3: Mountain Gate CSD emergency incidents and responses

Year	emergency medical	fire	vehicle accidents	Total
2019	454	90	123	667
2020	472	120	91	683

Financial Overview

Mountain Gate CSD is primarily funded through service fees and tax revenues.

Debt

No debts reported.

Table 4: Mountain Gate CSD Financial Summary

	EXPENSES	Fire / Water	FY 2019-2020	FY 2020-2021	FY 2021-2022
ACCT#	DESCRIPTION	Allocation %	100.00		
	CSD & ADMIN EXP.		28,000.00		
57080	OFFICE BACKUP POWER	50%/50%	5,000.00	1,500.00	1,500.00
57090	LIAB / PROP INSURANCE	50%/50%	12,000.00	30,000.00	31,900.00
57100	GEN BUILDING/GROUNDS MAINT	25%/75%	10,800.00	3,500.00	3,500.00
57110	OFFICE POWER	25%/75%	6,000.00	8,500.00	8,500.00
57120	PHONE / PAGER / FAX	25%/75%	8,500.00	9,500.00	9,500.00
57131	OFFICE EXPENSE	25%/75%	3,700.00	6,000.00	6,000.00
57132	OFFICE POSTAGE- METER	25%/75%	3,000.00	7,500.00	7,500.00
57133	OFFICE COPIER	25%/75%	500.00	3,700.00	3,700.00
57134	OFFICE COMPUTER EXP	25%/75%	500.00	3,000.00	3,000.00
57135	BANK FEES EXPENSE	25%/75%	2,500.00	400.00	400.00
57140	LEGAL PUBLICATION	25%/75%	10,000.00	500.00	500.00
57145	LAFCO BUDGET EXPENSE	50%/50%	9,500.00	2,800.00	2,800.00
57161	PROFESSIONAL ACCOUNTING	50%/50%	1,500.00	12,000.00	12,000.00
57162	PROFESSIONAL LEGAL	25%/75%	4,000.00	9,000.00	9,000.00
57169	DESCRETIONARY EXPENSE	50%/50%	1,000.00	500.00	500.00
57170	DIRECTORS COMPENSATION	50%/50%	4,000.00	4,000.00	4,000.00
57171	ELECTION EXPENSE	50%/50%	100.00	2,000.00	100.00
57172	CSDA MEMBERSHIP DUES	25%/75%	2,000.00	1,600.00	1,600.00
57173	BOARD MEMBER EDUCATION	50%/50%	1,500.00	1,500.00	1,500.00
	TOTAL EXPENSES		114,200.00	107,500.00	107,500.00
	CAPITOL EXPENDITURES				
11114-1	PARKING LOT REPAIR	25%/75%	1,500.00	1,500.00	1,500.00
	SOLAR PROJECT	25%/75%	1,000.00	1,000.00	1,000.00
	PRE-GRANT ADA UPGRADES	25%/75%		500.00	500.00
13180-1	RETURN TO RESERVES	50%/50%	39,320.00	48,275.00	48,275.00
	TOTAL CAPITOL EXPENDITURES		41,820.00	\$51,275.00	51,275.00
	REVENUES				
xfers in	Fire Budget		39,475.00	42,225.00	39,475.00
xfers in	Water Budget		69,225.00	68,275.00	68,000.00
45000	Shasta County Tax Revenue		213,701.00	217,818.00	215,068.00
und xfer ou	Fire Budget		-171881.00	-169,543.00	-169,543.00
	Total Revenues		150,520.00	158,775.00	158,241.00
13180-1	Reserve Account		39,320.00	0.00	0.00
	BUDGET SURPLUS / DEFICIT		0.00	0.00	0.00

Accountability and Governance

As noted earlier, Mountain Gate CSD is governed by an independent Board of Directors elected to staggered 4-year terms (Table 5). Elections are currently held every 2 years. Board meetings are typically held on the second Wednesday of the month of the month at 6:00pm at the District Offices unless otherwise noticed. The District maintains a website that is currently in compliance with state law regarding special district websites. Board meeting agendas are available at least 72 hours in advance and meeting minutes are available after adoption by the Board. Notices are also posted at five local, public sites.

Table5: Mountain Gate CSD Board of Directors

Member	Title	Current Term
Joan Anderson	Chairperson	2018-2022
Greg Peterson	Director	2018-2022
Katie Mason	Director	2020-2024
Karrie Walter	Director	2020-2024
Don Kerns	Vice Chairperson	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 per state law.

Municipal Service Review Determinations

(1) Growth and population projections for the affected area

- a) There are approximately 1,578 residents in the District.
- b) With an annual growth rate of approximately 0.2% for the County There could be more than 1,800 residents in the District by 2030.

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

- a) The Shasta County MHI is approximately \$63,091, approximately 84% of the California MHI. The District MHI is approximately \$50,890 which is 68% of the statewide MHI. The District is considered a DUC. Surrounding areas qualifying as DUCs should be considered when looking at extension of services and annexations to ensure communities are adequately served with water.

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

- a) The District is proposing a water system capacity increase with water main and associated water services Improvements including replacement and upsizing for increased capacity. The District proposes to install new water mains, install/replace fire hydrant, replace/install pressure reducing valve stations and associated solar panels, and install a new emergency intertie with the adjacent District.
- b) The water system project will, increase fire flows for emergency response, and improve potable water supply reliability and safety for MGCSD's water service area customers.
- c) The District operates and maintains a fire station equipment and trained staff for responding to emergencies, and equipment is sometimes dispatched out of the area. The District periodically analyzes emergency response capacity to address any infrastructure needs or deficiencies.

4) Financial ability of agencies to provide services

- a) The District adopts an annual budget and conducts annual audits in compliance with CSD law. According to adopted budgets, the District revenues have exceeded expenses over the last few fiscal years.
- b) While the District has enough funding to support regular District activities and maintenance, there is limited funding returned to reserves each year limiting the amount that could be used major capital improvement projects. As such, any major updates, such as the water system upgrade would rely on outside funding. The District will pursue grant funding for the water system upgrades.

5) Status of and, opportunities for, shared facilities

- a) The District has an intertie with the Bella Vista Water District, the closest District. There are also mutual aid agreements for emergency response, with other responders in Shasta County.

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.
- b) The District maintains a website in compliance with state law where meeting agendas and minutes are posted regularly.

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 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) Land uses surrounding the District in the SOI are primarily Mineral Resource (MR) and Rural Residential (RR). These uses are not expected to change and seem unlikely to need municipal water services.
- b) There are limited agriculture and natural resources land use designations outside the District, except resource lands associated with State and federal ownership.

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

- a) There appears to be a low probability for the need of municipal water services
- b) There is a need for emergency response services, especially in response to wildfire threats.

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

- a) The District planned water improvements are to increase capacity, quality and healthy supply. This will allow the District to meet current and future average daily demand.
- b) The District continues to analyze emergency response needs for the area, and maintain agreements with other responders for mutual aid.

(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) There are a number of small communities, recreational and commercial areas to the north along Lake Shasta. The State Water Resources Control Board has expressed interest in a larger municipal water services manager maintaining and or operating some of these systems, however they are too far away, over rugged terrain, for any system interties.

(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) Given the Mineral Resource land use designations in the SO to the west and east, and the limited need for services offered by the District, these areas should be considered for SOI reduction.

**SHASTA LOCAL AGENCY FORMATION COMMISSION
RESOLUTION 2022-03**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION
ADOPTING THE MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE UPDATE OF
THE MOUNTAIN GATE 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 (MSR) and establish, amend, and update Spheres of Influence (SOI) for local governmental agencies whose jurisdictions are within Shasta County; and

WHEREAS, The MSR/SOI update is for the Mountain Gate Community Services District; and

WHEREAS, the Executive Officer prepared a MSR for the Mountain Gate Community Services District, and a proposed SOI update 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 March 3, 2022; and

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

WHEREAS, The SOI boundary is reduced to remove resource lands for the Centerville Community Services District; and

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

1. The Commission hereby reduces the Mountain Gate Community Services District SOI as depicted in Exhibit A (attached location map).

2. The Commission hereby accepts the Mountain Gate Community Services District MSR and SOI update, incorporated herein by reference.
3. The Commission, as the lead agency, finds the MSR and SOI 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, Section 15061(b)(3).
4. The Commission, pursuant to Government Code Section 56425, makes the written statement of determinations included in the MSR and SOI update, hereby incorporated by reference.
5. The Executive Officer shall revise the official records of the Commission to reflect this MSR and SOI Update.

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

Adopted on March 3, 2022 by the following votes:

AYES:
NOES:
ABSTAINS:
ABSENT:

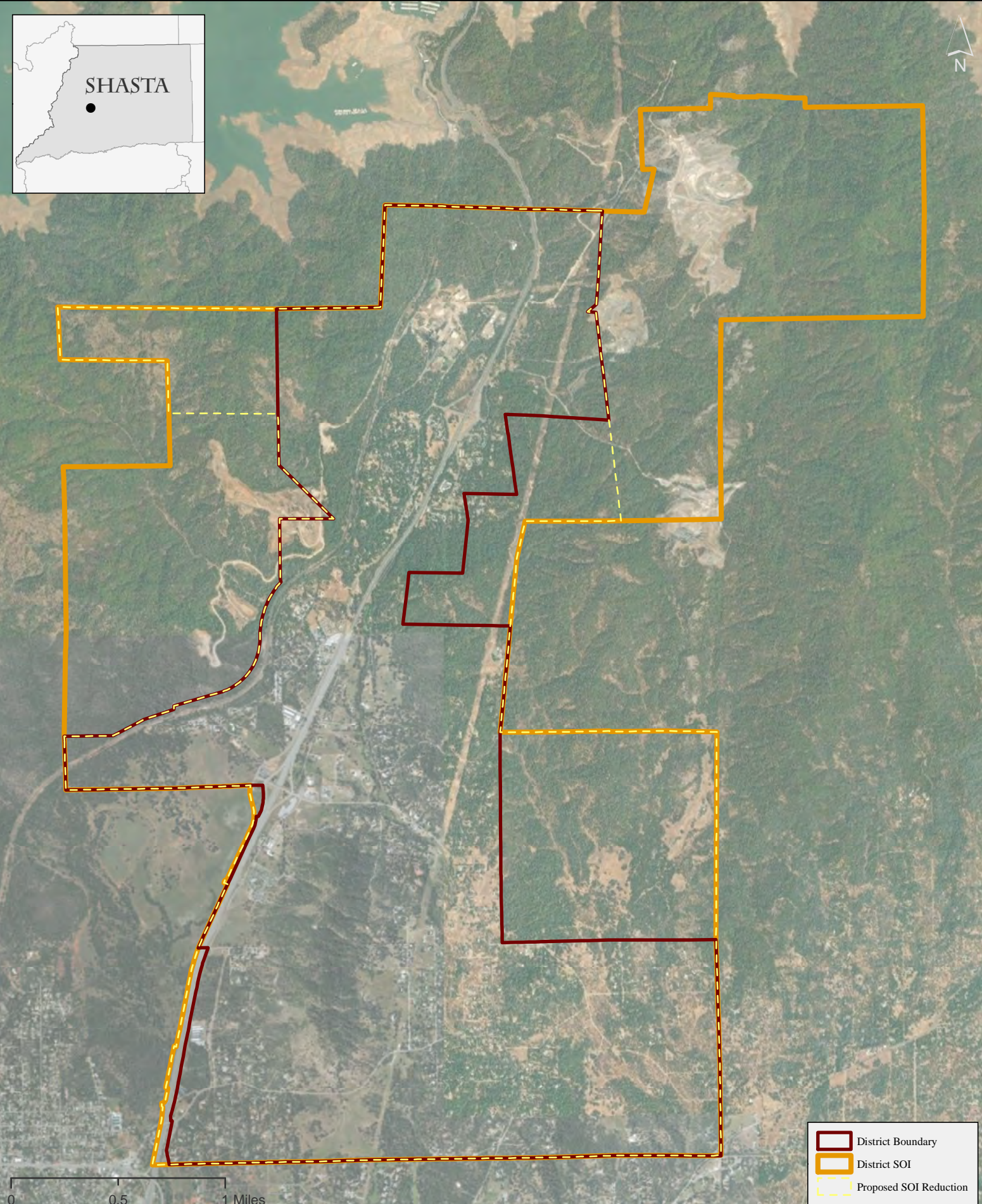
Dated: _____

Irwin Fust, Chairman
Shasta Local Agency Formation Commission

Attest:

Dated: _____

Kathy Bull, LAFCO Manager
Shasta Local Agency Formation Commission

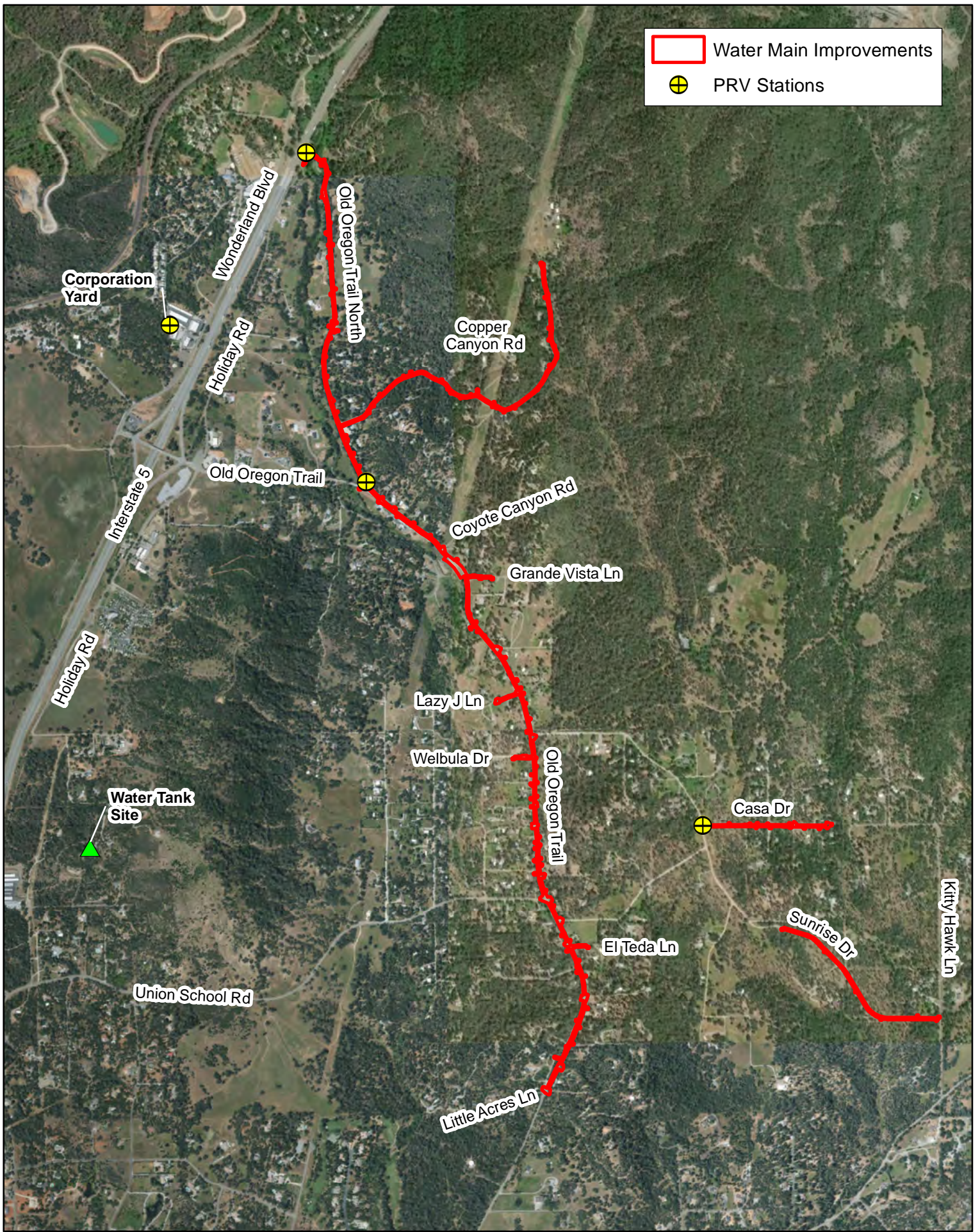


Mountain Gate Community Services District - Proposed SOI Reduction

Figure

Map Date: 2/22/2022

Sources: Boundaries, Roads, Parcels: Shasta County GIS.



All depictions are approximate. Not a survey product. 02.17.21



Figure 2
Improvement Locations