



COUNTY SERVICE AREA # 6 Jones Valley

Municipal Service Review &
Sphere of Influence Update

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February 2017

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Final Adoption- ADD DATE

SHASTA LOCAL AGENCY FORMATION COMMISSION

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INTRODUCTION

This Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides information about the services and boundaries of County Service Area #6 – Jones Valley (herein referred to as CSA #6). The report is for use by the Shasta Local Agency Formation Commission (LAFCO) in conducting a statutorily required review and update process. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that the Commission conduct periodic reviews and updates of Spheres of Influence of all cities and special districts in Shasta County (Government Code § 56425). State law also requires that, prior to adopting a Sphere of Influence, 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.

CSA Overview

County Service Areas are dependent special districts under County Service Area law (Government Code § 25210-25217.4). They provide, water, sewer and other services to unincorporated areas. In Shasta County, they are governed by the Board of Supervisors. The Shasta County Public Works Department provides staff support and administers District operations.

Principal Act

The principal act governing CSAs is the County Service Area law (Government Code §25210-25217.4) which authorizes CSAs to provide up to 26 types of governmental services within its boundaries. CSA #6 is authorized to provide water services. All other remaining services, facilities, functions or powers enumerated in the District’s principal act but not identified in the formation resolution are considered to be “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 requires 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.

State Guidelines and Commission policies encourage stakeholder cooperation in MSR preparation. It also provides a basis to evaluate, and make SOI changes, if appropriate.

Sphere of Influence Determinations

A Sphere of Influence is a LAFCO-approved plan that designates an agency's probable physical boundary and 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 the 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 within the existing SOI (effective July 1, 2012).

Review Methods

The following information was considered in the service review:

- o Agency-specific data: responses to LAFCO Requests for Information from Shasta County Public Works Department, 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 Bureau; 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. 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. 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 from CEQA Guidelines § 15306 (information collection). CEQA requirements are applicable to SOI Updates. The CEQA lead agency for SOI Updates is most often LAFCO, unless an agency has initiated an SOI expansion or update.

COUNTY SERVICE AREA # 6 – JONES VALLEY

Table 1: CSA #6 Jones Valley Agency Profile

Formation	
Agency Name	County Service Area (CSA) #6 Jones Valley
Formation Date	1980
Enabling Legislation	California Government Code §25210 et seq.
Contact	
Main Contact	Patrick J. Minturn, Shasta County Public Works Director
E-mail	pminturn@co.shasta.ca.us
Website	http://www.co.shasta.ca.us/index/pw_index.aspx
District Office	Shasta County Department of Public Works
Mailing Address	1855 Placer St. Redding, CA 96001
Phone	(530) 225-5661
Governance	
Governing Body	Board of Directors (County Board of Supervisors)
Board Meetings	Monthly
Advisory Body	Jones Valley Community Advisory Board
Staffing	County Public Works Department
Services	
Services Provided	Domestic Water Services
Areas Served	Unincorporated community of Jones Valley

District Overview

County Service Area (CSA) #6 is organized as a dependent special district under County Service Area law (Government Code § 25210-25217.4). CSA #6 provides treated drinking water to the unincorporated area of Jones Valley located in central Shasta County, approximately 14 miles northeast of Redding and north of State Route 299 East and south of Shasta Lake. The CSA serves a population of about 500 with approximately 469 service connections. The service area includes the Silverthorn subdivision, Sagebrush Trail, and Elk Trail rural neighborhoods. A municipal service review for the City was previously conducted in 2014. This document will update the previous MSR and build upon information provided therein.

Boundary and Sphere of Influence

The current service area of CSA #6 is approximately 3,033.6 acres. The majority of the CSA is located along Dry Creek Road south of Shasta Lake. There is a small separate area off Jones Valley Marina Drive, along Juniper Drive to the north. The SOI is coterminous with the CSA Boundary. The CSA does not permanently serve any properties beyond its existing jurisdictional boundaries. The CSA Service boundary is shown on Figure 1.

Formation

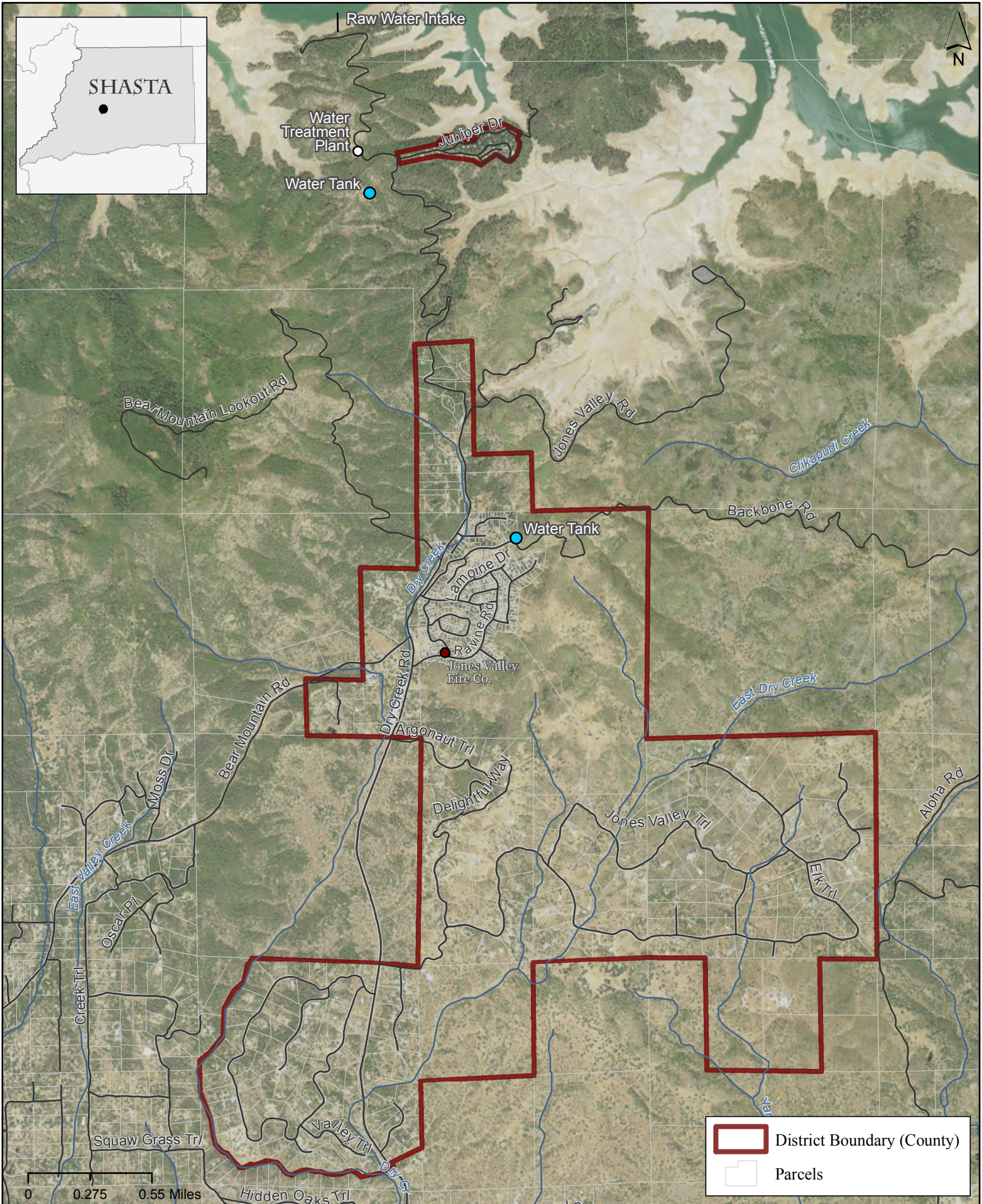
The water systems serving the Silverthorn subdivision and Jones Valley areas were originally constructed in 1950 and 1964 respectively, drawing supply from on-site wells. In 1980 CSA #6 was formed to implement major facility improvements. Grants and loans were secured and construction began that year on Shasta Lake intakes, transmission lines, a treatment plant, and a 225,000-gallon storage tank. Sagebrush Trail was annexed in 1990, Silverthorn subdivision in 1992, and Elk Trail (both east and west) in 2010. The Shasta County Water Agency initially entered into a Master Contract with the U.S. Bureau of Reclamation for Central Valley Project (CVP) water on June 30, 1967. In 1980 the Shasta County Water Agency entered into subcontracts with the County of Shasta that would provide CVP water to CSA #6 - Jones Valley.

Governance Structure

CSA #6 is a dependent special district governed by the Shasta County Board of Supervisors. The Shasta County Public Works Department provides staff support and administers the operation of the District. In addition, a Community Advisory Board (CAB) consisting of seven (7) members serve as a liaison between district residents and the County. The CAB was established by the County in 1984 pursuant to Resolution No. 84-6. The CAB members are appointed by the County Board of Supervisors and serve two-year terms. Each year property owners are invited to nominate CAB candidates for vacant CAB seats. Elections are held if willing candidates exceed the number of vacant seats. The CAB provides a vehicle for more local participation and accountability. Current Jones Valley CAB members are identified in Table 2.

Table 2: CSA #6 - Jones Valley Community Advisory Board

Board Members	
C. Marti Palmer	Roy Vincent
Melvin Fisher	Larry Olkowski
Nancy Wallen	



County Services Area #6 Jones Valley

Figure

Date: 2/3/2017

Management and Staffing

The County Public Works Department provides administrative support, staffing, and operations for 11 CSAs, including the Jones Valley water system. The department has one operation supervisor, four licensed water treatment plant operators, and five part-time non-licensed employees. The Department is responsible for maintaining, upgrading or replacing equipment. They also manage budgets, suggest rates for services, and assure compliance with all laws relating to quality, health and safety. The Department manages funds for capital improvement projects, bond assessments, and debt service of the CSAs, and administers billing of CSA customers.

Other Service Providers

Wastewater

All customers in the CSA have private septic systems.

Fire Protection

Fire protection and emergency response services are provided by CSA #1 - Shasta County Fire Department (SCFD), which provides fire protection to all areas of the county outside existing fire protections districts and cities providing fire protection. The SCFD contracts with CAL FIRE to provide all department administration and operations functions. In addition, the SCFD supports 18 volunteer fire companies by providing oversight, administrative support, training, maintenance, funding, and dispatching. There is a Fire Station in the CSA at the Ravine Road and Bollibokka Way intersection, east of Dry Creek Road.

Other

Law enforcement, road maintenance and other general services are provided to the unincorporated areas of the county by various county departments.

Nearby Water Systems

Bella Vista Water District (BVWD) is the nearest adjacent water district. It is approximately two miles away and at a lower elevation BVWD has its own treatment and distribution limitations. These physical constraints preclude alternate service delivery at this time.

Present and Planned Land Uses

Existing Land Use

CSA #6 primarily consists of improved and unimproved rural residential and commercial uses. Land outside and adjacent to CSA #6 is primarily designated as agricultural, low-density residential and national recreation areas.

General Plan, Zoning, and Policies

CSA #6 is located within the unincorporated area of the county and is therefore subject to the Shasta County General Plan and Zoning Regulations. The Shasta County General Plan and Zoning Code designates most of the territory within the District boundaries for Rural Residential, Mixed-Use, Mobile Home District, National Recreation Area, and Unclassified. The service area is surrounded by areas classified as Limited Residential, Mobile Home districts, Agricultural Preserves and Exclusive Agricultural, and Unclassified.

Future Development Potential

The existing water supply facilities (pumping, treatment, storage, transmission, distribution) have been designed and constructed to serve the existing service area. They are presently deemed to be adequate for this purpose.

Population and Growth

Jones Valley is not a census-designated place so actual population statistics for the District are not available. Based on census blocks and geospatial analysis, the estimated population for CSA #6 was 895 in 2010. Looking at future population estimates, growth in the unincorporated areas of Shasta County appears to be negligible. A 2016 DOF report notes a recent decrease of 0.5 percent in the County's unincorporated population between 2015 and 2016, indicating a future potential for population loss in unincorporated areas such as CSA #6.¹ However, population estimates for the county still predict an increase of between zero and 0.5 percent through 2035.² Using the 0.5 percent annual growth estimate and the 2010 population, the CSA #6 population will increase to 1,013 by the year 2035. Based on this analysis, it is unlikely that the District will have a significant increase in demand for water services during the time frame of this MSR.

¹ California Department of Transportation:

http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic_files/2013/Shasta.pdf

² Caltrans: www.dot.ca.gov/hq/tpp/offices/eab/socio_economic_files/2013/Shasta.pdf

Disadvantaged Unincorporated Communities

LAFCO is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. A disadvantaged unincorporated community (DUC) is defined as any area with 12 or more registered voters where the annual median household income (MHI) is less than 80 percent of the statewide annual (MHI) (pursuant to Government Code Section 56033.5 and Water Code Section 79505.5). Within a DUC, three basic services are evaluated: water, sewage, and fire protection. CSA #6 Jones Valley provides one of these services – domestic water, and is therefore responsible for assuring that this service is adequately provided to the community. Wastewater service is not provided by a local service provider, and the community relies upon individual private septic tanks for sewage disposal. As mentioned above, CSA #1 provides fire protection for CSA #6.

CSA #6 Jones Valley is in Shasta County Community Tract, 06089011803³ which meets the definition of a Disadvantaged Community Tract. The Tract has a MHI of \$41,948, which is 68 percent of the state average MHI, thereby qualifying the area as disadvantaged. Should territory in the surrounding area be evaluated for annexation in the future, disadvantaged communities in the area should be further considered.

³ California Department of Water Resources: <https://gis.water.ca.gov/app/dacs/>

⁴ Census Quick Facts: <https://www.census.gov/quickfacts/table/PST045215/06>

District Service & Infrastructure

Water Service Overview

The CSA provides water treatment and distribution within the service area by way of subsurface waterlines. The water system currently serves 469 active connections. There are 22 additional connections available on standby. The State Division of Drinking Water Reports 463 active connections. The treatment and distribution system is sized to serve the current district boundaries. The CSA provides seasonal water to the Jones Valley U.S. Forest Service Campground Areas outside the current boundaries. The campground cannot permanently be served by the existing water service system.

CSA #6 holds a state water permit for treatment and delivery of drinking water used for municipal purposes (public water system No.4510004). The water system and treatment plant are inspected annually by the Shasta County Department of Public Health. Based on the Department of Water Resources Groundwater Basin Maps (Bulletin 118), CSA #6 is not located in a formally designated Groundwater Basin. CSA #6 is in the Clear Creek – Sacramento River Watershed.

Water Source

CSA #6 – Jones Valley’s primary water source is raw water from Lake Shasta. In 1980 the Shasta County Water Agency entered into subcontracts with the County of Shasta that would provide water for CSA #6 Jones Valley through the U.S. Bureau of Reclamation’s Central Valley Project (CVP). Due to limitations of CVP water, the CSA’s water right has been limited. Due to drought conditions, the water right in 2014 was reduced to 50% of the last three year’s allocations. In 20145, water was reduced to 25% of the last three year’s allocations. In 2015 the Shasta County Board of Supervisors purchased water from the McConnell Foundation to supplement water to the CSA resulting in cutbacks from the CVP. The water, purchased at \$250 per acre-foot, was used to meet water demands in CSA #6⁵. Current conditions of increased precipitation are expected to result in the lifting of drought related restrictions.

⁵ <http://www.redding.com/news/local/shasta-supervisors-ok-water-purchase-from-mcconnell-ep-983068555-362053291.html>

Water Treatment, Storage and Distribution

The Jones Valley water system consists of water intake from Shasta Lake, treatment, and distribution to ten storage tanks located throughout the district to serve customers at different elevations and locations. Section 64554 of the California Code of Regulations Related to Drinking Water, requires that “systems with less than 1,000 service connections shall have storage capacity equal to or greater than maximum day demand (MDD), unless the system can demonstrate that it has an additional source of supply or has an emergency source connection that can meet the MDD requirements.” The current water storage system is adequate to meet maximum daily demands and compliance standards.

Due to the topography and size of the area, there are several pressure zones, booster pumps and mains, in addition to the multiple storage tanks, throughout the CSA to serve customers at various locations. In areas of reduced pressure, the system is supplemented by private booster systems. System demands and the large service area size create service reliability limitations.

In 2012, the CSA received a \$875,000 grant through the Environment and Related Agencies Appropriations Act to address major water system infrastructure improvements and expansions, including: two new storage tanks, 12.7 miles of main water line, major additions or modifications to the existing treatment plant system, the addition of a third supply pump in Shasta Lake, two booster pump stations, new fire hydrants, and three supervisory valves and lateral installed to 198 parcels.

The Shasta Lake pumps, treatment plant and water system supply pumps use electrical power supplied by PG&E. Two local booster pumps are equipped with backup power. Provisions have been made to operate with generators, which can be mobilized within a few hours. A large generator was used to mitigate a deficient electrical service event in 2012.

System Monitoring

CSA #6 is required to routinely monitor for drinking water contaminants.

A Consumer Confidence Report (CCR) shows the results of drinking water monitoring for the period of January 1 to December 31 and is sent annually to customers. The last CCR was prepared in 2015 and is posted on the Shasta County website. The 2015 CCR reports that the Jones Valley water system met all EPA and state drinking water health standards during the monitoring period.

On March 11, 2016, the State Water Resources Control Board Division of Drinking Water approved a Disinfection Byproduct Compliance (DBP) Monitoring Plan (Plan) for the CSA that identified four DBP sample sites: Bear Valley Trail, Elk Trail West, Sagebrush, and Marti Lane. According to the Plan, these four sites are to be sampled each calendar quarter and analyzed for total trihalomethanes (TTHM) and haloacetic acids (HAAs). During the second calendar quarter of 2016 (2Q2016) the CSA sampled from two locations not on their approved Plan: Hydrant @ Marin Drive and Hydrant @ 22970 Elk Trail East. The CSA was found to be in non-compliance and a citation was issued on September 16, 2016.⁶ The Division determined that the CSA was in non-compliance with Section 64534 (f) and (g), Title 22 of the California Code of Regulations, in that the CSA did not monitor for DBPs in accordance with an approved Monitoring Plan during 2Q2016. The citation directed the CSA to complete a number of steps to return to compliance, including notifying all persons served by the CSA, completion of a Compliance Certification, and initiation of DBP monitoring in accordance with the March 11, 2016 DBP plan no later than September 30, 2016. According to the Public Works Department, the CSA has completed these steps.

⁶ State Water Resources Control Board – Division of Drinking Water Citation No. 01-02-16C-020

Infrastructure Needs and Deficiencies

As is noted above, the most pressing situation in an emergency would be a loss of power as the Shasta Lake pumps and treatment plant are powered by electricity provided by PG&E.

Financial Information

Table 3. CSA #6 Revenues & Expenditures

Revenue	Adopted 16-17	Actual 2015-16	Actual 2014-15
420000 – Interest	\$200	\$121	\$366
668144 – S/A In Lieu Parcel Charges Curr	\$13,780	\$13	\$13,601
668194 – S/A Del Water Curr	\$4,400	\$13,781	\$4,432
693020 – Water Service Collections	\$170,000	\$3,289	\$158,577
693060 – Inspection Fees	\$500	\$163,391	\$450
693900 – Connection Fees	\$500	\$1,000	\$450
799391 – Prior Period Rev Adj.	\$0	\$0	\$3,247,593
799851 – Reimb County Prop Damage	\$0	\$0	\$1,610
799300 – Miscellaneous	\$0	\$108	\$36
799390 – Prior Period Exp Adj.	\$0	\$3,067	\$0
806350 – Tran In Csa#6 Jones Valley	\$13,600	\$25,000	\$0
Total Revenue	202,380	\$209,757	\$3,427,115
Expenses	Adopted 16-17	Actual 2015-16	Actual 2015-16
32500 – Communications Expense	\$1,500	\$834	\$1,245
33103 – Insurance Exp Miscellaneous	\$1,389	\$1,380	\$1,452
33500 – Maintenance of Equipment	\$10,000	\$10,215	\$10,690
33700 – Maintenance of Structures	\$3,000	\$0	\$22
33791 - Charges Gac Mgmt Maint Str	\$300	\$683	\$300
34100 - Memberships	\$163	\$163	\$153
34591 - Charges Oc Postage System	\$3,415	\$3,118	\$4,080
34800 – Prof & Special Services	\$9,303	\$10,383	\$18,582
34826 – Prof Lab Services	\$6,000	\$6,062	\$6,292
34829 – Prof Maintenance Services	\$103,134	\$97,270	\$91,600
34892 – IT Charges	0	\$224	\$0
34900 – Publications And Legal Notices	\$250	\$122	\$0
35100 – Rents & Leases of Equipment	\$500	\$441	\$243
35500 – Minor Equipment	\$500	\$27	\$374
35700 – Special Departmental Expense	\$4,000	\$2,955	\$3,150
35900 – Transportation & Travel	\$3,000	\$3,202	\$2,598
36100 – Utilities	\$64,000	\$63,155	\$63,465
50001 – Central Service Cost A-87	\$6,657	\$10,924	\$16,875
50800 – Taxes & Assessments	\$600	\$582	\$0
50900 – Depreciation Expense	\$500,000	\$277,857	\$277,857
96629 – Trans Out CSA #6	\$0	\$0	\$4,694
Total Expenses (without depreciation)	\$717,711	\$211,740	\$225,815
Net Total (Deficit)	-\$515,331	-\$1,983	\$3,201,300

Source: Shasta County

As discussed below, basic operating revenue comes from bi-monthly (once each two months) water service charges. The current water fees and rates were established by District Ordinance No. 707. Occasionally, additional revenue is generated when specific services are requested, such as new meter installations. This work is charged at a fixed rate. Any change in the bimonthly service charge must originate with an engineering report that analyzes existing revenue and projected future costs. Based on that analysis, a new rate structure can be recommended for approval by the Board. A public hearing is held prior to authorizing the rate change. The degree to which there is opposition to the rate change constitutes the constraint to generating additional revenues.

As noted in Table 8, there is a negative balance primarily due to depreciation of equipment. Planning and funding to replace depreciating assets should reduce or eliminate this deficit.

Service Rates

The current CSA # 6 fee schedule for water and services are as follows:

Table 4. Residential In-Service Area Rate Schedule - Effective September 2015:

Charge Type	Amount	Applies to:
Basic	\$33.95 Bi-monthly	First 2,000 gallons consumed
Use Charge 1	\$0.23/ 100 gallons	Next 2,000 - 12,000 gallons
Use Charge 2	\$0.13/ 100 gallons	All water over 12,000 gallons consumed

Commercial Rate Schedule:

The Commercial Rate Schedule is the same as the Residential In-Service Area Rate Schedule.

Installation, Extension and Connection Fees:

- (1) When main line extensions are not required, County Service Area personnel will install the meter based on the following fees to be paid prior to installation:

Table 5. Shasta County Water Meter Connection Fees and Road Crossing Costs

3/4" Meter	1" Meter	1-1/2 Meter	2" Meter	Road Crossing
\$ 750.00	\$ 1,000.00	\$ 1,250.00	\$1,500.00	\$2,500.00 Deposit + actual costs

- (2) When main line extensions are required, meter installation and service extension shall be constructed at the sole expense of the person or entity applying for the extension, and shall meet or exceed County minimum standards and requirements. A minimum improvement plan-checking and construction inspection deposit of \$500 is required. Once the actual plan-checking and construction inspection costs are determined, a fee to cover those costs shall be imposed and the deposit shall be applied to the fee.

Stand-by Vacation, Silverthorn Summer Homes and Campground Fees: A stand-by fee of \$5.00 per month, paid by the parcel owner, will be charged for each parcel in the service area for which delivery of water service is available but has not been initiated; whether structures are present or not. Properties determined unsuitable for residential or commercial development are exempt. A vacation status fee of \$5.00 per month is charged to customers with a meter if the property is to receive regular water service for less than three consecutive months per year. The termination and subsequent restoration of service fees due to vacation status shall be \$25.00.

The Jones Valley U.S. Forest Service Campground Basic Bi-Monthly Rate is \$678.98 for the first 20,000 gallons, or portion thereof; \$0.46 for every 100 gallons, from 20,000 to 120,000 gallons; and \$0.26 for every 100 gallons > 120,000 gallons.

Table 6. Silverthorn Summer Homes Rate Schedule - Effective September 1 2015:

Charge Type	Amount	Applies to:
Basic	\$33.95 Bi-monthly	First 2,000 gallons consumed
FMHA loan Charge	\$10.16 Bi-monthly	annual repayment requirements
System Charge	\$7.00 Bi-monthly	Silverthorn Summer Homes' share of water system improvements

Commercial and Other Rate Schedules:

The Commercial Rate Schedule shall be the same as the Basic Bi-monthly In-Service Area Residential Rate Schedule for the first water meter plus the Basic Bi-monthly In-Service Area Residential Rate Schedule charge for each additional water meter on the parcel.

Annexation fees and/or Payment in lieu of Past Parcel Charges for Newly Created Parcels:

An annual parcel charge used to repay the water system construction loan used. This charge is collected with the property taxes. A fee is paid for each newly created or annexed parcel, prior to annexation or recording the map that creates the parcel, in an amount equal to the accumulative sum of the annual parcel charges that would have been levied on the parcel had it been in the District when said charges were levied on other parcels in the District.

Charges for Water Delivery to Users Not in CSA# 6-Jones Valley Water (Short-Term Usage): When available, water may be delivered outside the County Service Area No. 6-Jones Valley Water at twice the Basic Bi-monthly In-Service Area Residential Rate Schedule in effect. In addition, a fee of \$500 shall be charged for installation of a meter to record water usage, and a written services agreement setting forth the terms and conditions of the delivery of water must be executed before water may be delivered. This is limited to temporary uses such as water for road construction.

Extraordinary Commodity Costs:

Increased cost shall be charged on the Bi-monthly bill or invoice on a per hundred-gallon basis. Commodity costs are extraordinary under these conditions:

- (1) Commodity costs of water acquired exceed those allowed by then current Shasta County Water Agency policy; or
- (2) The US Bureau of Reclamation passes on operation and maintenance rates in excess of those initially estimated; or
- (3) Water is acquired at cost to backfill water normally provided by water right.

Financing Constraints and Opportunities

This is an enterprise fund district. Most operating revenue is derived from bi-monthly service charges for water service. Most agency revenue streams are subject to Proposition 218, which sets forth various constraints on the generation of revenues for infrastructure services. Bond financing is not subject to Proposition 218 per se, but is subject to a parallel administrative process. A flat fee was established at the time CSA #6 was formed (1980). The last rate increase

was approved in July 2015. Proposition 218 requires CSA #6 to adopt a rate structure which is reflective of the actual cost of service. The current rate structure meets this standard.

Over the years several major infrastructure projects have been completed with a combination of grants and loans. Assessment districts have been formed to repay the loans. The funds are collected via a line item on the annual property tax bill. Available resources are maintained within the County's general operating budget.

Water delivery and wastewater collection and treatment system fees are currently the only revenue source for covering system operation costs. Based on past efforts, property based assessments seem unlikely to receive voter approval. The County is consistently pursuing grant funds for system improvements

Cost Avoidance Opportunities

Regular system consumption monitoring, infrastructure condition inspections, and a capital improvement plan for scheduled replacement and upgrades are effective cost avoidance measures. The County monitors system with meter records and conducts periodic inspections.

Governance Structure Options

Water Service may be provided by a Community Services District (CSD) or water district (WD). The residents have the ability to petition LAFCO for CSD formation. It would allow consideration of other services, such as wastewater, and reorganization into an independent district with an elected Board. To pursue this option, residents would prepare and file a LAFCO application, fee deposit, plan for services and a MSR/SOI.

MUNICIPAL SERVICE REVIEW DETERMINATIONS

This chapter addresses determinations as specified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code § 56430). As part of the municipal service review process, each LAFCO makes written determinations for each of the categories listed below.

Growth and population projections

CSA #6 was created to provide municipal water service to the Jones Valley community. Population growth and population projections for the area served is expected to be limited or none as the area appears to be built-out. The estimated residential population within the CSA #6 boundary is approximately 895 persons. The projected 2035 population, based on current growth rates is expected to be approximately 1,013.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the Sphere of Influence

CSA #6 has been identified as a DUC. There are no other DUCs in the vicinity that could be served by the CSA.

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

The CSA currently has capacity to serve water to the existing service area. Continued maintenance and periodic infrastructure replacement is needed to maintain system adequacy and efficiency. CSA #6 does not provide sewer, and fire protection services. These services are provided through other special districts in Shasta County or by private systems.

Financial ability of agencies to provide services

CSA #6 is an “enterprise” district with sewer service funding primarily from service fees and charges. The District periodically reviews and updates fees to maintain a nexus between reasonable charges levied, and actual costs of services provided and seeks to be as efficient and innovative as possible in maximizing the use of existing fiscal resources.

Status of, and opportunities for, shared facilities

No opportunities for shared facilities have been identified. There is no known overlapping or duplication of services within the CSAs’ boundaries.

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

Accountability for CSA residents in the Jones Valley unincorporated area is provided by the citizen advisory board. The CSA demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.

Any other matter related to effective or efficient service delivery, as required by commission policy
None beyond those listed above.

SPHERE OF INFLUENCE DETERMINATIONS

Shasta LAFCO makes the following written SOI determinations.

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

Shasta County designates much of the area served as rural residential and agricultural. This is a rural area, with community development either clustered or widely distributed on secondary roads. The District is physically situated in a rural region where separation from other communities limit the area where extension of water service is practical.

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

The SOI is coterminous with the District boundary and the probable need for public facilities and services are addressed in the MSR determinations.

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

The CSA was formed to provide water service only. District facilities provide for current service needs within the CSA boundary. Extension of services will be tied to development permits of parcels. Service is available and adequate to serve the undeveloped areas within the existing District boundaries.

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

The District is located east of the City of Redding, and is currently served by the CSA #1 - Shasta County Fire Department and local Volunteer Fire Companies. The City of Redding provides a major shopping and service industry hub for local residents throughout Shasta County.

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.

The Jones Valley area is considered a DUC. There are no DUCs adjacent to the CSA that should be included in the SOI.

LAFCO RESOLUTION 2017-04

RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION MAKING WRITTEN DETERMINATIONS AND UPDATING THE MUNICIPAL SERVICE REVIEW & SPHERE OF INFLUENCE FOR THE COUNTY SERVICE AREA #6 JONES VALLEY

WHEREAS, the Shasta Local Agency Formation Commission, conducts studies of the provision of Municipal Services Review (MSR) in conjunction with reviewing the Spheres Of Influence (SOI) of the local governmental agencies whose jurisdictions are within Shasta County; and

WHEREAS, Government Code Section 56425(g) requires that LAFCO review and updated adopted SOI boundaries, as necessary, not less than once every five years; and

WHEREAS, Government Code Section 56430 requires that a MSR be conducted prior to or in conjunction with a SOI update; and

WHEREAS, the County Services Area #6 (CSA #6) Jones Valley's sphere of influence boundary was last updated in 2014; and

WHEREAS, the Executive Officer, pursuant to the Government Code Section 56000 *et seq.*, has prepared a MSR and a proposed updated SOI boundary recommendation for the CSA #6 Jones Valley; and

WHEREAS, in the manner required by law, the Executive Officer has given notice of the public hearing by the Commission on the proposal; and

WHEREAS, the Commission has heard, discussed and considered all evidence presented at a public hearing held on the MSR and SOI on April 6, 2017 for CSA #6 – Jones Valley.

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

1. Pursuant to Government Code Sections 56425 and 56430, the Commission hereby makes the statements of determinations included in the CSA #6 – Jones Valley's Municipal Services Review and Sphere of Influence boundary update (Exhibit A).
2. Shasta LAFCO, as the lead agency, circulated a Notice of Intent to Adopt a Statutory Exemption for this project, responded to written comments received during the review period and hereby intends to certify a Statutory Exemption pursuant to the California Environmental Quality Act (CEQA) for the proposed update of its Sphere of Influence.
3. The Commission, pursuant to Government Code Section 56425(e), makes the following specified determinations based upon data within the municipal service review to update the CSA #6 - Jones Valley's Sphere of Influence:
 - A. *Present and planned land uses* – Shasta County designates the area served as mostly rural residential and agricultural. This is a rural area, with community development either clustered or widely distributed on secondary roads. The District is physically situated in a rural region where separation from other communities limit the area where extension of water services is practical.
 - B. *Present and probable need for public facilities; adequacy of services* – The SOI is coterminous with the District Boundary and the probable need for public facilities and

services are addressed in the MSR determinations.

- C. *Present capacity of the public facilities and adequacy of public services – The CSA was formed to provide water service only.* District facilities provide for current service needs within the CSA boundary. Extension of services will be tied to development permits of parcels. Service is available and adequate to serve the undeveloped areas within the existing District boundaries.
- D. *Existence of any social or economic communities of interest –* The District is located east of the City of Redding, and is currently served by the CSA #1 – Shasta County Fire Department and local Volunteer Fire Companies. The City of Redding provides a major shopping and service industry hub to the south for local residents throughout Shasta County.
- E. *Present and probable needs of disadvantaged unincorporated communities (DUCs) within the area –* The Jones Valley area is considered a DUC. There are no DUCs adjacent to the CSA that should be included in the SOI.

5. The Executive Officer is hereby directed to complete update proceedings, and to schedule the subsequent review and update, as necessary, of this Agency’s municipal service review and sphere of influence boundary five years from this approval date as required by statute.

6. The CSA #6 - Jones Valley’s District Sphere of Influence is hereby updated and approved as presented on the attached map (Exhibit B).

Adopted on April 6, 2017, by the following vote:

AYES:
NOES:
ABSTAINS:
ABSENT:

Dated: _____

Irwin Fust, Chairman
Shasta Local Agency Formation Commission

Attest:

Dated: _____

George Williamson, Executive Officer