



# COUNTY SERVICE AREA # 17 COTTONWOOD

Municipal Service Review &  
Sphere of Influence Update

Adopted by Resolution 2017-06  
April 2017

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Final Adoption – April 6, 2017

# SHASTA LOCAL AGENCY FORMATION COMMISSION

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## **Acknowledgements:**

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# INTRODUCTION

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This Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides information about the services and boundaries of County Service Area # 17 - Cottonwood (referred to as CSA # 17). 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 services reviews and SOI updates for cities and special districts in Shasta County (Government Code § 56425). State law also requires that, prior to adopting a SOI, LAFCO must conduct a municipal services review provided by that agency (Government Code § 56430). This report provides LAFCO with a study of current and future public service conditions and evaluates organizational options for accommodating growth, preventing urban sprawl, and ensuring critical services are efficiently provided.

## CSA Overview

County Service Areas are dependent special districts under CSA 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 the operation of the District.

## 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 # 17 is authorized to provide wastewater 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 "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 would 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 determinations 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 the MSR process. 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 services duplication.

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 an MSR and adopt related determinations. In addition, when 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 sphere of influence (effective July 1, 2012).

## **Review Methods**

The following information was considered in the development of this service review:

- o Agency-specific data: responses to LAFCO Requests for Information from Shasta County Public Works Department;
- o Land Use and Shasta County General Plan and Zoning data: Shasta County Planning Division and GIS webpage;
- o Demographics: U.S. Census Bureau; Department of Finance; CA Water Resources Board;
- o Finances: budgets, rates and fees; and
- o Other Reports: State Water Resources Control Board, Division of Drinking Water sanitary survey.

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. 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). When LAFCO acts to update an SOI for the District, CEQA requirements are applicable. The CEQA lead agency for SOI Updates is most often LAFCO, unless an agency or property owner has initiated an SOI expansion or update.

## COUNTY SERVICE AREA # 17 - COTTONWOOD

Table 1: CSA #17 - Cottonwood Agency Profile

<b>Formation</b>	
Full Agency Name	County Service Area #17 - Cottonwood
Formation Date	1982
Enabling Legislation	California Government Code § 25210 et seq.
<b>Contact</b>	
Contact	Patrick J. Minturn, Shasta County Public Works Director
E-mail	pminturn@co.shasta.ca.us
Website	<a href="http://www.co.shasta.ca.us/index/pw_index.aspx">http://www.co.shasta.ca.us/index/pw_index.aspx</a>
District Office	Shasta County Department of Public Works
Mailing Address	1855 Placer St. Redding, CA 96001
Phone/ Fax	(530) 225-5661
<b>Governance</b>	
Governing Body	Board of Directors (County Board of Supervisors)
Board Meetings	Tuesdays at 9:00 am, Board Chambers, 1450 Court St, Redding
Advisory Board	Cottonwood Community Advisory Board
Staffing	County Public Works
<b>Services</b>	
Services Provided	Wastewater Services
Areas Served	Unincorporated Community of Cottonwood

## District Overview

County Service Area #17 is organized as a dependent special district under County Service Area law (Government Code § 25210-25217.4). CSA #17 provides wastewater services to the unincorporated area of Cottonwood, located in south Shasta County about 15 miles south of Redding, and 6 miles south of the City of Anderson, along Interstate 5. CSA #17 serves a population of about 3,316 with approximately 1,365 sewer connections.

## Boundary and Sphere of Influence

County service area boundaries may include: contiguous or noncontiguous territory; and unincorporated or incorporated territory (incorporated territory may be included only if the city legislative body consents by resolution). When formed, the CSA SOI is typically coterminous with its boundaries, as the CSA boundaries reflect the relationship to area planned land uses and need for services. The current CSA #17 boundary encompasses approximately 1,581 acres.

The Existing Ultimate SOI as designated by the Shasta County General Plan extends beyond the CSA and is 3,949 acres in size. For this SOI Update, Shasta County land use designations within the SOI were reviewed. Lands designated for agricultural use (Agricultural Small Scale Cropland / Grazing) and lands with resource /hazard designations (Habitat Resource and Flood Zone) are proposed to be excluded. For example, there are lands along Cottonwood Creek, designated by the County as Flood Zone, where development would be restricted and where service extensions are unlikely. Another reason for the proposed exclusion is LAFCO agricultural and resource lands protection policies, as well as the unlikely need for services. The SOI area with agricultural and resource/hazards lands excluded would be: 2,925 acres a reduction of more than 1,000 acres from the County General Plan Ultimate SOI. Areas to the north and west of the CSA boundary, within the sphere, and designated for development will remain in the SOI. The CSA boundary and SOI are shown on Figure 1.

## Formation

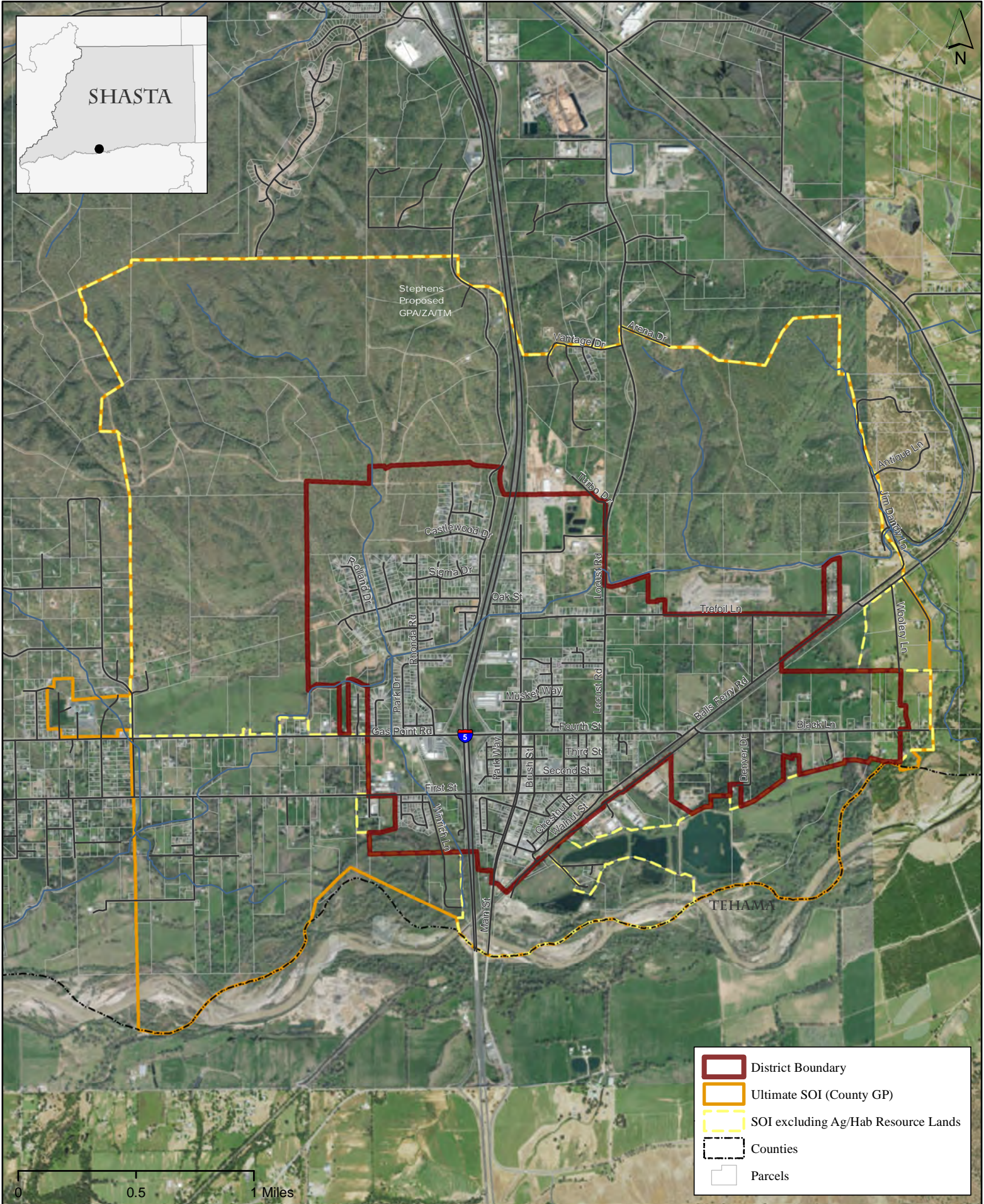
CSA # 17 was established in December 1982 to address the need for sewer services in response to public health concerns from Cottonwood area conventional septic tank/leach field systems. Subsurface limitations, such as; shallow soils; slow permeability; and high ground water levels made the conventional systems impractical and warranted a municipal system.






## Governance Structure

CSA #17 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 Cottonwood CAB members are identified in Table 2.

**Table 2: Community Advisory Board**

Board Members	
Dwight Bailey	Suzanne Miller
Julie Bailey	Ronald Myers
Margaret Bullwinkel	Thomas Semingson



-  District Boundary
-  Ultimate SOI (County GP)
-  SOI excluding Ag/Hab Resource Lands
-  Counties
-  Parcels



# County Service Area #17 Cottonwood SOI excluding Ag/Hab Resource Lands

Figure  
**1**

Date: 2/15/2017



## **Management and Staffing**

The County Public Works Department provides administrative support, staffing, and operations for 11 CSAs, including the Cottonwood wastewater system. 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 CSA customer billing.

## **Other Service Providers**

### *Potable Water*

Water service in the area is provided by the Cottonwood Water District (CWD) which has approximately 1,203 connections, as shown in Figure 2.<sup>1</sup> It was formed in 1955 as a California Water District (Water Code § 30321 et. seq.) and is governed by a five-member board of directors. Water is supplied to residences, businesses, and for fire protection.

<sup>1</sup>[http://www.co.shasta.ca.us/docs/Public\\_Works/docs/2013-csa-17-sewer-master-plan-complete.pdf?sfvrsn=4](http://www.co.shasta.ca.us/docs/Public_Works/docs/2013-csa-17-sewer-master-plan-complete.pdf?sfvrsn=4)

### *Irrigation Water*

Irrigation water service is provided by the Anderson-Cottonwood Irrigation District (ACID), an Independent Special District, which diverts Sacramento River water through a gravity diversion at the seasonal ACID Diversion Dam in Redding.<sup>2</sup> The ACID holds a water right that allows for water diversion from the Sacramento River's natural flow. The ACID mission is to protect and utilize its historic water right and to operate and work to improve the systems that convey water to its users. The district has a board of directors which meets on the second Thursday of each month.

<sup>2</sup>[www.andersoncottonwoodirrigationdistrict.org/index.html](http://www.andersoncottonwoodirrigationdistrict.org/index.html)

### *Fire*

Fire protection is provided by Cottonwood Fire Protection District.<sup>3</sup> A fire station is located at 3271 Brush Street in the CSA. It employs 4 full-time, 3 seasonal, 2 part-time firefighters and 15 volunteers. The Cottonwood FPD is currently seeking funding to replace its 103-year-old station.

<sup>3</sup>[www.cottonwoodfd.com/home.html](http://www.cottonwoodfd.com/home.html)

### *Street Lighting*

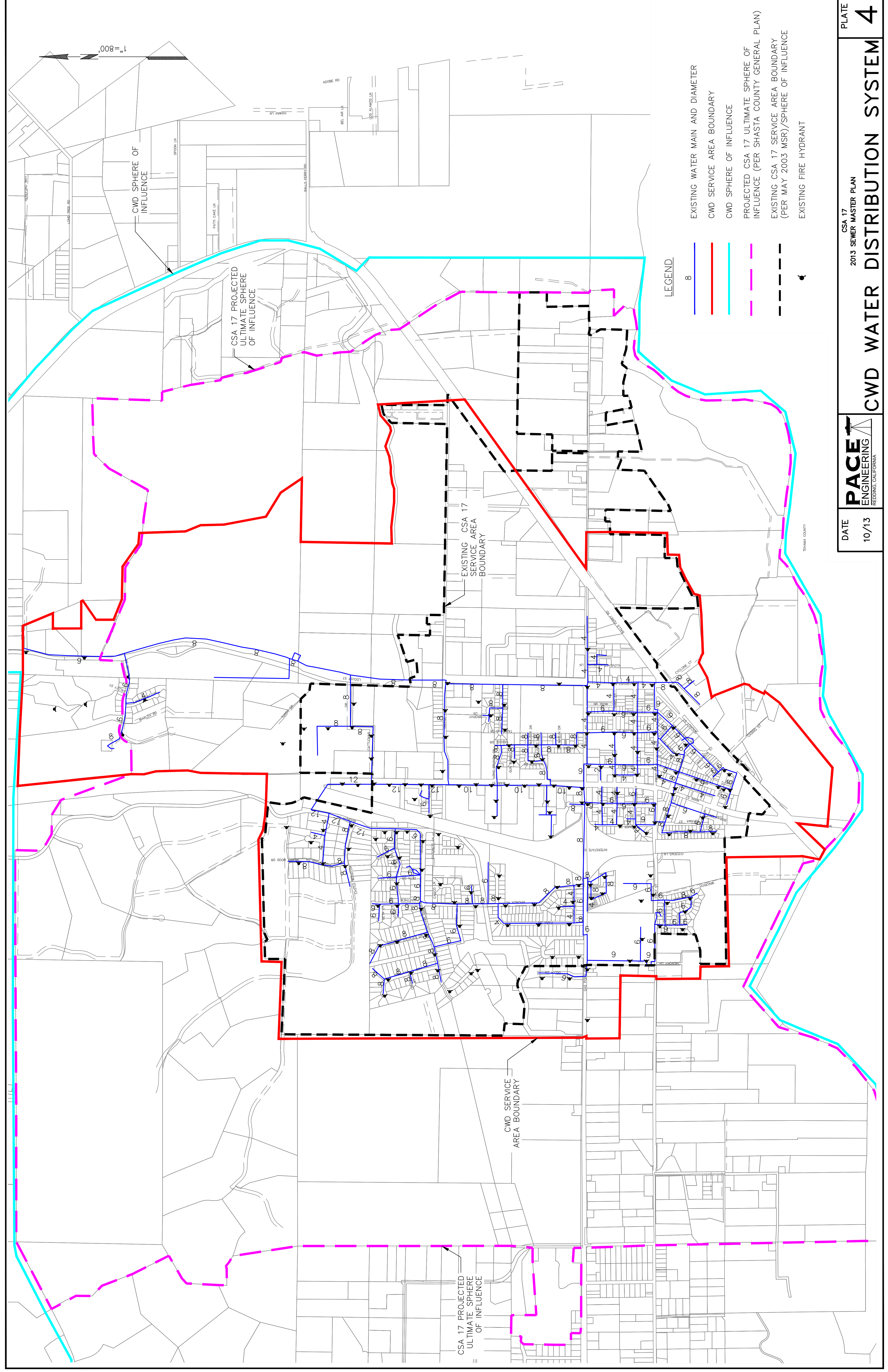
CSA #15 is a lighting district maintained by the Public Works Department that provides various clusters of street lighting throughout Shasta County through an arrangement with PG&E. The district provides street lights to certain neighborhoods within this CSA.

## **Present and Planned Land Uses**

### **Existing Land Uses**

Shasta County designates multiple land uses for the service area, including: One-family Residential, Limited Residential, Community Commercial, Limited Agricultural, and Unclassified. The service area is surrounded by areas designated as Mineral Resource Districts, Planned Development, and Agriculture, Habitat Resource and Flood Zone. Cottonwood is designated as a "Town Center" in the Shasta County General Plan.<sup>4</sup>

<sup>4</sup>Shasta County Land Use: [http://www.co.shasta.ca.us/index/gis\\_index.aspx](http://www.co.shasta.ca.us/index/gis_index.aspx)



LEGEND

Blue line	EXISTING WATER MAIN AND DIAMETER
Red line	CWD SERVICE AREA BOUNDARY
Cyan line	CWD SPHERE OF INFLUENCE
Magenta dashed line	PROJECTED CSA 17 ULTIMATE SPHERE OF INFLUENCE (PER SHASTA COUNTY GENERAL PLAN)
Black dashed line	EXISTING CSA 17 SERVICE AREA BOUNDARY (PER MAY 2003 MSR)/SPHERE OF INFLUENCE
Black symbol	EXISTING FIRE HYDRANT

## Population and Growth

There is a Cottonwood census-designated place (CDP), so estimated population statistics for the District are available from the 2010 census. According to the census, the population of the Cottonwood CDP was 3,316 in 2010. The CDP boundary is smaller than the CSA #17 boundary, however, the CDP captures the areas of densest population. 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 #17.<sup>5</sup> However, population estimates for the county still predict an increase of between 0- 0.5 % through 2035.<sup>6</sup> Using the 0.5 % annual growth estimate and 2010 population, the CSA #17 year 2035 population would be 3,946.

<sup>5</sup>CA DOF: [www.dof.ca.gov/Forecasting/Demographics/Estimates/documents/Price-Population\\_2016.pdf?zoom\\_highlight=shasta+population](http://www.dof.ca.gov/Forecasting/Demographics/Estimates/documents/Price-Population_2016.pdf?zoom_highlight=shasta+population)

<sup>6</sup>Caltrans [www.dot.ca.gov/hq/tpp/offices/eab/socio\\_economic\\_files/2013/Shasta.pdf](http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic_files/2013/Shasta.pdf)  
American Fact Finder [https://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml)

## Proposed Development

A General Plan and zoning designation amendment, Stephens GPA/ZA, TM, under County consideration would change land use designations in the northern portion of the SOI from Rural Residential A (RA) General Plan land use designation to the Suburban Residential-One Unit Per Acre (SR-1) General Plan land use designation and from the current Planned Development (PD) zone district to a PD zone district specific to the proposed project or other appropriate General Plan and Zoning designations to facilitate the merger and re-subdivision of three parcels of land to create a proposed 102-parcel residential land division including 98 suburban residential lots ranging from 6,000-square feet to 16,645-square feet in size, a 36.6- acre open space parcel, a 59.1- acre residential parcels, and two approximately one acre residential parcels. Extension of urban water and sewer services to the project would require annexation to the Cottonwood Water District and CSA #17, respectively. If the Stephens proposed GPA/ZA/TM area is to be annexed to the CSA, the property owner would be required to connect to the CSA sewer system through installation of a gravity fed sewer line along Rhonda Road. In addition, the property owner would be required to ensure that infrastructure with sufficient capacity to accommodate the development would be constructed to tie into the sewer system within the CSA boundary.

## 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 § 56033.5 and Water Code § 79505.5). Within a DUC, three basic services are evaluated: water, sewer, and fire protection. CSA #17 – Cottonwood provides one of these services –sewer, and is therefore responsible for assuring service is adequately provided to the community. As mentioned above, the Cottonwood Fire Protection District provides fire protection for CSA #17 and water is provided by the Cottonwood Water District.

CSA #17 - Cottonwood is in Community Tract, 06089012200 which the California Department of Water Resources identifies as a Disadvantaged Community Tract.<sup>7</sup> The Tract has a MHI of \$40,179, which is 65 percent of the state average MHI, thereby qualifying the area as disadvantaged.<sup>8</sup> Should territory in the surrounding area be evaluated for annexation in the future, disadvantaged communities in the area should be considered further.

<sup>7</sup> California Department of Water Resources: <https://gis.water.ca.gov/app/dacs/>

<sup>8</sup> Census Quick Facts: <https://www.census.gov/quickfacts/table/PST045215/06>

## District Service and Infrastructure

The CSA provides only sewer services to a population of approximately 3,316. There are currently 1,149 active and 216 standby connections for a total of 1,365 connections. System permits include a National Pollutant Discharge Elimination System (NPDES) Permit Program regulating point source discharge into waters of the United States. The NPDES Program is a federal program delegated to the State of California for implementation through the State Water Resources Control Board (State Water Board) and Regional Water Quality Control Boards (RWQCB). CSA #17 holds a discharge permit from RWQCB and a NPDES Permit to discharge into Cottonwood Creek, a Sacramento River tributary.

### Present and Planned Capacity

Current wastewater and treatment system construction was completed in 1986; and portions of the existing systems are now more than 25 years old. The wastewater treatment plant (WWTP) has a capacity of approximately 0.46 million gallons per day (MGD) and a peak wet weather capacity of 1.32 MGD. Current usage is estimated at 70% of current capacity for average dry weather flow and 75% for peak wet weather flow.

**Table 3: Collection System**

Pipe Size	Pipe Length
6-8 inch Collector Mains	88,000 ft.
10-12 inch interceptor sewers	9,000 ft.

**Table 4: Lift Stations**

Station Name	Region Served	Capacity
Cottonwood	90% of the Service Area	600 gallons per minute
Black Lane	East Cottonwood	150 gallons per minute
Quail Lane	Tributary of Cottonwood Lift Station	60 gallons per minute
Crowly Creek	Primarily Cottonwood Elementary School	250 gallons per minute

## ANALYSIS AND RECOMMENDED IMPROVEMENTS

After reviewing existing wastewater system deficiencies under current conditions, the wastewater collection system was analyzed under future 2032 conditions. Considerations were also made for providing redundancy at facilities located in fire hazard severity zones.

1. Complete infiltration and inflow (I&I) monitoring. Based on results, develop a comprehensive ongoing multi-stage I&I reduction program as needed.
2. Parallel or replace existing sewers in order to relieve current or impending surcharging, possible blockages, and provide sufficient sewer capacity for projected future conditions.

3. Rehabilitate equipment at existing lift stations that has met its useful service life, are inefficient, or are considered to have operational deficiencies.
4. Rehabilitate equipment at the WWTP that is inefficient and has operational deficiencies.
5. Annually update GIS information and mapping gathered by the county and included in this report to improve disaster response preparedness.

The existing and proposed future sewer systems are shown in Figures 3 and 4 (*Source Sewer Master Plan Plates 1 and 5*).

**Major components of recommended improvements are:<sup>9</sup>**

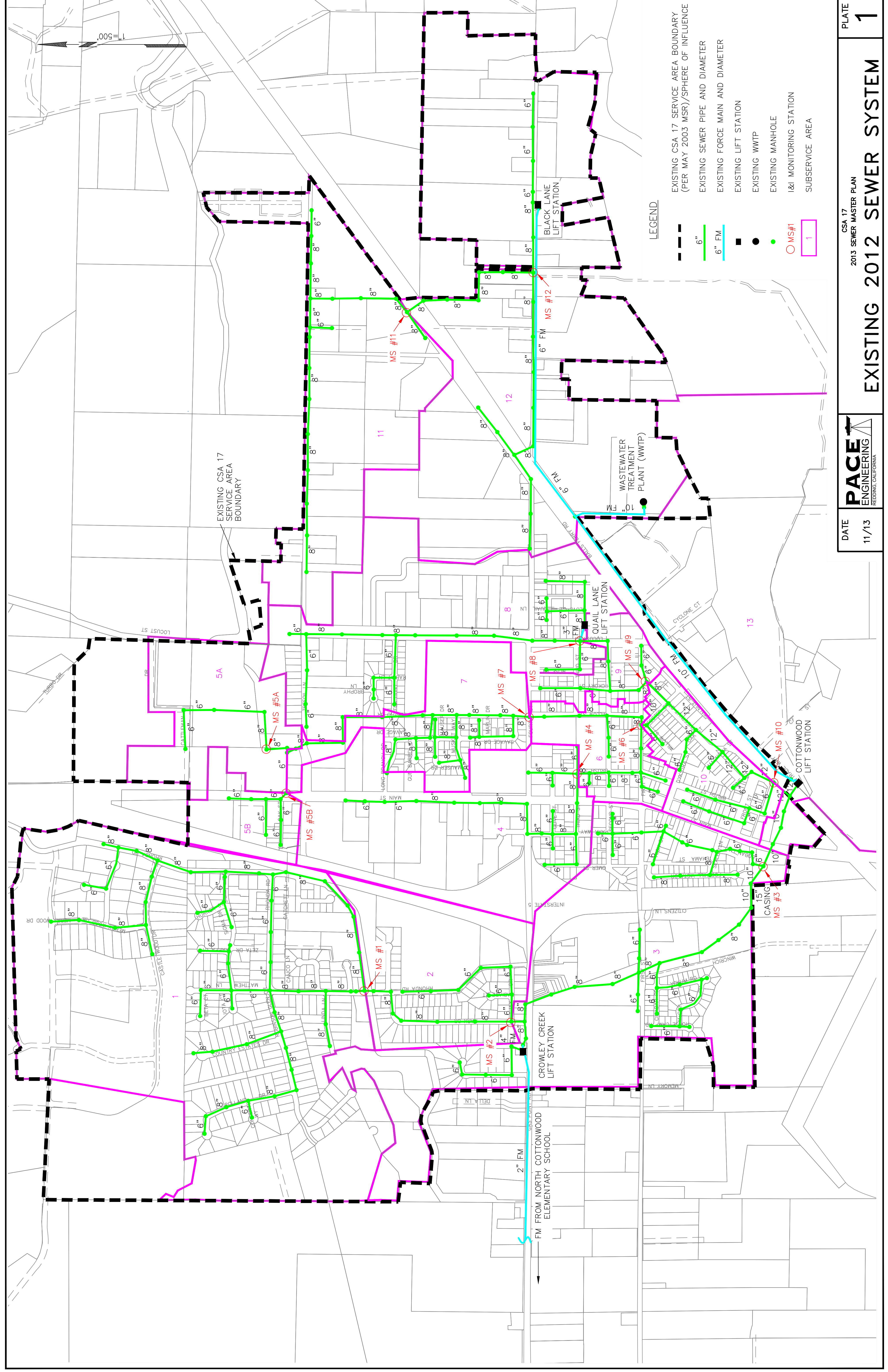
- Constructing a new biological selector
- Replacing aeration basin and sludge storage basin aerators
- Rehabbing existing clarifiers
- Replacing existing RAS, WAS, scum, sludge, water and drainage pumps
- Installing additional RAS pump
- Rehabbing existing filter backwash system
- Replacing existing chlorine contact basin slide gates
- Replacing freeze-proof yard hydrants
- Replacing inoperable chemical dosing and monitoring equipment
- Constructing a new office building
- Installing new chart recorders and lab equipment
- Updating all controls and alarms, including those at all lift stations
- Installing a new generator

The above recommended improvements are needed to adequately and more efficiently treat current wastewater flows, and are not growth-related. A grant application was submitted in January 2017 to provide funding to implement a number of these recommendations. Future grant applications will be sought to complete the remainder. Additional improvements are recommended in subsequent years to improve efficiency and redundancy of existing processes, as well as to expand capacity to keep pace with anticipated growth. For a complete explanation of recommended improvements, see the CSA #17 Cottonwood Sewer Master Plan.

<sup>9</sup> [http://www.co.shasta.ca.us/docs/Public\\_Works/docs/2013-csa-17-sewer-master-plan-complete.pdf?sfvrsn=4](http://www.co.shasta.ca.us/docs/Public_Works/docs/2013-csa-17-sewer-master-plan-complete.pdf?sfvrsn=4)

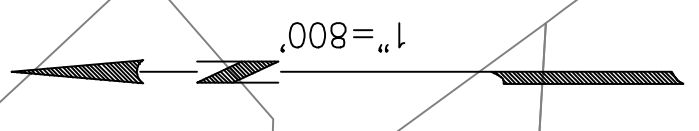
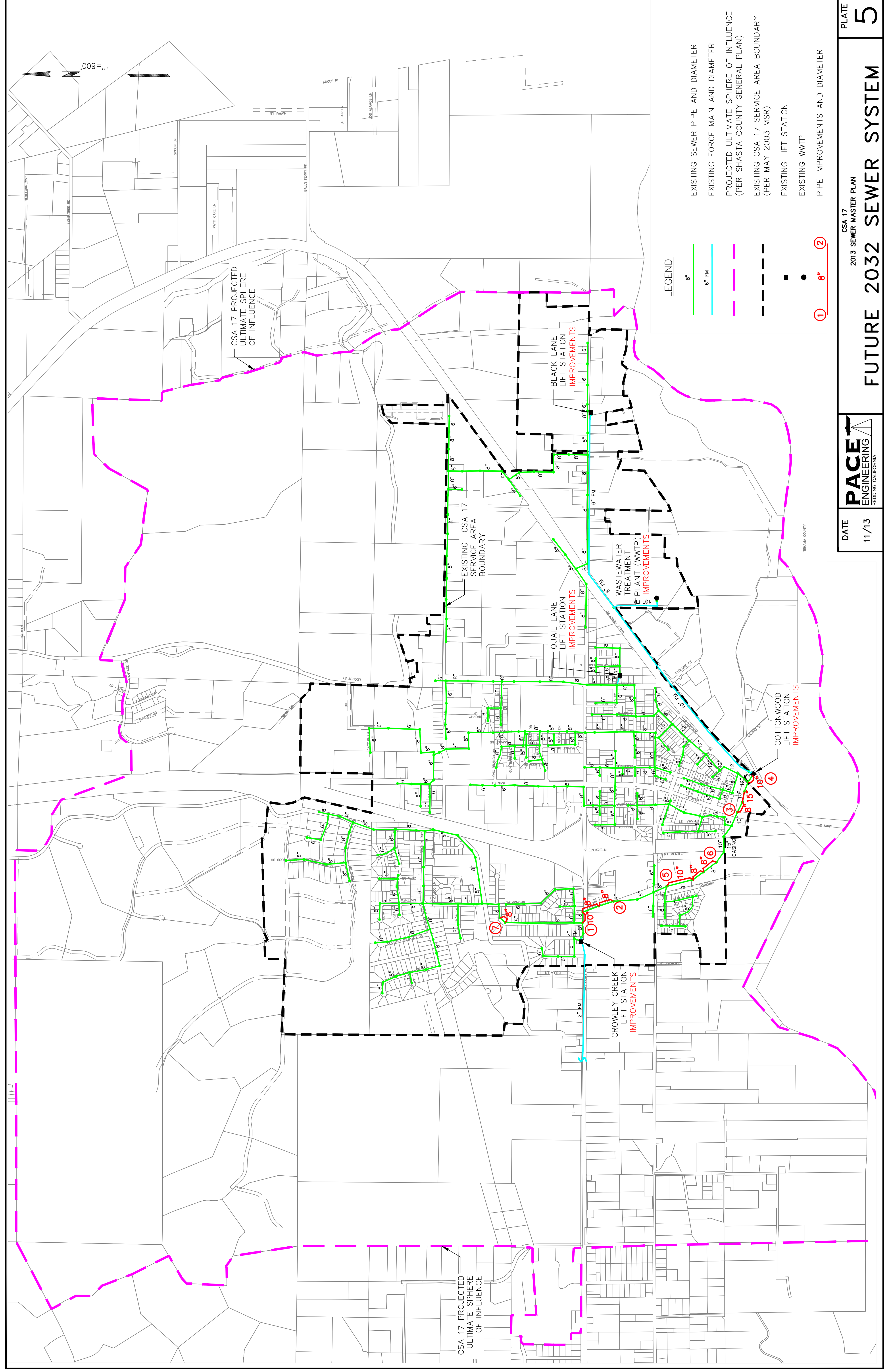
**Costs**

The total wastewater system general improvements costs (i.e., upgrading existing collection system, lift stations, and WWTP improvements) are approximately \$8,108,000, of which about \$2,349,000 is needed in the next five years.



LEGEND

- - - EXISTING CSA 17 SERVICE AREA BOUNDARY (PER MAY 2003 MSR)/SPHERE OF INFLUENCE
- 6" EXISTING SEWER PIPE AND DIAMETER
- 6" FM EXISTING FORCE MAIN AND DIAMETER
- EXISTING LIFT STATION
- EXISTING WWTP
- EXISTING MANHOLE
- MS#1 I&I MONITORING STATION
- 1 SUBSERVICE AREA



**LEGEND**

	EXISTING SEWER PIPE AND DIAMETER
	EXISTING FORCE MAIN AND DIAMETER
	PROJECTED ULTIMATE SPHERE OF INFLUENCE (PER SHASTA COUNTY GENERAL PLAN)
	EXISTING CSA 17 SERVICE AREA BOUNDARY (PER MAY 2003 MSR)
	EXISTING LIFT STATION
	EXISTING WWTP
	PIPE IMPROVEMENTS AND DIAMETER
	PIPE IMPROVEMENTS AND DIAMETER

**Table 5: Master Plan Projected Improvement Costs:**

Time Period	Collection System Improvements	WWTP Improvements	Total
2013 - 2017 Immediate Term	\$940,000	\$1,409,000	\$2,394,000
2017 - 2022 Near Term	\$724,000	\$1,595,000	\$2,319,000
2022 - 2027 Intermediate Term	\$967,000	\$1,089,000	\$2,056,000
2027 - 2032 Long Term	\$413,000	\$971,000	\$1,384,000
<b>TOTAL</b>	<b>\$3,044,000</b>	<b>\$5,064,000</b>	<b>\$8,108,000</b>

Costs include a 60% added for construction contingencies and indirect costs including environmental and engineering. Budgeting \$41,000 per year for the next 20 years to replace the worst of the aging sewer mains was also included. Figures are based on November 2013 dollars and do not include inflation or financing cost allowances. Full build is not likely to occur by 2032, and the County intends to update this Master Plan prior to development. Therefore, other than the collection system I-5 undercrossing consideration, and WWTP improvements to serve ultimate build out were beyond the Master Plan scope.

### Financial Considerations

A portion of recommended improvements benefit both future and current residents. Therefore, a proportional share in the cost burden is recommended in an effort to finance the infrastructure improvements and upgrades.

### Infrastructure Needs and Deficiencies

One system segment has shown signs of surcharging during peak rain events and requires further consideration for action to increase sewer capacity. Another sewer segment shows a potential for blockage and possible overflow due to deficiencies in sewer grade and construction. This is addressed in the Sewer Master Plan

### Funding Needs

The sewer system improvements funding needs are discussed in the Sewer Master Plan.

### Shared Facilities

The closest agency providing a similar sanitary sewer system that could possibly share facilities would be the City of Anderson, about 2.3 miles to the north. Given the distance, terrain (a need for force main installation), and need for City to be able to handle increased system demand it is unlikely that more efficiency would be achieved by sharing services with the City of Anderson.

## Financial Information

**Table 6: CSA #17 Cottonwood Revenues & Expenditures**

Revenue	Adopted 2016-17	Actual 2015-16	Actual 2014-15
420000 – Interest	\$500	644	894
560502 – Fed Water System Improve Grant	\$200,000	252,265	0
668122 – S/A Sewer Asmt Curr	\$40,000	49,912	49,811
693060 – Inspection Fees	\$150	150	200
693500 – Sewer Service Charges	\$677,196	567,409	603,185



Revenue	Adopted 2016-17	Actual 2015-16	Actual 2014-15
693900 – Connection Fees	\$ 0	0	200
799300 – Misc. Revenue	0	24	579
806349 – Trans-in CSA #17 Capital Improv.	0	15,000	0
<b>Total Revenue</b>	<b>\$917,846</b>	<b>\$885,404</b>	<b>\$654,869</b>
<b>Expenses</b>			
32300 – Clothing Personal Supplies XP	\$50	266	97
32500 – Communications Expense	\$2,300	2,548	3,246
32591 – CHGS IT COMM	\$99	96	94
32700 – Food Expense	0	22	0
32900 – Household Expense	\$5,000	3,141	4,714
32992 – CHGS FAC MGMT HSHLD EXP	\$568	975	583
33103 – INSUR XP Miscellaneous	\$2,960	2,940	3,096
33105 – INSUR XP Liability Experience	\$35,377	0	0
33500 – Maintenance Of Equipment	\$100,000	67,512	78,502
33592 - CHGS IT MNT	0	75	0
33791 – CHGS GAC MGMT MAINT STR	\$2,072	2,686	603
33900 – Lab Supplies/Testing	\$3,500	1,977	2,300
34100 – Memberships	\$3,500	3,836	3,448
34500 – Office Expense	\$50	887	106
34591 – CHGS OC Postage SVS	\$6,648	6,126	8,405
34800 – Prof & Special Services	\$250,000	67,127	92,651
34826 – PROF LAB Services	\$40,000	31,752	41,261
34829 – PROF MAINTENANCE SVS	\$336,043	322,675	278,428
34890 – CHGS FAC MGMT Prof SVS	0	10,997	123
34892 – CHGS IT Professional SVS	\$1,710	3,524	10
34900 – Publication	0	0	115
35100 – Rents & Leases Of Equipment	\$500	252	238
35500 – Minor Equipment	\$1,500	233	2,491
35591 – CHGS IT Hardware	0	29	1920
35700 – Special Departmental Expense	\$6,600	6,731	6,257
36100 – Utilities	\$77,000	71,158	70,444
50001 – Central Service Cost A-87	\$21,193	23,321	9,732
50200 – Retirement Of Long Term Debt	\$22,571	0	0
50300 – Interest On Long Term Debt	\$13,420	14,289	15,123
50900 – Depreciation Expense	\$240,599	240,599	240,599
61048 – CSA #17 Ctnwd Sewer Upgrade	\$200,000	216,219	0
<b>Total Expenses</b>	<b>\$1,132,661</b>	<b>\$861,354</b>	<b>\$623,087</b>
<b>Net Total (Deficit)</b>	<b>(\$214,815)</b>	<b>(\$24,050)</b>	<b>\$31,782</b>

Source: Shasta County Budget

**Service Rates**

The current CSA #17 fee schedule for sewer services is as follows:

**Table 7: Rates for Sewer Service**

Effective Date	Basic Bi-Monthly Charge per (HE)*
August 1, 2015	\$77.52
August 1, 2016	\$86.82
August 1, 2017	\$96.37
August 1, 2018	\$106.01
August 1, 2019	\$111.32

\* One Household Equivalent HE discharges an approximate wastewater flow of 250 gallons/day.

**Table 8: Monthly Standby Charge**

Unused Assessment Units	Bi-Monthly Standby Charge
1-5	\$10.00
6-10	\$20.00
More than 10	\$30.00

The applicable standby charge shall be paid by the owner of each parcel in the service area for which delivery of sewer service is readily available but has not been initiated whether structures are present on the property or not. The Public Works Director may waive the monthly standby charge if The Public Works Director determines that service is not readily available to a particular parcel. This determination will include factors such as size of the property, the topography of the property, and the shape of the property.

**Installation:** Main line extension installations shall be at the sole expense of the person or entity applying. When main line extensions are required, extension of service shall be constructed at the sole expense of the person or entity applying for the extension, and shall meet or exceed minimum standards and requirements of the County. A deposit to cover the improvement plan check and construction inspection will be required. The minimum deposit shall be \$500.00.

**Capital Improvement Fee:** For new land uses that will generate wastewater in excess of the household equivalents that were previously purchased for the affected property, the property owner shall pay a Capital Improvement Fee of \$4,560.00 for each additional household equivalent based on the proposed zoning or use.

- A). Commencing January 1, 2016 and annually thereafter, the amount of the Fee shall be automatically adjusted by a percentage equal to the percentage change in the Engineering News Records' construction cost index from the index for January of the preceding year to index for the January of the adjustment year.

The Capital Improvement Fees shall be deposited into the CSA #17 Capital improvement fund for future expansion of the system.

**Collection System Improvement Fee:** For new land uses that will generate wastewater in excess of the household equivalents that were previously purchased for the affected property, the

property owner shall pay a Collection System Improvement Fee in accordance with the following schedule for each additional household equivalent based on the proposed zoning or use:

West Area:	\$2,025.00
Central Area:	\$1,015.00
East Area:	\$ 0.00

A). Commencing January 1, 2016 and annually thereafter, the amount of the fee shall be automatically adjusted by a percentage equal to the percentage change in the Engineering News Records' construction cost index from the index for January of the preceding year to index for the January of the adjustment year.

The Collection System Improvement Fees shall be deposited into the CSA #17 capital fund for future main collection system improvements in the western and central portions of the CSA.

### **Financing Constraints and Opportunities**

Cottonwood CSA #17 is an "enterprise" district that derives its service funding primarily from services fees and charges. The District sets fees and charges based on cost of the service provided, and other fiscal considerations to maintain a positive budget balance and to maximize use of existing fiscal resources.

The Sewer Master Plan states CSA #17 has a capacity charge of \$3,600 per household equivalent (HE), and a determination was made of an appropriate capacity charge based on actual and future general improvement costs. A portion of some improvements recommended beyond the immediate first five years benefit both future and existing customers. A proportional share in the cost burden is recommended in the Plan. The computed fee, which accounts for 23% of future improvement costs attributed to growth based on possible future HEs, is \$4,844. The Plan recommended annual fee adjustment, by the Engineering News Record Construction Cost Index (ENR CCI) increase, which was 9666 in November 2013.

### **Cost Avoidance Opportunities**

Staff has considered switching from bi-monthly direct billing for service to establishing an annual service charge for each parcel payable via the annual tax bill as a means of reducing delinquencies and billing expenses. (From 2013 RFI).

### **Governance Structure Options**

The Cottonwood Water District encompasses an overlapping area with CSA #17. There may be some cost savings and governmental advantages in combining the districts, if feasible, and acceptable to the CWB Board of Directors.

# MUNICIPAL SERVICE REVIEW DETERMINATIONS

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This chapter addresses determinations as specified in the CKH Act (CA Government Code §56430). As part of the MSR process, each LAFCO makes written determinations for each category below.

## **Growth and population projections**

CSA #17 was created to provide municipal sewer service to the community of Cottonwood. There have been SOI amendments that could potentially increase its service area. However, population growth and population projections for the area served is expected to be limited or none as the area is built-out. The estimated residential population with the CSA #17 boundary is approximately 3,316. The projected 2035 population, based on current growth rates is expected to be approximately 3,946.

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

CSA #17 has been identified as being 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**

A Sewer Master Plan (the Plan) was developed in 2013 that addresses the CSA #17 system under future 2032 conditions. The Plan also includes the cost of the improvements. The County Public Works department is continually seeking funding to implement recommended improvements outlined in this MSR, including a grant application submitted in January 2017. LAFCO recommends that CSA #17 continue seeking funds for implementation of the identified Plan improvements.

## **Financial ability of agencies to provide services**

CSA #17 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. The District seeks to be as efficient and innovative as possible in maximizing the use of existing fiscal resources.

The Sewer Master Plan Identifies financing constraints and opportunities for funding the needed improvements identified in the Plan.

## **Status of, and opportunities for, shared facilities**

CSA #17 is located in a rural region where physical separation from other communities limits the area where extension of sanitary sewer service is practical. Due to limitations in distance and terrain, no opportunities for shared facilities have been identified. There is no known overlapping or duplication of services within the CSA’s boundaries.

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

Accountability for CSA residents in the Cottonwood 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

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Shasta LAFCO makes the following written 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, Agricultural, Resource Habitat or Hazard. This is a rural area with community development either clustered around the District or scattered on secondary roads.

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

The County General Plan shows an Ultimate SOI for this CSA that covers 3,949 acres. Of this area, more than one thousand acres is designated as Agricultural, Hazard (Flood Zone) or Resource Lands. Development in these areas is restricted and service extension is unlikely. The SOI is proposed to be reduced to 2,925 acres, to exclude these lands as part of SOI Update. County General Plan designated lands for development would remain in the SOI.

### **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 sewer services only. District facilities adequately provide for current service needs within the CSA boundary. The services were comprehensively evaluated by LAFCO as part of the MSR.

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

CSA #17 is located west of the City of Anderson., and is currently served by the Cottonwood Fire Protection District. The City of Redding to the north provide 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 Cottonwood area within the SOI is considered a DUC. There are no DUCs adjacent to the CSA that should be considered for inclusion in the CSA #17 SOI.