



**County Service Area #8 – Palo Cedro
and
County Service Area #11 – French Gulch**

Municipal Service Review &
Sphere of Influence Update

Commission Approved
February 6, 2020

SHASTA LOCAL AGENCY FORMATION COMMISSION

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COUNTY SERVICE AREAS # 8 & #11

Introduction

This Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides information about County Service Area #8 – Palo Cedro (CSA #8) and County Service Area #11 French Gulch (CSA #11) infrastructure, management, services, and boundaries. The report is for use by the Shasta Local Agency Formation Commission (LAFCO) in conducting a statutorily required MSR review and SOI update process. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that the Commission conduct periodic reviews and SOI updates of for cities and special districts in Shasta County (Government Code § 56425). State law also requires that, prior to SOI adoption, LAFCO must conduct a review of the municipal services provided by that local agency (Government Code § 56430). This report provides LAFCO with a tool to study current and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

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 Public County Works Department provides staff support and administers District operations.

Principal Act

The CSA principal act 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 #8 is authorized to provide water and wastewater services. CSA #11 is authorized to provide water services. 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 County Service Areas along with profiles of each agency. The report also includes service review determinations and sphere of influence recommendations for each of the following service areas:

County Service Area #8 – Palo Cedro

County Service Area #11 – French Gulch

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 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 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 SOI update, to consider 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 County Service Areas and water service 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 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; Department of Finance; CA Water Resources Board;
- o Finances: budgets, rates and fees; and
- o Other Reports and Assessments: State Water Resources Control Board citation

Information gathered was analyzed and applied to make the required determinations for each agency and reach conclusions about the focus issues identified in the service review. All information gathered for this report is filed by LAFCO for future reference.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code §21000 *et seq.* Under this law, public agencies are required to evaluate the potential environmental effects of their actions. MSRs are statutorily exempt from CEQA pursuant to §15262 (feasibility or planning studies) and categorically exempt pursuant to CEQA Guidelines §15306 (information collection). It should be noted that when LAFCO acts to update an SOI, CEQA requirements must be satisfied. The lead agency for CEQA compliance would most likely be LAFCO.

Common Topics for Each Agency Profile

Several topics are evaluated in each agency profile. Those topics are defined in this section and discussed further in the agency profiles.

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 California Department of Water Resources Disadvantaged Communities Mapping Tool uses US Census Block Groups, Tracts and Places from the US Census American Community Survey (ACS) 5- Year Data: 2012-2016 to map disadvantaged communities. Using this information, each district or agency is evaluated to determine whether it is a DUC, or in the case of cities, whether there

are DUCs within the city's SOI. In many cases, Census Block Groups are larger than Districts. In these cases, LAFCO's evaluation was conducted with an abundance of caution to ensure no DUCs are overlooked.

In order to provide a more accurate representation of current conditions, this report utilizes ACS 5-Year Data from 2013 to 2017 matched with DUCs identified by the Disadvantaged Communities Mapping Tool.

Shasta County Growth Projections

Between 2013 and 2017, the Shasta County population grew from 177,966 to 178,919 people, an average annual growth rate of 0.12 percent¹. When reviewing population data, it is important to distinguish between population changes that affect the entire County and the unincorporated portion of the County, which can be affected by annexations and other boundary changes. The unincorporated area of the County currently makes up about 38% of the County's total population. The California Department of Finance projects the County's population will increase from 179,412 to 188,154, between 2020 and 2030, an average annual growth rate of 0.49%². If the unincorporated area's portion of the County's population remains near 38%, it is estimated that the unincorporated area would increase from 68,177 to 71,499 people.

However, according to the most recent California Department of Finance estimate, the Shasta County population decreased by 0.1% from 2018 to 2019³. This could be the result of the Carr Fire that consumed 359 square miles around Whiskeytown Reservoir in 2018, and other wildfires to the east. For report purposes an annual population growth estimate of 0.12% to 0.49% is used to predict the future population range that may be served by the CSAs during this MSR cycle. It should also be noted that the Department of Finance, Demographics Division, now states that assumptions used to project future population may no longer be applicable and that these projections could change with their next estimate cycle, which is every 5 years.

Existing and Planned Land Uses

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

Governance and Accountability

Both CSA #8 and #11 operate as dependent special districts under the Shasta County Board of Supervisors and operated by County staff. Any decisions regarding the CSAs are made at regular Board meetings. The Board typically meets on Tuesdays at 9:00am in the Board of Supervisors Chambers at 1450 Court Street in Redding, CA. Board meeting dates, times, agendas, and minutes are available online at co.shasta.ca.us. The current Board members are provided below:

¹ US Census Bureau, 2013-2017 American Community Survey 5-year Estimates.

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.

Shasta County Board of Supervisors

Board Member	District	Term Start
Joe Chimenti	1- Redding	2019
Leonard Moty	2 - Centerville, French Gulch, Happy Valley, Igo/Ono, Keswick, Platina, Shasta, South Redding, Verde Vale	2009
Mary Rickert	3 - Bella Vista, Burney, Cassel, Fall River Valley, Montgomery Cr, Oak Run, Old Station, Palo Cedro, Pittville, Whitmore	2017
Steve Morgan	4 - Castella, Lakehead, Shasta Lake, Mountain Gate	2017
Les Baugh	5 - Anderson, Cottonwood, Millville, Manton, Shingletown, Viola	2007

Governance Structure

As stated above, CSAs #8 and #11 are dependent special districts governed by the Shasta County Board of Supervisors and managed by the Shasta County Public Works Department. In addition, CSA #11 has a Community Advisory Board (CAB). These typically consist of seven (7) members who serve as a liaison between CSA residents and the County.

CABs were established by the County in 1984 pursuant to Resolution No. 84-6 with CAB members appointed by the County Board of Supervisors for 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. CABs provide for local participation and County accountability. Affected constituents may provide input directly to County staff or the respective member of the Board of Supervisors.

Management and Staffing

The County Public Works Department provides administrative support, staffing, and operations for 11 CSAs, including the CSA #8 Palo Cedro water and sewer system and CSA #11 French Gulch water system. The Department has one operation supervisor, one lead water/wastewater operator, two licensed water treatment plant operators, and four extra help employees. The Department is responsible for maintaining, upgrading, or replacing equipment. They also manage budgets, suggest service rates and assure compliance with all laws relating to quality, health, and safety. The Department manages funds for CSA capital improvement projects, bond assessments, and debt service, and administers billing of CSA customers.

AGENCY PROFILES

This section profiles the County Service Areas listed below. Included in each profile is a description of each agency's organizational development, tables listing key service information, and maps showing jurisdictional boundaries.

CSA #8 – Palo Cedro

CSA #11 – French Gulch

CSA #8 – Palo Cedro

Palo Cedro, located approximately eight miles east of Redding, is an early Shasta County community, formed initially as a 30-acre town site. The area has featured fruit, livestock, and other agricultural enterprises for many years, with local business supporting community needs.

The first public service need identified by the community, fire protection, resulted in the decision to request formation of the Palo Cedro Area Community Services District in 1967. It was approved and authorized to provide fire protection services to over 14,800 acres and noted the future need for water and sewer services within its boundary. This District remained in operation until 1972. When County Service Area #1 – Shasta County Fire Department was first formed and took over management of the CSD’s volunteer fire company and its facilities. Since the CSD was no longer active, CSA #8 was eventually formed to provide sewer, and later water, service to the area.

Table 1: CSA #8 Overview Summary

Primary Contact	Shawn Ankeny, Supervising Engineer, Shasta County Public Works Dept		
Address:	1855 Placer Street Redding, CA 96001		
Website	www.co.shasta.ca.us		
Services Provided	Water & Wastewater (County Management: Troy Bartolemei)		
Population Served:	~ 405	Service Area:	~ 1.1 sq. mi.
Service Connections (water/sewer)	78/163		

Formation

CSA #8, organized as a dependent special district (Government Code §25210-25217.4), provides domestic water service and sewer service to the unincorporated community of Palo Cedro located approximately eight miles east of the City of Redding along Little Cow Creek.

In 1980, County Service Area #8 – Palo Cedro was formed to upgrade individual septic systems to a community sewer system. Initially, the CSA covered 270 acres which were generally located in the downtown area of Palo Cedro. Funding was subsequently obtained to construct a conventional gravity collection system in the commercial area with a lift station near Junction School to carry raw sewage to an aerated-cell treatment system and land-application disposal facilities located in the Stillwater Plains area.

Additional areas were identified for sewer service during the 1984 sphere of influence study. Prior to initiating water services to Palo Cedro, commercial and residential development within CSA #8 relied on either private wells or services from the Bella Vista Water District. In 1984, Shasta LAFCO assigned approximately 3,600 acres and all of Palo Cedro to the Bella Vista Water District SOI because CSA #8 did not provide water service at that time. In late 1988, the Palo Cedro Golf Estates subdivision approval was conditioned upon receiving both sewer and water services and the subdivider subsequently approached CSA #8 about providing both services. The subdivision was completed in 1990 with all water system improvements in place and annexed into CSA #8.

In 1995, water service was extended to 29 more parcels. Although these were technically within the Bella Vista Water District SOI at the time, Bella Vista Water District was not able to provide services to the area due to drought conditions and limitations on water allocations. Today, the CSA has grown from its initial 270 acres to almost 700 acres in size. Not all areas covered by the sewer zone receive water. The last CSA #8 SOI update occurred in 1983.

County Service Area Boundary and Sphere

The CSA boundary encompasses approximately 706.3 acres and the SOI is coterminous. Sewer service is offered throughout the CSA, but water service is only offered to approximately 137.2 acres within the CSA boundary, covering areas around Calistoga Way and Golfime Drive. See *Figure 1: CSA Boundary and Sphere*. The CSA serves a population of about 405 with approximately 78 active connections. An MSR was previously conducted in 2014.

Other Service Providers

Shasta County Sheriff's Office provides police services and CSA #1 Shasta County Fire provides fire protection services to CSA #8. There is a Bella Vista Water District (BVWD) emergency water intertie with CSA #8. There is an existing agreement between BVWD and CSA #8, which outlines the process and circumstances for intertie activation. The intertie activation must be requested. Pursuant to the agreement, Palo Cedro is directed to request the intertie be opened. During after hours, there is an on-call operator to open the intertie. During working hours, it takes approximately 30 minutes to activate the intertie and approximately an hour during after hour operations. Customers are not automatically notified, however, there is an answering service which patches customers through to the on-call operators.

The existing intertie agreement has not been updated for some time. An update is recommended, to correct any deficiencies and provide for current capacity and infrastructure limitations.

BVWD does not currently have sufficient Central Valley Water Project (CVWP) water allocations to serve CSA #8. Any proposed annexation of CSA #8 customers or consolidation with BVWD would require CVWP Board approval and would also trigger National Environmental Protection Act (NEPA) compliance due to federal water regulations. BVWD is also subject to strict regulations and water restrictions in drought years which may limit their ability to take on new customers.

Existing and Planned Land Uses

Land Use

Land uses in the CSA include Commercial (C), Rural Residential A (RA), Suburban Residential (SR), and Planned Development (PD). Schools are designated either RA or SR. Outside of the CSA boundary, land use is primarily Rural Residential, which generally allows for one dwelling unit per 10 acres. Palo Cedro is designated as a "Town Center" in the Shasta County General Plan. General Plan policy CO-r states: "The County should develop specific plans for the ..., and Palo Cedro areas." See *Figure 2: CSA Land Uses*

Zoning

Zoning in the CSA is primarily Community Commercial (C-2) and Planned Development (PD). Other zoning districts include Public Facility (PF), Rural Residential (R-R), Rural Residential Building Site Sac Lots(R-R-BA-S), Designated Floodway (F-1), Office Commercial-Design Review (C-O-DR), Commercial-light industrial-Design Review (C-M-DR), Community Commercial Design Review (C-2-DR),. Surrounding zone districts include various Rural Residential and Limited Residential.

Growth and Population

According to the 2018 ACS 5-year estimate, the Palo Cedro Census Designated Place (CDP) has a population of 1,151⁴. This is a decrease from the 2014 population estimate of 1,626. Additionally, the Palo Cedro CDP boundary is larger than that of the CSA. It is likely that the population estimate is larger than the actual CSA population.

⁴ACS 2018 5-year Estimate, Population, Table S0101 for Palo Cedro, California.

Figure 1: CSA Boundary and Sphere

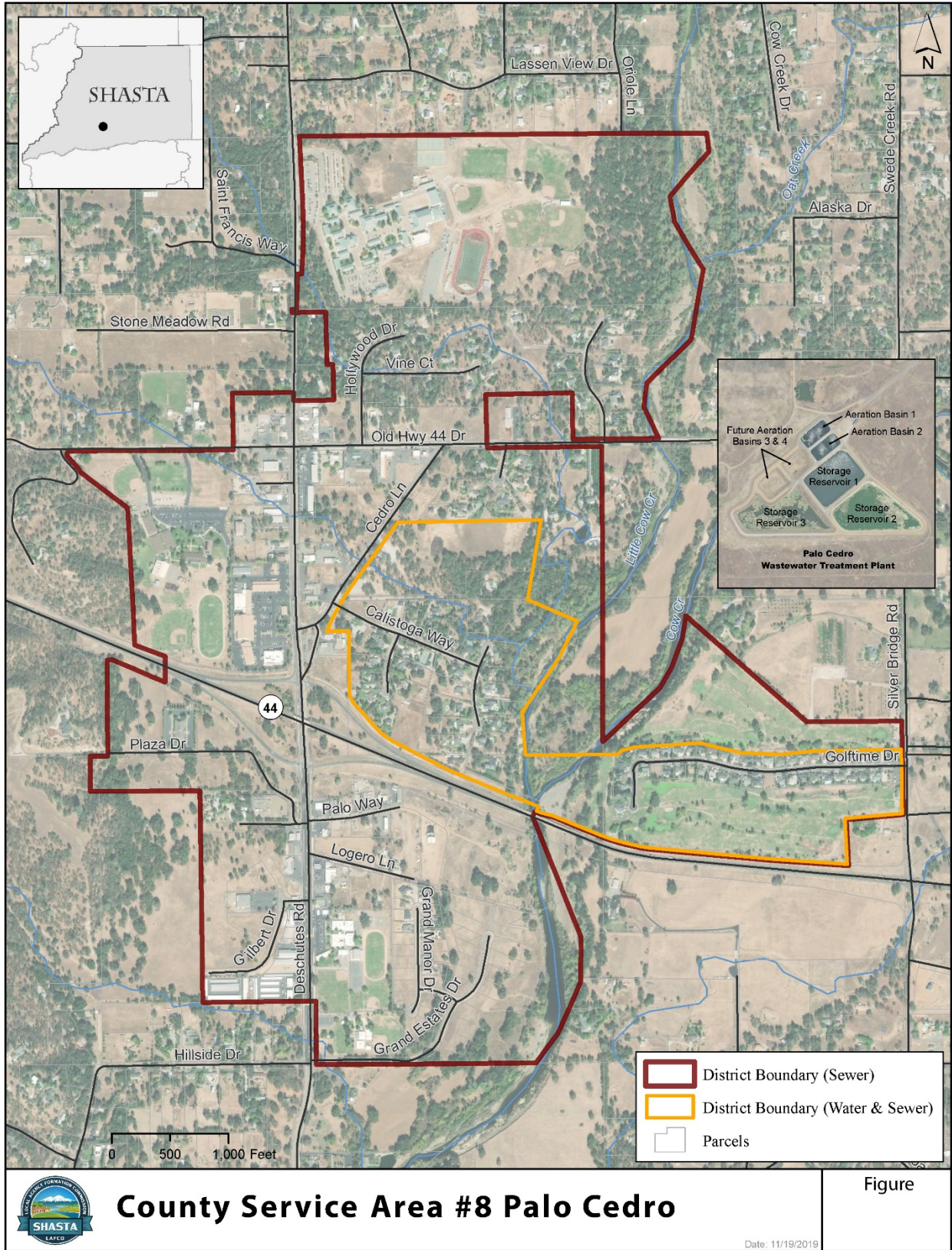
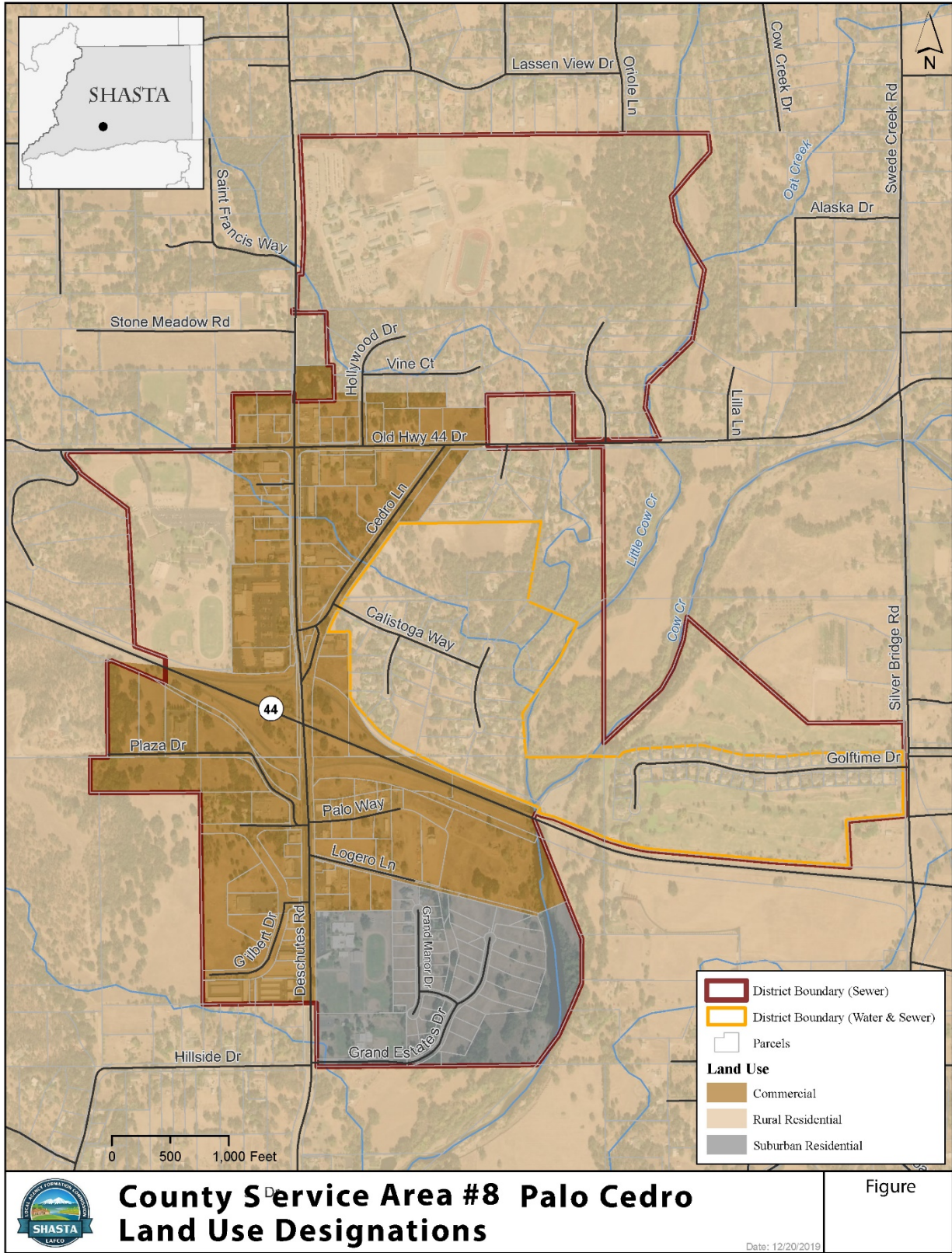


Figure 2: CSA Land Uses



Using the ACS 5-year estimate and the population growth range for unincorporated Shasta County (0.12 to 0.49 percent), the projected population for the Palo Cedro area in 2024 is 1,157 to 1,179. Since the CSA boundary is smaller than the Palo Cedro census boundary. It is likely that actual population growth in the CSA, if any, will be smaller.

There is an island of land (substantially surrounded) at approximately 8.3 acres, which is not part of CSA #8 located along Old 44 Drive in the northern portion of CSA #8 southeast of Vine Court.

Disadvantaged Unincorporated Communities

Palo Cedro is a Census Designated Place and according to the 2018 ACS 5-year estimate, it has a MHI of \$83,148⁵. This is over the reported California MHI of \$71,228. This is an increase from the 2014 ACS 5-year estimate of \$81,000. Since the MHI is above the California MHI, Palo Cedro is not considered a DUC.

Municipal Services

CSA #8 offers wastewater services within its boundary and water services to a small portion of the district along Calistoga Way and Golftime Drive. CSA #8 maintains 78 water service connections and 163 wastewater connections.

Water Source

CSA #8 is served by one well drilled in 1990 to 137-feet below ground surface (bgs). The well is located approximately 400 feet east of Cow Creek and 40 feet from Highway 44⁶. There is a BVWD water service intertie for emergency use under certain circumstances described in the agreement with CSA #8. In the event of a power outage, CSA #8 does not have onsite backup generators for pumping water to customers. The County has portable backup power generator to power the well motor and has rented generators in the past to maintain water service during power outages.

There are 79 active connections, serving a population of approximately 261, which includes 78 single-family residences and a golf course. There is one 5,000-gallon steel pressure tank. The golf course has its own dedicated water well used for irrigation only. It was drilled in 1990 to a depth of 380 feet bgs and is located on the west side of maintenance shop roughly 60 feet from Silverbridge Road. The irrigation well has no physical connection to the CSA domestic/drinking water supply.

Water Present Capacity

The water system distributes approximately 25,000 gallons per day (gpd) in winter and 170,000 gpd in summer months. The well produces about 700-750 gallons per minute (gpm), with numerous daily pump cycles due to no storage tanks other than the 5,000-gal pressure tank noted above. A higher number of cycles may require pump replacement every 3-4 years. A new pump was installed in the summer of 2015⁷.

Water Treatment, Storage, and Distribution

Well water is treated with sodium hypochlorite (12.5%) for bacteria prevention, by a chlorinator installed in November 2002. Chlorination is provided by a Premia 75 solenoid metering pump with a maximum 1.83 gph output. A chlorine solution is pumped into the 6-inch diameter galvanized steel pipe at the well head prior to the pressure tank. A disinfection data sheet is completed and submitted for review each month and shows a typical residual of about 0.20 ppm to 0.40 ppm in the distribution system⁸.

⁵ACS 2018 MHI 5-year Estimate, Table S1903 for Palo Cedro CDP, California.

⁶ Shasta County Department of Resource Management-Small Water System Inspection Report 2017

⁷ Shasta County Inspection Report, 2017.

⁸ Shasta County Inspection Report, 2017.

There is one 5,000-gallon horizontal galvanized steel pressure tank located near the well head which is equipped with an air compressor, generator, and pressure gauge. A tank pressure switch is preset to turn on the well pump at 54 psi and turn the well pump off at 75 psi.

The primary distribution system consists of 7,218 feet of 8-inch diameter pvc main pipe, with 11 six-inch diameter fire hydrant valves. The main terminates near Silverbridge Road at the golf club house and Cedro Lane at Calistoga Way. A distribution system map can be found in the permit file or at the Shasta County Public Works office. The operating pressure in the distribution system has been measured in the range of 35 psi - 45 psi during previous inspections⁹. The system operations plan includes valve flushing schedules and what actions would be taken when water mains break or if there is a pressure loss below 5 psi.

Water System Monitoring

CSA #8 is required to routinely monitor for drinking water contaminants and water turbidity. Annual Consumer Confidence Reports (CCR) shows drinking water monitoring results for the January 1 to December 31 period. The most recent CCR (2018) was sent to customers and posted on the Shasta County website. It reports no Palo Cedro system violations of maximum contaminant levels or other water quality standards exceedances during the monitoring period.

Wastewater

CSA #8 currently provides wastewater services to approximately 163 connections representing 465 household equivalents (HEs) with a maximum capacity of 585 HEs. There are 132 residential connections and 31 commercial connections¹⁰. Wastewater is collected from residences and transferred to a treatment facility approximately 2.5 miles southwest of the CSA boundary.

The treatment facility was originally built in 1986 and was most recently upgraded in 1999. It consists of a headworks with static screen, two aeration basins, and three storage reservoirs. Wastewater is pumped to the facility where it passes through the screen and then flows to one of the two aeration basins. Aerated water then flows by gravity to the three storage basins before being used to irrigate onsite landscaping during the summer months¹¹.

The treatment facility is subject to Waste Discharge Requirements (WDRs) set by the Central Valley Regional Water Quality Control Board. The WDRs provide a detailed overview of the system and sets requirements for various items such as storage capacity, inflow limitations, pH levels, sludge removal, and land applications.

Present Wastewater Capacity

2016-17 precipitation was very close to a 100-year rainfall year. During early spring 2017, all WWTP ponds were near capacity, volume-wise. To re-create the 2016-17 condition, a hydraulic balance was performed using actual wastewater flows and rainfall amounts received. Analysis indicates the existing treatment and disposal facilities can likely handle an additional 129 HEs if operations continue as usual. The County is aware of system limitations for accommodating new growth, and hired PACE Engineering to prepare a technical memorandum discussing treatment plant expansion options. This Memorandum is available in the appendices.

Wastewater Storage

The WWTP has 3 ponds with a combined storage capacity of 40.7 MG (125.0 ac-ft).

Wastewater Infrastructure: Analysis and Recommendations

Current treatment Infrastructure consists of a headworks, aeration basins, and storage reservoirs. Wastewater gravity flows from the storage basins and is used for irrigation. The wastewater

⁹ Shasta County Inspection Report, 2017.

¹⁰ Technical Memorandum, Pace Engineering, December 4, 2018.

¹¹ Technical Memorandum, Pace Engineering, December 4, 2018.

collection, treatment and disposal infrastructure is operating within capacity. The capacity expansion analyzed in the PACE Engineering Technical Memo, in anticipation of future growth and system upgrades, is not necessary at this time.

Shared Facilities

The closest agency providing a similar sanitary sewer system would be the City of Redding, about 3.4 miles east of CSA #8. Given the distance, terrain, a need for force main installation, transmission costs and increased City system capacity, it is unlikely that more efficiency would be achieved by sharing services with the City of Redding.

Financial Overview

The CSA is primarily funded through water service collection fees and sewer charges; other funding sources include interest and an assessment. The major expenses are professional maintenance and monitoring services. See Table 3.

Table 2: CSA #8 Financial Summary

Categories	Adopted FY17-18	Actual FY17-18	Adopted FY18-19	Actual FY18-19	Adopted FY19-20
Revenue					
Water Collections	\$ 31,000.00	\$32,242.48	\$ 31,000.00	\$42,315.37	\$60,000.00
Sewer Charges	\$ 123,000.00	\$124,475.39	\$ 123,000.00	\$147,137.84	\$200,000.00
Connection Fees	\$ -	\$ -	\$ -	\$ 8,750.00	\$ -
Tran in CSA #8	\$ -	\$ -	\$150,000.00	\$135,000.00	\$ -
Interest	\$1,000.00	\$ -	\$1,000.00	\$964.73	\$400.00
S/A Sewer Asmt Curr.	\$ -	\$381.49	\$ -	\$141.98	\$ -
Miscellaneous Sales	\$ -	\$ -	\$ -	\$28.80	\$ -
Total Revenue	\$155,000.00	\$157,099.36	\$305,000.00	\$334,338.72	\$260,400.00
Expenses					
Communications Exp	\$3,000.00	\$2,876.98	\$3,000.00	\$2,959.04	\$3,500.00
Insur XP Miscel.	\$769.00	\$768.96	\$577.00	\$576.96	\$540.00
Equipment Maint.	\$25,000.00	\$2,792.33	\$7,000.00	\$10,528.79	\$10,000.00
IT Maint. Hard/Soft.	\$ -	\$36.54	\$ -	\$41.14	\$37.00
Facils. Manage/Maint	\$803.00	\$900.00	\$50,800.00	\$39,850.83	\$1,000.00
Med/Dentl Lab Supps.	\$1,000.00	\$494.60	\$500.00	\$ -	\$500.00
Memberships	\$200.00	\$155.60	\$200.00	\$150.00	\$200.00
OC Postage Service	\$1,056.00	\$1,003.93	\$148.00	\$1,187.97	\$1,581.00
Professional/Spec. Servs	\$20,000.00	\$5,030.19	\$20,000.00	\$55,588.67	\$25,000.00
Professional Lab Servs	\$5,000.00	\$6,364.50	\$ 5,000.00	\$5,246.50	\$5,000.00
Professional Maint.	\$50,000.00	\$53,475.31	\$60,000.00	\$36,339.19	\$60,000.00
Professional Monitoring Servs	\$100,000.00	\$105,075.96	\$115,000.00	\$94,595.21	\$125,000.00
IT Services	\$3,444.00	\$1,413.98	\$1,158.00	\$1,058.55	\$1,162.00
Publications & Notices	\$ -	\$ -	\$ -	\$124.00	\$ -
Minor Equipment	\$3,000.00	\$1,827.28	\$3,000.00	\$826.80	\$2,000.00
Special Dept Expense	\$25,000.00	\$17,746.72	\$25,000.00	\$20,303.25	\$25,000.00
Transportation Travel	\$3,000.00	\$3,907.71	\$3,000.00	\$3,881.97	\$3,000.00
Utilities	\$50,000.00	\$49,349.77	\$60,000.00	\$53,803.96	\$60,000.00

Categories	Adopted FY17-18	Actual FY17-18	Adopted FY18-19	Actual FY18-19	Adopted FY19-20
Central Service Cost Plan Change	\$2,502.00	\$2,502.00	\$7,517.00	\$7,517.16	\$5,131.00
Interest	\$1,000.00	\$1,461.82	\$1,000.00	\$964.73	\$400.00
Total Expenses	\$294,774.00	\$257,184.18	\$362,900.00	\$335,544.72	\$329,051.00
Net Total	(\$139,774.00)	(\$100,084.82)	\$(57,900.00)	\$(1,206.00)	\$(68,651.00)

Service Rates

The CSA #8 charges a base rate per customer that includes the first 12,000 gallons (1,604 cf). Above that, customers are charged a rate per 1,000 gallons. The table below shows the rate increase schedule through November 2021.

Table 3: CSA#8 Water Use Fees

Charge Type	Rate as of 11-1-19	Rate as of 11-1-20	Rate as of 11-1-21
Base Rate includes 12,000 gal	\$78	\$100	\$122
Per 1,000 gal above Base Rate	\$0.60	\$0.65	\$0.70

Installation: When main line extensions are required, they shall be constructed at the sole expense of the person or entity to be served and shall meet or exceed minimum County standards and requirements. An improvement plan check and construction inspection deposit is required. The minimum deposit is \$1,500. Once actual costs, including personnel and materials, of plan checking and construction inspection are determined, a fee to cover those costs is imposed and the deposit applied to the fee.

When a main line extension is not required, County personnel will install the meter on an existing service pipe in an existing box based on the following fees to be paid prior to installation: 3/4" meter fee of \$210; any other size meter fee of \$300.

When a service line and box must be installed on an existing main, County personnel will install the meter based on the following fee to be paid prior to installation: \$3,400.00 deposit, plus actual costs including personnel and materials.

Wastewater Connection Fees: Owners of structures that did not have operating on-site sewage disposal systems on or before February 4, 1984, shall pay a Connection Fee of \$14,922 per household equivalent prior to connection to the sewage disposal system. Owners of structures that did have operating on-site sewage disposal systems on or before February 4, 1984, shall also pay a \$14,922 per HE Connection Fee in excess of that which was in use in that place on the said date prior to connection to the sewage disposal system.

Commencing January 1, 2020, and annually thereafter, the amount of the Fee shall be automatically adjusted by a percentage equal to the percentage change in the Engineering New Records' construction cost index from the index for January of the preceding year to index for the January of the adjustment year. Connection Fees shall be deposited into the CSA # 8-Palo Cedro Sewer Capital Improvement Admin fund for future expansion of the system.

Restoration of Service-Vacation:

A \$40 fee shall be charged for conversion to vacation status. Water service will be restored to regular status upon request from the customer and will be turned on no later than the next business

day. A fee of \$40 shall be charged for the conversion to regular status. If the customer requests restoration of service that requires an otherwise unscheduled trip, a \$100 fee shall be imposed.

Capital Improvement Fees:

For new land uses that will generate wastewater in excess of the wastewater quantities used to establish Palo Cedro Assessment District No. 1982-1, the property owner shall pay a Capital Improvement Fee of \$3,650 for each additional household equivalent based on the proposed zoning or use.

Wastewater Inspection Fees:

A sewer inspection fee of \$150 will be collected at building permit issuance where connection to the sewer system is a requirement of the building permit.

Financial Constraints and Opportunities

Shasta County has recently been upgraded from an A1 bond rating to Aa3¹², signifying that the risk of default is low. An Aa3 bond rating is one of the top ratings assigned by Moody's, a bond credit rating agency. The basis for a bond rating is like an individual's credit report. It evaluates the bond issuer's ability to make payments to bondholders. It assists creditors with their decision to extend credit. Considering CSA #8 has experienced a deficit since the beginning of the 2018 Financial Year, Staff recommends seeking other funding mechanisms to increase the reserve.

Cost Avoidance Opportunities

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

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.

Accountability and Governance

As noted earlier, CSA #8 is governed by the County Board of Supervisors. Meetings are held on Tuesday's at 9:00 am in the Board Chambers at 1450 Court Street in Redding¹³. The CSA currently does not have an advisory board nor a website where information about the CSA can be accessed. It would be beneficial to the CSA to set up a basic website to post information about rates for services, water quality, and Board actions concerning the CSA. CCR's for the CSA are posted online at: https://www.co.shasta.ca.us/index/pw_index/operations/csas.aspx.

Budgets are approved annually by the BOS which then establishes the scope of work and improvements that can be performed. The BOS, as the district board of directors, authorizes and approves any contracts used to construct improvements or perform maintenance work, or to conduct studies, designs, or engineered changes to the water system. The Board communicates directly with the Director of Public Works and/or department staff during weekly Board meetings or through written communications.

¹² Moody's Investors Service: https://www.moodys.com/research/Moodys-Upgrades-to-Aa3-from-A1-Shasta-County-CAs-2013A-PR_903622926?WT.mc_id=AM%7eRmluYW56ZW4ubmV0X1JTQl9SYXRpbmdzX05ld3NFm9fVHJhbnNsYXRpb25z%7e20160930_P_R_903622926
¹³ Dates of scheduled meetings can be found online at <https://www.co.shasta.ca.us/docs/libraries/bos-docs/bos-meetings/bos-meetings-calendar-2020.pdf>.

Municipal Service Review Determinations

(1) Growth and population projections for the affected area

- a) The projected 2024 Palo Cedro area population is 1,261 to 1,284. Since the CSA boundary is smaller than the census boundary, it is likely that actual population growth in the CSA, if any, will be smaller.
- b) There is an island of land at approximately 8.3 acres, located along Old 44 Drive, southeast of Vine Court, not in CSA #8 that is also not within the SOI.

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

- a. Palo Cedro is a Census Designated Place and according to the 2018 ACS 5-year estimate, it has a MHI of \$83,148. This is above the reported California MHI and therefore, Palo Cedro is not considered a DUC.

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

- a) The present and planned facilities are in good condition and capable of supplying growth. There is an additional 129 HE capacity currently.
- b) The 2018 CCR reports that the Palo Cedro system did not violate a maximum contaminant level or any other water quality standard during the monitoring period.
- c) The wastewater facility equipment requires regular maintenance, including items for repair and/or replacement as noted in this MSR and the December 4, 2018 PACE Technical Memorandum.

(4) Financial ability of agencies to provide services

- a) Considering CSA #8 has experienced budget deficits, additional funding mechanisms to increase revenues are recommended. County staff has considered switching from bi-monthly direct billing for sewer 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.
- b) The County is currently implementing a 5-year rate increase to aid budget deficits; however, additional funding mechanisms may be needed to fund future upgrades.

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

- a) There is a BVWD water line intertie that provides emergency backup water services when the Palo Cedro well pump is not operating and water is unavailable, there is a limited period between water system operator notification and intertie activation; during power outages BVWD may not be able to operate the intertie. The County operates multiple CSAs and has shared operations and management practices in place for efficient collective operations.

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

- a) The CSA is governed by the Shasta County Board of Supervisors. There is no advisory board for CSA #8. The CSA demonstrated accountability and transparency by disclosing financial and service-related information in response to LAFCO requests.

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

- a) None beyond those noted above.

Sphere of Influence Determinations

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies, to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence, as defined by Government Code §56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to the following:

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

- a) Outside of the CSA boundary, land use is primarily Rural Residential, which generally allows for one dwelling unit per 10 acres. Rural Residential parcels of this size typically have onsite water and wastewater systems and not receive services from the CSA.

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

- a) Given the Rural Residential land use designation surrounding the district, there does not appear to be a probable need for services outside district boundaries, or a SOI expansion at this time.

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

- a) The water system distributes approximately 25,000 gallons per day (gpd) in winter and 170,000 gpd in summer months. The well produces about 700-750 gallons per minute (gpm), with numerous daily pump cycles due to no storage tanks other than the 5,000-gal pressure tank noted above. A higher number of cycles may require pump replacement every 3-4 years. A new pump was installed in the summer of 2015.
- b) The WWTP flow analysis discussed in this MSR indicates the existing treatment and disposal facilities can likely handle an additional 129 HEs if operations continue as usual.

(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 no social or economic communities of interest in the immediate area surrounding the service area, where services could be feasibly extended.

(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) Palo Cedro is a Census Designated Place and according to the 2018 ACS 5-year estimate, it has a MHI of \$83,148. This is above the reported California MHI and therefore, Palo Cedro is not considered a DUC.

CSA #11 – French Gulch

French Gulch is a historic mining town located 12 miles west of Redding, California on State Route 299. The town was settled by French gold miners in 1849. It is listed in the national Register of Historic Places as a historic district. The district consists of 1,800 acres and 9 buildings, including the French Gulch Hotel, Franck's Store, and the odd Fellows Hall. In its mining heyday, French Gulch had four saloons, two hotels, two mercantile shops, an assayer's office, livery stables, blacksmith shops, and a post office. It was one of California's famous gold mining districts. The Washington Mine was the first quartz mine worked in Shasta County. From 1900 to 1914, approximately \$300,000-\$500,000 of gold was mined each year.

Table 4: CSA #11 Overview Summary

Primary Contact	Shawn Ankeny	Supervising Engineer	Shasta County Public Works Dept
Address:	1855 Placer Street Redding, CA 96001		
Website	www.co.shasta.ca.us		
Services Provided	Water (County Management: Troy Bartolemei)		
Population Served:	~205	Service Area:	544 acres (~.85 sq. mi.)
Service Connections (water)	82		

Overview and Formation

CSA #11 is organized as a dependent special district under County Service Area law (Government Code §25210-25217.4) and was formed in 1992. CSA #11 provides domestic water service to the unincorporated community of French Gulch located in western Shasta County approximately 12 miles west of Redding, on the west side of the Sacramento River. The CSA serves a population of about 474 with approximately 82 active connections. An MSR was previously conducted in 2014. This document updates the previous MSR.

District Boundary and Sphere

The District boundary encompasses approximately 544 acres and the SOI is coterminous. See Figure 3: District Boundary and Sphere. County Staff has provided a figure showing a continuous boundary, which includes combining the two northern pieces of land within the French Gulch boundary to the remainder of the boundary in the south, as shown on the most current LAFCo Figure. LAFCo accepts the County Figure as part of the MSR.

Other Service Providers

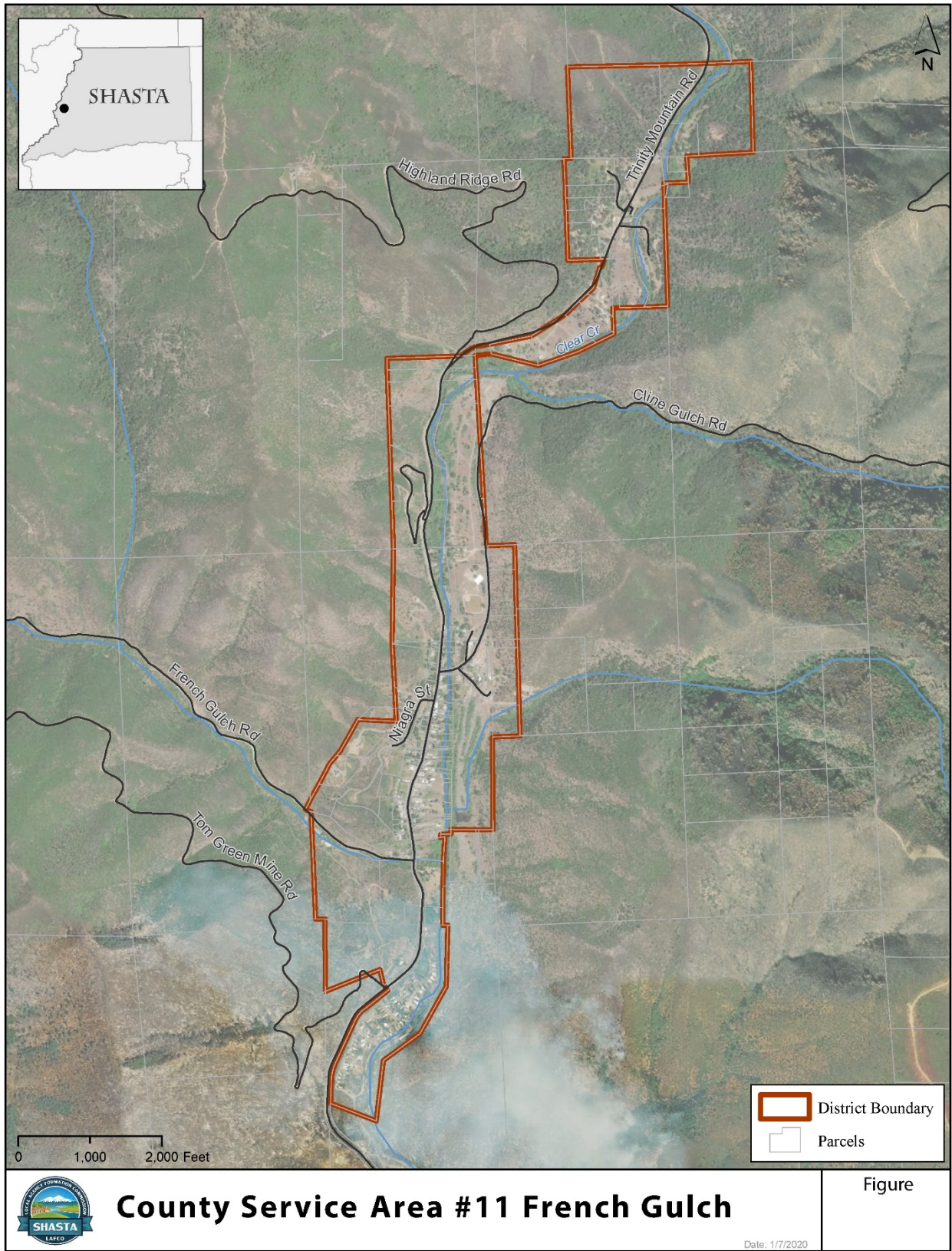
Shasta County Public Works Department provides recreational services in CSA #11 at the French Gulch Park. Shasta County Sheriff's Office provides police services and CSA #1 Shasta County Fire provides fire protection services to CSA #11. The CSA is entirely served by onsite septic and does not include wastewater services.

Existing and Planned Land Uses

Land Use

Land Use designations within the CSA is primarily Rural Residential B (RB). Other Land Use designations include Rural Residential A (RA), Habitat Resource (N-H-40), and Public Land (PUB) in the surrounding area.

Figure 3: Updated CSA #11 Boundary



Zoning

Zoning in the CSA is primarily Limited Residential (R-L-T) and Mobile Home Park (MHP). Other zoning districts include Open Space (OS), Habitat Protection (HP40), Residential-Building Site (R-R-BSM), Mixed-Use (MU), and Public Facility (PF). Surrounding zone districts include unclassified (U) and Habitat Protection (HP-40). French Gulch is designated as a “Rural Community Center” in the Shasta County General Plan.

Growth and Population

French Gulch has an estimated population of 277 (Shasta County Public Works). Using this estimate and the unincorporated Shasta County population growth range (0.12 to 0.49 percent), the projected 2024 French Gulch area population would be 310 to 412. The County has reported that the population was not affected by the 2018 Carr Fire.

Disadvantaged Unincorporated Communities

French Gulch is a Census Designated Place and according to the 2018 ACS 5-year estimate, it has a MHI of \$42,917¹⁴. This is 60% of the reported California MHI of \$71,228. This is a decrease from the 2014 ACS 5-year estimate of \$28,750, but it is still well below the California MHI. As such, French Gulch is considered a DUC.

Municipal Services

CSA #11 provides water services to 82 service connections.

Water Source

The water supply is drawn from Clear Creek, diverted to a treatment plant and then delivered to customers. The system operates under a Shasta County Department of Resource Management Environmental Health Division permit.

Clear Creek surface water is conveyed to the treatment plant via a man-made ditch. There it is treated with polymer coagulant, aluminum sulfate, and chlorine prior to contact clarification and filtration through two Roberts Filter Company-Pacer II units¹⁵. The treatment plant has continuous monitoring equipment for effluent turbidity and chlorine residual. Treated water is stored in a 350,000-gallon steel storage tank prior to distribution¹⁶.

Present Capacity

According to a CSA #11 public water system survey, conducted by the State Water Resources Control Board on October 16, 2015, the system is operating at a production rate between 104 and 111 gpm using one clarification/filtration unit. Based on specifications provided for the Roberts Pacer II contact clarification/filtration unit (clarifier and filter bed areas, 10 ft² and 20 ft²) and an allowable loading rate developed from Alternative Demonstration Studies (10 gpm/ft³ and 5 gpm/ft³), the maximum allowable loading rate is 100 gpm for each unit. System control settings are checked, and flow rates adjusted, to ensure adequate treatment.

Water Treatment, Storage, and Distribution

Diverted Clear Creek surface water originates north of French Gulch between Trinity Lake and Interstate 5. Recreation occurs mainly downstream of the treatment plant, but limited swimming and boating do occur upstream of the surface water diversion. There is also a community park next to the water treatment plant on the downstream side. The diversion ditch is located right next to the park and treatment plant driveway. This is an open channel and therefore vulnerable to spills, or contaminants that may be entrained in storm water. No source water constituents of

¹⁴ACS MHI 5-year Estimate (2013-2018), Table B19013 for French Gulch CDP, California.

¹⁵ California Water Board-Division of Drinking Water Division: Water Sanitary Survey.

¹⁶ California Water Board-Division of Drinking Water Division: Water Sanitary Survey.

concern were identified (December 2002 - Source Water Assessment), but it was determined that the source water is most vulnerable to historic waste site releases and low-density septic systems.

Raw water from the channel flows through a screen and is conveyed to the treatment plant in an underground 8-inch PVC pipe. Alum, in addition to a polymer coagulant, and chlorine disinfectant are injected into the raw water prior to filtration. The CSA uses a Roberts Pacer II filter which is an alternative filtration technology that has been approved by the Division of Drinking Water. The Roberts filter consists of an upflow absorption clarifier and a multimedia (silica gravel, garnet sand, and anthracite) gravity filter. Water is first treated in the clarifier portion of the unit. The clarifier loading capacity is 10 gpm/ft². Following the clarifier water passes through the multi-media filter bed. The media is progressively finer through the filter column and has an approved loading rate of 5 gpm/ft². The Division of Drinking Water has approved specific loading rates for alternative technology based on filtration demonstration studies. After clarification and filtration, the treated water is stored in a 350,000-gallon steel storage tank prior to distribution.

Storage

The maximum day demand (MDD) is estimated to be 191,000 gallons, based on information from 2012¹⁷. California Code of Regulations §64554 requires that for "systems with less than 1,000 service connections, the system shall have storage capacity equal to or greater than 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". CSA #11 has a 350,000-gallon water tank which more than satisfies the maximum MDD.

System Monitoring

CSA #11 is required to routinely monitor for drinking water contaminants and water turbidity. A Consumer Confidence Report (CCR), sent annually to customers and posted on the Shasta County website, provides drinking water monitoring results. There was a disinfection byproducts violation most likely related to increased pre-chlorination due to runoff through the CARR Fire burn scar affecting raw water quality. The County completed a post chlorination project at Water Treatment Plant to address the problem¹⁸.

Infrastructure: Analysis and Recommendations

Most of the distribution pipeline is PVC installed in 1993. A very small portion was installed in 1996. PVC pipe typically has a 100-year plus service life¹⁹. Based on the time of installation and material, the pipes should be in good condition.

Shared Facilities

The closest public water system is a small system operated by the National Park Service at Whiskeytown National Recreation Area (NRA). It would not be cost-effective to lay pipe more than four miles to link the systems, nor is the Park Service likely to agree to provide service to a community not within the NRA. The next closest system is Shasta Community Services District, more than ten miles distant. It is unlikely that more efficiency would be achieved by sharing services with the Shasta Community Services District. The County operates multiple CSAs and has shared operations and management practices in place for efficient collective operations.

¹⁷ California Water Board-Division of Drinking Water Division: Water Sanitary Survey.

¹⁸ 2018 Consumer Confidence Report.

¹⁹ Sustainable Solutions Corporation, Life Cycle Assessment of PVC Water and Sewer Pipe and Comparative Sustainability Analysis of Pipe Materials, April 2017.

Financial Overview

The CSA is primarily funded through water service collection fees. Expenses include professional maintenance services, utilities, and equipment maintenance as shown in Table 6.

Table 5: CSA #11 Revenues and Expenditures

Category	Adopted FY18-19	Actual FY18-19	Adopted FY19-20	Actual FY19-20
Revenue				
Water Service Collections	\$85,000.00	\$86,121.40	\$87,000.00	\$34,784.95
Interest	\$500.00	\$2,238.23	\$ -	\$139.15
S/A Del Water Curr.	\$1,000.00	\$1,541.35	\$1,500.00	\$(37.16)
Total Revenue	\$86,500.00	\$89,900.98	\$88,500.00	\$34,886.94
Expenses				
Communications Expense	\$250.00	\$234.53	\$260.00	\$80.48
Insurance XP Miscellaneous	\$58.00	\$57.96	\$60.00	\$25.00
Maintenance of Equipment	\$10,000.00	\$7,631.47	\$10,000.00	\$1,630.17
Memberships	\$200.00	\$150.00	\$200.00	\$ -
Charges OC Postage Service	\$1,062.00	\$626.41	\$768.00	\$269.46
Professional Lab Services	\$4,000.00	\$3,805.00	\$5,000.00	\$1,487.50
Professional Maintenance Services	\$45,000.00	\$46,768.72	\$50,000.00	\$6,571.33
Professional and Special Services	\$10,000.00	\$3,703.59	\$10,000.00	\$1,148.86
Special Departmental Expense	\$4,000.00	\$2,352.25	\$1,000.00	\$ -
Utilities	\$12,000.00	\$11,933.11	\$12,000.00	\$3,751.37
Central Service Cost Plan Change	\$3,139.00	\$3,138.72	\$4,027.00	\$1,677.90
Total Expenses	\$89,709.00	\$80,401.76	\$93,315.00	\$16,642.07
Net Gain (Loss)	(\$ 3209.00)	\$9,499.22	(\$4,815.00)	\$18,244.87

Service Rates

The CSA #11 different rates depending on location for water services. In Table 8, the reference to the amount of \$33,000 includes the entire mobile home park. The base and use rates are as follows and billed every two months:

Table 6: Residential In-Service Area Rate Schedule - Effective December 1, 2013

Charge Type	Amount	Applies to:
Basic	\$79.35	The first 12,000 gallons of water consumed (0-1,604 cf)
Use Charge 1	\$0.53/100 gallons	(12,000-34,000 gallons)
Use Charge 2	\$0.30/100 gallons	(>34,000 gallons)

Table 7: Mobile Home Park In-Service Area Rate Schedule - Effective December 1, 2013

Charge Type	Amount	Applies to:
Base Charge	\$3,372.50	(0-510,000 gallons)
Use Charge 1	\$0.53/100 gallons	(510,000-1,453,800 gallons)
Use Charge 2	\$0.30/100 gallons	(> 1,453,800 gallons)

New Service Installation: Main line extension installations shall be at the sole expense of the person or entity applying. When a main line extension is not required, County personnel will install the meter on an existing service pipe in an existing box based on the following fees to be paid prior to installation: 3/4" meter fee of \$210; all other meter sizes fee of \$300.

When a service line and box must be installed on an existing main, County personnel will install the meter based on the following fee to be paid prior to installation: \$3,400 deposit, plus actual costs including personnel and materials.

When main line extensions are required, they 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 deposit to cover the improvement plan check and construction inspection will be required. The minimum deposit shall be \$1,500. Once the actual costs, including personnel and materials, of plan checking and construction inspection are determined, a fee to cover those costs shall be imposed and the deposit shall be applied to the fee.

Backflow Prevention Device Testing: A \$61 service charge shall be imposed for backflow prevention device testing or inspection performed by the County for County Code §13.20 compliance, Cross-Connection Control.

Service Restoration:

The fee to restore service that has been discontinued due to non-payment of water service charges and fees shall be the actual cost to restore service with a minimum charge of \$25.

The fee to cover the costs of administering the termination and subsequent restoration of service shall be \$25. Water service will be restored to regular status upon request from the customer and will be turned on no later than the next business day. If the customer requests that water service be restored outside of regular business hours, a service charge equal to the costs incurred may be charged.

Charges for Water Delivery to Users Not in CSA # 11 (Short-term Usage):

When available, water may be made available to parcels not in CSA #11 at twice the rate charged to regular customers for the same bi-monthly period usage. In addition, a \$500 fee shall be charged for meter installation to record water usage, and a written services agreement setting forth water delivery terms and conditions must be executed before water is delivered.

Financial Constraints and Opportunities

Shasta County has recently been upgraded from an A1 bond rating to Aa3²⁰, signifying that the risk of default is low. An Aa3 bond rating is one of the top ratings assigned by Moody's, a bond credit rating agency. The bond rating basis is like an individual's credit report. It evaluates the bond issuer's ability to make payments to bondholders and assists creditors with decisions to extend credit.

Adopting a Capital Improvement Program, charging associated program fees and further investigation into CSA #11 parcels receiving short-term water usage are suggested.

Cost Avoidance Opportunities

Regular system consumption monitoring, infrastructure condition inspections, scheduled replacement and upgrades, and a Capital Improvement Program are effective cost avoidance measures. The County monitors the system with meter records and conducts periodic inspections.

²⁰ Moody's Investors Service, Moody's Upgrades to Aa3 from A1 Shasta County, CA's 2013A Lease Revenue Refunding Bonds, September 30, 2016. https://www.moody.com/research/Moodys-Upgrades-to-Aa3-from-A1-Shasta-County-CAs-2013A--PR_903622926?WT.mc_id=AM%7eRmluYW56ZW4ubmV0X1JTQl9SYXRpbmdzX05ld3NfTm9fVHJhbnNsYXRpb25z%7e20160930_P_R_903622926

County staff has considered switching from bi-monthly direct billing for long-term standby 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.

Accountability and Governance

As noted earlier, CSA #11 is governed by the County Board of Supervisors (BOS). Meetings are held on Tuesday's at 9:00 am in the Board Chambers at 1450 Court Street in Redding²¹. The CSA currently does not have an independent website. A website, or page on the County website, to post about services rates, water quality information and Board actions concerning the CSA should be considered. Dependent CSAs are not subject to SB 929 legislation requiring District websites. CCR's posted online at: https://www.co.shasta.ca.us/index/pw_index/operations/csas.aspx

Budgets are approved annually by the BOS which then establishes the scope of work and improvements that can be performed. The BOS, as the district board of directors, authorizes and approves any contracts used to construct improvements or perform maintenance work, or to conduct studies, designs, or engineered changes to the water system. The Board communicates directly with the Director of Public Works and/or department staff during weekly Board meetings or through written communications.

CSA #11 has a Community Advisory Board (CAB). These typically consist of seven (7) members who serve as a liaison between CSA residents and the County.

CABs were established by the County in 1984 pursuant to Resolution No. 84-6 with CAB members appointed by the County Board of Supervisors for 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. CABs provide for local participation and County accountability. Affected constituents may provide input directly to County staff or the respective member of the Board of Supervisors.

Municipal Service Review Determinations

(1) Growth and population projections for the affected area

- a) CSA #11 has an estimated population of 277. The projected 2024 French Gulch area population is 310 to 412.
- b) County Staff has provided a figure showing a continuous boundary, which includes combining the two northern pieces of land within the French Gulch boundary to the remainder of the boundary in the south, as shown on the most current LAFCo Figure. LAFCo accepts the County Figure as part of the MSR.

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

- a) CSA#11 has been identified as being a DUC. There are no other DUCs in the vicinity that could be served by the CSA.

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

- a) According to the 2018 CCR, there was a violation for disinfection byproducts most likely related to increased pre-chlorination due to runoff through the CARR Fire burn scar

²¹ Dates of scheduled meetings can be found online at <https://www.co.shasta.ca.us/docs/libraries/bos-docs/bos-meetings/bos-meetings-calendar-2020.pdf>.

effecting raw water quality. The County completed a post chlorination project at the Water Treatment Plant to address and correct the problem.

- b) Most of the water pipeline is composed of PVC and was installed in 1993. A very small portion was installed in 1996. PVC pipe has a 100-year plus service life and should be in good condition and last through the next several MSR cycles if well maintained.
- c) According to a CSA #11 public water system survey, conducted by the State Water Resources Control Board on October 16, 2015, the system is operating at a production rate between 104 and 111 gpm using one clarification/filtration unit. Based on specifications provided for the Roberts Pacer II contact clarification/filtration unit (clarifier and filter bed areas, 10 ft² and 20 ft²) and an allowable loading rate developed from Alternative Demonstration Studies (10 gpm/ft³ and 5 gpm/ft³), the maximum allowable loading rate is 100 gpm for each unit. System control settings are checked, and flow rates adjusted, to ensure adequate treatment.

(4) Financial ability of agencies to provide services

- a) CSA #11 has experienced a budget surplus since the beginning of the 2018 Financial Year. However, staff recommends adopting a Capital Improvement Program and charging associated program fees in order to plan for future maintenance costs.

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

- a) There are presently inherent limitations – geographically and operationally – on CSA #11 water service facilities being extended to and/or shared with other communities. There is no known overlapping or duplication of services within the CSA's boundaries. The County operates multiple CSAs and has shared operations and management practices in place for efficient collective operations.

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

- a) The CSA is governed by the Shasta County Board of Supervisors and a CAB. The CSA demonstrated accountability and transparency by disclosing financial and service-related information in response to LAFCO requests.

(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 of each city, as defined by Government Code §56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to the following:

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

- a) Land Use designations within the CSA is primarily Rural Residential B (RB). Other Land Use designations include Rural Residential A (RA), Habitat Resource (N-H-40), and Public Land (PUB) in the surrounding area.
- b) The Commission discourages the annexation of agricultural lands for the purpose of promoting urban development.

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

- a) CSA #11 provides water services to 82 service connections.
- b) It is unlikely that there will be a need for connections outside the boundary at this time.

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

- a) As discussed in this MSR, the system has a capacity almost double the current demand.
- b) Recent treatment system modifications have corrected past standard exceedances and no future quality issues are anticipated.

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 no communities of any social or economic interest in the adjacent areas.

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) French Gulch is a Census Designated Place and according to the 2018 ACS 5-year estimate, it has a MHI of \$42,917²². This is 60% of the reported California MHI of \$71,228. This is an increase from the 2014 ACS 5-year estimate of \$28,750, but it is still well below the California MHI. As such, French Gulch is considered a DUC.
- b) The current CSA boundary in Shasta LAFCo records is segmented. It is recommended that the CSA boundary be updated to provide a more logical and contiguous boundary as defined by County records.

²²ACS MHI 5-year Estimates (2013-2018), Table B19013 for French Gulch CDP, California.