Water Districts

Municipal Service Review & Sphere of Influence Update

Commission Draft for Hearing
June 6, 2019

SHASTA LOCAL AGENCY FORMATION COMMISSION

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Acknowledgements:
LAFCO staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by the Bella Vista Water District, Burney Water District, Cottonwood Water District, and the Tucker Oaks Water District.

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1.0 INTRODUCTION

This Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides information about the services and boundaries of four water service providers in Shasta County. The report is for use by the Shasta Local Agency Formation Commission (LAFCO) in conducting a statutorily required review and update process. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that the Commission conduct periodic reviews and updates of Spheres of Influence of all cities and special districts in Shasta County (Government Code § 56425). State law also requires that, prior to SOI adoption, LAFCO must conduct a municipal services review for the local agency (Government Code §56430). This report provides Shasta 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.

Water District Overview

Water Districts are independent special districts under the California Water Code (Government Code § 34000 et. seq). They provide water service to unincorporated areas. In Shasta County they are governed by a Board of Directors of at least five and as many as nine Board Members. Board Members are elected by landowners within the District to four-year terms.

Principal Act

The principal act governing Water Districts is the California Water District Law: Water Code Sections 34000 et seq.

Service Review Determinations

CKH Act § 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:

- Growth and population projections for the affected area;
- The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere;
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies;
- Financial ability of the agency to provide services;
- Status of, and opportunities for, shared facilities;
- Accountability for community service needs, including governmental structure and operational efficiencies; and
- Any other matter affecting or related to effective or efficient service delivery, as required by Commission policy.

The service review provides an overview of water service providers along with profiles of each agency. The report also includes service review determinations and sphere of influence recommendations for each of the following water districts:

Bella Vista Water District

Burney Water District

Cottonwood Water District

To be continued: **Tucker Oaks Water District**

California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code § 21000 et seq. Public agencies are required to evaluate the potential environmental effects of their actions. MSRs are statutorily exempt from CEQA pursuant to § 15262 (feasibility or planning studies) and categorically exempt pursuant to CEQA Guidelines § 15306 (information collection). CEQA requirements are applicable to SOI Updates. The CEQA lead agency for SOI Updates is most often LAFCO, unless an agency has initiated an SOI expansion or update.

1.1 USES OF THE REPORT

A regional approach for conducting this service review provides the opportunity to identify shared trends relating to the adequacy, capacity, and cost of providing treated water and wastewater services to Shasta County. This service review process identifies ways to expand district boundaries where appropriate to match response areas, evaluate the feasibility of consolidations where appropriate and identify and implement other measures to address complete community coverage. The potential uses of this report are described below.

To Update Spheres of Influence

This service review serves as the basis for updating the spheres of influence for the water districts included in the report. Specifically, a sphere of influence designates the 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 sphere of influence 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 water service provision in Shasta County.

1.2 REVIEW METHODS

The following information was gathered from the water districts to understand the current status of district operations and services:

- Governance and Organization
- Financial
- Personnel
- Infrastructure and Facilities
- Water Source and Demand
- Treatment and Distribution

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

1.3 COMMON TOPICS FOR EACH AGENCY PROFILE

A number of 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: 2010-2014 to map disadvantaged communities. Using this information, each district or agency is evaluated to determine whether or not it is a DUC, or in the case of cities, whether or not there are DUCs within the city's SOI. In many cases, Census Block Groups are larger than Districts. In these cases, LAFCO's evaluation was conducted with an abundance of caution to ensure no DUCs are overlooked.

Shasta County Growth Projections

Between 2000 and 2013, the Shasta County population grew from 163,256 to 178,601 people, an annual growth rate of 0.2 percent. 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 177,223 to 196,087, between 2010 and 2020. If the unincorporated area's portion of the County's population remains near 38%, it is estimated that the unincorporated area would increase from 67,226 to 74,426 people.

However, according to the most recent report from the California Department of Finance, the population of Shasta County as a whole increased by only 0.2% per year between 2000 and 2013. If Shasta County grows to a population of 196,087 by 2020, the average annual growth rate would be 1.1%, a substantial increase over the current growth rate. For the purposes of this report, we will use an annual population growth estimate of 0.2 to 1.1 percent to predict the range of future populations that may be served by the Districts during this MSR cycle (2018-2023). 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. Portions of the districts within the City of Redding are subject to City land use regulations.

2.0 AGENCY PROFILES

This section provides an in-depth review of the water Districts 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.

Bella Vista Water District

Burney Water District

Cottonwood Water District

To be continued: **Tucker Oaks Water District**

2.1 BELLA VISTA WATER DISTRICT

Bella Vista Water District is one of the largest water suppliers in Shasta County. The District provides agricultural and domestic water to the unincorporated area northeast of the City of Redding and to portions of the City. It is situated along the north and south sides of Highway 299.

Table 1: Bella Vista Water District Overview

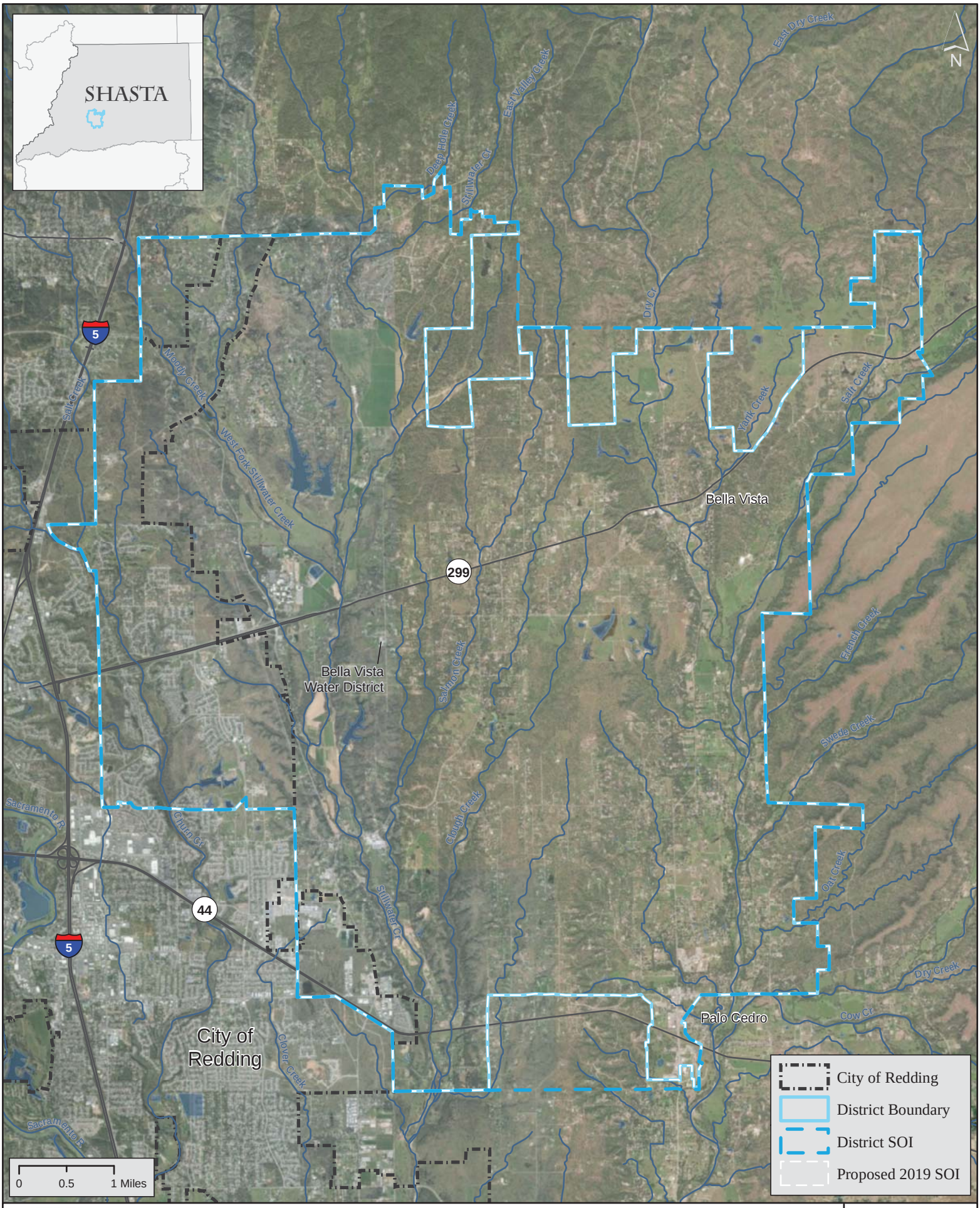
Bella Vista Water District			
General Manager	David Coxey	(530)241-1085	Dcoxey@bvwd.org
Address:	11368 East Stillwater Way Redding, CA 96003		
Website	https://www.bvwd.org/	**Water System Number**	CA4510014
Services Provided	Agricultural Water Service, Water Treatment, and Potable Water Distribution		
Population Served:	18,426	**Service Area:**	33,992.1 acres (53 sq. mi)
Number of Staff	26	**Service Connections**	6,303

District Boundary and Sphere

Bella Vista Water District encompasses the unincorporated community of Bella Vista in the northeast area of central Shasta county as well as portion of the City of Redding. The SOI was initially set by LAFCo in 1983. Water service limitations set by contract limit service beyond the District boundary. The District boundary is shown in Figure 1.

Growth and Population

Bella Vista is a census-designated place (CDP), with a 2010 census, population of 2,781, however, the CDP boundary is smaller than the Bella Vista Water District. In 2017 the District reported to the State Drinking Water Division that it serves approximately 18,426 residents. Using the 0.2 – 1.1 percent annual growth rate range estimate for unincorporated Shasta County and the District reported population of 18,426, there could be an increase between 18,648 and 19,676 persons by the year 2023.



Bella Vista Water District

Figure 1

Map Date: 4/23/2019

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

Existing and Planned Uses

Most of the Bella Vista Water District is unincorporated and land use subject to the Shasta County General Plan and Zoning Ordinance. The District's westerly portion (approximately 15 percent) is within the City of Redding incorporated area and subject to City land use regulations. General Plan land use designations within the District are primarily Rural Residential, Mixed Use, Agricultural Small-Scale Cropland/Grazing, and Agricultural Grazing with areas designated as Public Facility dispersed throughout the District. Much of the surrounding area consists of Rural Residential and various Agricultural and Timber uses.

Zoning consists primarily of Rural Residential, Unclassified, and Exclusive Agricultural with pockets of Open Space and Community Commercial Districts dispersed throughout.

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 area does not have an independent Wastewater treatment facility and the majority of wastewater generated is treated primarily with private septic systems with a portion going to the CSA #8 Palo Cedro Sewage Disposal System. Other areas that exist within the Redding City boundary are served by the City of Redding at their Stillwater Treatment Plant. Fire protection is provided by Volunteer Fire Company 33 operated by CSA #1 – Shasta County Fire, Battalion 2.

A portion of the Bella Vista Water District is within a Disadvantaged Community Block (approximately 1,500 residents in 573 households) with a Median Household Income (MHI) of $50,353[1] This is 79 percent of California's reported $63,783 MHI, which meets the DUC definition. Another portion (approximately 1,000 residents in 419 households) is within Disadvantaged Community Block 060890118012 with an MHI of $41,964. This is 66 percent of the state's MHI, also qualifying as a DUC. Should the District pursue annexation, DUCs within its vicinity should be examined further.

Accountability and Governance

The Bella Vista Water District is an independent special district governed by a five-member Board of Directors who are elected to staggered four-year terms by landowners in the District. The District offers multiple ways to keep residents informed about services, meetings, finances and decision-making processes. Board meetings are held on the fourth Monday of each month at the District Office located at 11368 E. Stillwater Way, Redding, CA. Agendas are posted in the office windows at least 72 hours in advance of the meeting and board packets are available for review during normal business hours.

[1] DAC Mapping Tool. https://gis.water.ca.gov/app/dacs/

Table 2: Bella Vista Board of Directors

Name	Title
Ted Bambino	Board President
Leimone Waite	Vice President
Frank Schabarum	Director
James Smith	Director
Robert "Bob" Nash	Director

The District has a website (www.bvwd.org) where District activities, services and rates are posted. Board Meeting information is provided and complete and comprehensive, including Board Members, meeting minutes, agendas and packet materials. An amendment to the Brown Act (Gov Code Section 54954.2) took effect on January 1, 2019 which require local agencies to comply with new agenda posting requirements. The new amendment requires agencies with websites to post a prominent, direct link on their primary web pages to the current agenda for all meetings which occur on and after January 1, 2019. In addition, the agenda must be in a format that is retrievable, downloadable, indexable, and electronically searchable by commonly used internet search applications.

The District provides accountability in other ways. They prepare and post newsletters to their website. They also prepared consumer confidence report for 2018. The report provides information on where water comes from, contaminants, State and Federal Regulations, and water quality analyses results. It is posted on the district website.

Infrastructure and Services

WATER SERVICE

Overview

Bella Vista Water District is a California Water District pursuant to California Water Code Division 13. The District supplies agricultural, municipal, commercial, and institutional/public water to individual customers within the District, and owns and operates the water treatment, storage, and a vast distribution system. The United States Bureau of Reclamation (USBR) owns the Wintu Pump Station, Surge Tank, four (4) MG Main Tank, Regulating Station, and main aqueduct and laterals constructed as the Central Valley Project (CVP) Trinity River Division Cow Creek Unit. The District water system is supplied primarily from the Sacramento River, with ten pump stations, five water storage tanks, and five groundwater wells serving ten pressure zones.

Source

The District's water supply comes from two main sources, a long-term (25-Year) renewable water service Central Valley Project (CVP) contract administered by the United States Bureau of Reclamation (USBR)(contract No. 14-06-200-854A-LTR1), and a long-term transfer agreement with the Anderson-Cottonwood Irrigation District (ACID). The USBR contract for CVP water is the District's main water source with an entitlement

quantity of 24,578 AFY. During low rainfall years, the District's contract allocation can be reduced significantly depending on USBR water supply projections. This contract also limits the distribution of water to the District's current service boundary. If a District annexation was proposed, USBR contract amendments would need to be executed before water delivery could be extended.

To secure a more reliable water supply for existing users, and to guard against potential multi-year shortages, the District entered into a long-term transfer agreement with ACID and is looking into increasing groundwater utilization as well as other water transfer opportunities. The District's agreement with ACID is for 1,536 acre-feet of water annually, subject to shortage provisions. The water must be purchased annually for the agreement term and includes USBR charges plus administrative charges paid to ACID. Historically, in shortage years, the amount of water available from ACID has been reduced by a maximum of 25 percent.

The District also has five groundwater wells that draw from the Enterprise Sub-Basin of the Redding Groundwater Basin located along the southern boundary of the District.

Water Demand

Assuming the District receives their entire water allotment of, 1,536 AFY from ACID and 24,578 AFY from USBR, the District would have a water surplus during normal water years. The surplus water could be potentially stored for later use or transferred to another agency. Absent a program and USBR authorization to reschedule or "carry over" remaining supply by keeping the supply in storage, water not beneficially used within the water year is forfeited and utilized by USBR for other CVP obligations and purposes. If USBR is unable to supply enough water to meet the District demands, supplemental groundwater and water transfers are needed. Table 3 shows anticipated supplies and demands in a *normal* year through 2040.

Table 3: Bella Vista Supply and Demand Projections

Water Use	Water Use (AFY)				
	2020	2025	2030	2035	2040
Supply Totals [1,3,]	24,290	24,960	26,470	27,203	28,779
Demand Totals[2]	16,363	17,113	17,897	18,718	19,575
Difference	+7,927	+7,847	+8,573	+8,485	+9,204
1- Supply totals for CVP are projected from base year totals to correspond with population growth 2-Projected water demand based on 2020 reduction goal 3-Additional wells are scheduled to be added (one every ten years) for an additional 810 AFY each					

(Source BVWD Urban Water Management Plan, 2015))

Current Infrastructure

The water system consists of five tanks, ten pumping plants, the main treatment plant, five wells, and over 235 miles of pipeline from 4-inch to 54-inch in diameter. All of the water is pumped at least once, and much of it is pumped through at least two pumping

stations. The District utilizes a pressurize pipeline distribution system with variable speed pumps and pressure/regulation tanks to provide water to ten pressure zones.

Surface water is pumped from the Sacramento River at the Wintu Pumping Plant, which is outside of the District boundary on the north side of the river below Hilltop Drive. From the Wintu Pumping Plant water is sent to a surge tank and then to the Water Treatment Plant (WTP) located on Canby Road immediately northeast of the Mount Shasta Mall. River water is first treated with chlorine at the Wintu Pumping Plant and then filtered at the WTP utilizing in-line pressure filters. Polymer is used at the WTP to aid the filtration process.

Water Treatment

All water, regardless of whether it is used for residential or agricultural purposes undergoes the same treatment and is subject to the same standards. Treatment of groundwater at the five wells consists of oxidation of iron and manganese using chlorine, followed by absorption of the iron and manganese oxides in pressure filters.

Anticipated Future Water Demands

Should the City of Redding further expand into the District, and as formerly rural land is converted to denser residential use, additional water demand and service connections are anticipated. A planned expansion of the Bethel Church campus was approved by the City of Redding Planning Commission. The church campus is located within the Bella Vista Water District and the proposed project anticipates water demands of 90-100 acre feet per year at full build-out. Groundbreaking for this project is expected for 2021.

During the most recent drought, the USBR to developed the CVP Municipal and Industrial Water Shortage Policy Final Environmental Impact Statement to establish a policy for allocating municipal and industrial water supplies during drought conditions. A number of alternatives were discussed, and in 2015 a Record of Decision was signed. The Water Shortage Policy defines water shortage terms and conditions for applicable CVP water service contractors, determines the water quantity available to CVP contractors and, and provides information to CVP water service contractors for their use in water supply planning and development of drought contingency plans.

The District, as a CVP water contractor is subject to the Water Shortage Policy. The policy, which can be found on the Bureau of Reclamation website, is intended to provide clear and objective guidelines on the water supplies available from the CVP during a Condition of Shortage, thereby allowing CVP contractors to know when, and by how much, water deliveries may be reduced in drought and/or other low water supply conditions.

For any given water year, the CVP water Allocation is based upon forecasted reservoir inflows and Central Valley hydrologic conditions, amounts of storage in CVP reservoirs, and regulatory requirements in accordance with implementation of the Central Valley Project Improvement Act (CVPIA). Allocations during Condition of Shortages will consider

the historical water use of the contractor and the amount of water deemed to be necessary to sustain public health and safety.

In a normal water year, the District has sufficient water to supply current needs, but may be subject to reduced water availability due to drought conditions as identified in the Water Shortage Policy. The District has had water allocations reduced to as low as 25 percent of historical use and 0 percent for agricultural use. Given these considerations, there may not be sufficient availability to provide water to the area currently outside of the District in the SOI. Based on projected water use and the Bureau for Reclamation's Water Shortage Policy, it is recommended that the SOI be reduced to match the District boundary.

Challenges and Needs

Each winter, water agencies in the Redding area experience an increase in sediment flow into Whiskeytown Lake, Shasta Lake, and the Sacramento River. The Carr Fire wildfire burned a substantial portion of these watersheds. Depending on rainfall intensity this winter, it is likely that surface water supplies will have an increase in ash and sediment load, and this could be more than the District's surface water treatment systems were originally designed to remove.

The District is prepared to reduce or suspend all surface water diversions this winter and use groundwater resources exclusively for all customers and help supply neighboring agencies through existing system interties to ensure safe drinking water is available throughout the region. Sacramento River water quality will be closely monitored throughout the winter and spring so that informed decisions can be made regarding the strategies that will ensure safe drinking water is always supplied.

Personnel

The District has a staff of 26 full-time employees. Management staff is comprised of the General Manager and four supervising managers organized into four departments. Eighteen of the District's 26 employees are members of IBEW Local 1245 and participate in collective bargaining for wages and benefits. Employer pension costs are presently paid on a pay as you go basis and it is anticipated that will continue for the duration of this review period. However, the District is funding the existing and growing other post-employment benefits (OPEB) costs that are presently unfunded in order to reduce future liabilities.

Opportunities for Shared Facilities/Increase Efficiency

Typically, the primary public service issue facing rural communities is the provision of adequate public services and funding, rather than that of overlapping or duplicative services provided by another public agency. The services and facilities provided by the Bella Vista Water District are critical to residents of the area. Several other districts exist within the Bella Vista Water District service area. Those districts provide other vital services to residents including: Shasta County Service Area No. 1 which provides fire and emergency services as the Shasta County Fire Department through a CAL FIRE contract.

Financing

Financial Overview

The District prepares an annual budget which serves and the basis for the District's financial planning and budget control systems for the delivery of District services and the implementation of capital projects. Additionally, the District prepares monthly financial statements and an Annual Financial Report. Contained within the Annual Financial Report is an audit prepared by a qualified Certified Public Accountant. The most recent audit was prepared for FY 2017- 2018.

Table 4: Bella Vista Financial Summary

	FY 16-17 (Approved)	FY 17-18 (Approved)	FY 18-19 (Approved)
Revenues			
Operating (Water Sales)	$3,356,387	$3,043,844	$3,470,623
Non-Operating	$3,501,142	$5,041,443	$4,981,156
Total Revenue	**$6,857,529**	**$8,085,287**	**$8,451,779**
Expenditures			
(65) Source of Supply – Operations	$1,074,445	$1,134,379	$1,221,085
(66) Source of Supply – Maintenance	$165,220	$150,750	$155,200
(68) Pumping – Operations	$273,500	$315,080	$307,080
(69) Pumping - Maintenance	$63,600	$98,900	$93,700
(71) Production – Operations	$297,280	$280,980	$298,480
(72) Production – Maintenance	$79,800	$108,600	$107,800
(74) Transmission & Distribution – Operations	$28,700	$28,700	$32,400
(75) Transmission & Distribution – Maintenance	$1,027,200	$1,114,200	$1,069,400
(77) Cross-Connection	$52,700	$49,700	$46,700
(79) Customer Service	$428,000	$419,500	$464,000
(81) Water Conservation	$82,250	$32,400	$32,750
(83) Administration	$1,193,490	$1,440,550	$1,418,210
(84) Water Smart Grant 2015	$1,127,168	$1,811,058	$1,903,955
(85) General Plant	$15,000	$15,000	$16,000
(87) Safety	$92,250	$76,150	$62,950
(89) Transportation & Shop	$185,000	$188,000	$200,000
Transfers/Reserve Placement	$602,591	$794,690	$1,009,694
Capital Replacement Expenses	$25,535	$26,650	$12,375
USBR Construction Loan	$43,800	$0	$0
Total Expenditures	**$6,857,529**	**$8,085,287**	**$8,451,779**
Revenues Over (Under) Expenditures	**$0**	**$0**	**$0**

According to the District's most recently adopted budget, at the beginning of fiscal year 2018-19, the total fund balance is $1,487,278 Overall, the budget shows expenditures balancing with revenues. According to an independent financial audit for FY 17-18, the total operating revenue for the district reached $6,654,825 while the total operating expenses reached $6,524,839. This shows a net balance of $129,986. Table 5 shows the audited balances for FY15-16, FY16-17, and FY17-18.

Domestic, and agricultural water service charges are billed on a bimonthly basis. Tables 6 and 7 show the base rates for the two connection types. Water usage is charged at a rate of $0.55 HCF (One hundred cubic foot) for residential, rural, commercial, public institutional and landscape irrigation. For agricultural water usage, A $14 bimonthly charge is added to each customer's bill to repay the water treatment plan improvement loan.

Table 5: Bella Vista Financial Audit Summary

	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)
Revenues	$6,030,846	$5,649,904	$6,654,825
Expenses	$6,108,723	$6,769,588	$6,524,839
Revenues Over (Under) Expenditures	**($77,877)**	**($1,119,684)**	**$129,986**

Financing and Rates

Enterprise districts are funded primarily by service fees and charges. There must be a reasonable nexus between fees and charges levied and the actual cost of providing services. Statutory requirements, limit rate restructuring however, as service costs increase, rates should increase as well. A District water rate study was conducted in 2017 which proposed annual rate increases for five years. The study, with revised rates, was the subject of a public meeting, then accepted and approved by District Board Resolution. The new rates went into effect on March 1, 2018.

Table 6: Bella Vista Domestic Water Base Rates by Meter Class

Meter Class	Meter Size	Meter Type	Rate
20	5/8"	Disc	$39.06
30	3/4"	Disc	$41.86
50	1"	Disc	$46.20
100	1 1/2"	Disc	$53.93
160	2"	Disc	$60.73
200		Compound	$64.50

Table 7: Bella Vista Agricultural Water Base Rate

Meter Class	Meter Type	Rate
50	Disc	$63.50
100	Disc	$71.24
160	Disc	$78.04
200	Compound	$81.81
300		$89.70
450		$99.17

MUNICIPAL SERVICE REVIEW DETERMINATIONS

(1) Growth and population projections for the affected area

a. Currently, the Bella Vista Water District Serves an estimated population of 18,426.

b. Using the 0.2 – 1.1 percent annual growth rate range and the District reported population of 18,426, there could be an increase to between 18,648 and 19,676 persons by the year 2023.

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

a. A portion of the District is within a Disadvantaged Community Block with a MHI of $50,353 which is 79 percent of California's reported MHI. Another portion within Disadvantaged Community Block 060890118012 has an MHI of $41,964 which is 66 percent of the state's MHI. Both qualify as a DUC.

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

a. Bella Vista Water District's Urban Water Management Plan plans for proactive maintenance of the water system which is critical for providing safe and reliable access to drinking water and protecting public health.

b. Recent projects conducted by the District to address improvements to the wastewater treatment plant indicate a course toward a sustainable future wastewater system.

(4) Financial ability of agencies to provide services

a. The District demonstrates consistent ability to balance revenues and expenses and manage operations finances.

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

a. Bella Vista Water District and Shasta County CSA #1 provide critical area services.

b. Bella Vista Water District may provide water services to neighboring districts though existing interties in the event that sediment and ash levels in surface water become higher than what current systems can accommodate.

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

a. Bella Vista Water District is governed by a five-member Board of Directors.

b. Bella Vista Water district maintains a website (www.bvwd.org) where it posts information about the district for customers and the public. A link to the Board of Directors meeting agendas and minutes is prominently displayed on the main page for ease of access.

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

a. It is recommended that the Bella Vista Water District SOI be reduced to the district boundary due to contractual obligations with CVP water allocations.

SPHERE OF INFLUENCE DETERMINATIONS

Shasta LAFCO makes the following written SOI determinations for the Bella Vista Water District:

1) The present and planned area land uses, including agricultural and open-space lands.

a) Land uses within the District and SOI are subject primarily to the Shasta County General Plan and Zoning Regulations with the exception of the territory which is incorporated within the City of Redding and therefore subject to the City's land use planning authority.

b) Current land uses within the District boundary are primarily rural residential, agricultural, and residential with some commercial and public uses.

c) Current land uses north of the District but within the SOI are unclassified or exclusive agricultural and are not likely to require services from the District. To the south of the District but within the SOI, land uses are primarily rural residential with some planed development.

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

a) The requirements of the contract with CVP limit water service provision to within district boundaries, and no water services are provided beyond this boundary.

b) Due to the CVP agreement, no water can be delivered outside District boundaries, and the SOI should be reduced to be coterminous with that boundary.

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

a) The MSR indicates water services are adequate to meet present community needs.

b) District staff has indicated that the District does not intend to provide water service to those areas currently outside the district boundary but within its SOI due to limitations set forth in the CVP contract.

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.

a) Within the District area, several unincorporated communities exist, including Bella Vista, Palo Cedro, and North Cow Creek. The District also includes portions of the City of Redding.

5) The Present and Probable Need for the Services for Any Disadvantaged Unincorporated Community within the Area

a) Portions of the Bella Vista Water district qualify as DUCs including Shingletown, Bella Vista, and Palo Cedro. The County has an MHI that is 74 percent of the state MHI, which indicates that other areas near the District may qualify as DUCs.

b) Should future annexations or service extensions be proposed in the area, special consideration may be given to any DUCs affected by the proposal consistent with GC §56375(8)(A) and LAFCo Policy.

2.2 BURNEY WATER DISTRICT

Burney is an unincorporated community in the Intermountain Area of Eastern Shasta County, which also includes the communities of Burney, Fall River Mills and McArthur. It is located 58 miles east of Redding and situated along the north and south sides of Highway 299. Burney Water District was formed in 1944 and added wastewater collection and treatment services in 1974.

The District also operates several parks and recreation facilities including the Raymond Berry Intermountain Pool complex that was opened in 1990.

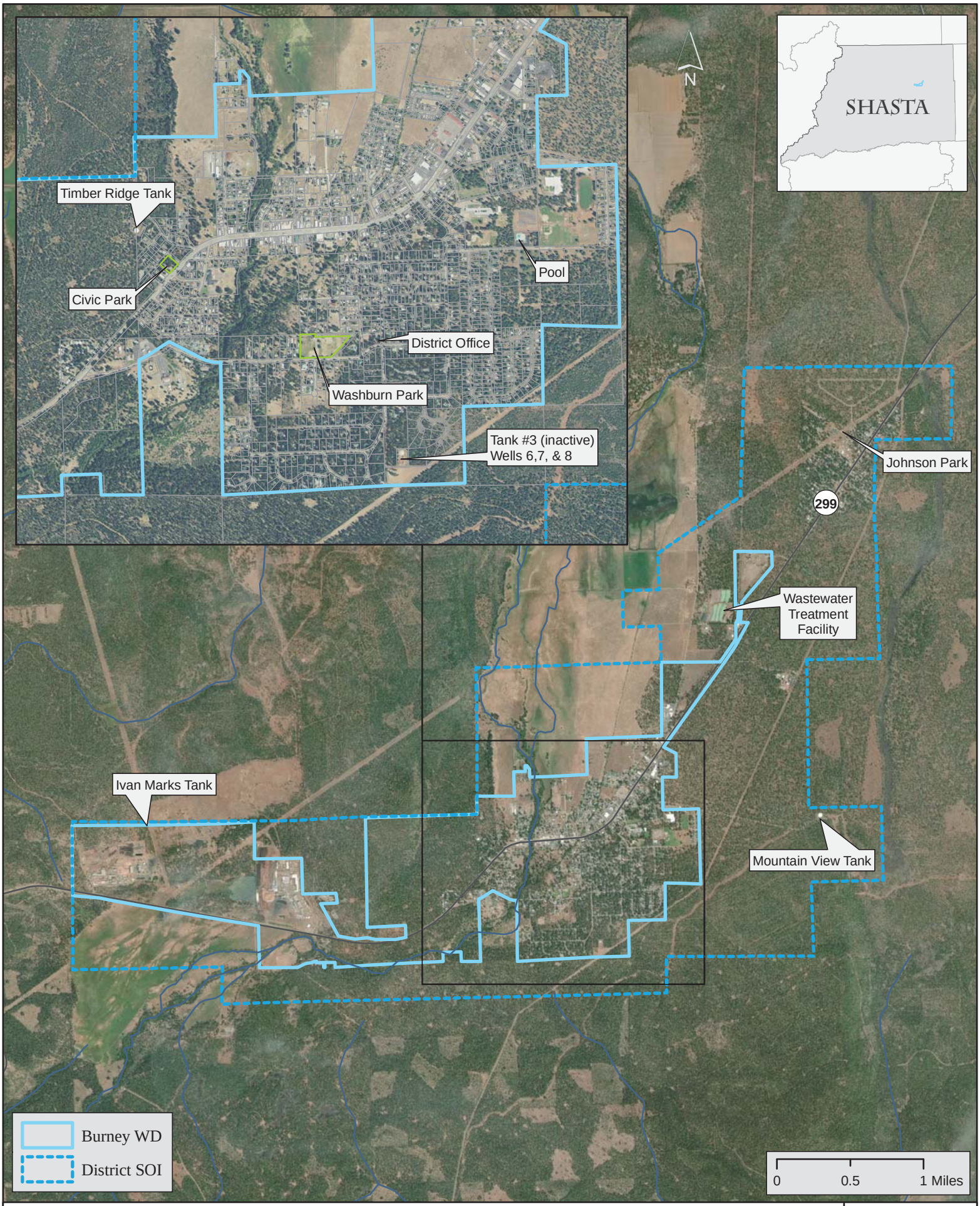
Table 8: Burney Water District Overview

Burney Water District			
General Manager	William Rodriguez	(530)335-3582	Districtmanager@burneywater.org
Address:	20222 Hudson Street, Burney, CA 96013		
Website	www.burneywater.org		
Services Provided	Water Treatment and Distribution, Wastewater collection and disposal, and Parks and Recreation.		
Population Served:	3,154	**Service Area:**	2,361.4 acres (3.7 sq. mi.)
Number of Staff	7 Paid Staff		

District Boundary and Sphere

Burney Water District encompasses the unincorporated community of Burney in the northeastern area of Shasta county. The 2015 annexation of the Highmark area increased the size of the District by 378.8 acres binging the total area up to 2,361.4 acres. The SOI is larger than the current District boundary totaling 7,044.9 acres. As noted on Figure 2, the wastewater treatment facility and the Mountain View Tank are outside of the District boundary but within the SOI. Additional storage tanks include the Timber Ridge Tank and Tank #3 which is adjacent to Wells, 6, 7, and 8.

Also shown on Figure 2 are several park facilities that the District operates. These facilities include Civic Park, Washburn Park, and the Raymond Berry Intermountain Pool, all of which are within the District boundary. These facilities are discussed in further detail under infrastructure and services.



Burney Water District

Figure 2

Map Date: 3/20/2019

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

Growth and Population

Burney is a census-designated place (CDP) 50 miles northeast of Redding on Highway 299. According to the 2010 census, the population of the Burney CDP was 3,154. However, the CDP boundary is smaller than the Burney Water District boundary, and reports a smaller population. Using GIS data and census blocks, the estimated population for the District is approximately 3,512. Using the 0.2 – 1.1 percent annual growth estimate for unincorporated Shasta County and the 2010 US Census population of 3,154, the CDP population could increase to 3,236 – 3,636 by the year 2023.

Existing and Planned Uses

Land use in Burney is subject to the Shasta County General Plan and Zoning Ordinance. The Shasta County General Plan indicates a broad range of land use designations in the District boundary. As such, there is diverse development within the permitted land uses. Principal economic activities in the area consist of forest products, the cogeneration of electric power, agriculture, and tourism. Highway 299 east bisects the town and is lined with typical retail and commercial uses. Lumber mills and light industrial development occur on the outskirts of town. Residential development at urban and suburban densities is spread throughout the service area.

Zoning within the District boundary is primarily Single-Family Residential with pockets of Planned Development, Commercial, Industrial, Exclusive Agriculture, and Public Facilities dispersed throughout. The SOI encompasses primarily Timber Production District lands with some Unclassified lands to the north.

Disadvantaged Unincorporated Communities

The Burney Water District and its SOI are primarily within Census Designated Place 0609122 with a MHI of $33,750 which is 53 percent of California's reported $63,783 MHI, thereby qualifying the area as disadvantaged. District areas outside of the CDP are within Census Block 060890127014 with a MHI of $45,536 which is 71 percent of the California's reported MHI and Census Block Group 060890127011 with a MHI of $34,952 which is 55 percent of California's reported MHI. Should the District pursue annexation of outlying areas, DUCs within its vicinity should be examined further.

Accountability and Governance

The Burney Water District is governed by a five-member Board of Directors who are elected to staggered four-year terms by registered voters that live within the District. Board meetings are held on the third Thursday of each month at the District Office located at 20222 Hudson Street in Burney. Agendas are posted in the office windows at least 72 hours in advance of the meeting and board packets are available for review during normal business hours.

Table 9: Burney Water District Board of Directors

Director	Term Expiration
Jim Hamlin, President	December 2022
Britta Rogers, Vice President	December 2022
Fred Ryness, Director	December 2020
Roger Borkey, Director	December 2020
Ellen Songer, Director	December 2022

The District has a website (www.burneywater.org) where the District activities, services and are posted. Complete and comprehensive Board Meeting information is provided, including meeting minutes, agendas and packet materials. Board of Directors are listed with terms and ethics certificates.

Infrastructure and Services

WATER SYSTEM

Source

The District obtains its water supply primarily from two groundwater wells (No. 6 and No. 7) located at a well field near the southern edge of the District service area boundary. The wells are supplied by the Burney Creek Valley Groundwater Basin. Well No. 6 supplies water to the Low-Pressure Zone and pumps water to the Timber Drive Tank and Mountain View Tank. Well No. 6 serves a population of 3,120 with 1,300 connections and yields 1,400 Gallons per Minute (GPM). Well No. 7 serves the High-Pressure Zone and pumps water to the Ivan Marx Tank, it serves a population of 883 with a total of 368 connection and yields 1,740 GPM.

The District also has an additional groundwater well that serves the Low-Pressure Zone during power outages. Well No. 8 is controlled manually, operated on standby, and exercised weekly.

Water Treatment

Groundwater in the vicinity is of such high quality that treatment of the source water is not required. The District maintains disinfection facilities at Well Nos. 6 and 7, which can also be used at Well No. 8 if needed. No issues with lead, copper, or coliform have occurred within the last five years. As such, the District is on a reduced Lead and Copper monitoring schedule. At one time, the District chlorinated the system quarterly as a precaution against bacteriological contamination, but has not been required to do so for many years

Water Distribution

The existing distribution system consists of approximately 160,000 feet (30 miles) of 6 to 24-inch distribution mains. About 64% of the system mains consist of 6 to 24-inch diameter polyvinyl chloride (PVC) in good condition, 34% are 6 to 12-inch tar coated steel mains in fair condition, 1% are 10 to 12-inch ductile iron (DI) in good condition, and 1% are 6-inch

asbestos cement (AC) in reasonable condition. Approximately 11% of the smaller ¾ to 3-inch pipes are galvanized steel in poor condition and beyond their useful service life according to the 2011 California Department of Public Health (CDPH) Annual Inspection Report (AIR). Refer to Appendix A for the 2011 CDPH AIR. In 2012, the annual percentage of unaccounted for water was approximately 4%, which indicates a very tight system compared to that of neighboring water systems.

The District has one booster pump station that can pump from the Low-Pressure Zone to the High-Pressure Zone. There is only one diesel driven pump at the station which is not adequate to meet peak demands in the High-Pressure Zone. Additionally, this pump is currently inoperable due to an apparent cross connection between diesel engine coolant and the potable water supply. Thus, if Well No. 7 fails, restricting water consumption would be necessary to maintain adequate Ivan Marx Reservoir water levels.

Water Storage

The District currently has three water storage reservoirs totaling 6.7 million gallons (MG) of storage. Based on storage requirements this is more than adequate to meet existing and future anticipated 30-year demands.

Current and Future Water Demand

Although population growth rate could be used to predict future water consumption, this alone tends to neglect other factors that contribute to growth in water consumption. For example, increases in industrial and commercial water use and the trend for higher-end residential development with higher landscape irrigation needs will tend to accelerate water consumption over time. However, given the relatively static trend in services over the last 10 years, District growth and population is likely to remain relatively static into the foreseeable future. As such, the District is more in a preventive repair and/or replace O&M mode, rather than one of system expansion to accommodate new development.

Table 10: Burney Water District Current and Future Water Demand[2]

Water Demand	2012	2042
Average Day Demand, MGD	1.3	1.8
Maximum Day Demand, MGD	3.9	4.8
Average Day Demand/HE, GPD	570	570
Maximum Day Demand/HE, GPD	1,500	1,500

It is possible the District may see a contraction in the near future, with many retirees moving due to harsh weather in the winter months. Rather than having issues associated with too much growth in the near future, it is more likely the District will struggle to meet increased O&M costs with fixed source for revenue. That having been said, there are a few proposed developments which have tentative maps and/or preliminary plans

[2] Burney Water District Water Master Plan, estimates as of 2012.

already completed. Therefore, this Master Plan utilizes these developments to forecast near-term growth in the next 10 to 30 years. Full build-out of these developments with an assumed growth rate of 1% per year will take 30 years to complete.

Water System Challenges and Needs

The 2014 Water Master Plan identified a number of major improvements needed primarily to overcome existing system deficiencies and to provide for possible future growth. Improvements and associated costs were prioritized into three time periods, immediate term (2012-2022), Near Term (2022-2032), and Long Term (2032-2042).

Booster Pumping Facilities: the existing Booster Pump Station has only one diesel engine driven pump capable of transferring water from the Low-Pressure Zone to the High-Pressure Zone which is currently inoperable. As such, it is recommended to replace the two undersized electric motor driven pumps with two new pumps with butterfly control valves, and all electrical be upgraded with an emergency generator with manual transfer switch to provide effective redundant source capacity to the High-Pressure Zone. This would increase the pump station's capacity from 1.15 to 1.7 MGD.

WASTEWATER SYSTEM

Wastewater Collection System

As of a 2012 report, the wastewater collection system consisted of about 100,000 feet of 6-inch to 10-inch collector sewer mains, and about 15,000 feet of 12-inch to 15-inch interceptor sewers. The District wastewater system was completed in 1974 and portions of the system have been upgraded since.

Sewage Lift Stations

There are two sewage lift stations in the District: Bartel and Main. The Bartel lift station is a wet well lift station with an effective capacity of 250 gallons per minute. The Main lift station is a dry pit lift station, which pumps all District Wastewater to the WWTP. The capacity of this lift station is approximately 1,325 gallons per minute.

Wastewater Treatment Plant

The Burney wastewater treatment plant (WWTP) has an existing average dry weather flow capacity of approximately 0.44 million gallons per day (MGD) and a peak wet weather flow (PWWF) capacity of 1.02 MGD

PARKS AND RECREATION

Burney Water District operates the Raymond Berry Intermountain Pool and two parks, Washburn-Bue Park and Civic Park.

Washburn-Bue Park

Washburn-Bue Park is situated on Park Ave in Burney and encompasses approximately 5.5 acres. The park offers two baseball fields, play area with swing set, snack shack, and storage shed. The restroom facilities require maintenance and upgrades and are currently unavailable for use. Portable restrooms and bleachers are available for use as needed.

Burney Civic Park

Civic park is located along Hwy 299 and encompasses one acre. The park is canopied by large Ponderosa Pine trees and offers residents and travelers picnic tables and benches.

Raymond Berry Intermountain Pool

The Burney Water District owns and operates the Raymond Berry Intermountain Pool facility, which consists of a main pool house with separate changing, shower and restroom facilities for men and women, staff office, main pump and chemical room, an external pump room, picnic and grassy area and features three pools:

- Junior Olympic sized heated main pool with diving board and waterslide, used for youth water safety instruction, lap swimming, low-impact water aerobics and general recreation.
- A smaller heated pool with a wheelchair accessibility ramp used for youth water safety instruction, low-impact water fitness and water aerobics classes that are especially popular with older patrons, and parent-child classes to prepare young children for water safety instruction.
- A shallow circular wading pool for younger children to play in with adult supervision.

The Pool facility is staffed by a Pool Manager, certified Water Safety Instructors and Lifeguards and is due to the fact that it is an outdoor pool, it is only open during the warm months of the year.

The Friends of the Pool is an organization of dedicated community volunteers from the Burney Intermountain Area. They originally formed over thirty years ago to organize volunteers and spent seventeen years raising funds for building a community pool facility in Burney. With the construction and opening of the Raymond Berry Intermountain Pool complex in 1990, they began working in conjunction with the Burney Water District, owner/operators of the Pool facility, first to ensure the support of the community with the passage of Ballot Measure B in 2005 to increase pool fee revenue, and most recently, to successfully secure grants in support of maintaining and improving the Pool facility, such as the $200,000 Pacific Forests and Lands Stewardship Council Infrastructure Grant awarded in 2008 to replace and refinish the pool deck and pool interiors, and the $50,000 McConnell Fund Grant awarded in 2018 to purchase and install a solar panel system.

Challenges and Needs

There is currently no funding source for regular park maintenance or infrastructure upgrades. This has resulted in park facilities falling into disrepair. Establishing a revenue stream to provide facility maintenance is the primary challenge facing the parks.

Pool management has recently submitted a grant application to obtain funding to obtain a portable aquatic lift that meets the requirements of the Americans with Disabilities Act (ADA). This will allow patrons of all abilities to utilize the pool facilities. If awarded in full, the grant will fund $7,500 of the total project cost of $11,600.

Personnel

The District employs seven paid employees that handle district administration, operation of the water, wastewater Raymond Berry Community pool facilities. Operations and maintenance of the Washburn-Bue Park and the Civic Community Park are contracted out to local community organizations.

Opportunities for Shared Facilities/Increase Efficiency

The district is approximately 16 miles from Fall River Mills and approximately 47 miles from the Bella Vista Water District. The rural location of the district precludes it from consolidating with another district or city providing the same or similar services.

The District has, however, developed extensive Master Plans for water and sewer services which are regularly updated to improve district operations efficiency.

Current and Future Projects

The District was awarded a WaterSMART Drought Response Program Drought Contingency Planning Grant for FY 2017 from the Bureau of Reclamation for a total of $86,580. The District will work with local stakeholders to create a drought contingency plan for their water users. The District faced severe drought from 2013 to 2016, during which the District's CVP allocations have at times been reduced to as low as 0% for agriculture and 25% for urban uses. The proposed drought contingency plan will help water managers monitor drought conditions identify possible mitigation measures, and formalize their planned actions during a drought.

Financing

Burney Water District operates three enterprise funds (pool, water, and sewer). Revenues for water and wastewater districts are limited to payments for services. The rates for water and wastewater must be directly tied to the cost of providing those services.

The adopted 2018-19 budget is divided into the three enterprise funds: water, sewer, and pool.

- For water, total revenues are expected to be $701,000, total personnel and staffing expenses $291,500 and total general expenses $518,500, resulting in a net loss of $109,000 due to depreciation expenses.
- For sewer, total revenues are expected to be $656,000. Total labor expenses are expected to be $286,500 and total general expenses are expected to total approximately $484,400, resulting in a net loss of $114,900. The loss is due to depreciation expense of $115,000.
- For pool, total revenues expected are $126,500. Total labor expenses are expected to be $58,150, and total general expenses are expected to be 68,350, resulting in a balanced budget.

District water revenues decreased during the recent drought period. Water use restrictions resulted in residents reducing their water usage. Usage has not returned to prior year's levels. Abbreviated budgets are included below.

Table 11: Burney Water District Revenues and Expenditures

Water Service Revenues and Expenditures			
Revenues	**Actual FY 16-17**	**Actual FY 17-18**	**Adopted FY 18-19**
Residential Usage Income	403,224	410,533	405,000
Commercial Usage Income	272,902	284,879	280,000
Income from Late Fees	12,720	12,270	12,000
Other Revenues	10,139	8,858	4,000
Total Revenues	**698,985**	**716,540**	**701,000**
Expenditures			
Labor Expenses	275,707	274,354	291,500
General Expenses	122,732	159,200	180,800
Water O&M	238,867	240,292	228,700
Depreciation Expense	91,831	99,774	109,000
Total Expenses	**729,137**	**773,620**	**810,000**
Net total (deficit)	**(30,152)**	**(57,080)**	**(109,000)**

Table 11 continued

Wastewater Service Revenues and Expenditures[3]		
Revenues	**Actual FY 17-18**	**Adopted FY 18-19**
Residential Usage Income	532,201	532,000
Commercial Usage Income	115,138	115,000
Income from Late Fees	2,838	5,300
Grant Money	156,269	-
Other Revenues	3,852	3,700
Total Revenues	**810,298**	**656,000**
Expenditures		
Labor Expenses	276,392	286,500
General Expenses	211,295	114,700
Wastewater O&M	178,294	254,700
Depreciation Expenses	90,243	115,000
Total Expenses	**756,224**	**770,900**
Net Total (deficit)	**54,074**	**(114,900)**

[3] No financial statements were provided for FY 16-17.

Table 11 continued

Pool Service Revenues and Expenditures		
Revenues	**Actual FY 17-18**	**Adopted FY 18-19**
Residential Usage Income	99,606	99,500
Commercial Usage Income	12,553	12,500
Other Fee Revenues	28,320	14,500
Total Revenues	**140,479**	**126,500**
Expenditures		
Labor Expenses	66,067	58,150
General Expenses	6,504	7,450
Pool O&M	29,905	26,900
Depreciation Expense	33,785	34,000
Total Expenses	**136,261**	**126,500**
Net Total (deficit)	**4,218**	**0**

Reserves

The district maintains reserves for each service it provides. Table 12 shows the reserve fund, description and balance.

Table 12: Burney Water District Reserves Account Descriptions

Account Name	Balance as of 1-31-18	Account Description
Park Maintenance Admin	$1,076.84	Reserve fund for Park Enterprise
Water Sewer Cap Improvement	$N/A	Account Closed – Transferred to Capital Improvements Account
Water Dist. Reserves	$105,591.19	Reserve fund for Water Enterprise
Water SWR Reserves Admin	$24,399.17	Reserve fund for Sewer Enterprise
Water Equip Replace	$116,097.53	Reserve fund for Equipment Replacement (Water & Sewer Enterprise)
Water Swimming Pool Admin	$49,717.77	Reserve fund for Swimming Pool Enterprise (Operating)
Water Cap Improvement	N/A	Account Closed – Transferred to Capital Improvements
Total Reserves	**$317,497.10**	
Capital Improvement	$20,615.60	Reserve fund for Water/Sewer Capital Improvement (Held in Local Bank)

Source: BWD Reserve Account Descriptions from February 21, 2019 Board Meeting Materials

Rates

Following a Water and Sewer Utility Rate Study conducted in 2014, the Burney Water District Board of Directors passed two ordinances (Ordinance 2015 W-1 and Ordinance 2015 S-1) to reflect increased water and sewer rates. Rising operational costs and infrastructure replacement costs were key factors that necessitated the rate increases. The District proposed an increase to water and sewer rates again in 2016, but the Ordinances were tabled and set to be reconsidered in 2017. The District has not pursued a rate increase since 2015. The March 20, 2019 Finance Standing Committee of the Board of Directors will discuss proposed rate increases for water and sewer.

Water Rates

The monthly base rate is determined by the size of the meter. The additional flow rate is calculated at $0.83 per 100 cubic feet of water used. Water consumption rates (Table 13) and water base rates by type (Table 14) are shown below.

Table 13: Burney Water District Rates

Meter Type	Rate
Residential	$0.83 per 100 cubic feet
Commercial	$0.83 per 100 cubic feet
Industrial	$0.83 per 100 cubic feet
Water/Hydrant	$0.95 per 100 cubic feet

Table 14: Burney Water District Base Rate Monthly Charge

Type	Base Rate
5/8”	$15.50
¾”	$16.43
1”	$17.05
1 ½”	$18.83
2”	$24.29
3”	$36.59
4”	$54.83
6”	$82.21
8”	$135.31
10”	$168.52

Sewer Rates

Sewer Base Rate Charges are determined by the Average Winter Flow (AWF), measured in Cubic Feet (CF). The AWF is calculated by averaging December, January and February metered water usage. The Sewer Base Rates are adjusted annually, with rate changes reflected on the August billing cycle. The current Sewer Base Rate Charge Formula is approximately (0.017 x CF) + 24.23.

Governance Structure Options

The Burney Water District was formed in 1944 to provide potable water to the community by an act of the California Legislature. As a County Water District under California Water code the powers and functions are to develop regulations for the distribution and consumption of water; sell water; collect and dispose sewage, garbage, waste, trash and storm water; store water for future needs. Under specified conditions, a water district may generate hydroelectric power and fire protection.

Currently the District is providing parks and recreation services to the community, which while not prohibited by statute, is not a function typically provided by a water district. The March 21st meeting of the Board of Directors proposed to consolidate the local park facilities under the Burney Water District's authority. Another type of special district, Community Services Districts are authorized to provide a much broader range of services than water districts and offers opportunities to increase revenue to fund necessary park improvements and routine maintenance. If the Burney Water District is considering expanding its authority to operate more parks and recreation facilities,

Due to additional services provided beyond water, LAFCo staff requests that the District consider reorganizing into a Community Services District.

MUNICIPAL SERVICE REVIEW DETERMINATIONS

(1) Growth and population projections for the affected area

a. Currently, the Burney Water District Serves an estimated population of 3,154 residents.

b. Using the 0.2 – 1.1 percent annual growth rate range estimate for unincorporated Shasta County and the District reported population of 3,154, there could be an increase to between 3,236 and 3,636 persons by the year 2023.

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

a. The Burney Water District and its SOI are in disadvantaged Census Designated Place 0609122 with a MHI of $33,750 which is 53 percent of California's reported $63,783 MHI.

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

a. Currently, 64% of the system mains are 24-inch PVC in good condition, 34% are 6 to 12-inch tar coated steel in fair condition, 1% are 10 to 12-inch DI in good condition, and 1% are 6-inch AC in reasonable condition.

b. Approximately 11% of the smaller ¾ to 3-inch pipes in the district are galvanized steel in poor condition and beyond their useful service life.

c. The District has one boost pump station designed to pump from the Low-Pressure Zone to the High-Pressure Zone.

d. The District operates several park facilities and some have fallen into disrepair due to lack of funding. It is recommended that the district conduct a needed repairs assessment and develop a regular maintenance schedule.

(4) Financial ability of agencies to provide services

a. For water services in FY 17-18 the District reported a deficit of $57,080. The adopted water services budget for FY 18-19 estimates a deficit of $109,000. The District should consider pursuing revenue increase opportunities in order to maintain solvency and build reserves.

b. For wastewater services in FY 17-18 the District reported a surplus of $54,074. The adopted wastewater services budget for FY 18-19 estimates deficit of $114,900. The District should consider pursuing revenue increase opportunities in order to maintain solvency and build reserves.

c. For pool services in FY 17-18 the District reported a surplus of $4,218. The adopted pool services budget for FY 18-19 estimates a zero balance. The District should consider pursuing revenue increase opportunities in order to maintain solvency and build reserves.

d. Currently there is no funding mechanism for park operations and maintenance which severely limits the ability of the District to provide adequate park services for the community.

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

a. Due to the rural location of the district there are currently no opportunities for shared facilities.

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

a. The Burney Water District is governed by a five-member Board of Directors who are elected to staggered four-year terms by registered voters that live within the District.

b. The District has a website (www.burneywater.org) where the District activities, services and reports are posted. A link to board meeting agendas and minutes is displayed prominently on the home page.

c. The District is currently providing parks and recreation services to the community which falls outside of the functions typically provided by a water district. It is recommended that the District reorganize into a Community Service District in order to provide opportunities for additional funding mechanisms that will allow them to better serve the community.

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

None identified.

SPHERE OF INFLUENCE DETERMINATIONS

Shasta LAFCO makes the following written SOI determinations for the Burney Water District:

(1) The present and planned area land uses, including agricultural and open-space lands.

a. Land uses within the District and sphere of influence area are subject primarily to the Shasta County General Plan and Zoning Regulations.

b. Current land uses within the District boundary are primarily Single-Family Residential with pockets of Planned Development, Commercial, Industrial, Exclusive Agriculture, and Public Facilities dispersed throughout.

c. Current land uses within the SOI are primarily Timberland and Timber Production areas except for Johnson Park which is primarily Interim Residential, Planned Development, and Commercial.

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

a. There is a present and continued need for water, wastewater, and park services throughout the District to support the town of Burney and outlying areas.

b. The current primary land uses within the SOI do not require municipal services. The unincorporated area known as Johnson Park may require municipal services in the future should planned development areas be utilized.

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

a. The MSR indicates the services are adequate to meet present community needs for water, wastewater, and pool services.

b. The MSR indicates that services are inadequate to meet present community needs for park facilities due to lack of funding mechanisms to support the facilities.

c. Issues relating to sustainable funding levels need to be addressed for water, wastewater, pool, and park facilities.

(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.

a. Within the District area there are two small communities including Census Designated Place Burney and the unincorporated town of Johnson Park.

(5) The Present and Probable Need for the Services for Any Disadvantaged Unincorporated Community within the Area

a. Johnson Park qualifies as a DUC and may require municipal services in the future.

b. Should future annexations or service extensions be proposed in the area, special consideration may be given to any DUCs affected by the proposal consistent with GC §56375(8)(A) and LAFCo Policy.

2.3 COTTONWOOD WATER DISTRICT

Table 15: Cottonwood Water District Overview

Cottonwood Water District			
General Manager	John Hollmer	(530) 347- 3472	cottonwoodwaterdistrict@gmail.com
Address:	3282 Chestnut St. Cottonwood, CA 96022		
Website	None	**Water System**	CA4510007
Services Provided	Potable Water	**Connections**	1,150
Population Served:	3,316	**Service Area:**	2,872.2 acres (4.49 sq. miles)
Number of Staff	3		

District Boundary and Sphere

The Cottonwood Water District, formed in January 1955, encompasses the town of Cottonwood and surrounding area. The District boundary, shown in Figure 3, covers an area of 4.5 square miles and the SOI covers an additional 5+ square miles. In 2006 the District annexed 206 parcels with a total area of 1,099 acres in order to incorporate parcels that were outside the District boundary but receiving services from the District.

In November 2018 the Stephens Ridge subdivision, located to the north of the District along Rhonda Road, was approved for annexation into the District by Shasta LAFCO Board Resolution 2018-08. Once finalized, this will add 655.7 acres to the District increasing the total area served to 3,527.9 acres.

Growth and Population

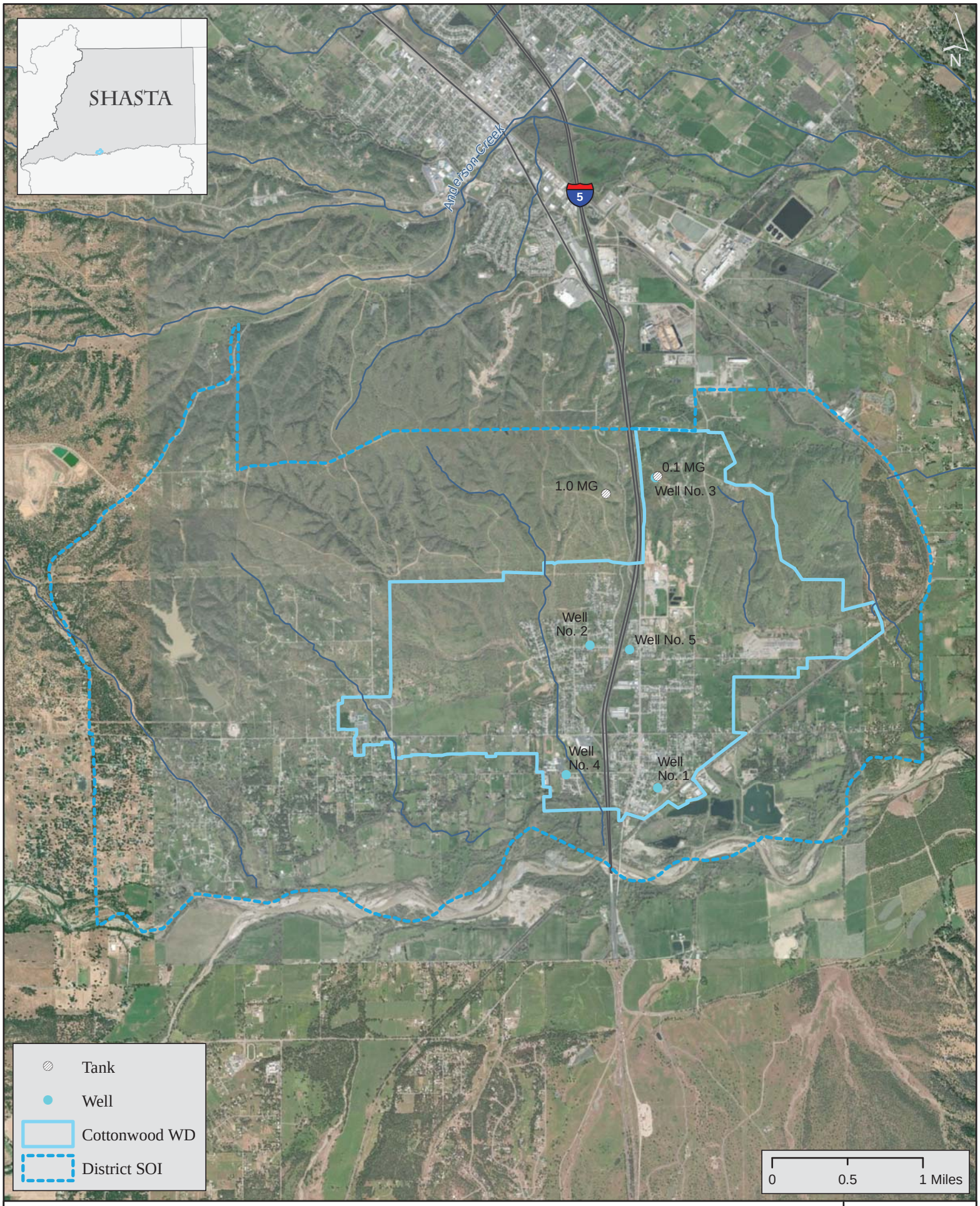
Cottonwood is a Census Designated Place located 14 miles south of Redding. According to the 2010 census, the population of the Cottonwood CDP was 3,316. However, the CDP boundary is smaller than the Cottonwood Water District boundary, and reports a smaller population. Using GIS data and census blocks, the estimated population for the District is approximately 3,512. Using the 0.2 – 1.1 percent annual growth estimate for unincorporated Shasta County and the 2010 US Census population of 3,316, the District population could increase to 3,403 – 3,823 by the year 2023.

The addition of the Stephens Ridge subdivision to the District will also increase population. The subdivision is planned to accommodate approximately 266 residents at build out and full occupancy.

Existing and Planned Uses

The Shasta County General Plan designates land use in and around the Cottonwood Water District as primarily Suburban Residential, Urban Residential, Rural Residential, Commercial, Industrial, Public Facility, and Agricultural Small-Scale Cropland.

Zoning is primarily Single Family Residential, Commercial, Limited Agriculture, Public Facility and Planned Development with pockets of Mobile Home Parks. Zoning in areas surrounding the District includes Planned Development, Rural Residential, Limited Agriculture, Mineral Resource, and Habitat Protection.



Cottonwood Water District

Figure 3

Map Date: 5/13/2019

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

Disadvantaged Unincorporated Communities

The Cottonwood Water District serves customers in the south-central region of Shasta County. Cottonwood is a Census Designated Place (CDP) with a MHI of $42,660, which is 67 percent of California's reported $63,783 MHI, thereby qualifying the area as disadvantaged. Other areas served by the District, but not within the CDP are within Disadvantaged Community Tract 06089012200, which has an MHI of 40,179, only 65 percent of California's MHI. Should the District pursue annexation, DUCs within its vicinity should be examined further.

Infrastructure and Services

WATER SYSTEM

Water Source and Supply

The District obtains its water from five wells located within the district boundary. Water is pumped from the Redding Area – Anderson groundwater basin which has historically good to excellent water quality with total dissolved solid levels of 109 to 320 mg/L[4]. Water is also stored in two tanks within the district. Tables 16 and 17 list the names, locations, and ideal capacities of wells and tanks in the district. Actual flow rates from wells are typically lower than those listed due to variable pressures at each site.

Table 16: Cottonwood Water District Wells

Well No.	Location	Capacity (GPM)
Well No. 1	Oak Street/ Chestnut Street	615
Well No. 2	Rhonda Road	831
Well No. 3	Vantage Drive	154
Well No. 4	1st Street	700
Well No. 5	Oak Street	725

Table 17: Cottonwood Water District Storage Tanks

Tank No.	Location	Capacity (MG)
Tank No.	Vantage Drive	0.1
Tank No.	Rhonda Road	1.0

The Stephens Ridge Subdivision annexation will require additional infrastructure to be built. This includes extending electrical service to an existing water storage tank facility immediately south of the subdivision, construction of a booster pump, an 8-inch diameter cross-country water main, supply main, appurtenant facilities, and service connections. These infrastructure upgrades will be paid for by the developer.

[4] source.

Current Water Demand

The District services 1,150 connections including Single-Family Residential, Multi-Family Residential, Commercial/Institutional, Industrial, and Fire Suppression. In 2018, a total of 397,210 cubic feet (2.97 million gallons) of water was pumped from District wells. June through September were the highest volume months with totals ranging from 54,000 to 59,000 cubic feet.

Projected Water Demand

Assuming an estimated 350 cubic feet of water per service connection per year, it is estimated that the Stephens Ridge development, planned for 102 residential parcels, will require an additional 35,700 cubic feet of water from the District. In a will-serve letter to the developer, the District indicated it has the capacity to serve the additional need.

Challenges and Needs

The District reports that they are addressing system needs. This includes periodically preparing water rate studies to identify future needs, including maintenance upgrades and appropriate rate adjustments. The District should also prepare a Capital Improvement Plan (CIP) to identify projects, as well as pipelines and equipment replacements and how those will be funded.

Personnel

The District currently maintains three full-time employees including a District Manager, District Secretary, and an Operator that is responsible for day to day operations of pumping and distribution.

Opportunities for Shared Facilities/Increase Efficiency

The Anderson-Cottonwood Irrigation District provides water services south, east, and north of Cottonwood. The two districts are separated in the south by Cottonwood Creek and share a boundary line along the east side of the town of Cottonwood.

Other service districts within the area include CSA #17-Cottonwood Sewage Disposal System and Cottonwood Fire Protection District.

Financing

FINANCIAL OVERVIEW

The District prepares an annual budget which serves as the basis for the District's financial planning. Additionally, the District is audited by a qualified Certified Public Accountant. The most recent audit was prepared for the FY 2017 -2018.

Table 18: Cottonwood Water District Financial Summary

	FY 17-18 (Budgeted)	FY 17-18 (Actuals)	FY 18-19 (Budgeted)
Revenues			
Capacity Charge	$288,000	$337,451[5]	$36,000
Meter Charge Fee	$8,400	$10,310	$5,000
Water Sales	$516,000	$553,280	$550,000
Hydrant Meter Rental Fee	$100	$86	$50
Backflow Test Fee	$1,455	$1,415	$0
Other Income	$4,000	$3,620	$3,000
Interest Income	$1,050	$2,339	$1,550
Total Revenue	**$819,005**	**$908,502**	**$595,600**
Expenditures			
G&A	$92,700	$75,236	$80,250
Payroll	$193,000	$184,512	$136,540
Transmission and Distribution	$215,600	$215,675	$243,000
Depreciation	$73,000	$79,225	$77,000
Total Expenditures	**$574,300**	**$554,649**	**$536,790**
Revenues Over (Under) Expenditures	**$244,705**	**$353,853**	**$58,810**

Rates

There is one service level across the district for all customers. There is no differentiation between residential, commercial, or institutional services. The base rate for water service in the District is $25 for 800 cubic feet and increases $0.80/100 for every additional 100 cubic feet. The charges for selected volumes are listed in Table 19.

Table 19: Cottonwood Water District Rates

Volume (cu.ft.)	Charge
1,000	$26.60
2,000	$34.60
3,000	$42.60
4,000	$50.60
5,000	$58.60

Accountability and Governance

The Cottonwood Water District is governed by a five-member Board of Directors who are elected to staggered four-year terms by registered voters that live within the District. Board meetings are held on the second Wednesday of each month at 5pm at the District Office located at 3282 Chestnut Street.

[5] Capacity charge in FY 17-18 was inflated due to construction of a housing development and associated connections.

Table 20: Cottonwood Water District Board of Directors

Director	Term Expiration
Nicholas Shidlovsky	December 2022
Vince Dunn	December 2022
Ronald Spurgeon	December 2020
Lewis Presley	December 2020
Arthur W. Parham	December 2020

The District operates a basic a website where residents can login to pay their water bills. Additional district information, including dates and times of board meetings, meeting agendas and materials, and other district information, is not available on the website. Adding more information to the website may help to increase transparency and bring the district into compliance with the recent Brown Act Amendment.

MUNICIPAL SERVICE REVIEW DETERMINATIONS

(1) Growth and population projections for the affected area

a. Currently, the Cottonwood Water District serves an estimated population of 3,316.

b. Using the 0.2 – 1.1 percent annual growth rate range estimate for unincorporated Shasta county and the estimated population of 3,316 there could be an increase to between 3,403 and 3,823 by the year 2023.

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

a. The District encompasses CDP Cottonwood which has a MHI that is 67 percent of California's reported MHI.

b. District areas outside the CDP are within census tracts that report an MHI that is 65 percent of California's reported MHI. Should annexations into the District be considered in the future, these DUCs may be looked at in closer detail.

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

a. The District has adequate capacity to provide services within the current service boundary.

b. The District has adequate capacity to serve the approved annexation of Stephens Ridge once additional infrastructure as outlined in the will-serve letter are constructed.

(4) Financial ability of agencies to provide services

a. Overall, District is considered stable and self-sustaining for operational, capital and debt service activities. The District should periodically review rates and prepare a CIP to program and fund needed improvement projects. Rate increases should be implemented as needed to accommodate expenditure increases. The District should also maintain a reserve fund balance to absorb short term impacts.

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

a. There may be possibility of shared facilities with ACID.

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

a. The District operates a basic website allowing customers to login and pay their bill. Updating the website to include board meeting agendas and minutes along with other district news would help increase transparency.

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

a. No additional issues have been identified.

SPHERE OF INFLUENCE DETERMINATIONS

Shasta LAFCO makes the following written SOI determinations.

(1) The present and planned area land uses, including agricultural and open-space lands.

a. Land uses within the District and sphere of influence area are subject primarily to the Shasta County General Plan and Zoning Regulations.

b. Land uses within the District boundary are primarily Urban Residential, Suburban Residential, Commercial, and Agricultural.

c. Land uses within the District's SOI are primarily Rural Residential, Agricultural, Industrial, and Habitat Resource.

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

a. There is a present and continued need for water services throughout the District to support the town of Cottonwood and outlying areas.

b. The current primary land uses within the District's SOI may require water service in the future should more development projects be proposed on rural residential lands.

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

a. The MSR indicates the services are adequate to meet present and planned community needs for water. There continue to be inquiries for services extensions. Those should be evaluated on a project by project basis, with infrastructure upgrades required as needed. Service Extensions in the SOI should be tied to annexations.

(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.

a. Within the District area there is the City of Anderson to the north and a small unincorporated community to the northwest near the Waste Management - Anderson Landfill.

(5) The Present and Probable Need for the Services for Any Disadvantaged Unincorporated Community within the Area

a. Should future annexations or service extensions be proposed in the area, special consideration may be given to any DUCs affected by the proposal consistent with GC §56375(8)(A) and LAFCo Policy.

2.4 TUCKER OAKS WATER DISTRICT

To be continued until District information is provided.