

Patrick Jones
County Member
Pamelyn Morgan
City Member
Stan Neutze
City Member
Michael Dacquisto
City Member Alternate

Vacant
Special District Member
Mary Rickert
County Member Alternate
Ronnean Lund
Special District Member



Larry Russell
Public Member
Kevin W. Crye
County Member
Fred Ryness
Special District Alternate

Michael Spencer
Public Member Alternate
George Williamson
Executive Officer
James M. Underwood
General Counsel

REGULAR COMMISSION MEETING

Thursday, October 5, 2023 at 9:00 a.m.

City of Redding Council Chambers 777 Cypress Avenue, Redding, California

AGENDA

1. CALL TO ORDER
 - a. Roll Call
 - b. Pledge of Allegiance – Fred Ryness
2. PUBLIC COMMENT

Members of the public are invited to address the Commission at this time regarding any item not scheduled for discussion as part of this agenda, and that are within the jurisdiction of LAFCO. Comments may be limited to three (3) minutes per person. No action will be taken by the Commission at this meeting as a result of items presented at this time.
3. AGENDA ADOPTION
 - a. Agenda* Additions/Changes
 - b. Business/Campaign Conflict Disclosures

**Note: Only the following additions/changes are permitted: (1) To change the order of noticed agenda items, (2) determine to continue or not consider a noticed agenda item, or (3) Discussion/Action on an item not appearing on the posted agenda if a defined statutory emergency situation is determined to exist by majority vote (GC 56954.2(b) (1) and GC 54956.5)*
4. SPECIAL PRESENTATIONS
 - a. None
5. CONSENT CALENDAR – (Action Item)
 - a. June 1 Commission Meeting Minutes
 - b. August 3 Commission Meeting Minutes
 - c. FY 2022-23 Year End Summary & US Bank Statements
 - d. FY 2023-24 Member Organization Revenues Status
6. CORRESPONDENCE
None
7. SCHEDULED PUBLIC HEARINGS – (Action Items)
 - a. Shasta CSD MSR/SOI Update (Fire Services Divestiture) - Resolution 2023-08
 - b. Fall River Valley Fire Protection District Reorganization – District Request to Withdraw
8. NEW BUSINESS
 - a. Authorize Increased single signer check limit (Potential Action)
 - b. Special District Seat 1 & Alternate Nominations Update (Informational)
 - c. Financial Audit Request for Proposal (Potential Action)

9. OLD BUSINESS
 - a. Shasta FPD Formation Update (Informational)
 - b. Fall River Valley CSD Annexation Time Extension Resolution 2023-09 (Potential Action)
 - c. Staffing Services Transition Plan (Potential Action)
 - d. Savings Funds Investment (Informational)
 - e. Planwest Partners July & August 2023 Invoices (Potential Action)
10. EXECUTIVE OFFICER REPORT (Informational)
11. CLOSED SESSION
None
12. COMMISSIONER ANNOUNCEMENTS (Informational)
13. STAFF ANNOUNCEMENTS
 - a. Next Regular Meeting is scheduled for Thursday, December 7, 2023 at 9:00 a.m. at the City of Anderson Council Chambers, 1887 Howard Street, Anderson California.
14. ADJOURNMENT

Patrick Jones
County Member

Pamelyn Morgan
City Member

Stan Neutze
City Member

Michael Dacquisto
City Member Alternate

Irwin Fust
Special District Member

Mary Rickert
County Member Alternate

Ronnean Lund
Special District Member



Larry Russell
Public Member

Kevin W. Crye
County Member

Fred Ryness
Special District Alternate

Michael Spencer
Public Member Alternate

George Williamson
Executive Officer

James M. Underwood
General Counsel

DRAFT MINUTES
Regular Commission Meeting June 1, 2023
City of Shasta Lake Council Chambers 4488 Red Bluff Street, Shasta Lake, California

(These minutes are not intended to be a verbatim transcription of the proceedings and discussion associated with the business on the Commission's agenda; rather, what follows are Commission actions in the order of business and general testimony.)

1. CALL TO ORDER
 - a. Chairman Fust called meeting to order at 9:00 a.m. at City of Shasta Lake Council Chambers.
Present: Chairman Fust, Commissioners, Morgan, Lund, Neutze, Russell, Jones and Crye, Alternate Commissioners Rickert, Ryness and Spencer
Staff Present: Executive Officer George Williamson General Counsel Jim Underwood.
Absent: Alternate Commissioner Dacquisto..
 - b. Commissioner Morgan led the Pledge of Allegiance.
2. PUBLIC COMMENT
No public comments were provided.
3. AGENDA ADOPTION
 - a. Agenda Additions/Changes
 - b. Business/Campaign Conflict Disclosures
No agenda additions, changes or business conflicts were provided.
4. SPECIAL PRESENTATIONS
No presentations were provided.
5. CONSENT CALENDAR
 - a. November 29, 2022, Protest Hearings Minutes Acknowledgement (from February 2, 2023)
 - b. Approval of February 2, 2023, Commission Meeting Minutes
 - c. Approval of April 6, 2023, Commission Meeting Minutes
 - d. Fiscal Information – bank statements, reconciliations, disbursements
Motion to approve Consent Calendar presented by Commissioner Morgan, noting some minor corrections, seconded by Commissioner Neutze and passed by the following votes:
Ayes: Fust, Morgan, Neutze, Russell, Lund, Jones and Crye.
Noes: None
Abstain: None
Absent: None
6. CORRESPONDENCE
 - a. none
7. SCHEDULED PUBLIC HEARINGS
 - a. Adopt Final Fiscal Year 2023/2024 Budget by Resolution 2023-03
Staff noted that the draft budget was distributed to the member organizations, the hearing was noticed and posted on the Shasta LAFCO website.

Motion to approve final budget for Fiscal Year 2023/2024 with change in MSR/SOI Updates description to add more detail for miscellaneous line item, by Resolution 2023-03, was presented by Commissioner Neutze, seconded by Commissioner Russell and passed by the following votes:

Ayes: Fust, Morgan, Neutze, Russell, Lund, Jones and Crye.

Noes: None

Abstain:None

Absent: None

- b. Clear Creek Community Services District Sphere of Influence Update California Environmental Quality Act exemption by Resolution 2023-04
Staff presented the CEQA Exemption for the MSR/SOI Update,
Motion to approve, by Resolution 2023-04, presented by Commissioner Jones seconded by Commissioner Morgan and passed by the following votes:
Ayes: Fust, Morgan, Neutze, Russell, Lund, Jones and Crye.
Noes: None
Abstain:None
Absent: None
- c. Clear Creek Community Services District Municipal Service Review /Sphere of Influence (MSR/SOI) Update by Resolution 2023-04
Staff presented the draft MSR/SOI Update noting assistance from CSD staff and Board review. Having the recent audit was helpful for financial analysis. A SOI reduction is proposed for an area of overlap with the City of Anderson. CSD General Manager Paul Kelly spoke and indicated SOI reduction made sense. CSD Board member Beverly Fickes commented on the MSR/SOI Update and noted a recent grand jury report on the District. Commissioner Neutze inquired about improvement funds and water allocations for the District. The General Manager provided the most recent water allocation amounts. Commissioner Russell inquired as the when next allocations would be made. Commissioner Ryness offered a historical perspective on irrigation district infrastructure. Commissioner Neutze expressed support for SOI reduction to remove area of overlap with City of Anderson.
Motion to approve the Clear Creek Community Services District 2023 MSR/SOI Update, by Resolution 2023-05, presented by Commissioner Russell, seconded by Commissioner Neutze and passed by the following votes:
Ayes: Fust, Morgan, Neutze, Russell, Lund, Jones and Crye.
Noes: None
Abstain:None
Absent: None
- d. Anderson-Cottonwood Irrigation District MSR/SOI Update (Continued)
The District requested this item be continued to the August 3, 2023, Commission meeting to allow more time for District Board review.
Motion to continue presented by Commissioner Morgan, seconded by Commissioner Crye and passed by the following votes:
Ayes: Fust, Morgan, Neutze, Russell, Jones and Crye.
Noes: None
Abstain:Lund
Absent: None

8. NEW BUSINESS

- a. Contract Services Extension FY 2023/2024 – Executive Officer Services (Potential Action)
Staff presented the FY 2023/2024 Independent Contract Services Agreement Extension, for Executive Officer Services, between the Commission and Planwest Partners Inc.
Motion to approve FY 2023/2024 Executive Officer Contract Services Extension, presented by Commissioner Lund, seconded by Commissioner Jones and passed by the following votes:
Ayes: Fust, Morgan, Neutze, Russell, Lund, Jones and Crye.
Noes: None
Abstain: None
Absent: None
- b. Contract Services Extension FY 2023/2024 – General Counsel (Potential Action)
Staff presented the FY 2023/2024 Independent Contract Services Agreement Extension, for General Counsel Services, between the Commission and Underwood Law PC.
Motion to approve General Counsel Contract Services Extension for FY 2023/2024 – presented by Commissioner Neutze, seconded by Commissioner Morgan and passed by the following votes:
Ayes: Fust, Morgan, Neutze, Russell, Lund, Jones and Crye.
Noes: None
Abstain: None
Absent: None

9. OLD BUSINESS

- a. Planwest Partners Invoices, George Williamson for January and February 2023
Motion to approve the Planwest Partners Invoices was presented by Commissioner Russell seconded by Commissioner Crye and passed by the following votes:
Ayes: Fust, Morgan, Neutze, Russell, Lund, Jones and Crye.
Noes: None
Abstain: None
Absent: None
- b. Authorize an additional One-Year Time Extension for City of Anderson Water Services Extension to Fire Station 47 - by Resolution 2023-05 (Potential Action)
Staff noted that not all conditions of approval had been met for issuing a certificate of completion. An Annexation Consent Agreement and Covenant is still outstanding. Commissioner Russell requested a copy of the CSA # 1 and Anderson Fire Protection District Services Agreement.
Motion for one-year extension of water services authorization, by Resolution 2023-05 presented by Commissioner Neutze, seconded by Commissioner Jones and passed by the following votes:
Ayes: Fust, Morgan, Neutze, Russell, Lund, Jones and Crye.
Noes: None
Abstain: None
Absent: None

10. EXECUTIVE OFFICER REPORT

Mr. Williamson briefly provided an application status update.
He advised that an application received by Fall River Valley FPD which is a refiling due to property tax sharing agreement originally not agreed upon by Shasta County is still pending. An annexation application was also received for Palo Cedro – Service Area #8, which also involves a Shasta County zoning amendment. The Shasta FPD formation is scheduled for vote at the November election.

- 11. **CLOSED SESSION**
No Closed Session was provided.

- 12. **COMMISSIONER ANNOUNCEMENTS**
Commissioner Neutze commented on the condition of the Anderson Cemetery District.
Commissioner Lund requested that a higher interest yield be explored for the Shasta LAFCO Savings Account at US Bank.

- 13. **STAFF ANNOUNCEMENTS**
 - a. The next Regular Meeting is scheduled for Thursday, August 3, 2023, at 9:00 a.m. located at the County BOS Chambers 1450 Court Street, Redding, California.

- 14. **ADJOURNMENT**
There being no further business, Chairman Fust adjourned the meeting at 10:30 a.m.

ATTEST:

APPROVED:

George Williamson
Executive Officer

Irwin Fust
Chairman

DATE: _____

DATE: _____

Patrick Jones
County Member

Pamelyn Morgan
City Member

Stan Neutze
City Member

Michael Dacquisto
City Member Alternate

Irwin Fust
Special District Member

Mary Rickert
County Member Alternate

Ronnean Lund
Special District Member



Larry Russell
Public Member

Kevin W. Crye
County Member

Fred Ryness
Special District Alternate

Michael Spencer
Public Member Alternate

George Williamson
Executive Officer

James M. Underwood
General Counsel

DRAFT MINUTES

Regular Commission Meeting August 3, 2023
Shasta County Board of Supervisors Chambers, 1450 Court Street, Redding CA

(These minutes are not intended to be a verbatim transcription of the proceedings and discussion associated with the business on the Commission's agenda; rather, what follows is a summary of the order of business and general nature of testimony, Commission deliberation, and action taken.)

1. CALL TO ORDER

a. Vice-Chairman Neutze called meeting to order at 9:00 a.m. at Shasta County BOS Chambers Redding California.

Present: Vice Chairman Neutze, Commissioners, Morgan, Lund, Russell, Jones and Crye, Alternates Ryness, Rickert and Spencer.

Alternate Ryness to serve as the second special district voting member.

Staff Present: Executive Officer George Williamson.

Absent: Alternate Commissioner Dacquisto, General Counsel Jim Underwood

b. Commissioner Crye led the Pledge of Allegiance.

c. Chairperson Election (with potential Vice-Chair Election):

Motion to for Commissioner Neutze to serve as Chairperson by Commissioner Crye, seconded by Commissioner Morgan and passed by the following votes:

Ayes: Morgan, Neutze, Russell, Lund, Ryness, Crye and Jones.

Noes: None

Abstain: None

Absent: None

Motion to for Commissioner Russell to serve as Vice-Chairperson by Commissioner Neutze, seconded by Commissioner Russell and passed by the following votes:

Ayes: Morgan, Neutze, Russell, Lund, Ryness, Crye and Jones.

Noes: None

Abstain: None

Absent: None

Acknowledgement - Chairman Fust's resignation was acknowledged and his valued leadership while serving on the Commission was recognized. He was not able to attend to receive a certificate of appreciation.

2. PUBLIC COMMENT

No public comments were provided.

3. AGENDA ADOPTION

a. Agenda Additions/Changes

b. Business/Campaign Conflict Disclosures

No agenda additions, changes or business conflicts were provided.

4. SPECIAL PRESENTATIONS

No presentations were provided.

5. CONSENT CALENDAR
 - a. Fiscal Information – to be presented at the next meeting.
6. CORRESPONDENCE
 - a. none
7. SCHEDULED PUBLIC HEARINGS
 - a. Anderson-Cottonwood Irrigation District MSR/SOI Update (Continued) - Resolution 2023-06
This hearing was continued to allow the District Board to review and comment. Updated draft MSR/SOI Update presented by staff. New General Manager not able to attend. Commission comments included flooding events impacting City of Anderson infrastructure. Effects of increased water allocations this year, following restricted drought allocations prior year were also acknowledged.
Motion to continue the by MSR/SOI Update, to the October 5, 2023, Commission meeting, by Commissioner Jones, seconded by Commissioner Ryness and passed by the following votes:
Ayes: Morgan, Neutze, Russell, Ryness, Crye, Jones
Noes: None
Abstain: Lund
Absent: None
 - b. County Service Areas 14 Belmont, 15 Lighting, 23 Crag View MSR/SOI Update - Resolution 2023-07
Staff report presented, including information about a City of Dunsmuir infrastructure study that includes possible services extension to Crag View across Siskiyou/Shasta County line. Shasta County Public Works Department Deputy County Surveyor/ Supervising Engineer Venton Lee Trotter addressed the Commission and answered questions about County services for the three CSA's Expressed support for potential Dunsmuir – Crag View water system intertie.
 - c. **Motion** to approve the CSA #14, #15 and #23 MSR/SOI Update, by Resolution 2023-07, presented by Commissioner Jones, seconded by Commissioner Russell and passed by the following votes:
Ayes: Morgan, Neutze, Russell, Ryness, Crye, Jones, Lund.
Noes: None
Abstain: None
Absent: None
8. NEW BUSINESS
 - a. Executive Committee Appointment to fill Irwin Fust Vacancy (Potential Action)
Motion to appoint Commissioners Ryness to Executive Committee by Commissioner Russell, seconded by Commissioner Crye and passed by the following votes:
Ayes: Morgan, Neutze, Russell, Ryness, Crye, Jones, Lund.
Noes: None
Abstain: None
Absent: None
 - b. Adding Check Signers to US Bank Account (Potential Action)
Motion to add Commissioner Russell as check signer, in addition to Chairperson Neutze and Executive Officer Williamson by Commissioner Jones, seconded by Commissioner Lund and passed by the following votes:
Ayes: Morgan, Neutze, Russell, Ryness, Crye, Jones, Lund.
Noes: None
Abstain: None
Absent: None

- c. Investment of Savings Funds (Potential Action)
The Commission acknowledged there is more than \$11,000 in the Shasta LAFCO savings account at US Bank, earning almost no interest. These funds could be moved to a certificate of deposit earning higher interest.
 - d. **Motion** to purchase a certificate of deposit with savings funds by Commissioner Lund, seconded by Commissioner Morgan and passed by the following votes:
 - e. **Ayes:** Morgan, Neutze, Russell, Ryness, Crye, Jones, Lund.
 - f. **Noes:** None
 - g. **Abstain:** None
 - h. **Absent:** None
 - i. Member Organization Representation (City Members)
Discussion – city rotation. Commissioner Russell described the two city member rotation among the three cities and inquired as to whether all three Cities, Redding, Shasta Lake and Anderson could be voting members. The Cortese Knox Herzberg Act currently allows two voting members. There was interest in having legal counsel review this. No action.
9. OLD BUSINESS
- a. Planwest Partners Invoices, for May and June 2023
Motion to approve the Planwest Partners Invoices was presented by Commissioner Ryness seconded by Commissioner Crye and passed by the following votes:
Ayes: Morgan, Neutze, Russell, Ryness, Crye, Jones, Lund.
Noes: None
Abstain: None
Absent: None
 - b. Staff Transition Plan & Agreement Amendment 1 – Independent Contractor
Executive Officer presented a Contract Staffing Services revision as Agreement Amendment 1 between Shasta LAFCO and Planwest Partners, for proposed for short term Independent Contractor Addition and Noticing Designee Change.
Motion to approve Independent Contractor Agreement Amendment 1 by Commissioner Ryness seconded by Commissioner Crye and passed by the following votes:
Ayes: Morgan, Neutze, Russell, Ryness, Crye, Jones, Lund.
Noes: None
Abstain: None
Absent: None
10. EXECUTIVE OFFICER REPORT
Mr. Williamson briefly provided an update on application status.
11. CLOSED SESSION
No Closed Session was provided.
12. COMMISSIONER ANNOUNCEMENTS
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13. STAFF ANNOUNCEMENTS
- a. The next Regular Meeting is scheduled for Thursday, October 5, 2023, at 9:00 a.m. located at the Redding City Council Chambers 777 Cypress Avenue, Redding, California.
14. ADJOURNMENT
There being no further business, Chairman Neutze adjourned the meeting at 10:30 a.m.

ATTEST:

APPROVED:

George Williamson
Executive Officer

Stan Neutze
Chairperson

DATE: October 5 2023

DATE: October 5 2023

Patrick Jones
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Vacant
Special District Member
Pamelyn Morgan
City Member Alternate
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Stan Neutze
City Member
Ronnean Lund
Special District Member
Michael Dacquisto
City Member



Larry Russell
Public Member
Mark Spencer
Public Member Alternate
Kevin Crye
County Member
George Williamson
Executive Officer
Fred Ryness
Special District Alternate
James M. Underwood
General Counsel

Agenda Item: 5c.

Meeting Date: October 5 2023

From: George Williamson, Executive Officer

Subject: FY 2022-23 Year End Budget Summary

BACKGROUND:

Staff provides Budget vs Actual, budget report and bank statements to the Commission for acceptance.

DISCUSSION:

The Executive Committee met on September 18th, and reviewed the Budget vs Actual, Revenue Statement, Financial Statement, Balance Sheet reports for Fiscal Year 2022/2023 – Year End, which were accepted and approved to bring forward to the Shasta LAFCO Commission.

Below is a summary of budget items listed with the percentage of funds used:

- Total Salaries including Taxes – 95 %
- Total Contract Employment Services – 95 %
- Total Office Services & Supplies – 115 %
- Total Professional Services – 38 %
- Total Rents, Lease & Misc – 64%
- MSR/SOI Expenses – 105 %
- Total Expenses for Fiscal Year 2022/2023 – 91%

The total adopted Fiscal Year 2022/2023 budget was \$204,600 with total expenditures of \$187,184.86 a savings of \$19,342.66. Unexpended funds may be transferred to the contingency fund; therefore, the contingency fund would increase to \$25,529.14.

RECOMMENDATION:

Staff recommends the Commission review and accept the Fiscal Year 2022/2023 – End of Year Financial Budget Reports.

Attachments: Budget vs Actual, report with Bank Statements

FY 2022/2023 Approved-Actual Budget

Budget Categories	FY 2022-23 Approved	Actual
REVENUES		
Interest	\$0.00	\$5.47
Intergovernmental Revenue		
Contribution from Cities	\$68,200.00	\$68,200.00
Contribution from Shasta County	\$68,200.00	\$68,200.00
Contribution from Special Districts	\$68,200.00	\$68,200.00
Total Intergovernmental Revenue	\$204,600.00	\$204,600.00
TOTAL REVENUES	\$204,600.00	\$204,605.47
EXPENSES		
Salaries & Benefits		
Payroll Expense		
Manager Wages + emp taxes	\$38,830.00	\$34,299.02
Retirement - PERS - Previous EO	\$50,498.00	\$50,498.00
Total Employer Expense	\$89,328.00	\$84,797.02
Total Salaries & Benefits	\$89,328.00	\$84,797.02
Services and Supplies		
Contract Employment Services		
Contract Executive Officer	\$52,500.00	\$49,772.69
Contract LAFCO Personnel	\$0.00	\$0.00
Total Contract Employment Services	\$52,500.00	\$49,772.69
Office Services & Supplies		
Bank & Transfer Fees	\$300.00	\$248.00
Communications	\$1,619.52	\$1,618.55
Info Tech Tools & Equip	\$0.00	\$150.00
Memberships	\$3,650.00	\$3,648.00
Mileage Reimbursement	\$250.00	\$52.63
Office Cleaning	\$0.00	\$0.00
Office Expense	\$200.00	\$0.00
Office Furnishings	\$0.00	\$0.00
Office Supplies	\$500.00	\$1,500.39
Postage & Shipping	\$500.00	\$390.00
Printing	\$0.00	\$461.01
Total Office Services & Supplies	\$7,019.52	\$8,068.58
Professional Services		
Misc Professional Services		
Fiscal/Audit Services (next Fy22-23)	\$5,500.00	\$0.00
InfoTech Services	\$250.00	\$0.00
InfoTech- Website	\$720.00	\$2,187.00
Total Misc Professional Services	\$6,470.00	\$2,187.00
Legal Counsel		
Legal Services	\$10,000.00	\$3,998.00
Total Legal Counsel	\$10,000.00	\$3,998.00
Total Professional Services	\$16,470.00	\$6,185.00

FY 2022/2023 Approved-Actual Budget

Budget Categories	FY 2022-23 Approved	Actual
Rents, Leases & Misc		
Property & General Liability	\$3,900.00	\$0.00
Publications/Legal Notices - Regular	\$800.00	\$417.55
Rents & Leases Equipment - Postage Meter	\$0.00	\$0.00
Rents & Leases Equipment - Copier	\$0.00	\$0.00
Rents & Leases of Structures	\$7,200.00	\$7,200.00
Small Tools & Equipment	\$0.00	\$0.00
Software	\$0.00	\$0.00
Total Rents, Leases & Misc	\$11,900.00	\$7,617.55
MSR/SOI Expenses		
GIS Services	\$4,000.00	\$7,340.00
Postage Printing	\$140.00	\$0.00
Public Hearing Notice	\$200.00	\$50.00
Staffing	\$25,660.00	\$24,044.02
Total MSR/SOI Expenses	\$30,000.00	\$31,434.02
Utilities	\$0.00	\$0.00
Total Services & Supplies	\$117,889.52	\$103,077.84
TOTAL EXPENSES	\$207,217.52	\$187,874.86
Appropriation for Contingency	\$0.00	\$0.00
TOTAL BUDGET ALLOTMENT BALANCE	\$204,600.00	\$204,605.47
CONTINGENCY FUND BALANCE		
Contingency Available		\$19,342.66
Contingency Withdrawal	\$2,617.52	
Contingency Balance	\$6,186.48	\$25,529.14



SHASTA LOCAL AGENCY FORMATION
 COMMISSION
 999 MISSION DE ORO DR STE 106
 REDDING CA 96003-3861

Business Statement

Account Number:
 1 534 9510 2045
 Statement Period:
 Jun 1, 2023
 through
 Jun 30, 2023



SILVER BUSINESS CHECKING

Member FDIC

U.S. Bank National Association

Account Number 1-534-9510-2045

Account Summary

	# Items		
Beginning Balance on Jun 1		\$	109,078.79
Other Withdrawals	4		1,551.66-
Checks Paid	8		23,400.16-
Ending Balance on Jun 30, 2023		\$	84,126.97

Other Withdrawals

<u>Date</u>	<u>Description of Transaction</u>	<u>Ref Number</u>		<u>Amount</u>
Jun 5	Electronic Withdrawal REF=231560111520750N00	To INTUIT * 0000756346PayrollIEE 6127473	\$	10.00-
Jun 7	Electronic Settlement REF=231580088994100Y00	From SHASTA LOCAL AGE SETTLEMENTSINGLE PT		834.61-
Jun 14	Analysis Service Charge	1400000000		24.80-
Jun 21	Electronic Settlement REF=231720073977520Y00	From SHASTA LOCAL AGE SETTLEMENTSINGLE PT		682.25-
Total Other Withdrawals			\$	1,551.66-

Checks Presented Conventionally

<u>Check</u>	<u>Date</u>	<u>Ref Number</u>	<u>Amount</u>	<u>Check</u>	<u>Date</u>	<u>Ref Number</u>	<u>Amount</u>	
3432	Jun 13	8314540768	158.08	3436	Jun 5	8017457801	600.00	
3433	Jun 1	8915117203	9,980.00	3437	Jun 1	8915117202	9,617.57	
3434	Jun 5	8017491001	332.50	3438	Jun 29	8912851149	63.00	
3435	Jun 27	8311126086	129.01	3439	Jun 5	8017491002	2,520.00	
Conventional Checks Paid (8)							\$	23,400.16-

Balance Summary

<u>Date</u>	<u>Ending Balance</u>	<u>Date</u>	<u>Ending Balance</u>	<u>Date</u>	<u>Ending Balance</u>
Jun 1	89,481.22	Jun 13	85,026.03	Jun 27	84,189.97
Jun 5	86,018.72	Jun 14	85,001.23	Jun 29	84,126.97
Jun 7	85,184.11	Jun 21	84,318.98		

Balances only appear for days reflecting change.



P.O. Box 1800
Saint Paul, Minnesota 55101-0800

3843 TRN S Y ST01

Business Statement

Account Number:
1 575 1556 7897
Statement Period:
Jun 1, 2023
through
Jun 30, 2023



Page 1 of 1



000185704 00 SP 106481778013313 S
SHASTA LOCAL AGENCY FORMATION
COMMISSION
999 MISSION DE ORO DR STE 106
REDDING CA 96003-3861



To Contact U.S. Bank

Commercial Customer

Service: 877-295-2509

U.S. Bank accepts Relay Calls

Internet: usbank.com

INFORMATION YOU SHOULD KNOW

Effective August 14, 2023, important updates will be made to the *Your Deposit Account Agreement* document which may affect your rights. The changes are generally described below, but you should review the changes in their entirety.

Beginning July 10, 2023, you can review and download the full revised disclosure at usbank.com/YDAA or you may also call your customer service team at the phone number listed at the top of this statement.

Here's what you should know:

- Updated section title from Electronic Banking Agreement to Electronic Fund Transfers, for Consumer Customers and Business Customers.
- For all references to the Returned Deposited and Cashed Items, updated title to Returned Deposited Items for Business Accounts Only. The Returned Deposited Item Fee or Cashed Check Fee was removed for consumer only on February 13, 2023 and will no longer be charged.
- Moved Real Time Payment/Prohibition on Foreign Payments section to the U.S. Bank *Digital Services Agreement (DSA)*. You can view the DSA online at usbank.com/dsa.
- Under the Changes to Our Agreement with You section, added additional detail to include changing and/or adding terms to the agreement and added details regarding Resolution of Disputes by Arbitration.
- Under the Levies, Garnishments and Other Legal Process section, updated our garnishment terms.
- Under Resolution of Disputes by Arbitration section, removed references to JAMS and added additional information regarding Small Claims Jurisdiction and Arbitration Procedures and Arbitration Costs.
- Under Terms Applicable to All Accounts section, added a sub-section titled Litigation Class Action Waiver.
- Under Longer Delays May Apply section, added a sub-section titled Large Deposits.
- Under Electronic Fund Transfers for Consumer and Business Customers sections, added sub-section titled Virtual Debit Card.
- Removed the Minnesota Liability Disclosure.
- Under Electronic Fund Transfers for Consumer and Business Customers sections, added clarification to refer to the *Digital Services Agreement*.

If you have questions or need to request a copy of the current *Your Deposit Account Agreement*, visit usbank.com/tmtermsandconditions or please call your customer service team at the phone number listed at the top of this statement.

MUNICIPAL INVESTOR

U.S. Bank National Association

Account Summary

Member FDIC

Account Number 1-575-1556-7897

Beginning Balance on Jun 1	# Items	\$	11,722.01	Annual Percentage Yield Earned		0.14956%
Other Deposits	1		1.44	Interest Earned this Period	\$	1.44
Ending Balance on Jun 30, 2023		\$	11,723.45	Interest Paid this Year	\$	7.21
				Number of Days in Statement Period		30

Other Deposits

<i>Date</i>	<i>Description of Transaction</i>	<i>Ref Number</i>	<i>Amount</i>
Jun 30	Interest Paid	3000001857	\$ 1.44
Total Other Deposits			\$ 1.44



SHASTA LOCAL AGENCY FORMATION
 COMMISSION
 999 MISSION DE ORO DR STE 106
 REDDING CA 96003-3861

Business Statement
 Account Number:
 1 534 9510 2045
 Statement Period:
 Jul 3, 2023
 through
 Jul 31, 2023
 Page 2 of 2



SILVER BUSINESS CHECKING

Member FDIC

U.S. Bank National Association

Account Number 1-534-9510-2045

Account Summary

	# Items		
Beginning Balance on Jul 3		\$	84,126.97
Customer Deposits	3		88,574.55
Other Withdrawals	2		27.80-
Checks Paid	6		11,828.13-
Ending Balance on Jul 31, 2023		\$	160,845.59

Customer Deposits

Number	Date	Ref Number	Amount	Number	Date	Ref Number	Amount
	Jul 24	8015193783	8,118.98		Jul 24	8015193781	70,676.28
	Jul 24	8015193786	9,779.29				
Total Customer Deposits							\$ 88,574.55

Other Withdrawals

Date	Description of Transaction	Ref Number	Amount
Jul 5	Electronic Withdrawal REF=231860047799220N00	To INTUIT * 0000756346PayrollEE 4034556	\$ 5.00-
Jul 17	Analysis Service Charge	1700000000	22.80-
Total Other Withdrawals			\$ 27.80-

Checks Presented Conventionally

Check	Date	Ref Number	Amount	Check	Date	Ref Number	Amount
3441	Jul 10	8010764368	129.01	3444	Jul 6	8913860512	259.47
3442	Jul 6	8914782165	109.65	3446*	Jul 5	8616746591	1,500.00
3443	Jul 12	8612092779	9,230.00	3451*	Jul 3	8017687542	600.00
Conventional Checks Paid (6)							\$ 11,828.13-

* Gap in check sequence

Balance Summary

Date	Ending Balance	Date	Ending Balance	Date	Ending Balance
Jul 3	83,526.97	Jul 10	81,523.84	Jul 17	72,271.04
Jul 5	82,021.97	Jul 12	72,293.84	Jul 24	160,845.59
Jul 6	81,652.85				

Balances only appear for days reflecting change.



P.O. Box 1800
Saint Paul, Minnesota 55101-0800

3843 TRN S Y ST01

Business Statement

Account Number:
1 575 1556 7897
Statement Period:
Jul 3, 2023
through
Jul 31, 2023



Page 1 of 1



000016372 00 SP 106481801466530 S
SHASTA LOCAL AGENCY FORMATION
COMMISSION
999 MISSION DE ORO DR STE 106
REDDING CA 96003-3861



To Contact U.S. Bank

Commercial Customer

Service: 877-295-2509

U.S. Bank accepts Relay Calls

Internet: usbank.com

INFORMATION YOU SHOULD KNOW

Effective August 14, 2023, important updates will be made to the *Your Deposit Account Agreement* document which may affect your rights. The changes are generally described below, but you should review the changes in their entirety.

Beginning July 10, 2023, you can review and download the full revised disclosure at usbank.com/YDAA or you may also call your customer service team at the phone number listed at the top of this statement.

Here's what you should know:

- Updated section title from Electronic Banking Agreement to Electronic Fund Transfers, for Consumer Customers and Business Customers.
- For all references to the Returned Deposited and Cashed Items, updated title to Returned Deposited Items for Business Accounts Only. The Returned Deposited Item Fee or Cashed Check Fee was removed for consumer only on February 13, 2023 and will no longer be charged.
- Moved Real Time Payment/Prohibition on Foreign Payments section to the U.S. Bank *Digital Services Agreement (DSA)*. You can view the DSA online at usbank.com/dsa.
- Under the Changes to Our Agreement with You section, added additional detail to include changing and/or adding terms to the agreement and added details regarding Resolution of Disputes by Arbitration.
- Under the Levies, Garnishments and Other Legal Process section, updated our garnishment terms.
- Under Resolution of Disputes by Arbitration section, removed references to JAMS and added additional information regarding Small Claims Jurisdiction and Arbitration Procedures and Arbitration Costs.
- Under Terms Applicable to All Accounts section, added a sub-section titled Litigation Class Action Waiver.
- Under Longer Delays May Apply section, added a sub-section titled Large Deposits.
- Under Electronic Fund Transfers for Consumer and Business Customers sections, added sub-section titled Virtual Debit Card.
- Removed the Minnesota Liability Disclosure.
- Under Electronic Fund Transfers for Consumer and Business Customers sections, added clarification to refer to the *Digital Services Agreement*.

If you have questions or need to request a copy of the current *Your Deposit Account Agreement*, visit usbank.com/tmtermsandconditions or please call your customer service team at the phone number listed at the top of this statement.

MUNICIPAL INVESTOR

U.S. Bank National Association

Account Summary

Member FDIC

Account Number 1-575-1556-7897

Beginning Balance on Jul 3	# Items	\$	11,723.45	Annual Percentage Yield Earned		0.14974%
Other Deposits	1		1.49	Interest Earned this Period	\$	1.49
Ending Balance on Jul 31, 2023		\$	11,724.94	Interest Paid this Year	\$	8.70
				Number of Days in Statement Period		31

Other Deposits

Date	Description of Transaction	Ref Number	Amount
Jul 31	Interest Paid	3100003036	\$ 1.49
Total Other Deposits			\$ 1.49

Patrick Jones
County Member
Vacant
Special District Member
Pamelyn Morgan
City Member Alternate
Mary Rickert
County Member Alternate
Stan Neutze
City Member
Ronnean Lund
Special District Member
Michael Dacquisto
City Member



Larry Russell
Public Member
Mark Spencer
Public Member Alternate
Kevin Crye
County Member
George Williamson
Executive Officer
Fred Ryness
Special District Alternate
James M. Underwood
General Counsel

Agenda Item: 5d.

Meeting Date: October 5 2023

From: George Williamson, Executive Officer

Subject: FY 2023-24 Member Organization Revenues Status

BACKGROUND:

Pursuant to Government Code §56381(b) "After ... adoption of a final budget by the commission ... the auditor shall apportion the net operating expenses of a commission..." The Shasta County Auditor's Office apportioned payments for each member organization, to cover Shasta LAFCO net operational costs, calculated according to GC §56381 for 2023-24.

DISCUSSION:

To date \$ 208,202.27 of the approved FY 2023-24 budget of \$208,500.00 has been collected from the member organizations. There is one District payment outstanding. They have been contacted and payment is pending.

RECOMMENDATION:

Staff recommends the Commission review and accept the FY 2023-24 Member Organization Revenues Status.

Attachments: none

Patrick Jones
County Member

Vacant
Special District Member

Pamelyn Morgan
City Member

Mary Rickert
County Member Alternate

Stan Neutze
City Member Alternate

Ronnean Lund
Special District Member

Mark Dacquisto
City Member Alternate



Larry Russell
Public Member

Michael Spenser
Public Member Alternate

Kevin Crye
County Member

George Williamson
Executive Officer

Fred Ryness
Special District Alternate

James M. Underwood
General Counsel

Agenda Items: 7.a

Meeting Date: October 5, 2023

From: George Williamson Executive Officer

Subject: Shasta Community Services District
Municipal Service Review and Sphere of Influence Update for Fire Services Divestiture

Two Hearings: CEQA Exemption
Shasta CSD Municipal Service Review and Sphere of Influence
Update for Fire Services Divestiture

Background:

The Shasta Community Services District (CSD) is an independent special district under Community Services District law (Government Code §61000, et seq). governed by an elected Board of Directors. The CSD principal act authorizes a broad range of governmental services. Shasta CSD currently provides water and fire service; however, fire services are proposed for divestiture.

The District was formed in 1959 and began providing fire protection services in 1960. In 1964, the District began providing domestic water services to its citizens. The District encompasses approximately 12,366 acres and has an estimated population of 1,231.

DISCUSSION

A District Draft MSR/SOI Update for Fire Services Divestiture was reviewed and discussed by the Shasta CSD General Manager. No edits were submitted for the MSR/SOI Update.

The MSR/SOI Update includes the following determinations:

- a) Growth and population projections for the affected area. The Shasta CSD population is 1,231. Areas of Keswick and Old Shasta burned in the Carr Fire, are being rebuilt. While this rebuilding will replace homes, the County projected annual 0.5 percent growth rate is expected for the next several years.
- b) The location of any disadvantaged unincorporated communities. The Shasta CSD boundaries generally align with the Shasta Census Designated Place (CDP) boundary, which has a MHI of \$86,500. This figure is larger than California's reported MHI of \$80,440. A large portion of the District does not fall within a disadvantaged community block, tract or place as defined by the California State Department of Water Resources and therefore does not qualify as a DUC. The proposed divestiture and designation of successor agency is expected to address a service need related to fire protection and emergency response for the southerly portion of the Shasta CSD. The Shasta CSD provides water services to the entire District. There is no wastewater service for Shasta CSD.
- c) Present and planned capacity of public facilities and adequacy of public services. Shasta CSD provides domestic water services within the District boundary and has some infrastructure capacity for additional connections. However, due to recent drought conditions, the amount of water that can be supplied is limited. The CSD promotes water conservation to reduce consumption. Pursuant to Government Code §56653, a

Plan for Services was prepared, to evaluate the proposed fire services divestiture, with the proposed Shasta Fire Protection District (FPD) taking over fire protection and emergency response services for the southerly portion of the CSD, should the divestiture be approved. Police services, electricity, and solid waste collection will continue to be provided by the County and contractors. Portions of the Keswick community has been rebuilt and water connections restored. The Shasta CSD indicates there would be adequate infrastructure capacity for rebuilding the remaining houses that were destroyed, however, water supply is dependent on allocations due to water supply conditions.

d) Financing ability of agencies to provide services. Shasta CSD water revenues are primarily from water enterprise funds and fire service revenues are primarily from property taxes. Upon fire services divestiture, the CSD will transfer a portion of property tax revenue to the successor agency, for expenses associated with serving the southerly portion of the CSD. For water services, the District management tracks treatment chemicals, lab testing, utilities, and personnel costs, which continue to increase annually. The Shasta CSD conducted a comprehensive review of the budgetary expenditures in 2021 to maximize available resources and reduce operational costs. Water rates were adjusted to allow the District to provide that primary service. The District is proposing fire services divestiture partially due to financial limitations.

e) Status of and, opportunities for, shared facilities. The primary shared facilities opportunity addressed in this MSR/SOI Update are fire and emergency response services to the area proposed for services divestiture by Shasta CSD. If approved by LAFCO, these services will become the FPD's responsibilities as successor agency. CSA #1 already provides these services in the northerly portion of the District, formerly CSA #25 – Keswick. CSA #1 is a dependent special district and is governed by the Shasta County Board of Supervisors acting as the Board of Directors and overseeing operations as the CSA's administrative and financial manager. CSA # 1's day-to-day management is the responsibility of CAL FIRE, operating as the Shasta County Fire Department, who have significant resources within the County and the State of California. These services are shared through mutual aid agreements with other fire and emergency response agencies. The Plan for Services prepared for the fire services divestiture and successor agency designation states that the Shasta CSD fire station #56 and vehicles would be transferred to and be operated by the successor agency.

f) Accountability for community service needs. Shasta CSD meetings are held every third Tuesday of the month at 6:00 PM at 15611 Rock Creek Road in Shasta, CA, 96087. The Shasta CSD website www.Shastacsd.org is where meeting agendas, minutes and other District information is available. Board vacancy announcements are published in newspapers, at the Shasta County Public Library, and local public places for a minimum of three weeks. Candidates are interviewed and voted in by the district board and are submitted to Shasta County for Board of Supervisors. The Shasta CSD Board of Directors operates as the District governing body. All District residents have the right to vote for, and serve as, members of Shasta CSD's Board of Directors. The Shasta FPD would be governed by a three member elected board.

g) Any other matter related to effective or efficient service delivery. LAFCO has reviewed its local policies and there are no other pertinent matters to be discussed.

The recommended determinations in this section and MSR information provide support for the proposed Shasta CSD divestiture of fire services and designation of the Shasta Fire Protection District, if formed, as successor agency.

Shared Services

The primary shared facilities opportunity addressed in this MSR/SOI Update are fire and emergency response services to the area proposed for services divestiture by Shasta CSD. If approved by the registered voters, these services will become the FPD's responsibilities as successor agency. CSA #1 already provides these services in the northerly portion of the CD, formerly CSA #25 – Keswick.

CSA #1 is a dependent special district and is governed by the Shasta County Board of Supervisors acting as the Board of Directors and overseeing operations as the CSA's administrative and financial manager. The CSA's day-to-day management is the responsibility of CAL FIRE, operating as the Shasta County Fire Department, who have significant resources within the County and the State of California. These services are shared through mutual aid agreements with other fire and emergency response agencies.

The Plan for Services prepared for the fire services divestiture states that the Shasta CSD fire station #56 vehicles and equipment would be transferred to and be operated by the successor agency.

RECOMMENDATION

Staff recommends the Commission:

Receive verbal report from staff;

Open the CEQA Exemption public hearing and read testimony; and

Discuss item, and consider CEQA Exemption recommendation:

Receive verbal report from staff;

Open the MSR and SOI Update public hearing and read testimony; and

Discuss item, and approve both hearing items by Resolution 2023-08

Attachments

Shasta CSD MSR and SOI Update for Fire Services Divestiture

Resolution 2023-08 MSR and SOI Update



Shasta Community Services District

**Municipal Services Review &
Sphere of Influence Update**

**Services Divestiture
Commission Hearing Draft October 2023**

SHASTA LOCAL AGENCY FORMATION COMMISSION

Commissioners

Patrick Jones, County Member - District 4 Supervisor

Kevin Crye, County Member - District 1 Supervisor

Stan Neutze, City Member - City of Anderson

Mike Dacquisto, City Member - City of Redding

Ronnean Lund, Special District Member - Anderson Cottonwood Irrigation District

Vacant, Special District Member & Chair

Lawrence Russell, Public Member

Alternate Members:

Mary Rickert, County Member - District 3 Supervisor

Pamelyn Morgan, City Member - City of Shasta Lake

Fred Ryness, Special District Member - Burney Water District

Mark Spencer, Public Member

Shasta LAFCO Staff:

George Williamson, AICP, Executive Officer

James M. Underwood, Legal Counsel

Planwest Partners Staff:

Colette Santsche, Analyst

Jason Barnes, GIS Analyst

Amber Chung, Planning Technician

Acknowledgements:

LAFCO staff would like to thank the contributors to this Municipal Service Review. Input instrumental in completing this report was provided by the Shasta Community Services District, County of Shasta staffs

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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 the Shasta Community Services District in western 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 SOI updates for Shasta County cities and special districts (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.

Community Services District Overview

Government Code §56036(a) defines "District" or "special district" as "an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries". A community service district (CSD) is often the best way for a community to begin organizing basic services, as Shasta CSD citizens did in 1959, because the law invests these districts with the power to provide almost every service a city can provide, with the requirement that the community agrees to pay for these services. Shasta CSD provides both water and fire services, however, fire services are proposed for divestiture.

Principal Act

The CSD principal act is the Community Services District Law (Government Code §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Centerville CSD 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

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.

This service review provides an overview of the Community Services District along with an agency profile. The report also includes service review determinations and sphere of influence recommendations for:

Shasta Community Services District

State Guidelines and Commission policies encourage stakeholder cooperation in the municipal service review preparation. It also provides a basis to evaluate, and make changes to the Spheres of Influence, if appropriate.

Sphere of Influence Determinations

A Sphere of Influence (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 MSR and adopt related determinations. In addition, in adopting or amending an SOI, LAFCO must make determinations with respect to the following topics:

- (1) Present and planned area land uses, including agricultural and open space lands;
- (2) Present and probable need for public facilities and services in the area;
- (3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- (4) 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) 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 SOI (effective July 1, 2012).

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.

Shasta County Growth Projections

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 0.5%. If the unincorporated area's portion of the County remains near 38%, the population would increase from 68,177 to 71,499. There is some data that Shasta County's population decreased by 0.1% from 2018 to 2019, likely the result of recent wildfires. For report purposes, an annual population growth estimate of 0.2% to 0.5% is used to predict the future population range to be served by the CSD.

1.1 Report Uses

This service review process identifies ways to expand district boundaries where appropriate to increase efficiency of service provision. The potential report uses are described below.

To Update Spheres of Influence

This service review serves as the basis for potentially updating the Shasta CSD SOI. Specifically, a SOI 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 SOI with limited exceptions. No change in SOI is anticipated as part of the divestiture.

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 service provision in Shasta County.

Reorganization and Sphere of Influence Changes - 2019

Shasta CSD Annexed County Service Area (CSA) #25 – Keswick in 2019 and the CSA was dissolved (see Figure 1). The current Shasta CSD boundary and SOI now include the former CSA #25 Keswick territory.

1.2 Review Methods

Information from the following categories was gathered from the District to understand the current status of district operations and services:

1. Governance and Organization
2. Financial
3. Personnel
4. Infrastructure and Facilities
5. Water Source and Demand
6. Treatment
7. and Distribution

Other source documents include, but are not limited to, the following:

- Shasta CSD budget and plan for services

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.

2.0 AGENCY PROFILE

Formation of Shasta CSD was initiated by petition of landowners and registered voters in 1959. In 1960, the CSD began providing fire protection services to the community. In 1964, the CSD began providing domestic water service to its citizens. The CSA #25- Keswick was annexed into the Shasta CSD in 2019. To the southeast is the City of Redding and to the south is Centerville CSD. On the west is U.S. Forest Service lands and the Whiskeytown National Recreation Area. Bureau of Land Management (BLM) parcels are interspersed throughout the District. The District is bisected by State Route 299 West.



Table 1: Shasta CSD Contact Information

Contacts:	Chris Koeper CSD General Mgr.	Dave Clark, Administrative Assistant
Emails	ckoeper@shastacsd.org	dclark@shastacsd.org
Physical Address	15611 Rock Creek Rd, Shasta, CA 96087	
Mailing Address	PO Box 2520 Shasta, CA 96087	
Phone Number	(530) 241-6264	
Website	www.Shastacsd.org	
Population Served	Approximately 1,231	Service Area 12,366 Acres (19 sq. miles)
Number of Staff	6: a General Manager, Administrative Assistant, two Water Operators, Interim Fire Chief, and Interim Asst. Fire Chief	

District Boundaries

Currently the Shasta CSD encompasses about 12,366 acres, or approximately 19 square miles (Figure 1). Within that boundary, CSA #1- Shasta County Fire provides fire services to approximately 5,519 acres and Shasta CSD provides fire services to approximately 7,207 acres. There are no CSD boundary changes proposed in this MSR/SOI Update.

Population

The estimated 2022 Shasta County population is 181,193. The Annual Growth Rate since the last MSR/SOI Update in 2019 is approximately 0.2%. The unincorporated area of the County currently makes up about 38% of the entire County's total, for an estimated population of 68,854. The remainder is in the three Cities, Redding, Anderson and Shasta Lake. Shasta CSD is a census designated place (CDP), so US Census population statistics are available. The Shasta CDP, the portion of the District where the Shasta CSD provides fire services currently, has a population of 1,043 as of 2020¹. The Keswick CDP, the portion of the District where CSA #1 provides fire services, has a population of 188 as of 2020. Since the Shasta CSD encompasses both areas, the 2020 CSD population was 1,231.

Existing and Planned Uses

Land uses within the area are subject to the Shasta County General Plan and Zoning Ordinances. The Shasta County General Plan identifies Shasta CSD as a Rural Community Center which is defined as a community that may or may not provide water and/or wastewater treatment. Zoning in the District is primarily Limited Residential (R-L), Rural Residential (R-R), Building Site (B), and Community Commercial. Land-use is primarily rural residential with some areas of planned development in the western and southern portions of the district and an aggregate mining operation designated mineral resources adjoining an industrial area along Iron Mountain Road. Land uses are shown in Figure 2.

Shasta County designates most lands in the Shasta CSD as rural residential, agricultural, and timber lands with Open Space designated lands along the Sacramento River.

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: 2016-2020 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 District's SOI. In many cases, Census Block Groups are larger than Districts. The Shasta CSD boundaries closely align with the Shasta CDP boundary, which has a MHI of \$86,500². This figure is larger than California's reported MHI of \$80,440, thereby not qualifying the area as disadvantaged.

¹ US Census Bureau, Profile of General Population and Housing Characteristics (Table DP1, 2020: DEC Demographic Profile)

² US Census Bureau, Median Income in the Past 12 Months (Table S1903, in 2021 Inflation-Adjusted Dollars)

Figure 1: Boundary and Sphere of Influence

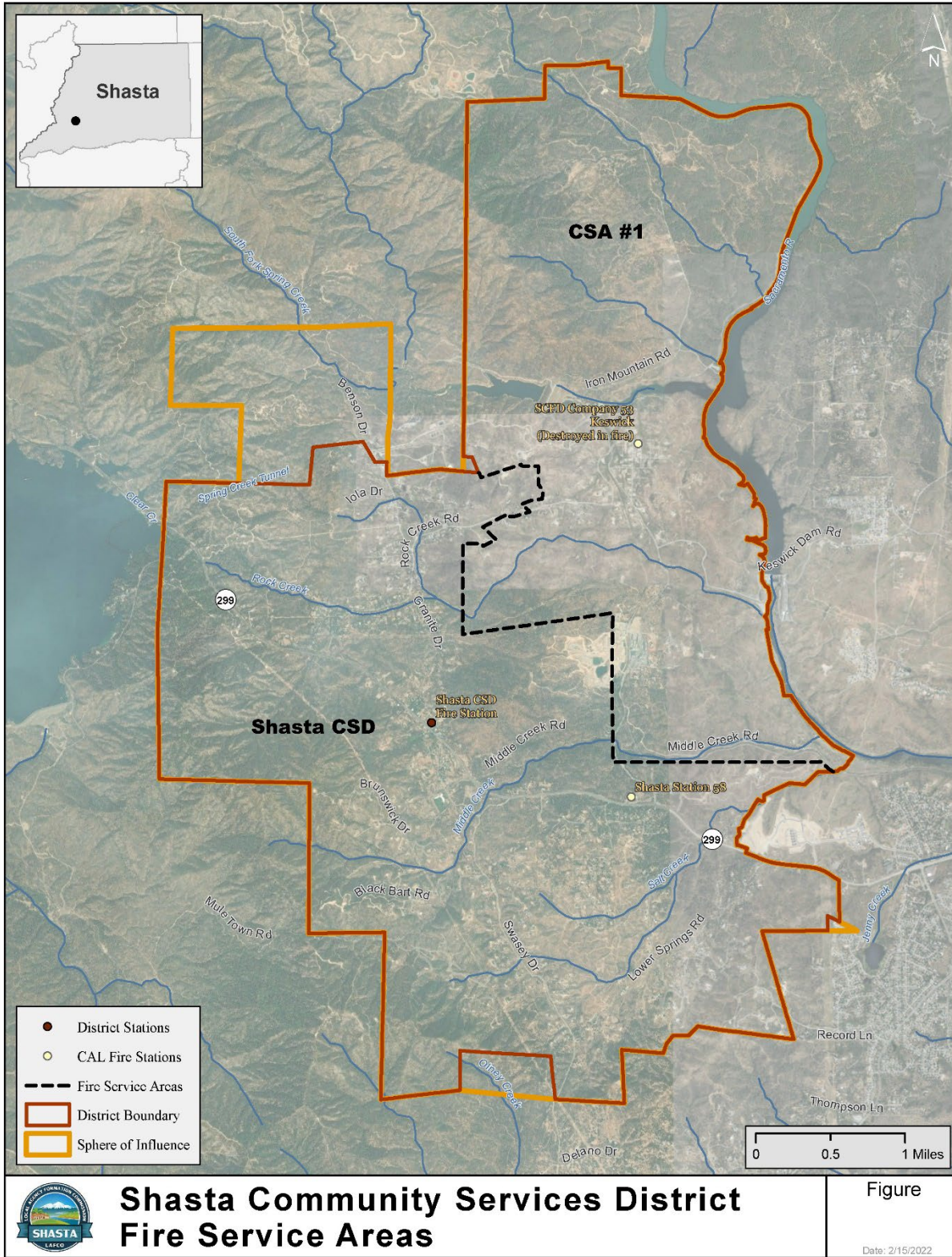
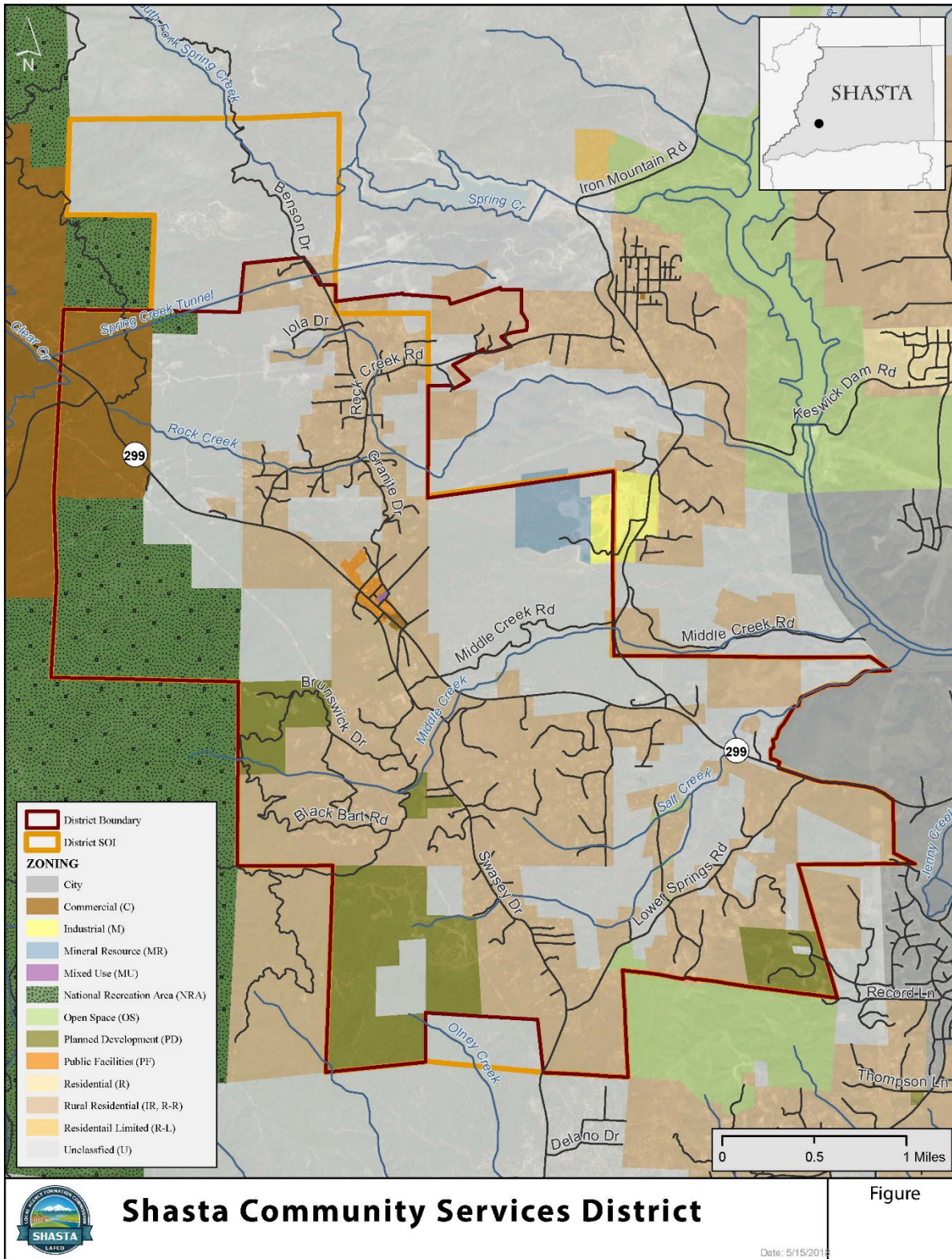


Figure 2: Land Uses



3.0 INFRASTRUCTURE AND SERVICES

3.1 Domestic Water Service

Shasta CSD provides domestic water to the community through water system No. CA4510013. There are currently 942 connections. The District had discussed options of entering into contractual agreements to provide up to an additional 200 acre-feet for future development within the District. Customers who require the District to pump water to higher elevations pay an additional electrical fee to cover the pumping costs.

Water is sourced from the Spring Creek conduit bringing water from Whiskeytown Lake. The water is available via a contract between the Shasta County Water Agency and the US Bureau of Reclamation. Water intake facilities are located along the conduit and a 100,000-gallon storage tank is located on a hill above the intake and treatment facilities. Another 500,000-gallon storage tank was added with associated water treatment system improvements.

The Shasta CSD annexation of CSA #25 resulted in drinking water being drawn from the Shasta CSD's water treatment plant (WTP) and, when necessary, resorting to an emergency intertie with the City of Redding (COR). If Whiskeytown Lake becomes untreatable, COR plans to pump groundwater from the east to the west side of town, which will feed groundwater to Shasta CSD customers. The intertie reduced operation and maintenance costs and provided both agencies with reliable emergency water.

The District serves the rural communities of Old Shasta and Keswick. The State Water Resources Control Board Division of Drinking Water and numerous customers from both communities wanted to see Shasta CSD annex CSA #25 and become one agency. The intertie allows the water agencies to operate one WTP, which will reduce costs and increases management efficiencies as the communities rebuild.

Water Supply

The District receives its water through the Central Valley Project (CVP) as administered by the USBR. The District has a post-1914 water contract obligation of 1,000 acre-feet of CVP water to be used only for municipal, domestic, and industrial purposes. Under the contract, the District is obligated to have a maximum of 1,000 acre-feet per year at a maximum rate of 1,750 GPM. The contract was issued in 1964 and was valid for 40 years until 2004. The USBR and District signed a new agreement in 2010³ and another was signed in 2020 making the agreement indefinite.

Distribution System

The District's primary transmission main begins at the water treatment plant and consists of a 12-inch-diameter cast iron (CI) pipe that travels along Benson Drive to Rock Creek Road, then south to McComb Hill through the town of Shasta to the Grand Forks Tank.

³ Preliminary Engineering Report: Shasta CSD & Keswick Intertie Project PACE Engineering October 2018

The entire distribution system consists of approximately 23.5 miles of 2- to 12-inch-diameter pipes. Water mains are primarily made of cement-lined CI, asbestos cement (AC), ductile iron (DI), polyvinyl chloride (PVC), and galvanized steel (GS) pipe.

The District has replaced eight storage tanks and four pump stations that were in poor condition with four new welded steel tanks and four new pump stations. The new pump stations were constructed as part of the Tanks and Pump Stations Replacement Project and began operation by the end of 2018.

In 2008-2009, the District constructed \$2.3M of improvements to the water treatment plant including replacement of Main Tank 1 to increase the capacity from 0.15 MG to 0.38 MG, addition of a 0.12 MG backwash tank, a SCADA system, and filter reconstruction.

Water System Demand

According to Title 22 CCR Section §64554, New and Existing Source Capacity, a public water system's water source(s) shall have the capacity to meet the system's maximum day demand (MDD) at all times. The District delivered 387-acre feet of water in 2021. Approximately 700-acre feet of water is used during a non-drought year.

For 2022, the Bureau of Reclamation has cut the water supply back to 208-acre feet. The District has secured an additional 150-acre foot supply from the McConnell Foundation and 36-acre feet from Anderson-Cottonwood Irrigation District (A.C.I.D.). This puts the District allocation at 394-acre feet. Shasta CSD has 1.465 MG in storage and the City of Redding intertie pump station provides an additional 600 GPM. Per the District's 2015 Division of Drinking Water (DDW) inspection report, Shasta CSD meets this requirement now that the Tank Replacement Project is complete.

Water Meters

Shasta CSD replaced manual read meters with automatic meter readers (AMRs) in the southerly portion of the District in 2013. The territory annexed in 2019, CSA #25, had manual meters. Replacing meters for those active customers in the annexed territory, especially for rebuilds and damaged meters, with AMRs has reduced monthly operating costs and work with Shasta CSD's current billing software.

Water Rates

The District has a base water rate of \$58.58. There is an additional charge of \$2.20 per 100 cubic feet of water used. The last time regular water rates were increased was in February 2015 when the base rate was increased by \$1.75 (\$34.34 to \$36.10) to secure the grant for the City of Redding Intertie. Since then, there have been some base rate changes to address emergency needs. The Revolving Loan Fee was renamed the Carr Fire Recovery Fee to make up for fire caused losses. In addition, the A.C.I.D. fee was increased slightly due to having to divert A.C.I.D. water to make up for drought restrictions imposed by the Bureau of Reclamation.

Water Conservation Program

Due to drought conditions, the Bureau of Reclamation has cut the District's water allotment to health and safety amounts. There are agreements for additional water with A.C.I.D. and the McConnell Foundation. Customers were asked to conserve water through mailings and public alert phone calls. Water conservation links and tips are posted online to help customers save water. As posted on the District website, water supply has been reduced by 50% of the historical usage. The District's goal is to not have to put monthly limits on water usage. There is currently no mainline flushing during the drought. The District has cut their water usage down to 66 percent of standard levels. The Board of Directors reviews drought contingencies at board meetings.

District Facilities

Shasta CSD owns water system facilities including a water treatment plant, six pump stations, two potable water storage tanks at the water treatment plant, six potable storage tanks in the distribution system, two 10,000-gallon movable storage tanks, and a backwash tank. In addition, the District owns five vehicles, two diesel generators, and various other equipment. The District is in the process of securing a grant for a new office and shop.

Table 2: Shasta CSD Equipment List

Buildings	Water Tanks	Vehicles	Misc.
Water treatment plant	Two potable storage tanks (at water treatment plant)	Three Ford trucks (F-350 Utility truck 2016, F-150 truck 2018, Ranger 2012)	Pipe service tapping machine
Water pump station (for treatment plant)	Backwash tank (at treatment plant)	John Deere backhoe 580	Road signs
Shasta/Redding intertie pump station	Two 10,000-gallon moveable storage tanks	Dump trailer (12 ft.)	Hazard cones
Four pump stations (Lower & Upper Brunswick, Highland Park, Record Heights)	Six tanks: (Middle & Upper Brunswick, Highlands Park, Record Heights, Grand Forks, Keswick)	Two Backup diesel generators	Backflow device tester

Shasta CSD coordinated with Shasta County on the transfer of assets and liabilities from CSA# 25-Keswick to Shasta CSD after the annexation was approved in 2019.

Opportunities for Shared Facilities/Increased Efficiency

Engineering Reports were prepared to assess Carr Fire damage and identified distribution system improvements and interties to provide safe drinking water and reduce financial hardship for the Shasta CSD / CSA #25 reorganization. Many of those improvements, considered opportunities for shared facilities and increased efficiency, have been implemented.

3.2 Fire Services for Divestiture to CSA #1 as Successor Agency

ISO Rating

The District maintains an ISO rating of 05/5Y. The first number is applied to properties within five road miles of a fire station and within 1,000 feet of a creditable water supply. The second number with a Y designation applies to properties within five road miles of a fire station, but beyond 1,000 feet of a creditable water supply.

Infrastructure and Facilities to be Transferred

The District has one fire station (#56) located at 10644 High Street in Old Shasta, with vehicles listed below in Table 3. The District reports that all of the vehicles are currently in good condition. Apparatus replacement is conducted on a 15-year cycle. Generally, apparatuses 15 to 30 years old are designated as second out or reserve equipment. Other equipment, such as self-contained breathing apparatus and Jaws of Life, are repaired or replaced on an as needed basis.

Table 3: Shasta CSD Current Fire Fleet

Apparatus	Type	Capacity
E-56	Type 1	1,000 GPM
E-256	Type 2	1,000 GPM
E-556	Type 2/3	500 GPM
B-56	2011 F150	-
WT-56	Water Tender	2,000 Gal/500 GPM
R-56	F350	-
R-256	2009 5150	-

Continued Fire Services in Northern Portion of Shasta CSD (Formerly CSA #25)

Fire and emergency response services in the northerly portion of the CSD, formerly CSA #25 – Keswick annexed into Shasta CSD in 2019, are provided by CSA #1 – Shasta County Fire. No change is proposed for those services.

Key Services Plan for Divestiture of Fire Services by Shasta CSD

Shasta CSD has fire and emergency response services as a latent power and is designated as the provider of those services for the southerly portion of the CSD. That portion of the District is proposed for divestiture of fire and emergency response services and designation of CSA #1 or the proposed Shasta Fire Protection District (FPD) as the successor agency. Both potential successor agencies' services are expected to maintain a similar level of service to Shasta CSD. The proposed FPD will be on ballot later this year and should it pass, the FPD will become the successor agency to take over Shasta CSD's fire services to the community. The FPD's plan for service includes plans to hire two full-time personnel and additional workload to be supplemented by volunteers. Should the budget allow, the proposed FPD also would like to hire seasonal personnel to assist in peak times of year.

Table 4. Divestiture Revenues and Expenditures

Revenue	Actual 2018-19	Actual 2019-20	Actual 2020-21	Approved 2021-22
Shasta CSD	\$615,533	\$269,931	\$500,844	\$255,500
CSA #1	\$4,686,210	\$3,843,247	\$5,148,534	\$3,053,468
Total	\$5,301,743	\$4,113,178	\$5,649,378	\$3,308,968
Expenses				
Shasta CSD	\$373,322	\$320,462	\$415,111	\$292,005
CSA #1	\$5,318,151	\$3,860,364	\$3,522,568	\$3,148,888
Total	\$5,691,473	\$4,180,826	\$3,937,679	\$3,440,893
Surplus (Deficit)	-\$389,730	-\$67,648	\$1,711,699	-\$131,925

3.3 Other Service Providers

Several other service providers operate in the area. These are described below.

County Service Area (CSA) #1 Shasta County Fire's boundary is coterminous with the County boundary, excluding only areas with independent fire districts and areas served by cities. Shasta County Fire covers approximately 3,251 square miles, including the northerly portion of Shasta CSD and serves a population of over 70,000. They offer fire protection, fire suppression, and emergency medical services. Station No. 58 is within the Shasta CSD Boundary.

CSA #1, countywide, has 24 fire stations. The closest station to Shasta CSD is located at 16064 Homestake Road, near Highway 299. The equipment and station are both in great condition. Shasta CSD's fire station was built in 1964 and had an addition constructed to the west end in the mid-1970's. The station has recently replaced the fire station roof. Shasta CSD has found recruiting Volunteer Firefighters challenging.

The CSD's fire services budget had primarily consisted of property taxes and strike team fire services revenue. Currently, the CSD's fire department can no longer provide strike team services, therefore the budget now consists of property tax revenue only. CSA #1 will receive a fund transfer from Shasta CSD for fire protection and emergency response.

The CSA #1 oversight is provided by the five-members of the Shasta County Board of Supervisors. The Board of Supervisors are elected at large from within the County boundary.

Operating costs, based on the Plan for Services, are anticipated to be approximately \$400,000 annually. Revenue to cover those expenses is expected to be 100% from property tax revenue from the Shasta CSD, unless supplemented by grants or services compensation. Both the County of Shasta Board of Supervisors and the Shasta CSD approved Property Tax Revenue Sharing Resolutions.

The City of Redding has incorporated area adjacent to the District's boundary. The City of Redding offers its residents, visitors, and residents of unincorporated areas services such

as parks and recreation, housing and community development, police, solid waste, fire, and public works.

Western Shasta Resource Conservation District encompasses approximately 1.7 million acres bounded on the east by the watershed divide between eastern and western Shasta County; the north by the Siskiyou County line; the west by the Trinity County line; and the south by the Tehama County line. The District serves a population of 64,000. They provide support for projects in wetland and riparian habitat restoration, habitat mitigation, and fire protection, including increasing forest health and defensible space.

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

4.0 FINANCING

4.1 Budget Information

Shasta CSD maintains separate budgets to track expenditures for domestic water and fire services, however, the revenues for both services are deposited into the water budget accounts and funds are provided to the fire service from there. Revenues are primarily from water sales, property taxes, and strike team revenues. Water sales generated an average of approximately 79 percent of all revenues from 2019 to 2023. Shasta CSD actual revenues and expenditures over this time period are shown below in Table 5. Net ordinary incomes have increased at a rate of 527.4% between FY 2019-20 and FY 2022-23. The rate of increase from FY 2020-21 to FY 2021-22 was the largest change at 295.5% due to the District nearly doubling their water sales revenue in FY 2021-22.

Table 5: Shasta CSD Water Services Actual Revenues and Expenditures

Revenues	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Water Sales	\$421,929.59	\$486,985.91	\$934,616.91	\$985,950.19
CARR Fire Recovery Fee	\$147,396.53	\$159,575.80	\$13,206.20	\$0.00
Special Service Fees	\$2,940.44	\$3,854.75	\$3,064.78	\$3,390.01
Property Tax Revenue	\$0.00	\$35,135.80	\$27,876.40	\$33,218.11
Annexation Income	\$26,225.07	\$5,268.54	\$0.00	\$0.00
Donations	\$675.00	\$0.00	\$0.00	\$0.00
Interest Revenue	\$2,086.08	\$546.74	\$512.12	\$26,513.55
SFD Reimbursement	\$13,517.32	\$7,213.46	\$3,399.24	\$6,885.73
FEMA Reimbursement	\$94,000.00	\$0.00	\$0.00	\$0.00

Revenues	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Insurance Reimbursement	\$29,645.00	\$0.00	\$0.00	\$5,172.90
Miscellaneous Revenue	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenue	\$738,415.03	\$698,581.00	\$983,010.86	\$1,061,140.49
Expenditures				
Bad Debt Expense	\$19,811.64	\$0.00	\$0.00	\$11,138.19
Water Service Expenses	\$20,821.00	\$35,818.54	\$57,505.03	\$18,929.64
Pumping Expense	\$8,192.02	\$6,470.48	\$8,897.11	\$12,959.25
Water Treatment Expense	\$22,970.38	\$19,162.15	\$22,776.88	\$31,549.45
Transmission/Distribution	\$147,467.68	\$45,354.56	\$49,682.76	\$58,002.85
Vehicle Maintenance	\$6,904.86	\$7,040.65	\$6,601.40	\$9,561.60
Gas & Oil Expense	\$8,140.10	\$5,939.17	\$12,639.91	\$12,086.46
Training	\$945.43	\$0.00	\$0.00	\$618.00
Payroll Expenses	\$198,952.88	\$213,401.05	\$209,887.87	\$269,530.11
Employee Benefits	\$103,410.54	\$117,957.06	\$115,445.13	\$132,121.21
Payroll Tax Expense	\$18,628.61	\$19,544.48	\$20,515.86	\$25,192.91
Office Expense	\$51,836.43	\$57,039.69	\$60,835.85	\$65,151.43
Advertising Expense	\$0.00	\$250.80	\$0.00	\$0.00
Banking Fees	\$100.00	\$30.00	\$77.42	\$1,055.79
Insurance - Liability & E&O	\$16,400.88	\$32,995.13	\$35,174.99	\$37,522.88
Professional Services	\$30,192.61	\$22,160.91	\$22,892.88	\$16,794.07
Director's Compensation	\$1,700.00	\$3,000.00	\$2,300.00	\$4,350.00
Dues/Permit Fees	\$18,300.72	\$17,504.53	\$18,510.98	\$13,763.07
Maintenance Contracts/Support	\$500.00	\$1,980.75	\$883.68	\$0.00
LAFCo Fees	\$0.00	\$0.00	\$0.00	\$0.00
Finance Charges/Late Fees	\$139.96	\$62.65	\$63.35	\$82.09
Community Building	\$80.72	\$0.00	\$0.00	\$0.00
Interest	\$10,111.17	\$9,748.97	\$9,586.17	\$9,419.40
Total Expense	\$685,607.63	\$615,460.67	\$654,277.27	\$729,828.40
Net Ordinary Income	\$52,807.40	\$83,120.33	\$328,733.59	\$331,312.09

Shasta CSD lost 62% of their water consumers and CSA #25 lost 96% of their water consumers, totaling over 700 homes combined, in the Carr Fire of 2018. This community devastation resulted in the loss of a majority of water customers and prompted the annexation of CSA #25 to the Shasta CSD. This also resulted in a significant decline in water use, which caused water quality concerns in addition to financial hardship that was addressed by the reorganized District.

The reorganized District did see a decline in operating and maintenance budgets due to inactive connections or customers paying a reduced monthly fee. The two water systems are connected and operate one water treatment plant (WTP) for both the Old Shasta and Keswick communities. In anticipation of the WTP requiring more coagulant dosing and backwashing to keep up with the raw water quality, the District has increased their chemical and pumping costs during the winter.

The CSD's separate Fire Services actual revenues and expenditures for FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23 are shown in Table 6.

Table 6: Fire Services Actual Revenues and Expenditures

Income	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Donations	\$8,750.00	\$0.00	\$0.00	\$0.00
Interest Revenue	\$47.08	\$15.27	\$15.18	\$10.37
Property Tax Revenue	\$190,283.81	\$222,902.08	\$250,421.75	\$298,936.00
Strike Team Revenue	\$62,610.96	\$272,034.20	\$1,928.19	\$0.00
Total Income	\$261,691.85	\$494,951.55	\$252,365.12	\$298,973.37
Expense				
SCSD Reimbursement	\$13,192.70	\$7,213.46	\$3,399.24	\$6,516.43
Volunteer Fund Expense	\$10.00	\$2,084.60	\$730.35	\$784.96
Gas/Oil/Diesel/Expense	\$5,873.08	\$5,793.88	\$2,006.15	\$3,990.42
Office Expense	\$7,020.14	\$7,251.00	\$7,238.89	\$6,887.85
Building Maintenance	\$4,619.45	\$112.10	\$16.08	\$26,790.00
Vehicle Maintenance	\$7,304.82	\$3,449.57	\$15,113.12	\$1,590.81
Repairs/Replace Equipment	\$4,460.54	\$10,515.34	\$275.79	\$0.00
Safety Equipment	\$748.33	\$950.84	\$5,998.97	\$2,160.10
Training/Travel Expense	\$0.00	\$668.10	\$196.00	\$100.00
Meals	\$190.57	\$82.31	\$0.00	\$0.00
Per Diem Expense	\$1,690.00	\$310.00	\$1,540.00	\$450.00
Memberships/Dues	\$2,291.93	\$2,554.00	\$13,079.94	\$39,223.63
Professional Expenses	\$6,436.10	\$8,930.94	\$11,915.98	\$4,831.39
Payroll Expenses	\$160,123.05	\$246,522.18	\$75,941.87	\$35,752.79
Employee Benefits	\$56,969.38	\$77,784.74	\$60,970.16	\$41,909.95
Liability/Fire/Auto Insurance	\$2,815.00	\$3,911.00	\$9,653.09	\$7,435
Interest Expense	\$8.51	\$14.39	\$0.00	\$0.00
Total Expense	\$273,753.60	\$378,148.45	\$208,075.63	\$179,649.18
Net Ordinary Income	-\$12,061.75	\$116,803.10	\$44,289.49	\$119,324.19
Cash at Year End		\$56,566.21	\$56,999.66	\$26,450.54
Reserve at Year End		\$	\$317,637.48	\$509,950.24
Reserve After Budgeted Amounts		\$		\$

The District still expects the reserve fund to be over \$300,000 at FY 2021-22 year end, with income deficits offset by an expected strike team reimbursement from prior years. This fund would be transferred to CSA #1 Shasta County Fire as part of the divestiture.

5.0 ACCOUNTABILITY AND GOVERNANCE

The Shasta CSD Board of Directors operates as the governing body for the District for the services they provide. Regular meetings are held every third Tuesday of the month at 6:00 PM at the Shasta CSD office located at 15611 Rock Creek Rd, Shasta, CA 96087. Shasta CSD operates a website at www.shastacsd.org where meeting agendas, minutes and additional District information are made available to the public. Notices are posted on the website, at the post office, and J's Market.

The District employs five paid staff members. This includes a General Manager, an Administrative Assistant, two Water Operators, and one Firefighter. The paid firefighter has been on workers compensation since Summer 2021. As part of formation, there is an Interim Fire Chief and an Assistant Fire Chief.

Table 7: Shasta CSD Board of Directors Membership

Board of Directors	Term Expires
David Cross, President	December 2026
Jane Heinan, Vice President	December 2024
Jo Ann Vayo, Director	December 2024
Randall Smith, Director	December 2026
Valerie Coon, Director	December 2026

Prior to the 2019 annexation, CSA #25 Keswick was a Shasta County administered dependent special district. Now, the area's water services are governed by the Shasta CSD Board of Directors and that service is administered according to the laws governing the rest of the District. The annexation was an opportunity to expand the geographic representation of the District's Board of Directors as Keswick residents gained the right to vote for, and serve as, Board members. As residents of the post-consolidation Shasta CSD, Keswick voters enjoy the same rights as all other voters in the District related to water services.

Services, such as parks and recreation, are provided by the County of Shasta, at the direction of the County Board of Supervisors.

The CSA #1 Shasta County Fire Department continues to provide fire and emergency response services to the area formerly CSA #25 Keswick. This is consistent with the CSA #1's countywide coverage provided to all unincorporated areas of Shasta County, not covered by fire and emergency response services from a special district with fire services powers, such as Mountain Gate CSD and Fall River Valley Fire Protection District.

If fire services divestiture is approved by Shasta LAFCO, the entire CSD would be included in the CSA #1 Boundary. Given CSA #1 county-wide coverage as described above, no boundary change is needed.

6.0 MUNICIPAL SERVICE REVIEW DETERMINATIONS

1) Growth and population projections for the affected area

- a) According to the 2020: DEC Demographic Profile, the Shasta CSD population is 1,231.
- b) A large part of the Keswick community and the portion of Old Shasta that was burned in the Carr Fire, are being rebuilt. However, the County projected annual growth rate of 0.5 percent is not expected to be exceeded for the next several years.

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

- a) The boundaries of Shasta CSD closely line up with the boundaries of Shasta CDP, which has a MHI of \$86,500. This figure is larger than California's reported MHI of \$80,440, thereby not qualifying the area as disadvantaged. A large portion of each District does not fall within a disadvantaged community block, tract or place as defined by the California State Department of Water Resources and therefore does not qualify as a DUC. Should the territory in the surrounding area be proposed for annexation in the future, any disadvantaged communities should be considered.
- b) The proposed divestiture and designation of successor agency is expected to address a service need related to fire protection and emergency response for the southerly portion of the Shasta CSD. The Shasta CSD provides water services to the entire District. There is no wastewater service for Shasta CSD.

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

- a) Shasta CSD provides domestic water services within the District boundary and has some infrastructure capacity for additional connections. However, due to current extreme drought conditions, the amount of water that can be supplied is limited. The CSD promotes water conservation to reduce consumption.
- b) Pursuant to Government Code §56653, Shasta CSD prepared a Plan for Services to evaluate the proposed fire services divestiture. CSA #1 or the proposed FPD will take over Fire protection and emergency response services for the southerly portion of the District, should the divestiture be approved. Police services, electricity, and solid waste collection will continue to be provided by the County and contractors.
- c) Most of the Keswick community has been rebuilt and water connections have been restored. The Shasta CSD indicates there would be adequate infrastructure capacity for rebuilding the remaining houses that were

destroyed, however, water supply is dependent on allocations due to drought conditions.

4) Financing ability of agencies to provide services

- a) Shasta CSD water revenues are primarily from water enterprise funds and fire service revenues are primarily from property taxes. Upon fire services divestiture, the CSD will transfer a portion of property tax revenue to CSA #1 Shasta County Fire, for expenses associated with serving the southerly portion of the District.
- b) The District management tracks treatment chemicals, lab testing, utilities, and personnel costs, which continue to increase annually. The SCSD conducted a comprehensive review of the budgetary expenditures in 2021 to maximize available resources and reduce operational costs. Water rates were adjusted to allow the District to provide that primary service.
- c) The District is proposing fire services divestiture partially due to financial limitations.

5) Status of and, opportunities for, shared facilities

- a) The primary shared facilities opportunity addressed in this MSR/SOI Update are fire and emergency response services to the area proposed for services divestiture by Shasta CSD. If approved by LAFCO, these services will become CSA #1's responsibilities as successor agency. CSA #1 already provides these services in the northerly portion of the District, formerly CSA #25 – Keswick.
- b) CSA #1 is a dependent special district and is governed by the Shasta County Board of Supervisors acting as the Board of Directors and overseeing operations as the CSA's administrative and financial manager. The CSA's day-to-day management is the responsibility of CAL FIRE, operating as the County Fire Department, who have significant resources within the County and the State of California. These services are shared through mutual aid agreements with other fire and emergency response agencies.
- c) The Plan for Services prepared for the fire services divestiture and successor agency designation states that the Shasta CSD fire station #56 and vehicles would be transferred to Shasta County Fire and be operated by that agency.

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

- a) Shasta CSD meetings are held every third Tuesday of the month at 6:00 PM at 15611 Rock Creek Road in Shasta, CA, 96087. The Shasta CSD website www.Shastacsd.org is where meeting agendas, minutes and other District information is available. Board vacancy announcements are published in newspapers, at the Shasta County Public Library, and local public places for a minimum of three weeks. Candidates are interviewed and voted in by the district board and are submitted to Shasta County for Board of Supervisors.

- b) The Shasta CSD Board of Directors operates as the District governing body. All District residents have the right to vote for, and serve as, members of Shasta CSD's Board of Directors. CSA #1 Shasta County Fire is governed by the Shasta County Board of Supervisors.

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

- a) LAFCO has reviewed its local policies and there are no other pertinent matters to be discussed.

7.0 SPHERE OF INFLUENCE DETERMINATIONS

The recommended determinations in this section and MSR information provide support for the proposed Shasta CSD divestiture of fire services and designation of CSA # 1 – Shasta County Fire Department as successor agency. Shasta LAFCO makes the following written SOI determinations:

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

- a) Land uses within Shasta CSD Sphere of Influence are subject to the Shasta County General Plan. The District has a limited SOI and no change to agricultural and open-space lands or services extensions are anticipated.
- b) Shasta County has zoned the northerly SOI area as Unclassified. The County also designates land uses in the northerly portion of the District, formerly CSA #25 – Keswick, as rural residential, agricultural, and timber lands with sections of Open Space designated lands along the Sacramento River. Commercial uses are located along State Route 299 West, which bisects the District. The smaller SOI area to the south is also zoned by the County as Unclassified.
- c) In the southerly portion of the Shasta CSD proposed for fire services divestiture, current land-use is primarily rural residential with some planned development areas to the west and south and an aggregate mining operation designated mineral resources adjoining an industrial area along Iron Mountain Road. It is anticipated that these areas can be served by existing District fire stations.

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

- a) Fire protection and emergency response services, if approved for divestiture, would be provided by CSA #1. According to the Plan for Services submitted with the Shasta CSD application, they are expected to be similar to current services. Police services, electricity and solid waste collection will continue to be provided by the County and private contractors.
- b) Fire protection and emergency response services would be dispatched from the CSA #1 Station 58, and when staffed with volunteers, from District Station #56. Station #56 recently replaced their roof due to needed repairs and there are other deferred maintenance and equipment needs. It is expected that these improvements and replacements will be made by CSA #1, with costs covered by the transferred reserve fund.

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

- a) The Shasta CSD's ability to provide adequate fire services is limited due to the paid staff person being on disability and a lack of volunteers.
- b) The County would retain ownership of the parkland in the Keswick area.

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) The City of Redding provides a nearby population hub for district residents to shop for goods and services, as well access health services. The proposed change in services is not expected to affect access to, or the availability of, these services.

5) The present and probable need for services for any disadvantaged unincorporated community within the area.

- a) The boundaries of Shasta CSD closely line up with the boundaries of Shasta CDP, which has a MHI of \$86,500. This figure is larger than California's reported MHI of \$80,440, thereby not qualifying the area as disadvantaged. Portions of the District do not fall within a disadvantaged community block, tract or place as defined by the California State Department of Water Resources and therefore does not qualify as a DUC. Should the territory in the surrounding area be proposed for annexation in the future, any disadvantaged communities should be considered.

8.0 REFERENCES

California Department of Water Resources, Disadvantaged Community Mapping Tool

<https://gis.water.ca.gov/app/dacs/>

Environmental Protection Agency: Safe Drinking Water Information System, California Drinking Water Watch

<https://sdwis.waterboards.ca.gov/PDWW/index.jsp>

Shasta County Department of Resource Management. General Plan.

https://www.co.shasta.ca.us/index/drm_index/planning_index/plng_general_plan.aspx

Shasta County GIS.

<https://maps.co.shasta.ca.us/ShastaCountyMap/>

United States Census Bureau, American Fact Finder.

<https://data.census.gov/cedsci/>.

Shasta CSD: Application materials and website information

**SHASTA LOCAL AGENCY FORMATION COMMISSION
LAFCO RESOLUTION 2023-08**

**RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION
APPROVING THE SHASTA COMMUNITY SERVICES DISTRICT
MSR/SOI UPDATE FOR PROPOSED FIRE SERVICES DIVESTITURE
AND SUCCESSOR AGENCY DESIGNATION**

WHEREAS, the Shasta Local Agency Formation Commission (LAFCO), hereinafter referred to as the “Commission”, is responsible for regulating boundary changes affecting cities and special districts pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Shasta Community Services District (CSD), hereinafter referred to as “Shasta CSD” filed an application with the Commission by resolution of 2021-4 approving the application to rescind fire services and close operations of the Shasta Fire Department and name a successor agency on November 17, 2021; and

WHEREAS, the proposal seeks Commission approval for fire services divestiture and successor agency designation; and

WHEREAS, in the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, a property tax revenue sharing agreement as defined in Revenue and Taxation Code Section 2215 is negotiated; and

WHEREAS, the Shasta County Board of Supervisors did adopt Resolution 2022-040 to approve establishing a property tax exchange related to the Shasta Community Services District Fire Services divestiture and designation of successor agency on April 19, 2022; and

WHEREAS, the Shasta Community Services District Board of Directors did adopt Resolution 2022-01, on April 20 to approve establishing a property tax exchange related to the Shasta Community Services District Fire Services divestiture; and,

WHEREAS, Pursuant to the Cortese Knox Hertzberg (CKH) Local Government Reorganization Act of 2000, Section 56810 (a) (2) If proposal includes district formation the Commission shall, on behalf of the district being formed, negotiate any property tax revenues exchange, which is a unique role for the Commission: and

WHEREAS, the subject territory is inhabited as defined in Government Code Section 56046; and

WHEREAS, the Executive Officer has given notice of the public hearing by the Commission on this matter at the times and in the form and manner provided by law; and

WHEREAS, the Executive Officer has presented to the Commission, a written staff report with recommendation on the proposal in the manner provided by law; and

WHEREAS, the Commission heard discussed and considered all evidence for and against the proposal, including but not limited to, the Executive Officer's analysis and proposed conditions and recommendations, the environmental document, applicable general and specific plans, and all testimony, correspondence and exhibits received prior to or during this noticed public hearing, all of which are included herein by reference as presented at a public hearing held on October 5 2023; and

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

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

1. The Commission's determinations on the proposal incorporate the information and analysis provided in the Executive Officer's written staff report.
2. The reorganization proposal is categorically exempt from environmental review under provisions of State CEQA Guidelines Section 15320.
3. The proposal is assigned the following short-term designation: Shasta Community Services District - Fire Services Divestiture and Successor Agency Designation.
4. The Commission, pursuant to Government Code Section 56425, makes the written statement of determinations included in the staff report, hereby incorporated by reference.
5. The Shasta Fire Protection District (FPD), if formed, shall be the successor agency to all rights, responsibilities, properties, contracts, assets, liabilities, and functions of Shasta Community Service District Fire Services.
6. Fire protection and emergency response services to be dispatched from Fire Station 56 when staffed, with automatic aid from CSA #1 Shasta County Fire Station 58.
7. The Commission approves the Shasta CSD divestiture of fire service areas and successor agency: Shasta FPD to provide fire services, contingent upon satisfaction of following terms and conditions as determined by the Executive Officer:
 - a. Divesting Agency, Shasta CSD shall transfer fire services assets, including Station 56 and contents, as well as fire service budget reserve funds.
 - b. Successor Agency. Shasta FPD, as shall be determined by Shasta LAFCO, shall be the successor to Shasta CSD for purposes of providing fire protection and emergency medical services to the affected territory, and succeeding to all of the rights, duties, and obligations with respect to enforcement, performance, or other contracts obligations within the affected territory previously served.
 - c. Shasta CSD shall transfer fire services assets, including Station 56 and contents, as well as fire service budget reserve funds, to the successor agency.
 - d. Property Tax Revenues. Upon formation, designated property tax revenues shall be transferred to Shasta FPD as approved by Shasta LAFCO and Shasta CSD Property Tax Revenue Agreement Resolutions.

- e. The Commission delegates to the Executive Officer the performing of conducting authority proceeding requirements under Government Code Section 57000.
 - f. As allowed under Government Code 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to address any technical defect, error, irregularity, or omission related to this action.
 - g. Payment of any outstanding fees as identified in the Commission’s adopted fee schedule.
 - h. The Executive Officer is directed to record a Certificate of Completion for this proposal upon completion of all proceedings.
 - i. Completion of proceedings shall be concluded within one year after adoption of this resolution. If the proceedings are not concluded within one year after passage of this resolution, all proceedings shall be terminated unless an extension is approved.
8. The Executive Officer shall revise the official Commission records to reflect changes to fire services.

BE IT FURTHER RESOLVED The Shasta Community Services District MSR/SOI Update, for Fire Services Divestiture and Successor Agency Designation, is hereby approved and incorporated herein by reference as presented on the attached map noted as Exhibit A.

Adopted on October 5, 2023, by the following votes:

AYES:
 NOES:
 ABSTAINS:
 ABSENT:

Dated: _____

 Stan Neutze, *Chair*
 Shasta Local Agency Formation Commission

Attest:

Dated: _____

 George Williamson, *Executive Officer*
 Shasta Local Agency Formation Commission

Exhibit A – Shasta CSD Location Map



CSA #1

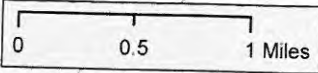
SCFD Company 53
Keswick
(Destroyed in fire)

**PROPOSED SHASTA
FIRE DISTRICT**

Shasta CSD
Fire Station 56

Shasta Station 58

- District Stations
- CAL Fire Stations
- - - Fire Service Areas
- ▭ District Boundary
- - - Sphere of Influence



Shasta Community Services District Fire Service Areas

Figure

CSA #1 - Shasta County, California

Patrick Jones
County Member

Pam Morgan
City Member

Stan Neutze
City Member

Mike Daquisto
City Member Alternate

Vacant
Special District Member

Mary Rickert
County Member Alternate

Ronnean Lund
Special District Member



Larry Russell
Public Member

Kevin Crye
County Member

Fred Ryness
Special District Alternate

Mark Spencer
Public Member Alternate

George Williamson
Executive Officer

James M. Underwood
General Counsel

Agenda Item: 7.b

Meeting Date: October 5 2023

From: George Williamson AICP, Executive Officer

Subject: Proposed Reorganization, including, Annexation and Detachment
 The Commission will consider a proposal submitted by resolution of application from the Fall River Valley Fire Protection District Board of Trustees for annexation of territory in Shasta County and detachment of territory from County Service Area #1 - Shasta County Fire Department.

Two Hearings: CEQA Exemption
 Fall River Valley Fire Protection District Annexation and Detachment

NOTE: The Fall River Valley Fire Protection District Board of Trustees met on September 21, 2023, and voted to withdraw their reorganization application. This notification, by email, was received on September 22, 2023, after the hearing notice had been posted and this staff report with supporting documentation had been prepared.

LAFCOs are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) § 56375. LAFCOs are authorized with broad discretion in amending and conditioning changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

After approval of the Fall River Mills and McArthur Fire Protection District's (FPDs) as a consolidated District, a reorganization was proposed to annex territory within the District Sphere of Influence and detach that territory from County Service Area (CSA) #1 - Shasta County Fire Department.

Territory proposed to be annexed covers approximately 23,478.3 acres (North and South areas in table Below). Public notice of the proposed annexation was provided by published notice in the Record Searchlight, on September 14, 2023.

The following table lists acreages for the proposed annexation areas.

Area	Acreage	Parcels	Notes
Proposed North Annex Area	18,212.7	283	Shasta County
Proposed South Annex Area	4,922.2	57	Shasta County

The consolidated FPD has three fire stations: the Main Station located in Hwy 299 and the Day Road and Pittville Road Stations. The District provides fire protection, rescue and Emergency Medical Services (EMS).

The consolidated Districts were included in the Intermountain Fire Districts Municipal Services Review (MSR) and Sphere of Influence (SOI) update completed in 2018. Emergency medical response is provided by an ambulance service associated with Mayers Memorial Hospital District. Portions of CSA # 1, also recognized as Shasta County Fire Department (SCFD).

if annexed as proposed, would be detached from that service area. CSA #1/SCFD provides fire protection services to unincorporated Shasta County areas through a contract with CAL FIRE. The contract integrates the two organizations and provides a cohesive approach to providing fire protection services. CAL FIRE also provides dispatch services. CAL FIRE Shasta Trinity Unit Battalion 1 provides fire and EMS services to the Intermountain Area communities of Big Bend, Cassel, Hat Creek, Old Station, Pondosa, Dana, and Soldier Mountain as well as Lake Britton and Burney Falls State Park.

The northerly annexation area is 18,212.7 acres in size. It includes the McArthur FPD Day Road Fire Station. There are inhabited properties along Day Road, Pittville-Totten Road and a portion of McArthur Road west of the Fire Protection District boundary. The southerly annexation area is 4,922.2 acres in size. A portion of this area is bordered on three sides by the consolidated district.

Provision of Public Services

The consolidated District is responsible for providing the same fire and emergency response services as they currently provide, upon consolidation. A plan for services is on file.

Reasons for Proposal

The reasons for the consolidation as set forth in the proposal to LAFCO are as follows:

Land Use Designations

Land uses within the proposed annexation area are subject to the Shasta County General Plan and Zoning Regulations. The Shasta County General Plan identifies the communities of McArthur and Fall River Mills, as Town Centers, which are defined as communities wherein most urban services are provided. Zoning in the Fall River Valley outside the Town Centers is primarily Exclusive Agricultural (EA), Agricultural Preserve (AP), and Rural Residential (R-R). Other zoning designations within the district are Commercial-Light District (C-M), One-Family Residential (R-1), and Public Facilities (PF). General Plan land-use is primarily Agriculture, Timber, Residential, Mixed Use and Unclassified.

ANALYSIS

The analysis of the proposal is organized into two sections. The first section considers the proposal relative to the factors mandated for review by the Legislature anytime LAFCOs review boundary changes. The second section considers issues required by other applicable State statutes in processing boundary changes, such as environmental compliance with the California Environmental Quality Act.

Required Factors for Review

G.C. § 56668 requires the Commission to consider 16 specific factors when it reviews reorganization proposals. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of factors related to the proposal follows.

1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

The proposed annexation would cover approximately 23,134.9 acres. The consolidated district is expected to experience low growth, approximately 1 percent, over the next 10 years and may accommodate a population of less than 2,000 persons by the year 2030.

2) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

Pursuant to Government Code § 56653, a Plan for Services was prepared to evaluate consolidated District and annexation territory needs. The need for expanded community services within the affected territory includes fire and emergency response services. An analysis of the availability and adequacy of these services relative to projected needs of the proposal follows. The consolidated District has also provided an Initial Work Plan with multi-year projected budgets showing expenses and revenues for their services.

Fire Protection & Emergency Response

According to the Plan for Services, the consolidated District will have reduced response times, due to station location, available volunteers, as well as dispatch streamlining, ensuring that the closest resource is always dispatched.

Law Enforcement

The proposed annexation territory is currently served by the Shasta County Sheriff's Office. Increase in demand for law enforcement is not expected due to annexation.

Water and Wastewater

The Fall River Valley Community Services District provides potable water and wastewater services within their boundary.

Road Maintenance

No additional requirements for road capacity are anticipated as a result of annexation.

Medical Services

Medical and ambulance services are provided by Mayers Memorial Hospital.

3) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

The annexation as proposed by the consolidated District would be contained within Shasta County.

4) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in G.C. Section 56377.

The statutory goals of the LAFCO include the promotion of orderly growth and development by determining logical local boundaries [§56001], the preservation of open space by encouraging development of vacant land within cities before annexation of vacant land adjacent to cities [§56377(b)], and the preservation of prime agricultural land by guiding development away from presently undeveloped prime agricultural lands [§56377(a)]. The proposed uses in annexation territory comply with statutory goals discussed above.

5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

It is expected that some of the agricultural lands in the annexation territory are subject to a Williamson Act Contract. The annexation is not expected to have an adverse impact on agricultural lands.

6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

A map and geographic description, which follows existing boundaries, will be required prior to filing a certificate of completion for the consolidated District and annexation of territory.

7) A regional transportation plan adopted pursuant to G.C. Section 65080.

The Shasta County Regional Transportation Plan (RTP) was updated in 2018 by the Shasta Regional Transportation Agency (SRTA) and is a long-range transportation planning document for Shasta County. As part of the RTP, SRTA developed a Sustainable Communities Strategy (SCS) as required under California Senate Bill 375, the Sustainable Communities and Climate Protection Act of 2008 (SB 375) - addressing how the RTP will meet the region's greenhouse gas (GHG) emissions reduction targets.

8) Consistency with city or county general and specific plans.

Land uses in the consolidated District and annexation territory include a mix of commercial, residential, industrial and Town Center designations for McArthur and Fall River Mills communities, in the Shasta County General Plan. Zoning in the Fall River Valley outside the Town Centers is primarily Agricultural: EA and AP, and Rural Residential. Other zoning designations include Commercial-Light, One-Family Residential, and Public Facilities. General Plan land-use in the valley is primarily Agriculture, Timber, Residential, Mixed Use and Unclassified. The annexation does not require general plan or zoning amendments and land use is expected to remain consistent with county plans.

9) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

The annexation territory is located within the consolidated District Sphere of Influence (SOI), which was updated by the Commission in the Intermountain District Municipal Services Review and SOI Update approved in 2018. The SOI is not proposed to change due to this proposal.

10) The comments of any affected local agency or other public agency.

The Districts provided notice to interested and subject agencies of its intent to adopt resolutions of application, pursuant to GC § 56654(c). Shasta LAFCO provided a notice of application filing to affected agencies and received no comments. Shasta LAFCO also prepared and released a Certificate of Filing to local agencies, setting the October 5 2023 Commission hearing date. A hearing notice was published in the Record Searchlight, with postings on the LAFCO website. No agency comments were received.

11) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

The Consolidated District had filed an Initial Work Plan with Shasta LAFCO. The multi-year budget shows operating costs for the consolidated District with shared administration and accounting costs.

Property tax revenues allocation to the consolidated District is determined by a Property Tax Revenue Sharing Agreement between the County and District. The Shasta County Board of Supervisors Tax Revenue Sharing Agreement, passed by Resolution 2023-097 on August 29, 2023, consistent with the prior resolution, allocated no revenue sharing for the annexed territory.

12) Timely availability of water supplies adequate for projected needs as specified in G.C. § 65352.5.

Water supplies are provided by the Fall River Valley Community Services District. No capacity limitations have been identified and the need to increase system capacity as a result of the proposed annexation is not anticipated.

13) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Chapter 3 of Division 1 of Title 7 Article 10.6 (commencing with § 65580).

The proposed annexation would not impact any local agencies in accommodating their regional housing needs. The County of Shasta General Plan Housing Element addresses how regional housing needs allocations will be met. There are currently no increased residential designations or development plans for the proposed annexation territory.

14) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

Notice was published in the newspaper of general circulation for Shasta County and posted on the Shasta LAFCO website.

15) Any information relating to existing land use designations.

See discussion in Section 8.

16) The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to local public facilities and provision of public services.

The proposal will not result in inconsistencies with environmental justice safeguards. The annexation would result in continued public services for residents.

Other Considerations

Environmental Review

The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA) Guidelines found in Public Resources Code § 210000 et seq. It has been determined that this project is statutorily exempt from CEQA pursuant to § 15262 – Feasibilities & Planning Studies and categorically exempt pursuant to § 15306 – Information Collection. The Commission has prepared a Notice of Exemption as provided under CEQA Guidelines for the consolidated District organization including

annexation and makes a specific determination that this environmental determination adequately addresses proposed changes.

Municipal Service Review and Sphere of Influence Update

The Intermountain Fire Protection District MSR and Sphere of Influence Update, approved by the Commission in 2018, reflects the District's ability to serve the affected territory, and confirming of the Sphere of Influence that covers the consolidated District, and annexed territory.

Tax Revenue Sharing Agreement

California Revenue & Taxation Code 99(b)(5) provides:

In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the County board of supervisors shall, on behalf of the district or districts, negotiate any property tax revenue exchange. Prior to entering into negotiation on behalf of a district for a property tax revenue exchange, the board shall consult with the affected district. The consultation shall include, at a minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation.

The meetings and consultations are documented in the Shasta LAFCO December 3, 2020, staff report. As a result of those meetings and communications, the County stated that it has met its obligation by consulting with the Districts, explained the County's position, considered the position of the Districts, and then adopted a resolution establishing the property tax exchange. The property tax exchange was lawfully adopted via resolution in accordance with Revenue & Taxation Code section 99. The Shasta County Board of Supervisors passed a Tax Revenue Sharing Agreement by Resolution 2023-097 on August 29, 2023. The agreement does not convey property tax from the proposed annexation area, that would be detached from CSA #1 to the consolidated District.

Conducting Authority Proceedings

All Commission approved boundary changes are subject to conducting authority proceedings (i.e., protest hearing) unless waived in accordance with criteria outlined under G.C. § 56663.

Progress Since December 2020

Since the December 3, 2020, Commission hearing, LAFCO staff has been communicating with District staff. Progress is being made towards fulfilling conditions of approval for the consolidated District. This includes transfer of assets preparations. As stated in the Initial Work Plan, attached to this staff report: board policies, emergency response preparedness procedures, budget, organization chart, personnel cross training program, facilities maintenance and Improvement plans are in progress. The District recognizes that additional revenues are necessary to extend services to the annexed territory, and also demonstrates that charges for service are equitable to all District property owners and customers.

For revenue options, the following condition has been included in the attached resolution:

The District shall prepare and submit, and implement a financial proposal to generate revenues for the annexed territory which may include, but not be limited to: an Annexation Development Plan per R&T Code §99.3, a special parcel assessment, and /or fee for services agreement.

Many Fire Protection Districts are successful in getting these types of revenue measures approved. The District will have one year to satisfy this, and other conditions listed in Resolution 2023-09, unless a time extension is granted.

B. RECOMMENDATION

Staff Recommends that the Commission conduct the public hearing on the proposed reorganization by:
Receiving a staff report;
Opening the Public Hearing and receiving testimony;
Closing the hearing and consider the District request to act on the application withdrawal.

Prior to receiving the District request to withdraw the application, the following options were prepared for the consolidated Fire Protection District proposal:

1. Approve the annexation to the FRV FPD and detachment from CSA #1, with condition of a revenue source to fund services to the annexed territory, as proposed by the District;
2. Find there are insufficient revenues to fund expanded services and deny the application; or
3. Continue the hearing to December 7 2023 and task the FRV FPD with providing a viable revenue source, including consideration of a parcel assessment.

Attachments:

Exhibit A: Certificate of Filing

Patrick Jones
County Member

Vacant
Special District Member

Pamelyn Morgan
City Member

Mary Rickert
County Member Alternate

Stan Neutze
City Member

Ronnean Lund
Special District Member

Michael Dacquisto
City Member Alternate



Larry Russell
Public Member

Michael Spencer
Public Member Alternate

Kevin W. Crye
County Member

George Williamson
Executive Officer

Fred Ryness
Special District Alternate

James M. Underwood
General Counsel

**CERTIFICATE OF FILING
SHASTA LOCAL AGENCY FORMATION COMMISSION**

I, Shasta Local Agency Formation Commission Executive Officer, do hereby certify that:

1. The application hereinafter referenced and described has been submitted and found to be in the form prescribed by the Commission.
2. The application contains the information and data requested and required by the Commission and provisions of state law.
3. The application has been accepted for filing and will be considered by the Commission at a regular meeting Thursday, October 5, 2023, at 9:00 a.m., or as soon thereafter as the matter can be heard. The meeting will be held at the Redding City Council Chambers 777 Cypress Avenue, Redding, California.

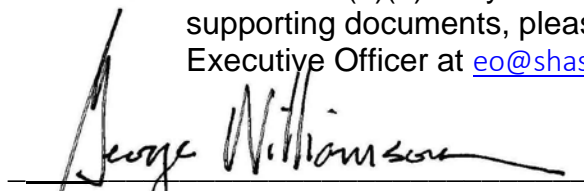
Application – Fall River Valley Fire Protection District Reorganization: Annexation of territory (Shasta County only) and County Service Area #1 County Fire Detachment

APPLICATION INFORMATION

Project: Proposed annexation of territory to the Fall River Valley Fire Protection District and detachment of territory from Shasta County Service Area #1 County Fire Department. The Fall River Valley FPD had previously filed an application that included annexation of territory in Lassen and Modoc Counties. That application was withdrawn. The current application is for territory in Shasta County only, as shown in attached figure. The Shasta County Board of Supervisors has passed Resolution 2023-097 Establishing a Property Tax Exchange Related to The Fall River Valley Fire Protection District Annexation of Unincorporated Territory.

Location: See attached location map

Notice: The above referenced proposal has been submitted to Shasta LAFCO and this certificate of filing is being issued in accordance with Government Code Section 56133 and 56658(b)(1). If you wish to receive a copy of the application materials and supporting documents, please contact LAFCO at (707) 496-0861 or email the LAFCO Executive Officer at eo@shastalafco.org.

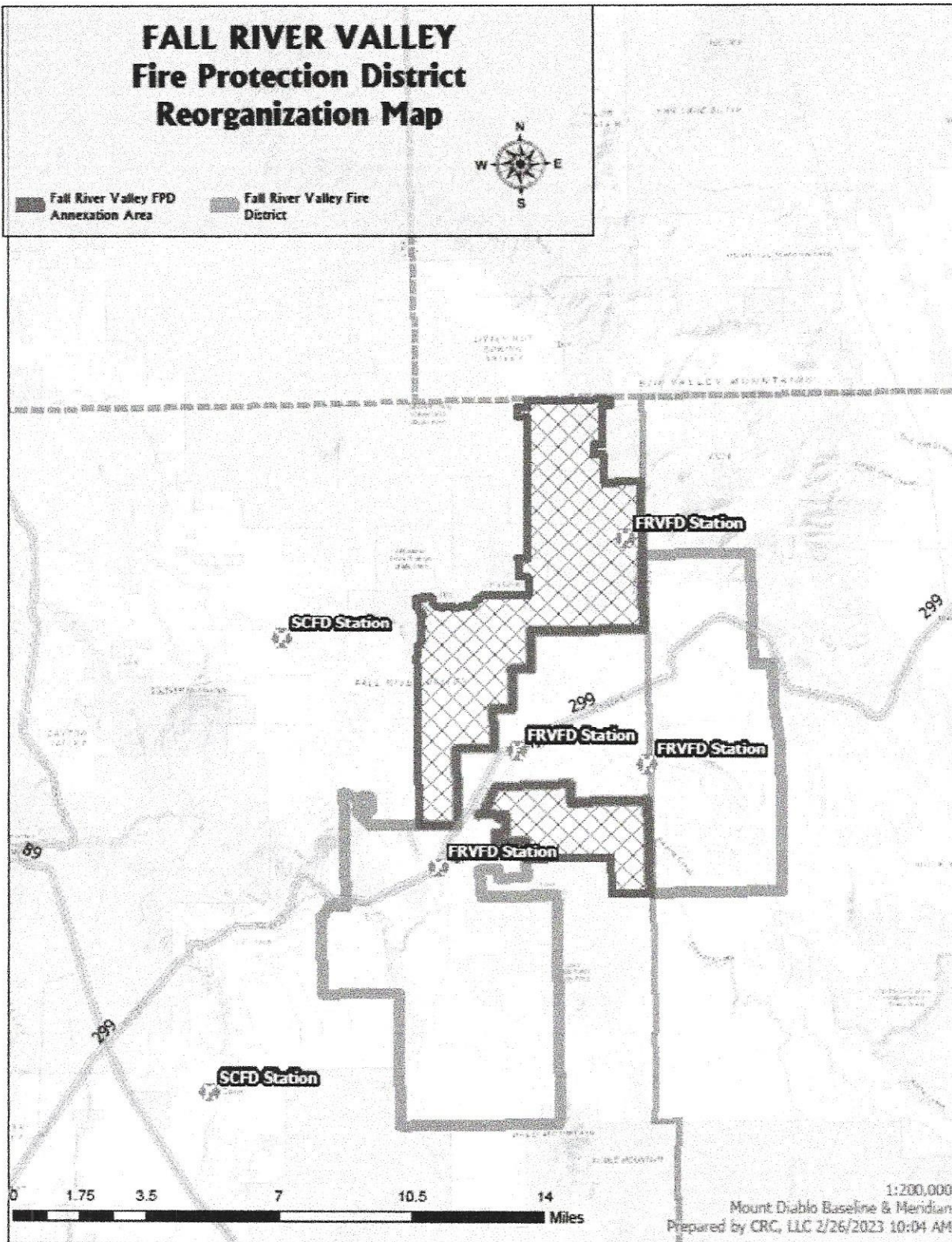

George Williamson AICP
Executive Officer

September 14, 2023
Date

Cc Fall River Valley Community Services District; County Service Area # 1 Shasta County Fire Department; Mayers Memorial Hospital District; Shasta County Auditors Office; Shasta County Administrative Office; Shasta County Assessor's Office.

Attachment: Location map

EXHIBIT B: Annexation Map



Patrick Jones
County Member
Vacant
Special District Member
Pamelyn Morgan
City Member Alternate
Mary Rickert
County Member Alternate
Stan Neutze
City Member
Ronnean Lund
Special District Member
Michael Dacquisto
City Member



Larry Russell
Public Member
Mark Spencer
Public Member Alternate
Kevin Crye
County Member
George Williamson
Executive Officer
Fred Ryness
Special District Alternate
James M. Underwood
General Counsel

Agenda Item: 8a.

Meeting Date: October 5 2023

From: George Williamson, Executive Officer

Subject: Authorized Increase in Single Signer Check Amount

BACKGROUND:

Shasta LAFCO maintains a set of policies and procedures, including financial policies.

DISCUSSION:

Policy Shapter 2 Section 2.3.1 Accounts and Signatures is proposed to be amended as follows:

1. Bank accounts shall be authorized by motion of the Commission and established by the Executive Officer consistent with LAFCO's Investment Policy, Section 2.2 Such accounts shall be used to manage LAFCO's financial affairs.

Two signatures shall be required on all checks of above Seven Hundred and Fifty Dollars (\$750.00) including for the payment of regularly scheduled rent, utilities payments consistent with an adopted budget and applicable LAFCO policies. The Executive Officer, the Commission Chair and the Commission Vice-Chair, shall be bank account signatories.

An employee or officer of LAFCO shall not be able to sign/co-sign a check for him/herself.

The Commission's Executive Committee may approve disbursements above Seven Hundred and Fifty Dollars (\$750.00) for payment so long as such payables are consistent with the Commission adopted budget and applicable LAFCO policies.

2. The Executive Officer is designated as the Financial Officer of LAFCO and shall have principal signature authority for all accounts, subject to procedures and safeguards adopted by the Commission. The Executive Officer, the Commission Chair and the Commission Vice-Chair, shall be bank account signatories.
3. Two commissioners, specifically the Chairman and Vice-Chairman, shall have signature authority for bank accounts and financial transactions.

RECOMMENDATION:

Staff recommends the Commission approve the amount increase.

Attachments: none



REQUEST FOR PROPOSALS
To provide:

Independent Professional Auditing Services

to Audit Shasta LAFCO Financial Statements for
Fiscal Year ending June 30, 2023

Response due by October __, 2023 at 5:00 pm

Contact: George Williamson, LAFCO Executive Officer
Shasta Local Agency Formation Commission
999 Mission Del Oro Drive, Suite 106, Redding CA 96003
eo@shastalafco.org

REQUEST FOR PROPOSALS FOR AUDIT SERVICES

1. General Information

The Shasta Local Agency Formation Commission (Shasta LAFCO) is seeking a qualified independent Certified Public Accounting firms to audit LAFCOs' financial statements for the fiscal year ending on June 30, 2023.

The audit is to be conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. To be considered, a proposal must be received by George Williamson, Executive Officer, Shasta Local Agency Formation Commission, on or before October 4, 2023 (5:00 p.m.).

During the evaluation process, LAFCO reserves the right to request additional information or clarifications from responders, or to allow corrections of errors or omissions. Firms submitting proposals may be requested to make oral presentations as part of the evaluation process. Submission of a proposal is acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between LAFCO and the firm selected. It is anticipated the selection of a firm would be completed by the end of November 2023.

Following notification of the selected firm, it is expected a contract will be executed between all parties in November 2023. A one-year contract is contemplated. There is no expressed or implied obligation for LAFCO to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

2. Background on LAFCOs

Following the end of World War II, California entered a new era of demographic growth and diversity and economic development. With this growth came the need for housing, jobs and public services. To provide for these services, California experienced a wave of newly formed cities and special districts. The lack of coordination and future governance planning led to a multitude of overlapping, inefficient jurisdictional and service boundaries.

In 1963, the State Legislature created Local Agency Formation Commissions (LAFCOs) to help direct and coordinate California's growth in a logical, efficient, and orderly manner. Each county within California is required to have a LAFCO. LAFCOs are charged with the responsibility of making difficult decisions, based on local circumstances and conditions, on proposals for: incorporating a new city and forming a special district's, determining a sphere of influence, annexations to jurisdictions and other changes of organizations. Each LAFCO operates independently from one another in terms of funding, day-to-day operations and staffing; however, most LAFCOs collaborate with one another on important business matters that do not directly impact their core operations, such as staff development, education and training.

Shasta LAFCO Background and Budget

Shasta LAFCO is a eleven-member commission, consisting of the following: Two members from the Shasta County Board of Supervisors, two members from city councils, two members from special district boards of directors and one member from the public at large. Each category has an alternate Commissioner who serves in the absence of the

regular member. Shasta LAFCO had one part time staff. The Commission contracts for independent Executive Officer, Legal Counsel, webhosting and IT services.

Shasta LAFCO is funded by the County, the three cities and independent special districts, with each governmental category contributing a third of LAFCO's approved budget. The city and district shares are pro-rated based on general revenues reported to the State Controller's Office on an annual basis. These revenues are found in the latest released State Controller's office annual report. LAFCO also receives revenue through application fees and interest earnings.

LAFCO is an independent agency that approves its budget on an annual basis. The operating budget is comprised of part time manager wages and taxes, contract services and supplies, and revenues. The LAFCO Executive Officer serves as the budget administrator and prepares, submits, distributes, and executes the LAFCO budget consistent with State law. The Executive Officer submits to the Commission periodic budget reports and a final report at the end of the fiscal year. LAFCO staff prepares checks for each expenditure and submits deposits to the LAFCO account at US Bank. Shasta LAFCO fiscal year 2022-23 budget was approximately \$205,000.00. The Budget is adopted by LAFCO each year as required by the Cortese-Knox-Hertzberg Act.

3. Scope of the Work to Be Performed

LAFCO desires that General Purpose Financial Statements (GPFS) be prepared by an independent auditor for the fiscal year ending June 30, 2023. Statements should be fully compliant for all applicable Government Accounting Standards Board (GASB) statements and requirements, including but not limited to #34, #45, #67 and #68. The following is a summary of the scope of the audit.

1. The firm will audit LAFCo for fiscal year 2022-23, focusing on the fiscal years' respective funds. The audit is to be performed in accordance with generally accepted auditing standards and the standards set for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, as well as any other current and applicable federal, state, local or programmatic audit requirements.
2. The audit will cover both Government-Wide Financial Statements and Fund Financial Statements and supporting documentation and schedules for fiscal year 2022-23.
3. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis, if applicable, and may request supplementary financial information.
4. The audit firm will issue a separate Management Letter that includes recommendations, if any, for improvements in internal control that are considered to be significant deficiencies or material weaknesses.

LAFCO staff will provide cooperation and assistance during the audit including typing of confirmation requests, compiling and refilling of supporting documents and reconciliations of major asset and liability balances. LAFCO staff may prepare the MD&A. All other information and financial statements are the responsibility of the audit firm. All working papers and reports are to be retained at the auditor's expense for a minimum of three years. The audit firm will be responsible for making working papers available to LAFCO or any government agencies included in the audit of federal grants.

4. Audit Process and Deliverables

Preparation of the report will include the following steps:

1. Data collection including but not limited to soliciting LAFCO staff for information, research of existing information, and retrieving documents as needed.
2. Review, interpretation, and analysis of information collected.
3. Produce Administrative Draft financial statements for LAFCO staff review (electronic PDF and Word version).
4. Preparation of final draft addressing LAFCO staff comments, including findings, determinations and recommendations (electronic PDF and Word versions). Attendance at Commission meeting(s) approving final financial statement is required.
5. Following Commission approval of the financial statements, please provide LAFCO with a final electronic version (both PDF and Word versions).
6. All working papers and reports are to be retained at the auditor's expense for a minimum of four (4) years. The audit firm shall make working papers available to LAFCO on request.

Proposal Content

The proposal shall be specifically responsive to this request and shall include, but not necessarily be limited to, the following:

General Information

- Provide name and address of your firm, the date of its establishment, and a brief description of its size and history.
- Describe the education, experience and professional achievements of the person(s) who would be assigned to work on the LAFCo account.

Experience

- Describe your firm's experience with the accounting requirements of local governmental agencies, especially any engaged primarily in regulatory activity.
- Provide a list of public agencies that can be contacted for references; include the agency's name, the name of an official to be contacted, and the appropriate phone number.
- The auditing firm shall make a positive statement that it has the required insurance policies in force in amounts of coverage for not less than \$1,000,000 for Professional Liability, Workers Compensation, Comprehensive General Liability and Auto (Owned and Non-Owned). Prior to any commencement of audit services, the selected firm will be required to provide certificates of insurance coverage to LAFCo.
- Include any additional information about your firm or staff which you feel would assist LAFCo in evaluating your experiences, not exceeding two pages.

Work Plan

- Discuss in detail how the requested work would be performed, including estimates of the time required for incremental tasks, explanation of staffing

levels, description of methods and processes involved, and definition of information or resources LAFCo would need to provide.

- Specify planned commencement and completion dates, assuming award of a contract for audit of FY 2022-2023 financial records.

Compensation and Terms of Payment

- State an inclusive price and estimated total hours for tasks to be performed.
- Any fees or costs not included in the price must be stipulated for LAFCo's explicit approval.
- Unless otherwise specified and agreed in writing, payments for each annual audit shall be made within thirty days following delivery of all copies of the final audit report, presentation of the audit at a Commission meeting, and submission of an invoice.
- LAFCo normally uses a standard form of agreement for such engagements, which is available for review upon request.

Proposal deadline is October 4, 2023, at 5:00 pm.

5. Evaluation Process and Criteria

LAFCo staff will conduct the initial review of proposals. LAFCO reserves the right to request additional information or clarifications from responders or to allow corrections of errors or omissions. At the discretion of the LAFCO, firms submitting proposals be invited to make oral presentations to the Commission, or Staff may recommend one proposal to the full Commission. Selection of the successful proposal will be based largely upon the firm's qualifications, the content of its proposed work plan, and total cost.

LAFCO reserves the right to retain all submitted proposals and use any ideas in a proposal regardless of whether the proposal was selected.

It is anticipated the selection of a firm will be completed in November 2023. Following the notification of the selected firm, it is expected a contract will be executed between all parties by December 15, 2023. A one-year contract is contemplated.

Criteria

Proposals will be evaluated based upon their response to the provisions of this Request for Proposal. LAFCO staff will review each proposal and evaluate the ability of each individual or firm to meet the expectations defined herein. References will be contacted. The proposals will be ranked. LAFCO may modify this evaluation process as appropriate. There is no expressed or implied obligation for LAFCO to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Consultant Selection

The following criteria will be used to evaluate in determining the award of the contract:

1. The firm's licensing, independence with respect to LAFCO and results of most recent peer review together with the California Society of CPAs acceptance of the peer review (mandatory requirements)

2. Qualifications and Related Experience of the audit team who will serve LAFCO (Partner, Manager and Senior Auditors)
3. Prior experience of the engagement team in implementation of GASB #45, #67/68
4. Reference of local government clients
5. The thoroughness of approach to conducting the audit and demonstration of the understanding of the objectives and scope of the audit
6. Ability to complete the audit in a timely manner and to work well with LAFCO staff and LAFCO Commission
7. Provide clear and reasonable outline of cost estimates and past performance with staying within budget

Additional Information

Timeline:

The fieldwork and audit for Fiscal Years ending June 30, 2023, may begin after execution of a contract and after fiscal year books are closed, approximately November 1, 2023. An audit plan and project schedule will be agreed to by LAFCO and the selected audit firm.

Contract Provisions:

Shasta LAFCO reserves the right to reject any and all proposals, waive any irregularity in the proposals and/or to conduct negotiations with any firms, whether or not they have submitted a proposal. The Commission has a standard contract it uses for agreements that are subject to revision before execution by the parties. The standard contract is available from the Commission's staff upon request.

Signature Authority:

Certify that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with LAFCO.

Consultants:

During the preparation phases, LAFCO reserves the right to hire consultants as necessary, in its discretion, to represent LAFCO in this project.

Submittal

Any questions regarding this proposal shall be submitted in writing to eo@shastalafco.org or by calling 707-496-0861.

Proposals shall be submitted electronically to eo@shastalafco.org

Proposal deadline: **October __, 2023, 5:00 pm**

Exhibits

Financial and Budget Statements for Fiscal Year Ending June 30, 2023,

**SHASTA LOCAL AGENCY FORMATION COMMISSION
RESOLUTION 2023-09**

**AUTHORIZING A ONE YEAR TIME EXTENSION FOR THE
FALL RIVER VALLEY COMMUNITY SERVICES DISTRICT ANNEXATION**

WHEREAS, on October 7 2021, the Shasta Local Agency Formation Commission, hereinafter referred to as the "Commission," conditionally approved the Fall River Valley Community Services District (FRV CSD) Annexation; and

WHEREAS, Government Code Section 57001 requires that a Certificate of Completion be recorded within one year unless extended by Shasta LAFCO; and

WHEREAS, a time extension was requested in 2022 to allow the FRV CSD sufficient time to satisfy terms and conditions for the annexation.

WHEREAS, an additional time extension is requested to allow the FRV CSD sufficient time to satisfy terms and conditions for the annexation.

NOW, THEREFORE, BE IT RESOLVED by the Shasta Local Agency Formation Commission as follows:

1. The time extension for the above referenced annexation is hereby approved.
2. The time frame for completion of terms and conditions and for recording a Certificate of Completion is hereby extended to October 5 2024.
3. All provisions, terms and conditions of Shasta LAFCO Resolution Number 2021-13, dated October 7 2021, shall remain in effect.

THE FOREGOING RESOLUTION was passed and duly adopted at a regular meeting of the Shasta LAFCO Commission on the 5th day of October 2023, and adopted by the following votes:

AYES:
NOES:
ABSTAINS:
ABSENT:

Dated: _____

Stan Neutze, Chair
Shasta Local Agency Formation Commission

Attest:

Dated: _____

George Williamson, Executive Officer
Shasta Local Agency Formation Commission

Patrick Jones
County Member

Pamelyn Morgan
City Member

Stan Neutze
City Member

Michael Dacquisto
City Member Alternate

Vacant
Special District Member

Mary Rickert
County Member Alternate

Ronnean Lund
Special District Member



Larry Russell
Public Member

Kevin W. Crye
County Member

Fred Ryness
Special District Alternate

Michael Spencer
Public Member Alternate

George Williamson
Executive Officer

James M. Underwood
General Counsel

Agenda Item: 9.c.

MEETING DATE: October 5, 2023

FROM: George Williamson, Executive Officer

SUBJECT: Executive Officer Services – Transition Plan

Shasta LAFCO's Professional Services Agreement with Planwest Partners Inc. for independent contractor services ends December 31, 2023. In addition to the Executive Officer position, the firm provides a full range of professional services, including mapping and spatial data analysis, Municipal Services Review / Sphere of Influence (MSR/SOI) Update preparation, application processing, website postings, meeting staffing, budgeting, and agency coordination. Most recently, with the manager's resignation, the Planwest contract was amended to include administrative and clerking duties.

Planwest provides contract services to four LAFCO's and prepares MSR/SOI Updates for many others. The firm is a 12-person Women Business Enterprise, in business for more than 26 years and recognized as the CALAFCO Outstanding Associate Member for 2020-2021.

Since January 1, 2016, Planwest has provided contract services to Shasta LAFCO, with me serving as Executive Officer. During that time, I've worked with applicants, legal counsel, the Executive Committee and Commission to process multiple applications, including consolidations and reorganizations of eight special districts and prepared MSR/SOI Updates for the special districts and cities. The Commission has significantly improved its credibility with member organizations and managed fiscal resources well during this time. One of your most notable achievements is paying off a significant unfunded pension liability with CalPERS, with a small budget increase for the member organizations.

With my impending retirement, there have been efforts to transition the Executive Officer position and enable a reduced workload through a transitional period. One of our Senior Planners, a member of the American Institute of Certified Planners, has expressed interest in becoming the Shasta LAFCO Executive Officer, starting in 2024. Krystle Heaney AICP, offers more than 5 years of LAFCO experience and is currently the Humboldt LAFCo Analyst. She also serves as Project Manager, preparing MSR/SOI for several other LAFCo's. I would stay on as a senior advisor and Shasta LAFCO would have Planwest's continued staff support.

If this is of interest to the Commission, Planwest will prepare a contract staffing services extension, through the end of Fiscal Year 2023-24 for Executive Committee review and potential action for the Commission at the December 7, 2023 meeting.

cc: Jim Underwood, legal counsel



INVOICE

DATE: July 31, 2023 **INVOICE #:** 23-235-07

TO: Shasta Local Agency Formation Commission (LAFCO)

PROJECT: LAFCo Planning and Staffing Services for **JULY 2023**

JULY 2023 Staffing Services:

Commission /Executive Committee Meetings: Scheduled and attended, by conference call, July 26 Executive Committee meeting. Reviewed August Commission agenda and transition plan. Prepared materials, distributed /posted agenda packets for in-person August 3 Commission. Agenda items included MSR/SOI Update hearings and staffing services transition plan amendment.

Staffing Coordination General Staffing Services, Noticing, and Staff Reports.

Prepared agenda items for August 3 Commission meeting at Shasta County Board of Supervisors Chamber. Hearing items included Anderson Cottonwood Irrigation District and CSA #14–Belmont, CSA #15 Lighting & CSA # 23 Crag View Draft MSR /SOI Updates. Received Commission Chair Irwin Fust’s resignation. Prepared and distributed Special District Nominations forms for Special District Seat 1 and Special District Alternate, for 2024-2028 terms. Implementing Transition Plan which includes staffing overview, office needs assessment, financial functions analysis, potential revised budget and services recruitment. Updated Plan to include independent administrator with resignation of Manager staff person. Initiated check signing changes with US Bank and scheduled additional Executive Committee appointment for August 3 Commission meeting.

Received inquiry from Junction Elementary School District regarding water services. District concerned about insufficient safe consumable water supply from onsite system affecting school year start. District inquired into LAFCO procedures for Bella Vista Water District (BVWD) intertie to supply water. District advised it is seeking State Water Resources Board funding to replace and install infrastructure separating irrigation from drinking water, as well as funding to rehabilitate or replace onsite wells. District is in CSA 8 Palo Cedro for sewer service but outside CSA # 8 water service area. BVWD boundary adjacent to District, with main in Deschutes Road. Received request for original Keswick Sewer Assessment District creation documentation.

Municipal Service Reviews (MSR) Sphere of Influence (SOI) Updates:

Prepared and posted Anderson-Cottonwood Irrigation District Commission Draft MSR /SOI Update with District input. Received County DPW comments on three CSAs MSR /SOI Update (CSA #14–Belmont, CSA #15 Lighting & CSA # 23 Crag View a water only service provider). Made revisions, prepared and posted CSAs MSR /SOI Update for Commission review at August 3 meeting. Incorporated City staff information for City of Shasta Lake CSAs MSR /SOI Update including financials and multiple services delivery.

Application – Axner Annexation & SOI Amendment to CSA #8 Palo Cedro

Advised applicant of notice of filing responses from Shasta County DPW and Bella Vista Water District regarding annexation services requirements and need for County Zoning Amendment to determine services for proposed residential development.

JULY 2023 COSTS (see attached spreadsheet for hours and expense itemization)

TOTAL AMOUNT DUE **\$ 12,156.25**

Please make check payable to: Planwest Partners, Inc. P.O. Box 4581 Arcata, CA 95518

Tax Identification Number: 90-0262382

TEL: (707) 825-8260
FAX: (707) 825-9181

P.O. Box 4581
Arcata, CA 95518

planners@planwestpartners.com
www.planwestpartners.com

Shasta LAFCo Contract Planning Services FY 2023-24 Billing July 2023

Planwest Partners Inc.		Hours and Expenses										Total on Budget	Remaining Budget
Task	Account	FY 2023-24 Budget	Principal Planner	Senior Advisor (EO)	Senior Analyst	Associate Planner	GIS Manager	Services Specialist	Plan Tech/ Serv Assist	Expense	July Total	Total on Budget	Remaining Budget
Hourly Rate			\$150.00	\$140.00	\$130.00	\$110.00	\$110.00	\$95.00	\$85.00				
MSR/SOI - Review & Analysis		\$25,000.00									\$4,030.00	\$4,030.00	\$20,970.00
GIS Services	52675						3.00				\$330.00	\$330.00	
Public Hearing Notice	52678										\$0.00	\$0.00	
CSD-Irr. Dist-City-CSA MSRs SOI Updates	52680			17.00	12.00						\$3,700.00	\$3,700.00	
Staffing Services Planwest Partners Inc.		\$57,500.00									\$7,706.25	\$7,706.25	\$49,793.75
General Staffing Services	52006			16.00			8.00		2.00		\$3,290.00	\$3,290.00	
Noticing & Staff Reports	52006			11.00	5.50		2.00		3.25		\$3,356.25	\$3,356.25	
Public Info Requests	52006			4.00	0.50		2.00				\$780.00	\$780.00	
Commission /Exec Committee Meetings	52006			2.00							\$280.00	\$280.00	
Application Processing /Pre-app review Expenses- EO											\$420.00	\$420.00	
Fall River Valley FPD Reorg re-application		\$2,500.00									\$0.00	\$0.00	\$2,500.00
Shasta CSD - Fire Services Divestiture		\$22,500.00									\$0.00	\$0.00	\$22,500.00
Old Shasta FPD Formation by petition		\$30,000.00									\$0.00	\$0.00	\$30,000.00
Axner - CSA#8 Annex-SOI Update		\$2,350.00		3.00							\$420.00	\$420.00	\$1,930.00
Maxwell - Redding Annex pre-application		\$3,500.00									\$0.00	\$0.00	\$3,500.00
Application Processing Supplies		\$0.00									\$0.00	\$0.00	\$0.00
Hours			0.00	53.00	0.00	18.00	15.00	0.00	5.25		\$0.00		
Total Costs		\$82,500.00	\$0.00	\$7,420.00	\$0.00	\$1,980.00	\$1,650.00	\$0.00	\$446.25		\$12,156.25	\$12,156.25	\$70,763.75

no meeting mileage - 0mi. @ \$0.655/mi



INVOICE

DATE: August 31, 2023 **INVOICE #:** 23-235-08
TO: Shasta Local Agency Formation Commission (LAFCO)
PROJECT: LAFCo Planning and Staffing Services for **AUGUST 2023**

AUGUST 2023 Staffing Services:

Commission /Executive Committee Meetings: Attended August in person August 3 Commission meeting at County Board of Supervisors Chambers. Agenda items included MSR/SOI Update hearings and staffing services transition plan amendment. Added Commissioner Ryness to Executive Committee as directed by Commission.

Staffing Coordination General Staffing Services, Noticing, and Staff Reports.

Distributed and presented agenda items for August 3 Commission meeting at Shasta County Board of Supervisors Chamber. Hearing items included Anderson Cottonwood Irrigation District and CSA #14–Belmont, CSA #15 Lighting & CSA # 23 Crag View MSR /SOI Updates, both approved by Commission. Acknowledged Commission Chair Irwin Fust’s resignation and elected new chair and vice chair. Prepared and distributed Special District Nominations forms for Special District Seat 1 and Special District Alternate, for 2024-2028 terms. Implementing Transition Plan with staffing overview, office needs assessment, financial functions and services recruitment. Updated Plan to include independent administrator and received budget amendment approval for adding admin services to staffing agreement through December 31. 2023. Completed check signing changes and initiated CD purchase with US Bank as authorized by commission.

Discussed potential Junction Elementary School District intertie with Bella Vista Water District (BVWD) General Manager and potential State Water Resources Board funding for Deschutes Road main connection. Responded to Keswick Sewer Assessment District creation documentation, request, with records search and advising requestor to contact County Assessor. Interviewed administrator candidate at Shasta LAFCO offices August 29, met with Legal Counsel at Redding office to discuss transition staffing and accounts payable coordination. Recorded and deposited FY 2023-24 budget - member organization payments. Reviewed City of Anderson Council Resolution and Application requesting Shasta LAFCO initiate out of area water service extension proceedings. Received BOE notice of Form 400 filing for Fall River Mills to Fall River Valley CSD 2011 name change.

Municipal Service Reviews (MSR) Sphere of Influence (SOI) Updates:

Incorporated District comments and posted Commission approved Anderson-Cottonwood Irrigation District MSR /SOI Update. Posted Commission approved CSAs #14 - #15 - # 23 MSR /SOI Update. Incorporated City staff information for City of Shasta Lake MSR /SOI Update including financials and multiple services delivery.

Application – Application: Shasta CSD Fire Services divestiture,

Prepared CSD MSR/SOI Update - Fire Services Divestiture, for October 5 Commission Meeting, contingent on Shasta Fire Protection District formation and successor agency designation.

AUGUST 2023 COSTS *(see attached spreadsheet for hours and expense itemization)*

TOTAL AMOUNT DUE **\$ 13,733.02**

Please make check payable to: Planwest Partners, Inc. P.O. Box 4581 Arcata, CA 95518

Tax Identification Number: 90-0262382

TEL: (707) 825-8260
FAX: (707) 825-9181

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planners@planwestpartners.com
www.planwestpartners.com

Shasta LAFCo Contract Planning Services FY 2023-24 Billing August 2023

Planwest Partners Inc.	Hours and Expenses										Total on Budget	Remaining Budget			
	Task	Account	FY 2023-24 Budget	July	Principal Planner	Senior Advisor (EO)	Senior Analyst	Associate Planner	GIS Manager	Services Specialist			Plan Tech/ Serv Assist	Expense	July Total
MSR/SOI - Review & Analysis			\$25,000.00	\$4,030.00									\$3,190.00	\$7,220.00	\$17,780.00
GIS Services	52675		\$330.00	\$330.00					6.00				\$660.00	\$990.00	
Public Hearing Notice	52678		\$0.00	\$0.00									\$0.00	\$0.00	
CSD-Irr. Dist-City-CSA MSRs SOI Updates	52680		\$3,700.00	\$3,700.00		3.50				24.00			\$2,530.00	\$6,230.00	
Staffing Services Planwest Partners Inc.			\$78,150.00	\$7,706.25									\$7,953.02	\$15,659.27	\$62,490.74
General Staffing Services	52006		\$3,290.00	\$3,290.00		23.00						\$186.68	\$3,406.68	\$6,696.68	
Noticing & Staff Reports	52006		\$3,356.25	\$3,356.25		25.00						\$160.32	\$3,660.32	\$7,016.57	
Public Info Requests	52006		\$780.00	\$780.00		5.00							\$700.00	\$1,480.00	
Commission /Exec Committee Meetings	52006		\$280.00	\$280.00								\$186.02	\$186.02	\$466.02	
Application Processing /Pre-app review Expenses- EO				\$420.00									\$2,590.00	\$2,590.00	
Fall River Valley FPD Reorg re-application			\$2,500.00	\$0.00									\$0.00	\$0.00	\$2,500.00
Shasta CSD - Fire Services Divestiture			\$22,500.00	\$0.00		4.00				14.00			\$1,750.00	\$1,750.00	\$20,750.00
Old Shasta FPD Formation by petition			\$30,000.00	\$0.00		4.00							\$560.00	\$560.00	\$29,440.00
Axner - CSA#8 Annex-SOI Update			\$2,350.00	\$420.00									\$0.00	\$0.00	\$2,350.00
Maxwell - Redding Annex pre-application			\$3,500.00	\$0.00		2.00							\$280.00	\$280.00	\$3,220.00
Application Processing Supplies			\$0.00										\$0.00	\$0.00	\$0.00
Hours				0.00		66.50	0.00	0.00	6.00	0.00	38.00		\$0.00	\$0.00	
Total Costs			\$103,150.00	\$12,156.25	\$0.00	\$9,310.00	\$0.00	\$0.00	\$660.00	\$0.00	\$3,230.00	\$533.02	\$13,733.02	\$25,469.27	\$80,270.74

8/03 meeting mileage-284mi. @ \$.655/mi \$186.02
 8/29 meetings mileage-285mi. @ \$.655/mi \$186.68
 Special Dist Nominations Certified Mailing \$160.32