

Anderson-Cottonwood Irrigation District

Brenda Haynes, President
Audie Butcher, Vice President
Robert Blankenship, Director

2810 Silver Street, Anderson, Ca. 96007
(530) 365-7329 – Fax: (530) 365-7623
www.andersoncottonwoodirrigationdistrict.org

Jason Munson, Director
Kayle Spoon, Director
Stan Wangberg, GM/Sec

November 27, 2013

Jan Lopez, Executive Director
Shasta LAFCO
2516 Goodwater Avenue, Suite A
Redding, California 96002

Dear Ms. Lopez:

Enclosed is the District's response to the Request for Information dated June 2013, which included a Municipal Services Review questionnaire.

In addition to the response, a copy of an MSR submitted to Shasta LAFCO by the District in 2006 is included for additional information.

Sincerely,



Stan Wangberg
General Manager



Request for Information

Section A - Assignment/Certification

Agency Name: Anderson-Cottonwood Irrigation District
Physical Address: 2810 Silver St., Anderson, CA 96007
Mailing Address: Same
Telephone No. (530) 365-7329 Fax No. (530) 365-7623 E-mail: acidwater@sbcglobal.net
Website: www.andersoncottonwoodirrigationdistrict.org

The undersigned DOES HEREBY CERTIFY that the information provided hereunder and in the attachments is, to the fullest extent possible, complete and accurate and submitted in compliance with GCS 56386:

RFI Completed By: (Print Name) Stan Wangberg
(Title) General Manager
(Signature) [Handwritten Signature]
Date: 11-27-13

Section B - Agency Profile and Narrative

- 1. Year Agency Established/Incorporated/Formed: 1914
2. Acreage/Square Miles Within Agency: 32,000 acres
3. Total Population Within Agency: N/A Population Date/Source: N/A
4. Please write and attach a narrative history of the agency, including any knowledge of formation, historic decisions and major changes or reorganizations to the agency.

Section C - Reports, Plans, Maps, Etc.

Indicate which of the following documents is relevant to your agency, and attach a copy or indicate if it can be found on the agency's website:

- Checked: Mission Statement Website, Current Budget, Agendas for the preceding two years Website, Minutes for the preceding two years Website, Adopted Policies and Procedures Website, Rates or fee schedule Website - see Application for Water, Development Impact Fee Nexus Study
Unchecked: Master Plan, Public Facilities Plan, Watershed Management Plan, Sewer System Management Plan, NPDES Permit/Waste Discharge Requirements, Department of Health Services Water System Annual Report (most recent), Photos of District facilities, Other:



Section D - Infrastructure, Facilities, Services

1. How are infrastructure needs determined? Provide copies of capital improvement/master plans that address infrastructure.
Needs are determined by visual inspection and review of performance; needs are prioritized and scheduled for work as funding is available.

2. Provide schedules for infrastructure replacements and upgrades; explain how schedules are being met and how will the new or upgraded infrastructure be financed?
See attached; schedules are developed and implemented annually. Financing is primarily out of District reserves, but grant funding opportunities are frequently sought for major projects.

3. List and discuss infrastructure deficiencies; indicate if deficiencies have resulted in permit or other regulatory violations; explain how deficiencies will be addressed.
Most infrastructure deficiencies are a result of age and deferred maintenance. No permit or other regulatory violations have occurred. Deficiencies are addressed by development of improvement projects implemented and paid for by District; and, seeking of grant funding.
4. Describe capital facilities that are underutilized; explain how underutilized facilities could be shared with other agencies.
None

5. How are service needs forecast?
As a long-time provider of agricultural irrigation water, per-acre service needs are well established for local crop types. Cropping patterns are very stable, resulting in low variability of service needs.
6. How are growth/population projections integrated with plans for future services?
Agricultural irrigation generally declines as growth/population increases, causing a shift in land use from ag to urban. Expansion of the service area through annexations, and expansion of irrigated lands within the existing service area help maintain the ratepayer base.
7. Provide maps of service areas/zones for services that are provided less than agency wide.
None

8. Describe any variance or inequity in levels of services provided to customers. Explain why unequal services levels are present.
None

9. Identify areas within agency boundary that could be more efficiently served by another agency.
None

10. Identify areas outside agency boundary that could be efficiently served by your agency.
Areas east of the Sacramento River and south of South Bonnyview Rd; some areas west of the ACID canal between Redding and Anderson.

- 11. Describe proposed or pending development that would require agency services; include a list of anticipated jurisdictional boundary changes (i.e., annexations) necessary to extend services to proposed or pending development; provide maps showing location of development.

None

- 12. Describe and attach joint powers agreements or other arrangements for sharing facilities, infrastructure, or services with other agencies.

None

- 13. Provide the parcel numbers of properties receiving agency services *which are outside the agency jurisdictional boundary*; provide a map showing parcel-to-agency boundary relationship; list type of service provided, date commenced, and when annexation is expected.

None

- 14. Explain agency policies and procedures that establish priorities for directing services to infill areas.

None

- 15. Describe provisions for providing services in emergency situations (i.e., storage capacity, number of days that services can be provided, etc.)

None

Section E - Administration, Management, Operations

- 1. List number of employees of agency and/or department providing each infrastructure service by category (i.e., executive, management, professional, operational, etc.).

Management: 1 Clerical/Financial: 2 Operational: 8

- 2. Describe internal staff and/or operational reorganizations within the past three years; list job titles or positions which have been eliminated or created.

None

- 3. List number of annual terminations, resignations, and retirements that have occurred in the preceding three years.

Terminations: 1 Retirements: 1

- 4. Describe positions that have remained vacant during the past three years.

None

- 5. Describe agency policies, rules, and procedures that regulate communications between elected officials and employees.

The elected Board of Directors provides guidance and policy direction to the General Manager by way of regular meetings.

- 6. Describe administrative/management/operational functions that are provided to the agency by private organizations or other public agencies; explain management efficiencies and/or cost avoidance opportunities gained by these arrangements.

None

- 7. Describe cooperative arrangements with other agencies that produce administrative, management, and/or operational efficiencies.

None

- 8. Describe policies for employee and contractor performance incentives.

None

- 9. Explain policies and procedures for competitive bidding and sole source procurement. Describe sole-source services provided during the past three years.

Competitive bidding is used if 1) overall costs may be reduced; or 2) a better-qualified contractor may be procured. Sole-source services are desirable if the contractor is known and overall project costs may be significantly reduced. In April 2013 a \$30,000 emergency repair was completed by sole-source procurement

- 10. What awards or recognitions has the agency or service-providing department received in the past three years? Explain why awarded.

None

Section F - Fiscal

Respond to the following in the context of the services listed under Section C.

- 1. Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, assessments, grants, etc.) to provide and finance infrastructure services.

Water service charges; application fees; water transfer revenues; penalty charges; interest revenue; property taxes.

- 2. Explain agency constraints to generate revenues to finance infrastructure services.

Water service charges provide the majority of such revenues, and a small ratepayer base is the most significant constraint to the generation of revenue. Water transfers may provide significant revenue, but cannot be counted on year-to-year and the return is highly variable depending on the market for water.

- 3. Describe policies and procedures for limiting expenditures; note which policies and procedures require board/council approval before implementation.

An operating budget is approved by the Board each year that details all expenditures, including non-operating expenses such as capital improvements. A policy limits expenditures not approved by the Board to \$2,500 at the General Manager's discretion.

- 4. Explain the agency's bond rating; discuss basis for rating.

None

- 5. Describe policies and procedures for investment practices.

The type and scope of investments are statutorily limited; the Board of Directors provides guidance and approval for investments. All investments are by nature very conservative and include: L.A.I.F; money market accounts; and Certificates of Deposit.

- 6. Describe policies and procedures for establishing and maintaining reserves/retained earnings. What is the dollar limit of reserves/retained earnings? What is the ratio of undesignated contingency and emergency reserves to annual gross revenue?
A policy entitled Designated Reserve Accounts (see website). A dollar limit on reserves has not been established. The ratio of undesignated reserves to annual gross revenue is approximately 1.15:1.
- 7. Explain any variances in rates, fees, taxes, etc. which are charged to agency customers.
None
- 8. Explain policies and procedures for fee rebates, tax credits, or other relief given to agency customers. Provide details of any rebates, etc. issued during the past three years.
None
- 9. Discuss increases or decreases in rates, fees, taxes, or other charges that have been implemented during the past three years.
None
- 10. Discuss opportunities for rate restructuring.
There is Federal and State pressure for ag districts to implement volumetric pricing for irrigation water based on measured on-farm flows. Pricing could be tiered based on the volume of water delivered (the District's current rate structure is on a per-acre basis).
- 11. Describe other policies and practices for depreciations and replacement of infrastructure.
None

Section 6 - Governance

- 1. Explain the composition of agency's governing body; if a district, indicate if elections or appointments are at-large or by defined sector of the district.
As an irrigation district formed under Division 11 of the California Water Code, the legislative body comprises five directors elected from each of five Divisions by constituents within each Division.
- 2. Provide an *eight-year* history of agency election and appointment results. Has the agency had difficulty in establishing a slate of candidates for election?
History is attached. ACID has not had difficulty in establishing a slate of candidates for election.
- 3. Explain compensation and benefits provided to the governing body (Board).
None
- 4. How frequently does the governing body meet? How many agency meetings have been cancelled in the last three years?
The Board meets the second Thursday of each month. In the past three years, one meeting has been cancelled.
- 5. Describe rules, procedures, and programs for public notification of agency operations, meetings, programs, etc. How is public participation encouraged? Are meetings accessible to the public, i.e. evening meetings, adequate meeting space, etc.?

For rules, procedures, programs and operations, the website is used and contains an online submittal portal which is directed to the GM. When necessary, public notices are published in the local newspapers. All agency meetings are accessible to the public, held in the evening, and provide ample space. Notifications are provided in accordance with law.

- 6. Have there been violations or investigations within the past three years relative to the Ralph M. Brown Act and/or the Political Reform Act? Describe any grand jury or law enforcement investigations and the outcome.

None

Section H - Sphere of Influence Review

- 1. Provide a narrative description of anticipated alterations in the district's current sphere of influence that should be considered in this review. This should include any potential development that would require a sphere of influence amendment for implementation, etc.

None

Provide a response to the four factors outlined in Government Code Section 56425 required for a sphere of influence review outlined as follows:

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

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

- c) The present capacity of public facilities and adequacy of public services that the district provides or is authorized to provide.

- d) The existence of any social or economic communities of interest in the area.

Section B.4 – Narrative history of District

Anderson-Cottonwood Irrigation District (ACID) was formed in 1914 and operates under a pre-1914 water right, which was subsequently incorporated into the District's settlement contract with the U.S. Bureau of Reclamation (BOR) in 1964. This contract specified a total of 165,000 acre feet of Sacramento River water available for diversion between April 1 and October 31, as well as 10,000 acre feet of Central Valley Project (CVP) water for which ACID must pay. The District may also divert water during the months of November through March for beneficial use. The District retains its pre-1914 water rights.

The majority of ACID lands are served by a gravity flow earthen ditch system that receives water from the Sacramento River diversion dam. ACID's customers generally receive water between April and October. Irrigated lands within the District lie within both Shasta and Tehama Counties. The total geographic area within District boundaries exceeds 32,000 acres, and the total irrigable acreage within the District is approximately 13,900.

The 1964 settlement contract with BOR expired in 2004, and a new 40-year settlement agreement was crafted and executed in 2005. Under this agreement, ACID's entitlement was reduced from 165,000 acre feet of Sacramento River water to 121,000 acre feet. Additionally, the CVP water was reduced from 10,000 acre feet to 7,000 acre feet, and the price for such water greatly increased. As a result of this price increase, ACID permanently reassigned 3,000 acre feet of the project water back to BOR in return for a one-time payment, leaving a total of 4,000 acre feet of project water available for diversion during the entitlement period.

The District currently serves approximately 800 customers, who irrigate lands primarily dedicated to permanent pasture or hay crops.

Section G.2 – History of Anderson-Cottonwood Irrigation District Board of Director Elections & Appointments (2005-2013)

2005

Brenda Haynes [unopposed reelection]
Ron Jones [elected]
Boyd Sartori
Pat Andrews
Ken Jordan

2010

Brenda Haynes
J.D. Leiteker
Jason Munson
Shawn Kreps
Bob Blankenship

2006

Brenda Haynes
Ron Jones
Boyd Sartori
Pat Andrews
Ken Jordan

2011*

Brenda Haynes
Audie Butcher [appointed March 2011]
(J.D. Lieteker passed away)
Jason Munson
Shawn Kreps
Bob Blankenship

2007

Brenda Haynes
Ron Jones
Jason Munson [unopposed election]
Shawn Kreps [appointed Oct. 2007]
Ken Jordan

*District changed to even-year elections

2012

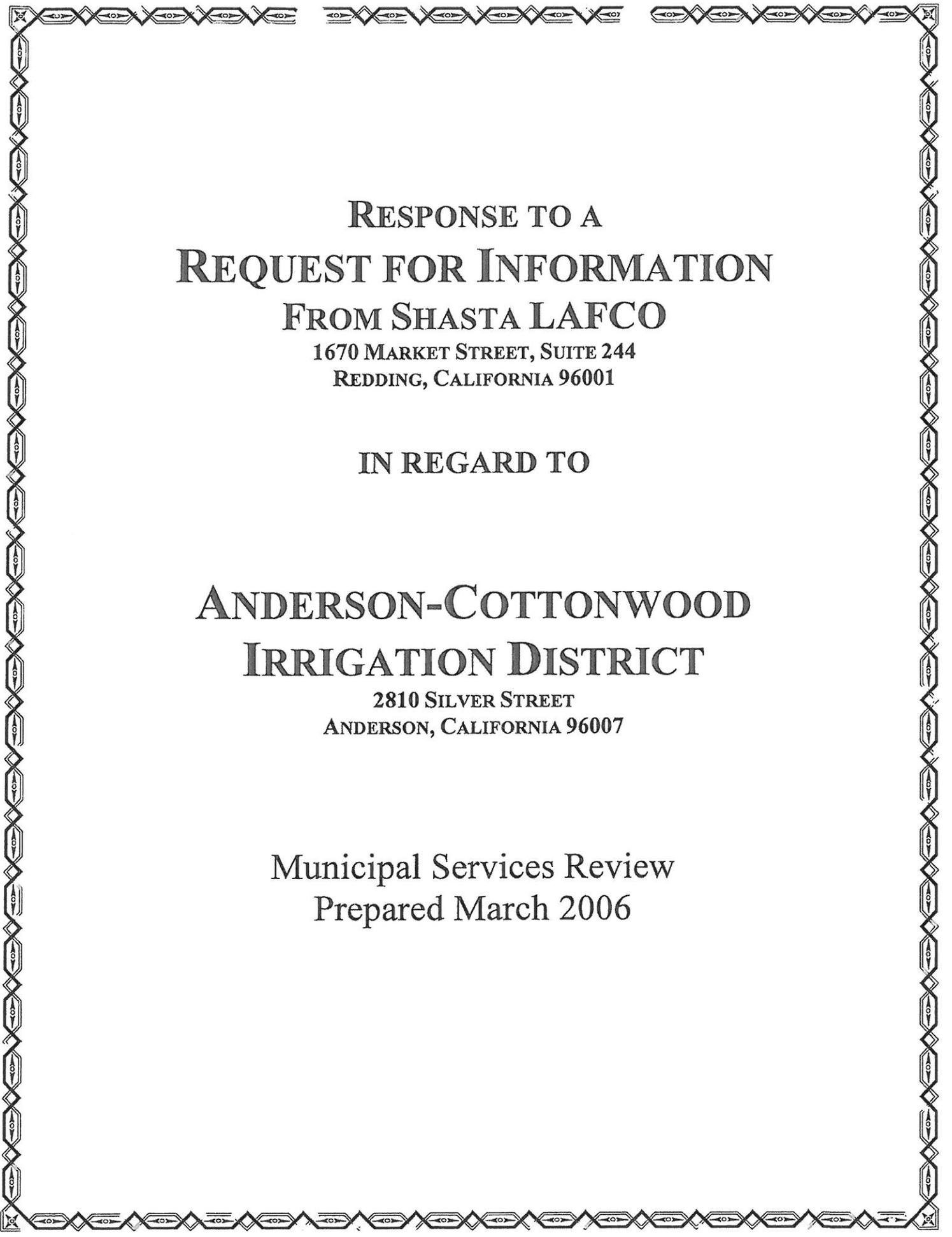
Brenda Haynes
Audie Butcher [unopposed reelection]
Jason Munson [unopposed reelection]
Kayle Spoon [unopposed election]
Bob Blankenship

2008

Brenda Haynes
Ron Jones
Jason Munson
Shawn Kreps
Ken Jordan

2009

Brenda Haynes [unopposed reelection]
J.D. Leiteker [unopposed election]
Jason Munson
Shawn Kreps
Bob Blankenship [appointed Nov. 2009]



RESPONSE TO A
REQUEST FOR INFORMATION
FROM SHASTA LAFCO

1670 MARKET STREET, SUITE 244
REDDING, CALIFORNIA 96001

IN REGARD TO

ANDERSON-COTTONWOOD
IRRIGATION DISTRICT

2810 SILVER STREET
ANDERSON, CALIFORNIA 96007

Municipal Services Review
Prepared March 2006

List of Attachments

Attachment A	Most Recent Adopted Budget
Attachment B	Most Recent Audit Report
Attachment C	Map of Agency Boundaries And Vicinity Map
Attachment D	Application for Water Service
Attachment E	Map of Lands Proposed for Annexation
Attachment F	Eight-year History of Agency Election and Appointment Results
Attachment G	Grand Jury Investigation Report, 2005

Section A — Assignment/Certification

Agency Name: Anderson-Cottonwood Irrigation District

Street & Mailing Address: 2810 Silver Street, Anderson, CA 96007

Telephone No. (530) 365-7329 **Fax No.** (530) 365-7623
e-mail: acidwater@sbcglobal.net

The undersigned **DOES HEREBY CERTIFY** that the information provided hereunder and in the attachments is, to the fullest extent possible, complete and accurate and submitted in compliance with GCS 56386:

RFI Completed By: (Print Name) Stan Wangberg
(Title) General Manager

(Signature) _____

Date Submitted: _____

Section B — Agency Profile

1. Year Agency Established/Incorporated/Formed: 1914
2. Principal Act Under Which District Formed: Wright Act of 1887
3. Total Number of Agency Employees: 11
4. Acreage/Square Miles Within Agency: App. 32,000 geographic acres; 13,900 irrigable acres.
5. Total Population Within Agency: N/A Population Date Source: N/A

Anderson-Cottonwood Irrigation District (ACID) was formed in 1914 and operates under a pre-1914 water right, which was subsequently incorporated into the District’s settlement contract with the U.S. Bureau of Reclamation (BOR) in 1964. This contract specified a total of 165,000 acre feet of Sacramento River water available for diversion between April 1 and October 31, as well as 10,000 acre feet of Central Valley Project (CVP) water for which ACID must pay. The District may also divert water during the months of November through March for beneficial use. The District still retains its pre-1914 water rights.

The majority of ACID lands are served by a gravity flow earthen ditch system that receives water from the Sacramento River diversion dam. ACID’s customers generally

receive water between April and October. Irrigated lands within the District lie within both Shasta and Tehama Counties. The total geographic area within District boundaries exceeds 32,000 acres, and the total irrigable acreage within the District is approximately 13,900.

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The District currently serves approximately 800 customers, who irrigate lands primarily dedicated to permanent pasture or hay crops.

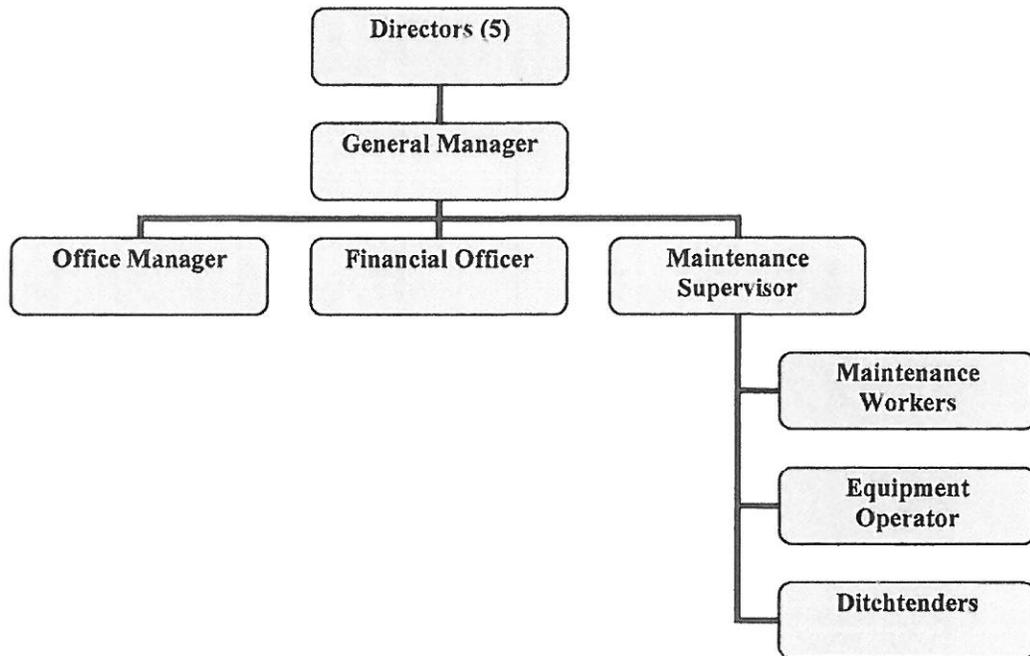
Section C — Reports, Plans, and Maps

Reports and Plans

- A. Mission Statement: No mission statement exists for this agency. Anderson-Cottonwood Irrigation District is a special district whose purpose is to provide irrigation water to its customers.
- B. Current Organization Chart: Anderson-Cottonwood Irrigation District is governed by a Board of Directors, each of whom is chosen by popular vote. The District comprises five divisions, and voters of each division choose a director who resides within said division.

A General Manager works at the behest of the Board of Directors, and provides management and oversight of the day-to-day operations of the District and its employees.

Office staff consists of an office manager and a financial officer. The operations crew is provided supervision by a maintenance supervisor, and consists of an equipment operator, maintenance workers, and ditchtenders.



- C. Most Recent Adopted Budget: See Attachment A.
- D. Most Recent Audit Report: See Attachment B.
- E. Annual Report and Strategic Plan: Not applicable.
- F. Recent Newsletters & Bulletins: None, due to lack of necessary funds (the customer database comprises more than 1,100 names and addresses).

Maps

- A. Reproducible map of agency boundaries and vicinity map: See attachment C.
- B. Lands proposed for annexation: See attachment E.

Section D — Infrastructure, Facilities, and Services

Anderson-Cottonwood Irrigation District provides irrigation water for various agricultural needs to farmers and other users throughout southern Shasta and northern Tehama Counties. The District's distribution system includes approximately 35 miles of Main Canal, about 98 percent of which is unlined.

The District obtains its water supply from the Sacramento River at a diversion dam near Caldwell Park in Redding and from a pump station below the South Bonnyview Bridge

near Redding's southern city limit. From the Sacramento River diversion, water flows through a fish screen and into a wheel ditch that passes under North Market Street in Redding. At the end of the wheel ditch, water flows through a 2,500-foot-long tunnel and passes radial gates near the Redding Convention Center. The canal ends southeast of Cottonwood, where any unused water spills into a creek that eventually flows back into the Sacramento River.

The main canal flows through six inverted siphons and three flumes to cross streams, such as Anderson Creek and Clear Creek. Several wasteways are located along the canal route, which return water to the Sacramento River via local streams when flow exceeds canal capacity. The canal is equipped with approximately 89 turnouts, which provide for both large and small agricultural needs throughout the District's service area.

The District tends to provide water to their users based on a 14-day schedule starting in April and ending in October. The irrigation water demand in April, September, and October is significantly lower than during the summer months.

Infrastructure needs are generally determined based on two factors; the quality of service provided to District customers (timing and flow of irrigation water), and system losses. While it is not within the scope of this document to discuss quality of service, it is worth mentioning that possibilities for improvement exist. System losses resulting from inadequate or antiquated facilities are considerable, and studies have been and are being conducted throughout various portions of the District to identify and prioritize capital replacement projects.

There is currently a State-funded project (Proposition 50 Water Use Efficiency funds) underway that will hopefully provide at least one major capital improvement project that will reduce water leakage during the irrigation season and reduce exposure to flooding and problems associated with flooding during the winter. The Olney Creek flume is being considered as the primary focus for this project given the propensity of the current structure to experience debris loading during rain events. The present structure would most likely be replaced by an inverted siphon so the Main Canal passes under Olney Creek, offering no impediment to winter runoff and segregating the canal from the watercourse.

Another similar structure is being considered for replacement at the intersection of the Main Canal and Crowley Gulch in Cottonwood. This is also a flume that allows passage of the Main Canal over the watercourse, with a propensity for high rates of water loss during the irrigation season. Again, the canal would be segregated from the waterway by means of an inverted siphon. Given that there will probably not be adequate funding in the above-mentioned grant project to implement this project, there are no current plans to proceed.

The need for irrigation service as provided by the District is determined solely by the annual submission by customers of an application for water. This application contains

information pertinent to the service requirements, including land use and proposed irrigated acreage (see Attachment D).

Unlike the trend in many service districts, urban growth and development within ACID result in a reduction in demand for services. The demand for provision of water for agricultural purposes generally decreases as land use changes result in the conversion of agricultural land to municipal or industrial uses. While the irrigated agricultural lands within the District's service area have remained fairly stable in recent years, there is a general overall downward trend as development continues in this region.

In March 2006 the ACID Board of Directors approved a proposal by two property owners to seek annexation into the District. These properties would represent an addition of 84 irrigable acres to the District service area. Following this approval, it is expected that the landowners will complete the necessary environmental documentation and submit an application to Shasta LAFCo for annexation by the District (see Attachment E).

Section E — Administration, Management, and Operations

There are currently eleven full-time employees at Anderson-Cottonwood Irrigation District that are in three general classifications:

- Administration and Clerical, consisting of the General Manager, Office Manager, and Chief Business Officer.
- Maintenance Personnel, with a Maintenance Supervisor, Equipment Operator and Maintenance Workers.
- Ditchtender/Maintenance Workers.

Communications between the elected officials that comprise the Board of Directors and employees is channeled through the General Manager, who oversees operations of the District and its employees. However, employees are also free to request that any issue relevant to their employment be presented to the Board as a properly agendaized topic during regularly scheduled board meetings.

The level at which elected officials can be involved in the administrative and management functions of the District is defined by the direction provided during regularly scheduled board meetings. Decisions affecting policy changes or implementation of policy, and decisions regarding the outlay of significant District resources outside the day-to-day operations of the District are the responsibility of the Board of Directors. The General Manager works at the behest of the Board with considerable latitude for the direction of resources for normal business operations.

There have been no significant changes to these policies or conditions in the past three years, save for the non-renewal of the General Manager's contract in 2005, which resulted in the replacement of personnel in that position.

Section F — Fiscal

The primary revenue sources of the District include water sales, water transfer fees, property taxes, and interest income. Most of this revenue is expended for the annual transmission and distribution of water to customers, which is the primary service provided by the District.

The Board of Directors has established policies for the dedication of revenue to specific funds or purposes. These include, but are not limited to, water rights protection, equipment reserve, and capital improvement. The primary constraint to the District's ability to generate revenue for the growth of these funds is the rate at which customers are charged for irrigation water. This rate must be reasonable and acceptable in regard to the use and benefits that District service provides its customers.

The General Manager has responsibility for oversight of District expenditures, and the employment contract of the GM requires Board approval for the outlay of significant expenditures. While there is no limit specified in the GM's contract, any significant expenditure outside the normal day-to-day costs of District business shall be presented to the Board for approval.

Currently, all fiscal reserves being held by the District are deposited into a State of California pooled investment fund, the Local Agency Investment Fund (LAIF), which allows for withdrawal on demand. The District is authorized by California Government Code §53600, Chapter 4 – Financial Affairs, to invest in a variety of credit instruments including obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, medium-term corporate notes, mutual funds and LAIF.

Rates charged for irrigation water supplied by the District are set in February of each year, based on the development of the operating budget. These rates have remained unchanged for the past three years, 2004-2006.

Section G — Governance

Anderson-Cottonwood Irrigation District comprises five divisions, each of which is represented by a Director elected for staggered four-year terms. These elections are conducted by the county or counties in which each division lies. The requirements for the organization of the District and for Director eligibility are described in Division 11 of the California Water Code and §1770 of the California Government Code. For an eight-year history of agency election and appointment results, see Attachment F.

There is no compensation or benefits provided the members of the governing body.

Regularly scheduled meetings of the Board of Directors are held the second Thursday of every month; no meetings have been cancelled in the past three years.

Meetings are held in accordance with California Government Code §54950-54963, known as the Ralph M. Brown Act. All meetings are posted at a conspicuous location within the District, and meeting packets mailed out to members of the governing body and any interested persons who have requested the packets, pursuant to the above-mentioned statute.

The meetings are held in the evening, commencing at 6 p.m. in the Anderson City Hall Council Chambers where there is ample room for the public.

Anderson-Cottonwood Irrigation District was investigated by the Shasta County Grand Jury in 2005, resulting in a report that included details of the inquiry, findings, and recommendations. The Grand Jury report is included here as Attachment G.

Section H — Additional Information

The provision of responses to this Request for Information resulted in costs to the District, including staff time for the gathering and organizing of information, and preparation of the report, of approximately \$500.

ATTACHMENT A

MOST RECENT ADOPTED BUDGET