Shasta Local Agency Formation Commission

Draft
Municipal Services Review
& Sphere of Influence Update

City of Redding

December 18, 2014

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1. EXECUTIVE SUMMARY

Local agency formation commissions have been tasked with conducting updates of local agency municipal service reviews (MSR) and sphere of influence boundaries (SOI) every five years since 2008 [Government Code Section 56425 *et seq.*]. This study presents a baseline update and review of the City of Redding (City) services and SOI needs, satisfying the requirements of this statute, and establishing the foundation for a more comprehensive review during the next cycle of LAFCO-initiated studies.

The City submitted excellent information and documents about current City government, services, and operations for this 2014 SOI/MSR studies. Portions of that data are incorporated throughout this narrative.

Due to the volume of information, by far the majority of it must be (a) included as exhibits, where useful to the reader in reviewing the report, or (b) the reader must be referred to the City's website for downloading (i.e., Biennial Budget 2014-15, Annual Financial Report, etc.) when they desire a more detailed examination of the City records, plans, and/or programs. The reader is encouraged to examine the exhibits as they provide snapshots of the numerous City services and operations.

LAFCO seeks to associate the original formation purposes and activities of the City with an understanding of its current day operations and future plans. In addition to updating a previous 2008 draft MSR, this study also reviews and updates the existing sphere of influence in compliance with Government Code Section 56425 *et seq.*

A sphere of influence was established for the City of Redding in 1983. It was subsequently updated in 1985, 1988, and 1991. Although annexations have occurred since that time, it appears that any changes to the SOI boundary were made on a project by project basis.

The purpose of a sphere of influence boundary is to permit the local agency to plan for orderly growth in the long term. Piecemeal changes in response to growth-stimulating projects has long been discouraged by the Legislature. This SOI Update study is the first overall review of the City of Redding in twenty-three years.

The next cycle of LAFCO-initiated SOI/MSR reviews for the City of Redding is anticipated to be a more comprehensive study, and will commence during or before 2019, in accordance with the Legislative requirement to reexamine municipal agencies every five years. The City may, of course, submit a proposal to amend their sphere of influence at any time as a separate project.

The City of Redding suggests that their 2014 SOI update boundary be amended from the 1991 boundary to generally reflect territory designated on the 2000 – 2020 Redding General Plan as primary and secondary growth areas, as shown on Exhibit A – COR SOI Update Map, and Exhibit

B – COR Growth Boundaries 2014 following this narrative. The growth areas also largely coincide with the service areas contained within the Water and Wastewater Master Plans and reflect the community's concern for the cost of providing urban services to a significantly larger geographic area.

2. GENERAL BACKGROUND

a. Area Setting & Characteristics

Redding is located in Shasta County at the northern end of California's Sacramento Valley, surrounded by the Cascade mountain range foothills. It is a destination spot for vacationers and a stop-over point before crossing the Cascade and Siskiyou Mountains for long distance travelers heading north to Portland or Seattle.

It is bisected by Interstate 5, the US freeway running border to border from Canada to Mexico. Thus Redding is connected to transportation from Seattle and Portland down to Los Angeles and San Diego. State Routes 299, 273, and 44 also pass through Redding, connecting it with the Northern California Coast and Nevada. The Union Pacific Railroad maintains a north-south route through the City.

Shasta County and its communities are destination areas, with many recreational activities available throughout the year. Whiskeytown National Recreation Area, home of Whiskeytown Lake, and Lassen National Park, home of Mt. Lassen an active volcano. There are multiple areas which offer fishing, hiking, camping, mining, and off-road-vehicle uses which can be accessed from Redding. Theatre groups, the arts, Shasta College, Simpson College, and a series of excellent schools at all levels support both residents and visitors to the area.

The weather in the Northern Sacramento Valley is considered to be semi-arid in nature, with hot dry summers and cooler relatively wet winters. Occasionally snow will reach the foothills and valley floors, but it does not last long. Snow at the higher elevations supplies multiple watershed areas with runoff which then feeds the Sacramento River.

A number of major tributaries to the River are natural springs from historic volcanic areas that maintain volumes and temperatures necessary for the fisheries systems. This area has been experiencing longer than normal drought conditions for the past three years, requiring serious conservation efforts by agencies and the citizens they serve. A number of local water agencies, of which Redding is one, have water contracts with the US Bureau of Reclamation (USBR) which distributes Central Valley Project water held within the Shasta Dam, itself a major recreation destination.

b. Community History & Incorporation Activities

The following narrative comes from the City's response to LAFCO's Request for Information, a survey sent to all agencies to assist with data collection for this SOI/MSR Update:

Redding was founded in 1872, the year the "California and Oregon Railroad" reached the site of the City, which was to be its northern terminus for the next 12 years. The coming of the railroad saw the rise of Redding, along with the decline of Shasta "The Queen City" of Northern California, and in the 1870's, the largest settlement in that part of the state. Shasta did not have a railroad so business activity swung to Redding. By 1884 Redding had become the County seat of Shasta County. Redding was incorporated on October 4, 1887, the same year that the Southern Pacific Railroad arrived.

The City of Redding is a general-law City, formed under State legislative statutes and governed by a body of laws in the State Constitution. The Redding City council consists of five Council Members elected "at large" for staggered four-year terms. Redding is one of many California cities operating under the Council-Manager form of government.

Under this system, the Council establishes the policies under which the City operates and appoints a trained and experienced City Manager to administer the affairs of the City. His responsibilities include hiring of City staff, preparation of the Annual Budget, administration and coordination of the City's operations, general supervision over all property under the control of the City, and enforcement of City ordinances and applicable state laws.

Redding is a full-service City located at the northern end of the Sacramento Valley on the Sacramento River which is approximately 150 miles north of the City of Sacramento, the State Capitol, and 100 miles east of the Pacific Ocean. The City has a population of approximately 90,670 and its boundaries encompass 60.68 square miles.

The City of Redding currently administers local government services to a population of approximately 90,670 living within a little over 60 square miles. A full list of reports, plans, and other documents and their location which are available for public review related to this study.

3. AGENCY SERVICES

As a full-service city, Redding provides numerous services. The following discussion describes key utility services provided by the City of Redding to its citizens. A full analysis of these service centers and their operational costs can be found in its 2013 Comprehensive Annual Fiscal Report and their 2014-2015 Biennial Budget. Both are available at the City of Redding.

a.1. Infrastructure, Facilities and Services - Utilities

1. REDDING AIRPORT SYSTEMS

The following history (in italics) comes from the City of Redding's 2013 Comprehensive Annual Finance Report.

Redding Municipal Airport
Redding Municipal Airport serves the regional area of Northern California consisting of approximately 25,000 square miles covering some eight counties. The population served is well over 245,000. Commercial, freight, and passenger services are provided by United Express Airlines, Federal Express, UPS, and Ameriflight. Fixed-based operations provide a wide range of services including general airplane and engine maintenance as well as avionics, charter services, facilitation of sales of used aircraft, and sales of fuels, lubricants, and accessories. A propeller service and helicopter charter, repair, and sales are also available. Currently, four car rental agencies serve the traveling public from the passenger terminal area.

There are 38 permanently assigned tie-downs, 95 more aircraft and eight helicopter tie-downs for transients, and 111 T-hangars maintained and leased out by the City of Redding. The T-hangars are close to being full, with very few vacancies. Last fiscal year, a total of approximately 98,054 operations were recorded during the FAA Control Tower operating hours from 6:30 a.m. to 9:30 p.m.

The Airport features a 22,000 square foot terminal to serve the traveling public and is in the middle of an 8,000 square foot addition that will be complete in 2014. It also features a full-service restaurant and lounge, as well as full services for all business tenants. There is a 333 space public automobile parking lot as well as 64 spaces for rental cars adjacent to the terminal. The passenger terminal aircraft parking ramp is capable of receiving six medium-size jet aircraft at one time. During the 2012 calendar year, over 60,797 passengers traveled through the terminal building. The airport property includes a total of 1,810 acres.

The primary runway (16/34) is 7,003 feet in length with lighted distance-remaining markers. It also has a high-intensity approach lighting system with runway alignment indicator lights, an instrument landing system, runway-end identifier lights, precision approach path indicator, visual approach slope indicator, a back course instrument landing system, a global position system (GPS) approach, and a VHF omni-directional range with distance-measuring equipment. The cross runway (12/30) is 5,062 feet long. It has a medium-intensity approach lighting system with precision approach path indicator lights at both ends of the runway.

Benton Airpark

Benton Airpark is located within the city limits of Redding only a few blocks from the downtown area. It features a runway that is 2,420 feet in length and lit for night operations. There is a fixed-base operation which provides a full range of aircraft services as well as a delicatessen. The California Highway Patrol bases their helicopters and fixed-wing aircraft at Benton. Also, there are 88 covered aircraft parking spaces and 81 open tie-downs. Benton experiences an estimated 25,000 annual aircraft operations.

2. REDDING ELECTRIC UTILITY SYSTEM (REU)

The following history (in italics) comes from the City of Redding's 2013 Comprehensive Annual Finance Report.

Electric service in Redding was started prior to 1900 by a private utility, the Redding Electric Light and Power Company, which obtained electric power from a small hydroelectric plant on the Sacramento River near Redding. On November 28, 1901, the Keswick Electric Power Company began supplying the utility with electric power from its new Volta Hydro Plant, which had just started operation.

Shortly thereafter, the Keswick Company acquired the capital stock of the Redding Electric Light and Power Company. Subsequently, on March 13, 1902, the Northern California Power Company was incorporated and proceedings were initiated to acquire control of all properties of the Keswick Company through an exchange of stock. This was succeeded in 1908 by the Northern California Power Company Consolidated, which continued operation until October 3, 1919, when it was acquired by Pacific Gas and Electric Company (PG&E) under a merger authorized by the California Railroad Commission.

Prior to the merger, a group of Redding citizens started a movement to acquire the municipal street- lighting system because of dissatisfaction with the existing system and its operation. As a result, in 1916, a municipal street-lighting system was established. Soon after the municipal street-lighting system began operation, a movement was started for the City of Redding to purchase the electric distribution system from the Northern California Power Company Consolidated, and preliminary negotiations were initiated.

During the period of negotiations between the City and the Northern California Power Company Consolidated, PG&E acquired the Northern California Power Company Consolidated. Final payment was made by the City to PG&E on December 21, 1921, on which date the property and its operations were turned over to the City.

Under City ownership and operation, Redding's Electric Utility (REU) has consistently provided superior service at a competitive price, with rates well below those in the surrounding service territory in which service is provided by PG&E.

Distribution Service

The City's Electric Utility currently provides service to its customers in an area approximately 61 square miles in size, with 67 miles of 115-kV lines and 726 miles of overhead and underground 12-kV distribution lines. The City is proud of its record over the past five years of 99.98 percent electric service availability to its customers.

Redding is presently interconnected with the Northern California 230-kV power grid at two points - Western Area Power Administration's (Western) Keswick Switchyard and the Western/Redding Airport 230/115-kV Substation. Delivery of all power from sources outside of the City is made to Redding at the Keswick Switchyard and Airport Substation.

The City owns and operates the 115-kV lines that interconnect the City's 115/12-kV distribution substations to these delivery points. This system is designed as a highly reliable looped system (there are at least two sources for every distribution substation) with state-of-the-art 115-kV circuit breakers and relay systems, which ensure that an outage or failure of any 115-kV line will not interrupt power to any City customer. All 115-kV lines in the City's electric system are in generally excellent condition. The majority were constructed after 1985.

Design and right-of-way acquisition for distribution service to the Stillwater Business Park was completed in 2008. The Stillwater 115-kV line termination work was completed on August 15, 2008. The City's current distribution system consists of eleven 115/12-kV distribution substations where power is transformed from 115-kV to 12-kV distribution voltage and connected to the service distribution transformers via the 12-kV distribution lines. The 12-kV distribution system is a very reliable radial-type system designed such that all customers can be served from another feeder if the normal source is experiencing a problem.

Power Supply

The City's retail power supply comes from a diverse portfolio. Redding typically receives about 30% of its power supply from Western in an average hydro year. FY 2012-13 was a below normal hydro year and as a result Western provided 30% of the City's retail supply portfolio. Western's power is generated at Shasta Dam and other facilities, which are a part of the Central Valley Project (CVP). Redding also relies on the City's existing generation resources and other power-purchase and exchange

contracts, as well as short-term firm purchases to provide low-cost service to all of the City's customers.

In order to accommodate anticipated growth, the City has developed several projects to generate power. The City's Whiskeytown Hydroelectric Project became operational on September 3, 1986. In August 1991, the City purchased a 28-MW steam turbine generation project located within the City's limits at Redding Power Plant. Three combustion turbine generators totaling 70-MW were added in 1996.

In June 2002, the City commissioned Unit 5, a 43-MW highly efficient combined-cycle gas turbine with a heat recovery steam generator, bringing total on site generation to 141-MW. Construction began in September 2008 on Unit 6, which is a 47-MW combined cycle gas turbine nearly identical to the existing Unit 5. Unit 6 went into service in August 2011.

In addition to its own generation, the City has acquired several other sources of electric power through long-term, purchase-power contracts and through its membership in a joint powers agency consisting of Modesto Irrigation District, City of Santa Clara, and City of Redding (M-S-R).

Through the M-S-R joint powers agency, the City entered into a long-term power purchase agreement for 70-MW of wind generated energy, with deliveries that began October 1, 2006. Further, on April 19, 2011, Redding entered into a thirty (30) year renewable energy purchase agreement with Trinity Public Utilities District (TPUD). Under the agreement, Redding will purchase the "Excess" energy and subsequent "Renewable Energy Credits" (REC's) from the upgrade of the Lewiston Dam Hydroelectric generator. This resource is anticipated to begin service in late 2016. The renewable energy from this small hydro project will qualify under California's renewable energy laws. On June 1, 1994, the City began scheduling and dispatching the power produced by these various resources. The scheduling and dispatching operations allow Redding to take advantage of relatively inexpensive energy, which becomes available from time to time in the short-term wholesale power market.

The City is a member of various organizations and agencies including: Northern California Power Agency, M-S-R, Transmission Agency of Northern California, and Western Systems Power Pool. Through these affiliations, the City contracted for and developed various power generation and transmission resources including: partial ownership of the San Juan coal-fired generating station, the Desert Southwest Transmission Project, and the California-Oregon Transmission Project.

To operate in the most cost/effect manner, the City has developed several load-management and energy- conservation programs, which include public awareness

campaigns, technical conservation assistance, rebates on energy-efficient products and technologies including Energy Star appliances, air-conditioners, renewable technologies, and the use of energy-efficient street lights. In addition to resource development and conservation programs, the City has provided opportunities for additional conservation and load management through applicable rate design.

Customer Base

The table below shows a five-year history of the growth in electric system customer accounts.

	Number of Customer Accounts		
Fiscal Year Ending June 30	***Residential***	***Non-Residential***	***Total***
2009	*36,616*	*6,294*	*42,910*
2010	*36,762*	*6,273*	*43,035*
2011	*36,832*	*6,312*	*43,144*
2012	*37,032*	*6,249*	*43,281*
2013	*37,268*	*6,283*	*43,551*

Source: Utility Billing System Marketing Report of Quarterly NAICS Usage

The total number of electric system customer accounts increased 2 percent during the last five years. The number of residential accounts increased 2 percent, while non-residential accounts remain flat.

Infrastructure needs

The Redding Electric Utility (REU) follows a mission statement and goals and objectives for providing highly reliable electric service to all of its customers at the lowest possible price. Infrastructure needs are determined by an exhaustive process that examines load growth, a balanced resource portfolio, environmental impacts, wholesale energy market conditions, fuel price projections, transmission availability, service reliability, financial risk management, and operation constraints within the western power grid.

For projects within the City's sphere of influence, the electrical system is considered to have two major parts: 12kV distribution and 115kV transmission. The 12kV distribution needs are examined for a period of not less than five years

into the future. The 115kV transmission needs are examined for a 20-year time frame. Major capital projects are modified or incorporated into the Electric Utility's Capital Improvement Plan (CIP) during REU's two-year budget cycle.

Infrastructure replacement and upgrade scheduling

Major capital projects are scheduled in the CIP. Other infrastructure replacements and upgrades are performed continuously based on an extensive inspection program required by California Public Utility Commission General Order 95, General Order 165, internal goals to meet or exceed comparable nationally recognized service reliability indices (SAIDI, SAIFI, and MAIFI), national standards, industry practices, and manufacturer's recommendations.

For traditional load growth-driven projects, the construction schedule for major projects are identified at least five years before the infrastructure is required. Planning is initiated as early as four years prior to the demand depending on the project complexity, regulatory mandates, and environmental issues.

Major capital projects are financed by revenue bonds. All other projects are financed by operating revenue. Currently the budget estimates $5.5 million per year in operating revenue for distribution system "General System Improvements" which go toward new business and capital improvements.

Infrastructure deficiencies

While there has been difficulty in recruiting and obtaining good quality staff, creating a workforce deficiency, there are no known physical infrastructure deficiencies, excluding normal wear and tear on scheduled facility replacements. In order to address deficiencies a mitigation plan would be developed and immediately implemented.

Underutilized capital facilities

There are no underutilized capital facilities. Generation capacity may, at times, be idled due to energy market conditions, or weather-related loading fluctuations. Under these conditions, excess capacity is bought and sold into the wholesale energy market to maximize cost efficiencies.

Existing law limits the nature of shared facilities between different franchise areas. To the extent that it makes environmental and economic sense, REU participates in sharing right-of-way (R/W) facilities with the cable, telephone, and other electric utilities.

Forecasting service needs

Service needs are forecast by peak demand, which is the maximum load foreseen from a combination of projected growth and peak temperature. The projected load growth is extrapolated from REU's accurate historical records and independently audited by a third party specializing in utility growth projections. The historical trends are modified by examining the Genera Plan versus possible maximum land use. The infrastructure requirements to meet this capacity are adjusted by the factors outlined in both Engineering Standards ES1000 – Transmission Planning Criteria, and ES1100 – Distribution Planning Guidelines.

Planning services with growth projections

REU prepares a 20-year plan that includes load forecasting. Growth and population projections are a major component of that process. Projections include triggers that would require an improvement to infrastructure. During the five-year system review, the likelihood of reaching those triggers is evaluated. If an improvement is projected to be necessary within the next five years, a plan is then developed and immediately implemented.

Services areas or zones less than agency-wide

Less than 0.3% of customers are not served by this utility. A list of these areas is available from the City.

Variances or inequities in service levels

All customers receive the same level of service. Commercial customers have the option of paying for redundant service if they believe the incremental expense is cost-effective.

Areas within City that could be more efficiently served by another agency.

There are no areas within REU's boundary that could be better served by another agency.

Areas outside agency that could be more efficiently served by City

All areas within the SOI boundary, but not yet within REU's service boundary, could be effectively served by agency facilities by proper extension of facilities to those areas.

Proposed or pending development requiring services

None noted.

Joint powers authorities with other agencies

REU is a participant in several joint powers agencies or agreements (JPAs)

- Transmission Agency of Northern California (TANC) is the joint agency that owns the California-Oregon 500kV Transmission Project.

- Modesto-Santa Clara-Redding (MSR) has partial ownership in the San Juan coal-fired generating facility in Four Corners, New Mexico, and owns transmission access through southern California to the southern terminus of the Pacific Intertie.
- The Balancing Authority of Northern California (BANC) provides reliable grid operation consistent with required standards.

These JPAs work to balance REU's energy portfolio and minimize dependence on one particular resource or market.

Services provided outside the City boundary

There are no properties outside REU's jurisdictional boundary that are receiving services from REU.

Infill policies and procedures

Redding City Council policy directs that service is not provided to properties outside the jurisdictional boundary of REU. The policy states. "It is the policy of the City of Redding to be the sole provider of electric utility customers within corporate limits. City electric service will be made available when electric facilities can be purchased or otherwise provided to the owners in accordance with adopted policies, standards, and charges of the City of Redding and based on a logical extension of the City's electric distribution system."

Provisions for providing emergency services

The electric utility operates on a 24 hours-a-day, seven days-a-week basis. Service problems caused by area storms or localized accident damage are handled by the utility's dispatch center, shift troublemen, and line crews. The utility warehouses enough material, based on historical trending, to restore service for a worst expected storm event. The utility is a member of the California Utility Emergency Association, which is comprised of 18 California electric utilities, and can be called upon to provide mutual assistance (line crews, materials, etc.) for major catastrophes.

For major operational problems that can affect the western power grid, the electric utility has operational rules in effect as outlined by the California Independent System Operator (CAISO) control area operator, the National Electric Reliability Council (NERC), and the Federal Energy Regulatory Commission (FERC). For problems that surpass these criteria, REU has contingency load shedding agreements in place as described by the Western Electricity Coordinating Council (WECC). For emergencies which cause a total collapse of the California power grid, REU has a separate agreement in place with the Western Area Power Administration (WAPA) to provide black-start and area power restoration using the generation at Shasta Dam.

3. WASTEWATER UTILITY SYSTEM

The following history (in italics) comes from the City of Redding's 2013 Comprehensive Annual Finance Report.

The City began construction of the Wastewater System soon after its incorporation in 1887. The Wastewater System developed slowly until the early 1950s, at which time approximately 20 percent of the City's approximate 5,200 acres were served. Recognizing the need for a systematic expansion of the Wastewater System, in 1956 the City commissioned the development of a master plan for the City to follow in making necessary improvements. As a result of this plan, which was updated in 1964, the City added approximately 27 miles of sewer lines, primarily as a result of a series of sewer assessment districts, and in 1966 relocated its wastewater treatment plant from a location near the Cypress Street Bridge in Redding, California, to the present Clear Creek site, approximately 5.5 miles to the south.

Over the succeeding ten years, various districts, including the Buckeye County Water District, the Cascade Community Services District, and the Enterprise Public Utilities District, were annexed to the City, resulting in 1981 in the elimination of the existing treatment plants of such districts and the consolidation of the wastewater treatment and disposal at the City's Clear Creek Regional Wastewater Treatment Plant (described below). To maintain compliance with the Clean Water Act, the Clear Creek Plant was expanded and upgraded to an advanced secondary wastewater treatment plant in 1979. Additional upgrades to the sludge handling facilities occurred in 1989; upgrades to the influent pumping system occurred in 1996 and upgrades to the sludge aeration system occurred in 2004.

In 1983, the City, Shasta County, and Shasta Dam Area Public Utility District (the "Shasta Dam PUD") commissioned Ott Water Engineers to prepare a regional sewage study of the Central Shasta County area. It was determined that the Clear Creek Wastewater Treatment Plant was operating at two-thirds of its capacity and the Shasta Dam PUD was operating essentially at its capacity. Additionally, significant growth for this area was projected. As a result of this study and an analysis of various alternatives, it was determined that an additional wastewater treatment plant on the east side of the City near Stillwater Creek and the Sacramento River would be constructed and that the Clear Creek Wastewater Treatment Plant would continue operation on the west side of the City. The advanced secondary Stillwater Regional Wastewater Treatment Plant was constructed near the confluence of Clover Creek and the Sacramento River and began operation in 1990.

Existing Facilities

The Wastewater System consists of the domestic and industrial sewage collection, treatment, and disposal facilities serving the City, including over 426 miles of interceptor and trunk sewers, seventeen sewage lift stations, and two tertiary treatment plants.

Clear Creek Wastewater Treatment Plant

The Clear Creek Wastewater Treatment Plant, is located at the confluence of Clear Creek and the Sacramento River. The plant has a dry weather daily flow capacity of 9.6 million gallons per day (MGD) and a peak day flow capacity of 40 MGD. The unit processes utilized at the plant include, among other things, the Clear Creek Lift Station, with an estimated effective pump capacity of 40 MGD, primary and secondary clarification, gravity filtration, chlorination for disinfection and sulfonation for dechlorination prior to discharge into the Sacramento River outfall via a new diffuser system. In addition, a series of eight flow equalization ponds provide raw sewage and/or primary effluent temporary flow storage should the influent flow exceed the capacity of the secondary treatment and filtration processes. Solids handling process include primary and secondary waste sludge streams being mixed, thickened and anaerobically digested. Additional solids treatment can take place in facultative sludge lagoons. The City Council has authorized modifications to the Clear Creek Plant at an estimated cost exceeding $70 million. The upgrades have been constructed in seven Bid Packages. Bid Package I began construction in the fall of 2006. Bid Package II began construction in the fall of 2007. Bid Package III began construction in the spring of 2008. Bid Package IV began construction in the fall of 2008. Bid Package V began construction in summer 2011. Bid Package VI began construction in the winter 2010. Bid Package VII began construction in spring 2012, and will be complete in the Fall of 2013. The Plant expansion and upgrades are being funded by a loan from the State of California revolving Loan Fund, ARRA Stimulus funds, with repayment through a combination of new connection fee revenue and monthly service charges.

Stillwater Regional Wastewater Treatment Plant.

The plant, designated the Stillwater Regional Wastewater Treatment Plant, is located on an approximately 300-acre site along Airport Road at the Sacramento River. The plant has an average dry weather flow of 4 MGD and a peak wet weather flow of 14.4 MGD.

A facility plan has been prepared for expansion in stages to treat an average dry weather flow capacity to 8 MGD and a peak wet weather flow capacity to 24 MGD. The first plant expansion project (Phase 1 A/B) began construction in the spring of 2012, and will be complete in Fall 2013. This Plant expansion is being funded by Wastewater Utility funds, and a loan from the State of California Revolving Loan

Fund, with repayment through a combination of new connection fee revenue and monthly service charges.

Environmental Compliance

The present discharge requirements for the Wastewater System are established by the State of California Regional Water Quality Control Board, Central Valley Region (the "Regional Board") which administers and enforces all federal and State of California discharge requirements. The Regional Board administers regulations promulgated under the National Pollutant Discharge Elimination System by the United States Environmental Protection Agency (the "EPA"). The Clear Creek Wastewater System's present discharge permit was adopted in 2010 and is expected to be renewed in late 2015. The Stillwater Wastewater system permit was adopted in 2013 and will expire in 2018.

The City is responsible for satisfying these federally and State-mandated discharge requirements. The requirements include provisions requiring the City to comply with all pretreatment requirements contained in the Federal Water Pollution Control Act. The City has an approved pretreatment program and is meeting the requirements of this Act by implementing new procedures to inspect and permit industries and to develop local limits for priority pollutants.

In general, plant performance has consistently met discharge requirements, and any instances of noncompliance have been isolated incidents that have not reoccurred.

Service Area

The previous service area of the Wastewater System was primarily the City, as well as the previously unincorporated areas of Buckeye and Twin View in north Redding. The 1989 Wastewater Project expanded this service area to include the Clover Creek Drainage area, including the City's municipal airport (approximately 3,500 acres) and the northern Stillwater Basin area (approximately 5,000 acres). This expanded service area lies entirely within the City's sphere of influence.

Historical Operations

The following table shows the historical number of residential customer household equivalents and the combined commercial and industrial customer household equivalents for the five fiscal years ending June 30, 2013. One household equivalent (HE) is the quantity of wastewater produced in the City of Redding by an average single-family residential household, which is 240 gallons per day (GPD). Since customer fees and charges are based on the HE for each customer, the revenue amounts are proportional to these HE counts.

The Wastewater System currently has an average dry weather daily design flow capacity of 13.4 MGD. The actual average dry weather daily flow of the Wastewater System for the five fiscal years ending June 30, 2013, is found in the CAFP

Infrastructure Needs

The City of Redding analyzes the system infrastructure and project service demands based on growth projections from the General Plan which are based on the growth projections from Economic Sciences Corporation (ESC), a consultant hired by Redding Electric Utility to forecast population growth. This information is then utilized in computer model analysis to forecast service needs and service capacities. From this information capital and maintenance infrastructure improvements are listed and estimates developed. The end result is the creation of system master plans which guide the timing and funding of needed improvements. The current master plans are: the Water Utility Master Plan 2012, Wastewater Utility Master Plan 2012, and the Citywide Master Storm Drain Study 1993 (see *Master Plans*).

Infrastructure replacement and upgrade scheduling

Projects and project schedule recommended in the Master Plans are included as a part of the City of Redding Biannual budget process. The projects are reviewed through the public budget process prior to the City Council adopting a budget document. Projects are included within the City of Redding Capital Improvement Program for design and construction scheduling. Infrastructure financing is provided through developer fees, connection charges, or monthly rate charges.

Infrastructure deficiencies

The Wastewater Utility Master plan identifies and lists numerous projects where system analysis revealed substandard capacity and many projects necessary in the future to support the projected growth (see *Wastewater Utility Master Plan 2012*).

During the heavy rains of March and April 2011, increased flow rates at the Clear Creek Wastewater Treatment Plant (CCWWTP) and Stillwater Wastewater Treatment Plant (SWWTP) exceeded the treatment and storage capacity of the facilities. To avoid the overflow of untreated wastewater into the Sacramento River, a portion of this flow was bypassed around final filtration and discharged into the river. All the flow went through primary and secondary treatment, disinfection, and dechlorination.

The Central Valley Regional Water Quality Control Board (RWQCB) issued Notices of Violation (NOVs) for the bypassing of a portion of the secondary effluent at the CCWWTP and the SWWTP during the storms in spring 2011.

The RWQCB also issued two NOVs for SSOs in the collection system that occurred between October 2010 and February 2012 due to blockages from roots, grease, and debris.

Underutilized capital facilities

The City is unaware of any underutilized facilities. The Master Plans document and schedule improvements that are or will be needed only within the City of Redding Sphere of Influence. Additional capacity is not provided.

Forecasting service needs

Service needs are projected in the Master Plans based on growth trends provided by the Economic Sciences Corporation, a consultant under contract to Redding Electric Utility for the purpose of forecasting power demands. Ultimate development projections were determined by the Department of Development Services and General Plan build out projections. This information is analyzed as a part of the Master Plan development which projects 20-year growth needs.

Planning services with growth projections

The growth/population projections from the Economic Sciences Corporation and City of Redding General Plan are utilized in the development of the future demands (see the *Master Plans* for details and explanation of how this was accomplished).

Services areas or zones less than agency-wide

Please consult the City's Master Plan for this service for details.

Variances or inequities in service levels

In the provision of Wastewater service, there are portions of the City which utilize septic systems (see *Wastewater Utility Master Plan* for a map of parcels served by septic systems).

Areas within City that could more efficiently served by another agency.

The City of Redding is unaware of any location within the City of Redding boundary which could be better served for water, wastewater, or stormwater by another agency.

Areas outside agency that could be more efficiently served by City

Wastewater: The Shasta County areas immediately adjacent to the City limits that are already in the Primary Growth Area, such as those along Airport Road south of Highway 44, areas further east beyond the divide between Clover/Churn Creek and Stillwater Creek watersheds from Rancho Road north to Oasis Road, could be efficiently served by City wastewater service if they all connected at the same time to generate enough capital to construct an estimated $108 million of sewer pipe

and lift station improvements. Due to the existing level of large lot development in the expected potential drainage area, combined with this initial cost, the idea was deemed infeasible and dismissed from the latest Master Plan effort.

Proposed or pending development requiring services

There is proposed development at the intersection of Oasis Road and Interstate 5 (Oasis Center) and at Shastina Ranch, south of Rancho Road. The only extension of service expected with either development is an emergency intertie between City of Redding water supply and Bella Vista Water District, at Oasis Road and Gold Hills Drive, to meet the necessary fire flow requirements for the proposed Costco building. No boundary changes are anticipated or have been proposed.

Joint Powers Authorities with other agencies

Water and Wastewater Service Fee Agreements between the Tribal Council of the Redding Rancheria and the City of Redding, dated November 21, 2000, allowing for City water and sewer service to the Redding Rancheria.

Services provided outside the City boundary

See agreement above.

Infill policies and procedures

Redding Municipal Code section 14.16.300 requires sewer connection for all developing parcels that are within 200 feet of an existing City sewer, or when the Shasta County Division of Environmental Health condemns an existing septic system located within the City limits.

Provisions for providing emergency services

All wastewater lift stations either have on-site or portable diesel engine electrical generators to provide continued operation during emergencies. The wastewater treatment plants also have diesel emergency generators as well as storage ponds to allow continued operation during emergencies.

4. WATER UTILITY SYSTEM

The following history (in italics) comes from the City of Redding's 2013 Comprehensive Annual Finance Report.

The Redding water supply and treatment facilities date back to the early 1900s. The raw water supply pump station on the Sacramento River was built in stages beginning in 1939.

The City's rights to water from the Sacramento River stem from acquisition in 1941 of local facilities of the California Water Service Company, together with water rights which date from 1886 and from a license to appropriate 5 cfs, issued in 1944.

Since 1939 when the City of Redding assumed control and operation of the water system, the City's population has grown from approximately 7,500 to 92,690. This growth included two large increases in 1976 and 1977, when Redding annexed the Cascade Community Services District (serving approximately 4,450 residents) and the Enterprise Public Utility District (serving approximately 13,500 residents). In addition, the City assumed operation of a system serving about 1,500 residents outside the City in 1967, primarily in the Buckeye community.

A 1966 contract with the Bureau of Reclamation was renegotiated in June of 2005, with the Bureau of Reclamation extending the contract for an additional 40 years through March 31, 2045. It details Redding's principal rights to the Sacramento River. The "Sacramento River" contract permits renegotiation at any time for more or less water subject to need and availability of water in the river. Water to be diverted consists of "base supply" and "project water supply." The Base Supply is 85 percent of the total. The Project Water Supply is 15 percent of the river water supply. The total entitlement is 21,000 acre-feet.

These entitlements were subject to renegotiation by mutual agreement in 1985, as they were in 1975 when no change occurred, and the annual entitlement is subject to change in "Critical Water Years." In 1992 the Bureau decreased Redding's Project Supply entitlement by 25 percent. Despite the cutback, the City's water supply was sufficient to meet its needs.

In 1967 the City of Redding took over Buckeye County Water District facilities and the rights to a 1964 USBR contract. In February 1971, the City executed a new USBR contract to serve the Buckeye service area. The City, in November of 1994, amended this contract with the Bureau of Reclamation to add the Spring Creek Conduit as a point of diversion for the new Buckeye Water Treatment Plant. This contract with the Bureau of Reclamation, which runs through February 28, 2045, allows Redding to obtain 6,140 acre-feet of water per year. The March 2012-February 2013 delivery from that contract was 6,140 acre-feet. Water charges under this contract total approximately $48.87 per acre-foot ($15.04 average water cost, $18.83 average restoration and Trinity PUD fee and a variable $15.00-$30.00 foregone power charge).

Foothill Water Treatment Plant was constructed in 1981. The plant has a rated 28 million gallons per day (MGD). Facilities provide for filtration following the existing sedimentation basin and a 6 million gallon (MG) covered storage reservoir. Both these additions were needed to meet the requirements of the State of California,

Department of Public Health Division of Drinking Water and Environmental Management.

Performance Measures and Workload Indicators
The Water Utility Staff has met the established goals, with the majority of the workload objectives being accomplished.

Current System:

Buckeye Zone
The Buckeye Water District water system was acquired by the City of Redding in 1967 following dissolution of that District. Water supply for that District was extremely limited. Upon assuming the operation of the Buckeye system, the City of Redding provided the additional supply by pumping from the northern end of its water system. Pump House No. 3, located at the foot of North Market Street hill, and Pump House No. 4, off Benton Drive northeast of the Diestelhorst Bridge, serve the Buckeye Zone. Storage for the Buckeye Zone is located on Lake Boulevard in north Redding, with two steel reservoirs at this site--one 200,000-gallon tank and one 2 MG tank with a high water surface of 955 feet. In 2002, an additional 4MG reservoir was constructed ¼ mile east of the Buckeye Water Treatment Plant with a high water surface of 1,034 feet.

The Buckeye Water Treatment Plant completed in January 1995 is now serving the Buckeye Zone. The new Buckeye Water Treatment Plant is located off of Benson Drive near the Spring Creek Conduit. The water plant has an interconnection to the U.S. Bureau of Reclamation (USBR) Spring Creek Conduit through an existing turnout structure. Treated water is conveyed from the treatment plant through 25,000 feet of off-site piping to the Buckeye area. The initial treatment capacity is 7 MGD with the ability to expand to 28 MGD capacity. In 2007 the construction was completed on an expansion of the treatment plant to 14 MGD capacity. Along with the treatment plant expansion 8,000 feet of 30-inch water transmission main was installed to provide treated water to the Buckeye Pressure Zone. This treatment plant meets all the existing United States Environmental Protection Agency (USEPA) regulations, including the 1986 Safe Water Drinking Act and meets all the requirements of the State of California, Department of Public Health Division of Drinking Water and Environmental Management.

Foothill and Hill 900 Zones

Construction of Redding's Foothill Water Treatment Plant (FWTP) was completed in September 1981. The treatment plant consists of chemical treatment followed by flocculation, sedimentation, chlorination, and filtration. River water from Pump Plant No. 1 located on the south side of the Sacramento River, west of the Diestelhorst Bridge, enters the treatment plant through a 36-inch main. In 2006 Pump Station No. 1 Fish Screen Retrofit Project was completed to meet the requirements of the CAL-FED Anadromous Fish Screen Program. In 2010, an additional 30-inch main from Pump Plant No. 1 was installed to the FWTP.

At the FWTP, chlorine is added for disinfection and odor control. Polymer and aluminum sulfate are injected, and the water passes into a flocculation basin which is integrally constructed within a large 2 MG sedimentation basin, where it is allowed to settle and clarify. After clarification, water flows through dual media filtration and is post-chlorinated prior to entering a 6 MG covered storage reservoir.

Storage is provided at three locations: 1.) one 6 MG covered storage reservoir at the treatment plant-- Since 2006, one 4 MG steel reservoir at Foothill Blvd with a high water surface of 743 feet; 2.) one 2.0 MG pre-stressed concrete reservoir; and 3.) one 2 MG steel reservoir having a high water surface of 925 feet to the south of the treatment plant at the top of Hill 900.
The Foothill Zone is served by gravity flow from the Foothill reservoirs. The Hill 900 Zone is served by Pump Plant No. 2, which is located at the treatment plant and is taking suction from the 48-inch main served by the 6 MG reservoir. An additional booster pump was added to the El Reno booster pump station. This will supply an additional 1.4 MGD to the southern end of the Hill 900 Zone from the Cascade Zone.

Enterprise Zone

In 1976 the Enterprise Public Utility District and the City of Redding voted affirmatively to annex the Enterprise District to the City of Redding. Shortly after this, the responsibility for the Enterprise water system was assumed by the City of Redding.

The system was served originally by five wells; however, in 1978, the Cross Town Main, a large pipeline, was constructed which enabled the City to serve the Enterprise and Cascade areas with water from the Foothill treatment plant. In 1985 approximately five miles of 12-, 16- and 24-inch transmission mains were constructed from the Enterprise well fields on Goodwater Avenue to serve the U.S. Forest Service and Municipal Airport off Airport Road. In 1986 three new 2 MGD capacity wells were added to the Enterprise Zone. In 1988 a 24-inch transmission main was constructed from Goodwater Avenue along Rancho Road westerly via

South Bonnyview Road to the Cascade Zone. In 2002, 2.5 miles of 24- inch transmission main was constructed from Rancho Road north along Airport Road in the Enterprise Zone to maximize the production of the groundwater wells. In 1991 another 2 MGD capacity well was added to the Enterprise Zone. Two additional 2MGD capacity wells were added during 2003. In 2007 another 2 MGD capacity well was added to the Enterprise Zone and in 2008 an additional 2 MGD capacity well was added.

Groundwater is treated with orthopoly phosphate for iron and manganese annoyances and chlorine is used for disinfection.

The main storage reservoirs are located near the northwestern boundary of the zone—two steel, ground-level storage tanks having a capacity of 3.5 and 6.0 MG with a high water surface of 706 feet. Both reservoirs are located at the same site above the Quail Ridge Subdivision off Canby Road. During periods of peak demand, these tanks and the well field, at the southwestern boundary of the zone, and treated water from the Foothill Water Treatment Plant through the cross-town water main, supply the entire system from three directions.

Hilltop-Dana Zone
The Hilltop-Dana pressure zone is located north of Highway 44 and east of Interstate 5 and is supplied from the Enterprise Zone by Pump Station No. 5, and the Buckeye Zone by gravity.

Cascade Zone
The supply source for this zone comprises five wells with a maximum capacity of 0.75 MGD. This supply is augmented by connection to the south end of Redding's central system, and in 1978 the Cross Town water main was completed. This supply can furnish up to 3.2 MGD to the Cascade area. Additional supply is obtained by a large transmission main connecting the Cascade Zone to the Enterprise well system via South Bonnyview Road. This supply can furnish an additional 2 MGD. In the summer of 1995 a booster pump station was installed on the South Bonnyview transmission main to increase the supply to the Cascade Zone to 4.3 MGD.

In 1985 the City took over the operation of the Pinal Water Company serving the Westwood Manor Subdivision located off State Route 273 south. The subdivision is currently being supplied water from the Foothill Water Treatment Plant through two 8-inch interconnections. Storage to the Cascade Zone is provided by a 1 MG tank located off Kenyon Drive and a 2 MG tank in the Redding Ranchettes area. Both tanks operate at a high water surface elevation of 693.

Condition of System

The City of Redding maintains a well-trained and well-equipped work force. Its primary function is to operate the system, make systematic inspections as part of the preventive maintenance program, and plan and construct replacements. Undersized and old lines are being replaced when maintenance costs indicate that they should be replaced or additional capacities are needed. The City of Redding maintains a Master Water Plan; revisions to the system are programmed, designed, and installed in accordance with this plan. The system is well maintained in all regards, including raw water supply, pumping structures, equipment, transmission lines, and water treatment facilities. However, continual renewed investment in capital facilities such as distribution pipelines, reservoirs, and wells will be necessary to maintain the current level of service, due to the demands of population growth and aging infrastructure.

Infrastructure Needs

The City of Redding analyzes the system infrastructure and project service demands based on growth projections from the General Plan which are based on the growth projections from ESC, a consultant hired by Redding Electric Utility to forecast population growth. This information is then utilized in computer model analysis to forecast service needs and service capacities. From this information capital and maintenance infrastructure improvements are listed and estimates developed. The end result is the creation of system master plans which guide the timing and funding of needed improvements. The current master plans are: the Water Utility Master Plan 2012, Wastewater Utility Master Plan 2012, and the Citywide Master Storm Drain Study 1993 (see *Master Plans*).

Infrastructure replacement and upgrade scheduling

Projects and project schedule recommended in the Master Plans are included as a part of the City of Redding Biannual budget process. The projects are reviewed through the public budget process prior to the City Council adopting a budget document. Projects are included within the City of Redding Capital Improvement Program for design and construction scheduling. Infrastructure financing is provided through developer fees, connection charges, or monthly rate charges.

Infrastructure deficiencies

Facilities that do not meet current design standards for capacity have been identified and addressed in the Water Utility Master Plan 2012. All such facilities are addressed depending on growth and needs of the water system and budgeted for and placed in the Capital Improvement Program (see *Water Utility Master Plan 2012*). There have been no infrastructure related regulatory violations in the past three years.

Underutilized capital facilities

The City is unaware of any underutilized facilities. The Master Plans document and schedule improvements that are or will be needed only within the City of Redding Sphere of Influence. Additional capacity is not provided.

Forecasting service needs

The City of Redding analyzes the system infrastructure and project service demands based on growth projections from the General Plan which are based on the growth projections from ESC, a consultant hired by REU to forecast population growth. Ultimate development projections were determined by the Department of Development Services and General Plan build out projections. This information is analyzed as a part of the Master Plan development which projects 20-year growth needs.

Planning services with growth projections

The growth/population projections from the Economic Sciences Corporation and City of Redding General Plan are utilized in the development of the future demands (see the *Master Plans* for details and explanation of how this was accomplished).

Services areas or zones less than agency-wide

Please consult the City's Master Plan for this service for details.

Variances or inequities in service levels

In the provision of water, the City of Redding is overlapped by the Bella Vista Water District and the Centerville Community Service District. As such, the water service is dependent upon the ability of the individual water districts to provide service.

Areas within the City that could be more efficiently served by another agency

The City of Redding is unaware of any location within the City of Redding boundary which could be better served for water, wastewater, or stormwater by another agency.

Areas outside agency that could be more efficiently served by City

The City Water Utility already provides service outside the agency boundary to the former Buckeye Public Utility area to the north. There are Shasta County areas immediately adjacent the City limits to the east that could be efficiently served. However, they are outside the City of Redding Bureau of Reclamation service boundary for use of Bureau resources.

Proposed or pending development requiring services

There is proposed development at the intersection of Oasis Road and Interstate 5 (Oasis Center) and at Shastina Ranch, south of Rancho Road. The only extension of

service expected with either development is an emergency intertie between City of Redding water supply and Bella Vista Water District, at Oasis Road and Gold Hills drive, to meet the necessary fire flow requirements for the proposed Costco building. No boundary changes are anticipated or have been proposed.

Joint Powers Authorities with other agencies

The City of Redding has water intertie agreements with the City of Anderson, City of Shasta Lake, Bella Vista Water District and Centerville Community Service District. The intertie agreement is limited to mechanical failures, broken water mains, fire, and system contamination. Also, the City of Redding has been a member of the Redding Area Water Council (RAWC), which supported a basin-wide Groundwater Management Plan to manage the water resources in the Greater Redding Area to meet future water demands.

Services provided outside the City boundary

The City of Redding provides water service to the old Buckeye County Water District water system which was acquired by the City of Redding in 1967 following dissolution of the water district. This area lies within the unincorporated area of Shasta County, but in the City of Redding's sphere of influence.

Infill policies and procedures

The City of Redding can provide water service to all areas within the two water contract boundaries that the City has with the Bureau of Reclamation.

Provisions for providing emergency services

The City of Redding has 33.5 million gallons of water storage and three independent water sources, two surface water sources (Sacramento River and Whiskeytown Lake), 17 groundwater wells, and eight interties with other agencies to provide water service during emergency situations.

5. STORM DRAINAGE UTILITY

The following history (in italics) comes from the City of Redding's 2013 Comprehensive Annual Finance Report.

City Council established the Storm Drainage Utility on September 21, 1993. The utility is part of the Public Works Department. Responsibilities include monitoring, maintaining, and cleaning the storm drainage networks of the City.

Service Area and Customers

The service area encompasses storm drainage facilities within the City limits. The overall conveyance system is comprised of both public and private segments. The

Storm Drain Utility responds to the needs of the public component of the overall conveyance system.

The Storm Drainage Utility charges are based on impervious area. An impervious area is one that prohibits the natural drainage of rainwater into the ground (i.e., building, parking lot, etc.). The monthly Storm Drain service fees have been frozen since 1993 and are as follows:

Commercial	*$19.07 per impervious acre*
Multi-family/Mobile Home	*$0.83 per unit*
Residential	*$1.32 per household*

Condition of System

The City of Redding maintains a well-trained and well-equipped work force. Its primary function is to operate the Storm Drainage system, make systematic inspections as part of the preventive maintenance program, and plan and construct replacements. The City of Redding completed a Citywide Master Storm Drain Study in October 1993. A new Operations and Maintenance Plan was prepared in 2003 along with a project update of the 1993 Master Plan. The Operations and Maintenance Plan included a survey of the storm drain system.

The Storm Drain Utility staff consists of five employees, which has not changed since 1993, even with increased permit requirements for inspection and maintenance of storm drain facilities.

In 2003, the City applied for a National Pollution Discharge Elimination System (NPDES Phase II) permit that was to be implemented over the five years of the permit life. The State of California Water Quality Control Board, however, did not approve the permit and its proposed work plan until 2005. The previous permit has been superseded by the State of California NPDES Phase II Small MS4 permit effective July 1, 2013.

Infrastructure Needs

The City of Redding analyzes the system infrastructure and project service demands based on growth projections from the General Plan which are based on the growth projections from ESC, a consultant hired by Redding Electric Utility to forecast population growth. This information is then utilized in computer model analysis to forecast service needs and service capacities. From this information capital and maintenance infrastructure improvements are listed and estimates developed. The end result is the creation of system master plans which guide the timing and funding of needed improvements. The current master plans are: the Water Utility Master Plan 2012,

Wastewater Utility Master Plan 2012, and the Citywide Master Storm Drain Study 1993 (see *Master Plans*).

Infrastructure replacement and upgrade scheduling

The City of Redding analyzes the system infrastructure and project service demands based on growth projections from the General Plan or a consultant hired by Redding Electric Utility to forecast population growth. This information is then utilized in computer model analysis to forecast service needs and service capacities. From this information capital and maintenance infrastructure improvements are listed and estimates developed. The end result is the creation of system master plans which guide the timing and funding of needed improvements. The current master plans are: the Water Utility Master Plan 2012, Wastewater Utility Master Plan 2012, and the Citywide Master Storm Drain Study 1993 (see *Master Plans*).

Infrastructure deficiencies

Prior to 1993 the Storm Drain utility did not have published design criteria for sizing storm drain facilities. Therefore much of the storm drain infrastructure was designed based on the recommendation of a Storm Drain report from 1960 which suggested design criteria to convey peak runoff from a 10-year 24-hour storm. Peak flows from that design storm can easily be exceeded by shorter duration events like cloud bursts. Therefore flooding can and occasionally does occur due to inadequate facility size. The Citywide Master Storm Drain Study recommended more stringent design criteria, analyzed all facilities 36-inches in diameter or larger, listed facilities do not meeting the new criteria, established the Storm Drain Utility and prioritized projects but did not assign a schedule.

The Storm Drain Utility is funded through a combination of monthly fees assessed, based on the amount of impervious acreage, and through development connection fees. The monthly fee is at the same rate as established when the utility was formed in 1993. Storm Drain Utilities were not included in the Protest Vote Rate increase provision of Proposition 218. Consequently, any recommended rate increases are currently subject to approval by a two-thirds majority of the votes at a general election. This prospect has had limited success in other communities within California and is deemed to have limited success potential within the City of Redding. Current monthly fees are $1.32 for single-family residential development and $19.07 per impervious acre for commercial/industrial uses. This amount does not cover the cost of even a small number of projects. Therefore Storm Drain projects from the Master Plan list are scheduled as funding allows (see *Citywide Master Storm Drain Study*). There have been no infrastructure related regulatory violations in the last three years.

Underutilized capital facilities

The City is unaware of any underutilized facilities. The Master Plans document and schedule improvements that are or will be needed only within the City of Redding Sphere of Influence. Additional capacity is not provided.

Forecasting service needs

In 1994 City Council Policy 1806 (see *Council Policy 1806*) was adopted for the purpose of preventing new development from increasing downstream flooding. The policy requires all new development projects to mitigate their peak flow runoff such that no increases occur at any location downstream. Therefore, there is no need to forecast development or increased future services on the public infrastructure.

Planning services with growth projections

The growth/population projections from the Economic Sciences Corporation and City of Redding General Plan are utilized in the development of the future demands (see the *Master Plans* for details and explanation of how this was accomplished).

Services areas or zones less than agency-wide

Please consult the City's Master Plan for this service for details.

Variances or inequities in service levels

As described above, the storm drain system was constructed over many decades under differing design criteria. More recently constructed facilities were designed under more conservative standards (see the *Citywide Master Storm Drain Study* for details of which facilities do not meet current design standards).

Areas within City that could more efficiently served by another agency.

The City of Redding is unaware of any location within the City of Redding boundary which could be better served for water, wastewater, or stormwater by another agency.

Areas outside agency that could be more efficiently served by City

The City of Redding Storm Drain Utility is overextended in maintaining the City's existing storm drain facilities and has no capacity to serve outside City limits.

Proposed or pending development requiring services

There is proposed development at the intersection of Oasis Road and Interstate 5 (Oasis Center) and at Shastina Ranch, south of Rancho Road. The only extension of service expected with either development is an emergency intertie between City of Redding water supply and Bella Vista Water District, at Oasis Road and Gold Hills

drive, to meet the necessary fire flow requirements for the proposed Costco building. No boundary changes are anticipated or have been proposed.

Joint Powers Authorities with other agencies

The City of Redding does not have any joint powers agreements or other arrangement for sharing stormwater facilities.

Services provided outside the City boundary

The Stormwater Utility does not provide services outside City limits. No annexations are anticipated in the near future.

Infill policies and procedures

The Stormwater Utility does not have any formal policies promoting infill.

Provisions for providing emergency services

Stormwater Utility staff routinely responds to local flooding issues within City limits as they occur. Due to funding limitations, the magnitude of response or ability to respond to multiple locations is limited.

a.2. Infrastructure, Facilities and Services – General Government

The City of Redding budget supports the following specific departments and activities (shown in alphabetical order):

- Community Services Department
- Development Services Department
- Electric Department
- Fire Department
- General Government Departments
  - City Council
  - City Manager's Office
  - City Clerk's Office
  - City Treasurer's Office
  - City Attorney's Office
  - Non-Departmental Services
- Personnel Department
- Police Department
- Public Works Department
- Support Services Department

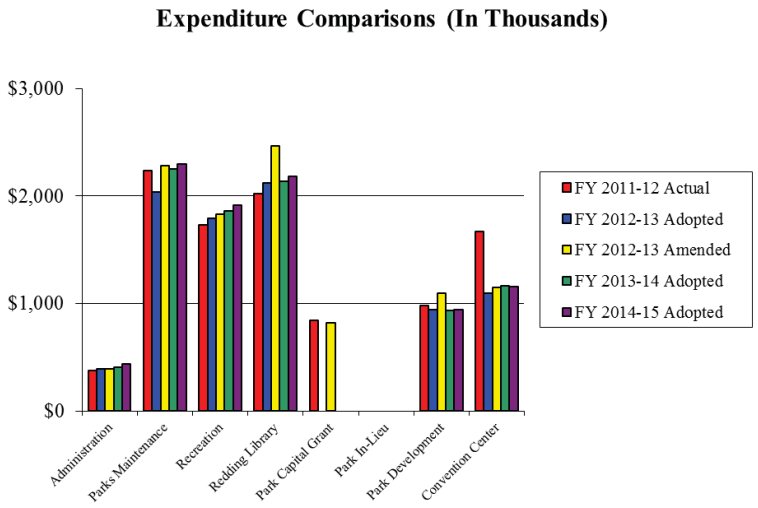
These departments and offices cover a wide variety of services used by the public. Each is responsible for several city service centers which will be discussed in the next section.

b. Administration, Management and Operations – General Government

Information for this section has been summarized from the City's 2014-15 Biennial Budget, where the reader may obtain specific issues and activities for each Department. Organization charts for each are included at the end of this narrative as Exhibit C2.

1. COMMUNITY SERVICES DEPARTMENT

This department provides administrative and operational support for the following city services: Recreational activities, Shasta Public Libraries, City Parks & Maintenance, and theCivic Auditorium. The following graphics show a comparison of expenditures by subdivisions and budget allocations:



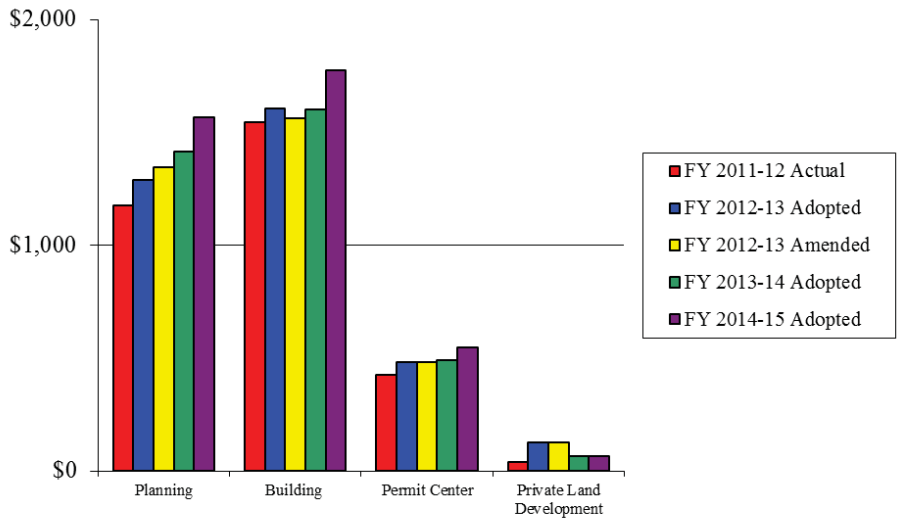
Description	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2012-13 Amended*	FY 2013-14 Adopted	Increase (Decrease)	FY 2014-15 Adopted	Increase (Decrease)
Administration	$ 374,548	$ 389,120	$ 393,400	$ 404,390	$ 10,990	$ 439,710	$ 35,320
Parks	2,237,705	2,037,540	2,283,580	2,250,960	(32,620)	2,298,110	47,150
Recreation	1,729,508	1,792,390	1,827,010	1,861,190	34,180	1,913,610	52,420
General Fund Subtotal	4,341,761	4,219,050	4,503,990	4,516,540	12,550	4,651,430	134,890
Library	2,025,064	2,119,850	2,462,520	2,140,350	(322,170)	2,179,720	39,370
Special Revenue Fund Subtotal	2,025,064	2,119,850	2,462,520	2,140,350	(322,170)	2,179,720	39,370
Park Capital Grant Projects	841,274	-	819,220	-	(819,220)	-	-
Park In-Lieu Fee Projects	42	-	-	-	-	-	-
Park Development Fee Capital Projects	980,852	939,750	1,094,420	937,900	(156,520)	940,400	2,500

Capital Projects Fund Subtotal	1,822,168	939,750	1,913,640	937,900	(975,740)	940,400	2,500
Civic Auditorium	1,668,707	1,096,090	1,147,610	1,166,560	18,950	1,157,820	(8,740)
Enterprise Fund Subtotal	1,668,707	1,096,090	1,147,610	1,166,560	18,950	1,157,820	(8,740)
TOTAL	$ 9,857,700	$ 8,374,740	$ 10,027,760	$ 8,761,350	$ (1,266,410)	$ 8,929,370	$ 168,020

Administration, Parks, and Recreation are General Fund Divisions. Library is a Special Fund. Park Capital Grants, Park In-lieu and Park Development Divisions are part of the General Capital Projects Fund, and the Civic Auditorium is an Enterprise fund. The adopted budget for FY 2013-14 totals $8,761,350, or $1,266,410 less than the one for 2012-13. Goals and Accomplishments and a number of unmet needs are identified in the Biennial Report, Section B.

2. DEVELOPMENT SERVICES DEPARTMENT
This department administers the following divisions: Building/Code Enforcement, Permit Center Division, and Planning Division. Expenditures by division are reflected below, as is the budget comparison for this Department:

Expenditure Comparisons (In Thousands)



Division	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2012-13 Amended*	FY 2013-14 Adopted	Change	FY 2014-15 Adopted	Change
Planning	$ 1,173,572	$ 1,290,850	$ 1,344,820	$ 1,415,230	$ 70,410	$ 1,564,910	$ 149,680
Building	1,542,664	1,604,190	1,562,780	1,602,270	39,490	1,772,680	170,410

Permit Center	426,567	480,420	480,420	489,280	8,860	545,990	56,710
Private Land Development	37,640	126,500	126,500	66,500	(60,000)	66,500	-
TOTAL	$ 3,180,443	$ 3,501,960	$ 3,514,520	$ 3,573,280	$ 58,760	$ 3,950,080	$ 376,800

Activities performed include:

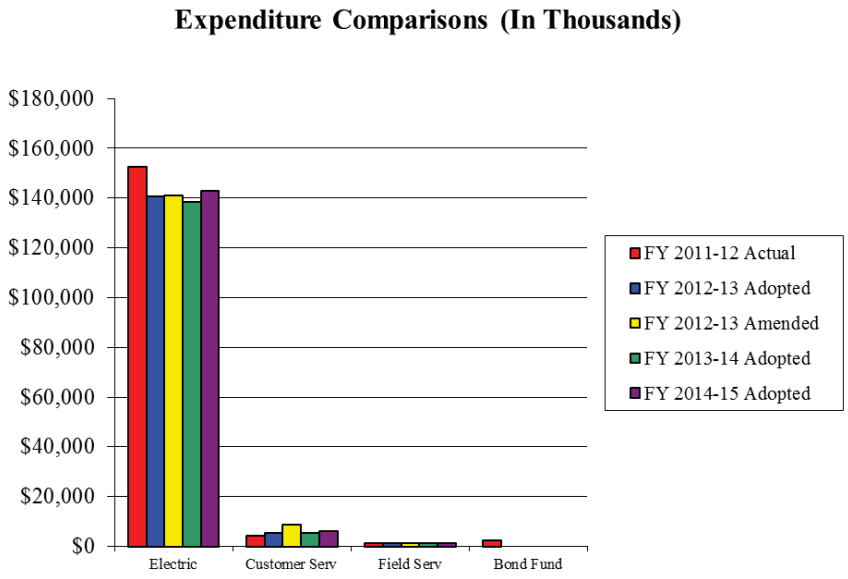
- Planning Division
  - Consists of planners, technicians, and clerical staff
  - Primary responsibility for zoning and land use permits as well as long-range community planning efforts, and local administration of state environmental review laws.
  - Activities include: review/coordination of public and private development (subdivisions, use permits, site development permits, variances, rezonings, etc.)
- Building/Code Enforcement Division
  - Includes engineers, plans examiners, building inspectors, code enforcement professionals, development technicians and administrative staff.
  - Strives to ensure buildings constructed in the City are safe for occupancy, and that the process is understandable, efficient, and as complete as is reasonably possible.
- Permit Center Division
  - First point of contact to the public.
  - Issuance of over-the-counter permits
  - Coordinates between public, other City divisions and departments, and outside agencies

3. ELECTRIC DEPARTMENT

Redding Electric Utility (REU) has seven divisions, each with their own specific tasks and responsibilities for delivering electric services to customers of REU. This is a highly regulated service and the best details will be found in the 2014-2015 Biennial Budget, Section D. The divisions are:

- Distribution System Division
- Customer & Field Services Division
- Resources Division
- Financial Division
- Legislative & Regulatory Division
- Energy Services
- Power Operations

The Expenditures Comparisons between Divisions and a budget summary follow:



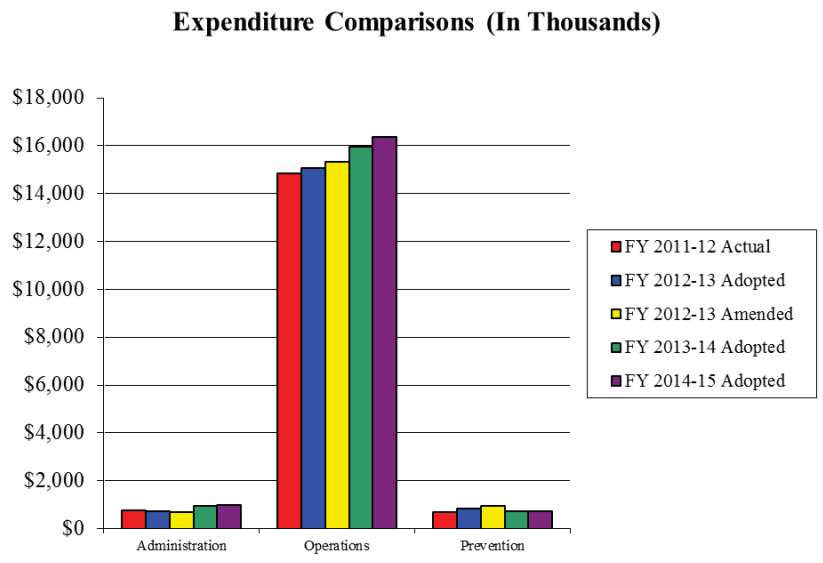
Description	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2012-13 Amended*	FY 2013-14 Adopted	Increase (Decrease)	FY 2014-15 Adopted	Increase (Decrease)
Electric	$ 152,604,704	$ 140,742,370	$ 141,188,670	$ 138,469,540	$ (2,719,130)	$ 142,737,080	$ 4,267,540
Customer Service	4,330,983	5,387,730	8,562,830	5,563,450	(2,999,380)	6,075,880	512,430
Field Services	1,206,070	1,407,340	1,407,340	1,331,810	(75,530)	1,321,640	(10,170)
Electric System Bond Fund	2,282,534	-	-	-	-	-	-
TOTAL	$ 160,424,291	$ 147,537,440	$ 151,158,840	$ 145,364,800	$ (5,794,040)	$ 150,134,600	$ 4,769,800

This is a highly technical department and inquiries should be directed to one of the Divisions noted above. The primary focus of this budget is to limit growth of expenses, to stay within the 2013 rate case 5-year forecast, and to implement a succession plan. The retail load is not growing as forecast due to the recent recession. There are a number of regulatory restructuring projects and Legislative directives, both state and federal, affecting the activities and operations of REU. For analysis of REU, please Section 2, above.

4. FIRE DEPARTMENT

The Redding Fire Department consists of three main budgetary divisions:

- Administrative
- Operations
- Prevention



Expenditures and the budget summary describe fiscal focus:

Description	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2012-13 Amended*	FY 2013-14 Adopted	Increase (Decrease)	FY 2014-15 Adopted	Increase (Decrease)
Administration	$ 769,653	$ 740,070	$ 704,580	$ 953,860	$ 249,280	$ 990,650	$ 36,790
Operations	14,864,153	15,086,910	15,312,910	15,967,430	654,520	16,352,360	384,930
Prevention	688,460	843,090	939,830	712,110	(227,720)	737,470	25,360
TOTAL	$ 16,322,266	$ 16,670,070	$ 16,957,320	$ 17,633,400	$ 676,080	$ 18,080,480	$ 447,080

Fire agencies, as noted above in the expenditures graphic, are primarily involved in response to calls for services. The Department has operated at reduced staffing levels for some time due to the economic recession resulting in an overall reduction of revenues to the City. This also has resulted in longer wait times for replacement of aging equipment. The City received a $1.4 million SAFER grant for nine 2-year positions; an AFG grant for replacement of self-contained breathing apparatus of $502,398; two Indian Gaming Grants for equipment; and Homeland Security Grant for Department personnel training and purchase of radios.

The Redding Fire Department experienced the following record of service calls and activities starting with 2010:

Redding Fire Department Statistics

Workload Indicators	2010 Actual	2011 Actual	2012 Actual	2013 Projected
Calls for Service *	11,199*	10,726*	11,261	11,820
Percentage of Responses Meeting General Plan On-Scene goal of 5 Minutes 90% of the Time	35.05	29.90	33.10	35.00
Average Response Times for First Unit Arrival (emergency)	6.05	7.06	6.44	6.00
Civilian Deaths/Injuries (due to fire)	2/1	1/3	2/5	0/0
Total Training Hours Completed	9,684	9,573	10,417	12,000
Firefighters per 1,000 residents vs. national (median cities 50,000-99,999)	.60/1.35	.60/1.35	.68/1.35	.77/1.35
Total Fires per 1,000 residents vs. national (cities 50,000-99,999)	4.02/2.44	4.18/2.99	4.68/2.99	4.00/2.99
Total EMS Calls per 1,000 residents vs. national (cities 50,000-99,999)	96.97/77.0	91.31/77.0	85.09/77.0	85.0
Overlapping calls for service	6,903/61.64%	6,801/63.6%	7,200/64.1%	7,632/64.6%
Total Number of Company Inspections	1,109	1,296	1,343	1,500

The City of Redding contracts with the Buckeye Fire Protection District to provide services to the Buckeye area. This area is included within the proposed SOI boundary for Redding. A number of significant issues, along with the Departments goals objectives, accomplishments are found in the City of Redding's 2014-2015 Biennial Budget, Section E.

Infrastructure Needs

The location, size and timing of needed improvements is directly related to the land use patterns, growth, and service level standards identified in the General Plan, specifically within the Public Facilities and Services Element and the Health and Safety Element (see *General Plan*). The goal of the Fire Department is to maintain a City ISO ranking of three or better and respond to ninety percent of all calls within five minutes of being dispatched.

Infrastructure replacement and upgrade scheduling

No infrastructure improvements are currently scheduled.

Infrastructure deficiencies

The City has a variety of options with which to fund the infrastructure. Some examples include internal funds, bonding, internal loans, savings, grants, and impact fees.

Underutilized capital facilities

None.

Forecasting service needs

Using the Department's goals, growth patterns are analyzed to determine future station locations. The following items are considered in the placement of equipment and services:

- Concentration of structures in a given area.
- Available water supply.
- Amount of area to be protected.
- Kind of fires that might be encountered.
- Desired response time.
- Call volume by area volume.

Planning services with growth projections

As previously noted elsewhere, growth patterns are used to project and analyze response times and service needs throughout the City.

Services areas or zones less than agency-wide

All areas within the jurisdictional boundaries are provided with service.

Variances or inequities in service levels

At any given time there may be areas of the City that lie outside the area where we can respond within the desired five minutes. Overall this response time is held in most of the City. As the response time slips, the department looks at ways to improve response times, including relocating or constructing fire stations and increased staffing in the affected locations. Response times are based on the existing road system and as the road system improves the response times will shorten. The department is also exploring increased installation of Opticoms to improve travel and response times.

Areas within City that could more efficiently served by another agency.

There are no areas within RFD's boundary that could be better served by another agency

Areas outside agency that could be more efficiently served by City

All county islands located within the City of Redding could be efficiently served by the department.

Proposed or pending development requiring services

The Development Services Department keeps the other City Departments up-to-date on pending annexations and developments

Joint Powers Authorities with other agencies

SHASCOM provides dispatch for the City's public safety agencies, as well as Shasta County. The City has mutual aid agreements with the surrounding fire agencies to assist and receive aid, as necessary. These include the Buckeye Fire District and County Service Area Number 1.

Services provided outside the City boundary

Fire protection is provided to the large county island near Bechelli Lane and along the Sacramento River. It is also provided via contract to the Buckeye Fire District north of the City (see *Redding Fire Response Area Maps).*

Infill policies and procedures

Because fire and emergencies can occur anywhere, the City plans for infill areas as a matter of everyday planning.

Provisions for providing emergency services

The Fire and Police Departments have policies and procedures in place to deal with heightened threat levels as established for terrorist activities. Liaisons with other first responders (Fire, EMS, etc.) are established, along with ongoing training for all personnel.

The Fire and Police Departments participate in Mutual Aid Agreements, as mandated by the State Office of Emergency Services, and have generators to supply power in case of a power outage. The Departments actively participate in the City of Redding Emergency Operations Center (EOC) with the goal of providing emergency services. The EOC program is planned, designed, and operated to support emergency response for an unlimited period of time (see *Municipal Code Section 9.12, Emergency Organization & Function*).

5. GENERAL GOVERNMENT DEPARTMENTS

General government services are provided by both elected and appointed positions. The following generally describes each office budgeted under this category. Accomplishments, goals and objectives, and office needs are specifically described in the 2014-2015 Biennial Budget, in Section f.

- City Council: It is the elected governing body of Redding's municipal corporation. Its budget accounts for personnel expense related to five part-time Council members and operating costs to maintain its office. The adopted budget for FY 2013-14 for this office was $154,090, about $38,910 less than for FY 2012-2013.

- City Manager: This position is responsible for the overall management of the City. The adopted FY 2013-2014 budget for this office is $544,320.

- Finance Department: This office provides relevant financial information to operating departments, the City Manager, the City Council, and the public in a timely fashion and an understandable format. The budget for FY 2013-2014 is $1,262,270, about $37,590 less than FY 2012-2013.

- Housing and Community Development: Activities of this office are funded through federal US Housing and Urban Development (HUD) grants received through the Community Development Block Grants (CDBG) program; the Home Investment Partnerships program (HOME); a grant from the California Department of Housing and Community Development's CalHome program (CalHome); and resources from the Low- and Moderate-Income Housing Asset Fund (LMIHAF) administered through the Successor Housing Agency to the former Redding Redevelopment Agency. For FY 2014-15 the combined adopted budget for CDBG, HOME and CalHome Programs was $1,778,860. For FY-2014-15, the SHA's LMIHAF budget was $111,950.

The mission for Housing and Community Development is to preserve, improve and expand the City's housing stock, address the needs of low-income households, and to stimulate the physical and economic revitalization of the City's neighborhoods in concert with other public, private and non-profit organizations.

Programs offered by Housing and Community Development include: Homebuyer Program; Minor Home Repair Program for Seniors; Emergency Repair Program; Owner-Occupied Rehabilitation Program; and the Rental Rehabilitation Program.

- City Clerk: This is an elected position. The office is responsible to maintain a level of service to meet legal requirements for city government. It is responsible for making legal filings, receiving legal notice, providing information to the public, and maintaining public records. It includes both the office of the City Clerk and the Records Management Division. The adopted budget for this office in FY 2013-14 was $989,270, an increase from FY 2013-13 of $25,590.

- City Treasurer: This is an elected position, with the office providing financial services. It is responsible for cash flow management, portfolio investment management, revenue recognition, banking and broker relationships, assessment district administration, and parking citation appeals. It receives, records, and deposits all revenue collected by the City's Departments, including REU, Municipal Utilities, City Clerk, Police Services, Recreation, and Building and Planning divisions. This office's FY 2013-2014 budgeted $54,520, a modest drop from FY 2012-2013.

- City Attorney: This position partners closely with the City Manager's office to provide support for City Council-directed policy initiatives. It responds to legal challenges and requests for legal opinions from the Council and its departments and offices. In the FY 2013-14 budget $1,036,320 for this office, above the FY 2012-2013 by $998,930.

- Non-Departmental: This office manages several general categories: Animal Regulation, Non-Departmental, General Fund Debt Service, General Fund Capital Projects, and General City Projects. Its FY 2013-14 budget is $4,589,060, under the FY 2012-13 budget by $1,025,040.

6. PERSONNEL DEPARTMENT

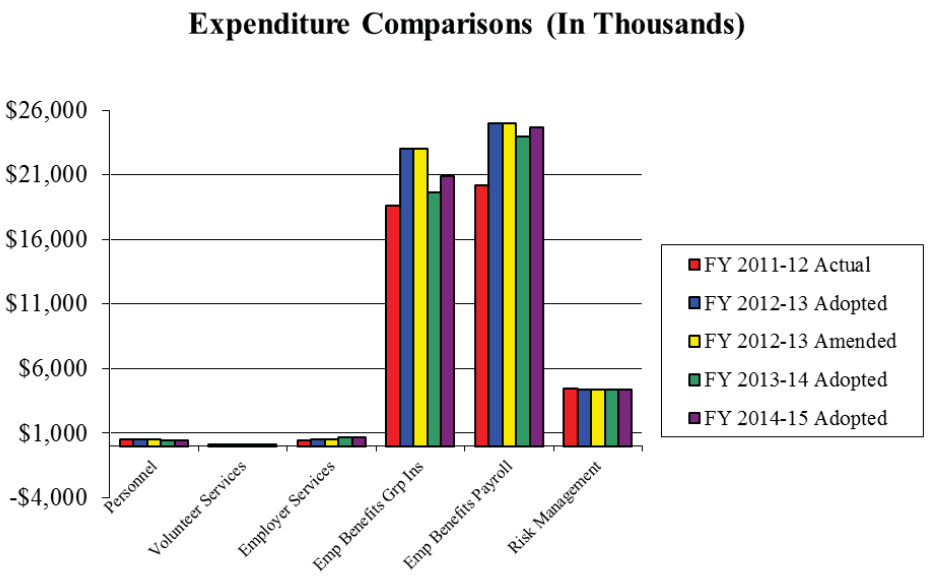
The Personnel Department manages several important business centers for the City:

- Recruitment, Training, Payroll Division
- Risk Management Division
  - Worker's Compensation
  - Liability Claims
- Volunteer Services Division

This Department is involved with negotiation of contracts with a number of employee-related unions, health insurance benefits, and development and implementation of related policies. Risk Management activities involve strengthening safety programs throughout City departments, providing follow up for OSHA training and education, and provide early intervention with potential liability claimants and worker's compensation applicants.

The Volunteer Services Division supports many City programs and departments by matching the experience and abilities of citizens with departmental needs. Internships established with Shasta College and other colleges and universities, both within and outside Shasta County, permits interns to gain work experience and assists the City with delivering a consistent level of services even during hard financial times. Expenditure Comparisons between Divisions and a budget summary follow:

Personnel Department



Description	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2012-13 Amended*	FY 2013-14 Adopted	Increase (Decrease)	FY 2014-15 Adopted	Increase (Decrease)
Personnel	$ 489,723	$ 525,470	$ 517,310	$ 399,270	$ (118,040)	$ 461,880	$ 62,610
General Fund Subtotal	489,723	525,470	517,310	399,270	(118,040)	461,880	62,610
Volunteer Services	132,286	134,290	148,270	136,800	$ (11,470)	151,060	$ 14,260
Employer Services	463,880	525,040	495,040	671,850	$ 176,810	700,570	$ 28,720
Employee Benefits Group Insurance	18,646,444	23,038,250	23,038,250	19,597,210	$ (3,441,040)	20,894,650	$ 1,297,440
Employee Benefits Payroll	20,215,759	25,015,620	25,015,620	23,976,580	$ (1,039,040)	24,678,220	$ 701,640

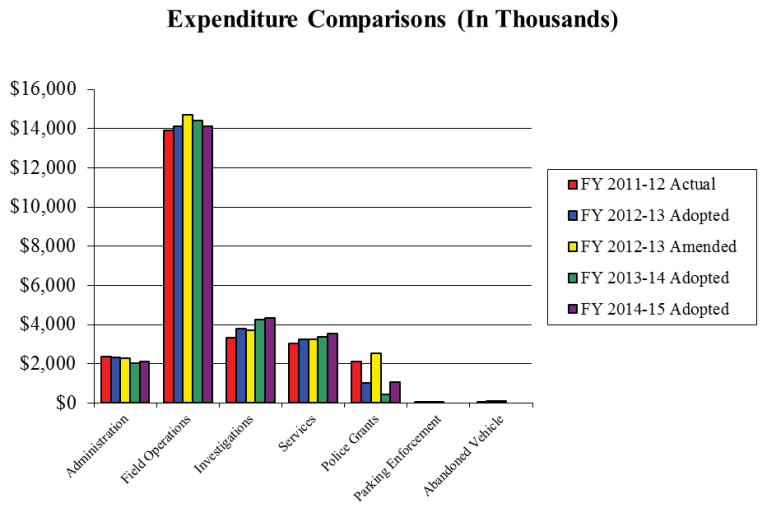
Risk Management	4,414,442	4,365,220	4,365,220	4,352,450	$ (12,770)	4,407,570	$ 55,120
Internal Service Fund Subtotal	43,872,811	53,078,420	53,062,400	48,734,890	(4,327,510)	50,832,070	2,097,180
TOTAL	$ 44,362,534	$ 53,603,890	$ 53,579,710	$ 49,134,160	$ (4,445,550)	$ 51,293,950	$ 2,159,790

The adopted budget for FY 2013-2014 for this Department totals $49,134,160, a decrease of $4,445,550 from the previous fiscal year. Full discussion of this Department appears in the Biennial Budget, Section G.

7. POLICE DEPARTMENT

The Redding Police Department budget covers Administration, Field Operations, Investigations, Services, IT Staff and Grants,. The following chart reflects statistics from2008 to projected 2014 response activities:

Workload Indicators	2008	2009	2010	2011	2012	2013	2014 Projected
Population	90,491	90,898	91,561	90,050	90,020	90,848	90,562
Calls for service	85,451	85,094	86,282	83,520	91,101	91,390	100,000
Average response times (Priority 0-2)	11:59	12:01	12:45	13:20	16:05	15.39	17:30
Total arrests	9,574	8,706	7,987	6,617	7,534	6,964	9,952
Felony arrests	2,435	2,292	2,504	2,164	2,883	2,713	3,600
Total booked	6,394	5,818	5,539	4,351	5,171	5,729	6,400
Major crimes (Part I Crimes)	3,796	3,670	3,830	4,097	5,085	4,359	6,000
DUI arrests	774	731	572	494	510	398	541
Traffic Collisions	1,475	1,393	1,294	1,280	1,199	1,149	1,061



A very good discussion of this Department's goals and accomplishments, and its unmet needs is found in the 2014-2015 Biennial Budget, Section H. These charts expenditures and budget summary for this Department provide a focus of financial resources.

Description	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2012-13 Amended*	FY 2013-14 Adopted	Increase (Decrease)	FY 2014-15 Adopted	Increase (Decrease)
Administration	$ 2,368,969	$ 2,303,980	$ 2,300,560	$ 2,035,990	$ (264,570)	$ 2,123,100	$ 87,110
Field Operations	13,912,139	14,125,850	14,710,770	14,392,955	(317,815)	14,106,294	(286,661)
Investigations	3,314,056	3,802,290	3,692,540	4,270,440	577,900	4,342,550	72,110
Services	3,051,240	3,255,010	3,255,880	3,372,003	116,123	3,550,390	178,387
Police I/T Staff	-	-	-	-	-	-	-
Police Grants	2,134,930	1,005,170	2,538,590	449,370	(2,089,220)	1,084,420	635,050
General Fund Subtotal	24,781,334	24,492,300	26,498,340	24,520,758	(1,977,582)	25,206,754	685,996
Parking Enforcement	21,542	22,090	22,090	-	(22,090)	-	-
Abandoned Vehicle	60,843	91,610	91,610	-	(91,610)	-	-
Parking Subtotal	82,385	113,700	113,700	-	(113,700)	-	-
TOTAL	$ 24,863,719	$ 24,606,000	$ 26,612,040	$ 24,520,758	$ (2,091,282)	$ 25,206,754	$ 685,996

A new Police Facility is now under construction and expected to be open for business adjacent to the Redding City Hall on East Cypress Street. The current facility housing Department staff is over 66 years old and in poor condition. Identified health and safety

concerns at the current site include structural integrity, collapsing sewage lines, and high traces of lead in the drinking water.

In spite of a difficult economy and severe budget cuts these past years, the Police Department continues to provide a strong public safety program to the citizens of Redding. They have seen a reduction in sworn officers from 119 in 2008 down to a current level of 98 officers. Of these, 13 officers are at least partially funded through grants or other non-City funding sources, several of which are not secure into the future. The total number of full-time positions in this Department has been reduced from 173 staff in 2008, down to 131 in the current fiscal year.

Another significant issue for public safety involves the local implementation AB109 Realignment, which has forced a refocusing of enforcement efforts, reducing proactive police work on previously successful programs to reduce gang and other illegal activities in Redding. Property crimes have risen and recidivism rates are high due to the lack of jail space.

Under these difficult conditions Department personnel continues to achieve a number of established goals and objectives. Accomplishments include grant funding for a number of important programs, the new Police Facility is under construction, a significant cold case has been solved by the Investigations Division, and the Gang Unit continues to move forward in modifying the intrusion of gang activities into the area.

The FY 2013-2014 budget allocates $24,520,758, which is $2,091,282 less than during the previous fiscal year. More complete information on the accomplishments, goals and objectives, and issues of concern can be found in the 2014-2015 Biennial Budget, Section H.

Infrastructure Needs

The size and timing of needed improvements is directly related to the land use patterns, growth, and service level standards identified in our General Plan, specifically within the Public Facilities and Services Element and the Health and Safety Element (see *General Plan*). The goal of the Redding Police Department (RPD) is to maintain, at a minimum, a sworn officer to population ratio of 1.36 officers per 1,000 residents and respond to "Priority 1" calls within five minutes of being dispatched. Currently RPD has just over one officer per 1,000 residents and responds to Priority calls within 15 minutes.

RPD has established a geographic-based "beat" system to respond to calls for service covering 60+ square miles. A seventh beat was added in 2007 due to the increase in downtown calls for service. A beat map has been attached (see *Police Beat Map*). RPD combines both aspects of workload and geography to determine

the beat boundaries. The calls for service are reviewed and beat lines are drawn so the workload is generally equal between the beats.

This is an effort to balance the workload so each officer responds to approximately the same number of calls, in addition to balancing the response times between the beats. Each beat is different in size and the beats are not balanced by square miles as in some cities. The beat lines are drawn along natural or manmade barriers, such as the Sacramento River, Interstate 5, etc. In essence each beat is a different size in square miles but drawn along logical barriers or along main roadways. As the population and density increases the geographic areas are likely to result in the need for additional beats and/or staffing. Otherwise, degradation of existing response times would almost certainly occur.

Infrastructure replacement and upgrade scheduling

A new climate-controlled evidence storage room for DNA evidence was completed in 2010 to comply with a state mandate requiring DNA to be stored for 75 years. A security system upgrade for the building was completed in 2010 with Department of Homeland Security funds. A microwave redundant communication system was also completed in 2011.

The department is scheduled to move from its current locations to the City Hall complex in the fall of 2014. In order to comply with the Emergency Services Act, a new field operations building for patrol will be built adjacent to City Hall. All other police services will be located in City Hall. The remodel at City Hall and the new field operations building will be funded through bond funds, as well as savings from the Stillwater Business Park project. The City budgets funds annually for rolling stock replacement.

Additionally, RPD estimates a five-year life cycle on its mobile data computers. Police vehicles are generally replaced after being driven 100,000 to 130,000 miles. Replacement of most other department equipment is based on shelf life. This equipment includes (but is not limited to) weapons, vests, flashlights, and leather gear.

In an effort to replace an outdated records management system, the Integrated Public Safety System (IPSS) is currently being implemented. The system serves RPD, the Shasta County Sheriff's Office, and the Anderson Police Department.

Infrastructure deficiencies

The current RPD building, located at 1313 California Street, is dangerously inadequate due to its age and poor structural state. The Investigations Division is currently housed a block away from the main police department. This causes some

logistical problems along with slowing the flow of information between divisions of the department. These problems will be resolved with the move to City Hall.

Underutilized capital facilities

The City is unaware of any underutilized facilities.

Forecasting service needs

Using a statistician, the Department monitors crime trends and statistics to help forecast future service needs. RPD's statistician works with other City departments to have the most current information to assist in this planning (i.e., population, building, and annexation efforts).

Planning services with growth projections

Growth/population projects are just one of the many factors considered in plans for future services. Response time to emergency and priority calls for service are the benchmark used by the department in accessing future services. As previously discussed, the goal of the Police Department is to maintain, at a minimum, a sworn officer-to-population ratio of 1.36 officers per 1,000 resident. It is RPD's goal to respond to 85 percent of "Priority 1" calls within five minutes of being dispatched. However, due to the economic downturn in 2008, staff has been significantly reduced. The number of Police Officers has been reduced to 98 (down from 119) and Community Service Officers have been reduced to three (down from 16).

Services areas or zones less than agency-wide

All zones are provided the same level of service. All beats have an average response time of approximately 39 minutes, 50 seconds. "Priority 0-2" calls have a 19 minute, 7 second average. It is important to note that response times vary based on priority travel time and officer availability. Some beats are more active at different times and on different days. Because officers are dispatched in the field, while on patrol, and in different locations throughout the City instead of from stations or substations, it is impossible to depict response times on a map.

Variances or inequities in service levels

There are no variances or inequities in levels of service. RPD is dispatched on a set priority of danger to civilians. High priority calls take precedence over low priority calls. RPD has a rating system for calls for service from 0-10.

Areas within the City that could be more efficiently served by another agency.

The service areas provided by the department are jurisdictional and governed by statute; however, mutual aid agreements are used in extreme conditions which may endanger the public. Due to decreasing services resulting from budget cuts, local law enforcement agencies rely more heavily on each other for assistance.

Areas outside agency that could be more efficiently served by City

The service areas provided by RPD are jurisdictional and governed by statute; however, mutual aid agreements are used in extreme conditions which may endanger the public.

Proposed or pending development requiring services

The Development Services Department keeps the other City Departments up-to-date on pending annexations and developments.

Joint Powers Authorities with other agencies

SHASCOM is Shasta County's Public Safety Answering Point (PSAP) operating under a joint powers agreement between the City of Redding and Shasta County. The agency receives all 911 calls for the county and dispatches for the City of Redding Police and Fire Departments, the Shasta County Sheriff's Office, the Anderson Police Department, and three ambulance companies.

Services provided outside the City boundary

Services are not provided outside the jurisdictional boundaries unless requested by mutual aid, specific MOU, or exigent needs

Infill policies and procedures

Because fire and emergencies can occur anywhere, the City plans for infill areas as a matter of everyday planning.

Provisions for providing emergency services

The Fire and Police Departments have policies and procedures in place to deal with heightened threat levels as established for terrorist activities. Liaisons with other first responders (Fire, EMS, etc.) are established, along with ongoing training for all personnel.

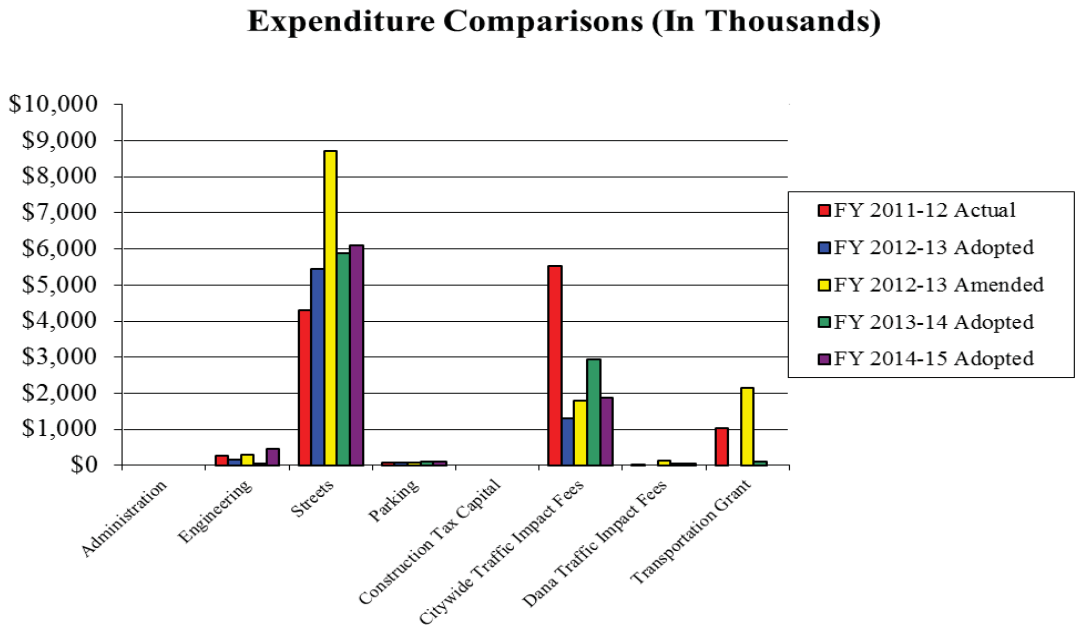
The Fire and Police Departments participate in Mutual Aid Agreements, as mandated by the State Office of Emergency Services, and have generators to supply power in case of a power outage. The Departments actively participate in the City of Redding Emergency Operations Center (EOC) with the goal of providing emergency services. The EOC program is planned, designed, and operated to support emergency response for an unlimited period of time (see *Municipal Code Section 9.12, Emergency Organization & Function*).

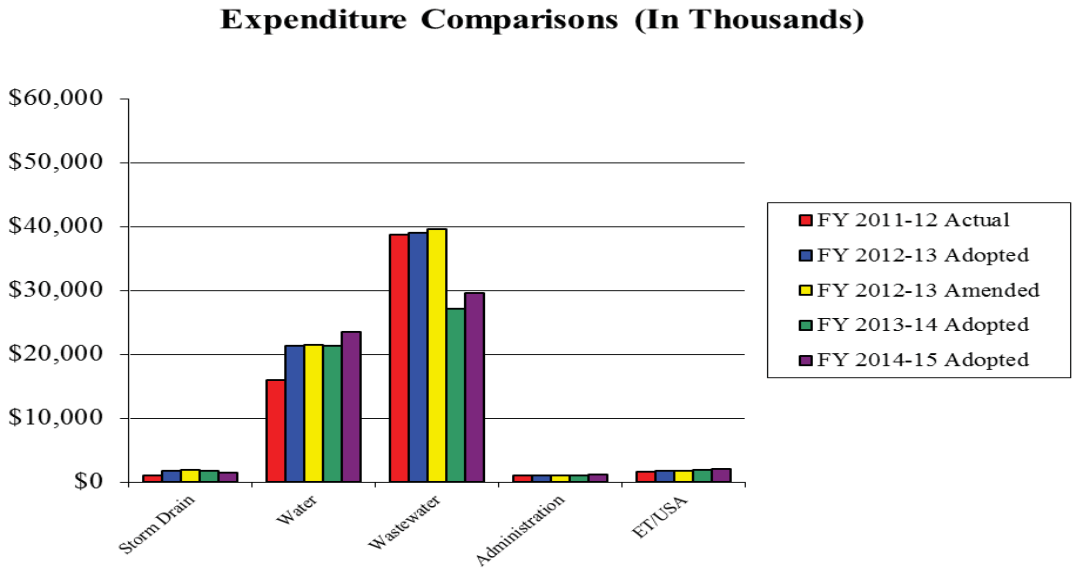
8. PUBLIC WORKS DEPARTMENT

This Department has a mission that requires serious multi-tasking by its director and staff. Responsibilities assigned to the three main divisions in this Department are:

- Transportation Division
  - Streets
  - Parking
  - Transportation Planning Administration
  - Redding Area Bus Authority (RABA)
  - Traffic Operations
  - Traffic Impact Fees
- Engineering Division (provides support services to the Divisions)
  - Design
  - Survey
  - Environmental Compliance
  - Construction
- Municipal Utilities
  - Water
  - Storm Drain
  - Administration
  - Electrical Tech/USA Locate
  - Wastewater

Expenditure charts for Transportation and Utility Divisions (respectively, below), and Public Works net budget figures follow:





Net Budget for Public Works Divisions

Description	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2012-13 Amended	FY 2013-14 Adopted	Increase (Decrease)	FY 2014-15 Adopted	Increase (Decrease)
Storm Drain Utility	$ 1,065,620	$ 1,714,150	$ 1,938,760	$ 1,815,110	$ (123,650)	$ 1,442,590	$ (372,520)
Water Utility	16,035,456	21,270,672	21,460,672	21,387,830	(12,560,793)	23,447,040	2,539,740
Wastewater Utility	38,649,475	39,058,863	39,638,963	27,078,170	(181,772)	29,617,910	2,128,660
Subtotal Enterprise Funds	**$ 55,750,551**	**$ 62,043,685**	**$ 63,038,395**	**$ 50,281,110**	**$ (12,866,215)**	**$ 54,507,540**	**$ 4,295,880**
RMU Administration	$ 1,000,907	$ 1,086,030	$ 1,067,570	$ 1,100,500	$ 32,930	$ 1,158,980	$ 58,480
ET/USA Locate	1,691,853	1,770,035	1,806,285	1,905,960	99,675	1,994,150	88,190
Subtotal Internal Service Funds	**$ 2,692,760**	**$ 2,856,065**	**$ 2,873,855**	**$ 3,006,460**	**$ 132,605**	**$ 3,153,130**	**$ 146,670**
Transportation Planning Administration	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Engineering	263,581	152,740	282,740	43,970	(239,620)	456,800	412,830
Streets	4,302,041	5,450,520	8,716,970	5,884,000	(2,832,970)	6,107,050	223,050
Subtotal General Fund	**$ 4,565,622**	**$ 5,603,260**	**$ 8,999,710**	**$ 5,927,970**	**$ (3,072,590)**	**$ 6,563,850**	**$ 635,880**
Parking	79,658	78,790	78,790	112,030	33,240	108,670	(3,360)
Construction Tax	$ -	$ -	$ -	$ -	-	$ -	$ -
Citywide TIF	5,534,432	1,314,930	1,798,430	2,927,620	1,129,190	1,873,540	(1,054,080)

Dana TIF	7,840	-	125,000	50,000	(452,840)	50,000	-
NRTBD	-	-	-	-	-	-	-
Transportation Grant	1,019,427	-	2,157,320	92,520	11,615,280	-	(13,805,080)
Subtotal Special Revenue	**$ 6,641,357**	**$ 1,393,720**	**$ 4,159,540**	**$ 3,182,170**	**$ 12,324,870**	**$ 2,032,210**	**$ (14,862,520)**
Totals	**$ 69,650,290**	**$ 71,896,730**	**$ 79,071,500**	**$ 62,397,710**	**$ (3,481,330)**	**$ 66,256,730**	**$ (9,784,090)**

The main charge of this Department is to plan, construct, operate, and maintain the infrastructure assigned to accommodate an aging and growing urban area.

- Municipal Utilities are termed Enterprise funded since they operate entirely with self-supporting revenues and require no General Fund support.
- Transportation has evolved largely into an Enterprise funded program; General Fund support has been reduced.
- Engineering is responsible for the development and delivery of the City's Capital Improvement Program, and receives support from various City Departments, with capital improvement needs that include limited support from the General Fund.

Capital projects, significant issues, and goals and accomplishments are found in Section I, pages I-15 to I-42, of the 2014-2015 Biennial Budget. The adopted 2013-14 Budget for the Public Works Department and its Divisions totals $62,397,710.

Infrastructure Needs

Projects included in the Traffic Impact Fee program are determined following an analysis of traffic growth based on development. Computer models are utilized to project circulation impacts and suggested project additions in conformance with the General Plan. These project lists are analyzed by City staff and citizen committees prior to review by the City Council.

Street maintenance projects are selected following review of the City's Pavement Management Program which is a computer-based street condition analysis program. The list developed from the computer model is further reviewed by staff prior to a final development of a maintenance list.

Traffic Safety Projects are determined by analyzing traffic collision, volume, and level of service information to identify locations with elevated collision rates.

Infrastructure replacement and upgrade scheduling

The City of Redding documents the status of the capital projects through the Capital Project Status Report (CPSR). The CPSR is reviewed monthly to determine project development and construction cost, schedule and budget information. The

CIP reviewed biannually by the City Council to verify priority project listing and funding availability (see *CIP* and *Capital Project Status Report*).

Infrastructure deficiencies

There is currently an estimated $30 million backlog of street maintenance needs. An estimated annual investment of $11 million in capital preservation funds are needed over a five-year period to address this need. The City only allocates $1-2 million annually for this effort and the system continues to deteriorate to unacceptable levels. The maintenance is funded through State Transportation Development Act and Highway Users Tax Account funds, as well as Federal Exchange funds, as available. Prior to the recent recession, funds were from the City's General Fund. There have been no permit or regulatory violations within the street maintenance program.

Underutilized capital facilities

The City is unaware of any underutilized facilities within the street/circulation system which could be utilized by another agency.

Forecasting service needs

Service needs are forecast using building/growth projections developed though the Development Services Department. These numbers are then used as a basis for the computer models which project traffic circulation impacts. Maintenance needs are developed using a Street Pavement Management Program.

Planning services with growth projections

The General Plan Circulation Element includes the growth/population projects. Computer traffic models which assist in the development of project needs utilize the General Plan numbers.

Services areas or zones less than agency-wide

Does not apply to transportation services.

Variances or inequities in service levels

Pavement condition is better in some areas and worse in others due to funding limitations.

Areas within the City that could be more efficiently served by another agency.

The City of Redding is unaware of any part of its circulation system which could be more efficiently served by another agency.

Areas outside agency that could be more efficiently served by City

The City of Redding is unaware of any part of another agencies circulation system which could be more efficiently served by the City of Redding.

Proposed or pending development requiring services

The Development Services Department keeps the other City Departments up-to-date on pending annexations and developments. The planned developments at Interstate 5 and Oasis Road, which include a new Costco store/gas station, have been taken into account for future planning. With the potential for growth in the Stillwater Business Park, the department has examined how future annexations in the east would be served. Also the City would be in a good position to provide service to some areas of the Churn Creek bottom served by City roads and, in some cases, City utilities.

Joint Powers Authorities with other agencies

The City of Redding has entered into a joint powers agreement with Shasta County, City of Anderson and City of Shasta Lake to form the Redding Area Bus Authority for the provision of public transit services. In addition, the City contracts with each of these agencies, as well as Caltrans, for traffic signal maintenance.

Services provided outside the City boundary

None.

Infill policies and procedures

Streets and Transportation only services those lands within the City's boundaries.

Provisions for providing emergency services

The Fire and Police Departments have policies and procedures in place to deal with heightened threat levels as established for terrorist activities. Liaisons with other first responders (Fire, EMS, etc.) are established, along with ongoing training for all personnel.

The Fire and Police Departments participate in Mutual Aid Agreements, as mandated by the State Office of Emergency Services, and have generators to supply power in case of a power outage. The Departments actively participate in the City of Redding Emergency Operations Center (EOC) with the goal of providing emergency services. The EOC program is planned, designed, and operated to support emergency response for an unlimited period of time (see *Municipal Code Section 9.12, Emergency Organization & Function*).

9. REDDING AREA BUS AUTHORITY (RABA)

RABA is a joint powers authority between local Shasta County agencies. Its Board of Directors are comprised of Redding City Council members and representatives of the City of Shasta Lake, the City of Anderson, and Shasta County Board of Supervisors. A number of reports are available at the Authority's website: www.rabaride.com .

RABA provides rides to over 800,000 people each year, and has been serving the Redding, Shasta Lake, and Anderson communities since 1981. It is managed under the Transportation Division of Public Works. As an Authority is has a separate budget program. RABA receives a federal grant of $250,000 or more in FTA planning capital, and operating assistance from the Department of Transportation each federal fiscal year for participation in the Disadvantaged Business Enterprise Program.

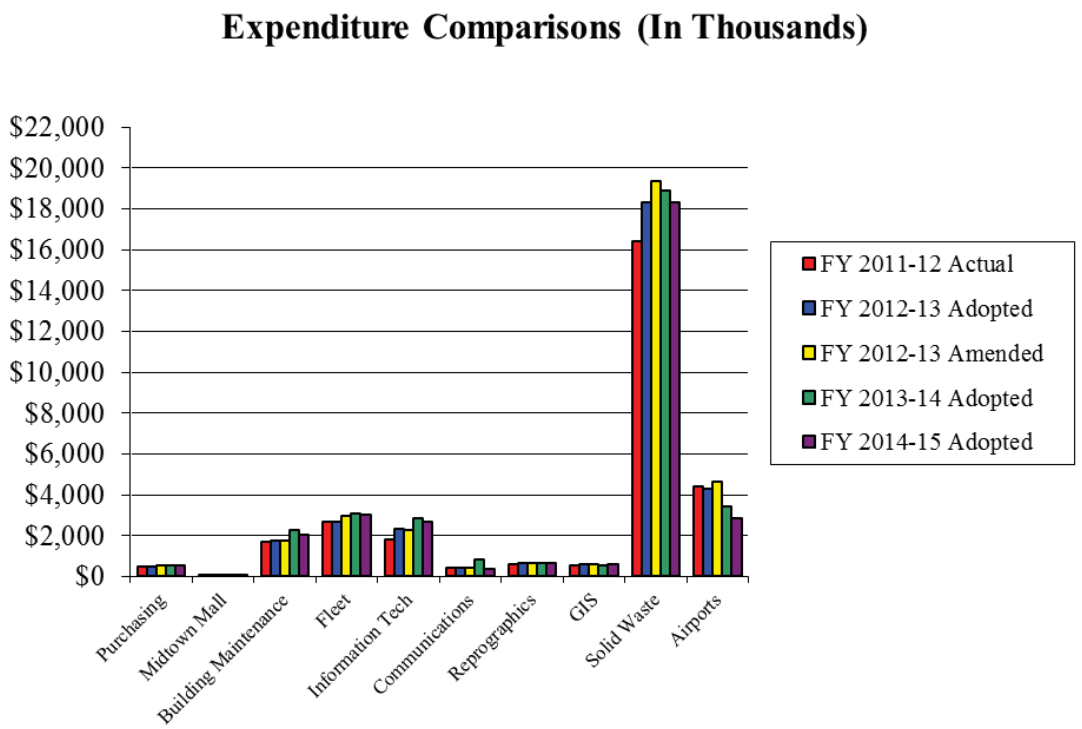
Budget revenues and expenditures charts are not readable when inserted here, and can be found in the 2014-2014 Biennial Budget, Section K pages K-36 to K-38. Budget estimates for 2014-15 revenues total $6,436,360, and include both operating and capital revenues. Please consult the RABA website for meeting agendas and minutes.

10. SUPPORT SERVICES DEPARTMENT

The City has assigned the Support Services Department to address common services needs of City departments. Main budget categories within this Department include:

- Airports
- Information Technology
- Communications
- Geographical Info Systems (GIS)
- Purchasing Office
- Fleet Management
- Facilities/Building Maintenance
- Reprographics
- Solid Waste Municipal Utilities Management
- Purchasing
- Midtown Mall

The expenditure chart and net budget summary for this department follows:



Public Works Net Budget

Description	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2012-13 Amended*	FY 2013-14 Adopted	Increase (Decrease)	FY 2014-15 Adopted	Increase (Decrease)
Purchasing	$ 471,034	$ 508,010	$ 519,160	$ 520,350	$ 1,190	$ 557,440	$ 37,090
Midtown Mall	22,590	28,420	28,420	29,520	1,100	29,510	(10)
General Fund Subtotal	493,624	536,430	547,580	549,870	2,290	586,950	37,080
Solid Waste Utility	16,412,702	18,296,320	19,377,160	18,898,900	(478,260)	18,324,005	(574,895)
Airports	4,384,849	4,267,110	4,652,270	3,432,110	(1,220,160)	2,861,060	(571,050)
Enterprise Fund Subtotal	20,797,551	22,563,430	24,029,430	22,331,010	(1,698,420)	21,185,065	(1,145,945)
Building Maintenance	1,706,074	1,753,480	1,753,480	2,257,500	504,020	2,029,940	(227,560)
Fleet Maintenance	2,676,761	2,689,870	2,945,870	3,053,840	107,970	3,025,530	(28,310)
Information Technology	1,785,436	2,303,680	2,273,680	2,864,060	590,380	2,698,370	(165,690)
Communication	427,225	446,900	446,900	821,360	374,460	379,100	(442,260)
Geographical Info Systems	534,191	602,140	602,140	559,110	(43,030)	587,690	28,580
Reprographics	616,902	676,060	676,060	649,960	(26,100)	679,100	29,140
Internal Service Funds Subtotal	7,746,589	8,472,130	8,698,130	10,205,830	1,507,700	9,399,730	(806,100)
TOTAL	$ 29,037,764	$ 31,571,990	$ 33,275,140	$ 33,086,710	$ (188,430)	$ 31,171,745	$ (1,914,965)

The adopted budget for 2014-2015 totals 3,086,710, which is less than the previous fiscal year by $188,430. Goals, objectives, accomplishments for each division can be found in the Biennial Budget in Section J.

11. REDDING HOUSING AUTHORITY (RHA)

The City of Redding (City) has recognized the need to provide housing opportunities for extremely low-, very low- and moderate-income residents of the community. To meet these needs, the Housing Authority of the City of Redding (RHA) was established by the City Council in 1975. City Council members and a Housing Choice Voucher (HCV) Program participant serve as the commissioners of the RHA.

The RHA receives grant funding from the Department of Housing and Urban Development (HUD) to administer the Section 8 Housing Choice Voucher (HCV) Program. The HCV Program grant is used to assist very-low income (no more than 50 percent of the area median income) families, the elderly and disabled, to afford decent, safe and affordable housing units in the private market. For FY 2014-15, the RHA's budget was $7,646,940.
A budget summary follows:

Description	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2012-13 Amended*	FY 2013-14 Adopted	Increase (Decrease)	FY 2014-15 Adopted	Increase (Decrease)
RHA	$ 9,475,284	$ 10,040,960	$ 9,502,610	$ 9,591,730	$ 89,120	$ 7,646,940	$ (1,944,790)

Complete budget details include goals, objectives and accomplishments and can be found in the 2014-2015 Biennial Budget, Section K, pages K-41 thru K-44.

12. ADDITIONAL DATA

Personnel as of July 2013

Business Center	Position	FTE	PTE
Electric Utility	Executive	1	/
(183 positions)	Management	/	/
	Supervision	21	/
	Professional	23	/
	Operational	101	9
	Vacancies	28	/
Fire Department	Executive	1	/
(39 positions)	Management	7	/
	Professional	3	/
	Operational	28	/
Police Department	Administration	7	1

Business Center	Position	FTE	PTE
(150 positions)	Field Operations	80	14
	Investigations	21	1
	Support Services	18	3
	I/T (IPSS)	5	/
Solid Waste Utility	Management	6	/
(84 Positions)	Operational	78	/
Streets, Traffic Circulation	Executive	1	/
(21.5 positions)	Management	1	/
	Professional	3.5	/
	Operational	16	/
Water, Wastewater, Stormwater	Administrative	6	/
Water Utility	Management	4	/
(36 positions)	Operational	32	/
Wastewater Utility	Management	1	/
(45 positions)	Operational	44	/
Stormwater Utility	Management	0	/
(6 positions)	Operational	6	/

Functions provided by others

- REU employs outside legal counsel for FERC regulatory filings.
- Fire Department dispatch is handled by SHASCOM
- Police Department
  - School Resource Officer (schools shares in funding)
  - Elder Abuse Investigator (Shasta County Health & Human Services Agency shares in funding)
  - OTS DUI Officer (Office of Traffic Safety funds ½ time Traffic DUI officer)
  - AB109 Realignment. State AB109 funding through the Shasta County Sheriff's Office reimburses RPD for one investigator assigned to AB109 Compliance Operations.
  - Community Oriented Policing Services (COPS). U.S. Dept. Of Justice (DOJ) provided entry level funding for three years for four officers under the COPS Hiring Program (CHP). This funding ends in January, 2014.
  - Shasta-Tehama-Trinity Joint Community College District. Provides funding to respond to Part 1 Violent Crimes occurring on the Shasta College Campus, respond to emergency calls and reports of suspicious activity, routinely patrol Campus, offer training to District Security Officers and other tasks jointly agreed upon.
  - Win River Investigator. Provides $75,000 for investigating financial crimes occurring in the City with ties to Win River Casino.

  - Graffiti Eradication Program. The Police Department has a full-time Community work Program Officer who works with volunteers and community groups to remove graffiti. RPD also monitors a 24 hour graffiti hotline.
  - Redding Merchants Crime Watch. Over 300 local businesses formed a collaborative to share information regarding crimes and suspicious activity in their areas. They dispatch emailed details of crime they see or hear about to members and to RPD, and they hold bi-monthly meetings to discuss crime trends.
  - Community Safety Evaluation Team (CSET). Composed of community members and various departments at the City of Redding, including Code Enforcement, Fire, Planning, RPD, and the City Attorney to collaborate in an effort to solve issues and concerns throughout the city including various crimes, nuisances identified by citizens, stakeholders, and business owners. The focus is to make tactical plans for long-term solutions.
  - Lassen County Community College. The gun smithing class for Lassen Community College destroys firearms which were confiscated in crimes
- Streets/Traffic Circulation utilizes consultants to assist in the development of Master Plan and project plans. Additionally, firms are utilized in the construction of infrastructure which exceed the City's staffing availability. This allows the City to maintain an effective work force without having to provide staffing to meet maximum need at all times.

Cooperative arrangements with other agencies

- REU will cost-share with other public agencies for various FERC regulatory filings
- Fire Department provides fire service to areas of the County (such as islands) and the Buckeye Fire Protection District under contract with those agencies to more efficiently serve those unincorporated areas. The contract with CSA #1 – Shasta County Fire allows it to respond when requested. Mutual aid agreements are in effect with adjacent independent fire districts.
- Police Department
  - Shasta Interagency Narcotics Task Force (SINTF). The Shasta County Sheriff's Office, Anderson Police Department, California Highway Patrol, Shasta County Probation Department, Department of Justice, State Parole Office, and Shasta County District Attorney's Office conduct narcotics investigations through participation in a county-wide task force.
  - Parole/Probation Unit. The Shasta County Adult Probation, the State Parole Office and the Redding Police Department work together to hold parolees and probationers accountable for terms and conditions of their parole/probation.
  - Avoid the Five. Local area law enforcement agencies, along with the State Office of Traffic Safety, Shasta County Probation, and MADD work together to conduct DUI checkpoints and DUI saturation patrols.
  - Shasta Area Safety Communications Agency (SHASCOM). SHASCOM is a regional consolidated dispatch center providing services to City of Redding Police and Fire, Shasta County Sheriff's Department, and ambulance agencies.

  - Integrated Public Safety System (IPSS). IPSS provides computerized law enforcement information and data to each of its law enforcement agencies (Redding Police Department, Shasta County Sheriff's Department, Anderson Police Department, Shasta County District Attorney's Office, Shasta County Probation, State Parole, Shasta County Jail, Redding Fire Department, and SHASCOM).
- Solid Waste Utility: joint powers agreement between the City and County to operate the Richard W. Curry/Wes Central Landfill.
- Streets/Traffic Circulation: City routinely enters into cooperative agreements with CalTrans, Shasta County and the Cities of Anderson and Shasta Lake in the construction and/or maintenance of circulation infrastructure that is common to both agencies, such as traffic signals. This includes all modes of transportation, including vehicle, bicycle, and pedestrian facilities.
- Wastewater Utility: Redding Municipal Utilities Hazardous Materials Emergency Response Team provides primary decontamination services within the Redding Mutual Threat Zone, in conjunction with the Shasta Cascade Hazardous Materials Response Team (composed of fire service members from throughout a six-county region.)

Policies and Procedures

The City and its departments and business centers have established policies operations and for contractor performance initiatives, competitive bidding. The City Purchasing Division maintains these general and other general policies.

Awards and recognitions

The City's utilities and divisions have received numerous awards over the past three years.

c. Fiscal

REU's largest revenue source is electric power sales, both retail and wholesale. A small amount of revenue is obtained from a variety of fees and services such as: service relocations, joint pole usage, penalties, investment income, and miscellaneous. The revenue from non-power sales is not significant. The charges are established by resolution adopted by the Council.

The City of Redding Fire Department is funded by the City's General Fund. The General Fund's five largest sources of revenue are sales tax, property tax, transient occupancy tax, in-lieu property tax, and motor vehicle in-lieu fees. These five sources make up over 75 percent of the General Fund revenue. A fee is charged for all fire and life safety plan checks as established by the City of Redding Schedule of Fees and Service Charges. Currently, the SAFER Grant is funding nine positions for a two-year period.

Revenues are monies received by the City and are reported by source as follows: Taxes; Fines, Forfeitures, and Penalties; Licenses and Permits; Use of Money and Property; Internal Departments; Other Governmental Agencies; Charges for Current Services, and

Other. Taxes are compulsory charges levied by a governmental agency for the purpose of financing services performed for the common benefit. Primary sources are Property Tax, Sales Tax, and Transient Occupancy Tax. Fines represent monies paid as an imposed penalty for an offense such as a traffic or safety violation. Licenses and permits represent a voluntary or officially given right to levy a charge for a service provided. For example, a primary source of revenue from permits are those generated for approval of construction projects within the City limits, i.e., building permits. Money and Property identifies revenue received from investments or rental of assets.

Revenue from Internal Departments is revenue charged to other departments for services provided by another department. The two main sources of revenue from internal departments is in-lieu property tax and cost allocation reimbursement. Other Governmental Agencies contribute revenue to the City by participating in specifically approved City activities. Revenues can be received from federal, state, county, or other local governmental agencies. Revenues for the most part are restricted to the guidelines developed by the governmental agency allocating the funds. Some of these include motor vehicle in-lieu fees, state mandated claims, Housing and Urban Development funds, various grants from the State of California and the federal government. Charges for current services are user charges applied to specific services provided by the City. The charges are established by resolution adopted by the City Council. Examples of charges for current services recreation fees, plan check fees, inspection fees, and fingerprinting fees. Other revenues are those resources not accounted for in any other category. They include miscellaneous revenue, compensation/property damage, and contributions. The General Fund's five largest source of revenue are sales tax, property tax, transient occupancy tax, in-lieu property tax and motor vehicle in-lieu fees. These five sources make up over 75 percent of the General Fund revenues.

At the discretion of the City Council, the following funds are used in support of capital improvements and maintenance efforts of the circulation system:

- State and Federal Gas Tax.
- Transportation Development Act.
- Federal Exchange Funds.
- Developers' contributions.
- Citywide Traffic Impact Fees.
- State Transportation Improvement Program.
- Federal Transportation Improvement Program.
- State Proposition 1B.
- Encroachment Permit Fees.
- General Fund.

The constraints faced by the City of Redding are no different than the constraints faced by many local governments. However, the City of Redding practices long-range financial and

capital planning which allows it to provide the needed services at the time required. Master Plans and the City's General Plan help the City identify potential infrastructure needs ahead of time so plans can be developed. The City has a strong bond rating, minimal debt, and a sound financial base which will allow it to handle the infrastructure needs of the City's residents.

The City of Redding has adopted several policies to keep the City on sound financial footing. REU uses a five-year plan for all expenditures and maintains a minimum 20 percent reserve in its respective utility fund. All items brought to Council must include a fiscal impact statement to assess how the action will affect REU's finances. Many of these policies are found in the City's adopted Budget Manual, Municipal Codes, City Council Policy Manual, and the City Manager's Policy Manual.

Bond rating
REU currently has an A2 rating from Moody's and an A rating from Fitch. The rating outlooks are stable.

The City of Redding has several bond ratings, one for general government, and others for its various utilities. The City ratings range from A- to A, with a stable outlook.

Standard & Poor's Ratings Services assigned its 'AA' long-term rating to Redding Joint Powers Financing Authority, California's Series 2013A Water and Wastewater Refunding Revenue Bonds, issued to the City of Redding. The outlook on all ratings is considered stable.

Investment Practices
The City Treasurer has the fiduciary responsibility to maximize the productive use of assets entrusted to its care and to invest and manage those public funds wisely and circumspectly. Therefore, the City must operate its idle cash investment pool under the "prudent man rule" (Probate Code Article 2, Sections 16040/042). This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California Government Code Section 53600, et seq. (see *Council Policy No. 408*).

Reserves
The Council has adopted the establishment of a minimum twenty percent reserve (percentage of O&M requirements) to cushion economic impacts on City electric services.

Council policy helps keep the City on sound financial footings. This policy calls for the establishment of a five percent reserve to cushion economic impacts on City services and the tax payer. This plan allows the City to anticipate and plan for future needs and expenditures. By knowing how a dollar spent today affects the City ten-years in the future the City Council can make balanced decisions.

Rate/fee variances
REU and the City establishes rates and fees for services provided in accordance with the laws of the State of California and in conformance with the City Municipal Code. Rates and fees are established to recover all or a portion of the cost of providing services. These costs vary by service and department.

Rebates and/or credits
REU has many programs in effect to offer rebates and fee relief to customers. California AB1890 established that all electric utilities in the State of California allocate a minimum of 2.85 percent of each electric utility's total revenue to be spent on public benefits programs within four defined categories. These categories are: Demand-Side Management/Energy Efficiency; Research, Development, and Demonstration (RD&D) and education of new energy technologies; Renewable Energy Resources; and Low-Income Assistance.

According to Council Policy 802 "It is necessary to evaluate established fee levels periodically to ensure that the fee is adequate to recoup the cost of providing the service, or, in the circumstance that the City is partially subsidizing the cost of a service, that the City is recovering the targeted cost of service level" (see *Fee Evaluation and Adjustment Policy, Council Policy No. 802*). Most fees and service charges are indexed to the Consumer Price Index and increase each year by that amount.

Rate restructuring
REU rates are developed based on the CIP, long term energy forecasts, load projections, and consumer price indices, coupled with bond covenants and reserve requirements. Rate forecast and revenue requirements are presented to the Council with full public review. Rate issues may be brought before the Council at any advertised meeting where adequate public notice is given. REU attempts to stabilize rates over a long term period for consumer protection.

According to Council, policy fees and service charges are reviewed at least annually to ensure that the fee is adequate to recoup the cost of providing the service, or, in the circumstance where the City is partially subsidizing the cost of a service, that the City is recovering the targeted cost of service level.

Depreciation/replacement policies
Each and every fund in the City of Redding is required to have a long range fiscal plan. REU infrastructure needs are planned for and addressed through the use of these plans. A capital improvement plan is created and reviewed to establish time lines for capital replacement and expansion. The City's Five-Year Capital Improvement Plan is developed every two years, opposite of the biennial budget (see *Capital Improvement Plan*).

The Fire Department uses long-range planning in the acquisition and deployment of firefighting apparatuses. A five-year rolling stock fund helps this department plan and prepare for the future. Each and every fund in the City of Redding is required to have a long range fiscal plan. Infrastructure needs are planned for and addressed through the use of these plans. A capital improvement plan is created and reviewed to establish time lines for capital replacement and expansion.

The City's Five-Year Capital Improvement Plan is developed every two years, opposite of the biennial budget.

d. Governance

The City of Redding is a general law City, incorporated under the laws of the State of California in 1887. A council of five members elected at-large for staggered four-year terms governs the City. The Mayor, Vice-Mayor, City Manager, and City Attorney are appointed by the City Council. The City Clerk and City Treasurer are also elected officials and serve four-year terms. Compensation for the City Council is established by California Government Code §36516(4) and is based on population.

"City Council meetings and its subsidiary agency meetings (RABA, Housing Authority, etc.) are noticed in accordance with State law which is embodied in the Ralph M. Brown Act. The required procedures for noticing meetings and inviting public input are stringently adhered to and are set forth in the Act.

The City Clerk's Office e-mails agendas and special meeting notices to the local news media within the prescribed time lines, posts them on the Agenda Display Board located at City Hall and on the City's internet web page: www.ci.redding.ca.us. In addition, the public can receive faxed copies of agendas by dialing the automated citizens' information system called "Redding Reachout" at (530) 225-4500 and selecting the appropriate three-digit code.

Relative to public participation at meetings, standard language appears on all agendas and special meeting notices inviting the public to address the governing body on all matters listed on the agenda, and the Mayor or presiding officer reinforces this invitation verbally. In addition, a special section of the agenda is reserved for public comment on any issue with the caveat that the City Council may not take action on any item under oral communications.

The regular City Council meetings are held the first and third Tuesdays of every month at 6:00 p.m. in the City Council Chambers located at 777 Cypress Avenue, Redding, California.

The regular meetings of the Redding Housing Authority and Redding Area Bus Authority (RABA) are held on the third Monday of every month at 5:15 p.m. in the City Council Chambers located at 777 Cypress Avenue, Redding, California.

The new City Council Chambers was completed in January 2000 and meets ADA requirements for accessibility with a maximum seating capacity of 200."

4. REGIONAL CONTEXT/RELEVANT SERVICES BY OTHER AGENCIES

Land use and building regulations and services are provided by the City of Redding. Law enforcement and fire and emergency services are provided under contracts or agreements with other local agencies. The city currently participates in several joint powers agreements or agencies. A number of these collaborations are identified in the departments and business centers narratives preceding this section.

5. AGENCY BOUNDARY AND PROPOSED SPHERE OF INFLUENCE UPDATE MAPS.

The City's General Plan limits future annexations to areas designated as "Primary and Secondary Growth Areas." Further, the City's recently updated Utility Master Plans for water and wastewater reflect only the improvements needed to serve properties in the existing City limits and these growth areas. The proposed SOI update boundary, as shown in Exhibit A of this report, is in conformance with these City policies.

Any future proposal or project that includes the contractual extension of city or district services outside their existing city boundary and SOI boundary stimulates the application of California Government Code Section 56133 (Cortese-Knox-Hertzberg Local Government Act or CKH Act), and requires LAFCO oversight and approval prior to implementation by either party.

The SOI Update process is designed to address accommodation of potential growth needs for the next ten to twenty years, with regular reviews every five years. The current quarry project, building steam since 2005, appears to be more imminent, than potential. In addition, it is substantially surrounded by the City on three sides. The CKH Act specifically authorizes the following actions to be undertaken:

- 56133(a): A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county. [in this case, Shasta LAFCO]

- 56133(b): The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization.

- 56133(c): The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to

respond to an existing or impending threat to the public health or safety of the residents of the affected territory [with conditions that must be met before this can happen].

Including this proposed industrial development area within the recommended sphere of influence for the City of Redding will open up (1) the opportunity for the City to apply for LAFCO permission to contract for services outside its boundary but within its updated SOI boundary, and (2) plan for the annexation of the territory into the City.

This process supports the Legislature's basic intent for LAFCOs to oversee and provide for the orderly development and growth of communities and services within the county of its jurisdiction. The City of Redding already services industrial and commercial developments within its current boundaries, and, in fact, manages a major utility system itself. Thus it will not be a stranger to the processes involved with changing their municipal boundary to incorporate and manage services for this particular industrial proposal.

6. WRITTEN DETERMINATIONS FOR THE MUNICIPAL SERVICE REVIEW

a. Growth & Population Projections

Development and growth within the City will be primarily guided by economics, and increased population responding to availability of housing and jobs. The City considers it has sufficient undeveloped land within city limits to accommodate a moderate rate of growth. City operations and program growth will be included and considered during development permit processes for these areas so as to effectively meet expected service needs.

b. Disadvantaged Unincorporated Communities (DUCs)

Senate Bill 244 (2011) governing the identification of disadvantaged unincorporated communities (DUCs) requires both counties and cities to undertake an inventory of these areas during updates of their General Plan Housing Element.

In addition, LAFCOs are mandated to make determinations about DUCs located within or adjacent to an agency during its periodic municipal service review and sphere of influence updates, and also during any subsequent proposed boundary change requests. Shasta LAFCO has not at this time established a local policy for defining or modifying the review requirements for these DUCs set by the Legislature in SB 244.

A "community" is defined in SB 244 as an inhabited area within or coterminous to a city's sphere of influence, and that is comprised of no less than 10 dwellings adjacent or in close

proximity to one another, or at least 12 registered voters within the identified area. SB 244 identifies "island" areas as those unincorporated areas surrounded or substantially surrounded by City territory, and "fringe" areas as those outside City limits, but within the City's designated sphere of influence boundary.

Areas outside the city, serviced by or coterminous to the City's sphere of influence, may qualify as a DUC under this Act. Analysis by the City, to take place during specific General Plan element updates, will include evaluation of unmet service needs of these areas (i.e. failing septic systems, water service, or drainage issues, etc.). This can include such communities or neighborhoods as trailer parks or resort areas, and more specifically include islands of unincorporated land scattered within the City's corporate boundary.

These unincorporated areas, which may or may not be receiving city services, should also be identified and marked for future annexation. The City of Redding has identified these areas as primary growth areas. No requests for boundary changes or sphere of influence boundary changes have been identified at this time.

It is as yet unknown, however, whether any of the unincorporated areas contiguous to the City's proposed sphere of influence boundary will be identified as "disadvantaged unincorporated communities" as the City examines these areas during their current General Plan update.

By 2015 it is expected that the City will have identified the locations and characteristics of any of these DUC areas adjacent to its sphere of influence/city boundary [GC 56430(a) (2)], and addressed in the General Plan the requisite matters found in SB 244.

With identification of these special areas adjacent to the city sphere of influence, and the City's plans and policies established to address their unique service needs, LAFCO will be able to incorporate new data during the next round of municipal service reviews and sphere of influence updates due near 2019.

LAFCO is using a California State Parks (www.parks.ca.gov) calculator to provide a guide in estimating income and population levels (see attached sheets). The population counts shown on these reports only encompass a general diameter of the area and may not reflect the actual population assigned to those areas. The estimated income in this model is per capita rather than per household. Once the City completes an analysis of its DUCs, updated figures and data will be available for incorporation in the next LAFCO review.

According to the Parks model, the median per capita income for the state is $46,477, and a local community would qualify for designation as a DUC if their median income falls below 80% of this figure. The median per capita income calculation for the City of Redding area is estimated to be near $29,136.

A useful State Technical Advisory about the Disadvantaged Communities process may be downloaded from the Shasta LAFCO website at www.shasta.lafco.ca.gov under the "Resources" tab for use in locating and planning for services to identified DUCs by the County, its cities, and those special service districts providing services to these DUC areas, or whose sphere of influence is coterminous with Shasta County's unincorporated areas.

c. **Present and Planned Public Facilities**

The City monitors capital improvements, maintaining and upgrading service systems as need and funding availability permits. Future development is expected to pay its pro rata share for extension costs or development of additional services. Ongoing studies commissioned by the City will continue to estimate, evaluate, and address the impacts and future needs of the community as it grows.

The City will need to evaluate future out-of-area requests on a case-by-case basis, and submit an out-of-area service application to Shasta LAFCO before extending future services outside of its boundary and sphere of influence service area. Current services provided outside of City boundaries will need to be analyzed for their potential to be annexed into the City during the next round of LAFCO reviews.

d. **Adequacy of Public Services**

City facilities are adequate for its current service demands. It also has sufficient access to needed resources and capacity to manage service delivery to areas within its boundaries, with the cost of extension of services properly tied to development permits for future growth.

e. **Infrastructure Needs or Deficiencies**

City staff monitor and evaluate electric, water service, and sewer infrastructure for capacity, condition, availability, and quality. Correlation of current operational, capital improvement, and finance plans are appropriate for the size of the City and its service area at this time. Individual issues are discussed earlier in this report.

The updated General Plan and its environmental document provide additional data and analyses opportunities. The City Council has assured that well organized management systems are in place for all services it provides, and works diligently to resolve identified infrastructure needs and deficiencies.

f. **Financing Constraints and Opportunities**

The City provides a number of "enterprise" services, and funding for these come primarily from fees and charges levied for services provided. Other services rely on general fund resources, grants, or loans to finance their activities. The recent recession has made maintenance of these services and the employees necessary to serve them most challenging.

The City works to maintain a reasonable nexus between fees and charges levied and the cost of the services they provide. That having been said, the City seeks to be as efficient and innovative as possible in maximizing use of existing fiscal resources.

g. **Opportunities for Rate Restructuring**

There are inherent statutory limitations to the City's ability to restructure rates. The City regularly reviews fees and charges levied so as to maintain a reasonable nexus between rates and actual costs.

The City employs effective rate setting procedures, identifies conditions that could impact future rates, and gives due consideration to timely restructuring opportunities without impairing the quality of services.

h. **Status of and Opportunities for Shared Facilities**

Existing contractual agreements notwithstanding, there are presently inherent limitations in extending or sharing City services and facilities with areas outside its city limits and proposed SOI boundary.

i. **Accountability for Community Service needs, Governmental Structure, and Operational Efficiencies.**

The City Council meets on the 1st & 3rd Tuesdays of each month at 6:00 p.m., notices meetings, and offers the public ample opportunity to participate in their meetings. City staff continues to strive towards effective internal organization that provides efficient, quality services to its citizens.

7. WRITTEN DETERMINATIONS FOR THE SPHERE OF INFLUENCE UPDATE

a. **Present and planned land uses**

The City of Redding is an urban community with a population just over 90,000. It incorporated in order to provide coordinated services to the communities within its boundaries. The City has developed a General Plan and Zoning Ordinance to address the type of land uses

compatible for a city of its size. Uses include residential of various densities, with some more rural residential, commercial, and industrial designations.

The City has recently updated its General Plan and its associated elements, include a review of the Land Use Element. As part of that review, the City considered possible revisions to its current sphere of influence.

Ranchette-style development in unincorporated Shasta County has foreclosed options for future urbanization. Examples include the Montgomery Ranch area in the south-west portion of the SOI, several tracts within the Stillwater Creek basin, existing subdivisions along Old Oregon Trail (i.e. Whispering Oaks) and developed areas in the vicinity of Happy Valley Road. In some areas, topographical constraints severely limit the ability to develop at urban/suburban residential densities and commercial intensities. One example is the Walker Mine Road area in the northwest portion of the SOI.

Taken together, the reduced development potential in the aforementioned and other areas impact the financial viability of constructing major utility infrastructure. This is reflected in the Water and Wastewater Master Plans and the Growth Policies of the Redding General Plan.

Shasta LAFCO will have an opportunity to review subsequent changes to the City General Plan the next review of City services within the next round of SOI/MSR updates scheduled for 2019.

b. **Present and probable need for public facilities; adequacy of services**

The City has capital improvement programs for maintaining and upgrading its service systems. City ordinances and land use planning policies have been developed to require new projects participate in funding these needs. As this is a relatively new city, its services are still under development in many ways and can be considered adequate and ongoing for the purposes of this review.

In preparation for the next cycle of SOI/MSR reviews in 2019, it is recommended that Shasta LAFCO consider scheduling a comprehensive MSR/SOI review for all urban agencies under its jurisdiction who provide municipal-level services to their citizens.

c. **Present capacity of public facilities and adequacy of services**

City facilities are adequate for current service needs. The City of Redding has the capacity to provide existing levels of service to areas within the proposed sphere of influence boundary, with extension of services tied to development of parcels.

d. **Existence of social or economic communities of interest**

The City of Redding is located between the City of Anderson and the City of Shasta Lake in the Sacramento Valley. Redding is the largest urban city in Northern California, with Chico (Butte County) coming in a close second. Redding is a major commercial and industrial center for the North State, with the Cities of Shasta Lake and Anderson providing secondary shopping and service industry links for local residents. The City has contractual and cooperative agreements with a number of local, state, and federal agencies.

e. **Present and probable needs of disadvantaged unincorporated communities (DUCs) within the area.**

There is no unincorporated territory currently within the City limits; however, the City is surrounded by unincorporated territory coterminous with its current sphere of influence boundary.

A study of potentially disadvantaged unincorporated communities, as defined in Senate Bill 244, which may be located coterminous to their municipal boundaries, are expected to be evaluated during the current General Plan update, and from that work additional information should be available to Shasta LAFCO for an expanded analysis of this designation for the City of Redding during the 2019 round of MSR/SOI Updates.

8. CONCLUSION

In this review, Shasta LAFCO has endeavored to accurately assess the current services and organizational status of the City as a provider of municipal services based upon information available at this time. City staff provided excellent data from which to evaluate and support establishment of the currently proposed sphere of influence boundary.

This is the first update of this City's sphere of influence since 1991, and it is expected during the next cycle of MSR and SOI evaluations that additional data will be brought forward, especially as future development occurs as planned. LAFCO has made what we believe are substantiated determinations based upon prescribed statutory factors and available data from this agency.

It is recommended that the municipal service review and sphere of influence update for the City of Redding be adopted to include both the primary and secondary planning areas as identified on the enclosed SOI update map presented as Exhibit A and Exhibit B of this report.

9. REFERENCES

a. City (interviews, records)

b. County of Shasta Departments
c. Shasta LAFCO files for this City.
d. Internet research on various sites.

10. EXHIBITS

A. Map of proposed SOI Boundary
B. COR Growth Boundaries Plan
C. COR Organizational Charts
D. COR 2014-2015 Biennial Budget Summary
E. COR Annual Fiscal Report & Audit letters 2013
F. COR Impact Mitigation Fee Nexus Study
G. COR Fee Schedule
H. COR Capital Improvement Plan 2009-2015
I. COR Capital Project Status 2013
J. COR Fire Department
K. COR Police Department
L. COR Rate Study for Water-Related Fees 2013
M. PWS No. 4510005 – Annual Inspection
N. Redding Basin Water Resources Management – Final
O. COR Sewer System Management Plan
P. 2011 Federal Water Management Plan (partial; full report on website)
Q. Notice of Intent to Adopt CEQA Determination – Statutory Exemption PRC 21083
R. No Effect Determination – California Department of Fish & Wildlife