

Shasta Local Agency Formation Commission



Final
Municipal Services Review
& Sphere of Influence Update
County Service Area #13 – Alpine Meadows

December 18, 2014

**County Service Area #13 - Alpine Meadows
Municipal Service Review & Sphere of Influence Update**

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1. EXECUTIVE SUMMARY

Local agency formation commissions have been tasked with updating 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 review of the CSA #13 – Alpine Meadows’ services and SOI needs, satisfying the requirements of this statute.

A good portion of LAFCO’s original in-house information regarding formation of this District was unavailable. As a result, this baseline review seeks to associate the original formation purposes and activities of the District with an understanding of its current day operations and future plans.

2. GENERAL BACKGROUND

The service area for County Service Area #13 - Alpine Meadows (CSA #13) is located in eastern Shasta County, just west of Shingletown. It is approximately 30 miles from Redding travelling east on State Route 44. The District is located adjacent to and generally south of State Route 44. It was formed to provide all services permitted by state codes for county service areas.

Once approved by LAFCO in 1972, CSA #13 – Alpine Meadows was authorized to provide any or all services provided for in California Government Code Section 25210.1 *et seq.* Both water and wastewater systems were constructed by a developer in the early 1970s as a condition of a tentative map and development permits.

Developers were required to provide non-reimbursable funding for facility maintenance over the first two years of the project after the systems and facilities were accepted for transfer by CSA #13. In effect, through CSA #13, Shasta County actually “owns” and operates these facilities for almost forty years.

Due to the slow rate of development in the area, and the difficulty the soils had accommodating conventional septic tanks and leach fields on the initial parcels, sewer service was the first service initiated. Water service was later added to the primary area of Alpine Meadows. Two later annexations into the District only extended sewer services; water service from the District was not included. These secondary areas are provided water by either a mutual water company or by privately-owned wells. The CSA currently provides sewer services to 149.3 acres and water services to 106.5 acres.

Originally the CSA encompassed 149.3 acres and 27 parcels for both water and sewer services; subsequent annexations for sewer services only increased the total District service area to 255.8 acres and 44 parcels of varying sizes.

The last update to the CSA #13 – Alpine Meadows sphere of influence occurred in 1985 when it was given a SOI boundary coterminous with its existing boundary. County Service Areas may annex lands or areas that are not coterminous to its boundaries, and thus with CSA #13 we find these District boundaries encompass three separate and distinct areas.

3. AGENCY SERVICES

a. Infrastructure, Facilities and Services

Under the administration of the County Public Works Department, administration of the systems within CSA #13 - Alpine Meadows began shortly after District formation in 1972. The system was installed by the developer as a condition of approval, and continued to maintain the systems for two years after the CSA #13 accepted the facilities.

CSA #13 has operated in a “care-taking” mode for many years, until the economy improves and lots within the subdivision begin to build-out. Designated commercial uses proposed for the subdivision would be consistent with existing land uses in and around the Shingletown community center, but has not as yet achieved a build-out status.

The 1985 SOI study, the first for CSA #13, provides a description that rings fairly consistent with current operations:

Given the slow rate of actual development in the CSA, and the fact that CSA #13 was formed initially for sewer service purposes only, a detailed analysis of the range and level of other public services available to the parcels within the CSA is not particularly relevant to this study. Suffice to say that,

- (1) water is and would continue to be provided by an adjacent mutual water company or by privately-owned well, and there is no indication that a public entity will assume responsibility for water service in the foreseeable future;*
- (2) gas and electricity is presently and will continue to be provided in the foreseeable future by Pacific Gas & Electricity or by privately installed propane tanks;*
- (3) the County of Shasta maintains or would maintain only those streets and roads within the CSA which have been constructed to County standards and accepted into the County Road System*

Finally, the requirement for formation of CSA #13 arose out of certain recognized limitations on the ability of the soils in the area to accommodate

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conventional septic tanks and leach fields on each of the parcels within the district boundaries. The County, therefore, approved installation of a project area sewer system, but conditioned that approval on operation and maintenance by a CSA. Furthermore, this particular system is subject to the terms and conditions of the Waste Discharge Permit issued by the State of California. This, then, leads into the discussion of the CSA's ability to expand its service area – therefore, its potential "sphere of influence".

This report finds that CSA #13 – Alpine Meadows be allocated a sphere of influence which encompasses no additional territory beyond the current CSA boundary (see Exhibit B). The principal reason for delineating this limited sphere line lies in the intent behind forming CSA #13 in 1982. The district was formed to satisfy a condition of approval of the Tentative Map for a commercial development. District formation was not to finance, construct, operate or maintain a community sewer system which could ultimately serve, in addition to the existing CCSA, adjacent commercial development – existing or planned – nor adjacent rural residential development typically found in the Shingletown area.

While there are no other public entities providing services to the Shingletown area at the present time [1985], there is also not an apparent need for a broad range of public services at this time. Water is presently provided to most of the area surrounding CSA #31 by either a community-serving mutual water company, or by privately-owned wells. Gas and electricity is provided by P.G. & E. or by privately-owned on-site propane tanks. Sewage disposal is entirely by on-site conventional septic tanks and leach fields. While the topography in CSA #13 is, for the most part, recognized as "meadow-like", thereby creating a corresponding limitation on the ability of the soils to accommodate conventional systems, the topography of the commercial and residential area adjacent to CSA #13 has proved to be more accommodating t conventional systems. Therefore it is not expected that in the foreseeable future existing and planned development in the Shingletown area will require sewage treatment and disposal services from a system such as that which will ultimately be installed in CSA #13.

The passing of almost 30 years may have initiated circumstances or changes such that the facts assumed in 1985 may need a more current review for the organization and delivery of public services provided in Shingletown area.

The next SOI/MSR for this District, scheduled for 2019, should be more comprehensive in nature, and provide both LAFCO and the public a closer look at how CSA #13 or perhaps some other special district could better address a number of the community's local service needs.

b. Administration, Management and Operations

When preparing or updating a municipal service review, information about administrative, management and operational functions, including assuring internal organization and agency policies, rules, and regulations are evaluated with respect to efficiencies and/or cost avoidance opportunities.

The CSA #13 - Alpine Meadows is governed by the Shasta County Board of Supervisors acting as the Board of Directors, operating as the administrative and financial manager of the District. The day-to-day management of the District is the responsibility of the Public Works Department, who may use maintenance contractors as needed.

The District currently has no distinct employees, but is supported by Public Works staff, consisting of: an operation supervisor, four licensed water treatment plant operators, and five part-time non-licensed employees which are shared with multiple county service areas. All County employees operate according to Shasta County policies and employment guidelines.

c. Fiscal

This is an enterprise fund district. Most operating revenue is derived from by-monthly service charges for water service. An annual parcel charge was established at the time of District formation. Available resources are maintained within the County's general operating budget.

Most agency revenue streams are subject to Proposition 218, which sets forth various constraints on the generation of revenues for infrastructure services. Bond financing is not subject to Proposition 218 per se, but is subject to a parallel administrative process.

Customers are charged according to existing rate structures. No rebates have been issued during the past three years. Delinquent amounts are placed on the tax bill associated with the property at the end of the year. Occasionally, after diligent effort, delinquent accounts may be deemed uncollectable. This requires an action by the Board of Supervisors.

The last approved rate increase became effective April 2011. Proposition 218 requires CSA #13 to adopt a rate structure which is reflective of the actual cost of service. The current rate structure meets this standard.

The Budget to Actual reports a total budgeted revenue of \$39,100 and total budgeted expenses of \$38,646. The District manages a very conservative budget, providing due diligence on all fiscal matters and records. The District's budget details are included as Exhibit D at the end of this narrative.

d. Governance

The Shasta County Board of Supervisors operates as the governing body for CSA #13 - Alpine Meadows, and they do not receive compensation for sitting as the board of director of this District. District board meetings follow the rules and protocol for the Shasta County Board, including noticing and accessibility. Public participation is encouraged. Meetings are held as needed. Board meetings are held quarterly, or more often as may be needed.

Matters pertaining to District operations that require action by the Board are placed on an agenda for a regular meeting of the Board. Meetings are subject to the Ralph M. Brown Act and all State laws pertaining to notification of public meetings on District matters. Meeting notices are given to all customers that include the date, time, place and purpose of the meeting. The CSA #13 - Alpine Meadows is a registered-voter district.

4. REGIONAL CONTEXT/RELEVANT SERVICES BY OTHER AGENCIES

Land use and building regulation services are provided by the County of Shasta, as are law enforcement, road services and other general services provided to the unincorporated areas of the county by various county departments.

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

The District's service area is physically situated in a mountainous region where the natural terrain limits the areas where extension of water service would be practical. The current sphere of influence coincides with the boundaries of the district. Any request for an expansion of the SOI boundary would require a concurrent examination as to whether it could be deemed economically feasible. Any subsequent LAFCO application would be the responsibility of the requestor.

It is proposed the Commission set the SOI boundary remain coterminous with existing district boundaries, as shown on the enclosed map of proposed Exhibit A - SOI Boundary Update at the end of this report.

6. WRITTEN DETERMINATIONS FOR THE MUNICIPAL SERVICE REVIEW

a. Growth & Population Projections

Development and growth within the District will be primarily guided by the number of available parcels currently within the District. District operations and program growth will be included and evaluated during development permit processes for these areas so as to effectively meet expected service needs.

The general area is currently experiencing a minus 4% growth rate, indicating more people are leaving than arriving. Unemployment rates are at 9.5%. Job growth rests at 1.04%, with most people working people employed outside the area.

b. Disadvantaged Unincorporated Communities (DUCs)

The area serviced by the District has more than 12 registered voters and therefore - qualifies as a "Disadvantaged Unincorporated Community." California State Parks (www.parks.ca.gov) provides a Community Locator tool which helps with identifying the general income within one-half mile of the town center. It usually sufficient to provide a guideline for this classification (see attached sheets). The population counts shown on these reports only encompass a one mile diameter and do not reflect the actual population assigned to those communities.

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 Alpine Meadows area is estimated to be near \$28,511. Median household income is estimated at 50,994. Current population is estimated at 75.

c. Present and Planned of Public Facilities

District staff monitors capital improvement needs to maintain and upgrade service systems. Future development will pay its pro rata share of costs for services.

d. Adequacy of Public Services

District facilities are adequate for current service needs. It also has sufficient access to needed resources and capacity to serve the areas within the proposed sphere of influence boundaries. Any cost of extension of services will be tied to development permits for future growth.

e. Infrastructure Needs or Deficiencies

District monitors and evaluates water service infrastructure for capacity, condition, availability, and quality water services. Correlation of operational, capital improvement, and finance plans are appropriate for the size of the District and its service area at this time. No current deficiencies have been noted.

f. Financing Constraints and Opportunities

As an “enterprise” district, CSA #13 – Alpine Meadows derives its sewer and water service funding primarily from fees and charges levied for services provided. As such, the District must maintain a reasonable nexus between fees and charges levied and the cost of the service provided. That having been said, the District seeks to be as efficient and innovative as possible in maximizing use of existing fiscal resources.

g. Opportunities for Rate Restructuring

As noted above, there are inherent statutory limitations on the District’s ability to restructure rates. With that in mind, the District should regularly review fees and charges levied so as to maintain a reasonable nexus between rates and actual costs.

District will also want to employ effective rate setting procedures, identify conditions that could impact future rates, and give due consideration to timely restructuring opportunities without impairing the quality of services.

h. Status of and Opportunities for Shared Facilities

There are presently inherent limitations – geographically, jurisdictionally, and operationally – on District water service facilities being extended to and/or shared with other areas or other water service purveyors outside its proposed SOI boundary.

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

The District meets quarterly (or more often if needed), notices meetings, and offers the public an opportunity to participate in their meetings, which are mainly focused on provision of water and maintenance of facilities.

District continues to strive towards an effective internal organization to provide efficient, quality services.

7. WRITTEN DETERMINATIONS FOR THE SPHERE OF INFLUENCE UPDATE

a. Present and Planned Land Uses

Shasta County designates much of the area served as rural residential, agricultural, and timber lands. This is a rural area, with community development either clustered around the District or scattered about on secondary roads.

b. Present and Probable Need for Public Facilities; Adequacy of Services

The District has ongoing capital improvement programs to maintain and upgrade service systems as needed. Future development projects will be conditioned to require payment for the extension of all services, including all necessary and related costs associated with annexing into the District. Annexation will be a condition for receipt of services from CSA #13.

c. Present Capacity of Public Facilities and Adequacy of Services

District facilities are adequate for current service needs. It will have the capacity to serve the areas outside the District as they are brought both within the sphere of influence boundaries during the annexation process. Extension of services will be tied to development permits of parcels. Service is available and adequate to serve the undeveloped areas within the existing District boundaries.

d. Existence of Social or Economic Communities of Interest

The District is located due east of the City of Redding, and is also now served by CSA #1 – Shasta County Fire Department and the Shingletown Volunteer Fire Company. The City of Redding provides a major shopping and service industry hub for local residents in Shasta County. Shingletown's commercial and public business support daily local needs of the population.

e. Present and Probable Needs of Disadvantaged Unincorporated Communities (DUCS) Within the Area.

As identified in the MSR section, the District service area may qualify as a disadvantaged unincorporated community. Shasta County is undertaking a study of these DUCs as part of their General Plan update and additional information should be available for an expanded analysis of this designation during the next MSR/SOI Update which will be due in 2019.

8. CONCLUSION

In this review, Shasta LAFCO has endeavored to accurately assess the current services and organizational status of the District as a provider of water services based upon information available at this time. This is the first review of this district since 1985, and it is expected that additional data will be brought forward, especially as future development occurs. LAFCO has made what we believe are substantiated determinations based upon prescribed statutory factors.

The next SOI/MSR Update for this District, scheduled for 2019, should be more comprehensive, with an evaluation of how service needs in the Shingletown area in general, and CSA #13 in particular, might be better met through organized public services through either expansion of CSA #13 or formation of a multi-service special district to accommodate those needs.

It is recommended that the municipal service review and sphere of influence update for the CSA #13 – Alpine Meadows be adopted coterminous with the current District boundaries at this time as proposed on the enclosed SOI update map, Exhibit A, with the understanding that reexamination of this District and its ability to serve the area require a more comprehensive examination during the next cycle of SOI/MSR studies.

9. REFERENCES

- a. District (interviews, records)
- b. County of Shasta Departments
- c. Shasta LAFCO files for this district.
- d. Internet research on various sites.

10. EXHIBITS

- A. CSA #13 - Map of Proposed SOI Boundary: Alpine Meadows
- B. CSA #13 - Formation Resolution 82-173
- C. CSA #13 - Plat Map
- D. CSA #13 - Fiscal Budget
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