

# Shasta Local Agency Formation Commission



Municipal Service Review & Sphere of  
Influence Update

**Clear Creek**

**Community Services District**

Commission Approved  
June 2023

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### **Acknowledgements:**

LAFCO staff would like to thank contributors to this Municipal Service Review. Input instrumental in completing this report was provided by CSD General Manager Paul Kelley and Administrative Assistant Kayla Faulks. The District Board also participated in the review and provided beneficial additions and clarifications.

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# **MUNICIPAL SERVICE REVIEW SPHERE OF INFLUENCE UPDATE**

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## **Introduction**

Municipal Services Reviews (MSRs) provide agency infrastructure, management, services & boundary information. The report is for Shasta Local Agency Formation Commission's (LAFCO) use in conducting a statutorily required MSR review process. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that the Commission conduct periodic reviews for cities & special districts in Shasta County (Government Code § 56425).

State law also requires that, prior to Sphere of Influence (SOI) adoption, LAFCO must conduct a review of municipal services provided by that local agency (Government Code §56430). This report provides LAFCO with a tool to study current & future public service conditions comprehensively & evaluate organizational options for accommodating growth, preventing urban sprawl, & ensuring that critical services are provided efficiently.

## **Community Services Districts Overview**

Community Services Districts are independent special districts under Community Services District Law (Government Code §61000, et seq.). They can provide several community services including water, wastewater, solid waste disposal, fire protection services, parks and recreation, street maintenance and other services to unincorporated areas.

## **Principal Act**

The CSD principal act is the Community Services District Law (Government Code §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Clear Creek CSD is authorized to provide water services. Other services, facilities, functions or powers enumerated in the District's principal act but not identified in the formation resolution are "latent," meaning that they are authorized by the principal act under which the District is formed but are not being exercised. Latent powers and services activation require LAFCO authorization as indicated in Government Code §25213.5.

## **Service Review Determinations**

Government Code §56430 requires LAFCO to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed and prepare a written statement of determination with respect to each of the following topics:

- (1) Growth and population projections for the affected area;
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI;
- (3) Present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies (including needs or deficiencies related to sewers, municipal and industrial water and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI);

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- (4) Financial ability of agencies to provide services;
- (5) Status of, and opportunities for, shared facilities;
- (6) Accountability for community service needs, including governmental structure and operational efficiencies; and
- (7) Any other matter affecting or related to effective or efficient service delivery, as required by Commission policy.

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

**Clear Creek Community Services District**

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

**Sphere of Influence Determinations**

A SOI is a LAFCO-approved boundary that designates an agency’s probable physical service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services, discourage urban sprawl and premature conversion of agricultural and open space lands and prevent overlapping jurisdictions and duplication of services.

LAFCO is required to establish SOIs for all local agencies and enact policies to promote the logical and orderly development of areas within the SOIs. Furthermore, LAFCO must update those SOIs every five years. In updating the SOI, LAFCO is required to conduct a MSR and adopt related determinations. In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

- (1) Present and planned area land uses, including agricultural and open-space lands;
- (2) Present and probable need for public facilities and services in the area;
- (3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- (4) Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
- (5) Present and probable need for public facilities and services related to sewers, municipal or industrial water, or structural fire protection of any disadvantaged unincorporated communities in the existing SOI (effective July 1, 2012).

**Uses of the Report**

This service review provides the opportunity to identify trends relating to the adequacy, capacity and cost of providing services in rural areas of Shasta County. Service reviews may identify district boundary changes, where appropriate, to extend services; evaluate consolidation feasibility, where appropriate and implement other measures to address

community water and wastewater service needs. The potential uses of this report are described below.

### *To Update Spheres of Influence*

This MSR serves as the basis for an SOI update which considers territory LAFCO believes represents an agency's appropriate future jurisdiction and service area. All boundary changes, such as annexations, must be consistent with an affected agency's SOI with limited exceptions.

### *To Consider Jurisdictional Boundary Changes*

LAFCO is *not* required to initiate any boundary changes based on service reviews. However, LAFCO, other local agencies (including cities, special districts, or the County), or the public may subsequently use this report together with additional research and analysis, where necessary, to pursue changes in jurisdictional boundaries.

### *Resource for Further Studies*

Other entities and the public may use this report for further study and analysis of issues relating to Community Services Districts and municipal services in Shasta County.

## **Review Methods**

The following information was considered in the service review:

- o Agency-specific data: responses to LAFCO Requests for Information from Clear Creek CSD, maps, district plans and agency correspondence;
- o Land Use and Shasta County General Plan data: Shasta County Resource Management –Planning Division;
- o Demographic data: U.S. Census; CA Dept. of Finance; CA Water Resources Board;
- o Finances: budgets, rates and fees; and
- o Other Reports and Assessments: State Water Resources Control Board citation.

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

## **California Environmental Quality Act**

The California Environmental Quality Act (CEQA) is contained in Public Resources Code §21000 *et seq.* Under this law, public agencies are required to evaluate the potential environmental effects of their actions. MSRs are statutorily exempt from CEQA pursuant to §15262 (feasibility or planning studies) and categorically exempt pursuant to CEQA Guidelines §15306 (information collection). It should be noted that when LAFCO acts to update an SOI, CEQA requirements must be satisfied. The lead agency for CEQA compliance would most likely be LAFCO.

## **Common Topics for an Agency Profile**

Several topics are evaluated in an agency profile. Those topics are defined in this section and discussed further in the agency profile.

### *Disadvantaged Unincorporated Communities*

LAFCO is required to evaluate disadvantaged unincorporated communities (DUCs) as part of its municipal service review process. Per California Senate Bill 244, a DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewer and fire protection.

The most recently available data for US Census Block Groups, Tracts and Places from the US Census American Community Survey (ACS) 5-Year Data is used to determine disadvantaged communities in the region of interest. Using this information, each district or agency is evaluated to determine whether it is a DUC, or in the case of cities, whether there are DUCs within the city's SOI. In many cases, Census Block Groups are larger than Districts. In these cases, LAFCO's evaluation is conducted with caution to avoid overlooking DUCs.

### *Shasta County Growth Projections*

When reviewing population data, it is important to distinguish between population changes that affect the entire County and unincorporated area, which can be affected by annexations and other boundary changes. The unincorporated area currently makes up about 38% of the County's total population. The California Department of Finance projects the County's population will increase from 179,412 to 188,154, between 2020 and 2030, an average annual growth rate of 0.49%<sup>1</sup>. If the unincorporated area's portion of the County remains near 38%, the population would increase from 68,177 to 71,499.

According to the most recent California Department of Finance estimate, the Shasta County population decreased by 0.1% from 2018 to 2019<sup>2</sup>. This could be the result of recent wildfires. For report purposes an annual population growth estimate of 0.17% to 0.49% is used to predict the future population range that may be served by the CSD during this MSR cycle.

### *Existing and Planned Land Uses*

Land use within the unincorporated portion of the districts is subject to the Shasta County General Plan and Zoning Regulations, which was last updated in 2004. A land use figure is included in the agency profile, showing the types and distribution of county land use designations in the CSD boundary and sphere of influence.

### *Governance and Accountability*

Clear Creek CSD operates as an independent special district under an elected Board of Directors pursuant to Community Services District Law (Government Code §61000, et seq.).

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<sup>1</sup> California Department of Finance, Projections, P-1: State Population Projections (2010-2060), Total Population by County (1-year increments).

<sup>2</sup> California Department of Finance, E-1 Cities, Counties, State Population Estimates– January 1, 2018, 2019, May 2019.

## AGENCY PROFILE

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This section profiles the Community Services District listed below. Included in the profile is a description of the agency's organizational development, tables listing key service information and maps showing jurisdictional boundaries.

### Clear Creek Community Services District

#### Clear Creek CSD

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The Clear Creek CSD serves the communities of Happy Valley, Olinda and Cloverdale southwest of the City of Redding and west of the City of Anderson.

Table 1: Clear Creek CSD Overview Summary

<b>Primary Contact</b>	Paul Kelley General Manager, <a href="mailto:Paul.kelley@clearcreekcsd.org">Paul.kelley@clearcreekcsd.org</a>		
<b>Address:</b>	5880 Oak Street, Anderson, CA 96007		
<b>Website</b>	<a href="http://www.clearcreekcsd.org">www.clearcreekcsd.org</a>		
<b>Services Provided</b>	Water		
<b>Population:</b>	9,000	<b>Service Area Size:</b>	21,800 acres
<b>Customers</b>	2,700		

#### Formation

The Clear Creek CSD was formed in the mid-1960s to provide water for domestic use, irrigation, sanitation, industrial use, individual use, fire protection and recreation. It includes approximately 21,800 acres. The District was created to supply the District inhabitants with water for domestic use, irrigation, sanitation, industrial use, fire protection, commercial services and recreation.

#### CSD Boundary and Sphere

The CSD boundary is shown in Figure 1.

- Clear Creek CSD Boundary - 21,800 acres
- Clear Creek Boundary and SOI - 31,640 acres
- Clear Creek SOI only (outside district) - 9,840 acres

#### Annexations and Detachments since last MSR

None



## **Other Service Providers**

Several other service providers operate within Clear Creek. These are described below.

Fire protection services and emergency medical services are provided by the Happy Valley Fire Protection District. The HVFPD operates two fire stations within the boundaries of the CCCSD, one on Palm Avenue and one on Cloverdale Road. The outer areas and SOI areas of CCCSD are serviced by Shasta County Fire (CSA #1). Happy Valley Fire Protection District has mutual and automatic aid agreements with Cal Fire, Shasta County Fire (CSA #1) and the Anderson Fire Protection District.

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

The Anderson-Cottonwood Irrigation District (ACID) is located south of the City of Redding and extends to northern Tehama County. It encompasses the City of Anderson and the Town of Cottonwood. A small easterly portion of the Clear Creek CSD, less than 5 %, is located within ACID's boundary and SOI. ACID provides supplemental water under long-term agreements with the Bella Vista Water District, the City of Shasta Lake and the Shasta Community Services District (CSD). They also provide water to the communities of Anderson and Cottonwood, as well as some residents in south Redding.

Centerville CSD is located west of the City of Redding and north of Clear Creek CSD. The Centerville CSD provides water services to residents of Centerville and a small portion of residents within the overlapping City of Redding boundary.

Igo-Ono CSD provides irrigation water, drawing primarily from Rainbow Lake. It is adjacent to the District's western border. Clear Creek CSD provides water services to the Igo-Ono-Platina Elementary School located within the Igo-Ono CSD. Consolidation of the two districts could only be considered with the consent of both districts. This would allow Clear Creek CSD to potentially extend potable water service into the Igo-Ono area. However, Igo-Ono could propose activation of this power independently.

## **Existing and Planned Land Uses**

### **Land Use**

Shasta County Land Use designations in Clear Creek CSD shown in Figure 2. Land use includes Rural Residential, Mixed Use, Agricultural, Public Facility, Public Land and Suburban Residential. The public facilities within the District includes the Happy Valley Fire District Station, The Happy Valley School District, Richard W Curry West Central Landfill and the Northern California Veterans Cemetery in the west and West Valley Volunteer Fire Department in the south. The District boundary includes two unincorporated communities of Cloverdale and Olinda. These communities are related to the District Mixed Use land use.

The land use in the eastern SOI area includes Rural Residential, Commercial, Suburban Residential, Industrial, Public Facility, Agricultural and Open Space. The District's SOI and the City of Anderson's boundary overlaps in the Clear Creek CSD's eastern SOI area. To

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the south, the District's SOI includes Rural Residential and Agricultural and the public facility is the Anderson Landfill. The western part of the SOI includes Rural Residential and Agricultural. North of the District within the SOI includes Public Land and Rural Residential.

To the east of the District is fairly flat, developed land with some forested areas separating it from the City of Anderson and Cottonwood. South of the District includes flat land with blocks of agricultural land. The southern District boundary is just north of the Tehama County line. The west of the District includes more forested, mountainous areas with scattered rolling hills and water features. North and Northwest of the District includes the unincorporated communities of Centerville, Girvan, Igo and the City Redding, as well as forested public lands. The north District's north border generally follows Clear Creek.

### **Zoning**

Zoning in the CSD varies with predominantly Rural Residential, Agriculture and Unclassified.

### **Growth and Population**

According to the most recently available American Community Survey 5-year estimate, the Clear Creek area population is 6,900.

### **Disadvantaged Unincorporated Communities**

The Shasta County 2021 Median Household Income (MHI) was approximately \$54,667. This is 68% of the California 2021 MHI of \$80,440.

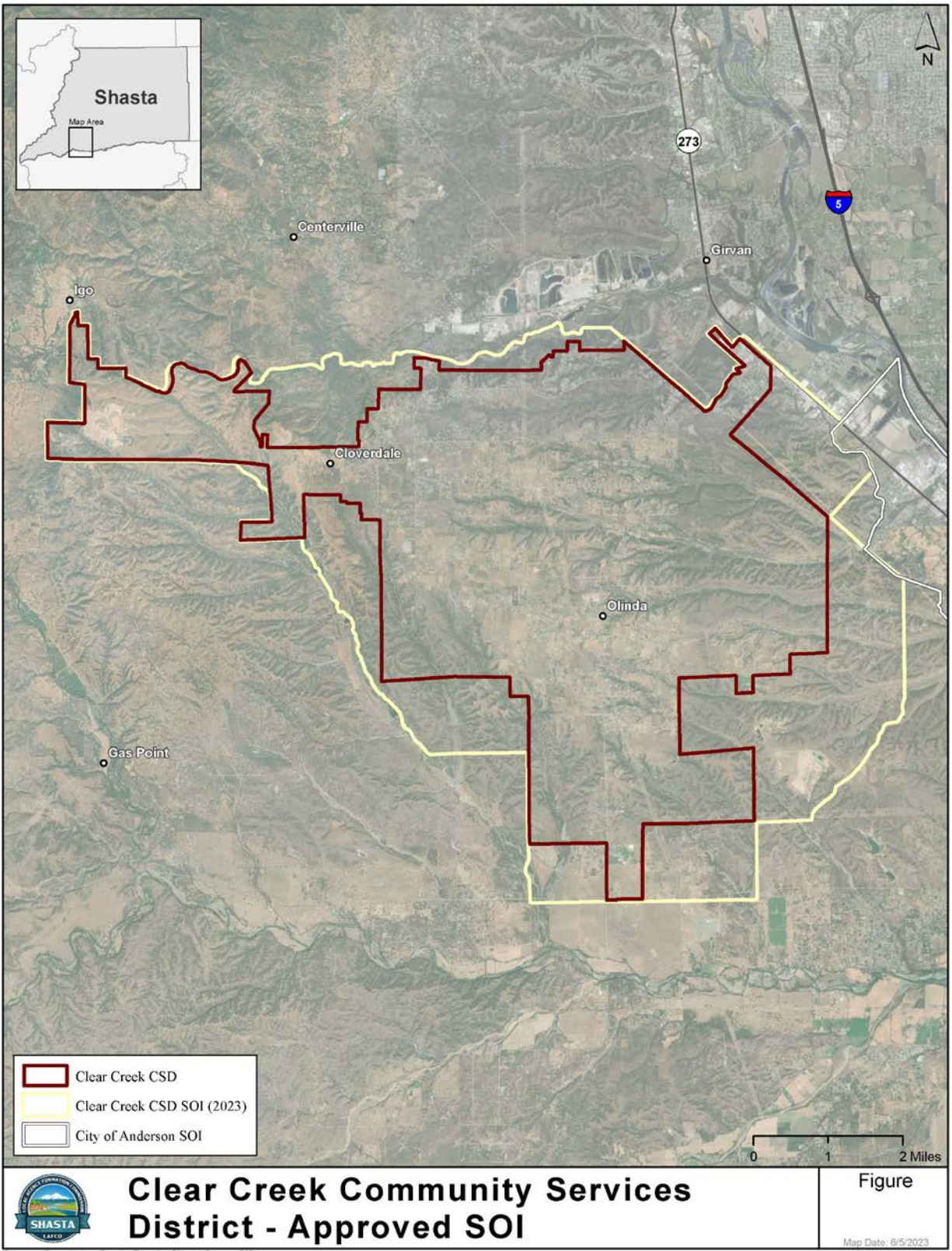
The Clear Creek CSD contains the Clear Creek- Census Designated Place (CDP), however it is smaller than CSD. Getting MHI for the CSD requires some projections, since income data only comes at the Census Block Group level. The surrounding block groups are large and extend beyond the district boundary. The average MHI for the main block groups that intersect the district boundary is approximately \$59,154, which is 74% (less than 80) of statewide MHI (ACS 2019). This indicates that the District would be considered a DUC.

### **Municipal Services**

Clear Creek CSD provides water services to the Clear Creek community and surrounding area within the CSD Boundary which is shown in Figure 1.

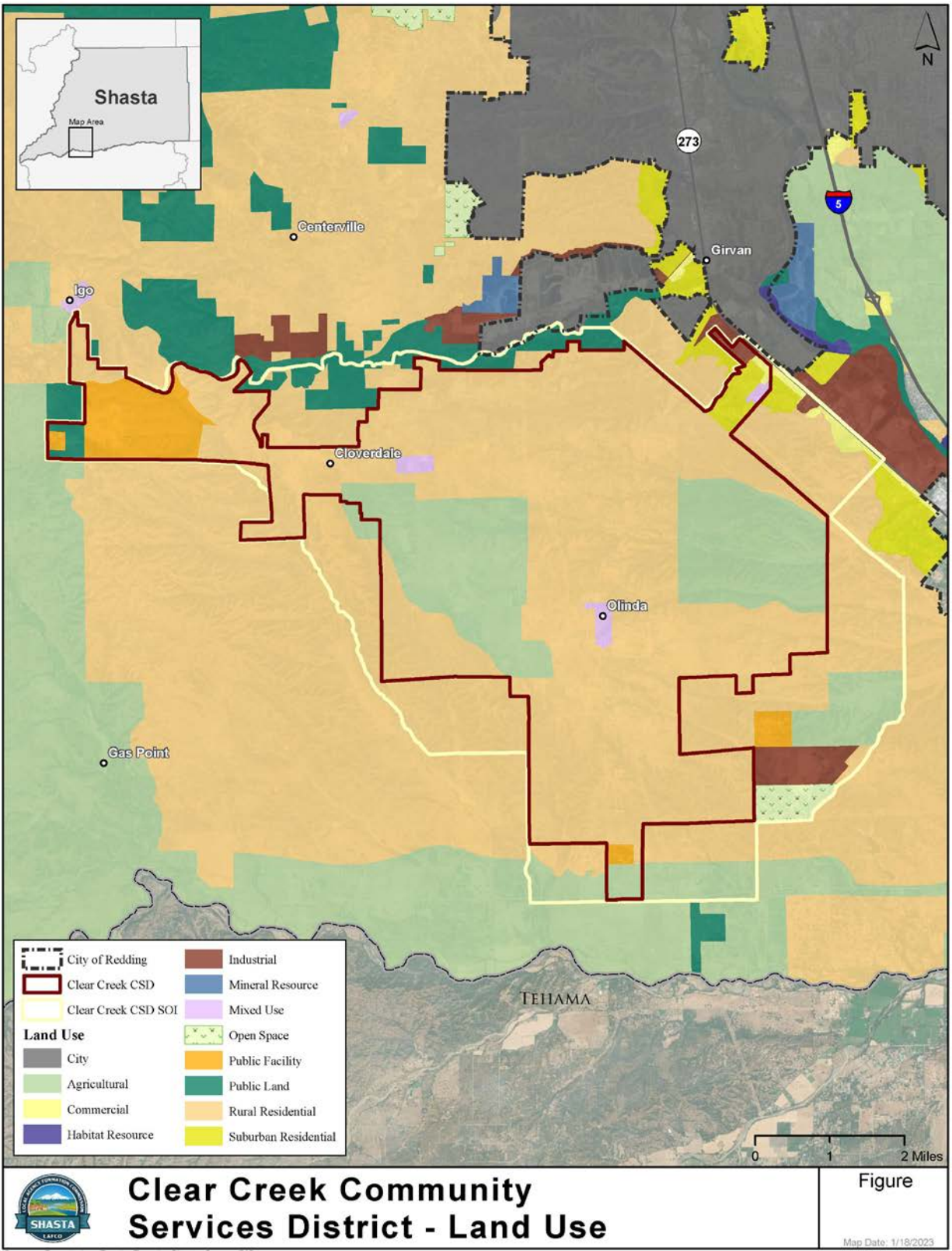
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Figure 1. CSD Boundary and Sphere of Influence.



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Figure 2. Land Uses



## **Water Services**

### *Water Supply*

The District's primary water supply is surface water from the Whiskeytown Reservoir. This is part of the Clear Creek South Unit of the Trinity River Project. The District's current total allowable water allotment, through the U.S. Bureau of Reclamation's Central Valley Project (CVP) and the District's contract water is up to 15,300 acre-feet (ac-ft) annually, subject to reduction due to drought. The 15,300 ac-ft CVP water is subject to availability each year. The District maintains three wells for water needs during drought and were last used in January 2023.

### *Storage and Infrastructure*

The District has four storage tanks with a total capacity of 5.282 Million Gallons (MG). There is 2.5 MG available for emergency storage and 2.5 MG available for flow equalizing. The Clearwell Tank can hold 1 MG and provides about 0.5 MG of flow equalizing storage as filter trains Cycle on/off depending on the water surface elevation. Clearwell can provide 0.5 MG of emergency storage into the Muletown Conduit when the WTP is offline. The 4 MG Main tank is divided between flow equalizing and emergency storage components. The 0.25 MG Control Tank and 0.032 MG Well Tank contribute small volumes to flow equalization and emergency storage requirements.

The District has three wells located in the Lawrence A. Russell South District Well Field at the southern boundary of the District. Each of the wells can produce 1,500 gallons per minute (gpm). The wells are used mostly for emergencies and provide supplemental supply during drought years when the surface water supply is reduced. To help the District be self-sufficient during years of water shortages, a 350,000 gallon tank was constructed at the South Booster Station just north of the South District Well Field.

The Water Treatment Plant Backwash Pond Repair Project is currently in review by FEMA. The project's definition and funding from FEMA/CalOES and the state is pending. The project is meant to repair the ponds, improve the maintenance and make them more resilient to emergencies. The project should be underway in a couple of years.

The water treatment plant's actuators are still being worked on. There are 55 actuators and valves that have been identified as problematic and need to be replaced in one to two years at most. Another 24 of the actuators and valves will need to be a part of a five-year plan or a Water Treatment Improvement Project. Two of the 38 actuators have been ordered and will be replaced within the next three months. Of the 38 actuators and valves, 20 will need to be subcontracted out due to project size and equipment needed.

### *Demand*

The District currently serves 2,700 customers and two out of District customers being National Park service connections. The Bureau of Reclamation allocates 15,300 ac-ft per year by contract to the District, but the water supply was affected by drought in 2022. The amount of water delivered to customers and billed in 2022 was 1,800 ac-ft. Which was purchased and well water since the Bureau allocation was zero.

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*Rates*

The District maintains a rate and fee structure for water services. For Domestic and Agricultural Service, the base service charge is \$56.05 per dwelling plus additional fees. The base service charge plus the additional charges spelled out below come to the total monthly Domestic Service Rates of \$66.86 plus the current water usage rate – the 2022 drought rate was \$1.04/HCF (Hundred Cubic Feet). The Domestic and Agricultural water usage rates are \$.72/HCF and \$.71/HCF respectively.

A charge of \$7.55 is charged for filtration plant repayment to all active and inactive service connections, including each additional unit. The rate also applies to hydrant meter installations. A backwash recycle project fee of \$0.38 is billed to all active and inactive services connections, including all other dwellings on the property. The fee also applies to hydrant meter installations.

A WIIN act repayment reserve fee of \$1.88 is billed to all active and inactive service connections, including each additional dwelling on the property will be billed. The fee also applies to hydrant meter installations. A state loan repayment reserve fee of \$1.00 is billed to all active and inactive service connections, each dwelling on the property will be billed. The fee also applies to hydrant meter installations.

When in effect, there is a CVP restoration fee from US Fish and Wildlife Service for M&I and agricultural deliveries. The rate for M&I is \$0.05 per HCF and \$0.25 per HCF for agricultural. A fee of \$37.10 will be charged for all returned items per the NSF Check/ACH fee. For Customers who have backflow control devices will be charged \$61.63 annually for testing and inspection. The fee will be added to the monthly billing at \$5.14 per month.

The turn on and transfer fee for new accounts is \$54.31. Homeowners will pay a water deposit of \$70.00 and renters will pay a water deposit of \$120.00. A late charge of 1.5% of the balance will be placed on the account twenty days after billing. Rates were adopted on July 1, 2022.

**Drought Conditions – 2022**

The District receives its annual water supply from the Central Valley Project (CVP) through a Bureau of Reclamation contract. In February 2022, the District received notice that it would receive 0 (Zero) acre-feet (AF) of the CVP surface water allocation for both Agriculture and Municipal & Industrial use. As a result of the zero water allocation, the District executed an agreement for 1,100 AF of supplemental water from the McConnell Foundation. The District utilized the groundwater wells to serve the remaining customer water demands to the extent feasible. The combined water available was projected to supply approximately 60% of the 2019 water demand for the District’s 2,700 customers.

***Clear Creek CSD Drought Planning and Water Shortage Policy (summary)***

The Clear Creek CSD Drought Planning and Water Shortage Policy - 2010.

During years of shortage, municipal and industrial (M&I) deliveries will remain at 100% of historical use until agricultural is reduced below 75% of contract entitlement. From there, M&I and agricultural water allocations will be reduced equally until the M&I allocation reaches 75% of historical use. M&I will not be reduced again until the agricultural allocation is reduced below 25% of the contract entitlement. If agricultural allocation is reduced to 25%, then M&I can be reduced below 75%. The M&I allocation reductions are subject to a minimum public health and safety water supply level based on the extent supplies are available. During times of extraordinary circumstance during severe and continuing drought, the United States Bureau of Reclamation (USBR) has the power to reallocate available M&I water among Central Valley Project (CVP) contractors, considering the contractors non-CVP water. The M&I Water Shortage Policy Environmental Assessment (EA) identifies Clear Creek CSD’s public health and safety water supply level as 3,063 acre-feet. The EA gives the District a total allocation of 8,283 acre-feet per year. Subject to the Bureau’s water shortage policy.

The District has five stages in the Drought Contingency Plan. The Alert Stage is immediately put into effect as soon as the Bureau makes the allocation announcement in January for the next water year beginning March 1<sup>st</sup> if warranted. The Alert Stage is triggered by less than 100% M&I and 75% agricultural allocation. This stage helps to encourage customers to fix leaks, be aware of their usage and not waste water. The District will immediately inform schools, large irrigation users, Veteran’s Cemetery, West Central Landfill and W.E.S. Camp of the situation and request they take immediate water conservation measures.

Stage I of the plan seeks to obtain a 10% reduction through voluntary programs. The District communicates the Stage I items with customers through billing inserts, newspaper advertising, website notices and verbal communication. This stage will be triggered by 75% M&I and 50% agricultural allocation. The District will not accept agricultural applications for new projects.

Stage II, III and IV use a combination of pricing surcharges based on usage above a 2019-2020 baseline year allotment to the customers and District operational decisions that directly affect water production. Stage II is triggered by allocations of 75% M&I and 45% agricultural supply. Stage III is triggered by allocations of 75% M&I and 25% agricultural supply. Stage IV is triggered by allocations of 50% M&I and 10% agricultural supply. The final

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stage is the Health and Safety level. This stage is triggered by an allocation of 50% and 0% agricultural supply.

The District recently passed Ordinance 2021-03 in which it rescinded the Alert Stage of Ordinance 2020-02. Ordinance 2021-03 declared Stage IV Health and Safety of the drought planning and water shortage policy. The District is accepting new service applications that are granted upon the condition that all water consumption is used inside the residence for human consumption, sanitation and fire protection. Supply will not be provided for any new landscaping or other outside demands until the Ordinance is rescinded or amended. The District adopted ordinance 2022-01 that declared emergency conditions based on the zero allocation for the 2022-2023 year. With improving conditions on water supply in early 2023 and a 100 percent allocation from the Bureau the District adopted ordinance 2023-06 rescinding all water shortage conditions.

### **Financial Overview**

Clear Creek CSD is primarily funded through base rates & water sales.

The District's most recent audit lists current and other assets of \$1,306,564 and capital assets – net of \$4,981,193. The deferred outflows of resources totaled \$700,522. Other liabilities were at \$676,878 and long-term debt, due in more than one year, was \$3,775,614. That brought the total liabilities to \$4,543,492. The deferred inflows of resources totaled \$749,587. The total net position was \$1,695,200 with the net investment in capital assets at \$3,036,016, restricted funds at \$660,313 and unrestricted funds at -\$2,001,129 for a total net position of \$1,695,200. This compares to the 2020 net position of \$1,641,247.

The District's capital assets include their water treatment plant at Whiskeytown Lake along with a holding tank, a water tank with a 4 million gallon capacity and booster station, a water tank with a 1 million gallon capacity and booster station, three ground water wells, approximately 100 miles of pipeline and smaller assets such as pressure relief valves and others. The District also owns an administrative building, two shops, a large storage building for equipment, multiple vehicles, equipment and water system supplies and materials for repairs.

The District's total operating revenues were \$2,420,337 and expenses were \$2,796,246, creating a total net operating loss of -\$375,909. The property taxes and other income equaled \$491,760 and the interest and other expenses equaled \$61,989. The total nonoperating revenues totaled \$429,862.

The District had an audit performed for FY 2021, which noted overstatements of: \$32,693 for interest; \$35,920 for cash and cash equivalents; and \$27,480 for customer deposits. The audit also noted understatements of: \$29,623 for payroll; \$31,860 for accounts; \$20,983 for grants; and \$13,378 for deferred outflows of resources – pensions. While important for accounting, they are relatively small in reference to the overall budget.

For FY 22-23, the District implemented new accounting software to better and more accurately track revenues and expenses. There have been internal control changes for accounts payable by having invoices first reviewed by bookkeeping for purchase orders, accuracy and identifying expense accounts, the General Manager then reviews and approves the documents and finally the District Directors sign checks and review expenses prior to sending payments.



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*Debt*

The District's current debt includes money for the Water Treatment Plant Filtration Plant and Backwash Pond Project, the purchase of and payments on a Dump Truck and Trailer, WIIN Act loan for project costs.

Table 2: Clear Creek CSD Budgets

	FY 2020	FY 2021	FY 2022
<b>INCOME</b>			
Water Sales	\$1,250,525	\$1,250,525	\$1,203,435
Water Service	\$281,000	\$281,000	\$281,000
Interest	\$1,075	\$1,075	\$1,075
General Property Tax/Assessments	\$410,000	\$410,350	\$400,000
Other Designated Revenue	\$683,000	\$683,000	\$661,000
<b>TOTAL INCOME</b>	<b>\$2,625,600</b>	<b>\$2,625,950</b>	<b>\$2,546,510</b>
<b>EXPENSE</b>			
Water Costs	\$218,000	\$218,800	\$198,800
Transmission and Distribution	\$432,500	\$426,374	\$417,374
Treatment	\$397,500	\$393,500	\$383,400
Administrative/Customer Accts	\$1,276,900	\$1,275,500	\$1,245,186
Wells & Regulatory	\$77,000	\$77,200	\$78,200
SUB-TOTAL EXPENSES	\$2,401,900	\$2,391,374	\$2,322,960
Other Expenses/Designated	\$223,700	\$234,576	\$223,550
<b>TOTAL EXPENSES/TRANSFERS</b>	<b>\$2,625,600</b>	<b>\$2,625,950</b>	<b>\$2,546,510</b>
<b>NET INCOME/(LOSS)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The Board of Directors is responsible for establishing and maintaining an internal accounting control system, with Finance Committee, consisting of two Board members and the District Manager to provide oversight and assistance and participate in annual budget process. In addition, statements are reviewed by the full Board of Directors.

The District maintains investment policies, procedures and a reserve fund. The Board has adopted and maintains reserves as follows:

- Designated Reserves (operations, facilities and emergency needs)
- Obligated Reserves (tied to infrastructure improvements)
- Restricted Reserves (required and used for payment of debt service)

District revenues sources used to provide and finance infrastructure services include property taxes, special taxes, service charges, fees, assessments and grants.

### Accountability and Governance

As noted earlier, Clear Creek CSD is governed by an independent Board of Directors elected to staggered 4-year terms (Table 4). Meetings are currently held monthly. The District maintains a website that is currently in compliance with state law regarding special district websites. Board meeting agendas are available at least 72 hours in advance and meeting minutes are available after adoption by the Board. Notices are also posted at District offices 5880 Oak Street, Anderson.

Table 3: Clear Creek CSD Board of Directors

Member	Title	Current Term Expiration
Beverly Fickes	Chairman	November 2026
Terry Lincoln	Vice Chair	November 2026
Irwin Fust	Director	November 2024
Pam Beaver	Director	November 2024
Scott McVay	Director	November 2024

Budgets are approved annually by the Board of Directors which then establishes the scope of work and improvements that can be performed. Annual budgets and audits are available upon request to the District. Annual reporting is provided to the State Controller’s Office per state law.

The District maintains various reserves consistent with their Reserve Policy. There are two major reserve types: designated or restricted. The designated reserves include:

- Operations & Maintenance;
- Filter Plant Reserve
- Backwash Recycle Project
- WIIN Act Reserve and State Loan Reserve.

The restricted reserves are based upon certain legal or contractual commitments for specific capital improvement funding.

Standing Committees (Agriculture, Finance, Personnel, Planning and Steering,) meet on an as-needed basis. Non-emergency meeting agendas are posted at least 72 hours in advance and special or emergency meetings meeting agendas are posted at least 24 hours in advance.

### Staff

The District employs a General Manager and ten staff members. This includes the

- Administrative Assistant,
- Bookkeeper /Accountant,
- Account Clerk,
- Water Treatment Chief Plant Operator,
- Distribution Supervisor,
- Distribution Operator III,
- Distribution Operator II,
- Distribution Operator I,
- Water Treatment and Distribution Operator III and Water Treatment Operator III.

The General Manager is responsible for hiring and evaluating the Administration, Distribution and Treatment employees. The General Manager and division supervisors for each department collaborate on hiring and evaluating their employees. The division supervisors report to the General Manager.

## **Sphere of Influence**

The current SOI includes public lands to the north along Clear Creek and agricultural lands to the south near the Tehama County border and to the southeast. These land designations may not require municipal water services from the District and may be considered for a SOI reduction.

These are areas where there are no other services provider if there is ever a future need and as such should remain in the SOI. Along SR 273 there is a small portion of Anderson SOI that overlaps with the District, which could result in a duplication of services. The District SOI along this portion SR 273 is reduced to eliminate the overlap.

## **Municipal Service Review Determinations**

### **(1) Growth and population projections for the affected area**

- a) There are approximately 9,000 residents in the District.
- b) The County has an annual growth rate of 0.49%. The District is expected to have a similar growth rate.

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

- a) The Shasta County 2021 Median Household Income (MHI) was approximately \$54,667. This is 68% of the California 2021 MHI of \$80,440. The District's MHI is approximately \$59,154 which is 73% of the statewide MHI. This qualifies the District as a DUC. Census blocks to the North and West have higher MHI's and do not qualify as DUCs.

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

- a) The Water Treatment Plant Backwash Pond Repair Project is in review and the funding and definition from FEMA/CalOES and the State of California are pending. This project is for repairing the ponds, improving maintenance and making them more resilient to emergencies.
- b) The water treatment plant has 38 actuators and valves identified as problematic and in need of replacement within one to two years. Two of the 38 actuators have been ordered and will be replaced within the next few months. Of those 38, 20 will need to be subcontracted due to size and equipment needed.
- c) There are currently no plans to provide wastewater services.
- d) County Service Area (CSA) #1 - Happy Valley Fire District offers fire protection, fire suppression and emergency medical services to the District.

### **4) Financial ability of agencies to provide services.**

- a) The District implemented new accounting software for FY 22-23 to better and more accurately track revenues and expenses. The District's invoices must be reviewed by bookkeeping, the general manager reviews and approves documents and the District Directors sign the checks and review the expenses before sending payments.

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- 5) In July 2022, the District passed new water rates. The Base Rate for all customers is \$56.05 plus infrastructure and project repayment of \$10.81 plus the current Usage rate/HCF.

**Status of and, opportunities for, shared facilities**

- a) The District provides water services to a school facility in the Igo-Ono CSD, as that district only provides untreated irrigation water.
- b) The Centerville, Igo-Ono, Clear Creek and Shasta CSDs are all located in the same geographic area of Shasta County and all provide a single service, water. There is increasing state legislation for water systems consolidation and State Water resources Control Board actions to implement this legislation. Should the Districts be interested, there may be State support to consolidate water systems in this portion of western Shasta County. Centerville and Clear Creek CSDs share a water treatment plant.
- 6) **Accountability for community service needs, including governmental structure and operational efficiencies.**
- a) The Clear Creek CSD is a single service water provider in a rural area of Shasta County, the largest community services provider is the County. The Happy Valley Fire District provides fire protection and suppression in the area. Wastewater is provided by individual onsite systems. No municipal wastewater system is currently under consideration.
- b) The General Manager has helped to progress improvements on the water treatment plant, start to update the drought contingency plan, improve distribution system maintenance, implement grant funded improvements, introduce a new accounting software, implement internal control changes and update the water services and usage rates.
- 7) **Any other matter related to effective or efficient service delivery.**

- a) None noted.

## **Sphere of Influence Determinations**

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies, to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence, as defined by GC § 56036 and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining each local agency's SOI, the commission shall consider and prepare a written statement of its determinations with respect to the following:

**(1) Present and planned land uses in the area, including agricultural and open-space lands.**

- a) Land use within the District includes Rural Residential, Mixed Use, Agricultural, Public Facility, Public Land and Suburban Residential. The public facilities include the Richard W Curry West Central Landfill and the Northern California Veterans Cemetery in the west, the Happy Valley Fire District Station, Multiple School Facilities for the Happy Valley School district and a CSA #1 Shasta County Fire Department Station #5 to the south. There are two unincorporated communities in the District boundary, Cloverdale and Olinda.

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- b) The District's eastern SOI land use includes Rural Residential, Commercial, Suburban Residential, Industrial, Public Facility, Agricultural and Open Space. The eastern SOI overlaps with the City of Anderson's boundary. The District's southern SOI land use includes Rural Residential and Agricultural and Public Facility which is the Anderson Landfill. The western part of the SOI includes Rural Residential and Agricultural. North of the District within the SOI includes Public Land and Rural Residential.
- c) The southern and northern areas within the SOI have land uses that do not typically require water services. However, Centerville CSD has similar land uses within their SOI and the Board made an argument for keeping those lands within it.
- d) There are no changes in planned land uses at this time.

**(2) Present and probable need for public facilities and services in the area.**

- a) Currently, the water treatment plant needs improvements. Those improvements are in the process of being completed and funded.
- b) The two out of District customers, National Park service connections, are proposed to remain within the SOI.

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

- a) Despite being affected by drought in 2022, the District maintains good water quality and has supply to meet current and future average daily demand.
- b) The District water supply is considered adequate to meet current demand.

**(4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

- a) No social or economic communities of interest identified in the SOI.

**(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**

- a) The City of Anderson overlaps the Clear Creek CSD SOI. Due to the City providing a broad range of municipal services, compared to the single water service provided by the CSD, the overlap is removed from the CSDs SOI.
- b) No disadvantaged unincorporated communities between the existing District boundaries and the SOI.