



**Western Shasta
Resource Conservation District**

Municipal Service Review &
Sphere of Influence Update



Commission Approved
December 2, 2021

SHASTA LOCAL AGENCY FORMATION COMMISSION

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Acknowledgements:

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1 INTRODUCTION

This Municipal Service Review (MSR) and Sphere of Influence (SOI) Update provides information about Western Shasta Resource Conservation District's (WSRCD) infrastructure, management, services, and boundaries. The report is for use by the Shasta Local Agency Formation Commission (LAFCO) in conducting a statutorily required MSR review and SOI update process. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that the Commission conduct periodic reviews and SOI updates for cities and special districts in Shasta County (Government Code § 56425). State law also requires that, prior to 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 and future public service conditions comprehensively and evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring critical services are efficiently provided.

1.1 Resource Conservation District and Principal Act Overview

Resource Conservation Districts (RCDs) are independent special districts under Resource Conservation District law (Public Resources Code §9001-9972). An RCD manages a diversity of resource conservation projects, including soil and water conservation projects, wildlife habitat enhancement and restoration, control of exotic plant species, watershed restoration, conservation planning, education, and many others. RCDs are governed by a board of five, seven, or nine Directors, either appointed by County Board of Supervisors or elected by resident voters to serve 4-year terms.

The California Department of Conservation (DOC) provides assistance to California's RCDs in their mission to develop a land stewardship ethic that promotes long-term sustainability of the state's rich and diverse natural resource heritage. This support can take the form of financial assistance through grant programs, as well as information and technical support through publications.¹ RCDs partner with local communities on a voluntary basis to care for California's land, water, soil and other natural resources. RCDs combine the accountability and transparency of a public agency with the flexibility and non-regulatory approach of a non-profit organization. This allows RCDs to adapt to the changing needs of communities, build relationships, and act as a bridge to connect individuals with state and federal partners and programs as well as Native American tribes, local agencies and private foundations.

1.2 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 sphere of influence;
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 sphere of influence);

¹ California Department of Conservation: Resource Conservation District Assistance Program
<https://www.conservation.ca.gov/DLRP/rcd>

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 an overview of Resource Conservation Districts along with a profile for the subject agency.

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

1.3 Sphere of Influence Determinations

An 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 municipal service review (MSR) and adopt related determinations. In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
5. The 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 sphere of influence (effective July 1, 2012).

1.4 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 SOI updates to consider 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 Resource Conservation Districts and their provided services in Shasta County.

1.5 Review Methods

The following information was considered in the service review:

- o Agency-specific data: responses to LAFCO Requests for Information from the Western Shasta RCD, 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; Department of Finance; CA Water Resources Board;
- o Finances: November 16, 2021 Letter from RCD Manager Maureen Teubert to Shasta LAFCO; Reissued financial statements for years ended June 30, 2018, and 2019 budgets, rates and fees; and
- o Other Reports and Assessments: California Association of Resource Conservation District website

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.

1.6 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. MSR's 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.

2 AGENCY PROFILE

The Western Shasta Resource Conservation District (Western Shasta RCD or WSRCD) is a special district of the State of California and is funded entirely by grants and contracts. The 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 provides support for projects in wetland & riparian habitat restoration, habitat mitigation, and fire protection including increasing forest health & defensible space.

Table 1: Western Shasta RCD Overview

Primary Contact	Maureen Teubert, District Manager		
Phone	<u>(530) 365-7332 ext 202</u>		
Email	Maureen@westernshastarc.org		
Alternate Contact	Sharon McBroome, Grant Accountant		
Phone	<u>(530) 365-7332 ext 210</u>		
Email	sclark@westernshastarc.org		
Address:	<u>6270 Parallel Rd Anderson, CA 96007</u>		
Website	http://www.westernshastarc.org/		
Services Provided	Wetland & Riparian Habitat Restoration, Habitat Mitigation, Fire Protection Including Increasing Forest Health & Defensible Space.		
Population Served:	64,000	Service Area:	1,687,558 acres

2.1 Formation

The Western Shasta RCD was formed in 1957 as a small volunteer organization. Since then, the RCD has grown from a small volunteer organization to a successful conservation district that is dedicated to the restoration and preservation of western Shasta County's natural resources.

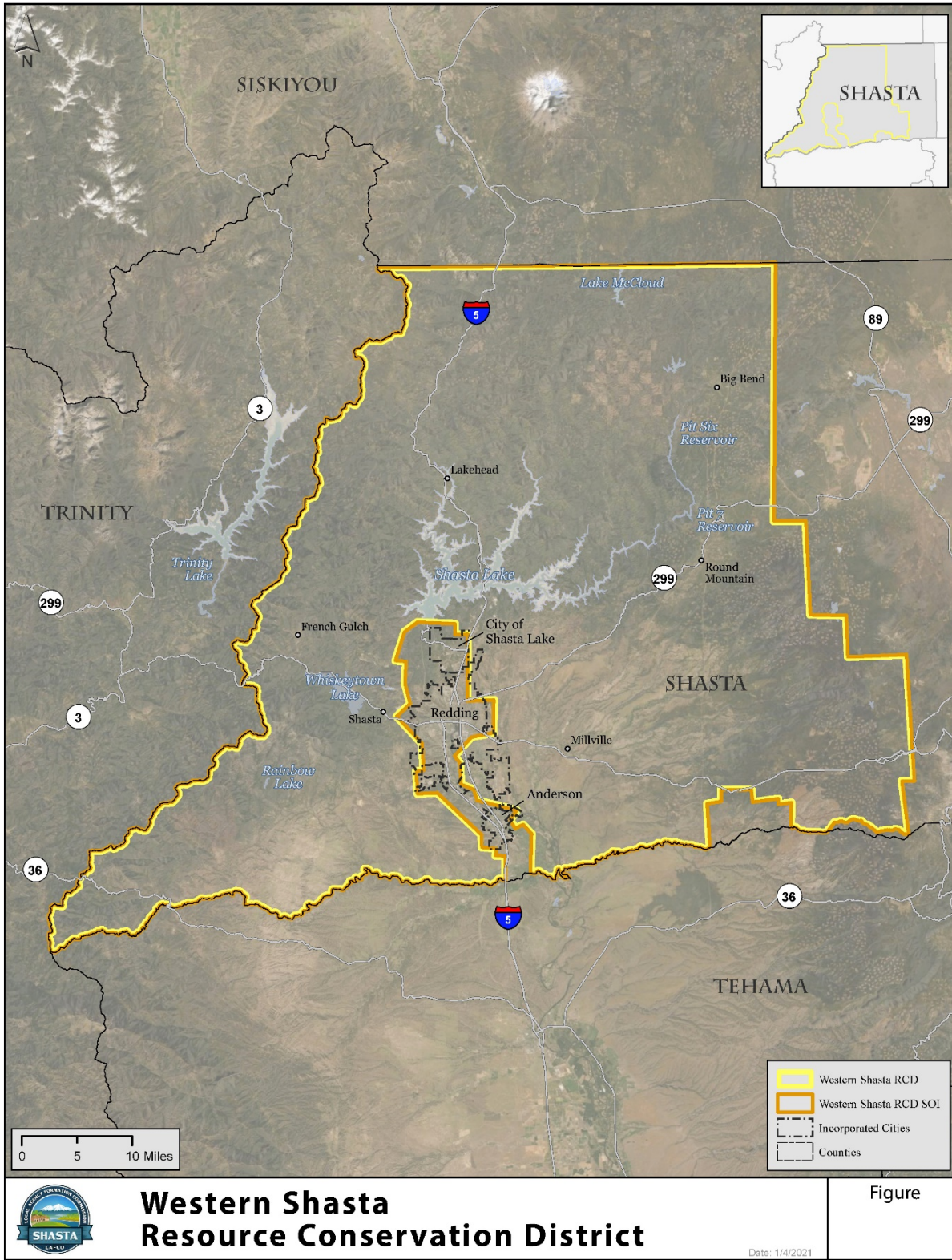
2.2 RCD Service Area Boundary and Sphere of Influence

The Shasta County Board of Supervisors adopted a resolution on April 12, 1954, requesting the State Soil Conservation Service begin proceedings to form the Western Shasta County Soil Conservation District. The new district would cover more than 108,197.02 acres. A petition to include additional land brought that final total to 1,635,240 acres.

After two years and an affirmative vote of landowners, the boundaries of this new District were fixed and established on September 26, 1957. Additional acreage was later added to the District for a total area of 1,687,558 acres. On April 3 2014, the District Sphere of Influence (SOI) was updated via Shasta LAFCo Commission Resolution 2014-05 to make the District's eastern boundary coterminous with the westerly boundary of the Fall River Resource Conservation District.

Based on 2016 Census block groups, the current Western RCD boundary is estimated to include 64,000 residents (Figure 1). The current SOI is coterminous with the District boundary. This District boundary excludes the Cities of Shasta Lake, Redding and Anderson, as well as the unincorporated community of Cottonwood.

Figure 1: Western Shasta RCD Boundary



2.3 Growth and Population

Shasta County Growth Projections

Between 2014 and 2018, the estimated Shasta County population grew from 178,520 to 180,040 people, an average annual growth rate of 0.17 percent². When reviewing population data, it is important to distinguish between population changes that affect the entire County and the unincorporated portion of the County, which can be affected by annexations and other boundary changes. The unincorporated area of the County 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%³. If the unincorporated area's portion of the County's population remains near 38%, it is estimated that the unincorporated area would increase from 68,177 to 71,499 people.

However, according to the most recent California Department of Finance estimate, the Shasta County population decreased by 0.1% from 2018 to 2019⁴. This could be the result of recent wildfires throughout the county. 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 RCD during this MSR cycle. It should also be noted that the Department of Finance, Demographics Division, now states that assumptions used to project future population may no longer be applicable and that these projections could change with their next estimate cycle, which is every 5 years.

District Population Estimates

The current District population is estimated at 64,000 based on 2016 Census Block Groups. Based on an average annual growth estimate for the unincorporated areas of Shasta County of 0.49% the estimated population in 2030 is 67,136, an addition of 3,136 people.

This estimate is based on the current District boundaries, which currently do not include the incorporated Cities of Shasta Lake, Redding and Anderson.

2.4 Existing and Planned Land Uses

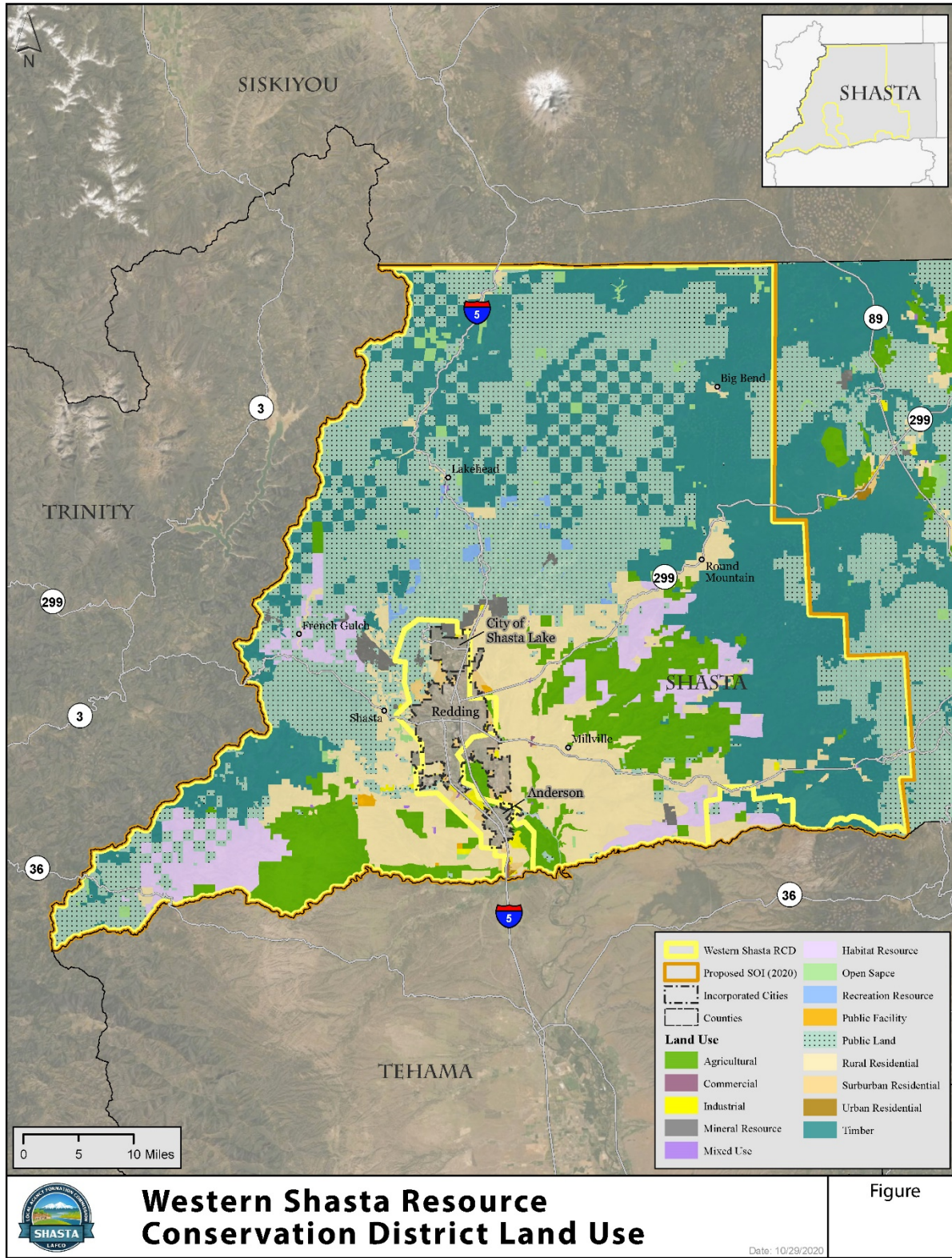
Land use within the unincorporated portion of the District is subject to the Shasta County General Plan and Zoning Regulations, which was last updated in 2004. Common land uses include Agricultural, Rural Residential and Timber land as well as vast areas designated Public Land (Figure 2). Much of the public land is managed by Shasta-Trinity National Forest.

² US Census Bureau, 2014-2018 American Community Survey 5-year Estimates for Shasta County (Table S0101).

³ California Department of Finance, Projections, P-1: State Population Projections (2010-2060), Total Population by County (1-year increments).

⁴ California Department of Finance, E-1 Population Estimates for Cities, Counties, and the State – January 1, 2018 and 2019, May 2019.

Figure 2: Western Shasta RCD Land Uses



3 GOVERNANCE AND ACCOUNTABILITY

Western Shasta RCD has a seven-member Board of Directors that serves 4-year terms appointed by the Shasta County Board of Supervisors. Affected constituents may provide input directly to RCD staff or the respective member of the Board of Supervisors. The Board typically meets on Fridays at 9:00am at their District office at 6270 Parallel Rd, Anderson, CA 96007. Board meeting dates, times, agendas, and minutes are available online at <http://www.westernshastarc.org/>. Any decisions regarding the RCD are made at regular Board meetings. The current Board members are provided below:

Table 2: Western Shasta RCD Board of Directors

3.1 Management and Staffing

Board Member	Address	Email	Term End
Dennis Heiman, President	9930 Cow Creek Drive Palo Cedro, CA 96073	dennis.heiman@yahoo.com	11/27/20
Alan Hill	P.O. Box 492527 Redding, CA 96049	athill2011@gmail.com	11/30/22
Mike Berry	22505 Adobe Road, Cottonwood, 96022	codydog601@gmail.com	11/30/24
John P. Moore, Jr.	12700 Platina Road Igo, CA 96047	eromjay@gmail.com	11/25/22
Lois Kaufman	30133 Amidon Ranch Road Oak Run, CA 96069	loda@frontiernet.net	11/25/22
Melissa Markee	1006 Lema Road Redding, CA 96003	mmarkee@shastacollege.edu	11/25/22
Vacant	None	None	11/25/22

Western Shasta RCD employs a District Manager, Maureen Teubert, a Chief of Operations/Human Resources, Kelli England and a Grant accountant, Sharon McBroome. It also employs two project Managers, three Project Coordinators, one Field Coordinator and three Lead Field Technicians for a total of nine other full-time employees. In addition, the District employs one part-time Chief Financial Officer and full or part-time Field Technicians as needed for individual projects.

3.2 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 Shasta County

SOI. In many cases, Census Block Groups are larger than Districts. In these cases, LAFCo's evaluation was conducted with an abundance of caution to ensure no DUCs are overlooked.

Within unincorporated Shasta County, fire services are provided by the Shasta County Fire Department in partnership with local Fire Protection Districts (FPDs). Water and sewer services are provided by a myriad of service providers within local communities. Since WSRCD does not provide water, sewer or fire protection services it is not obligated to provide them to DUCs within the District boundaries.

According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Shasta countywide MHI is \$50,905, which places it at 71% of the California MHI and classifies the County as disadvantaged. Three incorporated cities, City of Shasta Lake, City of Anderson and City of Redding are currently excluded from the District boundaries and most of the District's current population exists in unincorporated County communities that do qualify as "disadvantaged". Examples of DUCs within the District include the communities of Mountain Gate with an MHI of \$33,125 and Keswick with an MHI of \$42,250.

3.3 Other Service Providers

Western Shasta RCD partners with National and State organizations to advance local conservation goals. To this end, WSRCD works with the Bureau of Land Management (BLM), the US Forest Service (USFS), the CA Department of Transportation (CalTrans), the State Water Resources Control Board (SWRCB) and many others. A list of current projects in progress or recently completed by WSRCD can be seen below (Table 3).

Western Shasta RCD works extensively with both the City of Redding and Shasta County on projects. To facilitate this partnership, a SOI expansion should be considered in the future. This expansion is not considered in this MSR due to outstanding audits and financial accountings. Once these are complete adding incorporated Cities within RCD boundaries should be considered. This future SOI expansion would facilitate later annexation of these areas if proposed by the District.

4 DISTRICT SERVICES & INFRASTRUCTURE

Western Shasta RCD provides resource management services to in-district public and private landowners including:

- o Promoting voluntary action to resolve natural resource issues;
- o Focusing attention on local resource problems and opportunities;
- o Developing and implementing educational programs for landowner benefit;
- o Providing input for the development and implementation of government programs; and
- o Coordinating with federal, state, and local agencies as needed for technical assistance.

4.1 Projects

The Western Shasta RCD is currently involved in many projects furthering their resource management goals. A detailed project list can be seen below:

Table 3: Western Shasta RCD Project List 2020-21

Funding Source	Project Name	Amount	Start Date	End Date
CONSERVATION EASEMENTS				
Shasta Conservation Fund (SCF)	Rivercrest Estates Conservation Easement	\$10,000.00	4/1/2006	In Perpetuity
City of Redding	Stillwater Business Park	\$65,462.00	6/9/2008	In Perpetuity
City of Redding	Highland Park Preserve	-	-	In Perpetuity
Stewardship Council	Kilarc Doc. Report	\$3,000.00	11/1/2011	
Stewardship Council	Battle Creek Planning Unit	\$5,000.00	10/1/2012	
Stewardship Council	Iron Canyon Planning Unit	\$5,000.00	10/1/2012	In Perpetuity
Stewardship Council	Lake McCloud Planning Unit	\$5,000.00	10/1/2012	In Perpetuity
Stewardship Council	Kilarc Planning Unit	\$5,000.00	5/21/2011	In Perpetuity
Shastina Ranch	Shastina Ranch	-	-	In Perpetuity
MITIGATION				
CalTrans	Sulphur Creek Open Space Preserve (Mitigation)	\$1,250,000.00	12/1/2007	6/30/2020
Shasta County	Shasta County Airport Bridge Mitigation	\$200,846.18	9/4/2015	12/31/2028
CalTrans	\$570,000.00	\$570,000.00	8/1/2014	6/30/2022
SERVICE CONTRACTS				
FEMA	FEMA Technical Partners	\$170,000.00	9/1/2020	8/31/2021
TCRCD	TCRCD Services (PG&E Well-Capstone)			
NRCS	NRCS Engineering Services	\$150,000.00	9/1/2019	12/31/2022
CalFire	Cal Fire Prof Services (Lower Gas Point VMP)	\$200,000.00	3/22/2019	6/30/2021
CalFire	Cal Fire Prof Services (China Gulch) Mastication	\$1,500,000.00	8/27/2019	6/30/2020
Stewardship Council	Lake Britton Baseline Determination Report (BDR)	\$5,000.00	4/7/2017	12/31/2020
Stewardship Council	SNC BDR	\$5,000.00	4/7/2017	12/31/2018
Stewardship Council	Pit-Tunnel BDR	\$12,000.00	12/15/2017	12/31/2018

Funding Source	Project Name	Amount	Start Date	End Date
Stewardship Council	Lake Britton BDR State	\$6,800.00	4/25/2018	7/31/2020
Stewardship Council	Battle Creek Retained BDR	\$27,500.00		
McConnell Foundation	Carr Fire Fuels Reduction Community Outreach	\$65,000.00	12/16/2019	4/30/2020
City of Redding	Stillwater Business Park Vegetation Control	\$25,000.00		12/31/2020
Harris Environmental Group	BLM Carr Fire Herbicide	\$82,535.50	6/1/2020	8/31/2020
Vestra	Carr Fire Hazardous Fuel Reduction	\$125,078.75	6/1/2020	10/31/2020
GRANTS/AGREEMENTS				
State Water Resources Control Board (SWRCB)	Carr Fire Project	Contract Rates	9/1/2018	9/30/2021
SWRCB	Carr Fire Pollutant Mitigation	\$8,629,208.00	9/1/2018	9/30/2021
SRCF	SRCF Carr Fire Erosion Control	\$80,000.00	10/16/2018	10/21/2019
SWRCB	Battle Creek Rd Sediment Red	\$406,350.00	6/1/2018	10/31/2021
CA P&R	OHV Invasive Weeds Management	\$104,012.00	01/01/2018	12/31/2020
CDFW	Cook and Butcher Fish Passage/Screen	\$418,618.00	6/1/2018	2/28/2021
CDFW	Bella Vista Siphon Fish Passage	\$63,899.00	6/1/2018	5/31/2020
CAFSC	Shasta Lake Section A	\$118,000.00	2/1/2019	12/31/2020
CA P&R	Bagley OHV Plan	\$78,213.00	1/1/2018	12/31/2020
Shasta Co. Title III	Lakehead Firewise	\$31,190.00	8/11/2020	7/31/2021
FUTURE PROJECTS				
CalTrans	Highway 299 Culvert Mitigation	\$100,000.00	TBD	TBD
BLM	Good Neighbor Agreement	\$300,000.00	TBD	TBD
CalTrans	Jelly's Ferry Build Out	\$569,940.00	TBD	TBD

The projects can be grouped into four broad categories:

Conservation Easements: Work with private landowners and the City of Redding to set aside land managed by the WSRCD. Many of these Conservation Easements are also managed by the Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council). The Stewardship Council was established in 2004 to develop a plan to permanently protect more than 140,000 acres of watershed lands owned by the electricity provider for Shasta County, Pacific Gas and Electric (PG&E).

Mitigation: Work with CA Department of Transportation (CalTrans) and Shasta County to mitigate development projects.

Service Contracts: These projects include work for the Federal Emergency Management Service (FEMA) and the California Department of Forestry and Fire Protection (Cal Fire) among others. The work includes many fuels reduction projects.

Grants: These grants include 10 projects awarded money from the State Water Resources Control Board (SWRCB) to facilitate Carr fire recovery. They also include projects working with the California Department of Fish and Wildlife (CDFW).

4.2 Infrastructure Needs and Deficiencies

The District owns nine vehicles valued at \$341,205 and equipment valued at \$203,067 in the FY 2020-21 Budget. The District owned vehicles include three trucks, two trailers, an ATV and a side-by-side. In addition, the Shasta Conservation Fund (a Western Shasta RCD component unit) owns a tractor and trailer. There are expected to be vehicle replacement /upgrade needs in the future.

The District also has two Morebark Chippers that it uses quite extensively for fuels reduction work. It would be very beneficial to upgrade/replace those machines as they are close to 20 years old—or get additional chippers with expanded capabilities to allow the District to do more fuels reduction projects.

4.3 Shared Services

WSRCD maintains partnerships with Federal, State and Local partners. Federal partners include Bureau of Land Management (BLM), Bureau of Reclamation (Reclamation), FEMA, the National Park Service, NRCO and US FWS. State partners include the California Conservation Corps (CCC), CDFW, CalFire, CalTrans, CDWR, and the SWRCB.

WSRCD has limited interaction with the Fall River RCD that covers the Eastern portion of Shasta County due to distance, although they do have some shared projects and a good rapport. Other local partnerships include cooperating with the Anderson-Cottonwood Irrigation District (ACID) on grant awards. WSRCD also helps implement AICD fish passage projects and does canal maintenance. WSRCD works with Bella Vista Water District (WD) to help bring them into compliance with CDFW laws and remove District impediments to fish passage. WSRCD works with the City of Redding on mitigation and restoration projects. Redding conservation easements are sometimes endowed to the non-profit branch of the WSRCD (Shasta Conservation Fund). WSRCD also manages some assets for PG&E and private landowners to help them achieve their conservation and mitigation goals including a 10-year mitigation requirement. In addition, the WSRCD produces an annual report on mitigation progress.

5 FINANCIAL OVERVIEW

5.1 Revenues & Expenses

The WSRCD is primarily funded through grant funds and through payment for services provided. The WSRCD demonstrates a positive net income in all three budget years shown. The most recent budget surplus is \$329,967 projected for FY 2020-21.

Table 4: Western Shasta RCD Financial Summary

Categories	Actual FY2018-19	Adopted FY2019-20	Adopted FY 2020-21
Revenue			
Grant & Service Revenue	\$3,188,497	\$7,895,204	\$2,311,209
Total Revenue	\$3,188,497	\$7,895,204	\$2,311,209
Expenses			
District Manager	\$75,719	\$71,272	\$73,715
Administration	\$32,496	\$24,640	\$13,182
Accounting CFO	\$62,888	\$69,653	\$71,801
Project Manager	\$175,932	\$108,537	\$106,136
Project Coordinator	\$134,141	\$248,697	\$199,786
Field Ops. Chief	\$5,076	\$50,222	\$42,704
Field Supervisor/Lead Tech	\$32,703	\$47,165	\$2,829
Field Technicians	\$50,729	\$225,142	\$38,565
Taxes and Benefits	\$183,702	\$172,954	\$112,392
Total Personnel	\$753,386	\$1,018,282	\$660,110
Agriculture	\$396	\$100	\$18,450
Field Supplies	\$3,272	\$81,800	\$6,400
Clothing/Personal Supplies	\$300	\$2,300	\$1,650
Communications	\$5,004	\$6,100	\$6,300
Computer Maintenance	\$7,350	\$19,200	\$8,100
Food	\$204	\$200	\$100
Household Expense	\$3,000	\$3,000	\$3,000
Insurance	\$13,608	\$18,700	\$18,700
Repairs & Maint.-Office	\$504	\$1,500	\$300
Memberships	\$3,576	\$2,800	\$6,000
Office Expense	\$9,729	\$3,300	\$3,450
Postage	\$5,584	\$1,820	\$1,750
Advertising	\$96	\$100	\$300
Events/Prize Expense	\$552	\$500	\$1,000
Professional Services	\$363,204	\$3,512,500	\$67,000
Construction Services	\$1,607,344	\$1,682,800	\$531,500
Consulting/ Monitoring Services	\$15,000	\$43,265	\$463,500
Accounting Services	\$27,600	\$23,000	\$31,400
Legal Services	\$996	\$2,900	\$4,000
Payroll Processing	-	-	\$4,000
Publications & Legal Notices	\$996	\$1,000	\$100
Permits, Licenses & Fees	\$12,096	\$12,400	\$17,500

Categories	Actual FY2018-19	Adopted FY2019-20	Adopted FY 2020-21
Meetings Expense	\$204	\$200	\$0
Rent/Lease Field Equipment	\$57,716	\$266,550	\$50,482
Rent/Lease Office Space	\$24,000	\$24,000	\$24,300
Small Tools-Field (<\$5,000)	\$600	\$1,700	\$800
Barter Expense	\$5,700	\$2,000	\$2,000
Printing Expense	\$1,848	\$9,050	\$5,000
Education & Training	\$204	\$4,200	\$1,800
Fuel	\$204	\$1,600	\$1,050
Vehicle Maintenance	\$2,004	\$1,000	\$1,000
Transportation/Travel	\$4,992	\$22,000	\$12,800
Lodging	\$504	\$1,000	\$0
Meals	\$996	\$1,000	\$100
Conferences	\$300	\$2,300	\$800
Directors Expense	\$204	\$200	\$0
Utilities	\$7,500	\$15,100	\$13,500
Office Equipment	\$996	\$5,000	\$10,000
Field Equipment (Assets)	\$504	\$500	\$3,000
Total Expenses	\$2,942,273	\$6,794,967	\$1,981,242
Net Total	\$246,224	\$1,100,237	\$329,967

5.2 Audit Information

RCD Financial statements were reissued for years ended June 30, 2018, and 2019, in November 2021. The Auditors Letter with the reissued financial statements includes the following:

Restatement and Reissuance of the Single Audit Report

The accompanying financial statements have been restated and the Single Audit Report, including the Independent Auditor's Report and audit findings related to the major federal award program, have been reissued as of November 9, 2021, due to the subsequent events described in Footnote #13.

Additionally, these subsequent events have substantially improved the District's ability to continue as a going concern and the conditions causing the substantial doubt of the District's ability to continue as a going concern, as originally reported in the Single Audit Report issued September 11, 2020, have been removed and there is no longer substantial doubt.

RCD Financial statements reissued for years ended June 30, 2018, and 2019 were provided to the Commission and are available from Shasta LAFCO on request. At the Commission Hearing, RCD staff advised the Commission that certain previously incurred Tri-Counties Bank debt, which continues to be unpaid, will have no impact on ongoing financial and operational viability.

5.3 Financing Constraints and Opportunities

RCD Manager Maureen Teubert submitted a letter to Shasta LAFCO, acknowledging the District has been experiencing financial difficulties for over ten years, with the past four years being extremely difficult. The District reissued financial statements, to reflect Bureau of Reclamation (BOR) negotiations, who have agreed to a long-term repayment plan rather than payment due immediately. This short-term to long-term liability change greatly improved the District's current financial position.

6 MUNICIPAL SERVICE REVIEW DETERMINATIONS

(1) Growth and population projections for the affected area

- a) The current District population is estimated at 64,000 based on 2016 Census Block Groups. Based on an average annual growth estimate for the unincorporated areas of Shasta County of 0.49% the estimated population in 2030 is 67,136, an addition of 3,136 people.
- b) This estimate is based on the current District boundaries, and the District manager expressed interest in expanding RCD boundaries to encompass the incorporated Cities of Shasta Lake, Redding and Anderson. This SOI expansion would increase the District population substantially and require an update of the 2030 population estimate.

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

- a) According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Shasta countywide MHI is \$50,905, which places it at 71% of the California MHI and classifies the County as disadvantaged. Three incorporated cities, City of Shasta Lake, City of Anderson and City of Redding are currently excluded from the District boundaries and most of the District's current population exists in unincorporated County communities that do qualify as "disadvantaged". Examples of DUCs within the District include the communities of Mountain Gate with an MHI of \$33,125 and Keswick with an MHI of \$42,250.

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

- a) Western Shasta RCD provides valuable resource management services to in-district public and private landowners including promoting voluntary action to resolve natural resource issues, focusing attention on local resource problems and opportunities, developing and implementing educational programs for landowner benefit, providing input for the development and implementation of government programs and coordinating with federal, state, and local agencies as needed for technical assistance.

As mentioned before, upgrading/replacing the District's fuels reduction equipment over the next several years would increase their ability to serve communities effectively and deal with the ongoing wildfire risk that exists throughout the service area. In addition, District networking infrastructure, which includes all the required hardware, software, and associated services, is in need of upgrading/replacement in order to facilitate District projects, including mapping, monitoring, tracking, data storage and communications.

- b) The District owns nine vehicles for a total value of \$341,205 and equipment valued at \$203,067 in the FY 2020-21 Budget. The vehicles owned by the District include three trucks, two trailers, an ATV and a side-by-side. In addition, the Shasta Conservation Fund (a Western Shasta RCD component unit) owns a tractor and trailer.

(4) Financial ability of agencies to provide services

- a) The WSRCD is primarily funded through grant funds and payment for services provided. The District conducts annual audits and recently reissued financial statements indicate the financial health of the District has improved.
- b) The November 16 2021 letter to Shasta LAFCO, from the RCD Manager, includes:

“WSRCD will continue to provide the conservation services and natural resource project implementation that we have in the past. The WSRCD Board has hired a new management team and developed extensive financial controls to prevent future problems. The WSRCD is committed to continuing our mission to collaborate with willing landowners, government agencies and other organizations to facilitate the conservation or restoration of western Shasta County's natural resources.”

(5) Status of and, opportunities for, shared facilities

- a) WSRCD maintains partnerships with Federal, State and Local partners. Federal partners include Bureau of Land Management (BLM), Bureau of Reclamation (Reclamation), FEMA, the National Park Service, NRCO and USFWS. State partners include the California Conservation Corps (CCC), CDFW, CalFire, CalTrans, CDWR, and the SWRCB.
- b) WSRCD has limited interaction with the Fall River RCD that covers the Eastern portion of Shasta County due to distance, although they do have some shared projects and a good rapport. Other local partnerships include cooperating with the Anderson-Cottonwood Irrigation District (ACID) on grant awards and removing old ACID infrastructure impeding fish passage. WSRCD also helps implement AICD fish passage projects and does canal maintenance. WSRCD works with Bella Vista Water District (WD) to help bring them into compliance with CDFW laws and remove District impediments to fish passage. WSRCD works with the City of Redding on mitigation and restoration projects. Redding conservation easements are sometimes endowed to the non-profit branch of the WSRCD (Shasta Conservation Fund). WSRCD also manages some assets for PG&E and private landowners to help them achieve their conservation and mitigation goals including a 10-year mitigation requirement. In addition, the WSRCD produces an annual report on mitigation progress.

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

- a) Western Shasta RCD has a seven-member Board of Directors that serves 4-year terms appointed by the Shasta County Board of Supervisors. Any decisions regarding the WSRCD are made at regular Board meetings. The Board typically meets on Fridays at 9:00am at their District office at 6270 Parallel Rd, Anderson, CA 96007. Affected constituents may provide input directly to RCD staff or the respective member of the Board of Directors.
- b) WSRCD maintains a website at <http://www.westernshastarc.org/>. Board meeting dates, times, agendas, and minutes are available online as well as the District's reports on financial transactions, meeting the requirements of SB 929, which went into effect January 1, 2020.

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

- a) None beyond those noted above.

7 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 Government Code §56036, and enact policies designed to promote the logical and orderly development of areas within the sphere.

In determining the sphere of influence of each local agency, 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 unincorporated portion of the District is subject to the Shasta County General Plan and Zoning Regulations, which was last updated in 2004. Common land uses include Agricultural and Timber land as well as vast areas designated Public Land. Much of the public land is managed by Shasta-Trinity National Forest.

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

- a) While not easily quantifiable, the District appears to have experienced an increase in demand for its services over the last few years, as indicated by the increase in grant funding for specific projects. Countywide growth may increase pressure to convert resource lands; therefore, demand for services may increase due to this and other regulatory requirements.

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

- a) The District provides valuable resource conservation services to landowners and collaborates with several other agencies. RCDs generally are constrained by available funding sources; Western Shasta RCD has been successful in receiving grant funds to continue providing essential services.

(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) According to the 2014-2018 American Community Survey 5-Year Estimates, the California median household income (MHI) was \$71,228. The Shasta countywide MHI is \$50,905, which places it at 71% of the California MHI and classifies the County as disadvantaged. Three incorporated cities, City of Shasta Lake, City of Anderson and City of Redding are currently excluded from the District boundaries and most of the District's current population exists in unincorporated County communities that do qualify as "disadvantaged". Examples of DUCs within the District include the communities of Mountain Gate with an MHI of \$33,125 and Keswick with an MHI of \$42,250.

(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) Within unincorporated Shasta County, fire services are provided by the Shasta County Fire Department in partnership with local Fire Protection Districts (FPDs). Water and sewer services are provided by a myriad of service providers within local communities. Since WSRCD does not provide water, sewer or fire protection services it is not obligated to provide them to DUCs within the District boundaries.