

LASSEN LAFCO

***LITTLE VALLEY
COMMUNITY SERVICES DISTRICT***

***MUNICIPAL SERVICE REVIEW
AND
SPHERE OF INFLUENCE***

Adopted September 5, 2012

***MUNICIPAL SERVICE REVIEW – RESOLUTION 2012-0005
SPHERE OF INFLUENCE RESOLUTION 2012-0006***

EXECUTIVE SUMMARY

Municipal Service Reviews (MSRs) are required for all special districts before the Lassen Local Agency Formation Commission (LAFCO) can adopt a Sphere of Influence (SOI) for the district showing the proposed boundary of the district in the future. This Municipal Service Review is prepared for the Little Valley CSD in Lassen County which provides water, fire protection, recreation, library and road maintenance services. The Municipal Service Review (MSR) includes the following information:

- LAFCO requirements for MSRs
- Lassen County background
- Description of service provided by Little Valley CSD
- Analysis of Little Valley CSD's capability to serve existing and future residents in the area

Little Valley is an unincorporated community in Lassen County, California. It is located 43 miles northwest of Susanville at an elevation of 4190 feet. The boundaries of the Little Valley CSD include the old lumber mill site including the old manager's house (which is now burnt down), the Little Valley Homes Subdivision, the Crum Ranch, the old Hind's Trailer Park (now privately owned) as well as undeveloped land in the immediate area (mostly owned by the Crum Ranch.) There are approximately 150 acres within the boundaries.¹ The Little Valley CSD provides water service, fire protection, street maintenance, recreation and library services.

The Board of Directors meets the third Wednesday of each month at 7:00 pm at the Fire Station. The Board of Directors receives no pay and all work is done on a volunteer basis. The 50 water users are billed monthly during the first week of the month by the treasurer. The cost of the water is \$23.00 per month.² This is probably a low rate when compared to other water rates.

The MSR shows that the Little Valley CSD has done well in the following areas:

1. The water system has good water quality as shown by the Consumer Confidence Reports.
2. The District Board meets monthly at the Little Valley Fire Department.
3. The District has provided water service, fire protection and library services despite a lack of funding, total dependence on volunteer help and limited resources.

The MSR shows that the following areas need additional attention:

1. The District needs to maintain a five member Board of Directors as required by the State Law.
2. The District needs to have an audit prepared by a qualified CPA as required by the State Law.
3. The fees may need to be increased.
4. The management of funds using a commercial bank in addition to the County Auditor may need to be changed to provide for greater financial accountability and security.

¹ Little Valley CSD, Director Devora Kelley, March 9, 2012.

² Little Valley CSD, Director Devora Kelley, March 19, 2012.

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1 INTRODUCTION

This Municipal Service Review is prepared for the Little Valley CSD in Lassen County which provides water, fire protection, recreation, library and road maintenance services. The Municipal Service Review (MSR) includes the following information:

- LAFCO requirements for MSRs
- Lassen County background
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1.1 LAFCO's Responsibilities

Local Agency Formation Commissions are quasi-legislative local agencies created in 1963 to assist the State in encouraging the orderly development and formation of local agencies. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) is the statutory authority for the preparation of an MSR, and periodic updates of the Sphere of Influence of each local agency. The Governor's Office of Planning and Research has issued Guidelines for the preparation of an MSR. This MSR adheres to the procedures set forth in the MSR Guidelines.

A Sphere of Influence is a plan for the probable physical boundaries and service area of a local agency, as determined by the affected Local Agency Formation Commission (Government Code §56076). Government Code §56425(f) requires that each Sphere of Influence be updated not less than every five years, and §56430 provides that a Municipal Service Review shall be conducted in advance of the Sphere of Influence update.

1.2 Municipal Service Review Requirements

The statute as amended by AB1744 and regulations call for a review of the municipal services provided in the county or other appropriate area designated by the LAFCO. The LAFCO is required, as part of the MSR, to prepare a written statement of findings of its determinations with respect to each of the following:

1. Growth and Population
2. Capacity and Infrastructure
3. Financial Ability
4. Shared Facilities
5. Government Structure and Accountability

1.3 Lassen LAFCO Policies and Procedures Related to Municipal Services

Lassen LAFCO adopted policies and procedures related to municipal services.

1.4 Preparation of the MSR

Research for this Municipal Service Review (MSR) was conducted during 2011 and 2012.

This MSR is intended to support preparation and update of Spheres of Influence, in accordance with the provisions of the Cortese-Knox-Hertzberg Act. The objectives of this Municipal Service Review (MSR) are as follows:

- ✓ To develop recommendations that will promote more efficient and higher quality service patterns
- ✓ To identify areas for service improvement
- ✓ To assess the adequacy of service provision as it relates to determination of appropriate sphere boundaries

While LAFCO prepared the MSR document, LAFCO did not engage the services of experts in engineering, fire protection, recreation, accounting or other specialists in related fields; but relied upon published reports, Little Valley CSD Board members and Lassen County staff for information.

Therefore, this MSR reflects LAFCO's recommendations, based on available information during the research period and provided by Little Valley CSD and Lassen County staff to assist in its determinations related to promoting more efficient and higher quality service patterns; identifying areas for service improvement; and assessing the adequacy of service provision for water, fire protection, parks and library services.

1.5 Description of Public Participation Process

The LAFCO proceedings are subject to the provisions California's open meeting law, the Ralph M. Brown Act (Government Code Sections 54950 et seq.) The Brown Act requires advance posting of meeting agendas and contains various other provisions designed to ensure that the public has adequate access to information regarding the proceedings of public boards and commissions. Lassen LAFCO complies with the requirements of the Brown Act.

The State MSR Guidelines provide that all LAFCOs should encourage and provide multiple public participation opportunities in the municipal service review process. Local MSR policies have been adopted by the Lassen LAFCO.

Lassen LAFCO has discussed and considered the MSR process in open session, and has adopted a schedule for completing the various municipal service reviews and sphere of influence updates for districts in Lassen County. Each municipal service review will be prepared as a draft, and will be subject to public and agency comment prior to final consideration by the Lassen LAFCO.

1.6 California Environmental Quality Act (CEQA)

The Municipal Service Review is a planning study that will be considered by Lassen LAFCO in connection with subsequent proceedings regarding the Little Valley CSD and the Sphere of Influence. The Sphere of Influence review or update that will follow has not been approved or adopted by LAFCO.

This MSR is funded in the Lassen LAFCO's 2011-2012 Budget. This MSR includes an analysis, to the extent required by Section 15262 of the CEQA Guidelines, of the environmental factors that may be affected by the Municipal Service Review process, but will not include the preparation of an environmental review document.

1.7 Sphere of Influence Requirements

In determining the Sphere of Influence for each local agency, LAFCO must consider and prepare a statement of determinations with respect to each of the following:

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 which 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.

1.8 SOI Amendments and CEQA

LAFCO has the discretion to limit SOI updates to those that it may process without unnecessarily delaying the SOI update process or without requiring its funding agencies to bear the costs of environmental studies associated with SOI expansions. Any local agency or individual may file a request for an SOI amendment. The request must state the nature of and reasons for the proposed amendment, and provide a map depicting the proposal.

LAFCO may require the requester to pay a fee to cover LAFCO costs, including the costs of appropriate environmental review under CEQA. LAFCO may elect to serve as lead agency for such a review, may designate the proposing agency as lead agency, or both the local agency and LAFCO may serve as co-lead agencies for purposes of an SOI amendment. Local agencies are encouraged to consult with LAFCO staff early in the process regarding the most appropriate approach for the particular SOI amendment under consideration.

Certain types of SOI amendments are likely exempt from CEQA review. Examples are SOI expansions that include territory already within the bounds or service area of an agency, SOI reductions, and zero SOIs. SOI expansions for limited purpose agencies that provide services (e.g., fire protection, levee protection, cemetery, and resource conservation) needed by both rural and urban areas are typically not considered growth-inducing and are likely exempt from CEQA. Similarly, SOI expansions for districts serving rural areas (e.g., irrigation water) are typically not considered growth-inducing.

Remy et al. write

In City of Agoura Hills v. Local Agency Formation Commission (2d Dist.1988) 198 Cal.App.3d480, 493-496 [243 Cal.Rptr.740] (City of Agoura Hills), the court held that a LAFCO's decision to approve a city's sphere of influence that in most respects was coterminous with the city's existing municipal boundaries was not a "project" because such action did not entail any potential effects on the physical environment.³

Since the recommendation is for the Sphere of Influence for the boundary of the Little Valley CSD to remain the same, there will be no environmental impacts from the adoption of the Sphere and no environmental document is required.

³ Remy, Michael H., Tina A. Thomas, James G. Moose, Whitman F. Manley, *Guide to CEQA*, Solano Press Books, Point Arena, CA, February 2007, page 111.

2 SETTING

2.1 Lassen County

2.1.1 Lassen County Background

The Lassen County website describes the County as follows:

Lassen County is an outdoor paradise, where the beautiful Sierra Nevada and Cascade mountains meet the desert of the Great Basin. Because of the unique terrain, there's something here for everyone. The climate is nearly ideal: generally dry, warm days and cool nights, with an average summer high of 89 degrees and daytime temperatures in the 40's during the winter months.

You can water ski or fish for the world-renowned trout at Eagle Lake, surrounded by mountains covered with standing pines. The beautiful high desert areas of the county attract off-road vehicles and horseback riders, including many who come to view the annual BLM roundup and adoption of wild mustangs at Twin Peaks. The winter season provides access to outstanding snowmobile trails, cross-country and downhill skiing areas, and snowshoe hikes in Lassen Volcanic National Park and Lassen National Forest.⁴

2.1.2 Lassen County Population Data

Lassen County population data from the 2010 Census is shown below:

Census Data 2010⁵	Lassen County	California
Population, 2010	34,895	37,253,956
Population, percent change, 2000 to 2010	3.2%	10.0%
Population, 2000	33,828	33,871,648
Persons under 5 years, percent, 2010	4.7%	6.8%
Persons under 18 years, percent, 2010	18.0%	25.0%
Persons 65 years and over, percent, 2010	10.0%	11.4%
Female persons, percent, 2010	35.8%	50.3%

Lassen County has grown less than the State of California between 2000 and 2010. Lassen County also has a lower percentage of young people and a slightly lower percentage of older people than the State as a whole. This can be attributed to the prison population which is also the reason Lassen County shows a lower percentage of females than the State.

⁴ Lassen County, <http://www.co.lassen.ca.us/visiting/default.asp>, March 16, 2012.

⁵ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06035.html>, November 17, 2011.

The following table shows the percentage of high school and college graduates in Lassen County and in California. While Lassen County is similar to the State in the percentage of high school graduates; the County is well below the State in the percentage of college graduates.

Census Data 2010⁶	Lassen County	California
High school graduates, percent of persons age 25+, 2005-2009	79.9%	80.5%
Bachelor's degree or higher, pct of persons age 25+, 2005-2009	11.5%	29.7%
Veterans, 2005-2009	3,504	2,092,627

Lassen County housing data is shown below. Lassen County has significantly more home owners than the State of California as a whole. There are also fewer multi-family housing structures because there are fewer renters. The cost of housing in Lassen County is less than the average cost of housing for the State.

Housing Data		
Census Data 2010⁷	Lassen County	California
Housing units, 2010	12,710	13,680,081
Homeownership rate, 2005-2009	67.9%	57.9%
Housing units in multi-unit structures, percent, 2005-2009	8.8%	30.7%
Median value of owner-occupied housing units, 2005-2009	\$225,200	\$479,200

The value of housing in Little Valley is estimated to be lower than that for Lassen County. An average house in Little Valley is worth approximately \$15,000⁸

The table below shows income for Lassen County and for the State of California. Both the per capita income and the household income in Lassen County are lower than the same figures for the State of California.

Census Data 2010⁹	Lassen County	California
Households, 2005-2009	10,288	12,187,191
Persons per household, 2005-2009	2.36	2.91
Living in same house 1 year & over, 2005-2009	72.5%	83.9%
Per capita money income in past 12 months (2009 dollars) 2005-2009	\$19,239	\$29,020
Median household income, 2009	\$46,377	\$58,925
Persons below poverty level, percent, 2009	18.2%	14.2%

⁶ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06035.html>, November 17, 2011.

⁷ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06035.html>, November 17, 2011.

⁸ Little Valley CSD, April 2012.

⁹ US Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06035.html>, November 17, 2011.

Little Valley is described as a Disadvantaged Community (DAC), with an annual median household income that is less than 80 percent of the statewide average annual median household income.¹⁰ The estimated median household income (MHI) for Little Valley is \$28,750 which is the same for that of McArthur because they have the same zip code.¹¹

2.2 Little Valley

2.2.1 Little Valley Location¹²

The community of Little Valley is located in the northwest portion of Lassen County. It is fourteen miles almost due south of Nubieber, but it is 33 miles by road. The only paved road to the community starts in Pittville, which is located on the Lassen-Shasta County line and is 15 miles northwest of Little Valley.

Little Valley is separated from Big Valley by a small mountain range cut by the Pit River. It is located at the northern end of a small valley also known as Little Valley. Dixie Valley is to the east. The nearest community is Pittville. Dixie Valley is not a community, but rather a valley with a large ranch complex approximately eight miles east of the community of Little Valley on a dirt road.

The community of Little Valley is rather isolated from all other areas of Lassen County. The nearest larger and most convenient market area is to the northwest in Shasta County at Fall River Mills and McArthur, twenty-five miles away. There are no jobs in Little Valley. Residents commute to a job, receive assistance, have a retirement income or use their home on a seasonal basis.

Federal lands in the Little Valley area include large forested parcels surrounding the community owned by the USDA Forest Service (Lassen Nation Forest) to the west and south, while the Bureau of Land Management (BLM) is the major ownership of to the north and east. Roseburg Resources Company (RRC) owns and manages about 700 acres immediately adjacent to town, mostly to the west. Little Valley Meadow and Dixie Valley are owned by private ranches.¹³

⁸ State of California, Upper Pit River Watershed Integrated Regional Water Management Plan Proposition 84 IRWM Grant Program Planning Grant Prepared for California Department of Water Resources Division of Integrated Regional Water Management Financial Assistance Branch Post Office Box 942836 Sacramento, CA 94236-0001 Submitted by Northeastern California Water Association PO Box 445 McArthur, CA 96056 September 2010, http://www.water.ca.gov/irwm/docs/ResourcesLinks/Submitted_Applications/P84_Round1_Planning/NortheasternCaliforniaWaterAssociation/Att3_PG1_WorkPlan_3of4.pdf, March 24, 2010, Page 8.

⁹ State of California, Upper Pit River Watershed Integrated Regional Water Management Plan Proposition 84 IRWM Grant Program Planning Grant Prepared for California Department of Water Resources Division of Integrated Regional Water Management Financial Assistance Branch Post Office Box 942836 Sacramento, CA 94236-0001 Submitted by Northeastern California Water Association PO Box 445 McArthur, CA 96056 September 2010, http://www.water.ca.gov/irwm/docs/ResourcesLinks/Submitted_Applications/P84_Round1_Planning/NortheasternCaliforniaWaterAssociation/Att3_PG1_WorkPlan_3of4.pdf, March 24, 2010, Page 20.

¹² Lassen LAFCO, "Executive Officer's Report and Recommendation Little Valley Community Services District Formation Proposal," A.T. Dresel, September 19, 1973, Page 2.

¹³ Lassen LAFCO, Fire Protection Districts Municipal Service Review, November 2009, page 46.

2.2.2 Little Valley Topography¹⁴

Little Valley is a small meadow type valley surrounded with timbered hills and mountains. Horse Creek runs through it in a northerly direction which empties into the Pit River. The community of Little Valley sits on the edge of the timber to the west in a small pocket of the valley a half-mile from Horse Creek. The land slopes up to the west and north with a very sharp rise of a lava finger on the east. The lumber mill (now Crum Ranch)¹⁵ sits at the south end of this finger with the mill pond to the south and the former lumber yard to the north just south of the railroad tracks, west of the lava flow and east of the community itself. The house that goes with the mill burned down¹⁶ but used to sit on top of the lava finger overlooking the valley. The old community water well is located next to this homesite but is now privately owned.¹⁷ This finger is part of a larger hill that separates the Little Valley community and mill from Horse Creek.

The former Corder Ranch compound is about a quarter of a mile south of the community and is now part of the 300 acre Crum Ranch. Part of the Corder Ranch Compound was also purchased by Mountain Jewel Ranch.¹⁸ It consists of various ranch houses and out-buildings that are required for a self-sustaining ranch operation. The old Little Valley school house was located just west of the ranch buildings.

The northern end of a range of mountains is directly to the west of the community. This range extends southerly and is dominated by Blacks Ridge and Blacks Mountain. Blacks Mountain is 9 miles south of the community of Little Valley.

The Burlington Northern Railroad tracks run across the northern edge of the community and former lumber yard. It used to furnish a spur line into the mill for shipping finished lumber. County Road 404 stops at the north side of the railroad tracks. No county or state road enters Little Valley.

The soil on both sides of the main road through the community to the former Corder Ranch is of red loam soil mixed with lava rock. The valley floor east of the main road and south of the mill pond is pasture type soil. The former Corder Ranch compound is also pasture type soil.

The timber in the area is mainly pine and related evergreens with varying amounts of oak. There is underbrush in the wooded area. The meadow land is grassy.

2.2.3 Little Valley History¹⁹

The community of Little Valley originally grew as a residential area for the employees of the former lumber mill. The mill was too isolated for convenient commuting and closed in the 1970's. The structures burned down in 1997.²⁰ Eventually the lands and houses where the mill workers lived were sold but the easements were retained for all existing

¹⁴ Lassen LAFCO, "Executive Officer's Report and Recommendation Little Valley Community Services District Formation Proposal," A.T. Dresel, September 19, 1973, Pages 2-3.

¹⁵ Little Valley CSD, Director Devora Kelley, March 9, 2012.

¹⁶ Little Valley CSD, Director Devora Kelley, March 9, 2012.

¹⁷ Little Valley CSD, Director Devora Kelley, March 9, 2012.

¹⁸ Little Valley CSD, Director Devora Kelley, March 9, 2012.

¹⁹ Lassen LAFCO, "Executive Officer's Report and Recommendation Little Valley Community Services District Formation Proposal," A.T. Dresel, September 19, 1973, Pages 3-4.

²⁰ Little Valley CSD, Director Devora Kelley, March 9, 2012.

utilities. Fred D. Hinds purchased the property and subdivided it in 1956 as the Little Valley Homes Subdivision. He subdivided the property into lots and streets as the streets and houses existed. Part of the vacant land was also subdivided into building lots. Because none of the streets were up to County standards and Hinds did not wish to bring them up to standard, they remain in private ownership. Later Hinds started an approved mobile home park on the undeveloped land just south of the subdivision. His use permit for this park expired. He also proposed a subdivision (Arrowhead Annex) for this land but it was never completed. There was a permit of a seven unit overnight camping park for this site but it is now privately owned.

The community had a central water system at the time Hinds purchased the property. He acquired a twenty year lease for the water system including the well, pump, storage tank and lines. The system was in poor condition at that time and was replaced in 1975.²¹

2.2.4 Other Services

The community of Little Valley is isolated from all other areas of Lassen County. The community has become a summer home and retirement community. There is no medical or dental service within 25 miles. The students go to McArthur for school. There is one street light in the community located at the corner of Judy Drive and Cottonwood.²² The closest grocery store, gas station and shopping is to the northwest in Shasta County in McArthur and Fall River Mills, roughly 20 to 25 miles away.²³

The Little Valley area is part of the following four special districts in addition to the Little Valley CSD:²⁴

- 1) Lassen-Modoc Flood Control and Water Conservation District
This District can provide the following services:
 - Provide and conserve water for any beneficial use.
 - Control storm and flood waters.
 - Develop and sell electricity.
- 2) Mayers Memorial Hospital District
This District can provide ambulance and hospital services
- 3) Fall River Resource (Soil) Conservation District
This District develops district wide plans for soil and water conservation.
- 4) Pine Grove Cemetery District
This District maintains a cemetery near McArthur.

The following services are provided by Lassen County:²⁵

- 1) Garbage
There is a solid waste disposal site maintained by the County about 1 mile northwest of Little Valley just off of County Road 404.

²¹ Little Valley CSD, Director Devora Kelley, March 9, 2012.

²² Little Valley CSD, Director Devora Kelley, March 9, 2012.

²³ Little Valley CSD, Director Devora Kelley, March 9, 2012.

²⁴ Little Valley CSD, Director Devora Kelley, March 9, 2012.

²⁵ Little Valley CSD, Director Devora Kelley, March 9, 2012.

2) Police Protection

Police protection is provided by the Lassen County Sherriff's Department. Their closest branch office is located in Bieber approximately 35 miles away. California highway Patrol is available as well.

There is no central sewage system in Little Valley. The community has 75 residential lots and there are approximately 56 houses. Of these 56 houses most are attached to a cesspool. There is still no problem with this because of the nature of the soil and the under lying strata. The Little Valley Community Services District continues to monitor this.²⁶

2.3 Groundwater²⁷

California's Groundwater Bulletin 118, updated 2/27/04 describes the Sacramento River Hydrologic Region Dixie Valley Groundwater Basin as follows:

Dixie Valley Groundwater Basin

- Groundwater Basin Number: 5-53
- County: Lassen
- Surface Area: 4,870 acres (8 square miles)

Basin Boundaries and Hydrology

The Dixie Valley Groundwater Basin is an elongated east/west trending alluvial basin located south of Bald Mountain and west of Madeline Plains in western Lassen County. The basin is bounded to the south by Pleistocene basalt and on all other sides by Pliocene basalt (Lydon 1960). Indian Creek flows into the valley from the east. The valley is drained by Horse Creek which flows northwest to the Pit River. Annual precipitation in the basin ranges from 17- to 19-inches.

Hydrogeologic Information

*Hydrogeologic information was not available for the following:
Water-Bearing Formations, Groundwater Level Trends,
Groundwater Storage*

Groundwater Budget (Type B)

The estimate of groundwater extraction for the Dixie Valley Basin is based on a 1997 survey conducted by the California Department of Water Resources. The survey included land use and sources of water. Groundwater extraction for municipal and industrial uses is estimated to be 2 acre-feet. Deep percolation of applied water is estimated to be 420 acre-feet.

²⁶ Little Valley CSD, Director Devora Kelley, March 9, 2012.

²⁷ State of California, http://www.water.ca.gov/pubs/groundwater/bulletin_118/basindescriptions/5-53.pdf, March 24, 2012.

**Groundwater Quality
 Well Characteristics**

Municipal/Irrigation	Well yields (gal/min) NKD*
Domestic	Total depths (ft) NKD
Municipal/Irrigation	
*NKD – No Known Data	

Active Monitoring Data

Agency	Parameter	Number of wells /measurement frequency
	Groundwater levels	NKD
	Miscellaneous water quality	NKD

Basin Management

Groundwater management: No known groundwater management plans, groundwater ordinances, or basin adjudications.

Water agencies

<i>Public</i>	<i>None</i>
<i>Private</i>	<i>None</i>

Selected References

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2.4 Community Services Districts²⁸

2.4.1 Community Services Districts Background

In unincorporated areas, basic services like security, fire protection, planning, and social welfare are usually provided by the county. Because counties often consist of large and diverse geographical areas, providing a consistent and adequate service level across all areas can be difficult. Consequently, the Community Services District Law (Government

²⁸ <http://www.californiataxdata.com/pdf/CSD.pdf>, August 3, 2011

Code §61000-61850) was created to provide an alternate method of providing specialized services in unincorporated areas.

2.4.2 The Community Services District Law

The law allows residents of an unincorporated area to initiate the formation of a community services district (also referred to as “CSD”). A CSD is authorized to provide a wide variety of services, including water, garbage collection, wastewater management, security, fire protection, public recreation, street lighting, mosquito abatement, conversion of overhead utilities to underground, library services, ambulance services, and graffiti abatement.

A CSD may span unincorporated areas of multiple cities and/or counties. A CSD may issue bonds, or form an improvement district for the purpose of issuing bonds, as any City or County might do. Any bond issuance or other long-term debt will require a 2/3rds majority approval of registered voters residing within the CSD.

2.4.3 Need for a Community Services District

Small communities may not have the tax base necessary to incorporate into a city. Instead, residents must rely on the county to provide all essential services. In most cases, due to the scope of their requirements, counties cannot provide tailored services to any one community. This leaves residents with little if any local control over services and no easy way to address problems or complaints.

Once a CSD is formed, the residents elect a board of local residents to oversee CSD management and operations. Through board meetings and local presence, the community has a direct say in what types and levels of service it receives. Overall this independent form of local government is able to be much more responsive to a community's needs.

2.4.4 Formation of a Community Services District

A CSD is initiated by a petition of registered voters or by adoption of a resolution at the county level. A CSD cannot be formed without a 2/3rds majority vote of residents living within the proposed boundaries. Once approved, the CSD may take over functions previously operated by the county. Provision of any new services requires a majority vote of the registered voters in the CSD and approval of the Local Agency Formation Commission.

2.4.5 CSD Taxes

Property taxes are calculated upon assessed value of the land and improvements and placed on the property tax bill. Counties are limited to a maximum tax levy of 1% of assessed valuation and the 1% is divided between the various districts and the county. Additionally, a CSD may levy taxes to pay debt service on general obligation bonds that were previously approved by a majority vote. A CSD may also provide certain services only to a segment of the CSD territory. In that case, taxes for those services will be approved by and levied against the affected properties only.

A CSD may also charge a water or sewer standby charge to ensure future availability of service, which in most cases is limited to \$10 per parcel or acre, unless otherwise approved by law. CSD charges continue as long as the CSD is providing services to the community.

2.4.5 Service Fees

Property taxes no longer cover the cost of most services. CSDs must rely on service charges or special household taxes to pay for services such as water or sewer service and fire protection. Service Fees may be billed directly or may be collected along with the property taxes.

3 LITTLE VALLEY COMMUNITY SERVICES DISTRICT (CSD)

3.1 Background

Little Valley is an unincorporated community in Lassen County, California. It is located 43 miles northwest of Susanville at an elevation of 4190 feet. The boundaries of the Little Valley CSD include the old lumber mill site including the old manager's house (which is now burnt down), the Little Valley Homes Subdivision, the Crum Ranch, the old Hind's Trailer Park (now privately owned) as well as undeveloped land in the immediate area (mostly owned by the Crum Ranch.) There are approximately 150 acres within the boundaries.²⁹ The Little Valley CSD provides water service, fire protection, street maintenance, recreation and library services.

3.2 Board of Directors

The Board of Directors for the Little Valley CSD is as follows:³⁰

Ted Crum, Chairman	527-875 Dixie Valley Road, McArthur CA 96056
Devora Kelley, Director	528-610 Judy Drive, McArthur, CA 96056
Cindy Gordon, Secretary	
Terri Ray, Director	
Peggy Crum, Treasurer	

Peggy Crum, Treasurer assists the Board of Directors on a volunteer. Peggy Crum as Treasurer is bonded³¹ as a protection for herself and the District.³² The District may not be able to find volunteers to do this in the future and may want to contract with the Lassen County Waterworks District 1 in Bieber to have their personnel do this task.

The Board of Directors meets the third Wednesday of each month at 7:00 pm at the Fire Station. The Board of Directors receives no pay and all work is done on a volunteer basis. The Board needs to keep in contact with Lassen County Clerk/Recorder-Julie Bustamante, (220 S. Lassen Street, Suite 5, Susanville, CA 96130, Phone: 530-251-8217) to make sure that each board member knows the term of office and the election dates. The terms of office are to be for four years with staggered terms.

The Board of Directors does a good job of managing the District under adverse circumstances. The Board needs to make it a priority to educate themselves regarding the various codes that regulate Board actions and to plan for the future.

3.3 Board of Directors Requirements

The Board of Directors for a Community Services District is governed by California Government Code Section 61040 – 61048 which is included in this report as Appendix B. Government Code Section 61040 requires the Board of Directors to consist of five

²⁹ Little Valley CSD, Director Devora Kelley, March 9, 2012.

³⁰ Little Valley CSD, Director Devora Kelley, March 16, 2012.

³¹ A surety bond is a type of "guarantee" that obligates an individual to uphold her end of an employment agreement with a company. As part of a treasurer's employment contract, she agrees to operate in a manner that is honest and integral. If the treasurer violates that agreement, the bond holds her accountable for restitution and legal expenses. In a bond agreement, the treasurer is referred to as the "Obligee." The company is referred to as the "Principal."

³² Little Valley CSD, Director Ted Crum, March 26, 2012.

members. No person shall be a candidate for the Board of Directors unless he or she is a voter of the district or the proposed district (Government Code Section 61040(b)).

Also included within Appendix B is a Notice of Vacancy which can be posted within the District if the Board wants to appoint the additional members. Pursuant to Section 1780(d) of the California Government Code, the District shall post a notice of the vacancy in three or more conspicuous places in the district at least 15 days before the District Board makes the appointment. The District shall notify the county elections official of the appointment no later than 15 days after the appointment. Also included within Appendix B is an example of an Oath of Office form once the District appoints someone to fill the vacancy.

If a five member Board of Directors cannot be maintained for the Little Valley CSD, a County Service Area (CSA) may have to be formed instead of a Community Services District. Under a CSA, the County Board of Supervisors acts as the CSA Board. The County Board of Supervisors usually has a County department or other paid employees perform all the work for the CSA. This could be expensive since it is difficult to travel from Susanville to Little Valley. A PUD, Public Utilities District, allows a three member Board of Directors.

3.4 Water Service

3.4.1 General Water Supply, Treatment, and Distribution Process Overview

Small community water treatment has posed a problem for the drinking water regulatory community, drinking water professionals, and the people living in these communities. The Safe Drinking Water Act (SDWA) and subsequent regulations require that all water in the distribution system and at every tap connected to the distribution system comply with these regulations. Water treatment usually consists of filtration and disinfection.

Water treatment standards essentially mandate central treatment for drinking water prior to entering the distribution system. No water that exceeds a primary standard may be used for drinking water.

Primary Standards have been developed to protect human health and are rigorously enforced by the State Department of Health Services. For very small communities, this may be a cost that poses an undue burden. Often it could be a cost that has negative public health implications. For a very low-income family, the money spent on water treatment may not be available for other essentials.

The Best Management Practices for water conservation recommended by the California Water Association are as follows:³³

1. Water Survey Programs for Single-Family Residential and Multi-Family Residential Customers
2. Residential Plumbing Retrofit
3. System Water Audits, Leak Detection and Repair
4. Metering with Commodity Rates for All New Connections and Retrofit of Existing Connections

³³ California Water Association, <http://www.calwaterassn.com/conservation.htm>, July 26, 2010.

5. Large Landscape Conservation Programs & Incentives
6. High-Efficiency Washing Machine Rebate Programs
7. Public Information Programs
8. School Education Programs
9. Conservation Programs for Commercial, Industrial, and Institutional Accounts
10. Wholesale Agency Assistance Programs
11. Conservation Pricing Home
12. Conservation Coordinator
13. Water Waste Prohibition
14. Residential ULFT (ultra-low-flow-toilet) Replacement Programs

3.4.2 Little Valley CSD Water System³⁴

Little Valley has a central water system to serve the community of approximately 90 to 100 year round residents of Little Valley with a total of up to 130 during the summer. Population density in the District is between 1 to 2 acres per person. There are approximately 56 single family dwellings and 16 vacant lots with building potential within the town site. Some of the homes have been remodeled or replaced.

In 1975 new water lines and water system were put in. The water tank holds approximately 126,000 gallons. Well Depth is approximately 300 feet. (There are 5 other private wells in Little Valley.) The water tank now sits on Sierra Pacific Lumber Company Land to the west of the Fire Hall about one half mile. The cost to the District for the water tank site is \$10.00 per year and the lease is indefinite. There are no leaks or breaks in the lines. The pump was replaced in 2011 for the first time. There are no booster pumps required or needed. There are no water meters.³⁵

The water system is maintained by volunteers in the community. There are blue prints of the water system. Testing of the water is done on a monthly basis. There has been no bacterial contamination in many years. The Little Valley CSD may have the need to shut off the water system for non-payment. The District does not have a system of locked shut-off controls for each connection.³⁶

3.4.3 Water Quality

The 2010 Consumer Confidence Report is shown in Appendix C at the end of this report. The Report shows that there is no bacterial contamination. There are small amounts of Lead and Copper which is probably a result of "internal corrosion of household water plumbing systems."³⁷

3.4.4 Water Rates

The 50 water users are billed monthly during the first week of the month by the treasurer. The cost of the water is \$23.00 per month.³⁸ This is probably a low rate when compared to other water rates as shown below:

³⁴ Little Valley CSD, Director Devora Kelley, March 9, 2012.

³⁵ Little Valley CSD, Director Devora Kelley, March 19, 2012.

³⁶ Little Valley CSD, Director Ted Crum, March 26, 2012.

³⁷ Little Valley CSD, 2010 Consumer Confidence Report.

³⁸ Little Valley CSD, Director Devora Kelley, March 19, 2012.

COMPARISON OF DOMESTIC WATER RATES		
District/County	Number of Connections	Monthly Water Rate (Base Rate)
Arbuckle PUD/Colusa	792 (mostly unmetered) ³⁹	\$15.00 ⁴⁰
Artois CSD/Glenn	59 metered ⁴¹	\$39.00 (16,000 gallons)
Elk Creek CSD/Glenn	90 metered ⁴²	\$44.00 (14,961 gallons)
California Pines CSD/Modoc	131 metered (April 30 to October 31) ⁴³	\$32.25. ⁴⁴
Lassen Co. Waterworks 1, Bieber/Lassen	172 metered ⁴⁵	35.00 (40,000 gallons) ⁴⁶
Little Valley CSD/Lassen	50 unmetered	\$23.00⁴⁷
Westwood CSD/Lassen	765 metered	\$35.78 (30,000 gallons) ⁴⁸
City of Susanville/Lassen	4200 metered	\$23.65 (300 cubic feet*) ⁴⁹

*(100 cubic feet of water = 748 gallons)

However, the City of Susanville charges \$23.65 as the base rate so it could be difficult to increase the rates. The California Water Service Company would probably not want to take on such a small water system and in general they charge higher rates than most government water providers. If the Little Valley CSD had water meters they could increase the rates for water over a certain amount.

Even with the low monthly charge for water service, the District often has a difficult time collecting the payments.⁵⁰ An alternative to monthly billing would be to collect the charges as part of the property tax. However, this would mean a larger payment and could cause more defaults.

³⁹ Arbuckle PUD, Small Water System 2011 Annual Report to the Drinking Water Program for year Ending December 31, 2011.

⁴⁰ Arbuckle PUD, Water Rates as of January 1, 2009.

⁴¹ Artois Community Services District, Jack Cavier, Jr., President, March 1, 2012.

⁴² Elk Creek Community Services District, Arnold Kjer, Water Plant Operator, September 28, 2011

⁴³ California Pines CSD, Vera Sphar, June 12, 2009.

⁴⁴ California Pines CSD Service Rates Effective June 2006.

⁴⁵ Lassen County Waterworks District 1 (Bieber), Stephen Jackson, Manager, Phone: 530-294-5524, March 1, 2011.

⁴⁶ Lassen County Waterworks District 1 (Bieber), Ordinance 09-2, An Ordinance amending the Ordinance Establishing the Rate for Water Service by the Lassen County Waterworks District 1 (Bieber), June 16, 2009.

⁴⁷ Little Valley CSD, Director Devora Kelley, March 19, 2012.

⁴⁸ Westwood Community Services District, Resolution 2011-01, A resolution of the Westwood Community Services District Increasing Water Rates, Jun 6, 2011.

⁴⁹ City of Susanville, 530-252-5111, August 3, 2012.

⁵⁰ Little Valley CSD, Director Ted Crum, March 26, 2012.

3.5 Fire Protection

3.5.1 Fire Protection Issues

The following is a general discussion of five fire protection issues including Mutual Aid, Dispatch, Response Time, Staffing and Water Supply:

1. Mutual Aid Issues

Most of the fire protection and EMS providers primarily serve their own jurisdictions. Given the critical need for rapid response, however, there are extensive mutual aid efforts that cross jurisdictional boundaries. Mutual aid refers to reciprocal service provided under a mutual aid agreement, a pre-arranged plan and contract between agencies for reciprocal assistance upon request by the first-response agency. In addition, the jurisdictions rely on automatic aid primarily for coverage of areas with street access limitations and freeways.

Automatic aid refers to reciprocal service provided under an automatic aid agreement, a prearranged plan or contract between agencies for an automatic response for service with no need for a request to be made.

2. Fire and EMS Dispatch Issues

Dispatch for fire and medical calls is increasingly becoming regionalized and specialized. This increased regionalization and specialization is motivated by the following factors:

- 1) Constituents increasingly expect emergency medical dispatching (EMD), which involves over-the-phone medical procedure instructions to the 911 caller and requires specialized staff.
- 2) Paramedics increasingly rely on EMD, which also involves preparing the paramedic en-route for the type of medical emergency and procedures.
- 3) Dispatch technology and protocols have become increasingly complex.
- 4) Modern technology has enabled better measurement and regulatory oversight of fire department (FD) response times, and increased pressure for FDs to meet response time guidelines.
- 5) FDs need standard communication protocols due to their reliance on mutual aid.
- 6) Dispatching of calls from cell phones is particularly inefficient due to multiple transfers, length of time the caller spends on hold and lack of location information. Response times are further delayed when callers that are unfamiliar with the area are unable to describe rural locations to the dispatch personnel.
- 7) All new cell phones are now equipped with GPS; however, it will take a few years for all old phones to be replaced by phones with GPS capability and/or construction of specialized cell phone towers.

- 8) NFPA recommends a 60-second standard for dispatch time, the time between the placement of the 911 call and the notification of the emergency responders. The Center for Public Safety Excellence recommends a 50-second benchmark for dispatch time.
- 9) There are clear economies of scale in providing modern fire and medical dispatch services.

3. Fire and EMS Response Time Issues

Response times reflect the time elapsed between the dispatch of personnel and the arrival of the first responder on the scene. For fire and paramedic service, there are service standards relating to response times, dispatch times, staffing, and water flow. Particularly in cases involving patients who have stopped breathing or are suffering from heart attacks, the chances of survival improve when the patient receives medical care quickly.

Similarly, a quick fire suppression response can potentially prevent a structure fire from reaching the “flashover” point at which very rapid fire spreading occurs—generally in less than 10 minutes.⁵¹

The guideline established by the National Fire Protection Association⁵² (NFPA) for fire response times is six minutes at least 90 percent of the time, with response time measured from the 911-call time to the arrival time of the first-responder at the scene.⁵³

The fire response time guideline established by the Center for Public Safety Excellence (formerly the Commission on Fire Accreditation International) is 5 minutes 50 seconds at least 90 percent of the time.⁵⁴

4. Fire Protection Staffing Issues

For structure fires, NFPA recommends that the response team include 14 personnel—a commander, five water supply line operators, a two-person search and rescue team, a two-person ventilation team, a two-person initial rapid intervention crew, and two support people.

The NFPA guidelines require fire departments to establish overall staffing levels to meet response time standards, and to consider the hazard to human life, firefighter safety, potential property loss, and the firefighting approach.

NFPA recommends that each engine, ladder or truck company be staffed by four on-duty firefighters, and that at least four firefighters (two in and two out), each with protective clothing and respiratory protection, be on scene to initiate fire-fighting inside a structure. The Occupational Safety and Health Administration (OSHA) standard requires

⁵¹ NFPA Standard 1710, 2004.

⁵² *The National Fire Protection Association is a non-profit association of fire chiefs, firefighters, manufacturers and consultants.*

⁵³ *Guideline for a full structure fire is response within ten minutes by a 12-15 person response team at least 90 percent of the time.*

⁵⁴ Commission on Fire Accreditation International, 2000.

that when two firefighters enter a structure fire, two will remain on the outside to assist in rescue activities.⁵⁵

For emergency medical response with advanced life support needs, NFPA recommends the response team include two paramedics and two basic-level emergency medical technicians.

5. Fire Protection Water Supply Issues

For structure fires, NFPA recommends the availability of an uninterrupted water supply for 30 minutes with enough pressure to apply at least 400 gallons of water per minute.

3.5.2 Little Valley CSD Fire Protection⁵⁶

The Fire Hall was built before 1981. The District has fire trucks and a water truck as follows:⁵⁷

1)	E. 1422	1957	International	600 Gal. Structure Unit
2)	E. 1421	1968	International	650 Gal. Structure Unit
3)	P. 1451	1973	Dodge 1 Ton	300 Gal. Water Tank (Federal Excess)
4)	Plow	1989	Dodge 1 Ton	
5)	T-1431	1966	Ford	1200 Gal. Water Tender (Federal Excess)
6)	1323	1959	Ford	750 Gal. Structure Unit

The Fire Department has approximately 10 volunteers. Training is done the fourth Friday of every month. There are approximately 10 to 15 fire hydrants throughout the community. One of the problems faced by the Little Valley CSD in the past was that gas was stolen from the fire trucks.⁵⁸ However, this has not happened recently.⁵⁹

There have been no fires in the last 10 years. The closest Fire Department other than Little Valley CSD is located in Pittville approximately 15 miles away. This is also a volunteer fire department.

CALFIRE is responsible for the wild lands fire protection in the area. The nearest CALFIRE fire station is located in Bieber, some 35 miles away. The US Forest Service has jurisdiction within the Lassen National Forest boundary. The Little Valley CSD fire fighters are available to assist when necessary.

3.6 Street Maintenance

Streets and roads remain private. There are no curbs, gutters or sidewalks. All roads are dirt and are maintained by Little Valley Community Services District.⁶⁰

⁵⁵ United States, 29 CFR 1910.134.

⁵⁶ Little Valley CSD, Director Devora Kelley, March 9, 2012.

⁵⁷ Little Valley CSD, Director Devora Kelley, March 27, 2012.

⁵⁸ Little Valley CSD, Director Ted Crum, March 26, 2011.

⁵⁹ Little Valley CSD, April 2012.

⁶⁰ Little Valley CSD, Director Devora Kelley, March 9, 2012.

3.7 Park and Recreation Services⁶¹

There is a public park with picnic tables, basketball hoop and baseball field centrally located in the community. This area is also used for fire department training.

3.8 Library Services⁶²

There is a library located in the Fire Hall which is available to everyone in the community.

3.9 Finances

3.9.1 Budget

In 2010-2011 the Little Valley CSD budgeted \$28,060 and spent \$14,799 according to the Lassen County Auditor.⁶³ The Little Valley CSD maintains an account at the Tri-Counties Bank in Fall River Mills so the information from the Lassen County Auditor does not necessarily give the complete financial story for the District. The account with the Tri-Counties Bank was started because it was so difficult to pay the bills in a timely manner through the Lassen County Auditor. In addition to the volunteer Treasurer, one Board Member must sign each check.⁶⁴ In order for the County Auditor to pay a claim three Board members must sign the Authorization Form.

The Little Valley CSD has 2011-2012 Assessed Valuations as follows:⁶⁵

Secured property	\$1,110,179
Utility	0
Unsecured property	0
Total	\$1,110,179
Homeowner's Exemptions	
Secured	\$108,398
Number	16
Unsecured	0
Total with Homeowner's Exemptions	\$1,218,577

⁶¹ Little Valley CSD, Director Devora Kelley, March 9, 2012.

⁶² Little Valley CSD, Director Devora Kelley, March 9, 2012.

⁶³ Lassen County Auditor, Karen Fouch, E-mail: KFouch@co.lassen.ca.us, November 16, 2011.

⁶⁴ Little Valley CSD, Director Ted Crum, March 26, 2011.

⁶⁵ Lassen County Auditor

The 2011-12 Budget for the Little Valley CSD Expenses is as follows:⁶⁶

LITTLE VALLEY CSD 2011-2012 BUDGET			
Fund 209 Budget Unit 2090 Account	Major Object	Account Name	Budget
	Services and Supplies		
3001200		Communications	\$650
3001500		Insurance	5,000
3001800		Main-Building, Improvements	1,500
3002200		Office Expense	500
3002300		Professional and specialized services	4,000
3002500		Rents and Leases Equipment	10
3002800		Special Department Expense	1,500
3003000		Utilities (PG&E)*	9,000
3004100	Other Charges	Bond Redemption	4,200
3004400		Interest Other Long-term Debt	1,000
3006200	Fixed Assets	Equipment	1,000
	TOTAL		\$28,360

*Power is the largest single expense.

The 2011-12 Budget for the Little Valley CSD Revenue is as follows:⁶⁷

Little Valley CSD Revenue 2011-2012				
Fund 209 Budget Unit 2090 Account	Account Name	Estimated Revenue	Collected Revenue As of 3/12/12	Uncollected Revenue As of 3/12/12
2000100	Property Taxes Current Secured	0	\$1,190.08	0
2000200	Property Tax-Current Unsecured	0	95.95	0
2000400	Property Taxes-Prior Unsecured	0	3.70	0
2000600	Supplemental Property Tax -Current	0	1.93	0
2000901	Other Taxes-Timber Tax	0	8.63	0
2003000	Interest	0	28.46	0
2006000	State-Homeowner Property Tax Relief	0	18.94	0
2011200	Miscellaneous*	\$15,000	0	\$15,000
Total		\$15,000	\$1,347.69	\$13,652.31

*This is the money from the monthly bills which is located in the Tri-Counties Bank (not with the County Auditor).

⁶⁶ Lassen County Auditor, Karen Fouch, E-mail: KFouch@co.lassen.ca.us.

⁶⁷ Lassen County Auditor, Karen Fouch, E-mail: KFouch@co.lassen.ca.us.

3.9.2 Audit

The Little Valley Community Service District has not had an audit even though the State Law requires that each special district has an audit every year or every other year. The California Government Code regarding Audits is as follows:

26909. (a)

(1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) Where an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, the provisions of this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller, or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period, if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c)

(1) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) Notwithstanding the provisions of this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

26910. The auditor may at any reasonable time and place examine the books and records of any special purpose assessing or taxing district located wholly in the county.

The County Auditor recommends that each district contract with a private firm to meet the audit requirements. An example of a request for a proposal for an audit is shown in Appendix D along with the type of information needed for an audit. The cost of an audit could be substantial and the District may need to increase the rates to support this cost.

3.9.3 Insurance

The District is part of the Golden State Risk Management Authority (GSRMA).⁶⁸ The Golden State Risk Management Authority has an office in Willows, California and describes the organization as follows on their website:⁶⁹

Golden State Risk Management Authority (GSRMA) is a risk-sharing insurance pool that offers a full line of programs to cover the many unique exposures of public entities throughout the State of California. We are well-funded and structured to offer extremely competitive products to individual public agencies. We have been "Accredited with Excellence" through the California Association of Joint Powers Authorities since 1992.

⁶⁸ Little Valley CSD, Director Ted Crum, March 26, 2012.

⁶⁹ Golden State Risk Management Authority, <http://www.gsrma.org/navigation/about-us/>, March 26, 2012.

Our current membership covers a broad spectrum of public agencies including, but not limited to, cemetery districts, special districts (water, sewer, and lighting), fire districts, school districts, counties and cities. Golden State Risk Management Authority currently has in excess of 190 member agencies.

GSRMA was created for the purpose of providing services and other items necessary and appropriate for the establishment, operation and maintenance of liability, workers' compensation, property and other risk pooling and insured plans for public agencies. We also provide our members with a forum for discussion, study, development and implementation of recommendations of mutual interest regarding risk pooling and insured programs.

Participation in this type of insurance pool is generally considered to be a cost-effective way to control insurance costs.

4 LITTLE VALLEY CSD MUNICIPAL SERVICE REVIEW

Lassen LAFCO is responsible for determining if an agency is reasonably capable of providing needed resources and basic infrastructure to serve areas within its boundaries and, later, within the Sphere of Influence. LAFCO will do the following:

- 1) Evaluate the present and long-term infrastructure demands and resources available to the District.
- 2) Analyze whether resources and services are, or will be, available at needed levels.
- 3) Determine whether orderly maintenance and expansion of such resources and services are planned to occur in-line with increasing demands.

Determinations are provided for each of the five factors, based on the information provided in this Municipal Service Review.

4.1 Growth and Population Projections for the Little Valley Area

Purpose: To evaluate service needs based on existing and anticipated growth patterns and population projections.

4.1.1 Lassen County Population Growth

Lassen County population growth will depend primarily on growth of the prison population and the required staff; however, the State has been trying to reduce overcrowding in prisons. Lassen County also has a significant seasonal population increase during the summer months.

4.1.2 MSR Determinations on Growth and Population for Little Valley CSD

- 1-1) The population of Little Valley has remained approximately the same for many years. As reported by the District, "The population has remained stable; even after the mill, gas stations, restaurant and grocery stores were gone."⁷⁰
- 1-2) The population of Little Valley is expected to remain approximately the same (90 to 100 year-round residents of Little Valley with a total of up to 130 during the summer.)⁷¹
- 1-3) The CSD needs to maintain a close relationship with the Lassen County Community Development Department to make sure that the zoning and general plan are compatible with the proposed development for the District.
- 1-4) The District needs to ensure that any growth will pay for the additional infrastructure and services needed.
- 1-5) The District is a disadvantaged unincorporated community; however, there are no other communities nearby that would be able to assist Little Valley.

⁷⁰ Little Valley CSD, Director Devora Kelley, March 9, 2012.

⁷¹ Little Valley CSD, Director Devora Kelley, March 9, 2012.

4.2 Capacity and Infrastructure

Purpose: To evaluate the infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities and service quality.

LAFCO is responsible for determining that an agency is reasonably capable of providing needed resources and basic infrastructure to serve areas within the District and later in the Sphere of Influence. It is important that such findings of infrastructure availability occur when revisions to the Sphere of Influence and annexations occur.

In the case of this Municipal Service Review, it is prudent for Lassen LAFCO to evaluate the present and long-term infrastructure demands and resource availability of the District. Further, LAFCO needs to see that resources and services are available at needed levels and orderly maintenance and expansion of such resources and services are made to coordinate with increasing demands.

4.2.1 Infrastructure Background

The infrastructure available to Little Valley CSD is described above in this report.

4.2.2 MSR Determinations Regarding Capacity and Infrastructure for Little Valley CSD

- 2-1) The infrastructure available to the Little Valley Community Services District is adequate but the District should have a Capital Improvement Plan to schedule regular upgrades and maintenance of equipment and infrastructure.
- 2-2) The District Fire Chief is knowledgeable about the water system; however in addition, the District may need a consulting engineer available to the District who is also familiar with the water system and who can explain the technical aspects and problems of the water system to the Board and lay people within the community.
- 2-3) The District should look into the cost of installing water meters at each connection.
- 2-4) The District has a computer used for the minutes; however, the financial accounts are still hand-written.⁷²

⁷² Little Valley CSD, April 2012.

4.3 Financial Ability

Purpose: To evaluate factors that affect the financing of needed improvements and to identify practices or opportunities that may help eliminate unnecessary costs without decreasing service levels.

LAFCO should consider the ability of the District to pay for improvements or services associated with annexed sites. This planning can begin at the Sphere of Influence stage by identifying what opportunities there are to identify infrastructure and maintenance needs associated with future annexation and development, and identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements.

LAFCO should consider the relative burden of new annexations to the community when it comes to its ability to provide public safety and administrative services, as well as capital maintenance and replacements required as a result of expanding District boundaries.

Rate restructuring may be forced by shortfalls in funding, but the process may also reflect changing goals and views of economic justice or fairness within the community. LAFCO should evaluate the impact of SOI and Annexation decisions on existing community assessments for service.

4.3.1 *Financial Considerations*

The District's financial status is discussed above in this report.

4.3.2 *MSR Determinations on Financial Ability for Little Valley CSD*

- 3-1) The District maintains funds with the Lassen County Auditor which is a benefit to the District. The District also has funds with Tri-Counties Bank in Fall River Mills. It would be better if the County Auditor kept all the funds. To have funds in a commercial bank without doing the required annual audits could result in major internal control problems.
- 3-2) The District needs to maintain a close relationship with the Lassen County Auditor, which is difficult because it is such a difficult and lengthy trip to Susanville.
- 3-3) The District may need to change the organizational structure following a study of government efficiency. If the District is unable to maintain a five member board of directors, change to a CSA with the Board of Supervisors functioning as the board for the district, may be an option or reforming under the PUD law.
- 3-4) If the residents of the District truly want to remain as an independent Community Services District they will have to be prepared to pay the cost of maintaining a District that has sufficient funds to pay for an attorney, a fairly compensated administrator, a consulting engineer, a legal audit every year, the cost of maintaining the water lines, and cost of bond and loan payments.

4.4 Opportunities for Shared Facilities

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

In the case of annexing new lands into a district, LAFCO can evaluate whether services or facilities can be provided in a more efficient manner if the District can share them with another agency. In some cases, it may be possible to establish a cooperative approach to facility planning by encouraging agencies to work cooperatively in such efforts.

4.4.1 Facilities

Although Little Valley is isolated from other water systems; there may be ways to work together on administration.

4.4.2 MSR Determinations on Shared Facilities for Little Valley CSD

- 4-1) The Little Valley CSD works with Lassen County because the County Auditor prepares the budget and keeps the funds. All the funds should be centralized for efficiency and safety purposes.
- 4-2) The Little Valley CSD could explore working with the Lassen County Waterworks District 1 in Bieber to maintain or upgrade facilities.

4.5 Government Structure and Accountability

Purpose: To consider the advantages and disadvantages of various government structures that could provide public services, to evaluate the management capabilities of the organization and to evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.

One of the most critical components of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capacity to provide services to affected lands.

Lassen LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure of the ability to provide adequate services to the Sphere of Influence and potential annexation areas.

4.5.1 Government Structure

The Little Valley CSD is required to have a five member board of directors. The Little Valley CSD Board has experienced a lot of turnover in recent years so the new members of the Board will need to be educated regarding the various codes that govern Community Service Districts. The Little Valley CSD Board members have to do more than other district board members because all the work of the District is done on a volunteer basis.

4.5.2 MSR Determinations on Government Structure and Accountability for Little Valley CSD

- 5-1) The Little Valley CSD should make every effort to work with the Lassen County Elections Clerk to make sure that the terms are staggered and the board members are re-elected or appointed in lieu of election (by the Board of Supervisors) in a timely manner.
- 5-2) If the Little Valley CSD cannot get a five member board of directors, the District should consider a change of organization to a CSA and allow the Board of Supervisors to manage the District or merge with other districts such as the Lassen County Waterworks District 1 in Bieber and the Big Valley Fire Protection District.
- 5-3) The Little Valley CSD needs to make every effort to work closely with the Lassen County Auditor to make sure that funds are deposited and withdrawn according to legal requirements and to see if the Auditor could manage all funds.
- 5-4) The Board of Directors has regular meetings with posted agendas and meets in a public place.
- 5-5) The Board of Directors has done an excellent job of providing as many public services as possible in an isolated area with few resources.

5 SPHERE OF INFLUENCE (SOI) DETERMINATIONS

5.1 Sphere of Influence Requirements and Options

The determination of Sphere of Influence Plans is the most important planning function given to LAFCO by the State Legislature. Spheres of Influence are described by the Cortese-Knox-Hertzberg Act as an important tool for “planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities.”

Spheres serve a similar function in LAFCO determinations as general plans do for cities and counties. Consistency with the adopted sphere plan is mandatory, and changes to the plan require careful review. It is intended that written determinations adopted by LAFCO and the Sphere Diagram will together guide the provision of Library services for Lassen County.

While LAFCO encourages the participation and cooperation of the subject agency, the Sphere of Influence Plan is a LAFCO responsibility, and the Commission is the sole authority as to the sufficiency of the documentation and the Plan’s consistency with law and LAFCO policy.

5.1.1 Sphere of Influence Required Determinations

In determining the Sphere of Influence for each local agency, LAFCO must consider and prepare a statement of determinations with respect to each of the following:

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 which 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

5.1.2 Possible Approaches to the Sphere of Influence

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. Based on review of the guidelines of Lassen LAFCO as well as other LAFCOs in the State, various conceptual approaches have been identified from which to choose in designating an SOI. These seven approaches are explained below:

1) Coterminous Sphere:

A Coterminous Sphere means that the Sphere of Influence for a city or special district that is the same as its existing boundaries of the city or district.

2) Annexable Sphere:

A sphere larger than the agency’s boundaries identifies areas the agency is expected to annex. The annexable area is outside the district boundaries and inside the sphere of influence.

3) Detachable Sphere:

A sphere that is smaller than the agency's boundaries identifies areas the agency is expected to detach. The detachable area is the area within the agency bounds but not within its sphere of influence.

4) Zero Sphere:

A zero sphere indicates the affected agency's public service functions should be reassigned to another agency and the agency should be dissolved or combined with one or more other agencies.

5) Consolidated Sphere:

A consolidated sphere includes two or more local agencies and indicates the agencies should be consolidated into one agency.

6) Limited Service Sphere:

A limited service sphere is the territory included within the SOI of a multi-service provider agency that is also within the boundary of a limited purpose district which provides the same service (e.g., fire protection), but not all needed services. Territory designated as a limited service SOI may be considered for annexation to the limited purpose agency without detachment from the multi-service provider.

This type of SOI is generally adopted when the following conditions exist:

- a) The limited service provider is providing adequate, cost effective and efficient services
- b) The multi-service agency is the most logical provider of the other services
- c) There is no feasible or logical SOI alternative
- d) Inclusion of the territory is in the best interests of local government organization and structure in the area

Government Code §56001 specifically recognizes that in rural areas it may be appropriate to establish limited purpose agencies to serve an area rather than a single service provider, if multiple limited purpose agencies are better able to provide efficient services to an area rather than one service district.

Moreover, Government Code Section §56425(i), governing sphere determinations, also authorizes a sphere for less than all of the services provided by a district by requiring a district affected by a sphere action to "establish the nature, location, and extent of any functions of classes of services provided by existing districts" recognizing that more than one district may serve an area and that a given district may provide less than its full range of services in an area.

7) Sphere Planning Area:

LAFCO may choose to designate a sphere planning area to signal that it anticipates expanding an agency's SOI in the future to include territory not yet within its official SOI.

5.2 Sphere of Influence for Little Valley CSD

The Sphere of Influence for the Little Valley CSD should remain the same as the District Boundary. This will allow the District time to remedy some of the problems it has encountered and to explore other options. This will make it clear to Shasta LAFCO that

the District does not want to be combined with the Fall River Mills CSD even though that District has made overtures to the Lassen Co. Waterworks District #1.

Lassen LAFCO has the power to dissolve the CSD and add it to another district or districts or to create a County Service Area as is shown in the Government Code Section included in Appendix E at the end of this report. However, the residents of Little Valley have shown a willingness to upgrade the Community Services District to meet the various requirements of the State Law. The community should be given time to meet these requirements. The Sphere of Influence is required to be updated every five years so the District would have until 2018 to improve the operation of the District.

5.3 Present and Planned Land Uses in the Area, Including Agricultural and Open Space

5.3.1 Lassen County General Plan

The Lassen County General Plan is shown in a map at the end of this report. The General Plan recognizes the Little Valley Area as Intensive Agriculture and it is surrounded by Extensive Agriculture. The area is not recognized as a town center or a special planning area which would give it more protection and recognition as a community.

5.3.2 SOI Determinations on Present and Planned Land Use for Little Valley CSD Area

- 1-1] The Little Valley community is part of an agricultural area with no maintained County Roads.
- 1-2] The long-term viability of the Little Valley community depends on the maintenance of the water system.

5.4 Municipal Services—Present and Probable Capacity and Need

5.4.1 Services

The Little Valley CSD provides water service, fire protection, park and recreation, and library services. These services are described above in this report. All work is done by volunteers.

5.4.2 SOI Determinations on Facilities and Services: Present and Probable Need for the Little Valley CSD

- 2-1] As long as people are residing in Little Valley there will be a need for the services provided by the Little Valley CSD.

5.5 The Present Capacity of Public Facilities and Adequacy of Public Services Provided

5.5.1 Capacity of Facilities

The capacity of the facilities provided by the Little Valley CSD is adequate but the capacity for maintenance and management of the facilities is limited by the small size and poverty of the community.

5.5.2 *SOI Determinations on Public Facilities Present and Future Capacity for the Little Valley CSD*

- 3-1] The capacity of the public facilities provided by the Little Valley CSD is adequate at this time. The volunteers in the community have done a remarkable job of maintaining the facilities.
- 3-2] The future of the Little Valley CSD should be considered by the Board of Directors. It could be that the community would benefit by a closer association with other similar districts if not an actual merger.

5.6 Social or Economic Communities of Interest

5.6.1 Little Valley Community

The Little Valley Community is isolated from other communities by distance. The members of the community who work must commute long distances. This limits the time and funds available to devote to volunteer efforts. The appeal of the community to new residents is limited due to its isolation and lack of employment opportunities.

5.6.2 *SOI Determinations on Social or Economic Communities of Interest for the Little Valley CSD*

- 4-1] The landowners in Little Valley have an economic interest to preserve the value of the homes there. The provision of the water system is necessary for these homes to maintain their limited value.

APPENDIX A - LOCAL GOVERNMENT ISSUES

1 Municipal Financial Constraints

Municipal service providers are constrained in their capacity to finance services by the inability to increase property taxes, requirements for voter approval for new or increased taxes, and requirements of voter approval for parcel taxes and assessments used to finance services. Municipalities must obtain majority voter approval to increase or impose new general taxes and two-thirds voter approval for special taxes.

Limitations on property tax rates and increases in taxable property values are financing constraints. Property tax revenues are subject to a formulaic allocation and are vulnerable to State budget needs. Agencies formed since the adoption of Proposition 13 in 1978 often lack adequate financing.

1.1 California Local Government Finance Background

The financial ability of the cities and special districts to provide services is affected by financial constraints. City service providers rely on a variety of revenue sources to fund city operating costs as follows:

- Property Taxes
- Benefit Assessments
- Special Taxes
- Proposition 172 Funds
- Other contributions from city or district general funds.

As a funding source, property taxes are constrained by Statewide initiatives that have been passed by voters over the years and special legislation. Seven of these measures are explained below:

A. Proposition 13

Proposition 13 (which California voters approved in 1978) has the following three impacts:

- Limits the *ad valorem* property tax rate
- Limits growth of the assessed value of property
- Requires voter approval of certain local taxes.

Generally, this measure fixes the *ad valorem* tax at one percent of value; except for taxes to repay certain voter approved bonded indebtedness. In response to the adoption of Proposition 13, the Legislature enacted Assembly Bill 8 (AB 8) in 1979 to establish property tax allocation formulas.

B. AB 8

Generally, AB 8 allocates property tax revenue to the local agencies within each tax rate area based on the proportion each agency received during the three fiscal years preceding adoption of Proposition 13. This allocation formula benefits local agencies, which had relatively high tax rates at the time Proposition 13 was enacted.

C. Proposition 98

Proposition 98, which California voters approved in 1988, requires the State to maintain a minimum level of school funding. In 1992 and 1993, the Legislature began shifting billions of local property taxes to schools in response to State budget deficits. Local property taxes were diverted from local governments into the Educational Revenue Augmentation Fund (ERAF) and transferred to school districts and community college districts to reduce the amount paid by the State general fund.

Local agencies throughout the State lost significant property tax revenue due to this shift. Proposition 172 was enacted to help offset property tax revenue losses of cities and counties that were shifted to the ERAF for schools in 1992.

D. Proposition 172

Proposition 172, enacted in 1993, provides the revenue of a half-cent sales tax to counties and cities for public safety purposes, including police, fire, district attorneys, corrections and lifeguards. Proposition 172 also requires cities and counties to continue providing public safety funding at or above the amount provided in FY 92-93.

E. Proposition 218

Proposition 218, which California voters approved in 1996, requires voter- or property owner-approval of increased local taxes, assessments, and property-related fees. A two-thirds affirmative vote is required to impose a Special Tax, for example, a tax for a specific purpose such as a fire district special tax.

However, majority voter approval is required for imposing or increasing general taxes such as business license or utility taxes, which can be used for any governmental purpose. These requirements do not apply to user fees, development impact fees and Mello-Roos districts.

F. Proposition 26

Proposition 26 approved by California voters on November 2, 2010, requires that certain state fees be approved by two-thirds vote of Legislature and certain local fees be approved by two-thirds of voters. This proposition increases the legislative vote requirement to two-thirds for certain tax measures, including those that do not result in a net increase in revenue. Prior to its passage, these tax measures were subject to majority vote.

However, majority voter approval is required for imposing or increasing general taxes such as business license or utility taxes, which can be used for any governmental purpose. These requirements do not apply to user fees, development impact fees and Mello-Roos districts.

G. Mello-Roos Community Facilities Act

The Mello-Roos Community Facilities Act of 1982 allows any county, city, special district, school district or joint powers authority to establish a Mello-Roos Community Facilities District (a "CFD") which allows for financing of public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt.

A CFD is created by a sponsoring local government agency. The proposed district will include all properties that will benefit from the improvements to be constructed or the services to be provided. A CFD cannot be formed without a two-thirds majority vote of residents living within the proposed boundaries. Or, if there are fewer than 12 residents, the vote is instead conducted of current landowners.

In many cases, that may be a single owner or developer. Once approved, a Special Tax Lien is placed against each property in the CFD. Property owners then pay a Special Tax each year.

If the project cost is high, municipal bonds will be sold by the CFD to provide the large amount of money initially needed to build the improvements or fund the services. The Special Tax cannot be directly based on the value of the property. Special Taxes instead are based on mathematical formulas that take into account property characteristics such as use of the property, square footage of the structure and lot size. The formula is defined at the time of formation, and will include a maximum special tax amount and a percentage maximum annual increase.

If bonds were issued by the CFD, special taxes will be charged annually until the bonds are paid off in full. Often, after bonds are paid off, a CFD will continue to charge a reduced fee to maintain the improvements.

H. Development Impact Fees

A county, cities, special districts, school districts, and private utilities may impose development impact fees on new construction for purposes of defraying the cost of putting in place public infrastructure and services to support new development.

To impose development impact fees, a jurisdiction must justify the fees as an offset to the impact of future development on facilities. This usually requires a special financial study. The fees must be committed within five years to the projects for which they were collected, and the district, city or county must keep separate funds for each development impact fee.

1.2 Financing Opportunities that Require Voter Approval

Financing opportunities that require voter approval include the following five taxes:

- Special taxes such as parcel taxes
- Increases in general taxes such as utility taxes
- Sales and use taxes
- Business license taxes
- Transient occupancy taxes

Communities may elect to form business improvement districts to finance supplemental services, or Mello-Roos districts to finance development-related infrastructure extension. Agencies may finance facilities with voter-approved (general obligation) bonded indebtedness.

1.3 Financing Opportunities that Do Not Require Voter Approval

Financing opportunities that do not require voter approval include imposition of or increases in fees to more fully recover the costs of providing services, including user fees and Development Impact Fees to recover the actual cost of services provided and infrastructure.

Development Impact Fees and user fees must be based on reasonable costs, and may be imposed and increased without voter approval. Development Impact Fees may not be used to subsidize operating costs. Agencies may also finance many types of facility improvements through bond instruments that do not require voter approval.

Water rates and rate structures are not subject to regulation by other agencies. Utility providers may increase rates annually, and often do so. Generally, there is no voter approval requirement for rate increases, although notification of utility users is required. Water providers must maintain an enterprise fund for the respective utility separate from other funds, and may not use revenues to finance unrelated governmental activities.

2 Public Management Standards

While public sector management standards do vary depending on the size and scope of an organization, there are minimum standards. Well-managed organizations do the following eight activities:

1. Evaluate employees annually.
2. Prepare a budget before the beginning of the fiscal year.
3. Conduct periodic financial audits to safeguard the public trust.
4. Maintain current financial records.
5. Periodically evaluate rates and fees.
6. Plan and budget for capital replacement needs.
7. Conduct advance planning for future growth.

8. Make best efforts to meet regulatory requirements.

Most of the professionally managed and staffed agencies implement many of these best management practices. LAFCO encourages all local agencies to conduct timely financial record-keeping for each city function and make financial information available to the public.

3 Public Participation in Government

The Brown Act (California Government Code Section 54950 et seq.) is intended to insure that public boards shall take their actions openly and that deliberations shall be conducted openly. The Brown Act establishes requirements for the following:

- Open meetings
- Agendas that describe the business to be conducted at the meeting
- Notice for meetings
- Meaningful opportunity for the public to comment
- Few exceptions for meeting in closed sessions and reports of items discussed in closed sessions.

According to California Government Section 54959

Each member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this chapter, is guilty of a misdemeanor.

Section 54960 states the following:

(a) The district attorney or any interested person may commence an action by mandamus, injunction or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter by members of the legislative body of a local agency or to determine the applicability of this chapter to actions or threatened future action of the legislative body.

APPENDIX B BOARD OF DIRECTORS REQUIREMENTS

GOVERNMENT CODE SECTION 61040-61048

61040. (a) A legislative body of five members known as the board of directors shall govern each district. The board of directors shall establish policies for the operation of the district. The board of directors shall provide for the implementation of those policies which is the responsibility of the district's general manager.

(b) No person shall be a candidate for the board of directors unless he or she is a voter of the district or the proposed district. No person shall be a candidate for the board of directors that is elected by divisions or from divisions unless he or she is a voter of that division or proposed division.

(c) All members of the board of directors shall exercise their independent judgment on behalf of the interests of the entire district, including the residents, property owners, and the public as a whole in furthering the purposes and intent of this division. Where the members of the board of directors have been elected by divisions or from divisions, they shall represent the interests of the entire district and not solely the interests of the residents and property owners in their divisions.

(d) Service on a municipal advisory council established pursuant to Section 31010 or service on an area planning commission established pursuant to Section 65101 shall not be considered an incompatible office with service as a member of a board of directors.

(e) A member of the board of directors shall not be the general manager, the district treasurer, or any other compensated employee of the district, except for volunteer firefighters as provided by Section 53227.

61041. Notwithstanding subdivision (a) of Section 65040, this section applies only to those districts that on December 31, 2005, had boards of directors that consisted of three members. Those districts shall continue to have boards of directors that consist of three members until the next general district election after January 1, 2006, after which date those districts shall have boards of directors that consist of five members. At that election, the voters shall fill the two vacancies on the board of directors. Those two members of the board of directors shall serve for the terms of office determined pursuant to Section 10506 of the Elections Code.

61042. (a) The term of office of each member of a board of directors is four years or until his or her successor qualifies and takes office. Directors shall take office at noon on the first Friday in December following their election.

(b) For districts formed before January 1, 2006, where the members of the board of directors are not serving staggered terms, at the first meeting after January 1, 2006, the members shall classify themselves by lot into two classes. One class shall have three members and the other class shall have two members. For the class that has three members, the terms of the offices that begin after the next general district election shall be four years. For the class that has two members, the initial terms of the offices that begin after the next general district election shall be two years. Thereafter, the terms of all members shall be four years.

(c) Any vacancy in the office of a member elected to a board of directors shall be filled pursuant to Section 1780.

61043. (a) Within 45 days after the effective date of the formation of a district, the board of directors shall meet and elect its officers. Thereafter, within 45 days after each general district or unopposed election, the board of directors shall meet and elect the officers of the board of directors. A board of directors may elect the officers of the board of directors annually.

(b) The officers of a board of directors are a president and a vice president. The president shall preside over meetings of the board of directors and the vice president shall serve in the president's absence or inability to serve.

(c) A board of directors may create additional offices and elect members to those offices, provided that no member of a board of directors shall hold more than one office.

61044. A board of directors shall hold a regular meeting at least once every three months. Meetings of the board of directors are subject to the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5.

61045. (a) A majority of the total membership of the board of directors shall constitute a quorum for the transaction of business.

(b) The board of directors shall act only by ordinance, resolution, or motion.

(c) Except as otherwise specifically provided by law, a majority vote of the total membership of the board of directors is required for the board of directors to take action.

(d) The minutes of the board of directors shall record the aye and no votes taken by the members of the board of directors for the passage of all ordinances, resolutions, or motions.

(e) The board of directors shall keep a record of all its actions, including financial transactions.

(f) The board of directors shall adopt rules or bylaws for its proceedings.

(g) The board of directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies, and the purchasing policies required by this division.

61046. (a) Ordinances may be passed by the voters by initiative pursuant to Article 1 (commencing with Section 9300) of Chapter 4 of Division 9 of the Elections Code.

(b) Legislative acts may be disapproved by the voters by referendum pursuant to Article 2 (commencing with Section 9340) of Chapter 4 of Division 9 of the Elections Code.

(c) Members of the board of directors may be recalled by the voters pursuant to Chapter 1 (commencing with Section 11000) of Division 11 of the Elections Code.

61047. (a) The board of directors may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed one hundred dollars (\$100) for each day of service. A member of the board of directors shall not receive compensation for more than six days of service in a month.

(b) The board of directors, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the amount of compensation that may be received by members of the board of directors.

(c) The board of directors may provide, by ordinance or resolution, that its members may receive their actual and necessary traveling and incidental expenses incurred while on official business. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3.

(d) A member of the board of directors may waive any or all of the payments permitted by this section.

(e) For the purposes of this section, a "day of service" means any of the following:

(1) A meeting conducted pursuant to the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5.

(2) Representation of the district at a public event, provided that the board of directors has previously approved the member's representation at a board of directors' meeting and that the member delivers a written report to the board of directors regarding the member's representation at the next board of directors' meeting following the public event.

(3) Representation of the district at a public meeting or a public hearing conducted by another public agency, provided that the board of directors has previously approved the member's representation at a board of directors' meeting and that the member delivers a written report to the board of directors regarding the member's representation at the next board of directors' meeting following the public meeting or public hearing.

(4) Representation of the district at a meeting of a public benefit nonprofit corporation on whose board the district has membership, provided that the board of directors has previously approved the member's representation at a board of directors' meeting and the member delivers a written report to the board of directors regarding the member's representation at the next board of directors' meeting following the corporation's meeting.

(5) Participation in a training program on a topic that is directly related to the district, provided that the board of directors has previously approved the member's participation at a board of directors' meeting, and that the member delivers a written report to the board of directors regarding the member's participation at the next board of directors' meeting following the training program.

61048. A board of directors may appoint one or more advisory committees to advise the board of directors about the district's finances, policies, programs, or operations.

-----**COMMUNITY SERVICES DISTRICT**

NOTICE OF VACANCY

Notice is hereby given that one vacancy exists in the office of Director of
-----COMMUNITY SERVICES DISTRICT.

The remaining members of the Board of Directors will fill the vacancy by
appointment, in accordance with California Government Code Section 1780, at a regular
meeting of the Board of Directors at its regular meeting place at -----
---, CA -----, , on ----- (DATE) at -----(TIME)

Applications for appointment must be received by the District at its
mailing address, _____, in writing, prior
to _____ (TIME), _____DATE. The Community Services
District law requires that Directors reside in the District and be registered to vote there.

Date: _____

_____, Secretary

*Certificate of Appointment
and Oath of Office*
(Special Districts)

I, _____, Secretary for the
_____ District in the
County of Lassen, State of California, do hereby certify that at a regular meeting held on
the _____ day of _____, _____, the remaining members of the
Governing Board of said district appointed _____ to fill a
vacancy on the Governing Board and to hold the office until
_____.

Signature of District Secretary

STATE OF CALIFORNIA, }
County of Lassen } ss.

I, _____, do solemnly swear (or affirm) that I will support
and defend the Constitution of the United States and the Constitution of the State of
California against all enemies, foreign and domestic; that I will bear true faith and
allegiance to the Constitution of the United States and the Constitution of the State of
California; that I take this obligation freely, without any mental reservation or purpose of
evasion; and that I will well and faithfully discharge the duties upon which I am about to
enter.

Title of Office

Signature of Appointee

Subscribed and sworn to before me, this _____ day of _____,
_____.

Signature of Person Administering Oath

Title

APPENDIX C

03/26/2012 04:27pm

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2010 Consumer Confidence Report

Water System Name: **Little Valley Community Services District- PWS #1800516**
Report Date: **March 2012**

*We test the drinking water quality for many constituents as required by State and Federal Regulations.
This report shows the results of our monitoring as of December 31, 2010.*

*Este informe contiene información muy importante sobre su agua potable.
Tradúzcalo ó hable con alguien que lo entienda bien.*

Type of water source(s) in use: Groundwater

Name & location of source(s): Well 1

Drinking Water Source Assessment (DWSA): The California Department of Public Health
conducted a DWSA on the District's sources in April 2002. The source is considered most vulnerable to the following activities not associated with any detected contaminants: high density housing, managed forests, parks, railroads, water supply wells, & landfills/dumps. The source is considered most vulnerable to the following activities associated with the detection of nitrate: high & low density septic systems and sewer collection systems.

Regularly scheduled board meetings for public participation: Fire Hall; 3rd Wednesday; 7:00 PM

For more information, contact: Ted Crum, Board Member Phone: (530) 336-5118

TERMS USED IN THIS REPORT:

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency (USEPA).

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

ND: not detectable at testing limit

Primary Drinking Water Standards (PDWS): MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Secondary Drinking Water Standards (SDWS): MCLs for contaminants that affect taste, odor, or appearance of the drinking water. Contaminants with SDWSs do not affect the health at the MCL levels.

Regulatory Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

ppm: parts per million or milligrams per liter (mg/L)

ppb: parts per billion or micrograms per liter (ug/L)

pCi/L: picocuries per liter (a measure of radiation)

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- *Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.*

- Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals, that are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.
- Radioactive contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the USEPA and the state Department of Health Services (Department) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health.

The tables below list the drinking water contaminants that were detected during the most recent sampling for the constituent. The presence of these contaminants in the water does not necessarily indicate that the water poses a health risk. The Department allows us to monitor for certain contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of the data, though representative of the water quality, are more than one year old.

TABLE 1 - SAMPLING RESULTS FOR COLIFORM BACTERIA

Microbiological Contaminants	Highest No. of detections	No. of months in violation	MCL	MCLG	Typical Source of Bacteria
Total Coliform Bacteria	(In a mo.) 0	0	More than 1 sample in a month with a detection	0	Naturally present in the environment
Fecal Coliform or <i>E. coli</i>	(In the year) 0	0	A routine sample and a repeat sample detect total coliform and either sample also detects fecal coliform or <i>E. coli</i>	0	Human and animal fecal waste

TABLE 2 - SAMPLING RESULTS SHOWING THE DETECTION OF LEAD AND COPPER

Lead & Copper (units)	No. of samples collected	90 th %ile level detected	AL	PHG	Typical Source of Contaminant
Lead (ppb) 2008	5	4.5	15	2	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits
Copper (ppm) 2008	5	0.000	1.3	0.17	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives

TABLE 3 - SAMPLING RESULTS FOR SODIUM AND HARDNESS

Chemical or Constituent	Sample Date	Level Detected	MCL	PHG (MCLG)	Typical Source of Contaminant
Sodium (ppm)	1991	24	None	None	Generally found in ground & surface water
Hardness (ppm)	1991	36.8	None	None	Generally found in ground & surface water

septic tanks and sewage

TABLE 4 - DETECTION OF CONTAMINANTS WITH A SECONDARY DRINKING WATER STANDARD

Chemical or Constituent	Sample Date	Level Detected	MCL	PHG (MCLG)	Typical Source of Contaminant
Chloride (ppm)	1997	15	500	None	Runoff/leaching from natural deposits
Specific Conductance (uS/cm)	1997	200	1,600	None	Substances that form ions in water
Total Dissolved Solids (TDS) (ppm)	1997	129	1,000	None	Runoff/leaching from natural deposits

Additional General Information on Drinking Water

_____ **COMMUNITY SERVICES DISTRICT**
PO Box -----, _____, CA Zip Code

**REQUEST FOR PROPOSALS FOR ACCOUNTING SERVICES TO
PROVIDE REQUIRED AUDITS FOR
_____ COMMUNITY SERVICES DISTRICT**

1. Introduction

The _____ Community Services District seeks proposals from Certified Public Accountants to perform annual or biannual audits as required by the State of California. The scope of work involves securing the information from the _____ CSD and providing the Audit to the District by the required June 30, 2011 deadline. The Certified Public Accountant chosen will need to cooperate with the Modoc County Department Auditor to procure the necessary information. _____ CSD processes all claims and maintains all funds with the _____ *Bank*.

2. Submittal Requirements

There is no expressed or implied obligation for _____ CSD to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. To be considered, a response to this request must be received by the _____ Community Services District, PO Box ----, _____ CA by _____, **2011**. Proposals sent by private delivery may be sent to ----- CA by Noon _____ **2011**.

3. Evaluation Process

During the evaluation process, _____ CSD reserves the right, where it may serve _____ CSD's best interest, to request additional information or clarifications from responders, or to allow corrections of errors or omissions. At the discretion of _____ CSD, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. _____ CSD reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether or not that proposal is selected. Submission of a proposal is acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected. It is anticipated that the selection of a firm will be completed by _____ 2011. Following the notification of the selected firm, it is expected a contract will be executed between both parties no later than five days thereafter.

4. Proposal Requirements

Responses to the RFP must include all of the following:

1. A statement about the firm that describes history, competencies and resumes of the principal and of all the professionals who will be involved in the work.

This statement should address the following:

- a. Experience with Audits for Special Districts in California and completion of necessary reports to the California State Controller
- b. Ability to work cooperatively with the Modoc County Auditor
- c. Ability to perform the work, stay within budget and meet deadlines
- d. A statement that the firm carries errors and omissions, general liability and workers' compensation insurance, and the limits of liability on all of those.

2. A proposed form of contract for the work, and the rates and estimates of total cost. The proposal should include the cost for completion of the Biennial Audit for Fiscal Years 2008-2009 and 2009-2010 by June 30, 2011 and the cost to perform Annual or Biennial Audits in the future.

5. Evaluation Criteria

Proposals will be evaluated based upon their response to the provisions of this Request for Proposals and by the following criteria:

- a. Expertise with Audits for Special Districts in California
- b. Ability to work with pertinent parties and knowledgeable experts
- c. Cost Estimates
- d. Ability to complete the work in a timely manner

Please note that this will be a competitive selection process.

Based on the criteria above, the completeness of the responses, cost and the overall project approach identified in the proposals received, the most qualified firms may be invited, at their expense, for an interview with the _____ CSD Board of Directors.

Following interviews, the most qualified firm will be selected and a recommended agreement including budget, schedule and a scope of services will be negotiated.

6. Additional Information

Firms are encouraged to contact _____, at 530-----or E-Mail _____ with any questions relating to this RFP.

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, D.C. 20250.

Items needed for audit

1. Cancelled checks together with supporting information such as invoices and receipts. Please note the budget account for each check.
2. Minutes of all board meetings during the audit period.
3. Summaries of insurance policies in force during the audit period.
4. Trial balance and/or general ledger as of the end of each year under audit.
5. Documentation of loans or leases during the audit period, if any.
6. Details of fixed assets purchased or sold during audit period.
7. Copies of Federal payroll tax returns, form 941, for each calendar quarter during the audit period.
8. Details of compensated time off balances and computations of accruals as of the end of each audit year.
9. Details of payroll taxes payable as of the end of each audit year.
10. Detail support for other items appearing on the balance sheet for each year end.
11. Reconciliations and copies of bank statements as of year ends for any bank accounts.
12. PERS information binder that was sent by PERS the preceding October.

APPENDIX E

CALIFORNIA CODES GOVERNMENT CODE SECTION 57075-57090

57075. In the case of registered voter districts or cities, where a change of organization or reorganization consists solely of annexations, detachments, the exercise of new or different functions or class of services or the divestiture of the power to provide particular functions or class of services within all or part of the jurisdictional boundaries of a special district, or any combination of those proposals, the commission, not more than 30 days after the conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn, and take one of the following actions, except as provided in subdivision (b) of Section 57002:

(a) In the case of inhabited territory, take one of the following actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the change of organization or reorganization subject to confirmation by the registered voters residing within the affected territory if written protests have been filed and not withdrawn by either of the following:

(A) At least 25 percent, but less than 50 percent, of the registered voters residing in the affected territory.

(B) At least 25 percent of the number of owners of land who also own at least 25 percent of the assessed value of land within the affected territory.

(3) Order the change of organization or reorganization without an election if written protests have been filed and not withdrawn by less than 25 percent of the registered voters or less than 25 percent of the number of owners of land owning less than 25 percent of the assessed value of land within the affected territory.

(b) In the case of uninhabited territory, take either of the following actions:

(1) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(2) Order the change of organization or reorganization if written protests have been filed and not withdrawn by owners of land who own less than 50 percent of the total assessed value of land within the affected territory.

57075.5. Notwithstanding Section 57075, if territory proposed to be annexed to a city with more than 100,000 residents is inhabited and is located in a county with a population of over 4,000,000, the commission, not more than 30 days after conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn and shall take one of the following actions:

(a) Terminate proceedings if written protests have been filed and not withdrawn by 50 percent or more of the registered voters within the affected territory.

(b) Order the territory annexed subject to the confirmation by the voters on the question, and request the city council to call a special election and submit to the voters residing within the affected territory the question of whether it shall be annexed to the city, if written protests have been filed and not withdrawn by either 15 percent or more of the registered voters within the territory, or 15 percent or more of the number of owners of land who also own not less than 15 percent of the total assessed value of land within the territory.

(c) Order the territory annexed without an election if written protests have been filed and not withdrawn by less than 15 percent of the registered voters within the territory and less than 15

percent of the owners of land who own less than 15 percent of the total assessed value of land within the territory.

57076. In the case of landowner-voter districts, where a change of organization or reorganization consists solely of annexations or detachments, the exercise of new or different functions or class of services or the divestiture of the power to provide particular functions or class of services within all or part of the jurisdictional boundaries of a special district, or any combination of those proposals, the commission, not more than 30 days after the conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn, and take one of the following actions, except as provided in subdivision (b) of Section 57002:

(a) Terminate proceedings if a majority protest exists in accordance with Section 57078.

(b) Order the change of organization or reorganization subject to an election within the affected territory if written protests that have been filed and not withdrawn represent either of the following:

(1) Twenty-five percent or more of the number of owners of land who also own 25 percent or more of the assessed value of land within the territory.

(2) Twenty-five percent or more of the voting power of landowner voters entitled to vote as a result of owning property within the territory.

(c) Order the change of organization or reorganization without an election if written protests have been filed and not withdrawn by less than 25 percent of the number of owners of land who own less than 25 percent of the assessed value of land within the affected territory.

57077. (a) If a change of organization consists of a dissolution, disincorporation, incorporation, establishment of a subsidiary district, consolidation, or merger, the commission shall do either of the following:

(1) Order the change of organization subject to confirmation of the voters, or in the case of a landowner-voter district, subject to confirmation by the landowners, unless otherwise stated in the formation provisions of the enabling statute of the district or otherwise authorized pursuant to Section 56854.

(2) Order the change of organization without election if it is a change of organization that meets the requirements of Section 56854, 57081, 57102, or 57107; otherwise, the commission shall take the action specified in paragraph (1).

(b) Notwithstanding subdivision (a) or Section 57102, if a change of organization consists of the dissolution of a district that is consistent with a prior action of the commission pursuant to Section 56378, 56425, or 56430, the commission may do either of the following:

(1) If the dissolution is initiated by the district board, immediately order the dissolution without an election or protest proceeding pursuant to this part.

(2) If the dissolution is initiated by an affected local agency, by the commission pursuant to Section 56375, or by petition pursuant to Section 56650, order the dissolution after holding at least one noticed public hearing, and after conducting protest proceedings in accordance with this part. Notwithstanding any other law, the commission shall terminate proceedings if a majority protest exists in accordance with Section 57078. If a majority protest is not found the commission shall order the dissolution without an election.

(c) If a reorganization consists of one or more dissolutions, incorporations, formations, disincorporations, mergers, establishments of subsidiary districts, consolidations, or any combination of those proposals, the commission shall do either of the following:

(1) Order the reorganization subject to confirmation of the voters, or in the case of landowner-voter districts, subject to confirmation by the landowners, unless otherwise authorized pursuant to Section 56854.

(2) Order the reorganization without election if it is a reorganization that meets the requirements of Section 56853.5, 56853.6, 56854, 57081, 57102, 57107, or 57111; otherwise, the commission shall take the action specified in paragraph (1).

57078. In the case of any reorganization or change of organization, a majority protest shall be deemed to exist and the proposed change of organization or reorganization shall be terminated if the commission finds that written protests filed and not withdrawn prior to the conclusion of the hearing represent any of the following:

(a) In the case of uninhabited territory, landowners owning 50 percent or more of the assessed value of the land within the territory.

(b) In the case of inhabited territory, 50 percent or more of the voters residing in the territory.

(c) In the case of a landowner-voter district, 50 percent or more of the voting power of the voters entitled to vote as a result of owning land within the district.

57078.5. If the affected territory with respect to a proposed annexation to a city consists of (a) territories that are not contiguous to one another and (b) two or more distinct communities, as defined in the county general plan, the census unincorporated places listing, or other commonly recognized community designation, as determined by the commission, and any one community has more than 250 registered voters, any protest filed pursuant to Section 57078 shall be accounted separately for that community, unless the annexation is proposed pursuant to Section 56375.3.

57080. (a) With respect to a proceeding initiated on or after January 1, 2014, when approved and authorized by the commission pursuant to Section 56375.3, Sections 57050, 57051, 57052, and 57078, shall apply and Section 57075 shall not apply.

(b) The commission, not more than 30 days after conclusion of the hearing, shall make a finding regarding the value of written protests filed and not withdrawn and shall do either of the following:

(1) Terminate proceedings if written protests have been filed and not withdrawn by 50 percent or more of the registered voters within the affected territory.

(2) Order the territory annexed without an election.

57081. (a) If authorized by the commission pursuant to Section 56853, the protest proceedings shall be conducted for the consolidation of districts or the reorganization of all or any part of those districts into a single local agency pursuant to this section. The commission shall hold at least one noticed public hearing on the proposal within 30 days after approval of the application by the commission. After the conclusion of the hearing, the commission shall order the consolidation or reorganization without an election, except as otherwise provided in subdivision (b).

(b) An election shall only be held if the commission finds either of the following:

(1) In the case of inhabited territory, that a petition requesting that the proposal be submitted to confirmation by the voters has been signed by either of the following:

(A) At least 25 percent of the number of landowners within the territory subject to the consolidation or reorganization who own at least 25 percent of the assessed value of land within the territory.

(B) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, the territory.

(2) In the case of a landowner-voter district, that the territory is uninhabited and a petition requesting that the proposal be submitted to confirmation by the voters has been signed by at least 25 percent of the number of landowners within the territory subject to the consolidation or reorganization, owning at least 25 percent of the assessed value of land within the territory.

(c) The petition shall be filed with the commission prior to the conclusion of the protest hearing.

57087.3. The merger of a subsidiary district with a city, of which the city council is also the governing board of that subsidiary district, shall not be subject to Sections 99 and 99.01 of the Revenue and Taxation **Code** if the city council adopts a resolution that states that the city shall do all of the following:

(a) Continue providing the services of the subsidiary district at the same level to those areas outside the city's boundaries, but within the territory of the subsidiary district, as the services provided for territory within the city limits.

(b) Assume all assets of the subsidiary district.

(c) Assume all liabilities of the subsidiary district.

(d) Assume all ad valorem taxes, other accounts receivable, and other revenues of the subsidiary district.

57090. (a) Except as otherwise provided in subdivision (b), if proceedings are terminated, either by majority protest as provided in Sections 57075, 57076, and **57077**, or if a majority of voters do not confirm the change of organization or reorganization as provided in Section 57179, no substantially similar proposal for a change of organization or reorganization of the same or substantially the same territory may be filed with the commission within two years after the date of the certificate of termination if the proposal included an incorporation or city consolidation and within one year for any other change of organization or reorganization.

(b) The commission may waive the requirements of subdivision (a) if it finds these requirements are detrimental to the public interest.

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Adopted September 10, 2012
Resolution 2012-0005 (MSR) and Resolution 2012-0006 (SOI)

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ABBREVIATIONS

AB	Assembly Bill
BLM	Bureau of Land Management
CAO	County Administrative Officer
CCR	California Code of Regulations
CEQA	California Environmental Quality Act
CFD	Mello-Roos Community Facilities District
CFR	Code of Federal Regulations
CKH Act	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CSA	County Service Area
CSD	Community Services District
DAC	Disadvantaged Community
District	Little Valley Community Services District
DHS	Department of Health Services (California)
EMD	Emergency Medical Dispatch
EMS	Emergency Medical Service
ERAF	Educational Revenue Augmentation Fund
FCI	Federal Correctional Institute
FD	Fire Department
FY	Fiscal Year
gpd	gallons per day
GPS	Global Positioning System
GSRMA	Golden State Risk Management Authority
ISO	Insurance Service Organization
LAFCO	Local Agency Formation Commission
MCL	Maximum Contaminant Level
MCLG	Maximum Contaminant Level Goal
MHI	median household income

MRDL	Maximum Residual Disinfectant Level
MRDLG	Maximum Residual Disinfectant Level Goal
MSR	Municipal Service Review (LAFCO)
NFPA	National Fire Protection Association
NKD	no known data
OSHA	Occupational Health and Safety Administration
pCi/L	picocuries per liter (a measure of radiation)
PDWS	Primary Drinking Water Standards
PHG	Public Health Goal (water quality)
ppb	parts per billion or micrograms per liter (ug/L)
ppm	parts per million or milligrams per liter (mg/L)
ppt	parts per trillion or nanograms per liter (ng/L)
PUD	Public Utilities District
SDWA	Safe Drinking Water Act
SDWS	Secondary Drinking Water Standards
SOI	Sphere of Influence (LAFCO)
TT	Treatment Technique
ULFT	ultra-low-flow toilet
US	United States

DEFINITIONS

Acre Foot: The volume of water that will cover one acre to a depth of one foot, 325,850 U.S. Gallons or 1,233,342 liters (approximately).

Aquifer: An underground, water-bearing layer of earth, porous rock, sand, or gravel, through which water can seep or be held in natural storage. Aquifers generally hold sufficient water to be used as a water supply.

Bond: An interest-bearing promise to pay a stipulated sum of money, with the principal amount due on a specific date. Funds raised through the sale of bonds can be used for various public purposes.

California Environmental Quality Act (CEQA): A State Law requiring State and local agencies to regulate activities with consideration for environmental protection. If a proposed activity has the potential for a significant adverse environmental impact, an environmental impact report (EIR) must be prepared and certified as to its adequacy before taking action on the proposed project.

Community Facilities District: Under the Mello-Roos Community Facilities Act of 1982 (Section 53311, et seq.) a legislative body may create within its jurisdiction a special tax district that can finance tax-exempt bonds for the planning, design, acquisition, construction, and/or operation of public facilities, as well as public services for district residents. Special taxes levied solely within the district are used to repay the bonds.

Community Services District (CSD): A geographic subarea of a county used for planning and delivery of parks, recreation, and other human services based on an assessment of the service needs of the population in that subarea. A CSD is a taxation district with independent administration.

Groundwater: Water under the earth's surface, often confined to aquifers capable of supplying wells and springs.

Impact Fee: A fee, also called a development fee, levied on the developer of a project by a county, or other public agency as compensation for otherwise-unmitigated impacts the project will produce. California Government Code Section 66000, et seq., specifies that development fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged. To lawfully impose a development fee, the public agency must verify its method of calculation and document proper restrictions on use of the fund.

Infrastructure: Public services and facilities such as sewage-disposal systems, water-supply systems, and other utility systems, schools and roads.

Land Use Classification: A system for classifying and designating the appropriate use of properties.

Leapfrog Development; New development separated from existing development by substantial vacant land.

Local Agency Formation Commission (LAFCO): A five-or seven-member commission within each county that reviews and evaluates all proposals for formation of special districts, incorporation of cities, annexation to special districts or cities, consolidation of districts, and merger of districts with cities. Each county's LAFCO is empowered to approve, disapprove, or conditionally approve such proposals. The LAFCO members generally include two county

supervisors, two city council members, and one member representing the general public. Some LAFCOs include two representatives of special districts.

Maximum Contaminant Level (MCL): The designation given by the U.S. Environmental Protection Agency (USEPA) to water-quality standards promulgated under the Safe Drinking Water Act. The MCL is the greatest amount of a contaminant that can be present in drinking water without causing a risk to human health.⁷³

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency (USEPA).

Maximum Residual Disinfectant Level (MRDL): The level of a disinfectant added for water treatment that may not be exceeded at the consumer's tap.

Maximum Residual Disinfectant Level Goal (MRDLG): The level of a disinfectant added for water treatment below which there is no known or expected risk to health. MRDLGs are set by the U.S. Environmental Protection Agency.

Mello-Roos Bonds: Locally issued bonds that are repaid by a special tax imposed on property owners within a community facilities district established by a governmental entity. The bond proceeds can be used for public improvements and for a limited number of services. These bonds are named after the program's legislative authors.

Ordinance: A law or regulation set forth and adopted by a governmental authority.

Potable Water: Water of a quality suitable for drinking.⁷⁴

Primary Drinking Water Standards (PDWS): MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Proposition 13: (Article XIII A of the California Constitution) Passed in 1978, this proposition enacted sweeping changes to the California property tax system. Under Proposition 13, property taxes cannot exceed 1% of the value of the property and assessed valuations cannot increase by more than 2% per year. Property is subject to reassessment when there is a transfer of ownership or improvements are made.⁷⁵

Proposition 218: (Article XIII D of the California Constitution) This proposition, named "The Right to Vote on Taxes Act", filled some of the perceived loopholes of Proposition 13. Under Proposition 218, assessments may only increase with a two-thirds majority vote of the qualified voters within the District. In addition to the two-thirds voter approval requirement, Proposition 218 states that effective July 1, 1997, any assessments levied may not be more than the costs necessary to provide the service, proceeds may not be used for any other purpose other than providing the services intended, and assessments may only be levied for services that are immediately available to property owners.⁷⁶

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

⁷³ <http://ga.water.usgs.gov/edu/dictionary.html>

⁷⁴ <http://ga.water.usgs.gov/edu/dictionary.html>

⁷⁵ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

⁷⁶ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

Ranchette: A single dwelling unit occupied by a non-farming household on a parcel of 2.5 to 20 acres that has been subdivided from agricultural land.

Regulatory Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

Secondary Drinking Water Standards (SDWS): MCLs for contaminants that affect taste, odor, or appearance of the drinking water. Contaminants with SDWSs do not affect the health at the MCL levels.

Specific Yield: The specific yield for a water well is the percent of space in the ground that will drain by gravity when the water table drops. Specific yield is reported as a percent. Higher specific yields tend to be indicative of higher aquifer production. An example of a good specific yield is 7 percent, which is a typical average specific yield of aquifers in the Sacramento Valley.⁷⁷

Sphere of Influence (SOI): The probable physical boundaries and service area of a local agency, as determined by the Local Agency Formation Commission (LAFCO) of the county.

Total Dissolved Solids (TDS): A quantitative measure of the residual minerals dissolved in water that remains after evaporation of a solution. Usually expressed in milligrams per liter. Abbreviation: TDS.⁷⁸

Treatment Technique (TT): A required process intended to reduce the level of a contaminant in drinking water.

Urban: Of, relating to, characteristic of, or constituting a city. Urban areas are generally characterized by moderate and higher density residential development (i.e., three or more dwelling units per acre), commercial development, and industrial development, and the availability of public services required for that development, specifically central water and sewer service, an extensive road network, public transit, and other such services (e.g., safety and emergency response). Development not providing such services may be “non-urban” or “rural”. CEQA defines “urbanized area” as an area that has a population density of at least 1,000 persons per square mile (Public Resources Code Section 21080.14(b)).

Urban Services: Utilities (such as water, gas, electricity, and sewer) and public services (such as police, fire protection, schools, parks, and recreation) provided to an urbanized or urbanizing area.

Variations and Exemptions: Department (of Public Health) permission to exceed an MCL or not comply with a treatment technique under certain conditions.

Zoning: The division of a city by legislative regulations into areas, or zones, that specify allowable uses for real property and size restrictions for buildings within these areas; a program that implements policies of the general plan.

⁷⁷ Lake County Watershed Protection District, “Lake County Groundwater Management Plan”, March 31, 2006, P.2-4.

⁷⁸ <http://rubicon.water.ca.gov/v1cwp/glsry.html>

MAP

