

**LASSEN
LOCAL AGENCY FORMATION COMMISSION
(LAFCo)**

ADOPTED

***SPALDING
COMMUNITY SERVICES DISTRICT (CSD)***

***MUNICIPAL SERVICE REVIEW (MSR)
AND
SPHERE OF INFLUENCE (SOI) UPDATE***

***Resolution 2021-0004 Spalding Service Review
Resolution 2021-0005 Spalding Sphere of Influence***

October 18, 2021

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1 INTRODUCTION

1.1 Local Agency Formation Commission (LAFCo) History

This report is prepared pursuant to State legislation enacted in 2000 that requires Lassen LAFCo to complete a comprehensive review of municipal service delivery and update the spheres of influence (SOIs) of all agencies under LAFCo's jurisdiction. This chapter provides an overview of LAFCo's history, powers and responsibilities. It discusses the origins and legal requirements for preparation of a Service Review commonly referred to as a Municipal Service Review (MSR). Finally, the chapter reviews the process for MSR review, MSR approval and SOI updates.

After World War II, California experienced dramatic growth in population and economic development. With this boom came a demand for housing, jobs and public services. To accommodate this demand, many new local government agencies were formed, often with little forethought as to the ultimate governance structures within a given region. A lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service area boundaries, many of which resulted in the premature conversion of California's agricultural and open-space lands and duplication of services.

Recognizing this problem, in 1959, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems. The Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of local governmental jurisdictions. The Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963; resulting in the creation of a Local Agency Formation Commission, or "LAFCo," operating in every county.

LAFCo was formed as a countywide agency to discourage urban sprawl and to encourage the orderly formation and development of local government agencies within its jurisdiction. LAFCo is responsible for coordinating logical and timely changes in local governmental boundaries; including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers and dissolutions of districts, as well as reviewing ways to reorganize, simplify, and streamline governmental structure.

The Commission's efforts are focused on ensuring services are provided efficiently and economically while agricultural and open-space lands are protected or conserved to the extent possible. To better inform itself and the in compliance with the State Law; LAFCo conducts MSR's to evaluate the provision of municipal services for service providers within its jurisdiction.

LAFCo regulates, through approval, denial, conditions and modification, boundary changes proposed by public agencies or individual voters and landowners. It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCo is empowered to initiate updates to the SOIs and proposals involving the dissolution, consolidation or formation of special districts, establishment of subsidiary districts, and any reorganization including such actions. Where LAFCo is not given specific authority, LAFCo actions must originate as petitions from affected voters or landowners, or by resolutions by affected cities or special districts.

A Plan for Services is required in Government Code Section 56653. A Plan for Services must include the following information: An enumeration and description of services to be provided, the level and range of those services, an indication of how those services are to be extended into the territory, an indication of any improvements or upgrading of structures, Information on how the services are to be financed.

1.2 Preparation of the MSR

Research for this Municipal Service Review (MSR) was conducted during the late fall of 2019. 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 options and 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, given budgetary constraints, LAFCo did not engage the services of experts in engineering, hydrology, geology, water quality, fire protection, accounting or other specialists in related fields, but relied upon published reports and available information. Insofar there is conflicting or inconclusive information LAFCo staff may recommend the district retain a licensed professional or expert in a particular field for an opinion.

Therefore, this MSR reflects LAFCo's recommendations, based on available information during the research period and provided by District 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 by the Spalding CSD. Additional information on local government funding issues in found in Appendix A at the end of this report.

1.3 Role and Responsibility of LAFCo

Local Agency Formation Commissions (LAFCOs) in California are independent agencies created by the California Legislature in 1963 for the purpose of encouraging the orderly formation of local government agencies and conserving and preserving natural resources. 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 (SOI) of each local agency.

LAFCOs are responsible for coordinating logical and timely changes in local governmental boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure, preparing a review of services called a MSR, and preparing a SOI thereby determining the future "probable" boundary for each city and special district within each county.

The Commission's efforts are directed toward seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. Often citizens are confused as to what LAFCo's role is. LAFCOs do not have enforcement authority nor do they have the authority to initiate a city or district annexation or detachment proceeding. LAFCOs may initiate consolidation or dissolution proceedings; however, these proceedings are subject to the voter approval or denial.

The Legislature has given LAFCOs the authority to modify any proposal before it to ensure the protection of agricultural and open space resources, discourage urban sprawl and promote orderly boundaries and the provision of adequate services.

The Governor's Office of Planning and Research (OPR) has issued Guidelines for the preparation of a MSR. This MSR adheres to the procedures set forth in OPR's MSR Guidelines.

A SOI 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 SOI be updated not less than every five years, and §56430 provides that a MSR shall be conducted in advance of the SOI update.

1.4 Municipal Services Review Requirements

Effective January 1, 2001 and subsequently amended, LAFCo is required to conduct a review of municipal services provided in the county by region, sub-region or other designated geographic area, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following six topics (Government Code §56430):

1. Growth and population projections for the affected area
2. The location and characteristics of any disadvantaged unincorporated communities (DUC) within or contiguous to the sphere of influence
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies
4. Financial ability of agencies to provide services
5. Status of, and opportunities for shared facilities
6. Accountability for community service needs, including governmental structure and operational efficiencies

1.5 Municipal Services Review Process

For local agencies, the MSR process involves the following steps:

- Outreach: LAFCo outreach and explanation of the project
- Data Discovery: provide documents and respond to LAFCo questions

- Map Review: review and comment on LAFCo draft map of the agency's boundary and sphere of influence
- Profile Review: internal review and comment on LAFCo draft profile of the agency
- Public Review Draft MSR: review and comment on LAFCo draft MSR
- LAFCo Hearing: attend and provide public comments on MSR

MSRs are exempt from California Environmental Quality Act (CEQA) pursuant to §15262 (feasibility or planning studies) or §15306 (information collection) of the CEQA Guidelines. LAFCo's actions to adopt MSR determinations are not considered "projects" subject to CEQA. The MSR process does not require LAFCo to initiate changes of organization based on service review findings, only that LAFCo identify potential government structure options.

However, LAFCo, other local agencies, and the public may subsequently use the determinations to analyze prospective changes of organization or reorganization or to establish or amend SOIs. Within its legal authorization, LAFCo may act with respect to a recommended change of organization or reorganization on its own initiative (e.g., certain types of consolidations), or in response to a proposal (i.e., initiated by resolution or petition by landowners or registered voters). A MSR is not subject to any of the CEQA requirements in the Public Resources Code and should not be construed to be a CEQA document.

Once LAFCo has adopted the MSR determinations, it must update the SOI for each jurisdiction. The LAFCo Commission determines and adopts the spheres of influence for each agency. A CEQA determination is made by LAFCo on a case-by-case basis for each sphere of influence action and each change of organization, once the proposed project characteristics are sufficiently identified to assess environmental impacts.

1.6 Sphere Of Influence Update Process

The Commission is charged with developing and updating the Sphere of Influence (SOI) for each city and special district within the county.¹

An SOI is a LAFCo-approved plan that designates an agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCo to a city or district unless it is within that agency's sphere.

The purposes of the SOI include the following:

- to ensure the efficient provision of services
- to discourage urban sprawl and premature conversion of agricultural and open space lands
- to prevent overlapping jurisdictions and duplication of services

¹ The initial statutory mandate, in 1971, imposed for no deadline for completing sphere designations. When most LAFCOs failed to act, 1984 legislation required all LAFCOs to establish spheres of influence by 1985.

LAFCo may not directly regulate land use, dictate internal operations or administration of any local agency, or set rates. LAFCo is empowered to enact policies that indirectly affect land use decisions. On a regional level, LAFCo promotes logical and orderly development of communities as it considers and decides individual proposals. LAFCo has a role in reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of current and future area residents and property owners.

The Cortese-Knox-Hertzberg (CKH) Act requires LAFCos to develop and determine the SOI of each local governmental agency within its jurisdiction and to review and update the SOI every five years, as necessary. LAFCos are empowered to adopt, update and amend a SOI. They may do so with or without an application. Any interested person may submit an application proposing an SOI amendment.

While SOIs are required to be updated every five years, as necessary, this does not necessarily define the planning horizon of the SOI. The term or horizon of the SOI is determined by each LAFCo.

LAFCo may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations. In determining the SOI, LAFCo is required to complete an MSR and adopt the six determinations previously discussed. In addition, in adopting or amending an SOI, LAFCo must make the following five determinations as required in Government Code section 56425(c):

1. Present and planned land uses in the area, including agricultural and open-space lands
2. Present and probable need for public facilities and services in the area
3. Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide
4. Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency
5. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.²

The CKH Act stipulates several procedural requirements in updating SOIs. It requires cities to file written statements on the class of services to be provided and LAFCo must clearly establish the location, nature and extent of services provided by special districts.

² California Government Code Section 56425 (e)(5)

By statute, LAFCo must notify affected agencies 21 days before holding the public hearing to consider the SOI and may not update the SOI until after that hearing. The LAFCo Executive Officer must issue a report including recommendations on the SOI amendments and updates under consideration at least five days before the public hearing.

1.7 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.

1.8 Description of Public Participation Process

The LAFCo proceedings are subject to the provisions of 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 MSR process.

2 SPALDING COMMUNITY

2.1 Community Background

Spalding (formerly Spalding Tract and Spalding Tract) is a census-designated place located on the west side of Eagle Lake, 2.1 miles east-northeast of Whaleback Mountain and 3 miles northeast of Eagle Lodge, at an elevation of 5138 feet. In 1914, John S. Spalding laid out the town. The place was subdivided in 1924.

Spalding is now an unincorporated resort community located about 8 miles south of Stones Landing on the western shore of Eagle Lake and about 45 miles northwest of the City of Susanville. Spalding is a summer home tract of approximately 360 acres surrounded on three sides by the Lassen National Forest and on the east by Eagle Lake.

The Community is made up of full time residents, seasonal residents, and vacationers. Housing consists of a broad spectrum of homes with current prices between \$125,000 and \$225,000 according to real estate listings for full-time residents to economy homes, vacations rentals, modular and mobile homes. Note: housing prices fluctuate almost daily and are constantly changing due to market conditions.

The wastewater treatment plant has the capacity to serve 1,113 equivalent dwelling units.¹ Most homes in the community use well water. The Spalding Eagle Lake Mutual Water Company serves 130 sites.² The majority of residential development in Spalding is on relatively smaller lots of 1 acre or less. The community has a large number of vacant residential parcels; however, no R-3 zoned land is available.

According to the Lassen County 2019-2024 Housing Element there are a total of 358 vacant parcels in which maximum new units at typical general plan densities is 432. However potential units within the Sewer Service area is 324. Therefore, The Spalding CSD sewer system has wastewater capacity available

Though small, the Community of Spalding is heavily influenced by the area's recreational opportunities. During a high-use summer weekend, the population in the community and surrounding area can exceed 1500. There are no schools in the Spalding community and school buses are not provided. The school children must be transported 10 miles to Stones Landing to take a school bus.

The 2010 Census reported that 178 people lived in 94 households, out of which 7 (7.4%) had children under the age of 18 living in them, 26 households (27.7%) were made up of individuals and 10 (10.6%) had someone living alone who was 65 years of age or older. The remaining households were two or more adults living together.

The average household size was 1.89. There were 63 families (67.0% of all households); the average family size was 2.22.

The population was spread out in age as follows:

SPALDING AGE DISTRIBUTION 2010

Under the age of 18	10 people	5.6%
Aged 18 to 24	2 people	1.1%
Aged 25 to 44	12 people	6.7%
Aged 45 to 64	75 people	42.1%
65 years of age or older	<u>79 people</u>	<u>44.5%</u>
Total	178 people	100.0%

The median age was 63.0 years. For every 100 females, there were 107.0 males. For every 100 females age 18 and over, there were 104.9 males.

There were 665 housing units of which 81 (86.2%) were owner-occupied, and 13 (13.8%) were occupied by renters. The homeowner vacancy rate was 18.0%; the rental vacancy rate was 53.3%. There were 158 people (88.8% of the population) living in owner-occupied housing units and 20 people (11.2%) living in rental housing units.

2.2 Climate

The Spalding Community Services District is located at 5,100 feet elevation above sea level with an arid mountain climate --generally dry, with warm days and cool nights. The area experiences four complete but mild seasons. The major portion of precipitation falls as snow from November through April.³

Average High and Low temperatures are shown below:

Month	Average High	Average Low
January	40.03	19.0
April	61.2	32.3
July	89.3	49.9
October	66.6	33.7 ⁴

The low temperatures in Spalding can be lower than those in Susanville because Spalding is 900 feet higher in elevation. In 1987 the temperature was as low as minus 27 degrees and for a week the temperature never rose above zero.⁵

2.3 Land Use Planning and Zoning

The Lassen County General Plan shows the Spalding area designated for housing within the CSD but the surrounding area is for various types of open space.

2.4 Income

There is no income data specifically for the Spalding CSD. However, the area is most likely a Disadvantaged Unincorporated Community (DUC). The population is elderly with more than 44% over 65 in 2010.

³ Lassen County, "The Eagle Lake Area Plan, a part of the Lassen County General Plan 1990". September 1982 p.17.

⁴<http://www.lassencountychamber.org/stats.html> October 13, 2007.

⁵Spalding Community Services District, Manager, eaglelakescse@citilink.net, September 17, 2007.

3 SPALDING COMMUNITY SERVICES DISTRICT

3.1 District Background

3.1.1 Formation

The Eagle Lake Community Services District was formed by Lassen LAFCO on June 11, 1985 and included both the Stones-Bengard area and the Spalding Tract. The Sphere of Influence for the Eagle Lake CSD was adopted by Lassen LAFCO on November 16, 1989.

The Stones-Bengard Reorganization was approved by Lassen LAFCO on January 10, 1990. The Spalding CSD is thus the successor district to the original Eagle Lake CSD. In 1991 the Spalding Tract was declared an "On-site Wastewater Zone" within the Eagle Lake Community Services District to allow the District to monitor and regulate the existing wastewater disposal systems.

The name of the District was changed to the Spalding Community Services District on September 1, 1992. The Spalding Community Service District was formed according to California Government Code §61000- 61850.

On July 20, 2000, Lassen LAFCO approved an annexation to the Spalding CSD by Resolution 2000-02 for land to be used for wastewater treatment facilities and land at the Spalding Airport. On January 3, 2006, the Spalding CSD requested to be excluded from the proposed Lassen County Recreation District, which was never formed.

In 2007, there were 196 registered voters residing within the Spalding CSD.

3.1.2 Board of Directors

The Spalding CSD provided the following information regarding the Board of Directors:

Mike Arnold, Chair of the Board	Term expires 12/5/2023
Ted Thomas, Vice Chair	Term expires 12/5/2024
Larry Doss, Director	Term expires 12/5/2024
Ed Lawson, Director	Term expires 12/5/2023
Darren Read, Director	Term expires 12/5/2023

The Spalding CSD Board meets the third Friday of each month, at 3pm in the Eagle Lake Community Center. The public is invited to attend. Recent meetings are held by teleconference due to Covid-19 regulations. All Board members have had ethics training either in 2015 or 2018.⁶

The Form 700 is required to be submitted annually by the Political Reform Act of 1974 (California Government Code sections 81000-81003) so it would be better for each

⁶ Spalding Community Services District, Board Information, August 2020.

Board Member to submit a new Form 700 each year even if the economic interests have not changed. Board Members have complied with this requirement.

The Ethics training is required once during each two year period which begins with an odd numbered year (AB 1234, Chapter 700, Statutes of 2005). Training is available on-line at the State of California Fair Political Practices Commission website.

3.1.3 Board of Directors Issues

The Lassen County District Attorney recently investigated another special district with regard to problems as follows:⁷

1. Conflicts of interests amongst members of the Board
2. Confidentiality breaches
3. Brown Act violations in the form of:
 - a) Improper agendizing and use of closed session
 - b) Expenditure of public funds
 - c) Purchase of a vehicle
 - d) Employment practices

Review of the Spalding CSD Board of Directors minutes posted on the District website show that the Spalding CSD is in compliance with State Laws and advertises the meetings correctly and reports Board Actions in the minutes correctly.

The problems investigated by the District Attorney can easily occur in small special districts and the report is a good reminder to all districts to make every effort to maintain a full five-member board of directors, to advertise all meetings correctly, and to include all relevant information in the minutes of the meetings.

3.1.4 Mission Statement

The following Mission Statement is shown on the District Website:

*Our Mission
Provide fire, emergency medical service, sewer, and recreational facilities
to the community in an environmentally, ethically and fiscally responsible
manner.⁸*

3.1.5 District Staff

The District Staff includes the following positions:

General Manager – Ken Coffey	
Office manager	
Receptionist/Office Worker	
Wastewater System Operator	Wastewater System Trainee/Maintenance
Sewer Maintenance	Recreation Maintenance

⁷ County of Lassen, Office of the District Attorney, Investigative Report: The Standish-Litchfield Fire Protection District, 2020.

⁸ Spalding CSD, <https://www.spaldingcsd.org/our-mission>, September 1, 2020.

All employees are hourly except for the Manager who is considered salaried.

Spalding CSD Phone: 530-825-3258

Email: generalmanager@spaldingcsd.org

Mailing Address: Spalding CSD, 502-907 Mahogany Way, Susanville, CA 96130

3.1.6 District Website

Every California independent special district is required to maintain a website by January 1, 2020. Senate Bill 929 added Government Code sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the districts.

The requirements for the District website are as follows:

- 1) Contact Information
- 2) Current Agenda
- 3) Financial Transaction Reports (as sent to State Comptroller)
- 4) Compensation Reports (as sent to State Comptroller)

The Spalding CSD has a website: www.spaldingcsd.org

The website meets the requirements of the State of California except for the financial transaction reports and the compensation reports.

3.2 Spalding Community Services District Facilities

3.2.1 Wastewater Collection and Treatment

The following description of the Spalding CSD Wastewater Treatment system is shown on the District website to explain the system to the customers:⁹

Our wastewater collection system is known as a STEP/STEG system.

It starts with your septic tank, which gives the waste its primary treatment with scads of hungry little bugs (bacteria) that turn most of the "stuff" into gas. What's left is liquid and sludge. The nearly clear liquid moves by gravity or is pumped through a screen into a collection system. The rest is sludge that stays in the tank until it is necessary to have it pumped out. How often this needs to be done is dependent on how much and what you put down your drain and how healthy and efficient the "bugs" in your tank are.

All of this liquid, called "effluent" is gravity fed and/or pumped through the system to many acres of evaporation ponds located across County Road A1 at Spalding Road. These ponds, nearly odor free, take oxygen from the air and use sunlight to keep millions of little green plants, algae,

⁹ Spalding CSD, <https://www.spaldingcsd.org/spalding-wastewater-system>, June 16, 2020.

growing like crazy. They remove carbon, nitrogen, phosphorous, and other nutrients from the water. At the same time there is enough evaporation to keep up with the inflow so that no water is discharged into the ground water. It's a great system and we want to keep it working well at a low cost to all of us. We don't want to mess it up!

More detailed information on the Wastewater Collection and Treatment System can be found in Appendix B at the end of this report. The District wastewater collection and treatment system meets the requirements of the State of California and allows the use of the homes within the District. The fees and budget for the wastewater collection and treatment system are shown in a later section of this report.

3.2.2 Spalding CSD Fire Department

Spalding VFD is responding to fire and medical calls. An agreement with SEMSA (Sierra Medical Services Alliance) has been made regarding emergency transport. The Spalding Volunteer Fire Department Fire Chief states that there are 9 local residents who are volunteer firefighters.¹⁰

*The Spalding Community Services District (CSD) has the oversight of the local Spalding Volunteer Fire Department which has one small station adjacent to the CSD offices and provides fire suppression and emergency medical services. In addition, during the fire season, Spalding CSD rents an equipment bay at the fire department during the summer months to the Lassen National Forest, Eagle Lake District Office in order to house wildland fire units with staffing which assists in their wildland fire fighting capabilities.*¹¹

Equipment for the Spalding CSD Fire Department is as follows:

Spalding CSD Fire Department Equipment			
Vehicle Description	Vehicle ID	Make	Year
Pick-up, Fire Chief	C1200	Ford F250 4x4	2019
Engine, ICS Type 2	E1221	International 4x4	2006
Engine, ICS Type 1	E1223	HME	1996
Water Tender, ICS Type 1	WT1234	Kenworth 3,000 Gallon	2018
Rescue	R1253	Ford F 350 4x4	2017
Engine, ICS Type 3	E1222	International 4x4	1987

Through the California Fire Service and Rescue Emergency Mutual Aid System, the SVFD annually responds to multiple requests for mutual aid from seven different surrounding fire departments (Stones-Bengard VFD, Lake Forest FPD, CALFIRE, USFS Lassen NF, Adin VFD, Madeline VFD and Susanville FD).

Due to how rural Lassen County is and the lack of dedicated volunteer firefighters in other communities, we frequently respond to assist other fire departments through Mutual Aid.

¹⁰ Lassen Fire Safe Council, Spalding Community Wildfire Assessment Report, May 14, 2014, Page 6.

¹¹ Lassen Fire Safe Council, Spalding Community Wildfire Assessment Report, May 14, 2014, Page 6.

The Insurance Services Office (ISO) has rated the Spalding Community as a Class 8B. The Spalding Community is also designated as a “Firewise” Community.

Dispatch is handled by the Susanville Interagency Fire Center.

Spalding Community Services District Fire Service Calls 2019¹²			
	Spalding	Assist	Total
Wildland Fires	0	5	5
Structure Fires	0	1	1
Other Fires/False Alarms	1	1	2
Medicals	25	8	55
TCs	0	1	1
Hazards	1	0	1
Public Assistance/Other	6	0	6
LEO	0	0	0
TOTAL	33	16	49

The fees and Budget for the Fire Department are shown in Appendix C of this report.

3.2.3 Spalding CSD Recreation and Marina

The Spalding CSD Recreation and Marina operations are described on the District Website as follows:

*We are very proud of our Marina and it shows!
Two boat launching ramps
Plenty of paved parking for boats and trailers
Picnic tables & concrete walkways.
Two full service heated bathrooms.
Please be careful when launching and boating, this is a natural lake with many hazards close to the surface! Although the county attempts to mark hazards, launching and boating are at your own risk.*

There is an \$8 fee for the use of our Marina facility. Multiple day use permits are available. The only revenue the District receives to maintain the Marina comes from these Day Use Fees! We encourage those who utilize our facility on a regular basis, during the fishing season, to purchase an Annual Permit.¹³

3.2.4 Spalding CSD Mailbox Services

The Spalding CSD also offers mailbox services described on the Website as follows:

In an attempt to beautify Spalding, the District, along with the US Postal Service, have installed neighborhood mailboxes along Spalding Road and the Strand. The District has also installed PO type boxes in the front lobby of the District Office for those who wish to receive their mail indoors. The neighborhood boxes and PO type box service are all in service. If you

¹² Susanville Interagency Fire Center, June 2019.

¹³ Spalding CSD, <https://www.spaldingcsd.org/welcome-fishermen>, June 16, 2020.

have property in Spalding and wish to move your mail delivery to the District Office, please give Virginia a call at 530-825-3258. This is a free service for property owners in Spalding! Thanks to the Board of Directors for approving this beautification project!

Beautification efforts will continue this spring with notices going out to owners regarding cleaning up weeds, grass, and brush from Spalding properties. The District will be enforcing the weed abatement ordinance this year in the Spring!¹⁴

3.3 Spalding CSD Financial Information

The Budget for the Spalding CSD is shown in Appendix C and the Audit in Appendix D at the end of this report. The Fire Department Budget may vary due to the purchase of equipment which may not occur every year.

The Spalding Fire Department has a fee of \$0.01 per gallon for hydrant water. The Fire Department also has an agreement form for fire department apparatus rental.

3.3.1 Spalding Fire Department Funding

The SVFD historically has struggled to meet the demand for fire services with existing revenues. Consequently, there has been insufficient funding (past and present) to purchase additional or replace/repair current much needed PPE, equipment and fire apparatus.

Most of the funding for the SVFD comes from a parcel tax assessment (Fire Suppression Assessment Fee) that was established in 1998 and has not been increased or changed since 1998. In 2008, 2012 and 2014 a fire tax increase was put to the voter's with effort made to educate the community on the need to increase the amount paid per parcel for fire protection, but the increase failed each time.

Fire Suppression Assessment Fee – The Fire Suppression Assessment Fee is collected by the Lassen County Tax Collector when residents pay their property taxes. The Fire Suppression Assessment Fee is considered restricted use funds for obtaining furnishing, operating, and maintaining fire suppression equipment or apparatus, or for paying the salaries and benefits of firefighting personnel, or both. The fee was approved by Spalding residents in February 1998 and the specific uses for the funds are covered in Government Code Section 50078 through 50078.20.

The Fire Suppression Assessment Fee generates approximately \$33,059 annually and is the only reliable funding source for the fire department.

Fire Capital Impact Fee - The Fire Capital Impact Fee is collected by the Lassen County Building Department when residents pay for building construction or improvement permits within the Spalding District. The Fire Capital Impact Fee is considered restricted use funds for the acquisition of land, easements for fire facilities, design and construction of fire facilities, and/or fire capital expenditures identified in the Districts Fire Capital Facilities Improvement Plan.

¹⁴ Spalding CSD, <https://www.spaldingcsd.org/mailbox-services>, June 16, 2020.

The Fire Capital Impact Fee was approved by the Lassen County Board of Supervisors by resolution #09-005, on February 24, 2009 and the specific uses for the funds are covered in Lassen County Code Chapter 12.60, Fire Capital Impact Fees. Fire Capital Impact Fee generates minimal funds annually.

The Fire Capital Impact Fee has generated approximately \$20,000 since the fee was approved in 2009.

General Purpose Revenue Funds – The Miscellaneous Funds account is considered non-restricted funds and consists of community donations, funds raised at pancake breakfast, fill the boot campaigns, BBQ's, quilt raffle, bingo and other community organized activities that promote donations to the fire department. The District sometimes gets revenue generated by the rental of the fire departments fire apparatus to the State for use on wildland fires. The Miscellaneous Funds are used to purchase equipment, apparatus, and pay for miscellaneous items the above restricted use funds can't be spent on.

This account and grant funding have paid for most of the Fire Department's mobile equipment upgrades and purchases over the last five years. General Purpose Revenue Funds generate minimal funding for the fire department annually.

3.3.2 Marina Funding

The Marina is funded primarily by parking fees as shown in the Budget in Appendix C at the end of this report. The fees are shown below:

Spalding CSD Recreation and Miscellaneous Fees	
Parking permit for Boat Launch, Annual Non-Resident*	\$75.00
Boat Launch, Day Use Parking Permit, 1 Day	8.00
Boat Launch, Day Use Parking Permit, 2 Day	15.00
Boat Launch, Day Use Parking Permit, 3 Day	22.00
Boat Launch, Day Use Parking Permit, 4 Days	29.00
Boat Launch, Day Use Parking Permit, 5 Days	36.00
Dock Application	10.00
Boat Dock Slip Daily Fee	25.00
Kiosk Advertising Annual Fee	\$30.00
Photo Copy per page	0.25
Fax per page	0.25
Chair Rental (requires \$100 refundable cleaning deposit) per chair per day	4.00
Table Rental (requires \$100 refundable cleaning deposit) per table per day	10.00
Kitchen Rental (\$200 refundable cleaning deposit, 4 hour minimum rental) Per hour	35.00
Kitchen Rental, Daily Rate, 8 hours (\$200 refundable cleaning deposit)	\$300.00
Community Center Rental (requires \$200 refundable cleaning deposit) 4 hours minimum rental Per Hour	45.00
Community Center Rental (requires \$200 refundable cleaning deposit) Daily Rate 8 hours	\$300.00

* Generates the most income for the Recreation Department

The Recreation Department spends less than the budgeted amounts most years.

3.3.3 Spalding Sewer Service Funding

The Sewer Service Budget is shown in Appendix C at the end of this report. The Audit is shown in Appendix D. The Sewer service is funded by fees and is supposed to be run as an “enterprise” fund which means it should be solely supported by the fees and not from taxes. The Sewer Service Budget is over \$200,000 which makes it larger than the Fire and Recreation budgets.

The Sewer Service Fees are shown below:

Spalding CSD Sewer Service Fees	
Sewer Connection/Disconnect per EDU	\$200.00
Sewer Operations and Maintenance Fee, Annual	\$300.00
Sewer Operations and Maintenance Fee, Quarterly	\$78.00
Wastewater Assistance Per Hour	\$35.00

4 SPALDING CSD MUNICIPAL SERVICE REVIEW (MSR)

4.1 Growth and Population Projections for the Spalding CSD¹⁵

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

4.1.1 Spalding Area Population Projections

The Spalding Community Services District is unlikely to grow in the near future. The area will continue to attract tourists but the permanent population is not expected to increase.

4.1.2 MSR Determinations on Growth and Population Projections

- MSR 1-1) The Spalding CSD currently has a population of approximately 800 residents in the summer and 200 residents in the winter.
- MSR 1-2) The Spalding Community Services District is unlikely to grow in the near future. The area will continue to attract tourists but the permanent population is not expected to increase.
- MSR 1-3) For a Community Services District formed under section 61000 et seq. of the Government Code, future annexations may include contiguous or non-contiguous territory thereby providing other noncontiguous areas with fire protection.

4.2 Location and Characteristics of any Disadvantaged Unincorporated Communities (DUC) within or Contiguous to Spalding CSD¹⁶

4.2.1 Determination of Spalding CSD Area Disadvantaged Unincorporated Community (DUC) Status

There is no income data specifically for the Spalding CSD. However, the area is most likely a Disadvantaged Unincorporated Community. The population is elderly with 44% over 65 in 2010.

4.2.2 MSR Determinations on Disadvantaged Unincorporated Communities near Spalding CSD

- MSR 2-1) There is no income data specifically for the Spalding CSD. However, the area is most likely a Disadvantaged Unincorporated Community. The population is elderly with over 44% over 65 in 2010.
- MSR 2-2) The Spalding CSD is most likely a DUC. An income survey will be needed to definitely determine as to whether or not this is a DUC.

¹⁵ California Government Code Section 56430. (a) (1)

¹⁶ California Government Code Section 56430. (a) (2)

4.3 Spalding Community Services District Capacity and Infrastructure

Purpose: To evaluate the present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.¹⁷

4.3.1 Capacity and Infrastructure

The fire department, the marina and the sewer service are described above in this report. These facilities are adequate to serve the community at this time. The challenge for the Spalding CSD is to serve the second homes within the District and to make the owners of the second homes feel included in the District and willing to pay the required taxes and fees. The website is helpful to the District and the remote access to the Board meetings may also allow second home owners to participate.

4.3.2 MSR Determinations on Capacity and Infrastructure for Spalding Community Services District

Spalding Fire Department

- MSR 3-1) The SVFD's existing firefighting equipment and storage is in good condition and has the capacity to adequately serve current emergency services demands, but would need a facility addition and modification to support future growth.
- MSR 3-2) The SVFD has a 5-year Capital Improvement Plan that was approved by the Spalding CSD Board in 2018.
- MSR 3-3) The SVFD currently has adequate response times and an ISO rating comparable or better than other fire protection providers in Lassen County.
- MSR 3-4) The SVFD currently has adequate fire-fighting equipment. The majority of the District calls are for medical aid, which is not surprising since there are a substantial number of people over 65 within the District. Without an additional revenue stream, the Fire Suppression Assessment Fee will not be adequate to fund future department fire station expansions, fire apparatus purchases, or hire personnel.
- MSR 3-5) The Spalding CSD should enter into a shared services agreement or an Auto Aid agreement with the Stones Bengard CSD for EMS and fire prevention and suppression services. Costs incurred by the Spalding CSD for response into the Stones-Bengard CSD should be fully reimbursable.

¹⁷ California Government Code Section 56430. (a) (3)

Spalding Marina

MSR 3-5) The Spalding Marina and Parking lot are in adequate condition.

Spalding Wastewater Collection and Treatment System

MSR 3-6) The Spalding Wastewater Collection and Treatment System meets the requirements of the California Regional Water Quality Control Board Lohantan Region.

MSR 3-7) The Spalding Wastewater Collection and Treatment System requires qualified personnel to operate and maintain the System.

4.4 Financial Ability to Provide Services¹⁸

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.

4.4.1 Financial Considerations for Spalding CSD

The Budgets for the Spalding CSD and the Audit are shown at the end of this report in Appendix C and Appendix D.

4.4.2 MSR Determinations on Financing for Spalding CSD

Spalding Fire Department

MSR 4-1) The SVFD's current finance levels are inadequate to deliver the level of services required for the community; however, voters have refused to increase the amount of the fire tax in several elections.

MSR 4-2) The fire Suppression Assessment Fee needs to be increased to cover the rising cost of providing emergency services, to fund the future expansion of the fire station, to fund future fire apparatus purchases, and to hire personnel.

MSR 4-3) With the recruitment and retention of quality and dedicated volunteer firefighters becoming an issue, the SVFD may need to hire paid firefighters at some point in the future to continue to provide emergency services to the community.

MSR 4-4) The SVFD should consider annexation to the south end of Eagle Lake. The SVFD already provides emergency services to residents at the south end of Eagle Lake and those residents should be paying the SVFD Parcel assessment fees for fire protection.

¹⁸ California Government Code Section 56430. (a) (4)

Spalding Marina

- MSR 4-5) The Spalding Marina is supported by the parking fees. The parking fees are paid by people using the Marina at the time of use. This makes it easier for people to recognize the value they are receiving for their money.

Spalding Wastewater Collection and Treatment

- MSR 4-6) The Sewer Fees need to be increased and every effort made to collect all fees owed.

4.5 Status of and Opportunities for Shared Facilities¹⁹

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

4.5.1 Spalding CSD Facilities

The Spalding CSD facilities are described above in this report. The Spalding CSD is isolated from other districts and facilities cannot be easily shared.

4.5.2 MSR Determinations on Shared Facilities for Spalding CSD

- MSR 5-1) Due to limited facility space, there are no opportunities for the SVFD to share its fire station with other fire departments.
- MSR 5-2) An agreement with the Spalding CSD needs to be executed whereby Spalding CSD is compensated for fire and EMS response into the Stones Bengard CSD as had been the case in the past.
- MSR 5-3) The Spalding Marina is an isolated facility.
- MSR 5-4) The Spalding wastewater collection and treatment system cannot be shared with other areas since no other areas are close by.
- MSR 5-5) The Spalding CSD does cooperate with the County of Lassen to collect taxes and fees and to maintain reserve funds and accounts.
- MSR 5-6) Rather than shared facilities, the Spalding CSD could examine opportunities for shared administration if savings or efficiency could be increased.

4.6 Accountability for Community Service Needs, Government Structure and Operational Efficiencies²⁰

Purpose: To consider the advantages and disadvantages of various government structures that could provide public services, to evaluate the management capabilities of

¹⁹ California Government Code Section 56430. (a)(5)

²⁰ California Government Code Section 56430. (a)(6).

the organization and to evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.

4.6.1 Government Structure

The Spalding CSD has a full five-member Board of Directors, a Manager, administrative staff and sewer service operational staff.

4.6.2 MSR Determinations on Local Accountability and Governance for the Spalding Community Services District

In California special districts are bound by laws applicable to special districts. If followed, good governance and improved service delivery will result. While each special district in California is unique in the specific manner in which it is governed and operates. All special districts are required to follow certain state and federal statutes and constitutional provisions. Accordingly, it is essential governance powers, revenues and operations, transparency, elections, and specific operational requirements be followed. For Example, the Brown Act, Public Records Act, Political Reform Act, California Environmental Quality Act, Proposition 218 and the California Voting Rights Act, among others. Special Districts are formed via Special Legislation or Special Acts prescribing special operational requirements for each type of special district.

- 6.1) The Spalding Community Services District is encouraged to be current with requirements under which it is governed. This may be accomplished by attending annual ethics training, joining local and state organizations for special districts and participating in classes specific to district operations.

Spalding Fire Department

- MSR 6-2) The SVFD should work with the Lassen County Board of Supervisors, the Lassen County Local Agency Formation Commission and other districts in the County to see if a County-wide CSA, or County-wide fire protection district, or at a minimum consolidation with the Stones–Bengard Fire Protection District would be a benefit.
- MSR 6-3) The SVFD utilizes the Spalding CSD website for public outreach and educational efforts.
- MSR 6-4) The Spalding Community Services District has a five-member Board of Directors and a General Manager that oversees the SVFD.

Spalding Marina

- MSR 6-5) The Spalding Marina and community facilities have the lowest budget of the three functions for the District. It is a benefit for the Marina to be part of the CSD because it would be difficult to have a self-supporting recreation district.

Spalding Sewer Department

- MSR 6-7) The Spalding sewer department is the most expensive operation of the District and requires the most paid staff.
- MSR 6-8) The Spalding CSD benefits from having a five-member Board of Directors as required by law. Every effort should be made to provide the Board members with the training and information needed to comply with the State laws and to govern the District well.
- MSR 6-9) The District maintains an office, website, billing service for the sewer service and operation of the wastewater collection and treatment system. The District should maintain an educated and dedicated staff to provide the best service to the public. Turnover and vacancies can be costly. Cooperation with other districts could be a benefit.
- 5 SPALDING
COMMUNITY SERVICES DISTRICT SPHERE OF INFLUENCE
UPDATE**

5.1 Recommendation for Spalding Community Services District Sphere of Influence

The SVFD should consider annexation to the south end of Eagle Lake. The SVFD already provides emergency services to residents at the south end of Eagle Lake and those residents should be paying the SVFD Parcel assessment fees for fire protection

5.2 Present and Planned Land Uses in the Spalding Community Services District Area, Including Agricultural and Open Space Lands²¹

5.2.1 County General Plan and Zoning for Spalding Community Services District SOI Area

The Community of Spalding is a summer home tract consisting of approximately 764 acres surrounded on three sides by the Lassen National Forest and by Eagle Lake to the east. The community includes approximately 150 structures, mostly of which are residential with a few being commercial. Though small, the Community of Spalding is heavily influenced by the area's recreational opportunities. During a summer weekend, the population in the community and surrounding area can exceed 1,500.

5.2.2 SOI Determinations on present and planned land uses in the Spalding CSD Area

- SOI 1-1) The Spalding CSD area is designated for housing but is not expected to expand beyond the present boundary of the CSD.
- SOI 1-2) The Lassen County General Plan shows the Spalding area designated for housing within the CSD but the surrounding area is for various types of open space.

²¹ California Government Code Section 56425 (e)(1)

5.3 Present and Probable Need for Public Facilities and Services in the Spalding Community Services District Area²²

5.3.1 Municipal Service Background

Fire Department

The SVFD is an all-risk volunteer fire department responsible for emergency responses within the Spalding CSD and surrounding areas. The emergency responses include structure fires, wildland fires, vehicles fires, medical emergencies, hazardous material incidents and technical rescue responses. Annually, the SVFD responds to approximately 50 requests for service.

Through the California Fire Service and Rescue Emergency Mutual Aid System, the SVFD annually responds to multiple requests for mutual aid from seven different surrounding fire departments (Stones-Bengard VFD, Lake Forest FPD, CALFIRE, USFS Lassen NF, Adin VFD, Madeline VFD and Susanville FD). Due to how rural Lassen County is and the lack of dedicated volunteer firefighters in other communities, we frequently respond to assist other fire departments through Mutual Aid.

The SVFD historically has struggled to meet the demand for fire services with existing revenues. Consequently, there has been insufficient funding (past and present) to purchase additional or replace/repair current much needed PPE, equipment and fire apparatus. The SVFD's current finance levels are inadequate to deliver the level of services required for the community. Fees need to be increased to cover the rising cost of providing emergency services.

With the recruitment and retention of quality and dedicated volunteer firefighters becoming an issue, the SVFD may need to hire paid firefighters at some point in the future to continue to provide emergency services to the community. This would require a fire station addition and some upgrades to be adequate for future growth.

Recreation

The recreation services provided include the marina and the community center. The main source of income is from Annual marina parking fees. The budget for recreation services is smaller than the Fire Department and Sewer Service budgets.

Wastewater Collection and Treatment

The sewer service is necessary to allow the residential use of the development in compliance the California Regional Water Quality Control Board regulations. The sewer service requires qualified personnel to operate the system and billing the landowners to pay for the service. The budget for the sewer service is the largest of the three budgets for the Spalding CSD.

²² California Government Code Section 56425 (e)(2)

5.3.2 SOI Determinations on Facilities and Services Present and Probable Need for Spalding Community Services District

- SOI 2-1) There is a need for the Spalding CSD (Volunteer) Fire Department and this need will continue as long as the houses are occupied.
- SOI 2-2) There is a need for the Spalding CSD to operate the Marina. The Marina does not generate sufficient revenue to have a separate district but can be maintained in combination with other public services.
- SOI 2-3) There is a need for the Spalding CSD Sewer Service to comply with State laws for wastewater disposal and water quality. This need will continue into the future.

5.4 Present Capacity of Public Facilities Present and Adequacy of Public Services²³

5.4.1 Spalding Community Services District Capacity Background

The Spalding CSD has adequate capacity to serve the community. The District does not have a great deal of reserve capacity. The District could make extra efforts to maintain connections and participation from seasonal residents.

5.4.2 SOI Determinations on Public Facilities Present and Future Capacity for Spalding Community Services District

- SOI 3-1) The SVFD's existing facility is in good condition and has the capacity to adequately serve current emergency services demands, but would require an addition and some upgrades to be adequate for future growth.
- SOI 3-2) The SVFD does have a 5-year Capital Improvement Plan that was approved by the Spalding CSD Board in 2018.
- SOI 3-3) The Marina is adequate and the administration of the Marina and Community Center is well integrated with the other services.
- SOI 3-4) The Sewer Service is adequate. Every effort should be made to collect all bills owed to the District.
- SOI 3-5) Since the Spalding CSD is responding to calls in the Stones Bendgard CSD area the districts should enter into a shared services agreement or an Auto Aid agreement with compensation given to the responding agency.

5.5 Social or Economic Communities of Interest for Spalding Community Services District²⁴

²³ California Government Code Section 56425 (e)(3)

²⁴ California Government Code Section 56425 (e)(4)

5.5.1 Spalding Community Services District Community Background

5.5.2 SOI Determinations on Social or Economic Communities of Interest for Spalding Community Services District

SOI 4-1) The SVFD helps to provide a community identity by sponsoring three pancake breakfasts annually, which are unique to the Spalding community. These events had to be cancelled due to the Corona Virus Pandemic but may be resumed in the future.

SOI 4-2) Spalding is a small community but has a church, community center and a store. However, it is not a full-service community and is dependent on the City of Susanville, 35 miles away for many services.

5.6 Disadvantaged Unincorporated Community Status²⁵

5.6.1 Disadvantaged Unincorporated Communities

There is no income data specifically for the Spalding CSD. However, the area is most likely a Disadvantaged Unincorporated Community. The population is elderly with over 44% over 65 in 2010. An income survey will be needed to definitely determine as to whether or not this is a DUC.

5.6.2 Spalding Community Services District Disadvantaged Unincorporated Community Status

SOI 5.1) The Spalding CSD is most likely a DUC. An income survey will be needed to definitely determine as to whether or not this is a DUC.

²⁵ California Government Code Section 56425 (e)(5)

APPENDIX A LOCAL GOVERNEMENT SPENDING 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. 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.

G. 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:

1. Special taxes such as parcel taxes
2. Increases in general taxes such as utility taxes
3. Sales and use taxes
4. Business license taxes
5. 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 SPALDING CSD WASTE DISCHARGE REQUIREMENTS

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION
BOARD ORDER No. R6T-2006-0020
WDID NO 6A180506011
WASTE DISCHARGE REQUIREMENTS
FOR
SPALDING COMMUNITY SERVICES DISTRICT
SEWAGE EVAPORATION PONDS
Lassen County

The California Regional Water Quality Control Board, Lahontan Region (Water Board) finds:

1. Discharger

For the purposes of this Order, Spalding Community Services District (CSD) is referred to as the "Discharger."

2. Facility

For the purposes of this Order, the Discharger's sewage evaporation ponds are referred to as the "Facility." The Facility has not yet been constructed. Domestic sewage from approximately 800 septic tanks will be collected and disposed of at the Facility.

3. History of Previous Regulation by the Water Board

This is a new item before the water Board. However, pertinent history for the Order includes the following. The Water Quality Control Plan for the North Lahontan Basin was amended in September 14, 1984 and the Water Board adopted the following waste discharge prohibition:

"The discharge of waste from the Spalding Tract of Stones-Bengard subdivision with other than zero discharge of nutrients to any surface water or ground waters in the Eagle Lake Basin is prohibited after September 14, 1989."

In May Of 1991 the Water Board issued over 600 Cease and Desist Orders to individual property owners for violating the above-cited prohibitions.

The Discharger has been in various planning stages for a collection and disposal system for the community since before the issuance of the Cease and Desist Orders. The construction and operation of the disposal system will eliminate subsurface discharges of domestic wastewater in the area served by this Facility, and thereby eliminate discharges of nutrients to comply with the prohibition.

4. Reason for Action

The Discharger proposes to construct and operate a community sewage collection, treatment and disposal system that will collect the sewage liquids from individual septic tanks serving a mixture of homes and commercial businesses in the Spalding Track development. The Discharger submitted a complete report of waste discharge on December 27, 2005 and revised the report on April 4, 2006. This Order specifies applicable requirements for the construction and operation of the proposed Facility.

5. Facility Location

The Facility is to be sited approximately two and one-half miles north of the Spalding Tract. Sections 24 and 25 of T33N, R4W, MDB&M, as shown on Attachments "A". *(Note: Not attached to this report.)*

6. Description of Facility and Discharge

The Facility will be the disposal location for the sewage from both the residential and commercial development in the Spalding Tract subdivision at Eagle Lake. Each residential or commercial connection will maintain and operate an individual septic tank that will provide partially-treated wastewater to the collection system. The individual septic tanks are not under the ownership or control of the Discharger and are not regulated under the provisions of this Order. The Discharger will ensure that each septic tank connected to the sewage collection system has a filter installed to prevent solids above a certain size from entering the collection system. Most of the connection will operate by gravity. Sewage from over 50 sites will be pumped into the gravity main collection system using individually-owned pumping systems, as required by the Discharger.

The collection system will convey the sewage to three evaporation ponds that are located approximately two miles north of the Spalding Tract. Pond 1 will be 9.2 acres and Ponds 2 and 3 will be 5.5 acres each as shown in Attachment "B." *(Note: Not attached to this report.)*

All ponds will be constructed to a minimum depth of seven feet (five feet of storage) and will have a 60-mil high-density polyethylene liner. All of the ponds will both store and evaporate liquids. Total storage with two feet of freeboard is estimated to be between 32 and 33 million gallons. The net pan evaporation rate is approximately 41 inches per year.

The disposal system is designed for an annual average daily flow rate of 37,500 gallons per day, which translates to 13.7 million gallons annually. The design flow rates are based on assumed rates for occupancy (year-round/seasonal), wastewater generation, and growth (to buildout). Of the estimated 1000 connections at build out approximately 590 are currently developed.

A past survey indicated current patterns are approximately:

- 1 of 4 homes-permanent, year-round
- 2 of 4 homes-greater than six months a year; and
- 1 of 4 homes-less than six months a year.

These patterns may change following the construction of the Facility.

7. Sludge Treatment and Disposal

The Discharger maintains that each septic tank owner will be responsible for the storage and proper disposal of the accumulated solids in their respective septic tank. Because filters will be required for each septic tank, solid accumulation at the Facility is anticipated to be minimal, mainly solids and salts precipitated by evaporation. The estimated solids build-up from evaporation only in the ponds over a thirty-year period is less and one-half inch.

8. Authorized Disposal Site

The authorized disposal site for the discharge of partially treated sewage from the individual septic systems is at Ponds 1, 2, and 3. No other discharge location is authorized.

9. Site Geology

The Eagle Lake region has outcrops of basalt, older lake deposits and recent lake deposits. A composite soil sample collected at the proposed site for the evaporation ponds was characterized as clayey sand.

10. Site Hydrology

The Facility will be located at an elevation of 5135 feet above mean sea level. Water Board Resolution No. 82-6 defines the high water line of Eagle Lake to be 5117.5 feet. There are no surface waters at the proposed location of the Facility.

11. Site Hydrogeology

Depth to ground water at the proposed disposal location is estimated to be 15 feet below grade (5120 feet mean sea level). Ground water in the area is general good in quality. No water samples have been collected to date in the groundwater beneath the Facility. This Order requires that ground water monitoring wells be constructed and sampled twice, at a minimum, prior to discharging to the evaporation ponds. For the purposes of this Order the pre-discharge sample results will be considered representative of background and/or pre-project water quality unless the Discharger collects additional samples to characterize natural variability prior to discharging and provides the results to the Water Board. After the discharge to the Facility begins, ground water monitoring shall be conducted quarterly.

12. Basin Plan

The Water Board adopted the *Water Quality Control Plan for the Lahontan Region* (Basin Plan, which became effective in 1995. This Order implements the requirements of the Basin Plan.

13. Receiving Water

The potential receiving water for the discharge is the Eagle Lake Valley Basin (Department of Water Resources Basin No. 6-96). The beneficial uses for the ground waters in the Eagle Lake Valley Basin, as specified and defined in the Basin Plan are:

- a. Municipal and Domestic Supply (MUN)
- b. Agricultural (AGR)
- c. Fresh Water Replenishment (FRSH)

14. California Environmental Quality Act Compliance

The Discharger, acting as the California Environmental Quality Act (CEQA), Public Resources Code section 21000, et seq.) Lead Agency, prepared a Draft Environmental Impact Report (EIR) for the *Spalding Community Services District Wastewater Collection and Treatment Facilities* (Project) and circulated the Draft EIR for a public review and comment. The Final EIR for the Project was completed and certified by the Discharger on May 2, 2000.

When an EIR has been prepared for a project, a Responsible Agency shall not approve the project as proposed, pursuant to California Code of Regulations, title 14, section 15096, subdivision (g)(2), if the agency finds any feasible alternative or feasible

mitigation measures within its powers that would substantially lessen or avoid any significant effect the project would have on the environment. The Water Board, acting as a CEQA Responsible Agency, has evaluated the Final EIR for significant and potentially significant impacts to water quality, and the adequacy of proposed mitigation measures to lessen or avoid any such effects on water quality.

As a result of this evaluation, the Water Board finds that changes or alterations have occurred in the Project description and proposed mitigation measures that deviate in some respects from the specific alternatives evaluated by the Lead Agency. Potentially significant water quality impacts and mitigation measures due to the changes are avoided or reduced to insignificant levels by actions proposed by the Discharger to implement feasible impact avoidance, minimization and mitigation measures, as verified by monitoring and reporting requirements of this Water Board Order. Attachment D provides detailed CEQA discussion and findings supporting the Water Board's action to approve the project and to issue waste discharge requirements for the Facility based on the Final EIR and/or other information in the record. (*Attachment D not included in this report.*)

This Responsible Agency statement is supported by substantial evidence in the record. The Water Board will file a CEQA Notice of Determination with the State Clearinghouse following adoption of waste discharge requirements.

15. Notification of Interested Parties

The Water Board has notified the Discharger and interested parties of its intent to issue waste discharge requirements for the proposed discharge.

16. Consideration of Public Comments

The Water Board, in a public meeting, heard and considered all comments pertaining to the discharge.

IT IS HEREBY ORDERED that, pursuant to California Water Code section 13263, the Discharger shall comply with the following:

I. DISCHARGE SPECIFICATIONS

A. Flow Limitation

The total flow of wastewater to the authorized disposal site between October 1 and September 30 of consecutive years shall not exceed 13.7 million gallons.

B. Receiving Water Limitations

The discharge of waste shall not cause the presence of the following substances or conditions in the ground waters of the Eagle Lake Valley Basin:

1. Any perceptible color, odor, taste or foaming.
2. Coliform organisms attributable to human wastes.
3. Toxic substances in concentrations that individually, collectively, or cumulatively cause detrimental physiological responses in human, plants, animals, or aquatic life.
4. Identifiable chlorinated hydrocarbons, organophosphates, carbamates, and other pesticide and herbicide groups, in summations, in excess of the lowest detectable levels.
5. Concentrations of chemical constituents in excess of the maximum contaminant levels or secondary maximum contaminant levels based upon drinking water standards

specified by the more restrictive of the California Code of Regulations, title 22, Division 4, Chapter 15, or 40 Code of Federal Regulations part 141.

C. General Requirements and Prohibitions

1. The discharge of waste from the Spalding Tract subdivision with other than a zero-discharge of nutrients to any surface waters or ground waters in the Eagle Lake basin is prohibited.
2. The discharge of wastewater except to the authorized disposal site is prohibited.
3. The discharge, bypass, or diversion of raw or partially treated sewage, sewage sludge, grease, or oils from the collection, transport, treatment, or disposal facilities to adjacent land areas or surface waters is prohibited.
4. The integrity of any pond liners shall be maintained throughout the life of the ponds and shall not be diminished as the result of any maintenance or cleaning operation.
5. In the event of an odor or nuisance problem, corrective measures shall be implemented immediately to eliminate the problem.
6. Fencing shall be placed and maintained on the perimeter of the evaporation ponds to prevent public access.
7. The discharge shall not cause a pollution as defined in Water Code section 13050, or a threatened pollution.
8. Neither the treatment nor the discharge of waste shall cause a nuisance as defined in Water Code section 13050.
9. The use of evaporation ponds to store a hazardous waste, as defined in the California Code of Regulations, title 26, is prohibited. This includes any waste concentrated to hazardous waste levels by the evaporation of liquids in the ponds.
10. The vertical distance between the liquid surface elevation and lowest point in an evaporation pond dike or invert of an overflow structure shall not be less than two (2) feet.
11. If the total flow to the Facility between October 1 and September 30 of consecutive years exceeds 80% of the designed capacity (13.7 million gallons), the Discharger shall file a revised report of waste discharge signed by a registered California Civil Engineer documenting available capacity relative to anticipated flow increases due to potential new development of parcels in the Spalding Tract or other causes.
12. The Discharger operating under this permit shall be subject to an annual fee pursuant to the California Code of Regulations, title 23, section 2200 et seq. as amended.

II. PROVISIONS

A. Special Provisions for Pond Construction

1. A Construction Quality Assurance Plan (CQA plan) was submitted to the Water Board with the report of waste discharge. The CQA plan includes specifications for sub-grade preparation, inspection frequency for liner construction, testing frequency for both destructive testing and non-destructive liner testing, and qualifications for the CQA Officer and the CQA inspector. The evaporation ponds shall be constructed in accordance with the construction specifications and the CQA plan.

2. No discharge to the Facility is authorized until the Discharger, through the CQA officer, certifies that the Facility is constructed in accordance with the CQA plan, the certification is accepted in writing by the Water Board Executive Officer and two ground water monitoring sampling events have been conducted with the results submitted to the Water Board.

B. Cease and Desist Orders for Spalding Tract Subdivision

The Water Board will consider rescinding existing Cease and Desist Orders on the Spalding Tract property owners after the Facility is operational, and the Discharger confirms that properties with septic systems are connected to the collection and disposal system in accordance with the Discharger's requirements.

C. Standard Provisions

The Discharger shall comply with the "Standard Provisions for Waste Discharge Requirements" dated September 1, 1994, in Attachment "C", which is made part of this Order. (*Attachment C is not included in this report.*)

D. Monitoring and Reporting

1. Pursuant to Water Code section 13267, subdivision (b), the Discharger shall comply with Monitoring and Reporting Program No. R6T-2006-(Proposed) as specified by the Water Board Executive Officer.

2. The Discharger shall comply with the "General Provisions for Monitoring and Reporting" dated September 1, 1994, which is attached to and made part of the Monitoring and Reporting Program. (*Not included in this report.*)

E. Operator Certification

The Facility shall be supervised by personnel possessing a wastewater treatment plant operator certificate of appropriate grade pursuant to *Classification of Wastewater Treatment Plants and Operator Certification*, California Code of Regulation, title 23, section 3670, et. Seq.

I, Harold J. Singer, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, Lahontan Region, on May 11, 2006.

APPENDIX C SPALDING CSD BUDGETS

SPALDING CSD BUDGET 2020-2021 DRAFT-225 FIRE FUND			
Account #	FIRE-BALANCES AND INCOME	2019-2020 Actual	2020-2021 Budget
2011200	Misc. Income (Donations, Equip. Sales, etc.)	18,136	-
2000903	Fire Parcel Assessment Fee (225 Fund)	32,724	32,724
2000903	Fire Parcel Assessment Fee Prior Year	2,110	2,110
2003000	Interest	1,439	1,439
2007200	Federal Grants	77,535	-
	Revenue Only	131,944	36,273
	Revenue, Transfers In and Cash	\$131,944	\$36,273
FIRE-MATERIALS AND SERVICES			
3000100	Salaries and Wages	340	2,000
3000100	Volunteer Firefighter Stipend	5,000	-
3000211	Special District Benefits	-	240
3001100	Clothing and personal	1,245	-
3001200	Communications	5,018	4,500
3001300	Food	376	245
3001500	Insurance (workers Comp. auto/Liability)	14,426	14,450
3001700	Maintenance Equipment	2,372	-
3001701	Maintenance Vehicles and Fuel	12,542	10,000
3001800	Maintenance Building/Improvements	11,920	1,000
3001900	Medical Supplies	192	192
3002000	Memberships	15	15
3002200	Office Expenses	462	124
3002205	Grant Expenditures	113,053	-
3002300	Professional and Specialized Services	85	85
3002400	Publications and Legal Notices	35	35
3002700	Small Tools and Minor Equipment	9,706	706
3002800	Special Department Expense	427	427
3002900	Transportation and Travel	300	300
3002901	Conferences and Training	154	154
3003000	Utilities	601	601
3006100	Buildings/Improvements-Capital Improvement	1,800	-
Total Expenses and Input to Reserve Accounts		180,069	35,074
Budget Balance (Revenue Minus Total Expenses)		(48,125)	1,199
FIRE-TRUST ACCOUNTS		Balance	New Balance
7603383	Capital Improvement Fees (Fire)	17,879	
225	Fire Parcel Assessment Fees (Fire)	44,569	
GPR	General Purpose Revenue Fund (Fire)	7,028	

The Fire Department Budget exceeded the revenue in 2019-2020 so expenses had to be reduced for 2020-2021. Also, the District spent grant funds in 2019-2020 so that budget was larger than the 2020-2021 proposal.

SPALDING CSD BUDGET 2020-2021 DRAFT-231 RECREATION FUND			
		2019-2020	2020-2021
Account #	RECREATION BALANCES AND INCOME	Actual	Budget
2003000	Interest	138	138
2000600	Other Charges Current Services	85	85
2001300	Annual Parking Permits	8,375	8,375
2001300	Day Use Fees	669	669
	Revenue Only	8,598	8,598
	Revenue, Transfers In and Cash	9,267	9,267
	RECREATION MATERIALS AND SERVICES		
3000100	Salaries and Wages	250	6,220
3000211	Special District Benefits	85	746
3001700	Maintenance Equipment	240	240
3001800	Maintenance Building/Improvements	624	624
3002700	Small Tools and Minor Equipment	75	75
3002800	Special Department Expense	714	714
3003000	Utilities	539	539
	Capital Reserves %		25%
	Total Expenses and Input to Reserve Accounts	\$2,527	\$9,158
	Budget Balance (Revenue Minus Total Expenses)	6,740	109
	RECREATION TRUST ACCOUNTS		
7603302	Recreation Trust	\$8,372	

The Recreation Fund gets most of the money from the annual parking permits. The proposed budget for 2020-2021 shows that the Recreation Fund will share a portion of the salaries for the office staff.

SPALDING CSD BUDGET 2020-2021 DRAFT-227 SEWER FUND			
Account #	SEWER BALANCES AND INCOME	2019-2020 Actual	2020-2021 Budget
2003000	Interest	45	0
2010600	Sewer Operations/Maintenance Assessments	202,238	202,238
2000600	Other Charges Current Services	592	592
	Revenue Only	202,875	202,830
	Revenue, Transfers In and Cash	202,875	202,830
	SEWER MATERIALS AND SERVICES		
3000100	Salaries and Wages	56,831	97,728
3000211	Special District Benefits	18,2602	11,727
3001200	Communications	18,442	8,442
3001300	Food	65	65
3001400	Household Expenses	558	558
3001500	Insurance (workers Comp. auto/Liability)	11,298	11,298
3001700	Maintenance Equipment	20,812	5,000
3001701	Maintenance Vehicles and Fuel	3,207	3,207
3001800	Maintenance Building/Improvements	26,084	4,000
3002000	Memberships	2,364	2,379
3002200	Office Expenses	10,408	5,000
3002201	Postage	302	302
3002205	Grant Expenditures	12,995	-
3002300	Professional and Specialized Services	117,182	40,000
3002400	Publications and Legal Notices	290	290
3002500	Rents and Leased Equipment	2,061	-
3002700	Small Tools and Minor Equipment	872	872
3002800	Special Department Expense	17	17
3002900	Transportation and Travel	2,000	2,000
3002901	Conferences and Training	1,500	1,500
3003000	Utilities	12,921	12,921
3006100	Buildings/Improvements-Capital Improvement	1,800	800
	Bond/Solar	4,800	4,800
Total Expenses and Input to Reserve Accounts		325,069	212,891
Budget Balance (Revenue Minus Total Expenses)		(122,194)	(10,061)
SEWER TRUST ACCOUNTS			
7603405	Capital Replacement Fund (Sewer)		382,863
7603374	Bond Redemption Fund (Sewer)		442,667
7603376	Bond Debt Service Reserve (Sewer) (US Bank)		493,932

The Sewer Fund Budget is shown as over \$10,000 more in expenses than income. Most likely savings will be made during the year to end the year with a balanced budget.

APPENDIX D SPALDING CSD AUDIT

SPALDING COMMUNITY SERVICES DISTRICT STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET JUNE 30, 2019²⁶					
	Governmental Fund Fire and Marina			Enterprise Fund Sewer	
	General Fund	Adjustments	Statement of Net Position		Total
ASSETS					
Current assets:					
Cash and investments	97,946	-	97,946	19,131	117,077
Accounts receivable	111	-	111	24,112	24,223
Prepaid expense	-	-	-	5,397	5,397
Total current assets	98,057	-	98,057	48,640	146,697
Capital assets, at cost	-	6,539,880	6,539,880	13,461,982	20,001,862
Less, accumulated depreciation	-	1,503,682	1,503,682	4,832,658	6,336,340
	-	5,036,198	5,036,198	8,629,324	13,665,522
Restricted cash	18,209	-	18,209	392,547	410,756
	\$116,266	\$5,036,198	\$5,152,464	\$9,070,511	\$14,222,975
LIABILITIES AND NET POSITION					
Current Liabilities:					
Accounts payable	-	-	-	-	-
Payroll liabilities	-	-	-	3,371	3,371
Total current liabilities					
Fund balances:					
Restricted	-	-	-		
Committed	18,209	(18,209)	-		
Unassigned	98,057	(98,057)	-		
Total fund balances	116,266	(116,266)			
Total liabilities and fund balances	\$116,266				
Net position:					
Net investment in capital assets		5,036,198	5,036,198	8,629,324	13,665,522
Restricted		-	-	-	-
Unrestricted		116,266	116,266	437,816	554,082
		5,152,464	5,152,464	9,067,140	14,219,604
		\$5,036,198	\$5,152,464	\$9,070,511	\$14,222,975

The sewer fund (an enterprise fund) is larger than the fire and marina funds (government funds).

²⁶ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertwjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Page 4.

SPALDING COMMUNITY SERVICES DISTRICT STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION JUNE 30, 2019 ²⁷						
Functions/ Programs		Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government		
Primary Government	Expenses	Charges for Services	Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities:						
Fire	238,717	32,819	171,282	(34,616)		(34,616)
Marina	100,827	6,222	-	(94,605)		(94,605)
Total	339,544	39,041	171,282	(129,221)		(129,221)
Business-type activities:						
Sewer	703,468	200,736	-	-	(502,732)	(502,732)
Total	703,468	200,736	-	-	(502,732)	(502,732)
Total Primary Government	1,043,012	239,777	171,282	(129,221)	(502,732)	(631,953)
General revenues:						
	Property taxes			607	7,810	8,417
	Interest income			3,551	9,498	13,049
	Other			56,276	18,514	74,790
	Total general revenues			60,434	35,822	96,256
	Changes in net position			(68,787)	(466,910)	(535,697)
	Net position-beginning			5,221,251	9,543,050	14,755,301
	Net position-ending			5,152,464	9,067,140	14,219,604

²⁷ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Page 5.

SPALDING COMMUNITY SERVICES DISTRICT STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUND-SEWER JUNE 30, 2019²⁸		
Operating revenues:		
Sewer Service fees		\$200,025
Finance charges		711
Total operating revenues		200,436
Operating expenses:		
Salaries and benefits	\$77,911	
Communications	15,181	
Insurance	13,002	
Maintenance	38,386	
Special Department Expense	2,564	
Utilities	16,859	
Office	4,662	
Depreciation	432,613	
Memberships	2,020	
Professional service	93,536	
Household	1,140	
Rent-equipment	2,322	
Other	3,272	
Total operating expenses		703,468
Operating income (loss)		(502,732)
Non-operating revenues (expenses):		
Property taxes	7,810	
Interest Income	9,498	
Other income	18,514	35,822
Income (loss) before contributions		(466,910)
Capital contributions		-
Changes in net position		(466,910)
Total net Position:		
Beginning as restated (includes prior year correction)		9,534,050
Ending		\$9,067,140

²⁸ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Page 6.

SPALDING COMMUNITY SERVICES DISTRICT		
STATEMENT OF CASH FLOWS-ENTERPRISE FUND-SEWER JUNE 30, 2019²⁹		
Cash flows from operating activities:		
Receipts from customers		\$196,272
Payments to suppliers		(191,185)
Payment to employees		(77,911)
*Net cash provided to operating activities		(72,824)
Cash flows from noncapital financing activities:		
Receipts from property taxes and other nonoperating income		26,324
Cash flows from capital and related financing activities:		
Purchase of capital assets	\$(29,051)	
Other	30,429	
		1,378
Cash flows from investing activities:		
Interest Income		9,498
Net decrease in cash and cash equivalents		(35,624)
Cash at beginning of year		447,302
Cash at end of year		\$411,678
Reconciliation of operating income (loss) to net cash provided to operating activities:		
Loss		\$(502,732)
Adjustments to reconcile operating income to net cash provided to operating activities:		
Depreciation expense	\$432,613	
Changes in operating assets and liabilities:		
Receivables	(4,464)	
Prepays	986	
Accrued liabilities	773	
		429,908
*Net cash provided to operating activities		\$(72,824)

*Net cash for operating activities comes from reserve funds to make up for money not received from sewer fees.

²⁹ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Pages 7-8.

SPALDING COMMUNITY SERVICES DISTRICT STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES AND EXPENDITURES-FIRE DEPARTMENT JUNE 30, 2019³⁰			
	General Fund	Adjustments	Statement of Activities
Program expenditures/expenses:			
Public protection	187,768	-	187,768
Support services	-	-	-
Capital outlay	219,225	(219,225)	-
Depreciation	-	50,949	50,949
Total program expenditures/expenses	406,993	(168,276)	238,717
Program revenues:			
Charges for services and rent	32,819	-	32,819
General revenues:			
Property taxes	607	-	607
Fees	35,260	-	35,260
Interest income	3,522	-	3,522
Grant income	127,205	-	127,205
Miscellaneous	2,606	1,378	3,984
Donations	44,077	-	44,077
Sale of equipment	15,340	(4,174)	11,166
Total General Revenues	228,617	(2,796)	225,821
Excess of revenues over (expenditures)/change in net position	\$(145,557)	\$165,480	\$19,923

³⁰ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertwjohansoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Page 9.

SPALDING COMMUNITY SERVICES DISTRICT STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL FIRE DEPARTMENT JUNE 30, 2019 ³¹			
	Budget	Actual	Favorable/ (Unfavorable) Variance
Revenues:			
Property taxes	-	607	607
Fees	50,013	35,260	(14,753)
Interest income	872	3,522	2,650
Grant income	-	127,205	127,205
Miscellaneous	-	2,726	2,726
Charges for services/rent	35,891	32,819	(3,072)
Donations	-	44,077	44,077
Sale of equipment	-	15,340	15,340
Total revenues	86,776	261,556	174,780
Expenditures:			
Salaries and benefits	25,000	252	24,748
Clothing and personal	200	626	(426)
Communications	2,100	3,806	(1,706)
Food	2,000	1,452	548
Household	280	-	280
Insurance	10,528	10,895	(367)
Maintenance-equipment	1,100	11,721	(10,621)
Maintenance-vehicles	13,000	13,522	(522)
Maintenance-buildings	14,000	6,040	7,960
Medical supplies	500	280	220
Memberships	100	15	85
Office	900	659	241
Postage	100	-	100
Grant expense	120,000	114,452	5,548
Professional services	900	668	232
Publications	100	-	100
Small tools	9,000	4,723	4,277
Special Department exp.	100	32	68
Travel	300	-	300
Conferences/training	200	50	150
Utilities	500	-	500
Capital outlay	220,000	219,225	775
Admin. Transfer (in)/out	10,000	10,000	-
Miscellaneous	-	8,695	8,695
Total expenditures	430,908	407,113	23,795
Excess of revenues over (expenditures)	\$(344,132)	\$(145,557)	\$198,575

³¹ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertwjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Pages 10-11.

SPALDING COMMUNITY SERVICES DISTRICT STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES AND EXPENDITURES-MARINA JUNE 30, 2019 ³²			
	General Fund	Adjustments	Statement of Activities
Program expenditures/expenses:			
Recreation	4,725	-	4,725
Support services	-	-	-
Capital outlay	-	-	-
Depreciation	-	96,102	96,102
Total program expenditures/expenses	4,725	96,102	100,827
Program Revenues:			
Charge for services	6,222	-	6,222
General revenues:			
Interest income	29	-	29
Miscellaneous	5,866	-	5,866
Total general revenues	5,895	-	5,895
Excess of revenues over (expenditures)/change in net position	\$7,392	\$(96,102)	\$(88,710)

SPALDING COMMUNITY SERVICES DISTRICT STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL MARINA JUNE 30, 2019 ³³			
	Budget	Actual	Favorable/(Unfavorable) Variance
Revenues:			
Interest income	182	29	(153)
Miscellaneous	30	5,866	5,836
Charges for services	9,895	6,222	(3,673)
Total Revenues	10,107	12,117	2,010
Expenditures:			
Salaries and benefits	4,058	2,355	1,703
Communications	500	215	285
Special Depart. Expense	1,000	600	400
Operating transfers	2,000	(5,866)	7,866
Household	500	74	426
Maintenance	2,100	780	1,320
Professional services	200	90	110
Other	850	6,183	(5,333)
Utilities	800	294	506
Capital Outlay	2,000	-	2,000
	14,008	4,725	9,283
Excess of revenues over (expenditures)	\$(3,901)	\$7,392	\$11,293

³² Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Page 12.

³³ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Page 13.

SPALDING COMMUNITY SERVICES DISTRICT CASH AND CASH EQUIVALENTS JUNE 30, 2019 ³⁴		
	Fire and Marina	Sewer
Unrestricted cash		
Petty cash	21	-
Cash with County-fire	91,783	-
Cash with County-recreation	4,666	-
Cash with County-recreation trust	1,476	-
Cash with County-sewer	-	19,131
TOTAL	\$97,946	\$19,131
Restricted Cash		
Cash with County		
Fire Capital Improvement trust	18,209	-
Sewer capital replacement fund	-	392,547
TOTAL	\$18,209	\$392,547

SPALDING COMMUNITY SERVICES DISTRICT CAPITAL ASSETS JUNE 30, 2019 ³⁵				
	Balance 6/30/2018	Additions	Disposals	Balance 6/30/2019
Governmental Capital Assets (Fire and Marina)				
Land and Improvements	\$1,350,000	-	-	\$1,350,000
Buildings and Infrastructure	3,854,413	-	29,051	3,825,362
Vehicles and other	804,657	219,225	9,450	1,014,432
Marina dredging	350,086	-	-	350,086
TOTAL	\$6,359,156	\$219,225	\$38,501	\$6,539,880
Enterprise (Sewer) Capital Assets				
Land and Improvements	\$119,211	-	-	\$119,211
Utility plant and infrastructure	12,440,552	-	-	12,440,552
Buildings	698,895	29,051	-	727,946
Vehicles and other	174,273	-	-	174,273
TOTAL	\$13,432,931	\$29,051	-	\$13,461,982

The investment in the sewer system is greater than the investment in the fire department and the marina.

³⁴ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertwjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Page 19.

³⁵ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertwjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Page 20.

SPALDING COMMUNITY SERVICES DISTRICT NET POSITION JUNE 30, 2019 ³⁶			
	Governmental Fund (Fire and Marina)	Enterprise Fund (Sewer)	Total
Net investment in capital assets	\$5,036,198	\$8,629,324	\$13,665,522
Restricted	-	-	-
Unrestricted:			
Designated by Board	*18,209	392,547	410,756
Undesignated	98,057	45,269	143,326
Total Net Position	\$5,152,464	\$9,067,140	\$14,219,604

*Committed to Fire Capital Improvement

³⁶ Spalding CSD, Financial Statements and Independent Auditor's report for the year ended June 30, 2019, Robert W. Johnson, CPA, robertjohnsoncpagroup@gmail.com, 916-723-2555, November 15, 2019, Page 21.

ABBREVIATIONS

AB	Assembly Bill
ACH	Aluminum Chloride Hydroxide
AC pipe	Asbestos-cement pipe
ACWA	Association of California Water Agencies
AF	Acre-feet
AFA	Acre-feet per annum
AWWA	American Water Works Association
BLM	Bureau of Land Management (US)
CEQA	California Environmental Quality Act
CFD	Community Facilities District
CIF	Capital Improvement Fee
CIP	Capital Improvement Program
CKH Act	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
County	Lassen County
CQA Plan	Construction Quality Assurance Plan
CSA	County Service Area
CSD	Community Services District
DUC	Disadvantaged Unincorporated Community
EDU	Equivalent Dwelling Unit
EIR	Environmental Impact Report
ERAF	Educational revenue Augmentation Fund
FD	Fire Department
FY	Fiscal Year
GAC	Granular Activated Carbon
GASB	Government Accounting Standards Board

GPM	gallons per minute
ICS	Incident Command System
ISO	International Organization for Standardization
IRWM	Integrated Regional Water Management Grant Program
LAFCo	Local Agency Formation Commission
LAIF	Local Agency Investment Fund (State of California)
LAMP	Local Agency Management Program (water quality)
LNF	Lassen National Forest
MCL	Maximum Contaminant Level
MCLG	Maximum Contaminant Level Goal
MG	Million Gallons
MGD	million gallons per day
MRDL	Maximum Residual Disinfectant Level
MRDLG	Maximum Residual Disinfectant Level Goal
MSR	Municipal Service Review (LAFCo)
ND	not detectable at testing limit
NF	National Forest
O&M	Operations and Maintenance
OPR	Office of Planning and Research (California)
OWTS	Onsite Wastewater Treatment System (septic tank)
PDWS	Primary Drinking Water Standards
PG&E	Pacific Gas and Electric Company
PHG	Public Health Goal
ppb	parts per billion
ppm	parts per million
PVC	poly-vinyl-chloride (pipe material)
RCAC	Rural Community Assistance Corporation
RV	Recreational Vehicle

**Lassen LAFCo
Spalding CSD
Adopted MSR and SOI October 18, 2021**

SB	Senate Bill
SCADA	Supervisory Control and Data Acquisition
SDWS	Secondary Drinking Water Standards
SEMSA	Sierra Medical Services Alliance
SFD	Single Family Dwelling
SIFC	Susanville Interagency Fire Center
SOI	Sphere of Influence (LAFCo)
SR	State Route
SRA	State Responsibility Area (fire protection)
STEP	Septic Tank Effluent Pump
SVFD	Spalding Volunteer Fire Department
SWRCB	State Water Resources Control Board
T&D	Treatment and Distribution
TT	Treatment Technique
USDA	United States Department of Agriculture
WTP	Water Treatment Plant

DEFINITIONS

Acre Foot (AF): 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).

Agriculture: Use of land for the production of food and fiber, including the growing of crops and/or the grazing of animals on natural prime or improved pastureland.

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.

Available Supply: the quantity of groundwater, which can be withdrawn annually from a groundwater basin without exceeding safe yield of the basin.

Board of Directors: the legislative body or governing board of a district.

Board of Supervisors: the legislative body or governing board of a county.

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.

Capital Improvement Plan (CIP): is a short-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan. Essentially, the plan provides a link between a municipality, school district, parks and recreation department and/or other local government entity and a comprehensive and strategic plans and the entity's annual budget.

Census-Designated Place (CDP): a concentration of population identified by the United States Census Bureau for statistical purposes. CDPs are delineated for each decennial census as the statistical counterparts of incorporated places such as cities, towns, and villages. CDPs are populated areas that lack separate municipal government, but which otherwise physically resemble incorporated places. CDPs are delineated solely to provide data for settled concentrations of population that are identifiable by name but are not legally incorporated under the laws of the state in which they are located. They include small rural communities, colonias located along the U.S. border with Mexico, and unincorporated resort and retirement communities. The boundaries of a CDP have no legal status. Thus, they may not always correspond with the local understanding of the area or community with the same name. However, criteria established for the 2010 Census require that a CDP name "be one that is recognized and used in daily communication by the residents of the community" (not "a name developed solely for planning or other purposes") and recommend that a CDP's boundaries be mapped based on the geographic extent associated with residents' use of the place name.

Certified Public Accountant (CPA): the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA.

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.

Environmental Impact Report (EIR): A report required pursuant to the California Environmental Quality Act that assesses all the environmental characteristics of an area, determines what effects or impact will result if the area is altered or disturbed by a proposed action, and identifies alternatives or other measures to avoid or reduce those impacts. (See California Environmental Quality Act.)

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

Inhabited territory: Inhabited territory means territory within which there reside 12 or more registered voters. The number of registered voters as determined by the elections officer, shall be established as of the date a certificate of filing is issued by the executive officer. All other territory shall be deemed "uninhabited."³⁷

IRWM: The Integrated Regional Water Management (IRWM) Grant Program is a competitive grant program first created under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) with continuing funding provided by the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coast Protection Bond Act of 2006 (Proposition 84). Complementary funding was also provided by the Disaster Preparedness and Flood Prevention Bond Act or 2006 (Proposition 1E) for Storm water Flood Management Grant Program.

The program is administered by the Department of Water Resources to award funds to local public agencies and non-profit organizations, for projects and programs to improve water supply reliability and improve and protect water quality. Such projects and programs must be consistent with an adopted IRWM Plan.³⁸

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.³⁹

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).

³⁷ California Government Code Section 56046

³⁸ State of California,

<http://bondaccountability.resources.ca.gov/Program.aspx?ProgramPK=14&Program=Integrated%20Regional%20Water%20Management&PropositionPK=4>, May 30, 2018.

³⁹ <http://ga.water.usgs.gov/edu/dictionary.html>

Maximum Residual Disinfectant Level (MRDL): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residential Disinfectant Level Goal (MRDLG): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Per Capita Water Use: The water produced by or introduced into the system of a water supplier divided by the total residential population; normally expressed in gallons per capita per day (gpcd).

Percolation: The downward movement of water through the soil or alluvium to a ground water table.

pH: a measure of the relative acidity or alkalinity of water. Water with a pH of 7 is neutral; lower pH levels indicate increasing acidity, while pH levels higher than 7 indicate increasingly basic solutions.⁴⁰

Potable Water: Water of a quality suitable for drinking.⁴¹

pound-force per square inch gauge (Psig): a unit of pressure relative to the surrounding atmosphere.⁴²

Proposition 13: (Article XIII A of the California Constitution) Passed in 1978, this proposition enacted sweeping changes to the California property tax system. Under Prop. 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.⁴³

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.⁴⁴

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.

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.

Recharge: flow to groundwater storage from precipitation, infiltration from streams, irrigation, spreading basins and other sources of water.

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

⁴⁰ <http://ga.water.usgs.gov/edu/dictionary.html#P>, November 29, 2011.

⁴¹ <http://ga.water.usgs.gov/edu/dictionary.html>

⁴² <http://www.convertunits.com/info/psig>, March 27, 2012

⁴³ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

⁴⁴ http://www.californiataxdata.com/A_Free_Resources/glossary_PS.asp#ps_08

Sanitary Sewer: A system of subterranean conduits that carries refuse liquids or waste matter to a plant where the sewage is treated, as contrasted with storm drainage systems (that carry surface water) and septic tanks or leech fields (that hold refuse liquids and waste matter on-site).

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.

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.

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.

Variances and Exemptions: Department 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.

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LASSEN LOCAL FORMATION COMMISSION SPALDING COMMUNITY SERVICES DISTRICT

