

SECTION 2.16

BERRY CREEK CSD

2.16 BERRY CREEK CSD

District Characteristics

The Berry Creek Community Services District (Berry Creek/District) provides water to its customers in the Berry Creek community in eastern Butte County (see [Figure 2.16-1](#)). The Board of Directors is responsible for oversight of operations and management activity; the District does not employ staff and relies on a system of volunteering to maintain related facilities.

District Size: 102 acres

2005 Estimated Population Served: 95

Office Location: 27 Cedar Lane/P.O. Box 387, Berry Creek, CA 95916

Services: Domestic water

Employees: 0

Date of Formation: 1987

Enabling Legislation: Government Code Section 61000-61936

Review and Analysis of Service Provision

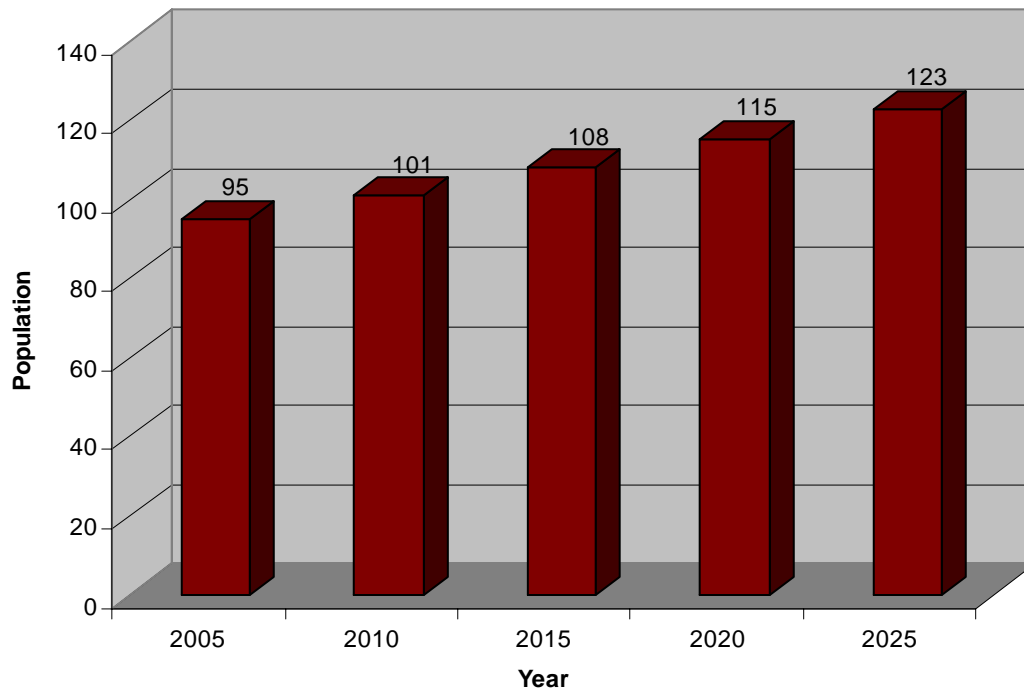
GROWTH AND INFRASTRUCTURE

Growth and Population

A. Population: Existing and Projected (5, 10, 15 and 20 Year Time Frame)

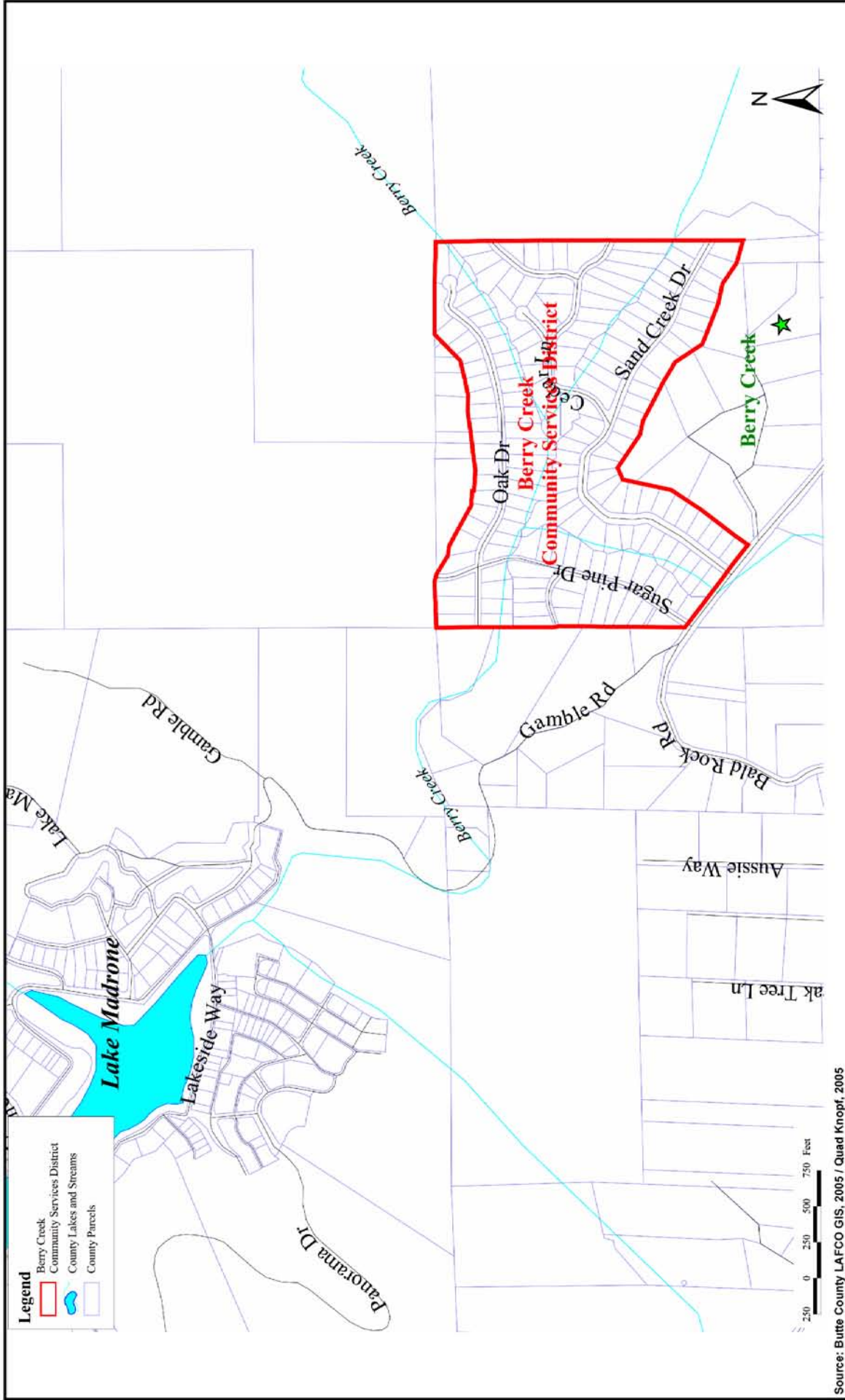
The District is a small special services district; the service area consists of 171 lots. There are currently 38 single family residences, one commercial user (a restaurant/bar), and five empty lots that are part-time users within the area. Seven of the 171 lots use their own private wells and are not served by the District. Population has been roughly estimated at 2.5 per single family residence, for a total of 95 people. Over the last eight years, there has been no growth in the District. However, one new home is currently under construction, and a large number of vacant lots have sold in the last year. For purposes of this analysis, the expected population growth in the District has been projected to the year 2025 (see [Figure 2.16-2](#)) assuming a growth rate of 1.3%, which corresponds to the projected growth in the unincorporated portions of the County as given by the Butte County Association of Governments.

**Figure 2.16-2
Projected Population Growth 2005–2025**



B. Land Use/Significant Growth Areas

Growth will be limited to the undeveloped lots within the District. Some of the 45 residences are built onto consecutive lots. According to the District, if all of the lots were developed, there is a



Source: Butte County LAFCO GIS, 2005 / Quad Knopf, 2005



BERRY CREEK COMMUNITY SERVICES DISTRICT

Figure 2.16-1

good probability that the total number of residences would be between 110 and 125. The District will not expand due to the fact that it is bordered by private property and portions of the Plumas National Forest.

Determination Berry Creek-1 (Growth):

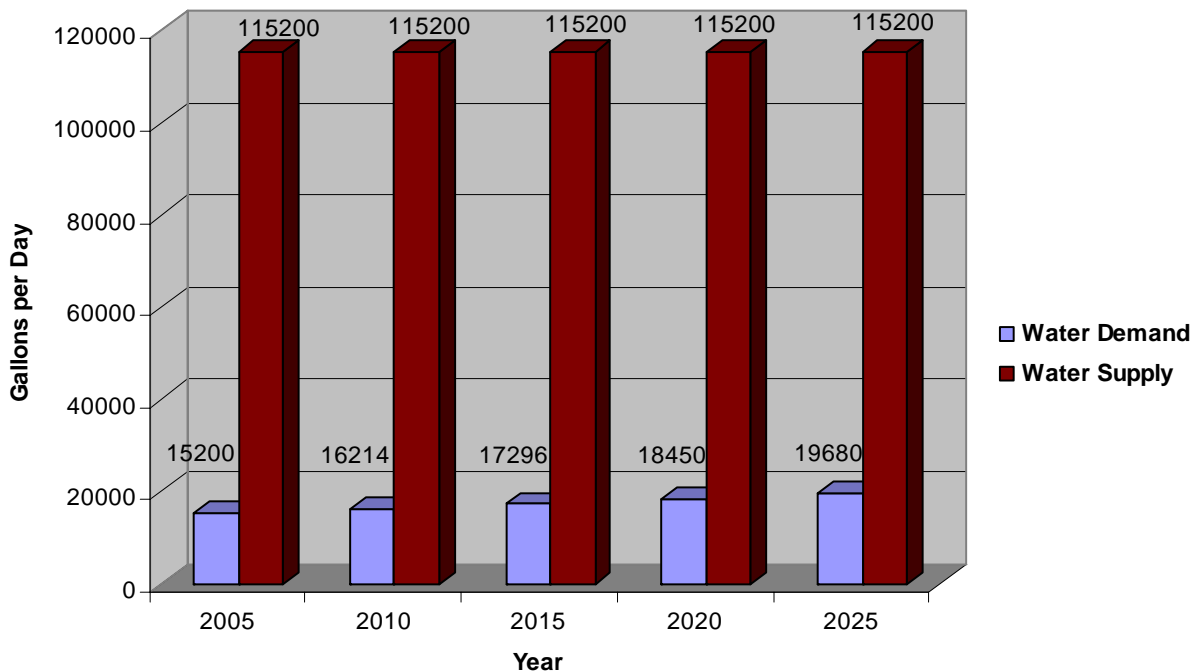
The population of the District may grow at a rate of approximately 1.3% annually for the foreseeable future.

Infrastructure

A. Quantity

The water demand for the area averages approximately 15,200 gpd (gallons per day) during peak summer days; during winter, the average is about 5,000 gpd. Based on the growth rate of 1.3%, the average summer demand is expected to grow as illustrated in Figure 2.16-3 below. The District’s water supply is groundwater drawn from four wells, three of which are currently active. The combined maximum production capacity of the three wells is approximately 115,200 gpd. The fourth has been taken out of use because of sand content in the water.

**Figure 2.16-3
Projected Water Demand 2005-2025**



Determination Berry Creek-2 (Water Quantity):

The District can provide adequate supplies of water to its service area. The District's water supply is sufficient to accommodate the projected growth.

B. Quality

The groundwater in the Berry Creek area has been known to have a high pH. This was a problem for the District in the past, but has been resolved by installation of an aeration system to reduce staining and deterioration of copper pipes within the District.

The groundwater in the District is tested monthly for bacteriological contamination (coliform). At regularly scheduled intervals, the groundwater is tested for other organic and non-organic contaminants. These testing intervals meet legal requirements. Water quality test results for November and December 2005 were provided from Monarch Laboratory. The test results indicated that coliform is not present in the District's water supply. The most recent testing for other contaminants was performed in December 2004. The test results indicated that the District's water supply is within the acceptable limits for organic compounds.

Determination Berry Creek-3 (Water Quality):

The District's water quality can be characterized as good. The District's water source meets all state and federal water quality standards.

C. Facilities

The infrastructure of the District consists of four wells (depths between 100 and 140 feet), an aeration treatment system, distribution waterlines, and a single storage tank with a capacity of 90,000 gallons. Much of the pipeline in the distribution system was installed in 1963. Leaks within the District's waterlines related to tree root intrusion are uncommon and are not indicative of a deteriorating distribution system. However, the District also indicated that maintenance of all water transmission lines is the biggest concern for continued growth and successful provision of water service. At present, there are no plans for expansion of the system.

Determination Berry Creek-4 (Water Facilities):

The District's facilities are adequate and in satisfactory condition to accommodate the existing demand. The District does not have an adequate system in place to plan for and manage regular maintenance or allow for growth.

FINANCING AND RATE RESTRUCTURING

An independent auditor's report assessing FYs ending 1998-03 was reviewed in accordance with LAFCo's 2003 MSR Guidelines, to determine fiscal viability, suitability of current funding practices, and potential fiscal impacts resulting from new legislation.

In accordance with Government Code Section 53901, every local agency shall file a copy of its annual budget with the County Auditor of the County in which it conducts its principal operations unless exempted by the County Auditor 60 days after the beginning of its fiscal year. District officials noted that the District does not submit budgets annually to the County. The District adopted its current year budget in July 2005.

Proposition 218 restricts local government's ability to impose assessment and property related fees and requires elections to approve many local governmental revenue raising methods. According to District officials, Proposition 218 will have unknown effects on the ability of the District to continue to cover the cost of providing related services.

The 1998-03 audit noted no material weaknesses in the District's financial reporting or operations. A material weakness is a condition in which one or more of the internal control components does not ensure accuracy in financial statements or provide adequate internal oversight.

In FY ending 2003, total assets including operating cash, accounts receivable (water fees), accounts receivable (annual fees), property, plant, and equipment totaled \$277,273. Total liabilities and fund equity, including a note payable to U.S. Bank, totaled \$277,273.

In 2003, the District borrowed \$12,500 from U.S. Bank for the purchase of a Lowry Aeration System. The loan is a five year note payable in monthly installments of \$245.29 at an interest rate of 6.5%.

Per the District's formation resolution, sources of operating revenue include water charges, road maintenance fees, fire fees, and late charges, which totaled \$29,267 in FY ending 2003. Expenses include administration fees, chemicals and testing, depreciation, insurance, repairs and maintenance, and utilities. In FY ending 2003, expenses totaled \$51,776. Including retained earning and non operating revenue, the net income was \$120,038.

The rate schedule was last revised during FY 2004-05. The Board is currently evaluating the rate and fee schedule and has plans to increase rates to cover the cost of providing related services. Basic rates are shown in [Table 2.16-1](#).

**Table 2.16-1
Basic Rates**

	Rates
New Connection Charge	\$500.00
Class 1 Service (Regular water service to a single residence/dwelling)	\$35.00/month
Class 2 Service (Regular water service to a non-occupied lot for fire safety purposes)	\$15.00/month
Class 3 Service (Regular water service to a business or commercial enterprise)	\$75.00/month

Determination Berry Creek-5 (Financing and Rate Restructuring):

As of FY ending 2003 (the most recent audit available), current service charges combined with income from other sources were adequate to cover the costs of providing services. However, the Board is evaluating a rate increase based on the current cost of providing services. The District is in noncompliance with Government Code Section 53901.

COST AVOIDANCE AND FACILITIES SHARING

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District transfers risks that may arise from these and other events through purchase of insurance through the Golden State Risk Management Authority (GSRMA). GSRMA is a public entity risk pool which operates as an intergovernmental risk sharing Joint Powers Authority for special districts and Joint Powers Authorities throughout California.

Additional cost avoidance measures include actively seeking grants; Board members performing related labor and maintenance duties; pumping at off-peak times to reduce electricity costs; and participating in information sharing with other districts. Opportunities for facilities sharing appear to be limited.

Determination Berry Creek-6 (Cost Avoidance and Facilities Sharing):

The District appears to utilize appropriate cost avoidance measures. Facilities sharing opportunities appear to be limited.

GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

The District is managed by a five member Board of Directors. The directors are registered electors residing within the boundaries of the District and are elected by voters residing within the District. The current Board of Directors is as follows:

Member	Title	Term Expires
Miguel Calvo	President	Dec 2009
Richard Hubacek	Vice-President	Dec 2007
Marilyn Calvo	Financial Director	Dec 2007
Brady Hostetter	Board member	Dec 2009
Vacant position	Board member	

Board members are not compensated for their services. The Board meets monthly, usually on the first Thursday or Friday of the month at 7:30 p.m. The meetings rotate between the directors' homes in the District; there is no designated office location. Agendas are posted at both entrances to the District on bulletin boards that are owned and maintained by the District. According to District officials, generally at least one member of the public attends regular meetings. The District also sends out an annual newsletter. The President of the Board of Directors is responsible for the activities of the District as they relate to the Brown Act.

District officials feel that the current service boundaries and sphere of influence are appropriate. Given the District's proximity to and the status of the Lake Madrone Water District, as well as the fact that the District depends entirely on volunteers, consideration should be given to consolidating the District with the Lake Madrone Water District and reorganization of sphere boundaries.

Determination Berry Creek-7 (Government Structure and Local Accountability):

The District maintains accountability and compliance in its governance, and public meetings appear to be held in compliance with Brown Act requirements. There are sufficient opportunities for local involvement in District activities, and information regarding the District is readily available to members of the public. The vacant Board position needs to be filled. Consideration should be given to consolidating the District with the Lake Madrone Water District and reorganization of sphere boundaries.

MANAGEMENT EFFICIENCIES

The District is governed by a five member Board of Directors, who also volunteer time to maintain and operate related facilities. There are no permanent full time or part time budgeted positions available or currently filled. Per Government Code Section 61050, the Board of Directors shall appoint a general manager, and the general manager shall not be a member of the

Board of Directors (Section 61040). The District needs to come into compliance with this CSD requirement.

The District has various policies and procedures related to personnel, fees, duties of the Board of Directors, handling of funds, meetings, posting of agendas, provision of services, customer relations, operations and maintenance, and the like. The District is subject to yearly audits and has accomplished all recommendations from recent audits.

Determination Berry Creek-8 (Management Efficiencies):

The volunteer system employed by the District may not continue to be sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The District needs to come into compliance with Government Code Section 61050.

Summary of Determinations

Determination Berry Creek-1 (Growth):

The population of the District may grow at a rate of approximately 1.3% annually for the foreseeable future.

Determination Berry Creek-2 (Water Quantity):

The District can provide adequate supplies of water to its service area. The District's water supply is sufficient to accommodate the projected growth.

Determination Berry Creek-3 (Water Quality):

The District's water quality can be characterized as good. The District's water source meets all state and federal water quality standards.

Determination Berry Creek-4 (Water Facilities):

The District's facilities are adequate and in satisfactory condition to accommodate the existing demand. The District does not have an adequate system in place to plan for and manage regular maintenance or allow for growth.

Determination Berry Creek-5 (Financing and Rate Restructuring):

As of FY ending 2003 (the most recent audit available), current service charges combined with income from other sources were adequate to cover the costs of providing services. However, the Board is evaluating a rate increase based on the current cost of providing services. The District is in noncompliance with Government Code Section 53901.

Determination Berry Creek-6 (Cost Avoidance and Facilities Sharing):

The District appears to utilize appropriate cost avoidance measures. Facilities sharing opportunities appear to be limited.

Determination Berry Creek-7 (Government Structure and Local Accountability):

The District maintains accountability and compliance in its governance, and public meetings appear to be held in compliance with Brown Act requirements. There are sufficient opportunities for local involvement in District activities, and information regarding the District is readily available to members of the public. The vacant Board position needs to be filled. Consideration should be given to consolidating the District with the Lake Madrone Water District and reorganization of sphere boundaries.

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