FINAL MUNICIPAL SERVICE REVIEW

BUTTE LAFCO

Domestic Water and Wastewater Service Providers

Adopted June 1, 2006
Resolution No. 55-M 2005/06
Domestic Water and Wastewater Service Providers

Submitted to:

Butte Local Agency Formation Commission
2770 Olive Highway, Suite C
Oroville, California 9566-6117

Submitted by:

Quad Knopf
One Sierragate Plaza, Suite 270C
Roseville, California 95678

(916) 784-7823

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EXECUTIVE SUMMARY
EXECUTIVE SUMMARY

Municipal Service Review Process

The Municipal Service Review (MSR) process is a comprehensive assessment of the ability of government agencies to effectively and efficiently provide services to residents and users. The form and content of the MSR is governed by requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and the State of California’s LAFCo MSR Guidelines (Guidelines), published in August 2003. This MSR considers the operations and management of domestic water and wastewater service providers within Butte County.

The process began with a survey sent to each water and wastewater provider, seeking information, planning and budgetary documents, and records related to the provision of domestic water and wastewater (collection and treatment) services. After reviewing the information collected, the consultant conducted follow-up consultation through site visits, telephone and e-mail to identify remaining information needs, discuss operational and technical issues, and resolve discrepancies in materials received.

Once all necessary information was collected, analysis was conducted for each of the service providers. This analysis, which considered all of the topics required by the CKH Act, is presented in Section 2 of this document. Once the analysis was complete, determinations were made regarding the ability of the service providers to effectively and efficiently provide services. These determinations correspond to the topic areas set forth in the CKH Act. The determinations represent the conclusions of Butte LAFCo regarding each of the service providers, based on the information provided and statements made by the service providers.

This MSR will be released for review by the domestic water and wastewater service providers, as well as the general public, for a period of 30 days beginning in February 2006. Comments received on the Draft MSR are provided in Section 3 of this document, along with responses to each of the comments made. Following public review, the MSR will go to the Butte LAFCo Commission in April 2006 for consideration and adoption.

Topic Areas of Analysis

The MSR contains analysis and conclusions, referred to in this document as determinations, regarding nine topic areas set forth in the CKH Act. These areas of analysis contain the essential operational and management aspects of each service provider, and together constitute a complete review of the ability of the providers to meet the service demands of the residents within their boundaries. The nine topic areas have been combined into the following five topic headings for analysis in this MSR:

1. Growth and Infrastructure
2. Financing and Rate Restructuring
Executive Summary

3. Cost Avoidance and Facilities Sharing
4. Government Structure and Local Accountability
5. Management Efficiencies

An explanation of the specific operational and management aspects of each service provider considered in each of these topic areas is provided below.

1. Growth and Infrastructure

This section reviews demand projections for each of the service providers and examines the ability of each provider to accommodate growth. This section also assesses the adequacy and quality of the service providers’ water and wastewater infrastructure. Overall, this section analyzes whether sufficient infrastructure and capital are in place (or planned for) to accommodate planned future growth and expansions.

2. Financing and Rate Restructuring

This section analyzes the financial structure and health of each service provider. Included in this analysis is the consideration of rates, service operations, and the like, as well as other factors affecting the financial health and stability of each provider, including factors affecting the financing of needed infrastructure improvements. Compliance with existing State requirements relative to financial reporting and management is also discussed.

3. Cost Avoidance and Facilities Sharing

Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined in this section, along with cost avoidance measures that are already being utilized. Occurrences of facilities sharing are listed and assessed for efficiency, and potential sharing opportunities so as to better deliver services are discussed.

4. Government Structure and Local Accountability

This section addresses the adequacy and appropriateness of existing boundaries and spheres of influence, and evaluates the ability of each service provider to meet its demands under its existing government structure. Also included in this section is an evaluation of compliance by each provider with public meeting and records laws.

5. Management Efficiencies

This section assesses the management structure and overall managerial practices of each service provider. This analysis includes a review of the organizational structure, allocation of duties and responsibilities among elected or appointed officials, management, and staff.
1.0 INTRODUCTION

Role and Responsibility of LAFCo

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires all Local Agency Formation Commissions (LAFCos), including Butte LAFCo, to prepare a Municipal Service Review (MSR) for each of its cities and special districts. The fundamental role of a LAFCo is to implement the CKH Act, providing for the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. These municipal service reviews must be completed prior to, or in conjunction with, the update of a Sphere of Influence (SOI). This review is intended to provide Butte LAFCo with all necessary and relevant information related to domestic water and wastewater service providers within the County, specifically regarding the appropriateness of each service provider’s existing and proposed boundaries and SOI.

Purpose of the Municipal Service Review

The MSR is intended to provide LAFCo with a comprehensive analysis of service provision by each of the special districts and other service providers within the legislative authority of the LAFCo. This analysis focuses on domestic water and wastewater service providers, giving Butte LAFCo the information and analysis necessary to update boundaries and spheres of influence, as necessary. The MSR makes determinations in each area of evaluation, providing the basis for the LAFCo to review proposed amendments to a service provider’s boundaries or SOI.

The SOI of each service provider represents its probable future boundaries and service area. Because some of the service providers’ boundaries and spheres of influence are not co-terminous, and because there is current demand for increased service provision by several of these providers, some of the service providers are projected to expand physical boundaries in the next 20 years. Butte LAFCo is required to develop and determine the SOI for each service provider. When enacting and reviewing spheres of influence for these service providers, the LAFCo considers and makes recommendations based on the following information:

- The present and planned land uses in the area.
- The present and probable need for domestic water and/or wastewater services in the area.
- The present ability of each service provider to provide necessary services.
- The fiscal, management, and structural health of each service provider.
- The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the service provider.

This MSR is designed to provide this information to Butte LAFCo, so that the Commission can make informed decisions based on the best available data for each service provider and area.
Introduction

**Methodology and Approach to this MSR**

This MSR has been prepared to examine 18 domestic water and/or wastewater service providers within Butte County. The 18 service providers reviewed are:

Wastewater Service Providers

2.1 Lake Oroville Area Public Utility District
2.2 Richardson Springs Community Services District
2.3 City of Chico
2.4 City of Oroville
2.5 Richvale Sanitary District
2.6 Butte County Service Areas
2.7 Sewerage Commission – Oroville Region

Domestic Water and Wastewater Service Providers

2.8 Thermalito Irrigation District
2.9 City of Gridley
2.10 City of Biggs

Domestic Water Service Providers

2.11 South Feather Water and Power Agency
2.12 Paradise Irrigation District
2.13 Durham Irrigation District
2.14 Lake Madrone Water District
2.15 Buzztail Community Services District
2.16 Berry Creek Community Services District
2.17 California Water Service Company – Chico District
2.18 California Water Service Company – Oroville District

See Figure 1.0-1 for the location of these domestic water and wastewater service providers within the County.

MSRs are required only for public water providers, not private companies that provide domestic water as they are not subject to LAFCo governance. However, for purposes of this MSR, Butte LAFCo requested that the consultant include the California Water Service Company (with operations in Chico and Oroville) in the MSR analysis.

The MSR evaluates the structure and operation of each of the above-listed domestic water and wastewater service providers and discusses possible areas for streamlining, improvement, and coordination. Key sources for this study were agency-specific information gathered through research, surveys, and site visits, as well as the MSR Guidelines prepared by the Governor’s Office of Planning and Research (OPR).
Introduction

The organization of the review is based on nine topic areas recommended in the MSR Guidelines from OPR as set forth in the CKH Act. The review is organized by service provider, with each provider the subject of one chapter. Within each chapter, there are sections corresponding to the nine criteria required by the CKH Act. For greater efficiency and readability, some of these topics have been grouped into single sections of this MSR. The nine topic areas have been combined into the following five topic headings for analysis in this MSR:

1. Growth and Infrastructure
2. Financing and Rate Restructuring
3. Cost Avoidance and Facilities Sharing
4. Government Structure and Local Accountability
5. Management Efficiencies

An explanation of the specific operational and management aspects of each service provider considered in each of these topic areas is provided below.

1. Growth and Infrastructure

This section reviews demand projections for each of the service providers and examines the ability of each provider to accommodate growth. This section also assesses the adequacy and quality of the service providers’ water and wastewater infrastructure. Overall, this section analyzes whether sufficient infrastructure and capital are in place (or planned for) to accommodate planned future growth and expansions.

2. Financing and Rate Restructuring

This section analyzes the financial structure and health of each service provider. Included in this analysis is the consideration of rates, service operations, and the like, as well as other factors affecting the financial health and stability of each provider, including factors affecting the financing of needed infrastructure improvements. Compliance with existing State requirements relative to financial reporting and management is also discussed.

3. Cost Avoidance and Facilities Sharing

Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined in this section, along with cost avoidance measures that are already being utilized. Occurrences of facilities sharing are listed and assessed for efficiency, and potential sharing opportunities so as to better deliver services are discussed.

4. Government Structure and Local Accountability

This section addresses the adequacy and appropriateness of existing boundaries and spheres of influence, and evaluates the ability of each service provider to meet its demands under its existing government structure. Also included in this section is an evaluation of compliance by each provider with public meeting and records laws.
5. Management Efficiencies

This section assesses the management structure and overall managerial practices of each service provider. This analysis includes a review of the organizational structure, allocation of duties and responsibilities among elected or appointed officials, management, and staff.

Information and written determinations regarding each of the above issue areas are provided in this document for public review and comment as well as for consideration by Butte LAFCo in assessing potential changes to a SOI or other reorganization.

Butte County Growth and Population Regional Setting

In the past, the growth in Butte County has been minimal, with the exception of Chico, the largest city in the County. Recently, however, the County has encountered a relative growth spurt, and is primed to continue this growth into the foreseeable future. Figure 1.0-2 below illustrates the current population distribution throughout the County in terms of the water and wastewater service providers.

![Current Population of Butte County Domestic Water and Wastewater Service Areas](image-url)
The population growth in the region can be projected using several methods. In general, the growth rates projected by BCAG (Butte County Association of Governments)\(^1\) have been selected for the population projections in this document as they model the expected growth in the County better than other methods, such as extrapolation from historical population data. Table 1.0-1 below contains the expected growth rates for Butte County, including the cities within the County, the unincorporated areas of the County, and the County as a whole.\(^2\)

### Table 1.0-1
**Annual Growth Rates for Period 2005-2025**

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Annual Growth Rate (BCAG)(^1)</th>
<th>Annual Growth Rate (Historically)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biggs</td>
<td>0.9%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Chico</td>
<td>3.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Oroville</td>
<td>2.6%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Gridley</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Paradise</td>
<td>1.0%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Butte County Total</td>
<td>2.1%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

\(^1\) These growth projections are estimates only and should be evaluated on a case-by-case basis when SOI actions are considered. Any material change in the amount of development in a given jurisdictional area will require that entity and LAFCo to further evaluate level of service capability.

### Butte County Domestic Water Regional Setting

Butte County’s domestic water supply is from both groundwater and surface water sources, and is provided by various irrigation districts, water districts, community services districts, agencies, cities, and private companies. Butte County appears to have adequate source supplies of both surface water and groundwater throughout its boundaries. The large watershed in the eastern portion of the County feeding the Oroville, Wyandotte, and Bangor communities, Thermalito Forebay, and Lake Oroville are primary sources of surface water. Surface water could easily supply the entire County, but the infrastructure necessary to transport surface water supplies to many of the County’s small, remote communities is not in place. Because of the difficulties related to developing and transporting surface water, groundwater is the most prominent source of water supply in the County.

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\(^1\) BCAG’s population forecasts reflect the growth assumptions that are anticipated to occur within Butte County and incorporated cities during the 20-year horizon of the Regional Transportation Plan (RTP). The forecasts were developed in conjunction with BCAG member jurisdictions and Caltrans as part of a Technical Advisory Committee assembled for the 2003 update of BCAG’s travel demand forecasting model.

\(^2\) Every three years, BCAG is required to update its population and employment projections to make them consistent with the analysis years of the RTP. As a result, BCAG projections do not necessarily consider recent spikes in development growth, which are difficult to predict with any degree of certainty.
Introduction

Groundwater Resources

Groundwater resources in Butte County can generally be separated into the basin aquifer system and foothill/mountain aquifer systems. The aquifers in the County have been further subdivided into geographical units and subunits (see Table 1.0-2). The basin aquifers are extensive and are capable of supporting in-county domestic and agricultural uses for the 15-year projected growth rate in Butte County. Paradise Irrigation District, Lake Madrone Water District and Buzztail Community Services District are not connected to the basin aquifer and have documented groundwater resource limitations from their existing wells.

Surface Water Resources

Three domestic water providers in Butte County have entitlements with the State of California for surface water diversions for domestic water supply. Paradise Irrigation District, South Feather Water and Power Agency and Thermalito Irrigation District currently store, treat, and deliver surface water for domestic purposes. Thermalito Irrigation District owns Wilnore Reservoir (Lake Concow) and has water rights to divert 8200 AF (acre-feet) to storage annually from this source. South Feather Water and Power Agency utilizes the upper portion of the Slate Creek watershed and the South Fork of the Feather River as sources of surface water. Paradise Irrigation District supplies surface water from the Little Butte Creek Watershed. As these domestic water providers do not draw from the same surface water source, a given provider’s water diversion will not impact another provider’s ability to divert surface water.

Drought Effects

Drought water supplies are addressed in Butte County reports including the Butte County Drought Preparedness and Mitigation Plan. The County planning reports state that “Butte County has sufficient groundwater and surface water supplies to mitigate even the severest droughts of the past century.” Paradise Irrigation District, Lake Madrone Water District and Buzztail Community Services District are surface water and groundwater providers that are unable to meet demands during times of drought. Although the remaining water providers have sufficient water supplies during drought periods, the reports also recognize that mitigation will include increased pumping costs for domestic water providers. Groundwater or surface water exportation would impact the in-county users by requiring greater infrastructure and energy costs and could decrease aquifer storage potential. The Butte County Department of Water Resource Conservation has proposed a significant recharge study for the County.
### Table 1.0-2
Butte County Groundwater Resources

<table>
<thead>
<tr>
<th>Inventory Units</th>
<th>Subunit Drought Year Water Shortage (AF)</th>
<th>Water Service Domestic Providers</th>
<th>Ground Water Management Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>County Water Resource Use</strong></td>
<td><strong>Inventory Sub-Units Management Areas</strong></td>
<td><strong>Domestic Providers</strong></td>
<td><strong>Butte County GWMP</strong></td>
</tr>
<tr>
<td><strong>Base of Freshwater Aquifer</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Butte</td>
<td>Biggs-West Gridley Butte</td>
<td>37,000 (agricultural/irrigation)</td>
<td>City Biggs</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>City of Gridley</td>
</tr>
<tr>
<td></td>
<td>Thermalito</td>
<td></td>
<td>Thermalito Irrigation District</td>
</tr>
<tr>
<td>North Yuba</td>
<td>North Yuba</td>
<td></td>
<td>California Water Service, Oroville</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vina</td>
<td>Vina</td>
<td></td>
<td>California Water Service, Chico</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Butte</td>
<td>Angel Slough</td>
<td></td>
<td>Durham Irrigation District</td>
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<tr>
<td></td>
<td>Durham/Dayton</td>
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<tr>
<td>Foothills</td>
<td>Wyandotte</td>
<td></td>
<td>South Feather Water and Power Agency</td>
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<td></td>
<td>Ridge</td>
<td>1,200</td>
<td>Paradise Irrigation District</td>
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<td></td>
<td>Cohasset</td>
<td>100</td>
<td>Buzztail Community Services District</td>
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<tr>
<td>Mountain</td>
<td>Mountain</td>
<td></td>
<td>Lake Madrone Water District</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Berry Creek Community Services District</td>
</tr>
</tbody>
</table>
Butte County Wastewater Regional Setting

All development requires some means of collection, treatment, and disposal of wastewater to protect public health and the environment. Community wastewater systems in Butte County vary broadly in size, from serving a relatively small group of homes to a large incorporated city. Except for the individual septic systems regulated by the County Public Health Department (Environmental Health Division), all such systems are subject to the requirements of the Federal Clean Water Act and/or the State Porter Cologne Water Quality Act, which are administered in Butte County by the Central Valley Regional Water Quality Control Board. Community wastewater systems are important to potential growth within the County since every system is designed and permitted to operate under well-defined treatment capacity and final effluent quality limitations. Figure 1.0-3 below illustrates the current ADDW (Average Daily Dry Weather) flows for each wastewater service provider in Butte County as well as their permitted discharge as appropriate.
There are four major classifications of wastewater treatment processes in use: activated sludge, community septic tank, stabilization pond, and aerated lagoon treatment systems.\(^3\) Butte County wastewater collection, treatment and disposal methods are typical of other similar counties throughout the State. Small community wastewater systems tend to rely on more passive, less energy and operations intensive treatment methods, whereas larger systems require a higher degree of technology and operator experience to achieve necessary treatment standards. The ages of the existing collection lines within the various systems date from early to mid-20\(^{th}\) century to the present. These lines are constructed out of brick, vitrified clay, cast iron, ductile iron, ABS, asbestos cement, and PVC. Most of the community wastewater systems have implemented or plan to implement collection system upgrades, which reduce inflow/infiltration, a common problem that impacts treatment plant capacity and quality of treated effluent.

Three of the wastewater service providers discharge into waters of the United States: City of Chico (Sacramento River), SC-OR (Feather River), and City of Biggs (Hamilton Slough). The USEPA adopted the California Toxics Rule (CTR) on May 18, 2000, which was amended on February 13, 2001. The CTR contains water quality criteria applicable to these discharges.

**City of Chico (ORDER NO. R5-2004-0073, NPDES NO. CA0079081):** The City was issued a letter under the authority of California Water Code Section 13267 on February 28, 2001, requesting effluent and receiving water monitoring meeting the requirements of the State Implementation Policy (SIP). Based on information submitted as part of the application, in studies, and as directed by monitoring and reporting programs, the Regional Board finds that the discharge has a reasonable potential to cause or contribute to an in-stream excursion above a water quality standard for the following constituents: copper, lead, zinc, bromodichloromethane, and dibromochloromethane. The Board has adopted numeric water quality objectives in the Basin Plan for the following constituents: arsenic, copper, silver, zinc, and cyanide. The City’s discharge order contains effluent limitations for copper, lead and zinc. The permitted discharge is consistent with the antidegradation provisions of 40 CFR 131.12 and SWRCB Resolution 68-16. Compliance with these requirements will result in the use of best practicable treatment or control of the discharge. The impact on water quality will be insignificant.

**SC-OR (ORDER NO. R5-2005-0010, NPDES NO. CA0079235):** SC-OR was issued a letter under the authority of California Water Code Section 13267 on February 28, 2001, requesting effluent and receiving water monitoring meeting the requirements of the SIP. Analytical results were submitted for volatile substances, semi-volatile substances, pesticides, metals, asbestos, 2, 3, 7, 8-TCDD dioxin, and sixteen other dioxin congeners. The methodology described in Section 1.3 of the SIP was used to evaluate SC-OR’s monitoring data and determine

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3 None of the wastewater treatment providers in Butte County provide tertiary treatment. Due to increasingly stringent water quality requirements, many wastewater treatment plants around the state are being required to upgrade from secondary to tertiary treatment, which is a major expense. When the RWQCB renews discharge permits, they may require upgrades from secondary to tertiary treatment.
Introduction

reasonable potential. Copper, zinc, and tetrachloroethene were detected in the effluent at concentrations that may cause or contribute to an in-stream excursion above a narrative or numerical water quality standard or objective. The Regional Board has adopted numeric water quality objectives in the Basin Plan for the following constituents: arsenic, copper, silver, zinc, and cyanide. SC-OR’s discharge order contains effluent limitations for copper and zinc. The permitted discharge is consistent with the antidegradation provisions of 40 CFR 131.12 and SWRCB Resolution 68-16. Compliance with these requirements will result in the use of best practicable treatment or control of the discharge. The impact on water quality will be insignificant.

City of Biggs (ORDER NO. 95-002 and SPECIAL ORDER NO. 99-056): The order contains a time schedule for submittal of monitoring data to determine if the discharge contains priority pollutants which have a reasonable potential for exceedance of water quality objectives identified in the CTR, and allows the Regional Board to reopen the order and include effluent limitations for those constituents. The Board is currently preparing an updated discharge order for the City.

In March 2000, the SWRCB adopted the Policy for Implementation of Toxics Standards for Inland Surface Waters, Enclosed Bays, and Estuaries of California (SIP), which implements criteria for priority toxic pollutants contained in the CTR. The SWRCB adopted amendments to the SIP in February 2005. By March 2010, compliance with the CTR criterion-based effluent limitations will require a reduction of metals content for wastewater effluent. The effect of these CTR requirements on plant capacity and upgrade conditions has not been determined. Therefore, such effects will have to be considered in review of individual proposals, as the consequences become clearer.

Heightened water quality standards will particularly impact treatment providers that discharge into ditches or small streams. Because these discharges may not be sufficiently diluted by existing stream flows, the standards must be met at the outflow point. This, in most cases, will require a switch to tertiary treatment or land application.

Wastewater providers in Butte County are generally separated geographically except for isolated instances. In Oroville, Lake Oroville Area Public Utilities District (LOAPUD), Thermalito Irrigation District (TID) and the City of Oroville each provide wastewater collection services. The wastewater from these collectors is treated by a Joint Services Agency called Sewerage Commission—Oroville Region (SC-OR). The three providers have boundaries that are adjacent to one another and there are isolated instances of redundant sewer mains along the boundaries.5

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4 Section 2.1 of the SIP states: "In no case (unless an exception has been granted in accordance with section 5.3) shall a compliance schedule for these dischargers exceed, from the effective date of this Policy: (a) 10 years to establish and comply with CTR criterion-based effluent limitations;" which means no later than March 2010.

5 LAFCo identified that overlapping and abutting service boundaries may be indicators of potential inefficiencies in service provision that are worthy of deliberation.
LOAPUD is located generally to the south and east of the City of Oroville. There are areas where LOAPUD has expanded to meet the City of Oroville to the north and west. There are no known redundancies with these two providers. TID is located generally to the north and west of the City of Oroville. There are areas where TID has expanded to meet the City of Oroville to the south and east. There are isolated redundancies with these two providers, including mains along Nelson Street west of 4th Street. TID also has two interconnects with the City of Oroville. These are used by the City of Oroville to transport a portion of their flows to the SC-OR treatment plant via TID’s sewer mains.

The City of Biggs and the City of Gridley are separated by approximately five miles, but they are expected to grow together over time. This area may benefit from a regional wastewater treatment provider as the population and the two cities grow together.

****

The following section provides information for each of the 18 domestic water and wastewater service providers considered in this review. Information was compiled from survey responses as well as public sources. Survey responses are included in an appendix to this document; all other documentation obtained during the review process is contained in the administrative record. All information is current as of September 2005, though some information has been updated as appropriate since then.
PROFILE – Lake Oroville Area Public Utility District

Provider Name: Lake Oroville Area Public Utility District
Contact Person: Alan G. Brown, General Manager
Address: 1960 Elgin Street, Oroville, CA 95966
Phone: (530) 533-2000

Service Area Information
Land Area: 4,039 acres
2005 Estimated Population: 12,000

Date of Formation: 1938
Enabling Legislation: Public Utilities Code

Governing Body: Board of Directors

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jack J. Ball</td>
<td>Director</td>
<td>2006</td>
</tr>
<tr>
<td>T.C. Dennis</td>
<td>President</td>
<td>2008</td>
</tr>
<tr>
<td>Keith J. Fraser</td>
<td>Director</td>
<td>2008</td>
</tr>
<tr>
<td>Robert U. Simpson</td>
<td>Vice President</td>
<td>2006</td>
</tr>
<tr>
<td>John J. Kiely</td>
<td>Director</td>
<td>2006</td>
</tr>
</tbody>
</table>

Provided Services: Wastewater Collection

Synopsis of Provider: The Lake Oroville Area Public Utility District (LOAPUD/District) provides sanitary sewer collection services mostly for the unincorporated areas east and south of the City of Oroville. The District provides service to approximately 12,000 people. Customers include single and multiple family residences, a variety of commercial uses, and public facilities including schools and recreational facilities associated with nearby Lake Oroville. Non-residential customers have been converted to EDUs for record keeping purposes. According to the District’s records, service was provided to 5,576 EDUs as of October 1, 2005.

The District was formed in 1938 and until 1977, the District owned and operated a wastewater treatment plant providing treatment and disposal services in addition to collection. The District is one-third of a Joint Powers Agreement. The City of Oroville and Thermalito Irrigation District (TID) are the other two entities in the agreement, with the Sewerage Commission – Oroville Region (SC-OR) providing the wastewater treatment and disposal.
PROFILE – Richardson Springs Community Services District

Provider Name: Richardson Springs Community Services District
Contact Person: Lawrence Christensen, Administrator
Address: 15850 Richardson Springs Road, Richardson Springs, CA 95973
Phone: (530) 893-6750

Service Area Information
Land Area: 464 acres
2005 Estimated Population: Not applicable

Date of Formation: 1993
Enabling Legislation: Government Code Section 61000-61936

Governing Body: Board of Directors

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<th>Term Expires</th>
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<tbody>
<tr>
<td>Collin Dobinson</td>
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</tr>
<tr>
<td>Jacob Finley</td>
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</tr>
<tr>
<td>Stephen Bell</td>
<td>Dec 2007</td>
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<tr>
<td>Stuart Herreid</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Kelly Jackson</td>
<td>Dec 2007</td>
</tr>
</tbody>
</table>

Provided Services: Wastewater collection and treatment

Synopsis of Provider: The Richardson Springs Community Services District (Richardson Springs/District) was built for the exclusive purpose of serving the Youth With A Mission (YWAM)/Springs of Living Water Christian Conference Center northeast of Chico. Funding for the construction of the sewage treatment plant was provided by a grant from the State of California under the Clean Water and Water Reclamation Bond Law of 1988 and the Small Communities Grant Program. Sewer fees and subsidies from YWAM finance the operations of the plant.
PROFILE – City of Chico

Provider Name: City of Chico
Contact Person: Greg Jones, City Manager
Address: 411 Main Street, Chico, CA 95927
Phone: (530) 896-7200

Service Area Information
Land Area: 19,000 acres
2005 Estimated Population: 73,558

Date of Formation: 1860
Enabling Legislation: Charter City

Governing Body: City Council

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<thead>
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<th>Title</th>
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</thead>
<tbody>
<tr>
<td>Scott Gruendl</td>
<td>Mayor</td>
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<tr>
<td>Maureen Kirk</td>
<td>Vice Mayor</td>
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<tr>
<td>Steve Bertagna</td>
<td>Councilmember</td>
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<td>Dan Herbert</td>
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<tr>
<td>Andy Holcombe</td>
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<tr>
<td>Ann Schwab</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Larry Wahl</td>
<td>Councilmember</td>
</tr>
</tbody>
</table>

Provided Services: Wastewater collection and treatment

Synopsis of Provider: The City of Chico (City) is a Charter City in northwestern Butte County that provides a variety of services to its residents, including wastewater collection and treatment. Water service in the City is provided by Cal Water Chico.
PROFILE – City of Oroville

Provider Name: City of Oroville  
Contact Person: Sharon Atteberry, Administrator  
Address: 1735 Montgomery Street, Oroville, CA 95965  
Phone: (530) 538-2401

Service Area Information
Land Area: 8,046 acres  
2005 Estimated Population: 13,250

Date of Formation: 1848  
Enabling Legislation: Charter City

Governing Body: City Council

<table>
<thead>
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<tr>
<td>Gordon Andoe</td>
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<td>Steven Jernigan</td>
<td>Vice-Mayor</td>
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<td>Jack Berry</td>
<td>Councilmember</td>
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<tr>
<td>Sue Corkin</td>
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<td>2006</td>
</tr>
<tr>
<td>Al Simpson</td>
<td>Councilmember</td>
<td>2006</td>
</tr>
<tr>
<td>Jim Prouty</td>
<td>Councilmember</td>
<td>2008</td>
</tr>
<tr>
<td>Open seat</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Provided Services: Wastewater collection

Synopsis of Provider: The City of Oroville (City), which is located in southern Butte County, is a Charter City that provides a variety of public services to its residents. The City of Oroville is one-third of a Joint Powers Agreement. The Lake Oroville Area Public Utilities District (LOAPUD) and Thermalito Irrigation District (TID) are the other two entities in the agreement, with the Sewerage Commission – Oroville Region (SC-OR) handling the wastewater treatment and disposal.
PROFILE – Richvale Sanitary District

Provider Name: Richvale Sanitary District  
Contact Person: Gary Stone  
Address: P.O. Box 1, Richvale, CA 95974  
Phone: (530) 882-4286

Service Area Information  
Land Area: 74 acres  
2005 Estimated Population: 330

Date of Formation: 1946  
Enabling Legislation: Health and Safety Codes, Division 6, Part 1, Chapter 2

Governing Body: Board of Directors

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<thead>
<tr>
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<td>Gary Stone</td>
<td>Chairman</td>
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<tr>
<td>Greg Stephens</td>
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<td>Dennis Thengvall</td>
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<td>Audrey Stephens</td>
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<tr>
<td>Tom Warner</td>
<td>Director</td>
<td>Dec 2009</td>
</tr>
</tbody>
</table>

Provided Services: Wastewater collection and treatment

Synopsis of Provider: The Richvale Sanitary District (Richvale/District) is a small special district north of the City of Biggs and west of the City of Oroville. The District contracts with a private company (ECO Resources Inc.) to furnish the District with services necessary for the proper maintenance and operation of its wastewater treatment plant facilities. The District is responsible for care and maintenance of the sanitary sewer collection lines.
PROFILE – Butte County Service Areas

Provider Name: Butte County  
Contact Person: Doug Fogel  
Address: 7 County Center Drive, Oroville, CA 95965  
Phone: (530) 538-7281

Service Area Information
Land Area: 543.6 acres (combined land area of subject CSAs)  
Number of Parcels: Various  
Date of Formation: Various  
Enabling Legislation: Government Code Section 25210.1 et seq.

Governing Body: Board of Supervisors  

<table>
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<tbody>
<tr>
<td>Bill Connelly</td>
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<tr>
<td>Jane Dolan</td>
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<td>Mary Anne Houx</td>
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<td>Curt Josiassen</td>
<td>District 4</td>
</tr>
<tr>
<td>Kim Yamaguchi</td>
<td>District 5</td>
</tr>
</tbody>
</table>

Provided Services: Wastewater collection and treatment

Synopsis of Provider: The County Service Areas (CSAs) discussed in this report provide collection and treatment of domestic wastewater for small communities and subdivisions in various parts of Butte County, though they are mainly concentrated around the City of Chico. The CSAs are overseen by the Butte County Department of Public Health (Division of Environmental Health) with administration by the County Department of Public Works.
**PROFILE – Sewerage Commission—Oroville Region**

**Provider Name:** Sewerage Commission—Oroville Region  
**Contact Person:** Ray Sousa  
**Address:** 2880 S. 5th Avenue, Oroville, CA 95965  
**Phone:** (530) 534-0353

**Service Area Information**  
**Land Area:** 24,134 acres  
**2005 Estimated Population:** 44,527

**Date of Formation:** 1971  
**Enabling Legislation:** Joint Powers Agreement

**Governing Body:** Board of Commissioners

<table>
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</tr>
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<td>Dec 2008</td>
</tr>
<tr>
<td>Keith Fraser</td>
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</tr>
<tr>
<td>Ernest Reynolds</td>
<td>Nov 2006</td>
</tr>
<tr>
<td>Allen Simpson</td>
<td>Nov 2006</td>
</tr>
<tr>
<td>Edgar Thompson</td>
<td>Nov 2006</td>
</tr>
</tbody>
</table>

**Provided Services:** Wastewater treatment and disposal

**Synopsis of Provider:** The Sewerage Commission—Oroville Region (SC-OR) was formed from a Joint Powers Agreement made between the City of Oroville, the Lake Oroville Area Public Utility District (LOAPUD), and the Thermalito Irrigation District (TID), which are all located in the Oroville area. In accordance with this agreement, SC-OR provides wastewater treatment and disposal services, and each member entity pays a quarterly sewer usage charge to cover the costs of providing related services.
PROFILE – Thermalito Irrigation District

Provider Name: Thermalito Irrigation District  
Contact Person: Gary Alt, Manager  
Address: 410 Grand Avenue, Oroville, CA 95965  
Phone: (530) 533-0740

Service Area Information
Land Area: 14,538 acres  
2005 Estimated Population: 9,140

Date of Formation: 1922  
Enabling Legislation: California Water Code, Division 11, §20500 et seq.

Governing Body: Board of Directors

<table>
<thead>
<tr>
<th>Member</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bradley Taggart</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Gary Allen</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Edgar Thompson</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Stanley Huston</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Ernie Reynolds</td>
<td>Dec 2006</td>
</tr>
</tbody>
</table>

Provided Services: Domestic water and wastewater collection

Synopsis of Provider: The Thermalito Irrigation District (TID/District), which is located west of the City of Oroville, provides domestic water and wastewater collection services to customers in the City of Oroville and adjacent unincorporated areas of Butte County.

The District is one-third of a Joint Powers Agreement. The City of Oroville and Lake Oroville Area Public Utilities District (LOAPUD) are the other two entities in the agreement, with the Sewerage Commission – Oroville Region (SC-OR) handling the wastewater treatment and disposal.
PROFILE – City of Gridley

Provider Name: City of Gridley
Contact Person: Jack Slota, Administrator
Address: 685 Kentucky Street, Gridley, CA 95948
Phone: (530) 846-5695

Service Area Information
Land Area: 1,380 acres
2005 Estimated Population: 5,730

Date of Formation: 1905
Enabling Legislation: General Law City

Governing Body: City Council

<table>
<thead>
<tr>
<th>Member</th>
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<tbody>
<tr>
<td>Frank Cook</td>
<td>Mayor</td>
<td>2006</td>
</tr>
<tr>
<td>Jerry Fichter</td>
<td>Mayor Pro Tem</td>
<td>2006</td>
</tr>
<tr>
<td>Frank Hall</td>
<td>Member</td>
<td>2008</td>
</tr>
<tr>
<td>Pedro Mota</td>
<td>Member</td>
<td>2008</td>
</tr>
<tr>
<td>Marlena Sparks</td>
<td>Member</td>
<td>2008</td>
</tr>
</tbody>
</table>

Provided Services: Domestic water, wastewater collection and treatment

Synopsis of Provider: The City of Gridley (City), which is located in southwestern Butte County, is a General Law City that was founded in 1905. The City provides a variety of services to its residents including fire and police protection, planning services, animal control, and public works. The Public Works Department oversees a number of responsibilities including water and sewer utilities. The City maintains the water system and oversees production, storage, and distribution. Additionally, the City maintains a sewage treatment facility and oversees related maintenance and operation.
PROFILE – City of Biggs

Provider Name: City of Biggs
Contact Person: Randy Cagle, Administrator
Address: 465 C Street, Biggs, CA 95917
Phone: (530) 868-5493

Service Area Information
Land Area: 358 acres
2005 Estimated Population: 1,797

Date of Formation: 1871
Enabling Legislation: General Law City

Governing Body: City Council

<table>
<thead>
<tr>
<th>Member</th>
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<tbody>
<tr>
<td>John Busch</td>
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</tr>
<tr>
<td>Roger Frith</td>
<td>Mayor Pro Tem</td>
</tr>
<tr>
<td>Luke Waters</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Bill Thebach</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Roger David</td>
<td>Councilmember</td>
</tr>
</tbody>
</table>

Provided Services: Domestic water, wastewater collection and treatment

Synopsis of Provider: The City of Biggs (City) is a General Law City located in southwestern Butte County. The City provides a variety of services to its residents including police, fire and public works services, electric services, and sewer and water utilities.
PROFILE – South Feather Water and Power Agency

Provider Name: South Feather Water and Power Agency
Contact Person: Mike Glaze, Manager
Address: 2310 Oroville-Quincy Highway, Oroville, CA 95965
Phone: (530) 533-4578

Service Area Information
Land Area: 28,974 acres
2005 Estimated Population: 21,400

Date of Formation: 1919
Enabling Legislation: California Water Code, Division 11, §20500 et seq.

Governig Body: Board of Directors

<table>
<thead>
<tr>
<th>Member</th>
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<th>Term Expires</th>
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</thead>
<tbody>
<tr>
<td>Dee Hunter</td>
<td>Division 1</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Vivian Meyer</td>
<td>Division 2</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Jean Brown</td>
<td>Division 3</td>
<td>Dec 2006</td>
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<tr>
<td>Jim Edwards</td>
<td>Division 4</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Lou Cecchi</td>
<td>Division 5</td>
<td>Dec 2006</td>
</tr>
</tbody>
</table>

Provided Services: Domestic water

Synopsis of Provider: The South Feather Water and Power Agency (SFWPA/Agency), formerly known as the Oroville-Wyandotte Irrigation District, provides domestic and irrigation water to portions of southeastern Butte County. Its principle function is as a domestic water retailer and a hydropower generator. SFWPA has begun the process of re-licensing its hydropower project through the Federal Energy Regulatory Commission (FERC).
PROFILE – Paradise Irrigation District

District Name: Paradise Irrigation District
Contact Person: George Barber, Manager
Address: 5325 Black Olive Drive, Paradise, CA 95967
Phone: (530) 877-4971

Service Area Information
Land Area: 11,377 acres
2005 Estimated Population: 27,468

Date of Formation: 1916
Enabling Legislation: California Water Code, Division 11, §20500 et seq.

Governing Body: Board of Directors

<table>
<thead>
<tr>
<th>Member</th>
<th>Division/District</th>
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<th>Term Expires</th>
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<tbody>
<tr>
<td>Ken Hunt</td>
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<td>Director</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>William Kellogg</td>
<td>Division 2</td>
<td>Director</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Larry Duncan</td>
<td>Division 3</td>
<td>Vice-President</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>John Heinke</td>
<td>Division 4</td>
<td>President</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Rick Hall</td>
<td>Division 5</td>
<td>Director</td>
<td>Dec 2008</td>
</tr>
</tbody>
</table>

Provided Services: Domestic water

Synopsis of District: The Paradise Irrigation District (PID/District) is a special district which provides water to approximately 10,438 municipal, residential and commercial customers in the Town of Paradise, and additional surrounding areas immediately adjacent to the Town. The District’s Urban Water Management Plan (UWMP), adopted in December 2005, provides for planning of future water provision through the ultimate buildout of the Town of Paradise.
PROFILE – Durham Irrigation District

**District Name:** Durham Irrigation District  
**Contact Person:** Margaret Morrison  
**Address:** 9405 Midway, Durham, CA 95938  
**Phone:** (530) 894-3658

**Service Area Information**  
**Land Area:** 506 acres  
**2005 Estimated Population:** 1,300

**Date of Formation:** 1948  
**Enabling Legislation:** California Water Code, Division 11, §20500 *et seq.*

**Governing Body:** Board of Directors

<table>
<thead>
<tr>
<th>Member</th>
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<th>Term Expires</th>
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<tbody>
<tr>
<td>Gary Wolf</td>
<td>Division 1</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Raymond Cooper</td>
<td>Division 2</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Nick Gore</td>
<td>Division 3</td>
<td>Dec 2008</td>
</tr>
</tbody>
</table>

**Provided Services:** Domestic water

**Synopsis of District:** The Durham Irrigation District (DID/District) provides domestic water services to parcels within its sphere of influence, which is south of the City of Chico. The District currently contracts out for water distribution, testing, and maintenance services with Cal Water Chico.
PROFILE – Lake Madrone Water District

District Name: Lake Madrone Water District  
Contact Person: Roger Williams, Board Chair  
Address: 12 Star Road/P.O. Box 61, Berry Creek, CA 95916  
Phone: (530) 589-0547

Service Area Information  
Land Area: 240 acres  
2005 Estimated Population: 15 (full-time year-round population)

Date of Formation: 1976  
Enabling Legislation: California Water Code Section 34000

Governing Body: Board of Directors

<table>
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<tr>
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<tr>
<td>Roger Williams</td>
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</tr>
<tr>
<td>John Raymond</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>Fred Michels</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Dennis Nay</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>John Logoteta</td>
<td>Dec 2007</td>
</tr>
</tbody>
</table>

Provided Services: Domestic water

Synopsis of District: The Lake Madrone Water District (LMWD/District) provides water services to several homes on a year-round basis and also provides water to property owners that use the land seasonally. These customers are exclusively residents of the Lake Madrone area, which is located in eastern Butte County. Current issues facing the District include struggling with the cost of lake maintenance, including weed control and sediment removal.
PROFILE – Buzztail Community Services District

District Name: Buzztail Community Services District
Contact Person: Mary Ellen Largent
Address: P.O. Box 7303, Chico, CA 95927
Phone: (530) 624-2895

Service Area Information
Land Area: 180 acres
2005 Estimated Population: 75

Date of Formation: 1985
Enabling Legislation: Government Code Section 61000-61936

Governing Body: Board of Directors

<table>
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<tr>
<th>Member</th>
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<tbody>
<tr>
<td>Matt Wallen</td>
<td>President</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>Tommy Slattery</td>
<td>Vice President</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Robin Wilder</td>
<td>Secretary</td>
<td>Dec 2007</td>
</tr>
</tbody>
</table>

Provided Services: Domestic water

Synopsis of District: The Buzztail Community Services District (Buzztail/District) was formed in 1985 to provide road maintenance and water service within its sphere of influence, which is located east of the City of Chico. There are 67 parcels within the District, and an estimated four miles of road.
PROFILE – Berry Creek Community Services District

**District Name:** Berry Creek Community Services District  
**Contact Person:** Miguel Calvo  
**Address:** 27 Cedar Lane/P.O. Box 387, Berry Creek, CA  95916  
**Phone:** (530) 589-6901

**Service Area Information**  
**Land Area:** 102 acres  
**2005 Estimated Population:** 95

**Date of Formation:** 1987  
**Enabling Legislation:** Government Code Section 61000-61936

**Governing Body:** Board of Directors

<table>
<thead>
<tr>
<th>Member</th>
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<th>Term Expires</th>
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</thead>
<tbody>
<tr>
<td>Miguel Calvo</td>
<td>President</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>Richard Hubacek</td>
<td>Vice-President</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Marilyn Calvo</td>
<td>Financial Director</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Brady Hostetter</td>
<td>Board member</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>Vacant position</td>
<td>Board member</td>
<td></td>
</tr>
</tbody>
</table>

**Provided Services:** Domestic water

**Synopsis of District:** The Berry Creek Community Services District (Berry Creek/District) provides water to its customers in the Berry Creek community in eastern Butte County. 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.
PROFILE – California Water Service Company – Chico District

District Name: California Water Service Company – Chico District
Contact Person: Mark Lightcap, Manager
Address: 2222 Whitman Avenue, Chico, CA 95928
Phone: (530) 893-6300

Service Area Information
Land Area: 16,753 acres
2005 Estimated Population: 86,000

Date of Formation: 1926
Enabling Legislation: Not applicable

Governing Body: Not applicable

<table>
<thead>
<tr>
<th>Member</th>
<th>Division/District</th>
<th>Title</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Not applicable

Provided Services: Domestic water

Synopsis of District: California Water Service Company is an investor-owned public utility supplying domestic water service to 1.7 million Californians through over 440,000 connections. Its 25 separate water systems serve over 50 communities from Chico in the north to the Palos Verdes peninsula in southern California. Cal Water Chico (Chico District) incorporated in 1926 and has provided water service to the Chico community since then. The system serves the City of Chico, Hamilton City, and unincorporated areas of Butte County. Unincorporated properties of Butte and Glenn counties surround the Chico District.
PROFILE – California Water Service Company – Oroville District

District Name: California Water Service Company – Oroville District
Contact Person: Tony Carrasco, Manager
Address: 1905 High Street, Oroville, CA 95965
Phone: (530) 533-7942

Service Area Information
Land Area: 3,449 acres
2005 Estimated Population: 10,000

Date of Formation: 1927
Enabling Legislation: Not applicable

Governing Body: Not applicable

Provided Services: Domestic water

Synopsis of District: California Water Service Company is an investor-owned public utility supplying domestic water service to 1.7 million Californians through over 440,000 connections. Its 25 separate water systems serve over 50 communities from Chico in the north to the Palos Verdes peninsula in southern California. Cal Water Oroville (Oroville District) serves the City of Oroville urban area that is not served by either the South Feather Water and Power Agency (SFWPA) or Thermalito Irrigation District (TID).
SECTION 2.0

REVIEW OF SERVICES BY PROVIDER
2.1 LAKE OROVILLE AREA PUD

District Characteristics

The Lake Oroville Area Public Utility District (LOAPUD/District) provides sanitary sewer collection services mostly for the unincorporated areas east and south of the City of Oroville (see Figure 2.1-1). The District provides service to approximately 12,000 people. Customers include single and multiple family residences, a variety of commercial uses, and public facilities including schools and recreational facilities associated with nearby Lake Oroville. Non-residential customers have been converted to EDUs for record keeping purposes. According to the District’s records, service was provided to 5,576 EDUs as of October 1, 2005.

The District was formed in 1938 and until 1977 owned and operated a wastewater treatment plant providing treatment and disposal services in addition to collection. The District is one-third of a Joint Powers Agreement. The City of Oroville and Thermalito Irrigation District (TID) are the other two entities in the agreement, with the Sewerage Commission – Oroville Region (SC-OR) providing the wastewater treatment and disposal.

<table>
<thead>
<tr>
<th>District Size: 4,039 acres</th>
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<tbody>
<tr>
<td><strong>2005 Estimated Population Served:</strong> 12,000</td>
</tr>
<tr>
<td><strong>Office Location:</strong> 1960 Elgin Street, Oroville, CA 95966</td>
</tr>
<tr>
<td><strong>Services:</strong> Wastewater collection</td>
</tr>
<tr>
<td><strong>Employees:</strong> 8 full time</td>
</tr>
<tr>
<td><strong>Date of Formation:</strong> 1938</td>
</tr>
<tr>
<td><strong>Enabling Legislation:</strong> Public Utilities Code</td>
</tr>
</tbody>
</table>
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 wastewater collection provider that serves approximately 12,000 people. Most of this population resides in unincorporated areas of Butte County east and south of the City of Oroville, with a small portion of the population residing within the southern boundary of the City of Oroville. The expected population growth in the District has been projected to the year 2025 (see Figure 2.1-2). These projections were made using the growth rate of 2.6% annually as given by the Butte County Association of Governments for the City of Oroville.¹

![Figure 2.1-2](image)

B. Land Use/Significant Growth Areas

The District is aware of proposed development on all sides of the current service area. There is significant development proposed along the Highway 162 corridor east of Bidwell Canyon. There is also development expected along Forbestown Road and in areas east of Miner’s Ranch Road. To the south of the current service area, a focused feasibility study for planned

¹ Some of LOAPUD’s service area is within the City of Oroville’s boundary. Much of its service area is outside the City’s boundary, but it is close enough to the City that it can be expected to grow at a similar rate.
development was recently completed along Ophir Road between Lincoln Boulevard and Lower Wyandotte Road. The District is also considering service in and around Palermo.

**Determination LOAPUD-1 (Growth):**

*The population within the District will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.*

**Infrastructure**

A. Capacity Analysis

The District collects an average of 384 MG (million gallons) of wastewater annually, with an ADDW (Average Daily Dry Weather) flow of approximately 0.81 MGD (million gallons per day) as reported by SC-OR. Figure 2.1-3 below illustrates the expected growth in the next 20 years. As illustrated in the figure, the flow is expected to grow to approximately 1.35 MGD by 2025. These projections were made by projecting the current demand proportionately with the expected population growth rate of 2.6%.

![Projected Wastewater Demand 2005-2025](image-url)
The District’s collection system discharges into the SC-OR interceptor pipeline and is treated at the SC-OR treatment plant. There are no identified capacity issues with the current collection volumes. All new developments are required to submit plans. The District provides detailed sewer capacity studies during the permitting process based on information provided by the developer. These developments may be required to upgrade the existing collection system downstream if additional capacity is required.

An engineering study was conducted in 2000 to determine any needs and deficiencies of the system that may prevent the District from providing service to a growing population. A computer model was created for the system in 2000, at 50% buildout, and at buildout conditions. This study indicated that the majority of the collector or interceptor lines are adequate for the flows predicted but there are isolated sections of the system that would have inadequate capacity. The engineering study also determined the District’s main interceptor, known as the State Line, will need to be either repaired or replaced in some sections. Some portions of the State Line interceptor have now been replaced and there are planned upgrades for other sections in 2006.

The SC-OR treatment plant provides treatment for District wastewater and the plant currently has capacity to handle the expected growth for this area for the time frame considered in this document.2

**Determination LOAPUD-2 (Wastewater Capacity):**

All of the pipelines within the District have sufficient capacity to meet the current service need and the SC-OR treatment plant currently has the capacity to treat the wastewater associated with the expected growth. Future service need capacity requirements are ensured by District oversight during the permitting process for developments as well as the implementation and regular updating of the District’s Master Plan.

B. Facilities

The District’s collection system consists of approximately 75 miles of pipe, 1,547 manholes and six pump stations. The collection system was originally built in the 1930’s, but only approximately 20% or less of the system is of this age. In the 1970’s the construction of the State Line main trunk interceptor was completed, which allowed the system to expand significantly. Approximately 80% of the current system has been constructed since the 1970’s. The pipelines in the system consist of several different materials. Most of the older pipe in the system is vitrified clay pipe, while the newer pipe is constructed almost exclusively with PVC. Other materials in the collection system include steel, ductile iron, asbestos-cement, and concrete. The condition of the collection system is generally good and any identified lines that require service are being maintained by the District.

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2 Please see Chapter 2.7 for detailed information on SC-OR’s treatment plant.
As with most collection systems, infiltration/inflow (I/I) is a critical issue. The District is experiencing wet weather flows as high as three to four times the average dry weather flows. This increased flow can be directly attributed to I/I, though inflow is likely a less significant source of peak flow than infiltration. The District has undertaken an aggressive program to reduce I/I using closed-circuit television inspections, smoke testing, and personnel field experience. Through ongoing inspection and maintenance efforts, the District has been able to identify and correct most areas of inflow. Any problems identified are either repaired or replaced.

**Determination LOAPUD-3 (Wastewater Facilities):**

*The District’s collection system, most of which has been constructed in the last 35 years, is generally in good condition.*

C. Plans for Expansion/Upgrades

Several capital improvements for the District’s collection system are proposed in the District’s Master Plan from 2000. This includes the replacement of inadequate and aging pipelines and the construction of new pipelines and facilities. New facilities to be constructed included two new lift stations, 49,400 feet of new gravity transmission pipeline, and 19,700 feet of new force main pipeline. A total length of 21,564 feet of pipeline was estimated to require replacement by the year 2020. Approximately one-third of this pipeline has been replaced since the Master Plan was adopted, with design complete on the remaining pipeline identified for replacement. This indicates that the District is on track to meet the goals set in the Master Plan.

**Determination LOAPUD-4 (Wastewater Facilities Expansion/Upgrades):**

*The District has plans for pipeline replacement, new pipeline installation and facility construction in compliance with the Master Plan. The District is on track to meet the goals set in the Master Plan, having replaced approximately one-third of the pipeline to be replaced by 2020.*

**FINANCING AND RATE RESTRUCTURING**

Annual audit reports for FYs ending 2002-04 and financial statements for the District were reviewed in accordance with LAFCo’s 2003 MSR Guidelines. These reports and statements were reviewed 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.
The District submits its budget resolution to the County annually in July and its financial statement in November.

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. The District is aware of the effects of Proposition 218 having been through the process in connection with the financing of the current sewer system rehabilitation projects. This included conducting a District-wide Majority Protest vote prior to approving the financing program.

The FY 2003-04 annual audit noted no material weaknesses in 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 2003-04, assets of the District exceeded liabilities by $8,921,420. The District’s total net assets increased $410,979 (4.8%) from the prior fiscal year. The District’s operating revenues increased $13,982 (2.2%); operating expenses decreased $22,475 (2.1%). The increase in total net assets was primarily due to two sewer system rehabilitation projects: the Oak Knoll Bypass and the Kelly Ridge Bypass.

Operating revenues totaled $659,703 and included sewer service charges, pumping charges, permit and inspection fees, and connection fees. Sewer service charges comprised 75% of the total revenue for the year. Operating expenses totaled $1,068,809 and included administrative and general charges, sewage collection and services, and depreciation. Capital assets totaled $9,483,323, which accounts for 68% of the total budget.

The estimated construction costs of the improvements identified in the Master Plan total approximately $16.4 million (year 2000) dollars, to be spent from 2000-2020. These are summarized in Tables 2.1-1 and 2.1-2 below.

**Table 2.1-1**

<table>
<thead>
<tr>
<th>Pipeline Replacement Schedule 2000–2020</th>
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<tbody>
<tr>
<td><strong>Construction Cost (2000 dollars)</strong></td>
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<td><strong>Location</strong></td>
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<tr>
<td>LOAPUD Sewer System</td>
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<td>Engineering, Contingencies @ 25%</td>
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<td><strong>Total</strong></td>
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**Table 2.1-2**

<table>
<thead>
<tr>
<th>New Collection System Facilities Schedule 2000-2020</th>
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<tbody>
<tr>
<td><strong>Construction Cost (2000 dollars)</strong></td>
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<tr>
<td><strong>Location</strong></td>
</tr>
<tr>
<td>Collection System Expansions</td>
</tr>
<tr>
<td>Engineering, Contingencies @ 25%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
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</table>
The District’s rate schedule was updated as per resolution No. 9-05 for FY 2005-06, and is shown in Table 2.1-3 below:

<table>
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<th>Type of Service Charge</th>
<th>Service Rate</th>
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<tbody>
<tr>
<td>Service Charge (Primary System)</td>
<td>$7.50/EDU/month</td>
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<td>RDA Debt Service (Primary System)</td>
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<td>Pumping Charge (Primary System)</td>
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<td>KRE Pumping Charge (Primary System)</td>
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<td>Connection Fee</td>
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<tr>
<td>Capacity Charge</td>
<td>$1,790/EDU</td>
</tr>
<tr>
<td>Annexation Fee</td>
<td>$675/acre</td>
</tr>
</tbody>
</table>

**Determination LOAPUD-5 (Financing and Rate Restructuring):**

Current sewer service charges, combined with income from other sources, are adequate to cover the costs of providing services. Infrastructure needs are planned and budgeted for accordingly. The District is in compliance with Government Code Section 53901.

**COST AVOIDANCE AND FACILITIES SHARING**

The District utilizes several cost avoidance measures in its operations. 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 the purchase of various types of insurance through the Special District Risk Management Authority.

The District, the City of Oroville, and TID formed a Joint Powers Agreement and created SC-OR. SC-OR was created to operate a sewage treatment plant for the mutual advantage of the member entities; thus SC-OR’s operating and capital budget are funded by user charges for sewage treatment services which are collected and remitted by each member entity to SC-OR. All future funding of SC-OR improvements is funded by SC-OR connection fees collected by the District, TID, and the City of Oroville. Other opportunities for facilities sharing appear to be limited.

Given the large cost of capital improvements, a careful planning process is a crucial means of cost avoidance. The District plans for future funding of necessary improvements utilizing budgetary tools such as rate structure, connection fees, and property tax revenues. The District shares information with the City of Oroville, SC-OR, TID, and the County Public Works Department; these entities are developing a common building standard for sewer facilities. Other
cost avoidance measures include applying for grants, sharing safety training costs with SFWPA, and utilizing a small crew for smaller projects.

**Determination LOAPUD-6 (Cost Avoidance and Facilities Sharing):**

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

---

**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

A five member Board of Directors serves as the decision making authority of the District. The directors are elected by the voters within the District according to the Election Code. The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jack J. Ball</td>
<td>Director</td>
<td>2006</td>
</tr>
<tr>
<td>T.C. Dennis</td>
<td>President</td>
<td>2008</td>
</tr>
<tr>
<td>Keith J. Fraser</td>
<td>Director</td>
<td>2008</td>
</tr>
<tr>
<td>Robert U. Simpson</td>
<td>Vice President</td>
<td>2006</td>
</tr>
<tr>
<td>John J. Kiely</td>
<td>Director</td>
<td>2006</td>
</tr>
</tbody>
</table>

Board members receive $400 per month for their services. Board meetings are held on the second Tuesday each month at 2:00 p.m. at the District office at 1960 Elgin Street in Oroville. The District posts agendas at least 72 hours prior to the meeting at the District office and advertises in local newspapers as necessary. Additionally, the District sends out individual mailing announcements. Typically, 0-5 members of the public attend regular Board meetings. The General Manager and District’s legal counsel are responsible for ensuring compliance with the Brown Act. The District ensures compliance with changing laws related to the provision of its service through membership in CSDA and BCSDA, and on advice from the District’s legal counsel and District engineer.

The existing service area boundaries include all areas receiving service from the District and therefore appropriately reflect the current provision of service. However, District officials feel that the current sphere of influence boundaries need to be expanded to allow orderly expansion of the District’s system to accommodate new developments that are expressing interest in provision of service. As discussed above, the District is aware of proposed development on all sides of the current service area.

LAFCo identified that overlapping and abutting service boundaries may be indicators of potential inefficiencies in service provision that are worthy of deliberation. Consideration should be given to reorganization of sphere boundaries for multiple reasons, including but not necessarily limited to, the following: 1) the area immediately to the north of the District is currently served by the City of Oroville for wastewater collection; and 2) some of the District’s service area is within the City of Oroville’s boundaries.
**Determination LOAPUD-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. Consideration should be given to reorganization of sphere boundaries.

---

**MANAGEMENT EFFICIENCIES**

The District employs eight full time employees, including a General Manager, an administrative assistant, an accounts payable bookkeeper, an accounts receivable clerk, a field operations supervisor, and three field operations and maintenance staff. The ratio of managers to workers is appropriate; the District is not top heavy in managers. The District also retains private consultants who are responsible for engineering, surveying, accounting, and legal matters. The District has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, relationships with other agencies, and the like. The District is audited yearly and has accomplished all recommendations from recent audits and management letters.

The management structure of the District is relatively simple and is well suited to the type of operations undertaken by the District; the linear management structure ensures reportability and accountability. No alternative structures or reorganizations of staff would result in more efficient operations, and the existing structure is considered appropriate for the District. Good financial and operational health indicate that there does not appear to be any necessary governmental structure change necessary to ensure efficient, long-term continuation of service provision by the District.

Past litigation involving the District in the last 10 years includes action brought against it by the State of California, Department of Parks and Recreation in May 2000; this has been settled.

**Determination LOAPUD-8 (Management Efficiencies):**

The overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The District currently participates in appropriate Joint Powers Agreements. The District has had action taken against it by the State Department of Parks and Recreation.
Summary of Determinations

**Determination LOAPUD-1 (Growth):**

The population within the District will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

**Determination LOAPUD-2 (Wastewater Capacity):**

All of the pipelines within the District have sufficient capacity to meet the current service need and the SC-OR treatment plant currently has the capacity to treat the wastewater associated with the expected growth. Future service need capacity requirements are ensured by District oversight during the permitting process for developments as well as the implementation and regular updating of the District’s Master Plan.

**Determination LOAPUD-3 (Wastewater Facilities):**

The District’s collection system, most of which has been constructed in the last 35 years, is generally in good condition.

**Determination LOAPUD-4 (Wastewater Facilities Expansion/Upgrades):**

The District has plans for pipeline replacement, new pipeline installation and facility construction in compliance with the Master Plan. The District is on track to meet the goals set in the Master Plan, having replaced approximately one-third of the pipeline to be replaced by 2020.

**Determination LOAPUD-5 (Financing and Rate Restructuring):**

Current sewer service charges, combined with income from other sources, are adequate to cover the costs of providing services. Infrastructure needs are planned and budgeted for accordingly. The District is in compliance with Government Code Section 53901.

**Determination LOAPUD-6 (Cost Avoidance and Facilities Sharing):**

The District appears to utilize appropriate cost avoidance opportunities. Facilities sharing opportunities appear to be limited.
**Determination LOAPUD-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. Consideration should be given to reorganization of sphere boundaries.

**Determination LOAPUD-8 (Management Efficiencies):**

The overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The District currently participates in appropriate Joint Powers Agreements. The District has had action taken against it by the State Department of Parks and Recreation.
2.2 RICHARDSON SPRINGS CSD

District Characteristics

The Richardson Springs Community Services District (Richardson Springs/District) was formed for the exclusive purpose of serving the Youth With A Mission (YWAM)/Springs of Living Water Christian Conference Center northeast of Chico (see Figure 2.2-1). Funding for the construction of the sewage treatment plant was provided by a grant from the State of California under the Clean Water and Water Reclamation Bond Law of 1988 and the Small Communities Grant Program. Sewer fees and subsidies from YWAM finance the operations of the plant.

<table>
<thead>
<tr>
<th>District Size:</th>
<th>464 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Estimated Population Served:</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Office Location:</td>
<td>15850 Richardson Springs Road, Richardson Springs, CA 95973</td>
</tr>
<tr>
<td>Services:</td>
<td>Wastewater collection and treatment</td>
</tr>
<tr>
<td>Employees:</td>
<td>0</td>
</tr>
<tr>
<td>Date of Formation:</td>
<td>1993</td>
</tr>
<tr>
<td>Enabling Legislation:</td>
<td>Government Code Section 61000-61936</td>
</tr>
</tbody>
</table>
Richardson Springs CSD

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 provides wastewater collection and treatment services solely to the YWAM/Springs of Living Water Christian Conference Center. The District has no plans for expansion and does not anticipate any growth.

B. Land Use/Significant Growth Areas

There is no growth anticipated for this area.

Determination Richardson Springs-1 (Growth):

The District was created to perform a specific function (wastewater collection and treatment for a non-residential use) and does not anticipate any growth.

Infrastructure

A. Capacity Analysis

The District wastewater treatment plant is permitted to discharge 35,000 gpd (gallons per day) ADDW (Average Daily Dry Weather) as reported by the Regional Water Quality Control Board. The 2004 pond monitoring results provided by the District show the highest flows in the summer months of June through August, with the highest flows coming in July (15,800 gpd). The discharge is treated and collected in a 5 MG (million gallons) treated effluent storage pond. The treated effluent is used to spray irrigate non-active fields. The storage pond typically fills to only 40% of maximum capacity. The plant capacity is much higher than current and anticipated demands.

The collection system has no known capacity issues.

Determination Richardson Springs-2 (Wastewater Capacity):

The District currently has the capacity to collect and treat the wastewater associated with the YWAM/Springs of Living Water Christian Conference Center.
B. Facilities

The treatment facility operated by the District is approximately 10 years old and is in excellent condition. The collection system, which consists mainly of cast iron pipe with some isolated areas patched with PVC, is in good condition.

**Determination Richardson Springs-3 (Wastewater Facilities):**

*The District’s collection and treatment systems are in good condition.*

C. Plans for Expansion/Upgrades

There are currently no plans for expansions or upgrades within the District’s collection and treatment systems.

**Determination Richardson Springs-4(Wastewater Facilities Expansion/Upgrades):**

*The District has no plans for upgrades or expansions at this time.*

---

**FINANCING AND RATE RESTRUCTURING**

Independent auditor’s reports for FYs ending 2001-03 and District statements were reviewed for this analysis. The District accounts for the operation of its services in an Enterprise Fund. In FY 2003, a deficit of $11,060 remained in the unreserved fund, which resulted from expenses exceeding the sewer fees charged for services provided. The sewer fee rate has been increased by $250 per month as of January 1, 2003. Expenditures have exceeded revenues since 2001; therefore, rates have been increased each year.

YWAM has advanced money to the District in prior years. The District does not have any outstanding state or federal loans.

District officials noted that a portion of monies received from fees are set aside in a reserve fund for the future funding of necessary improvements.

The 2003 financial audit noted that budgets are formally adopted by the Board soon after the beginning of the fiscal year and take effect July 1. The current year budget was not available for review. 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 budget submission dates to the County Auditor were “not applicable.”
**Determination Richardson Springs-5 (Financing and Rate Restructuring):**

Monthly fees should continue to be re-evaluated until revenues cover the cost of providing services. The District is in noncompliance with Government Code Section 53901.

---

**COST AVOIDANCE AND FACILITIES SHARING**

The District provides wastewater collection and treatment services exclusively to the YWAM/Springs of Living Water Christian Conference Center. As such, the president, several officers and Board members serve in the same capacities with both entities. Additionally, YWAM has advanced money to the District in prior years and collects sewer fee revenues for the District.

The District built the water treatment system with a grant 10 years ago. A staff of volunteers is responsible for ongoing maintenance and repairs. The District does not participate in any information sharing with other districts regarding practices, operations, or other aspects of service provision.

**Determination Richardson Springs-6 (Cost Avoidance and Facilities Sharing):**

The District’s relationship with YWAM and volunteer system lends itself to an appropriate cost avoidance and facilities sharing system. Should District expenditures continue to exceed revenues, other cost avoidance opportunities such as grants should be pursued.

---

**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

A five member Board of Directors exercises oversight over District operations including managing YWAM’s and the District’s financial interdependency, and overseeing operation and accounting for fiscal matters. The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collin Dobinson</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Jacob Finley</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Stephen Bell</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Stuart Herreid</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Kelly Jackson</td>
<td>Dec 2007</td>
</tr>
</tbody>
</table>

Board meetings are held at 10:00 a.m. on the second Friday of the months of January, April, July and October at the Richardson Springs Conference Center (15850 Richardson Springs Road). Meeting announcements are posted in the local post office. Usually no members of the public...
attend Board meetings. One of the Board members (currently Kelly Jackson) is responsible for ensuring District compliance with the Brown Act.

As the District was created for the purpose of serving one user, no sphere of influence changes appear necessary. However, consideration should be given to dissolving the District. The District appears to be a government agency serving only one use (YWAM/Springs of Living Water Christian Conference Center) with a co-mingled Board and co-mingled operations. Other possible indications of inappropriate structure and accountability include financial advancements from YWAM to the District and District non-compliance with financial reporting requirements.

**Determination Richardson Springs-7 (Government Structure and Local Accountability):**

*It appears that Board meetings are held in compliance with the Brown Act. Consideration should be given to dissolving the District.*

---

**MANAGEMENT EFFICIENCIES**

All management and operations activities are performed by volunteers. Restructuring of the management structure would not result in more efficient operations.

The District has various policies and procedures in place, though the District did not respond to an inquiry as to what those policies and procedures pertain to. A District official indicated that they abide by these policies and procedures.

The District has had no actions filed against it from any regulatory agencies within the last 10 years.

**Determination Richardson Springs-8 (Management Efficiencies):**

*The District is run by volunteers; no restructuring is warranted. The District has had no actions taken against it from regulatory agencies.*
Summary of Determinations

**Determination Richardson Springs-1 (Growth):**

The District was created to perform a specific function (wastewater collection and treatment for a non-residential use) and does not anticipate any growth.

**Determination Richardson Springs-2 (Wastewater Capacity):**

The District currently has the capacity to collect and treat the wastewater associated with the YWAM/Springs of Living Water Christian Conference Center.

**Determination Richardson Springs-3 (Wastewater Facilities):**

The District’s collection and treatment systems are in good condition.

**Determination Richardson Springs-4 (Wastewater Facilities Expansion/Upgrades):**

The District has no plans for upgrades or expansions at this time.

**Determination Richardson Springs-5 (Financing and Rate Restructuring):**

Monthly fees should continue to be re-evaluated until revenues cover the cost of providing services. The District is in noncompliance with Government Code Section 53901.

**Determination Richardson Springs-6 (Cost Avoidance and Facilities Sharing):**

The District’s relationship with YWAM and volunteer system lends itself to an appropriate cost avoidance and facilities sharing system. Should District expenditures continue to exceed revenues, other cost avoidance opportunities such as grants should be pursued.
<table>
<thead>
<tr>
<th>Determination Richardson Springs-7 (Government Structure and Local Accountability):</th>
</tr>
</thead>
<tbody>
<tr>
<td>It appears that Board meetings are held in compliance with the Brown Act. Consideration should be given to dissolving the District.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Determination Richardson Springs-8 (Management Efficiencies):</th>
</tr>
</thead>
<tbody>
<tr>
<td>The District is run by volunteers; no restructuring is warranted. The District has had no actions taken against it from regulatory agencies.</td>
</tr>
</tbody>
</table>
2.3 CITY OF CHICO

City Characteristics

The City of Chico (City) is a Charter City in northwestern Butte County (see Figure 2.3-1) that provides a variety of services to its residents, including wastewater collection and treatment. Water service in the City is provided by Cal Water Chico.

City Size: 19,000 acres
2005 Estimated Population: 73,558
Office Location: 411 Main Street, Chico, CA 95927
Services: Wastewater collection and treatment
Employees: 22 full time
Date of Formation: 1860
Enabling Legislation: Charter City
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 City provides wastewater collection and treatment services to a population of approximately 73,558 people. The City projects a 2 to 2.5% growth rate, according to the Butte County Association of Governments (BCAG), the City of Chico is expected to grow at a rate of approximately 3.5%. Using this more conservative growth rate, the expected population growth in the City has been projected to the year 2025 (see Figure 2.3-2).

Figure 2.3-2

B. Land Use/Significant Growth Areas

Significant growth areas have been identified by the City’s planning department. The planned expansions to the City limits and sphere of influence are located between Highway 99 and Highway 32 south of Sycamore Creek. Other growth is also expected to occur within the current City limits and sphere of influence. Growth to the west of the City is restricted due to a “Green

---

1 It is understood that somewhere between 2,000 and 3,000 residences have septic systems and thus are not actually provided wastewater service by the City.
Line” imposed by the County to protect agricultural lands, and incorporated into the City General Plan.

**Determination Chico-1 (Growth):**

*The population of the City will continue to grow at a rate of approximately 3.5% annually for the foreseeable future.*

**Infrastructure**

A. Capacity Analysis

The City collected and treated 2,548 MG (million gallons) of wastewater in 2004, which corresponds to an ADDW (Average Daily Dry Weather) flow of 7.2 MGD (million gallons per day). **Figure 2.3-3** illustrates the expected demand for wastewater services in the City of Chico. The demand projections in the figure assume the BCAG annual growth rate of 3.5%. These projections also assume that the communities associated with the Nitrate Action Plan (NAP) are connected to the City’s collection system, which will greatly increase the demand on the system. The NAP, which was developed in 1985 and amended in 1988, requires the connection of certain unincorporated Butte County communities into the City’s system in order to prevent further water quality degradation and to minimize the existing nitrate problem in the groundwater beneath the Chico Urban Area.

![Figure 2.3-3](image-url)

**Figure 2.3-3**

*Projected Wastewater Demand 2005-2025*
The growth in the area over the next several years is expected to cause the wastewater flows in the City to exceed the capacity of the wastewater treatment plant, which is currently permitted to discharge 9 MGD ADDW as reported by the State Water Resources Control Board (SWRCB).

The City’s Sanitary Sewer Master Plan was produced by Carollo Engineers in 2003. As a part of this plan, a detailed capacity analysis was performed for the City’s existing collection system. This analysis identified areas where the sewer pipes were over capacity during peak flow events. Approximately 150 sewer lines did not meet the surcharge standard set by the City. These deficient lines were limited to four general areas of the City: an area northwest of CSU Chico, part of West 11th Street, part of Filbert Avenue, and part of Olive Street. These pipes are not causing a surcharge and are transporting the wastewater effectively, but they could create a bottleneck for future expansion. These pipes will either be replaced with larger sewer mains or paralleled to eliminate the capacity issue. The decision to replace or rehabilitate a main is made based upon the condition of the main. An old main that is in need of rehabilitation will be replaced, while a main in good condition will be paralleled. All the bottlenecks have been added to the City's NEXUS report and the City has raised its trunk line connection fees to pay for the upgrades. Overall, the collection system has capacity to transport existing wastewater flows.

Significant developments are required to submit plans and may be required by the City to provide detailed sewer capacity studies during the permitting process. These developments may be required to upgrade the existing collection system downstream if additional capacity is required.

**Determination Chico-2 (Wastewater Capacity):**

The growth in the area over the next several years is expected to cause the wastewater flows in the City to exceed the existing capacity of the treatment plant. The wastewater collection system operated by the City has sufficient capacity to support the demand in the area, though deficient lines in a few areas of the City could create a bottleneck for future expansion. These areas will either be replaced or paralleled to eliminate capacity issues. Future demand capacity requirements are ensured by City oversight during the permitting process for significant developments.

B. Facilities

The City’s collection system dates back to the turn of the 20th Century. The original lines in downtown were installed in the 1920’s. The oldest lines are clay or concrete. The lines are regularly inspected to verify condition and the system is in relatively good condition. Any problems that are discovered are repaired within the same year. The City puts aside money each year to fund collection system repairs and upgrades.

The first treatment plant was built in 1929 along with the existing 24 inch interceptor along River Road. The treatment plant was significantly improved in 1961 with primary treatment. The
plant was expanded to secondary treatment between 1971 and 1975. There were also two major expansions in 1991 and between 1997 and 2000. The treatment plant is in excellent condition.

**Determination Chico-3 (Wastewater Facilities):**

*The City’s collection system, which is over 75 years old, is in relatively good condition. Any problems that are discovered are repaired within the same year. After several expansions and upgrades, the City’s treatment plant is in excellent condition.*

C. Plans for Expansion/Upgrades

The City has plans for several improvements to its wastewater system that will allow the City to meet the demand for wastewater service in the area. The wastewater treatment plant will be expanded in two stages. The first of these stages is in the design phase and will increase the capacity to 12 MGD. The second upgrade proposed is another 3 MGD expansion for an overall treatment capacity of 15 MGD.

**Determination Chico-4 (Wastewater Facilities Expansion/Upgrades):**

*The City has plans to make the necessary improvements that will allow it to adequately provide wastewater services in its service area. However, if all Nitrate Action Plan communities are connected to the City’s system, the treatment plant’s buildout capacity of 15 MGD will be exceeded by the year 2025.*

**FINANCING AND RATE RESTRUCTURING**

Past financial audits were not made available for review as requested in the survey instrument, though the entire City is audited every year. Fiscal audits for the wastewater system only are not available; rather, they are combined with the entire audits of City finances. Regardless, there is no information to suggest that the City has any financial problems with respect to its wastewater system. The City’s operating budget for FY 2005-06 reflects the cost of maintaining and operating the sanitary sewer collection system, pumping stations, and water pollution control plant. These activities are supported by sewer service fees.

FY 2005-06 department requests for expenses are as follows: Salaries and Employee Benefits: $1,611,432; Materials and Supplies: $1,153,660; Purchased Services: $341,408; Other Expenses: $163,868; and Allocations: $243,354.

Based on the budget from FY 2004-05, the actual expenditures for the year fell in close range to budgeted expenditures; the budget is reflective of actual conditions.
Fees and rates were updated in January 2006. A portion of revenues are set aside in a reserve for future Capital Improvements Program (CIP) projects. Rates and fees are increased based upon the schedule laid out in the CIP and fees are also re-evaluated as needed by private consultants. The rates charged for sewer services are shown in Tables 2.3-1, 2.3-2, 2.3-3, 2.3-4 and 2.3-5 below.

### Table 2.3-1
**Application Fees**

<table>
<thead>
<tr>
<th>Properties located within the Chico city limits.</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Properties located within the unincorporated area of the County of Butte and within the Chico Sphere of Influence.</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City staff analysis of alternate proposals to stated requirements on completed sewer applications</th>
<th>Actual cost ($60.00 minimum)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual cost ($100.00 minimum)</td>
</tr>
</tbody>
</table>

Properties located within the unincorporated areas of the County of Butte and outside the Chico Sphere of Influence.  

City staff will conduct system capacity analysis and sewer main extension requirement analysis/cost estimate in response to specific requests to determine whether the sewer service area can be expanded. This analysis does not guarantee that city staff will recommend or that the City Council will approve modification to the sewer service area which would be required to allow connection to the system.

1 It should be noted that this is not allowed by Government Code Section 56133.

### Table 2.3-2
**Sewer Service Rates**

<table>
<thead>
<tr>
<th>Type of Premises</th>
<th>Monthly Flat Rate Charge</th>
<th>Consumption Charge/ccf(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$15.16/unit</td>
<td>None</td>
</tr>
<tr>
<td>Nonresidential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breweries</td>
<td>$15.16</td>
<td>+ $5.81</td>
</tr>
<tr>
<td>Restaurants</td>
<td>$15.16</td>
<td>+ $3.92</td>
</tr>
<tr>
<td>Markets and Bakeries</td>
<td>$15.16</td>
<td>+ $3.92</td>
</tr>
<tr>
<td>Car Washes</td>
<td>$15.16</td>
<td>+ $1.95</td>
</tr>
<tr>
<td>All other</td>
<td>$15.16</td>
<td>+ $1.81</td>
</tr>
</tbody>
</table>

Premises Located Outside the Incorporated Territory of City

| Residential      | $15.78/unit              | + $5.81                      |
| Nonresidential   |                          |                              |
| Breweries        | $15.78                   | + $5.81                      |
| Restaurants      | $15.78                   | + $3.92                      |
| Markets and Bakeries | $15.78             | + $3.92                      |
| Car Washes       | $15.78                   | + $1.95                      |
| All other        | $15.78                   | + $1.81                      |

1 Consumption charge/ccf (100 cubic feet) of wastewater.
Table 2.3-3  
Capacity Connection Fees for Residential Premises

<table>
<thead>
<tr>
<th>Types of Premises</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential</td>
<td>$3,262/dwelling unit</td>
</tr>
<tr>
<td>Multiple Family Residential</td>
<td>$3,262/dwelling unit</td>
</tr>
</tbody>
</table>

Table 2.3-4  
Capacity Connection Fees for Nonresidential Premises

<table>
<thead>
<tr>
<th>Types of Premises</th>
<th>Residential Equivalent</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motel/hotel with Restaurant Facilities</td>
<td>1 room = 1.00</td>
<td>$3,262/room</td>
</tr>
<tr>
<td>Motel/hotel without Restaurant Facilities</td>
<td>1 room = 0.50</td>
<td>$1,631/room</td>
</tr>
<tr>
<td>Convalescent Hospitals</td>
<td>1 bed = 0.50</td>
<td>$1,631/bed</td>
</tr>
<tr>
<td>Hospitals</td>
<td>1 bed = 0.75</td>
<td>$2,446/bed</td>
</tr>
<tr>
<td>Dormitory or Group Dwelling with Food Services; or Boarding House</td>
<td>3 occ(^1) = 1.00</td>
<td>$1,088/occ(^1)</td>
</tr>
<tr>
<td>Dormitory without Food Services; or Rooming House</td>
<td>6 occ(^1) = 1.00</td>
<td>$543/occ(^1)</td>
</tr>
<tr>
<td>Schools, Including but Not Limited to Elementary, Secondary, Colleges and Universities</td>
<td>9.2 FTE(^2) = 1.00</td>
<td>$354/FTE(^2)</td>
</tr>
<tr>
<td>Park or Recreational Facility</td>
<td>20 FU(^3) = 1.00</td>
<td>$163/FU(^3)</td>
</tr>
<tr>
<td>All Other</td>
<td>--</td>
<td>$13,046/acre</td>
</tr>
</tbody>
</table>

\(^1\) Number of occupants to be determined by Director of Public Works at time of application.  
\(^2\) FTE = Full Time Equivalent Student 
\(^3\) FU = Fixture Unit per Exhibit “1”

Table 2.3-5  
Sewer Main Connection Rates

<table>
<thead>
<tr>
<th>Types of Premises</th>
<th>Rate per Front Foot</th>
<th>Front Footage Included</th>
<th>Minimum Front Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$37.15</td>
<td>Front footage of the shortest side of the lot or parcel on which the premises are located adjoining a public street or public easement.</td>
<td>60 Feet</td>
</tr>
<tr>
<td>Nonresidential</td>
<td>$37.15</td>
<td>Front footage of the shortest side of the lot or parcel on which the premises are located adjoining a public street or public easement.</td>
<td>60 Feet (premises less than one acre) 150 Feet (premises greater than one acre)</td>
</tr>
</tbody>
</table>

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. City officials noted that Proposition 218 will not substantially limit the City’s ability to charge appropriate monthly rates.
Determination Chico-5 (Financing and Rate Restructuring):

The budget is reflective of actual conditions. Fees were updated in 2003 and adjusted up to 2005 dollars to cover the cost of providing related services and infrastructure upgrades. The practice of charging sewer connection fees for properties located within the unincorporated areas of the County and outside the Chico Sphere of Influence is not allowed by Government Code Section 56133.

COST AVOIDANCE AND FACILITIES SHARING

The City utilizes several cost avoidance measures in its operations. The City 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 City transfers risks that may arise from these and other events through self-insurance.

Given the large cost of capital improvements, a careful planning process is a crucial means of cost avoidance. The City has used the State Revolving Fund in the past for the water pollution control plant expansion. The City also budgets for equipment repair and maintenance in its yearly budget proposals.

Other cost avoidance measures include utilizing solar power to offset power costs for the wastewater plant, using City crews for small projects and maintenance activities, and City departments sharing equipment. Other facilities sharing opportunities appear to be limited.

Determination Chico-6 (Cost Avoidance and Facilities Sharing):

The City utilizes appropriate cost avoidance opportunities. Facilities sharing opportunities appear to be limited.

GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

The City is overseen by a seven member City Council; the councilmembers’ four year terms are staggered. In cases where a councilmember is unable to complete a term, the Council can appoint a replacement, but that position will be subject to a vote at the next general election. The City Council selects a mayor and a vice mayor from among its members to serve two year terms.
The current City Council is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scott Gruendl</td>
<td>Mayor</td>
</tr>
<tr>
<td>Maureen Kirk</td>
<td>Vice Mayor</td>
</tr>
<tr>
<td>Steve Bertagna</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Dan Herbert</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Andy Holcombe</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Ann Schwab</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Larry Wahl</td>
<td>Councilmember</td>
</tr>
</tbody>
</table>

The mayor presides over meetings which are held on the first and third Tuesday of each month at 6:30 p.m. in the City Council Chamber at 421 Main Street. Meeting announcements and agendas dating back to 1995 are posted on the City’s website. Effective September 20, 2005, the City Council meetings started becoming available online. Live broadcasts can be accessed through the City’s website and video tape is retained of all meetings and is available in the City manager’s office. The City Attorney, who sits on all regularly scheduled meetings, is responsible for ensuring compliance with the Brown Act and the City’s governing codes in consultation with the City Manager.

Planned expansions to the City limits and sphere of influence are located between Highway 99 and Highway 32 south of Sycamore Creek. Also, the NAP requires the annexation of certain unincorporated Butte County communities into the City’s system in order to prevent further water quality degradation and to minimize the existing nitrate problem in the groundwater beneath the Chico Urban Area.

**Determination Chico-7 (Government Structure and Local Accountability):**

The City 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 City activities, and information regarding the City is readily available to members of the public. Expansion of the City’s service area and sphere of influence will be necessary to comply with the Nitrate Action Plan.

**MANAGEMENT EFFICIENCIES**

The Wastewater Treatment Supervisor in the Public Works Department oversees the operations of the water pollution control plant and personnel, including 11 full-time employees. The ratio of managers to workers is appropriate; the City’s wastewater treatment operation is not top heavy in managers. The City has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, and the like.
The management structure of the City is relatively simple and is well suited to the type of operations undertaken by the City. No alternative structures or reorganizations of staff would result in more efficient operations, and the existing structure is considered appropriate for the City.

Past litigation involving the City in the last 10 years includes action brought against it by the SWRCB. SWRCB Cease and Desist Order Nos. 95-251 (1995) and 97-099 (1997) required the City to expand its regional wastewater treatment plant to obtain a firm treatment capacity for the present and projected influent flows. They also required the City to develop and implement an Industrial Waste Pretreatment Program. In 2000, the City also received a pretreatment program violation filed by the Regional Water Quality Control Board charging that the City’s Industrial Waste Pretreatment Program was not being fully implemented according to federal guidelines.

**Determination Chico-8 (Management Efficiencies):**

*The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had actions taken against it by regulatory agencies.*
Summary of Determinations

**Determination Chico-1 (Growth):**

The population of the City will continue to grow at a rate of approximately 3.5% annually for the foreseeable future.

**Determination Chico-2 (Wastewater Capacity):**

The growth in the area over the next several years is expected to cause the wastewater flows in the City to exceed the existing capacity of the treatment plant. The wastewater collection system operated by the City has sufficient capacity to support the demand in the area, though deficient lines in a few areas of the City could create a bottleneck for future expansion. These areas will either be replaced or paralleled to eliminate capacity issues. Future demand capacity requirements are ensured by City oversight during the permitting process for significant developments.

**Determination Chico-3 (Wastewater Facilities):**

The City’s collection system, which is over 75 years old, is in relatively good condition. Any problems that are discovered are repaired within the same year. After several expansions and upgrades, the City’s treatment plant is in excellent condition.

**Determination Chico-4 (Wastewater Facilities Expansion/Upgrades):**

The City has plans to make the necessary improvements that will allow it to adequately provide wastewater services in its service area. However, if all Nitrate Action Plan communities are connected to the City’s system, the treatment plant’s buildout capacity of 15 MGD will be exceeded by the year 2025.

**Determination Chico-5 (Financing and Rate Restructuring):**

The budget is reflective of actual conditions. Fees were updated in 2003 and adjusted up to 2005 dollars to cover the cost of providing related services and infrastructure upgrades. The practice of charging sewer connection fees for properties located within the unincorporated areas of the County and outside the Chico Sphere of Influence is not allowed by Government Code Section 56133.
**Determination Chico-6 (Cost Avoidance and Facilities Sharing):**

The City utilizes appropriate cost avoidance opportunities. Facilities sharing opportunities appear to be limited.

---

**Determination Chico-7 (Government Structure and Local Accountability):**

The City 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 City activities, and information regarding the City is readily available to members of the public. Expansion of the City’s service area and sphere of influence will be necessary to comply with the Nitrate Action Plan.

---

**Determination Chico-8 (Management Efficiencies):**

The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had actions taken against it by regulatory agencies.
2.4 CITY OF OROVILLE

City Characteristics

The City of Oroville (City), which is located in southern Butte County (see Figure 2.4-1), is a Charter City that provides a variety of public services to its residents. The City of Oroville is one-third of a Joint Powers Agreement. The Lake Oroville Area Public Utilities District (LOAPUD) and Thermalito Irrigation District (TID) are the other two entities in the agreement, with the Sewerage Commission – Oroville Region (SC-OR) handling the wastewater treatment and disposal.

| City Size: | 8,046 acres |
| 2005 Estimated Population: | 13,250 |
| Office Location: | 1735 Montgomery Street, Oroville, CA 95965 |
| Services: | Wastewater collection |
| Employees: | 107 full time (all City employees, not just those related to wastewater collection) |
| Date of Formation: | 1848 |
| Enabling Legislation: | Charter City |
Growth and Population

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

The City provides wastewater collection services to about 13,250 people. Figure 2.4-2 below illustrates the projected growth in the City’s population over the next 20 years. These projections are based on a growth rate of 2.6%, the predicted growth rate given by the Butte County Association of Governments.

![Figure 2.4-2: Projected Population Growth 2005-2025](image)

B. Land Use/Significant Growth Areas

The outer areas of the City on all sides have been experiencing growth at approximately the same rate. The City is considering development in areas to the west between Lincoln Boulevard and Highway 70.

**Determination Oroville-1 (Growth):**

The population within the City will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.
Infrastructure

A. Capacity Analysis

The City currently provides wastewater collection services to approximately 13,250 people. The ADDW (Average Daily Dry Weather) wastewater flows are currently 1.9 MGD (million gallons per day) as reported by SC-OR. This is expected to grow to approximately 3.2 MGD by the year 2025 based on a growth rate of 2.6%. This growth of this demand is illustrated in Figure 2.4-3 below.

The City’s collection system discharges into the SC-OR interceptor pipeline and is treated at the SC-OR treatment plant. This plant currently has the capacity to accommodate the expected future growth.¹

The City has pipes that are sufficient to meet the current demands, but many are not large enough to support additional growth. Several of the pipelines on the outer areas of the City are small and currently limit the growth tying into them. The City lacks pipeline especially in the foothills area. Significant developments are required to submit plans and may be required by the City to provide detailed sewer capacity studies during the permitting process. These developments may be required to upgrade the existing collection system downstream if additional capacity is required.

¹ Please see Chapter 2.7 for detailed information on SC-OR’s treatment plant.
Determination Oroville-2 (Wastewater Capacity):

The City’s collection system currently has no significant capacity issues and the SC-OR treatment plant currently has the capacity to treat the wastewater associated with the expected growth. Some pipelines will need to be resized or additional pipelines will need to be installed to support the expected growth in the area. Future demand capacity requirements are ensured by City oversight during the permitting process for significant developments.

B. Facilities

The City’s collection system consists of approximately 85-90 miles of pipe with approximately 1,580 manholes and seven pump stations. The collection system was built gradually over time with approximately 15% over 100 years old, 30% over 55 years old, 30% over 15 years old and 20% built within the last 15 years. The City has rehabilitated about half of the older collection system downtown using Insituform liner. The portion of the system over 100 years old is generally in fair to poor condition except for the rehabilitated portions. The portion of the system that is over 55 years old is generally adequate with some problems. The remainder of the system is in good condition. There are currently no known areas of failure and the City videotapes suspect pipes regularly to check the condition. Any problems that are discovered are rehabilitated.

Determination Oroville-3 (Wastewater Facilities):

The City’s collection system, which was built gradually over time, is generally in good condition except for isolated areas of older pipe. Any problems that are discovered are rehabilitated.

C. Plans for Expansion/Upgrades

The City has a continued program of sewer upgrades and rehabilitation. Many of the recommended repairs and upgrades listed in the 1995 Master Plan have been completed. There are no plans to expand the collection system significantly at this time. Upgrades required due to capacity are typically driven by larger developments and the developers may be required to increase capacity downstream to accommodate the increase in capacity.

Determination Oroville-4 (Wastewater Facilities Expansion/Upgrades):

The City has no plans to expand the collection system significantly at this time. The City has an ongoing program for repairs and upgrades of the current system.
FINANCING AND RATE RESTRUCTURING

Comprehensive annual financial reports for the City for FYs ending 2002-04 were reviewed in accordance with LAFCo’s 2003 MSR Guidelines, to determine fiscal viability and suitability of current funding practices.

The City maintains a Sewer Fund, an Industrial Waste Treatment Fund, and a Sewer Connection Fees Fund to account for related financial activities. The Sewer Fund accounts for the activities of the City’s sewage collection system and for fees collected on behalf of SC-OR. The Industrial Waste Treatment Fund accounts for activities associated with the Sewage Industrial Waste Treatment Program. The Sewer Connection Fees Fund accounts for revenues collected for sewer connection fees and expenditures for sewer system improvements.

In FY 2003-04, the majority of the total revenues obtained by the Sewer Fund and the Sewer Connection Fees Fund were from service charges. Sewer Fund expenditures include health and sanitation and capital outlay; there are no Sewer Connection Fees Fund expenditures. In both accounts, revenues exceed expenditures. The majority of the total revenues obtained in the Industrial Waste Treatment Fund consist of service charges; expenditure costs include health and sanitation costs. Expenditures exceeded revenues; should this become a chronic issue, the rate structure should be re-evaluated and cost avoidance measures should be implemented.

The rate structure for wastewater services is shown in Table 2.4-1.

Table 2.4-1
Sewage Facility Surcharges

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Rate Within City Limits¹</th>
<th>Rate Outside City Limits (Not on a Lift Station)¹</th>
<th>Rate Outside of City Limits (On a Lift Station)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$93.36</td>
<td>$145.82</td>
<td>$225.20</td>
</tr>
<tr>
<td>Mobile Home Park</td>
<td>$76.82</td>
<td>$115.96</td>
<td>$145.82</td>
</tr>
<tr>
<td>Commercial and Industrial</td>
<td>$93.36</td>
<td>$145.82</td>
<td>$227.20</td>
</tr>
</tbody>
</table>

¹ Per EDU

Determination Oroville-5 (Financing and Rate Restructuring):

Should industrial waste treatment costs consistently exceed expenditures, the rate structure may need to be re-evaluated and cost avoidance measures implemented.

COST AVOIDANCE AND FACILITIES SHARING

The City 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 City transfers risks that may arise from these and other events through the purchase of insurance with the
Northern California Cities Joint Powers Authority, a public entity risk pool for liability and worker’s compensation purposes.

The City, LOAPUD, and TID formed a Joint Powers Agreement and created SC-OR. SC-OR was created to operate a sewage treatment plant for the mutual advantage of the member entities; thus SC-OR’s operating and capital budget are funded by user charges for sewage treatment services which are collected and remitted by each member entity to SC-OR. All future funding of SC-OR improvements is funded by SC-OR connection fees collected by the City, LOAPUD, and TID.

TID’s wastewater collection system has two interconnects with the City. These interconnects allow the City to transport a portion of their flows to the SC-OR treatment plant via TID’s sewer mains. Currently, the City is not paying for the capacity used in these pipelines.

The City shares information with TID, SC-OR, LOAPUD, and the County Public Works Department; these entities are developing a common building standard for sewer facilities. The City also actively pursues grant opportunities, shares training costs with SC-OR, uses its own crews for smaller maintenance operations, and participates in other cost sharing opportunities with SC-OR.

**Determination Oroville-6 (Cost Avoidance and Facilities Sharing):**

*The City utilizes an appropriate variety of cost avoidance and facilities sharing opportunities.*

---

**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

The City is a Charter City, governed by a City Council and Mayor. The current City Council is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gordon Andoe</td>
<td>Mayor</td>
<td>2006</td>
</tr>
<tr>
<td>Steven Jernigan</td>
<td>Vice-Mayor</td>
<td>2008</td>
</tr>
<tr>
<td>Jack Berry</td>
<td>Councilmember</td>
<td>2006</td>
</tr>
<tr>
<td>Sue Corkin</td>
<td>Councilmember</td>
<td>2006</td>
</tr>
<tr>
<td>Al Simpson</td>
<td>Councilmember</td>
<td>2006</td>
</tr>
<tr>
<td>Jim Prouty</td>
<td>Councilmember</td>
<td>2008</td>
</tr>
<tr>
<td>Open seat</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Councilmembers are compensated $5 for each City Council meeting attended ($10 maximum per month), and $30 for each Redevelopment Agency meeting attended ($120 maximum per month). The City Council meets on the first and third Tuesday of each month at 7:00 p.m. at City Hall (1735 Montgomery Street). There appear to be ample opportunities for public involvement and input at regularly scheduled meetings. Public notices are posted 10 days prior to a meeting in the
local newspaper as well as in a window case located at the City Hall building. The City publishes agendas and meeting minutes on its website. The number of public attendees at regularly scheduled meetings generally averages between 10 and 20. The City Attorney is responsible for ensuring compliance with the Brown Act.

City officials feel that the current City boundary and sphere of influence are appropriate for the services it provides.

Consideration should be given to reorganization of sphere boundaries for multiple reasons, including but not necessarily limited to, the following: 1) the area immediately to the south of the City is currently served by LOAPUD for wastewater collection; 2) some of LOAPUD’s service area is within the City’s boundaries; 3) TID has two wastewater collection system interconnects with the City; 4) much of TID’s service area is within the City’s boundaries; 5) land east of Highway 70 and north of the Feather River receives wastewater collection service from the City and water from TID; and 6) within TID’s service area, a small residential area east of Table Mountain Boulevard known as Rancho Golden is provided water by Cal Water Oroville and wastewater collection by the City.

**Determination Oroville-7 (Government Structure and Local Accountability):**

The City 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 City Council meetings, and information regarding the City is readily available to members of the public. Consideration should be given to reorganization of sphere boundaries.

**MANAGEMENT EFFICIENCIES**

The City is governed by a City Council and Mayor. The City’s linear management structure ensures accountability and reportability; no alternative structures or reorganizations would result in a more efficient provision of services. The City has accomplished all recommendations from recent audits and management letters. To ensure compliance with changing laws, state reviews are integrated into City operations.

The City has had no actions filed against it from any regulatory agencies within the last 10 years.

**Determination Oroville-8 (Management Efficiencies):**

The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had no actions taken against it from regulatory agencies.
Summary of Determinations

**Determination Oroville-1 (Growth):**

The population within the City will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

**Determination Oroville-2 (Wastewater Capacity):**

The City’s collection system currently has no significant capacity issues and the SC-OR treatment plant currently has the capacity to treat the wastewater associated with the expected growth. Some pipelines will need to be resized or additional pipelines will need to be installed to support the expected growth in the area. Future demand capacity requirements are ensured by City oversight during the permitting process for significant developments.

**Determination Oroville-3 (Wastewater Facilities):**

The City’s collection system, which was built gradually over time, is generally in good condition except for isolated areas of older pipe. Any problems that are discovered are rehabilitated.

**Determination Oroville-4 (Wastewater Facilities Expansion/Upgrades):**

The City has no plans to expand the collection system significantly at this time. The City has an ongoing program for repairs and upgrades of the current system.

**Determination Oroville-5 (Financing and Rate Restructuring):**

Should industrial waste treatment costs consistently exceed expenditures, the rate structure may need to be re-evaluated and cost avoidance measures implemented.

**Determination Oroville-6 (Cost Avoidance and Facilities Sharing):**

The City utilizes an appropriate variety of cost avoidance and facilities sharing opportunities.
**Determination Oroville-7 (Government Structure and Local Accountability):**

The City 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 City Council meetings, and information regarding the City is readily available to members of the public. Consideration should be given to reorganization of sphere boundaries.

**Determination Oroville-8 (Management Efficiencies):**

The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had no actions taken against it from regulatory agencies.
2.5 RICHVALE SANITARY DISTRICT

District Characteristics

The Richvale Sanitary District (Richvale/District) is a small special district north of the City of Biggs and west of the City of Oroville (see Figure 2.5-1). The District contracts with a private company (ECO Resources Inc.; contact: Kathy Stone, P.O. Box 320, Corning, CA 96021; (530) 824-5863) to furnish the District with services necessary for the proper maintenance and operation of its wastewater treatment plant facilities. The District is responsible for care and maintenance of the sanitary sewer collection lines.

<table>
<thead>
<tr>
<th>District Size:</th>
<th>74 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Estimated Population Served:</td>
<td>330</td>
</tr>
<tr>
<td>Contact Address:</td>
<td>P.O. Box 1, Richvale, CA 95974</td>
</tr>
<tr>
<td>Services:</td>
<td>Wastewater collection and treatment</td>
</tr>
<tr>
<td>Employees:</td>
<td>0</td>
</tr>
<tr>
<td>Date of Formation:</td>
<td>1946</td>
</tr>
<tr>
<td>Enabling Legislation:</td>
<td>Health and Safety Codes, Division 6, Part 1, Chapter 2</td>
</tr>
</tbody>
</table>
Richvale Sanitary District

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 provides wastewater collection and treatment services to approximately 104 mainly residential connections, with an estimated population of 330 individuals. For purposes of this analysis, the expected population growth in the District has been projected to the year 2025 (see Figure 2.5-2) 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 2.5-2](Projected Population Growth 2005–2025)

B. Land Use/Significant Growth Areas

Relatively little growth has been anticipated for this area. Approximately six parcels within the District’s service area are not currently developed. However, District officials are beginning to anticipate the need to accommodate additional growth as growth pressures from other areas in the County move toward Richvale.
**Determination Richvale-1 (Growth):**

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

**Infrastructure**

A. Capacity Analysis

In 2004, approximately 15.6 MG (million gallons) of wastewater were collected and treated by the District. The District operates a pond treatment system that has a permitted flow of 30,000 gpd (gallons per day) ADDW (Average Daily Dry Weather) as reported by the Regional Water Quality Control Board (RWQCB). The maximum hydraulic capacity of the plant is 80,000 gpd. The July 2005 wastewater treatment plant monitoring report provided by the District indicates an ADDW demand of 8,761 gpd. Based on the growth rate of 1.3%, the ADDW demand is expected to grow as illustrated in Figure 2.5-3 below. The District’s PWWF (Peak Wet Weather Flows) are typically in excess of 40,000 gpd.

![Figure 2.5-3: Projected Wastewater Demand 2005-2025](image)

The District indicated that no significant capacity issues associated with the collection system currently exist.
Determination Richvale-2 (Wastewater Capacity):

The District currently has the capacity to collect and treat the ADDW wastewater demand produced within its boundaries. However, the District’s permitted flow is exceeded during periods of wet weather.

B. Facilities

The District is currently experiencing significant infiltration/inflow (I/I). The higher flows during wet weather have resulted in a cease and desist order being imposed on the District by the RWQCB. To address this, the District is working on determining where I/I is impacting the system. As part of this process, all users were required to bring their private lines up to current Butte County codes. The collection system, consisting of approximately 5.5 miles of pipe, has been almost completely replaced since the 1980’s, and about 95% of private service connections have been replaced. The District is continuing its efforts to determine where I/I is impacting the system and respond appropriately in an effort to have the cease and desist order lifted.

The treatment plant is a low-technology system that is in good condition. This type of pond treatment system does not require much maintenance.

Determination Richvale-3 (Wastewater Facilities):

The District’s collection system generally appears to be operating adequately, though there is an I/I problem during periods of wet weather that has resulted in a cease and desist order. The District is continuing its efforts to determine where I/I is impacting the system so that it can respond appropriately in an effort to have the cease and desist order lifted. The District’s pond treatment system is in good condition.

C. Plans for Expansion/Upgrades

Other than addressing the I/I problem, the District does not currently have any specific plans for expansions or upgrades to the collection system or pond treatment system. The cease and desist order currently prohibits expansion of the system. The District is currently investigating the possibility of purchasing additional land next to the current treatment plant, which would allow the capacity of the plant to be increased by approximately 50% if it ever became necessary. Another option the District is beginning to consider is implementing some type of more aggressive treatment system that would allow the permitted flow to be increased.

Determination Richvale-4 (Wastewater Facilities Expansion/Upgrades):

There are currently no specific plans for capacity expansion of the District’s collection or treatment system.
FINANCING AND RATE RESTRUCTURING

The Financial Statement and Independent Auditor’s Report for FYs 2001-2004 and the FY 2005-06 annual budget were reviewed in accordance with LAFCo’s 2003 MSR Guidelines. The purpose of this review is 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 is now operating on a calendar year, and budgets were submitted to the County in late 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. District officials noted that this legislation will have a negligible effect, as Sanitary Districts are exempt from the mandates of Proposition 218.

The 2001-04 audits noted no material weaknesses in 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.

District assets include cash in the Butte County Treasury, interest receivable, and accounts receivable; liabilities include accounts payable and deferred revenue. In FY 2003-04, $815 of total revenue came from user fees ($50,000); Butte property taxes and reserve interest accounted for the remainder of revenues. Revenues exceed expenditures, and are consistently set aside for capital improvement projects.

The District charges $365/EDU per year, and a hook up fee of $3,000. Businesses and public users are charged based on size and usage. The rate schedule is re-evaluated as needed by the Minasian law firm.

The District does not receive AB 8 program funds. The District used a general obligation bond ($150,000) during the 1980’s; the bond was paid off in 2004.

**Determination Richvale-5 (Financing and Rate Restructuring):**

*Rates are sufficient to cover the cost of providing related services. Any expansion or upgrades of the treatment system will necessitate appropriate increases in rates to cover the costs of providing related services.*
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 the purchase of an insurance liability policy through Inter West Insurance. The District recently joined the California Special Districts Association (SDA) and would consider looking at insurance through SDA to reduce costs.

The District contracts with a private firm, ECO Resources Inc., to furnish the District with services necessary for the proper maintenance and operation of its wastewater treatment plant facilities. Additionally, the District has applied for and received two grants in the last 20 years, which were used for infrastructure improvements on the pipe out to the treatment plant and the treatment pond structure. Rather than using the Minasian law firm to re-evaluate rates, the District should consider using a less expensive engineering firm. Opportunities for facilities sharing appear to be limited.

Determination Richvale-6 (Cost Avoidance and Facilities Sharing):

The District generally utilizes appropriate cost avoidance measures, though consideration should be given to using an engineering firm to re-evaluate rates. Facilities sharing opportunities appear to be limited.

GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

A Board of Directors is responsible for overseeing the operations of the District. Directors are elected by the voters within the District according to the Uniform District Election Law. The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gary Stone</td>
<td>Chairman</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Greg Stephens</td>
<td>Secretary</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Dennis Thengvall</td>
<td>Treasurer</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>Audrey Stephens</td>
<td>Director</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Tom Warner</td>
<td>Director</td>
<td>Dec 2009</td>
</tr>
</tbody>
</table>

Each Board member receives $500 per year. The Board generally meets on the second Tuesday of each month at 8:00 a.m. at the Richvale Café. The Board is responsible for compliance with the provisions of the Brown Act and obtains legal advice from the Minasian law firm. Meeting announcements are posted at the District office and the Richvale Café. Generally no members of the public attend Board meetings, though there have been meetings with up to five people. The District indicated that it tries to comply with the Brown Act, but that it does not seek to involve the public in its meetings. The District does communicate in written form on a regular basis.
District officials noted that the current sphere of influence is appropriate for the services they provide, but in order for the community to grow, the District would need to expand its boundaries. The District is beginning a dialogue with the Butte LAFCo about a possible sphere of influence expansion to accommodate anticipated growth.

**Determination Richvale-7 (Government Structure and Local Accountability):**

*The District may not be maintaining sufficient accountability and compliance in its governance, and public meetings may not be being held in compliance with Brown Act requirements. Information regarding the District appears to be available to members of the public. The District must resolve the cease and desist order prior to expansion of its service area and sphere of influence.*

---

**MANAGEMENT EFFICIENCIES**

Management of the day-to-day operations of the wastewater treatment plant is contracted through a private firm, ECO Resources Inc., which also helps to inform the District of changing laws related to the provision of its services. The District does not have any permanent full time or part time budgeted positions available or currently filled. The District is subject to yearly audits and has adopted many of the recommendations from recent audits. With overall good financial and operational health, there do not appear to be any necessary structure changes necessary to ensure an efficient, long-term continuation of service provision by the District.

The District is working under a cease and desist order from the RWQCB related to excessive flows during wet weather, but is not paying any fines.

**Determination Richvale-8 (Management Efficiencies):**

*The current agreement with a private contractor appears efficient and appropriate given the nature of the service provided. The District has had action taken against it by regulatory agencies.*
Summary of Determinations

**Determination Richvale-1 (Growth):**

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

**Determination Richvale-2 (Wastewater Capacity):**

The District currently has the capacity to collect and treat the ADDW wastewater demand produced within its boundaries. However, the District’s permitted flow is exceeded during periods of wet weather.

**Determination Richvale-3 (Wastewater Facilities):**

The District’s collection system generally appears to be operating adequately, though there is an I/I problem during periods of wet weather that has resulted in a cease and desist order. The District is continuing its efforts to determine where I/I is impacting the system so that it can respond appropriately in an effort to have the cease and desist order lifted. The District’s pond treatment system is in good condition.

**Determination Richvale-4 (Wastewater Facilities Expansion/Upgrades):**

There are currently no specific plans for capacity expansion of the District’s collection or treatment system.

**Determination Richvale-5 (Financing and Rate Restructuring):**

Rates are sufficient to cover the cost of providing related services. Any expansion or upgrades of the treatment system will necessitate appropriate increases in rates to cover the costs of providing related services.

**Determination Richvale-6 (Cost Avoidance and Facilities Sharing):**

The District generally utilizes appropriate cost avoidance measures, though consideration should be given to using an engineering firm to re-evaluate rates. Facilities sharing opportunities appear to be limited.
**Determination Richvale-7 (Government Structure and Local Accountability):**

The District may not be maintaining sufficient accountability and compliance in its governance, and public meetings may not be being held in compliance with Brown Act requirements. Information regarding the District appears to be available to members of the public. The District must resolve the cease and desist order prior to expansion of its service area and sphere of influence.

**Determination Richvale-8 (Management Efficiencies):**

The current agreement with a private contractor appears efficient and appropriate given the nature of the service provided. The District has had action taken against it by regulatory agencies.
2.6 BUTTE CSAs

District Characteristics

The County Service Areas (CSAs) discussed in this report provide collection and treatment of domestic wastewater for small communities and subdivisions in various parts of Butte County, though they are mainly concentrated around the City of Chico (see Figure 2.6-1). The CSAs are overseen by the Butte County Department of Public Health (Division of Environmental Health) with administration by the County Department of Public Works.

| District Size: 543.6 acres (combined land area of subject CSAs) |
| Number of Parcels: Various (see below) |
| Office Location: 7 County Center Drive, Oroville, CA 95965 |
| Services: Wastewater collection and treatment |
| Employees: Not applicable |
| Date of Formation: Various (see below) |
| Enabling Legislation: Government Code Section 25210.1 et seq. |
**GROWTH AND INFRASTRUCTURE**

**Growth and Population**

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

The CSAs discussed in this report provide collection and treatment of domestic sewage and are overseen by the Butte County Department of Public Health (Division of Environmental Health) with administration by the County Department of Public Works. These CSAs are meant to serve a finite population and are not likely to expand. The size of each CSA in terms of number of parcels served is illustrated in Figure 2.6-2 below.

**Figure 2.6-2**
Relative Sizes of Butte County Service Areas

B. **Land Use/Significant Growth Areas**

All of these CSAs are designed to meet the wastewater flow needs of their existing service areas only, so they do not have additional capacity available to accommodate growth beyond the buildout of the service areas they were designed for.
Determination CSA-1 (Growth):

The CSAs are not expected to grow beyond the original designs of their wastewater systems.

Infrastructure

A. Capacity Analysis

None of these CSAs have their wastewater flow metered so their yearly collection volumes are not known, though the design flow capacity for each household is typically 300 gpd (gallons per day). The treatment capacity and permitted treatment volume varies with each CSA. No capacity issues were identified.

Determination CSA-2 (Wastewater Capacity):

The CSAs are capable of supporting the expected design buildout growth.

B. Facilities and Plans for Expansion/Upgrades

CSA 21 zone 1 – Oakridge Subdivision – Skansen

CSA 21 zone 1 is a gravity sewer system that serves 34 parcels. The flow in this system is diverted through collector piping to two ponds. This CSA’s system, which was built in January 1973 and relined in 1985, is meant to have a life span of 25 years. Therefore the system should be replaced within the next five years.

CSA 21 zone 2 – Oakridge Subdivision – The Bluffs at Spanish Gardens

CSA 21 zone 2 is a gravity sewer system that serves 23 parcels. This system consists of on-site septic tanks that are diverted through collector piping to a community leach field. This CSA’s system was built in January 1985 and is meant to have a life span of 25 years. Therefore the system should be replaced within the next five years.

CSA 21 zone 4 – Oakridge Subdivision – Rocky Bluffs

CSA 21 zone 4 is a gravity sewer system that serves 31 parcels. This system consists of STEPs to a dosing siphon to two bottomless sand/gravel filters. This CSA’s system was built in January 2000 and is meant to have a life span of 15 years. Therefore the system should be replaced within the next 10 years.

The combined land area of these three zones in CSA 21 is approximately 178.9 acres (see Figure 2.6-3).
Butte CSAs

CSA 82 – Stirling City

CSA 82 is a gravity sewer system that serves 94 parcels with a combined land area of approximately 90.2 acres (see Figure 2.6-4). This system consists of a gravity main that transports the flow to two concrete storage tanks. From these tanks the flow is diverted to three treatment ponds. This CSA’s system was rebuilt in January 2002 and is meant to have a life span of 25 years. Therefore the system should not need replacement for over 20 years.

CSA 94 – Sycamore Valley Subdivision

The CSA 94 sewer system serves 22 parcels with a combined land area of approximately 88.3 acres (see Figure 2.6-5). This system consists of on-site STEP septic tanks and a common leach field area. This CSA’s system was built in January 1992 and is meant to have a life span of 25 years. Therefore the system should not need replacement for over 10 years.

CSA 135 zone 2 – Keefer Creek Estates

The CSA 135 zone 2 sewer system serves 21 parcels. This system consists of STEPs to a dosing siphon to a gravel filter. The gravel filter drains to a community leach field. This CSA’s system was built in January 1996 and is meant to have a life span of 20 years. Therefore the system should not need replacement for over 10 years.

CSA 135 zone 4 – Keefer Creek Estates

The CSA 135 zone 4 sewer system serves four parcels. This system consists of on-site STEP septic tanks to a mound system. This CSA’s system was built in January 1996 and is meant to have a life span of 20 years. Therefore the system should not need replacement for over 10 years.

The combined land area of these two zones is approximately 37.6 acres (see Figure 2.6-6).

CSA 141 – Mountain Oaks Subdivision

CSA 141 serves 55 parcels with a combined land area of approximately 79.4 acres (see Figure 2.6-7). This system consists of STEPs to a dosing chamber. From the dosing chamber, the flow is diverted to a recirculating gravel filter then to a pond system and finally to an irrigation system. This CSA’s system was built in January 1996 and is meant to have a life span of 20 years. Therefore the system should not need replacement for over 10 years.

CSA 169 zone 1 – Pheasant Landing Subdivision

The CSA 169 zone 1 sewer system serves 17 parcels with a combined land area of approximately 69.2 acres (see Figure 2.6-8). This system consists of STEPs to individual sand filters. These sand filters then drain to shallow individual leach fields. This CSA’s system was built in 2002 and is meant to have a life span of 10-15 years. Therefore the system should not need replacement for over 10 years.
**Determination CSA-3 (Wastewater Facilities):**

The wastewater systems for the CSAs are all within their useful lifespan.

---

**Determination CSA-4 (Wastewater Facilities Expansion/Upgrades):**

The wastewater systems for CSA 21 zone 1 and zone 2 will need to be replaced by 2010. The timeframe for replacement of the remainder of the systems varies from 10 years to over 20 years.

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**FINANCING AND RATE RESTRUCTURING**

FY 2005-06 annual budgets for CSA 21 zones 1, 2, and 4; CSA 82; CSA 94; CSA 135 zones 2 and 4; CSA 141; and CSA 169 zone 1 were reviewed for this analysis. Financial audits are not conducted regularly on these accounts.

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. Proposition 218 may impact the ability of the different CSAs in generating sufficient revenue to maintain their levels of service and safe system operations.

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. County Public Works submits the CSA budgets to the County Auditor in August each year.

All FY 2005-06 budgets are balanced. Budgets for FYs ended 2002-04 generally show actual revenues exceeding expenditures. In the cases where actual expenditures exceeded revenues, rates were adjusted accordingly in the following year’s budget. Charges for services are the main source of revenue for these CSAs. Expenditures consist of charges for County Departments, Special Department expenses, auditor’s expenses, general services, and appropriations for contingencies. Yearly budgets are approved by the Board of Supervisors. Additionally, the rate structures are analyzed on a yearly basis by the Public Works Department.
**Determination CSA-5 (Financing and Rate Restructuring):**

*Rates generally cover the cost of providing related services. When expenditures exceed revenues, the rate structure is re-evaluated. Proposition 218 may impact the ability of the CSAs to generate sufficient revenues to maintain the systems in a safe manner and to maintain their levels of service.*

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**COST AVOIDANCE AND FACILITIES SHARING**

The CSAs have utilized grant opportunities as a cost avoidance measure. Specifically, CSA 82 received a Community Development Block Grant (CDBG). The County does not maintain any insurance on these systems, though individual homeowners associations may have their own insurance. Opportunities for facilities sharing appear to be limited.

**Determination CSA-6 (Cost Avoidance and Facilities Sharing):**

*The CSAs participate in grant opportunities as a cost avoidance measure. Other cost avoidance and facilities sharing opportunities appear to be limited.*

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**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

Butte County is governed by a five member Board of Supervisors. The County is divided into five supervisorial districts. The districts vary in size to provide for an equal distribution of the County’s population, not geographical size. Each district elects a Supervisor to represent that district on the County Board of Supervisors. Supervisors must be a resident of the district they represent at the time they are elected, and they must remain a resident of that district while in office.

The current Board of Supervisors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Connelly</td>
<td>District 1</td>
</tr>
<tr>
<td>Jane Dolan</td>
<td>District 2</td>
</tr>
<tr>
<td>Mary Anne Houx</td>
<td>District 3</td>
</tr>
<tr>
<td>Curt Josiassen</td>
<td>District 4</td>
</tr>
<tr>
<td>Kim Yamaguchi</td>
<td>District 5</td>
</tr>
</tbody>
</table>

Meetings are normally held the second and fourth Tuesday of the month at 9:00 a.m. Meetings are conducted in the Board of Supervisors Chambers located in the County Administration Building at 25 County Center Drive in Oroville. The agenda for each Board meeting is posted in
front of the County Administration Building at least 72 hours prior to each meeting. Agendas are usually posted at that location and on the County website by 4:00 p.m. on the Wednesday prior to the Tuesday meeting. Agendas are also available by mail and e-mail subscription. Past minutes are also posted on the County website. The County Counsel, who sits on all regularly scheduled meetings, is responsible for ensuring Board compliance with the Brown Act.

**Determination CSA-7 (Government Structure and Local Accountability):**

*The County 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 County activities, and information regarding the County is readily available to members of the public.*

**MANAGEMENT EFFICIENCIES**

The CSAs are regulated and administered by the Butte County Department of Public Health (Division of Environmental Health) and Department of Public Works, respectively. This multi-department management structure is potentially problematic and inefficient. Information with regard to the various aspects of each CSA as required for this report was not readily accessible. Actual oversight of the day-to-day operations of the CSAs is lacking.

With regard to the CSAs, the County has had no actions filed against it from any regulatory agencies within the last 10 years.

**Determination CSA-8 (Management Efficiencies):**

*Consideration should be given to reorganization of the overall management structure the County employs with respect to the CSAs. The County has had no actions taken against it from regulatory agencies in regard to the CSAs.*
### Summary of Determinations

**Determination CSA-1 (Growth):**

The CSAs are not expected to grow beyond the original designs of their wastewater systems.

**Determination CSA-2 (Wastewater Capacity):**

The CSAs are capable of supporting the expected design buildout growth.

**Determination CSA-3 (Wastewater Facilities):**

The wastewater systems for the CSAs are all within their useful lifespan.

**Determination CSA-4 (Wastewater Facilities Expansion/Upgrades):**

The wastewater systems for CSA 21 zone 1 and zone 2 will need to be replaced by 2010. The timeframe for replacement of the remainder of the systems varies from 10 years to over 20 years.

**Determination CSA-5 (Financing and Rate Restructuring):**

Rates generally cover the cost of providing related services. When expenditures exceed revenues, the rate structure is re-evaluated. Proposition 218 may impact the ability of the CSAs to generate sufficient revenues to maintain the systems in a safe manner and to maintain their levels of service.

**Determination CSA-6 (Cost Avoidance and Facilities Sharing):**

The CSAs participate in grant opportunities as a cost avoidance measure. Other cost avoidance and facilities sharing opportunities appear to be limited.
**Determination CSA-7 (Government Structure and Local Accountability):**

The County 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 County activities, and information regarding the County is readily available to members of the public.

---

**Determination CSA-8 (Management Efficiencies):**

Consideration should be given to reorganization of the overall management structure the County employs with respect to the CSAs. The County has had no actions taken against it from regulatory agencies in regard to the CSAs.
2.7 SEWERAGE COMMISSION - OROVILLE REGION

District Characteristics

The Sewerage Commission-Oroville Region (SC-OR) was formed from a Joint Powers Agreement made between the City of Oroville, the Lake Oroville Area Public Utility District (LOAPUD), and the Thermalito Irrigation District (TID), which are all located in the Oroville area (see Figure 2.7-1). In accordance with this agreement, SC-OR provides wastewater treatment and disposal services, and each member entity pays a quarterly sewer usage charge to cover the costs of providing related services.

<table>
<thead>
<tr>
<th><strong>District Size</strong>:</th>
<th>24,134 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2005 Estimated Population Served</strong>:</td>
<td>44,527</td>
</tr>
<tr>
<td><strong>Office Location</strong>:</td>
<td>2880 S. 5th Avenue, Oroville, CA 95965</td>
</tr>
<tr>
<td><strong>Services</strong>:</td>
<td>Wastewater treatment and disposal</td>
</tr>
<tr>
<td><strong>Employees</strong>:</td>
<td>8 full time</td>
</tr>
<tr>
<td><strong>Date of Formation</strong>:</td>
<td>1971</td>
</tr>
<tr>
<td><strong>Enabling Legislation</strong>:</td>
<td>Joint Powers Agreement</td>
</tr>
</tbody>
</table>
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)

SC-OR provides wastewater treatment services to the customers served by the three wastewater collection agencies in the Oroville area: LOAPUD, TID, and the City of Oroville, with a combined population of approximately 44,527. Figure 2.7-2 below illustrates the expected growth in population over the next 20 years. These projections assume a growth rate of 2.6% annually based on the growth rate for the City of Oroville as given by the Butte County Association of Governments.1

Figure 2.7-2

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>44,527</td>
</tr>
<tr>
<td>2010</td>
<td>50,624</td>
</tr>
<tr>
<td>2015</td>
<td>57,557</td>
</tr>
<tr>
<td>2020</td>
<td>65,439</td>
</tr>
<tr>
<td>2025</td>
<td>74,400</td>
</tr>
</tbody>
</table>

B. Land Use/Significant Growth Areas

The growth areas associated with SC-OR are the growth areas for the three wastewater collection agencies in the Joint Powers Agreement, which are addressed individually in Chapters 2.1, 2.4, and 2.8.

1 SC-OR’s growth rate is the same as the rate for the three service providers in the Joint Powers Agreement, which are all in the Oroville area and are therefore predicted to grow at a rate similar to the City of Oroville.
**Determination SC-OR-1 (Growth):**

The population within SC-OR’s service area will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

**Infrastructure**

A. Capacity Analysis

In 2004, SC-OR’s treatment plant discharged 1,162 MG (million gallons) of effluent to the Feather River. This corresponds to an ADDW (Average Daily Dry Weather) flow of 3.09 MGD (million gallons per day). Assuming a growth rate of 2.6%, this demand will reach approximately 5.16 MGD by the year 2025, as illustrated in Figure 2.7-3 below. The current treatment facility operated by SC-OR is capable of treating 6.5 MGD of wastewater, which corresponds to both the permitted discharge, as reported by the State Water Resources Control Board, and the hydraulic capacity for the facility.

![Figure 2.7-3
Projected Wastewater Demand 2005-2025](image-url)
The interceptor line has the capacity to transport the current wastewater flows from the three wastewater collection agencies. SC-OR is currently conducting a study to determine the reserve capacity of the interceptor line. SC-OR intends to identify any potential bottlenecks in the interceptor line and upgrade portions as necessary.

**Determination SC-OR-2 (Wastewater Capacity):**

The SC-OR treatment plant currently has the capacity to treat the wastewater associated with expected growth over the next 20 years, and the SC-OR interceptor line currently has the capacity to transport the wastewater collected by LOAPUD, TID, and the City of Oroville.

B. Facilities

The treatment facility operated by SC-OR is capable of treating 6.5 MGD of wastewater, which corresponds to both the permitted discharge and the hydraulic capacity for the facility. The facility was built in 1977 and has been kept in good condition. The interceptor line is approximately 28 years old and is also in good condition.

**Determination SC-OR-3 (Wastewater Facilities):**

The SC-OR interceptor line and treatment plant, which are less than 30 years old, are generally in good condition.

C. Plans for Expansion/Upgrades

There are currently no plans for capital improvements within SC-OR’s system. The plant has more than enough capacity to provide wastewater treatment for the wastewater collection agencies it currently serves over the next 20 years. SC-OR is currently conducting a study to determine the reserve capacity of the interceptor line. This study is being conducted over a two year period in two phases.

A study is planned beginning in January 2006 to determine if plant capacity can be increased by changing the aeration system. Even though the plant is running at approximately 52% of capacity, due to the four or five year years it typically takes to plan and implement plant capacity improvements, SC-OR follows good engineering practice by using the 75/95 rule. Specifically, when dry weather flow and or loadings approach 75% of design capacity, SC-OR would start designing plant capacity upgrades. When flows reach 95%, those upgrades should already be on-line. As such, SC-OR is within approximately 23% of starting the planning phase for plant capacity improvements.
Determination SC-OR-4 (Wastewater Facilities Expansion/Upgrades):

There are no current plans for capacity expansion of SC-OR’s treatment plant. A study is currently being conducted to identify any potential bottlenecks in the interceptor line, which will be upgraded as necessary to ensure the system remains adequate to accommodate the wastewater associated with expected growth.

FINANCING AND RATE RESTRUCTURING

Annual audit reports and financial statements for FYs ended 2002-04 and the FY 2005-06 budget were reviewed in accordance with LAFCo’s 2003 MSR Guidelines. The purpose of this review is to determine fiscal viability, suitability of current funding practices, and potential fiscal impacts resulting from new legislation.

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. SC-OR officials noted that Proposition 218 is not applicable as SC-OR has no authority to assess property taxes.

The FY 2003-04 annual audit noted no material weaknesses in 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 2003-04, SC-OR’s net assets totaled $17,641,676. Net assets were comprised of current assets (cash on hand, receivables, inventory, prepaid expenses, and deposits) totaling $4,511,404 and capital assets (land, property rights, buildings and structures, vehicles and equipment) totaling $12,099,887. Total liabilities were comprised of accounts payable and post employment insurance, which totaled $17,641,676. All debt was repaid as of 2001; SC-OR has no other bonds or outstanding debts.

SC-OR invests idle cash with the Local Agency Investment Fund for the purpose of increasing investment income.

The fee structure is established by Resolution 04-05 and 05-05. Resolution 04-05 establishes a monthly sewer service charge of $6.10 per month. Resolution 05-05 establishes the septage processing charges which are as follows: $71.52/1,000 U.S. gallons for septage within the SC-OR service area; and $83.55/1,000 U.S. gallons for septage within the SC-OR sphere of influence but outside the service area.²

² SC-OR’s service area is defined as that area within the contiguous boundaries of its three member entities. SC-OR’s sphere of influence is a much larger area, extending to the Butte/Plumas county line to the east and, including TID’s sphere of influence, extending to Hwy. 99 to the west and Hwy. 149 to the north. SC-OR’s sphere of influence southern boundary extends east from Hwy. 99 beginning at the southwest corner of the Thermalito Afterbay then southeast to Hwy. 70 at Power House Hill Road then east.
The budget for FY 2005-06 notes a suggested increase in the fee structure for the following fiscal year, to fund an additional operator position which is necessary given existing manpower shortages, and new regulations governing how operators can be used in day-to-day operations.

**Determination SC-OR-5 (Financing and Rate Restructuring):**

*Current sewer service charges combined with income from other sources are adequate to cover the current costs of providing services. Should operating staff be increased in the future, a corollary sewer service rate increase will be necessary to maintain fiscal viability.*

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**COST AVOIDANCE AND FACILITIES SHARING**

SC-OR is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. SC-OR maintains insurance coverage through the Special Districts Risk Management Authority (SDRMA), which is a public entity risk pool that operates as an intergovernmental risk sharing Joint Powers Authority for special districts and Joint Powers Authorities throughout California. SC-OR pays annual premiums to SDRMA for liability, property, and comprehensive and collision insurance.

SC-OR was formed under a Joint Powers Agreement with the City of Oroville, LOAPUD, and TID. SC-OR was created to operate a sewage treatment plant for the mutual advantage of the member entities; thus SC-OR’s operating and capital budget are funded by user charges for sewage treatment services which are collected and remitted by each member entity to SC-OR. All future funding of improvements is funded by SC-OR connection fees collected by LOAPUD, TID, and the City of Oroville. Other opportunities for facilities sharing appear to be limited.

Given the large cost of capital improvements, a careful planning process is a crucial means of cost avoidance. Budgetary projections for a five year forecast from 2005-2010 include operations and maintenance considerations. SC-OR shares information with the City of Oroville, TID, LOAPUD, and the County Public Works Department; these entities are developing a common building standard for sewer facilities. Other cost avoidance measures include the use of solar energy, which covers 50% of the plant’s energy costs, sharing training with LOAPUD and the City of Oroville, and utilizing staff members for a variety of tasks associated with the operation and maintenance of the plant. No grant money is currently used or sought.

**Determination SC-OR-6 (Cost Avoidance and Facilities Sharing):**

*SC-OR appears to utilize appropriate cost avoidance opportunities. Facilities sharing opportunities appear to be limited. As costs associated with the maintenance of SC-OR’s facilities increase over time, seeking grant opportunities would be an appropriate measure to help reduce the cost of infrastructure replacement.*
GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

A six member Board of Commissioners serves as the decision making authority for SC-OR. Commissioners are appointed by the three member entities of SC-OR. The current Board is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gordon Andoe</td>
<td>Nov 2006</td>
</tr>
<tr>
<td>T.C. Dennis</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Keith Fraser</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Ernest Reynolds</td>
<td>Nov 2006</td>
</tr>
<tr>
<td>Allen Simpson</td>
<td>Nov 2006</td>
</tr>
<tr>
<td>Edgar Thompson</td>
<td>Nov 2006</td>
</tr>
</tbody>
</table>

Monthly compensation for the Commissioners is $250.00. The Board meets on the fourth Wednesday of each month at 5:00 p.m. in the SC-OR Board Room at 2880 S. 5th Avenue in Oroville. SC-OR appears to comply with all applicable provisions of the Brown Act, including noticing meetings the Friday prior to their occurrence at each member entity. On average, five to 10 members of the public attend the regularly scheduled meetings annually. SC-OR ensures compliance with changing laws related to the provision of its service through professional organizations, trade publications, list-serves, websites, network contacts, and the State Water Resources Control Board.

The SC-OR service area was formed by annexations from its member entities; therefore SC-OR does not have control or an opinion on the suitability of the current boundary for the provision of services.

**Determination SC-OR-7 (Government Structure and Local Accountability):**

*SC-OR is governed by representatives appointed from its member entities. SC-OR holds meetings which are open and accessible to the public. SC-OR maintains accountability and compliance in its governance, and public meetings appear to be held in compliance with Brown Act requirements. SC-OR’s service area and sphere of influence are tied directly to those of its member entities and will thus be directly affected by any changes involving expansion or reorganization.*

MANAGEMENT EFFICIENCIES

The SC-OR Board of Commissioners appoints a Manager/Superintendent, who oversees a staff of seven other full time employees. The ratio of managers to workers is appropriate; SC-OR is not top heavy in managers. SC-OR has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, relationships with other agencies, and the like.
The management structure of SC-OR is relatively simple and is well suited to the type of operations undertaken by SC-OR. No alternative structures or reorganizations of staff would result in more efficient operations, and the existing structure is considered appropriate.

SC-OR has had no actions filed against it from any regulatory agencies within the last 10 years.

**Determination SC-OR-8 (Management Efficiencies):**

*The overall management structure of SC-OR is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. SC-OR currently participates in appropriate Joint Powers Agreements, and has had no actions taken against it from regulatory agencies.*
Summary of Determinations

**Determination SC-OR-1 (Growth):**

The population within SC-OR’s service area will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

**Determination SC-OR-2 (Wastewater Capacity):**

The SC-OR treatment plant currently has the capacity to treat the wastewater associated with expected growth over the next 20 years, and the SC-OR interceptor line currently has the capacity to transport the wastewater collected by LOAPUD, TID, and the City of Oroville.

**Determination SC-OR-3 (Wastewater Facilities):**

The SC-OR interceptor line and treatment plant, which are less than 30 years old, are generally in good condition.

**Determination SC-OR-4 (Wastewater Facilities Expansion/Upgrades):**

There are no current plans for capacity expansion of SC-OR’s treatment plant. A study is currently being conducted to identify any potential bottlenecks in the interceptor line, which will be upgraded as necessary to ensure the system remains adequate to accommodate the wastewater associated with expected growth.

**Determination SC-OR-5 (Financing and Rate Restructuring):**

Current sewer service charges combined with income from other sources are adequate to cover the current costs of providing services. Should operating staff be increased in the future, a corollary sewer service rate increase will be necessary to maintain fiscal viability.

**Determination SC-OR-6 (Cost Avoidance and Facilities Sharing):**

SC-OR appears to utilize appropriate cost avoidance opportunities. Facilities sharing opportunities appear to be limited. As costs associated with the maintenance of SC-OR’s facilities increase over time, seeking grant opportunities would be an appropriate measure to help reduce the cost of infrastructure replacement.
**Determination SC-OR-7 (Government Structure and Local Accountability):**

SC-OR is governed by representatives appointed from its member entities. SC-OR holds meetings which are open and accessible to the public. SC-OR maintains accountability and compliance in its governance, and public meetings appear to be held in compliance with Brown Act requirements. SC-OR’s service area and sphere of influence are tied directly to those of its member entities and will thus be directly affected by any changes involving expansion or reorganization.

**Determination SC-OR-8 (Management Efficiencies):**

The overall management structure of SC-OR is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. SC-OR currently participates in appropriate Joint Powers Agreements, and has had no actions taken against it from regulatory agencies.
2.8 THERMALITO IRRIGATION DISTRICT

District Characteristics

The Thermalito Irrigation District (TID/District), which is located west of the City of Oroville (see Figure 2.8-1), provides domestic water and wastewater collection services to customers in the City of Oroville and adjacent unincorporated areas of Butte County.

The District is one-third of a Joint Powers Agreement. The City of Oroville and Lake Oroville Area Public Utilities District (LOAPUD) are the other two entities in the agreement, with the Sewerage Commission – Oroville Region (SC-OR) handling the wastewater treatment and disposal.

<table>
<thead>
<tr>
<th>District Size: 14,538 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Estimated Population Served: 9,140</td>
</tr>
<tr>
<td>Office Location: 410 Grand Avenue, Oroville, CA 95965</td>
</tr>
<tr>
<td>Services: Domestic water and wastewater collection</td>
</tr>
<tr>
<td>Employees: 10 full time</td>
</tr>
<tr>
<td>Date of Formation: 1922</td>
</tr>
<tr>
<td>Enabling Legislation: California Water Code, Division 11, §20500 et seq.</td>
</tr>
</tbody>
</table>
GROWTH AND INFRASTRUCTURE

Growth and Population

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

The District serves a population of approximately 9,140 people. Approximately one-third of these customers are in the City of Oroville, with the remainder in nearby unincorporated areas of Butte County. The expected population growth in the District has been projected to the year 2025 (see Figure 2.8-2). These projections assume a growth rate of 2.6%, which corresponds to the projected growth in the City of Oroville as given by the Butte County Association of Governments.¹

B. Land Use/Significant Growth Areas

The District is expecting growth westward along Highway 162 to Highway 99. Multiple large subdivision developments are proposed and under construction on the west side of the Oroville Municipal Airport. The airport is within the District’s service area, but the area between the Thermalito Afterbay and the airport is outside TID’s service area. Significant additional growth is anticipated north of the Thermalito Diversion Canal within the District’s service area in an unincorporated area of the County.

¹ Much of TID’s service area is within the City of Oroville’s boundary. Some areas are outside the City’s boundary, but they are close enough to the City that they can be expected to grow at a similar rate.
**Determination TID-1 (Growth):**

The population within the District will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

---

**Water Services**

A. Quantity

The District currently provides water services to approximately 2,700 municipal and residential customers. Total annual water consumption is currently 2,800 AF (acre-feet), with approximately 95% of the customers being residential. This demand is expected to grow as illustrated in Figure 2.8-3 below. The projections in this figure were provided by TID and are based upon historical growth and usage data, which are actually higher than the expected 2.6% population growth rate since they factor in commercial usage. The projected annual demand for water services using this growth model will be approximately 5,665 AF in 2025.

![Figure 2.8-3](image)

The District has water rights allowing for the diversion of 8,200 AF annually for storage (see Table 2.8-1 below).
Table 2.8-1
Thermalito Irrigation District Water Rights

<table>
<thead>
<tr>
<th>Application ID</th>
<th>Filing Date</th>
<th>Diversion Rate (ft³/sec)</th>
<th>Storage (acre-feet)</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>A001739</td>
<td>MAR 25, 1920</td>
<td>0</td>
<td>8,200</td>
<td>BUTTE</td>
</tr>
</tbody>
</table>

Even in the driest years the watershed has always replenished the reservoir to spill, thus these water rights do not change. This supply is approximately three times the current annual demand. The District’s water treatment plant has a capacity of 6 MGD (million gallons per day). Under normal conditions, this is sufficient to meet the current demand. However, the maximum day demand is approximately 5 MGD, near the current treatment capacity. Therefore the plant is currently being expanded to a capacity of 10 MGD. The design of this expansion will allow for a future addition of 10 MGD, bringing the future capacity of the plant to 20 MGD. The design of these expansions is underway and is being handled by Gilmore Engineering. An approximate timeline for these expansions is given below in Figure 2.8-4.

Figure 2.8-4
Treatment Plant Capacity with Planned Expansions

![Graph showing treatment plant capacity with planned expansions]

**Determination TID-2 (Water Quantity):**

*The District has secured water rights to 8,200 AF annually and the annual demand is currently 2,800 AF. As TID’s water supply is sufficient to meet the demand, the factor limiting growth in the District is the treatment plant’s capacity of 6 MGD. The planned expansions of the District’s treatment plant will allow the District to maintain service during periods of maximum demand and to accommodate expected growth.*
The District’s water supply is provided primarily from the Concow Lake (Wilnore Reservoir). The backup supply for TID is provided by five wells, which are capable of drawing up to 3 MGD when needed. These wells, which have an average depth of 200 feet, are sufficient for winter demand, but the maximum summer flows would be compromised.

The District has 3.5 MG (million gallons) of treated storage capacity to provide pressure to the system and prevent water shortages during periods of high demand. One reservoir is a 2.5 MG distribution reservoir on the lower flanks of Table Mountain. There is also a 1 MG clearwell within the system. This storage, in addition to the five wells, provides a significant level of backup that can support the maximum demand in the District for a short period of time. There are plans to add an additional 1 MG storage tank at a higher elevation on Table Mountain. The addition of more wells or more storage would provide a satisfactory backup in the event that surface water becomes temporarily unavailable or unusable.

**Determination TID-3 (Water Storage):**

The District has five wells that are capable of producing 3 MGD when needed and has 3.5 MG of treated storage capacity. More wells should be constructed to ensure the timely delivery of water in the event that the surface water supply becomes temporarily unavailable due to water quality or infrastructure deficiencies.

**B. Quality**

The District has good quality raw water supplies. Water is delivered to the treatment plant by a 48-inch main taped to the State Powers Canal. The plant is classified as an in-line pressure filtration treatment plant. In this process, coagulants are injected into the water prior to filtration. The water is also exposed to chlorine before the filtration process for disinfection. The water is then passed through a dual media pressure filtration system. This process requires a significant amount of backwash when the water being treated has a high level of turbidity. Turbidity averages 1 NTU (nephelometric turbidity unit) during the summer. In the winter, turbidity ranges from 1 – 5 NTU. High turbidity requires a significant amount of backwash to be run through the treatment plant, thereby impacting the efficiency of the plant. In times of high turbidity, such as after a storm, the District’s treatment plant has been shut down and the system’s demand met by groundwater produced from the five wells. While this has worked in the past, the wells are not capable of sustaining the current maximum demand within the District. One solution to this would be the construction of more wells within the system. However, according to the preliminary design report for the expansion of the treatment plant, a new treatment method will be introduced with the expansion, with the most likely candidate being micro-filtration. This method will require much less backwash when treating water with high turbidity, thus making it reasonable to utilize surface water, even in cases of high turbidity.
**Determination TID-4 (Water Quality):**

The District’s water quality can be characterized as good. Turbidity in the District’s surface water increases during winter storm events. Since the treatment plant is not efficient in cases of high turbidity, well water is currently used to provide the water supply at these times, which ensures good water quality. If the treatment plant expansion is accompanied by a switch to micro-filtration, high turbidity events should not require complete shutdowns of the plant.

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**C. Facilities**

The District has approximately 50 miles of water distribution pipe, 5.5 miles of which is steel pipe that ranges in age from 27 to 65 years. The oldest of this pipe is the 24-inch main that runs from the 2.5 MG storage reservoir on the lower flanks of Table Mountain to the treatment facility. These aging pipelines are to be replaced in phases. The first phase of this rehabilitation will be the replacement of the steel 24-inch main that runs from the storage reservoir to the treatment facility. This will take place in the winter of 2005-2006. The remaining pipeline will be replaced after the completion of this phase.

The District’s treatment plant will be expanded in two phases to accommodate the anticipated increase in demand. This expansion is outlined in the preliminary design report for the expansion provided by Gilmore Engineering. The first phase, a 4 MGD expansion of the plant, is scheduled to begin in the winter of 2005-2006. The second phase is a 10 MGD expansion that will take place within the next 10 years. The current treatment system in the plant meets all State health requirements; however, anticipated changes in water quality requirements will require the plant to convert to a different system (likely to be micro-filtration). This conversion will take place as part of the expansions to the treatment plant.

**Determination TID-5 (Water Facilities):**

Currently the District’s facilities are adequate to meet the demand; however, they do not have the capacity to support the anticipated future growth. The planned treatment plant expansion will provide the necessary capacity to serve the District in the future.

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**Wastewater Services**

**A. Capacity Analysis**

The District currently provides wastewater collection services to approximately 2,017 customers. The ADDW (Average Daily Dry Weather) wastewater flows are approximately 0.37 MGD as reported by SC-OR. This is expected to grow to 0.67 MGD within the next 20 years based on the population growth rate of 2.6%. The growth of this demand is illustrated below in Figure 2.8-5.
The District’s collection system discharges into the SC-OR interceptor pipeline and is treated at the SC-OR treatment plant. This system has no significant capacity issues at this time. Significant developments are required to submit plans and may be required by the District to provide detailed sewer capacity studies during the permitting process. These developments may be required to upgrade the existing collection system downstream if additional capacity is required.

The SC-OR treatment plant provides treatment for District wastewater and the plant currently has capacity to handle the expected growth for this area for the time frame considered in this document.²

**Determination TID-6 (Wastewater Capacity):**

The District’s collection system currently has no significant capacity issues and the SC-OR treatment plant currently has the capacity to treat the wastewater associated with the expected growth. Future demand capacity requirements are ensured by District oversight during the permitting process for significant developments.

B. Facilities

The District’s collection system consists of approximately 40 miles of sewer pipe with approximately 560 manholes. The collection system was put into service in 1975 with about 80 to 90% of the current system in service at that time. The pipe installed at that time was asbestos cement pipe, which has a life expectancy of up to 100 years. The collection system is generally

² Please see Chapter 2.7 for detailed information on SC-OR’s treatment plant.
in good condition with the exception of minor root intrusion and infiltration issues in isolated areas. These areas were identified by District staff as a single minor line spanning a length of approximately 350 feet near Middlehoff Lane and Cabana Drive. Observation through the use of a camera has confirmed the infiltration of roots into most of the joints along this line. These roots are currently being treated with a product known as “Root-X.” There have not been any major collection system expansions since the system went into service, but there have been some small expansions associated with developments.

**Determination TID-7 (Wastewater Facilities):**

*The District’s collection system is about 30 years old and is generally in good condition. There have been some isolated problems with root infiltration, but they have not had a significant impact on the capacity of the system and are currently being resolved.*

C. Plans for Expansion/Upgrades

There are currently no known plans for capacity related capital improvements within the District’s collection system. The District is planning to purchase a camera truck to help identify pipes in need of replacement. There is a $60,000 pipeline replacement fund set aside this year for replacement of damaged pipes in the system.

**Determination TID-8 (Wastewater Facilities Expansion/Upgrades):**

*There are no current plans for capacity expansion of the District's collection system.*

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**FINANCING AND RATE RESTRUCTURING**

Financial statements with independent auditor’s reports for FYs ended 2002-04 for the District were 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. The District is subject to yearly County audits; however, for the last several years, a final budget has not been submitted to the County.

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 a minimal impact on the ability of the District to finance its operations.
The District has two proprietary funds: water and sewer. In FY ended 2004, the District maintained $7,861,959 in net assets and $1,741,591 in net liabilities. Major sources of funding included water sales and sewer services. Major sources of expenditures included employer wages and fringe benefits, electricity charges, water treatment chemicals, treatment plant and distribution costs, system maintenance and repair, sewer equipment maintenance and repair, vehicle repair and fuel, and other miscellaneous expenses. The operating revenue fund for water services totaled $1,483,718; water sales and services accounted for $1,377,716 (93% of total operating revenues). The operating expense fund for water service totaled $1,244,305. Water fund net assets for FY 2003-04 totaled $4,244,808. The operating revenue fund for sewer services totaled $461,433; sewer use sales and services constituted 100% of this fund. The operating expense fund for sewer service totaled $414,784; net assets for FY 2003-04 totaled $1,875,560.

The District is currently paying off long term debt to La Salle National Bank, the U.S. Bank of California, and GMAC. Total long term debt was $1,536,175 as of FY 2003-04.

The FY 2003-04 annual audit noted that the District was financially sound and that retained earnings for the past 10 years had averaged $250,000 per annum. As of FY 2003-04, rates (see Tables 2.8-2, 2.8-3 and 2.8-4) were reflective of the cost of providing services. The FY 2005-06 sewer and water budgets calculate a net loss of $280,000 and $688,091, respectively. Rates will need to be adjusted to cover the costs of providing services. A fee study is currently in progress, and annual fees will be automatically increased based on the Cost of Living Index.

### Table 2.8-2

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Zone A</th>
<th>Zone B</th>
</tr>
</thead>
<tbody>
<tr>
<td>¾ inch</td>
<td>$5,655.00</td>
<td>$6,055.00</td>
</tr>
<tr>
<td>1 inch</td>
<td>$7,105.00</td>
<td>$7,505.00</td>
</tr>
<tr>
<td>1 ½ inch</td>
<td>$9,820.00</td>
<td>$10,220.00</td>
</tr>
<tr>
<td>2 inch</td>
<td>$18,545.00</td>
<td>$18,945.00</td>
</tr>
<tr>
<td>3 inch</td>
<td>$30,084.00</td>
<td>$30,484.00</td>
</tr>
<tr>
<td>4 inch</td>
<td>$44,084.00</td>
<td>$44,484.00</td>
</tr>
<tr>
<td>6 inch</td>
<td>$72,084.00</td>
<td>$72,484.00</td>
</tr>
</tbody>
</table>

2. Price includes $20.00 processing fee plus shut-off valve fee. Extension fees on some properties. Road crossing fees on some properties.
Table 2.8-3
Sewer Connection Fees$^{1,2}$

<table>
<thead>
<tr>
<th></th>
<th>Zone A</th>
<th>Zone B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee</td>
<td>$3,982.00</td>
<td>$4,082.00</td>
</tr>
<tr>
<td>Permit</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$4,032.00</strong></td>
<td><strong>$4,132.00</strong></td>
</tr>
<tr>
<td>Lateral</td>
<td>$125.00</td>
<td>$125.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,157.00</strong></td>
<td><strong>$4,257.00</strong></td>
</tr>
</tbody>
</table>

$^{1}$ Effective October 19, 2005.
$^{2}$ Extension fees on some properties.

Table 2.8-4
Monthly Rates

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Minimum Monthly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>¾ inch</td>
<td>$17.60</td>
</tr>
<tr>
<td>1 inch</td>
<td>$20.02</td>
</tr>
<tr>
<td>1 ½ inch</td>
<td>$25.52</td>
</tr>
<tr>
<td>2 inch</td>
<td>$31.68</td>
</tr>
<tr>
<td>3 inch</td>
<td>$71.50</td>
</tr>
<tr>
<td>4 inch</td>
<td>$93.50</td>
</tr>
<tr>
<td>6 inch</td>
<td>$165.00</td>
</tr>
</tbody>
</table>

Rates charged by the District are significantly cheaper in comparison with rates charged by Cal Water Oroville (see Chapter 2.18 for detailed information on Cal Water Oroville’s rate structure).

**Determination TID-9 (Financing and Rate Restructuring):**

Historically the District has operated in a fiscally sound manner. Implementation of the CIP will necessitate appropriate increases in the water and sewer fee schedules to cover the costs of providing related services. For the last several years, the District has been 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 the purchase of medical insurance, dental insurance, and a pooled insurance program through Butte County.

The District, LOAPUD, and the City of Oroville formed a Joint Powers Agreement and created SC-OR. SC-OR was created to operate a sewage treatment plant for the mutual advantage of the member entities; thus SC-OR’s operating and capital budget are funded by user charges for
sewage treatment services which are collected and remitted by each member entity to SC-OR. All future funding of SC-OR improvements is funded by SC-OR connection fees collected by the District, LOAPUD, and the City of Oroville.

Given the large cost of capital improvements, a careful planning process is a crucial means of cost avoidance. The District is abiding by a seven year capital expenditure plan, which includes replacing the chlorine gas system with a chlorine generation system, a 4 MG plant expansion, and a pipeline replacement program. The District shares information with the City of Oroville, SC-OR, LOAPUD, and the County Public Works Department; these entities are developing a common building standard for sewer facilities. Additionally, the District has proposed developing a common water building standard with the Paradise Irrigation District and the South Feather Water and Power Agency.

The District’s wastewater collection system has two interconnects with the City of Oroville. These interconnects allow the City of Oroville to transport a portion of its flows to the SC-OR treatment plant via the District’s sewer mains. Currently, the City of Oroville is not paying for the capacity used in these pipelines.

**Determination TID-10 (Cost Avoidance and Facilities Sharing):**

The District currently participates in a variety of cost avoidance and facilities sharing opportunities. Other opportunities for cost avoidance that should be considered include implementing a solar program to reduce electricity costs.

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**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

The District is run by a five member Board of Directors that serves as the decision-making authority. Each director must be a voter and freeholder of the District and a resident of the division which he represents at the time of his nomination and during his term and shall be elected by voters who are residents of the District. The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bradley Taggart</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Gary Allen</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Edgar Thompson</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Stanley Huston</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Ernie Reynolds</td>
<td>Dec 2006</td>
</tr>
</tbody>
</table>

Board members receive $300 per Board meeting, which are held on the third Tuesday of each month at 7:00 p.m. at the District office at 410 Grand Avenue in Oroville. Meeting agendas are posted one week ahead of time at the District office; past minutes are kept on file at the District office. The District posts meeting agendas to encourage the public to attend; on average zero to three members of the public attend the monthly meetings. The District’s legal counsel, who sits
on all regularly scheduled meetings, is responsible for ensuring District compliance with the Brown Act, new laws pertaining to the provision of related services, and the District’s governing codes in consultation with the General Manager. A mission statement is currently under development.

The District is looking to expand its service area boundary to annex acreage currently being proposed for development. However, District officials feel that the District’s existing sphere of influence is appropriate for the services it provides. The areas to the north, northeast and west of the current sphere of influence are the areas that the District’s sphere of influence could be expanded to encompass if necessary. The areas immediately to the southeast of the District’s sphere of influence are currently being served by Cal Water Oroville and SFWPA for water services, and LOAPUD and the City of Oroville for wastewater collection services. Therefore, the District’s boundaries will not cross the South Feather River.

Consideration should be given to reorganization of sphere boundaries for several reasons, including but not necessarily limited to, the following: 1) the District has two wastewater collection system interconnects with the City of Oroville; 2) the areas immediately to the southeast of the District are currently served by two domestic water providers and two wastewater collection providers; 3) much of the District’s service area is within the City of Oroville’s boundaries; 4) land east of Highway 70 and north of the Feather River receives wastewater collection service from the City of Oroville and water from the District; and 5) within the District’s service area, a small residential area east of Table Mountain Boulevard known as Rancho Golden is provided water by Cal Water Oroville and wastewater collection by the City of Oroville.

**Determination TID-11 (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. Consideration should be given to reorganization of sphere boundaries.

**MANAGEMENT EFFICIENCIES**

The District is under new management. The Board of Directors appoints a General Manager to oversee a staff of nine other full time employees and one seasonal employee. The ratio of managers to workers is appropriate; the District is not top heavy in managers. The District has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, relationships with other agencies, and the like. The District is subject to yearly audits and has accomplished all recommendations from recent audits and management letters.
The management structure of the District is relatively simple and is well suited to the type of operations undertaken by the District; the linear management structure ensures reportability and accountability. No alternative structures or reorganizations of the staff would result in more efficient operations, and the existing structure is considered appropriate for the District.

The District has had no actions filed against it from any regulatory agencies within the last 10 years.

**Determination TID-12 (Management Efficiencies):**

The overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The District currently participates in appropriate Joint Powers Agreements, and has had no actions taken against it from regulatory agencies.
**Summary of Determinations**

**Determination TID-1 (Growth):**

The population within the District will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

<table>
<thead>
<tr>
<th><strong>Determination TID-2 (Water Quantity):</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The District has secured water rights to 8,200 AF annually and the annual demand is currently 2,800 AF. As TID’s water supply is sufficient to meet the demand, the factor limiting growth in the District is the treatment plant’s capacity of 6 MGD. The planned expansions of the District’s treatment plant will allow the District to maintain service during periods of maximum demand and to accommodate expected growth.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Determination TID-3 (Water Storage):</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The District has five wells that are capable of producing 3 MGD when needed and has 3.5 MG of treated storage capacity. More wells should be constructed to ensure the timely delivery of water in the event that the surface water supply becomes temporarily unavailable due to water quality or infrastructure deficiencies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Determination TID-4 (Water Quality):</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The District’s water quality can be characterized as good. Turbidity in the District’s surface water increases during winter storm events. Since the treatment plant is not efficient in cases of high turbidity, well water is currently used to provide the water supply at these times, which ensures good water quality. If the treatment plant expansion is accompanied by a switch to micro-filtration, high turbidity events should not require complete shutdowns of the plant.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Determination TID-5 (Water Facilities):</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently the District’s facilities are adequate to meet the demand; however, they do not have the capacity to support the anticipated future growth. The planned treatment plant expansion will provide the necessary capacity to serve the District in the future.</td>
</tr>
</tbody>
</table>
Determination TID-6 (Wastewater Capacity):

The District’s collection system currently has no significant capacity issues and the SC-OR treatment plant currently has the capacity to treat the wastewater associated with the expected growth. Future demand capacity requirements are ensured by District oversight during the permitting process for significant developments.

Determination TID-7 (Wastewater Facilities):

The District’s collection system is about 30 years old and is generally in good condition. There have been some isolated problems with root infiltration, but they have not had a significant impact on the capacity of the system and are currently being resolved.

Determination TID-8 (Wastewater Facilities Expansion/Upgrades):

There are no current plans for capacity expansion of the District’s collection system.

Determination TID-9 (Financing and Rate Restructuring):

Historically the District has operated in a fiscally sound manner. Implementation of the CIP will necessitate appropriate increases in the water and sewer fee schedules to cover the costs of providing related services. For the last several years, the District has been in noncompliance with Government Code Section 53901.

Determination TID-10 (Cost Avoidance and Facilities Sharing):

The District currently participates in a variety of cost avoidance and facilities sharing opportunities. Other opportunities for cost avoidance that should be considered include implementing a solar program to reduce electricity costs.

Determination TID-11 (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. Consideration should be given to reorganization of sphere boundaries.
**Determination TID-12 (Management Efficiencies):**

The overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The District currently participates in appropriate Joint Powers Agreements, and has had no actions taken against it from regulatory agencies.
2.9 CITY OF GRIDLEY

City Characteristics

The City of Gridley (City), which is located in southwestern Butte County (see Figure 2.9-1), is a General Law City that was founded in 1905. The City provides a variety of services to its residents including fire and police protection, planning services, animal control, and public works. The Public Works Department oversees a number of responsibilities including water and sewer utilities. The City maintains the water system and oversees production, storage, and distribution. Additionally, the City maintains a sewage treatment facility and oversees related maintenance and operation.

City Size: 1,380 acres
2005 Estimated Population: 5,730
Office Location: 685 Kentucky Street, Gridley, CA 95948
Services: Domestic water, wastewater collection and treatment
Employees: 51 full time, 20 part time (all City employees, not just those related to domestic water, wastewater collection and treatment)
Date of Formation: 1905
Enabling Legislation: General Law City
Growth and Population

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

The City currently provides water and wastewater services to approximately 2,027 municipal, commercial and residential customers, comprising a population of approximately 5,730 people. The majority of the connections in the City belong to residential users. Figure 2.9-2 below illustrates the projected population growth in the City. Though the City has indicated that the growth rate is probably understated, the growth rate used in these projections was 1.5%, which corresponds to the growth rate projected by the Butte County Association of Governments (BCAG) for the City as well as the growth rate given by the City in their survey response.

![Projected Population Growth 2005–2025](image)

B. Land Use/Significant Growth Areas

The area is slowly growing, with the majority of the growth expected to occur to the north of the City and to the south of the City of Biggs. This area has been declared an Area of Concern by the Butte LAFCo.
**Determination Gridley-1 (Growth):**

The population of the City will continue to grow at a rate of approximately 1.5% annually for the foreseeable future.

---

**Water Services**

A. Quantity

The City pumped 527.39 MG (million gallons) in 2004; metered water deliveries totaled 485.81 MG. The maximum day demand peaked at about 2,500 gpm (gallons per minute). The existing wells within the system are capable of pumping approximately 6,280 gpm. Figure 2.9-3 below illustrates the expected growth in water demand as well as the required source capacity associated with the demand (see discussion below). The growth trend is based upon the growth rate of 1.5% projected by the BCAG for the City.

![Figure 2.9-3](image)

**Determination Gridley-2 (Water Quantity):**

The City has adequate pumping capacity to meet the current demands for water.

The City does not have any storage facilities in use. As the demand increases from day to day, additional wells are put into service to handle the additional load. The Office of Drinking Water Standards (Chapter 16, California Water Works Standards, Section 64564 of Title 22 of the California Statutes) states that a water delivery system without storage should be capable of...
providing 2.5 times the maximum day demand. As the existing wells within the system are capable of pumping approximately 6,280 gpm, the City’s system provides just over 2.5 times the current maximum demand, and therefore is sufficient to meet the current demand. As the City continues to grow, however, additional wells will need to be constructed to provide adequate pumping capacity for a water system with no storage. According to the Butte County Urban Water Inventory and Analysis, a report prepared for Butte County by Camp Dresser & McKee, the groundwater in the Biggs-Gridley area is sufficient enough that drilling additional wells to meet demand does not significantly impact the resources.

**Determination Gridley-3 (Water Storage):**

*Since the City does not have water storage, in order to meet the expected demand in the future, the City will need to drill more wells to meet the requirements for a water system without storage. Construction of adequate storage would eliminate the need for some of these wells.*

B. Quality

Wells that provide water to the City’s water distribution system are drilled to three depths and tested to determine the depth that produces the best water quality for that location. The main concern with water quality facing the City is the arsenic content of its well water. City staff indicated that the wells will be over the limit in many if not all cases based on the new MCL (maximum contaminant level) [10 ppb (parts per billion)], which went into effect on January 23, 2006. There are also aesthetic reasons for drilling and testing multiple depths, such as mineral content that can cause some discoloration. Chlorine is added at each well to disinfect the water before delivery.

**Determination Gridley-4 (Water Quality):**

*The City’s water supply generally meets current state and federal water quality regulations. Under the new MCL for arsenic, the City will not be able to meet the new requirement without additional treatment.*

C. Facilities

The water distribution system consists of asbestos cement, cast iron, ductile iron, galvanized iron, steel and PVC pipe. The oldest areas of the City’s system are found in the downtown area and date back as far as 1914, while the newest areas were upgraded in 2005. The City does not have a Master Plan or Capital Improvement Program for the replacement of aging pipelines, but has indicated that there are no major constraints within its system. The City budgets annually to replace approximately 2% of the water distribution system.

The City’s water supply is provided entirely from a series of six wells, which range in depth from 240 feet to 450 feet. All municipal wells are equipped with emergency backup generators...
to continue well operation during interruptions in electrical power. The wells and pumping equipment are in good condition.

**Determination Gridley-5 (Water Facilities):**

The City’s existing water infrastructure is generally in good condition. Currently the City’s facilities are adequate to meet the demand; however, they do not have the pumping capacity to support the anticipated future growth. Consideration should be given to construction of a water treatment plant or other facilities to meet the arsenic MCL.

**Wastewater Services**

A. Capacity Analysis

The City collected and treated 360 MG of wastewater in 2004. This corresponds to an ADDW (Average Daily Dry Weather) demand of approximately 0.80 MGD (million gallons per day). The hydraulic capacity of the current treatment plant is 2.62 MGD PWWF (Peak Wet Weather Flow) and 1.05 MGD ADDW, the latter of which is the permitted discharge as reported by the State Water Resources Control Board. Figure 2.9-4 below illustrates the expected growth in wastewater flows over the next 20 years, which were projected using the expected population growth rate of 1.5%. These flows will exceed the plant’s current treatment capacity and permitted discharge sometime before 2025. A study by HydroScience Engineers has indicated that the treatment plant can be expanded to 1.7 MGD.
There are concerns about the City’s ability to effectively transport wastewater from the City to the wastewater treatment plant. The treatment plant is a distance of five miles from the City’s collection system. The existing force main is adequate for the current demands, but will need to be replaced or supplemented with a parallel main to increase the capacity as the population grows. HydroScience is currently working on a study to provide a more detailed picture of the City’s wastewater collection capacity.

Significant developments are required to submit plans and may be required by the City to provide detailed sewer capacity studies during the permitting process. These developments will be required to help upgrade the existing collection system downstream if additional capacity is required.

**Determination Gridley-6 (Wastewater Capacity):**

*The City currently has the capacity to collect and treat the wastewater produced within its existing boundaries. Future collection capacity requirements are ensured by City oversight during the permitting process for significant developments.*

**B. Facilities**

The sewer collection system consists of concrete, vitrified clay and PVC pipe. The oldest areas of the City’s system are found in the downtown area and date back as far as 1914, with the newest areas as new as 2005.

The City’s wastewater infrastructure faces some significant constraints to future expansion. The first is the significant amount of infiltration/inflow (I/I) found in the City’s wastewater collection system. I/I can severely restrict the capacity of a wastewater system. Also, the geographical location of vacant property zoned for residential use in Gridley poses a problem for future development of the wastewater collection system. Most of this vacant property cannot be served using the existing gravity collection system because either the local system is at capacity and/or is too shallow to be extended. This must be resolved to provide wastewater service to these areas.

**Determination Gridley-7 (Wastewater Facilities):**

*The City’s collection system needs to be repaired to address the significant I/I problem.*

**C. Plans for Expansion/Upgrades**

There are currently no specific plans for capital improvements. The City does however have a contract with HydroScience for a wastewater system capacity analysis to identify infrastructure requirements and to recommend a Capital Improvement Program to accommodate the anticipated growth in the area over the next 20 years. The City has submitted an application to
the Regional Water Quality Control Board to expand the existing wastewater treatment plant to 1.7 MGD.

**Determination Gridley-8 (Wastewater Facilities Expansion/Upgrades):**

The City will need to expand its wastewater treatment plant and complete other infrastructure improvements to accommodate future growth. The City will need to replace or construct a parallel main to increase capacity to the treatment plant.

**FINANCING AND RATE RESTRUCTURING**

Financial statements together with independent auditor’s reports for FYs ending 2002-04 were 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.

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. City officials noted that Proposition 218 will have an unknown effect on the City’s ability to cover the costs of providing related services.

The FY 2003-04 annual audit noted no material weaknesses in 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. The audit also noted that the City has adopted a formal investment policy as required by Section 53600 et. seq. of the California Government Code. The City is in compliance with the provisions of this policy. The audit also noted that the City does not record and maintain inventory records of unused materials and supplies for the various funds. Materials and supplies for all funds are expensed when purchased. Generally Accepted Accounting Principles (GAAP) require that Enterprise Funds record and maintain inventory records to present the ending balances on hand each year and properly record actual expenses of materials and supplies actually used; Enterprise Funds are not accounted for in accordance with GAAP.

The actual budget, defined as revenues plus expenditures, for FY 2003-04 was $23.7 million. Revenues exceeded expenditures in the amount of $900,000. From the years 2002-04, the combined balance sheets of all fund types and account types show City revenues equaling or exceeding expenditures. The FY 2003-04 audit focuses on the net assets and changes in net assets of the City’s governmental activities as a whole. The City’s revenues for the year totaled $12.3 million; expenditures totaled $11.4 million. The water and sewer proprietary funds\(^1\) are operated as stand-alone funds.

\(^1\) Proprietary funds: when the City charges its own departments for certain services it provides, these services are generally reported in proprietary funds.
In FY 2003-04, water fund operating revenues totaled $802,178. Charges for services accounted for $771,667 (96% of revenues); other services accounted for the remainder. Water operating expenses totaled $573,664 and included salaries, allowances and benefits; insurances; maintenance; structures, improvements, and other capital outlay; administrative costs; engineering costs; and depreciation. Including non operating revenues and expenses, contributed capital, and transfers in and transfers out, the water fund net ending assets totaled $42,645,005.

In FY 2003-04, sewer fund operating revenues totaled $827,160. Charges for services accounted for $686,367 (83% of revenues); other services accounted for the remainder. Sewer operating expenses totaled $577,722 and included salaries, allowances and benefits; insurances; maintenance; structures, improvements, and other capital outlay; administrative costs; engineering costs; and depreciation. Including non operating revenues and expenses, contributed capital, and transfers in and transfers out, the sewer fund net ending assets totaled $2,582,356.

Fees charged for City utilities/services are provided in Table 2.9-1 below.

Table 2.9-1
City Utility Fees

<table>
<thead>
<tr>
<th>Fee</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Capacity</td>
<td>$5,413</td>
</tr>
<tr>
<td>Sewer Collector</td>
<td>$1,375</td>
</tr>
<tr>
<td>Sewer Lateral</td>
<td>$1,450</td>
</tr>
<tr>
<td>Sewer Subtotal:</td>
<td>$8,238</td>
</tr>
<tr>
<td>Water Capacity</td>
<td>$2,098</td>
</tr>
<tr>
<td>Water Distribution</td>
<td>$575</td>
</tr>
<tr>
<td>Water Connection</td>
<td>$1,550</td>
</tr>
<tr>
<td>Water Subtotal:</td>
<td>$4,223</td>
</tr>
<tr>
<td>Electrical Capacity</td>
<td>$900</td>
</tr>
<tr>
<td>Electrical Distribution</td>
<td>$900</td>
</tr>
<tr>
<td>Electrical Connection</td>
<td>$900</td>
</tr>
<tr>
<td>Electrical Subtotal:</td>
<td>$2,700</td>
</tr>
<tr>
<td>Fire Protection Impact Fee</td>
<td>$1,440</td>
</tr>
<tr>
<td>Police Services Impact Fee</td>
<td>$108</td>
</tr>
<tr>
<td>Parks and Recreation Impact Fee</td>
<td>$3,301</td>
</tr>
<tr>
<td>Road Impact Fee</td>
<td>$1,317</td>
</tr>
<tr>
<td>Subtotal of Impact/Utility Fees:</td>
<td>$21,327</td>
</tr>
</tbody>
</table>

The City participates in a number of Federal and State grant assistance programs. In 2001, to repay interim sewer project financing, the City entered into a $1,487,670 long-term loan
agreement with USDA Rural Development. Annual principal payments ranging from $18,670 to $65,000 are required, as well as interest at the rate of 3.25% which is payable semi-annually.

According to the FY 2005-06 Working Budget, the City is setting aside reserves for the eventual replacement of the wastewater treatment plant. This reserve is a condition of the USDA grant used to construct the plant; $75,000 is transferred to the reserve annually.

Based on a sewer rate study completed in FY 1999-00, the City Council approved a series of rate increases through FY 2002-03. In FY 2004-05 and 2005-06, the sewer rate was adjusted based on the Construction Cost Index, as is the City’s water utility rates. A portion of the additional revenues generated from this rate increased the reserve for debt service requirements for the USDA loan. Remaining additional revenues will be used to continue the capital improvements program within other areas of the City. The Public Works Department has identified infrastructure problem areas, which will be maintained accordingly.

Determinations Gridley-9 (Financing and Rate Restructuring):

The water and sewer proprietary funds operate as successful stand alone funds. Revenues historically have exceeded expenditures. Rates and fees are reflective of the cost of providing related services. The City is in good financial standing and budgets for appropriate infrastructure improvements. However, Enterprise Funds are not accounted for in accordance with GAAP.

COST AVOIDANCE AND FACILITIES SHARING

The City 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 City transfers risks that may arise from these and other events through the purchase of commercial insurance through Northern California Cities Self Insurance Fund which covers comprehensive and general liabilities, personal injury, contractual liability, errors and omissions, and auto liability; worker’s compensation insurance; property insurance; and performance and public dishonest bond coverage.

Given the large cost of capital improvements, a careful planning process is a crucial means of cost avoidance. The City plans for future funding of necessary improvements through reserve funds. Other cost avoidance strategies include pursuing grants and using City crews for construction on small projects. Opportunities for facilities sharing with the City of Biggs exist.

Determinations Gridley-10 (Cost Avoidance and Facilities Sharing):

The City utilizes a sufficient range of cost avoidance practices in its operations pertaining to water and sewer services. Opportunities exist for facilities sharing with the City of Biggs.
GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

The City is governed by a five member City Council; members are elected at-large for terms of four years. After each election, the Mayor is elected by a majority vote of the City Council. A City Administrator, Finance Director, Public Works Director, Police Chief and Electric Superintendent are appointed by the Council.

The current City Council is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank Cook</td>
<td>Mayor</td>
<td>2006</td>
</tr>
<tr>
<td>Jerry Fichter</td>
<td>Mayor Pro Tem</td>
<td>2006</td>
</tr>
<tr>
<td>Frank Hall</td>
<td>Member</td>
<td>2008</td>
</tr>
<tr>
<td>Pedro Mota</td>
<td>Member</td>
<td>2008</td>
</tr>
<tr>
<td>Marlena Sparks</td>
<td>Member</td>
<td>2008</td>
</tr>
</tbody>
</table>

Each member of the City Council receives $200 per month and $30 for each redevelopment meeting attended. City Council meetings are held on the first and third Mondays of every month at 7:30 p.m. in the Council Chambers at 685 Kentucky Street. The City publishes and distributes meeting agendas and meeting announcements in local newspapers and to local radio stations. Meeting agendas are posted at City Hall on the Friday prior to each meeting. All meetings are open and accessible to the public. The number of public attendees at regularly scheduled meetings varies. Meeting agendas and minutes dating back to 2001 are available through the City website. The City Attorney is responsible for ensuring that all provisions of the Brown Act are met.

City officials feel that the City’s sphere of influence and boundaries are appropriate. The area to the north of the City and to the south of the City of Biggs has been declared an area of concern by Butte County LAFCo due to the amount of growth that is expected to occur there. Based on development pressure, an examination of the sphere is anticipated.

**Determination Gridley-11 (Government Structure and Local Accountability):**

The City 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 City activities, and information regarding the City is readily available to members of the public.

MANAGEMENT EFFICIENCIES

The Public Works Director oversees the Sewer, Maintenance, Streets, Water, Parks, and Storm Drains divisions, which employ one Maintenance Supervisor, one Plant Operator, one Senior
Maintenance Worker, and eight full time and one part time level I/II Maintenance Workers. The ratio of managers to workers is appropriate; the City is not top heavy in managers. The City has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, and the like.

The management structure of the City is relatively simple and is well suited to the type of operations undertaken by the City. No alternative structures or reorganizations of staff would result in more efficient operations, and the existing structure is considered appropriate for the City.

The City has had no actions filed against it from any regulatory agencies within the last 10 years.

**Determination Gridley-12 (Management Efficiencies):**

*The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had no actions taken against it from regulatory agencies.*
Summary of Determinations

**Determination Gridley-1 (Growth):**

The population of the City will continue to grow at a rate of approximately 1.5% annually for the foreseeable future.

**Determination Gridley-2 (Water Quantity):**

The City has adequate pumping capacity to meet the current demands for water.

**Determination Gridley-3 (Water Storage):**

Since the City does not have water storage, in order to meet the expected demand in the future, the City will need to drill more wells to meet the requirements for a water system without storage. Construction of adequate storage would eliminate the need for some of these wells.

**Determination Gridley-4 (Water Quality):**

The City’s water supply generally meets current state and federal water quality regulations. Under the new MCL for arsenic, the City will not be able to meet the new requirement without additional treatment.

**Determination Gridley-5 (Water Facilities):**

The City’s existing water infrastructure is generally in good condition. Currently the City’s facilities are adequate to meet the demand; however, they do not have the pumping capacity to support the anticipated future growth. Consideration should be given to construction of a water treatment plant or other facilities to meet the arsenic MCL.

**Determination Gridley-6 (Wastewater Capacity):**

The City currently has the capacity to collect and treat the wastewater produced within its existing boundaries. Future collection capacity requirements are ensured by City oversight during the permitting process for significant developments.
**Determination Gridley-7 (Wastewater Facilities):**
The City’s collection system needs to be repaired to address the significant I/I problem.

**Determination Gridley-8 (Wastewater Facilities Expansion/Upgrades):**
The City will need to expand its wastewater treatment plant and complete other infrastructure improvements to accommodate future growth. The City will need to replace or construct a parallel main to increase capacity to the treatment plant.

**Determination Gridley-9 (Financing and Rate Restructuring):**
The water and sewer proprietary funds operate as successful stand alone funds. Revenues historically have exceeded expenditures. Rates and fees are reflective of the cost of providing related services. The City is in good financial standing and budgets for appropriate infrastructure improvements. However, Enterprise Funds are not accounted for in accordance with GAAP.

**Determination Gridley-10 (Cost Avoidance and Facilities Sharing):**
The City utilizes a sufficient range of cost avoidance practices in its operations pertaining to water and sewer services. Opportunities exist for facilities sharing with the City of Biggs.

**Determination Gridley-11 (Government Structure and Local Accountability):**
The City 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 City activities, and information regarding the City is readily available to members of the public.

**Determination Gridley-12 (Management Efficiencies):**
The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had no actions taken against it from regulatory agencies.
City Characteristics

The City of Biggs (City) is a General Law City located in southwestern Butte County (see Figure 2.10-1). The City provides a variety of services to its residents including police, fire and public works services, electric services, and sewer and water utilities.

City Size: 358 acres
2005 Estimated Population: 1,797
Office Location: 465 C Street, Biggs, CA 95917
Services: Domestic water, wastewater collection and treatment
Employees: 10 full time (all City employees, not just those related to domestic water, wastewater collection and treatment)
Date of Formation: 1903
Enabling Legislation: General Law City
Growth and Population

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

The City currently provides water and wastewater services to approximately 1,797 residential, commercial and municipal customers. Figure 2.10-2 illustrates the population projections for the City. These projections have been made using a growth rate of 0.9%, which is the expected rate of growth given by the Butte County Association of Governments for the City.

![Projected Population 2005 – 2025](image)

B. Land Use/Significant Growth Areas

The majority of the sewer and water connections in the City belong to residential users. The area is slowly growing, with the majority of the growth expected to occur in the area to the south of the City and to the north of the City of Gridley. This area has been declared an Area of Concern by the Butte LAFCo. One small annexation has been approved to the north of the City near Fourth Street. Any further annexations are 18 months to years away, but the City has interest in development to the east (south of Rio Bonito Road, north and south of B Street), to the west (north of the main drainage canal and north of Farris Road), and to the south (between 6th Street and Biggs-Gridley Road, and an area between 6th Street and Highway 99).
**Determination Biggs-1 (Growth):**

The population of the City will grow at a rate of approximately 0.9% annually for the foreseeable future.

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**Water Services**

A. Quantity

The City pumps an average of approximately 500,000 gpd (gallons per day), which equates to an average daily demand of approximately 347 gpm (gallons per minute). The water supply for the City is groundwater pumped through two wells. A third well was abandoned and the City is in the process of drilling a new well to replace it. Combined, the two wells currently in production are capable of delivering 2,375 gpm at 20 psi (pounds per square inch) or 1,925 gpm at 40 psi. Figure 2.10-3 below illustrates the expected growth in water demand based on the City’s projected population growth rate of 0.9%.

![Figure 2.10-3](image)

**Determination Biggs-2 (Water Quantity):**

The City has adequate pumping capacity to meet the current demands for water.
City of Biggs

The City has an elevated storage tank with a capacity of approximately 40,000 gallons. This tank is connected directly to well #1, and provides the system with its current water pressure. This is the only above ground storage in the City, and is undersized for a water system the size of the City’s without additional well production capacity. The City does not currently have any plans for additional storage, though it will consider storage reservoirs should substantial development occur.

**Determination Biggs-3 (Water Storage):**

The City’s storage capacity is undersized for a water system the size of the City’s without additional well production capacity. Construction of adequate storage would reduce the need for some of these wells.

B. Quality

The water provided by the City meets all state primary and secondary drinking water standards. Arsenic is not detectable in the samples taken in the City’s wells. Water is disinfected through chlorination at each well site. The chlorine content is regulated to be maintained within the 0.2 – 1.0 ppm (parts per million) range. One of the wells has a sand filter to treat hydrogen sulfide.

**Determination Biggs-4 (Water Quality):**

The water provided by the City meets all state and federal water quality requirements.

C. Facilities

The City currently owns three wells, two of which are in service. One well is equipped with a sand filter and a diesel back-up so that it can operate during a power failure. The wells were built in 1930, 1971, and 1996. The well built in 1930 was the primary well for the system until 1998 when the well built in 1996 took over as the primary well.

The distribution network in the City consists of approximately nine miles of pipeline. Many of the pipelines in the system were installed between 1920 and 1960. These pipes are well beyond their useful life and must be replaced. The City’s infrastructure experiences leaks in the system on a regular basis, which results in much of the water that is pumped not being distributed.

The City is currently in the process of upgrading its infrastructure. In addition to the repair of leaks upon detection, a Master Plan was prepared for the water system to determine necessary capital improvements and upgrades. A list of nine priority projects was produced from the Master Plan. All of these projects are to be completed by 2006, which will bring the infrastructure within the City’s system up-to-date. The City is on schedule to complete all nine priority projects within the year.
**Determination Biggs-5 (Water Facilities):**

The City’s water system infrastructure is old, with most of the system past its theoretical life. This results in leaks in the system almost daily. The City will have an acceptable water system when the planned improvements are completed.

**Wastewater Services**

A. Capacity Analysis

The City collected and treated 111 MG of wastewater in 2004. This corresponds to an ADDW (Average Daily Dry Weather) demand of approximately 0.25 MGD (million gallons per day). The hydraulic capacity of the current treatment plant is 1.3 MGD PWWF (Peak Wet Weather Flow) and 0.38 MGD ADDW, the latter of which is the permitted discharge as reported by the State Water Resources Control Board. Figure 2.10-4 below illustrates the expected growth in wastewater flows over the next 20 years, which were projected using the expected population growth rate of 0.9%.

![Projected Wastewater Demand 2005-2025](image)

Significant developments are required to submit plans and may be required by the City to provide detailed sewer capacity studies during the permitting process. These developments may be required to upgrade the existing collection system downstream if additional capacity is required.
**Determination Biggs-6 (Wastewater Capacity):**

*The City currently has the capacity to collect and treat the wastewater produced within its existing boundaries. Future collection capacity requirements are ensured by City oversight during the permitting process for significant developments.*

---

**B. Facilities**

A comprehensive Sewer Master Plan was developed for the City in 2003. This report states that most of the pipe collection system was installed between 1920 and 1950 and is beyond its useful life. The collection system is constrained by significant infiltration/inflow (I/I), pipe deterioration, tree root intrusion, and grease buildup. There have been several replacement projects in recent years, but the Master Plan recommends rehabilitation of much of the collection system.

The Master Plan also addressed the treatment plant and states the treatment plant is in excellent shape following a major facility upgrade in 2000-2001. The plant was originally built in the 1960’s but has undergone significant upgrades since then. The plant is a Regional Water Quality Control Board (RWQCB) level 2 treatment facility.

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**Determination Biggs-7 (Wastewater Facilities):**

*The City's collection system requires significant rehabilitation. The City’s treatment plant is in excellent condition.*

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**C. Plans for Expansion/Upgrades**

The wastewater treatment plant was upgraded in 2000-2001 and there are no planned improvements or expansions for the plant. The plant is currently at about 65% capacity and can handle up to approximately 0.32 MGD ADDW (85% capacity) before the City will need to begin the process of planning for an expansion. The difference (0.32 MGD – 0.25 MGD) provides enough equivalent capacity to serve approximately 243 additional single family homes; the ultimate service capacity up to the permitted limit of 0.38 MGD ADDW allows the servicing of approximately 433 additional single family homes.

The City has a pipeline replacement program which sets aside money for repairs of the collection system. Aside from ongoing pipeline repairs and rehabilitation, there are no significant upgrades or expansions of the collection system planned.
**Determination Biggs-8 (Wastewater Facilities Expansion/Upgrades):**

There are no treatment plant expansions planned, and none appear to be necessary to accommodate the expected future growth based on a growth rate of 0.9%. However, based on numerous annexations that are planned, expansion of the treatment plant may be necessary.

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**FINANCING AND RATE RESTRUCTURING**

Annual audit reports and financial statements for FYs ending 2002-04 for the City were reviewed in accordance with LAFCo’s 2003 MSR Guidelines. The purpose of this review was to determine the fiscal viability and suitability of current funding practices.

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. City officials noted that Proposition 218 will have a negligible impact on the City’s ability to cover the cost of providing related services.

The FY 2003-04 annual audit noted no material weaknesses in 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.

The government-wide financial statements of the City are divided up based on the following classifications: business type activities, governmental activities, and component units. Business type activities include certain services provided by the City, which are funded by customer user fees; among these are the City’s sewer, electric, water and solid waste services. The City maintains a water enterprise fund and a sewer enterprise fund. In the FY 2003-04 annual audit report, the water enterprise fund is recorded separately as a Non Major Enterprise fund. The activities of the sewer fund are aggregated with all City-wide business type activity.

In FY 2003-04, the water enterprise fund was funded entirely by charges for services ($4,156,839). Operational expenditures included personnel, utilities, supplies, maintenance and equipment, and contractual services ($141,218). In combination with non-operating revenues, the fund balance was $322,829.

In FY 2003-04, business type activity net assets amounted to $4,651,756; expenses totaled $1,980,576. Charges for services accounted for 97% of revenues; general revenues amounted to $2,089,366. Business type activity expenses, including transfers out, amounted to $1,980,576.

The FY 2005-06 budget accounts for the water enterprise fund and the sewer enterprise fund separately. The sewer fund is balanced; the water fund shows a net revenue of $158,033.

Current water and sewer charges are shown in Table 2.10-1 and 2.10-2, respectively.
### Table 2.10-1
#### Monthly Water Service Rates

<table>
<thead>
<tr>
<th>Customer Sector</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential 1.00 inch Service</td>
<td>$18.00</td>
</tr>
<tr>
<td>Residential ¾ inch Service</td>
<td>$16.00</td>
</tr>
<tr>
<td>Churches and Halls</td>
<td>$17.50</td>
</tr>
<tr>
<td>Day Care</td>
<td>$18.50</td>
</tr>
<tr>
<td>Commercial</td>
<td>$16.50</td>
</tr>
<tr>
<td>Split Charge</td>
<td>$16.75</td>
</tr>
<tr>
<td>Split Water</td>
<td>$10.75</td>
</tr>
<tr>
<td>Industrial Building</td>
<td>$21.50</td>
</tr>
<tr>
<td>Restaurant</td>
<td>$20.50</td>
</tr>
<tr>
<td>Beauty/Home</td>
<td>$20.50</td>
</tr>
<tr>
<td>Non-City Residential</td>
<td>$20.50</td>
</tr>
<tr>
<td>Rice Dryer</td>
<td>$20.50</td>
</tr>
<tr>
<td>Mini-Mart</td>
<td>$20.50</td>
</tr>
<tr>
<td>Service Station</td>
<td>$20.50</td>
</tr>
<tr>
<td>Bar</td>
<td>$22.50</td>
</tr>
<tr>
<td>Memorial Hall</td>
<td>$23.50</td>
</tr>
<tr>
<td>Office Building</td>
<td>$23.50</td>
</tr>
<tr>
<td>Doty/Brick Warehouse</td>
<td>$24.50</td>
</tr>
<tr>
<td>Rice Mill</td>
<td>$29.50</td>
</tr>
<tr>
<td>Market</td>
<td>$34.75</td>
</tr>
<tr>
<td>Public Elementary</td>
<td>$59.50</td>
</tr>
<tr>
<td>Public High</td>
<td>$84.50</td>
</tr>
</tbody>
</table>

### Table 2.10-2
#### Monthly Sewer Service Rates

<table>
<thead>
<tr>
<th>Customer Sector</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential/Apartment</td>
<td>$27.12</td>
</tr>
<tr>
<td>Tavern or Bar</td>
<td>$35.50</td>
</tr>
<tr>
<td>Beauty Salon in Home</td>
<td>$30.50</td>
</tr>
<tr>
<td>Church and Halls</td>
<td>$28.04</td>
</tr>
<tr>
<td>Commercial</td>
<td>$30.50</td>
</tr>
<tr>
<td>Rice Mill</td>
<td>$49.64</td>
</tr>
<tr>
<td>Market</td>
<td>$48.34</td>
</tr>
<tr>
<td>Office Buildings</td>
<td>$30.50</td>
</tr>
<tr>
<td>Mini-Mart</td>
<td>$39.18</td>
</tr>
<tr>
<td>Service Station</td>
<td>$41.18</td>
</tr>
<tr>
<td>Industrial</td>
<td>$52.10</td>
</tr>
<tr>
<td>Memorial Hall</td>
<td>$30.50</td>
</tr>
<tr>
<td>Restaurant</td>
<td>$42.91</td>
</tr>
<tr>
<td>Day Care</td>
<td>$50.26</td>
</tr>
<tr>
<td>Elementary School</td>
<td>$132.98</td>
</tr>
<tr>
<td>High School</td>
<td>$132.98</td>
</tr>
</tbody>
</table>
The FY ending 2004 audited financial statement noted that the City’s water system must be replaced to provide reliable water service, and the necessary water volume and pressure required for fire suppression. The project will replace 75% of the City’s water delivery system. The total project will be $5 million, funded with a USDA loan of $3.6 million and a $1.0 million grant. The remaining amount will come from other grants and City funds. The resulting $3.6 million debt will be serviced through increased water use fees. As part of the water system replacement, the City will resurface over 3,800 linear feet of street surface. When done as part of the water project, the cost will be significantly less. The City will fund the needed $400,000 from electric and transportation fund reserves.

**Determination Biggs-9 (Financing and Rate Restructuring):**

Current sewer and water service charges are adequate to cover the costs of providing services. Infrastructure needs are planned and budgeted for; both enterprise funds contain improvement fund allocations.

**COST AVOIDANCE AND FACILITIES SHARING**

The City 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 City transfers risks that may arise from these and other events through the purchase of liability insurance coverage through the Small Cities Organized Risk Effort (SCORE). SCORE is a Joint Powers Authority (JPA) which provides a banking plan for member cities to provide their own liability insurance coverage. The City also pools cash and investments of all funds with the State of California Local Agency Investment Fund (LAIF). The LAIF is a special fund of the California State Treasury through which local governments may pool investments.

Given the large cost of capital improvements, a careful planning process is a crucial means of cost avoidance. The City recently upgraded its wastewater plant, and as of FY 2003-04, the total outstanding debt amounted to $1,146,658. This debt will be repaid with user fee revenues. The sewer improvement fund contains money set aside for system upgrades and improvements. The City is currently creating a development impact fee program.

Other cost avoidance strategies include pursuing grants and using City crews for construction on small projects. Opportunities for facilities sharing with the City of Gridley exist.

**Determination Biggs-10 (Cost Avoidance and Facilities Sharing):**

The City utilizes a sufficient range of cost avoidance practices in its operations pertaining to water and sewer services. Opportunities exist for facilities sharing with the City of Gridley.
GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

The City is governed by a five member City Council, elected at-large. The current City Council is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Busch</td>
<td>Mayor</td>
</tr>
<tr>
<td>Roger Frith</td>
<td>Mayor Pro Tem</td>
</tr>
<tr>
<td>Luke Waters</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Bill Thebach</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Roger David</td>
<td>Councilmember</td>
</tr>
</tbody>
</table>

Each City Council member receives $300 per month. The City Council meets the third Monday of every month at 7:00 p.m. except in January and February; those meetings are on the fourth Monday of the month. Meetings are held at City Hall at 465 C Street. Announcements for meetings are posted on the City website and numerous other locations. Approximately five to 10 members of the public attend monthly meetings, which are open and accessible to the public. The City Attorney is responsible for ensuring that all provisions of the Brown Act are met.

City officials indicated that the service area boundaries need to be updated to reflect the existing City limits and adopted sphere of influence.

**Determination Biggs-11 (Government Structure and Local Accountability):**

*The City 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 City activities. Consideration should be given to expanding the sphere of influence to encompass existing City limits.*

MANAGEMENT EFFICIENCIES

The City Administrator oversees wastewater plant operations, sewer operations and maintenance, and water operations and maintenance. The ratio of managers to workers is appropriate; the City is not top heavy in managers. The City has a personnel manual that is currently under revision, and an operations and maintenance manual is currently being developed. The City is subject to yearly audits and has accomplished all recommendations from recent audits and management letters.

The management structure of the City is relatively simple and is well suited to the type of operations undertaken by the City. No alternative structures or reorganizations of staff would result in more efficient operations, and the existing structure is considered appropriate for the City.
The City was fined for various water quality violations between the years 2000 and 2003. The City also received a cease and desist order from RWQCB in 1995, which was subsequently rescinded in 1999.

**Determination Biggs-12 (Management Efficiencies):**

*The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had actions taken against it by regulatory agencies.*
Summary of Determinations

**Determination Biggs-1 (Growth):**

The population of the City will grow at a rate of approximately 0.9% annually for the foreseeable future.

**Determination Biggs-2 (Water Quantity):**

The City has adequate pumping capacity to meet the current demands for water.

**Determination Biggs-3 (Water Storage):**

The City’s storage capacity is undersized for a water system the size of the City’s without additional well production capacity. Construction of adequate storage would reduce the need for some of these wells.

**Determination Biggs-4 (Water Quality):**

The water provided by the City meets all state and federal water quality requirements.

**Determination Biggs-5 (Water Facilities):**

The City’s water system infrastructure is old, with most of the system past its theoretical life. This results in leaks in the system almost daily. The City will have an acceptable water system when the planned improvements are completed.

**Determination Biggs-6 (Wastewater Capacity):**

The City currently has the capacity to collect and treat the wastewater produced within its existing boundaries. Future collection capacity requirements are ensured by City oversight during the permitting process for significant developments.
Determination Biggs-7 (Wastewater Facilities):

The City’s collection system requires significant rehabilitation. The City’s treatment plant is in excellent condition.

Determination Biggs-8 (Wastewater Facilities Expansion/Upgrades):

There are no treatment plant expansions planned, and none appear to be necessary to accommodate the expected future growth based on a growth rate of 0.9%. However, based on numerous annexations that are planned, expansion of the treatment plant may be necessary.

Determination Biggs-9 (Financing and Rate Restructuring):

Current sewer and water service charges are adequate to cover the costs of providing services. Infrastructure needs are planned and budgeted for; both enterprise funds contain improvement fund allocations.

Determination Biggs-10 (Cost Avoidance and Facilities Sharing):

The City utilizes a sufficient range of cost avoidance practices in its operations pertaining to water and sewer services. Opportunities exist for facilities sharing with the City of Gridley.

Determination Biggs-11 (Government Structure and Local Accountability):

The City 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 City activities. Consideration should be given to expanding the sphere of influence to encompass existing City limits.

Determination Biggs-12 (Management Efficiencies):

The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had actions taken against it by regulatory agencies.
2.11 SOUTH FEATHER WATER AND POWER AGENCY

District Characteristics

The South Feather Water and Power Agency (SFWPA/Agency), formerly known as the Oroville-Wyandotte Irrigation District, provides domestic and irrigation water to portions of southeastern Butte County (see Figure 2.11-1). Its principle function is as a domestic water retailer and a hydropower generator. SFWPA has begun the process of re-licensing its hydropower project through the Federal Energy Regulatory Commission (FERC).

<table>
<thead>
<tr>
<th>District Size: 28,974 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Estimated Population Served: 21,400</td>
</tr>
<tr>
<td>Office Location: 2310 Oroville-Quincy Highway, Oroville, CA 95965</td>
</tr>
<tr>
<td>Services: Domestic water</td>
</tr>
<tr>
<td>Employees: 60 full time, 1 temporary</td>
</tr>
<tr>
<td>Date of Formation: 1919</td>
</tr>
<tr>
<td>Enabling Legislation: California Water Code, Division 11, §20500 et seq.</td>
</tr>
</tbody>
</table>
GROWTH AND INFRASTRUCTURE

Growth and Population

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

The Agency currently provides water services to approximately 21,400 people, with the majority of these people residing within the City of Oroville. The Agency’s customers include both residential and irrigation customers. Figure 2.11-2 offers population projections for the next 20 years. These projections were made using the growth rate of 2.6% annually as given by the Butte County Association of Governments for the City of Oroville.¹

![Projected Population Growth 2005–2025](image)

B. Land Use/Significant Growth Areas

The Agency has significant expansion capability for residential development. Though most of the Agency’s distributed water currently goes to irrigation, agricultural users are a minor portion of the customer base that will likely decline significantly in the future as agricultural land is converted to urban uses. The Agency’s service area is bordered on the west by Cal Water Oroville and to the north by Lake Oroville and the Thermalito Diversion Canal. The topography to the east somewhat restricts residential growth in that direction. Because of these constraints, most of the residential growth that is expected to be serviced by the Agency is to the south.

¹ Some of SFWPA’s service area is within the City of Oroville’s boundary. Much of its service area is outside the City’s boundary, but it is close enough to the City that it can be expected to grow at a similar rate.
Determination SFWPA-1 (Growth):

The population in the area served by SFWPA will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

Infrastructure

A. Quantity

The Agency’s average annual consumption is approximately 28,000 AF (acre-feet), with one quarter (7,000 AF) of that being delivered to residential users and the rest (21,000 AF) going to agricultural users. The demand from agricultural users is expected to decline significantly in the future as agricultural land is converted to urban uses. The annual demand for domestic water services is expected to grow as illustrated in Figure 2.11-3 below. The projections in this figure were calculated using the projected growth rate for the City of Oroville (2.6% annually). The projected annual demand for domestic water services using this growth model will be approximately 11,696 AF in 2025.

![Projected Water Demand 2005-2025](image)
The Agency has water rights that exceed the actual yield of the watershed (see Table 2.11-1 below). The State Water Resources Control Board currently has a petition pending that will limit the domestic consumption in the Agency’s service area to 51,000 AF annually. Although the yield from the watershed declines in dry years, these water rights do not change.

### Table 2.11-1
South Feather Water and Power Agency Water Entitlements

<table>
<thead>
<tr>
<th>Application ID</th>
<th>Filing Date</th>
<th>Diversion Rate (ft³/sec)</th>
<th>Storage (AF)</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>A001651</td>
<td>FEB 02, 1920</td>
<td>200</td>
<td>109,012</td>
<td>PLUMAS</td>
</tr>
<tr>
<td>A002142</td>
<td>DEC 17, 1920</td>
<td>0</td>
<td>45,000</td>
<td>BUTTE</td>
</tr>
<tr>
<td>A002778</td>
<td>MAR 06, 1922</td>
<td>50</td>
<td>25,000</td>
<td>BUTTE</td>
</tr>
<tr>
<td>A002979</td>
<td>AUG 12, 1922</td>
<td>185</td>
<td>0</td>
<td>BUTTE</td>
</tr>
<tr>
<td>A013957</td>
<td>SEPT 20, 1950</td>
<td>300</td>
<td>35,000</td>
<td>PLUMAS, YUBA</td>
</tr>
<tr>
<td>A014113</td>
<td>DEC 28, 1950</td>
<td>350</td>
<td>77,300</td>
<td>BUTTE, PLUMAS</td>
</tr>
</tbody>
</table>

**Determination SFWPA-2 (Water Quantity):**

*The Agency can provide more than adequate supplies of water during normal years of precipitation. As SFWPA’s water supply is sufficient to meet the demand, the factors limiting growth in the Agency’s service area will be coordination with planning agencies and development of water distribution infrastructure.*

The Agency has water storage available for both raw and treated water. The Agency has six raw water storage reservoirs with a combined capacity of 171,500 AF. Four treated water storage tanks have a combined capacity of 5.2 MG (million gallons).

**Determination SFWPA-3 (Water Storage):**

*The Agency has the supply capability to deliver water during periods of drought with significant storage of treated (5.2 MG) and raw (171,500 AF) water.*

B. Quality

The Agency, which has good quality raw water supplies, operates a water treatment plant at the Miner’s Ranch Reservoir. The water treatment plant has a capacity of 14.5 MGD (million gallons per day). Treatment consists of rapid mix, flocculation, sedimentation, gravity filtration, and pre/post chlorination. The Agency collects a minimum of five samples a week for bacteriological monitoring. These samples are taken from sample taps that are located within the required five service connections of the routine sample location. The daily turbidity of grab samples ranged between 0.03 NTU (nephelometric turbidity unit) and 0.07 NTU with an average of 0.04 NTU. There have been no MCL (maximum contaminant level) violations from
December 1993 to present. The Agency is also on track for monitoring chemicals, trihalomethanes, and other organics.

**Determination SFWPA-4 (Water Quality):**

*The Agency’s water quality can be characterized as good; it meets all state and federal regulations for water quality.*

C. Facilities

The Agency’s water supply is provided primarily from the South Fork of the Feather River and the upper portion of the Slate Creek watershed. This water is diverted to the Agency’s treatment plant through a series of dams, canals, and tunnels.

A Capital Improvement Plan was developed in the mid-1990s to plan the replacement of the aging steel pipeline infrastructure. Since this plan was implemented, 35.4 miles of main lines have been replaced. Including these improvements, the Agency has replaced 64 miles of steel pipe since 1983. As a result of the proactive nature of the Agency’s maintenance program, the number of leaks in the distribution system has been dramatically reduced.

The canal that provides irrigation water to the Agency’s agricultural customers is currently undergoing a substantial rehabilitation. Historically the ditch was open-bottom, and thus as much as 80% of the water did not ever reach a paying customer. The ditch is now being sealed, which will dramatically reduce the amount of water lost during distribution.

The Agency operates a water treatment plant with a capacity of 14.5 MGD. A computer system is used to monitor and control the plant and system. According to the Annual Inspection Report conducted by the California Department of Health Services in March of 2005, the treatment plant is meeting performance standards.

**Determination SFWPA-5 (Water Facilities):**

*The Agency, which has a proactive maintenance program, has well maintained infrastructure that is adequate to meet the existing and anticipated future demand. The treatment plant is meeting all performance standards.*

**FINANCING AND RATE RESTRUCTURING**

Annual audit reports and financial statements from FYs 2001-03 for the Agency were 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. The Agency is subject to annual State Controller audits in July of every fiscal year; however, the Agency has not been submitting its annual budgets to the County Auditor. As a result of a recent opinion letter from the Agency’s legal counsel, the Agency indicated that it would begin doing so, starting with the 2005 budgets.

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. Agency officials noted that Proposition 218 simply imposed restrictions on the levy of charges for “property related services,” which the Agency interprets as not including commodity-based charges, such as SFWPA’s rate of use. However, the Agency recently added $4.10 per account each month (the “State Budget Bailout Charge”) in order to offset the loss of revenue resulting from a legislated Educational Revenue Augmentation Fund shift, and complied with Proposition 218 requirements in doing so.

The FY 2002-03 annual audit noted no material weaknesses in 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.

The Agency audits and budgets present information related to both the overall fiscal viability of SFWPA as a whole, and separately analyze the Water and Power Divisions. In FY 2002-03, assets of the Agency exceeded liabilities by $32,955,854; of this amount $3,714,351 (unrestricted net assets) may be used to meet the Agency’s ongoing operational needs. Water Division operating revenues increased by 4% ($168,928) from FY ending 2002; Power Division operating revenues declined by 12% ($969,135). Water Division operating expenses increased by 9.8% ($403,982); Power Division operating expenses increased by 16.8% ($949,355). Total long-term debt increased by $2,607,503 and was reduced by $2,369,470 in principal repayments.

In FY 2002-03, Water Division expenses totaled $4,863,904, which included salaries and wages, bond interest payable, contractor bonds payable, deferred revenues, serial bonds payable, installment payment agreements, and contracts payable. Program revenues included charges for services ($4,352,218), operating grants and contributions ($695,617), and capital grants and contributions ($50,336). Revenues exceeded expenditures by $234,267. Water Division assets consist of current assets (cash, accounts receivable, inventory, and prepaid expenses); non current assets (restricted cash, investments, and interest receivable); capital assets (land, construction, and FERC re-licensing); loans receivable and deferred expenses. Total assets equaled $31,550,782, 66% of which were capital assets.

Liabilities include current liabilities such as accounts payable, salaries payable, bond interest payable; and long term liabilities such as serial bonds payable, installments payable, and contracts payable. FY 2002-03 liabilities totaled $9,311,909. Net assets for the Water Division totaled $22,238,873.
The Agency charges $0.64 per unit (100 cubic feet) for the first 100 units of water, and $0.25 for every unit thereafter, together with a fixed $15.00/month service charge. Rates charged by the Agency are significantly cheaper in comparison with rates charged by Cal Water Oroville (see Chapter 2.18 for detailed information on Cal Water Oroville’s rate structure).

**Determination SFWPA-6 (Financing and Rate Restructuring):**

Revenues exceed expenditures; current rates charged for services are appropriate, and are significantly less than the rates charged by Cal Water Oroville. The Agency has been in noncompliance with Government Code Section 53901 but has agreed to come into compliance starting with the 2005 budgets.

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**COST AVOIDANCE AND FACILITIES SHARING**

The Agency is a member of the Association of California Water Agencies Joint Powers Insurance Authority that provides SFWPA’s property, liability, auto, worker’s compensation, and employee crime policies. The Agency also invests funds with the Local Agency Investment Fund, which is a California State Treasury fund through which local governments may pool investments.

The Agency has developed agreements with the Pacific Gas and Electric Company (PG&E) to facilitate development, acquisition, construction and operation of several hydroelectric powerhouses operated by SFWPA. In one agreement, the Agency constructed and operated a series of dams, reservoirs, and powerhouses called the South Fork Power Project. According to the South Fork Power Purchase Contract, all electric power generated by the facilities must be sold to PG&E, which has agreed to pay all debt service on the revenue bonds used to finance the project, plus a stipend of $12,500 each month.

Historically, the Agency has applied for grants and issued revenue bonds to finance construction and replacement of infrastructure. In 2001, the Agency applied for and received a grant from the Department of Water Resources for partial funding for a canal-lining project. In 2003, the Agency issued certificates of participation in the amount of $2,695,000 to finance a solar photovoltaic electricity generation system for the Miner’s Ranch Treatment Plant.

Other cost avoidance measures include agreements with Yuba County Water District in which the District will begin maintaining 10.5 miles of SFWPA ditch after 2010; replacing leaking infrastructure, thus saving on repair costs; and installing solar panels which help pay for the operation of the treatment plant. Additionally, Agency crews participate in new service installations (other than subdivisions); their time is compensated by the customer. Finally, the Agency has proposed developing a common water building standard with the Paradise Irrigation District and the Thermalito Irrigation District. There appear to be limited opportunities for facilities sharing.
**Determination SFWPA-7 (Cost Avoidance and Facilities Sharing):**

The Agency utilizes a sufficient range of cost avoidance practices in its operations. No facilities or equipment sharing arrangements exist; this deficiency has not resulted in increased costs or a reduction in the level of service provided to customers.

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**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

The Agency is governed by an elected five member Board of Directors, which serves as the decision-making authority for SFWPA. Each director must be a voter and freeholder of the District and a resident of the division which he represents at the time of his nomination and during entire term; directors are elected by voters who are residents of the District. The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dee Hunter</td>
<td>Division 1</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Vivian Meyer</td>
<td>Division 2</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Jean Brown</td>
<td>Division 3</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Jim Edwards</td>
<td>Division 4</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Lou Cecchi</td>
<td>Division 5</td>
<td>Dec 2006</td>
</tr>
</tbody>
</table>

Board members receive a fixed monthly fee of $500, which has not been increased in 15 years. Board meetings are held on the fourth Tuesday of every month at 2:00 p.m. in the Agency office conference room at 2310 Oroville-Quincy Highway in Oroville. Meeting schedules and agendas for open meetings are posted on the Agency’s website at least 72 hours prior to each meeting. Board meeting announcements are also provided to the local newspaper. On average, four members of the public attend the monthly meetings. The General Manager is responsible for ensuring Agency compliance with the Brown Act with support from the Agency’s legal counsel.

The Agency’s Environmental and Safety Compliance Officer is responsible for ensuring compliance with rules and regulations regarding environmental and safety issues. The Agency’s Water Treatment Superintendent is responsible for compliance with rules and regulations regarding water treatment. The Agency’s Water Division Manager is responsible for rules and regulations regarding water distribution.

The Agency feels that its current boundaries and sphere of influence are appropriate for the services it provides. Given that the Agency’s rates are significantly less than those charged by Cal Water Oroville, that Cal Water Oroville’s service area immediately abuts the Agency’s service area, and that the providers’ pipes actually overlap in a few isolated locations, something should be done to resolve these discrepancies and inefficiencies in service provision.
Determination SFWPA-8 (Government Structure and Local Accountability):

The Agency 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 Agency activities, and information regarding the Agency is readily available to members of the public. Consideration should be given to resolving discrepancies and inefficiencies in service provision in relation to Cal Water Oroville.

MANAGEMENT EFFICIENCIES

The Board of Directors is responsible for appointing a General Manager to oversee the Finance Division, the Water Division, and the Power Division. The Water Division is run by the Water Division Manager who oversees 32 employees. The ratio of managers to workers is appropriate; the Agency is not top heavy in managers. The Agency has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, relationships with other agencies, and the like. The Agency is subject to yearly audits and has accomplished all recommendations from recent audits and management letters.

The Agency appears to be meeting its mission statement which is as follows: “The mission statement of the SFWPA is both to deliver a dependable supply of safe, quality drinking water to its customers, and a dependable supply of water for agricultural users, in an economical, efficient and publicly responsible manner. Hydroelectric generation facilities shall be utilized to optimize revenue from power generation, consistent with providing adequate and dependable water supplies to customers. SFWPA is also committed to providing its employees a safe work environment and encouraging personal growth and attainment of goals.”

With good financial and operational health, there do not appear to be any necessary governmental structure changes to ensure an efficient, long-term continuation of service provision by the Agency.

Determination SFWPA-9 (Management Efficiencies):

The overall management structure of the Agency is sufficient to account for necessary services and to maintain operations in an efficient and effective manner.
Summary of Determinations

**Determination SFWPA-1 (Growth):**

The population in the area served by SFWPA will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

**Determination SFWPA-2 (Water Quantity):**

The Agency can provide more than adequate supplies of water during normal years of precipitation. As SFWPA’s water supply is sufficient to meet the demand, the factors limiting growth in the Agency’s service area will be coordination with planning agencies and development of water distribution infrastructure.

**Determination SFWPA-3 (Water Storage):**

The Agency has the supply capability to deliver water during periods of drought with significant storage of treated (5.2 MG) and raw (171,500 AF) water.

**Determination SFWPA-4 (Water Quality):**

The Agency’s water quality can be characterized as good; it meets all state and federal regulations for water quality.

**Determination SFWPA-5 (Water Facilities):**

The Agency, which has a proactive maintenance program, has well maintained infrastructure that is adequate to meet the existing and anticipated future demand. The treatment plant is meeting all performance standards.

**Determination SFWPA-6 (Financing and Rate Restructuring):**

Revenues exceed expenditures; current rates charged for services are appropriate, and are significantly less than the rates charged by Cal Water Oroville. The Agency has been in noncompliance with Government Code Section 53901 but has agreed to come into compliance starting with the 2005 budgets.
**Determination SFWPA-7 (Cost Avoidance and Facilities Sharing):**

The Agency utilizes a sufficient range of cost avoidance practices in its operations. No facilities or equipment sharing arrangements exist; this deficiency has not resulted in increased costs or a reduction in the level of service provided to customers.

**Determination SFWPA-8 (Government Structure and Local Accountability):**

The Agency 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 Agency activities, and information regarding the Agency is readily available to members of the public. Consideration should be given to resolving discrepancies and inefficiencies in service provision in relation to Cal Water Oroville.

**Determination SFWPA-9 (Management Efficiencies):**

The overall management structure of the Agency is sufficient to account for necessary services and to maintain operations in an efficient and effective manner.
2.12 PARADISE IRRIGATION DISTRICT

District Characteristics

The Paradise Irrigation District (PID/District) is a special district which provides water to approximately 10,438 municipal, residential and commercial customers in the Town of Paradise, and additional surrounding areas immediately adjacent to the Town (see Figure 2.12-1). The District’s Urban Water Management Plan (UWMP), adopted in December 2005, provides for planning of future water provision through the ultimate buildout of the Town of Paradise.

<table>
<thead>
<tr>
<th>District Size: 11,377 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Estimated Population Served: 27,468</td>
</tr>
<tr>
<td>Office Location: 5325 Black Olive Drive, Paradise, CA 95967</td>
</tr>
<tr>
<td>Services: Domestic water</td>
</tr>
<tr>
<td>Employees: 40 full time</td>
</tr>
<tr>
<td>Date of Formation: 1916</td>
</tr>
<tr>
<td>Enabling Legislation: California Water Code, Division 11, §20500 et seq.</td>
</tr>
</tbody>
</table>
**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 currently provides water services to approximately 10,438 municipal, residential and commercial customers; the estimated existing population in the District’s service area is 27,468. The expected population growth in the District has been projected to the year 2025 (see Figure 2.12-2 below). As referenced in the UWMP, Boyle Engineering worked with the Town of Paradise’s Director of Planning to develop updated projections for the District’s service area. Population estimates from 2000-2010 assume a 1.0% annual growth rate and 0.8% annual growth rate from 2010-2030.

![Projected Population Growth 2005–2025](image)

B. Land Use/Significant Growth Areas

The area to the south of the District is the most likely to be populated in the foreseeable future. Growth to the west and east of the District’s sphere of influence is limited by geographic boundaries (steep canyons and a river), though the District would like to expand its sphere up to those boundaries. The areas to the north are serviced by Del Oro Water Company. There are several major roads (Skyway and Clark Road corridors) leading to the south that are capable of
facilitating growth in that area. The District would like to expand its sphere to the south as long as applicants bring in their own water (annexation policy).

**Determinations PID-1 (Growth):**

_The population within the District will continue to grow at a rate of approximately 1.0% annually until 2010 and approximately 0.8% annually thereafter._

**Infrastructure**

A. Quantity

The District’s water supply is provided primarily from the Little Butte Creek watershed. The District treated and distributed 8,408 AF (acre-feet) of water in 2005. Based on the water use demand figures from the 2005 UWMP, the annual demand for water services is expected to grow as illustrated in Figure 2.12-3 below.

![Figure 2.12-3Projected Water Demand 2005-2025](image)

The District has water rights allowing for the diversion of a total of 18,300 AF of water per year (see Table 2.12-1 below). Although the yield from the watershed declines in dry years, these water rights do not change. The average runoff from the watershed is approximately 13,500 AF per year. Under normal conditions, this is a sufficient supply to meet the current demand. However, as documented in the UWMP, the firm yield of the District’s water sources is approximately 7,650 AF annually (7,300 AF plus 350 AF from a well), which is currently less than the annual demand. Therefore the District adopted a policy in 1991, which was revised in
Paradise Irrigation District

2005 based on the 2005 UWMP, for ration/use restrictions during water shortages. The District also maintains an annexation policy that requires any annexed property to provide their own source of water by replacing leaking pipes, replacing toilets, or any other method that meets the approval of the District.

Table 2.12-1
Paradise Irrigation District Water Entitlements¹

<table>
<thead>
<tr>
<th>Application ID</th>
<th>Filing Date</th>
<th>Diversion Rate (ft³/sec)</th>
<th>Storage (AF)</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>A000476</td>
<td>SEPT 21, 1916</td>
<td>0</td>
<td>9,500</td>
<td>BUTTE</td>
</tr>
<tr>
<td>A022061</td>
<td>FEB 25, 1965</td>
<td>0</td>
<td>8,800</td>
<td>BUTTE</td>
</tr>
</tbody>
</table>

Though it can survive at least a three-year drought, the biggest issue facing the District is the need for a larger water supply. A number of options are being considered to increase the amount of water available to the District. The District has inter-ties with Del Oro Water Company, and an agreement with the company allows for water to be added to the system from Del Oro in case of an emergency. The District is actively negotiating a water transfer agreement with Del Oro, which will allow for additional water supply from the County’s allocation of Lake Oroville water to be available to District customers and will provide the opportunity for Del Oro to provide additional water to its customers in the Paradise Pines District. As discussed below, there are plans for increasing the storage available to the District.

Determination PID-2 (Water Quantity):

The District can provide adequate supplies of water during years of normal precipitation, but has inadequate supplies of potable water during drought periods. If no new sources of water are found for the District, it will not have a sufficient water supply to support the expected growth in the area. Currently, the District has adopted use restrictions during periods of drought, but a larger water supply must be obtained to accommodate future growth. Reduction in unaccounted water would also help to support the expected growth.

The District has water storage available for both raw and treated water. The District has two raw water storage reservoirs: Paradise Lake and Magalia Reservoir. These reservoirs have a combined capacity of 14,071 AF. Seismic stability issues have caused the District to decrease the water stored in Magalia Reservoir from 2,574 AF to 796 AF. This decreases the District’s raw water storage capacity to 12,293 AF. There is also a 500,000 gallon storage tank at the treatment plant which acts as a surge tank to maintain constant head in the facility. The District is currently investigating options to increase its raw water storage capacity, such as raising Paradise Dam and either rehabilitating or raising Magalia Dam.

Treated water is stored at five treated water storage facilities, not including the storage tank found at the water treatment plant. Four of these tanks are welded steel tanks that store a total of

¹ The District also has a pre-1914 adjudicated water right for a direct diversion of 8.0 CFS obtained from PG&E (Nickerson Ditch) as established in California Superior Court document #18917 dated June 22, 1942.
6.5 MG (million gallons). The fifth is a 3 MG Hypalon covered and polypropylene lined in-ground storage reservoir. There will likely be an increase in treated water storage as part of a plan to relocate one of the current storage tanks.

**Determination PID-3 (Water Storage):**

*The District has 9.5 MG of treated and 12,293 AF of raw water storage capacity. The District requires more raw water storage to supplement its supply during periods of drought.*

B. Quality

Surface water served by the District is treated in a plant with a hydraulic capacity of 22.8 MGD (million gallons per day). The net capacity of this plant has been determined to be 19.1 MGD. Water is delivered to this plant by a 25 MGD raw water pump station. This water is pre-chlorinated and coagulants are added. The water is then passed through one of six upflow clarifiers and one of three rate-of-flow-control filters. Zinc orthophosphate is added for corrosion control and disinfection is provided by gas chlorination. If necessary, this plant was designed to permit expansion by the addition of another treatment module.

**Determination PID-4 (Water Quality):**

*The District’s water quality can be characterized as good; it meets all state and federal regulations for water quality.*

C. Facilities

The District owns two wells that draw water from the Tuscan formation. Only one of these wells has been equipped for production, as the other well does not produce a significant amount of water. The well that is in production is 525 feet deep and produces approximately 450 gpm (gallons per minute) over a pumping interval that spans a few months. These wells are well maintained and in good condition.

The storage tanks utilized by the District are generally in good condition. All but one of the tanks have been recently rehabilitated. The last remaining tank is being investigated for replacement at a larger size to reduce energy costs. Many of the tanks have been modified to allow for more resistance to seismic events. These modifications include moving surge pipelines outside the tank and retrofitting pipelines to allow for more freedom of movement.

A new treatment plant was brought on-line in 1995. The facility is complete with automated controls and an in-house laboratory. The treatment plant was built with enough room to expand its capacity by approximately 30%. In the event of a power outage, the treatment plant is equipped with a diesel generator that is capable of running the plant.
The District has 169 miles of distribution pipeline. Some of this pipeline is beyond its useful age limit, which has resulted in increases in leaks and unaccounted water. As documented in the UWMP, the unaccounted water is currently at a level of approximately 18.0%. By way of comparison, less than 10% unaccounted water is generally considered to be good. The percentage of lost water has slowly increased over the past five years, but the quantity of lost water is slowly decreasing.

Determination PID-5 (Water Facilities):

The District’s facilities are in good to excellent condition with the exception of some of the pipelines in the distribution system, which need to be replaced in order to reduce unaccounted water.

FINANCING AND RATE RESTRUCTURING

Annual audit reports for FYs ending 2002-04 and financial statements for the District were reviewed in accordance with LAFCo’s 2003 MSR Guidelines. The purpose of this review is to determine fiscal viability, suitability of current funding practices, and potential fiscal impacts resulting from new legislation.

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. The District successfully increased rates in 2003 following Proposition 218 guidelines with little public input or concern. District officials anticipate that the public will accept properly justified rate increases in the future.

The FY 2002-03 annual audit noted no material weaknesses in 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 2002-03, the District’s net assets increased $818,000 (4.7%) from the prior fiscal year. In FY 2001-02, the District’s net assets increased $1.2 million. Sixty percent of the District’s net assets are invested in capital such as land, treatment plant facilities, transmission and distribution/pipeline infrastructure, machinery, equipment, vehicles and buildings.

Total operating expenses totaled $3,973,420, which increased $124,000 from FY 2001-02. Total operating revenues totaled $4,712,195; revenues remained close to FY 2001-02. In the previous five years, water sales revenues have averaged an annual increase of 1.2% ($61,000/year) while operating expenses (less depreciation and amortization) have increased 10.9% ($133,000/year).

The District implemented a new water rate structure in FY 2002-03 which did not consider any future reserve requirements. Prior to increasing rates, the District conducted an extensive review of necessary future income stream requirements, the fairness of the various rate structures.
(customer billing categories), and public input. The new rate structure resulted in an average residential percentage increase of 9.7%. The overall increase in operating revenues has approximated $500,000 per year. The District plans on reviewing its water rates and structure on an annual basis. No increases occurred in FY 2004-05. The District charges multi-family residences $29.50 per EDU plus $0.54 per cubic foot. The District approved a new rate increase effective in 2006, 2007, and 2008.

Debt service represented 25% of the FY 2003-04 total budget. The annual debt service obligations remain similar year to year (close to $1,600,000/year). At the end of FY 2003-04, the District had $13.9 million in bonds and loans outstanding.

In August 2003, the Board approved a new policy for the annexation of lands. No annexation fees were collected in FY 2002-03 or FY 2003-04. Potential property tax income increases could occur in the future.

The District is audited annually. Annual audits contain narrative descriptions of the District’s financial activities; an Independent Auditor’s Report; Management Discussion and Analysis; a Statement of Net Assets; a Statement of Revenues, Expenses, and Changes in Net Assets; a Statement of Cash Flows; and Notes to Financial Statements. The Statement of Net Assets indicates whether the financial position of the District is improving or deteriorating.

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 annual budgets and annual audits are submitted to the County Auditor.

**Determination PID-6 (Financing and Rate Restructuring):**

*Historically the District has operated in a fiscally sound manner. Revenues have consistently exceeded expenditures, and the District has consistently set aside substantial funding for improvements in the General Fixed Assets portion of the balance sheet that will support long term operations. The District maintains a debt service coverage ratio which consistently exceeds 100%.*

**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 participation in the ACWA Joint Powers Insurance Agency pooled insurance program.

The District uses grant opportunities as a cost avoidance measure. In FY 2002-03, the District received a $1.3 million Proposition 13 Urban Water Conservation Grant, which is administered
through the California Department of Water Resources. This money will be used for water main replacement projects over a three year period. Additionally, in FY 2001-02, the District reduced its total debt service requirements by $510,315 by issuing general obligation bonds of $9,855,000 (par value). Net proceeds from the issuance were used to purchase U.S. government securities.

The District has plans to participate in a cost sharing agreement with Butte County for the County’s Skyway Widening Project over Magalia Dam. The District has proposed developing a common water building standard with the Thermalito Irrigation District and the South Feather Water and Power Agency (SFWPA). Additionally, the District meets regularly with SFWPA and Cal Water Chico to discuss issues on the practices of billing and finance, water treatment and distribution.

The District has inter-ties with Del Oro Water Company.

**Determination PID-7 (Cost Avoidance and Facilities Sharing):**

*The District appears to utilize appropriate cost avoidance measures in its operations. Other than inter-ties with Del Oro Water Company, facilities sharing opportunities appear to be limited.*

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**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

A five member Board of Directors serves as the decision-making authority of the District. Each director must be a voter and freeholder of the District and a resident of the division which he represents at the time of his nomination and during his term and shall be elected by voters who are residents of the District. The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Division/District</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ken Hunt</td>
<td>Division 1</td>
<td>Director</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>William Kellogg</td>
<td>Division 2</td>
<td>Director</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Larry Duncan</td>
<td>Division 3</td>
<td>Vice-President</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>John Heinke</td>
<td>Division 4</td>
<td>President</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Rick Hall</td>
<td>Division 5</td>
<td>Director</td>
<td>Dec 2008</td>
</tr>
</tbody>
</table>

Board members receive $100 per Board meeting (24 per year) and $25 per committee meeting and other assigned meetings. The Board meets monthly on the first and third Wednesday at 6:30 p.m. at the District office at 5325 Black Olive Drive in Paradise. Meeting agendas are posted on the District’s website. Annual Consumer Confidence Reports encourage public participation, and the District provides agendas and information to the media to keep the public informed on District activities. On average two to four members of the public attend typical meetings. The District Secretary is responsible for ensuring compliance with the Brown Act; the District
Manager assists in assuring that the Brown Act is followed, and legal counsel is available to answer any questions regarding the Brown Act.

District officials feel that existing boundaries are not appropriate for the services provided. The boundaries have been in place with little change since the creation of the District. District officials feel that boundaries should be expanded to the east and west to meet geographical boundaries, and to the south down the Skyway and Clark Road corridors. District officials also would like to see the sphere be coterminous with the Town of Paradise as the area’s public water supplier. Sphere expansions are contingent upon applicants bringing in their own water (annexation policy).

**Determination PID-8 (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.

**MANAGEMENT EFFICIENCIES**

A District Manager, Secretary (appointed annually), Treasurer (appointed annually), and legal counsel are hired by the Board of Directors to manage operations of the District. The District Manager oversees a staff of 40 full time employees. The ratio of managers to workers is appropriate; the District is not top heavy in managers. The District has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, relationships with other agencies, and the like. The District is subject to yearly audits and has accomplished all recommendations from recent audits and management letters.

The management structure of the District is relatively simple and is well suited to the type of operations undertaken by the District; the linear management structure ensures reportability and accountability. No alternative structures or reorganizations of the staff would result in more efficient operations, and the existing structure is considered appropriate for the District.

The District appears to be meeting its mission statement which is as follows: “The Paradise Irrigation District is dedicated to the business of providing and delivering a safe, dependable supply of quality water, in a safe, cost effective manner with service that meets or exceeds the expectations of our customers.” The District adopts yearly financial plans, which are readily available on the District’s website, and abides by an Urban Water Management Plan (updated in 2005).

With good financial and operational health, there do not appear to be any necessary governmental structure changes to ensure an efficient, long-term continuation of service provision by the District.
**Determination PID-9 (Management Efficiencies):**

The overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner.
Summary of Determinations

**Determination PID-1 (Growth):**

The population within the District will continue to grow at a rate of approximately 1.0% annually until 2010 and approximately 0.8% annually thereafter.

**Determination PID-2 (Water Quantity):**

The District can provide adequate supplies of water during years of normal precipitation, but has inadequate supplies of potable water during drought periods. If no new sources of water are found for the District, it will not have a sufficient water supply to support the expected growth in the area. Currently, the District has adopted use restrictions during periods of drought, but a larger water supply must be obtained to accommodate future growth. Reduction in unaccounted water would also help to support the expected growth.

**Determination PID-3 (Water Storage):**

The District has 9.5 MG of treated and 12,293 AF of raw water storage capacity. The District requires more raw water storage to supplement its supply during periods of drought.

**Determination PID-4 (Water Quality):**

The District’s water quality can be characterized as good; it meets all state and federal regulations for water quality.

**Determination PID-5 (Water Facilities):**

The District’s facilities are in good to excellent condition with the exception of some of the pipelines in the distribution system, which need to be replaced in order to reduce unaccounted water.
Determinaion PID-6 (Financing and Rate Restructuring):

Historically the District has operated in a fiscally sound manner. Revenues have consistently exceeded expenditures, and the District has consistently set aside substantial funding for improvements in the General Fixed Assets portion of the balance sheet that will support long term operations. The District maintains a debt service coverage ratio which consistently exceeds 100%.

Determinaion PID-7 (Cost Avoidance and Facilities Sharing):

The District appears to utilize appropriate cost avoidance measures in its operations. Other than inter-ties with Del Oro Water Company, facilities sharing opportunities appear to be limited.

Determinaion PID-8 (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.

Determinaion PID-9 (Management Efficiencies):

The overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner.
**2.13  DURHAM IRRIGATION DISTRICT**

**District Characteristics**

The Durham Irrigation District (DID/District) provides domestic water services to parcels within its sphere of influence, which is south of the City of Chico (see Figure 2.13-1). The District currently contracts out for water distribution, testing, and maintenance services with Cal Water Chico.

<table>
<thead>
<tr>
<th><strong>District Size:</strong></th>
<th>506 acres</th>
</tr>
</thead>
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<tr>
<td><strong>2005 Estimated Population Served:</strong></td>
<td>1,300</td>
</tr>
<tr>
<td><strong>Office Location:</strong></td>
<td>9405 Midway, Durham, CA 95938</td>
</tr>
<tr>
<td><strong>Services:</strong></td>
<td>Domestic water</td>
</tr>
<tr>
<td><strong>Employees:</strong></td>
<td>2 part time</td>
</tr>
<tr>
<td><strong>Date of Formation:</strong></td>
<td>1948</td>
</tr>
<tr>
<td><strong>Enabling Legislation:</strong></td>
<td>California Water Code, Division 11, §20500 et seq.</td>
</tr>
</tbody>
</table>
**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 currently provides water services to approximately 450 customers, which corresponds to a population of approximately 1,300 people according to Cal Water Chico. For purposes of this analysis, the expected population growth in the District has been projected to the year 2025 (see Figure 2.13-2) 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 2.13-2 Projected Population Growth 2005-2025](image)

B. **Land Use/Significant Growth Areas**

The majority of the consumers of water within the District are residential users. There are no clear significant growth areas; zoning restrictions limit the growth in the area. Any future growth is dictated by requests for annexation submitted to Butte County. The Durham-Dayton-Nelson Area Plan established area-wide land use policies that provide less potential for future development than had been allowed under the former Durham Area Plan, which governed the area prior to the adoption of the Durham-Dayton-Nelson Area Plan.
**Determination DID-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 supply for the District is groundwater from three wells that the District owns. The maximum pumping capacity of the wells is approximately 4.176 MGD (million gallons per day). In 2004, an estimated 142 MG (million gallons) was delivered, which equates to 0.39 MGD. This demand is expected to grow as illustrated in Figure 2.13-3 below.

![Projected Water Demand 2005-2025](image)

The drought in the mid-1990’s caused a drop in the water table, in response to which the District brought a new well on-line as the primary source of water on demand. Because the drought caused a drop in the water table, the District has made water conservation literature available to its customers. There is no above ground storage within the system.
**Determination DID-2 (Water Quantity):**

*The District has been providing adequate supplies of water to its service area for day to day needs during years of normal precipitation. During dry years, the water table has historically dropped, and the District promotes water conservation. The District’s water supply is sufficient to accommodate the projected growth.*

**B. Quality**

Water quality reports provided by Cal Water Chico indicate contaminant levels well below the regulated limits for all contaminants, including arsenic and nitrates. The arsenic in the District’s wells ranged from undetectable to 5 ppb (parts per billion). This indicates that the wells are below the limit of 10 ppb, which is the new MCL (maximum contaminant level) that goes into effect on January 23, 2006. Water is treated chlorine at the well prior to delivery.

**Determination DID-3 (Water Quality):**

*The District’s water source meets all required state and federal water quality standards.*

**C. Facilities**

The wells and water delivery system are operated by Cal Water Chico. The District has three wells that are drawing water; these wells furnish water on demand. One well has a backup generator system that allows it to continue pumping during power outages. There is no storage within the District’s system.

The water delivery piping is aging and should be replaced in the near future. There are also some pipelines in the system that are difficult to access. The District’s domestic water infrastructure is such that service must be interrupted to make repairs or new service connections. The District is in the planning stages, in conjunction with Cal Water Chico, for a series of capital improvements to the water supply system.

**Determination DID-4 (Water Facilities):**

*The District has aging water supply infrastructure that must be repaired or replaced as necessary.*
FINANCING AND RATE RESTRUCTURING

Annual independent auditor’s reports and financial statements for FYs ending 2002-04 were reviewed in accordance with LAFCo’s 2003 MSR Guidelines. The purpose of this review is to determine fiscal viability, suitability of current funding practices, and potential fiscal impacts resulting from new legislation.

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 only a minor impact on the District’s ability to cover the costs of providing related services.

The FY 2003-04 annual audit noted no material weaknesses in 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 2003-04, water service operating revenues totaled $136,370. Water sales totaled $123,754 (90% of the operating revenues); meter installation revenues totaled $11,500; and other revenues totaled $1,116. Operating expenditures totaled $126,099. The largest sources of expenditure were due to: repairs and maintenance ($38,563), power ($30,580), employee salaries ($11,535), and insurance ($12,217). End of year net assets, which combine operating revenues, operating expenses, interest income, and beginning net assets, totaled $678,230.

The rate schedule is shown in Table 2.13-1. The rate structure is evaluated annually by the Board of Directors by comparing current rates with rate schedules used by other agencies and private companies.

Table 2.13-1
District Rates

<table>
<thead>
<tr>
<th>Property Rate Codes</th>
<th>Rate1</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$20.00</td>
<td>Single residence</td>
</tr>
<tr>
<td>2</td>
<td>$11.00</td>
<td>Additional residence</td>
</tr>
<tr>
<td>3</td>
<td>$11.00</td>
<td>.75 inch metered</td>
</tr>
<tr>
<td>4</td>
<td>$14.00</td>
<td>1.00 inch metered</td>
</tr>
<tr>
<td>5</td>
<td>$17.00</td>
<td>1.50 inch metered</td>
</tr>
<tr>
<td>6</td>
<td>$20.00</td>
<td>2.00 inch metered</td>
</tr>
<tr>
<td>7</td>
<td>$12.00</td>
<td>Duplex/small business</td>
</tr>
<tr>
<td>8</td>
<td>$30.00</td>
<td>Office</td>
</tr>
<tr>
<td>9</td>
<td>$340.00</td>
<td>Apartment complex</td>
</tr>
<tr>
<td>10</td>
<td>$208.00</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>$25.00</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>$55.00</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>$40.00</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>$50.00</td>
<td></td>
</tr>
</tbody>
</table>

1 Meter rate = $0.25 per 100 cubic feet.
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 Special District Financial Transactions Reports are submitted annually in July, but that yearly budgets have not been adopted.

**Determination DID-5 (Financing and Rate Restructuring):**

*As of FY ending 2004 (the most recent audit available), revenues exceeded expenditures. Rates should continue to be re-evaluated as necessary to ensure that they cover the costs of providing related 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 the purchase of property and liability insurance through the Special District Risk Management Authority, an intergovernmental risk sharing Joint Powers Authority. The District carries general and auto liability coverage, employee dishonesty coverage, property loss, and boiler and machinery coverage. The District also maintains worker’s compensation insurance through the State Compensation Insurance Fund.

As another cost avoidance measure, the District asks users to water early in the morning before peak usage times, and employs the use of water meters.

The District is a small system that could not support employing staff with required credentials and certification, thus they currently contract out these services to Cal Water Chico for an equitable cost. The District maintains an office (open two days per week) for customer service, billing, and meter reading. Opportunities for facilities sharing appear to be limited.

**Determination DID-6 (Cost Avoidance and Facilities Sharing):**

*The District utilizes appropriate cost avoidance measures in its operations, including contracting out services which would be too costly for the District to provide. Currently, revenues exceed expenditures; thus, no other forms of cost avoidance are warranted. Facilities sharing opportunities appear to be limited.*
GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

The District is currently managed by a three member Board of Directors. Each director must be a voter and freeholder of the District and resident of the division which he represents at the time of his nomination and during the entire term; directors are elected by voters who are residents of the District.

The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gary Wolf</td>
<td>Division 1</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Raymond Cooper</td>
<td>Division 2</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Nick Gore</td>
<td>Division 3</td>
<td>Dec 2008</td>
</tr>
</tbody>
</table>

Per SB 135, Government Code Section 61041 applies only to those districts that on December 31, 2005, had boards of directors that consisted of three members. Those districts shall continue to have boards of directors that consist of three members until the next general district election after January 1, 2006, after which date those districts shall have boards of directors that consist of five members.

Board members receive $20 per month. The Board of Directors meets the second Thursday of each month at 8:00 p.m. at the District office at 9405 Midway in Durham. Meeting announcements are posted at the District office. Controversial items are advertised in the local paper or included with monthly bills. The District generally has a member of the public present about four time per year. Past minutes are available at the District office. When the Board does not have quorum, action items are carried over to the next meeting, with the exception of authorizing payment of reoccurring bills. The president of the Board is responsible for compliance with the Brown Act.

District officials noted that current service boundaries are appropriate, as land beyond the current sphere of influence is in agricultural use.

**Determination DID-7 (Government Structure and Local Accountability):**

The District maintains accountability 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 District needs to come into compliance with Government Code Section 61041 at its next general election.
The Board of Directors oversees District operations and employs one part-time employee and a meter reader who works two days per month. The District is subject to yearly audits and has addressed and acted upon all recommendations from recent audits.

The District is currently investigating the possibility that customers might be better served by the private sector through purchase of the District, with one possibility being Cal Water Chico. This may result in a rate increase, as Cal Water Chico’s metered rates are as high as two to three times the rates currently charged by the District.

**Determination DID-8 (Management Efficiencies):**

*The number of employees is appropriate given the operation and size of the District. Consideration should be given to purchase of the District by the private sector, specifically Cal Water Chico.*
### Summary of Determinations

**Determination DID-1 (Growth):**

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

**Determination DID-2 (Water Quantity):**

The District has been providing adequate supplies of water to its service area for day to day needs during years of normal precipitation. During dry years, the water table has historically dropped, and the District promotes water conservation. The District’s water supply is sufficient to accommodate the projected growth.

**Determination DID-3 (Water Quality):**

The District’s water source meets all required state and federal water quality standards.

**Determination DID-4 (Water Facilities):**

The District has aging water supply infrastructure that must be repaired or replaced as necessary.

**Determination DID-5 (Financing and Rate Restructuring):**

As of FY ending 2004 (the most recent audit available), revenues exceeded expenditures. Rates should continue to be re-evaluated as necessary to ensure that they cover the costs of providing related services. The District is in noncompliance with Government Code Section 53901.

**Determination DID-6 (Cost Avoidance and Facilities Sharing):**

The District utilizes appropriate cost avoidance measures in its operations, including contracting out services which would be too costly for the District to provide. Currently, revenues exceed expenditures; thus, no other forms of cost avoidance are warranted. Facilities sharing opportunities appear to be limited.
**Determination DID-7 (Government Structure and Local Accountability):**

The District maintains accountability 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 District needs to come into compliance with Government Code Section 61041 at its next general election.

**Determination DID-8 (Management Efficiencies):**

The number of employees is appropriate given the operation and size of the District. Consideration should be given to purchase of the District by the private sector, specifically Cal Water Chico.
2.14 LAKE MADRONE WATER DISTRICT

District Characteristics

The Lake Madrone Water District (LMWD/District) provides water services to several homes on a year-round basis and also provides water to property owners that use the land seasonally. These customers are exclusively residents of the Lake Madrone area, which is located in eastern Butte County (see Figure 2.14-1). Current issues facing the District include struggling with the cost of lake maintenance, including weed control and sediment removal.

<table>
<thead>
<tr>
<th>District Size: 240 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2005 Estimated Population Served:</strong> 15 (full-time year-round population)</td>
</tr>
<tr>
<td><strong>Office Location:</strong> 12 Star Road/P.O. Box 61, Berry Creek, CA 95916</td>
</tr>
<tr>
<td><strong>Services:</strong> Domestic water</td>
</tr>
<tr>
<td><strong>Employees:</strong> 1 full time</td>
</tr>
<tr>
<td><strong>Date of Formation:</strong> 1976</td>
</tr>
<tr>
<td><strong>Enabling Legislation:</strong> California Water Code Section 34000</td>
</tr>
</tbody>
</table>
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 currently provides water services to 15 full-time residents on a year-round basis and also provides water to several property owners that use the land seasonally. These customers are Lake Madrone community residents exclusively. The Lake Madrone area is generally a vacation/seasonal community, making projection of growth difficult to determine. For purposes of this analysis, based on historical growth, the District estimated a projected growth rate of 10% per 10 years, or about 1.0% annually. The expected population growth in the District has been projected to the year 2025 (see Figure 2.14-2).

![Figure 2.14-2: Projected Population Growth 2005–2025](image)

15 16 16 17 18

2005 2010 2015 2020 2025

Year

B. Land Use/Significant Growth Areas

The area has not experienced significant growth, and there are an estimated 80 properties yet to be developed. Due to the limited development potential of most of the properties in the service area (they are undersized and/or have septic percolation problems), buildout likely will not occur. The growth in the area is expected to be very limited in the future.
**Determination LMWD-1 (Growth):**

The population of the District may grow at a rate of approximately 1.0% annually for the foreseeable future. Buildout of the existing parcels in the service area is very slow and may be prohibitive because of the limited development potential of most of the properties.

**Infrastructure**

A. Quantity

The annual demand for water services has been approximately 34 AF and an average of 25,000 gpd (gallons per day). This demand is expected to grow as illustrated in Figure 2.14-3 below. The projected average daily water demand using this growth model will be approximately 30,000 gpd in 2025. The District owns three wells which are located within the local watershed. Two of these wells are equipped with pumps and associated piping. The third well is not currently equipped with production equipment. The combined maximum production capacity of the two wells is approximately 160,000 gpd. The District has 145,000 gallons of storage.

![Figure 2.14-3](Projected Water Demand 2005-2025)
The required fire flow is 10,000 gallons per hour for 10 hours, and the District is not in compliance with this requirement. The District encourages water users to conserve water during dry years to save pump and storage tank capacity for fire protection. Several dry hydrants exist around the lake to allow fire protection pumping from the lake as necessary.

**Determination LMWD-2 (Water Quantity):**

The District can provide adequate supplies of water to its service area for day to day needs. The District’s water supply is sufficient to accommodate the minor amount of growth that is projected. The District does not have adequate fire flow capacity.

**B. Quality**

The District has good quality raw water supplies. Water quality test results were provided from Monarch Laboratory. This data included 12 months of well sampling reports, and indicated that there are no contaminant problems in the aquifer that the District draws from.

**Determination LMWD-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 District currently operates two wells with depths of 154 feet and 580 feet. A third well (180 feet deep) is currently encased, capped and awaiting availability of funds for addition of the facilities to operate it and integrate within the District’s system. The fire flow requirement also suggests the need for a new storage tank or tanks with 100,000 gallons of capacity for sustained/reinforced use for fire protection. Total storage capacity is 145,000 gallons and includes one steel tank (100,000 gallons) and three redwood tanks (15,000 gallons each). Breakdown and repair of the wells, pipelines and valves is a major constraint for the District.

**Determination LMWD-4 (Water Facilities):**

Currently the District’s facilities are adequate to meet the demand for domestic water consumption. In order to meet fire flow requirements, the District needs to bring the third well online and requires more storage. Breakdown and repair of the wells, pipelines and valves provides a major constraint to the District.
FINANCING AND RATE RESTRUCTURING

Annual independent auditor’s reports and financial statements from FYs 99-00, 01-02, and 03-04 for the District were reviewed in accordance with LAFCo’s 2003 MSR Guidelines.

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. The District has not had to go to the voters since adoption of Proposition 218 because standby charges were adopted prior to that date, and increases above those adopted levels have not been necessary. Because of the uniformity of benefits (one house per lot), Proposition 218 may not be a serious obstacle if the homeowners approve of the purpose of future charges.

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. The District provides for the maintenance of its own financial records, and does not submit its annual budget to the County Auditor.

The FY 2003-04 annual audit noted no material weaknesses in 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 2003-04, the District’s total assets amounted to $899,938. Assets were comprised of property, the plant, equipment, tax revenue, and interest. Total liabilities and fund equity amounted to $899,938 and included long term debt from memorial funds and an Economic Development loan. Operating revenues including standby charges and water charges amounted to $94,194; non-operating revenues including interest income, miscellaneous fees, and property taxes amounted to $76,617.

Net income for FY 2003-04 totaled $9,864; net income for FY 2001-02 totaled $24,169. The FY 2003-04 audit noted that the District usually receives a share of the 1% of County assessed taxes based upon the large percentage of taxes and assessments being charged by the District when Proposition 13 went into effect. In 1991 and 1995 a portion of these tax proceeds were taken by the State of California; the passage of Proposition 1A in November 2004 provides that removal of these amounts will not occur beyond 2005. In FY 2004-05, tax revenue lost to the State of California will be approximately $12,338. A flat rate of $300 per year per customer is charged for unrestricted use.

In 1977, the District entered into a loan with the Economic Development Administration of the U.S. Department of Commerce, pursuant to the Community Emergency Drought Relief Act of 1977. The loan totaled $95,500. The District has been paying it off in annual installments of $5,613 including 5% interest, and will continue to do so through July 1, 2017.

The FY 2003-04 audit noted that the District is subject to heavy siltation from logging and land development activity. The RWQCB requires that the District avoid discharges of sediment. The cost of clean up may result in the District not being able to maintain the lake financially.
The FY 2001-02 audit noted that as a result of Proposition 218, the District cannot change the amount or character of standby charges without an election where the proposal is approved by 50% of all the property owners. The audit noted that this legislation could impact the District’s ability to increases charges and cover costs.

**Determination LMWD-5 (Financing and Rate Restructuring):**

*Several factors may impact the District's ability to sustain itself financially: Proposition 218 and funding the cost of lake clean up to comply with RWQCB requirements. The District is awaiting the availability of funds to bring a third well online for fire protection purposes. The District is in noncompliance with Government Code Section 53901.*

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**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 a general liability policy that covers its water system operations and the property the District maintains for liability, including Lake Madrone.

The District is a member of the District’s Association. The District also receives bulletins from the Minasian law firm with regard to changes in employment requirements, water rights, reporting requirements, and similar subjects which the District is involved in. Opportunities for facilities sharing appear to be limited.

The District’s Board of Directors is exploring cost effective solutions for lake clean up including a cheaper means of removing sediment and modifying the dam outlet structure. Compliance with the RWQCB permit must be achieved by 2007.

**Determination LMWD-6 (Cost Avoidance and Facilities Sharing):**

*The District is actively exploring cost avoidance opportunities to reduce costs associated with compliance with RWQCB requirements. Facilities sharing opportunities appear to be limited.*

---

**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

The District is run by a five member Board of Directors that serves as the decision-making authority. The directors are holders of title to land in the District and are elected by titleholders of land within the District.
The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Williams</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>John Raymond</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>Fred Michels</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Dennis Nay</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>John Logoteta</td>
<td>Dec 2007</td>
</tr>
</tbody>
</table>

The Board of Directors meets the third Saturday of each month at 1:00 p.m. at the Lake Madrone Inn. Meeting notices are posted on two informational kiosks around the lake and on the District’s website. Meetings are open and accessible to the public. Attendance at the meetings varies depending on the season, but there are always several attendees as documented in the minutes.

District officials did not indicate whether or not they feel that the current service boundaries and sphere of influence are appropriate. Given the District’s proximity to the Berry Creek Community Services District (Berry Creek CSD) and the potential financially insolvent position of the District, consideration should be given to consolidating the District with the Berry Creek CSD and reorganization of sphere boundaries.

**Determination LMWD-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. Consideration should be given to consolidating the District with the Berry Creek CSD and reorganization of sphere boundaries.*

**MANAGEMENT EFFICIENCIES**

The District employs a full-time maintenance technician and an independent contractor (certified water system operator) who operate under the supervision of the Board of Directors. The certified water system operator provides information related to water quality to the District. The Board is addressing current funding and operational issues. Given the size of the District, there are no apparent structure changes necessary to result in more efficient operations.

**Determination LMWD-8 (Management Efficiencies):**

*The number of employees is appropriate given the operation and size of the District.*
Summary of Determinations

**Determination LMWD-1 (Growth):**

The population of the District may grow at a rate of approximately 1.0% annually for the foreseeable future. Buildout of the existing parcels in the service area is very slow and may be prohibitive because of the limited development potential of most of the properties.

**Determination LMWD-2 (Water Quantity):**

The District can provide adequate supplies of water to its service area for day to day needs. The District’s water supply is sufficient to accommodate the minor amount of growth that is projected. The District does not have adequate fire flow capacity.

**Determination LMWD-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 LMWD-4 (Water Facilities):**

Currently the District’s facilities are adequate to meet the demand for domestic water consumption. In order to meet fire flow requirements, the District needs to bring the third well online and requires more storage. Breakdown and repair of the wells, pipelines and valves provides a major constraint to the District.

**Determination LMWD-5 (Financing and Rate Restructuring):**

Several factors may impact the District’s ability to sustain itself financially: Proposition 218 and funding the cost of lake clean up to comply with RWQCB requirements. The District is awaiting the availability of funds to bring a third well online for fire protection purposes. The District is in noncompliance with Government Code Section 53901.

**Determination LMWD-6 (Cost Avoidance and Facilities Sharing):**

The District is actively exploring cost avoidance opportunities to reduce costs associated with compliance with RWQCB requirements. Facilities sharing opportunities appear to be limited.
**Determination LMWD-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. Consideration should be given to consolidating the District with the Berry Creek CSD and reorganization of sphere boundaries.

**Determination LMWD-8 (Management Efficiencies):**

The number of employees is appropriate given the operation and size of the District.
2.15 BUZZTAIL CSD

District Characteristics

The Buzztail Community Services District (Buzztail/District) was formed in 1985 to provide road maintenance and water service within its sphere of influence, which is located east of the City of Chico (see Figure 2.15-1). There are 67 parcels within the District, and an estimated four miles of road.

<table>
<thead>
<tr>
<th>District Size:</th>
<th>180 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Estimated Population Served:</td>
<td>75</td>
</tr>
<tr>
<td>Office Location:</td>
<td>No specific address; meetings rotate between about five residences</td>
</tr>
<tr>
<td>Services:</td>
<td>Domestic water</td>
</tr>
<tr>
<td>Employees:</td>
<td>0</td>
</tr>
<tr>
<td>Date of Formation:</td>
<td>1985</td>
</tr>
<tr>
<td>Enabling Legislation:</td>
<td>Government Code Section 61000-61936</td>
</tr>
</tbody>
</table>
**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 that is designed for road maintenance and water services to the parcels within its boundaries. The service area consists of 67 parcels, 34 of which are currently connected or will be connected to the District’s existing water distribution system. Thirty of these parcels are currently developed. Four additional parcels are in proximity to the District’s infrastructure and will probably be developed over the next five years. Population has been roughly estimated at 2.5 per single family residence, for a total of 75 people. According to District officials, it is reasonable to estimate that there will be an average growth within the District of approximately four new connections over each five year period, or 10 people every five years. **Figure 2.15-2** below illustrates the expected growth in the District.

![Projected Population Growth 2005-2025](image)

B. Land Use/Significant Growth Areas

The District serves residential users with the exception of a single vineyard within the District. Growth will be limited to the undeveloped lots within the District. However, additional growth will require significant water system investments by any new development.
**Determination Buzztail-1 (Growth):**

*The population of the District is projected to grow at a rate of approximately 10 people every five years.*

### Infrastructure

**A. Quantity**

The District relies on groundwater drawn from a single well. This well underwent pump tests in 1999 that indicated the well is capable of drawing upwards of 300 gpm (gallons per minute). At the time of this pump test, the water levels were measured at the well site. The standing water depth was measured to have a level of 590 feet, and the bottom depth is over 700 feet deep. This well is susceptible to drought conditions, as the water level dropped 50 feet in a drought year. The demand for the area is not currently known, as meters were installed approximately two and a half years ago and the annual and daily demand have not yet been calculated from these meters. There is a single storage tank within the District that has a storage capacity of 80,000 gallons. There are no plans for construction of additional storage or drilling and construction of a backup water supply well.

**Determination Buzztail-2 (Water Quantity):**

*The District has been providing adequate supplies of water to its service area for day to day needs but does not have redundant wells for current demand or for additional growth. Since the current demand is not known, it is not known at this time if the District’s water supply is sufficient to accommodate the projected growth.*

**B. Quality**

The groundwater in the District is tested monthly for bacteriological contamination. At regularly scheduled intervals (one to three years), the groundwater is tested for other organic and non-organic contaminants. These testing intervals meet legal requirements. The water within this system is disinfected with chlorine as it enters the storage facility.

The results of a sample analysis provided by the District indicated that some parameters approach or exceed the MCL (maximum contaminant level) in the District’s well. Arsenic was detected in the well at a level of 2 ppb (parts per billion). The new MCL for this constituent that went into effect on January 23, 2006 is 10 ppb. Therefore the District is below the new arsenic MCL. The iron content of water is a secondary water quality characteristic related to aesthetic properties. The MCL for this contaminant is 300 ppb. The District measured iron levels of 340 ppb in its well.
**Determinations Buzztail-3 (Water Quality):**

The District’s water source meets all required state and federal water quality standards. The iron content in the District’s well exceeds the MCL for this secondary water quality standard, but no action is required as this is an aesthetic standard.

C. Facilities

The well utilized by the District is approximately 700 feet deep. This well was constructed in 1972, and has six-inch steel casing. A new 30 hp (horsepower) pump, which is capable of pumping 70-80 gpm, was installed at the well site in 1999. The storage tank is an above ground steel tank that was constructed in 1998. This system is pressurized with a 20 hp pump and motor assembly that is capable of pumping 150 gpm. This pressurization system was installed in 1982. The well site is equipped with a diesel generator capable of powering the well’s pump in case of a power outage. The water delivery system in the District consists of a series of six-inch PVC water mains. Residential connections are provided by two-inch PVC waterlines.

Much of the infrastructure of the District is fairly new and in good condition. The District was formed in 1985, and much of the infrastructure has been replaced since then.

**Determinations Buzztail-4 (Water Facilities):**

The District has well maintained infrastructure that is generally in good condition. Additional growth will require significant water system investments by any new development.

---

**FINANCING AND RATE RESTRUCTURING**

Independent auditor’s reports for FYs ended 2000-03 and the current year 2005-06 budget were reviewed for this report. The current year budget shows General Fund revenues exceeding expenditures and District revenues equaling expenditures.

The FY 2003 audit does not note matters of material weakness; however, the auditor did note other matters involving the internal control over financial reporting. The auditor noted that:

1. During the test of cash disbursements, 28% of items selected were lacking proper approval in the minutes of the Board of Director’s meetings. The auditor recommended that a list of cash disbursements to be approved should be attached to the meeting minutes and Board approval should be noted in the minutes.

2. During the auditor’s reconciliation of accounts receivable, it was determined that an adjustment was made to an invoice recorded three years prior, issued in 2000. The auditor
recommended that entries should not be made such that they affect the balances and activities of prior periods.

3. During the auditor’s test of non-payroll disbursements, it was noted that 4% of invoices selected for review were not available for inspection. The auditor recommended that supporting documentation for all cash disbursements should be maintained for possible future review.

4. During the auditor’s search for unrecorded liabilities, 12% of invoices selected for review were erroneously not included in accounts payable at 6/30/2003. The auditor recommended that all open invoices at the end of the fiscal year be reviewed to properly account for accounts payable.

District officials noted intended future compliance with all recommendations.

The FY 2002 audit showed the District operating at a net loss of $28,467; however, in FY 2003, the District gained a net income of $38,642. End of year fund equity increased from $35,316 to $73,958. Revenue sources included tax assessments ($24,116), water assessments ($24,656), and hook up income ($16,500).

Long term debt includes an unsecured note payable to the Doe Mill Vineyard (balance as of June 30, 2003: $10,171), a note payable to River City Financial (balance as of June 30, 2003: $6,029), and an unsecured note payable to Whitney Construction (balance as of June 30, 2003: $14,244).

District officials noted that a portion of revenues are used to build a reserve for the future funding of necessary improvements. They also noted that existing debt is being paid from revenues obtained from hook up fees.

Rates are evaluated on an annual basis by the Board of Directors. Current rates are as follows: a $36 flat access fee plus $0.0015 per gallon.

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. The District usually submits its budgets to the County Auditor by October each fiscal year.

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 not affect the ability of the District to cover the cost of providing related services.
**Determination Buzztail-5 (Financing and Rate Restructuring):**

As of FY ending 2003 (the most recent audit available), revenues exceeded expenditures. Rates should continue to be re-evaluated as necessary to ensure that they cover the costs of providing related services.

---

**COST AVOIDANCE AND FACILITIES SHARING**

A Board member is responsible for meter reading (and is compensated for this service). Residents are encouraged to attend meetings and to assist with road and water system maintenance. Periodically, “work days” are scheduled for road maintenance tasks and well and pump house upkeep. District officials noted that without the help of resident volunteers, this work would have to be contracted out at considerable expense to the District, resulting in increased property tax assessments. Opportunities for facilities sharing appear to be limited.

**Determination Buzztail-6 (Cost Avoidance and Facilities Sharing):**

The District utilizes appropriate cost avoidance measures in its operations, including using resident volunteers to complete services that would be too costly for the District to provide. Currently, revenues exceed expenditures; thus, no other forms of cost avoidance are warranted. Facilities sharing opportunities appear to be limited.

---

**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

District operations are overseen by a three 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:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matt Wallen</td>
<td>President</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>Tommy Slattery</td>
<td>Vice President</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Robin Wilder</td>
<td>Secretary</td>
<td>Dec 2007</td>
</tr>
</tbody>
</table>

Per SB 135, Government Code Section 61041 applies only to those districts that on December 31, 2005, had boards of directors that consisted of three members. Those districts shall continue to have boards of directors that consist of three members until the next general district election after January 1, 2006, after which date those districts shall have boards of directors that consist of five members.
The Vice President is compensated for meter reading services; all other Board members are not compensated during their terms in office. Meetings, which are generally held every other month, rotate between about five residences in the District; there is no designated office location. Currently, meetings are held on the first or second Tuesday of the month at 7:00 p.m. The date for each meeting is set at the end of the previous meeting. According to District officials, 10 to 12 members of the public attend regular meetings. The District seeks to involve the public by providing meeting announcements/agendas via email to all residents, and to any other persons who have requested to be notified; the announcements contain the meeting address. Announcements/agendas are also posted on a bulletin board at the intersection of Wilder Drive and Batt Road. If a minimum of two Board members are not in attendance, there is no quorum and no voting takes place. However, this happens very rarely (estimated at two times in the last 10 years).

District officials feel that the current service boundaries and sphere of influence are appropriate.

**Determination Buzztail-7 (Government Structure and Local Accountability):**

The District maintains accountability 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. The District needs to come into compliance with Government Code Section 61041 at its next general election.

---

**MANAGEMENT EFFICIENCIES**

The District is governed by a three member Board of Directors. There are no permanent full time or part time budgeted positions available or currently filled. The District depends on volunteers for water system maintenance. 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.

With good financial and operational health, there do not appear to be any structure changes necessary to ensure an efficient, long-term continuation of service provision by the District.

**Determination Buzztail-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 Buzztail-1 (Growth):**

The population of the District is projected to grow at a rate of approximately 10 people every five years.

**Determination Buzztail-2 (Water Quantity):**

The District has been providing adequate supplies of water to its service area for day to day needs but does not have redundant wells for current demand or for additional growth. Since the current demand is not known, it is not known at this time if the District’s water supply is sufficient to accommodate the projected growth.

**Determination Buzztail-3 (Water Quality):**

The District’s water source meets all required state and federal water quality standards. The iron content in the District’s well exceeds the MCL for this secondary water quality standard, but no action is required as this is an aesthetic standard.

**Determination Buzztail-4 (Water Facilities):**

The District has well maintained infrastructure that is generally in good condition. Additional growth will require significant water system investments by any new development.

**Determination Buzztail-5 (Financing and Rate Restructuring):**

As of FY ending 2003 (the most recent audit available), revenues exceeded expenditures. Rates should continue to be re-evaluated as necessary to ensure that they cover the costs of providing related services.

**Determination Buzztail-6 (Cost Avoidance and Facilities Sharing):**

The District utilizes appropriate cost avoidance measures in its operations, including using resident volunteers to complete services that would be too costly for the District to provide. Currently, revenues exceed expenditures; thus, no other forms of cost avoidance are warranted. Facilities sharing opportunities appear to be limited.
**Determination Buzztail-7 (Government Structure and Local Accountability):**

The District maintains accountability 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. The District needs to come into compliance with Government Code Section 61041 at its next general election.

**Determination Buzztail-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.
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.

<table>
<thead>
<tr>
<th>District Size: 102 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Estimated Population Served: 95</td>
</tr>
<tr>
<td>Office Location: 27 Cedar Lane/P.O. Box 387, Berry Creek, CA 95916</td>
</tr>
<tr>
<td>Services: Domestic water</td>
</tr>
<tr>
<td>Employees: 0</td>
</tr>
<tr>
<td>Date of Formation: 1987</td>
</tr>
<tr>
<td>Enabling Legislation: Government Code Section 61000-61936</td>
</tr>
</tbody>
</table>
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](image)

**Figure 2.16-2**


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
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.

![Projected Water Demand 2005-2025](image)
**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

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Connection Charge</td>
<td>$500.00</td>
</tr>
<tr>
<td>Class 1 Service (Regular water service to a single residence/dwelling)</td>
<td>$35.00/month</td>
</tr>
<tr>
<td>Class 2 Service (Regular water service to a non-occupied lot for fire safety purposes)</td>
<td>$15.00/month</td>
</tr>
<tr>
<td>Class 3 Service (Regular water service to a business or commercial enterprise)</td>
<td>$75.00/month</td>
</tr>
</tbody>
</table>

**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.

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**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:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miguel Calvo</td>
<td>President</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>Richard Hubacek</td>
<td>Vice-President</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Marilyn Calvo</td>
<td>Financial Director</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Brady Hostetter</td>
<td>Board member</td>
<td>Dec 2009</td>
</tr>
<tr>
<td>Vacant position</td>
<td>Board member</td>
<td></td>
</tr>
</tbody>
</table>

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
Berry Creek CSD

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.

**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.
2.17  CALIFORNIA WATER SERVICE COMPANY – CHICO DISTRICT

District Characteristics

California Water Service Company is an investor-owned public utility supplying domestic water service to 1.7 million Californians through over 440,000 connections. Its 25 separate water systems serve over 50 communities from Chico in the north to the Palos Verdes peninsula in southern California. Cal Water Chico (Chico District) incorporated in 1926 and has provided water service to the Chico community since then. The system serves the City of Chico, Hamilton City, and unincorporated areas of Butte County (see Figure 2.17-1). Unincorporated properties of Butte and Glenn counties surround the Chico District.

<table>
<thead>
<tr>
<th>District Size: 16,753 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003 Estimated Population Served: 86,000</td>
</tr>
<tr>
<td>Office Location: 2222 Whitman Avenue, Chico, CA 95928</td>
</tr>
<tr>
<td>Services: Domestic water</td>
</tr>
<tr>
<td>Employees: 30</td>
</tr>
<tr>
<td>Date of Formation: 1926</td>
</tr>
<tr>
<td>Enabling Legislation: Not applicable</td>
</tr>
</tbody>
</table>
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)

Cal Water Chico serves the City of Chico urban area, which also includes Hamilton City and unincorporated areas of Butte County. This area has a population of approximately 86,000 people. According to the Butte County Association of Governments, this population is expected to grow at a rate of approximately 3.5% annually over the next 20 years. This growth is illustrated in Figure 2.17-2 below.

![Projected Population Growth 2005–2025](image)

B. Land Use/Significant Growth Areas

The Chico area is growing rapidly. Over the last five years, the Chico District has grown at an average rate of 2.46%, and the growth rate has been over 2.0% in 16 of the last 20 years. Growth to the west of the Chico District is restricted due to a “Green Line” imposed by the City of Chico to protect agricultural lands. Significant growth areas have been identified by the City’s planning department. The planned expansions to the City limits and sphere of influence are located between Highway 99 and Highway 32 south of Sycamore Creek. Other growth is also expected to occur within the current City limits and sphere of influence. The service area of Cal Water Chico is expected to mirror the City’s growth.
Determination Cal Water Chico-1 (Growth):

The population in the Chico District will continue to grow at a rate of approximately 3.5% annually for the foreseeable future.

Infrastructure

A. Quantity

Cal Water Chico treated and distributed 10,060 MG (million gallons) of water in 2004. Cal Water Chico supplies groundwater pumped from the aquifers of the Sacramento River Valley, specifically the northern reach of the Butte Basin. The Chico District has 65 wells, 63 of which are currently active, with an average depth of 600 feet. These wells have a design capacity of 85.7 MGD (million gallons per day). This is more than sufficient, as the maximum day demand is estimated to be 52.2 MGD. The Chico District has 2.375 MG of water storage to supplement the production of the wells. Plans will be made for more storage as the City of Chico continues to grow. The projected water demand growth in the Chico District, assuming a growth rate of 3.5%, is illustrated in Figure 2.17-3 below. The projected maximum day demand will surpass the Chico District’s existing pumping design capacity sometime before 2020.

Figure 2.17-3
Projected Water Demand 2005-2025

The static water level of the groundwater in the Chico District has remained relatively unchanged over the last 37 years. Drought conditions have caused water levels to decline, but significant recharge has been noted. The effect of increased demand on this aquifer was studied by
Hydrologic Consultants Inc. in 1997. This study concluded that water levels in the basin are sufficient to meet demand in the area until 2012. At that point, the groundwater levels in the aquifer will have declined by approximately eight feet of the 1200 foot saturated thickness of the aquifer beneath Chico.

To prevent the loss of water levels in the aquifer beneath Chico, Cal Water Chico has implemented several conservation measures. These include the retrofitting of plumbing, public education, toilet rebates, and more. Cal Water Chico also has an aggressive program to reduce unaccounted\(^1\) water within its systems. The unaccounted water in the Chico District has averaged 8.0% over the last 10 years.

### Determination Cal Water Chico-2 (Water Quantity):

*Cal Water Chico can currently provide adequate supplies of water to meet the demand in the Chico District. The future maximum day demand will be greater than the current pumping design capacity sometime before 2020. Cal Water Chico should continue utilizing conservation measures to ensure its water supply will not be depleted with the expected growth in the area. Cal Water Chico should continue its program to reduce unaccounted water.*

### B. Quality

The water delivered to Cal Water Chico’s customers currently meets all federal and state water quality regulations. Water is treated with chlorine prior to distribution. The quality varies from well to well within the system. Some of the wells have been tested and found to contain concentrations of substances that exceed the regulations. In all of these cases, the wells in question have been equipped with on-site treatment facilities or taken out of service.

The arsenic levels in some of the wells have also recently become an issue for the Chico District. Based on the new MCL (maximum contaminant level) that went into effect on January 23, 2006 [10 ppb (parts per billion)], four of the existing wells could be taken out of service.

### Determination Cal Water Chico-3 (Water Quality):

*Cal Water Chico generally meets all state and federal requirements for water quality. Four wells could be taken out of service based on the new arsenic MCL.*

### C. Facilities

Cal Water Chico’s infrastructure consists of 65 wells (63 active), storage tanks, booster pumps, and distribution mains. The pipeline infrastructure is well maintained, as evidenced by the lack

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\(^1\) Unaccounted or un-metered water is water that is distributed but not delivered through a meter, as it is lost during distribution.
of leaks and relatively low percentage of unaccounted water. When unaccounted water in the system reaches a level of 10% or higher, a full-scale system audit is performed and repairs made where necessary. The wells are also properly maintained and monitored through a telemetry system. The storage tanks within the system have been retrofitted with shock-absorbing equipment to prevent damage in the case of a seismic event.

**Determination Cal Water Chico-4 (Water Facilities):**

The facilities utilized by Cal Water Chico are in good condition. An aggressive pipe replacement program ensures that the infrastructure remains in good condition.

---

**FINANCING AND RATE RESTRUCTURING**

Cal Water Chico is part of a private company that serves the City of Chico, Hamilton City, and unincorporated areas of Butte County. The rate schedules for metered and flat rates charged by Cal Water Chico are shown in Table 2.17-1 and Table 2.17-2, respectively.

**Table 2.17-1**

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Service Charge¹ Per Meter Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4-inch meter</td>
<td>$8.34</td>
</tr>
<tr>
<td>3/4-inch meter</td>
<td>$12.51</td>
</tr>
<tr>
<td>1-inch meter</td>
<td>$20.85</td>
</tr>
<tr>
<td>1 ½-inch meter</td>
<td>$41.70</td>
</tr>
<tr>
<td>2-inch meter</td>
<td>$64.31</td>
</tr>
<tr>
<td>3-inch meter</td>
<td>$114.39</td>
</tr>
<tr>
<td>4-inch meter</td>
<td>$163.24</td>
</tr>
<tr>
<td>6-inch meter</td>
<td>$272.06</td>
</tr>
<tr>
<td>8-inch meter</td>
<td>$415.52</td>
</tr>
<tr>
<td>10-inch meter</td>
<td>$919.58</td>
</tr>
<tr>
<td>12-inch meter</td>
<td>$1,319.39</td>
</tr>
<tr>
<td>14-inch meter</td>
<td>$1,799.21</td>
</tr>
</tbody>
</table>

¹ The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the quantity rate ($0.5554 per 100 cubic feet).

**Table 2.17-2**

<table>
<thead>
<tr>
<th>Unit Area</th>
<th>Rate Per Service Connection Per Month</th>
<th>Surcharge Per Service Connection Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,000 sq. feet or less</td>
<td>$26.54</td>
<td>$0.65</td>
</tr>
<tr>
<td>6,001 to 10,000 sq. feet</td>
<td>$32.04</td>
<td>$0.78</td>
</tr>
<tr>
<td>10,001 to 16,000 sq. feet</td>
<td>$39.54</td>
<td>$0.96</td>
</tr>
<tr>
<td>16,001 to 25,000 sq. feet</td>
<td>$50.22</td>
<td>$1.22</td>
</tr>
<tr>
<td>Additional Unit¹</td>
<td>$18.72</td>
<td>$0.46</td>
</tr>
</tbody>
</table>

¹ Single family residential unit on the same premises and served from the same service connection.
Metered rates charged by Cal Water Chico range from 11% to 51% less than the corresponding rates charged by Cal Water Oroville. Flat rates charged by Cal Water Chico range from 34% to 37% less than the corresponding rates charged by Cal Water Oroville. By comparison, Cal Water Chico’s metered rates are as high as two to three times the rates currently charged by the Durham Irrigation District (DID), which the Chico District is considering purchasing.

**Determination Cal Water Chico-5 (Financing and Rate Restructuring):**

*Cal Water Chico’s rates (metered and flat) are significantly less than the corresponding rates charged by Cal Water Oroville, but they are as high as two to three times the rates currently charged by DID. As a private company, California Water Service charges rates that allow it to cover costs of providing water service as well as to make a profit.*

**COST AVOIDANCE AND FACILITIES SHARING**

Cal Water Chico is part of a private company that serves the City of Chico, Hamilton City, and unincorporated areas of Butte County. Accordingly, specific cost avoidance and facilities sharing opportunities were not evaluated. Regardless, it is likely that cost avoidance and reduction mechanisms exist that would allow Cal Water Chico to reduce its rates. As a private company, opportunities for facilities sharing would generally be limited.

**Determination Cal Water Chico-6 (Cost Avoidance and Facilities Sharing):**

*It is likely that cost avoidance and reduction mechanisms exist that would allow Cal Water Chico to reduce its rates. As part of a private company, opportunities for facilities sharing are generally limited.*

**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

Cal Water Chico is part of a private company that serves the City of Chico, Hamilton City, and unincorporated areas of Butte County. California Water Service Company has a Board of Directors; the Directors are elected by stockholders. The Board does not hold public meetings, and is not subject to compliance with the Brown Act. Cal Water Chico has a service area but is not subject to LAFCo oversight in terms of expansion of its boundaries.
Determination Cal Water Chico-7 (Government Structure and Local Accountability):

As a private company, California Water Service does not have a government structure, does not hold public meetings, and is not subject to compliance with the Brown Act. Limited information regarding the company is available to members of the public.

MANAGEMENT EFFICIENCIES

Cal Water Chico is part of a private company which serves the City of Chico, Hamilton City, and unincorporated areas of Butte County. Cal Water Chico has three managers (District Manager, Assistant District Manager, and Customer Service Manager), two superintendents (Production and Distribution), and a total of approximately 30 employees. The ratio of managers to workers is appropriate; the Chico District is not top heavy in managers. Cal Water Chico has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, and the like.

Cal Water Chico is considering purchasing DID; it already operates DID’s wells and water delivery system. DID is in the planning stages, in conjunction with Cal Water Chico, for a series of capital improvements to the water supply system.

Determination Cal Water Chico-8 (Management Efficiencies):

The number of employees is appropriate given the operation and size of the Chico District. Consideration should be given to purchasing DID to increase efficiencies and better serve customers in that area.
Summary of Determinations

**Determination Cal Water Chico-1 (Growth):**

The population in the Chico District will continue to grow at a rate of approximately 3.5% annually for the foreseeable future.

**Determination Cal Water Chico-2 (Water Quantity):**

Cal Water Chico can currently provide adequate supplies of water to meet the demand in the Chico District. The future maximum day demand will be greater than the current pumping design capacity sometime before 2020. Cal Water Chico should continue utilizing conservation measures to ensure its water supply will not be depleted with the expected growth in the area. Cal Water Chico should continue its program to reduce unaccounted water.

**Determination Cal Water Chico-3 (Water Quality):**

Cal Water Chico generally meets all state and federal requirements for water quality. Four wells could be taken out of service based on the new arsenic MCL.

**Determination Cal Water Chico-4 (Water Facilities):**

The facilities utilized by Cal Water Chico are in good condition. An aggressive pipe replacement program ensures that the infrastructure remains in good condition.

**Determination Cal Water Chico-5 (Financing and Rate Restructuring):**

Cal Water Chico’s rates (metered and flat) are significantly less than the corresponding rates charged by Cal Water Oroville, but they are as high as two to three times the rates currently charged by DID. As a private company, California Water Service charges rates that allow it to cover costs of providing water service as well as to make a profit.

**Determination Cal Water Chico-6 (Cost Avoidance and Facilities Sharing):**

It is likely that cost avoidance and reduction mechanisms exist that would allow Cal Water Chico to reduce its rates. As part of a private company, opportunities for facilities sharing are generally limited.
**Determination Cal Water Chico-7 (Government Structure and Local Accountability):**

As a private company, California Water Service does not have a government structure, does not hold public meetings, and is not subject to compliance with the Brown Act. Limited information regarding the company is available to members of the public.

**Determination Cal Water Chico-8 (Management Efficiencies):**

The number of employees is appropriate given the operation and size of the Chico District. Consideration should be given to purchasing DID to increase efficiencies and better serve customers in that area.
2.18  CALIFORNIA WATER SERVICE COMPANY – OROVILLE DISTRICT

District Characteristics

California Water Service Company is an investor-owned public utility supplying domestic water service to 1.7 million Californians through over 440,000 connections. Its 25 separate water systems serve over 50 communities from Chico in the north to the Palos Verdes peninsula in southern California. Cal Water Oroville (Oroville District) serves the City of Oroville urban area that is not served by either the South Feather Water and Power Agency (SFWPA) or Thermalito Irrigation District (TID) (see Figure 2.18-1).

<table>
<thead>
<tr>
<th>District Size:</th>
<th>3,449 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Estimated Population Served:</td>
<td>10,000</td>
</tr>
<tr>
<td>Office Location:</td>
<td>1905 High Street, Oroville, CA 95965</td>
</tr>
<tr>
<td>Services:</td>
<td>Domestic water</td>
</tr>
<tr>
<td>Employees:</td>
<td>8</td>
</tr>
<tr>
<td>Date of Formation:</td>
<td>1927</td>
</tr>
<tr>
<td>Enabling Legislation:</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
**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)

Cal Water Oroville serves approximately 10,000 people in the City of Oroville urban area that are not served by either SFWPA or TID. The expected population growth in the Oroville District has been projected to the year 2025 (see Figure 2.18-2). For the purposes of this analysis, these projections assume a growth rate of 2.6%, which corresponds to the projected growth in the City of Oroville as given by the Butte County Association of Governments.

![Projected Population Growth 2005-2025](image)

B. Land Use/Significant Growth Areas

The Oroville District is bordered by two other domestic water service providers. To the north and west is TID, while the areas to the south and east of the Oroville District are currently served by SFWPA. Because of this, the District’s sphere of influence does not have room to grow. There are, however, a significant amount of vacant lots and undeveloped acreage (e.g., the Oroville Industrial Unit) within the Oroville District’s current sphere that may be developed in the future.
**Determination Cal Water Oroville-1 (Growth):**

The population in the Oroville District will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

**Infrastructure**

A. Quantity

Cal Water Oroville treated and distributed 1,134 MG (million gallons) of water in 2004. Cal Water Oroville utilizes groundwater pumped from four wells. These wells have a design capacity of 3.74 MGD (million gallons per day). Raw water purchased from PG&E is also utilized. There is currently no set limit on the amount of water that may be purchased. This raw water is processed through a 7 MGD conventional treatment plant. This combined production potential (10.74 MGD) is more than sufficient to meet the current maximum day demand in the Oroville District of 6.3 MGD. The projected water demand growth in the Oroville District, assuming a growth rate of 2.6%, is illustrated in Figure 2.18-3 below. The maximum day demand will approach the combined production potential by the year 2025.

![Figure 2.18-3 Projected Water Demand 2005–2025](image-url)
Cal Water Oroville has implemented several conservation measures. These include the retrofitting of plumbing, public education, toilet rebates, and more. Cal Water Oroville also has an aggressive program to reduce unaccounted\(^1\) water within its systems.

**Determination Cal Water Oroville-2 (Water Quantity):**

*Cal Water Oroville can currently provide adequate supplies of water to meet the demand in the Oroville District. The Oroville District’s water supply is sufficient to accommodate the projected growth. Cal Water Oroville should continue utilizing conservation measures and should continue its program to reduce unaccounted water.*

---

**B. Quality**

The water delivered to Cal Water Oroville’s customers currently meets all federal and state water quality regulations. According to Cal Water Oroville’s 2004 water quality report, the samples tested were well below the MCL (maximum contaminant level) for all contaminants. The arsenic levels detected ranged from none to 2 ppb (parts per billion). The new MCL for this constituent that went into effect on January 23, 2006 is 10 ppb. Therefore the Oroville District is below the new arsenic MCL. Both surface water and ground water are treated with chlorine and fluoride prior to distribution.

**Determination Cal Water Oroville-3 (Water Quality):**

*Cal Water Oroville meets all state and federal requirements for water quality.*

---

**C. Facilities**

Cal Water Oroville’s infrastructure consists of four wells, a treatment facility, and distribution mains. The wells are properly maintained and monitored through a telemetry system. The pipes in the Oroville District are constructed of wrought iron, cast iron, steel, concrete, and PVC. The Oroville District currently has an aggressive pipe replacement program, through which over 1,000 feet of distribution pipeline is replaced every year. When unaccounted water in the system reaches a level of 10% or higher, a full-scale system audit is performed and repairs made where necessary. The Oroville District has not reported any plans for expansion of its water treatment plant.

The pipeline infrastructure within the Oroville District is generally well maintained. However, some areas of pipeline are old and deteriorated, such as in areas served by the El Medio Fire Protection District. The El Medio Fire Protection District has apparently reported that turning on a hydrant too quickly is sufficient to blow a water line.

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\(^1\) Unaccounted or un-metered water is water that is distributed but not delivered through a meter, as it is lost during distribution.
**Determination Cal Water Oroville-4 (Water Facilities):**

The majority of the facilities utilized by Cal Water Oroville are in good condition. However, some areas are in need of significant rehabilitation or replacement, such as the pipeline utilized by the El Medio Fire Protection District in the southern portion of the Oroville District’s service area.

---

**FINANCING AND RATE RESTRUCTURING**

Cal Water Oroville is part of a private company which serves the City of Oroville urban area that is not served by either SFWPA or TID. The rate schedules for metered and flat rates charged by Cal Water Oroville are shown in Table 2.18-1 and Table 2.18-2, respectively.

<table>
<thead>
<tr>
<th>Table 2.18-1</th>
<th>General Metered Service Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meter Size</strong></td>
<td><strong>Service Charge(^1)</strong></td>
</tr>
<tr>
<td>5/8 x 3/4-inch meter</td>
<td>$16.37 Per Meter Per Month</td>
</tr>
<tr>
<td>3/4-inch meter</td>
<td>$24.55 Per Meter Per Month</td>
</tr>
<tr>
<td>1-inch meter</td>
<td>$28.94 Per Meter Per Month</td>
</tr>
<tr>
<td>1 ½-inch meter</td>
<td>$58.61 Per Meter Per Month</td>
</tr>
<tr>
<td>2-inch meter</td>
<td>$74.60 Per Meter Per Month</td>
</tr>
<tr>
<td>3-inch meter</td>
<td>$138.68 Per Meter Per Month</td>
</tr>
<tr>
<td>4-inch meter</td>
<td>$191.11 Per Meter Per Month</td>
</tr>
<tr>
<td>6-inch meter</td>
<td>$313.84 Per Meter Per Month</td>
</tr>
<tr>
<td>8-inch meter</td>
<td>$467.45 Per Meter Per Month</td>
</tr>
<tr>
<td>10-inch meter</td>
<td>$1,882.55 Per Meter Per Month</td>
</tr>
<tr>
<td>12-inch meter</td>
<td>$2,701.18 Per Meter Per Month</td>
</tr>
<tr>
<td>14-inch meter</td>
<td>$3,683.43 Per Meter Per Month</td>
</tr>
</tbody>
</table>

\(^1\) The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the quantity rate ($1.0551 per 100 cubic feet).

<table>
<thead>
<tr>
<th>Table 2.18-2</th>
<th>Single Family Residential Unit Flat Rate Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit Area</strong></td>
<td><strong>Rate Per Service Connection Per Month</strong></td>
</tr>
<tr>
<td>6,000 sq. feet or less</td>
<td>$41.80</td>
</tr>
<tr>
<td>6,001 to 10,000 sq. feet</td>
<td>$49.30</td>
</tr>
<tr>
<td>10,001 to 16,000 sq. feet</td>
<td>$60.70</td>
</tr>
<tr>
<td>16,001 to 25,000 sq. feet</td>
<td>$75.75</td>
</tr>
<tr>
<td>Additional Unit(^1)</td>
<td>$29.45</td>
</tr>
</tbody>
</table>

\(^1\) Single family residential unit on the same premises and served from the same service connection.

Metered rates charged by Cal Water Oroville range from 12% to 105% more than the corresponding rates charged by Cal Water Chico. Flat rates charged by Cal Water Oroville range...
from 51% to 57% more than the corresponding rates charged by Cal Water Chico. SFWPA charges $0.64 per unit (100 cubic feet) for the first 100 units of water, and $0.25 for every unit thereafter, together with a fixed $15.00/month service charge. Therefore, SFWPA’s rates are significantly cheaper than those charged by Cal Water Oroville. Similarly, TID’s rates are significantly cheaper than those charged by Cal Water Oroville (see Chapter 2.8 for detailed information on TID’s rate structure).

**Determination Cal Water Oroville-5 (Financing and Rate Restructuring):**

Cal Water Oroville’s rates (metered and flat) are significantly more than the corresponding rates charged by Cal Water Chico. Cal Water Oroville’s rates are also significantly more than the rates charged by SFWPA and TID. As a private company, California Water Service charges rates that allow it to cover costs of providing water service as well as to make a profit.

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**COST AVOIDANCE AND FACILITIES SHARING**

Cal Water Oroville is part of a private company which serves the City of Oroville urban area that is not served by either SFWPA or TID. Accordingly, specific cost avoidance and facilities sharing opportunities were not evaluated. Regardless, it is likely that cost avoidance and reduction mechanisms exist that would allow Cal Water Oroville to reduce its rates. As a private company, opportunities for facilities sharing would generally be limited.

**Determination Cal Water Oroville-6 (Cost Avoidance and Facilities Sharing):**

It is likely that cost avoidance and reduction mechanisms exist that would allow Cal Water Oroville to reduce its rates. As part of a private company, opportunities for facilities sharing are generally limited.

---

**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

Cal Water Oroville is part of a private company which serves the City of Oroville urban area that is not served by either SFWPA or TID. California Water Service Company has a Board of Directors; the Directors are elected by stockholders. The Board does not hold public meetings, and is not subject to compliance with the Brown Act.

Cal Water Oroville has a service area but is not subject to LAFCo oversight in terms of expansion of its boundaries. Given that SFWPA’s rates are significantly less than those charged by Cal Water Oroville, that Cal Water Oroville’s service area immediately abuts SFWPA’s service area, and that the providers’ pipes actually overlap in a few isolated locations, something should be done to resolve these discrepancies and inefficiencies in service provision. Similarly,
given that TID’s rates are significantly less than those charged by Cal Water Oroville, that Cal Water Oroville’s service area immediately abuts TID’s service area, and that within TID’s service area, a small residential area east of Table Mountain Boulevard known as Rancho Golden is provided water by Cal Water Oroville, something should be done to resolve these discrepancies and inefficiencies in service provision.

**Determination Cal Water Oroville-7 (Government Structure and Local Accountability):**

As a private company, California Water Service does not have a government structure, does not hold public meetings, and is not subject to compliance with the Brown Act. Limited information regarding the company is available to members of the public. Consideration should be given to resolving discrepancies and inefficiencies in service provision in relation to SFWPA and TID.

**MANAGEMENT EFFICIENCIES**

Cal Water Oroville is part of a private company which serves the City of Oroville urban area that is not served by either SFWPA or TID. Cal Water Oroville has one District Manager, one supervisor, and a total of eight employees. The ratio of managers to workers is appropriate; the Oroville District is not top heavy in managers. Cal Water Oroville has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, and the like.

**Determination Cal Water Oroville-8 (Management Efficiencies):**

The number of employees is appropriate given the operation and size of the Oroville District.
Summary of Determinations

**Determination Cal Water Oroville-1 (Growth):**

The population in the Oroville District will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

**Determination Cal Water Oroville-2 (Water Quantity):**

Cal Water Oroville can currently provide adequate supplies of water to meet the demand in the Oroville District. The Oroville District’s water supply is sufficient to accommodate the projected growth. Cal Water Oroville should continue utilizing conservation measures and should continue its program to reduce unaccounted water.

**Determination Cal Water Oroville-3 (Water Quality):**

Cal Water Oroville meets all state and federal requirements for water quality.

**Determination Cal Water Oroville-4 (Water Facilities):**

The majority of the facilities utilized by Cal Water Oroville are in good condition. However, some areas are in need of significant rehabilitation or replacement, such as the pipeline utilized by the El Medio Fire Protection District in the southern portion of the Oroville District’s service area.

**Determination Cal Water Oroville-5 (Financing and Rate Restructuring):**

Cal Water Oroville’s rates (metered and flat) are significantly more than the corresponding rates charged by Cal Water Chico. Cal Water Oroville’s rates are also significantly more than the rates charged by SFWPA and TID. As a private company, California Water Service charges rates that allow it to cover costs of providing water service as well as to make a profit.

**Determination Cal Water Oroville-6 (Cost Avoidance and Facilities Sharing):**

It is likely that cost avoidance and reduction mechanisms exist that would allow Cal Water Oroville to reduce its rates. As part of a private company, opportunities for facilities sharing are generally limited.
**Determination Cal Water Oroville-7 (Government Structure and Local Accountability):**

As a private company, California Water Service does not have a government structure, does not hold public meetings, and is not subject to compliance with the Brown Act. Limited information regarding the company is available to members of the public. Consideration should be given to resolving discrepancies and inefficiencies in service provision in relation to SFWPA and TID.

**Determination Cal Water Oroville-8 (Management Efficiencies):**

The number of employees is appropriate given the operation and size of the Oroville District.
SECTION 3.0
COMMENTS RECEIVED AND RESPONSES TO COMMENTS
3.0 COMMENTS RECEIVED AND RESPONSES TO COMMENTS

Introduction

The Draft MSR was circulated for public review from February 27, 2006 to March 31, 2006. The document was distributed to the 18 domestic water and wastewater service providers, the Butte County Library, the LAFCo Commissioners and their alternates, and was made available at the LAFCo office in Oroville.

Comments Received on the Draft MSR

The following public agencies/service providers, organizations, and individuals submitted comments on the Draft MSR during and after the public review period:

Public Agencies/Service Providers

- Lake Oroville Area Public Utility District, letter dated March 29, 2006
- City of Chico, marked-up chapter dated March 23, 2006
- Butte County Service Areas, e-mail dated March 13, 2006
- City of Gridley, marked-up chapter dated April 5, 2006
- City of Biggs, e-mail dated April 7, 2006 and letter dated April 10, 2006
- Paradise Irrigation District, marked-up chapter dated March 20, 2006

Organizations

None

Individuals

None

Response to Comments on the Draft MSR

The letters, e-mails and marked-up chapters are contained in the administrative record maintained at the LAFCo office. In general, the comments were relatively minor in nature, such as minor updates, corrections, clarifications, and additions. Comments from LAFCo Commissioners, agency/service provider staff, and members of the public were also received at the first LAFCo hearing on April 6, 2006. All comments were considered and incorporated into the Draft MSR text, tables, figures, and determinations as necessary. Changes were made to the Introduction and seven service providers’ chapters in strikeout/underline format; these changes are highlighted in the following chapters (dated May 2006), which were reviewed at the second LAFCo hearing on June 1, 2006. The changes have been “accepted” in the prior chapters such that those chapters are considered final.
The population growth in the region can be projected using several methods. In general, the growth rates projected by BCAG (Butte County Association of Governments) have been selected for the population projections in this document as they model the expected growth in the County better than other methods, such as extrapolation from historical population data. Table 1.0-1 below contains the expected growth rates for Butte County, including the cities within the County, the unincorporated areas of the County, and the County as a whole.

Table 1.0-1
Annual Growth Rates for Period 2005-2025

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Annual Growth Rate (BCAG)</th>
<th>Annual Growth Rate (Historically)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biggs</td>
<td>0.9%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Chico</td>
<td>3.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Oroville</td>
<td>2.6%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Gridley</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Paradise</td>
<td>1.0%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Butte County Total</td>
<td>2.1%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

1 These growth projections are estimates only and should be evaluated on a case-by-case basis when SOI actions are considered. Any material change in the amount of development in a given jurisdictional area will require that entity and LAFCo to further evaluate level of service capability.

Butte County Domestic Water Regional Setting

Butte County’s domestic water supply is from both groundwater and surface water sources, and is provided by various irrigation districts, water districts, community services districts, agencies, cities, and private companies. Butte County appears to have adequate source supplies of both surface water and groundwater throughout its boundaries. The large watershed in the eastern portion of the County feeding the Oroville, Wyandotte, and Bangor communities, Thermalito Forebay, and Lake Oroville are primary sources of surface water. Surface water could easily supply the entire County, but the infrastructure necessary to transport surface water supplies to many of the County’s small, remote communities is not in place. Because of the difficulties related to developing and transporting surface water, groundwater is the most prominent source of water supply in the County.

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1 BCAG’s population forecasts reflect the growth assumptions that are anticipated to occur within Butte County and incorporated cities during the 20-year horizon of the Regional Transportation Plan (RTP). The forecasts were developed in conjunction with BCAG member jurisdictions and Caltrans as part of a Technical Advisory Committee assembled for the 2003 update of BCAG’s travel demand forecasting model.

2 Every three years, BCAG is required to update its population and employment projections to make them consistent with the analysis years of the RTP. As a result, BCAG projections do not necessarily consider recent spikes in development growth, which are difficult to predict with any degree of certainty.
GROUNDWATER RESOURCES

Groundwater resources in Butte County can generally be separated into the basin aquifer system and foothill/mountain aquifer systems. The aquifers in the County have been further subdivided into geographical units and subunits (see Table 1.0-2). The basin aquifers are extensive and are capable of supporting in-county domestic and agricultural uses for the 15-year projected growth rate in Butte County. The City of Biggs and City of Gridley are located in subbasins that experience water shortages during drought years. Paradise Irrigation District, Lake Madrone Water District and Buzztail Community Services District are not connected to the basin aquifer and have documented groundwater resource limitations from their existing wells.

SURFACE WATER RESOURCES

Three domestic water providers in Butte County have entitlements with the State of California for surface water diversions for domestic water supply. Paradise Irrigation District, South Feather Water and Power Agency and Thermalito Irrigation District currently store, treat, and deliver surface water for domestic purposes. Thermalito Irrigation District owns Wilmore Reservoir (Lake Concow) and has water rights to divert 8200 AF (acre-feet) to storage annually from this source. South Feather Water and Power Agency utilizes the upper portion of the Slate Creek watershed and the South Fork of the Feather River as sources of surface water. Paradise Irrigation District supplies surface water from the Little Butte Creek Watershed. As these domestic water providers do not draw from the same surface water source, a given provider’s water diversion will not impact another provider’s ability to divert surface water.

DROUGHT EFFECTS

Drought water supplies are addressed in Butte County reports including the Butte County Drought Preparedness and Mitigation Plan. The County planning reports state that “Butte County has sufficient groundwater and surface water supplies to mitigate even the severest droughts of the past century.” Paradise Irrigation District, Lake Madrone Water District and Buzztail Community Services District are surface water and groundwater providers that are unable to meet demands during times of drought. The City of Biggs and City of Gridley are located in subbasins that experience significant water shortages during drought periods. Although the remaining water providers have sufficient water supplies during drought periods, the reports also recognize that mitigation will include increased pumping costs for domestic water providers. Groundwater or surface water exportation would impact the in-county users by requiring greater infrastructure and energy costs and could decrease aquifer storage potential. The Butte County Department of Water Resource Conservation has proposed a significant recharge study for the County.
designed and permitted to operate under well-defined treatment capacity and final effluent quality limitations. **Figure 1.0-3** below illustrates the current ADDW (Average Daily Dry Weather) flows for each wastewater service provider in Butte County as well as their permitted discharge as appropriate.

![Figure 1.0-3](image)

There are four major classifications of wastewater treatment processes in use: activated sludge, community septic tank, stabilization pond, and aerated lagoon treatment systems.³ Butte County wastewater collection, treatment and disposal methods are typical of other similar counties throughout the State. Small community wastewater systems tend to rely on more passive, less energy and operations intensive treatment methods, whereas larger systems require a higher degree of technology and operator experience to achieve necessary treatment standards. The ages of the existing collection lines within the various systems date from early to mid-20th

³ None of the wastewater treatment providers in Butte County provide tertiary treatment. Due to increasingly stringent water quality requirements, many wastewater treatment plants around the state are being required to upgrade from secondary to tertiary treatment, which is a major expense. When the RWQCB renews discharge permits, they may require upgrades from secondary to tertiary treatment.
Introduction

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century to the present. These lines are constructed out of brick, vitrified clay, cast iron, ductile iron, ABS, asbestos cement, and PVC. Most of the community wastewater systems have implemented or plan to implement collection system upgrades, which reduce inflow/infiltration, a common problem that impacts treatment plant capacity and quality of treated effluent.

Three of the wastewater service providers discharge into waters of the United States: City of Chico (Sacramento River), SC-OR (Feather River), and City of Biggs (Hamilton Slough). The USEPA adopted the California Toxics Rule (CTR) on May 18, 2000, which was amended on February 13, 2001. The CTR contains water quality criteria applicable to these discharges.

City of Chico (ORDER NO. R5-2004-0073, NPDES NO. CA0079081): The City was issued a letter under the authority of California Water Code Section 13267 on February 28, 2001, requesting effluent and receiving water monitoring meeting the requirements of the State Implementation Policy (SIP). Based on information submitted as part of the application, in studies, and as directed by monitoring and reporting programs, the Regional Board finds that the discharge has a reasonable potential to cause or contribute to an in-stream excursion above a water quality standard for the following constituents: copper, lead, zinc, bromodichloromethane, and dibromochloromethane. The Board has adopted numeric water quality objectives in the Basin Plan for the following constituents: arsenic, copper, silver, zinc, and cyanide. The City’s discharge order contains effluent limitations for copper, lead and zinc. The permitted discharge is consistent with the antidegradation provisions of 40 CFR 131.12 and SWRCB Resolution 68-16. Compliance with these requirements will result in the use of best practicable treatment or control of the discharge. The impact on water quality will be insignificant.

SC-OR (ORDER NO. R5-2005-0010, NPDES NO. CA0079235): SC-OR was issued a letter under the authority of California Water Code Section 13267 on February 28, 2001, requesting effluent and receiving water monitoring meeting the requirements of the SIP. Analytical results were submitted for volatile substances, semi-volatile substances, pesticides, metals, asbestos, 2,3,7,8-TCDD dioxin, and sixteen other dioxin congeners. The methodology described in Section 1.3 of the SIP was used to evaluate SC-OR’s monitoring data and determine reasonable potential. Copper, zinc, and tetrachloroethene were detected in the effluent at concentrations that may cause or contribute to an in-stream excursion above a narrative or numerical water quality standard or objective. The Regional Board has adopted numeric water quality objectives in the Basin Plan for the following constituents: arsenic, copper, silver, zinc, and cyanide. SC-OR’s discharge order contains effluent limitations for copper and zinc. The permitted discharge is consistent with the antidegradation provisions of 40 CFR 131.12 and SWRCB Resolution 68-16. Compliance with these requirements will result in the use of best practicable treatment or control of the discharge. The impact on water quality will be insignificant.
City of Biggs (ORDER NO. 95-002 and SPECIAL ORDER NO. 99-056): The order contains a time schedule for submittal of monitoring data to determine if the discharge contains priority pollutants which have a reasonable potential for exceedance of water quality objectives identified in the CTR, and allows the Regional Board to reopen the order and include effluent limitations for those constituents. The Board is currently preparing an updated discharge order for the City.

In March 2000, the SWRCB adopted the Policy for Implementation of Toxics Standards for Inland Surface Waters, Enclosed Bays, and Estuaries of California (SIP), which implements criteria for priority toxic pollutants contained in the CTR. The SWRCB adopted amendments to the SIP in February 2005. By a law goes into effect in March 2010⁴, compliance with the CTR criterion-based effluent limitations that will require a reduction of metals content for wastewater effluent. This law will significantly impact treatment providers that discharge into dry streams. Those treatment providers will likely need to switch to tertiary treatment or to land application. The only provider in Butte County likely to be affected by this law is the City of Biggs due to its discharge into Lateral K, an agricultural drain tributary to Hamilton Slough.

Wastewater providers in Butte County are generally separated geographically except for isolated instances. In Oroville, Lake Oroville Area Public Utilities District (LOAPUD), Thermalito Irrigation District (TID) and the City of Oroville each provide wastewater collection services. The wastewater from these collectors is treated by a Joint Services Agency called Sewerage Commission—Oroville Region (SC-OR). The three providers have boundaries that are adjacent to one another and there are isolated instances of redundant sewer mains along the boundaries.⁵

LOAPUD is located generally to the south and east of the City of Oroville. There are areas where LOAPUD has expanded to meet the City of Oroville to the north and west. There are no known redundancies with these two providers. TID is located generally to the north and west of the City of Oroville. There are areas where TID has expanded to meet the City of Oroville to the south and east. There are isolated redundancies with these two providers, including mains along Nelson Street west of 4th Street. TID also has two interconnects with the City of Oroville. These are used by the City of Oroville to transport a portion of their flows to the SC-OR treatment plant via TID’s sewer mains.

The City of Biggs and the City of Gridley are separated by approximately five miles, but they are expected to grow together over time. This area may benefit from a regional wastewater treatment provider as the population and the two cities grow together.

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⁴ Section 2.1 of the SIP states: "In no case (unless an exception has been granted in accordance with section 5.3) shall a compliance schedule for these dischargers exceed, from the effective date of this Policy: (a) 10 years to establish and comply with CTR criterion-based effluent limitations;" which means no later than March 2010.

⁵ LAFCo identified that overlapping and abutting service boundaries may be indicators of potential inefficiencies in service provision that are worthy of deliberation.
PROFILE – Lake Oroville Area Public Utility District

Provider Name: Lake Oroville Area Public Utility District
Contact Person: Alan G. Brown, General Manager
Address: 1960 Elgin Street, Oroville, CA 95966
Phone: (530) 533-2000

Service Area Information
Land Area: 4,039 acres
2005 Estimated Population: 12,000

Date of Formation: 1938
Enabling Legislation: Public Utilities Code

Governing Body: Board of Directors

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jack J. Ball</td>
<td>President</td>
<td>2006</td>
</tr>
<tr>
<td>T.C. Dennis</td>
<td>President Vice-President</td>
<td>2008</td>
</tr>
<tr>
<td>Keith J. Fraser</td>
<td>Director</td>
<td>2008</td>
</tr>
<tr>
<td>Robert U. Simpson</td>
<td>Vice President Director</td>
<td>2006</td>
</tr>
<tr>
<td>John J. Kiely</td>
<td>Director</td>
<td>2006</td>
</tr>
</tbody>
</table>

Provided Services: Wastewater Collection

Synopsis of Provider: The Lake Oroville Area Public Utility District (LOAPUD/District) provides sanitary sewer collection services mostly for the unincorporated areas east and south of the City of Oroville. The District provides service to approximately 12,000 people. Customers include single and multiple family residences, a variety of commercial uses, and public facilities including schools and recreational facilities associated with nearby Lake Oroville. Non-residential customers have been converted to EDUs for record keeping purposes. According to the District’s records, service was provided to 5,576 EDUs as of October 1, 2005.

The District was formed in 1938 and until 1977, the District owned and operated a wastewater treatment plant providing treatment and disposal services in addition to collection. The District is one-third of a Joint Powers Agreement. The City of Oroville and Thermalito Irrigation District (TID) are the other two entities in the agreement, with the Sewerage Commission – Oroville Region (SC-OR) providing the wastewater treatment and disposal.
PROFILE – City of Gridley

Provider Name: City of Gridley
Contact Person: Jack Slota, Administrator
Address: 685 Kentucky Street, Gridley, CA 95948
Phone: (530) 846-5695

Service Area Information
Land Area: 1,380 acres
2005 Estimated Population: 5,730

Date of Formation: 1905
Enabling Legislation: General Law City

Governing Body: City Council

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<th>Title</th>
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<tbody>
<tr>
<td>Frank Cook</td>
<td>Mayor</td>
<td>2006</td>
</tr>
<tr>
<td>Jerry Fichter</td>
<td>Mayor Pro Tem</td>
<td>2006</td>
</tr>
<tr>
<td>Frank Hall</td>
<td>Member</td>
<td>2008</td>
</tr>
<tr>
<td>Pedro Mota</td>
<td>Member</td>
<td>2008</td>
</tr>
<tr>
<td>Marlena Sparks</td>
<td>Member</td>
<td>2008</td>
</tr>
</tbody>
</table>

Provided Services: Domestic water, wastewater collection and treatment

Synopsis of Provider: The City of Gridley (City), which is located in southwestern Butte County, is a General Law City that was founded in 1905. The City provides a variety of services to its residents including fire and police protection, planning services, animal control, and public works. The Public Works Department oversees a number of responsibilities including water and sewer utilities. The City maintains the water system and oversees production, storage, and distribution. Additionally, the City maintains a sewage treatment facility and oversees related maintenance and operation.
PROFILE – City of Biggs

Provider Name: City of Biggs
Contact Person: Randy Cagle, Administrator
Address: 465 C Street, Biggs, CA 95917
Phone: (530) 868-5493

Service Area Information
Land Area: 358 acres
2005 Estimated Population: 1,797

Date of Formation: 1871
Enabling Legislation: General Law City

Governing Body: City Council

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
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</thead>
<tbody>
<tr>
<td>John Busch</td>
<td>Mayor</td>
</tr>
<tr>
<td>Roger Frith</td>
<td>Mayor Pro Tem</td>
</tr>
<tr>
<td>Luke Waters</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Bill Thebach</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Roger David</td>
<td>Councilmember</td>
</tr>
</tbody>
</table>

Provided Services: Domestic water, wastewater collection and treatment

Synopsis of Provider: The City of Biggs (City) is a General Law City located in southwestern Butte County. The City provides a variety of services to its residents including police, fire and public works services, electric services, and sewer and water utilities.
PROFILE – Paradise Irrigation District

**District Name:** Paradise Irrigation District  
**Contact Person:** George Barber, Manager  
**Address:** 5325 Black Olive Drive, Paradise, CA 95967  
**Phone:** (530) 877-4971

**Service Area Information**  
**Land Area:** 11,377 acres  
**2005 Estimated Population:** 27,468

**Date of Formation:** 1916  
**Enabling Legislation:** California Water Code, Division 11, §20500 *et seq.*

**Governing Body:** Board of Directors

<table>
<thead>
<tr>
<th>Member</th>
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<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ken Hunt</td>
<td>Division 1</td>
<td>Director</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Claude Powers</td>
<td>Division 1</td>
<td>Director</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>William Kellogg</td>
<td>Division 2</td>
<td>Director</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Larry Duncan</td>
<td>Division 3</td>
<td>Vice-President</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>John Heinke</td>
<td>Division 4</td>
<td>President</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Rick Hall</td>
<td>Division 5</td>
<td>Director</td>
<td>Dec 2008</td>
</tr>
</tbody>
</table>

**Provided Services:** Domestic water

**Synopsis of District:** The Paradise Irrigation District (PID/District) is a special district which provides water to approximately 10,438 10,433 municipal, residential and commercial customers in the Town of Paradise, and additional surrounding areas immediately adjacent to the Town. The District’s Urban Water Management Plan (UWMP), adopted in December 2005 2001, provides for planning of future water provision through the ultimate buildout of the Town of Paradise.
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 wastewater collection provider that serves approximately 12,000 people. Most of this population resides in unincorporated areas of Butte County east and south of the City of Oroville, with a small portion of the population residing within the southern boundary of the City of Oroville. The expected population growth in the District has been projected to the year 2025 (see Figure 2.1-2). These projections were made using the growth rate of 2.6% annually as given by the Butte County Association of Governments for the City of Oroville.¹

![Figure 2.1-2: Projected Population Growth 2005–2025](image)

B. Land Use/Significant Growth Areas

The District is aware of proposed development on all sides of the current service area. There is significant development proposed along the Highway 162 corridor east of Bidwell Canyon. There is also development expected along Forbestown Road and in areas east of Miner’s Ranch Road. To the south of the current service area, a focused feasibility study master plan for

¹ Some of LOAPUD’s service area is within the City of Oroville’s boundary. Much of its service area is outside the City’s boundary, but it is close enough to the City that it can be expected to grow at a similar rate.
planned development was recently completed along Ophir Road between Lincoln Boulevard and Lower Wyandotte Road. The District is also considering service in and around Palermo.

**Determination LOAPUD-1 (Growth):**

*The population within the District will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.*

**Infrastructure**

A. Capacity Analysis

The District collects an average of 384 MG (million gallons) of wastewater annually, with an ADDW (Average Daily Dry Weather) flow demand of approximately 0.81 MGD (million gallons per day) as reported by SC-OR. Figure 2.1-3 below illustrates the expected growth in demand over the next 20 years. As illustrated in the figure, the flow is expected to grow to approximately 1.35 MGD by 2025. These projections were made by projecting the current demand proportionately with the expected population growth rate of 2.6%.

![Figure 2.1-3 Projected Wastewater Demand 2005-2025](image)
The District’s collection system discharges into the SC-OR interceptor pipeline and is treated at the SC-OR treatment plant. There are no identified capacity issues with the current collection volumes. All new developments are required to submit plans. The District provides detailed sewer capacity studies during the permitting process based on information provided by the developer. These developments may be required to upgrade the existing collection system downstream if additional capacity is required.

An engineering study was conducted in 2000 to determine any needs and deficiencies of the system that may prevent the District from providing service to a growing population. A computer model was created for the system in 2000, at 50% buildout, and at buildout conditions. This study indicated that the majority of the collector or interceptor lines transmission lines are adequate for the flows predicted but there are isolated sections of the system that would have inadequate capacity. The engineering study also determined the District’s main interceptor, known as the State Line, will need to be either repaired or replaced in some sections. Some portions of the State Line interceptor have now been replaced and there are planned upgrades for other sections in 2006.

The SC-OR treatment plant provides treatment for District wastewater and the plant currently has capacity to handle the expected growth for this area for the time frame considered in this document.2

**Determination LOAPUD-2 (Wastewater Capacity):**

All of the pipelines within the District have sufficient capacity to meet the current service need and the SC-OR treatment plant currently has the capacity to treat the wastewater associated with the expected growth. Future service need demand capacity requirements are ensured by District oversight during the permitting process for developments as well as the implementation and regular updating of the District’s Master Plan.

B. Facilities

The District’s collection system consists of approximately 75 miles of pipe, 1,547 manholes and six pump stations. The collection system was originally built in the 1930’s, but only approximately 20% or less of the system is of this age. In the 1970’s the construction of the State Line main trunk interceptor was completed, which allowed the system to expand significantly. Approximately 80% of the current system has been constructed since the 1970’s. The pipelines in the system consist of several different materials. Most of the older pipe in the system is vitrified clay pipe, while the newer pipe is constructed almost exclusively with PVC. Other materials in the collection system include steel, ductile iron, asbestos-cement, and concrete. The condition of the collection system is generally good and any identified lines that require service are being maintained by the District.

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2 Please see Chapter 2.7 for detailed information on SC-OR’s treatment plant.
cost avoidance measures include applying for grants, sharing safety training costs with SFWPA, and utilizing a small crew for smaller projects.

**Determination LOAPUD-6 (Cost Avoidance and Facilities Sharing):**

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

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**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

A five member Board of Directors serves as the decision making authority of the District. The directors are elected by the voters within the District according to the Election Code. The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jack J. Ball</td>
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<td>2006</td>
</tr>
<tr>
<td>T.C. Dennis</td>
<td>President Vice President</td>
<td>2008</td>
</tr>
<tr>
<td>Keith J. Fraser</td>
<td>Director</td>
<td>2008</td>
</tr>
<tr>
<td>Robert U. Simpson</td>
<td>Vice President Director</td>
<td>2006</td>
</tr>
<tr>
<td>John J. Kiely</td>
<td>Director</td>
<td>2006</td>
</tr>
</tbody>
</table>

Board members receive $400 $450 per month for their services. Board meetings are held on the second Tuesday Wednesday each month at 2:00 7:30 p.m. at the District office at 1960 Elgin Street in Oroville. The District posts agendas at least 72 hours prior to the meeting at the District office and advertises in local newspapers as necessary. Additionally, the District sends out individual mailing announcements. Typically, 0-5 members of the public attend regular Board meetings. The General Manager and District’s legal counsel are responsible for ensuring compliance with the Brown Act. The District ensures compliance with changing laws related to the provision of its service through membership in CSDA and BCSDA, and on advice from the District’s legal counsel and District engineer.

The existing service area boundaries include all areas receiving service from the District and therefore appropriately reflect the current provision of service. However, District officials feel that the current sphere of influence boundaries need to be expanded to allow orderly expansion of the District’s system to accommodate new developments that are expressing interest in provision of service. As discussed above, the District is aware of proposed development on all sides of the current service area.

LAFCo identified that overlapping and abutting service boundaries may be indicators of potential inefficiencies in service provision that are worthy of deliberation. Consideration should be given to reorganization of sphere boundaries for multiple reasons, including but not necessarily limited to, the following: 1) the area immediately to the north of the District is
currently served by the City of Oroville for wastewater collection; and 2) some of the District’s service area is within the City of Oroville’s boundaries.

**Determination LOAPUD-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. Consideration should be given to reorganization of sphere boundaries.*

**MANAGEMENT EFFICIENCIES**

The District employs eight full time employees, including a General Manager, an administrative assistant, an accounts payable bookkeeper, an accounts receivable clerk, a field operations supervisor, and three field operations and maintenance staff. The ratio of managers to workers is appropriate; the District is not top heavy in managers. The District also retains private consultants who are responsible for engineering, surveying, accounting, and legal matters. The District has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, relationships with other agencies, and the like. The District is audited yearly and has accomplished all recommendations from recent audits and management letters.

The management structure of the District is relatively simple and is well suited to the type of operations undertaken by the District; the linear management structure ensures reportability and accountability. No alternative structures or reorganizations of staff would result in more efficient operations, and the existing structure is considered appropriate for the District. Good financial and operational health indicate that there does not appear to be any necessary governmental structure change necessary to ensure efficient, long-term continuation of service provision by the District.

Past litigation involving the District in the last 10 years includes action brought against it by the State of California, Department of Parks and Recreation in May 2000; this has been settled.

**Determination LOAPUD-8 (Management Efficiencies):**

*The overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The District currently participates in appropriate Joint Powers Agreements. The District has had action taken against it by the State Department of Parks and Recreation regulatory agencies.*
## Summary of Determinations

**Determination LOAPUD-1 (Growth):**

The population within the District will continue to grow at a rate of approximately 2.6% annually for the foreseeable future.

**Determination LOAPUD-2 (Wastewater Capacity):**

All of the pipelines within the District have sufficient capacity to meet the current service need and the SC-OR treatment plant currently has the capacity to treat the wastewater associated with the expected growth. Future capacity requirements are ensured by District oversight during the permitting process for developments as well as the implementation and regular updating of the District’s Master Plan.

**Determination LOAPUD-3 (Wastewater Facilities):**

The District’s collection system, most of which has been constructed in the last 35 years, is generally in good condition.

**Determination LOAPUD-4 (Wastewater Facilities Expansion/Upgrades):**

The District has plans for pipeline replacement, new pipeline installation and facility construction in compliance with the Master Plan. The District is on track to meet the goals set in the Master Plan, having replaced approximately one-third of the pipeline to be replaced by 2020.

**Determination LOAPUD-5 (Financing and Rate Restructuring):**

Current sewer service charges, combined with income from other sources, are adequate to cover the costs of providing services. Infrastructure needs are planned and budgeted for accordingly. The District is in compliance with Government Code Section 53901.

**Determination LOAPUD-6 (Cost Avoidance and Facilities Sharing):**

The District appears to utilize appropriate cost avoidance opportunities. Facilities sharing opportunities appear to be limited.
Determination LOAPUD-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. Consideration should be given to reorganization of sphere boundaries.

Determination LOAPUD-8 (Management Efficiencies):

The overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The District currently participates in appropriate Joint Powers Agreements. The District has had action taken against it by the State Department of Parks and Recreation regulatory agencies.
Growth and Population

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

The City provides wastewater collection and treatment services to a population of approximately 73,558 people. Though the City projects a 2 to 2.5% growth rate, according to the Butte County Association of Governments (BCAG), the City of Chico is expected to grow at a rate of approximately 3.5%. Using this more conservative growth rate, the expected population growth in the City has been projected to the year 2025 (see Figure 2.3-2).

![Projected Population Growth 2005–2025](image)

B. Land Use/Significant Growth Areas

Significant growth areas have been identified by the City’s planning department. The planned expansions to the City limits and sphere of influence are located between Highway 99 and Highway 32 south of Sycamore Creek. Other growth is also expected to occur within the current City limits and sphere of influence. Growth to the west of the City is restricted due to a “Green

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1 It is understood that somewhere between 2,000 and 3,000 residences have septic systems and thus are not actually provided wastewater service by the City.
Line” imposed by the County to protect agricultural lands, and incorporated into the City General Plan.

**Determination Chico-1 (Growth):**

The population of the City will continue to grow at a rate of approximately 3.5% annually for the foreseeable future.

**Infrastructure**

A. Capacity Analysis

The City collected and treated 2,548 MG (million gallons) of wastewater in 2004, which corresponds to an ADDW (Average Daily Dry Weather) flow of 7.2 MGD (million gallons per day). Figure 2.3-3 illustrates the expected demand for wastewater services in the City of Chico. The demand projections in the figure assume the BCAG annual growth rate of 3.5%. These projections also assume that the communities associated with the Nitrate Action Plan (NAP) are connected to the City’s collection system, which will greatly increase the demand on the system. The NAP, which was developed in 1985 and amended in 1988, requires the **connection annexation** of certain unincorporated Butte County communities into the City’s system in order to prevent further water quality degradation and to minimize the existing nitrate problem in the groundwater beneath the Chico Urban Area.

![Figure 2.3-3: Projected Wastewater Demand 2005-2025](image)
plant was expanded to secondary treatment between 1971 and 1975. There were also two major expansions in 1991 and between 1997 and 2000. The treatment plant is in excellent condition.

**Determination Chico-3 (Wastewater Facilities):**

*The City’s collection system, which is over 75 years old, is in relatively good condition. Any problems that are discovered are repaired within the same year. After several expansions and upgrades, the City’s treatment plant is in excellent condition.*

C. Plans for Expansion/Upgrades

The City has plans for several improvements to its wastewater system that will allow the City to meet the demand for wastewater service in the area. The wastewater treatment plant will be expanded in two stages. The first of these stages is in the design phase and will increase the capacity to 12 MGD. The second upgrade proposed is another 3 MGD expansion for an overall treatment capacity of 15 MGD.

**Determination Chico-4 (Wastewater Facilities Expansion/Upgrades):**

*The City has plans to make the necessary improvements that will allow it to adequately provide wastewater services in its service area. However, if all Nitrate Action Plan communities are connected to the City’s system, the treatment plant’s buildout capacity of 15 MGD will be exceeded by the year 2025.*

FINANCING AND RATE RESTRUCTURING

Past financial audits were not made available for review as requested in the survey instrument, though the entire City is audited every year. Fiscal audits for the wastewater system only are not available; rather, they are combined with the entire audits of City finances. Regardless, there is no information to suggest that the City has any financial problems with respect to its wastewater system. The City’s operating budget for FY 2005-06 reflects the cost of maintaining and operating the sanitary sewer collection system, pumping stations, and water pollution control plant. These activities are supported by sewer service fees.

FY 2005-06 department requests for expenses are as follows: Salaries and Employee Benefits: $1,611,432; Materials and Supplies: $1,153,660; Purchased Services: $341,408; Other Expenses: $163,868; and Allocations: $243,354.

Based on the budget from FY 2004-05, the actual expenditures for the year fell in close range to budgeted expenditures; the budget is reflective of actual conditions.
Fees and rates were updated in January 2006 and adjusted up to 2005 dollars per the Construction Cost Index. A portion of revenues are set aside in a reserve for future Capital Improvements Program (CIP) projects. Rates and fees are increased based upon the schedule laid out in the CIP and fees are also re-evaluated as needed by private consultants. The rates charged for sewer services are shown in Tables 2.3-1, 2.3-2, 2.3-3, 2.3-4 and 2.3-5 below.

**Table 2.3-1**

<table>
<thead>
<tr>
<th>Application</th>
<th>Sewer Connection Fees</th>
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<tbody>
<tr>
<td>Properties located within the Chico city limits.</td>
<td>$100.00</td>
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<tr>
<td>Properties located within the unincorporated area of the County of Butte and within the Chico Sphere of Influence.</td>
<td>$100.00</td>
</tr>
<tr>
<td>City staff analysis of alternate proposals to stated requirements on completed sewer applications</td>
<td>Actual cost ($60.00 minimum)</td>
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<tr>
<td>The $60.00 minimum charge is to be paid upon submittal of the request, and any costs exceeding that amount shall be paid prior to issuance of completed analysis/response.</td>
<td></td>
</tr>
<tr>
<td>Properties located within the unincorporated areas of the County of Butte and outside the Chico Sphere of Influence.</td>
<td>Actual cost ($100.00 minimum)</td>
</tr>
<tr>
<td>City staff will conduct system capacity analysis and sewer main extension requirement analysis/cost estimate in response to specific requests to determine whether the sewer service area can be expanded. This analysis does not guarantee that city staff will recommend or that the City Council will approve modification to the sewer service area which would be required to allow connection to the system.</td>
<td></td>
</tr>
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1 It should be noted that this is not allowed by Government Code Section 56133.

**Table 2.3-2**

<table>
<thead>
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<th>Sewer Service Rates</th>
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<td>Type of Premises</td>
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<td>Restaurants</td>
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<td>Markets and Bakeries</td>
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<td>Car Washes</td>
</tr>
<tr>
<td>All other</td>
</tr>
<tr>
<td>Residential</td>
</tr>
<tr>
<td>Nonresidential</td>
</tr>
<tr>
<td>Breweries</td>
</tr>
<tr>
<td>Restaurants</td>
</tr>
<tr>
<td>Markets and Bakeries</td>
</tr>
<tr>
<td>Car Washes</td>
</tr>
<tr>
<td>All other</td>
</tr>
</tbody>
</table>

¹ Consumption charge/ccf (100 cubic feet) of wastewater.
Table 2.3-3  
**Capacity Connection Fees Wastewater Rates** for Residential Premises

<table>
<thead>
<tr>
<th>Types of Premises</th>
<th>Rate</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential</td>
<td>$3,262</td>
<td>$1,710</td>
</tr>
<tr>
<td>Multiple Family Residential</td>
<td>$3,262</td>
<td>$1,710</td>
</tr>
</tbody>
</table>

Table 2.3-4  
**Capacity Connection Fees Wastewater Rates** for Nonresidential Premises

<table>
<thead>
<tr>
<th>Types of Premises</th>
<th>Residential Equivalent</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motel/hotel with Restaurant Facilities</td>
<td>1 room = 1.00</td>
<td>$3,262</td>
</tr>
<tr>
<td>Motel/hotel without Restaurant Facilities</td>
<td>1 room = 0.50</td>
<td>$1,631</td>
</tr>
<tr>
<td>Convalescent Hospitals</td>
<td>1 bed = 0.50</td>
<td>$1,631</td>
</tr>
<tr>
<td>Hospitals</td>
<td>1 bed = 0.75</td>
<td>$2,446</td>
</tr>
<tr>
<td>Dormitory or Group Dwelling with Food Services; or Boarding House</td>
<td>3 occ(^1) = 1.00</td>
<td>$1,088</td>
</tr>
<tr>
<td>Dormitory without Food Services; or Rooming House</td>
<td>6 occ(^1) = 1.00</td>
<td>$543</td>
</tr>
<tr>
<td>Schools, Including but Not Limited to Elementary, Secondary, Colleges and Universities</td>
<td>9.2 FTE(^2) = 1.00</td>
<td>$354</td>
</tr>
<tr>
<td>Park or Recreational Facility</td>
<td>20 FU(^3) = 1.00</td>
<td>$163</td>
</tr>
<tr>
<td>All Other</td>
<td>--</td>
<td>$13,046</td>
</tr>
</tbody>
</table>

\(^1\) Number of occupants to be determined by Director of Public Works at time of application.  
\(^2\) FTE = Full Time Equivalent Student  
\(^3\) FU = Fixture Unit per Exhibit “1”

Table 2.3-5  
**Sewer Main Connection Installation Rates**

<table>
<thead>
<tr>
<th>Types of Premises</th>
<th>Rate per Front Foot</th>
<th>Front Footage Included</th>
<th>Minimum Front Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$37.15</td>
<td>Front footage of the shortest side of the lot or parcel on which the premises are located adjoining a public street or public easement.</td>
<td>60 Feet</td>
</tr>
</tbody>
</table>
| Nonresidential    | $37.15              | Front footage of the shortest side of the lot or parcel on which the premises are located adjoining a public street or public easement. | 60 Feet (premises less than one acre)  
                                                                 | 150 Feet (premises greater than one acre) |

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. City officials noted that Proposition 218 will not substantially limit the City’s ability to charge appropriate monthly rates.
**Determination CSA-1 (Growth):**

The CSAs are not expected to grow beyond the original designs of their wastewater systems.

**Infrastructure**

A. Capacity Analysis

None of these CSAs have their wastewater flow metered so their yearly collection volumes are not known, though the design flow capacity for each household is typically 300 gpd (gallons per day). The treatment capacity and permitted treatment volume varies with each CSA. No capacity issues were identified.

**Determination CSA-2 (Wastewater Capacity):**

The CSAs are capable of supporting the expected design buildout growth.

B. Facilities and Plans for Expansion/Upgrades

**CSA 21 zone 1 – Oakridge Subdivision – Skansen**

CSA 21 zone 1 is a gravity sewer system that serves 34 parcels. The flow in this system is diverted through collector piping to two ponds. This CSA’s system, which was built in January 1973 and relined in 1985, is meant to have a life span of 25 years. Therefore the system should be replaced within the next five years.

**CSA 21 zone 2 – Oakridge Subdivision – The Bluffs at Spanish Gardens**

CSA 21 zone 2 is a gravity sewer system that serves 23 parcels. This system consists of on-site septic tanks that are diverted through collector piping to a community leach field. This CSA’s system was built in January 1985 and is meant to have a life span of 25 years. Therefore the system should be replaced within the next five years.

**CSA 21 zone 4 – Oakridge Subdivision – Rocky Bluffs**

CSA 21 zone 4 is a gravity sewer system that serves 31 parcels. This system consists of STEPs to a dosing siphon to two bottomless sand/gravel filters. This CSA’s system was built in January 2000 and is meant to have a life span of 15 years. Therefore the system should be replaced within the next 10 years.

The combined land area of these three zones in CSA 21 is approximately 178.9 acres (see Figure 2.6-3).
CSA 82 – Stirling City

CSA 82 is a gravity sewer system that serves 94 parcels with a combined land area of approximately 90.2 acres (see Figure 2.6-4). This system consists of a gravity main that transports the flow to two concrete storage tanks. From these tanks the flow is diverted to three treatment ponds. This CSA’s system was rebuilt in January 2002 and is meant to have a life span of 25 years. Therefore the system should not need replacement for over 20 years.

CSA 94 – Sycamore Valley Subdivision

The CSA 94 is a gravity sewer system that serves 22 parcels with a combined land area of approximately 88.3 acres (see Figure 2.6-5). This system consists of on-site STEP septic tanks and a common leach field area individual leach fields. This CSA’s system was built in January 1992 and is meant to have a life span of 25 years. Therefore the system should not need replacement for over 10 years.

CSA 135 zone 2 – Keefer Creek Estates

The CSA 135 zone 2 is a gravity sewer system that serves 21 parcels. This system consists of STEPs to a dosing siphon to a gravel filter. The gravel filter drains to a community leach field. This CSA’s system was built in January 1996 and is meant to have a life span of 20 years. Therefore the system should not need replacement for over 10 years.

CSA 135 zone 4 – Keefer Creek Estates

The CSA 135 zone 4 is a gravity sewer system that serves four parcels. This system consists of on-site STEP septic tanks to a mound system. This CSA’s system was built in January 1996 and is meant to have a life span of 20 years. Therefore the system should not need replacement for over 10 years.

The combined land area of these two zones is approximately 37.6 acres (see Figure 2.6-6).

CSA 141 – Mountain Oaks Subdivision

CSA 141 is a gravity sewer system that serves 55 parcels with a combined land area of approximately 79.4 acres (see Figure 2.6-7). This system consists of STEPs to a dosing chamber. From the dosing chamber, the flow is diverted to a recirculating gravel filter then to a pond system and finally to an irrigation system. This CSA’s system was built in January 1996 and is meant to have a life span of 20 years. Therefore the system should not need replacement for over 10 years.

CSA 169 zone 1 – Pheasant Landing Subdivision

The CSA 169 zone 1 is a gravity sewer system that serves 17 parcels with a combined land area of approximately 69.2 acres (see Figure 2.6-8). This system consists of STEPs to individual sand filters. These sand filters then drain to shallow individual leach fields. This CSA’s system was
Growth and Population

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

The District serves a population of approximately 9,140 people. Approximately one-third of these customers are in the City of Oroville, with the remainder in nearby unincorporated areas of Butte County. The expected population growth in the District has been projected to the year 2025 (see Figure 2.8-2). These projections assume a growth rate of 2.6%, which corresponds to the projected growth in the City of Oroville as given by the Butte County Association of Governments.¹

![Figure 2.8-2](Projected Population Growth 2005–2025)

B. Land Use/Significant Growth Areas

The District is expecting growth westward along Highway 162 to Highway 99. Multiple large subdivision developments are proposed and under construction on the west side of the Oroville Municipal Airport. The airport is within the District’s service area, but the area between the Thermalito Afterbay and the airport is outside TID’s service area. Significant additional growth is anticipated north of the Thermalito Diversion Canal within the District’s service area in an unincorporated area of the County.

¹ Much of TID’s service area is within the City of Oroville’s boundary. Some areas are outside the City’s boundary, but they are close enough to the City that they can be expected to grow at a similar rate.
City Characteristics

The City of Gridley (City), which is located in southwestern Butte County (see Figure 2.9-1), is a General Law City that was founded in 1905. The City provides a variety of services to its residents including fire and police protection, planning services, animal control, and public works. The Public Works Department oversees a number of responsibilities including water and sewer utilities. The City maintains the water system and oversees production, storage, and distribution. Additionally, the City maintains a sewage treatment facility and oversees related maintenance and operation.

**City Size:** 1,380 acres  
**2005 Estimated Population:** 6,082  
**Office Location:** 685 Kentucky Street, Gridley, CA 95948  
**Services:** Domestic water, wastewater collection and treatment  
**Employees:** 51 full time, 20 part time (all City employees, not just those related to domestic water, wastewater collection and treatment)  
**Date of Formation:** 1905  
**Enabling Legislation:** General Law City
Growth and Population

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

The City currently provides water and wastewater services to approximately 2,027 municipal, commercial and residential customers, comprising a population of approximately 5,730 people. The majority of the connections in the City belong to residential users. Figure 2.9-2 below illustrates the projected population growth in the City. Though the City has indicated that the growth rate is probably understated, the growth rate used in these projections was 1.5%, which corresponds to the growth rate projected by the Butte County Association of Governments (BCAG) for the City as well as the growth rate given by the City in their survey response.

![Projected Population Growth 2005–2025](image)

B. Land Use/Significant Growth Areas

The area is slowly growing, with the majority of the growth expected to occur to the north of the City and to the south of the City of Biggs. This area has been declared an area of concern by the Butte LAFCo.
City of Gridley

providing 2.5 times the maximum day demand. As the existing wells within the system are capable of pumping approximately 6,280 gpm, the City’s system provides just over 2.5 times the current maximum demand, and therefore is sufficient to meet the current demand. As the City continues to grow, however, additional wells will need to be constructed to provide adequate pumping capacity for a water system with no storage. According to the Butte County Urban Water Inventory and Analysis, a report prepared for Butte County by Camp Dresser & McKee, the groundwater in the Biggs-Gridley area is sufficient enough that drilling additional wells to meet demand does not significantly impact the resources.

**Determination Gridley-3 (Water Storage):**

*Since the City does not have water storage, in order to meet the expected demand in the future, the City will need to drill more wells to meet the requirements for a water system without storage. Construction of adequate storage would eliminate the need for some of these wells.*

B. Quality

Wells that provide water to the City’s water distribution system are drilled to three depths and tested to determine the depth that produces the best water quality for that location. The main concern with water quality facing the City is the arsenic content of its well water. City staff indicated that the wells will be over the limit in many if not all cases based on the new MCL (maximum contaminant level) [10 ppb (parts per billion)], which went into effect on January 23, 2006. There are also aesthetic reasons for drilling and testing multiple depths, such as mineral content that can cause some discoloration. Chlorine is added at each well to disinfect the water before delivery.

**Determination Gridley-4 (Water Quality):**

*The City’s water supply generally meets current state and federal water quality regulations. Under the new MCL for arsenic, the City will not be able to meet the new requirement without additional treatment.*

C. Facilities

The water distribution system consists of asbestos cement, cast iron, ductile iron, galvanized iron, steel and PVC pipe. The oldest areas of the City’s system are found in the downtown area and date back as far as 1914, while the newest areas were upgraded in 2005. The City does not have a Master Plan or Capital Improvement Program for the replacement of aging pipelines, but has indicated that there are no major constraints within its system. The City budgets annually to replace approximately 2% of the water distribution system.

The City’s water supply is provided entirely from a series of six wells, which range in depth from 240 feet to 450 feet. All municipal wells are equipped with emergency backup generators.
There are concerns about the City’s ability to effectively transport wastewater from the City to the wastewater treatment plant. The treatment plant is a distance of five miles from the City’s collection system. The existing force main is adequate for the current demands, but will need to be replaced or supplemented with a parallel main to increase the capacity as the population grows. HydroScience is currently working on a study to provide a more detailed picture of the City’s wastewater collection capacity.

Significant developments are required to submit plans and may be required by the City to provide detailed sewer capacity studies during the permitting process. These developments will be required to help upgrade the existing collection system downstream if additional capacity is required.

**Determination Gridley-6 (Wastewater Capacity):**

The City currently has the capacity to collect and treat the wastewater produced within its existing boundaries. Future collection capacity requirements are ensured by City oversight during the permitting process for significant developments.

B. Facilities

The sewer collection system consists of concrete, vitrified clay and PVC pipe. The oldest areas of the City’s system are found in the downtown area and date back as far as 1914, with the newest areas as new as 2005.

The City’s wastewater infrastructure faces some significant constraints to future expansion. The first is the significant amount of infiltration/inflow (I/I) found in the City’s wastewater collection system. I/I can severely restrict the capacity of a wastewater system. Also, the geographical location of vacant property zoned for residential use in Gridley poses a problem for future development of the wastewater collection system. Most of this vacant property cannot be served using the existing gravity collection system because either the local system is at capacity and/or is too shallow to be extended. This must be resolved to provide wastewater service to these areas.

**Determination Gridley-7 (Wastewater Facilities):**

The City’s collection system needs to be repaired to address the significant I/I problem.

C. Plans for Expansion/Upgrades

There are currently no specific plans for capital improvements. The City does however have a contract with HydroScience for a wastewater system capacity analysis to identify infrastructure requirements and to recommend a Capital Improvement Program to accommodate the anticipated growth in the area over the next 20 years. The City has submitted an application to
the Regional Water Quality Control Board to expand the existing wastewater treatment plant to 1.7 MGD.

**Determination Gridley-8 (Wastewater Facilities Expansion/Upgrades):**

*The City will need to expand its wastewater treatment plant and complete other infrastructure improvements to accommodate future growth. The City will need to replace or construct a parallel main to increase capacity to the treatment plant.*

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**FINANCING AND RATE RESTRUCTURING**

Financial statements together with independent auditor’s reports for FYs ending 2002-04 were 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.

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. City officials noted that Proposition 218 will have an unknown effect on the City’s ability to cover the costs of providing related services.

The FY 2003-04 annual audit noted no material weaknesses in 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. The audit also noted that the City has adopted a formal investment policy as required by Section 53600 et. seq. of the California Government Code. The City is in compliance with the provisions of this policy. The audit also noted that the City does not record and maintain inventory records of unused materials and supplies for the various funds. Materials and supplies for all funds are expensed when purchased. Generally Accepted Accounting Principles (GAAP) require that Enterprise Funds record and maintain inventory records to present the ending balances on hand each year and properly record actual expenses of materials and supplies actually used; Enterprise Funds are not accounted for in accordance with GAAP.

The actual budget, defined as revenues plus expenditures, for FY 2003-04 was $23.7 million. Revenues exceeded expenditures in the amount of $900,000. From the years 2002-04, the combined balance sheets of all fund types and account types show City revenues equaling or exceeding expenditures. The FY 2003-04 audit focuses on the net assets and changes in net assets of the City’s governmental activities as a whole. The City’s revenues for the year totaled $12.3 million; expenditures totaled $11.4 million. The water and sewer proprietary funds¹ are operated as stand-alone funds.

¹ Proprietary funds: when the City charges its own departments for certain services it provides, these services are generally reported in proprietary funds.
agreement with USDA Rural Development. Annual principal payments ranging from $18,670 to $65,000 are required, as well as interest at the rate of 3.25% which is payable semi-annually.

According to the FY 2005-06 Working Budget, the City is setting aside reserves for the eventual replacement of the wastewater treatment plant. This reserve is a condition of the USDA grant used to construct the plant; $75,000 is transferred to the reserve annually.

Based on a sewer rate study completed in FY 1999-00, the City Council approved a series of rate increases through FY 2002-03. In FY 2004-05 and 2005-06, the sewer rate was adjusted based on the Construction Cost Index, as is the City’s water utility rates. A portion of the additional revenues generated from this rate increased the reserve for debt service requirements for the USDA loan. Remaining additional revenues will be used to continue the capital improvements program within other areas of the City. The Public Works Department has identified infrastructure problem areas, which will be maintained accordingly.

**Determination Gridley-9 (Financing and Rate Restructuring):**

The water and sewer proprietary funds operate as successful stand alone funds. Revenues historically have exceeded expenditures. Rates and fees are reflective of the cost of providing related services. The City is in good financial standing and budgets for appropriate infrastructure improvements. However, Enterprise Funds are not accounted for in accordance with GAAP.

**COST AVOIDANCE AND FACILITIES SHARING**

The City 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 City transfers risks that may arise from these and other events through the purchase of commercial insurance through Northern California Cities Self Insurance Fund which covers comprehensive and general liabilities, personal injury, contractual liability, errors and omissions, and auto liability; worker’s compensation insurance; property insurance; and performance and public dishonest bond coverage.

Given the large cost of capital improvements, a careful planning process is a crucial means of cost avoidance. The City plans for future funding of necessary improvements through reserve funds. Other cost avoidance strategies include pursuing grants and using City crews for construction on small projects, and exploring joint facility options with the City of Biggs. Other Opportunities for facilities sharing appear to be limited.

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Municipal Service Review May 2006
Domestic Water and Wastewater Services Page 2.9-9
Determinations Gridley-10 (Cost Avoidance and Facilities Sharing):

The City utilizes a sufficient range of cost avoidance practices in its operations pertaining to water and sewer services. Opportunities exist for facilities sharing with the City of Biggs. The City is exploring facilities sharing opportunities with the City of Biggs.

GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

The City is governed by a five member City Council; members are elected at-large for terms of four years. After each election, the Mayor is elected by a majority vote of the City Council. A City Administrator, Finance Director, Public Works Director, Police Chief and Electric Superintendent are appointed by the Council.

The current City Council is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank Cook</td>
<td>Mayor</td>
<td>2006</td>
</tr>
<tr>
<td>Jerry Fichter</td>
<td>Mayor Pro Tem</td>
<td>2006</td>
</tr>
<tr>
<td>Frank Hall</td>
<td>Member</td>
<td>2008</td>
</tr>
<tr>
<td>Pedro Mota</td>
<td>Member</td>
<td>2008</td>
</tr>
<tr>
<td>Marlena Sparks</td>
<td>Member</td>
<td>2008</td>
</tr>
</tbody>
</table>

Each member of the City Council receives $200 per month and $30 for each redevelopment meeting attended. City Council meetings are held on the first and third Mondays of every month at 7:30 p.m. in the Council Chambers at 685 Kentucky Street. The City publishes and distributes meeting agendas and meeting announcements in local newspapers and to local radio stations. Meeting agendas are posted at City Hall on the Friday prior to each meeting. All meetings are open and accessible to the public. The number of public attendees at regularly scheduled meetings varies. Meeting agendas and minutes dating back to 2001 are available through the City website. The City Attorney is responsible for ensuring that all provisions of the Brown Act are met.

City officials feel that the City’s sphere of influence and boundaries are appropriate. The area to the north of the City and to the south of the City of Biggs has been declared an area of concern by Butte County LAFCo due to the amount of growth that is expected to occur there. Based on development pressure, an examination of the sphere is anticipated.
**Determination Gridley-7 (Wastewater Facilities):**

The City’s collection system needs to be repaired to address the significant I/I problem.

---

**Determination Gridley-8 (Wastewater Facilities Expansion/Upgrades):**

The City will need to expand its wastewater treatment plant and complete other infrastructure improvements to accommodate future growth. The City will need to replace or construct a parallel main to increase capacity to the treatment plant.

---

**Determination Gridley-9 (Financing and Rate Restructuring):**

The water and sewer proprietary funds operate as successful stand alone funds. Revenues historically have exceeded expenditures. Rates and fees are reflective of the cost of providing related services. The City is in good financial standing and budgets for appropriate infrastructure improvements. However, Enterprise Funds are not accounted for in accordance with GAAP.

---

**Determination Gridley-10 (Cost Avoidance and Facilities Sharing):**

The City utilizes a sufficient range of cost avoidance practices in its operations pertaining to water and sewer services. Opportunities exist for facilities sharing with the City of Biggs. The City is exploring facilities sharing opportunities with the City of Biggs.

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**Determination Gridley-11 (Government Structure and Local Accountability):**

The City 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 City activities, and information regarding the City is readily available to members of the public.

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**Determination Gridley-12 (Management Efficiencies):**

The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had no actions taken against it from regulatory agencies.
City Characteristics

The City of Biggs (City) is a General Law City located in southwestern Butte County (see Figure 2.10-1). The City provides a variety of services to its residents including police, fire and public works services, electric services, and sewer and water utilities.

| City Size: 358 acres |
| 2005 Estimated Population: 1,797, 1,865 |
| Office Location: 465 C Street, Biggs, CA 95917 |
| Services: Domestic water, wastewater collection and treatment |
| Employees: 10 full time (all City employees, not just those related to domestic water, wastewater collection and treatment) |
| Date of Formation: 1903 |
| Enabling Legislation: General Law City |
Growth and Population

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

The City currently provides water and wastewater services to approximately 1,797 residential, commercial and municipal customers. Figure 2.10-2 illustrates the population projections for the City. These projections have been made using a growth rate of 0.9%, which is the expected rate of growth given by the Butte County Association of Governments for the City.

B. Land Use/Significant Growth Areas

The majority of the sewer and water connections in the City belong to residential users. The area is slowly growing, with the majority of the growth expected to occur in the area to the south of the City and to the north of the City of Gridley. This area has been declared an area of concern by the Butte LAFCo. One small annexation has been approved to the north of the City near Fourth Street. Any further annexations are 18 months to years away, but the City has interest in development to the east (south of Rio Bonito Road, north and south of B Street), to the west...
capital improvements and upgrades. A list of nine priority projects was produced from the Master Plan. All of these projects are to be completed by 2006, which will bring the infrastructure within the City’s system up-to-date. The City is on schedule to complete all nine priority projects within the year.

**Determination Biggs-5 (Water Facilities):**

The City’s water system infrastructure is old, with most of the system past its theoretical life. This results in leaks in the system almost daily. The City will have an acceptable water system when the planned improvements are completed.

**Wastewater Services**

A. Capacity Analysis

The City collected and treated 111 MG of wastewater in 2004. This corresponds to an ADDW (Average Daily Dry Weather) demand of approximately 0.25 MGD (million gallons per day). The hydraulic capacity of the current treatment plant is 1.3 MGD PWWF (Peak Wet Weather Flow) and 0.38 MGD ADDW, the latter of which is the permitted discharge as reported by the State Water Resources Control Board. Figure 2.10-4 below illustrates the expected growth in wastewater flows over the next 20 years, which were projected using the expected population growth rate of 0.9%.

**Figure 2.10-4**

Projected Wastewater Demand 2005-2025

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand (MGD)</th>
<th>Permitted Discharge (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>0.38</td>
<td>0.25</td>
</tr>
<tr>
<td>2010</td>
<td>0.38</td>
<td>0.26</td>
</tr>
<tr>
<td>2015</td>
<td>0.38</td>
<td>0.27</td>
</tr>
<tr>
<td>2020</td>
<td>0.38</td>
<td>0.29</td>
</tr>
<tr>
<td>2025</td>
<td>0.38</td>
<td>0.30</td>
</tr>
</tbody>
</table>
Significant developments are required to submit plans and may be required by the City to provide detailed sewer capacity studies during the permitting process. These developments may be required to upgrade the existing collection system downstream if additional capacity is required.

**Determination Biggs-6 (Wastewater Capacity):**

*The City currently has the capacity to collect and treat the wastewater produced within its existing boundaries. Future collection capacity requirements are ensured by City oversight during the permitting process for significant developments.*

B. Facilities

A comprehensive Sewer Master Plan was developed for the City in 2003. This report states that most of the pipe collection system was installed between 1920 and 1950 and is beyond its useful life. The collection system is constrained by significant infiltration/inflow (I/I), pipe deterioration, tree root intrusion, and grease buildup. There have been several replacement projects in recent years, but the Master Plan recommends rehabilitation of much of the collection system.

The Master Plan also addressed the treatment plant and states the treatment plant is in excellent shape following a major facility upgrade in 2000-2001. The plant was originally built in the 1960’s but has undergone significant upgrades since then. The plant is a Regional Water Quality Control Board (RWQCB) level 2 treatment facility.

**Determination Biggs-7 (Wastewater Facilities):**

*The City’s collection system requires significant rehabilitation. The City’s treatment plant is in excellent condition.*

C. Plans for Expansion/Upgrades

The wastewater treatment plant was upgraded in 2000-2001 and there are no planned improvements or expansions for the plant. The plant is currently at about 65% capacity and can handle up to approximately 0.32 MGD ADDW (85% capacity) before the City will need to begin the process of planning for an expansion. The difference (0.32 MGD – 0.25 MGD) provides enough equivalent capacity to serve approximately 243 additional single family homes; the ultimate service capacity up to the permitted limit of 0.38 MGD ADDW allows the servicing of approximately 433 additional single family homes.

The City has a pipeline replacement program which sets aside money for repairs of the collection system. Aside from ongoing pipeline repairs and rehabilitation, there are no significant upgrades or expansions of the collection system planned.
The FY ending 2004 audited financial statement noted that the City’s water system must be replaced to provide reliable water service, and the necessary water volume and pressure required for fire suppression. The project will replace 75% of the City’s water delivery system. The total project will be $5 million, funded with a USDA loan of $3.6 million and a $1.0 million grant. The remaining amount will come from other grants and City funds. The resulting $3.6 million debt will be serviced through increased water use fees. As part of the water system replacement, the City will resurface over 3,800 linear feet of street surface. When done as part of the water project, the cost will be significantly less. The City will fund the needed $400,000 from electric and transportation fund reserves.

**Determination Biggs-9 (Financing and Rate Restructuring):**

*Current sewer and water service charges are adequate to cover the costs of providing services. Infrastructure needs are planned and budgeted for; both enterprise funds contain improvement fund allocations.*

### COST AVOIDANCE AND FACILITIES SHARING

The City 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 City transfers risks that may arise from these and other events through the purchase of liability insurance coverage through the Small Cities Organized Risk Effort (SCORE). SCORE is a Joint Powers Authority (JPA) which provides a banking plan for member cities to provide their own liability insurance coverage. The City also pools cash and investments of all funds with the State of California Local Agency Investment Fund (LAIF). The LAIF is a special fund of the California State Treasury through which local governments may pool investments.

Given the large cost of capital improvements, a careful planning process is a crucial means of cost avoidance. The City recently upgraded its wastewater plant, and as of FY 2003-04, the total outstanding debt amounted to $1,146,658. This debt will be repaid with user fee revenues. The sewer improvement fund contains money set aside for system upgrades and improvements. The City is currently creating a development impact fee program.

Other cost avoidance strategies include pursuing grants and using City crews for construction on small projects, and exploring joint facility options with the City of Gridley. Other opportunities for facilities sharing with the City of Gridley exist appear to be limited.

**Determination Biggs-10 (Cost Avoidance and Facilities Sharing):**

*The City utilizes a sufficient range of cost avoidance practices in its operations pertaining to water and sewer services. Opportunities exist for facilities sharing with the City of Gridley. The City is exploring facilities sharing opportunities with the City of Gridley.*
GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY

The City is governed by a five member City Council, elected at-large. The current City Council is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Busch</td>
<td>Mayor</td>
</tr>
<tr>
<td>Roger Frith</td>
<td>Mayor Pro Tem</td>
</tr>
<tr>
<td>Luke Waters</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Bill Thebach</td>
<td>Councilmember</td>
</tr>
<tr>
<td>Roger David</td>
<td>Councilmember</td>
</tr>
</tbody>
</table>

Each City Council member receives $300 per month. The City Council meets the third Monday of every month at 7:00 p.m. except in January and February; those meetings are on the fourth Monday of the month. Meetings are held at City Hall at 465 C Street. Announcements for meetings are posted on the City website and numerous other locations. Approximately five to 10 members of the public attend monthly meetings, which are open and accessible to the public. The City Attorney is responsible for ensuring that all provisions of the Brown Act are met.

City officials indicated that the service area boundaries need to be updated to reflect the existing City limits and adopted sphere of influence. In reviewing Figure 2.10-1, it appears that the sphere of influence should be expanded to encompass existing City limits.

**Determination Biggs-11 (Government Structure and Local Accountability):**

The City 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 City activities. Consideration should be given to expanding the sphere of influence to encompass existing City limits.

MANAGEMENT EFFICIENCIES

The City Administrator oversees wastewater plant operations, sewer operations and maintenance, and water operations and maintenance. The ratio of managers to workers is appropriate; the City is not top heavy in managers. The City has a personnel manual that is currently under revision, and an operations and maintenance manual is currently being developed. The City is subject to yearly audits and has accomplished all recommendations from recent audits and management letters.

The management structure of the City is relatively simple and is well suited to the type of operations undertaken by the City. No alternative structures or reorganizations of staff would
Determination Biggs-7 (Wastewater Facilities):
The City's collection system requires significant rehabilitation. The City’s treatment plant is in excellent condition.

Determination Biggs-8 (Wastewater Facilities Expansion/Upgrades):
There are no treatment plant expansions planned, and none appear to be necessary to accommodate the expected future growth based on a growth rate of 0.9%. However, based on numerous annexations that are planned, expansion of the treatment plant may be necessary.

Determination Biggs-9 (Financing and Rate Restructuring):
Current sewer and water service charges are adequate to cover the costs of providing services. Infrastructure needs are planned and budgeted for; both enterprise funds contain improvement fund allocations.

Determination Biggs-10 (Cost Avoidance and Facilities Sharing):
The City utilizes a sufficient range of cost avoidance practices in its operations pertaining to water and sewer services. Opportunities exist for facilities sharing with the City of Gridley. The City is exploring facilities sharing opportunities with the City of Gridley.

Determination Biggs-11 (Government Structure and Local Accountability):
The City 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 City activities. Consideration should be given to expanding the sphere of influence to encompass existing City limits.

Determination Biggs-12 (Management Efficiencies):
The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner. The City has had actions taken against it by regulatory agencies.
2.12 PARADISE IRRIGATION DISTRICT

District Characteristics

The Paradise Irrigation District (PID/District) is a special district which provides water to approximately 10,438 municipal, residential and commercial customers in the Town of Paradise, and additional surrounding areas immediately adjacent to the Town (see Figure 2.12-1). The District’s Urban Water Management Plan (UWMP), adopted in December 2005 2001, provides for planning of future water provision through the ultimate buildout of the Town of Paradise.

<table>
<thead>
<tr>
<th>District Size: 11,377 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Estimated Population Served: 27,468</td>
</tr>
<tr>
<td>Office Location: 5325 Black Olive Drive, Paradise, CA 95967</td>
</tr>
<tr>
<td>Services: Domestic water</td>
</tr>
<tr>
<td>Employees: 40 full time</td>
</tr>
<tr>
<td>Date of Formation: 1916</td>
</tr>
<tr>
<td>Enabling Legislation: California Water Code, Division 11, §20500 et seq.</td>
</tr>
</tbody>
</table>
Growth and Population

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

The District currently provides water services to approximately 10,438 municipal, residential and commercial customers; the estimated existing population in the District’s service area is 27,468. The expected population growth in the District has been projected to the year 2025 (see Figure 2.12-2 below). As referenced in the UWMP, Boyle Engineering worked with the Town of Paradise’s Director of Planning to develop updated projections for the District’s service area. Population estimates from 2000-2010 assume a 1.0% annual growth rate and 0.8% annual growth rate from 2010-2030. These projections assume a growth rate of 1.0%, which corresponds to the projected growth for the Town of Paradise from the Butte County Association of Governments.

B. Land Use/Significant Growth Areas

The area to the south of the District is the most likely to be populated in the foreseeable future. Growth to the west and east of the District’s sphere of influence is limited by geographic boundaries (steep canyons and a river), though the District would like to expand its sphere up to those boundaries. The areas to the north are serviced by Del Oro Water Company. There are...
several major roads (Skyway and Clark Road corridors) leading to the south that are capable of facilitating growth in that area. The District would like to expand its sphere to the south as long as applicants bring in their own water (annexation policy).

**Determination PID-1 (Growth):**

*The population within the District will continue to grow at a rate of approximately 1.0% annually until 2010 and approximately 0.8% annually thereafter for the foreseeable future.*

**Infrastructure**

A. Quantity

The District’s water supply is provided primarily from the Little Butte Creek watershed. The District treated and distributed 8,408 AF (acre-feet) of water in 2005. This includes 217 AF of water that was treated and delivered wholesale to Del Oro Water Company. Total consumption in 2004 was 7,059 AF, leaving 17.6% of the treated water unaccounted for. Based on the water use demand figures from the 2005 UWMP, the annual demand for water services is expected to grow as illustrated in Figure 2.12-3 below.

The District has water rights allowing for the diversion of a total of 18,300 AF of water per year (see Table 2.12-1 below). Although the yield from the watershed declines in dry years, these water rights do not change. The average runoff from the watershed is approximately 13,500 AF per year. Under normal conditions, this is a sufficient supply to meet the current demand.
However, as documented in the UWMP, the firm yield of the District’s water sources is approximately 7,650 7,426 AF annually (7,300 AF plus 350 AF from a well), which is currently less than the annual demand. Therefore the District adopted a policy in 1991, which was revised in 2005 based on the 2005 UWMP, for ration/use restrictions during water shortages. The District also maintains an annexation policy that requires any annexed property to provide their own source of water by replacing leaking pipes, replacing toilets, or any other method that meets the approval of the District.

### Table 2.12-1
Paradise Irrigation District Water Entitlements

<table>
<thead>
<tr>
<th>Application ID</th>
<th>Filing Date</th>
<th>Diversion Rate (ft³/sec)</th>
<th>Storage (AF)</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>A000476</td>
<td>SEPT 21, 1916</td>
<td>0</td>
<td>9,500</td>
<td>BUTTE</td>
</tr>
<tr>
<td>A022061</td>
<td>FEB 25, 1965</td>
<td>0</td>
<td>8,800</td>
<td>BUTTE</td>
</tr>
</tbody>
</table>

Though it can survive at least a three-year drought, the biggest issue facing the District is the need for a larger water supply. A number of options are being considered to increase the amount of water available to the District. The District has inter-ties with Del Oro Water Company, and an agreement with the company allows for water to be added to the system from Del Oro in case of an emergency. The District is actively negotiating a water transfer agreement with Del Oro, which will allow for additional water supply from the County’s allocation of Lake Oroville water to be available to District customers and will provide the opportunity for Del Oro to provide additional water to its customers in the Paradise Pines District. As discussed below, there are plans for increasing the storage available to the District.

### Determination PID-2 (Water Quantity):

The District can provide adequate supplies of water during years of normal precipitation, but has inadequate supplies of potable water during drought periods. If no new sources of water are found for the District, it will not have a sufficient water supply to support the expected growth in the area. Currently, the District has adopted use restrictions during periods of drought, but a larger water supply must be obtained to accommodate future growth. Reduction in unaccounted water would also help to support the expected growth.

The District has water storage available for both raw and treated water. The District has two raw water storage reservoirs: Paradise Lake and Magalia Reservoir. These reservoirs have a combined capacity of 14,071 AF. Seismic stability issues have caused the District to decrease the water stored in Magalia Reservoir from 2,574 AF to 796 AF. This decreases the District’s raw water storage capacity to 12,293 AF. There is also a 500,000 gallon storage tank at the treatment plant which acts as a surge tank to maintain constant head in the facility. The District is currently investigating options to increase its raw water storage capacity, such as raising Paradise Dam and either rehabilitating or raising Magalia Dam.

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1 The District also has a pre-1914 adjudicated water right for a direct diversion of 8.0 CFS obtained from PG&E (Nickerson Ditch) as established in California Superior Court document #18917 dated June 22, 1942.
Treated water is stored at five treated water storage facilities, not including the storage tank found at the water treatment plant. Four of these tanks are welded steel tanks that store a total of 6.5 MG (million gallons). The fifth is a 3 MG Hypalon covered and polypropylene lined in-ground storage reservoir. There will likely be an increase in treated water storage as part of a plan to relocate one of the current storage tanks.

**Determination PID-3 (Water Storage):**

*The District has 9.5 MG of treated and 12,293 AF of raw water storage capacity. The District requires more raw water storage to supplement its supply during periods of drought.*

**B. Quality**

Surface water served by the District is treated in a plant with a hydraulic capacity of 22.8 MGD (million gallons per day). The net capacity of this plant has been determined to be 19.1 MGD. Water is delivered to this plant by a 25 MGD raw water pump station. This water is pre-chlorinated and coagulants are added. The water is then passed through one of six upflow clarifiers and one of three rate-of-flow-control filters. Zinc orthophosphate is added for corrosion control and disinfection is provided by gas chlorination. If necessary, this plant was designed to permit expansion by the addition of another treatment module.

**Determination PID-4 (Water Quality):**

*The District’s water quality can be characterized as good; it meets all state and federal regulations for water quality.*

**C. Facilities**

The District owns two wells that draw water from the Tuscan formation. Only one of these wells has been equipped for production, as the other well does not produce a significant amount of water. The well that is in production is 525 feet deep and produces approximately 450 gpm (gallons per minute) over a pumping interval that spans a few months. These wells are well maintained and in good condition.

The storage tanks utilized by the District are generally in good condition. All but one of the tanks have been recently rehabilitated. The last remaining tank is being investigated for replacement at a larger size to reduce energy costs. Many of the tanks have been modified to allow for more resistance to seismic events. These modifications include moving surge pipelines outside the tank and retrofitting pipelines to allow for more freedom of movement.

A new treatment plant was brought on-line in 1995. The facility is complete with automated controls and an in-house laboratory. The treatment plant was built with enough room to expand
its capacity by approximately 30%. In the event of a power outage, the treatment plant is equipped with a diesel generator that is capable of running the plant.

The District has 169 miles of distribution pipeline. Some of this pipeline is beyond its useful age limit, which has resulted in increases in leaks and unaccounted water. As documented in the UWMP, the unaccounted water is currently at a level of approximately 18.0% 17.6%. By way of comparison, less than 10% unaccounted water is generally considered to be good. The percentage of lost water has slowly increased over the past five years, but the quantity of lost water is slowly decreasing.

**Determination PID-5 (Water Facilities):**

The District’s facilities are in good to excellent condition with the exception of some of the pipelines in the distribution system, which need to be replaced in order to reduce unaccounted water.

**FINANCING AND RATE RESTRUCTURING**

Annual audit reports for FYs ending 2002-04 and financial statements for the District were reviewed in accordance with LAFCo’s 2003 MSR Guidelines. The purpose of this review is to determine fiscal viability, suitability of current funding practices, and potential fiscal impacts resulting from new legislation.

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. The District successfully increased rates in 2003 following Proposition 218 guidelines with little public input or concern. District officials anticipate that the public will accept properly justified rate increases in the future.

The FY 2002-03 annual audit noted no material weaknesses in 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 2002-03, the District’s net assets increased $818,000 (4.7%) from the prior fiscal year. In FY 2001-02, the District’s net assets increased $1.2 million. Sixty percent of the District’s net assets are invested in capital such as land, treatment plant facilities, transmission and distribution/pipeline infrastructure, machinery, equipment, vehicles and buildings.

Total operating expenses totaled $3,973,420, which increased $124,000 from FY 2001-02. Total operating revenues totaled $4,712,195; revenues remained close to FY 2001-02. In the previous last five years, water sales revenues have averaged an annual increase of 1.2% ($61,000/year) while operating expenses (less depreciation and amortization) have increased 10.9% ($133,000/year).
The District implemented a new water rate structure in FY 2002-03 which did not consider any future reserve requirements. Prior to increasing rates, the District conducted an extensive review of necessary future income stream requirements, the fairness of the various rate structures (customer billing categories), and public input. The new rate structure resulted in an average residential percentage increase of 9.7%. The overall increase in operating revenues has approximated $500,000 per year. The District plans on reviewing its water rates and structure on an annual basis. No increases occurred in FY 2004-05. The District charges multi-family residences $29.50 per EDU plus $0.54 per cubic foot. The District approved a new rate increase effective in 2006, 2007, and 2008.

Debt service represented 25% of the FY 2003-04 total budget. The annual debt service obligations remain similar year to year (close to $1,600,000/year). At the end of FY 2003-04, the District had $13.9 million in bonds and loans outstanding.

In August 2003, the Board approved a new policy for the annexation of lands. No annexation fees were collected in FY 2002-03 or FY 2003-04. Potential property tax income increases could occur in the future.

The District is audited annually. Annual audits contain narrative descriptions of the District’s financial activities; an Independent Auditor’s Report; Management Discussion and Analysis; a Statement of Net Assets; a Statement of Revenues, Expenses, and Changes in Net Assets; a Statement of Cash Flows; and Notes to Financial Statements. The Statement of Net Assets indicates whether the financial position of the District is improving or deteriorating.

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 annual budgets and annual audits are submitted to the County Auditor.

**Determination PID-6 (Financing and Rate Restructuring):**

*Historically the District has operated in a fiscally sound manner. Revenues have consistently exceeded expenditures, and the District has consistently set aside substantial funding for improvements in the General Fixed Assets portion of the balance sheet that will support long term operations. The District maintains a debt service coverage ratio which consistently exceeds 100%.*

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**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 participation in the ACWA Joint Powers Insurance Agency pooled insurance program.

The District uses grant opportunities as a cost avoidance measure. In FY 2002-03, the District received a $1.3 million Proposition 13 Urban Water Conservation Grant, which is administered through the California Department of Water Resources. This money will be used for water main replacement projects over a three year period. Additionally, in FY 2001-02, the District reduced its total debt service requirements by $510,315 by issuing general obligation bonds of $9,855,000 (par value). Net proceeds from the issuance were used to purchase U.S. government securities.

The District has plans to participate in a cost sharing agreement with Butte County for the County’s Skyway Widening Project over Magalia Dam. The District has proposed developing a common water building standard with the Thermalito Irrigation District and the South Feather Water and Power Agency (SFWPA). Additionally, the District meets regularly with SFWPA and Cal Water Chico to discuss issues on the practices of billing and finance, water treatment and distribution.

The District has inter-ties with Del Oro Water Company.

**Determination PID-7 (Cost Avoidance and Facilities Sharing):**

*The District appears to utilize appropriate cost avoidance measures in its operations. Other than inter-ties with Del Oro Water Company, facilities sharing opportunities appear to be limited.*

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**GOVERNMENT STRUCTURE AND LOCAL ACCOUNTABILITY**

A five member Board of Directors serves as the decision-making authority of the District. Each director must be a voter and freeholder of the District and a resident of the division which he represents at the time of his nomination and during his term and shall be elected by voters who are residents of the District. The current Board of Directors is as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Division/District</th>
<th>Title</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ken Hunt</td>
<td>Division 1</td>
<td>Director</td>
<td>Dec 2008</td>
</tr>
<tr>
<td>Claude Powers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>William Kellogg</td>
<td>Division 2</td>
<td>Director</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Larry Duncan</td>
<td>Division 3</td>
<td>Vice-President</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>John Heinke</td>
<td>Division 4</td>
<td>President</td>
<td>Dec 2006</td>
</tr>
<tr>
<td>Rick Hall</td>
<td>Division 5</td>
<td>Director</td>
<td>Dec 2008</td>
</tr>
</tbody>
</table>

Board members receive $100 per Board meeting (24 per year) and $25 per committee meeting and other assigned meetings. The Board meets monthly on the first and third Wednesday at 6:30 p.m. at the District office at 5325 Black Olive Drive in Paradise. Meeting agendas are posted on
the District’s website. Annual Consumer Confidence Reports encourage public participation, and the District provides agendas and information to the media to keep the public informed on District activities. On average two to four members of the public attend typical meetings. The District Secretary is responsible for ensuring compliance with the Brown Act; the District Manager assists in assuring that the Brown Act is followed, and legal counsel is available to answer any questions regarding the Brown Act.

District officials feel that existing boundaries are not appropriate for the services provided. The boundaries have been in place with little change since the creation of the District. District officials feel that boundaries should be expanded to the east and west to meet geographical boundaries, and to the south down the Skyway and Clark Road corridors. District officials also would like to see the sphere be coterminous with the Town of Paradise as the area’s public water supplier. Sphere expansions are contingent upon applicants bringing in their own water (annexation policy).

**Determination PID-8 (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.

**MANAGEMENT EFFICIENCIES**

A District Manager, Secretary (appointed annually), Treasurer (appointed annually), and legal counsel are hired by the Board of Directors to manage operations of the District. The District Manager oversees a staff of 40 full time employees. The ratio of managers to workers is appropriate; the District is not top heavy in managers. The District has various policies and procedures related to personnel, provision of services, customer relations, operations and maintenance, relationships with other agencies, and the like. The District is subject to yearly audits and has accomplished all recommendations from recent audits and management letters.

The management structure of the District is relatively simple and is well suited to the type of operations undertaken by the District; the linear management structure ensures reportability and accountability. No alternative structures or reorganizations of the staff would result in more efficient operations, and the existing structure is considered appropriate for the District.

The District appears to be meeting its mission statement which is as follows: “The Paradise Irrigation District is dedicated to the business of providing and delivering a safe, dependable supply of quality water, in a safe, cost effective manner with service that meets or exceeds the expectations of our customers.” The District adopts yearly financial plans, which are readily available on the District’s website, and abides by an Urban Water Management Plan (updated in 2005).
# Summary of Determinations

**Determination PID-1 (Growth):**

The population within the District will continue to grow at a rate of approximately 1.0% annually until 2010 and approximately 0.8% annually thereafter for the foreseeable future.

**Determination PID-2 (Water Quantity):**

The District can provide adequate supplies of water during years of normal precipitation, but has inadequate supplies of potable water during drought periods. If no new sources of water are found for the District, it will not have a sufficient water supply to support the expected growth in the area. Currently, the District has adopted use restrictions during periods of drought, but a larger water supply must be obtained to accommodate future growth. Reduction in unaccounted water would also help to support the expected growth.

**Determination PID-3 (Water Storage):**

The District has 9.5 MG of treated and 12,293 AF of raw water storage capacity. The District requires more raw water storage to supplement its supply during periods of drought.

**Determination PID-4 (Water Quality):**

The District’s water quality can be characterized as good; it meets all state and federal regulations for water quality.

**Determination PID-5 (Water Facilities):**

The District’s facilities are in good to excellent condition with the exception of some of the pipelines in the distribution system, which need to be replaced in order to reduce unaccounted water.
## 4.0 GLOSSARY

<table>
<thead>
<tr>
<th>TERM</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acre-foot/feet (AF)</td>
<td>Measurement of water volume—the volume of water that would cover one acre of land to a depth of one foot, equivalent to 325,851 gallons of water.</td>
</tr>
<tr>
<td>ADDW</td>
<td>Average daily dry weather—flow rate measurement for wastewater collection systems.</td>
</tr>
<tr>
<td>Annexation</td>
<td>The annexation, inclusion, attachment, or addition of territory to a city or district.</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>The legislative body or governing board of a district.</td>
</tr>
<tr>
<td>Board of Supervisors</td>
<td>The elected board of supervisors of a county.</td>
</tr>
<tr>
<td>Change of organization</td>
<td>A city incorporation, district formation, annexation to, or detachment from, a city or district, disincorporation of a city, district dissolution, consolidation of cities or special districts, or merger or establishment of a subsidiary district.</td>
</tr>
<tr>
<td>Charter City</td>
<td>A City governed on the basis of a Charter that establishes its powers and authorities as contrasted with a General Law City that enjoys only those powers specifically granted to it by the State.</td>
</tr>
<tr>
<td>City</td>
<td>Any charter or general law city, including any city the name of which includes the word &quot;town.&quot;</td>
</tr>
<tr>
<td>Consolidation</td>
<td>The uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district. In the case of consolidation of special districts, all of those districts shall have been formed pursuant to the same principal act.</td>
</tr>
<tr>
<td>Cost avoidance</td>
<td>Actions to eliminate unnecessary costs derived from, but not limited to, duplication of service efforts, higher than necessary administration/operation cost ratios, use of outdated or deteriorating infrastructure and equipment, underutilized equipment or buildings or facilities, overlapping/inefficient service boundaries, inefficient purchasing or budgeting practices, and lack of economies of scale.</td>
</tr>
<tr>
<td>County Service Area (CSA)</td>
<td>A dependent agency governed by the Board of Supervisors of a County pursuant to §25210.1 - §25211.33 of the Government Code. A CSA may perform most services, which the county is authorized to perform by law, but is limited by the county’s ability to show that the proposed level of extended service is not otherwise provided on a county-wide basis.</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Detachment</td>
<td>The detachment, deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.</td>
</tr>
<tr>
<td>Dissolution</td>
<td>The dissolution, disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.</td>
</tr>
<tr>
<td>District or special district</td>
<td>An agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. &quot;District&quot; or &quot;special district&quot; includes a county service area.</td>
</tr>
<tr>
<td>District of limited powers</td>
<td>An airport district, community services district, municipal utility district, public utilities district, fire protection district, harbor district, port district, recreational harbor district, small craft harbor district, resort improvement district, library district, local hospital district, local health district, municipal improvement district formed pursuant to any special act, municipal water district, police protection district, recreation and park district, garbage disposal district, garbage and refuse disposal district, sanitary district, or county sanitation district.</td>
</tr>
<tr>
<td>EDU</td>
<td>Equivalent dwelling unit—system for keeping track of non-residential customers for record keeping purposes.</td>
</tr>
<tr>
<td>Enabling legislation</td>
<td>Legal statute authorizing the creation of the agency or district considered.</td>
</tr>
<tr>
<td>Enterprise fund</td>
<td>Services for which the City charges customers a fee. Cities can use enterprise funds to account for its sewer, electric, and non-major (water and solid waste funds. Enterprise funds are the same as its business-type activities, but provide more detail and additional information.</td>
</tr>
<tr>
<td>Feasible</td>
<td>Capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social and technological factors.</td>
</tr>
<tr>
<td>Formation</td>
<td>The formation, incorporation, organization, or creation of a district.</td>
</tr>
<tr>
<td>Function</td>
<td>Any power granted by law to a local agency or a county to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of all persons or property.</td>
</tr>
<tr>
<td>Functional revenues</td>
<td>Revenues generated from direct services or associated with specific services, such as a grant or statute, and expenditures.</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal year</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
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<td>-----------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>General revenues</td>
<td>Revenues not associated with specific services or retained in an enterprise fund.</td>
</tr>
<tr>
<td>gpd</td>
<td>Gallons per day</td>
</tr>
<tr>
<td>gpm</td>
<td>Gallons per minute</td>
</tr>
<tr>
<td>I/I</td>
<td>Infiltration and inflow</td>
</tr>
<tr>
<td>Incorporation</td>
<td>The incorporation, formation, creation, and establishment of a city with corporate powers. Any area proposed for incorporation as a new city must have at least 500 registered voters residing within the affected area at the time commission proceedings are initiated.</td>
</tr>
<tr>
<td>Independent special district</td>
<td>Any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. &quot;Independent special district&quot; does not include any district excluded from the definition of district contained in §56036.</td>
</tr>
<tr>
<td>Infiltration</td>
<td>Groundwater entering sewers through defective joints, cracks, etc.</td>
</tr>
<tr>
<td>Inflow</td>
<td>Water discharged entering into wastewater systems from storm drains.</td>
</tr>
<tr>
<td>Infrastructure needs and deficiencies</td>
<td>The term “infrastructure” is defined as public services and facilities, such as sewage-disposal systems, water-supply systems, other utility systems, and roads (General Plan Guidelines). Any area needing or planned for service must have the infrastructure necessary to support the provision of those services. The term “infrastructure needs and deficiencies” refers to the status of existing and planned infrastructure and its relationship to the quality and levels of service that can or need to be provided.</td>
</tr>
<tr>
<td>Interested agency</td>
<td>Each local agency, which provides facilities or services in the affected territory that a subject agency would provide.</td>
</tr>
<tr>
<td>Joint Commission</td>
<td>A single Commission formed to preside over the functions of a multi-LAFCo Joint Powers Agreement. The Commission may be comprised of all or a portion of the Commissioners of the individual</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Commissions that are participating in the Joint Powers Agreement. A Joint Commission, as herein defined, does not constitute an individual agency. It is intended to jointly exercise existing powers common to each agency.</td>
<td></td>
</tr>
<tr>
<td>LAFCo</td>
<td>Local Agency Formation Commission</td>
</tr>
<tr>
<td><strong>Level 1 Treatment Facility Management Program</strong></td>
<td>Management Program 1 is the required basic management program. It is suitable where:</td>
</tr>
<tr>
<td>1. Standard Onsite Sewage Treatment Systems are/can be installed</td>
<td></td>
</tr>
<tr>
<td>2. There is no recognized water quality threat from OSTS use.</td>
<td></td>
</tr>
<tr>
<td>3. Onsite Sewage Treatment Systems are owned and operated by individual property owners in areas of low environmental sensitivity.</td>
<td></td>
</tr>
<tr>
<td><strong>Level 2 Treatment Facility Management Program</strong></td>
<td>Minimum management program necessary where enhanced onsite sewage treatment system designs are employed to provide treatment to overcome restrictive site conditions in areas of low environmental sensitivity. This program is suitable where:</td>
</tr>
<tr>
<td>1. Sites have limiting soil/site conditions that do not allow for a standard onsite sewage treatment system.</td>
<td></td>
</tr>
<tr>
<td>2. System owners retain responsibility for system operation and maintenance.</td>
<td></td>
</tr>
<tr>
<td>3. Maintenance is provided for by means of a maintenance contract with a public or private entity or by the system owner.</td>
<td></td>
</tr>
<tr>
<td><strong>Level 3 Treatment Facility Management Program</strong></td>
<td>Minimum management program necessary where:</td>
</tr>
<tr>
<td>1. Onsite sewage treatment systems are located in areas with sensitive receiving environments.</td>
<td></td>
</tr>
<tr>
<td>2. It is necessary to achieve specific water quality objectives.</td>
<td></td>
</tr>
<tr>
<td><strong>Level 4 Treatment Facility Management Program</strong></td>
<td>This management level is for onsite sewage treatment systems where:</td>
</tr>
<tr>
<td>1. The sensitivity of the environment is high.</td>
<td></td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>2. The need for properly functioning systems is essential to maintain public health and environmental protection.</td>
</tr>
<tr>
<td></td>
<td>3. Operation and maintenance functions are delegated to a public or private utility.</td>
</tr>
</tbody>
</table>
| Level 5 Treatment Facility Management Program             | The designated management entity both owns and operates the onsite systems. The utility maintains total control of all aspects of management, not just operation and maintenance. This management level is for onsite sewage treatment systems where:  
1. The sensitivity of the environment is high.  
2. The need for properly functioning systems is essential to maintain public health and environmental protection. |
<p>| Loaded cost                                               | A cost that has overhead and/or other fees or charges added to the actual and direct service or item cost.                                                                                                                                                                                                                                                         |
| Local accountability and governance                       | The term “local accountability and governance” refers to public agency decision making, operational and management styles that include an accessible staff, elected or appointed decision-making body and decision making process, advertisement of, and public participation in, elections, publicly disclosed budgets, programs, and plans, solicited public participation in the consideration of work and infrastructure plans; and regularly evaluated or measured outcomes of plans, programs or operations and disclosure of results to the public.|
| Local agency                                              | A city, county, or special district or other public entity, which provides public services.                                                                                                                                                                                                                                                                       |
| Management efficiency                                    | The term “management efficiency” refers to the organized provision of the highest quality public services with the lowest necessary expenditure of public funds. An efficiently managed entity (1) promotes and demonstrates implementation of continuous improvement plans and strategies for budgeting, managing costs, training and utilizing personnel, and customer service and involvement, (2) has the ability to provide service over the short and long term, (3) has the resources (fiscal, manpower, equipment, adopted service or work plans) to provide adequate service, (4) meets or exceeds environmental and industry service standards, as feasible considering local conditions or circumstances, (5) and maintains adequate contingency reserves. |
| MCL                                                       | Maximum contaminant level                                                                                                                                                                                                                                                                                                                                          |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Mentor LAFCo</td>
<td>A LAFCo with the experience and resources necessary to advise, or contract with, other LAFCos for the implementation of municipal service reviews. A listing of mentor LAFCos is found on the California LAFCo website (<a href="http://www.calafco.org">www.calafco.org</a>)</td>
</tr>
<tr>
<td>Merger</td>
<td>The extinguishment, termination, and cessation of the existence of a district of limited powers by the merger of that district with a city as a result of proceedings taken pursuant to this division.</td>
</tr>
<tr>
<td>MG</td>
<td>Million gallons—measurement of water and wastewater volume.</td>
</tr>
<tr>
<td>MGD</td>
<td>Million gallons per day—water and wastewater flow rate.</td>
</tr>
<tr>
<td>Municipal services</td>
<td>The full range of services that a public agency provides, or is authorized to provide, except general county government functions such as courts, special services and tax collection. As understood under the CKH Act, this includes all services provided by Special Districts under California law.</td>
</tr>
<tr>
<td>Non-enterprise activity</td>
<td>A non-enterprise activity, such as fire protection, is an activity that has an accounting system organized on a governmental fund basis.</td>
</tr>
<tr>
<td>NTU</td>
<td>Nephelometric turbidity unit—measurement of turbidity.</td>
</tr>
<tr>
<td>Overlapping territory</td>
<td>Territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities.</td>
</tr>
<tr>
<td>Out-of-Agency contract</td>
<td>A contract to provide services outside of an agency’s boundaries.</td>
</tr>
<tr>
<td>Plan of reorganization</td>
<td>A plan or program for effecting reorganization and which contains a description of all changes of organization included in the reorganization and setting forth all terms, conditions, and matters necessary or incidental to the effectuation of that reorganization.</td>
</tr>
<tr>
<td>ppb</td>
<td>Parts per billion—a unit of concentration.</td>
</tr>
<tr>
<td>ppm</td>
<td>Parts per million—a unit of concentration.</td>
</tr>
<tr>
<td>Principal act</td>
<td>In the case of a district, the law under which the district was formed and, in the case of a city, the general laws or a charter, as the case may be.</td>
</tr>
<tr>
<td>Principal LAFCo for municipal service review</td>
<td>The LAFCo with the lead responsibility for a municipal service review. Lead responsibility can be determined pursuant to the CKH Act definition of a Principal LAFCo as it applies to government organization or reorganization actions, by negotiation, or by agreement among two or more LAFCos.</td>
</tr>
<tr>
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</tr>
<tr>
<td>---------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Proceeding</td>
<td>Proceedings taken by the commission for a proposed change of organization or reorganization pursuant to Part 4 (commencing with §57000).</td>
</tr>
<tr>
<td>Proposal</td>
<td>A request or statement of intention made by petition or by resolution of application of a legislative body or of a school district proposing proceedings for the change of organization or reorganization described in the request or statement of intention.</td>
</tr>
<tr>
<td>psi</td>
<td>Pounds per square inch—a unit of pressure.</td>
</tr>
<tr>
<td>Public agency</td>
<td>The state or any state agency, board, or commission, any city, county, city and county, special district, or other political subdivision, or any agency, board, or commission of the city, county, city and county, special district, or other political subdivision.</td>
</tr>
<tr>
<td>PWWF</td>
<td>Peak wet weather flow—flow rate measurement for wastewater collection systems that accounts for infiltration and inflow.</td>
</tr>
<tr>
<td>Rate restructuring</td>
<td>Rate restructuring does not refer to the setting or development of specific rates or rate structures. During a municipal service review, LAFCo may compile and review certain rate related data, and other information that may affect rates, as that data applies to the intent of the CKH Act (§56000, §56001, §56301), factors to be considered (§56668), SOI determinations (§56425) and all required municipal service review determinations (§56430). The objective is to identify opportunities to positively impact rates without adversely affecting service quality or other factors to be considered.</td>
</tr>
<tr>
<td>Regional</td>
<td>Pertaining to activities or economies at a scale greater than that of a single jurisdiction, and affecting a broad geographic area.</td>
</tr>
<tr>
<td>Reorganization</td>
<td>Two or more changes of organization initiated in a single proposal.</td>
</tr>
<tr>
<td>Responsible LAFCo</td>
<td>The LAFCo of a county other than the Principal County that may be impacted by recommendations, determinations or subsequent proposals elicited during a municipal service review being initiated or considered by the Lead LAFCo.</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>The accumulated earnings of an enterprise or intragovernmental service fund which have been retained in the fund and are not reserved for any specific purpose (debts, planned improvements, and contingency/emergency).</td>
</tr>
<tr>
<td>Reserve</td>
<td>(1) For governmental type funds, an account used to earmark a portion of fund balance, which is legally or contractually restricted for a specific use or not appropriable for expenditure. (2) For</td>
</tr>
<tr>
<td>TERM</td>
<td>DEFINITION</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>proprietary type/enterprise funds, the portion of retained earnings set aside for specific purposes. Unnecessary reserves are those set aside for purposes that are not well defined or adopted or retained earnings that are not reasonably proportional to annual gross revenues.</td>
<td></td>
</tr>
<tr>
<td>RWQCB</td>
<td>Regional Water Quality Control Board</td>
</tr>
<tr>
<td>Service</td>
<td>A class established within, and as a part of, a single function, as provided by regulations adopted by the commission pursuant to Chapter 5 (commencing with §56820) of Part 3.</td>
</tr>
<tr>
<td>Service review</td>
<td>A study and evaluation of municipal service(s) by specific area, sub-region or region culminating in written determinations regarding nine specific evaluation categories.</td>
</tr>
<tr>
<td>Special reorganization</td>
<td>A reorganization that includes the detachment of territory from a city or city and county and the incorporation of that entire detached territory as a city.</td>
</tr>
<tr>
<td>Sphere of influence (SOI)</td>
<td>A plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCo.</td>
</tr>
<tr>
<td>Stakeholder</td>
<td>Refers to LAFCos, members of the public, affected and interested agencies, and other entities interested in, and affected by, service(s) being reviewed.</td>
</tr>
<tr>
<td>STEP</td>
<td>Septic tank effluent pump</td>
</tr>
<tr>
<td>Subject agency</td>
<td>Each district or city for which a change of organization is proposed or provided in a reorganization or plan of reorganization.</td>
</tr>
<tr>
<td>SWRCB</td>
<td>State Water Resources Control Board</td>
</tr>
<tr>
<td>Turbidity</td>
<td>Physical characterization of water quality/clarity—measurement indicating the amount of suspended solids/foreign particles in a sample of water.</td>
</tr>
</tbody>
</table>
5.0 BIBLIOGRAPHY

General References

Butte County Association of Governments, 2005 < http://www.BCAG.org >

Butte County LAFCO, GIS Staff.

Butte County Water Agency.

Randall, Mary. California Regional Water Quality Control Board – Central Valley Region. Interview, 2005.


State Water Resources Control Board.

Survey Responses

United States of America Census Bureau, 2005 < http://www.census.gov >

Lake Oroville Area Public Utility District References


**Richardson Springs Community Services District References**


**City of Chico References**

Carollo Engineers. City of Chico Sanitary Sewer Master Plan. Walnut Creek, California: May 2003.


**City of Oroville References**


Winzler & Kelly Consulting Engineers. City of Oroville Comprehensive Sewer Analysis of Selected Portions of the City’s Sewer System for Martin Ranch Subdivision. Chico, California: June 2005.

**Richvale Sanitary District References**


Butte County Service Areas References


Sewerage Commission – Oroville Region References


**Thermalito Irrigation District References**


Thermalito Irrigation District. 7 Year Capital Expenditure Forcast. Table. Oroville, California: 2003.

**City of Gridley References**


City of Biggs References


City of Biggs. An Ordinance of the City of Biggs Setting Sewer Fees for 2005-2006 (Uncodified). Ordinance No. 357, Section 1, 10.05.320. Biggs, California.


**South Feather Water and Power Agency References**


**Paradise Irrigation District References**

Board of Supervisors of the County of Butte. *Order Forming Paradise Irrigation District*. Butte County, California: 20 March 1916


**Durham Irrigation District References**

Butte County Board of Supervisors. *Resolution Ordering Dissolution of Butte County Waterworks District No. 1*. Butte County, California: 22 March 1948.


Lake Madrone Water District References


Buzztail Community Services District References


Butte County Board of Supervisors. Resolution of the Board of Supervisors of the County of Butte Authorizing the Formation of and Establishing the Boundaries of the Proposed Buzztail Community Services District. Resolution No. 84-201. Butte County, California: 18 December 1984.


Butte County Board of Supervisors. Resolution Declaring the Results of the Formation Election for the Buzztail Community Service District. Resolution No. 85-60. Butte County, California: 5 March 1985.


**Berry Creek Community Services District References**

Berry Creek Community Services District. Ordinance No. 1: Establishing Rates and Fees For Services By the Berry Creek Community Services District. Berry Creek, California: May 1988.

Board of Supervisors of the County of Butte. Resolution of the Board of Supervisors of the County of Butte Authorizing the Formation of And Establishing the Boundaries of the Proposed Berry Creek Community Services District. Resolution No. 87-269. Berry Creek, California: October 1987.


**California Water Service Company References**


A 61-question survey instrument was sent to each domestic water and wastewater service provider in Butte County in June 2005 along with a brief memorandum explaining the MSR process. Over the next several weeks and months, survey responses were collected in various formats (electronic and hard copies) along with documentation submitted by the service providers. Upon receiving the survey responses, site visits to each of the service providers were conducted to collect missing and additional data/information, and to confirm or clarify responses.

The following pages contain the memorandum that accompanied the survey instrument, a blank survey instrument, and the individual agency responses.
MEMORANDUM

TO: DOMESTIC WATER AND WASTEWATER PROVIDERS IN BUTTE COUNTY
FROM: BUTTE LAFCO
SUBJECT: MUNICIPAL SERVICE REVIEW – QUESTIONNAIRE
DATE: 6/23/05

AGENCY SURVEYS

Consistent with new requirements of State law, LAFCo is preparing Municipal Service Reviews (MSRs) to assess the services and service providers within the County. Required under the Cortese-Knox-Hertzberg Act, these reviews must be completed prior to updates to any Sphere of Influence (SOI) within the County. The Governor’s Office of Planning and Research (OPR) has created a set of guidelines to assist LAFCo in preparing these reviews, which includes surveying local service providers for a variety of information. LAFCo has retained Quad Knopf, Inc. to help draft this MSR. The attached survey is based on the OPR Guidelines and is intended to help us better understand your district/department.

The information your agency provides in the attached survey will help LAFCo make informed decisions regarding Spheres of Influence, service boundaries, and other determinations. In responding to the survey questions, it is important to provide the most current and thorough information available. This will not only help LAFCo better assess local services, but also will help further communication between the various service providers in the County.

The MSR resulting from the surveys will provide both a guide for LAFCo as well as a document to help residents better understand their local government. If there is additional information not covered within the survey questions that you feel should be included in the MSR, please attach such information to your responses. After receiving the survey responses, representatives from Quad Knopf will contact each agency to arrange follow-up meetings to ensure that all necessary information and documents are included in the MSR.

All responses should be sent to the following attention:

Daniel Hamilton, AICP
Quad Knopf
One Sierragate Plaza, Suite 270C
Roseville, CA 95678

If your agency has any questions regarding the content of the survey, or needs further direction in answering questions, please contact Steve Lucas at LAFCo at (530) 538-7784 or Daniel Hamilton (Quad Knopf) at (916) 784-1259.
## Butte LAFCo
### Water and Wastewater Service Provider Review

<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
<th>Water Providers</th>
<th>Wastewater Treaters</th>
<th>Wastewater Collectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What are the sources of the water you provide through your system? If you utilize groundwater, please indicate which unit and subunit you draw water from.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>How much water do you have secured water rights for? Do your water rights change in dry or multiple dry years?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>How much water do you currently draw and distribute?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>What changes to your normal operations are made under dry and multiple dry years?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Who are the major consumers of water from your system?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>What long-range planning documents do you maintain? Please provide a copy of any Master Plan or Capital Improvements Program (CIP) you have.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Please provide demand projections for your system in 5-year increments over the next 20 years.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Please explain your projection methods. Do you utilize local land use plans in your projections, or are they based on historic growth and usage?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>How many wells do you maintain and operate? What are the general depths of these wells?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>What do you see at the biggest concerns for continued growth and successful provision of water within your service boundaries and likely future service area?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>What are the major constraints within your system at present? What factors are most likely to cause an interruption in service or quality of water?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Do you treat your water prior to storage and distribution? If so, what treatments are applied?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#</td>
<td>Question</td>
<td>Water Providers</td>
<td>Wastewater Treaters</td>
<td>Wastewater Collectors</td>
</tr>
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<td>----</td>
<td>--------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>---------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>13</td>
<td>What is your storage capacity at present? Please provide basic information for storage facilities? Plans for additional storage in the future?</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>What is the minimum fire flow required within your system?</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Are you in compliance with this fire flow requirement in all lines?</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>What other information do you think would help us understand your water system better, with regards to physical systems and infrastructure?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Do you provide wastewater treatment, collection, or both?</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>18</td>
<td>Where do you discharge wastewater effluent?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>What is your annual volume of discharge?</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>What is your permitted volume of discharge?</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>What is your annual collection volume?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>22</td>
<td>What are your projected volumes, in 5-year increments, over the next 20 years?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>23</td>
<td>Have you had any Environmental Impact Reports (EIRs) or other environmental documents prepared for recent activities? Please provide a copy of any such reports.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>24</td>
<td>Have you had any engineering studies completed within the last 20 years? If so, please provide a copy of any such studies.</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>25</td>
<td>Have you had any actions taken against you by regulatory agencies within the last 10 years, including Cease and Desist orders or fines? Please specify.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>26</td>
<td>What is the current treatment capacity of your plant(s)?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>27</td>
<td>What is the permitted treatment volume of your plant(s)?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>28</td>
<td>Are there any planned expansions of your treatment facilities?</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Please provide flow amounts for the past three years.</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>30</td>
<td>Please provide a copy of any Master Plan for your plants or systems.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
## Butte LAFCo
### Water and Wastewater Service Provider Review

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</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>Please provide your projected flows, in 5-year increments, over the next 20 years.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>32</td>
<td>Could your plant be expanded to accommodate additional growth in the area? Independent of permitting issues, how much additional capacity could be accommodated by your plant?</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>33</td>
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# Service Review Questionnaire for Water Providers

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<td>How much water do you have secured water rights for? Do your water rights change in dry or multiple dry years?</td>
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<td>How much water do you currently draw and distribute?</td>
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<td>What changes to your normal operations are made under dry and multiple dry years?</td>
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<td>Who are the major consumers of water from your system?</td>
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<td>What long-range planning documents do you maintain? Please provide a copy of any Master Plan or Capital Improvements Program (CIP) you have.</td>
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<td>Please provide demand projections for your system in 5-year increments over the next 20 years.</td>
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<td>Please explain your projection methods. Do you utilize local land use plans in your projections, or are they based on historic growth and usage?</td>
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<td>How many wells do you maintain and operate? What are the general depths of these wells?</td>
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<td>What do you see at the biggest concerns for continued growth and successful provision of water within your service boundaries and likely future service area?</td>
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<td>What are the major constraints within your system at present? What factors are most likely to cause an interruption in service or quality of water?</td>
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<td>Do you treat your water prior to storage and distribution? If so, what treatments are applied?</td>
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<td>What is your storage capacity at present? Please provide basic information for storage facilities? Plans for additional storage in the future?</td>
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<td>14</td>
<td>What is the minimum fire flow required within your system?</td>
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<td>Are you in compliance with this fire flow requirement in all lines?</td>
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<td>What other information do you think would help us understand your water system better, with regards to physical systems and infrastructure?</td>
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<td>52 Do you feel that your current Sphere of Influence is appropriate</td>
<td>If not, please explain how your Sphere of Influence should be modified?</td>
</tr>
<tr>
<td>for the services you provide? If not, please explain how your Sphere</td>
<td></td>
</tr>
<tr>
<td>of Influence should be modified?</td>
<td></td>
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<tr>
<td>53 Could you better serve your customers if you operated as another</td>
<td></td>
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<tr>
<td>type of district, such as a CSD, CWD, or other legal entity?</td>
<td></td>
</tr>
<tr>
<td><strong>MANAGEMENT AND OPERATIONS</strong></td>
<td></td>
</tr>
<tr>
<td>54 Please provide a copy of your district's organizational chart.</td>
<td></td>
</tr>
<tr>
<td>55 Please provide a copy of your mission statement or similar statement</td>
<td></td>
</tr>
<tr>
<td>of goals</td>
<td></td>
</tr>
<tr>
<td>56 Please provide a copy of your charter for operations</td>
<td></td>
</tr>
<tr>
<td>57 Are there any areas within your service area which are also served</td>
<td></td>
</tr>
<tr>
<td>by another district?</td>
<td></td>
</tr>
<tr>
<td>58 Do you jointly serve any areas with other districts?</td>
<td></td>
</tr>
<tr>
<td>59 Do you participate in any information sharing with other districts</td>
<td></td>
</tr>
<tr>
<td>regarding practices, operations, or other aspects of service provision?</td>
<td></td>
</tr>
<tr>
<td>60 How do you ensure compliance with changing laws related to the</td>
<td></td>
</tr>
<tr>
<td>provision of your service?</td>
<td></td>
</tr>
<tr>
<td>61 Are you a participant in any Joint Powers Agreement (JPA) or other</td>
<td></td>
</tr>
<tr>
<td>agreement to share service or facilities?</td>
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</tbody>
</table>
2.1 Lake Oroville Area PUD

We provide wastewater collection. Treatment is provided by Sewerage Commission-Oroville Region (SC-OR) an Entity formed by a joint Powers Agreement of which we make up one third. The City of Oroville and Thermalito Irrigation District are the other two JPA entities.

Our average annual flow for the last five years is 384 mg. See Exhibit A for annual flows

2010 435MG
2015 500 MG
2020 575 MG
2025 675 MG

Lakeridge Bypass, Oak Knoll Bypass and Mooretown Rancheria environmental documents are available for review at the District office.

Lawsuit filed May 31, 2000 by State of California, Department of Parks and Recreation

See Master Plan 2000 attached

See Exhibit A

See Master Plan 2000 attached

260 gpd/edu

124 gpd/edu

Topography of East Foothills

See attached

See Resolution No. 9-05 attached

See Resolution No. 9-05 attached

Rural Development Loan $5,000,000 bonds

Unknown

Yes SDRMA Workers Compensation

Annually in October

Yes
Board members receive $450 per month for their services

The General Manager and District Legal Counsel Yes

Typically 0-5 members of the public attend District regular meetings of the Board of Directors

Post agendas, use of local newspaper for public notice and US Postal Service for individual mailings

No there are many areas that should be annexed to provide the growing demand for sewer service

No we anticipate growing to the east and to the south

We serve our customers very well as a Public Utility District

See Attached

See Attached

No wastewater collection districts

No wastewater collection districts

Absolutely

The district stays up to date with changing laws through membership in CSDA, BCSDA and advice from District Legal Counsel and District Engineer

A JPA exists between LOAPUD, TID and the City of Oroville for treatment of wastewater at the Sewerage Commission-Oroville Region
### 2.2 Richardson Springs CSD

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>Aquifer for wells and Creek for other usage</td>
</tr>
<tr>
<td>2</td>
<td>17,700 GPD from Mud Creek established 1876 plus wells</td>
</tr>
<tr>
<td>3</td>
<td>10,000-20,000GPD at wells</td>
</tr>
<tr>
<td>4</td>
<td>None</td>
</tr>
<tr>
<td>5</td>
<td>The Community of Richardson Springs</td>
</tr>
<tr>
<td>6</td>
<td>N/A</td>
</tr>
<tr>
<td>7</td>
<td>No plans for growth</td>
</tr>
<tr>
<td>8</td>
<td>N/A</td>
</tr>
<tr>
<td>9</td>
<td>Two wells @ 90'</td>
</tr>
<tr>
<td>10</td>
<td>No growth Planned</td>
</tr>
<tr>
<td>11</td>
<td>Old infrastructure</td>
</tr>
<tr>
<td>12</td>
<td>Yes, sodium Hypochlorite, carbon and iron filters</td>
</tr>
<tr>
<td>13</td>
<td>15,000 gallon gravity fed system for well water and a reservoir with 30&quot; stand pipe 1500'</td>
</tr>
<tr>
<td>14</td>
<td>?</td>
</tr>
<tr>
<td>15</td>
<td>?</td>
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<tr>
<td>16</td>
<td>N/A</td>
</tr>
<tr>
<td>17</td>
<td>Both</td>
</tr>
<tr>
<td>18</td>
<td>See attached pages</td>
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<tr>
<td>19</td>
<td>See attached pages</td>
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<td>20</td>
<td>See attached pages</td>
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<tr>
<td>21</td>
<td>See attached pages</td>
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<tr>
<td>22</td>
<td>See attached pages</td>
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</tbody>
</table>
23  No
24  Yes, by Northstar Engineering
25  No
26  See attached pages
27  See attached pages
28  No
29  See attached pages
30  See attached pages
31  See attached pages
32  Possibly if re-engineered and we had the finances
33  ?
34  ?
35  No room for growth
36  Money
37  See attached pages
38  See attached pages
39  See attached pages
40  See attached pages
41  N/A
42  N/A
43  See attached pages
44  See attached pages
45  See attached pages
<p>| | |</p>
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<tbody>
<tr>
<td>46</td>
<td>Stu Herried Kelly Jackson Jake Findley</td>
</tr>
<tr>
<td>47</td>
<td>$0</td>
</tr>
<tr>
<td>48</td>
<td>Kelly Jackson</td>
</tr>
<tr>
<td>49</td>
<td>Usually none</td>
</tr>
<tr>
<td>50</td>
<td>Post a notice in post office</td>
</tr>
<tr>
<td>51</td>
<td>Yes</td>
</tr>
<tr>
<td>52</td>
<td>Yes</td>
</tr>
<tr>
<td>53</td>
<td>No</td>
</tr>
<tr>
<td>54</td>
<td>N/A</td>
</tr>
<tr>
<td>55</td>
<td>N/A</td>
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<td>56</td>
<td>N/A</td>
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<td>57</td>
<td>No</td>
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<td>58</td>
<td>No</td>
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<td>59</td>
<td>No</td>
</tr>
<tr>
<td>60</td>
<td>?</td>
</tr>
<tr>
<td>61</td>
<td>No</td>
</tr>
</tbody>
</table>
2.3 City of Chico

17 The City of Chico provides both treatment and collection.

18 The wastewater effluent is discharged into the Sacramento River

19 The annual discharge volume is 2,548 million gallons per year

20 The permitted volume of discharge is nine million gallons per day.

21 The annual discharge volume is 2,548 million gallons per year

22 The City is currently in the design phase of a project to upgrade the Water Pollution Control Plant from 9mgd to 12 mgd. One additional upgrade to 15mgd is proposed, which is the projected build out for the City's Sphere of Influence.

23 The City completed a Sanitary Sewer Master Plan update in 2003 which is enclosed as Exhibit A. Also attached are copies of the draft and final EIR for the WPCP expansion (Exhibit B)

24 See Exhibits A & B

25 Yes, action has been taken against the City by the State Water Resources Control Board Cease & Desist Order NOs. 95-251 (1995) and 97-099 (1997), which required the City to expand its regional wastewater treatment plant to obtain a firm treatment capacity for the present and projected influent flows. It also required the City to develop and implement an Industrial Waste Pretreatment Program. In the year 2000, the City also received a pretreatment program violation filed by the Regional Water Quality Control Board charging that the City's Industrial Waste Pretreatment Program was not being fully implemented according to federal guidelines.

26 The current treatment capacity of the City's plane is nine mgd.

27 The permitted treatment volume of the facility is nine mgd.

28 The City is currently in the process of expanding the capacity of the Water Pollution Control Plant from 9 mgd to 12 mgd.

29 The flow amounts for the past three years are: 6.5 mgd average flow in 2002; 7.1 mgd average flow in 2003; and 7.0 mgd average flow in 2004.

30 See Exhibits A & B.

31 The projected flows for the next 20 years are located within the WPCP Capacity Study (Exhibit C).
The buildout volume of the Water Pollution Control Plant is 15 mgd.

The average flow per household is 288 gallons per equivalent dwelling unit (EDU).

The City bases non-residential flow at a rate of 1,500 gallons per acre per day.

Please see the Sanitary Sewer Master Plan (exhibit A).

There are no constraints presently on our collection system.

The requested information is not available.

See attached budget pages (Exhibit D).

N/A

See attached fee schedule (Exhibit E).

The State Revolving Loan Fund was used for the expansion of the Water Pollution Control Plant to nine mgd.

Proposition 218 will not limit the City's ability to change monthly sewer rates.

The City is self-insured

N/A

N/A

The City of Chico is a Charter City with a City Council.
2.4 City of Oroville

Collection

707 million gallons

The City's volume has been increasing 1 to 1.2% per year. Based on this increase, the City estimates future flows at:
- 2010-747 million gallons
- 2015-789 million gallons
- 2020-833 million gallons
- 2025-880 million gallons

There have been on EIR's within the last 20 years. The City has approved use permits but none have required analysis of sewer systems.

We have had two studies done within the last 20 years (Martin Ranch and Eastside Sewer Study).

No

For the last three fiscal years (July to June), the City has been averaging 57.4 million gallons per month.

See attached copy

The City has 8,300 equivalent dwelling units (EDUs). The average yearly flow per EDU is 85,200 gallons.

There is no data available to the City to compute this flow.

The City currently views the limited pipeline sizes and lack of adequate pipeline as potential constraints. Many of the pipes at the outer areas of the city are very small which limits the amount of growth tying into these pipes. The City lacks pipeline especially in the foothills area.

See attached.

The budget for 2005 has recently been adopted but is not yet available. It can be provided to once it becomes available. Attached is the 2004 budget for your information.

The 2004/2005 rates and fees are as shown on the attached City of Oroville Resolution Number 6314. The 2005/2006 rates and fees are scheduled to go to council on August 2, 2005. A copy of the resolution for that council meeting is also attached.

The City has no Current Bonds.
Proposition 218 may limit the City's ability charge sufficient rates to cover service costs.

The City has #2 NCSSIF Liability Insurance

The City does not submit budgets to the County Auditor-Controller's Office.

Yes

Mayor Gordon Andoe, 2006
Vice Mayor Steven Jerrnigan, 2008
Jack Berry, 2006
Sue Corkin, 2006
Bob Sharkey, 2008
Al Simpson, 2006
Jim Prouty, 2008

Council members are compensated $5 for each city Council meeting they attend in a month, for a maximum for $10 a month, and $30 for each Redevelopment Agency meeting for a maximum of $120 a month.

The City does meet all requirements of the Brown Act in its operations. This is overseen by the City Attorney, Dwight L. Moore.

The number of members of the public attending a meeting depends on the council agenda, but is typically between 10 and 20.

Public notices are posted 10 days prior to a meeting in the local newspaper as well as in a window case located at the City Hall building. For certain agenda items addressing a specific part of the public, letters are mailed directly to their homes.

Yes, the City feels that the current District boundaries are appropriate for the services it provides.

Yes, the City feels that the current Sphere of Influence is appropriate for the services it provides.

No

See attached

The City mission statement is in the budget documents (see attached)

The City Charter is in the City Code documents which are attached.

Yes, Thermalito Irrigation District (TID) and Lake Oroville Area Public Utilities District
(LOAPUD) also serve some areas currently served by the City.

58  Yes, the Thermalito Irrigation District serves some of the same areas in the City.

59  Yes. The City is working with a committee to create one set of standards for the area. This committee includes TID and LOAPUD.

60  The City is notified by agencies regarding changing laws and these lows are reviewed by staff and integrated into City operations.

61  Yes, the City is in an agreement with Sewerage Commission-Oroville Region (SCOR) for their treatment of the wastewater collected by the City.
2.5 Richvale Sanitary District

17 Collection
18 No discharge
19 15,593,230.00 Inflow (2004) discharge (-0-)
20 -0-
23 None
24 None
25 We are working under Cease & Desist orders currently /no fines
26 N/A no treatment
27 N/A
28 We are looking to maybe buy some land that is next to our current plant
29 (2004) 15,593,2300.00 (2003) this # would have been larger
30 See operation & maintenance manual
31 Current flows should be 12 to 15 million gallons. I don’t see much in the way of changes in the future
32 Yes we could purchase land next to us an increase of at lease ½ again
33 177 to 200 gals per day
34 -?- 
35 We presently are working on determining where ground water infiltration is impacting our system. We have required every user to bring their private lines up to current Butte County Codes.
36 The purchase of more ground at the plant site and getting a better handle on ground water infiltration.
40 RSD rates are based on equivalent dwelling units (EDU) each household is considered to be 1(one) EDU. The charge for 1 EDU per year is $365. Business & Public users are charged based on a multiple of EDU determined by size and usage.
A general obligation bond of $150,00 was used during the 1980’s. It was paid off last year (2004)

Prop 218 should not limit the District because Sanitary Districts were noted as exempt

District maintains a liability insurance policy that includes Directors with Inter West Insurance

Budgets will be submitted to county in Dec 06 of each year we are now on a calendar year

We have adopted many of the recommendations of audit, including having bank statement received by Board Treasurer before going to bookkeeper.

Gary Stone-chairman
Greg Stephens-sec.
Audrey Stephens-director
Dennis Thengvall-trea
Tom Warner-director

$500 per year

The board is responsible, but we get help from the Minasian Law firm. We try to comply

Most or the time no one attends, although we have had up to 5 people attend at times.

We don’t at the board mtg’s. We do communicate by written form on a regular basis.

No, to grow our community we would need to expand the boundaries.

Yes

?

? RSD Board ------------------------Eco Resource, Inc
Chairman (operate Plant)
Trea
Sec
Directors

“Goal” the RSD will provide reliable service for the most economical rates

See original minutes book provided

No
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<td>58</td>
<td>No</td>
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<td>59</td>
<td>No</td>
</tr>
<tr>
<td>60</td>
<td>Thru Eco Resources, Inc./thru SWACB</td>
</tr>
<tr>
<td>61</td>
<td>No</td>
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</tbody>
</table>
2.6 **Butte CSAs (first response)**

17 All of these CSAs both collect and treat domestic sewage

18 All of these CSAs discharge directly to the ground.

19 None of these CSAs have their wastewater flow metered so the yearly volume is not known.

20 The permitted volume of wastewater flow varies for each CSA.

23 To the best of our knowledge there have been no recent EIRs prepared for any of these CSAs.

24 Engineering studies vary with each CSA.

25 I have been with the department for over 10 years and am not aware of any cease and desist orders or fines against any of these CSAs.

26 Treatment capacity varies with each CSAs.

27 Permitted treatment volume varies with each CSA.

28 To my knowledge there are no planned expansions to any of these CSAs.

29 Since these systems are not metered these figures are not available.

30 The master plan will vary with each plant of course.

31 The projected flows will vary with each CSA.

32 All of the CSAs are designed to meet the wastewater flow needs of their existing service area only. So none of them has additional capacity available.

33 Again there is not actual flow metering. The designed flow capacity for each household is typically 300 gallons per day.

34 There are no non-residential uses in these CSAs.

35 All of these CSAs are limited to collection within the boundaries of their geographic area.

36 The biggest constraint for all these CSAs is likely the lack of any additional treatment capacity in the existing facility.

37 Financial audits are not regularly conducted on these accounts.
Each budget of course is unique to the CSA.

Current rates and fees are unique to each CSA.

I know nothing about grants and debt financing of these CSAs.

Proposition 218 may make it very difficult for all of these CSAs to generate sufficient maintenance revenues to maintain the system in a safe manner.

I don’t believe the County maintains any insurance on these systems. Each individual Home Owner Association may have their own insurance.

County Public Works submits the CSA budgets to the County Auditors office in August of each year.

Since there are no regular audits this question is not meaningful.

**Butte CSAs (second response)**

Both of these CSAs both collect and treat domestic sewage

Both of these CSAs discharge directly to the ground.

Neither of these CSAs have their wastewater flow metered so the yearly volume is not known.

The permitted volume of wastewater flow varies for each CSA.

To the best of our knowledge there have been no recent EIRs prepared for any of these CSAs.

Engineering studies vary with each CSA.

I have been with the department for over 10 years and am not aware of any cease and desist orders or fines against any of these CSAs.

Treatment capacity varies with each CSAs.

Permitted treatment volume varies with each CSA.

To my knowledge there are no planned expansions to any of these CSAs.

Since these systems are not metered these figures are not available.
The master plan will vary with each plant of course.

The projected flows will vary with each CSA.

All of the CSAs are designed to meet the wastewater flow needs of their existing service area only. So none of them has additional capacity available.

Again there is not actual flow metering. The designed flow capacity for each household is typically 300 gallons per day.

There are no non-residential uses in these CSAs.

All of these CSAs are limited to collection within the boundaries of their geographic area.

The biggest constraint for all these CSAs is likely the lack of any additional treatment capacity in the existing facility.

Financial audits are not regularly conducted on these accounts.

Each budget of course is unique to the CSA.

Current rates and fees are unique to each CSA.

I know nothing about grants and debt financing of these CSAs.

Proposition 218 may make it very difficult for all of these CSAs to generate sufficient maintenance revenues to maintain the system in a safe manner.

I don’t believe the County maintains any insurance on these systems. Each individual Home Owner Association may have their own insurance.

County Public Works submits the CSA budgets to the County Auditors office in August of each year.

Since there are no regular audits this question is not meaningful.
2.7 Sewerage Commission – Oroville Region

17 WW treatment and 2.45 miles of main interceptors.

18 Feather River

19 1,161,684,000 gal.

20 6.5 MGD

23 None

24 None

25 None

26 See Question 20

27 See Question 20

28 None

30 None

31 Dependent on growth rate, present growth rate (5 yr. Avg.) is one point one (1.17) percent measured by number of connections or equivalent dwelling units EDU’s). See spreadsheet, attached.

32 Yes. Independent of permitting. Plant is at approx. 50% hydraulic and organic capacity. Yes, plant can be expanded for growth.

33 Est. 3MGD/15,000 households= 200 gpd/household.

34 Unknown we don’t keep sq.ft. data on our industrial users. Total permitted industrial flow is 186,336 gpd from 4 permitted users. One industrial user accounts for 70% of permitted industrial flow (power plant-cooling tower blowdown).

35 None

36 Growth rate of 1.17% means plant will wear out before we run out of capacity.
Plant built in 1976 with clean water grant money. All debit repaid as of 2001. No bond or other debt.

Not at all as we are an enterprise agency and have no property tax revenue or annexation authority.

5-10 annually

Board agenda is posted at each member entity.

Our service area is that area annexed by each member agency, therefore we have no control over or opinion on the district’s boundaries.

We don’t believe so.

No

No

Our board members are all appointed by their respective agencies, so they bring back monthly reports to each member entity. We also have informal contact with the managers at each member entity and discuss issues with them on a more or less daily basis.
60 Professional organizations, Trade publications, list serves, web sites, “Network” contacts, state water board.

61 Yes, but only to the extent that we provide wastewater services and the member entities provide collection.
2.8 **Thermalito Irrigation District**

1. TID has two sources of water supply. TID owns Wilmore Reservoir (Lake Concow) and has a water right to 7,255 acre-feet of water. TID owns five deep wells and can draw approximately 3.0 million gallons of water per day when needed.

2. TID has secured water rights to 7,225 acre feet of surface water and our water rights do not change during dry or multiple dry years.

3. Presently we draw and distributed 2800 acre-feet of water per year.

4. We have never had to make changes to our normal operations due to dry or multiple dry years.

5. Our major consumers are family unit consumers approximately 95% residential.

6. Please refer to the attached 7-year Capital expenditure forecast for the District.

7. Demand projections for the next 20 years in 5 year increments:
   
   A. 2010 3,300 Acre-feet per year
   B. 2015 3,920 Acre-feet
   C. 2020 4,712.23 Acre-feet
   D. 2025 5,664.57 Acre-feet

8. Based on historic growth and Usage.

9. We maintain five well with an average depth of 200 feet

10. Three concerns that come to mind for continued growth will be pipe sizing and distribution system in the outlying areas to meet the add demand outside the existing distributions system. Reservoir storage for additional pressure zones. Treatment plant expansion that will exceed the present physical facilities.

11. A. We have a 24-inch water main suspended over the powers canal with out proper isolation valves to isolate the treatment plant. If this main line is lost over the canal we loose use of the treatment plant and two wells for the system. In the event this happened the remaining wells would be sufficient for winter demand but the summer flows would be compromised.

B. The District has a secondary 14-inch line crossing the same canal and it is in the Table Mountain Blvd. Bridge. This would be our back up line to the District in the event the 24’ main is compromised by natural or man-made occurrences and the District is able to cap ;the broken 24’ main in a timely fashion. If a natural or man made occurrence should remove both pipe lines the District would not be able to use the treatment plant and two wells for a lengthy time.
We filter all surface water and Chlorinate all surface and well water.

Presently we have 3.5 million gallons of storage capacity with plans to add a 1.0 million gallon storage tank at a higher level on the Table Mountain.

The minimum fire flow required by the City of Oroville is 750 gallons for 10 hours for residential and 1500 gallons for 10 hours for commercial.

We are in compliance with these fire flow requirement in all lines except for the golf course.

Presently the District has approximately 50 miles of water distribution pipe. 5.5 miles of it is of steel ranging in age from 27 years to 65 years of age. The oldest is the 24-inch main flow from the 2.5 MGT to the treatment plant. The District intends to install a redundant 24-inch plastic line from the tank to a point past the treatment plant with proper isolation valves addressed in number 11. This project is planned for the winter of 2005/2006. The rest of the steel mains will be scheduled for replacement after this first phase is complete.

The District intends to replace the existing treatment plant with a Micro filtration system over a 10-year time frame. The first phase of his replacement will start in the winter of 2005/2006 with a 4-million gallon expansion. Presently the existing treatment plant is meeting State filtration standards. The State Department of Health advised the District that within ten years the State Standards would move in a direction that the existing treatment plant will not be able to comply with.

The District does not have a Wastewater treatment plant but we do have a sewage collector system. The District is a member of the Sewage Commission Oroville Region (SCOR) and all sewer treatment is processed on a regional basis.

The District does not have a wastewater treatment plant.

The District does not have a wastewater treatment plant.

The District does not have a wastewater treatment plant.

Over a five-year average TID’s annual volume of sewer collection is 181.518 million gallons per year.

a. Projected volume for 2010 is 210.74 Million Gallons per year.
b. Projected volume for 2015 is 244.66 Million Gallons per year.
c. Projected volume for 2020 is 284.04 Million Gallons per year.
d. Projected volume for 2025 is 329.76 Million Gallons per year.
The District has had no EIR’s prepared in the past fifteen years for sewer activity. Currently the District has contracted an engineering firm in Chico to complete a collector system capacity study.

The District has had no engineering studies completed within the last 20 years for water or sewer activity.

The District has had no actions filed against it from any regulatory agencies.

The District does not have a wastewater treatment plant.

The District does not have a wastewater treatment plant.

The District does not have a wastewater treatment plant.

The District flow for 2004/5 161.184 Million Gallons
The District flow for 2003/4 197.435 Million Gallons
The District flow for 2002/3 205.071 Million Gallons

Please review the attached “Preliminary Design Report Four MGD Expansion of TID water Treat Plant” Attachment E

The District does not have a wastewater treatment plant.

The District does not have a wastewater treatment plant.

The Average flow per household with the District is 260 gallons per day

The average flow per square foot for non-residential use is .173 gallons per ft3.

All Sewer development that utilizes the Ruddy Creek Lift Station will be limited to the capacity of the lift station.

The addition of lift stations to compensate for gravity flow.

Refer to attachment A

Refer to attachment B

No Current Data

Refer to attachment C

a. California Local Government Finance Authority - October 1, 1994 (Filter Plant Expansion)
b. LaSalle National Bank - December 23, 1997 (2.5 MG Tank)

42 Currently The District does not see Proposition 218 as a measurable impact. The District maintains a history of good public Notice.

43 a. Medical Insurance- Blue Shield of California
b. Dental Insurance- ACWA -Health Benefit Authority
c. VSP (Pooled Insurance program through Butte County)

44 The District’s Budgets are not submitted to the county Auditor-Controller’s Office. (Only submitted to auditing firm under contract to District.

45 Yes the District has accomplished all recommendations from recent audits and management letters.

46 Director1 Bradley Taggart Nov 2004- Nov 2008
Director2 Gary Allen Nov 2004- Nov 2008
Director3 Edgar Thompson Nov 2002- Nov 2006
Director4 Stanley Huston Nov 2004- Nov 2008
Director5 Ernie Reynolds Nov 2002- Nov 2006

47 $300.00/Person/Board Meeting (Board Meetings are held once a month)

48 The District’s Legal council John Jeffery Cater of Chico sits on all regularly scheduled meetings and consults the Board on all Brown Act issues when needed.

49 The District will have on the average of 0 to 3 members of the public attend a typical meeting.

50 An agenda is posted on the window or encourage the public to attend.

51 The District is able to provide services to all the properties with in its boundaries.

52 The District’s Sphere of Influence is appropriate for the services it provides.

53 No the District could not serve its customers better as another type of legal entity.

54 The District’s organizational chart is included.

55 The District is with new management and the mission statement is under development.

56 Refer to District Policy 1200. Attachment D

57 East of State Highway 70 all sewage is provided by the City of Oroville. A small residential area East of table Mountain Blvd known as Rancho Golden has its water serviced by California Water Service and the sewer is provided by the City of Oroville.
The land East of highway 70 and North of the Feather River receives sewer service from the City of Oroville and Water from TID. Each agency provides service that the other agency does not have.

Yes! TID shares information with the City of Oroville, SCOR, Lake Oroville Public Utility Agency and the County Public Works. Presently these entities are pooling their resources to develop a common building standard for sewer facilities. It is felt that having common sewer building standard in the community will be an asset for future development.

TID has approached Paradise Irrigation District and South Feather Water and Power District to develop a common Water Building Standard that will work for all three entities. As soon as the sewer building standards have come to a common agreement with all parties then the Water Building standards will be approached with the above-mentioned Districts, plus the City of Oroville and the Public Works Department of Butte County.

On a continuing basis TID’s legal council works out the details changing laws related to the provision of the District service.

The District participates with SCOR with a JPA.
2.9 City of Gridley (water)

1 Groundwater

2 No limits No

3 In 2004, the total water pumped by the City was 527.39 million gallons and the total metered water deliveries were 485.81 million gallons (see attached Department of Water Resources Public Water System Statistics, DWR 38, for calendar year 2004).

4 None. In the past, multiple dry years have had no effect on the pumping and delivery of water.

5 Residential water users.

6 No Master Plan or Capital Improvement Program

7 Based upon the Office Drinking Water Standards (Chapter 16, California Water Works Standards, Section 64564 of Title 22 of the California Statues), a water system without storage should provide a source capacity of 2.5 times the maximum day demand.

The 2000 Water System Report to the Office of Drinking Water indicates that there were 1,794 active water services providing water to a City population of 5,382 persons. The data indicates an occupancy factor of 3.00 persons per water service.

Based upon the Population projections contained in the 2005 Development Impact Fee Study (1.5% population growth), an occupancy factor of 3.00 persons per water service, a maximum day demand of 1.50 gallons per minute (gpm) per water service connection and a required source capacity equal to 2.5 times the maximum day demand, the following is the demand projections through the year 2025

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Water Service Connections</th>
<th>Max. Day Demand (gpm)</th>
<th>Required Source Capacity (gpm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>5,382</td>
<td>1,794</td>
<td>2,691</td>
<td>6,728</td>
</tr>
<tr>
<td>2005</td>
<td>6,082</td>
<td>2,027</td>
<td>3,041</td>
<td>7,603</td>
</tr>
<tr>
<td>2010</td>
<td>6,507</td>
<td>2,169</td>
<td>3,254</td>
<td>8,134</td>
</tr>
<tr>
<td>2015</td>
<td>6,975</td>
<td>2,325</td>
<td>3,488</td>
<td>8,719</td>
</tr>
<tr>
<td>2020</td>
<td>7,531</td>
<td>2,510</td>
<td>3,766</td>
<td>9,414</td>
</tr>
<tr>
<td>2025</td>
<td>8,057</td>
<td>2,686</td>
<td>4,029</td>
<td>10,071</td>
</tr>
</tbody>
</table>

8 Demand projections are based upon an assumed population growth rate of 1.5% per year and standard design water consumption data.

9 Six. The wells range in depth from 240 feet to 450 feet deep.

10 No Concerns. Additional wells will be constructed as needed.
No major constraints. There have been no interruptions in service. All municipal wells are equipped with emergency backup generators to continue well operation during occasional interruptions in electrical power.

Yes. Hypochlorite solution and Sodium Silicofluoroide are added to the discharge piping at each well site.

No storage. All wells within the water system are automatically regulated by the water pressure in the distribution system. No plans for storage facilities in the future.

1,000 or 1,500 gallons per minute? Check with fire department.

Fire Department will have to verify.

None.

Attached

Attached

Not known

Fee schedule 20.14/month and 0.79/1000 gallons

None

?$

Up to 25,000,000: yes

N/A – March to June to Finance Department

None received on Water Department

Frank W. Cook Mayor 1990
Pedro Mota Council Member 2002-2006
Frank D. Hall Council Member 2004-2008
Jerry Anne Fichter Mayor Pro Tem 2002-2006
Marlena Sparks Council Member 2004-2008

$200/month and $30/Redevelopment Meeting
City Attorney. All Brown Act requirements are met.

The number varies depending on agenda items.

Yes

Yes

No

Attached

Attached

No

No

No

No

The City complies with all State of California requirements.

City of Gridley (wastewater treatment)

The City provides wastewater collection and treatment.

Land disposal (percolation basins).

360 million gallons annual discharge.

The Waste Discharge requirements for the City of Gridley do not set a limit for the volume of discharge from the wastewater treatment facility.

Not specifically, just for recent development projects such as the Gridley Industrial Park and the Boeger/Heron Landing subdivision.


No
The Wastewater treatment plant was designed with a hydraulic capacity for peak wet weather flow of 2.62 million gallons per day (mgd) and an annual average daily flow of 1.05 million gallons. The Regional Water Quality Control Board’s Waste Discharge Requirements now rate the treatment plant capacity as 1.05 mgd “average dry weather flow” rather than the annual average daily flow.

1.05 mgd average dry weather flow.

Yes. The City of Gridley currently has a contact with HydroScience Engineers, Inc. for a wastewater system capacity analysis to identify infrastructure requirements and to recommend a Capital improvement Program to accommodate growth within the City of the next 20 years.

Attached

No Master Plan

The 1977 wastewater treatment plant design by Raymond Vail & Associates was based upon an Annual Average Flow (AAF) of 161 gallons per capita per day (gpcd).

Based upon the population projections contained in the 2005 Development Impact Fee Study (1.5% population growth), a per capita AAF of 161 gpcd, and continued discharge from Rio Pluma Company of a maximum of 100,000 gallons per day, the following are the projected wastewater flows through the year 2025:

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Daily Flow (gallons)</th>
<th>Annual Flow (million gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>5,382</td>
<td>966,502</td>
<td>353</td>
</tr>
<tr>
<td>2005</td>
<td>6,082</td>
<td>1,079,202</td>
<td>394</td>
</tr>
<tr>
<td>2010</td>
<td>6,507</td>
<td>1,147,627</td>
<td>419</td>
</tr>
<tr>
<td>2015</td>
<td>6,975</td>
<td>1,222,975</td>
<td>446</td>
</tr>
<tr>
<td>2020</td>
<td>7,531</td>
<td>1,312,491</td>
<td>479</td>
</tr>
<tr>
<td>2025</td>
<td>8,057</td>
<td>1,397,177</td>
<td>510</td>
</tr>
</tbody>
</table>

Yes. 1.0 million gallons per day.

Average flow per household is approximately 250 gallons per day (92 gallons per capita per day times 2.7 persons per household.

Average flow per square foot for non-residential uses is not available. Ask Alvie if he has any information

Current collection system constraints are (1) most of the vacant properties within the City that are zoned for residential uses cannot be served by the existing gravity collection
system because the existing system is at capacity and/or too shallow to be extended and (2) infiltration and inflow into the existing collection system is extremely high.

36 Providing a force main with adequate capacity from the City to the treatment plant, a distance of five miles, and increasing the capacity of the existing wastewater treatment plant.

City of Gridley (wastewater collection)

17 The City provides wastewater collection and treatment.

21 360 million gallons annual collection volume.

22 Projected flows over the next to years in 5-year increments are shown above.

23 See above

24 Yes? 1995?

25 No

29 Attached

30 No Master Plan

33 Average flow per household is approximately 250 gallons per day (92 gallons per capita per day times 2.7 persons per household).

35 Current collection system constraints are (1) most of the vacant properties within the City that are zoned for residential uses cannot be served by the existing gravity collection system because the existing system is at capacity and/or too shallow to be extended and (2) infiltration and inflow into the existing collection system is extremely high.

41 USD loan for 1.4 million
2.10 City of Biggs

1. We currently have two sources of water. Henry well which is located on Second St and Bertha well which is located at 8th and B St. We are currently in the process of drilling a new well in place of abandoned well.

2. N/A for Biggs.

3. Approx. 500,000 G.P.D.

4. N/A for Biggs

5. Residential

6. Water Master Plan enclosed

7. Demand estimates are as follows: Year 1-5 = 0.6 MG; Year 6-10 = 1.2 MG; Year 11-15 = 1.5 MG; Year 16-20 = 1.8 MG. MG = million Gallons Ave.

8. Projections are based on Current Sphere Availability and assuming that most of the sphere is developed within the next 10 years plus assuming a large annexation application currently under considerations which essentially more than doubles the population.

9. Two wells are used, Bertha well is 350 ft deep and has a 16” casing down to 50 ft with the last 15 ft being perforated. Henry well is 330 ft deep and has a 16” casing to 90 ft with the last 30 ft being perforated.

10. The Biggs area has excellent quality and quantizes of groundwater available for future growth. The city will be considering storage reservoirs should substantial development occur. There are not real issues identified at this time.

11. Since the City is in the process of upgrading the water system currently including both source supply and transport, given this design project there are not major constraints facing the system at this time.

12. Our water is treated with a 12.5% Sodium Hypochlorite solution for the purpose of disinfection. Bertha well has a sand filter used to treat Hydrogen Sulfide.

13. Our current water tower is a 40,000 gallon elevated storage tank which is adjacent to Bertha well. The water tower stands 97 ft tall and maintains a static pressure of 35-41 p.s.i. throughout the city. There are currently no plans for further storage.

14. 1000 Gallons Per Minute.

15. Yes
Other than the water master plan, there is information available from the State of California with regards to aquifer characteristics, recharge, and quality.

Both

It is discharged into Lateral K and then into Hamilton slough.

100 +/- Million Gallons

0.38 Million Gallons Per Day, Average Dry Weather Flow

Approx. 200 million gallons per year

Projected Volumes are expressed herein as rates: Year 1-5 = 5000 gpm; Year 6-10 7000 gpm; Year 11-15 = 9000 gpm; Year 16-20 10,000 gpm; . gpm = gallons per minute of production and supply.

No EIR’s however various Exemptions and Negative Declarations have been prepared for recent water projects (USDA Water Project and Willard Well Replacement)

Sewer Master Plan, Treatment Plant Facilities Study, Infiltration and Inflow Study.

The city was fined for B.O.D., T.S.S., and Coliform violations between the years 2000-2003. The city also received a Cease and Desist in 1995 and was then rescinded in 1999.

1.3 Million Gallons Average Wet Weather Flow.

0.38 Million Gallons Per Day Average Dry Weather Flow

Yes


Enclosed

Projected flows are projected as follows which include projections for infiltration and inflow ADWF: Year 1-5 = 028 MGD; Year 6-10 = 0.40 MGD; Year 11-15 = 0.53 MGD; Year 16-20 = 0.65 MGD; MGD = million gallons per day. ADWF = Average Dry Weather Flow.

Yes our plant could be expanded but there is very little wet weather capacity due to high Inflow and Infiltration.

100 Gallon per Day per Person.
High Inflow and Infiltration, Pipe deterioration, tree roots and grease collection.

Acquiring additional land and meeting anticipated increased regulations and requirements imposed by the California Regional Water Quality Control Board.

Enclosed

Enclosed

Unknown

Enclosed

Recently have been approved for a USDA Rural Development Grant ($1 million) and Loan ($3.5 million) to replace and upgrade 74% of the city’s aging water distribution system. Have applied for a Prop 50 Grant to augment/reduce some of the USDA Loan for the water system. In 1999 the city received a $2.1 million loan to upgrade the water water treatment plant.

Prop 218 will impact us significantly. We currently follow the prescribed process. Prop 218 increases the public notice time from 10 day to 45 days.

$1,000,000 professional liability. We are members of a JPA Small Cities Organized Risk Effort (SCORE)

N/A for Biggs

Yes

Enclosed

$300 per month

The City Attorney is responsible. The City meets all Brown Act requirements

5 to 10

Meetings are held on the same day each month. Agendas are posted in numerous locations

Yes

No. Service District Boundaries need to be updated to reflect the existing City Limits, adopted Sphere of Influence and the probable future Sphere of Influence.
53  No
54  Please see page 1 of the budget you were provided for question #38.
55  
56  Biggs is a General Law City, therefore does not have a charter
57  No
58  No
59  Yes
60  Keeping on close contact with the Regional Control Boards.
61  No
2.11 South Feather Water and Power Agency

1 The water source for SFWPA’s customers is derived from the watershed of the upper South Fork of the Feather River and the upper portion of the Slate Creek watershed. Through a series of dams, canals and tunnels, it is delivered to the Miner’s Ranch Reservoir which serves as the terminal reservoir for the system. Water for the treatment plant is extracted directly from the reservoir.

2 SFWPA has pre-1914 and appropriated water rights on the South Fork of the Feather River and its tributaries that exceed the actual yield of said watershed. However, approval by the State Water Resources Control Board of a pending petition for time extensions of appropriated water rights will limit usage for consumption purposes to 51,00 AF annually.

3 SFWPA’s average annual diversion for domestic consumption is less than 7,000 AF, and an average of 21,000 AF for irrigation purposes.

4 None

5 Single-family residences are the major consumers of water in SFWPA’s service area. However, mobile home parks make up five of the ten largest customers, with two casinos, a State recreation area, and two school sites making up the other five.

6 In the mid-“90s the Agency developed a Capital Improvement Plan for replacing all of its aging steel-pipe infrastructure. That plan resulted in a $6 million financing and five years of construction to replace 35.4 miles of deteriorating main lines. Overall, since 1983, the Agency replaced a total of 64 miles of steel pipe. Because that project is now complete, a copy of the CIP for steel pipe replacement will not be provided unless specifically requested.

Attached to this response is a copy of the Agency’s most recent Urban Water Management Plant approved by the State Department of Water Resources.

Currently SFWPA is developing a water distribution model (WDM) of the 160 miles of pipelines, pumps, storage and other appurtenant facilities of the Agency’s domestic water system. The WDM will assist SFWPA in decision support by evaluating growth patterns, proposed subdivisions and necessary facilities modifications. SFWPA anticipates that the WDM will be useful for a variety of specific purposes such as:

- Long Range Master Planning (New development and infrastructure rehabilitation)
- System Expansion Design
- Fire Protection Studies
- Water Quality Investigations
- Energy Management
- Emergency Response Scenarios
- Daily Operational Uses (including troubleshooting)
Simulation can either be steady state or extended period. Steady-state simulations represent a snapshot in time and will be used to evaluate distribution system operational behavior over time. This type of simulation will be used to model storage fluctuations, regulator open and close cycles, pressure and flow rate variation in response to varying demand conditions. Hypothetical automatic control strategies formulated by Agency staff will also be evaluated.

SFWPA is assembling a formatting the date sets and is progressing rapidly towards model calibration. It is anticipated that the working model will continue to be developed as part of an iterative process with additional refinements with each step.

7 2010 – 7,250 AF;
   2015 – 7,510 AF;
   2020 – 7,780 AF;
   2025 – 8,060 AF;

8 Historic growth and usage

9 SFWPA has no wells in its system

10 There is no substantive issue impeding the Agency’s ability to provide water for the anticipated growth within its service area.

11 At present, there are no major constraints that are likely to cause an interruption in service or quality of water.

12 SWFPA’s water is treated prior to storage and distribution via conventional treatment or direct filtration. The treatment process includes pre-chlorination, coagulation, sedimentation, filtration and post-filter chlorination when operating in the conventional treatment mode. When operating with direct filtration, coagulants are added prior to filtration, but when the raw water quality is high enough, sedimentation is not needed.

13 Raw-water reservoirs
   Little Grass Valley 94,660 AF;
   Sly Creek 65,650 AF;
   Lost Creek 5,650 AF;
   Ponderosa 4,750 AF;
   Miners Ranch 815 AF.

13 Treated-water reservoirs

SFWPA maintains four reservoirs for treated water with a combined capacity of 5.2 million gallons.
Additional storage will be needed in the future as the Agency’s customer base grows and demand increases. Surplus property was recently sold by the Agency and a portion of the proceeds were placed into a reserve restricted for the purpose of purchasing property upon which to build future storage facilities. The location for, and size of future storage will be determined through the soon-to-be-completed distribution model.

14 2,500 gpm @ 20 psi.

15 Yes

16 Attached is the State Department of Health Services’ 2005 Annual Inspection Report for SFWPA’s Miners Ranch Treatment Plant.

SFWPA operates an extensive GIS system for infrastructure data storage and analysis. For security reasons SFWPA does not release that information for public purposes. However, SFWPA staff would be happy to demonstrate the system to further your understanding upon request.

37 Attached

38 Attached

39 SFWPA charges $0.64 per unit (100 cubic feet) for the first 100 units (10,000 cubic feet) of water, and $0.25 for every unit thereafter, together with a fixed $15.00/month service charge. Therefore, the first acre-foot of water consumed in any month costs $162.90. Each acre-foot of water thereafter costs $108.90.

40 Attached

41 In 1960, the Agency issued revenue bonds in the amount of $62 million to build the South Feather Power Project.

In 1980, the Agency issued revenue bonds in the amount of 3.5 million to finance construction of Miners Ranch Water Treatment Plant.

In 1995, the Agency issued certificates of participation in the amount of $6,865,000 to finance replacement of steel pipe in the water distribution system.

In 2002, the Agency received a grant from the Department of Water Resources through the Water Use Efficiency Program (Proposition 50) in the amount of 183,000 as partial funding for a canal-lining project.

In 2003, the Agency issued certificates of participation in the amount of 2,685,000 to finance the solar photovoltaic electricity generation system for Miners Ranch Water Treatment Plant.
Prop. 218 imposed restrictions on the levy of charges for “property-related services,” which the Agency interprets as not including commodity-based charges such as the Agency’s rate-of-use. However, the Agency recently added a $4.10/account/month “State Budget Bailout Charge” to offset the loss of revenue from a legislated ERAF shift, and complied with Prop. 218 requirements in doing so.

The Agency is a member of the Association of California Water Agencies Joint Powers Insurance authority that provides the Agency’s property, liability, auto, workers compensation and employee crime policies.

SFWPA does not submit its budget to the County Auditor-Controller. Independent audits of the Agency’s finances are submitted to the State Controller by July 15 each year.

Each director receives a fixed monthly fee of $500. This fee has not been increased in 15 years.

The general manager is responsible, with support from the Agency’s legal counsel. All Brown Act requirements are met by the Agency.

In addition to providing the local newspaper with announcements of our Board meetings, agendas and supporting documents for open sessions are posted on the Agency’s web site at least 72 hours before each meeting.

“The mission of South Feather Water and Power (SFWP) is both to deliver a dependable supply of safe, quality drinking water to its customers, and a dependable supply of water for agricultural users, in an economical, efficient and publicly responsible manner. Hydroelectric generation facilities shall be utilized to optimize revenue from power generation, consistent with providing adequate and dependable water supplies to
customers. SFWP is also committed to providing its employees a safe work environment and encouraging personal growth and attainment of goals.”

56 The Agency is an irrigation district under the Irrigation district Law, Division 11 of the Water Code (Section 20500 et seq) of the State of California (statute is available on-line. No other “charter or operations” is applicable to the Agency.

57 California Water Company (a private water company serving the City of Oroville) has extended it PUC-approved service area into a small portion to the northeast corner of the Agency’s service area.

58 No

59 Yes, as a member if the Association of California Water Agencies, the Northern California Water Association and the California Association of Public Power Agencies.

60 The Agency’s Environmental and Safety Compliance Officer is responsible for ensuring the Agency’s compliance with rules and regulations regarding environmental and safety issues. The Agency’s Water Treatment Superintendent is responsible for the Agency’s compliance with rules and regulations regarding water treatment. The Agency’s Water Division Manager is responsible for compliance with rules and regulations regarding water distribution.

61 Only regarding insurance (Association of California Water Agency’s Joint Powers Insurance Authority).
2.12 Paradise Irrigation District

1 Paradise Irrigation District principally supplies surface water from the Little Butte Creek watershed. The District also has two wells. These wells provide water from the Tuscan formation. The “D Tank well” is equipped with a pump and associated piping and controls. It remains on a stand-by basis and currently is intended for use as a drought management tool. The “E Tank well” has not been equipped with pumping machinery, power, or delivery piping and controls.

2 PID has water rights allowing it to divert a total of 18,300 acre feet of water to storage annually (9,500 acre feet under Permit 271 and 8,800 acre feet under Permit 16040) and to make direct diversions of 8 cubic feet per second. While the yield from the watershed declines in dry years there is no change in the water rights in response to dry years.

3 In 2004 PID treated and distributed 8,566 acre feet of water. Of this, 217 acre feet were wholesale deliveries to Del Oro Water Company. Total consumption, including Del Oro, was 7,059 acre feet. 17.6 percent of water production was unaccounted for.

4 Since the District’s current demands exceed the firm yield demand, reductions are required during dry years. The District adopted a policy in 1991 for implementation of Water Supply Emergency and Ration/Use Restrictions during declared water shortages. Details may be found in the Paradise Irrigation District Urban Water Management Plan (attached).

5 The great majority of water produced serves residential customers. The largest individual consumer of water from the PID system include agricultural users, a gold course, and Recreation and Park District, the School District, and several mobile home parks.

6 The District maintains its Urban Water Management Plan (attached) as a planning tool for water demand issues. As part of its annual budgetary process the District looks ahead five to ten years to project the impacts of capital projects on cash flow. This Long-Term Capital Project Analysis is created by staff but is not formally approved by the District Board of Directors.

7 PID demand projections: 2005 = 8,081 ac ft; 2010 = 8,637ac ft; 2015 = 8,867 ac ft; 2020 = 9,127 ac ft.

8 Population projections were based on a technical memorandum developed by the Engineer firm CDM for the Butte County Department of Water and Resource Conservation. The projections were then modified by the district’s consultant (Boyle/URS), based on comments by Town of Paradise planning staff (al Mc Greehan), to include annual growth of 1.0 percent from the year 2000 to 2010 and 0.8 percent annual growth rate for subsequent decades. Water demands were then projected at 231 gallons per capita-day for the additional population, representing the demand that the District has experienced for new housing units.
The District owns two wells. The D Tank Well is equipped with pumping machinery that can deliver approximately 450 gpm over pumping intervals of a few months duration. This well has a depth of 525 feet. The E Tank Well is 600 feet deep and is not equipped with production equipment.

The most significant issue the District has for growth and successful supply of water within the District’s current and future service area is the adequacy of supply to meet current and future demands. Currently demand exceeds the district’s firm yield. Conversion of agricultural land to residential use will reduce the demand for water because the water demand per acre is smaller for residential use than agricultural use. However, much of the land available for development is not currently being served. With continued development the District must increase its water supply.

The district has investigated several options for augmenting supply. These include increasing storage in its reservoirs by raising Paradise Dam and rehabilitating and/or raising Magalia Dam. The District has also investigated additional groundwater development, delivering additional water through the Miocene Canal or the Hendricks Canal, obtaining water from the Butte County State Water Project allocation, and implementation of water conservation measures at customer facilities.

The District’s distribution system contains certain critical nonredundant components that have the potential to cause service interruptions.

The District’s entire surface water supply is delivered to the distribution system through a single 42-inch transmission main. Without this pipeline the District currently would only be able to supply water from its “DF” Tank well. The well output would be insufficient to offset even the water loss from the distribution system.

All Water provided to the District’s “A” zone is delivered through Pump Station No. 2. This station is equipped with electric and gas powered pumps. However, the station itself and its suction line and pumped water line are currently the only facilities for delivery of water to the “A” zone.

The District is currently investigating construction of a new pump station and pipeline to deliver water directly from the treatment plant to the “A” zone. This would provide redundancy for the 42-inch transmission main and for Pump Station No. 2.

There are two notable potential threats to water quality. The inlet for the treatment plant is located near a busy road (Skyway). A vehicle crash near the inlet has the potential to contaminate the influent water to the treatment plant. The District is currently investigating construction of a bypass pipeline allowing water to be conveyed to the treatment plant from Paradise Lake.

Due to areas of rugged topography and the piecemeal pattern of development within the District’s service area the distribution system has numerous dead end mains. These
provide the potential for stagnant water problems. The District flushes all dead end mains annually to try to alleviate this potential problem.

12 Surface water served by PID is treated prior to storage and distribution. Water is withdrawn from the District’s Magalia Reservoir and delivered to the treatment plant by the 25 MGD Raw Water Pump Station. The raw water is prechlorinated and coagulants are added. The water passes through on six absorption clarifiers and on of three rate-of-flow-control filters. The filtered water is routed through a baffled 662,000 gallon Treated Water Storage Tank (TWST) and delivered to the distribution system. Zinc orthophosphate is added for corrosion control. Disinfection is provided by gas chlorination. The plant hydraulic capacity is 22.8 MGD. After allowing for flushing and filter backwashing the net plant capacity is 19.9 MGD. The plant was designed to permit expansion by the addition of another treatment module when flows require it.

13 Raw Water Storage Capacity

PID has two raw water storage reservoirs: Paradise Lake and Magalia Reservoir. Paradise Lake has a storage capacity of 11,293 acre feet. Magalia Reservoir has a capacity at spillway elevation (2225.8 ft msl) of 2,574 acre feet. Currently Magalia Reservoir is under restriction by DSOD due to seismic stability issues for this hydraulic fill dam. The restricted level (2200 ft msl) results in a storage capacity of 796 acre feet. The combined raw water storage is currently 12,293 acre feet.

A 500,000 gallon Raw Water Storage Tank located at the treatment plant was constructed in conjunction with the Raw Water Pump Station and serves as a surge tank for maintaining precisely controlled constant operating head for the treatment facilities.

The District is continuing ongoing investigations of increasing reservoir storage capacity. PID is considering increasing the storage in Paradise Lake by raising Paradise Dam. It is also considering rehabilitation and/or raising of Magalia Dam, possibly in conjunction with the Butte County project to widen the Skyway across the dam.

Treated Water Storage Capacity

In addition to the TWST discussed in Question 12 above, PID has 5 treated water storage facilities. The PID distributions system has 7 major pressure zones, labeled A-G, with the A Zone having the highest hydraulic elevation, and G the lowest. Water from the treatment plant is delivered by gravity to the B Zone and below. Water for A Zone is pumped from the B Zone. A storage facility is associated with each of Zones A-E. Zones F and G do not have storage. Zones A, C, D, and E have welded steel storage tanks of 1 million gallon, 2 million gallon, and 1.5 million gallon capacities, respectively. Zone B has a 3 million gallon Hypalon covered and polypropylene lined in-ground storage reservoir.

In the next few years the District plans to relocate it’s A Zone storage. At that time the storage would likely be increased as well. 2 million gallons of A Zone storage has been discussed. In the long term the District plans to replace its Hypalon covered B Zone
reservoir with a new concrete in-ground storage structure or with a welded steel storage tank.

14 Paradise fire Department requires a minimum fire flow of 1,000 gpm at 20 psi residual for residential areas.

15 No. Certain areas within the distribution system do not meet this requirement. PID is undertaking a main replacement project to replace leaking water mains that have exceeded their service life. As mains are replaced they are sized to meet the current fire flow requirement and new fire hydrants are installed as directed by Paradise Fire Department (PFD). PID has secured a 1.3 million dollar Proposition 13 funded grant for accelerated replacement of leaking mains. PID and PFD have also initiated a program of joint funding for replacement of water mains in areas where fire flows are substantially below standard.

16 The district has Interties with Del Oro Water Company’s Paradise Pines District and Lime Saddle District. Primarily these are used to deliver treated water to Del Oro, but a provision of our agreement with them would provide the District Water in an emergency. Del Oro Water Company is planning an expansion to their treatment plant at Lake Oroville in their Lime Saddle District. The district is working with them on an agreement that would provide additional water supply to our customers. The District could use this additional water supply for expansion in the future. Butte County maintains water supply in lake Oroville that the District and Del Oro have access to.

The district holds adequate water rights to facilitate future expansion and as stated above is working on water supply projects to utilize water rights not currently being exercised.

37 Attached

38 Attached

39 The 2003/04 budget (Operations + Debt service) expense cost per acre-foot of water is $860/acre-foot.

40 Debt Financing
Department of Water Resources $5.3 million- Matures 6/2015
For treatment plant expansion
Davis-Grunsky $4.0 million Matures 1/2017
For Paradise Lake enlargement
2001 Bond Refunding $9.0 million Matures 7/2014
replaced 1991 CLAFA $2.3 million raw water pump station
replaced 1993 CSCDA $900,000 Sierra Tech Treatment Plant
replaced 1993 $7.5 million Treatment Plant Expansion

Grants
Prop 204 Local Projects Feasibility Study grant $493,000
Prop 13 Water Use Efficiency Grant Pipeline Replacement $1,310,522
Federal Fire Fuel Reduction Grant Upper Ridge Fire Break $190,000
Completed

42 The District successfully increased rates in 2003 following Proposition 218 guidelines with little public input of concern. It is anticipated that the public will accept properly justified rate increases.

43 Insurance documents are attached. The District participates in the ACWA Joint Powers Insurance Agency pooled insurance program.

44 The District does not submit budgets to the Butte County Auditor. The District does provide them with a copy of our audit after it is completed.

45 Yes

46 See Attached
   John Heinke, President  term expires 12/2006
   Larry Duncan, Vice President  term expires 12/2006
   William Kellogg  term expires 12/2006
   Rich Hall  term expires 12/2008
   Claude Powers  term expires 12/2008

47 Board Member receive $100 per Board Meeting (24 per year) and $25 per committee meeting and other meeting assigned. Mileage reimbursement is provided for out of town meetings.

48 The District Secretary is responsible for compliance. The District Manager assists in assuring the Brown Act is followed and Legal Counsel is available to answer any questions regarding this act.
   We meet all requirements of the Brown Act in our operations.

49 Two to four members of the public attend a typical meeting, local press attends about 50% of the time.

50 The District provides information on its website, and annual Consumer Confidence Report encouraging public participation. The District also provides agenda’s and information to the press to keep the public informed on District activities.

51 The current district boundaries are not appropriate for the service we provide. The boundaries have been in place with little change since the creation of the District. Past Boards were not interested in the expansion of the District. Certainly the boundaries should be expanded to the east and west to meet geographical boundaries. We anticipate the growth of the District to move to the south of town down the Skyway and Clark Road corridors. The Del Oro Water Company serves the Pentz road corridor south.

52 See answer to question 51
No, The irrigation district law provides us many benefits, particularly the opportunity to operate as an Enterprise Special District. This allows us to complete construction projects with District Staff, maximizing our ability to replace needed infrastructure without contracting the work out.

Attached

Attached

No, the areas to the north of the District and south down Pentz Road are served by Del Oro Water company.

Currently Del Oro Water Company provides the District with raw water that is treated by the District and delivered to Del Oro’s Paradise Pines and Lime Saddle Districts.

Yes, on a regular basis the District meets and discusses issues on the practices of billing and finance, distribution and treatment with both South Feather Water & Power and Cal Water’s Chico office.

The District uses legal counsel as well as being a member of associations such as ACWA, AWWA, and CRWA to keep up to date on legal issues. We also have a Board Member represent the District at the local CSDA meetings.

We have a mutual aid understanding with the Town of Paradise for emergency operations.
2.13 Durham Irrigation District

1 The sources of the water we provide are from three wells in our system. Two are currently on line and the third is in the process. We are drawing from units 3 and 4.

2 We do not have secured water rights. Customers with domestic wells, who wish to come into our system, are required to abandon those wells.

3 We currently (and have for the last three years) contract with California Water Service for water distribution, testing and maintenance. They maintain records on draw and distribution.

4 In the mid-nineties a drop in the water table required the lowering of the bowl in well number 3. Well number 4 was brought on line as the primary source of water on demand. We also make available to our customers, literature on water conservation communicate through the local media.

5 The major consumers of water, the District provides, are residential customers.

6 We are currently in the planning stages, in conjunction with California Water Service, for Capital Improvements.

7 We currently have no “Demand” projections as the areas under our sphere of influence are more than adequately provided for.

8 Projection methods are dictated by request for annexation. Currently, zoning, land use plans and LAFCO determine if there would be a requirement for projection. Projections requiring annexation into the district must provide us with a complete system design and constructed according to state and local mandates.

9 California Water Service currently operates and maintains the three wells in the system. They have the records for those wells.

10 At the present time zoning restrictions and the agricultural “Green Line”. We would expect no change from the current restrictions in place. We anticipate no major growth that would restrict our ability to provide service for the populations within our sphere of influence.

11 The major constraints with the system (with the exception of the wells) would be aging underground piping, locations of some underground piping and access to same. Repairs and new service connections create brief interruptions in service.

12 Chlorination systems are installed at each well and the water is treated at the well.

13 Our wells furnish water on demand. Well #3 has a backup generation system and precludes the need for storage.
I believe Calif. Water System could better provide this information.

We are in compliance with fire flow requirements.

We are a small system with approximately 450 connections. Due to our size and economic constraints we found that we could not employ someone with the required credentials and certification without creating financial hardship to our customers. California Water Service provides these services at an equitable cost. We maintain an office for customer service (open two days per week) billing and meter reading. We have two part time employees.

Financial audits attached.

Current year budget is based on latest audit.

N/A

Current rates and fees attached

In the past we had secured financing from West America Bank for the purchase of a backup engine. There are currently no notes outstanding nor need for debt financing.

We anticipate Proposition 218 will have minor impact on service costs at this time.

We maintain Workman’s Compensation insurance for two part time employees through state Compensation Insurance Fund. We maintain Property and Liability insurance through the Special District Risk Management Authority in a pooled program.

We submit a Special Districts Financial Transactions Report annually in July.

Any and all recommendations addressed and acted upon.

Names and term of current directors are on page 3 of the Independent Auditors Report.

Board Members receive twenty dollars ($20.00) each month.

The president of the board is responsible for compliance with the Brown Act. We meet those requirements.

The Board meets on a monthly basis. We generally have a member of the public present about four times a year.

We post public notices of each meeting. Controversial items are advertised in the local paper or included with monthly bills.
Our current boundaries are appropriate. Any thing beyond our current boundaries is of an agricultural nature.

Our current Sphere if influence is appropriate.

We are currently investigating the possibility that our customers might be better served by the private sector.

Organizational chart

Mission statement not available

Charter for operations?? Attached copy of 1948 resolution County Board of Supervisors.

No areas within our service area served by another district.

We do no serve areas with other districts.

We share service information with California Water Service.

We track changing laws through LAFCO, BCAG and through meetings with California Water Service.

We are not participants in any JPAs.
2.14 Lake Madrone Water District

1. Groundwater, two wells. Main well located of Star Road, auxiliary well located on Panorama Drive.

2. 100% no

3. 25,000 gallons per day average

4. During dry years, the water users attempt to conserve water to save the capacity of the pumps for fire protection and the capacity of the storage tanks.

5. Lake Madrone community residents exclusively.

6. In regard to water supply, the water supply system pressures and availability of water during a fire emergency have all been planned, and the capacity of the water distribution system is well known. The additions of well capacity and storage capacity have been made in accordance with this plan. These capacity figures and plan for the water system are not contained in what you all a “master plan or capital improvement program” that is written, but instead is the result of an accumulation of data, location and operating results which are utilized by our engineers and the public health Department to gauge whether or not additional changes to our water system are required.

In regard to maintenance of Lake Madrone and dredging of Lake Madrone, a capital improvement program exists in the form of the filings with the Regional Board and the Army Corps of Engineers for permission to provide for dredging periodically.

7. Lake Madrone is not a fast-growing area and hopefully is pretty much fully built out. The cost of developing the additional 80 properties we estimate might be developed, including the cost of expanding the water supply and storage system, are large, and this may not occur. There are 8 prospective additional properties to develop in the next 10 years, leaving approximately 80 properties to develop over an unknown period of time.

8. Projection of growth is difficult to determine as this is primarily a vacation/seasonal community and growth fluctuates greatly (less than 10% in 10 years).

9. Two wells, Star Road well is 154 ft deep; Panorama Drive well is 580 feet deep.

10. Acquiring the funds for a new well, approximately 180’deep. It is currently encased, capped and awaiting availability of funds for addition of the facilities to operate it and integrate it within the District’s system

11. The breakdown or failure of the well, pipelines, valves, etc. and its repair.

12. No
13 145,000 gallons total. There is one steel tank with 100,00 gallon capacity and 3 Redwood tanks with a capacity of 15,000 gallons apiece.

14 10,000 gallons per hour for 10 hours, which suggest the need for a new well and storage tank or tanks at 100,000 gallon capacity for sustained/reinforced use in case of the need for fire protection and flow.

15 No, thus the need to bring the new well online.

16 This should be addressed at the time of the personal interview, hopefully at the Lake Madrone site. Briefly stated, money is presently our biggest obstacle. Additional well sites are risky in terms of production because of the need to equalize pressures within the system.

37 See attached

38 See attached

39 A cost of service per acre-foot is not really applicable in a small domestic water system such as Lake Madrone. Each service is charged a flat annual charge. The District strictly limits irrigation for yard purposes, and most landowners do not irrigate or have extensive landscaping, and thus the use is limited to in-house consumption. Because only several of the homes are occupied on a year-round basis, the critical costs of service are the costs of maintaining the system available and maintaining the capacity rather than the volume of water utilized.

40 A flat rate of $300 per year per customer for unrestricted use. Paid by customer via property tax assessment.

41 In 1977 the District received a drought emergency grant and loan that permitted modifications to the Lake Madrone Dam spillway, and permitted to replacement of some aging pipelines within our system. The total amount of monies applied to the water system improvements, which are repaid of 40 years with a low-interest loan, was approximately $160,000.

42 The District has not had to go to the voters since adoption of Proposition 218 because standby charges were adopted prior to that date, and increases above those adopted levels have not been necessary. Because of the uniformity of benefits (1 house per lot), Proposition 218 may not be a serious obstacle if the homeowners approve of the purpose of the charge.

43 The District has a general liability policy that covers its water system operations and the property the District maintains for liability, including Lake Madrone.

44 The District provides for the maintenance of its own financial records and prepares a
The organizational chart is Board of Directors at top, Bodil Keech and Scott Buchanan under the Board, and Ms. Keech providing for services in regard to activities other than reporting requirements relating to water quality.

There is no formal written charter for operations. The California Water Code provides for direction as to how the California water district is to operate and this is sufficient. The reporting requirements of the Public Health Department is regard to the water system control the activities of Mr. Buchanan, who is an independent contractor for the District, and provide a structure for those activities. The District powers under the Rules and Regulations is sufficient for recreational activities, road use, and fire prevention monitoring efforts.

No, except that fire protection is provided by the California Division of forestry within the area with the cooperation of the District on vegetation control efforts.

No

Yes Lake Madrone Water District is a member of the District’s Association which has representations within LAFCo, and we receive information from Mr. Buchanan who provides services to other public water systems in regard to water quality. We also receive some of the bulletins from the Minasian Law Firm in regard to changes in employment requirements, water rights reporting requirements, and similar subjects which the District is involved in.
<table>
<thead>
<tr>
<th></th>
<th>Buzztail CSD</th>
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<tbody>
<tr>
<td>1</td>
<td>1 well unit, subunit not applicable</td>
</tr>
<tr>
<td>2</td>
<td>N/A</td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>None at present vineyard may get cut-off</td>
</tr>
<tr>
<td>5</td>
<td>Residential &amp; 1 vineyard</td>
</tr>
<tr>
<td>6</td>
<td>None at present</td>
</tr>
<tr>
<td>7</td>
<td>None at present</td>
</tr>
<tr>
<td>8</td>
<td>N/A</td>
</tr>
<tr>
<td>9</td>
<td>1 well, 700 ft deep</td>
</tr>
<tr>
<td>10</td>
<td>Infrastructure cost &amp; need for secondary water source</td>
</tr>
<tr>
<td>11</td>
<td>Pump &amp; pressure system. Failure of either interrupts service.</td>
</tr>
<tr>
<td>12</td>
<td>Chlorine</td>
</tr>
<tr>
<td>13</td>
<td>80,000 gallons in above ground steel tank. No plans for additional storage at present time.</td>
</tr>
<tr>
<td>14</td>
<td>50 GPM for 60 min.@ 40 psi (I think) not sure of psi</td>
</tr>
<tr>
<td>15</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Robin to provide</td>
</tr>
<tr>
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<td>See attached</td>
</tr>
<tr>
<td>19</td>
<td>Unknown</td>
</tr>
<tr>
<td>20</td>
<td>A+ Acctg. to provide</td>
</tr>
<tr>
<td>21</td>
<td>Private loans, no grants or bonds</td>
</tr>
<tr>
<td>22</td>
<td>Not at all</td>
</tr>
</tbody>
</table>
A+ Acctg  No pooled Insurance
Occasionally usually by Oct. of FY
Unknown
See reverse
None Volunteers
District Board, I believe we are in compliance
10-12
Email agendas & public posting of agenda
Yes
Yes
N/A we are CSD
N/A
N/A
Attached
Buzztail CSD owns and operates Buzztail Water, which serves only a subset of total parcels within the District Boundaries.
No
No if asked but rarely asked
Wait for notification from state or county
No
2.16 Berry Creek CSD

1. Ground water from four (4) wells, (one well is currently not in service). Storage tank and distribution lines.

2. N/A

3. See Attached water consumption report

4. None

5. Single family residences

6. None

7. None

8. N/A

9. Four (4) wells. General depth of the wells is 100-140 feet.

10. The maintenance of all transmission lines. The service area will not increase in the future.

11. Failure of all transmission lines.

12. Water is treated through an aeration system prior to distribution.

13. One storage tank, 90,000-gallon capacity. There are no plans for additional storage capacity.

14. 125 gallons per minute

15. The BCCSD is in compliance with this fire flow requirement in all lines

16. The BCCSD is a small Special Services District, consisting of 171 lots, designed for residential use. At present there are 45 single-family residences, 1 commercial user, and 5 part-time users (which are bare lots). Some of the 45 homes are built, there is a good probability that this number would not exceed 110-125 homes total. Private Property and portions of the Plumas National Forest surround the District. Therefore, it is highly unlikely that the District will ever grow beyond its present boundaries. The BCCSD currently provides water to the 5 part-time users, 1 commercial user, and 38 single-family residences. The remaining 7 single family residences are not presently connected to the District, and draw water from their wells within their properties.

17-36 Are not applicable. BCCSD does not provide wastewater services.
Bank loan in the amount of $12,500.00 for the aeration system. The total cost of the system was $27,000.00 to finance improvement loans.

Insurance is maintained for professional activities. BCCSD participates in a pooled insurance program.

Budgets are not submitted to Butte County. The District manages all District finances.

President: Mike Calvo - 4 year term
Vice-President Richard Hubacek - 2 year term
Financial Director Marilyn Calvo - 4 year term
Board Member Brady Hostetter 4 year term
Board Member vacant position

Board members are not compensated for their services

The President of the Board of Directors is responsible for the activities of the District as they relate to the Brown Act. BCCSD meets all of the requirements of the Brown Act.

Meeting agendas are posted in a timely manner, annual newsletter, and word of mouth.

There is no organizational chart

There is no mission statement

See attached Butte County Ordinance establishing BCCSD
<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>58</td>
<td>No</td>
</tr>
<tr>
<td>59</td>
<td>Yes</td>
</tr>
<tr>
<td>60</td>
<td>Membership in the California Special Districts Association</td>
</tr>
<tr>
<td>61</td>
<td>No</td>
</tr>
</tbody>
</table>
2.17 California Water Service Company – Chico District

1. 100% groundwater, Chico

2. N/A

3. 10,060 MG pumped in 2004

4. We have an ongoing water conservation program. Other than that no changes are necessary.

5. Residential Customers

6. Urban Water Management Plan for the Chico-Hamilton City District

7. See UWMP

8. See UWMP

9. 65, average depth around 600 feet

10. Coordinated water management

11. No major constraints. Water system has been rated Class 1 by the Insurance Service Offices.

12. Water is treated with chlorine.

13. 2.375 MG storage, Plans for additional storage are determined by growth.

14. Fire flow requirements are set by the County and City fire departments

15. Water system has been rated Class I by the Insurance Service Offices.

16. Wells, tanks, booster pumps, storage and distribution mains.

37. See annual report enclosed

38. 43.1 million Capital Budget for 2005

39. Unknown

40. Enclosed

41. See Annual Report enclosed
42  N/A
43  N/A
44  N/A
45  N/A
46  See annual report enclosed
47  N/A
48  N/A
49  N/A
50  N/A
51  N/A
52  N/A
53  N/A
54  Enclosed
55  Mission statement
56  N/A
57  N/A
2.18 California Water Service Company – Oroville District

- Raw water purchased from PG&E. This water is processed through a 7 MGD Conventional Treatment Plant. Ground water comes from 4 wells in the distribution system (2-01, 5-01, 10-01, & WP-01).

- N/A

- 1,134 MG in 2004

- On going conservation program.

- Residential customers, In the summer months, Pacific Coast Producers Cannery

- Coordinated water management

- No major constraints. We have a class A rating by ISO.

- Conventional treatment for our raw surface water with Chlorine and Fluoride treatment. Ground water is treated with Chlorine and Fluoride.

- 20 psi @ 1500 gpm set by the City of Oroville.

- In the city yes. El Medio fire department owns some small fire stand pipes that are questionable.

- $1.085 million capital for 2005

- $33.00 - $147.00 an acre foot.

- Enclosed
See Annual Report and Proxy

Enclosed

No

Water

No