

MUNICIPAL SERVICE REVIEW
FOR THE
SPALDING COMMUNITY SERVICES DISTRICT
LASSEN COUNTY, CALIFORNIA



LASSEN LAFCO
Adopted March 14, 2011
LAFCo Resolution 2011-0001

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**MUNICIPAL SERVICE REVIEW
FOR THE SPALDING COMMUNITY SERVICES DISTRICT**

1 INTRODUCTION

1.1 LAFCO's Responsibilities

This Municipal Service Review (MSR) has been prepared for the Spalding Community Services District by the Lassen Local Agency Formation Commission. Local Agency Formation Commissions are quasi-legislative local agencies created in 1963 to assist the State in encouraging the orderly development and formation of local agencies. A Local Agency Formation Commission is established in each county in the State.

This MSR consists of a review of fire protection, wastewater collection and treatment and recreation services as provided by the Spalding Community Services District. The MSR may be considered by the LAFCO in a subsequent update of the Sphere of Influence of the Spalding Community Services District.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq. as amended) is the statutory authority for the preparation of an MSR, and periodic updates of the Sphere of Influence of each local agency. The Governor's Office of Planning and Research has issued Guidelines for the preparation of an MSR. This MSR adheres to the procedures set forth in the MSR Guidelines.

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

1.2 Municipal Service Review Requirements

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

- 1. Growth and Population*
- 2. Capacity and Infrastructure*
- 3. Financial Ability*
- 4. Shared Facilities*

5. *Government Structure and Accountability*

The Municipal Service Review precedes LAFCO action on a Sphere of Influence.

1.3 Preparation of the MSR

Research for this Municipal Service Review (MSR) was originally conducted during 2006 and 2007 and revised in 2010. Since that time, modifications and revisions have been made to add additional information.

This MSR is intended to support preparation and update of Spheres of Influence, in accordance with the provisions of the Cortese-Knox-Hertzberg Act.

The objectives of this Municipal Service Review (MSR) are as follows:

- 1) to develop recommendations that will promote more efficient and higher quality service patterns;
- 2) to identify areas for service improvement; and
- 3) to assess the adequacy of service provision as it relates to determination of appropriate sphere boundaries.

While LAFCO prepared the MSR document, LAFCO did not engage the services of experts in engineering, hydrology, law, fire protection and other specialists in related fields, but relied upon reports and Lassen County and Spalding CSD staff for information.

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

1.4 Description of Public Participation Process

Lassen LAFCO is a legislative body authorized by the California Legislature and delegated powers as stated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act). The LAFCO proceedings are subject to the provisions of California's open meeting law, the Ralph M. Brown Act (Government Code Sections 54950 et seq.)

The Brown Act requires advance posting of meeting agendas and contains various other provisions designed to ensure that the public has adequate access to information regarding the proceedings of public boards and commissions. Lassen LAFCO complies with the requirements of the Brown Act.

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

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

1.5 California Environmental Quality Act (CEQA)

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

This MSR includes an analysis, to the extent required by Section 15262 of the CEQA Guidelines, of the environmental factors that may be affected by the Municipal Service Review process, but will not include the preparation of an environmental review document.

2 SPALDING CSD SERVICE AREA SETTING

The purpose of this section is to describe in a general way the location of the Spalding CSD and the surrounding area. Data is often not available for such small areas and data for Lassen County may have to be used even though it is not specific to Spalding.

2.1 Spalding CSD Location

On September 1, 1992, the Eagle Lake Community Service District name was changed to the Spalding Community Service District. Spalding is an unincorporated resort community located about 8 miles south of Stones Landing on the western shore of Eagle Lake in Lassen County located about 45 miles northwest of the City of Susanville. Spalding is a summer home tract of approximately 360 acres surrounded on three sides by the Lassen National Forest and on the east by Eagle Lake.

The Community is made up of full time residents, seasonal residents, and vacationers. Housing consists of a broad spectrum of homes from prices exceeding \$500,000 for full-time residents to economy homes, vacations rentals, modular and mobile homes.

Though small, the Community of Spalding is heavily influenced by the area's recreational opportunities. During a high-use summer weekend, the population in the community and surrounding area can exceed 2,000. There are no schools in the Spalding community and school buses are not provided. The school children must be transported 10 miles to Stones Landing to take a school bus. Many children are home schooled.¹

2.2 Eagle Lake

Eagle Lake is located in a mountainous basin at the juncture of the Cascades and Modoc Plateau. The present day lake area portion of the Eagle Lake Basin is a down-dropped block between north-south trending faults along the eastern side of the lake.

The Eagle Lake area has the geologic structure of the Basin and Range geomorphic province incorporating the older rocks of the Sierra Nevada province in the southern portion and newer rocks of the Modoc Plateau province elsewhere. (County of Lassen, Eagle Lake Area Plan p. 24)

The Lake surface covers approximately 28,000 acres (depending on the Lake level) and has no natural surface outlet. It is the second largest natural fresh water lake within California. The closed drainage basin with which Eagle Lake lies contains 438 square miles. Eagle Lake has over 100 miles of shoreline. Pine Creek flows into the lake from the snowmelt in the Bogard area. Eagle Lake trout travel upstream for spawning (assisted by DFG) in the Creek. Eagle Lake trout head upstream approximately ½ mile to the Egg Collection Facility or "Fish Trap" for artificial spawning by CDFG. If conditions allow, approximately 400 spawn ready trout are trucked upstream to the headwaters.

¹ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007.

Located at an elevation of 5,100 feet, it is surrounded by dense towering evergreen forests of pine and cedars at the south end and rugged, high elevation desert scrub on the northern-most portion of the Lake.

Five campgrounds are nestled in the forest at Eagle Lake, two of which at the North end of the lake are managed by the Bureau of Land Management. One BLM campground has water, garbage and bathroom services, Rocky Pt Campground had no water, garbage and one pit toilet. The major campgrounds down at the south basin are operated by Lassen National Forest

Eagle Lake is best known for its trophy trout averaging 3 to 5 pounds. The Lake area facilities include family and group campgrounds, marina, boat launch, store, laundry, and showers. The area caters to many recreational activities.

The September 1982 “Eagle Lake Area Plan” prepared by Lassen County as part of the Lassen County General Plan describes Eagle Lake as follows:

The only surface outflow from the Lake, other than from evaporation and ground seepage, occurs from a small amount of leakage through the Bly Tunnel. The Bly Tunnel (located across the Lake from the Spalding Community was completed in 1923 to provide the Honey Lake Valley with a source of irrigation water; however, the tunnel was blocked and abandoned 12 years later. A pipe was installed by BLM that allows some Eagle Lake water to flow into Willow Creek to compensate for water rights.

As a result of the Bly project and a series of drought years, Eagle Lake reached its recorded historic low level of 5,091 feet in 1937, which reduced its surface area to 14,500 acres. The maximum recorded Lake elevation occurred in 1916 at 5,125 feet above mean sea level during which time the surface area covered 29,500 acres. In 2010 the lake level dropped to 5095.6ft elevation.

Variations in the surface elevation of Eagle Lake can have significant effects on its natural and man-made features. At elevations below 5,100 feet adverse effects occur to littoral (shore zone) vegetation, the fishery, wildlife, and water quality. The Lassen National Forest controls the watershed upstream of the lake and has created many diversions to Pine Creek water shed.

Existing boat launching facilities can also be rendered inoperative, and the aesthetics of the shoreline are degraded as extensive mudflats emerge in the shallower areas as the Lake recedes. Dropping lake levels have closed the County own/operated ramp in Stones Landing, and left Eagle Lake Marina ramp which serves the entire south basins recreation area and three of the largest campgrounds for boats 12 ft long and under, Rocky Pt gravel ramp useless for boats larger than 14 ft, Despite dredging Spalding in 2009, the end of the cement ramp has less than 4 ft in the water.

At higher Lake elevations, the features, which deteriorate at, lower elevations benefit. However, shoreline improvements such as portions of State Highway 139, the Spalding Airstrip, some developed home-sites and portions of public campgrounds become subject to inundation.Shoreline areas of Eagle Lake that are subject to inundation at higher Lake levels are designated on ... maps prepared by the U.S. government.

There is an Eagle Lake Basin Interagency Board, which includes the following agencies:

- USDA Forest Service
- US Bureau of Land Management
- California State Lands Commission
- California Department of Fish and Game.²
- Lassen County

2.3 Climate

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

Average High and Low temperatures are shown below:

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

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

One resident reports “Our average low temperatures in the winter months are between 10 degrees F below zero to 13 degrees above zero.”⁶

²Lassen County, “The Eagle Lake Area Plan, a part of the Lassen County General Plan 1990”. September 1982 p.6.

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

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

⁵Spalding Community Services District, Merle Lay, Manager, eaglelakescse@citlink.net, September 17, 2007.

2.4 Population

The “Fire Impact Fee Nexus Study” states that there are 460 single-family homes, multi-family units, and mobile homes in the District with a maximum population of 941 residents. The winter population is lower.

There is estimated employment within the District boundaries for 50⁷ to 140 workers. Local businesses include J & L Boat Repair, Eagle Lake General Store, and several real estate brokers.⁸ The “Fire Impact Fee Nexus Study” gives the following population estimates:

Housing Type	Dwelling Units	Estimated 2006 Population
Single-Family	368	778
Multi-Family	12	18
Mobile Home	80	145
Total	460	941

Sources: Lassen County Assessor, California Department of Finance, 2000 US Census.

2.5 Lassen County Services

Since Spalding is in the unincorporated area of Lassen County, the County is responsible for most government services. The residents who are dissatisfied with services provided by the County may have to meet with the Board of Supervisors.

The Board of Supervisors has to make decisions for the benefit of the entire County. This may present difficulties for residents of the Spalding community as the following comment indicates:

Lassen County should consider plowing all the roads in Spalding if they want to attract more growth. The County doesn't plow any roads but Spalding Road, The Strand and Mahogany Way. The other 18 miles of roads in Spalding are left to the property owners for maintenance and snow plowing in winter.

All property owners are required by Lassen County to maintain and plow their own roads if they want to have emergency services able to get to their home.⁹

In addition to road maintenance the County is also responsible for building permits and building inspection. The following comment should be addressed to the County:

⁶ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007

⁷ Doss, Larry, 530-892-3192, LD71249@sbcglobal.net.

⁸ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007.

⁹ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007

“Lassen County no only needs to enforce fire codes but would make a ton of money if they had a code enforcement officer compare past permitted plans with current buildings.”

“Many people have illegal additions, remodels, gas piping, roofing and many other things that have never been inspected. Fining those who have made changes to their homes without legal permits and inspections would pay for a code enforcement officer and much more, plus provide a sense of security to new buyers.”

“Surely volunteers could assist. The additional property taxes for extra constructed living space could be a small fortune.”

LAFCO has no jurisdiction over Lassen County and the way that the County manages the various County departments. The purpose of the Municipal Service Review is to make recommendations regarding the future organization of specific services.

3 LOCAL GOVERNMENT ISSUES

3.1 Municipal Financial Constraints

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

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

3.1.1 *California Local Government Finance Background*

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

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

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

A. Proposition 13

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

- It limits the ad valorem property tax rate.
- It limits growth of the assessed value of property.
- It requires voter approval of certain local taxes.

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

B. AB 8

AB 8 allocates property tax revenue to the local agencies within each tax rate area based on the proportion each agency received during the three fiscal years preceding adoption of Proposition 13. This allocation formula benefits local agencies, which had relatively high tax rates at the time Proposition 13 was enacted (1978).

C. Proposition 98

Proposition 98, which California voters approved in 1988, requires the State to maintain a minimum level of school funding. In 1992 and 1993, the Legislature began shifting billions of local property taxes to schools in response to State budget deficits.

Local property taxes were diverted from local governments into the Educational Revenue Augmentation Fund (ERAF) and transferred to school districts and community college districts to reduce the amount paid by the State general fund.

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

D. Proposition 172

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

E. Proposition 218

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

However, majority voter approval is required for imposing or increasing general taxes such as business license or utility taxes, which can be used for any governmental purpose.

These requirements do not apply to user fees, development impact fees and Mello-Roos districts.

F. Mello-Roos Community Facilities Act

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

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

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

If the project cost is high, municipal bonds will be sold by the CFD to provide the large amount of money initially needed to build the improvements or fund the services.

The Special Tax cannot be directly based on the value of the property. Special Taxes instead are based on mathematical formulas that take into account property characteristics such as use of the property, square footage of the structure and lot size. The formula is defined at the time of formation, and will include a maximum special tax amount and a percentage maximum annual increase.

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

G. Development Impact Fees

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

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

3.1.2 Financing Opportunities that Require Voter Approval

Financing opportunities that require voter approval include the following:

- special taxes such as parcel taxes,
- increases in general taxes such as utility taxes,
- sales and use taxes,
- business license taxes, and
- transient occupancy taxes.

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

3.1.3 Financing Opportunities that Do Not Require Voter Approval

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

Development Impact Fees and user fees must be based on reasonable costs, and may be imposed and increased without voter approval. Development Impact Fees may not be used to subsidize operating costs.

Agencies may also finance many types of facility improvements through bond instruments that do not require voter approval.

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

3.2 Public Management Standards

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

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

Most of the professionally managed and staffed agencies implement many of these best management practices.

LAFCO encourages all local agencies to conduct timely financial record-keeping for each city function and make financial information available to the public.

3.3 Public Participation in Government

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

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

According to California Government Section 54959

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

Section 54960 states the following:

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

4 **SPALDING CSD**

4.1 Spalding CSD General Background

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

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

The name of the District was changed to the Spalding Community Services District on September 1, 1992.

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

In 2010, there were 185 registered voters residing within the Spalding CSD.

The Spalding Community Services District’s Fire Department provides the community with fire suppression and medical emergency response services. Additionally the District oversees the development and operation of the Marina and Community Hall and manages the wastewater collection and treatment system.

4.2 Review of Current Management Structure

4.2.1 Board of Directors

There is a five-member board with the following members:

Chair: John Monticelli
Directors: Bill Keller
Trina Marquis
Larry Doss
Randall Aubrey

The Board meets once per month during on the Second Wednesday of each month at 2:00 p.m.¹⁰
¹¹ Additional Special Board Meetings may be held as necessary. The Board Agendas and Minutes are available on the District Website: www.spaldingcsd.org.

¹⁰ Spalding Community Services District, Ordinance 2.02.010 change, Time and Day Change for the Regular Board of Director’s meeting, December 7, 2010

¹¹Spalding Community Services District, eaglelakescse@citlink.net,

The Secretary/General Manager of the District is Chris Gallagher. John Rasnic is the Fire Chief.¹² Three other paid employees conduct the work of the district. The total FTE is 3.0. The office of the District is at 502-907 Mahogany Way, Susanville, CA 96130, and is generally open Monday, Wednesday and Friday from 9 a.m. to 4 p.m. Winter hours are Monday through Wednesday, November through April. The District has a procedures manual to guide the operations of the District and contracts with James Curtis for Legal Counsel.¹³

The Board of Directors is an independent elected Board. Change can be made through the recall process or at the time of election if new people are elected to the Board.

4.2.2 Audit

The Audit for the year ending June 30, 2009 reported no major financial problems for the District. However four findings were made and not corrected from the previous year's audit for the period ending June 30, 2008. These findings include Material Weakness with respect to Lack of Segregation of Duties, Financial Reporting, and Reporting Cash in County Treasury Activity in QuickBooks; and one significant deficiency related to deficiencies in Internal Controls.¹⁴ The District maintains separate accounts for fire protection, sewer service and recreation. However, all accounts contribute to funding staff positions, which serve all three areas.¹⁵ This may be confusing to residents of the District.

It is not within the power of LAFCO to change the budget of a special district. Residents of the District should work with Board members to understand the budget prior to adoption. The District may need to prepare a more detailed budget or budget explanation to show how funds are allocated.

According to the Statement of Net Assets and Governmental Fund Balance Sheet dated June 30, 2009 the total net assets for the district is \$5,295,118. On June 30, 2009, Cash on Hand and in Banks balances for Fire was \$45,871; for Sewer \$1,234,494; for Recreation \$30,948, and General Government \$19,460

The Spalding Community Services District maintains its funds with Lassen County, which deposits and invests funds on behalf of the District. An explanation of the budget for each function (fire, sewer and recreation) the District provides is discussed in each section of this report.

The District has capital assets totaling \$5,295,118. At the time of the 2009 audit, most of these funds were for land, equipment and the marina. On July 20, 2004, the owners of property within a Sewer Assessment district established by the District Board of Directors approved a proposed assessment bond of \$8,058,000.

¹² Spalding Community Services District, <http://www.spaldingcsd.org/>,

¹³ Lassen County News, April 21, 2009

¹⁴ Haws, Theobald and Auman, Independent Audit report for year ending on June 30, 2009.

¹⁵ Doss, Larry, 530-892-3192, LD71249@sbcglobal.net.

A note was issued by U.S. Bank on June 21, 2005 in the amount of \$8,058,000. According to the Audit the estimated cost of the wastewater system is \$10.5 million. The State Water Resources Control Board is funding \$1.5 million dollars in construction grant money and there is a \$1 million grant from the USDA.

4.2.3 Assessed Valuation

The assessed valuation for the Spalding CSD for fiscal year 2008-2009 was as follows:¹⁶

Secured (2008-2009)	\$72,091,081
Unsecured (2008-2009)	\$522,396

This was increased from 2006-07, which was as follows:¹⁷

Secured (2006-2007)	\$50,209,353
Unsecured (2006-2007)	\$385,016

¹⁶ County of Lassen, Budget 2008-2009, page 273.

¹⁷ County of Lassen, Budget 2006-2007.

4.3 Fire Protection Service

4.3.1 Fire Protection Issues

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

A. Mutual Aid Issues

Most of the fire protection and EMS providers primarily serve their own jurisdictions. Given the critical need for rapid response, however, there are extensive mutual aid efforts that cross-jurisdictional boundaries.

Mutual aid refers to reciprocal service provided under a mutual aid agreement, a pre-arranged plan and contract between agencies for reciprocal assistance upon request by the first-response agency. In addition, the jurisdictions rely on automatic aid primarily for coverage of areas with street access limitations and freeways.

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

B. Dispatch Issues

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

- 1) Constituents increasingly expect emergency medical dispatching (EMD), which involves over-the-phone medical procedure instructions to the 911 caller and requires specialized staff.
- 2) Paramedics increasingly rely on EMD, which also involves preparing the paramedic en-route for the type of medical emergency and procedures.
- 3) Dispatch technology and protocols have become increasingly complex.
- 4) Modern technology has enabled better measurement and regulatory oversight of fire department (FD) response times, and increased pressure for FDs to meet response time guidelines.
- 5) FDs need standard communication protocols due to their reliance on mutual aid.
- 6) Dispatching of calls from cell phones is particularly inefficient due to multiple transfers, length of time the caller spends on hold and lack of location information. Response times are

further delayed when callers that are unfamiliar with the area are unable to describe rural locations to the dispatch personnel.

- 7) All new cell phones are now equipped with GPS; however, it will take a few years for all old phones to be replaced by phones with GPS capability and/or construction of specialized cell phone towers.
- 8) NFPA recommends a 60-second standard for dispatch time, the time between the placement of the 911 call and the notification of the emergency responders. The Center for Public Safety Excellence recommends a 50-second benchmark for dispatch time.
- 9) There are clear economies of scale in providing modern fire and medical dispatch services.

C. Fire Protection Response Time Issues

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

Similarly, a quick fire suppression response can potentially prevent a structure fire from reaching the “flashover” point at which very rapid fire spreading occurs—generally in less than 10 minutes.¹⁸

The guideline established by the National Fire Protection Association¹⁹ (NFPA) for fire response times is six minutes at least 90 percent of the time, with response time measured from the 911-call time to the arrival time of the first-responder at the scene.²⁰

The fire response time guideline established by the Center for Public Safety Excellence (formerly the Commission on Fire Accreditation International) is 5 minutes 50 seconds at least 90 percent of the time.²¹

D. Fire Protection Staffing Issues

For structure fires, NFPA recommends that the response team include 18 personnel—two commander, eight water supply line operators, a two-person search and rescue team, a two-person ventilation team, a two-person initial rapid intervention crew, and two support people.

¹⁸ NFPA Standard 1710, 2004.

¹⁹ *The National Fire Protection Association is a non-profit association of fire chiefs, firefighters, manufacturers and consultants.*

²⁰ *Guideline for a full structure fire is response within ten minutes by a 12-15 person response team at least 90 percent of the time.*

²¹ Commission on Fire Accreditation International, 2000.

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

NFPA recommends that each engine, ladder or truck company be staffed by four on-duty firefighters, and that at least four firefighters (two in and two out), each with protective clothing and respiratory protection, be on scene to initiate fire-fighting inside a structure. The Occupational Safety and Health Administration (OSHA) standard requires that when two firefighters enter a structure fire, two will remain on the outside to assist in rescue activities.²²

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

E. Fire Protection Water Supply Issues

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

4.3.2 *Spalding CSD Fire Protection*

The Spalding CSD provides structure fire protection and limited emergency medical services (EMS) and fire prevention programs. Life Support Unit service is provided by Sierra Emergency Medical Service Authority, a commercial Life Support Unit service based in Susanville.

The ISO rating for Fire Protection is 9/.²³ The average response time in 2010 was reported to be eight minutes and twenty-five seconds from the fire hall, although anecdotal reports state that some responses may take 30 to 45 minutes.²⁴ In 2010, the Department responded to forty-two calls, thirty-two were medical, four were fires, four were public assists and two were hazards. 62% of the responses were under 5 minutes and 73% were under 10 minutes. According to the “Fire Impact Fee Nexus Study” the District is responsible for 657,065 square feet of residential use and 46,424 square feet of non-residential land uses.

²² 29 CFR 1910.134.

²³ Spalding Community Services District, Merle Lay, Manager, eaglelakescse@citlink.net, August 14, 2007

²⁴ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007

4.3.3 Spalding CSD Fire Protection Personnel

The Fire Chief is a volunteer, as are all other fire fighters. At the May 19, 2009, CSD Board Meeting, former Fire Chief Larry Frack reported the following:²⁵

We currently have 12 members in the Fire Department, four previous Fire Fighters, two retired Battalion Chiefs, two Captains, two EMT's, one LVN and one Nurse Practitioner. We've had four fire fighters trained in CPR, defibrillation, evaluation of patient, back boarding, C-collar and basic first aid.

We've had three incident reports for brush burning and one medical call. We are working on a winter schedule to make sure we are covered all winter. We are scheduling ongoing training for all volunteers. And we have four people certified to write up Burn Permits, three are at the District office. District Office, hours 9:00am-12:00pm. and 1:00pm-4:00pm or from me.

As of January 2011, the fire department has 13 total volunteers.

In the past the Spalding CSD did what many small fire departments did, they responded to fires on State and Federal lands and then used the money from the State or Federal government to pay the firefighters for their services.

The Lassen County News reported that

On March 28, the Spalding District reacted to an opinion from Jim Curtis, its legal counsel, that the District's volunteer firefighters became employees when they were paid for fighting fires for other agencies such as CAL FIRE.

According to the letter from Curtis to the District, that practice violates the U.S. Fair Labor Standards Act. Curtis advised the District its firefighters either must be volunteers or employees, but they cannot be both at the same time.

Craig Settemire, former Lassen County Counsel, explained the situation. Settemire said he did not represent the fire department in Spalding, but he had talked to the District's attorney about the developments in Spalding.

"My understanding is this relates to the Fair Labor Standards Act, a Federal Law," Settemire said. "It basically says if you have someone who is an employee and providing services to any employer, including a district, that person can't also provide services as a volunteer without being paid a wage. So what happened is, apparently, when State or Federal fire agencies asked for assistance from local fire districts such as the Spalding Community Services District, and they send personnel and equipment to a fire, then the State or Federal government will pay the money to the district for providing the equipment and the crew for that. A portion of that money

²⁵ Spalding Community Services District, Board Minutes, May 19, 2009.

is passed on for the labor cost and the district, as I understand it, has passed that money back to the actual firefighters who went out on that assignment.

Settlemyre said the firefighters were in effect paid for their services, and that made them employees of the District. Later on, they provide services to the District as volunteers.

“The Fair Labor Standards Act says you can’t do that,” Settlemyre said. “You can’t provide essentially the same services as a volunteer that you provided as a paid employee. That’s a violation of the Fair Labor Standards Act.”²⁶

4.3.4 Spalding CSD Fire Protection Equipment

The Susanville Interagency Fire Center reports the following equipment for the Spalding Fire Department:

- 1) Type I Engine, 4-wheel drive, 750-gallon capacity, 500 gallons per minute pumping, equipped with foam
- 2) Water Tender, 6x4 drive, 3,700-gallon capacity, 500 gallons per minute pumping
- 3) Water Tender, 4X4, 3,000-gallon capacity, and 500 gallons per minute pumping
- 4) Chief’s Vehicle, 4-wheel drive, extinguishers and 210-gallon water tank with pump.
- 5) Life Support Unit Life Support, 2-wheel drive, Medical first response
- 6) Type 3 Engine, 4 wheel Drive, 500-gallon capacity, equipped with foam.

The “Fire Impact Fee Nexus Study” estimates that the replacement cost of the District’s fire facilities, equipment and apparatus needed to serve existing users and new users from new development through 2011 is \$806,359.

The LNF (Lassen National Forest) currently has an engine company based at the fire station in Spalding during the fire season. According to the Stones-Bengard-Spalding Community Fire Safe Plan, January 2004, The LNF will also place a fire-fighting engine at the Christie Day Use area at the southern end of Eagle Lake. (To date this has not happened).

4.3.5 Fire Protection Training

²⁶Lassen County News, April 21, 2009
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The volunteer fire fighters train with the California Department of Forestry and Fire Protection (CALFIRE) when training is available. The following report of Spalding Fire Department Training was issued on May 12, 2009:²⁷

On April 25th, 2009 ten members of the Spalding Fire Department attended training at the Spalding Fire Department. Training covered an orientation of the Life Support Unit and our newest fire truck including the equipment carried on these vehicles.

On May 8th, 2009 training was held at the Spalding Community Service District by the Lassen County Fire Marshal. Training was attended by Spalding's Former Fire Chief, Larry Frack and three district employees. The class was held to train in the proper procedure for the issuance of burning permits. All four passed the course. As soon as we receive the certification letters, people can receive burning permits during normal work hours at the District office.

On May 11th, 2009 the Stones Bengard Fire Department shared training today in Spalding. Training consisted of a one-day course on CPR, the defibulator, patient assessment and other first responder medical procedures. Each department had four fire fighters attend, all of which passed. Training was conducted by SEMSA

4.3.6 Spalding CSD Fire Protection Water Supply

Most homes in the District use well water. The Spalding Eagle Lake Mutual Water Company serves 130 sites²⁸ and it is reported that low water pressure in the summer is common.²⁹ Water for fire suppression in Spalding is available from Eagle Lake using water tender trucks and pumps.

Water for fire suppression in Spalding is available via 2 fire hydrants at the District Office facility;

Since there are four fire hydrants, but no complete municipal water supply, fire flows from hydrants in the District do not exist. According to the comments received "A public water system is needed with fire hydrants."³⁰

LAFCO does not have jurisdiction over private water companies.

A commercial well does exist at the new sewer pond site that could provide water for tankers for firefighting purposes. An additional well is located at the district office near the new Maintenance facility.

²⁷ Spalding Community Services District, "Fire Safety Update, May 12, 2009".

²⁸ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007

²⁹ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007

³⁰ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007

Electric power and telephone service for both areas are provided by above- ground service lines.

4.3.7 Spalding CSD Fire Protection Finances

A. 2009 2010

The Spalding Fire Department had \$45,107 in the Unreserved Fund Balance as of June 30, 2009. The funding for the Fire Department is separate from the sewer and recreation funds of the District.

The Fire Department funding for the current fiscal year is \$46,448. The Proposition 4 Limits for the Spaulding Fire Department in 2009-2010 is \$98,838.

According to the Spalding Community Service District's Manager's Report on September 23, 2005

The Fire Department is still operating from a tax that was imposed in 1985. This special tax is \$32,000 a year, barely enough to keep the Fire Department in operation. The SFD did receive a \$250,000 grant for a much needed fire engine. The District must pay 10% of this cost. The SFD separate benefit fund has collected donations and put on several pancake breakfasts and has earned enough money (to pay) for our portion of the fire truck.

B. 2009 - 2010

The 2009-10 Budget for the Spalding Fire Department showed an estimated income of \$40,236 and Expenses of \$46,448.

The "Fire Impact Fee Nexus Study" recommends that the District adopt the following impact fees for new construction:

New Residential Construction:

\$0.81 per square foot

New Nonresidential Construction:

\$1.59 per square foot

The Fire Impact Fees were adopted on February 24, 2009 by Lassen County Resolution 09-005.

The Fire Department is insufficiently funded. Recently contingency money was transferred to the Department to cover operational costs. Additional supplies and equipment are needed. The Spalding CSD is aware of the budget and revenue shortfalls and is working to increase both.

In the past the District has held fundraising events; however, the District has come to the conclusion that additional measures must be taken to increase Fire Department funding. The District is researching possible grant assistance and is certain that rates must increase to cover the cost of fire protection services.

4.3.8 Fire Protection Mutual Aid Agreements

The Fire Department has mutual aid agreements with the other fire protection districts in the area. The Department is part of the Susanville Interagency Fire Center (SIFC) for emergency dispatch.

The Lassen County Public Works Department was asked to clear the summit of snow on County Road A-1 between Lake Forest and Spalding to allow fire trucks to drive over the summit and respond to a fire. CAL FIRE was notified the road had been plowed, and the State agency had been given a key to the locked gate just past Lake Forest. The road will be opened to the public later in the spring.³¹

4.4 Wastewater Collection and Treatment Service

4.4.1 Wastewater Treatment Overview

Wastewater is the water that drains from sinks, showers, washers, and toilets. Wastewater also includes water used for some outdoor purposes, such as draining chlorinated pool water, commercial car washes and industrial processes. Underground sanitary sewer pipelines carry sewage to a wastewater treatment plant, where it is treated, sanitized and discharged.

Wastewater Treatment demand management strategies include the following:

- sewer infiltration and inflow (I&I) control,
- industrial pretreatment and recycling, and
- water conservation.

Service providers can reduce infiltration and inflow with capital improvements, such as pipeline rehabilitation, manhole cover replacement, and root eradication. They can also address sources on private property, such as broken service lines, uncapped cleanouts and exterior drains, through public education, incentives and regulatory strategies.

Communities use various techniques to prohibit discharge of unwanted pollutants or to reduce the quantity and strength of wastewater discharged to sewers.

³¹Lassen County News, April 21, 2009
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These techniques include the following:

- 1) permit limitations on the strength and contaminant levels of industrial and commercial wastewater;
- 2) increased rates or surcharges on high-strength wastes; and
- 3) incentives or requirements for water recycling and reuse within the industrial or commercial operation.

Water conservation measures are effective for reducing average wastewater flows, but have less impact on peak flows, which are usually strongly influenced by infiltration and inflow contributions. Water conservation has little or no impact on organic loading to the treatment plant.

Fees for wastewater treatment in other jurisdictions are shown in Appendix A at the end of this report.

4.4.2 Spalding CSD Wastewater Treatment History

According to the USDA Forest Service Final Environmental Impact Statement:

In 1989, the Lahontan Regional Water quality Control Board (RWQCB) amended the Water Quality Control Plan (Basin Plan) for the North Lahontan Basin, Eagle Lake Hydrologic Area. The amendments included a prohibition against the discharge of nutrients to any surface water or groundwater in the Eagle Lake Basin from conventional septic systems such as those used by the residents of Spalding and other Lakeshore communities.

Subsequently, in 1991, the RWQCB issued a cease-and-desist order to Spalding property owners requiring that further septic system discharges be terminated. Property owners responded to this action with an appeal, but the State Water Resources Control Board (SWRCB) upheld both the prohibition and the order. However, the SWRCB granted a deadline extension for compliance with the prohibition. It is on the basis of that extension that residents presently utilize their septic systems.

The Spalding CSD determined to develop and maintain a wastewater collection and treatment system that would eliminate the discharge of nutrients into the Basin. In the course of this planning effort, numerous sites were considered by the District for locating the evaporation ponds necessary for the disposal of effluent in compliance with the SWRCB mandate.

The Lassen National Forest owned the most suitable site. Use of the site will necessitate transfer of ownership from the Forest Service to the District. The most feasible means of accomplishing this conversion is through a land exchange.

4.4.3 Spalding CSD Wastewater Treatment System

The wastewater treatment system includes lined evaporation ponds with pretreatment by individual septic systems. The average flow is projected to be 70,700 gallons per day (gpd) at full operation under Amended Waste Discharge Requirement WDID 6A180506011.

The California Regional Water Quality Control Board Lahontan Region Monitoring And Reporting Program NO. R6T- 2006-0020 WDID NO. 6A180506011 for Spalding Community Services District Sewage Evaporation Ponds is shown in Appendix B at the end of this report.

The wastewater treatment facility consists of three lined ponds, one ten-acre pond and two 5.5-acre ponds to serve 1112 EDU's. The evaporation from the Wastewater Treatment Facility is enhanced by the use of fog nozzles installed to spray wastewater effluent mist from a location just above the water surface of pond 3.

The nozzles will be used up to 12 hours per day, 8 months of the year. An anemometer and automated shut-off system will prevent use of the nozzles when wind gusts are measured at 40 miles per hour or greater.

No new building permits should be allowed at this time. This is a problem because neither the District nor LAFCO has control over land use planning; and the County may still approve new lots, which cannot be served. According to resident Larry Doss building permits have continued to be issued by the County.³²

There are four lift stations to the three treatment ponds. Each lift station has a back-up generator. Sixty-two homes will require pumps for the septic tanks due to the grades. After one year these pumps will be the responsibility of the owner to maintain.

4.4.4 Wastewater Treatment System Construction

The system is complete and in full operation. There are still a number of residents who have not hooked up to the system, but should be in that process now.

4.4.5 Wastewater Treatment Finances

According to the Spalding Community Service District's Manager's Report on September 23, 2005:

³² Doss, Larry, 530-892-3192, LD71249@sbcglobal.net.
Lassen LAFCO
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The Sewer project for the Spalding Community Service District has been in progress since 1991. The environmental, cultural, plants, eagles, etc. studies and the USFS land exchange have been completed. A CEQA and NEPA compliance were finally met after many years of research and studies. Enplan (consulting firm) was instrumental in helping us accomplish the completion of these studies.

The Spalding CSD received a loan of \$8,068,000 and \$1,000,000 in grant money from USDA for the construction of a wastewater (treatment) system.

We were approved to use the loan to pay for the land, consultants, and engineer and (to) complete the bid process for the project and necessary administration costs in June 2005.

We have approximately \$1.5 million for construction in grant money from the SWRCB. CDBG grant for the low-income folks to pay for their assessments and (the) house to street hookups of \$800,000. The estimated cost of the wastewater system is \$10.5 million.

The loan will be repaid over a period of 40 years. The loan payments will be collected with the taxes as follows:

- \$491.00 Special assessment
- \$49.00 USDA required Reserve Account
- \$540 .00 per year, per EDU (equivalent dwelling unit) for 40 years.

Individuals have the option of paying any remaining special assessment in full at any time during the 40-year period.

The Spalding Wastewater Department had \$302,764 in the Unreserved Fund Balance as of June 30, 2009. The Spalding CSD has a secured Assessed Valuation of \$50,209,353 and unsecured Assessed Valuation of \$385,016 for 2006-07.

The funding for the Wastewater Department is separate from the fire and recreation funds of the District. However, staff, which serves various areas, may be paid from all funds.³³

The Wastewater Department funding and expenses for the current fiscal year is \$232,943 in expected revenue and \$182,600 in expenses.

4.4.6 Wastewater Treatment Personnel

There is one District wastewater employee who is working towards become a Wastewater Treatment Operator 1. The District does contract with a Grade II Operator to gain compliance for

³³ Doss, Larry, 530-892-3192, LD71249@sbcglobal.net.
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operation by Lahonton. This management decision has been questioned³⁴; however, the Board of Directors has authority over the employees of the District. LAFCO cannot tell a Community Services District how to staff District operations.

4.4.7 Spalding CSD Wastewater Treatment Issues

There are issues regarding the wastewater treatment system that have been communicated to Lassen LAFCO. However, LAFCO has no direct responsibility or authority regarding the wastewater treatment system design and construction.

The CSD contract with Lampe Engineering for design of the wastewater treatment system is overseen by the Board of Directors. LAFCO has no authority to interfere with this contract.

If residents of the District do not agree with decisions of the Board of Directors they should consider running for election to the Board.

Concerns include the following:

- 1) No plan check for the wastewater treatment was done by the Lassen County Building Inspection Department.
- 2) Pipelines from the septic tanks are 1.5"-4" inches in diameter 3" inches as required by the California Plumbing Code.
- 3) The District should not train a person to operate the system but should hire someone already qualified.³⁵ The district should contract with an operator having the required certifications and not pay training costs for uncertified personnel. This practice is more expensive for the ratepayers.
- 4) The connections between the HDPE (High-density polyethylene) pipe and PVC pipe are not being made correctly and will result in leaks.³⁶

4.5 Recreation

4.5.1 Marina Description

The Spalding Community Services District Marina at Eagle Lake consists of the following facilities:

³⁴ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007

³⁵ Aubrey, Valerie and Randy, 686-795 Bamboo Way, Spalding, Eagle Lake, Susanville, CA 96130-8116, 530-825,2115, August 30, 2007

³⁶ Longe, Gary A. letter to Lahontan Regional Water Quality Control Board, October 20, 2006.

1. Two, two-lane, V-groove, reinforced concrete boat-launching ramps. Each ramp is approximately 120 feet in length with a top of ramp elevation of 5114 and a toe elevation of 5010. The utility of the two ramps are not equal. The west or north ramp has been completely out of the water since 2007 and the east or south ramp had three feet of cement left in the water on December 2010. Each ramp includes two cable anchored adjustable courtesy boarding floats 8 feet wide by 40 feet long and “Hurricane” anchorage system.
2. Parking area with paved surface of 250,000 square feet with slope protection on embankment slopes.
3. Restroom building with four units and fish cleaning station located on 5,000 square foot reinforced concrete slab with fifty by two foot high split-face concrete-block retaining wall.
4. Sewer outfall system and associated utilities including a 5000-gallon septic tank and discharge to the District sewer system. A 5000-gallon holding tank for fish waste from the fish cleaning station has been installed.³⁷
5. Eight hundred lineal feet of floating, tube-type, wave attenuator and four floating courtesy boarding floats at the launch ramps were planned but only a 400 lineal foot breakwater was installed with no attenuators.³⁸ A couple of the breakwaters broke loose and are scattered about the lake, as SCSD did not remove them as specified by engineer and manufacturer.
6. Four-slip floating courtesy mooring pier with anchorage system.
7. Underwater sixty-foot wide by two hundred-foot long boat channels at each boat launch ramp location (including siltation curtains) were planned but still required some dredging.³⁹
8. Twelve foot by twenty-four foot accessible floating fishing platform and approach pier approximately 200 feet long and six feet wide with associated parking area of approximately 12,000 square feet has been unusable for use as a fishing platform and low lake levels have left it out of the water entirely.

The County will assist the District by building the beach area, which the District will maintain.

Additions to the Marina will include the following:

- 1) An extension to the courtesy dock.
- 2) An extension to the launch ramp at the north end.
- 3) Additional railings. Depending upon the locations, railings on boat docks or courtesy docks may cause damage to boats and are obstacles when used, they block access to the

³⁷ Doss, Larry, 530-892-3192, LD71249@sbcglobal.net.

³⁸ Doss, Larry, 530-892-3192, LD71249@sbcglobal.net.

³⁹ Doss, Larry, 530-892-3192, LD71249@sbcglobal.net.

boat, even for a handicapped person. Should consider having a designated ramp for handicap because the rails are a hindrance for other users.

- 4) A recreational vehicle pad behind the restroom for a camp host/caretaker.
- 5) The launch ramp was dredged last year to assist boaters in launching in low water conditions. However, there is now only 2.7 ft of water thru the dredged channel to the lake (December 2010). With declining lake levels, the future for usability of the launch ramp is questionable without additional dredging.

According to the Board Minutes of April 21, 2009, the Parking Lot needs “about \$15,000 worth of work.”⁴⁰

4.5.2 Marina Fees

According to the Spalding Community Service District’s Manager’s Report on September 23, 2005:

The Marina is finished except for the breakwater. The breakwater should have been completed by Summer 2006. The (State of California) Boating and Waterways (the) Wildlife Conservation Board provided grants to complete the Marina. However, The floating breakwater sections are not engineered for ice shear and SCSD has no way of pulling them out every year as required by their own regulations which resulted in one section sitting on the beach a couple miles east of Spalding with no way of retrieving until the lake elevation rises.

The Spalding CSD has imposed a parking/launch fee for the marina users because the District must maintain the property for 20 years in accordance with the contract from the above agencies and there were no funds to achieve this endeavor.

In December 2008, the State Wildlife Conservation Board informed the District that all funds would be frozen so no new work can be done in 2009.⁴¹

The Daily Parking/Launch Fee is \$8.00 with an annual Permit fee of \$75.00 plus \$10.00 for an additional vehicle.⁴²

4.5.3 Community Hall

⁴⁰ Spalding Community Services District, Board Minutes, April 21, 2009.

⁴¹ Spalding Community Services District, Website, <http://www.spaldingcsd.org/>, June 5, 2009.

⁴² Spalding Community Services District, Website, <http://www.spaldingcsd.org/>, June 5, 2009.

The Community Hall is rented for dance classes, card playing, birthday parties, and other community uses. The Community Hall is part of the District Office/Fire Station complex and was constructed in 1987 with an addition in 1990.

The Hall can hold up to 170 people for community activities. The Office part of the complex will be upgraded with grant funding in 2007/2008.

4.5.4 Recreation Finances

The Spalding Recreation Department had \$28,614 in the Unreserved Fund Balance as of June 30, 2009. The funding for the Fire Department is separate from the sewer and water funds of the District.

The Recreation Department funding in the current fiscal year is estimated to be \$55,865. The increase is due to an increase in parking fees and docking permits. The budgeted expenses are \$28,380. According to the most recent audit (year ending June 30, 2009) a finding was made by the auditor about the lack of segregation of duties. The effect is the district has exposure to risk of financial misstatement since there are only a few personnel assigned to duties that involves access to the general ledger and other accounting records as well as cash (which is collected for many recreational activities). This is an inherent problem with small districts with limited personnel. The audit recommended the district work to decrease the risks of any individual being in a position to perpetrate and conceal errors or fraud.

5 LASSEN COUNTY ZONING AND LAND USE

These subdivisions are located within the Susanville Elementary School District, Lassen Union High School District and Lassen Community College District; however, there are no schools within the CSD. Since there is no school bus many Spalding residents home school their children as opposed to transporting them in winter weather conditions.

The “Eagle Lake Area Plan” completed in 1982 is a component of the “Lassen County General Plan”. This Area Plan states the following:

To ensure the integrity and long-term protection of Eagle Lake and the interest of the public as reflected by the policies of the Eagle Lake Area Plan, Lassen County should rezone the remaining private lands of the Eagle Lake Basin located outside of the Planning Area that are not under Timber Preserve Zoning to ensure the continuation of open space use and protection of the watershed.

Regarding the subdivision lots the Area Plan states the following:

Allow the build-out of all existing lots and approved building sites in subdivisions approved by Lassen County for such purposes and the use of parcels for single-family residential purposes in areas designated for residential use in the Plan. Such build-out is to continue contingent upon maintenance of environmental quality and the protection of public health as determined by the appropriate regulatory agency responsible for such matters.

The further division of lots in the existing subdivisions (I.e., Spalding Tract, Stones Units 1-6, and Begird) other than “lot line adjustments” shall be prohibited. The placement and appearance of permanent residential structures and manufactured housing should serve to maintain and enhance the character of the setting and community in which they are located....

Section 06, the USFS property at the northern end of Spalding has not been the subject of a land exchange agreement with USFS and is an archaeological site (National Heritage Site) according to the Lassen National Forest. However, annexation for future growth should not be considered unless and until there is an agreement or land exchange in place for Spalding to annex this property. Due to national heritage reasons, this land may remain public land indefinitely.

The Eagle Lake Area Plan Diagram shows the territory within the Spalding CSD for Residential Land Use. The area adjacent to the CSD is shown mostly as Wildlife Habitat and Natural Resource Conservation Areas with some planned development and a small commercial area.

Residents who disagree with the Area Plan or the General Plan need to work with the Lassen County Planning Department and either apply for a General Plan Amendment or have the Planning Department initiate a General Plan Amendment that would be more acceptable to the residents and landowners in the area. LAFCO has no authority to regulate or control implementation of the General Plan and the zoning for the area.

6 MUNICIPAL SERVICE REVIEW

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

LAFCO will work to accomplish the following tasks:

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

The Final Municipal Service Review Guidelines prepared by the Governor's Office of Planning and Research recommend issues relevant to the jurisdiction be addressed through written determinations called for in the Cortese-Knox Hertzberg Act. Written Determinations are provided for each of the five factors, based on the information provided in this Municipal Service Review.

6.1 Growth and Population Projections for the Spalding Area

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

6.1.1 *Population Growth*

The 2000 population of Lassen County was 33,828, increasing to 34,674 (including inmates and 25,921 without inmates) by 2004. This is an increase of 2.5%. There were 12,000 housing units in the County in 2000. The 2004 population of Susanville was 17,922 (including inmates and 9,303 without inmates) or 52% of the County.

There were 9,625 households in Lassen County in 2000 with 2.59 persons per household. The median Household Income in 1999 was \$36,310. The 2009 median Income was \$57,600 for a four-person household.⁴³ There is an anticipated capacity for an additional 18,300 new housing units countywide over the next 18 years.

The trend for summer-home communities is that more of the homes will be used year-around in the future. The CSD should obtain as much information on the residents as possible to see if this trend will affect the District.

⁴³ State of California, Department of Housing and Community Development, Memorandum Official State Income Limits for 2009, April 2, 2009.

The District needs to make an effort to educate the summer residents and absentee landowners regarding the operations of the District and the needs of the District. The District website will be useful for this purpose.

A summary of Lassen County Population Growth since 2000 is shown below:

LASSEN COUNTY POPULATION 2000 TO 2009⁴⁴			
Year	Lassen County	Susan- ville	Unincor- porated
2000	33,828	17,465	16,363
2001	33,865	17,403	16,462
2002	33,835	17,243	16,592
2003	34,098	17,514	16,584
2004	34,674	17,922	16,752
2005	35,001	18,049	16,952
2006	34,846	17,973	16,873
2007	35,871	17,904	17,967
2008	35,959	17,636	18,320
2009	35,550	17,402	18,148

⁴⁴ State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2009, with 2000 Benchmark. Sacramento, California, May 2009.

6.1.2 MSR Determinations on Growth and Population for Spalding CSD

- 1-1) For a Community Services District formed under section 61000 et seq. of the Government Code; future annexations may include contiguous or non-contiguous territory. If even considering future annexation, all rights to purchase or transfer property must be completed. For example, in the case of property in Section 06 is not available for reasons of National Heritage. The LNF property being considered, therefore, has not been authorized by LNF.
- 1-2) The District should establish requirements for future annexations. Lands to be annexed shall be planned and zoned for development and the District and or County shall be the lead CEQA agency.
- 1-3) The District needs to obtain maximum financial and in-kind contributions from summer residents since these residents are not able to provide volunteer assistance to the District year-around. However, any contributions must be accounted for and audited as part of the District's annual audit.
- 1-4) To support long-term protection of Eagle Lake, as reflected in the Eagle Lake Area Plan, the District should support watershed protection policies which do not impair the waters of Eagle Lake, such as water diversions for upstream uses.
- 1-5) The District should communicate with the Lassen County Planning Department to make sure that the District is involved in planning decisions which will affect the District.

6.2 Capacity and Infrastructure

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

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

6.2.1 Spalding CSD Infrastructure Background

A. Fire Protection Service

The Spalding Community Services District is providing fire protection services with a growing group of volunteers and improving equipment.

The District needs to continue working with other fire protection districts as much as possible to continue good working relationships and coordinated efforts for mutual aid with the Stones-Bengard CSD, CALFIRE and other fire and EMS providers. The District is researching additional funding sources because fire protection funding is inadequate. Funding for fire protection is subject to voter approval in most cases and must be fairly taxed.

B. Wastewater Collection and Treatment Service

Wastewater collection and treatment service is adequate if compliance with the Waste Discharge requirements from the Regional Water Quality Control Board can be maintained with the new wastewater treatment plant. It will take two years of operation to fully test the treatment plant.

C. Recreation

The District has improved recreation facilities. The users should pay for these costs.

6.2.2 *MSR Determinations Regarding Capacity and Infrastructure for Spalding CSD*

A. Spalding CSD Fire Protection

- 2-1) The Fire Impact Fees were adopted on February 24, 2009 by Lassen County Resolution 09-005.
- 2-2) The District needs to promote cooperation and coordination with other fire protection services in the area. The District should contract with the Stones Fire Department to provide supplemental response for calls that the current personnel would not be able to handle sufficiently.
- 2-3) The District and (or) the County needs to require minimum Uniform Fire Code fire flows prior to considering future development and annexations.

B. Spalding CSD Wastewater Treatment Infrastructure

- 2-4) The District should continue to comply with the Regional Water Quality Control Board discharge requirements and monitoring requirements.
- 2-5) The District needs to continue to work with the landowners to insure that they understand the requirements for septic tank maintenance and use and how this affects the wastewater collection and treatment system.
- 2-6) The District could work with staff, local business or County staff to secure a contract service for those landowners unable to maintain their septic tank as well as the handling of Hazardous Waste.

C. Spalding CSD Recreation Needs and Deficiencies

- 2-7) The recreation facilities have been improved. The District needs to collect adequate revenue to maintain these facilities.

6.3 Financial Ability

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

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

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

Rate restructuring may be forced by shortfalls in funding, but the process may also reflect changing goals and views of economic justice or fairness within the community.

LAFCO should evaluate the impact of SOI and Annexation decisions on existing community rates for public service.

6.3.1 Financial Considerations

Primary resources for the District include property taxes, assessments, interest and sewer fee charges, with primary disbursements going toward salaries and utilities.

The Audit prepared by Robert W. Johnson dated June 30, 2005 stated the accounting policies of the Spalding CSD generally conform to accounting principles applicable to enterprise funds. The audit ending on June 30, 2009 contains three findings of material weakness and one finding of a significant deficiency.

6.3.2 Rates

To facilitate examination of the Spalding CSD monthly sewer charge and connection fees, a table of similar service providers' rates was developed from the State Water Resources Control Board Wastewater User Charge Survey Report (2003-2004). This data is shown in Appendix A at the end of this report.

6.3.3 MSR Determinations on Financial Ability for Spalding CSD

- 3-1) The District must correct material weaknesses and the significant deficiency related to internal control standards according to the audit report.⁴⁵
- 3-2) The District should continue to plan for the future and have a program of gradually increasing fees to cover increasing costs.
- 3-3) The District should maintain a connection fee for its sewer service to cover 100% of the costs associated with new development.
- 3-4) Depending upon population growth and (or) new regulations, the District may have to have paid fire fighters in the future.
- 3-5) The District should continue to explore the possibilities for any grants which could help the District.
- 3-6) The District should prepare a Capital Improvement Plan to be prepared for future capital expenditures.

- 3-7) The District should prepare requirements and fees for annexations for the future. The District has established fees so new development will pay all associated wastewater

⁴⁵ Spalding Community Services District, "Financial Statements and Independent Auditor's Report for the year ended June 30, 2009", Haws, Theobald and Auman, PC Accountants.

collection and treatment costs. The district needs to secure adequate funding for these matters and existing residents should not pay for the cost of growth.

- 3-8) The District should become familiar with Community Facilities Districts and Mello-Roos Bonds as a means for new development to pay infrastructure costs.
- 3-9) The District's fees for wastewater treatment services are reasonable when compared to other service providers of similar size and nature because it is a new wastewater treatment plant and the loan must be repaid.
- 3-10) LAFCO recommends preparation of a Cost of Services Study to ensure that the fees charged bear a reasonable nexus to the cost of providing that service. This report should provide a comprehensive analysis of the services provided by the District and actual costs of those services to the residents.
- 3-11) Due to the scarcity of resources in the District, it is imperative that the Spalding Community Services District set fees and charges in line with the services provided to allow for continuous operation and adequate maintenance.
- 3-12) The District has a small budget. Additional funds would be required to service additional territory and should be paid by occupants of that territory.
- 3-13) LAFCO recommends establishing District ordinances that promote full cost recovery (cost neutral) for annexations so that the existing residents shall not have to pay increased rates due to a new development being annexed to the District.
- 3-14) The Lassen County Airport is within the boundary of the District but is not part of the Assessment District Boundary. The District should communicate with the County regarding this problem prior to wastewater services being provided.

6.4 Opportunities for Shared Facilities

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

6.4.1 *Spalding CSD Facilities*

In the case of annexing new lands into a District, LAFCO can evaluate whether services or facilities can be provided in a more efficient manner if the District or some other entity provides them (i.e., the County of Lassen, a County Service Area, or Community Services District). In some cases, it may be possible to establish a cooperative approach to facility planning by encouraging the District and County to work cooperatively in such efforts.

6.4.2 *MSR Determinations on Shared Facilities for Spalding CSD*

- 4-1) Shared facilities for wastewater collection and treatment are not feasible.
- 4-2) Fire protection services will require extensive cooperation with other agencies.
- 4-3) Shared administration may provide cost-savings. Some counties administer many special districts through a single county department.
- 4-4) County should examine contracting with district for snow plowing operations in the general area of the district.

6.5 Government Structure and Accountability

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

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

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

6.5.1 *Government Structure*

Restructuring the governmental operation may not be a feasible option for the Spalding Community Services District; however, continued examination of service delivery and cost may, from time to time reveal opportunities for such changes. A trend for governmental agencies in California is the increasing use of contract services (instead of employees) as a cost-saving measure. This should be considered by the Spalding CSD.

A County Service Area could be considered even though there will be a loss of local control because the Lassen County Board of Supervisors would serve as the Board of Directors. County employees would provide maintenance functions. Efficiencies may no longer occur resulting in higher costs to the residents. The distance from County facilities would also be detrimental as well.

The Board could contact the County Public Works Department regarding the cost of a contract for maintenance of the District facilities to see if this would be a feasible option since district residents pay for the costs of various count services.

6.5.2 *Management*

In evaluating the District's capability to serve its Sphere of Influence, LAFCO can examine the District's ability to maintain management and budget efficiencies over the new lands.

It is not the responsibility of LAFCO to enforce the provisions of the Brown Act on local agencies but rather to consider the record of the local agency when making determinations.

The Spalding CSD is a separate district and it is not the responsibility of Lassen County to notify landowners regarding actions proposed or taken by the Spalding CSD Board of Directors.

All interested individuals should be encouraged to run for election to the Board of Directors when elections are held.

Residents can be kept informed of Board activities by visiting the SCSD website at www.spaldingcsd.org. This website is updated often and minutes and agendas are posted for all meetings.

6.5.3 MSR Determinations on Government Structure and Accountability for Spalding CSD

- 5-1) The Board of Directors should work with the Board of Supervisors, the Local Agency Formation Commission and other districts in the County to see if a County-wide CSA, a County-wide sanitation district and/or a County-wide fire protection district would be a benefit.
- 5-2) The District has improved customer service by development of a website for increased dissemination of District information and will provide frequent updates (such as meeting times, projects, etc.). The use of mail should also be used for those residents not having a computer.
- 5-3) The District sends information to its customers on an as-needed basis.
- 5-4) The District has an online presence to help disseminate vital wastewater information and to inform customers of or about meetings and recent events. This is one way the District involves the seasonal residents and absentee landowners.
- 5-5) The District adopts budgets and rate changes at hearings where the public is notified and invited.
- 5-6) Information is placed on bulletin boards in the Community, their website, and in the local newspaper, when required. Letters are sent to landowners/residents for the annual meeting. However, residents are dissatisfied with the type, timing and number of notices so greater efforts to communicate should be made. Instead of sending notices meeting minimal time requirements notices should be sent out early.

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ABBREVIATIONS

BLM Bureau of Land Management (US)

CDBG Community Development Block Grant

CALFIRE	California Department of Forestry and Fire Protection
CEQA	California Environmental Quality Act
CFD	Community Finance District
CKH Act	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPR	Cardio-Pulmonary Resuscitation
CSD	Community Services District
District	Spalding Community Services District
EDU	Equivalent Dwelling Unit
EMD	Emergency Medical Dispatch
EMS	Emergency Medical Service
EMT	Emergency Medical Technician
ERAF	Education Revenue Augmentation Fund
FD	Fire Department
FY	Fiscal Year
gpd	gallons per day
gpm	gallons per minute
HDPE	High-density polyethylene pipe
ISO	Insurance Service Organization (Fire Protection)
KW	Kilowatt
LAFCO	Local Agency Formation Commission
LNF	Lassen National Forest (USDA)
LRA	Local Responsibility Area (Fire Protection)

LVN	Licensed Vocational Nurse			
MSR	Municipal Service Review			
NEPA	National Environmental Policy Act			
NFPA	National Fire Protection Association			
mgd	million gallons per day			
MSR	Municipal Service Review (LAFCO)			
OES	Office of Emergency Services (California)			
OSHA	Occupational Safety and Health Administration (US)			
psi	pounds per square inch (pressure)			
PVC	Polyvinyl chloride pipe			
RWQCB	Regional Water Quality Control Board (California)			
SCSD	Spalding Community Services District			
SIFC	Susanville Interagency Fire Center			
SOI	Sphere of Influence (LAFCO)			
SWRCB	State Water Resources Control Board			
US	United States			
USDA	United States Department of Agriculture			
SFD	Fire Department			
WDID	Waste	Discharge	Identification	Number

DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

Mean Sea Level: The average altitude of the sea surface for all tidal stages.

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

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

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

Sanitary flow: Wastewater flow generated by residential, commercial, and industrial (including institutional) users. It does not include infiltration and inflow.

Sanitary sewer: A sewer intended to carry only sanitary and industrial wastewaters from residences, commercial buildings, industrial plants and institutions.

Septic System: A sewage-treatment system that includes a settling tank through which liquid sewage flows and in which solid sewage settles and is decomposed by bacteria in the absence of oxygen. Septic systems are often used for individual-home waste disposal where an urban sewer system is not available.

Service lateral: A sewer connecting a building or house to the mainline sewer.

Sewage: Sewage is the liquid waste from toilets, baths, showers, kitchens, etc. that is disposed of via sewers. In many areas sewage also includes some liquid waste from industry and commerce.

Sewage (or domestic wastewater) treatment: Sewage treatment is the process of removing contaminants from sewage. It includes physical, chemical and biological processes to remove physical, chemical and biological contaminants. Its objective is to produce a waste stream (or treated effluent) and a solid waste or sludge also suitable for discharge or reuse back into the environment. This material is often inadvertently contaminated with toxic organic and inorganic compounds.

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

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

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

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

APPENDIX A

WASTEWATER TREATMENT USER CHARGE SURVEY DATA

<i>City/Agency</i>	<i>Service Provided</i>	<i>Treatment Level</i>	<i>Population Index</i>	<i>Monthly Fee</i>	<i>Connection Fee</i>
Arbuckle PUD	B	2	2	\$6.50	\$750
City of Colfax	B	1	2	\$20.86	\$3,474
Lakeport Municipal Sewer District	B	3	2	\$28.69	\$3,100
Maxwell PUD	B	3	1	\$15.00	\$375
City of Orland	B	1	2	\$10.00	\$350
City of Winters	B	3	2	\$23.50	\$9,800
City of Willows	B	2	2	\$22.00	\$1,250
City of Williams	B	3	2	\$15.00	\$3,077
HUC	B	3	2	\$30.00	-
Leavitt Lake CSD	B	2	1	\$20.27	
Stones-Bengard CSD	B	2	1	\$16.00 RV-\$5.50*	\$6,500
Spalding	B	2	1	\$45 (loan) +\$25 (maintenance)	\$150(existing)/ \$9,274.54 (new)

(B) = Agency provides both collection and treatment services

Treatment Levels: “1” = primary; “2” = advanced primary with some secondary; “3” = secondary

Population Index: “1” = service population is under 1,000; “2” = population is between 1,000 and 9,999.

Source: User Charge Survey Report 2003-2004, State Water Resources Control Board

* There is a proportionate rate for the RV Park, which is currently 2.9 units to 1.

APPENDIX B

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION
MONITORING AND REPORTING PROGRAM NO. R6T- 2006-0020
WDID NO. 6A180506011
FOR

SPALDING COMMUNITY SERVICES DISTRICT

SEWAGE EVAPORATION PONDS

_____Lassen County_____

I. GENERAL REQUIREMENTS

A. Effective date

This monitoring and reporting program (MRP) is effective on the date of adoption, or as amended by the Executive Officer.

B. Overview of Reports Required

The Discharger shall provide, for acceptance by the Water Board Executive Officer, a *Construction Quality Assurance Report*, and a minimum of two *Ground Water Quality Monitoring Reports*, prior to discharging into the evaporation ponds. Once the Facility is in use, the Discharger shall each year provide four (4) *Quarterly Monitoring Reports* and one (1) *Annual Report*. The monitoring period covered for each report and the dates the reports are due are listed below in each respective subsection. Each report shall provide information on general operations, evaporation rates, evaporation pond water quality, storage capacity, and ground water quality, as specified herein.

C. Certified Cover Letter

The Discharger shall use Attachment 1 as a cover letter, or a cover letter containing the same information, for all reports provided to the Water Board.

D. General Provisions

The Discharger shall comply with the “General Provisions for Monitoring and Reporting” dated September 1, 1994, which is made part of this Monitoring and Reporting Program as Attachment 2.

E. As-Built-Plans

Within 30 days of completing construction of the evaporation ponds the Discharger shall notify the Water Board in writing, and shall provide the following:

1. One set of "As-Built-Plans" for the Facility, full-sized blueprint, showing piping and instrument controls, stamped and signed by a California registered civil engineer.
2. One scaled drawing on an 8½" by 11" sheet of paper showing and labeling the location of the evaporation ponds and the monitoring wells.
3. A chart or graph that provides the amount of liquid contained in each evaporation pond in relationship to the measured height and elevation of water in each individual pond.

II. CONSTRUCTION QUALITY ASSURANCE PLAN COMPLIANCE REPORT

- A. The Discharger submitted with the Report of Waste Discharge a Construction Quality Assurance (CQA) Plan dated November 18, 2005 for the construction of the sewage collection system and the Facility (wastewater evaporation ponds). The CQA Plan includes comprehensive procedures for quality assurance during all phases of the liner construction. The CQA testing and inspections specified in both the construction specifications and the CQA Plan will remain in effect during construction of all the evaporation ponds. Accordingly, the CQA Plan inspections will be conducted by, or under the supervision of, either a registered California civil engineer or a certified engineering geologist (CQA Officer).
- B. The Discharger shall ensure the construction is completed in accordance with the CQA Plan, and shall document compliance or noncompliance in a CQA Plan Compliance Report, with copies of all inspections and testing completed under the CQA Plan. The Facility may not receive any effluent prior to written acceptance of the CQA Plan Compliance Report by the Water Board Executive Officer. The CQA Plan Compliance Report shall be submitted within 60 days of completing construction of the evaporation ponds.

III. GROUND WATER MONITORING WELL CONSTRUCTION AND INITIAL SAMPLING REPORTS

Prior to initiating the discharge to the Facility, the Discharger shall install three wells, at a minimum, as specified in the report of waste discharge dated November 17, 2005, and following the specifications below:

A. A minimum of three monitoring wells shall be installed to determine the ground water gradient and direction. Of the three monitoring wells, one well must be located in an upgradient location and two wells must be located in downgradient locations with respect to the ground water flow beneath the Facility.

- B. Additional wells shall be installed if the Discharger cannot demonstrate that two downgradient wells are located to monitor ground water potentially

impacted by the Facility and one upgradient well is located where the ground water cannot be impacted by the Facility.

C. An As-Built design report shall be provided within 60 days after the installation of the ground water monitoring wells. The report shall include a statement signed by a California registered civil engineer or professional geologist regarding the placement, lithology, and construction of the wells, and supporting data and documentation.

D. Pre-Discharge Ground Water Monitoring: Following completion of the monitoring well construction, a minimum of two ground water sampling events must occur, sampling all the monitoring wells prior to the evaporation ponds receiving any discharge. One sampling event shall occur between October 1 and March 30 of consecutive years and another shall occur between April 1 and September 30 of the same year, and the two events shall not occur within 120 consecutive days. Each monitoring well shall be purged as described in section IV.D.1., below, prior to collecting samples. Samples shall be analyzed for all the ground water parameters listed below in the sections on quarterly and annual sampling. The analytical results must be submitted to the Water Board prior to the Facility receiving any effluent.

IV. QUARTERLY MONITORING REPORTS

A. Monitoring Periods and Due Dates for Quarterly Monitoring Reports

Quarterly Reports shall be provided to the Water Board as specified below:

Monitoring Period Report Due Date

October 1 - December 31 **January 30**

January 1 - March 31 **April 30**

April 1 - June 30 **July 30**

July 1 - September 30 **October 30**

B. Facility Monitoring

The Discharger shall provide the following information as part of each Quarterly Report:

1. The total volume of wastewater flow to the Facility for each month, in thousands of gallons and in cubic feet.
2. The average daily flow received by the Facility for each month, in thousands of gallons per day (total volume of wastewater received in the month divided by the number of days in the month).
3. The minimum freeboard (distance from the top of the lowest part of the dike to the wastewater surface in the pond) measured each month in each

- surface impoundment. If an evaporation pond does not contain wastewater, indicate that it is empty.
4. The total pan evaporation of water during each month based on the measured and computed daily evaporation rates in test pans.
 5. A total monthly water balance for the Facility reporting the amount of effluent received, the volume of liquid evaporated and the total volume of liquid stored in the ponds at the beginning and end of each month based on gauged pond level measurements.
 - 6. The total number of service connections and the number of new service connections during the monitoring period.**
 7. All analytical data collected during the quarter and a tabular summary of the data.
 8. A review, analysis and certifying statement that the ground water monitoring data has not shown a statistically significant increase in any of the monitored constituents. The review and analysis may be accomplished by a comparison of upgradient and downgradient monitoring well data, intrawell statistical analysis, interwell statistical analysis or other method as approved by the Water Board's Executive Officer. If the certification cannot be provided because an increase is detected, then the Discharger is required to notify the Water Board as required pursuant to standard provision 2.a. (Attachment C) within 48 hours and implement procedures in section VII of this monitoring and reporting program.
 9. Reports of any operational problems and maintenance activities affecting effluent discharges or compliance with waste discharge requirements, and proposed corrective measures, if needed, and a schedule for completion.
 10. Reports of monthly visual inspections of the evaporation ponds.

C. Evaporation Pond Water Quality Monitoring

Grab samples of water shall be collected on a quarterly basis from each pond containing standing liquid and tested for the following parameters:

Quarterly Evaporation Pond Water Quality

Parameters Units Testing Method Detection Limit

Total nitrogen mg/l Laboratory 0.1
Nitrate as nitrogen mg/l Laboratory 0.01
pH pH units Field 0.1
Total Dissolved Solids mg/l Laboratory 10

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D. Ground Water Monitoring

1. Ground Water Purging

Each time a monitoring well is sampled and prior to well purging as specified below, the elevation (with respect to mean sea level) and depth (below ground surface) of ground water in each monitoring well shall be measured and reported with the results of ground water analyses.

2. Ground Water Analyses

Monitoring wells shall be sampled quarterly and tested for the following parameters:

Quarterly Ground Water Quality

Minimum

Parameter Units Testing Method Detection limit

pH pH units Field 0.1

Total Dissolved Solids mg/l Laboratory 10

Fecal Coliform mpn/100ml Laboratory 1

Total Nitrogen mg/l Laboratory 0.1

Total Phosphorus mg/l Laboratory 0.08

Chloride mg/l Laboratory 0.08

- a. Ground water samples shall be collected only after an amount of water equal to three times the amount of water within the well casing has been removed, and the temperature, electrical conductivity, and pH measurements of the water in the well have stabilized to approximately $\pm 10\%$ for successive measurements.
 - b. Measurements of temperature, electrical conductivity, and pH during purging shall be reported with the results of ground water analyses.
 - c. Well casing diameter, well depth, depth to ground water, and total volume purged prior to sampling shall also be reported with the ground water monitoring results.
3. Each quarter, the Discharger shall determine and report the ground water gradient and flow direction based on the ground water elevations within the monitoring wells just prior to purging at the time of sampling.

V. ANNUAL MONITORING REPORT

A. Annual Report General Reporting

An Annual Report is **due by January 31** of each year and shall cover the period from January 1 through December 31 of the previous calendar year. The Annual Report shall provide the following information:

1. Graphical and tabular presentation of all monitoring data obtained for the previous years and a trend analysis of the data.
2. The compliance record and corrective actions taken or planned which may be needed to bring the Discharger into full compliance with the waste discharge requirements.
3. Any modification or additions to, or any major maintenance conducted on, the wastewater flow measuring equipment, treatment facilities or disposal facilities during the past year.
4. The amount of liquid evaporated by natural pan evaporation for the previous calendar year.
5. A water balance for each month of the previous year and a table of the influent flow, precipitation and pan evaporation for each month.
6. A report on predicted storage capability for the next year. Using the storage capacity available on December 31 and the previous-year influent flow or the estimated flow in the Report of Waste Discharge (which ever is greater), a seasonal precipitation of 32 inches, and the previous-year evaporation rates, determine the expected monthly storage capacity and elevations of the effluent in the evaporation ponds for each month for the next (current) year. If it is predicted that the expected storage capacity needed will not maintain at least two feet of free board in each pond, the Discharger shall propose and schedule implementation of remedial measures to maintain compliance with waste discharge requirements, and/or prevent Facility overflows.

B. Evaporation Pond Metals Monitoring

Evaporation pond sampling shall be conducted on a five-year cycle. The five-year cycle sampling is primarily to determine if the constituents of the pond liquids, through evaporation, have reached levels at which the wastes are defined as hazardous.

Sampling for water quality shall be conducted in each pond at least once every five years with results reported in the Annual Report. On years when the sampling is not required, a statement indicating the last time the ponds were sampled shall be included in the report with a projected date the sampling will next occur.

Evaporation Pond Metals Monitoring

Minimum

Parameter Units Frequency Detection limit

Antimony ug/l	five-year cycle	100
Arsenic ug/l	five-year cycle	100
Barium ug/l	five-year cycle	100
Beryllium ug/l	five-year cycle	10
Cadmium ug/l	five-year cycle	10
Chromium ug/l	five-year cycle	10
Cobalt ug/l	five-year cycle	40
Copper ug/l	five-year cycle	10
Lead ug/l	five-year cycle	100
Mercury ug/l	five-year cycle	0.5
Molybdenum ug/l	five-year cycle	40
Nickel ug/l	five-year cycle	40
Silver ug/l	five-year cycle	20
Selenium ug/l	five-year cycle	100
Thallium ug/l	five-year cycle	100
Vanadium ug/l	five-year cycle	40
<u>Zinc ug/l</u>	<u>five-year cycle</u>	<u>20</u>

C. Sludge Reporting

The Discharger shall report annually the amount of sludge accumulated in the ponds by both total volume and the percentage of the total storage capacity.

VI. SLUDGE MANAGEMENT PLAN

If the amount by volume of accumulated sludge is greater than 10% of the designed storage volume, the Discharger must submit a plan to remove and dispose of the materials within 180 days of identifying that 10% of the storage volume is consumed by sludge.

The Discharger shall file a completion report once the sludge has been removed that will include the following information:

1. The amount of solids remaining in each pond, if any.
2. The date and quantity of any sludge removed and disposed.

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3. A representative composite sample of the sludge shall be collected and analyzed for the following constituents.
 - a. Total nitrogen
 - b. Organic and inorganic persistent and bioaccumulative toxic substances in California Code of Regulations, title 22, section 66261.24, subdivision (a)(2)(A) and (a)(2)(B).
4. The location of where the sludge was disposed and the name, address, and phone number of the operator.

VII. CONTINGENCY RESPONSE

If the Discharger cannot provide the certification in section IV.B.8 of this monitoring and reporting program, then the Discharger shall take the following procedural steps to determine if the Facility is affecting the groundwater.

1. Resample all the monitoring wells for all constituents, submit the data to the Water Board within 30 days of the discovery of the increase, and provide an analysis that evaluates whether the concentrations of monitored constituents are increasing.
2. Produce and provide an investigation, evaluation and monitoring work plan within 120 days from the discovery of an increase in concentrations of monitored constituents. The work plan must describe how an investigation and evaluation will be conducted to determine if the Facility is causing or contributing to the increase in the concentrations of constituents in ground water, and provide a schedule for completing the evaluation.
3. If the results of the investigation work plan confirm the Facility is the source of the increases in the monitored ground water constituents, the Discharger shall, within 90 days of the determination, propose corrective measures for acceptance by the Water Board's Executive Officer.

Compliance with the procedures described above does not preclude or limit the Water Board from taking other enforcement action as authorized by law.

Ordered By Date May 11, 2006

HAROLD J. SINGER
EXECUTIVE OFFICER

Attachments: 1. Certified Cover Letter
2. General Provisions for Monitoring and Reporting ATTACHMENT 1
Date

California Regional Water Quality Control Board
Lahontan Region
2501 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

Facility Name:

Address:

Contact Person:

Job Title:

Phone:

Email: _____

WDR/NPDES Order Number:

WDID Number:

Type of Report (circle one): **Monthly Quarterly Semi-Annual Annual Other**

Month(s) (circle applicable month(s)*: **JAN FEB MAR APR MAY JUN**

JUL AUG SEP OCT NOV DEC

***annual Reports** (circle the first month of the reporting period)

Year:

Violation(s)? (Please check one): _____ **NO YES***

***If YES is marked complete a-g (Attach Additional information as necessary)**

a)	Brief	Description	of	Violation:
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b) Section(s) of WDRs/NPDES

Permit Violated: T:\Mailed Typing\N. Basin Regul\Spalding WDR\spalding final\mr ATTACHMENT 1_SLT.doc

c) Reported Value(s) or Volume:

d) WDRs/NPDES

Limit/Condition:

e) Date(s) and Duration of

Violation(s):

f) Explanation of Cause(s):

g) Corrective Action(s)

(Specify actions taken and a schedule for actions to be taken)

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision following a system designed to ensure that qualified personnel properly gather and evaluate the information submitted. Based on my knowledge of the person(s) who manage the system, or those directly responsible for data gathering, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

If you have any questions or require additional information, please contact _____ at the number provided above.

Sincerely,

Signature: _____

Name:

Title: ATTACHMENT 2

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION

GENERAL PROVISIONS

FOR MONITORING AND REPORTING

1. SAMPLING AND ANALYSIS

- a. All analyses shall be performed in accordance with the current edition(s) of the following documents:
 - i. Standard Methods for the Examination of Water and Wastewater
 - ii. Methods for Chemical Analysis of Water and Wastes, EPA
- b. All analyses shall be performed in a laboratory certified to perform such analyses by the California State Department of Health Services or a laboratory approved by the Regional Board Executive Officer. Specific methods of analysis must be identified on each laboratory report.
- c. Any modifications to the above methods to eliminate known interferences shall be reported with the sample results. The methods used shall also be reported. If methods other than EPA-approved methods or Standard Methods are used, the exact methodology must be submitted for review and must be approved by the Regional Board prior to use.
- d. The Discharger shall establish chain-of-custody procedures to insure that specific individuals are responsible for sample integrity from commencement of sample collection through delivery to an approved laboratory. Sample collection, storage, and analysis shall be conducted in accordance with an approved Sampling and Analysis Plan (SAP). The most recent version of the approved SAP shall be kept at the facility.
- e. The Discharger shall calibrate and perform maintenance procedures on all monitoring instruments and equipment to ensure accuracy of measurements, or shall insure that both activities will be conducted. The calibration of any wastewater flow measuring device shall be recorded and maintained in the permanent log book described in 2.b, below.
- f. A grab sample is defined as an individual sample collected in fewer than 15 minutes.
- g. A composite sample is defined as a combination of no fewer than eight individual samples obtained over the specified sampling period at equal intervals. The volume of each individual sample shall be proportional to the discharge flow rate at the time of sampling. The sampling period shall equal the discharge period, or 24 hours, whichever period is shorter. GENERAL PROVISIONS -2- SEPTEMBER 1, 1994

2. OPERATIONAL REQUIREMENTS

a. Sample Results

Pursuant to California Water Code Section 13267(b), the Discharger shall maintain all sampling and analytical results including: strip charts; date, exact place, and time of sampling; date analyses were performed; sample collector's name; analyst's name; analytical techniques used; and results of all analyses. Such records shall be retained for a minimum of three years. This period of retention shall be extended during the course of any unresolved litigation regarding this discharge, or when requested by the Regional Board.

b. Operational Log

Pursuant to California Water Code Section 13267(b), an operation and maintenance log shall be maintained at the facility. All monitoring and reporting data shall be recorded in a permanent log book.

3. REPORTING

a. For every item where the requirements are not met, the Discharger shall submit a statement of the actions undertaken or proposed which will bring the discharge into full compliance with requirements at the earliest time, and shall submit a timetable for correction.

b. Pursuant to California Water Code Section 13267(b), all sampling and analytical results shall be made available to the Regional Board upon request. Results shall be retained for a minimum of three years. This period of retention shall be extended during the course of any unresolved litigation regarding this discharge, or when requested by the Regional Board.

c. The Discharger shall provide a brief summary of any operational problems and maintenance activities to the Board with each monitoring report. Any modifications or additions to, or any major maintenance conducted on, or any major problems occurring to the wastewater conveyance system, treatment facilities, or disposal facilities shall be included in this summary.

d. Monitoring reports shall be signed by:

i. In the case of a corporation, by a principal executive officer at least of the level of vice-president or his duly authorized representative, if such representative is responsible for the overall operation of the facility from which the discharge originates;

ii. In the case of a partnership, by a general partner;

iii. In the case of a sole proprietorship, by the proprietor; or GENERAL PROVISIONS -3-
SEPTEMBER 1, 1994

iv. In the case of a municipal, state or other public facility, by either a principal executive officer, ranking elected official, or other duly authorized employee.

e. Monitoring reports are to include the following:

i. Name and telephone number of individual who can answer questions about the report.

ii. The Monitoring and Reporting Program Number.

iii. WDID Number.

f. Modifications

This Monitoring and Reporting Program may be modified at the discretion of the Regional Board Executive Officer.

4. NONCOMPLIANCE

Under Section 13268 of the Water Code, any person failing or refusing to furnish technical or monitoring reports, or falsifying any information provided therein, is guilty of a misdemeanor and may be liable civilly in an amount of up to one thousand dollars (\$1,000) for each day of violation under Section 13268 of the Water Code.

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