

---

**SISKIYOU LOCAL AGENCY FORMATION  
COMMISSION**

**CITY OF MOUNT SHASTA  
MUNICIPAL SERVICE REVIEW AND  
SPHERE OF INFLUENCE UPDATE**



**APRIL 2021**



# CITY OF MOUNT SHASTA MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

## **Prepared for:**

Siskiyou Local Agency Formation Commission  
806 South Main Street  
Yreka, CA 96097  
Contact Person: Rachel Jereb, Executive Officer  
Phone: (530) 841-2100

## **Consultant:**



901 E. Main Street  
Visalia CA 93292  
Contact: Steve Brandt, Project Manager  
Phone: (559) 733-0440  
Fax: (559) 733-7821

April 2021

# SISKIYOU LOCAL AGENCY FORMATION COMMISSION

## **Commissioners**

Deborah Baird, Chair, City Representative  
Gary Peery, Vice Chair, Public Member-at-Large Representative  
Nancy Ogren, Siskiyou County Representative  
Ed Valenzuela, Siskiyou County Representative  
Matthew Bryan, City Representative

## **Alternate Commissioners**

Michael Kobseff, Siskiyou County Representative  
Michelle DeCausmaker, City Representative  
Laurel Harkness, Public Member-at-Large Public Representative

## **Staff**

Rachel Jereb, Executive Officer  
Janine Rowe, Commission Clerk

## **Legal Counsel**

William Carroll, Legal Counsel

## **Consultant**



901 E. Main Street, Visalia CA 93292

## TABLE OF CONTENTS

<b><i>SECTION 1 - Introduction</i></b> .....	<b>1-1</b>
1.1 - Role and Responsibility of Local Agency Formation Commission (LAFCo) .....	1-1
1.2 - Municipal Service Review Purpose .....	1-1
1.3 - Methodology and Approach .....	1-4
1.4 - Public Review and Adoption Process .....	1-4
1.5 - Required Topic Areas of Analysis .....	1-4
1.6 - Issues Analyzed .....	1-6
1.7 - Background, Setting and History .....	1-7
1.8 - Services Currently Provided .....	1-7
1.9 - Determinations .....	1-9
<b><i>SECTION 2 - Growth and Population Projections</i></b> .....	<b>2-1</b>
2.1 - Historical Data and Population Projections .....	2-1
2.2 - Planning Documents .....	2-2
2.3 - Planning Boundaries .....	2-3
2.4 - Annexations .....	2-5
2.5 - Land Use .....	2-8
2.6 - Regional Housing Needs Allocation/Plan (RHNA/P) .....	2-10
2.7 - Anticipated Service Needs .....	2-11
2.8 - Determinations .....	2-13
<b><i>SECTION 3 - Disadvantaged Unincorporated Communities</i></b> .....	<b>3-1</b>
3.1 - Determinations .....	3-1
<b><i>SECTION 4 - Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies</i></b> .....	<b>4-1</b>
4.1 - Capital Improvement Program (2014/15-2018/19) .....	4-1
4.1.1 - Determinations .....	4-2
4.2 - Water .....	4-3
4.2.1 - Summary Of Prior MSR Findings .....	4-3
4.2.2 - Current Conditions .....	4-3
4.2.3 - Determinations .....	4-5
4.3 - Wastewater .....	4-6
4.3.1 - Summary Of Prior MSR Findings .....	4-6
4.3.2 - Current Conditions .....	4-7
4.3.3 - Determinations .....	4-9
4.4 - Storm Drainage .....	4-11
4.4.1 - Summary Of Prior MSR Findings .....	4-11
4.4.2 - Current Conditions .....	4-11
4.4.3 - Determinations .....	4-12

4.5 - Road Maintenance .....	4-13
4.5.1 - Summary of Prior MSR Findings .....	4-13
4.5.2 - Current Conditions .....	4-13
4.5.3 - Determinations .....	4-14
4.6 - Law Enforcement .....	4-15
4.6.1 - Summary of Prior MSR Findings .....	4-15
4.6.2 - Current Conditions .....	4-15
4.6.3 - Determinations .....	4-18
4.7 - Fire Protection.....	4-19
4.7.1 - Summary of Prior MSR Findings .....	4-19
4.7.2 - Current Conditions .....	4-19
4.7.3 - Determinations .....	4-21
4.8 - Parks and Recreation.....	4-23
4.8.1 - Summary of Prior MSR Findings .....	4-23
4.8.2 - Current Conditions .....	4-23
4.8.3 - Determinations .....	4-24
4.9 - Plans for Future Services .....	4-25
4.9.1 - Determinations .....	4-25
<b><i>SECTION 5 - Financial Ability to Provide Services.....</i></b>	<b><i>5-1</i></b>
5.1 - City Budget.....	5-1
5.1.1 - Rates and Fees.....	5-3
5.1.2 - Proposition 218.....	5-3
5.1.3 - Opportunities for Rate/Fee Restructuring .....	5-4
5.1.4 - Determinations .....	5-4
5.2 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities .....	5-4
5.2.1 - Determinations .....	5-6
5.3 - Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies.....	5-6
5.3.1 - Organizational Structure .....	5-6
5.3.2 - Practices and Performance.....	5-10
5.3.3 - Determinations .....	5-11
<b><i>SECTION 6 - Sphere of Influence Review.....</i></b>	<b><i>6-1</i></b>
6.1 - Sphere of Influence Overview.....	6-1
6.2 - Present and Planned Land Uses.....	6-1
6.3 - Present and Probable Need for Public Facilities and Services .....	6-2
6.3.1 - Disadvantaged Unincorporated Communities.....	6-2
6.4 - Present Capacity of Public Facilities and Adequacy of Public Services .....	6-2
6.5 - Existence of Any Social or Economic Communities of Interest.....	6-3
6.6 - Mt. Shasta Sphere of Influence Recommendations .....	6-3
<b><i>SECTION 7 - References.....</i></b>	<b><i>7-1</i></b>

## LIST OF FIGURES

Figure 1-1 Regional Location .....	1-2
Figure 1-2 City of Mt. Shasta City Limits and Sphere of Influence .....	1-3
Figure 2-1 City of Mt. Shasta Planning Boundaries .....	2-4
Figure 2-2 Proposed Annexation – Rosenberg Site.....	2-6
Figure 2-3 Existing Developed Areas within the Sphere of Influence .....	2-7
Figure 2-4 Vacant Parcels near Mt. Shasta .....	2-12
Figure 3-1 Median Household Income (2016) .....	3-2
Figure 3-2 Potential Disadvantaged Unincorporated Communities.....	3-3
Figure 5-1 City of Mt. Shasta Organizational Chart.....	5-7

## LIST OF TABLES

Table 1-1 Services Matrix within the City of Mt. Shasta .....	1-9
Table 2-1 Historical Population Growth (1970-2040) .....	2-2
Table 2-2 Mt. Shasta 2014-2019 Housing Allocation .....	2-11
Table 4-1 Water Operations Fund Expenditures.....	4-4
Table 4-2 Wastewater Operations Fund Expenditures .....	4-8
Table 4-3 Mt. Shasta Road Projects .....	4-14
Table 4-4 2013-2016 Reported Crime Statistics (Category I Crimes).....	4-17

## **SECTION 1 - INTRODUCTION**

### **1.1 - Role and Responsibility of Local Agency Formation Commission (LAFCo)**

The Siskiyou Local Agency Formation Commission (LAFCo) is the oversight agency for special districts and cities within Siskiyou County. The role of LAFCo under the Cortese-Knox-Hertzberg Reorganization Act of 2000 is to oversee local agency boundary changes and to adopt spheres of influence for local agencies. Among the purposes of LAFCOs are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local agencies.

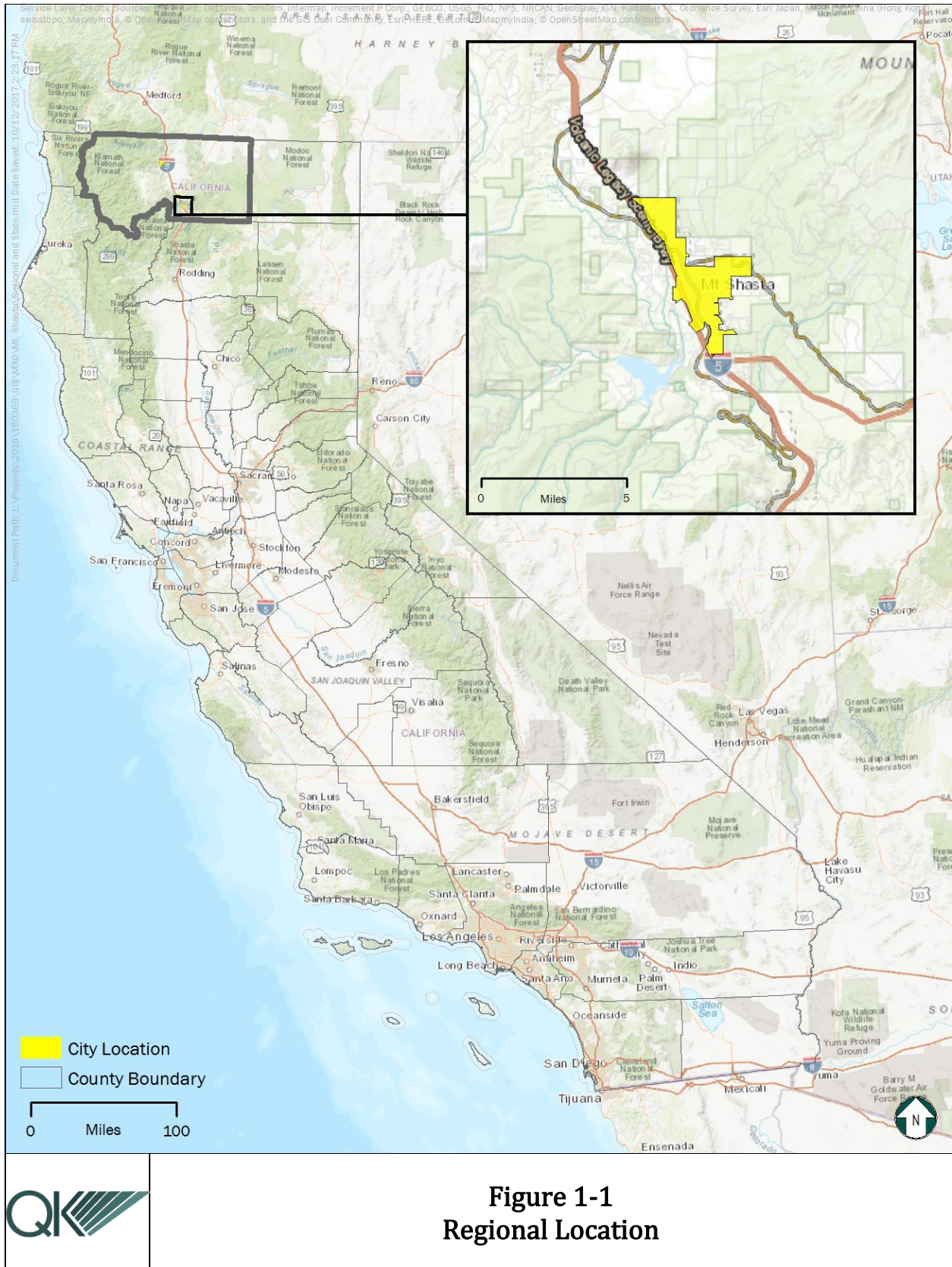
As such, LAFCo is considered the “watchdog” of local agencies by the State Legislature and is solely empowered with establishing spheres of influence that dictate the provision of future service delivery to orderly growth of that agency. Therefore, it is LAFCo’s responsibility to review the information available regarding services provided by an agency and make appropriate determinations that will establish future policy for future boundary decisions, such as annexations, for the corresponding jurisdiction.

### **1.2 - Municipal Service Review Purpose**

The Municipal Service Review (MSR) process is a comprehensive assessment of the ability of existing government agencies to provide services effectively and efficiently to residents and users. The form and content of the MSR is governed by requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and the State of California’s Local Agency Formation Commission (LAFCo) MSR Guidelines (Guidelines), published in August 2003.

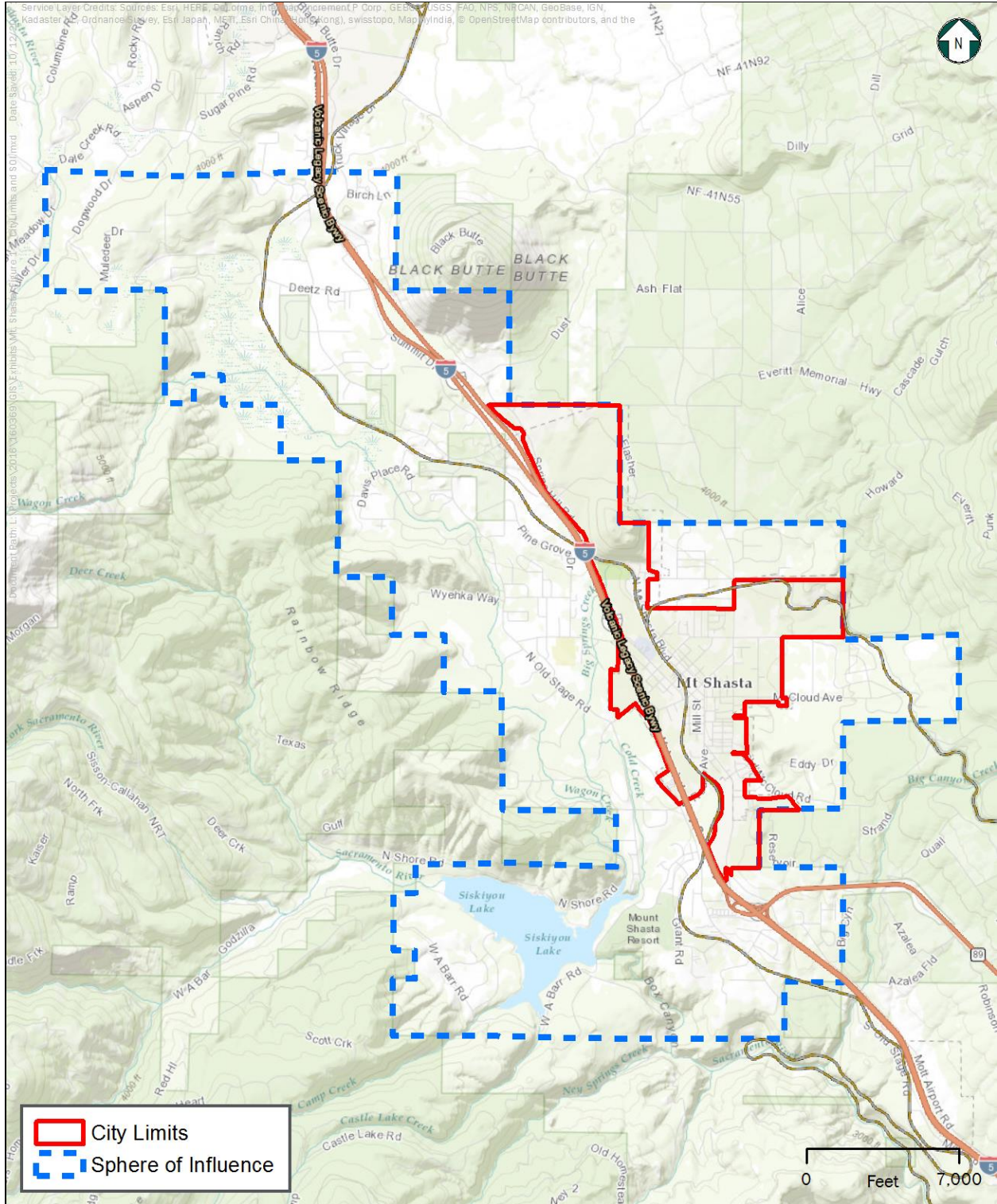
The CKH Act requires all LAFCOs, including Siskiyou LAFCo, to prepare an MSR for each of its incorporated cities and special districts. The fundamental role of LAFCo is to implement the CKH Act by providing for the logical, efficient, and most appropriate formation of local municipalities, service areas, and special districts. These MSRs must be completed prior to, or in conjunction with, the update of a Sphere of Influence (SOI) or before LAFCo initiates any reorganization of district boundaries.

This review is intended to provide Siskiyou LAFCo with all necessary and relevant information related to the operations and management of the City of Mount Shasta, or Mt. Shasta, (the City). The City is located approximately 38 miles southeast of Yreka, CA along I-5 in southern Siskiyou County (see Figure 1-1 and Figure 1-2). The information in this report may be used in considering an update to the City’s SOI by Siskiyou LAFCo or for other policy related decisions related to the City.



**Figure 1-1  
Regional Location**





**Figure 1-2**  
**City of Mt. Shasta**  
**City Limits and Sphere of Influence**

MSRs are intended to provide LAFCo with a comprehensive analysis of service provision by cities and other service providers within the legislative authority of LAFCo. The MSR focuses on service providers within the area of the City and will make determinations in each area of evaluation, providing the basis for Siskiyou LAFCo to review possible amendments to the Sphere of Influence or possible reorganization, consolidation, or annexation with those other service providers.

### **1.3 - Methodology and Approach**

The process of developing the MSR began with a kick-off meeting to discuss the existing services provided by the City to its residents. Following the meeting, a comprehensive survey was sent to the City of Mt. Shasta staff. The purpose of the survey was to retrieve more specific and technical information regarding the City's operations and delivery of its various services. The information requested included documents such as planning and budgetary documents, adopted budgets, Capital Improvement Programs, technical or special studies, and any other records related to the provision of municipal services by the City.

### **1.4 - Public Review and Adoption Process**

Two drafts of the MSR document will be presented to LAFCo. A first draft will allow for public comments and a final draft will be presented to the Commission for formal acceptance. The final draft will incorporate any/all revisions, corrections, and responses to comments received at the prior public workshop.

### **1.5 - Required Topic Areas of Analysis**

The MSR contains analysis and conclusions, referred to as determinations, regarding six topic areas set forth in the CKH Act. These areas of analysis contain the essential operational and management aspects of each service provider, and together constitute a complete review of the ability of the providers to meet the service demands of the residents and businesses within the City. The six topic areas used for analysis in this MSR are as follows:

1. Growth and Population Projections
2. Disadvantaged Unincorporated Communities
3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies
4. Financial Ability to Provide Services
5. Status of, and Opportunities for, Shared Facilities
6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies

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

1. *Growth and Population Projections*

Service efficiency is linked to a service provider's ability to plan for the future need of a city while also meeting existing service demands. This section reviews projected service demands and needs based upon existing and anticipated growth patterns and population projections. This is found in Section 2.

2. *The Location and Characteristics of any Disadvantaged Unincorporated Communities within or Contiguous to the Sphere of Influence*

Unincorporated disadvantaged communities, as defined by Water Code §79505.5, may lack basic infrastructure, such as water, sewer, or fire protection, because they may have been overlooked during the comprehensive land use planning process due to their socioeconomic status. To promote equality and environmental justice in accordance with adopted local policy and Senate Bill 244, which was adopted in 2011, the proximity of any disadvantaged community to existing service providers is analyzed and discussed in order to determine if the community should be included in the SOI of the City. This is found in Section 3.

3. *Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies*

Infrastructure can be evaluated in terms of condition, capacity, availability, quality, and relationship to operational, capital improvement and finance planning. This section assesses the adequacy and quality of the service providers' physical infrastructure and analyzes whether or not sufficient infrastructure and capital are in place (or planned for) to accommodate planned future growth and expansions. This is found in Section 4.

4. *Financial Ability to Provide Services*

This section analyzes the financial structure and health of the City with respect to the provision of services. Included in this analysis is the consideration of rates, service operations, and the like, as well as other factors affecting the City's financial health and stability, including factors affecting the financing of needed infrastructure improvements and services. Compliance with existing State requirements relative to financial reporting and management is also discussed. This is found in Section 5.

5. *Status of, and Opportunities for, Shared Facilities*

Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined in this section. Occurrences of facility sharing are listed and assessed for efficiency, and potential sharing opportunities that would serve to better deliver services are discussed. This is found in Section 5.2.

6. *Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies*

This section addresses the adequacy and appropriateness of the agency's existing boundaries and Sphere of Influence and evaluates the ability of the City to meet their service demands under their existing government structure. Also, included in this section is an evaluation of compliance by the agency with public meeting and records laws. This is found in Section 5.3.

## **1.6 - Issues Analyzed**

The City of Mt. Shasta (City) is a general law city located approximately 38 miles southeast of Yreka, CA along I-5 in southern Siskiyou County (Northern California), encompassing approximately four square miles. The City was established in 1887 and is empowered to provide various municipal services, including the following, which will be addressed in this MSR:

- Water Infrastructure
- Wastewater Infrastructure
- Storm Drainage
- Roadways
- Law Enforcement
- Fire Protection
- Parks and Recreation
- City Hall

The preamble of the CKH Act contains a number of legislative findings and declarations that serve as a general guide for LAFCo's and their purpose for being. The first and main declaration is that:

*It is the policy of the State to encourage orderly growth and development, which are essential to the social and economic well-being of the State.*

The Legislature goes on to make further declarations in CKH Section 56001 about how the determination of orderly local government boundaries is important to orderly growth and development. The Legislature also makes the following declarations in Section 56001:

*The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas.*

*Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities.*

*The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency,*

*responsibility should be given to the agency or agencies that can best provide government services.*

The main purpose of this MSR is to review past findings, if available, for various City services and evaluate if the level of services currently being provided is operating at a level that is still encouraging orderly growth and efficient service delivery to residents of Mt. Shasta. Once that is determined by LAFCo, then questions regarding SOI and boundary change recommendations can be answered.

### **1.7 - Background, Setting and History**

The City of Mt. Shasta is located in southern Siskiyou County approximately 38 miles south of Yreka, the county seat, at the base of Mount Shasta, its namesake volcano. The City encompasses an area of approximately four square miles. With warm summers and cold winters, the Mt. Shasta area attracts outdoors enthusiasts with its fishing, hunting, camping, hiking, and skiing opportunities (PMC 2007).

Previously known as Strawberry Valley, Berryvale, and Sisson, the present-day City of Mt. Shasta was initially a stopover point for the wave of fortune seekers travelling northward along the Siskiyou Trail after the discovery of gold in Yreka in 1851. Providers of goods and services quickly became established and with the completion of the Central Pacific Railroad in 1887, lumber and tourism took hold. In 1905, the City officially incorporated; however, it was not until 1924 that, by a vote of the people, the City adopted its current name (PMC 2011).

The City is governed by a Council/Manager form of government made up of five Council members elected to four-year, overlapping terms. The fiscal year of the City is from each July 1 to June 30 of the following year.

The City works with other local and regional government agencies including Siskiyou County, the State of California, the Mt. Shasta Recreation and Parks District, the Mount Shasta Fire Protection District, the Shasta Valley Resource Conservation District, the North Coast Regional Water Quality Control Board, the U.S. Forest Service, the California Department of Forestry and Fire Protection (CAL FIRE), the California Department of Transportation (Caltrans) and the Siskiyou County Local Transportation Commission.

### **1.8 - Services Currently Provided**

The City of Mt. Shasta provides a wide range of services including police and fire protection, street maintenance, water distribution, wastewater collection/treatment, snow removal, planning, building and safety, public improvements, animal control and general administration.

City parks are operated and maintained by the Mt. Shasta Recreation and Parks District. Parks and recreational facilities include the Mt. Shasta City Park, Shastice Park, the Sports

Park, Sisson Field, and Sisson Meadows. A further description of each facility and the extent of its current operations are included in Section 4 of this document.

Other essential services provided to the residents of the City are overseen through various other agencies. These agencies fill voids in the municipal service needs of City residents where the City chooses not to or simply cannot provide an identified service, or through mutual aid agreements. These other public agencies include the Mount Shasta Fire Protection District, and the Siskiyou County Transportation Division. Other private entities also meet service needs for residents of the City, such as John Smith Sanitation and Mt. Shasta Ambulance Service.

Table 1-1 lists the services provided in the Mt. Shasta area. The table specifies whether the services can and are being provided now or whether those services are authorized but not being provided currently.

**Provides** - means that the agency is authorized by LAFCo and State law to provide the service and that the service is currently being provided. These services may continue to be provided by the agency at its discretion.

**Authorized** - means that the agency is authorized by LAFCo and State law to provide the service, but this service is not currently being provided.

**Latent** - means that the agency is authorized by State law to provide the service, but districts are first required to gain LAFCo approval before they may begin providing the service. The process to gain LAFCo approval is described in CKH Section 56824.10 et seq. It is similar to an annexation process, requiring an initiating resolution from the agency, followed by LAFCo approval after a public hearing. However, this process is only applicable to special districts' ability to provide new services. Cities are not required to seek LAFCo approval in order to provide another municipal service in accordance with the State Constitution.

**Table 1-1  
Services Matrix within the City of Mt. Shasta**

<b>Municipal Service Type</b>	<b>Mt. Shasta</b>
Water supply	Provides
Water distribution	Provides
Sewer collection & disposal	Provides
Storm drainage	Provides
Flood control	Provides
Street construction	Provides
Street maintenance	Provides
Street lighting	Provides
Street sweeping/snow plowing	Provides
Street landscaping	Provides
Solid waste collection, transfer & disposal	Authorized <sup>1</sup>
Police protection	Provides
Fire protection	Provides
Animal control	Provides
Parks & recreation	Authorized <sup>2</sup>
Airports	Authorized
Ambulance service	Authorized <sup>3</sup>
Emergency medical service	Provides
Heat and power	Authorized
Undergrounding of overhead electrical & communication facilities	Authorized
Generate and sell electricity	Authorized
Community facilities	Authorized
Television/Cable services	Authorized
Transportation	Authorized <sup>4</sup>
Cemeteries	Authorized
Open space conservation	Provides

## **1.9 - Determinations**

**Determination 1-1** – Siskiyou LAFCo has the authority to determine the Sphere of Influence for the City of Mt. Shasta.

**Determination 1-2** - A single multipurpose governmental agency, such as a city, County Service Area, Public Utility District or Community Services District, is the preferred entity by LAFCo and could be accountable for all community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities

<sup>1</sup> Provided under contract through John Smith Sanitation.

<sup>2</sup> Provided through Mt. Shasta Recreation and Parks District.

<sup>3</sup> Provided through Mt. Shasta Ambulance Service.

<sup>4</sup> Provided by Siskiyou County Transportation Division.

especially in urban areas. Governmental services should be given to the agency or agencies that can best provide government services.

**Determination 1-3** - The City of Mt. Shasta is currently providing the following services:

- Water Infrastructure
- Wastewater Infrastructure
- Storm Drainage
- Road Maintenance
- Snow Removal
- Law Enforcement
- Animal Control
- Fire Protection
- City Hall (Administration)

**Determination 1-4** – The following services are currently provided by other agencies or private entities within or around the City of Mt. Shasta:

- Parks and Recreation (Mt. Shasta Recreation and Parks District)
- Solid Waste Disposal (John Smith Sanitation collects solid waste under contract)
- Public Transportation (Siskiyou County-Transportation Division operates STAGE)
- Ambulance Services (Mt. Shasta Ambulance Service)



## **SECTION 2 - GROWTH AND POPULATION PROJECTIONS**

The purpose of this section is to evaluate service needs based on existing and anticipated growth patterns and population projections. The MSR Guidelines call for LAFCo to determine historic and projected growth and absorption patterns in relationship to a service provider's boundaries and SOI. In addition, LAFCo is tasked with evaluating the impact and compatibility of such growth on and with land use plans, services, local government structures and growth patterns.

### **2.1 - Historical Data and Population Projections**

Historical population data and future projections have been obtained from the U.S. Census Bureau, and the California Department of Finance (DOF). For analysis purposes, this data is compared to other source data relating to growth and population including the City's General Plan population projections. According to the California Department of Finance, the City's population is currently 3,355 (as of January 1, 2017), making it the second largest city in Siskiyou County. Historical census data indicates that the City of Mt. Shasta had a population of 3,470 in 1990, 3,621 in 2000, and 3,394 in 2010. According to the DOF, the City experienced its most dramatic population growth between 1970 and 1980, but the population peaked in 2001 and has been declining since then. This negative population trend has affected many of the small cities within rural Siskiyou County since the decline of the timber industry in the 1980s and the recession of the early 21<sup>st</sup> century.

According to U.S. Census Bureau, the City's population, as of January 1, 2015, was 3,312 (1,448 males and 1,864 females). The total number of housing units was 1,966, of which approximately 1,687 were occupied. The breakdown in household size is as follows: one-person household – 42%, two-person household – 40.9%, three-person household – 13.5%, and four or more-person household – 3.6%. The median total household income was \$39,777. The City's General Plan Housing Element (Mintier Harnish 2014) notes that single-family dwelling units comprise 65% of the City's housing inventory, and that 53% of housing units are renter occupied.

According to the 2011-2015 American Community Survey (ACS) five-year estimates, the City's population is comprised of mostly white residents (86.8%). Hispanic/Latino residents account for the next largest non-white racial/ethnic group, but residents claiming some degree of Hispanic race or Latino ethnicity only account for 8.6% of the total population. The City's General Plan Housing Element (Mintier Harnish 2014) notes that the City's racial and ethnic make-up is slowly becoming more diverse.

Based on the City's General Plan (PMC 2007), the population of Mt. Shasta is projected to grow by 0.63% per year on average over the next 20 years. This would result in a population of 4,131 by 2020, 4,368 by 2030, and 4,643 by 2040 (Mintier Harnish 2014). However, based on current declining population trends throughout Siskiyou County, it is unlikely that the City's future growth rates will reach General Plan projections. The California Department of Finance estimates that between January 1, 2016 and January 1, 2017, the population of Mt. Shasta declined by -0.2% (or seven people). Smaller than anticipated growth rates over the

next couple of decades would likely lead to reduced pressure to build new parks and public facilities as a result of immediate or significant growth periods. Additionally, services directly linked to population growth have adequate time to properly plan for when additional resources may be required to accommodate new residents to the region or fill service gaps with existing service to current residents.

Table 2-1 compares the City of Mt. Shasta’s population to the overall population of Siskiyou County for years 1970, 1980, 1990, 2000, 2010, and the projected City and County populations for years 2020, 2030, and 2040.

**Table 2-1  
Historical Population Growth (1970-2040)**

Year	Mt. Shasta		Siskiyou County	
	Population	Average Annual Growth Rate	Population	Average Annual Growth Rate
1970	2,256		33,224	
1980	2,820	+2.50%	39,400	+1.86%
1990	3,470	+2.30%	43,300	+0.99%
2000	3,621	+0.44%	44,281	+0.23%
2010	3,394	-0.63%	44,962	+0.15%
2020	3,343	-0.15% <sup>5</sup>	44,272	-0.15%
2030	3,359	+0.05%	44,492	+0.05%
2040	3,348	-0.03%	44,339	-0.03%

Source: Department of Finance Population Projections, Tables E1 & E4

The current population of Mt. Shasta is approximately 3,355. Based on the City’s historic growth rates, and current population trends, it is unlikely that the City will reach the projected growth rate of 0.63% identified in the General Plan. It is anticipated that the City will continue to experience negative or slow growth, comparable to that of the County as a whole, for the foreseeable future. As indicated in Table 2-1, applying County growth rates to Mt. Shasta results in an estimated City population of 3,343 in the year 2020, and 3,359 by 2030.

## **2.2 - Planning Documents**

The following long-range planning documents have been adopted by the City: 2007 General Plan; 2014-2019 Housing Element (General Plan); and the 2009 Bicycle, Pedestrian, and Trails Master Plan.

The City of Mt. Shasta plans for future growth through the implementation of policies and standards set forth in its General Plan. The General Plan is a long-term, comprehensive framework to guide physical, social, and economic development within the community’s

<sup>5</sup> Growth rate projections beyond 2010 were based on Siskiyou County projected growth rates.

planning area. Mt. Shasta's General Plan is a long-range guide for attaining the City's goals within its ultimate service area and accommodating its population growth to the year 2025. The City of Mt. Shasta General Plan, adopted in August of 2007, coordinates all components of the City's physical development, and sets objectives, policies and standards which guide future growth within the City's planning area.

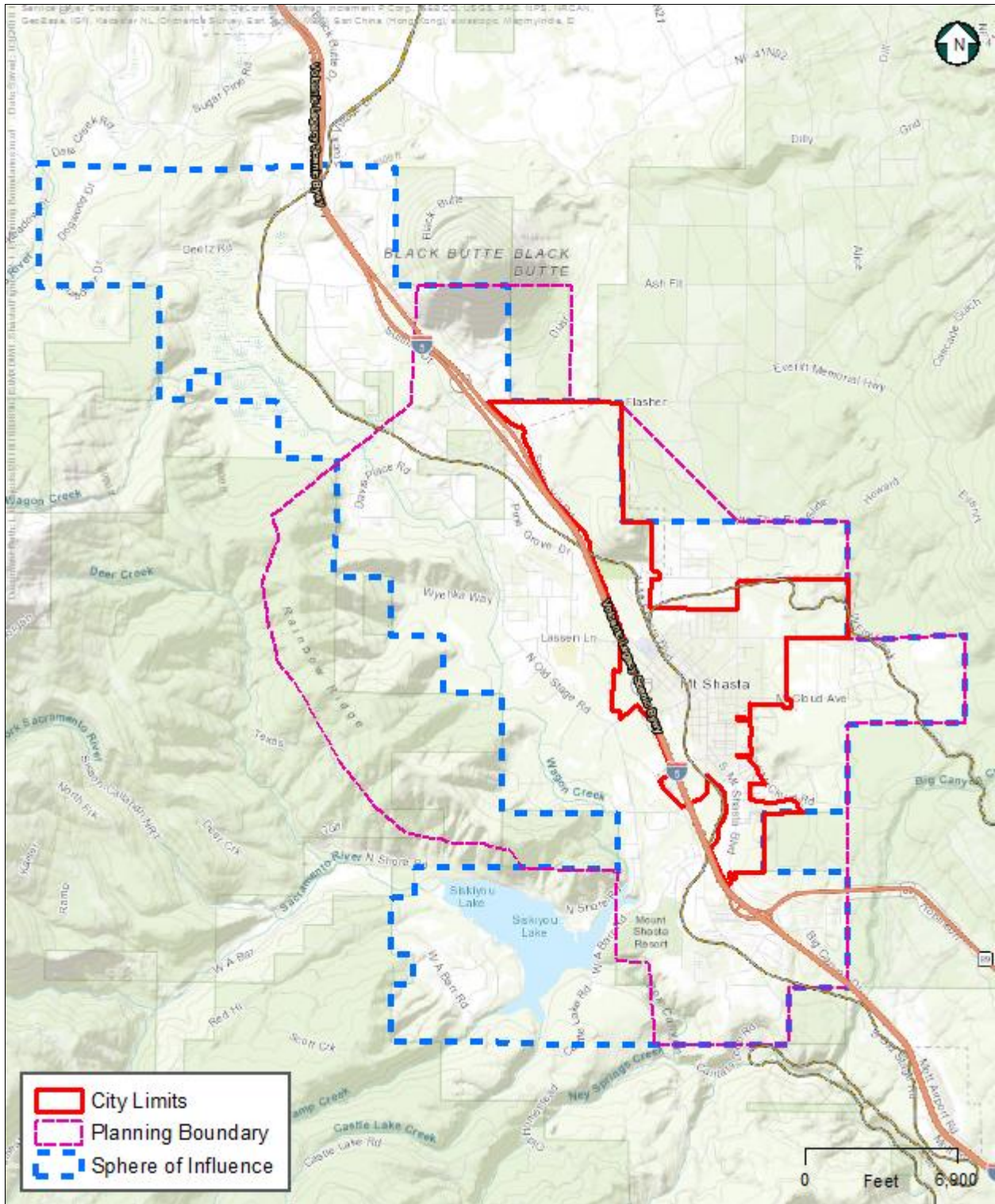
Senate Bill 375 contained a statutory amendment providing an option to applicable transportation agencies to change the update schedules for the Regional Transportation Plan (RTP) and Housing Element (HE). A Metropolitan Planning Organization (MPO) or Regional Transportation Planning Agency (RTPA) on a five-year Regional Transportation Plan (RTP) update schedule can elect to adopt its RTP every four years. After the election is made, all local governments within the region of the MPO or RTPA change from a five-year to an eight-year HE planning period beginning with the next HE update (Department of Housing and Community Development 2014). The Housing Element also needs to be reviewed and approved by the California State Department of Housing and Community Development (HCD). The City of Mt. Shasta Housing Element, while part of the 2007 General Plan, is separately bound and was last adopted on October 13, 2014. It is a five-year planning document (2014-2019). The City's General Plan provides the foundation and policy base to guide future growth within the City.

The City also plans for future growth through the preparation and implementation of Master Plans. The City of Mount Shasta Bicycle, Pedestrian, and Trails Master Plan, adopted February 23, 2009, provides a vision and specific strategies for the improvement of bicycling and walking in the City. The plan is intended as a guide for developing citywide pedestrian and bicycle facilities to promote safe and efficient non-motorized travel.

### **2.3 - Planning Boundaries**

The City of Mt. Shasta's planning area and SOI covers approximately 25 square miles of land, including the approximately four square miles that comprise the City limits, as well as unincorporated portions of Siskiyou County that may affect the City's long-term growth and development potential (see Figure 2-1). The City's planning area covers most of the area known as Strawberry Valley, and is generally defined as the area bound by the crest of Rainbow Ridge on the west, Black Butte on the north, the Shasta-Trinity National Forest boundary on the east, and Box Canyon on the Sacramento River to the south (PMC 2007).

SOI boundaries are determined at the point of a city's ultimate capacity to provide necessary municipal services, and typically correspond to a city's planning area boundary. However, Mt. Shasta's current (2017) SOI extends well beyond the City's current incorporated limits and planning area to areas around Lake Siskiyou, and the Deetz area west of Black Butte. This large SOI was adopted based on the potential service area of the City-operated regional wastewater treatment plant, not necessarily on the expectation that the City would someday annex, or provide services for, the entire area.



**Figure 2-1**  
**City of Mt. Shasta Planning Boundaries**

## **2.4 - Annexations**

According to the City of Mt. Shasta Impact Fee Report dated January 26, 2009, the City of Mt. Shasta is pursuing annexation of a 30-acre portion of the Roseburg property, a City-owned property that lies within the SOI, as shown in Figure 2-2 (PMC 2009). However, it is projected that the majority of new growth in Mt. Shasta will occur within the existing City limits.

There are two policies within the 2025 General Plan related to annexations:

**Policy LU-1.1:** Annexation shall occur only when the proposed use of the property furthers the City's economic development, housing, and/or community planning objectives.

**Policy LU-2.1:** Require pre-zoning and development plans prior to completing annexation procedures.

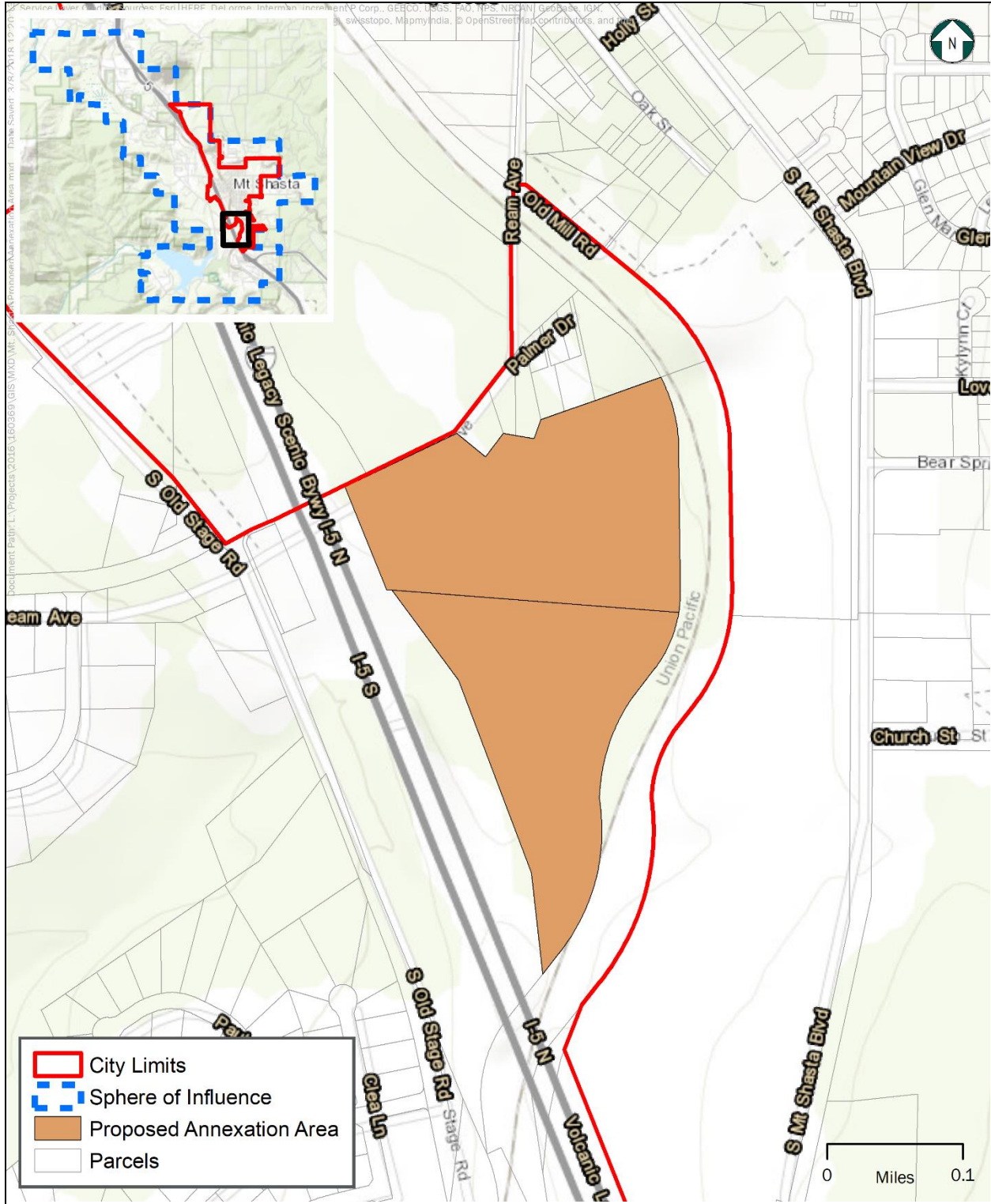
Land within the City Mt. Shasta's SOI boundary may be annexed into the City upon approval by the Siskiyou County LAFCo, thereby transferring land use authority for the land within the SOI from the County of Siskiyou to the City of Mt. Shasta.


The Roseburg property is a 145-acre property that lies at the City's southern limits. Once a major lumber mill and the City's largest employer, the property was deeded to the City in 1989 by the Roseburg Forest Products Company. In 1998, 115 acres of the property were annexed into the City as the Roseburg Commerce Park, or "The Landing". This brownfield site is currently undergoing clean-up and is anticipated to be ready for development by 2020. According to the City's General Plan, the remaining 30 acres were not annexed at the time due to development constraints, but the area was identified as an "opportunity site" for development of affordable housing in the 2005 Affordable Housing Strategy. Annexation of the "Orchard" site, as it is called, is considered infill development due to its location and circumstances (PMC 2009). The City-owned Roseburg property is located near existing infrastructure, including roads, rail, power, and water.

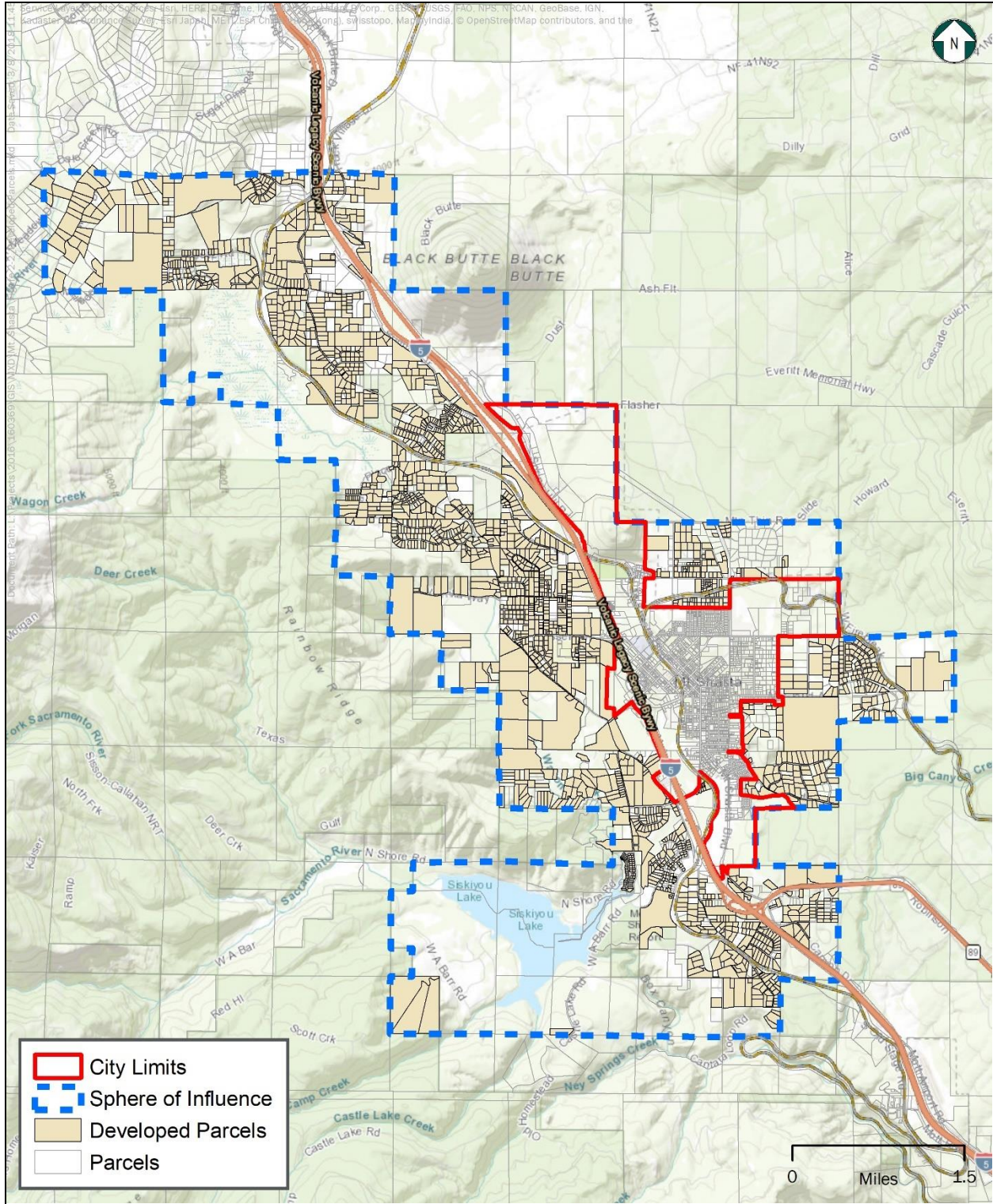
Because growth in Mt. Shasta is currently staled due to a slowed economy and the City's limited housing stock (see Section 2.6), the City is not expected to grow significantly through the addition of new territory to its boundaries in the coming years and, accordingly, major annexations are not anticipated. Development needs will be served by infilling vacant lots within the City's boundaries. Areas within the City's planning area, to both the east (past Everitt Memorial Highway) and west (across I-5) of the City, contain large numbers of single-family homes on large County parcels, and growth to the south is precluded by topography and traffic concerns (PMC 2009). Therefore, any new annexations that may occur would likely be of existing developed areas, which require some form of new service or prefer enhancement of an existing service. Existing developed areas within the existing SOI are shown in Figure 2-3<sup>6</sup>.

---

<sup>6</sup> Developed parcels were derived by identifying parcels with an assessed structure value greater than \$10,000.



 **Figure 2-2**  
**Proposed Annexation – Rosenberg Site**



**Figure 2-3**  
Existing Developed Areas within the Sphere of Influence



## **2.5 - Land Use**

Mt. Shasta is located in the Shasta Cascade region of Northern California. The City is situated on the gently sloping flanks of Mount Shasta, just nine miles southwest of the volcano's summit, and just south of the watershed divide between the Sacramento River and the Klamath River drainages. The City sits at approximately 3,600 feet above sea level. Major access roads include Interstate 5 (I-5) and State Route 89 (SR-89). Development is bisected by the I-5 corridor, while SR-89 terminates at the City's southern extreme.

According to the DOF, the City's current population is approximately 3,355, with a current negative annual growth rate of -0.2%. Although it is the second most populous city in the County, population projections point to an average annual growth rate of less than 1% for the foreseeable future. The City's Housing Element points to a shortage of economic opportunities as the reason for declining growth over the last decade, or so. Only five single-family residential building permits were issued within 2016 (City of Mt. Shasta 2016).

The predominant land uses within the City are residential (largely single-family properties), commercial, and public lands and parks. Tourism and recreational uses form the primary base of the Mt. Shasta economy. Local business and industry occupations provide employment for approximately 1,800 workers, distributed among several sectors such as retail, health and education, recreation and entertainment, and professional services.

The unincorporated area within the City's planning area primarily includes rural residential uses, resource lands, and public lands. As previously stated, the City's Sphere of Influence, which is much larger than the planning area, was created based on the potential service area of the regional wastewater treatment plant, which is operated by the City.

According to the General Plan, residential growth in the planning area has occurred predominately in the unincorporated area outside the City limits. While the City does not have jurisdiction over the areas outside of its incorporated limits, its General Plan does convey "appropriate" land use designations for unincorporated land within its planning area. The City can, and should, encourage the County to not allow conflicting development in areas that may someday be annexed into the City.

The City's 2025 General Plan Land Use Element outlines several policies relating to land management and development within and surrounding the City. Some of these policies, and the goals they were based upon, which could be seen as applicable to the SOI amendment and MSR process are reiterated below.

***Goal LU-1: Consider annexation when lands are needed to accommodate the General Plan growth objectives.***

### ***Policy LU-1.1***

Annexation shall occur only when the proposed use of the property furthers the City's economic development, housing, and/or community planning objectives.



***Goal LU-2: Annexed lands shall be incorporated into the City in conformance with the General Plan.***

***Policy LU-2.1***

Require pre-zoning and development plans prior to completing annexation procedures.

***Goal LU-10: Develop and regularly update a Capital Improvement Program.***

***Policy LU-10.1***

Utilize the Capital Improvement Program as a means of keeping pace with the needs of facilities and infrastructure.

***Goal LU-16: Maintain a wastewater collection system and treatment plant that serves the need of the community.***

***Policy LU-16.1***

Ensure that the growth of the community does not outstrip the capacity of the wastewater collection system and treatment facility.

***Policy LU-16.2***

Require connection to the sewer system for multi-family, commercial, and employment center land uses within the City limits.

***Goal LU-18: Maintain a water supply and distribution system that meets drinking water standards and that serves the domestic and fire protection needs of the community.***

***Policy LU-18.1***

Ensure that the growth of the community does not outstrip the water supply and distribution system of the City.

***Policy LU-18.2***

Require connection to the City's water system for multi-family, commercial, and employment center land uses within the City limits, unless the City determines that it will not be able to serve a proposed project with water service in a timely manner and that the proposed private water system for the project will be adequate and compatible with the City's water system plans.

***Goal LU-19: Provide for the efficient collection, transport, and discharge of stormwater in a safe manner and protect people and property from flooding.***

***Policy LU-19.1***

Utilize the Storm Drainage Master Plan to improve existing storm drainage conditions and ensure adequate storm drainage infrastructure design and construction for future developments.

***Goal LU-20: To establish a clear path for subsequent development of the Spring Hill area and provision of adequate infrastructure to support that development.***

***Policy LU-20.1***

The City will require that a Specific Plan be prepared to encompass the entire Spring Hill area generally from I-5 to Everitt Memorial Highway, and from Ski Village Drive to the City limits north of the Sousa Ready Mix Quarry. The City recognizes that some of the smaller parcels may develop before the Specific Plan has been completed.

***Policy LU-20.2***

Until a Specific Plan is adopted for the Spring Hill area, proposed development along Spring Hill Drive shall be reviewed to consider the following needs:

1. Be designed to connect to municipal services once available;
2. Shall not obstruct or significantly detract from views of Mount Shasta; and
3. Shall incorporate adequate storm water quality provisions.

As prescribed by the General Plan, the City and the County should work closely together to address and manage land use and resource planning issues in the City's Sphere of Influence and planning area.

**2.6 - Regional Housing Needs Allocation/Plan (RHNA/P)**

California's Housing Element Law (Government Code, §§ 65580 et seq.) mandates that a local jurisdiction develop and approve a Regional Housing Needs Allocation (RHNA) to accommodate a share of the region's projected housing needs as part of the process of updating local housing elements of the general plan. HCD is responsible for allocating each region's share of the statewide housing need to each of California's Council of Governments (COG), who in turn allocate a share of the region's housing needs to each of the cities and counties in the region for the planning period. In the case of Siskiyou County, which is a non-COG area, the Siskiyou County Community Development Department is responsible for allocating the RHNA to individual jurisdictions within the County, including Mt. Shasta.

The 2014-2019 Regional Housing Needs Plan (RHNP) was adopted and submitted to HCD in July of 2012. The RHNP establishes the total number of housing units that the City of Mt. Shasta must plan for within a five-year planning period. Based on the adopted RHNP, each city and county must update the housing element of its general plan to demonstrate how the jurisdiction will meet the expected growth in housing need over this period of time.

According to Table 2-2 from the City’s Housing Element, the City of Mt. Shasta will need 45 additional housing units based on the anticipated growth between January 1, 2014 and June 30, 2019. Of these 45 units, 18 of them must be designated for extremely low, very low, and low-income individuals. The Housing Element concluded that “the City had adequate appropriately zoned sites, with supporting public services and utilities, to accommodate its housing needs over the current planning period”.

**Table 2-2  
Mt. Shasta 2014-2019 Housing Allocation**

<b>Total # of Projected Units Needed Based on Growth</b>	<b>Extremely Low Income</b>	<b>Very Low Income</b>	<b>Low Income</b>	<b>Moderate</b>	<b>Above Moderate</b>
45	6 (13.3%)	5 (11.1%)	7 (16.1%)	8 (17.7%)	19 (42%)

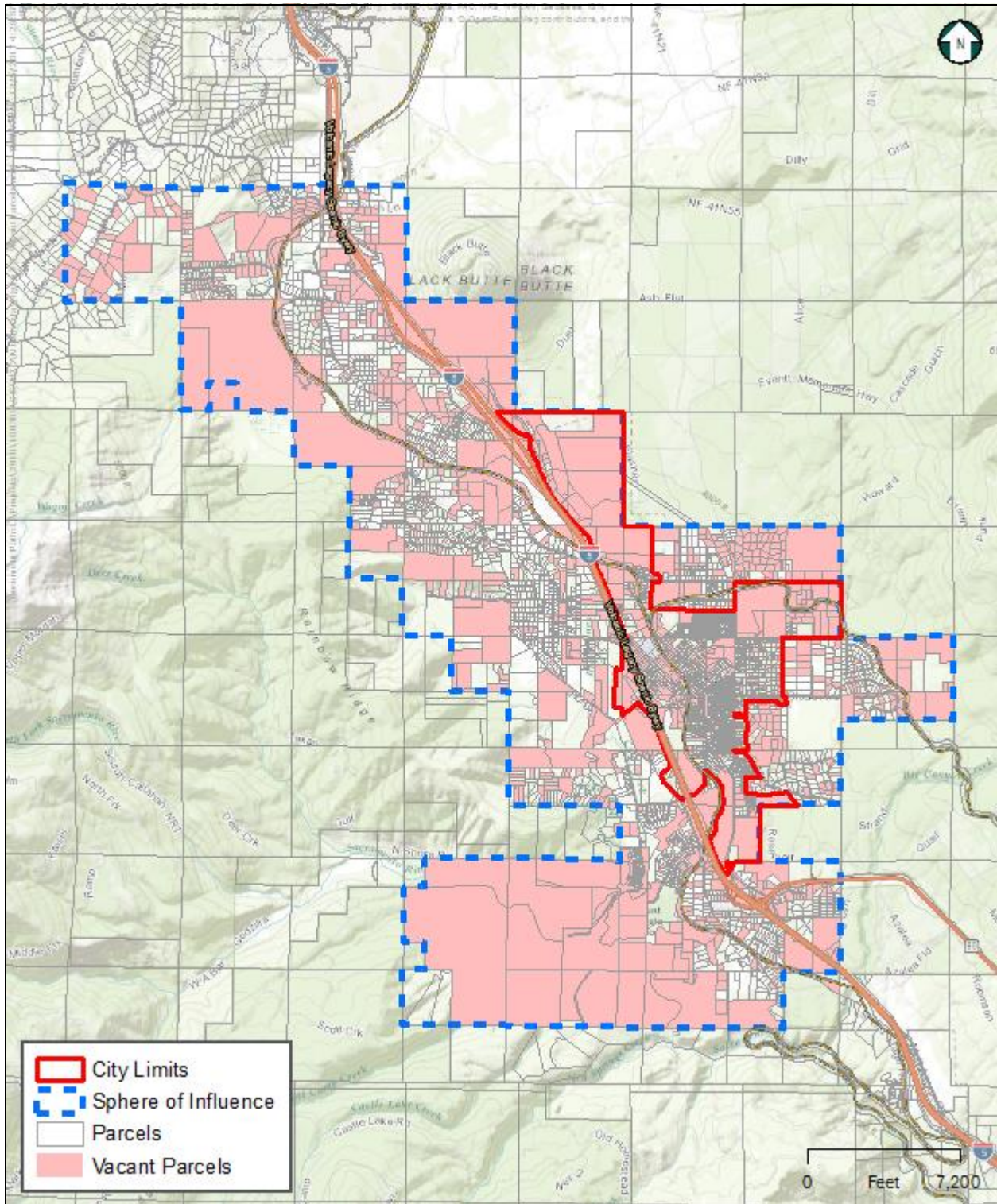
Source: City of Mt. Shasta General Plan, 2014-2019 Housing Element

### **2.7 - Anticipated Service Needs**

The potential for population growth within the City in the coming years is very limited and highly dependent on the economy and the availability of housing. The City of Mount Shasta Impact Fee Report identified the Spring Hill area as the City’s primary growth area, should the economy improve and foster immigration to the City (PMC 2009).

Spring Hill encompasses 588 acres in the northernmost portion of the City, of which approximately 341 acres are developable (PMC 2009). According to the City’s General Plan, it has been identified as a special planning area “because of its unique development opportunities as well as the challenge of infrastructure limitations and development constraints”. The Spring Hill area represents a large portion of the City’s vacant land but lacks the necessary infrastructure for development. The City’s Impact Fee Report identified the potential for approximately 2,585 dwelling unit equivalents (DUEs) in the Spring Hill area, but development would require extension to the City’s water system, upgrades to the existing wastewater system, the development of roads, and additional public works facilities. Prior to development of the area, the City’s General Plan requires that a Specific Plan be prepared to set proposed densities. Development of a Specific Plan will ensure that the City and property owners work together to address and resolve infrastructure constraints.

As shown in Figure 2-4, there are approximately 1,777 parcels which can be identified as vacant and within the City (642 parcels, 36.1%) and the SOI (1,135 parcels, 63.9%). Any development within the Spring Hill area would require development of an area Specific Plan prior to construction. Regardless, these parcels are in areas serviced by the City or other outside agencies and likely have already been considered in master planning efforts for infrastructure or already monitored by safety-oriented service departments, such as police and fire protection.



**Figure 2-4**  
**Vacant Parcels near Mt. Shasta**

## **2.8 - Determinations**

**Determination 2-1** - U.S. Census data indicates that the City had a 1990 population of 3,470, a 2000 population of 3,621, and a 2010 population of 3,394. Current trends indicate that the City's population is declining at an average annual rate of approximately -0.2%.

**Determination 2-2** – Given the City's recent population decline, it is difficult to project future population trends with any degree of reliability, but based on the City's historic growth rates, and current population trends, it is unlikely that the City will reach the projected annual growth rate of 0.63% identified in the General Plan.

**Determination 2-3** - The City plans for future growth through the implementation of policies and standards set forth in its General Plan. The City's General Plan, updated in 2007, is a long-range guide for attaining the City's goals within its ultimate service area and accommodating its population growth to the year 2025. The General Plan provides a policy base to guide future growth within the City.

**Determination 2-4** - The City also plans for future growth through the preparation and implementation of Master Plans. Applicable plans for the City include the City of Mount Shasta Bicycle, Pedestrian, and Trails Master Plan.

**Determination 2-5** - The City's large SOI was adopted based on the potential service area of the City-operated regional wastewater treatment plant, not on the expectation that the City would someday annex, or provide services for, the entire area.

**Determination 2-6** - Present land use in the area includes residential (largely single-family properties), commercial, and public lands and parks. There are not expected to be any substantial changes in the planned land use as a direct result of this review.

**Determination 2-7** - Present needs for public facilities and services are currently being met. Probable needs for public facilities and services are not currently anticipated to vary from present needs, as future demands are expected to remain relatively the same. No significant growth or population increases are currently anticipated that would affect the City's ability to provide services. The City does not have any major plans for future expansion of boundaries.

**Determination 2-8** - The City's General Plan contains a number of policies that ensure the City's infrastructure keeps pace with potential growth and the needs of the community.

**Determination 2-9** – The City's General Plan Housing Element identified the availability of vacant, residentially zoned sites, with supporting public services and utilities, in excess of the City's current share of regional housing needs.

**Determination 2-10** – The City will likely accommodate future growth through infill development and special planning areas within the City, which are already served by the City or have been planned for in master planning documents.

**Determination 2-11** – The City’s annexation of a 30-acre portion of the City-owned Roseburg property is considered infill development due to its location and circumstances.

## **SECTION 3 - DISADVANTAGED UNINCORPORATED COMMUNITIES**

Disadvantaged Unincorporated Communities (DUCs) are defined as inhabited territory (12 or more registered voters) that constitutes all or a portion of a community with an annual median household income that is less than 80% (or \$51,026) of the statewide annual median household income (MHI), which was \$63,783 as of 2016 (U.S. Census Bureau 2016). These communities were identified as an area of concern by Senate Bill 244 that was adopted into State law in 2011. These communities may lack essential municipal services such as water or sewer as they may have been developed prior to infrastructure being installed in proximity to them. Pursuant to State law, LAFCo is now required to identify any DUC adjacent to the City and determine if they should be included with any SOI amendment.

Much of the area outside the existing City limits has a median household income below \$51,026 annually (Figures 3-1 and 3-2). These areas, all within Census Tract 10, are identified as Block Group 1 (\$25,458 MHI), Block Group 2 (33,880 MHI), Block Group 4 (\$39,440 MHI), and Block Group 5 (\$36,780). It is unclear how many registered voters actually reside in these areas of the SOI, but pursuant to Government Code Section 56430, disadvantaged unincorporated communities may lack water, wastewater, and structural fire protection services.

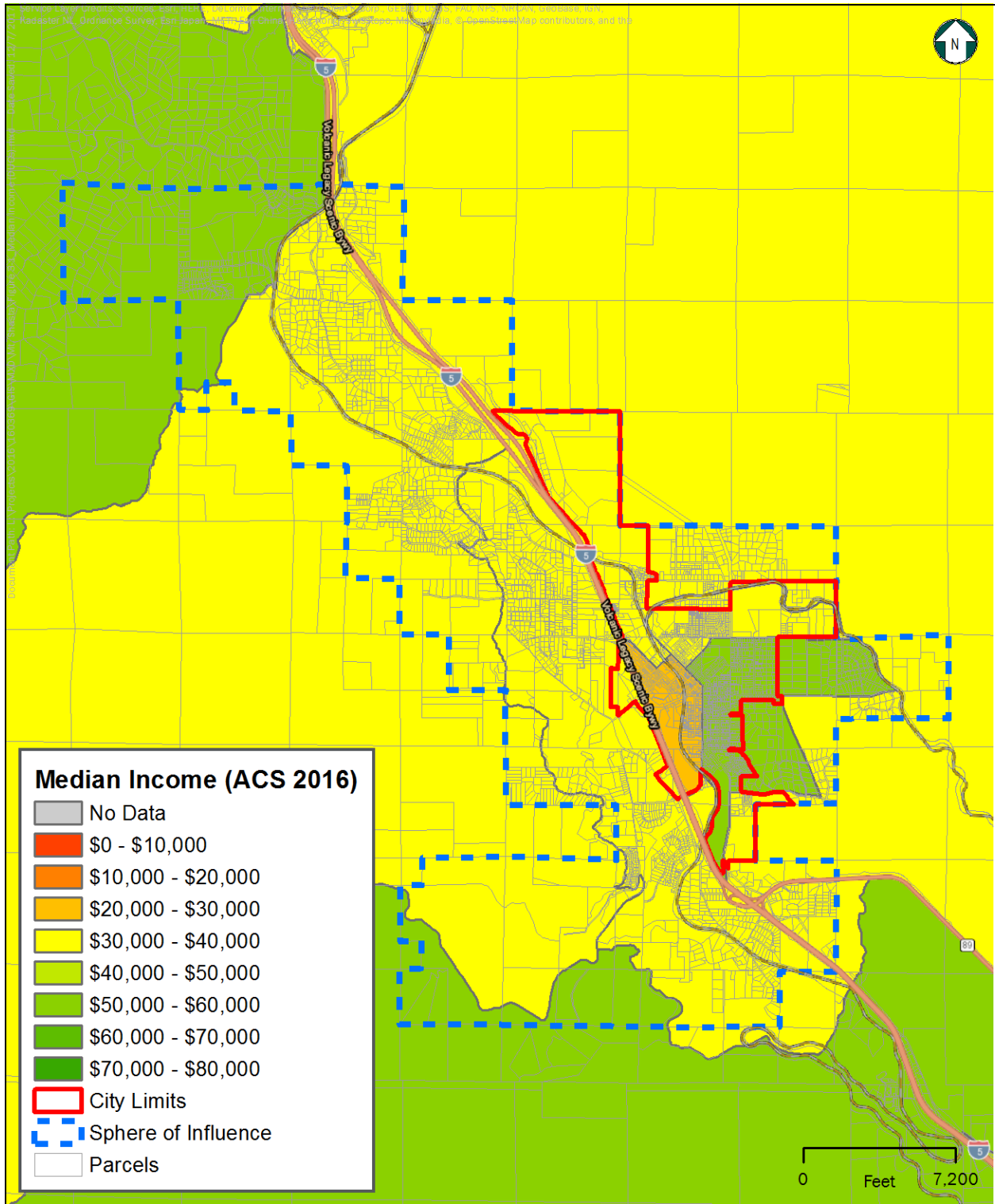
The City provides water and wastewater services to a portion of these areas that lie within the City's planning boundary, especially areas east of the City. However, most of the surrounding County areas are on individual septic tanks and private wells (PMC 2007). The Mt. Shasta Fire Department and the Mount Shasta Fire Protection District work together under an automatic aid agreement to provide fire services throughout the SOI. Based on the information available, it can be determined that, although these areas are currently receiving structural fire protection, some of them should be considered DUCs due to lack of municipal water and wastewater services.

### **3.1 - Determinations**

**Determination 3-1** – There are areas currently within the City's Sphere of Influence that can be considered unincorporated disadvantaged communities due to median household income being below 80% of the statewide average.

**Determination 3-2** – Some of these identified areas currently receive water and wastewater services from the City, but most of the County areas are on individual septic tanks and private wells.

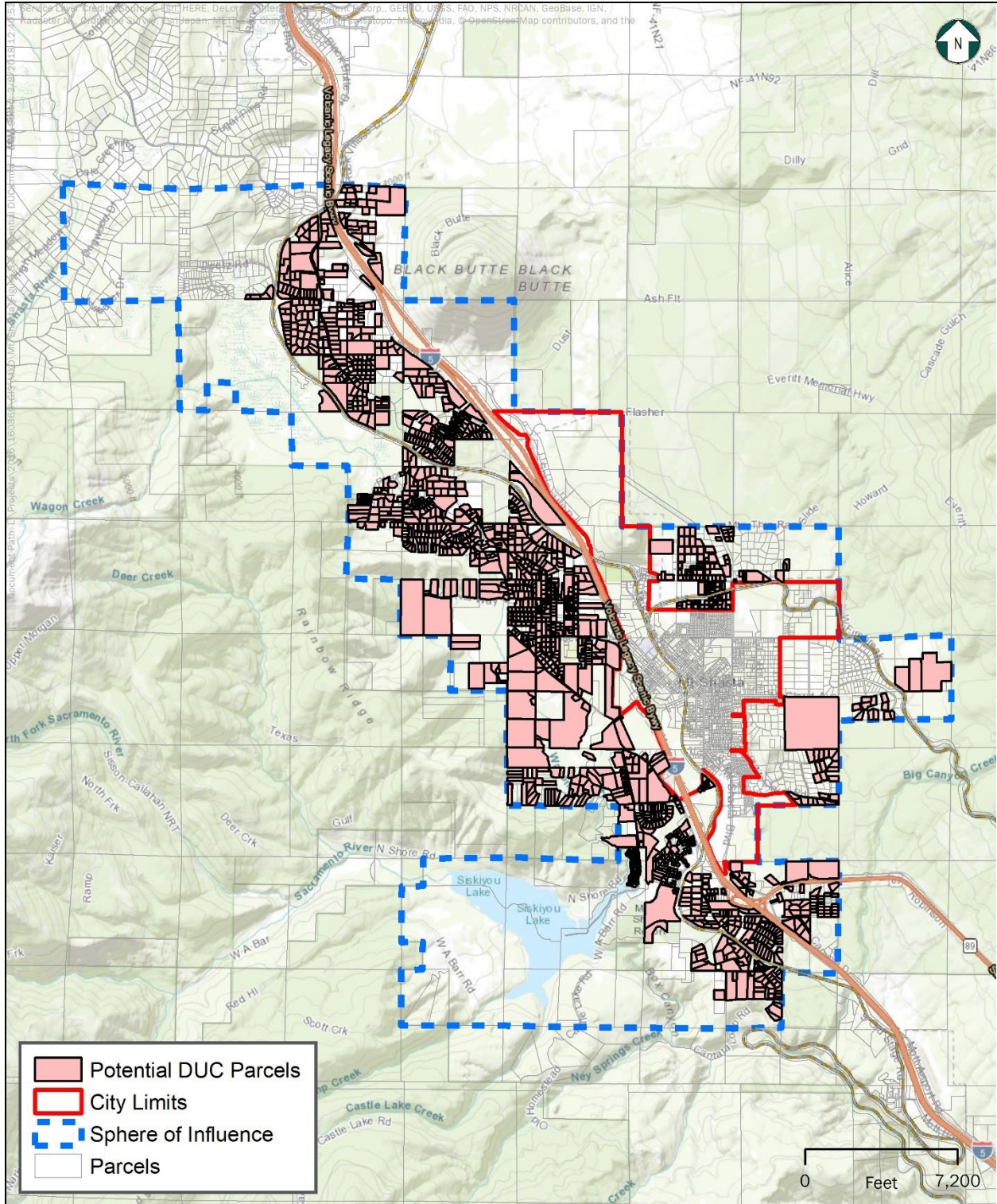
**Determination 3-3** – These identified areas currently receive structural fire protection from the Mt. Shasta Fire Department and the Mount Shasta Fire Protection District through an automatic aid agreement.



**Figure 3-1**  
**Median Household Income (2016)**



# Disadvantaged Unincorporated Communities



**Figure 3-2**  
**Potential Disadvantaged Unincorporated Communities**



**Determination 3-4** – Due to the identified areas not currently receiving the essential municipal services of water, and wastewater, there are communities within the existing Sphere of Influence which may be considered potentially disadvantaged unincorporated community, as shown in Figure 3-2.

**Determination 3-5** – The City should work with the County to develop a memorandum of understanding stating that County development near the City limits shall comply with City development standards.

## **SECTION 4 - PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES**

The purpose of this section is to evaluate the infrastructure needs and deficiencies of the City of Mt. Shasta in terms of availability of resources, capacity to deliver services, condition of facilities, planned improvements, service quality, and levels of service.

LAFCo is responsible for determining that an agency requesting an SOI amendment is reasonably capable of providing needed resources and basic infrastructure to serve areas within the City and its SOI. It is important that these findings of infrastructure and resource availability are made when revisions to the SOI and annexations occur. LAFCo accomplishes this by evaluating the resources and services to be expanded in line with increasing demands.

### **4.1 - Capital Improvement Program (2014/15-2018/19)**

The preparation of the City's five-year Capital Improvement Program (CIP) involves several months of planning and development by key City management team members who evaluate the City's capital investment needs to accommodate the community both now and in the future. The five-year CIP reflects the City Council goals and targets for capital improvements that implement the key deficiencies or needs within the City.

The City's General Plan informs the development of the CIP. All projects are derived from implementation measures outlined in the General Plan, as a means to keep pace with the City's facilities, infrastructure, and equipment needs.

All potential CIP projects are critically reviewed from a variety of perspectives before inclusion in the budget, including (City of Mt. Shasta 2014):

- Input from the community;
- Input from the City Council on area needs that are developed or identified during the year;
- Master Plans for growth, improvements, and rehabilitation for specific programs such as Storm Drains, Transportation, Water, and Sewer; and
- Staff-identified projects based on critical need due to safety issues, or to comply with federal or state mandates.

The most recent CIP available on the City's website was adopted with the fiscal year (FY) 2014-2015 budget. The projects identified in the CIP all enhance the City's ability to deliver essential municipal services to residents within the City limits. The funding for these projects comes from corresponding sources such as the Transportation Tax Fund, Fire Assessment Fund and Wastewater Fund, ensuring that funds are properly allocated to the uses for which the funds were originally established and not reallocated without review by the City Council. The City's General Fund has almost no financing capacity for capital improvement projects

**Capacity of Facilities and Adequacy of Services  
Capital Improvement Program (2014/15-2018/19)**

---

after funding day to day operations. Only Facilities, Special Projects, and Public Safety projects under \$25,000 are included under the General Plan funding category.

The list of CIP projects includes:

- LED Street Light Conversion Project – Conversion of all City street lights to LED;
- The Landing Cleanup Assessment Project – Cleanup assessment of brownfield contaminants at a City-owned former lumber mill site. The City plans to redevelop the site as a commerce park;
- Everitt Memorial/Rockfellow SR2S Project – Pedestrian and bicycle safety upgrades;
- Trail Planning – Planning efforts for a trail between Mt. Shasta and Lake Siskiyou; and
- Sewer Master Plan Update – Consultant update of the City’s Sewer Master Plan.

The Capital Plan also includes the following projects associated with asset maintenance and replacement needs:

- Streets Rehabilitation - \$670,000 towards annual chip seal projects;
- CAD System Replacement – Computer-aided design software replacement;
- Public Safety Facility - \$4,000,000 included in the final year of the plan as a placeholder for a future project; funding unknown; and
- Wastewater Operations – Annual inflow and infiltration repairs and sewer repairs on Old McCloud Road.

#### **4.1.1 - DETERMINATIONS**

**Determination 4.1-1** – The City annually adopts the Capital Improvement Program which identifies key capital projects that are needed in order to enhance services to residents.

**Determination 4.1-2** – The projects identified in the Capital Improvement Program all enhance the City’s ability to deliver essential municipal services to residents within the City’s service area.

## **4.2 - Water**

### **4.2.1 - SUMMARY OF PRIOR MSR FINDINGS**

The City of Mt. Shasta MSR from 2011 identified that the City receives its water supply from Cold Springs and wells within the area, with adequate capacity to meet foreseeable needs. However, the City's 2010 Master Water Plan (in draft form at the time) identified that the existing water infrastructure was aging and in need of upgrades, which included replacement of leaking supply lines, and upgrading of undersized lines to accommodate fire flow requirements. The MSR also noted that the City had indicated intent to pursue various State and federal grants to complete the \$6,249,000 worth of improvements listed in the Master Plan (PMC 2011).

The City's 2010 Water Master Plan (in draft form at the time) identified numerous infrastructure improvements to increase water service, decrease losses, provide adequate fire flows, and improve fiscal viability of the system.

### **4.2.2 - CURRENT CONDITIONS**

The City of Mt. Shasta has owned and operated its own water supply since 1912 (PACE Engineering 2011). The City's water supply is derived from natural springs (Cold Springs) located two miles east of the City at the top of McCloud Avenue, as well as two active deep underground water wells which have a total maximum production of approximately 3.7 million gallons per day (MGD), or approximately 1,351 million gallons per year (MGY). The wells only operate during the summer periods of high demand. The City's water system also includes four storage reservoirs with a total of 1.7 MG of water storage, one booster pump station (used when needed to boost pressure during the summer months), approximately 188 fire hydrants, and approximately 185,000 feet of distribution pipelines.

The City's 2010 Water Master Plan was completed by PACE Engineering in April of 2011. The 2010 Water Master Plan estimated water usage at approximately 635 MGY and 2030 usage at 775 MGY, based on an annual growth rate of 1%. The City's water service area encompasses its incorporated limits and areas outside City boundaries, but within the SOI (including a significant portion east of the City limits). In 2016, the City had 1,834 water service accounts of which 95% were residential (PACE Engineering 2017).

In 2015, the City completed the installation of water meters at every service connection served by the City in compliance with Assembly Bill (AB) 2572, which requires all municipal users to be metered and billed for usage by 2025. Historically, the City has billed a flat fee for service, but on May 30, 2017, the City Council approved a Utility Rate Schedule for water and wastewater based on usage. Annual water utility rate increases were approved through FY 2021-2022, and the new rates went into effect on July 1, 2017. Rates were determined through the 2017 Water Utility Rate Study prepared for the City by PACE Engineering and were developed to ensure sufficient revenues to cover the cost of system operations and maintenance necessary for long-term system reliability.

**Capacity of Facilities and Adequacy of Services  
Water**

Funding for water services has in the past come primarily from the City’s Water Fund. The Water Fund is an Enterprise Fund established to account for the operations and maintenance of, and improvements to the City’s water service utility through user fees (monthly fees as discussed above, and one-time connection fees). On May 26, 2016, the City Council executed a temporary Housing Incentives Program, which includes a temporary 75% reduction in new residential water and sewer connection fees. The water connection fees currently range from \$7,299 per multi-family unit to \$11,774 for a single-family residence. Connection fees provide funds for growth-related improvements to the system. The Water Fund is divided into an Operations Fund and an Improvement Fund. The Water Fund currently has no debt associated with it and shows reserve funding availability. Table 4-1 provides a summary of Water Operations Fund expenditures for FY 2014-2015 through FY 2016-2017.

**Table 4-1  
Water Operations Fund Expenditures**

Source	FY 2016/2017	FY 2017/2018	FY 2018/2019
Personnel & Related Expenses	\$200,210	\$250,801	\$217,004
Contract Services	\$35,350	\$124,092	\$24,087
Administrative Allocation	\$77,900	\$129,206	\$91,840
Repairs, Maintenance, & Utilities	\$70,700	N/A	N/A
Material & Supplies	\$8,850	\$5,271	\$9,248
Insurance, Licenses, & Taxes	\$14,880	N/A	N/A
Depreciation and Amortization	N/A	\$328,202	\$330,121
Transmission and Distribution	N/A	\$80,263	\$121,508
<b>Total</b>	<b>\$407,890</b>	<b>\$917,835</b>	<b>\$793,808</b>

The 2017 Water Utility Rate Study points out that it is not practical to fund high-cost capital infrastructure projects through rate fees alone. However, the City’s newly adopted water usage fees should provide enough reserve to plan for and secure grant funding. In the last few years, the City has successfully secured \$5.53M in grant funding through the Integrated Regional Water Management (IRWM) group. In addition, the City is eligible for up to \$8M in Drinking Water State Revolving Fund (DWSRF) Proposition 1 grants over a five-year period to make improvements to its water infrastructure.

**Needs and Deficiencies**

Water infrastructure needs are determined through the City’s Water Master Plan, scheduled through the Capital Improvement Program and implemented as funds allow. Over the last few years, the City has added water meters to every connection in the City, replaced the old supply pipeline from Cold Springs, and improved distribution system piping in the Big Lakes area (PACE Engineering 2017). In addition, according to the 2017 Water Utility Rate Study, the City is seeking Proposition 1 funding for the following proposed projects:

- Replacement of Tank 1 (original concrete water storage tank at the Quail Hill Tank site) and infrastructure to serve development of Roseburg Commerce Park;
- Replacement of approximately 16,000 feet of steel distribution piping; and
- Development of a new well and storage tank at the base of Spring Hill to improve pressure and fire flows to the Big Lakes area.

Additional water system infrastructure improvements identified in the 2010 Water Master Plan should be pursued as funding becomes available. The City should review capital funding requirements annually and prepare a water rate study every five years to ensure that water rates are providing sufficient revenues to sustain infrastructure upgrades at levels desired for long-term sustainability.

#### **4.2.3 - DETERMINATIONS**

**Determination 4.2-1** – The City provides water to residents within the City limits, and to other areas within the SOI from Cold Springs, and two wells with a combined maximum production of approximately 3.7 MGD, or 1,351 MGY.

**Determination 4.2-2** – The City’s 2010 Water Master Plan estimated water usage at approximately 635 MGY and 2030 usage at 775 MGY.

**Determination 4.2-3** – The City recently installed water meters at every service connection and approved a Rate and Fee Schedule for water service based on usage.

**Determination 4.2-4** – The City’s Water Enterprise Fund currently has no debt associated with it and shows reserve funding availability.

**Determination 4.2-5** – The City should continue to accrue reserve funding to plan for and secure grant funding to finance water infrastructure projects.

**Determination 4.2-6** – The City’s water infrastructure needs are determined through the Water Master Plan. The City updated its Water Master Plan in 2010.

**Determination 4.2-7** – The City should continue to implement the improvements identified in the Water Master Plan as needed.

## **4.3 - Wastewater**

### **4.3.1 - SUMMARY OF PRIOR MSR FINDINGS**

The City of Mt. Shasta MSR from 2011 (PMC 2011) identified that the City was providing collection, treatment, and disposal of wastewater to City residents and to other areas outside City boundaries. The City's wastewater treatment plant (WWTP) was designed with an average dry weather flow (ADWF) of 0.70 MGD and a peak wet weather flow (PWWF) of 2.1 MGD. In 2003, the WWTP had an ADWF of 0.59 MGD. PWWF could not be calculated at the time. The MSR noted that the WWTP was generally in very good to excellent condition.

The 2001 MSR also identified that the City's wastewater collection system consisted of approximately 30 miles of sewer mains and collectors of varying materials and ages, with the oldest being up to 70 years old. The MSR noted that some of the sewers were in poor condition, leading to significant infiltration and inflow of stormwater and groundwater into the sewer system during extremely wet weather.

Future infrastructure needs are determined through the City's Master Sewer Plan (1992), the Wastewater Treatment Plant Capacity Evaluation (2003), and the Sewer System Capacity Evaluation (2010), all completed by PACE Engineering. The Wastewater Treatment Plant Capacity Evaluation identified projects needed to increase ADFW capacity to 0.90 MGD. Recommended improvements that had not yet been completed, include:

- Replace 750 feet of river outfall with 24-inch pipeline and parallel 550 feet with 18-inch pipeline;
- Add two new aerated lagoons totaling 8.5 MG with clay liner and fencing;
- Headworks for new lagoons;
- Modify effluent piping to allow for discharge of blended lagoon and filtered effluent to reclamation site;
- Increase reclamation effluent pumps to 200 HP, if necessary; and
- Electrical modifications and additions.

In addition, the Sewer System Capacity Evaluation identified the following recommended improvements to the City's wastewater collection system that had not been completed:

- Continue to implement comprehensive infiltration and inflow reduction program;
- Install 800 feet of 18-inch pipe from the West Alma Street to East Alma Street;
- Install new manhole in North Mt. Shasta Boulevard;
- Reroute 50 feet of 15-inch main in East Alma Street;
- Replace 700 feet of West Alma Street and Cedar Street 12-inch mains with 18-inch mains;
- Install new manhole in West Alma Street; and
- Replace 600 feet of North Mt. Shasta Boulevard 6-inch main with 15-inch main.



### **4.3.2 - CURRENT CONDITIONS**

Mt. Shasta's wastewater service area encompasses its City limits, as well as approximately 843 acres outside of the City, including the campground and marina on Lake Siskiyou, Mt. Shasta Resort and Golf Course, and Siskiyou Lake Highlands Subdivision. The City's wastewater infrastructure system consists of approximately 30 miles of collection pipelines, a treatment plant and discharge facilities. The Mt. Shasta WWTP was constructed in 1976 and includes headworks (Parshall flume, bar screen, comminutor and grit chamber), four oxidation and stabilization ponds, ballast lagoon dosing basin, dissolved air flotation system, intermittent backwash filter, chlorine contact chamber, dechlorination system and discharge line. Treated wastewater is discharged to the Sacramento River during the non-recreation season (November through April), a leach field located adjacent to SR-89 during recreation season, or to the Mt. Shasta Resort Golf Course to be used for irrigation, per the City's National Pollutant Discharge Elimination System (NPDES) permit.

The Mt. Shasta WWTP is located just south of the City near Lake Siskiyou and provides sewer treatment to 1,941 accounts as of September 2016 (PACE Engineering 2017). As previously discussed, the plant was designed with an ADWF of 0.70 MGD and a PWWF of 2.1 MGD. In 2010, the WWTP had an ADWF of 0.55 MGD and a PWWF of 1.8 MGD (PACE Engineering 2011).

In 2007, the WWTP was determined to be out of compliance with discharge requirements due to new and tighter permit restrictions for copper, ammonia, and zinc. Consequently, the Regional Water Quality Control Board issued a cease-and-desist order with the requirement that the City upgrade the treatment plant to bring it into compliance with effluent requirements. A series of studies and projects were completed for the City to develop a plan to meet interim and final effluent limitations. Most recently, PACE Engineering completed the 2016 Preliminary Engineering and Feasibility Study for State-mandated Wastewater Treatment and Disposal Improvements Project to identify improvements necessary to comply with the City's NPDES permit. Estimated project costs for the recommended improvements total approximately \$19.6M.

As previously discussed in Section 4.2, the City completed the installation of water meters at every service connection served by the City in 2015. Historically, the City has billed a flat fee for residential service. The rate structure for non-residential customers has been based on empirical flow factors. However, on May 30, 2017, the City Council approved a Utility Rate Schedule for water and wastewater based on usage. Single-family residential customers are now charged a monthly flat rate based on the average wintertime water consumption of 175 GPD, or 5,320 gallons per month, and non-residential customers are charged a monthly flat rate based on 90% of monthly water consumption (PACE Engineering 2017). Annual water utility rate increases were approved by through FY 2021-2022, and the new rates went into effect on July 1, 2017. Rates were determined through the 2017 Wastewater Utility Rate Study prepared for the City by PACE Engineering and were developed to ensure sufficient revenues to cover the cost of system operations and maintenance necessary for long-term system reliability.

**Capacity of Facilities and Adequacy of Services  
Wastewater**

Funding for wastewater services has in the past come primarily from the City’s Wastewater Fund. The Wastewater Fund is an Enterprise Fund established to account for the operations and maintenance of, and improvements to the City’s wastewater service utility through user fees (monthly fees as discussed above, and one-time connection fees). On May 26, 2016, the City Council executed a temporary Housing Incentives Program, which includes a temporary 75% reduction in new residential water and sewer connection fees. The sewer connection fees currently range from \$9,010 per multi-family unit to \$14,533 for a single-family residence. Connection fees provide funds for growth-related improvements to the system. The Wastewater Fund is divided into an Operations Fund and an Improvement Fund. The Wastewater Fund currently has a debt obligation of approximately \$1,098,059 from a 2008 California Infrastructure and Economic Development Bank loan for a sewer interceptor project. The debt is scheduled to be paid off by the end of 2038. Table 4-2 provides a summary of Wastewater Operations Fund expenditures for FY 2014-2015 through FY 2016-2017. FY 2016-2017 shows a one-time capital outlay for a sanitary sewer overflow (SSO) project.

**Table 4-2  
Wastewater Operations Fund Expenditures**

Source	FY 2016/2017	FY 2017/2018	FY 2018/2019
Personnel & Related Expenses	\$265,484	\$0	\$294,311
Contract Services	\$116,725	\$0	\$69,138
Administrative Allocation	\$117,400	\$144,125	\$188,602
Repairs, Maintenance, & Utilities	\$183,178	N/A	N/A
Material & Supplies	\$57,900	\$0	\$77,188
Insurance, Licenses, & Taxes	\$29,405	N/A	N/A
New Connection Expenses	\$0	N/A	N/A
Misc. Expenses	\$75,000	N/A	\$3,610
Debt Service (*Interest Only)	\$76,809	N/A	N//a
Treatment and Disposal	N/A	\$498,118	\$195,930
Depreciation and Amortization	N/A	\$260,668	\$245,621
Transmission	N/A	\$256,810	\$41,832
<b>Total</b>	<b>\$921,901</b>	<b>\$1,059,721</b>	<b>\$1,116,232</b>

The increase in expenses for FY 2015-2016 was the result of additional administrative overhead and contract services associated with capital projects. The \$75,000 “misc. expense” listed in FY 2016-2017 is for an SSO into Lake Siskiyou as a result of a downed tree severing a portion of the wastewater interceptor pipeline.

The 2017 Wastewater Utility Rate Study points out that it is not practical to fund high-cost capital infrastructure projects through rate fees alone. However, the City’s newly adopted wastewater usage fees should provide enough reserve to plan for and secure grant funding. As previously stated, the cost for the State-mandated improvement project is approximately

\$19.6M, while proposed interceptor/collector upgrades are projected to cost approximately \$7.5M. The City has been successful in securing planning grants to complete planning and environmental work for these projects. The Rate Study recommended that the City aggressively pursue Clean Water State Revolving Fund (CWSRF), United States Department of Agriculture Rural Development (USDA RD), and Proposition 1 funding going forward. The City has identified the availability of grant sources to fund State-mandated infrastructure upgrades and system expansions as the primary concern for the continued successful provision of service.

### **Needs and Deficiencies**

Wastewater infrastructure needs are determined through the City's Master Sewer Plan, the Sewer System Capacity Evaluation, and the Wastewater Treatment Plant Capacity Evaluation, as well as the 2016 Preliminary Engineering and Feasibility Study for State-mandated Wastewater Treatment and Disposal Improvements Project. All capital projects are scheduled through the Capital Improvement Program and implemented as funds allow. In addition to the City's ongoing Infiltration and Inflow Reduction Program, the following projects are necessary to comply with requirements set forth in the City's NPDES permit, and to ensure continued service of the City's wastewater collection system (PACE Engineering 2017):

- State-mandated WWTP Improvement Project: Replacement of existing lagoon-based treatment system with an activated sludge-type treatment system;
- Interceptor Sewer Replacement Project: Replacement of aged and undersized wastewater interceptor pipeline;
- Downtown Sewer Replacement Project: Replacement of existing gravity sewer on Mt. Shasta Boulevard, south of Alma Street, to increase capacity; and
- McCloud Avenue Sewer Replacement Project: Replacement of existing vitrified clay pipe (VCP) on McCloud Avenue, to alleviate root-intrusion problems.

Additional wastewater system infrastructure improvements identified in the City's Master Sewer Plan should be pursued as funding becomes available. The City should review capital funding requirements annually and conduct a wastewater rate study every five years to ensure that wastewater rates are providing sufficient reserve revenues to sustain infrastructure upgrades at levels desired for long-term sustainability.

### **4.3.3 - DETERMINATIONS**

**Determination 4.3-1** – The Mt. Shasta WWTP provides sewer treatment to 1,941 residential and commercial accounts located both within the City and in unincorporated areas outside of the City.

**Determination 4.3-2** – The Mt. Shasta WWTP was designed with an average dry weather flow (ADWF) of 0.70 MGD and a peak wet weather flow (PWWF) of 2.1 MGD. In 2010, the WWTP had an ADWF of 0.55 MGD and a PWWF of 1.8 MGD.

**Determination 4.3-3** – The City is currently out of compliance with discharge requirements related to its National Pollutant Discharge Elimination System (NPDES) permit. State-mandated wastewater treatment and disposal improvements totaling \$19.6M are necessary to bring the system into compliance.

**Determination 4.3-4** – The City recently installed water meters at every service connection and approved a Rate and Fee Schedule for wastewater service based on water usage.

**Determination 4.3-5** – The City’s Wastewater Enterprise Fund currently shows no reserve funding availability (FY 2016-2017 budget) and has a remaining debt balance of approximately \$1,098,059.

**Determination 4.3-6** – The City’s wastewater infrastructure needs are determined through the City’s Master Sewer Plan, the Sewer System Capacity Evaluation, and the Wastewater Treatment Plant Capacity Evaluation.

**Determination 4.3-7** – The City should aggressively pursue State and federal grant funding to finance State-mandated infrastructure improvements and system upgrades in order to aid with upgrades and gain compliance with State standards.

## **4.4 - Storm Drainage**

### **4.4.1 - SUMMARY OF PRIOR MSR FINDINGS**

The City of Mt. Shasta MSR from 2011 (PMC 2011) identified that the City was providing adequate flood control and drainage services through a series of aboveground ditches and underground pipes. However, it was noted that the City had experienced flooding during times of heavy rainfall and snow melt.

Future infrastructure needs are determined through the City's Storm Drainage Master Plan, completed for the City by Kellogg Engineering in 1998. Recommended improvements that had not yet been completed at the time of the MSR included:

- Finish curb and gutter along Jessie Street to channelize surface flow from normal storm events and to accommodate potential overflow from an upstream culvert;
- Install new 36-inch pipe and catch basins to replace a surface pipe and two 24-inch sections of pipe along Water Street;
- Install new 36-inch pipe and catch basins along Smith Street to an existing surface ditch above Eiler Road;
- Install curb and gutter along McCloud Avenue to eliminate shoulder erosion and roadway damage;
- Install asphalt swale on east side of Washington Drive and curb and gutter on a portion of the west side of Washington Drive to prevent erosion and roadway damage; and
- Install curb and gutter in an older, existing neighborhood down gradient of the Cold Creek drainage.

### **4.4.2 - CURRENT CONDITIONS**

The City of Mt. Shasta Public Works Department maintains a storm drain system that is separate from the sewer system. Urban runoff from areas located within the City limits is primarily discharged to the Sacramento River, via local tributaries, including Cold Creek and Old Mill Creek, that drain to Shasta Lake. The drainage infrastructure is comprised of surface ditches and natural waterways, and a variety of different types of pipes (clay, iron, concrete, and corrugated metal) below the City's streets. Within roadways, much of the stormwater travels along curbs, gutters, and other inlets within the right-of-way. The City has a Storm Drainage Master Plan that was adopted in 1996. The Master Plan evaluated these storm drain facilities, and found that, in some instances of heavy rain or snow melt, the system was incapable of intercepting and conveying flows, resulting in localized flooding. Lack of curb and gutter to funnel surface flows was noted as a common precondition to property flooding.

The City's mid-year operating budget for FY 2016-2017 includes \$26,270 in expenditures for drainage services, mostly for salaries and administration. Funding for these services has in the past come primarily from the City's General Fund and a Drainage Fund. The Drainage Fund is an Enterprise Fund established to account for the operations and maintenance of the

City's drainage utility through user fees (monthly fees, and one-time connection fees starting at \$200). The Drainage Fund is divided into an Operations Fund and an Improvement Fund, but according to the City's Capital Improvement Program, the fund's current rate structure does not have the capacity to finance capital projects, and the City cannot easily change their rates since the fund was established pre-Proposition 218. Therefore, drainage projects rely on a mix of General Fund monies, the Drainage Fund, Transportation Funds, grants, and developer contributions.

### ***Needs and Deficiencies***

Storm drain infrastructure needs are determined through the City's Storm Drainage Master Plan, scheduled through the Capital Improvement Program and implemented as funds allow. Identified improvements include the installation of new subsurface drainage infrastructure, as well as curb and gutter. The City requires new development to provide flood retention facilities as necessary to avoid increasing peak storm runoff in drainage channels.

#### ***4.4.3 - DETERMINATIONS***

**Determination 4.4-1** – The City maintains a storm drainage system that is separate from the sewer system.

**Determination 4.4-2** – The City's storm drain infrastructure needs are determined through the Storm Drainage Master Plan.

**Determination 4.4-3** – The City utilizes a Capital Improvement Program, a Drainage Fund, Transportation Funds, grant funding, and developer contributions to aid in the maintenance and upgrades of storm drainage within the City limits.

**Determination 4.4-4** – The City should continue to implement the improvements identified in the Storm Drainage Master Plan as development occurs and funding allows.

## **4.5 - Road Maintenance**

### **4.5.1 - SUMMARY OF PRIOR MSR FINDINGS**

The City of Mt. Shasta MSR from 2011 (PMC 2011) concluded that the City was providing an adequate level of streets and road services and noted that the maintenance of existing roadways comprised the majority of near-term street improvements. The only deficiency identified was the need to rebuild the City's snowplow storage shed at the Public Works Yard.

### **4.5.2 - CURRENT CONDITIONS**

The City's Public Works Department is responsible for the operation and maintenance of City streets, including traffic signs, snow removal, and the stormwater drainage system. The City's current roadway infrastructure includes approximately 50 miles of arterial, collector, local, and private streets. Several of the City's streets connect to I-5, which bisects the City, and SR-89. The City is responsible for plowing local roadways during snow season (City of Mt. Shasta 2017).

The City's mid-year operating budget for FY 2016-2017 includes \$461,716 for the Public Works Department, which is 13.3% of the City's total budget. This budget includes funding for the central garage, streets and roadways, street-landscape maintenance, street cleaning, traffic safety, and snow removal. The mid-year budget included an additional \$56,000 (over the adopted budget) for snow removal for additional services related to "unusual snow accumulation".

Primary operating funds for the City's roadway infrastructure come from the City's General Fund and taxes. Transportation Tax Funds from the State sales tax on gas are the major source of streets and roads capital improvement projects. These funds are the source of the City's annual Chip Seal Maintenance Program. According to the City's CIP, it has been the City's policy to accrue these funds over time to fund major improvement projects, but the State's redirection of Local Transportation Funds (LTF) to provide for public transportation has limited the City's ability to accrue resources. Additional funding comes from the State Transportation Improvement Program (STIP) and other State and federal grants.

Road maintenance is generally funded and scheduled through the City's CIP. For the 2014-2015 fiscal year, approximately \$1.5M was included in the CIP for street related projects. All of these projects were supported by the Transportation Tax Fund with monies collected from taxes and grants. General Fund revenues are not used for street maintenance activities since it has almost no capacity for funding beyond day-to-day operations.

According to the City's website, the Public Works Crew consists of five employees, overseen by the Public Works Supervisor and Public Works Director (City of Mt. Shasta 2017). This staff also provides snow removal services during the winter months with seven snowplows and a truck for spreading sand.

The following Mt. Shasta road projects are included in the 2016 Siskiyou County RTP:

**Capacity of Facilities and Adequacy of Services  
Road Maintenance**

**Table 4-3  
Mt. Shasta Road Projects**

Route	Description	Cost	Construction Year
N. Mt. Shasta Blvd.: Ski Village Dr. to Springhill	Replace guardrail	\$241,000	2016
Ream Ave.: S. Mt. Shasta Blvd. to S. B St.	Overlay	\$272,000	2016
Sheldon: S. Mt. Shasta Blvd. to S. B St.	Overlay	\$224,000	2018
N. Mt. Shasta Blvd.: Ski Village Dr. to Springhill	Pavement rehabilitation	\$140,000	2018
Old McCloud Ave.: Ream to S. Mt. Shasta Blvd.	Overlay	\$55,000	2019
Cedar: Alma St. to creek	Pulverize, regrade, pave	\$48,000	2019
Alder: Alma to Lake	Overlay	\$199,000	2019
Castle: Chestnut to Alley	Overlay	\$115,000	2019
Eugene: South A to Alley	Pulverize, regrade, pave	\$20,000	2019
N. B St.: McCloud to Orem	Pulverize, regrade, pave, widen w/curb, gutter	\$134,000	2019
Field St.: Spring St. Alley to Cedar	Pulverize, regrade, pave	\$20,000	2019
Spring St. Alley: Ivy to Field St.	Pulverize, regrade, pave	\$32,000	2019

Note: Construction year is anticipated.

Source: 2016 Siskiyou County Regional Transportation Plan

Funding for the listed projects is expected to come from STIP/Regional Surface Transportation Program (RSTP), and local funds. Most of these projects are carryover projects from the 2011 Siskiyou County RTP; construction will occur as funding becomes available. The 2016 RTP lists an additional \$4,703,000 worth of unconstrained (long-range) road projects for the City of Mt. Shasta.

#### **4.5.3 - DETERMINATIONS**

**Determination 4.5-1** – The City actively maintains the existing road systems and provides snow removal services within the City limits, with the exception of State Highways.

**Determination 4.5-2** – The City utilizes a Capital Improvement Program, reimbursements from Gas Tax and grant funding such as RSTP to aid in the repair and maintenance of existing roadways within the City limits.



## **4.6 - Law Enforcement**

### **4.6.1 - SUMMARY OF PRIOR MSR FINDINGS**

The City of Mt. Shasta MSR from 2011 (PMC 2011) identified that the City was providing a wide range of services associated with law enforcement. Those services included public protection, investigations, parking enforcement, animal control, and community services. The City also responded to calls outside of City limits through mutual aid agreements with all other law enforcement agencies in Siskiyou County.

Among the deficiencies identified was the need for one additional sworn officer and one dispatcher. The police station was also determined to be in need of infrastructure upgrades to make better use of its limited space.

### **4.6.2 - CURRENT CONDITIONS**

The Mt. Shasta Police Department provides law enforcement services to the residents of the City through a combination of full-time and part-time staff. The Police Department is a full-service police department providing public safety, investigative services, narcotics enforcement, parking enforcement, and animal control, as well as other non-law enforcement services. The Police Department responded to 727 calls for service in December of 2017, took 51 cases, conducted 42 traffic stops, issued 43 traffic citations, issued 14 non-traffic citations, and made 20 arrests (City of Mt. Shasta 2018).

The City's mid-year operating budget for FY 2016-2017 includes \$1,032,858 for police services (including dispatch and code enforcement), which is 29.8% of the City's total budget, and the largest share of total General Fund expenditures. Additional funding sources are discussed later in this section.

The Mt. Shasta Police Department operates with eight sworn officers (including command staff), a Code Enforcement Officer, an Animal Control Officer, and support staff (City of Mt. Shasta 2017). The Patrol Division is led by the Police Chief and supervised by a Sergeant and a Lieutenant. The Police Department also manages the Communications Center which provides public safety dispatching services to the City Police and Fire Departments through two full-time and two on-call dispatchers, as well as one Dispatch/Records Manager (City of Mt. Shasta 2017).

The City does not have an adopted standard for sworn officers per 1,000 residents within the General Plan. With the current budget the Department is currently at a ratio of 2.4 sworn officers (eight sworn officers) per 1,000 residents (3,355 residents). This ratio is lower than the ratio of 4.2 sworn officers per 1,000 residents for the Western region of the United States for cities whose population is below 10,000 residents (Federal Bureau of Investigation 2016).

In addition to law enforcement services, the Mt. Shasta Police Department is also responsible for several other duties. Under direction of a Code Enforcement Officer/Community Services

Liaison the Department ensures compliance with the City's Municipal Codes and State Building Code Title 24. Under direction of an Animal Control Officer the Department also handles all domestic animal calls within the City and issues dog licenses. The Department also provides community services through programs such as the Community Enhancement Program (CEP), the DARE Program, the Bicycle Helmet Program, and a partnership with the Community Resource Center. The CEP was developed to assist other health and safety education programs and groups through financial or volunteer assistance and is funded through an annual police-sponsored car show.

The Police Department maintains mutual aid agreements with the Siskiyou County Sheriff's Department, the California Highway Patrol (CHP), and the cities of Weed and Yreka. The County Sheriff's Department is responsible for providing safety services to the unincorporated areas within the Mt. Shasta SOI (PMC 2007).

### ***Facilities and Equipment***

The Mt. Shasta Police Department facility is located at 303 North Mt. Shasta Boulevard, adjacent to City Hall and the Mt. Shasta Fire Department. The police station is approximately 3,500 square feet, with office space, an evidence room, a receiving room, and a holding facility that is no longer in use. All individuals arrested in the City are taken to the Siskiyou County Jail in the City of Yreka for booking. The Mt. Shasta Police Department facility is not able to process arrested individuals because it does not meet state staffing requirements for jail facilities. The Impact Fee Report prepared for the City in 2009 recommended the future construction of a joint public safety building to house the City's police and fire services. However, this facility is dependent upon future development growth within the City.

Police officers patrol with 10 vehicles that are regularly maintained. Infrastructure and capital needs are determined by the Police Chief, approved by the City Council, and financed through the City's General Fund and/or one-time grants.

The Siskiyou County Sheriff's Department also has a substation located just outside the northern City limits at 241 Ski Village Drive. This station serves the entire south County region, including the Mt. Shasta area (PMC 2007).

### ***Crime Statistics***

Crime statistics for Mt. Shasta were obtained from the Federal Bureau of Investigations (FBI) and are shown in Table 4-4 below.

**Table 4-4  
2013-2016 Reported Crime Statistics (Category I Crimes)**

Category	2013	2014	2015	2016
Population	3,309	3,267	3,258	3,277
Violent Crime	5	6	4	10
Murder/non-negligent manslaughter	0	0	0	0
Rape	0	0	0	1
Robbery	2	3	2	0
Aggravated Assault	3	3	2	9
Property Crime	69	62	50	96
Burglary	14	12	6	22
Larceny-theft	48	43	40	63
Motor vehicle theft	7	7	4	11
Arson	0	1	1	1
<b>Total Reported Crimes</b>	<b>148</b>	<b>137</b>	<b>109</b>	<b>213</b>

Source: www.fbi.gov

It appears that there was a spike in criminal activity in 2016 when compared to the prior three years. The City should monitor these statistics and determine if there is a need for an additional officer in order to curtail the continuance of increased crimes beyond 2016. Monitoring the statistics will also allow the City to determine if 2016 was an anomaly and therefore act accordingly with appropriate staffing and funding, if needed.

### **Police Funding Sources**

Functional revenues for the Police Department are comprised of various grant accounts, vehicle fines and other code enforcement programs, as well as Proposition 172 public safety sales tax funds and development impact fees. Proprietary funds used to finance police services include Citizens Option for Public Safety (COPS) Funds, Peace Officer Standards and Training (POST) Funds, and the Community Public Safety Enhancement Fund.

#### **AB3229 COPS GRANT**

COPS Funds are State of California public safety grants. The requirements for this fund are broad and allow for discretion on the part of the suitability of the expenditure as long as the expenditure of the funds is not displacing General Fund monies.

#### **POLICE CERTIFIED TRAINING/PEACE OFFICER STANDARDS AND TRAINING (POST)**

The State of California through POST provides reimbursement for law enforcement training. The Police Department actively sends officers, supervisors, and non-sworn personnel to POST training. The majority of the training is reimbursed, but some training costs are shared with the Department.

**COMMUNITY PUBLIC SAFETY ENHANCEMENT FUND**

This fund accounts for the Police Department's Community Enhancement Program which contributes to public safety. The fund is financed through public donations (AGT 2016).

**Needs and Deficiencies**

Information was not available to determine specific needs and deficiencies.

**4.6.3 - DETERMINATIONS**

**Determination 4.6-1** – The Police Department is responsible for animal control and code enforcement, in addition to law enforcement services.

**Determination 4.6-2** – The City utilizes a variety of financing sources in order to offset the expenditures utilized by law enforcement.

**Determination 4.6-3** – The City should continue mutual aid agreements with other local and regional law enforcement agencies in order to enhance response capabilities within and around the City limits.

**Determination 4.6-4** – The City should monitor crime statistics in years immediately following 2016 to determine if there is a need for additional patrol personnel in order to curtail the increase in crimes.

## **4.7 - Fire Protection**

### **4.7.1 - SUMMARY OF PRIOR MSR FINDINGS**

The City of Mt. Shasta MSR from 2011 (PMC 2011) identified that the City was providing a wide range of services associated with fire protection. Those services included structure fires, vegetation fires, traffic collisions, medical assist and 911 calls. The City also responded to calls outside of City limits through mutual aid agreements with all other fire protection agencies in Siskiyou County.

Among the major infrastructure deficiencies identified was the need for an additional office space and upgraded restrooms at the primary fire station on Mt. Shasta Boulevard, additional sources of heat and the widening of a bay to facilitate equipment access in the Pine Street fire station, and exhaust systems at both stations.

### **4.7.2 - CURRENT CONDITIONS**

The Mt. Shasta Fire Department provides fire services to the residents of the City through a combination of paid and volunteer fire fighters. The Fire Department provides fire suppression, emergency medical response (basic life support) and some fire prevention services to the City of Mt. Shasta. The Fire Department responds to approximately 1,400 fire and medical emergency calls per year (City of Mt. Shasta 2017).

The City's mid-year operating budget for FY 2016-2017 includes \$514,869 for fire services, which is 14.9% of the City's total budget. Funding for these services has in the past come primarily from the City's General Fund, followed by revenue from the Fire Assessment District Fund. The Fire Assessment Fund was established by a voter approved property tax to account for the acquisition of fire suppression equipment. The tax assesses unimproved lots at \$8/year, improved lots at \$24/year, and commercial lots at \$36/year. According to the City's Capital Improvement Program, the fund "generates about \$48,000 per year and has the capacity to maintain a three-engine fleet on a 30-year rotation schedule, along with three auxiliary vehicles." The City also acquires additional monies through special revenue funds for fire training, mutual aid agreements to assist with equipment purchases, and has received contributions from the Mt. Shasta Firefighter's Association over the years.

The Mt. Shasta Fire Department operates with a staff of 25; five paid staff, including a full-time Chief, Assistant Chief, Deputy Chief, and support staff, and 20 volunteers who receive a nominal stipend per call. The City also has a Fire Explorer Program that provides youth with fire suppression training under the supervision of trained firefighters. All staff are scheduled to participate in a minimum of 12 hours of training each month on fire service-related topics, and many supplement this training with advanced degree courses (City of Mt. Shasta 2017).

The Department operates out of two fire stations that are organized, equipped, and trained to perform fire suppression duties in structural firefighting, vehicular fires, and emergency medical response. According to the Department's website, approximately 65% of all calls for service are medical calls. Medical response is provided with a 4x4 Medical Mini Pumper

carrying all necessary basic life support equipment. All fire personnel are trained to First Responder level or higher, to provide Basic Life Support. Advanced Life Support is provided by the Mt. Shasta Ambulance Service, a private local provider.

In 2014, the Department signed a memorandum of understanding for automatic aid with the Mount Shasta Fire Protection District, a special district that was formed in the 1930's to provide fire protection in the Mount Shasta area (Brannon 2014). Under the agreement, each department maintains its own chief, operating budget, and equipment, but they work together to provide fire services within the City and throughout the SOI.

According to the 2010 Master Water Plan there are approximately 188 fire hydrants throughout the City that provide adequate fire flow coverage. However, the plan recommended the addition of fire hydrants in less developed areas to improve coverage. To that end, the City requires the installation of hydrants in all new subdivisions.

According to the General Plan Safety Element, conditions in the planning area lend themselves to the potential for both wildland and structural fires. In 2006, the Mt. Shasta Fire Safe Council, part of the Fire Safe Council of Siskiyou County, developed the Mt. Shasta Area Community Wildfire Protection Plan (CWPP) to identify high fuel areas, provide guidelines for programs to reduce the potential for loss of life and property, and to assess community fire emergency preparedness (PMC 2007).

### ***Facilities and Equipment***

The Department maintains two fire stations within the City, in close proximity to one another. The primary station is located on Mt. Shasta Boulevard adjacent to the Police Department and City Hall. The second station is located less than a mile away, across the railroad tracks on Pine Street. It serves primarily as an equipment storage facility. In addition, the Mount Shasta Fire Protection District station is located just outside the City limits at 600 Michele Drive, near Ream Avenue and Old Stage Road. The Mt. Shasta Fire Department stations are listed below:

#### **Mt. Shasta Boulevard Fire Station (Primary)**

305 North Mt. Shasta Boulevard  
Mt. Shasta, CA 96067

#### **Pine Street Fire Station**

Corner of Pine Street and Lake Street  
Mt. Shasta, CA 96067

The Mt. Shasta Boulevard Fire Station is approximately 2,500 square feet, with three vehicle bays, equipment storage, a meeting/training room, restrooms, and an administrative office.

The Pine Street Fire Station is approximately 2,000 square feet, with two vehicle bays and an equipment loft.

The two fire stations house four pumpers and a rescue unit. The City's automatic aid agreement with the Mount Shasta Fire District allows the City to respond with additional personnel and equipment within the City limits. Both departments respond to all fire, medical, traffic, and public assistance calls within the SOI, often riding along on each other's vehicles (Brannon 2014).

Infrastructure and capital needs are determined by the Fire Chief, approved by the City Council, and financed through the City's General Fund and grants. In addition, the Fire Department receives funds through the Fire Assessment District Fund for vehicle purchases. The City's Capital Improvement Program notes that the debt service for this fund was committed through 2016, at which time the City began accruing funds for the next purchase.

### ***Mutual and Automatic Aid Agreements***

The Fire Department maintains mutual aid agreements with all other fire protection agencies in Siskiyou County, including the U.S. Forest Service. The City also responds to incidents as part of the California fire and rescue master mutual aid system, assisting with wildfires anywhere in the State, as needed.

The Department also maintains written automatic aid agreements with the following agencies:

- Cal Fire
- Dunsmuir City Fire Department
- Weed City Fire Department
- Mount Shasta Fire Protection District

Whereas mutual aid is provided upon request (usually at the scene) by the responding fire department, automatic aid is dispatched automatically upon receipt of the incident call. This pooling of resources helps ensure that all necessary equipment and manpower is available to cover any fire emergency in a timely manner.

### ***Needs and Deficiencies***

Information was not available to determine specific needs and deficiencies.

#### ***4.7.3 - DETERMINATIONS***

**Determination 4.7-1** – The City provides fire protection and basic life support services within the City limits through the use of General Fund revenues.

**Determination 4.7-2** – The City should continue to program repairs to existing facilities in order to meet the needs of staff to provide a level of service acceptable to residents.

**Determination 4.7-3** – The City should continue mutual aid and automatic aid agreements with adjacent agencies in order to provide overlapping and supplemented service within the City limits and SOI.



## **4.8 - Parks and Recreation**

### **4.8.1 - SUMMARY OF PRIOR MSR FINDINGS**

The City of Mt. Shasta MSR from 2011 (PMC 2011) identified that there were three parks and two open spaces offering recreational opportunities for the residents of Mt. Shasta. With the exception of a privately-owned field, all recreation areas were managed and maintained by the Mt. Shasta Recreation and Parks District.

As of 2011, it was found that the City had approximately 83 acres of park and recreation land, amounting to a ratio of roughly 23 acres to 1,000 persons. This ratio was almost double the City's adopted standard, so it determined that the City had more than adequate parks and recreation facilities to accommodate planned growth.

### **4.8.2 - CURRENT CONDITIONS**

The City of Mt. Shasta does not maintain a parks department. Parks and recreation services are provided by the Mt. Shasta Recreation and Parks District (MSRPD). The MSRPD is special district, or independent local government entity, that was established in 1948 to provide "diversified, quality recreation programs for individuals of all ages, as well as, providing and adequately maintaining recreation facilities" (Mt. Shasta Recreation and Parks District 2017). The MSRPD operates with its own budget and governing board, and establishes all future park needs. The recreation facilities available for use by the public include three parks, a multipurpose field, and a meadow:

#### **Mt. Shasta City Park**

Mt. Shasta City Park is a 26-acre park located on Nixon Road, just one mile north of the City's downtown area. The park is the site of Big Springs, the Sacramento River headwaters. The park is owned by the MSRPD and houses its headquarters. Park facilities include four picnic areas with picnic tables and barbecues, playgrounds, a gazebo, restrooms, walking trails, and five public-use buildings.

#### **Shastice Park**

Shastice Park is a 38-acre park (14 developed acres) located off of Rockfellow Drive, adjacent to Mt. Shasta High School. The park is owned by the MSRPD. Park facilities include tennis courts, a lighted softball field, a multi-purpose field complex, several large picnic areas with barbecues, a playground, restrooms, walking trails, and a dog park. The park is also the home of the Mt. Shasta Skatepark, and the Siskiyou Ice Rink, an outdoor rink that runs from November through mid-February. In addition, a Shastice Bike Park is in development, complete with bike trails and a skills area. Future plans include the addition of a swimming pool.

### **Sports Park**

The Sports Park is a three-acre youth sports field located on East Lake Street, 0.5-mile northeast of the City's downtown area, next to Sisson Elementary School. The park is owned by the City and leased to the MSRPD. Park facilities include multiple ball fields, an announcement booth, a concession stand, and restrooms.

### **Sisson Field**

Sisson Field is a six-acre multipurpose athletic field located adjacent to the Sports Park. The park is owned by the Mt. Shasta Unified School District and leased to the MSRPD.

### **Sisson Meadows**

Sisson Meadows is a 7.5-acre wetland area located between Lake and Castle Streets, adjacent to Sisson Elementary School and the Mt. Shasta Public Library. The property is owned by the Siskiyou Land Trust, a local non-profit organization that focuses on preserving open spaces. The restored wetlands include boardwalk walking trails, benches, and picnic tables. All maintenance is provided by community volunteers.

### **Needs and Deficiencies**

All public parks and recreation programs in the City of Mt. Shasta, with the exception of Sisson Meadows, are administered and maintained by the Mt. Shasta Recreation and Parks District. The MSRPD Master Plan identifies future improvement needs as well as priorities and financial opportunities for such improvements. The five existing parks/open spaces within the City provide approximately 83 acres of recreational land, or approximately 23 acres per 1,000 persons. This ratio exceeds the City's adopted standard of at least 10 acres per 1,000 persons (population). In addition, redevelopment of the Roseburg Property (The Landing) will provide additional trails and recreational facilities.

#### **4.8.3 - DETERMINATIONS**

**Determination 4.8-1** – Parks and recreational facilities and programs fall under the jurisdiction of the Mt. Shasta Recreation and Parks District, an independent local government entity that establishes future needs and funding.

**Determination 4.8-2** – Parks and recreational facilities within the City amount to approximately 83 acres of land. This amounts to a ratio of roughly 23 acres per 1,000 persons, which exceeds the standard identified in the City's General Plan.

**Determination 4.8-3** – The City has more than adequate parks and recreation facilities to accommodate the planned growth of the City.

## **4.9 - Plans for Future Services**

As previously discussed, the City of Mt. Shasta is pursuing annexation of the remaining 30-acres of the Roseburg property, a City-owned property that lies within the SOI. The other 115 acres of the property was annexed in 1998 and is in the planning phases of development as a Commerce Park. According to the City's General Plan, the remaining 30 acres were not annexed at the time due to development constraints, but the area was identified as an "opportunity site" for development of affordable housing in the 2005 Affordable Housing Strategy. Annexation of the "Orchard" site, as it is called, is considered infill development due to its location and circumstances (PMC 2009), and is located near existing infrastructure, including roads, rail, power, and water.

Because the potential for growth within the City in the coming years is very limited and highly dependent on the economy, it is expected that any development needs will be served by infilling vacant areas within the City's boundaries. The Spring Hill area in the northernmost portion of the City includes approximately 341 acres of developable land, but would require extension to the City's water system, upgrades to the existing wastewater system, the development of roads, and additional public works facilities. Therefore, a Specific Plan would be required prior to any development in the area, to ensure that all infrastructure needs are addressed.

The City has no immediate plans for the extension of City services. All short-term growth is expected to occur within the City's existing limits and SOI consistent with applicable Master Plans and City standards.

### **4.9.1 - DETERMINATIONS**

**Determination 4.9-1** – The City currently has plans to annex the remaining 30-acres of a City-owned property, but the site is considered infill development, and is located near existing infrastructure.

**Determination 4.9-2** – All future growth is expected to occur within City limits and will require the development of a Specific Plan to address infrastructure needs.

**Determination 4.9-3** – The City has no immediate plans for the extension of City services.

**Determination 4.9-4** –The City should initiate a Master Plan Update in association with a future General Plan Update in the event that any new expansion areas not currently covered by City Master Plans are identified for future growth.

## **SECTION 5 - FINANCIAL ABILITY TO PROVIDE SERVICES**

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

An examination of financing includes an evaluation of the fiscal impacts of potential development, and probable mechanisms to finance needed improvements and services. Evaluating these issues is important to ensure new development does not excessively burden existing infrastructure and the ability of the City to fund existing improvements and services.

An examination of rate restructuring should identify impacts on rates and fees for services and facilities and recognize opportunities to positively impact rates without decreasing service levels. The focus is on whether there are viable options to increase the City's efficiency through rate restructuring prior to any SOI adjustment.

Annual audit reports and financial statements for the City were reviewed in accordance with the MSR Guidelines. The purpose of this review is to determine fiscal viability, suitability of current funding practices, and potential fiscal impacts resulting from new legislation.

### **5.1 - City Budget**

The FY 2016-2017 Mid-Year Operating Budget reflects the City Council's goals and targets and continues funding sufficient to maintain basic service levels. The budget includes assumptions and directions included in the CIP and mid-year revisions to the adopted FY 2016-2017 Annual Budget. The City's projected revenue for all funds is \$10.0M, while projected expenses total \$10.3M, resulting in a projected deficit of nearly \$300,000.

The City's deficit is typically of many small rural cities and should not be construed as though the City is operating inappropriately. This deficit amount is largely due to capital expenditures that are largely dependent on grant revenues, which are not guaranteed or always available, and the City's portion of planning and design costs, which are reimbursable once implementation grants are secured. Therefore, the City must show estimated, guaranteed revenues and project expenditures. In the event that grant funding is not available for a particular project list in the Capital Improvement Program, it remains unfunded or is moved onto the next budgeting cycle. Occasionally, the City utilizes reserve funds to finance budget deficits (PMC 2011).

The major factors and obstacles currently affecting the annual budget, as identified by the City, are:

- Consistent funding for basic City services; and
- Infrastructure upgrades and the expansion of the water system and wastewater treatment plant, as per State mandate.

The two primary sources of revenue for the City consists of taxes (Property Tax, Transient Occupancy Tax, and Sales Tax) which combined, total 78% of the total General Fund revenue for the City, and Water/Wastewater Improvement Funds. Other revenue sources include additional Enterprise Funds, Assessment Funds, grants, and Special Revenue Funds.

The primary sources of expenses for the City consists of public safety (Police and Fire Services), water and wastewater operations and infrastructure, and general governmental services which includes Administration/Finance and Buildings/Operations. Within those expenses, the salaries and benefits of all employees are included.

The City's budgetary funds are segregated into enterprise and non-enterprise financing functions. Enterprise Funds are established to account for services financed and operated in a manner similar to a private business. In contrast to the General Fund, the Enterprise Funds operate as separate entities. This means that each enterprise program maintains a separate set of books, and funds are not co-mingled or transferred, except in rare cases and then only by specific City Council action.

Enterprise Funds are financed and recovered primarily through usage fees. User charges must be established and maintained at proper levels to assure adequate income to pay for current services and to maintain reserves to allow for adequate cash on hand at all times to pay bills, meet emergencies, and provide for operating capital needs. Over the last several years, these funds have seen sharp increases in capital costs associated with State-mandated infrastructure upgrades and expansions. In order to meet their required operating reserves, new utility rate fees based on usage were adopted on May 30, 2017, for the Water and Wastewater Funds; historically, the City has billed a flat rate for service. Annual water utility rate increases were approved by through FY 2021-2022, and the new rates went into effect on July 1, 2017. The new rates are expected to provide each fund with a minimum operating reserve of 25% of the budgeted total annual expenses less on-going capital projects (PACE Engineering 2017). City staff will continue to monitor these funds closely.

The City's ability to obtain financing in addition to typical General Fund and Proprietary Fund revenues is demonstrated by numerous grants the City has been successful in obtaining to implement capital projects. Revenues for capital funds are non-recurring revenues that are anticipated (such as forthcoming grant, or one-time fees) and are forecast separately and scheduled only for the year or years in which they are anticipated.

The City's budget has one long-term debt associated with it; the Wastewater Fund currently has a debt obligation of approximately \$1,098,059 from a 2008 California Infrastructure and

Economic Development Bank loan for a sewer interceptor project. The debt is scheduled to be paid off by the end of 2038.

### **5.1.1 - RATES AND FEES**

The City sets rates and fees for various services it provides. On May 26, 2016, the City Council executed a temporary Housing Incentives Program, which includes a temporary 75% reduction in new residential water and sewer connection fees through July 2019.

The City's fees include:

- Sewer and Water Connection Fees
- Sewer and Water Usage Fees
- Special Police and Fire Service Fees;
- Zoning and Subdivision Fees
- School Impact Fees
- Plan Check Fees
- Engineering Review and Inspection Fees
- Business License Fees
- Animal License Fees

All other services (e.g., natural gas, cable, etc.) are provided by existing providers whose rates are established through mechanisms that are not governed by the City. If and when the City ultimately assumes jurisdiction of additional areas in the SOI, the City would then set the standard rates and fees in these newly incorporated areas for any and all services provided by the City.

### **5.1.2 - PROPOSITION 218**

Proposition 218, the "Right to Vote on Taxes Act, restricts local government's ability to impose assessment and property related fees and requires elections to approve many local governmental revenue-raising methods. This initiative, approved in 1996, applies to nearly 7,000 cities, counties, special districts, schools, community college districts, redevelopment agencies, and regional organizations. It ensures that all new taxes and most charges on property owners are subject to voter approval and especially to the tools of using property related fees to fund governmental services instead of property related services. Of potential concern is the long-term effect the proposition has created on a local government's ability to fill the growing divide between infrastructure needs and the provision of governmental services for the new infrastructure.

However, Proposition 218 has not proven to be a factor in limiting the City's ability to provide services. On May 30, 2017, the City Council approved water and wastewater utility rate increases. These rate increases were subject to the provisions of Proposition 218, including noticing of all affected property owners, and hosting of a public hearing to receive protests, but the City did not receive the required number of protest votes to negate the rate change (simple majority; >50%).

### **5.1.3 - OPPORTUNITIES FOR RATE/FEE RESTRUCTURING**

The City's Fee Schedule is subject to periodic comprehensive revisions and updates. The latest updated Fee Schedule went into effect with adoption of Resolution CCR-17-36 on May 30, 2017, which revised water and sewer rates in accordance with the 2017 Water and Wastewater Utility Rate Studies. These rate increases brought service fees in line with current and estimated future usage.

The City of Mt. Shasta General Plan Land Use Element contains several policies regarding the establishment of impact fees to ensure growth does not outstrip the City's ability to provide services. These policies include LU-11.2 and 11.3 (Fire Protection), LU-12.2 (Police Protection), LU-16.1 (Wastewater Management), LU-18.1 (Water Supply), and LU-19.1 (Storm Drainage System). Therefore, there is no evidence suggesting that the City would not be able to provide services to areas within the SOI for fees consistent with citywide fees for such services. However, the SOI was established more as a potential service area for the City's WWTP than for the provision of other City services.

### **5.1.4 - DETERMINATIONS**

**Determination 5.1-1** – The City annually conducts an open, transparent budgeting process aimed at balancing the needs of the City with the financial resources available.

**Determination 5.1-2** – The City attempts to utilize other forms of revenue available besides property taxes and fees, such as grants, in order to supplement its revenue stream, but occasionally has to utilize reserve funds to finance budget deficits.

**Determination 5.1-3** – The City levies a series of fees and rates to offset the operations, maintenance, and infrastructure costs of the services it provides.

**Determination 5.1-4** – The services provided by the City are subject to Proposition 218, but the City recently approved water and wastewater utility rate increases.

**Determination 5.1-5** – There is no evidence suggesting that the City would not be able to provide services to areas within the SOI for fees consistent with citywide fees for such services. However, the SOI was established more as a potential service area for the City's WWTP than for the provision of other City services.

## **5.2 - Status of, and Opportunities for, Cost Avoidance and Shared Facilities**

Practices and opportunities that may help to reduce or eliminate unnecessary costs are examined in this section, along with cost avoidance measures that are already being utilized. Occurrences of facilities sharing are listed and assessed for efficiency. Potential sharing opportunities that could result in better delivery of services is also discussed.

An examination of cost avoidance opportunities should identify practices and opportunities that may help eliminate unnecessary or excessive costs to provide services. Such costs may

be derived from a variety of factors including: duplication of service efforts and facilities; inefficient budgeting practices; higher than necessary administration and operating cost ratios; inefficient use of outsourcing opportunities; and inefficient service boundaries.

An examination of opportunities for shared facilities should determine if public service costs can be reduced as a result of identification and development of opportunities for sharing facilities and resources. The benefits of sharing costs for facilities are numerous, including: pooling of funds to enjoy economies of scale; reduced service duplications; diversion of administrative functions of some facilities; reduced costs; and providing better overall service.

Maximizing opportunities to share facilities allows for a level of service that may not otherwise be possible under normal funding constraints; however, facilities sharing opportunities are not without their challenges. When a municipality enters into a shared agreement, it generally relinquishes a portion of its control of the facility. Additionally, the facility may not be entirely suited to accommodate the municipality's needs.

The City is in close proximity to multiple other agencies as well as their corresponding facilities, and as such, it has entered into multiple mutual aid agreements with other government agencies. The Mt. Shasta Police Department maintains mutual aid agreements with the Siskiyou County Sheriff's Department, the CHP, and the cities of Weed and Yreka. The Mt. Shasta Fire Department maintains mutual aid agreements with all other fire protection agencies in Siskiyou County, including the U.S. Forest Service.

In addition, the Fire Department signed a memorandum of understanding in 2014 for automatic aid with the Mount Shasta Fire Protection District, a special district that was formed to provide fire protection in the Mount Shasta area. Whereas mutual aid is provided upon request (usually at the scene) by the responding fire department, Automatic aid is dispatched automatically upon receipt of the incident call. This pooling of resources helps ensure that all necessary equipment and manpower is available to cover any fire emergency in a timely manner. The Fire Department also maintains written automatic aid agreements with Cal Fire, Dunsmuir City Fire Department, and Weed City Fire Department.

Therefore, although there is much collaboration already between the City and other public safety agencies, the City should consider reviewing their agreements annually in order to determine if further cost savings could be realized beyond the current economies of scale.

The Mt. Shasta City Hall houses all of the City departments except for the Police and Fire Departments which are adjacent to City Hall, on the same property. The Impact Fee Report prepared for the City in 2009 recommended the future construction of a joint public safety building to house the City's police and fire services. However, this facility is dependent upon future development growth within the City, and is not actively being considered at this time.



### **5.2.1 - DETERMINATIONS**

**Determination 5.2-1** – The City participates in mutual aid agreements with the Siskiyou County Sheriff’s Department, the CHP, and the cities of Weed and Yreka for additional police service upon request, as well as the U.S. Forest Service for additional fire protection service.

**Determination 5.2-2** – The City participates in automatic aid agreements with the Mount Shasta Fire Protection District, Cal Fire, Dunsmuir City Fire Department, and Weed City Fire Department for additional automatic fire protection service.

**Determination 5.2-3** – The City should annually review the aid agreements of which the City participates in order to establish if further cost savings could be realized beyond the current economies of scale.

**Determination 5.2-4** – If, and when, development growth occurs, the City should explore the development of a joint public safety (police and fire) facility.

### **5.3 - Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies**

This section assesses the management structure and overall managerial practices of the City, and evaluates the ability of the City to meet its service demands under its existing government structure. Also included in this section is an evaluation of compliance by the City with public meeting and records laws.

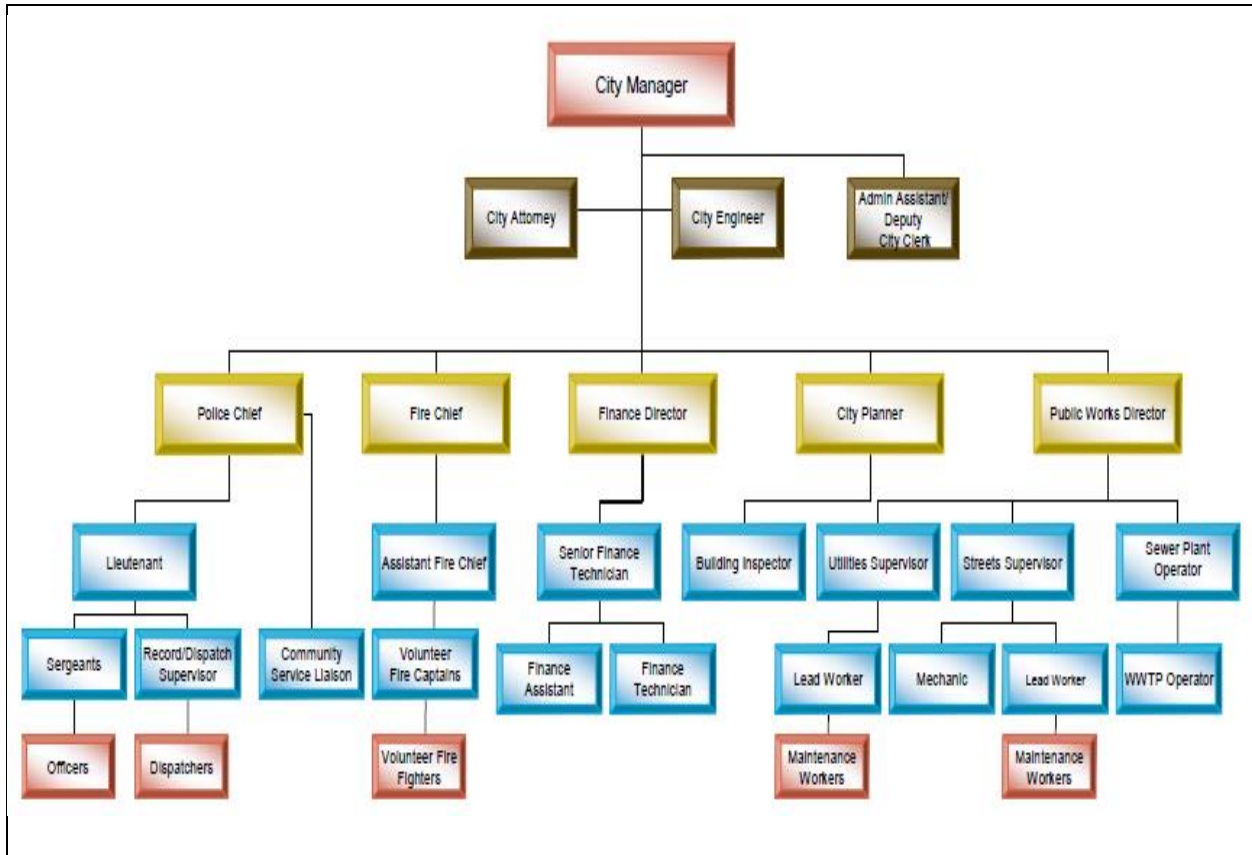
An examination of government structure should consider the advantages and disadvantages of various government structures that could provide public services. In reviewing potential government structure options, consideration may be given to service delivery quality and cost, regulatory or government frameworks, financial feasibility, operational practicality, and public preference.

An examination of local accountability should evaluate the accessibility to and levels of public participation with the agency’s management and decision-making processes. The MSR Guidelines note measures such as legislative and bureaucratic accountability, public participation, and easy accessibility to public documents and information as important in ensuring public participation in the decision-making process.

#### **5.3.1 - ORGANIZATIONAL STRUCTURE**

The City of Mt. Shasta operates under the Council/Manager form of government. The Chief Executive Officer is the City Manager who is appointed by the City Council and carries out day-to-day operations to ensure that City services are delivered in a manner consistent with City Council established policies, and in an economical and effective manner. All other department heads in the City serve under management of the City Manager. City departments/services include Administration (City Manager), Human Resources, Finance, Public Works, Planning, Building, Police, and Fire.

The City Council is responsible for governing as well as establishing the overall priorities and direction for the City’s municipal government. The Council’s responsibilities include the adoption of City ordinances and policies, approval of programs, services, projects, contracts and agreements, adoption of the annual budget, and establishment of short- and long-term goals for the City. Actions of the Council, including opportunities for public involvement and public hearings, are regulated in accordance with applicable statutes and City procedures. The organizational chart for the City is illustrated on Figure 5-1.



**Figure 5-1**  
**City of Mt. Shasta Organizational Chart**

Source: City of Mt. Shasta

The City Council is elected on an at-large basis, meaning there are no specific districts in which candidates run for office. This structure of election allows residents to elect all Council members but may result in areas of the City being unrepresented. Once elected, it is the duty of each Councilmember to represent the interests of all residents of the City. The Mayor and the Mayor Pro Tem are selected and appointed each November by a majority vote of the five members on the City Council and serve a one-year term.

There are five appointed advisory committees and the Planning Commission that act as advisory bodies to the City Council:

- Active Transportation Committee (ATC)
- Beautification Committee
- Community Economic Development Activities Committee (CEDAC)
- Downtown Enhancement Advisory Committee (DEAC)
- Library Tax Advisory Committee (LTAC)
- Planning Commission

Citizens have an opportunity to participate in the implementation of local policies by serving on a committee or commission. Each commission and committee is comprised of citizens who work to provide services to the community while assisting the Council in achieving goals established by the citizens and elected officials.

Following is a summary of the City's departments and the various services they provide to the residents of Mt. Shasta:

### ***City Manager's Office***

The City Manager's office has the responsibility to make sure that the needs and concerns of the community and the City organization are properly addressed to ensure that Mt. Shasta is a good place to live and conduct business. The City Manager's office supports and advises the City Council as to the implementation of its policies, programs and targets, and ensures that the services provided to the citizens are consistent with the Council's goals and the organization's philosophy. The City Manager's office oversees the day-to-day operations, coordination, and management of all City departments, management of contracted service providers, and the development and implementation of the annual City budget. The City Manager position is appointed by the City Council (City of Mt. Shasta 2017).

### ***Finance Department***

The City's Finance Department serves a variety of administrative functions for the City, including human resources, maintenance of accounting records, collection and investment of revenues, control of debt and risk management, support of information technology, compilation of financial reports, and preparation of the City's annual budget. The Finance Department is also responsible for utility billing, business licenses, transient occupancy taxes, Community Development Block Grant loan payments, accounts payable/receivable, and payroll. The Finance Director advises the City Manager and City Council on all financial matters (City of Mt. Shasta 2017).

### ***Public Works Department***

The City's Public Works Department is responsible for the operation and maintenance of City streets and alleys (including traffic signs, street lights, and parking lots), buildings and grounds, fleet and equipment, snow removal, water distribution and wastewater collection,

storm drainage, and the WWTP. The Public Works Department is also responsible for issuing encroachment permits, and overseeing the construction of capital improvement projects.

City engineering services are provided through a contracted consultant. The City's Contract Engineer provides general engineering services for the Public Works Department, including project design, engineering, surveying, map reviews, planning reviews, preparation of bid and construction documents, bid assistance, construction management and observation, and other related services (City of Mt. Shasta 2017).

### ***Police Department***

The City's Police Department consists of the following divisions: Patrol, Dispatch, Code Enforcement, Community Services, Animal Control.

The Patrol Division consists of eight full-time, sworn officers that provide immediate law enforcement assistance to all service requests from residents of Mt. Shasta.

The Dispatch Division provides dispatch services from the City's Communications Center for all emergency calls within Mt. Shasta. Dispatch provides radio communication services for the City's Police and Fire Departments and aid with the coordination of other emergency services, such as Ambulance services, while handling telephone requests for routine and emergency services from City residents 16 hours a day, seven days a week.

The Code Enforcement Division ensure public health and safety through compliance of the City's Municipal Codes and State building codes. The Code Enforcement Division is situated within the Police Department, but works closely with the Public Works and Planning Departments.

The Community Services Division provides non-law enforcement services to the City's residents through educational and prevention programs, such as the Community Enhancement Program, the DARE Program, and the Bicycle Helmet Program.

The Animal Control Division handles all domestic animal calls within the City limits. The division is also responsible for issuing annual dog licenses. Impounded animals are boarded at the Siskiyou Humane Society (City of Mt. Shasta 2017).

### ***Fire Department***

The City's Fire Department provides Fire Suppression and Prevention, and Emergency Medical Response to the residents of Mt. Shasta. The Department consists of five paid staff, and 20 volunteers, who work under a full-time Chief, out of two fire stations.

The Fire Department provides Basic Life Support for medical emergencies, while Advanced Life Support is provided by the Mt. Shasta Ambulance Service. The Fire Department also works in partnership with all other fire suppression agencies within Siskiyou County through aid agreements. The Department responds to approximately 1,400 fire and medical emergency calls per year (City of Mt. Shasta 2017).

### ***Planning Department***

The City's Planning Department is responsible for long-range planning, permits (zoning and land use), and local administration of State environmental review laws. These activities include the review and management of public and private development proposals, such as subdivisions, use permits, site development permits, variances, General Plan amendments, rezonings, and a variety of other zoning permits.

The Planning Department also provides the public with information and guidance concerning development, General Plan policies, zoning district regulations, permit procedures, floodplain boundaries, planning statistics, property information, growth trends, and other information relevant to land use and the orderly development of the community. The Planning Department is administered by the City Planner and the Planning Commission (City of Mt. Shasta 2017).

### ***Building Department***

The Building Department issues building permits and performs inspections for compliance with California Building Code and City Mt. Shasta Ordinances for all construction. According to the City's Organization Chart, the Building Inspector works under the direction of the City Planner (City of Mt. Shasta 2017).

### ***5.3.2 - PRACTICES AND PERFORMANCE***

The Mayor presides over Council meetings, which are held on the second and fourth Monday of each month at 5:30 p.m. at the Mt. Shasta Recreation and Parks District Lodge located at 1315 Nixon Road, Mt. Shasta, CA 96067. Council meetings run an average of three hours, depending on the number of items on the agenda. The Council will extend the meeting time by vote if conducting business past 10:30 p.m.

The City is required to follow the open meeting law set forth in the Brown Act (California Government Code Section 54950 et seq.). The intent of this legislation is to ensure that deliberations and actions of a legislative body be conducted openly and that all persons be permitted to attend any meeting except as otherwise provided in the law. Agendas must be posted at least 72 hours in advance of a meeting, and information made available to the Council must also be available to the public.

There appear to be ample opportunities for public involvement and input at regularly scheduled meetings. The agenda is posted at City Hall and on the City's website. Council agendas and packets are posted and available for public review 72 hours prior to each regularly scheduled Council meeting. Agendas and packets for special City Council meetings are posted 24 hours prior to the scheduled meeting. Public notices (pursuant to the Government Code) are published to advertise certain types of hearings, and press releases are issued to inform the public on significant citywide issues and projects.

The ratio of managers to workers appears to be appropriate; the City is not top heavy in managers, and the department heads are actively involved in departmental operations and service provision. The City and its departments follow various policies and procedures related to personnel, provision of services, customer relations and relationships with other agencies. The City employs various techniques aimed at improving operational efficiency, such as eliminating duplicate services, eliminating unnecessary equipment inventories, reducing administrative costs when possible, and utilizing volunteer staffing (PMC 2011).

The management structure of the City is relatively simple and is well suited to the type of operations undertaken by the City; the linear management structure ensures an appropriate reporting mechanism and accountability. Furthermore, it allows for clear delineation of duties throughout the City for which the public can easily identify and bring forward their own issues, questions or projects. No alternative structures or reorganizations of the staff would result in more efficient operations, and the existing structure is considered appropriate for the City.

The City's budget process is a key mechanism used to review efficiencies in the management of City services and programs. The annual budget process includes a review of previous year accomplishments, upcoming year goals and programs, and specific funding to carry out those programs. The budget is adopted through a public hearing process by the City Council.

As a municipality, the City is structured to meet the needs and expectations of urban/suburban levels of development. As a multiple service provider with established service systems, the City is able to efficiently provide a comprehensive range of current and planned services. However, as previously stated, the City's SOI was primarily established as a potential service area for the City's regional wastewater treatment facility, and not necessarily as a service area for other City services. The provision of City services and infrastructure beyond water and wastewater treatment into the SOI would have a significant financial effect on the governmental structure of the City.

### **5.3.3 - DETERMINATIONS**

**Determination 5.3-1** – The City Council is elected at-large and annually selects and appoints a mayor from amongst themselves for a one-year term. This may prevent some areas of the City from being represented on the City Council.

**Determination 5.3-2** – The City conducts open meetings in compliance with the Brown Act that allow for complaints and comments regarding services and potential conflicts or inefficiencies to be expressed to the City Council by residents.

**Determination 5.3-3** – The City makes Council agendas and other information that details operations and services provided by the City available to the public at City Hall, as well as on its website.

**Determination 5.3-4** – The City utilizes an organizational structure that obtains efficiency through department heads who are actively involved in operations.

**Determination 5.3-5** – The current City structure is efficient, transparent and meets the expectations of its residents with the resources available.

## **SECTION 6 - SPHERE OF INFLUENCE REVIEW**

### **6.1 - Sphere of Influence Overview**

As part of any Sphere of Influence review, LAFCo is required to consider all of the information presented in the Municipal Service Review conducted for that agency. Additionally, LAFCo must also make a written statement of its determinations for that agency regarding the following:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
5. The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.

After a written determination has been made with respect to the aforementioned areas of review, LAFCo may adopt a Sphere of Influence (SOI) that is appropriate for the agency's provision of service.

This section of the report fulfills the requirements of Government Code Section 56425 and allows LAFCo to adopt an SOI that is consistent with the written determinations for the City of Mt. Shasta.

### **6.2 - Present and Planned Land Uses**

The City adopts and maintains a General Plan. The Mt. Shasta General Plan was originally adopted in 1963 and was most recently amended in 2007. The Housing Element of the City's General Plan was amended in October 2014. At that time, the City adopted policies to provide affordable housing within the City to accommodate identified growth projections. The Housing Element concluded that the City has "adequate appropriately zoned sites, with supporting public services and utilities, to accommodate its housing needs over the current planning period".

Because growth in Mt. Shasta is currently stalled due to a slowed economy, the City is not expected to grow significantly through the addition of new territory to its boundaries in the coming years. Therefore, development needs will be served by infilling vacant lots within the City's boundaries.

As previously stated, Mt. Shasta's current (2017) SOI extends well beyond the City's current incorporated limits and planning area (see Section 2.3), to areas around Lake Siskiyou, and the Deetz area west of Black Butte. This large SOI was adopted based on the potential service area of the City-operated regional wastewater treatment plant, not necessarily on the



expectation that the City would someday annex, or provide services for, the entire area. Therefore, the current SOI would appear to be adequate to meet present and future service needs of residents.

There are no present or planned land uses identified in this MSR concerning the City of Mt. Shasta that would warrant amendment of the current SOI.

### **6.3 - Present and Probable Need for Public Facilities and Services**

The City provides a wide range of services to residents within its incorporated limits and areas outside City boundaries, but within the SOI (water and wastewater services). The City also coordinates with other fire and police agencies that overlap or are directly adjacent to the City limits or SOI through mutual and automatic aid agreements to best provide services in a comprehensive manner.

The only probable need for public facilities would be for existing developments that have been annexed into the City limits, but are not yet connected to City infrastructure. There are no present or probable needs for public facilities and services identified in this MSR that would warrant amendment of the current SOI.

#### **6.3.1 - DISADVANTAGED UNINCORPORATED COMMUNITIES**

The City provides water and wastewater services to a portion of the disadvantaged unincorporated areas identified in Section 3 that lie within the City's planning boundary, especially areas east of the City. Other County areas within the SOI are on individual septic tanks and private wells (PMC 2007). The Mt. Shasta Fire Department and the Mount Shasta Fire Protection District work together under an automatic aid agreement to provide fire services throughout the SOI.

Therefore, there are DUCs within the SOI that maintain private water and wastewater facilities in addition to receiving mutual or automatic aid from the City and adjacent fire protection agencies. Due to the fact that municipal water and wastewater has not been extended to many of these areas, they still qualify as DUCs under CKH but are already within the SOI of the City.

### **6.4 - Present Capacity of Public Facilities and Adequacy of Public Services**

The City currently provides a level of service which is satisfactory to meet the needs of its residents. The City actively reviews its service levels and sets benchmarks that allow for easy review on an annual basis to determine if additional resources must be allocated.

The CIP also aids in providing enhancements to public facilities or infrastructure for residents. The annual establishment of the CIP gives the City the ability to allocate or divert funds from areas of lesser need to areas of critical need.

The City has planned accordingly through the CIP, annual budget, and adoption of the General Plan to meet future growth consistent with projections. There are no issues identified in this MSR relative to the present capacity of public facilities and/or adequacy of public services that would warrant amendment of the current SOI.

### **6.5 - Existence of Any Social or Economic Communities of Interest**

As stated in Section 3, there are currently communities of social or economic interest within or adjacent to the existing SOI. However, those areas are currently served with water, wastewater and structural fire protection by the City, other agencies, or by individual septic systems and wells. Therefore, the City has no immediate responsibility to extend services into these areas.

Furthermore, many of these communities are contiguous with the City, but have been allowed by the County to fully develop without being required to annex to the City, creating inconsistencies with local policies. However, by keeping these communities within the SOI, it would allow the City to be a viable alternative, under the provisions of Government Code §56133 and subject to the policies of Siskiyou LAFCo, in the event that future annexation is warranted.

There are no issues identified in this MSR relative to any social or economic communities of interest that would warrant amendment of the current SOI.

### **6.6 - Mt. Shasta Sphere of Influence Recommendations**

As shown in the MSR and throughout the determinations of this document, the City of Mt. Shasta is currently providing services at an adequate level to its residents. The City is accountable to its customers through the City Council, which are elected at-large. Like many small rural cities, the City is struggling to secure funding for service expansions and State-mandated infrastructure upgrades. The City is subject to its own unique characteristics, such as economic constraints brought on by the decline of the timber industry and overall location, in its attempts to maintain a secure stream of funding through taxes and fees. However, the City has been successful in securing grant funding to provide adequate levels of service within its jurisdiction.

It is anticipated that the City will continue to experience negative or slow growth, comparable to that of the County as a whole, for the foreseeable future. Despite General Plan projections estimating 4,131 residents by 2020, the population of the City was just 3,355 as of January 2017, 39 fewer people than in 2010. Furthermore, the City has expressed no interest or intent to request amendment of the current SOI. As a result, unless there is an amendment to the City's General Plan or a significant change in growth patterns, the SOI should be considered acceptable to meet present and future growth of the City.

**Recommendation 6-1** – It is recommended that the City of Mt. Shasta's Sphere of Influence remain unchanged.

**Recommendation 6-2** - Until the City completes an environmental review in accordance with the California Environmental Quality Act (CEQA) and comprehensive amendment to the General Plan to identify impacts for potential areas of new growth, the City's existing SOI is acceptable to accommodate present and future growth needs for residents.

**Recommendation 6-3** - Until the City completes an environmental review in accordance with CEQA and comprehensive amendment to the General Plan to identify impacts for potential areas of new growth, the capacity of public facilities is currently being reviewed annually by the City to accommodate the present and future needs of residents in a responsible manner.

**Recommendation 6-4** - The supplemental service providers within the SOI, such as, but not limited to, Siskiyou County, should be consulted early on during any SOI amendment process in order to ensure that services not provided by the City would still be available to be delivered efficiently to potential future residents.

## SECTION 7 - REFERENCES

- AGT. 2016. "City of Mt. Shasta Financial Statements Fiscal Year Ended June 30, 2016." Financial Audit, Mt. Shasta.
- Brannon, Deborra. 2014. "Mount Shasta Fire: a rift resolved." Accessed October 6, 2017. <http://www.mtshastanews.com/article/20141112/NEWS/141119890>.
- City of Mt. Shasta. 2018. "City Manager's Report for December 2017." *City of Mt. Shasta*. Accessed March 2, 2018. <https://mtshastaca.gov/category/monthly/>.
- City of Mt. Shasta. 2014. "City of Mt. Shasta Five Year Capital Improvement Program FY 2014/15-2018/19."
- . 2017. *City of Mt. Shasta, California*. Accessed September 2017. <https://mtshastaca.gov>.
- City of Mt. Shasta, Planning Department. 2016. "2016 General Plan Annual Progress Report."
- Federal Bureau of Investigation. 2016. *Table 24 - Full Time Law Enforcement Officers*. Washington, D.C.: Department of Justice. <https://ucr.fbi.gov/crime-in-the-u.s/2016/crime-in-the-u.s.-2016/tables/table-24>.
- Mintier Harnish. 2014. "City of Mt. Shasta 2014-2019 Housing Element." General Plan Element.
2017. *Mt. Shasta Recreation and Parks District*. Accessed October 11, 2017. <http://msrec.org/>.
- PACE Engineering. 2011. "City of Mt. Shasta 2010 Master Water Plan." Water Master Plan, .
- PACE Engineering. 2017. "City of Mt. Shasta Wastewater Utility Rate Study."
- PACE Engineering. 2017. "City of Mt. Shasta Water Utility Rate Study."
- PACE Engineering. 2011. "Draft 2011 Report of Waste Discharge for the City of Mt. Shasta Wastewater Treatment Plan." Draft.
- PMC. 2009. "City of Mount Shasta Impact Fee Report." City of Mt. Shasta.
- PMC. 2007. "City of Mt. Shasta General Plan." Mt. Shasta.
- PMC. 2011. *Municipal Services Review Report for the City of Mt. Shasta*. Siskiyou County LAFCO.
- U.S. Census Bureau. 2016. "Table DP03: Selected Economic Characteristics, 2012-2016 American Community Survey 5-Year Estimates."