MUNICIPAL SERVICE REVIEW
PUBLIC REVIEW DRAFT

Susanville Sanitary District

AUGUST 5, 2024

Prepared by: Policy Consulting Associates, LLC

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ACRONYMS AND DEFINITIONS

AAGR:	Average Annual Growth Rate
ADWF:	Average Dry Weather Flow
BOD:	Biochemical Oxygen Demand
CCTV:	Closed-circuit Television
CDP:	Census Designated Place
CEQA:	California Environmental Quality Act
CIP:	Capital Improvement Plan or Program
CKH:	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPRA:	California Public Records Act
CSD:	Community Services District
DAC:	Disadvantaged Community
DOF:	California Department of Finance
DUCs:	Disadvantaged Unincorporated Communities
EDU:	Equivalent Dwelling Unit
EIR:	Environmental Impact Report
ELAP:	Environmental Laboratory Accreditation Program
FFPC:	The State of California Fair Political Practices Commission
FY:	Fiscal Year
FTE:	Full-Time Equivalent
GC:	Government Code
GIS:	Geographic Information Systems
GP:	General Plan
I/I:	Infiltration and Inflow
JPA:	Joint Powers Authority or Agency
LAFCo:	Local Agency Formation Commission
MHI:	Median Household Income
MGD:	Million Gallons Per Day
MSR:	Municipal Service Review
NA:	Not Applicable
NPDES:	National Pollutant Discharge Elimination System
O&M:	Operation and Maintenance
OPEB:	Other Post-Employment Benefits
RFP:	Request for Proposals
RWQCB:	Regional Water Quality Control Board
SCADA:	Supervisory Control and Data Acquisition
SOI:	Sphere of Influence
SRF:	State Revolving Fund
SSD:	Susanville Sanitary District
SSMP:	Sanitary Sewer Management Plan
SSO:	Sanitary Sewer Overflows
SWRCB:	State Water Resources Control Board
TDS:	Total Dissolved Solids
WWTP:	Wastewater Treatment Plant

PREFACE

Prepared for the Lassen Local Agency Formation Commission (LAFCO), this report is a Municipal Services Review (MSR) covering the Susanville Sanitary District (SSD). An MSR is a state-required comprehensive study of services within a designated geographic area. This MSR focuses on a special district in Lassen County that provides wastewater collection and treatment services.

CONTEXT

Lassen LAFCO is required to prepare this MSR by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000, et seq.), which took effect on January 1, 2001. The MSR examines services provided by Susanville SD, whose boundaries and governance are subject to LAFCO.

CREDITS

The authors extend their appreciation to those individuals at Susanville Sanitary District who provided the information in this report and made time for interviews and document review to ensure the report's accuracy. The primary author of this report was Melat Assefa, Policy Analyst of Policy Consulting Associates. Project management was provided by Jennifer Stephenson, Lassen LAFCo Executive Officer and mapping was provided by Dennis Miller.

1. EXECUTIVE SUMMARY

This report is a municipal service review (MSR) covering the Susanville Sanitary District, prepared for the Lassen Local Agency Formation Commission (LAFCO). An MSR is a State-required comprehensive study of services that special districts or cities provide. The MSR requirement is codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.). The most recent MSR for the District was done on August 29, 2012.

Overview

Susanville Sanitary District (SSD) was formed on December 14, 1948, as an independent special district by the consolidation of the Milwood Sanitary District and Susanville Sanitary District after a joint application to the State Board of Health to operate a sewage treatment plant and outfall in 1922, which was completed in 1924 and is at the current location of the existing wastewater treatment plant.

The principal act that governs the District is the Sanitary District Act of 1923.

The District's SOI was first established on February 26, 1974. The sphere has been updated twice since its establishment, once in 1985 and again in 2005. The most recent SOI update in 2005 included a 10-year and a 20-year sphere horizon.

Susanville Sanitary District provides wastewater collection and treatment services to the residents within the City of Susanville, CA.

Financial Ability to Provide Services

Overall, the Susanville Sanitary District reports that current financial levels are adequate to deliver services. However, the District experienced very little or no increase in revenue in the last few years, mainly attributed to the poor economy and little or no new construction, resulting in no new sewer service connections.

The District reports that the most recent sewer service rate increases in 2016 have sufficed revenue needs to the present; however, currently, there are capital improvement needs and an additional employee need.

The District's rate study, initially expected to be adopted in July 2024, has been delayed due to the loss of State Water Resources Control Board (SWRCB) funding. The new estimated completion date is now in 2025, with a specific date yet to be determined.

Recommendations

Here are several recommendations for the Susanville Sanitary District to address the issues identified in this report.

- It is recommended that the District make available all up to date Certificates of Completion on the District's website.
- It is recommended that each board member submit a new Form 700 each year, even if the economic interests have stayed the same. The District is also recommended to have copies of up-to-date Form 700 filings online on its website.
- It is recommended that the District start submitting the annual financial audit report to both the County Auditor and LAFCO, in addition to the State Controller, to ensure full compliance.
- It is recommended that the District adopt a strategic plan that illustrates the District's core mission, goals and priorities, and work plan for staff and the public. SSD can refer to other similar municipalities or special districts in the County with strategic plans to identify essential elements that could be included in the planning document. A strategic plan can be vital in communicating the District's vision and each Department's priorities to the public and increasing transparency. The strategic plan could also provide an opportunity to engage with the public to identify and address the right priorities.

Governance Structure Options

Although several governance options were identified in 2005 for Susanville Sanitary District (SSD), it was determined in the 2012 MSR that there needed to be a clear demonstration of public need or necessity for a change of organization and that these options may not be in the best interest of the ratepayer. The District reports that there have been no changes in needs since the last MSR.

Additionally, while the 2012 MSR considered the possibility of the District providing water services for a single connection (the California Department of Transportation), the District currently has no plans to undertake water operations due to the high costs and extensive requirements associated with meeting the State's purple water standards.

2. BACKGROUND

LAFCO Overview

LAFCO regulates boundary changes proposed by public agencies or individuals through approval, denial, conditions, and modification. It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCO is empowered to initiate updates to the SOIs and proposals involving the dissolution or consolidation of special districts, mergers, the establishment of subsidiary districts, and any reorganization, including such actions. Otherwise, LAFCO actions must originate as petitions or resolutions from affected voters, landowners, cities, or districts.

Municipal Services Review Legislation

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO to review and update SOIs every five years, or as necessary, and to review municipal services before updating SOIs. The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California's anticipated growth. The service review provides LAFCO with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently. Government Code §56430 requires LAFCO to conduct a review of municipal services provided in the county by region, sub-region, or other designated geographic area, or by type of service, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following topics:

- Growth and population projections for the affected area;
- The location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI;
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies (including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the sphere of influence);
- Financial ability of agencies to provide services;
- Status of and opportunities for shared facilities;

- Accountability for community service needs, including governmental structure and operational efficiencies; and
- Any other matter related to effective or efficient service delivery, as required by commission policy.

Municipal Services Review Process

The MSR process does not require LAFCO to initiate changes in an organization based on service review findings, only that LAFCO identifies potential government structure options. However, LAFCO, other local agencies, and the public may subsequently use the determinations to analyze prospective changes in organization or reorganization or to establish or amend SOIs. Within its legal authorization, LAFCO may act with respect to a recommended change of organization or reorganization on its initiative (e.g., certain types of consolidations) or in response to a proposal (i.e., initiated by resolution or petition by landowners or registered voters). MSRs are exempt from the California Environmental Quality Act (CEQA) pursuant to §15306 (information collection) of the CEQA Guidelines. LAFCO's actions to adopt MSR determinations are not considered "projects" subject to CEQA.

Sphere of Influence Updates

The Commission is charged with developing and updating the SOI for each city and special district within the county. SOIs must be updated every five years or as necessary. In determining the SOI, LAFCO is required to complete an MSR and adopt the seven determinations previously discussed.

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

The purposes of the SOI include the following: to ensure the efficient provision of services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCO cannot regulate land use, dictate internal operations or administration of any local agency, or set rates. LAFCO is empowered to enact policies that indirectly affect land use decisions. On a regional level, LAFCO promotes logical and orderly development of

communities as it considers and decides individual proposals. LAFCO has a role in reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of current and future area residents and property owners.

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

LAFCO may recommend government reorganizations to particular agencies in the county, using the SOIs as the basis for those recommendations.

In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

- Present and planned land uses in the area, including agricultural and open-space lands;
- Present and probable need for public facilities and services in the area;
- Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide;
- Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency; and
- Present and probable need for water, wastewater, and structural fire protection facilities and services of any DUCs within the existing sphere of influence.

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

Disadvantaged Unincorporated Communities

LAFCO is required to evaluate disadvantaged unincorporated communities (DUCs) as part of this service review, including the location and characteristics of any such communities.

The purpose of Senate Bill (SB) 244 (Wolk, 2011) is to begin to address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits within DUCs. Identifying and including these communities in the long-range planning of a city or a special district is required by SB 244.

The CKH requires LAFCO to make determinations regarding DUCs when considering a change of organization, reorganization, sphere of influence expansion, and when conducting municipal service reviews. For any updates to an SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, LAFCO shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any DUC within or contiguous to the SOI of a city or special district.

CKH prohibits LAFCO from approving an annexation to a city of any territory greater than 10 acres if a DUC is contiguous to the proposed annexation, unless an application to annex the DUC has been filed with LAFCO. An application to annex a contiguous DUC shall not be required if a prior application for annexation of the same DUC has been made in the preceding five years or if the Commission finds, based upon written evidence, that a majority of the registered voters within the affected territory are opposed to annexation.

Government Code §56033.5 defines a DUC as 1) all or a portion of a "disadvantaged community" as defined by §79505.5 of the Water Code, and as 2) "inhabited territory" (12 or more registered voters), as defined by §56046, or as determined by commission policy.

3. AGENCY OVERVIEW

SUSANVILLE SANITARY DISTRICT (SSD)

Susanville Sanitary District (SSD) was formed on December 14, 1948, as an independent special district by the consolidation of the Milwood Sanitary District and Susanville Sanitary District. When first formed, the District was called Susanville Consolidated Sanitary District (SCSD). In 2005, the name was changed to Susanville Sanitary District. The District was formed after Milwood Sanitary District and Susanville Sanitary District made a joint application to the State Board of Health to operate a sewage treatment plant and outfall in 1922, which was completed in 1924 and is at the current location of the existing wastewater treatment plant. [1]

The principal act that governs the District is the Sanitary District Act of 1923. [2] The principal act authorizes sanitary districts to acquire, plan, construct, reconstruct, alter, enlarge, lay, renew, replace, maintain, and operate:

- Garbage dump sites, garbage collection, and disposal systems.
- Sewers, drains, septic tanks, and sewerage collection and disposal systems, outfall treatment works, and other sanitary disposal systems.
- Storm water drains, stormwater collection outfall and disposal systems, and water reclamation and distribution systems.
- Water recycling and distribution systems.

In 1986, the City of Susanville applied to LAFCO to transform the Susanville Consolidated Sanitary District into a subsidiary district of the City. The reason for the initiation of the proposal was the elimination of duplication in the management and delivery of services. In addition, at the time, approximately 90 percent of the District was located within the City boundary. In February of 1987, the Commission denied the application for the establishment of SSD as a subsidiary district of the City. LAFCO decided that there needed to be a clear demonstration of a public need for the subsidiary district or that the residents would be provided with an improved level of service or enjoy substantial savings. [3]

[1] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.17. August 29, 2012.
[2] California Health & Safety Code, Div. 6, Pt. 1, §§ 6400-6830.
[3] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.17-18. August 29, 2012.

Susanville is about 85 miles north-northwest of Reno, Nevada, on the eastern slopes of where the Sierra Nevada and the Cascade Mountain ranges meet. Located in the south-central part of the County at an elevation of 4,240 feet above sea level, the town straddles the Susan River, which flows out of the mountains and drains southeastward into the Honey Lake Valley. West of Susanville, on both sides of the southeast-draining Susan River, foothills rise nearly 1,000 feet above the river valley to elevations of 5,000 to 5,200 feet. The area is surrounded by open space that is famous for its recreational opportunities. [4]

Susanville is the County seat for Lassen County, home to the County fairgrounds, and home to several other government agencies, such as the Lassen Municipal Utility District, the Federal Bureau of Land Management, and the City of Susanville town hall. Businesses in the City and within the District's bounds include several retail, hotel, and restaurant chains, such as AT&T, Safeway, Best Western, Sears, FedEx, Starbucks, GNC, Subway, H&R Block, Super 8, Jack In The Box, T-Mobile, KFC, Taco Bell, La-Z-Boy, U-Haul, Lane Furniture, U.S. Cellular, McDonald's, UPS, Payless, Walgreens, RadioShack, Walmart, and Rite Aid. In addition, there are several local real estate firms, photography studios, boutique hotels, a college, a hospital, and a casino. [5]

SSD provides wastewater collection and treatment services to the City of Susanville, CA. A municipal service review for the District was last completed in 2012.

[4] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.17-18. August 29, 2012.
[5] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.7. August 29, 2012.

Figure 3-1: Susanville Sanitary District Overview

SUSANVILLE SANITARY DISTRICT (CSD)			
Contact Information			
Contact:	Steve Stump, General Manager		
Address:	45 S. Roop Street, P.O. Box 152, Susanville, CA 96130		
Website:	https://susanvillesanitarydistrict.com/about_us.aspx		
Formation Information			
Date of Formation:	1948	Agency Type:	Independent Special District
Governing Body			
Governing Body:	Board of Directors	Members:	5
Manner of Selection:	Elected	Length of Term:	4-years
Meetings Location:	Susanville Sanitary District Office	Meetings Date:	Second Tuesday monthly at 1 pm.
Mapping and Population			
GIS Date:	2024	Population 2023:	9,781
Purpose			
Enabling Legislation:	California Health & Safety Code, Div. 6, Pt. 1, §§ 6400-6830	Latent Powers:	Any power that not provided prior to January 1, 2001 must be approved by LAFCo.
Municipal Services Provided) directly or by contract	Wastewater Collection and Treatment Services		
Area Served			
Boundary Size:	6.2 Square Miles	Location:	Susanville
		Most recent SOI Amendment:	2005
Municipal Service Reviews			
Past MSRs:	2012		

Boundaries and Sphere of Influence

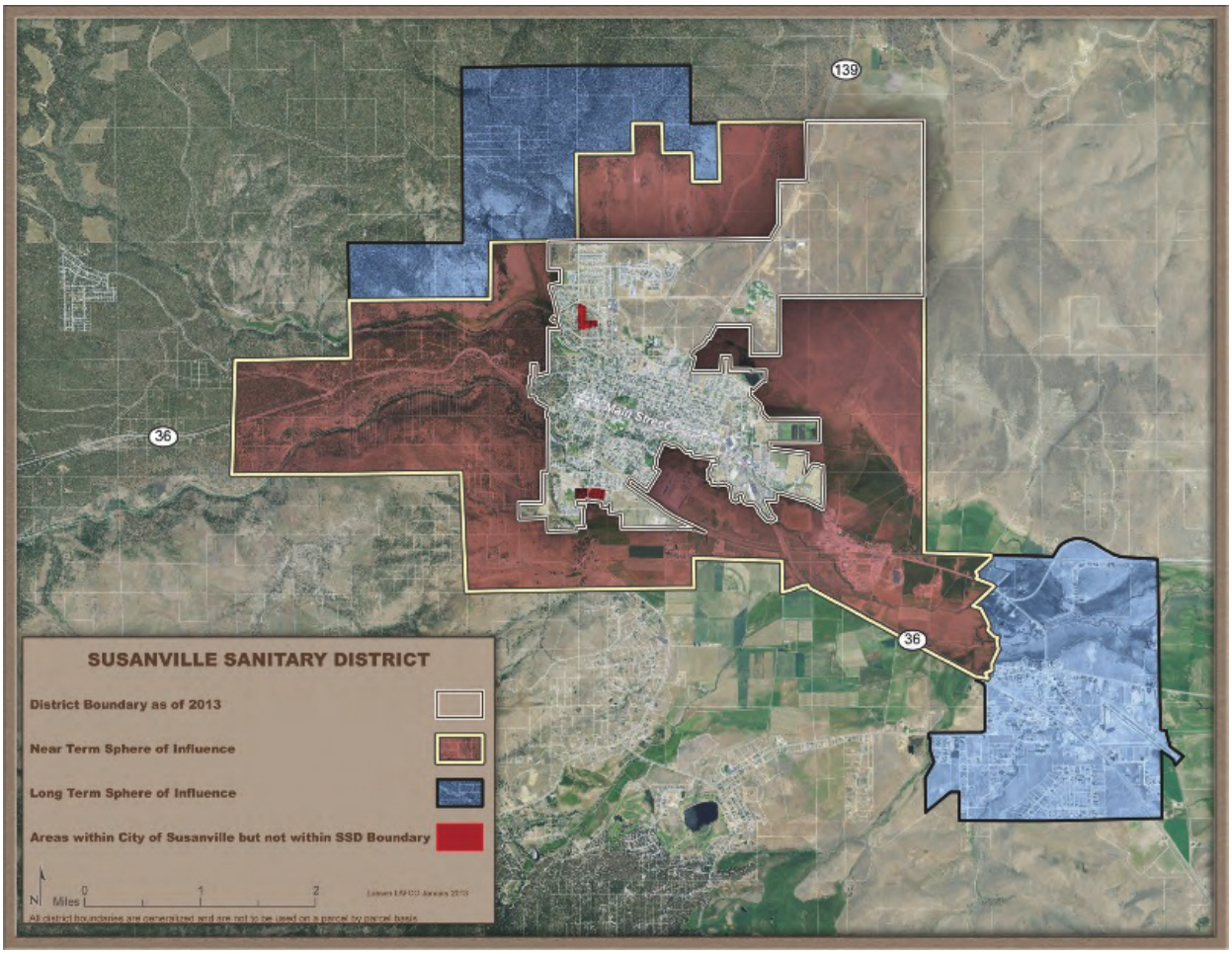
SSD's boundaries encompass approximately 6.2 square miles. With a few exceptions, the boundaries are contiguous to Susanville City limits. There are four small areas where SSD's boundaries extend beyond the city limits—a small undeveloped area south of the City just north of Bauer Road where services are not provided, and an area to the southeast at the intersection of Orchard Street and Hobo Camp Road where services are provided, some parcels to the east where the SSD treatment facilities are located, and an area to the northeast where additional SSD lands are located.

There are three areas within the city limits that are not within SSD's official boundaries but are receiving services from the District. Annexations were made to the City and were not summarily annexed into SSD as was done with most other city annexations. These areas consist of the Renae Drive Annexation in 1987, consisting of 14.37 acres, and the Plumas Street Island Annexation in 1980, consisting of nine acres. LAFCO Resolution 80-52, annexing this area into the City of Susanville and the Susan River FPD, included a term and condition as: "The Susanville Consolidated Sanitary District shall be urged to apply for annexation immediately of the so-described territory." The territory was never annexed to the Sanitary District, leaving a non-annexed area, which remains today. [6]

The District's SOI was first established on February 26, 1974. The sphere has been updated twice since its establishment, once in 1985 [7] and again in 2005. [8] The most recent Sphere of Influence update took place on February 11, 2013,[9] and now includes a short- and a long-term sphere horizon. The updated SOI was intended to align to the greatest degree possible with the City's SOI, in the anticipation that SSD would be serving any city growth in those areas. The short-term SOI includes the Susanville, Richmond/Gold Run, and Johnstonville Area Plans territory designated estate, rural residential, or other urban designations, lands designated by the County as urban reserve within the City of Susanville's SOI northeast of the City, lands south and southeast of the City of Susanville generally north of Sierra Road, land west of the City along SR 36 designated as upland conservation. The long-term SOI includes lands along Richmond, Gold Run, and Wingfield Roads south of the City of Susanville. [10]

[6] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.18. August 29, 2012.
[7] LAFCO Resolution No. 01-85.
[8] LAFCO Resolution No. 2005-02.
[9] LAFCO Resolution No. 2013-02
[10] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.20. August 29, 2012.

Figure 3-2: Susanville Sanitary District Boundaries and SOI



4. ACCOUNTABILITY AND GOVERNANCE

GOVERNANCE

The District's Board consists of five Directors elected to four-year terms. General district elections are held in even-numbered years pursuant to the Uniform District Election Law. Elections are held according to the Health and Safety Code and Election Code. All current board members were elected. Current board member names, positions, and term expiration dates are shown in Figure 4-1. [11]

Members of the Board of Directors receive compensation for attendance at regular board meetings and emergency meetings. In addition, the directors receive compensation for each day of service rendered as a director at the request of the Board, which includes standing committee meetings related to administration, engineering, or finance. Situations necessitating the official presence of a board member are considered service rendered for reimbursement. Each director receives compensation in an amount not exceeding $100 per meeting or $300 per month.

Regular meetings are held once a month on the second Tuesday at one in the afternoon in the board room of the Susanville Sanitary District office located at 45 South Roop Street in the City of Susanville. Special meetings are held as called by the president or three directors. Agendas are posted on the District's website and at the office building. Agendas and minutes for all 2023 board meetings are available on the SSD website. In addition to the required agendas and minutes, the District does not conduct any further public outreach.

In addition to the required agendas and minutes, the District does not conduct any further public outreach.

Residents may submit complaints in writing or by filling out a claim form in case of reimbursement. The general manager is responsible for handling complaints. Most complaints are usually regarding the collection system pressure; specifically, when the pressure is too high, wastewater can back up to the connection. This occurs when sewer backup from plugs in the line due to roots grease or vandalism. [12]

Ethics training is required once every two years, beginning with an odd-numbered year (AB 1234, Chapter 700, Statutes of 2005). Training is available online at the State of California

[11] Lassen LAFCO Susanville Sanitary District Municipal Service Review, p.23. August 29, 2012.
[12] Susanville Sanitary District Request for Information, October 18, 2023.

Fair Political Practices Commission (FPPC) website. All of SSD's Board Members, General manager, District Counsel, and Board secretary have completed Ethics Training for 2023. It is recommended that the District make available all Certificates of Completions on the District's website.

Additionally, a Statement of Economic Interest, or Form 700, must be submitted annually to indicate transparency in economic interests as required by the Political Reform Act of 1974 (California Government Code Sections 81000-81003). Every elected official and public employee who makes or influences governmental decisions is required to submit Form 700. Board Member Billy Hoffman, Board Member Marty Heath, and General Manager Steve Stump have current filings of Forms 700 with the FPPC. Alternately, Board Members Ernest Peters and David Martin have Form 700 filings for 2022, while Board Member Kim Erb has a 2020 filing. It is recommended that each board member submit a new Form 700 each year, even if the economic interests have stayed the same. The District is also recommended to have copies of up-to-date Form 700 filings online on its website.

Accountability

Figure 4-1 identifies efforts to meet State laws aimed to ensure transparency and accountability. Generally, the District meets the requirements outlined in State laws regarding the Brown Act and website materials by making agendas and minutes readily available on its website. However, the District does not have live-stream board meetings, and meeting audio or video archives are not available.

The District websites are easily navigated and make available a substantial amount of information and documentation that is clear and concise for the customer. The District also makes readily available significant planning documents and financial reports through the State Controller Report page on its website with links to access the District's 2021 financial transactions report and 2022 compensation report.[13]

[13] Susanville Sanitary District, State Controller Reports. http://www.susanvillesanitarydistrict.com/state_controller_reports.aspx.

Figure 4-1: Transparency and Accountability Indicators

	SSD
Agency website[1] (GC §53087.8)	Yes
Contact information available on website (GC §53087.8 (a)(3))	Yes
Annual Compensation Report (GC §53891 and 53908)	Yes
Adopted budget available on website	Yes
State Controller's Office Financial Transaction Report available on website (GC §53891 and 53893)	Yes
Notice of public meetings provided	Yes
Agendas posted on website (GC §54954.2)	Yes
Public meetings are live streamed	No
Minutes and/or recordings of public meetings available on website	Minutes are available, No recording available
Master Plan available on website	No
Strategic Plan available on website	No
Sanitary Sewer Management Plan available on website	No
Enterprise System Catalogue available on website (GC §6270.5 (a))	No
Efforts to engage and educate the public on the services to the community	No
Staff and governing board member ethics training and economic interest reporting completed	No
Compliance with financial document compilation, adoption, and reporting requirements	No
Adherence to open meeting requirements	Yes

5. PLANNING AND MANAGEMENT

STAFFING

SSD currently has six full-time staff and one part-time employee. The District has training programs and safety training for its staff. The District's most recent employee memorandum of understanding was adopted in 2022, while the administrative policies were adopted in 2005. [14]

The District uses employee performance evaluations in reviewing merit increases. Performance evaluations are prepared by the district manager on all permanent district employees. For probationary employees, a minimum of two written evaluations (third and sixth month) of their performance are to be completed and filed in the employee's personnel folder. After that, a written evaluation is completed annually on the employee's anniversary date.

SSD does not perform formal evaluations of overall district performance, such as benchmarking or annual reports; however, the Regional Water Quality Control Board annually evaluates the management, operations, and infrastructure of the District's system to ensure that public and environmental health is safeguarded. The District tracks its employees' workload through detailed timesheets and logs. Timesheets are used as a budgetary tool to provide more efficient money allocation.[15]

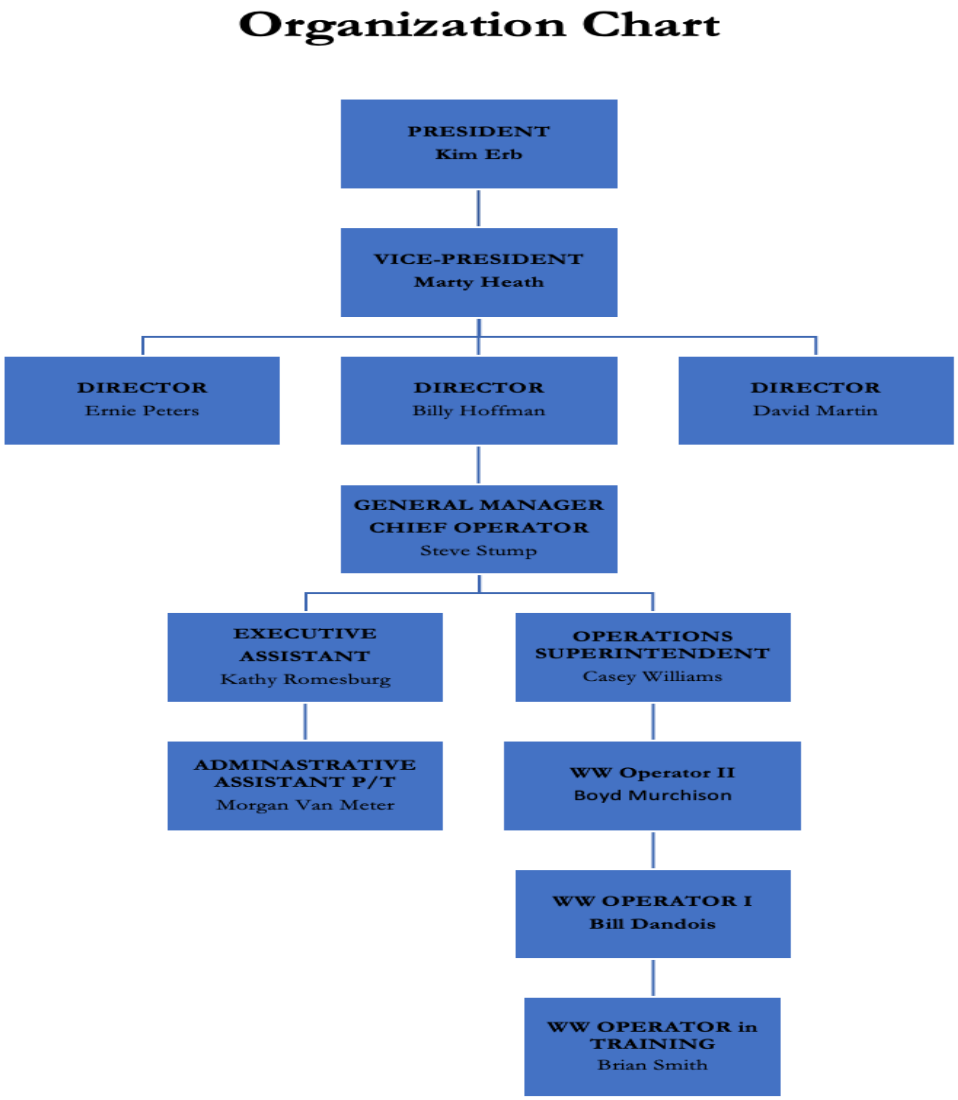
ORGANIZATIONAL STRUCTURE

The District Manager is the Chief Plant Operator (Grade V Operator) and reports directly to the governing board, while all other employees report to the district manager. The District has four licensed employees operating the plant— an Operations Superintendent, a Grade II Operator, a Grade I Operator, and an Operator in training. The district manager oversees field operations and is responsible for the sewage collection system, the wastewater treatment plant, and the administrative duties in the office.

The District also has an Executive Assistant who performs billing, collection, and office administrative duties with the help of a part-time Administrative Assistant.

[14] Susanville Sanitary District Request for Information, October 18, 2023.
[15] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.25. August 29, 2012.

Figure 5-1: Susanville Sanitary District Organizational Chart, 2023



Planning Efforts

Financial Planning Practices

The District's financial planning includes an annually adopted budget and audited financial statements. A preliminary budget is prepared in May or June each fiscal year, with the final budget adopted by the Board in August.

The District has provided the adopted budget for FY 23-24 and the audited financial statements for FY 22-23. According to Government Code Section 26909 [16], special districts must submit annual audits to the State Controller, the County Auditor, and the LAFCO of the county in which the special district is located within 12 months after the end of the fiscal year, unless a biennial or five-year schedule has been approved by the Board of Supervisors. For SSD, annual audit submissions are required.

The District reports it has submitted its audit to the State Controller for FY 22-23 within the required 12-month period. It is recommended that the District begin submitting the annual financial audit report to the County Auditor and LAFCO to ensure full compliance.

Management Planning Practices

Currently, the District does not have management planning practices. It is recommended that the District adopt a strategic plan that illustrates the District's core mission, goals and priorities, and work plan for staff and the public. SSD can refer to other similar municipalities or special districts in the County with strategic plans to identify essential elements that could be included in the planning document. A strategic plan can be vital in communicating the District's vision and each Department's priorities to the public and increasing transparency. The strategic plan could also provide an opportunity to engage with the public to identify and address the right priorities.

[16] California Code, Government Code - GOV § 26909 (2)(B) A report of the audit required pursuant to subparagraph (A) shall be filed within 12 months of the end of the fiscal year or years under examination as follows:

(i) For a special district defined in paragraph (2) of subdivision (d) of Section 12463, with the Controller.
(ii) For a special district defined in Section 56036, with the Controller, the county auditor, and the local agency formation commission of the county in which the special district is located, unless the special district is located in two or more counties, then with each local agency formation commission within each county in which the district is located.

Susanville SD meets the definition of a special district under Section 56036.

Operational Planning Practices

Sanitary Sewer Management Plan

In 2009, the District adopted a Sanitary Sewer Management Plan (SSMP) as mandated by the State Water Resources Control Board (SWRCB) Order No. 2022-0103-DWQ, Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. The purpose of the order is to require agencies to prepare a plan and schedule for measures to be implemented to reduce sanitary sewer overflows, as well as measures to clean up and report sanitary sewer overflows effectively. The District's SSMP was last updated in 2023.

According to the SSD's 2023 SSMP, the District is required to conduct periodic internal audits, appropriate to the size of the system and the number of Sanitary Sewer Overflows (SSOs). These SSMP audits aim to evaluate the effectiveness of the SSMP and ensure the District's compliance with its requirements, including identifying any deficiencies in the SSMP and implementing corrective measures. [17] The District reports that it maintains an ongoing internal audit process.

Master Plans

SSD has a Wastewater Master Plan that was last updated in 1992. The District is working with Pace Engineering and utilizing a grant from the SWRCB to conduct an engineering study aiming to identify the optimal plant upgrade plan. This study is expected to be completed by October 31, 2025. Upon completion, the District will develop an updated Master Plan.

In July 2024, the District's board approved issuing a Request for Proposals (RFP), with plans to begin work on the new Master Plan by November 2024.

Other Plans

In the previous MSRs, the District reported that it was in the process of completing a capital improvement plan (CIP); however, the District still needs to have a formal CIP but instead plans for its capital projects as needed in the annual budget. A majority of the District's capital improvement planning is short-term and is updated as necessary.[18]

[17] Susanville Sanitary District, Sanitary Sewer Management Plan (SSMP) Final, 2023. p.40.
[18] Susanville Sanitary District Request for Information, October 18, 2023.

6. GROWTH AND POPULATION PROJECTIONS

This section reviews historical and recent population and economic growth, projected growth, and growth areas.

Land Use

The District's boundary area is approximately 6.2 square miles. For the portions of the District that are within the incorporated limits of the City, land uses are governed by the City of Susanville as the land use authority. Designated land uses are based on the City's General Plan that was adopted in 1990. There are 18 defined land uses within the City. Land uses are primarily residential, commercial, industrial, and agricultural.

Land uses in the small portions of the District that extend outside of the City are governed by Lassen County. The County most recently updated its General Plan in 2000. For the area surrounding the incorporated limits of the City of Susanville, the County has adopted the Susanville Vicinity Plan, the Johnstonville Area Plan, and the Richmond/Gold Run Area Plan.

Because of regular flooding along the river, Susanville's earliest residential area was built on the high ground now known as Uptown. Originally, the center of the town was at Main and Lassen, but the development trend has been such that the commercial area has now extended eastward along Main Street about two miles.[19]

[19] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.26-27. August 29, 2012.

Historical Population Trends

According to the 2010 Census, the City of Susanville had a population of 17,947, while the 2020 Decennial Census shows a slightly lower population of 16,728. Both of these reports include the institutionalized population of the California Correctional Center and High Desert State Prison. The California Correctional Center was shut down on June 30, 2023. However, since both the California Correctional Center and High Desert State Prison are located outside the city limits and not serviced by SSD, they are excluded from this MSR.

In the 2012 MSR, it was estimated that the population of SSD, as of 2010 was 9,775, which included the six residences that are on private septic systems. Currently, the District reports a slightly higher population of 9,781. This indicates that the average annual growth rate (AAGR) for SSD, from 2010 to 2023 was approximately 0.005 percent.

Population Projections

SSD completed population projections through 2015 as part of its master plan in 1992; however, these projections are greatly outdated, and the District has made no formal population projections based on the existing housing and economic conditions.[20]

According to the Department of Finance (DOF), countywide growth projections for Lassen County are expected to see an approximately negative two percent AAGR from 2020 (31,719) through 2060 (15,428). Utilizing the County's AAGR and SSD's 2023 population estimates, the population within the District is anticipated to decrease to 9,716 by 2060.

Growth Strategies

The District expects no significant growth in population or service demand over the next five to ten years. This is primarily due to the ongoing economic downturn and the closure of the California Correctional Center. According to the 2021 California Department of Transportation (Caltrans) economic forecast, the closure of the California Correctional Center, which represents over 10 percent of all jobs in Lassen County, is expected to have a significant adverse effect on the County's economy and job market. [21]

This is consistent with the DOF's countywide projections, which estimates an average annual decline of approximately two percent in Lassen County's population from 2020 to 2060.

[20] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.30. August 29, 2012.
[21] California Department of Transportation (Caltrans), 2021 County-Level Economic Forecast, Lassen Economic Forecast.

7. DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCO is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. The intent and history of this requirement are outlined in the Background Section of this report.

A disadvantaged unincorporated community is defined as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.[22]

According to Census Bureau data, the statewide MHI for 2017-2021 is $84,097, and hence, the calculated threshold of $67,277 defines whether a community is disadvantaged. Therefore, the entirety of the City of Susanville is considered to be a disadvantaged community with a median income of $53,750.

[22] Government Code §56033.5 defines a DUC as 1) all or a portion of a "disadvantaged community" as defined by §79505.5 of the Water Code, and as 2) "inhabited territory" (12 or more registered voters), as defined by §56046, or as determined by commission policy.

8. FINANCIAL ABILITY TO PROVIDE SERVICES

The financial ability of agencies to provide services is affected by available financing sources and financing constraints. This section discusses the major financing constraints faced by SSD and identifies the revenue sources currently available to the District. Finally, it assesses the financial ability of the District to provide services.

The District operates out of an enterprise fund. The District's total revenues for FY 23-24 were $1,851,053 (operating revenue—$1,626,053 or about 88 percent and non-operating revenue—$225,000 or 12 percent). Operating revenue sources include residential sewer service charges (72.4 percent), commercial sewer service charges (27.4 percent), and inspection fees (0.2 percent). [23]

Non-operating revenue sources included tax revenues of $225,000. The District's property tax is assessed and collected by Lassen County. The District receives its ratable share of property tax imposed on all taxable real and personal property. The County apportions property tax revenue at the time it is billed.[24]

Additionally, for FY 23-24, there was a transfer of $264,953 from reserves to the operating budget to ensure a balanced budget. This was due to total expenses for FY 23-24 being $2,116,006 (wages, employee benefits, and directors' fees—$1,008,406 or 48 percent and general expenses—$1,107,600 or 52 percent), which exceeds the total revenue (including tax revenue), by $264,953.[25]

Overall, the District reports that current financial levels are adequate to deliver services. No challenges to financing were identified. However, the District experienced very little or no increase in revenue in the last few years, mostly attributed to a very poor economy and little or no new construction, resulting in no new sewer service connections.

The District reports that the most recent sewer service rate increases in 2016 have sufficed revenue needs to the present; however, as of current, there are capital improvement needs and

[23] Resolution No. 23.04, Resolution Adopting the Budgets for The Susanville Sanitary District for Fiscal Year 2023-2024.
[24] Resolution No. 23.04, Resolution Adopting the Budgets for The Susanville Sanitary District for Fiscal Year 2023-2024.
[25] Resolution No. 23.04, Resolution Adopting the Budgets for The Susanville Sanitary District for Fiscal Year 2023-2024.

an additional employee need. The District is currently doing a rate study that is expected to be completed by July 2024 to include these projects. [26]

Figure 8-1: Susanville Sanitary District Financial Summary Fiscal Year 2023-2024

SSD BUDGET FY 23-24	
Operating Revenues	
Sewer Service Charges Residential	$1,178,653
Sewer Service Charges Commercial	$444,100
Inspection Fees	$3,300
Total Operating Revenues	$1,626,053
Tax Revenues	$225,000
Transfer to Operating Budget	$264,953
Total Revenue and Transfers of All Catagories	$2,116,006
Operating Expenses	
Wages, Employee Benefits, and Directors Fees	$1,008,406
General Expenses	$1,107,600
Total Budgeted Operating Expenses and Transfers	$2,116,006
General Reserves	
SSD Reserve	$1,349,769
WWTP Capital Reserve	$402,372
Collection System Capital Reserve	$549,820
Unfunded Liability Reserve	$1,263,310
Total Budgeted Cash, General Funds, and Bond Reserve	$3,565,271
Total Fiscal Year Budget	$5,681,277
Ending Fund Balance as % of Operating Revenues	349%
Typical Monthly Rate for Single Family Residence	$18.50
Median Monthly Household Income, 2017-2021 (not in thousands)	$4,479
Monthly Wastewater Rates as a % of Household Income	0.4%

[26] Susanville Sanitary District Request for Information, October 18, 2023.

Balanced Budget

Recurring operating deficits are a warning sign of fiscal distress. In the short term, reserves can backfill deficits and maintain services. However, ongoing deficits eventually will deplete reserves.

SSD's FY 23-24 operating expenses exceed operating revenues by $489,953. However, when considering tax revenues and transfers to the operating budget, the District's FY 23-24 budget is balanced.

Fund Balances, Reserves, and Liquidity

Fund balances and reserves should include funds for cash flow and liquidity in addition to funds to address longer-term needs. Cash reserves should be adequate to respond to system emergencies, temporary deficits, economic downturns, and fiscal emergencies, as well as to fund needed capital improvements.

The District has four reserve accounts:[27]

- SSD Reserve—the fund was established by Board action in 2008 as an account for unexpected/emergency purchases and distribution to other reserve accounts. The balance as of June 30, 2023, was $1,349,769. The SSD reserve account is unrestricted, and deposits are made from unanticipated revenue sources or unspent revenue. These funds are to be accounted for separately, showing accrued interest earned. It is anticipated that the reserve account will be earmarked for unforeseen emergencies or catastrophic failures not related to capacity expansions with the infrastructure.
- WWTP Capital Reserve—the fund was established by Board action in 2008 to guarantee sufficient funds for future expansion/rehabilitation of the Wastewater Treatment Plant (WWTP). This includes but is not limited to connection fees (restricted) collected. Funds deposited in or accruing to the Wastewater Capital Reserve Fund are available for expansion, major repair, or replacement of the wastewater treatment facilities. Funds expended from the Wastewater Capital Reserve Fund are to be replaced by depositing at a minimum annual rate of ten percent of the amount expended. The balance as of June 30, 2023, was $402,372.
- Collection System Capital Reserve—the fund was established by Board action in 2008 to guarantee sufficient funds for future expansion/rehabilitation of the collection system.

[27] Susanville Sanitary District Request for Information, October 18, 2023.

This includes but is not limited to collection fees (restricted) collected. The balance as of June 30, 2023, was $549,802.

- Unfunded Liability Reserve - the fund was established by Board action in 2019 to reserve funds to pay off pension unfunded liability. The balance as of June 30, 2023, was $1,263,310.

Net Position

An agency's "Net Position" represents the amount by which assets (e.g., cash, capital assets, other assets) exceed liabilities (e.g., debts, unfunded pension, and Other Post-Employment Benefits (OPEB) liabilities, other liabilities). A positive Net Position provides an indicator of financial soundness over the long term.

SSD had a total net position of $10,676,688 at the end of FY 22-23. This is an increase of $118,937 from FY 21-22. This change is significantly due to cash increasing as a result of revenues exceeding expenses before depreciation and other income from

property taxes.[28]

Rates and Charges

SSD's primary source of revenue is sewer charges. Sewer service fees were last raised in January 2016. Monthly fees are dependent on dwelling type and range from $18.50 to $23.50 per month. A single-family residential connection for a dwelling with less than three bedrooms costs $18.50 per month. The sewer service charge for a dwelling with three or more bedrooms is $23.50. Schools and Lassen Community College are charged $1 per student. The monthly fee for a pump station is $2.70 for each connection. Commercial rates are based on water usage and vary depending on commercial groups and institutions. [29]

The District was conducting a rate study originally projected for adoption in July 2024. However, due to the loss of funding from the SWRCB, the completion of the study has been delayed. The new estimated completion date is now sometime in 2025, although no exact date has been provided.

Similarly, connection fees, which were last updated in January 2005, are also projected to be adjusted after the rate study is completed. Connection fees for both the wastewater treatment plant and the sewage collection system are used to replace and/or upgrade the existing

[28] Susanville Sanitary District Financial Statements, Management Discussion and Analysis, and Independent Auditor's Report. As of and for the Year Ended June 30, 2023. p.5-7.
[29] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.33. August 29, 2012.

treatment plant and collection system as needed. They are collected based on replacement values of the treatment plant and sewage collection system. The wastewater treatment plant fees are $1,612 per equivalent dwelling unit (EDU) for a single-family housing unit and $1,447 per EDU for multi-family housing. There is a $1,000 per EDU collection system fee for each connection, regardless of use type. The inspection fee, which includes two trips to the site, is $75, and the special assessment fee is $74. [30]

Connection fee revenue may only be used for facility replacement or expansion. Accordingly, WWTP connection fees are restricted for plant facility replacement or expansion, and collection system connection fees are restricted for collection system replacement or expansion. As of June 01, 2023, the WWTP reserve is $402.372, while the Collection Reserve is $549,820. These numbers include interest, and the connection fees have not changed.

Long-term Debt

The District paid off its loan from the State Revolving Fund (SRF) that was received on November 13, 2003, for expansion of the District's existing wastewater treatment plant in 2019. The District currently has no outside debt.[31]

[30] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.33. August 29, 2012.
[31] Susanville Sanitary District Request for Information, October 18, 2023.

9. WASTEWATER SERVICES

TYPE AND EXTENT OF SERVICES

SERVICES PROVIDED

SSD provides wastewater collection, treatment, and disposal services.

SERVICES TO OTHER AGENCIES

The District presently provides services outside of its bounds to three areas that were annexed to the City of Susanville and previously assumed annexed to SSD. These areas are described above in the section entitled Boundaries and Sphere of Influence.

CONTRACTS FOR SERVICES

The District does not contract with any other agencies for services, nor does it provide services to other agencies under contract. All services are provided directly by SSD staff.

OVERLAPPING SERVICE PROVIDERS

There are no overlapping wastewater service providers in the SSD area.

UNSERVED AREAS

About six individual properties within the District's boundaries, two of which are in the northwest of SSD, remain on private septic systems and are not connected to the District's system. When the septic systems at these locations fail in the future, they will be required to connect to the District's system. [32]

WASTEWATER INFRASTRUCTURE AND FACILITIES

COLLECTION SYSTEM

The District owns and maintains 61 miles of collection pipelines, a wastewater treatment plant, two polishing ponds, and a wetland.

[32] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.22. August 29, 2012.

Wastewater is collected through 60 miles of gravity-fed pipelines and one mile of pressure sewer mains. Approximately 30 percent of the pipelines date back to the 1950s, 40 percent of the system was installed between the 1950s and the 1980s, while the remaining 30 percent was installed sometime between the 1980s and the present. The District identified the pipelines as being in relatively good condition with a low rate of infiltration and inflow (I/I). [33]

The WWTP presently can treat wastewater to tertiary levels. The operations and discharge of the WWTP are subject to Waste Discharge Requirements Order No. R6T-2008-0022 (NPDES No. CA0102695).

According to the SWRCB website, the existing permit was set to expire on July 23, 2013; however, it still shows active. In Oct 2012, there was an amendment to the current permit allowing for UV lights instead of Chlorine. There have been no violations since the UV system has been in effect. The District is currently under the amended permit. However, the SWRCB is in the process of getting an updated permit. [34]

The treatment system currently consists of screening, grit removal, extended aeration sludge processing, secondary clarification, disinfection, and UV light processes. The treatment system also includes two emergency storage ponds that can receive wastewater from the influent distribution box or from the chlorine contact chamber box. The two emergency storage ponds may be used during system problems to store wastewater and return the wastewater back to the head works.[35]

Solids are dewatered and then hauled to the Lockwood Landfill. Wastewater is discharged from the plant into a polishing pond and wetland and into an unlined irrigation channel that crosses three separate ranches not under the ownership or control of SSD. Each ranch flood irrigates using water from the wastewater irrigation channel and the Jensen Slough. Tail water from irrigation practice, which may be a mixture of water from Jensen Slough and treated effluent, is returned to Jensen Slough for use at the next ranch. At the third property, the wastewater combined with Jensen slough water is used for irrigation, or the combined flow goes to the Susan River, which is where the Jensen Slough terminates.[36]

Capacity

According to the District's 2023 SSMP, the District's WWTP design capacity is 2.0 million gallons per day (mgd), which is based upon a 30-day average flow per the requirements of the

[33] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.36-37. August 29, 2012.
[34] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.37. August 29, 2012.
[35] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.37. August 29, 2012.
[36] Regional Water Quality Control Board, WDR No. R6T-2008-0022, 2008. p. 4.

National Pollutant Discharge Elimination System (NPDES) permit issued by the Lahontan Water Board. Flow data collected from the plant headworks flow meters show that the plant is within its design capacity. Average monthly flows for the past three years range from 0.9 mgd to 1.2 mgd. [37]

Additionally, during peak wet weather, the WWTP has the capacity to treat 3.1 mgd peak wet weather flow, with a maximum hydraulic capacity of 4.0 mgd. For planning purposes, the District estimates that each resident uses approximately 250 gallons per capita per day.

The District reports that the average dry weather flow (ADWF) has remained at 1.0 mgd through 2022. While during peak wet weather conditions, it averaged 4.0 mgd.

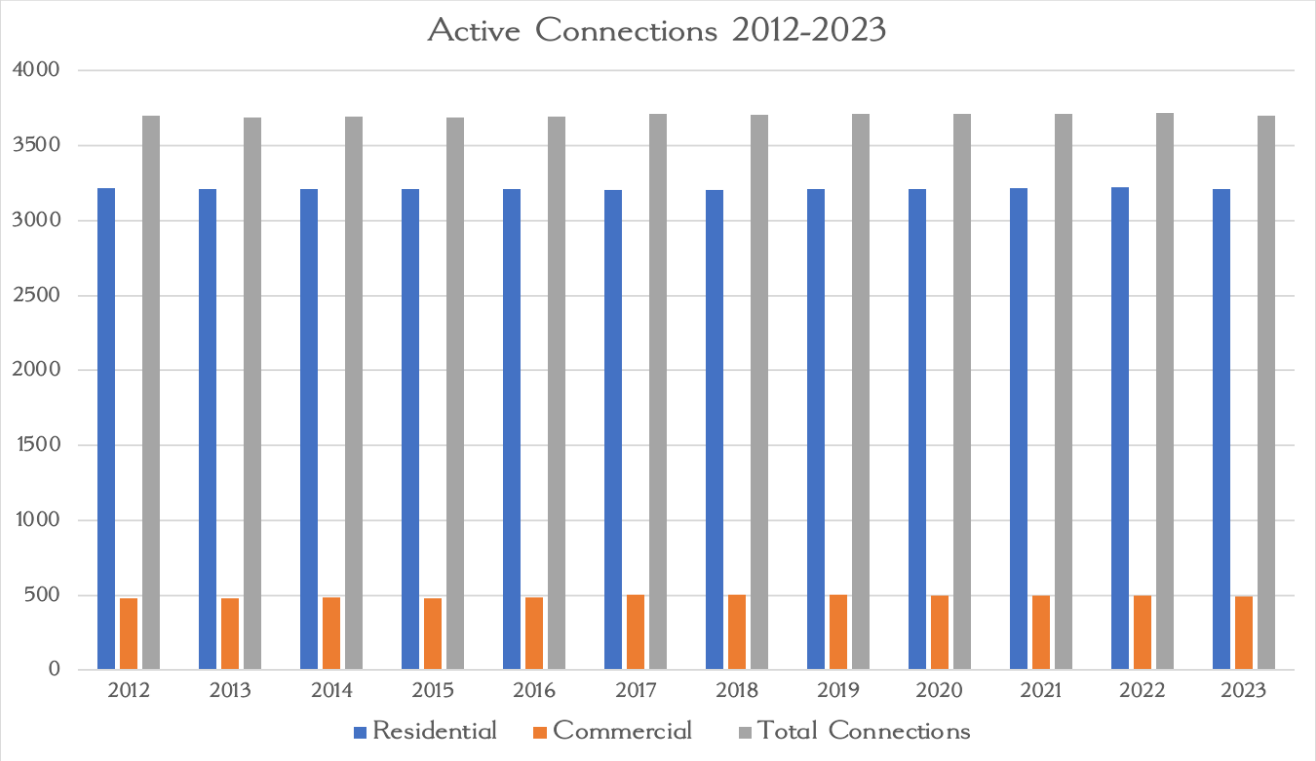
The District reports that it has sufficient capacity to provide adequate services to the existing and planned developments. However, it anticipates needed upgrades for constituent levels (BOD, suspended solids, metals, etc.) that will be required on the next SWRCB permit.[38]

Existing Demand

Similar to the previous MSR, SSD reports minimal growth in service demand in the last few years. The District reports that the collection system currently serves 3701 connections, out of which 3207 are residential and 494 are commercial. This reflects a slight decrease in connections since the last MSR in 2012, which, according to the District, had 3,697 total connections that year, out of which 3217 are residential and 480 are commercial. Figure 9-1 shows the estimated number of active connections each year from 2012 to 2023.[39]

[37] Susanville Sanitary District, Sanitary Sewer Management Plan (SSMP). p.33. 2023.
[38] Susanville Sanitary District Request for Information, October 18, 2023.
[39] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.31-32. August 29, 2012.

Figure 9-1: Susanville Sanitary District Active Connections 2012-2023



Maintenance and Operations

Collection system operation and maintenance (O&M) consists of inspection, evaluation, preventative maintenance, and cleaning to maintain flow and mitigate I/I.

SSD performs various monthly maintenance activities, including visual checks for general condition and overflow evidence, as well as inspection of several manholes for surcharging evidence on main lines. While the remainder of the collection system has an annual maintenance schedule. Manholes also have an annual maintenance schedule for inspection for loose bricks/mortar evidence of I/I and surcharging.

For the Eagle Lake sewage pump station, the following maintenance activities is performed:[40]

- Daily check for station problems with Supervisory Control and Data Acquisition (SCADA),
- Weekly check for a record of pump pressure and pump run times security,
- Monthly check for motor amperage, electrical connections, pump grease from wet well as needed,

[40] Susanville Sanitary District, Sanitary Sewer Management Plan (SSMP). p.27-29. 2023.

- Annual exercise of all valves; and
- Triennial condition assessment.

For all other stations, the following maintenance activities are performed:[41]

- Weekly check for problems including security, record pump pressure and run time,
- Monthly check and record motor amperage, check mechanical and electrical connections, pump grease from wet well as needed, remove and replace flow meter strip chart, operate backup generator, check and top off all fluids,
- Annual exercise of all valves, and
- Triennially disassemble and clean internal pump components, check impeller, disassemble and clean check valves, and assess condition.

Additionally, the District checks all force mains' air relief valves for proper operation semi-annually and disassembles and cleans them annually. Furthermore, the District cleans force mains with a pipe pig every five years.[42]

The District has Closed Circuit Television (CCTV) equipment for system inspections. Sections are inspected automatically when a gas line has been added in the area to ensure that no holes are bored into the pipelines. Areas are also inspected if there are known issues in the vicinity.

The WWTP has gone through a series of expansions since it was first constructed in 1951. The most recent upgrade was to the UV system and tertiary treatment that was completed in 2012.

In the 2019 RWQCB inspection, it was recommended that the District ensure proper maintenance of the secondary clarifier, which showed signs of algal buildup on the weir and effluent launder troughs. The District reports that currently the secondary clarifier is hosed twice a week. [43]

Infrastructure Needs

In the last MSR, a few issues were identified as needing improvement or replacement regarding the collection system.

[41] Susanville Sanitary District, Sanitary Sewer Management Plan (SSMP). p.29-30. 2023.
[42] Susanville Sanitary District, Sanitary Sewer Management Plan (SSMP). p.30. 2023.
[43] California Regional Water Quality Control Board, Lahontan Compliance Inspection Report, Susanville Sanitary District B Type Compliance Inspection, April 10, 2019.

First, the District indicated that there is a low spot in the line that collects debris at 1207 North Street; however, the District was unable to inspect this area with CCTV as the District's camera cannot view the entire line. The District reports that they have a newer camera that reaches 250 feet and that this is no longer an issue. [44]

Second, the previous MSRs identified capacity constraints of a 12-inch main that runs north adjacent to the eastern boundary of the City. As of 2005, the line had remaining capacity for 319 additional connections. This issue was addressed in 2008 when the Susanville Indian Rancheria planned to build a hotel. As a condition for serving the new development, the Rancheria provided their contractor to complete the capacity enhancement, while the District provided the materials. The District reports that this project was completed since the last MSR in 2012.

In the previous MSR, the District also identified challenges in complying with NPDES effluent limitation for discharge into a wetland and irrigation channel. To ensure that the District is in compliance with legal requirements, the plant was updated to tertiary treatment in 2012.

The District has not identified any infrastructure needs or deficiencies. However, as mentioned the District has received a grant from the SWRCB to help evaluate the next steps for a plant upgrade.[45]

Shared Facilities

SSD reports occasional equipment sharing with the City of Susanville but does not currently engage in broader facility sharing with other agencies. The previous MSR identified that due to topography, the location of wastewater collection and treatment agencies throughout Lassen County, and how wastewater collection and treatment systems are designed, sharing facilities such as lift stations and wastewater collection infrastructure, and wastewater treatment between service providers is not practicable. Sharing facilities such as office space, corporation yards, and specialized equipment may be feasible. However, the District has not identified any such facility-sharing opportunities. [46]

[44] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.38. August 29, 2012.
[45] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.5. August 29, 2012.
[46] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.39. August 29, 2012.

Wastewater Flow

Collection

SSD's collection system collects and conveys approximately 401 million gallons of waste per year and a total of over 1.2 billion gallons of waste over the past three years.

Wastewater collection systems can be impacted by significant wet weather events due to I/I. All wastewater providers experience I/I to some degree, which can result in overflows and higher flows at the treatment facilities. SSD reports that it averages approximately 350,000 gallons a month during wet seasons while it estimates zero I/I during dry seasons.

Service Adequacy

This section reviews indicators of wastewater service adequacy, including collection system integrity and regulatory compliance. Whenever available, industry standards are used to determine the level of services provided. In lieu of adopted standards, the report also makes use of generally accepted industry best practices or benchmarking with comparable providers.

Sewer System Integrity

There are several measures of the integrity of the wastewater collection system, including sanitary sewer overflows, peaking factors resulting from I/I, and efforts to address I/I.

Sanitary Sewer Overflows

All wastewater agencies are required to report sanitary sewer overflows (SSOs) to SWRCB. Sewer overflows are discharges from sewer pipes, pumps, and manholes. Overflows reflect the capacity and condition of collection system piping and the effectiveness of routine maintenance. The sewer overflow rate is calculated as the number of overflows per 100 miles of the main pipeline per year.

The SWRCB website shows 41 SSOs for the District from 2019-2024, with a total volume spill of 1,545 gallons, of which 720 gallons or 46 percent were recovered and only four percent reached surface water.[47]

[47] California Integrated Water Quality System Project (CIWQS), Spill Public Report – Summary Page. https://ciwqs.waterboards.ca.gov/ciwqs/readOnly/PublicReportSSOServlet?OWASP_CSRFTOKEN=81Z8-V94N-TCLM-VH0Z-HNBA-SCIF-JQ9X-VZ7K.

Infiltration and Inflow (I/I)

Wastewater flow includes not only discharges from residences, businesses, institutions, and industrial establishments but also infiltration and inflow. Infiltration refers to groundwater that seeps into sewer pipes through cracks, pipe joints, and other system leaks. Inflow refers to rainwater that enters the sewer system from sources such as yard and patio drains, roof gutter downspouts, uncapped cleanouts, pond or pool overflow drains, footing drains, cross-connections with storm drains, and even holes in manhole covers. I/I tend to affect older sewer systems to a greater degree. I/I rates are highest during or right after heavy rain. They are the primary factors driving peak flows through the wastewater system and a major consideration in capacity planning and costs.

The peaking factor is the ratio of peak-day wet weather flows to average dry weather flows. The peaking factor indicates the degree to which the system suffers from I/I, where rainwater enters the sewer system through cracks, manholes, or other means. A peaking factor of up to three is generally considered acceptable based on industry practices.

SSD reports a peaking factor of 4.0 which slightly exceeds the industry practices and indicates a high incidence of I/I in the District's system.

Regulatory Compliance

The RWQCB enforces the Clean Water Act, permit conditions, and other requirements of wastewater providers. SWRCB records violations of State requirements for wastewater providers and treatment facilities. The Board may levy fines or order the provider to take specific actions to comply with water quality regulations.

The system operates under Waste Discharge Requirements Order No. R6T-2008-0022 (NPDES No. CA0102695) from the California Regional Water Quality Control Board (RWQCB) Lahonton Region. The NPDES permit, according to the SWRCB website, expired in 2018. The renewal process is pending while the SWRCB awaits the results of the plant upgrade engineering study before issuing the updated permit. As noted on the 2020 inspection report the District can continue normal operations until a new permit is issued.

In the previous MSR, it was indicated that SSD had been struggling with effluent quality limits and was facing penalties. The District reports the prior enforcement from the SWRCB has been finalized. The District settled a $3,000 fine paid to the water board, and the District was allowed to upgrade to the UV and tertiary treatment with most of the fines dropped. [48]

[48] Susanville Sanitary District Request for Information, October 18, 2023.

The SWRCB's website shows a formal administrative civil liability enforcement action that was effective on November 13, 2020, referring to the settlement agreement and stipulation for entry of order regarding the above-referenced penalties between the District and the Lahontan Water Board.[49]

Since then, there has been three enforcement actions, including two staff enforcement letters issued in 2023 and 2024 and an oral communication issued in 2024. No details on these enforcements were provided on the RWQCB website.

According to the SWRCB's website, SSD had 12 violations in recent years. Of these, two occurred in 2023 due to the District's laboratory failing consecutive Environmental Laboratory Accreditation Program (ELAP)[50] proficiency tests for Total Dissolved Solids (TDS) and Electrical Conductivity. Consequently, the District's lab has been suspended, and an external laboratory is being used for these parameters until the proficiency tests are passed and the suspension is lifted.

In 2024, the SWRCB's website reported ten violations, primarily due to total coliform levels frequently exceeding the average mean limit. Biochemical Oxygen Demand (BOD) issues included removal efficiency at 80 percent (below the required 85 percent), and both monthly average and daily maximum limits were exceeded. Additionally, a missed sample for TDS for February was eventually corrected for March. These issues were largely due to external laboratory errors. The water board plans to conduct proficiency testing to reinstate the SSD lab in effort to address these compliance issues.

The most recent inspection of SSD facilities was completed in June 2024. Overall, the inspection report indicates that the District's WWTP is in good condition and well-operated, with operations staff effectively managing monitoring, reporting, record-keeping, and communicating with the Water Board. The report recommended replacing an expired operator certificate displayed in the operations building and keeping the Water Board updated on the results of duplicate laboratory samples to verify the accuracy of the outside laboratory's results.[51]

[49] Order NO. R6T-2020-0055, Settlement Agreement and Stipulation for Entry of Order, Susanville Sanitary District Wastewater Treatment Plant, Lassen County. November 13, 2020.
[50] ELAP provides evaluation and accreditation of environmental testing laboratories to ensure the quality of analytical data used for regulatory purposes to meet the requirements of the State's drinking water, wastewater, shellfish, food, and hazardous waste programs.
[51] State of California- Lahontan Regional Water Quality Control Board. Facilities Inspection Report. Susanville Sanitary District WWTP. May 21, 2024.

Figure 9-2: SSD Wastewater Service Adequacy Indicators

WASTEWATER SERVICE ADEQUACY AND EFFICENCY			
Regulatory Compliance Record, 2019-2024			
Formal Enforcement Actions	1	Informal Enforcement Actions	3
Formal Enforcement Type		Informal Enforcement Type	
		Oral Communication	1
Admin Civil Liability	1	Staff Enforcement	2
Total Violations, 2019-2024			
Total Violations	12		
Service Adequacy Indicators			
Treatment Effectiveness Rate	99%	Sewer Overflows 2019-2023	41
Total Employees (FTE)	4		
MGD Treated per FTE	0.28		
Source Control and Pollution Prevention Practices			
The District has a preventative maintenance program as part of its SSMP that was adopted in 2009. The District also has CCTV equipment for system inspections. Sections are inspected automatically when a gas line has been added in the area to ensure that no holes are bored into the pipelines. Areas are also inspected if there are known issues in the vicinity.			

10. GOVERNANCE STRUCTURE OPTIONS

While it was determined in the previous MSRs that options for change in government structure exist for SSD, the 2012 MSR indicated that these options may not be in the best interest of the ratepayer. Several government entities provide various functions and services, many of which are empowered to provide other services. The benefit of a single multipurpose agency is that one elected body is held accountable for community service needs and financial resources. Governance options identified in 2005 for the District included:

- The establishment of SSD as a subsidiary district of the City of Susanville.
- The establishment of a County Sanitation District through which Lassen County would provide wastewater services.
- The transfer of wastewater services to the Lassen Municipal Utility District.

However, similar to the conclusion in the 2012 MSR, the District reports that there is still no clear demonstration of public need or necessity for a change of organization.

Additionally, in the 2012 MSR, the District considered taking on water services for a single connection (the California Department of Transportation). The District now reports that it currently has no plans for any water operation due to the high cost and extensive requirements to meet the State's purple water standards. [52]

[52] Lassen LAFCO Susanville Sanitary District Municipal Service Review. p.48. August 29, 2012.

11. MUNICIPAL SERVICE REVIEW DETERMINATIONS

Growth and Population Projections

- The population of the SSD service area has seen a slight increase since 2010 which was estimated to be 9,775, while as of 2023 the District reports a population of 9,781. This indicates that the average annual population growth rate (AAGR) for the District from 2010 to 2023 was approximately 0.005 percent.
- According to the Department of Finance (DOF), countywide growth projections for Lassen County are expected to see an approximately negative two percent average annual growth rate (AAGR) from 2020 (31,719) through 2060 (15,428). Utilizing the County's AAGR and SSD's 2023 population estimates, the population within the District is anticipated to decrease to 9,716 by 2060.

The Location and Characteristics of Disadvantaged Unincorporated Communities Within or Contiguous to the Agency's SOI

- The statewide MHI for 2017-2021 according to Census Bureau data is estimated at $84,097, and hence the calculated threshold of $67,277 defines whether a community was identified as disadvantaged. Therefore, the entirety of the City of Susanville is considered to be a disadvantaged community with a median income of $53,750.

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

- SSD owns and maintains 61 miles of collection pipelines, a wastewater treatment plant, two polishing ponds, and a wetland. The District has a system that serves 3,701 connections, out of which 3,207 are residential and 494 are commercial.
- At present, the District is only using 60 percent (1.2 mdg) of its permitted capacity (2.0 mdg), based on average dry weather flow. It appears that even if potential developments

come to fruition and build-out, SSD will have sufficient treatment capacity to provide adequate services to the existing and planned developments beyond 2025.

- The District has not identified any facility or infrastructure needs that affect the capacity of the collection system.
- According to the SWRCB website, the most recent compliance inspections for the District was conducted on June 2024. The inspection reports that the WWTP is in good condition and well-managed. Recommendations included updating an expired operator certificate and keeping the Water Board informed about duplicate laboratory sample results to verify the accuracy of external lab findings.
- The SWRCB website shows 41 SSOs with a total volume spill of 1,545 gallons of which 720 gallons or 46 percent were recovered and only four percent reached surface water.
- The previous MSR indicated that District faced challenges with effluent quality limits and incurred penalties. The District reports that these issues have been resolved, having settled a $3,000 fine and upgraded to UV and tertiary treatment systems, which led to most fines being waived. The SWRCB's website confirms that there was a formal enforcement order effective November 13, 2020, which pertains to the settlement agreement and stipulation for penalties between the District and the Lahontan Water Board.
- The SWRCB website lists three informal enforcement actions: two staff enforcement letters issued in 2023 and 2024, and one oral communication issued in 2024. Details on these informal actions were not provided.
- According to the SWRCB's website, SSD had 12 violations in recent years. Two of these were in 2023, due to the District's laboratory failing consecutive Environmental Laboratory Accreditation Program (ELAP) proficiency tests for TDS and Electrical Conductivity. As a result, the lab was suspended, and an external laboratory is handling these parameters until the tests are passed. In 2024, the SWRCB reported ten additional violations, mainly due to frequent exceedances of total coliform levels, Biochemical Oxygen Demand (BOD) issues, and a missed TDS sample for February, which was corrected for March. These problems were largely due to external laboratory errors. The water board plans to conduct proficiency testing to reinstate the SSD lab and address these compliance issues.
- Currently, capital improvement projects are identified in the District's annual budget. As recommended in the previous MSRs, the District should update its master plan every five years or adopt a capital improvement plan where rehabilitation, replacement, and expansion needs are identified for the long term, and the District can budget accordingly.

- The District is updating its Wastewater Master Plan, which was last revised in 1992. With a grant from the SWRCB and in partnership with Pace Engineering, the District is conducting a plant upgrade study expected to be completed by October 31, 2025. After this study, a new Master Plan will be developed. In July 2024, the District's board approved issuing an RFP to begin work on the new Master Plan by November 2024.

Financial Ability of Agencies to Provide Services

- SSD reports that current financing levels are adequate to deliver services. However, the District experienced very little or no increase in revenue in the last few years, mostly attributable to a poor economy and little new construction resulting in few new sewer service connections.
- The District reports that the most recent sewer service rate increases in 2016 have sufficed revenue needs to the present, however, as of current there are capital improvement needs and an additional employee need.
- The District's rate study, initially expected to be adopted in July 2024, has been delayed due to the loss of SWRCB funding. The new estimated completion date is now in 2025, with a specific date yet to be determined.

Status of, and Opportunities for, Shared Facilities

- The District occasionally shares equipment with the City of Susanville but does not engage in broader facility sharing with other agencies. Due to topographical challenges and the design of wastewater systems in Lassen County, sharing facilities like lift stations and wastewater collection infrastructure is impractical. While sharing office space, corporation yards, and specialized equipment may be feasible, the District has not identified any such opportunities.

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

- It was recommended in the previous MSR that SSD develop a website. The District now maintains a website where several documents including annual budgets, agendas, minutes,

financial transaction reports, and compensation reports are made available to the public to enhance transparency and accountability.

- The District demonstrated transparency when sharing information to create this report.

12. SPHERE OF INFLUENCE UPDATE

Existing Sphere of Influence Boundary

SSD's 2013 SOI includes a short-term and a long-term sphere horizon. The short-term SOI includes the Susanville, Richmond/Gold Run, and Johnstonville Area Plans territory designated estate, rural residential, or other urban designations, lands designated by the County as urban reserve within the City of Susanville's SOI northeast of the City, lands south and southeast of the City of Susanville generally north of Sierra Road, land west of the City along SR 36 designated as upland conservation. The long-term SOI includes lands along Richmond, Gold Run, and Wingfield Roads south of the City of Susanville.

In 2017, the City of Susanville adopted an SOI resolution that was similar to that of the Susanville Sanitary District. Most annexations to the City would be processed concurrently with an annexation to the SSD including new developments needing access to wastewater collection and treatment services. In addition, annexations to SSD would be concurrent with an annexation to the City of Susanville so new development would be built to City standards and have other City services.

Not all City annexations would concurrently require annexation to the Sanitary District, for example, existing developed areas or structures having functioning septic systems or open space uses not needing immediate wastewater services could be annexed to the City without concurrent annexation to the Sanitary District. This was a recommended option which was also said to afford the city with the ability to comment on county planning and development within the sphere and would encourage a comprehensive updated joint city-county planning effort, which has not taken place since December 1984.[53]

The City's current SOI is generally consistent with SSD's 2013 SOI with the exception of two areas. The City of Susanville's current SOI excludes the 80-acre Bartley Williamson Act parcel located on the eastern boundary while the SSD near term or 10-year SOI includes the area. [54] Additionally, although both the District's and City's SOI include the Johnstonville area plan in the southeast particularly due to the Johnstonville area experiencing significant septic problems, the District's long-term sphere extends further on to the Johnstonville community.

[53] Lassen LAFCo City of Susanville Adopted Res 2017-0002 Sphere of Influence December 11, 2017. p.7.
[54] Enacted in 1965, the Williamson Act or the California Land Conservation Act is the state's premier agricultural land protection program.

SOI Options

Option #1 – Transition From Short-term and Long-term Spheres

This option recommends transitioning from having two term SOIs for SSD and adopting an SOI that encompasses both the existing near-term and long term SOIs. This is largely recommended because the District's SOI was adopted and last updated in 2013 and that an updated SOI would allow for a review of projections of development with no need for adjustment of the SOIs if previous short-term projections were inaccurate.

Additionally, although Lassen LAFCO policies indicate that annexations must be consistent with the existing SOI, it does not specify prioritizing annexations of properties within the designated near-term SOI versus long-term SOI.[55] Therefore, combining the two existing near-term and long-term SOIs into a single SOI will be in compliance with Lassen LAFCO policies.

Option #2 – SOI reduction to exclude the Johnstonville Community

Given that the area in the District's long-term SOI is outside of the City's planned future growth area and long-term SOI, this area will likely not require wastewater services or the next two decades, except in the case of a serious environmental issue. An option is to remove this area from the District's SOI to indicate that LAFCo does not anticipate growth in these areas. Should an environmental issue arise, then the SOI may be appropriately adjusted at that time.

SSD considers the adopted short-term SOI appropriate, particularly given that the Johnstonville area is experiencing significant septic problems and has the potential to annex to the District in the short-term. The long-term SOI consists primarily of rental properties, a golf course and several developed properties with their own septic systems. These property owners may desire to connect to the District's system but have not taken any steps towards annexation due to financial constraints. The District believes that it will not likely start serving the long-term SOI area, except in the case of serious environmental issues.

Option #3 – Retain existing SOI

The Commission may wish to retain the existing SOI for the next three years to gauge the economic recovery and amount of development that is likely to occur over the next 10 to 20

[55] Lassen LAFCO Updated Policies, Standards and Procedures. P.31. Adopted August 10, 2020.

years. This option would allow the Commission to retain all areas in SSDs existing SOI, should an environmental need present itself that requires a community to the District's sewer system.

Recommended Sphere of Influence Boundary

It is recommended that the Commission adopt Option #1 and transition away from two existing SOIs (near-term and long-term) onto one.